FERALPI GROUP®

YEAR 2022 Voluntary Consolidated Non-Financial Statement

WE ARE A GLOBAL PLAYER, AN ORGANISATION FULL OF PASSIONATE PEOPLE, A STEEL COMMUNITY.

Our Group is a major steel manufacturer in Europe, but this isn't the achievement we're most proud of. The push for innovation, the trust of our partners, the knowledge of our people, the R&D projects to achieve maximum efficiency, and development towards the circular economy - these are the elements that describe who we are and outline the path towards our current goals.

Voluntary Consolidated Non-Financial Statement

Year **2022**

FERALPI GROUP®

Index
Content map

Letter to stakeholders

Giuseppe Pasini
Chair Feralpi Group

Dear Stakeholders,

The year 2022 introduced unforeseen elements into our societal and economic structure. We managed to distance ourselves from an extensive pandemic phase, but concurrently witnessed a war erupting at Europe's core, between Russia and Ukraine, leading to social, geopolitical, and economic tensions.

Beyond the unacceptable human impact, supply chains also suffered, resulting in a shortage of raw materials and a shock to energy costs. Consequently, this situation triggered inflationary pressures and prompted restrictive monetary policies. Despite this context, economic activity at the European level rebounded significantly last year, only to decelerate in the final quarter due to a decline in consumption. The initial months of 2023 have eliminated the threat of an economic recession, suggesting a year in which moderate, yet possible, growth can still be achieved.

On the other hand, the enduring influence of human activities on the environment continues to serve as a persistent warning signal, with the imperative to combat climate change also summoning businesses to contribute to the effort.

The European steel industry is strongly committed to reducing its carbon footprint. Although it's considered a hard-to-abate sector, it also stands as the world's largest circular economy mechanism, capable of reclaiming and reintroducing millions of tonnes of scrap back into the production cycle. The industry has the potential to significantly enhance its Environmental, Social, and Governance (ESG) impacts through decarbonisation strategies. These strategies can rejuvenate value chains by providing products and solutions with a reduced environmental footprint.

We are aware that it is our responsibility to produce the best steel for construction and mechanical engineering with the smallest possible impact. However, this alone is insufficient. Central tenets underpin the purpose of our Group: contributing to the economic and social progress of communities, enhancing the region, and ensuring the safety and well-being of our people by progressing towards more inclusive development models.

This unique feature differentiates us. We have desired it, designed it, measured it, and ultimately, shared it in this document. We have incorporated an ESG Strategy into our development plans, establishing clear objectives that outline the path not only towards a progressively smaller carbon footprint, but also towards a Group that prioritizes people, starting with the younger generations.

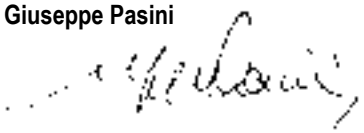
In alignment with European directives, we are dedicated to persistently reducing both direct and indirect emissions, to the extent that current technologies permit.
The implementation of new circular models, along with investments to electrify processes, to generate renewable energies independently, and to substitute fossil fuels wherever feasible, supports this commitment.

We are encountering a new paradigm where technologies serve as the conduit for change, but it's ultimately people who fuel the engine with their vision, energy, and skills. Feralpi's value and strength lie precisely in its people. Without our employees, we wouldn't have been able to attain the results presented in this document.

We have made significant progress, yet there is much more to accomplish. Inspired by our past and driven by our vision, commitment, and consistency, we relentlessly pursue continuous improvement.

Enjoy the reading.

Giuseppe Pasini



Highlights 2022

Financial and economic

2,398,071 _revenues 2022

(€/1000)

+24.4% compared to 2021

+93.6% compared to 2020

Production and innovation

2,445,872 t _steel product 2022

-6.42% compared to 2021

-1.21% compared to 2020

Sales revenue by area of destination

Italy	_ 36.76%
Germany	_ 32.37%
Rest of EU	_ 22.53%
Rest of the world	_ 8.34%

116,909 (€/1,000) Group Technical Investments

over 25 Ongoing research projects

over 50 R&D project partners

Global gross value added 2022

624 million €

+61.2% compared to 2021

+254.4% compared to 2020

FT FINANCIAL TIMES statista CLIMATE LEADERS 2022 & 2023

CORRIERE DELLA SERA IN COLLABORAZIONE CON statista LE AZIENDE PIÙ ATTENTE AL CLIMA 2023

2022 Oscar di Bilancio 58ª EDIZIONE

Environmental

0.30 tCO_2/t finished product _emission intensity

(Scope 1 and Scope 2 according to location-based method) for hot processing

2021 **0.30 tCO_2/t***

2020 **0.32 tCO_2/t***

499,037 tCO_2eq _indirect emissions

Scope 2 (Category 2 - ISO 14064-1) derived from electricity (according to the location-based method)

-4.48% compared to 2021

-7.39% compared to 2020

Energy intensity per t of product (specifically billet)

2022 **2.02 GJ/t**

2021 2.02 GJ/t

2020 1.96 GJ/t

Waste for Recovery, Recycling and Reuse on total waste generated by steel processing**

2022 **472,250 t (88%)**

2021 89%

2020 80%

96% _minimum recycled content

Social

1,856 _people

of which **94%** permanent

Rate of new hires

2022 **14.4%**

2021 **14.1%**

2020 **12.5%**

Training

43,987 hours_training 2022

+77.2% compared to 2021

+152.8% compared to 2020

2022 **24 hours of training per capita**

2021 14

2020 10

over 250 hours training on D&I issues

Total accidents at work rate***

2022 **16.45 per million hours worked**

2021 21.61

2020 25.84

3.6 mln € _Group's contribution to the territory

25% turnover 2022 attributed to local suppliers

* Finished product.

** This figure does not include waste from Ecoeternit.

*** Considering only employees.

Methodological Note

[GRI Information 2-1, 2-2, 2-3, 2-4, 2-5, 2-14]

The name of the organisation reported is Feralpi Group, which comprises all the companies controlled by the parent company Feralpi Holding S.p.A., which owns the operating subsidiaries and investee companies, also through the use of sub-holdings, according to a sectorial logic[1]. Feralpi Holding S.p.A. has its registered office in Brescia, via Aurelio Saffi, 15 and administrative office in Lonato del Garda, BS, via Carlo Nicola Pasini, 11.

This document represents the **fourth Consolidated Voluntary Non-Financial Statement** (hereinafter "NFS") of Feralpi Group. The data and information in this document refer to the financial year 2022 (from 1 January 2022 to 31 December 2022). The publication frequency of the NFS is **annual**. The last NFS of the Group was made available in June 2021.

The document was prepared in accordance with *Articles 4 and 7* of **Legislative Decree 254/2016** on the voluntary reporting of non-financial information and in **accordance with** the reporting requirements and principles of the **GRI Reporting Standards**. The document incorporates the October 2021 revision of the **GRI Universal Standards**, effective for reporting from 1 January 2023. The contents of the material topics have been prepared in accordance with the 2016 GRI Standards, with the exception of the following:

- GRI 303 (Water and Water Discharge) and GRI 403 (Occupational Health and Safety) published in 2018.
- GRI 207 (Taxes) published in 2019.
- GRI 306 (Waste) published in 2020.

The structure of the 2022 document mirrors that of the previous year, aiming to maintain comparability and continuity. The scope of the report coincides with that of the Feralpi Group's Consolidated Financial Statements at 31 December 2022. Compared to 2021, the reporting boundary for economic, environmental, and social indicators has been adjusted as follows:

- the *inclusion of Industria de Expositores y Parrilla* and *Wire* (forming the Saexpa Group) and *P.R. Soldadura*, following their acquisition in April 2022. Therefore, the figures for these companies refer to the period from April to December 2022.
- the reporting of *MPL's* data for the period January - October 2022, owing to its sale in October 2022.

Within the 2022 NFS, for purposes beyond compliance with the requirements of Legislative Decree 254/2016, the Group has integrated additional KPIs specific to the sector in which it operates, taking into account the indicators published by the Sustainability Accounting Standards Board (SASB). These indicators are clearly identified in the table on page 130 and should be considered supplementary to the disclosure prepared in accordance with the GRI Standards to meet the requirements of Articles 3 and 4 of Legislative Decree 254/16.

Information on *Feralpi Power On* and *Feralpi Villasor*, entities in the renewable and non-renewable energy generation business, is reported in qualitative form as they lack production facilities and personnel.

[1] The complete list of companies and locations reported can be found in Section 1.1.1 - *Group Locations of this document.*

The consolidation criteria include all subsidiaries and exclude associated companies. As for 2021, *Co.ge.me Steel S.r.l.* and *Nuova Cogeme S.r.l.* (the latter in voluntary liquidation from May 2020), are included in the scope limited to economic data, as they have no employees. The legal entity *Fer-Par S.r.l.* is included in the scope limited to economic data and some social aspects related to governance.

For environmental indicators, in addition to the four largest operating companies, Feralpi Siderurgica S.p.A. with Feralpi Holding S.p.A, located in the municipality of Lonato del Garda (BS), Acciaierie di Calvisano S.p.A. in the municipality of Viadana di Calvisano (BS), Arlenico S.p.A. with Caleotto S.p.A. in the municipality of Lecco (LC), ESF Elbe-Stahlwerke Feralpi GmbH with Feralpi Stahlhandel GmbH and Feralpi-Logistik GmbH in the municipality of Riesa, Saxony, the significant environmental indicators of the production units in Italy of Alzate Brianza (CO), Anzano al Parco (CO), Borgaro Torinese (TO), Nave (BS), Pomezia (Rome), Rivoli (TO), in France in Saint-Soupplets, in the Czech Republic in Kralupy and in Hungary in Czepel, and in Spain in Barcelona and Girona, are collected despite their low significance in terms of environmental impact. The environmental data of companies that have no production facilities and less than 15 employees and the data of the companies Faeco Ambiente S.r.l. and Eco-Trading S.r.l. are not included in the report because they are inactive, have no directly employed staff, and no management model, risk analysis or specific procedures.

Regarding Ecoeternit S.r.l., which operates a production unit in Montichiari (BS) and whose business is distinct from that of the aforementioned companies, the Group reports the most significant environmental data.

There was no revision of the information presented in previous reporting periods.

The report uses the following terms:
- The term **Feralpi Group**, **Feralpi** or **Group**, refers to the group as a whole that comprises the perimeter of the Consolidated Financial Statements of the Parent Company Feralpi Holding;
- The term **Feralpi Siderurgica** refers to all activities located at the Lonato del Garda plant;
- The term **Acciaierie di Calvisano** refers to all activities located in the Calvisano plant;
- The term **Arlenico** refers to all activities located in the Lecco plant;
- The term **FERALPI STAHL** covers all activities at the Riesa, Kralupy and Csepel plants.

The content of this NFS was approved by the Board of Directors of Feralpi Holding on 16 May 2023 and submitted to the Shareholders' Meeting together with the Consolidated Financial Statements for their approval and subsequent publication. This NFS was published in July 2023.

As with previous editions, by decision of Feralpi Holding's Board of Directors, the company has submitted this Non-Financial Statement (NFS) to the audit of a prominent independent firm.

Quantitative indicators that do not relate to any general or topic-specific disclosures of the GRI Standards, which are reported on the pages indicated in the Content Index, are not subject to limited review by EY S.p.A.

The document can be found in the *Innovation and Future* section of **www.feralpigroup.com.** For further information on the NFS, please contact **sustainability@it.feralpigroup.com.**

1
Feralpi Group


FERALPI GROUP
IL NOSTRO SUPPORTO PER LA CULTURA

1.1.

The present and future development of the Group

1.1.1. Group Offices

Special steels

Italy

Acciaierie di Calvisano Calvisano, Brescia	Production of steel billets, mainly for quality steel.
Caleotto Lecco, Como	Marketing of quality steel wire rod.
Arlenico Lecco	Production of quality steel wire rod for Caleotto.

Renewable energies

Italia

Feralpi Power-On Lonato del Garda, Brescia	Development and operation of power generation plants mainly from renewable sources *(from January 2022).*

Included in the perimeter but not shown on the map are Ecoeternit, Faeco-Ambiente, Eco-Trading, Co.ge.me, Nuova Cogeme and Feralpi Villasor S.r.l., a wholly-owned subsidiary of Feralpi Power On. For further details, please refer to the Methodological Note.

Placeholder Map - Reference Markets

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

Steel for construction and industry

Italy

Feralpi Holding Lonato del Garda, Brescia	Parent company owning the operating subsidiaries and investee companies. Service provider.
Feralpi Siderurgica Lonato del Garda, Brescia	Production of steel billets, reinforcing steel in bars and coils, smooth and ribbed wire rod, recoiled wire, drawn wire and welded mesh.
Nuova Defim Orsogril Anzano del Parco Alzate Brianza, Como	Production of electrowelded mesh, gratings, fences.
Presider Borgaro Torinese, Turin Nave, Brescia Pomezia, Rome	Preshaping and assembly of reinforcing steel in bars and coils for construction companies and manufacturers of prefabricated reinforced concrete elements.
Metallurgica Piemontese Lavorazioni (MPL) Rivoli, Turin	Beam and angle processing service centre for the metal carpentry sector (sold in October 2022).

Germany

ESF Elbe-Stahlwerke Feralpi GmbH Riesa	Production of steel in billets, reinforcing bars and coils, plain and ribbed wire rod, coiled, drawn and welded wire mesh.
Feralpi Stahlhandel GmbH Riesa	Commercial services.
Feralpi-Logistik GmbH Riesa	Logistics services.

Czech Republic

Feralpi-Praha s.r.o. Kralupy	Production and trade of electrowelded mesh, drawn wire in coils and bars.

Hungary

Feralpi-Hungaria Kft. Budapest	Production and trade of electrowelded mesh and derivatives.

France

Presider Armatures Saint-Soupplets, Paris	Pre-shaping and assembling of reinforcing steel in bars and coils for construction companies and manufacturers of prefabricated reinforced concrete elements.

Spain

Gruppo Saexpa e P.R. Soldadura Barcelona, Ripoll	Wire and strip processing for the logistics world *(from April 2022).*

Algeria

Feralpi Algérie Oran	Commercial services.

FERALPI STAHL

Timeline

1968 Foundation

1972 Acciaierie di Calvisano is born

1992 ▪ Establishment of ESF Elbe-Stahlwerke Feralpi GmbH ▪ Start of operations in Hungary and the Czech Republic

2002 Foundation of EDF Elbe-Drahtwerke Feralpi GmbH

2003 Implementation of the Environmental Management System in Siderurgica

2004 ▪ Feralpi Holding is founded ▪ First Group Sustainability Report

2006 First corporate climate survey

2008 Foundation of Feralpi-Logistik GmbH

2009 Acquisition New Defim

2010 Foundation of the FERALPI STAHL brand

2011 EPD *(Environmental Product Declaration)* for hot and cold rolled structural steels

2012 ▪ Acquisition of Orsogril ▪ First Environmental Declaration for ESF Elbe-Stahlwerke Feralpi GmbH, validation and registration in the European EMAS register

2013 ▪ Foundation of Feralpi Algérie ▪ Susteel certification for Feralpi Siderurgica

2014 ▪ Partial acquisition of Caleotto ▪ Environmental Statement for Feralpi Siderurgica, validation and registration in the European EMAS register

2015 Partial acquisition of Presider and MPL

2016 Acquisition of the production plant in Nave (BS)

2017 Acquisition of MPL and Presider with Presider Armatures

2018 Integrated Management System (Environment, Quality and Energy) at ESF Elbe-Stahlwerke Feralpi GmbH

2019 ▪ Merger of EDF Elbe-Drahtwerke GmbH into ESF Elbe-Stahlwerke Feralpi GmbH ▪ First Consolidated Voluntary Non-Financial Statement (NFS) ▪ Environmental Product Declaration EPD for GreenStone product ▪ Connection and activation of the heat recovery system of the Lonato plant to feed the local district heating network

2020 ▪ Acquisition of Caleotto ▪ Integrated Management System (Environment, Safety and Energy) in Feralpi Siderurgica

2021 First Circular economy-linked interest rate swap signed, a first in the Italian market

2022 **▪ Birth of Feralpi Power On ▪ Acquisition of the Saexpa Group and P.D. Soldadura ▪ Financial Times Climate Leader Award 2022 ▪ Oscar di Bilancio Award 2022 for Large Unlisted Companies**

1.1.2. History of Feralpi Group

Feralpi Group is among the leading steel producers[2] in Europe, specializing in the production of steels for construction and unique applications for both civil and industrial use. Established in Lonato del Garda in 1968, Feralpi is now a diversified, vertically integrated international group that produces over two and a half million tonnes of steel and rolled products annually. Feralpi has offices and plants in **six European Union countries** and in **Algeria**. Emerging from the tradition of steelmaking, the business has evolved through both upstream and downstream vertical integrations, fostering synergies within the Group and adopting an organizational model that includes **three divisions**: *Construction Steels*, *Special and Diversified Steels*, and *Renewable Energies*. These three divisions are further divided into specific business units based on geographic perimeter and product type.

Mission

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

Vision

To produce and grow while respecting people and the environment.

Value Proposition

To produce the best steel for construction and mechanics in the most sustainable way possible, contributing to the economic and social progress of the community, enhancing the territory, and promoting the well-being of workers. We commit ourselves to transitioning towards more inclusive, efficient development models with a smaller environmental impact.

[2] Industry classification based on the most common classification systems: Metal Processing - GRI; Steel (15104050) - GICS; Iron and Steel (55102010) - ICB; Manufacture of basic Iron and Steel (2410) - ISIC; Iron & Steel Producers (EM-IS) - SICS.

Strategic foundations

Feralpi's strategy focuses on **decarbonisation** and **digitalisation in order** to strengthen its competitive advantage and leadership in its reference markets and to improve the environmental and social impact of its activities. The primary objective is to foster growth and secure a **prosperous future** for the Group's shareholders, employees, customers, and the deeply-rooted communities we serve. The strategy is founded on five pillars that inform the development of the Group's industrial plan: Vertical Integration and Diversification (Core Business Enhancement); Internationalization; Sustainability; Innovation.

01.
Verticalisation through the consolidation of downstream processes and presence at several level in the supply chain to engage with end customers.

02.
Diversification by entering new target markets for new products.

03.
Internationalisation thanks to the further expansion of foreign markets.

04.
Sustainability by creating value for stakeholders, reducing environmental impact and engaging with the community.

05.
Product innovation through process research and development, and an ongoing focus on product quality.

1.1.3. Future evolution

Approved in October 2022, a project to restructure the Group was set into motion, targeting three key objectives:

- establish a leaner corporate structure;
- strengthen corporate governance;
- improve the accessibility and transparency of the core steel business strategy and the results of various activities.

This operation was thus designed to rationalize both the Group's organizational structure and its governance. It was carried out in several stages, culminating in a reorganization that led to the formation of two distinct groups.

The first, focused on the core-business of steel (**Feralpi Siderurgica Group**), with Feralpi Siderurgica S.p.A. playing the dual role of industrial production company (at the Lonato production site) and sub-holding company of the strategic steel sector. The second (**Feralpi Farm group**) includes all the holdings in the other businesses and in companies that, although related to the steel sector, are not considered strictly strategic to growth and development plans.

Feralpi Siderurgica S.p.A.'s new growth cycle will focus on strengthening its **strategy and business plan** to maximize competitiveness in its target markets, developing an optimal **energy strategy**, and presenting a **Green commercial offering** in line with market evolution.

Given these changes, the forthcoming Non-Financial Statement (FY 2023) will pertain to the scope of the **Feralpi Siderurgica Group**, providing a comprehensive and detailed depiction of the impacts and opportunities associated with the new strategies and initiatives implemented by the company in the steel sector concerning environmental, social, and governance (ESG) aspects.

1.2.

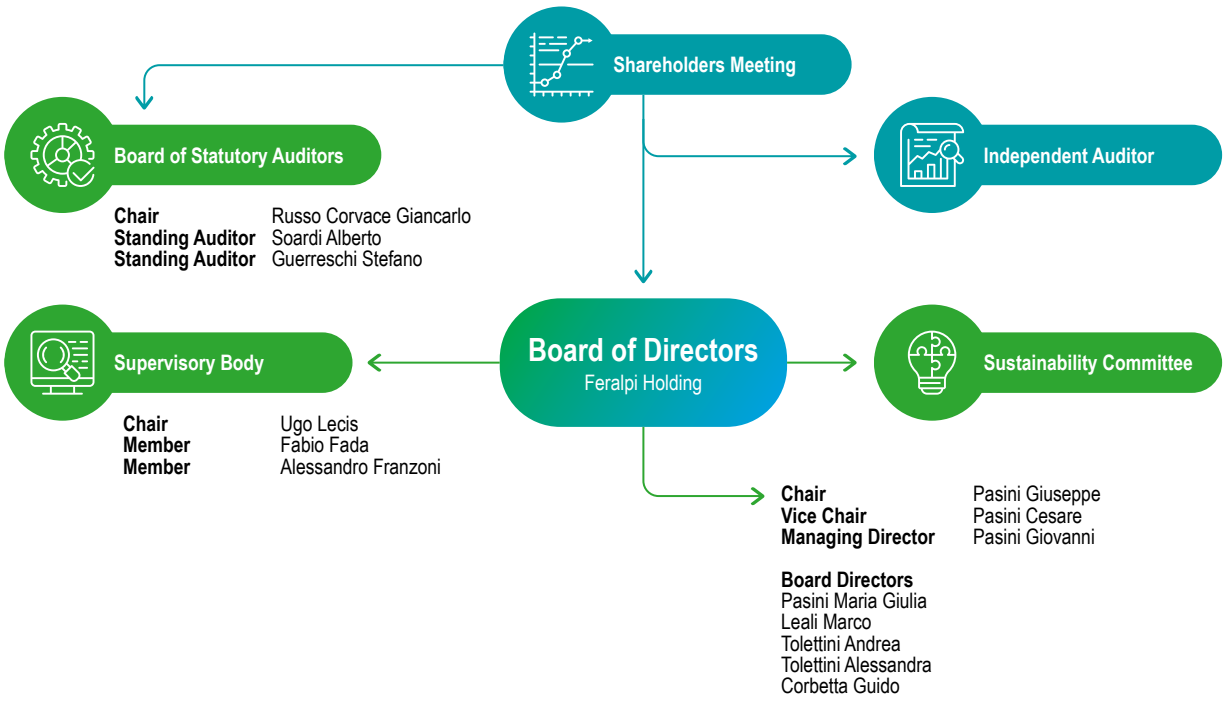
Governance and organisational structure

1.2.1. Organisational Model

Feralpi Holding is governed by a stable family shareholder structure and follows a traditional governance model with corporate bodies represented by the Shareholders' Meeting, the Feralpi Holding Board of Directors (BoD), and the Board of Statutory Auditors. Audit responsibilities are assigned to a prominent external firm.

The Board of Directors, consisting of eight members, exclusively handles the company's ordinary and extraordinary management. The board elects the Chairman, who has operational powers, the Vice Chairman, and the Managing Director. Serving a **three-year term** (due for renewal and budget approval in 2023), the BoD meets **monthly**. Members are chosen based on skills and experience in the company through informal procedures built on fiduciary relationships among shareholders. All shareholders, including minority shareholders, are currently engaged in the nomination and selection process of members. All shareholders, including minority shareholders, are currently involved in the process of nominating and selecting members. With an ongoing governance reorganization (refer to section *1.1.3 - Future Developments*) to adapt to new market challenges and ensure sustainable growth, the Group aims to more effectively

Governance Bodies (Feralpi Holding)



integrate diversity, independence, and ESG competence criteria. Currently, these criteria are met with the inclusion of two women, one independent member, and one member equipped with the requisite skills to address the company's most material ESG issues. The Board of Directors' members also hold positions in other companies where the Feralpi Group has investments, as well as in companies outside the Group. As of now, no significant stakeholders for the organization serve on the Board of Directors. The remuneration for board members is predominantly based on a **fixed component**. In 2022, in line with the evolution of corporate governance, a minor variable component was introduced, which is projected to become more significant in the upcoming years. Finally, a procedure for defining the rules regarding the remuneration of the members of the Board of Directors is in the process of being established.

The **Board of Directors** appoints both the Supervisory Board (SB) and the Sustainability Management Committee. The latter is led by the Chairman of the Board of Directors of the Holding, who personally contributes to the integration of the **ESG (Environmental, Social and Governance) dimensions into the corporate mission**. The Board of Directors receives reports of critical issues from the work of the Supervisory Board and the Sustainability Committee, each for their respective functions. The Board of Directors elaborates the Group's **economic, social and environmental strategies**, also through the use of external opinions and specialised consultancy on the international market[3]. In order to avoid risks related to potential conflicts of interest, matters concerning the extraordinary management of the company are always referred, also through recorded documentation, to the Board of Directors for approval and resolution.

The **Board of Statutory Auditors** consists of three members and is assisted by a secretary. Their appointment falls under the responsibility of the Shareholders' Meeting. The Board of Statutory Auditors ensures adherence to the law and the Articles of Association and promotes compliance with the principles of proper administration, along with laws and regulations in general, on a daily basis.

Composition of the Board of Directors of Feralpi Holding

(GRI 405-1)

	WOMEN	MEN	TOTAL
BOARD MEMBERS	**2**	**6**	**8**
Non-executive members	2	4	**6**
Executive Members	0	2	**2**
Members with a requirement of independence	0	1	**1**
Members belonging to underrepresented social groups	0	0	**0**

[3] The Sustainability Governance is described in detail in Section 2.2 - *The Sustainability Strategy.*

Supervisory Bodies (SB)

The Supervisory Board is a collegial body comprising two or three members, one of whom is appointed as Chairman. The Chairman, in turn, receives reports of critical issues, adhering to the Management and Control Model established in accordance with Legislative Decree 231/2001 (Model 231). Contrary to the other plants, the Supervisory Bodies of Acciaierie di Calvisano and Nuova Defim are single-member bodies.
As of 31 December 2022, there are eight operational Supervisory Bodies: Feralpi Holding, Feralpi Siderurgica, Acciaierie di Calvisano, Nuova Defim, Fer-Par[4], Presider, Caleotto, and Arlenico. The Holding's Supervisory Board operates in collaboration with the Supervisory Boards of all the Group's Italian companies. For foreign companies, as Model 231 is not enforced, there are no Supervisory Bodies, and the control system is entrusted to the national legal framework and competent authorities, to which reports are submitted.

During the period under review, the Supervisory Bodies received no reports of violations concerning the Organizational Model or the Code of Ethics, whether related to specific corruption incidents or complaints regarding environmental, human rights, workplace health and safety, or privacy regulations.

1.2.2. Code of Ethics and Management Models

Feralpi has an organisational and corporate governance model that assigns specific tasks and responsibilities to corporate governance bodies in order to integrate sustainability aspects into business processes and the business plan. The latest version of Feralpi Holding's Code of Ethics, approved in 2022, defines the company's ethical and social responsibilities - both internally and externally - and the values it embraces.
The document is publicly available on the Feralpi Group's website.

Organisation, Management and Control Model (MOG)

Every Italian company[5] in the Group operates under an **Organisation, Management and Control Model** pursuant to Article 6 of Legislative Decree 231/2001. Approved by the Board of Directors, the MOG ensures transparency and propriety by preventing the commission of offences through meticulous planning, self-monitoring, and continuous oversight of risk-prone areas conducted by the Supervisory Board. In 2022, Acciaierie di Calvisano's MOG was updated to comply with new regulations, while updates for Caleotto and Arlenico are anticipated in 2023.

Companies operating in Germany are regulated by the Company Constitution Act (BetrVG), which affirms the right to participate in decision-making processes through the works council. This corporate governance model involves employees and works councils, providing them with control and rights to information, consultation, and veto. Additionally, Feralpi has negotiated collective agreements with the IG Metall trade union in Germany.

[4] Fer-Par and Feralpi Profilati Nave continue to operate as legal entities, and the reporting of associated data includes only economic information. The Supervisory Board (OdV) at Fer-Par remained active until March 31, 2023, for specific aspects related to the Integrated Environmental Authorization (AIA).
[5] With the sole exclusion of Ecoeternit.

Antitrust Manual

Feralpi has prepared an **Antitrust Manual updated to 2022**, complete with an operational Vademecum containing **principles and guidelines** for personnel interacting with third parties. The antitrust programme is updated and implemented every two years, with annual training sessions and audits for personnel most exposed to risk. In 2022, **specific training was carried out for managers**. In Germany, ESF Elbe-Stahlwerke Feralpi GmbH actively participates in the **Wirtschaftsvereinigung Stahl** to ensure fair competition. The Group's other foreign subsidiaries adhere to Feralpi's principles and values and comply with local regulations.

In 2022, the Group fulfilled the payment of the EU Antitrust fine imposed in 1992 for events that took place between 1992 and 2000. The fine was recurrently paid and refunded following decisions made by the respective competent authorities at the applicable levels of jurisdiction.

Throughout the period of 2020-2022, aside from the aforementioned circumstances, no additional violations or sanctions related to this matter were incurred.

Whistleblowing

The Group's Italian companies with Model 231 have established procedures for managing reports of misconduct and irregularities. The remaining Group companies will be notified as per the organizational model update program. FERALPI STAHL, due to the intricacies of the German regulatory landscape, has not yet defined a reporting process. Germany has not fully ratified certain conventions on corruption, resulting in regulatory gaps, including the protection of whistleblowers. The safeguarding of whistleblowing employees is governed by various laws. In 2022, no reports were received by the oversight bodies regarding whistleblowing incidents. A regulatory adjustment mandated by the European Union is anticipated in 2023.

Managing and Fighting Corruption

The Group actively combats all forms of illegality and proactively prevents corruption offenses, fully adhering to current laws and national regulations. The Code of Ethics emphasizes the principles of **'Transparency', 'Truthfulness', 'Honesty'**, and sets the standard of conduct to be followed in interactions with the Public Administration. For Italian companies[5], specific references can be found in Model 231. Ecoeternit, in line with its size and specificity, operates in synergy with what is defined at Group level. There is also an internal procedure governing relations with the Public Administration for the companies directly involved, which also offer specific training programmes on the subject for sales personnel. Companies operating in Germany follow the requirements of the German law, which requires them to provide detailed information to the State on specific aspects potentially related to corruption and money laundering risks.

Feralpi applies the principle of dual control, which provides for cross-checks through the involvement of several people within the company. The fight against corruption also takes place in terms of the supply chain: the Group's suppliers are in fact invited to accept the Code of Ethics and the values expressed in it.

Privacy management

The increasing prevalence of cyber threats resulting from the rapid digitization drives Feralpi to continuously enhance its systems and establish internal procedures to ensure robust data management security. In compliance with European Regulation 2016/679 *(GDPR - General Data Protection Regulation)*, the Group maintains a steadfast focus on safeguarding personal data, overseen by the Group's *Data Protection Officer (DPO)*. The DPO collaborates with contacts in each operating company and directly coordinates with a local DPO for activities in Germany.

Feralpi implements additional technical and organizational security measures as needed and consistently monitors developments in European and Italian legislation, practices, and best practices in the field. After consolidating its security and data protection policies, including secure data deletion, equipment decommissioning, and management of system security update patches, with a specific emphasis on cybersecurity, Feralpi conducted an IT infrastructure mapping and developed a multi-year roadmap for the implementation of targeted measures. In 2022, Feralpi began the establishment of an updated and resilient information security organizational model.

As evidence of the Group's commitment, there were no reported complaints or privacy breaches by suppliers, customers or employees or third parties, nor any data breach events during 2022.

GROUP POLICIES		
ENVIRONMENTAL ASPECTS	Environment	Site specific policies
	Energy	
SOCIAL ASPECTS	Health and Safety	Site specific policies
	Staff	Group Policy absent
	Suppliers	Group Policy absent
	Quality	Group Policy for Italy only
	Cybersecurity	Group Policy in place
	Diversity	Group Policy in place
GOVERNANCE ASPECTS	Human Rights	Group Policy in place
	Antitrust	Group Policy in place
	Anticorruption	Group Policy absent
	Investments	Group Policy in place
	Privacy	Group Policy in place
EXTERNAL RELATIONS	Stakeholder Engagement	Group Policy in place
	Liberal Donations	Group Policy in place
	Social Media	Group Policy for Italy only

Updating Certifications

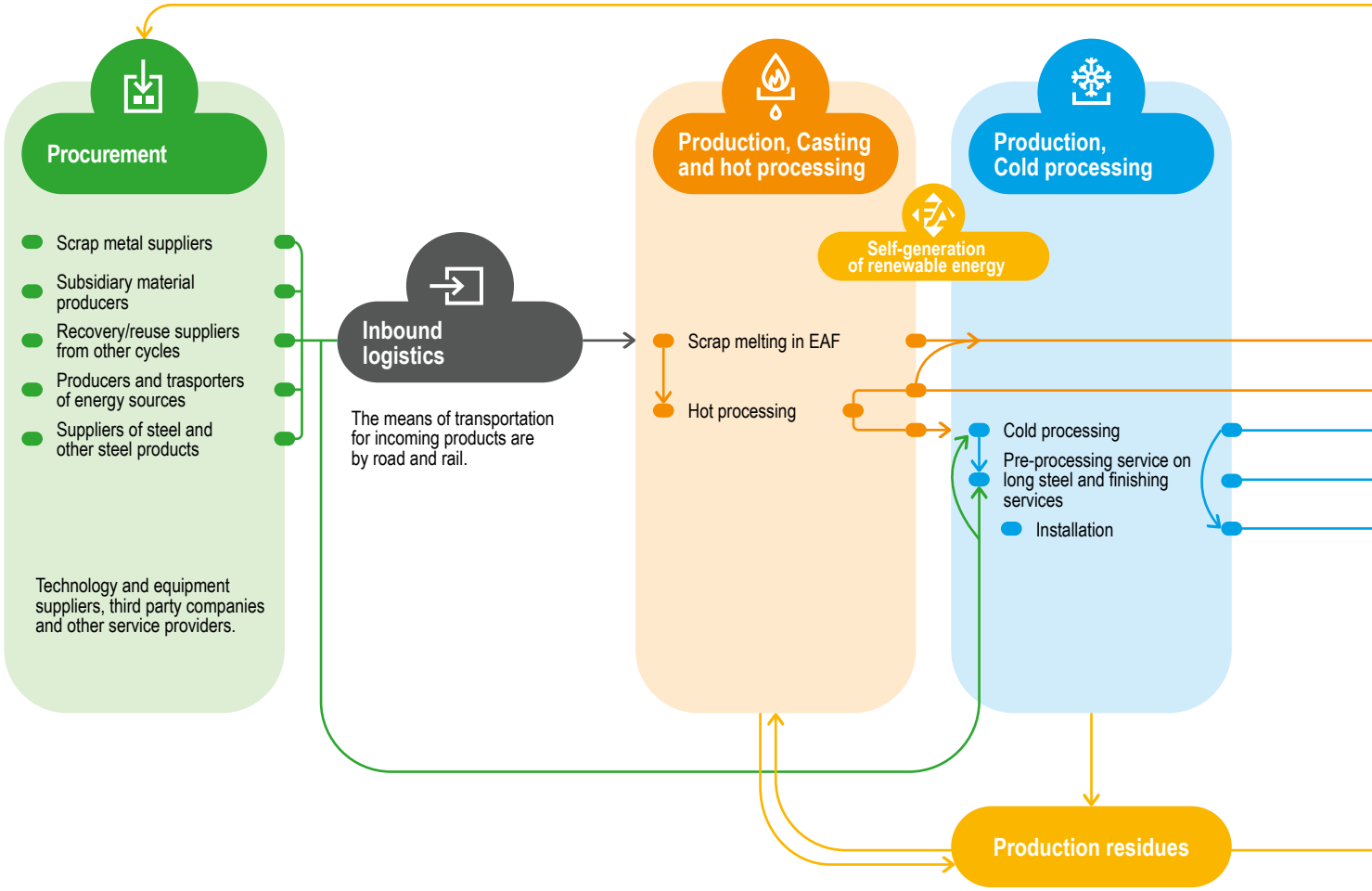
In 2022, the Calvisano plant obtained UNI EN ISO 50001 certification.
Feralpi Siderurgica, Acciaierie di Calvisano, and Caleotto obtained organization-level carbon footprint certifications (UNI EN ISO 14064) as well as product-level certifications (UNI EN ISO 14067). In 2023, the process will be initiated to obtain UNI EN ISO 14001 certification for Presider and Caleotto, EMAS registration for the Calvisano plant, and EPD (Environmental Product Declaration) for Caleotto.

ESF Elbe-Stahlwerke Feralpi GmbH is planning to obtain a certification for minimum recycled content and an Environmental Product Declaration (EPD). Additionally, a project has been launched to certify the Carbon Footprint of the Organization (CFO) and the Carbon Footprint of the Product (CFP) in accordance with ISO 14064-1:2018 and UNI EN ISO 14067:2018 respectively by 2023.

The up-to-date overview of system and product certifications for each Group company by 2022 can be found in the Appendix. → pp. 164-165

1.3.

The value chain: from raw material to products



PROCUREMENT

Suppliers constitute the foundational element in Feralpi's capacity to be a competitive player in the markets. On one hand, the Group's strategic pillar of diversification, and on the other hand, an escalating quest for circular solutions, have prompted the incorporation of new suppliers and novel raw material sources. Purchasing policies are shared by the **Group Purchasing Department** for the purchase of *ferrous scrap, refractories, ferroalloys, electrodes and equipment*. On the other hand, relations with *energy suppliers* are managed by the **Group Energy Department**.

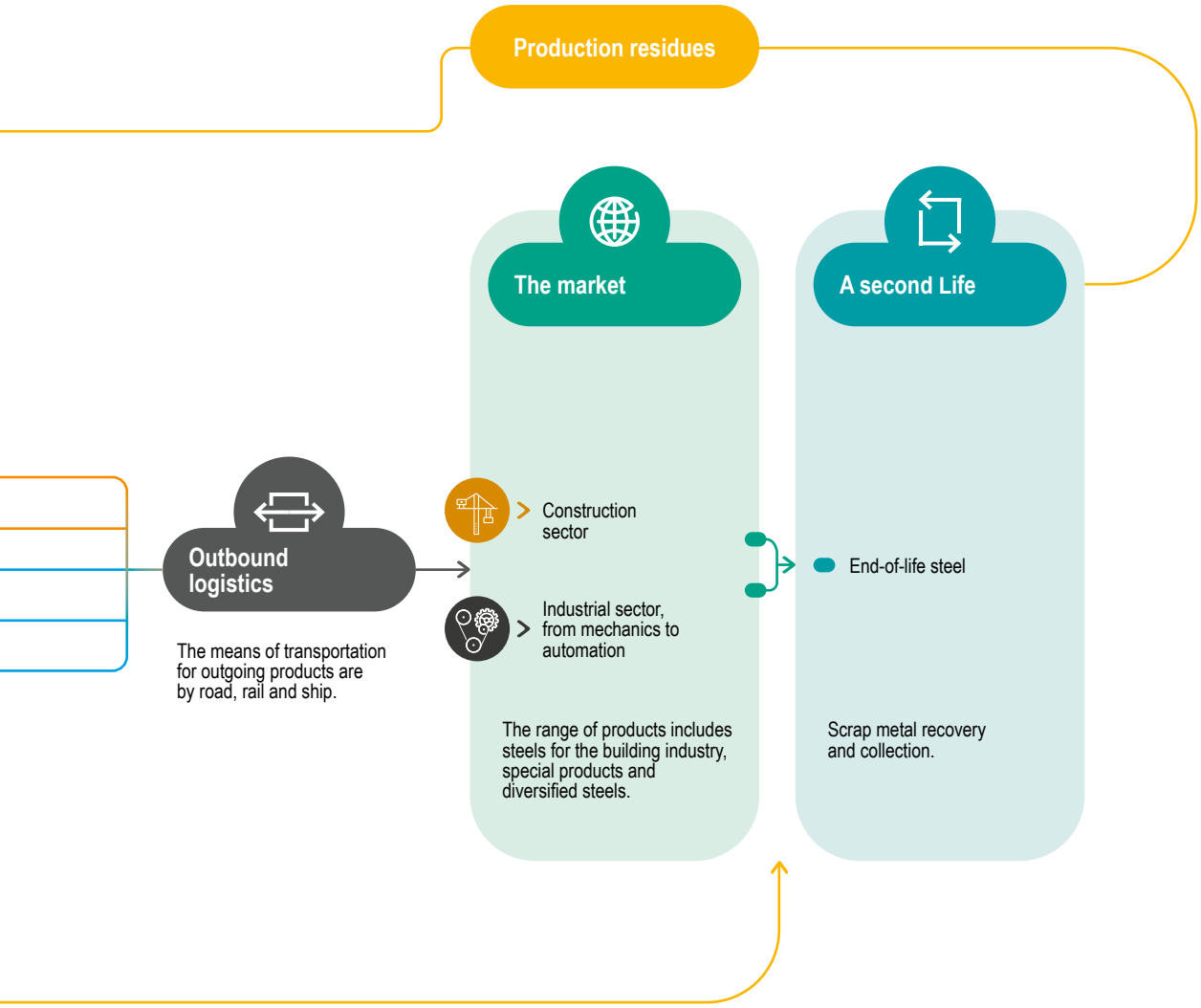
INBOUND LOGISTICS

Logistics operations are governed by internal procedures outlined in the Management Systems, which are categorized by plants and collaboratively managed, as needed, with the Group Purchasing function. The coordination of flows is effectively handled through dedicated software, ensuring traceability and the optimization of logistics operations.

HOT AND COLD PRODUCTION

Production operations are divided into three main stages: **melting**, **hot rolling**, and **cold rolling**. The plants, including Feralpi Siderurgica with two rolling mills and an outsourced cold transformation department, Acciaierie di Calvisano, and ESF Elbe-Stahlwerke Feralpi GmbH with a rolling mill, as well as a cold transformation and processing department, utilize **Electric Arc Furnace (EAF)** technology. This technology enables the melting of scrap metal and the transformation of it into billets, which are subsequently processed through the rolling mills and cold transformation departments for further production steps. The Arlenico plant has a reheating furnace for hot rolling, while those of Presider, Presider Armatures, Nuova Defim, Feralpi-Praha, Feralpi-Hungaria, the Saexpa Group and P.R. Soldadura are used for cold working[6].

[6] See the Group Locations map in section 1.1.1 for the geographical location of the plants.



Actors external and Feralpi Group

Actors external to the Feralpi

Actors external to the Feralpi

OUTBOUND LOGISTICS

Outbound logistics are managed and organised by customers themselves or directly by Feralpi Group plants through third-party suppliers.
In addition to the product sold, waste and by-products of production processes are also shipped to Feralpi Group steelworks or external companies. The choice of logistics responds to market logic and the presence or absence of alternative transport infrastructures to road transport.

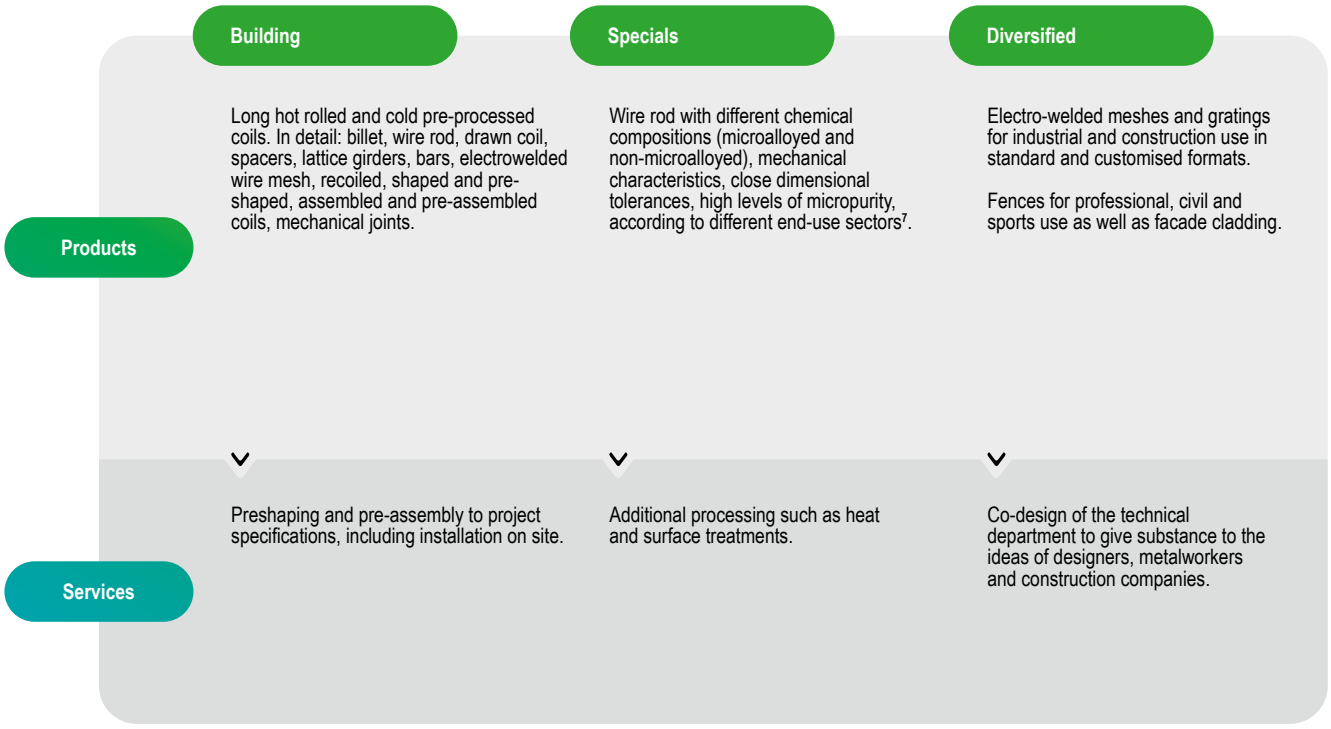
MARKET

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

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.

Products



Customers

Custom construction and machining suppliers

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

Distributors, processors, installers, *original equipment manufacturers,* and agricultural sector

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

Automotive, industrial processing and agricultural sector

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

[7] In detail: bolts and screws, special drawing (low, medium and high carbon content), springs, chains, structural and construction, high workability, case hardening, welding, hardening and tempering and tools.

1.4.

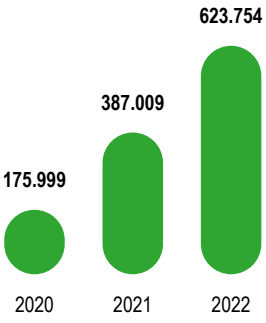
Economic Sustainability and Generated Value

1.4.1. Economic and Financial Performance of the Group

Added value is the wealth produced by Feralpi that is distributed to the various stakeholders - staff, lenders, public administration, the community - in different forms. In 2022 the global gross added value produced is EUR 624 million, while the net value for stakeholders amounts to EUR 565 million. The breakdown of the global net added value sees a higher concentration in capital strengthening (59%), followed by public administration (23%) and staff remuneration (17%). Lenders received EUR 3.2m, the community EUR 3.6m. Compared to 2021, the overall net added value increased by 68%. This significant growth was mainly driven by the sales price trend and was accompanied by a reduction in the quantities produced, but to a lesser extent than the European average. The Group has been able to pass on the increases in raw material costs downstream, resulting in revenues approaching 2.4 billion euros and generating strong margin growth. Depreciation expenses for 2022 have increased by approximately 16% compared to 2021, in line with the planned investment policies implemented during the course of 2022.

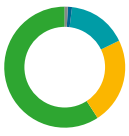
Global gross value added (in thousands of €)

(GRI 201-1)



Global net added value distribution to stakeholders

(GRI 201-1)



Employees	16%
Public Administration	23%
Business	59%
Financiers	1%
Community	1%

Adoption of IAS/ IFRS international accounting standards for the preparation of the consolidated financial statements of Feralpi Siderurgica S.p.A. and alignment to Best Practice

In April 2023, the Board of Directors of Feralpi Siderurgica S.p.A. resolved to adopt the transition to **IFRSs**, starting from the financial year ending 31 December 2022, for the preparation of the consolidated financial statements. The adoption of IFRS requires that the new accounting standards be adopted for the years 2021 and 2022 in order to have two homogenous and therefore comparable financial years. However, in order to have a longer period of comparison, the Company has represented the consolidated financial results for the periods 2020, 2021 and 2022. The adoption of IFRS allows for the best possible presentation to all current and potential stakeholders of financial information that meets internationally uniformly accepted criteria and will allow for **better integration** with the **European Sustainability Reporting Standards (ESRS)** and **IFRS Sustainability Disclosures**, **General (S1)** and **Climate-related (S2)** in the coming years.

In addition, the company has taken all necessary steps to reduce accounting closure times and limit financial reporting risk within the limits dictated by current regulations and international best practices through the adoption of an accounting closure process aligned with international best practices, the adoption of a Corporate Performance Management system supported by an IT control system, and the adoption of more stringent materiality thresholds.

1.4.2. Strategic Investments

Feralpi's investment activities are regulated by the **Investment Policy** approved in 2022. It provides guidelines to:

- properly manage investments;
- promote an economic-financial culture within the organization;
- provide training to all departments involved in investment project management;
- gradually align investment selection criteria with market standards, national and European guidelines, and the EU Taxonomy Regulation 2020/852.

Through its investment activities, Feralpi aims to develop a competitive strategy integrated with ESG (Environmental, Social and Governance) and risk management objectives, pursuing an adequate return on funding sources. Since every investment implies a multi-year commitment, it is essential to plan these commitments in a medium- to long-term perspective.

When planning, monitoring and implementing investment projects, Feralpi emphasises the environmental, social and human resources impact, as well as integration with corporate and sustainability objectives. At the same time, the company focuses on the quality of processes, products and services, increasing productivity, reducing costs and improving efficiency to generate economic value, always taking implementation times into account. To support the choice of investments, a sensitivity analysis is carried out, through which risks are examined, related impacts are assessed and possible prevention and mitigation actions are identified.

New Feralpi product: the spooler

The new product will be manufactured at the Feralpi Siderurgica and ESF Elbe-Stahlwerke Feralpi GmbH plants and will be accompanied by modern technology, efficiency gains and reduced environmental impact. These investments are aimed at guaranteeing the Group a growing presence in its reference markets and greater production and commercial flexibility, including through a high combination of roll diameters and weights. Production of the spooler requires the construction of a **new B rolling mill** at ESF Elbe-Stahlwerke Feralpi GmbH and envisages the use of **new induction furnaces** instead of the traditional methane furnaces. The investment is aimed at achieving the manufacture of a product with identical or even better thermo-mechanical characteristics than the existing product, combined with numerous environmental benefits, including zero energy consumption for reheating during plant downtime, elimination of flake formation during reheating, minimisation of scrap and maximisation of rolling mill utilisation. The product provides significant benefits to the Group's customers by increasing plant productivity, reducing scrap and optimising transport costs where applicable.

Rolling mill B at ESF Elbe-Stahlwerke Feralpi GmbH

Equipped with the best technologies for efficiency and quality enhancement, with a view to reducing environmental impacts and raising safety standards - it is aimed at achieving an increase in market share in Germany through the introduction of the 'spooler' product in the German market. This new product avoids cold processing, reduces production costs with higher quality and no direct emissions, thanks to inductive heating.
This also adds to energy and production efficiency, reducing costs and internal transport and creating new jobs.

Scrap yard at ESF Elbe-Stahlwerke GmbH

The investment, to be carried out in several stages, aims to increase the yield of scrap and related materials through proper sorting, cleaning and shredding of ferrous scrap. This intervention offers numerous benefits, including a better melting process resulting in improved product quality, reduced production costs and increased energy efficiency. These improvements result in increased production capacity, coupled with increased energy efficiency and reduced consumption of electrodes and ferroalloys.

Electrical substation

With plans to inaugurate a proprietary substation at Feralpi Stahl's plant by the end of 2023, ESF Elbe-Stahlwerke Feralpi GmbH will benefit from greater independence from the company that currently owns the substation. This transition will provide the necessary electrical power and reduce the costs associated with the transport of energy, favouring a more efficient and sustainable approach.

1.4.3. Funding for a green transition

Feralpi is dedicated to reducing its environmental impact and achieves this through the adoption of **green financial instruments** that integrate business development with environmental sustainability. Interactions with various financial institutions are built on a dialogue focused on:

- identifying the most appropriate solutions for financing investments in the business plan in terms of the size and duration of the financing lines;
- activating investments and use financing instruments that prioritise the aspects of sustainability, circularity and decarbonisation.

Feralpi's current financing includes:

- **Club Deal 2022 - Feralpi Siderurgica:** a **EUR 100 million** loan signed with a pool of institutions also intended to cover the Group's 2021-2025 investment plan, in order to finance strategic interventions in Italy aimed at implementing the ecological and energy transition, including through research, development and technological innovation projects relating to the implementation of circular and decarbonising industrial models. This financing sees an improvement in the margin sustained by Feralpi where the reduction in tonnes of CO_2 emitted per tonne of finished product is confirmed.
- **Club Deal 2021 - FERALPI STAHL:** a series of loans totalling **EUR 90 million** from Unicredit Bank AG and Bnp Paribas Niederlassung Deutschland on credit lines made available by KfW, Kreditanstalt für Wiederaufbau (equivalent to the Italian Cassa Depositi e Prestiti) to finance strategic projects. KfW granted an advantageous rate for investments with significantly lower CO_2 emissions than conventional technologies.
- **CE-linked Interest Rate Swap:** a loan in the amount of **EUR 40 million** signed with Intesa Sanpaolo. This is the first loan of its kind in the Italian market and provides for a commitment to a progressive reduction of Feralpi Siderurgica's environmental footprint through circular processes and energy transition. The financing also sees as KPIs for improvement for the Lonato del Garda plant the percentage

of waste recovered and disposed of out of total waste, the percentage of Italian scrap suppliers qualified according to ESG criteria (95.96% in 2022), and an update of the internal governance system in terms of **Model** 231.

- **Other loans** totalling **EUR 20 million** were signed in March 2023 with the banks Intesa Sanpaolo and Unicredit, which provide for advantageous conditions and an improvement in the company's margin upon the achievement of specific objectives related to ESG issues.

These financial instruments actively contribute to the attainment of the **objectives outlined in the 2030 Agenda**, specifically advancing *SDG 3* (good health and well-being), *SDG 8* (decent work and economic growth), *SDG 9* (industry, innovation, and infrastructure), *SDG 12* (responsible consumption and production), and *SDG 13* (climate action). By incentivizing the reduction of CO_2 emissions, adoption of circular processes, energy transition, enhancement of working conditions, and promotion of sustainable governance, they play a significant role in promoting sustainable development.

Public funding received from the government amounts to € 114,317,750.

1.4.4. Feralpi's Fiscal Responsibility

For a company, participating in the economic and social development of a country means not only investing in the territory and creating employment, but also contributing through tax payments. For years, the Group's Italian companies have adhered to the institution of national tax consolidation with regard to direct taxes and Group VAT. The individual companies operate in compliance with local tax regulations. The Group has not received any reminders from its stakeholders on tax matters. If there were any, they would be dealt with by the various corporate functions concerned. Feralpi provides the authorities in charge of controlling tax aspects with all the necessary information in terms of completeness, correctness and timeliness in line with the principles set out in the Group's Code of Ethics. The management of tax aspects is the responsibility of the Administration and Finance Department of the parent company, which plays the role of supervision, direction and coordination with regard to intragroup relations. Compliance responsibility, on the other hand, lies with the Administration and Finance Departments of each individual subsidiary. Tax-related risks are analysed and managed in accordance with the overall corporate model of Enterprise Risk Management. Please refer to the Appendix, section 'Economic Sustainability Indicators', for tax data. → page 141

1.4.5. Alignment with European Taxonomy (EU Reg. 2020/852)

Regulation (EU) 2020/852 (hereinafter also referred to as 'Taxonomy' or 'Taxonomy Regulation'), published on 22 June 2020 in the Official Journal of the European Union and entered into force on 12 July 2020, is part of the initiatives promoted by the European Commission to achieve the objectives of the European Green Deal and make Europe climate neutral by 2050.
The Regulation provides a classification system that defines which economic activities can be considered environmentally sustainable and, therefore, contribute substantially to the achievement of one of the following objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

The Regulation requires companies that are obliged to prepare a Non-Financial Declaration in line with Directive 2014/95/EU, to include within the document the share of turnover (Turnover), capital expenditure (CapEx) and operating expenditure (OpEx) associated with the activities considered eligible and aligned with the Taxonomy.

While the Feralpi Group is currently not obliged to report non-financial performance according to Legislative Decree 254/2016 (although it voluntarily prepares a Non-Financial Declaration), the Group has initiated the assessment of its economic activities to determine their eligibility and alignment with the European Taxonomy for the financial year 2022.

The information provided here includes both the **share of eligible and non-eligible activities**, and the share of **'taxonomy-aligned' (or 'aligned'[8])** activities, i.e. those eligible activities that meet the following criteria:

- meet **the substantial contribution criteria (SCC)** related to the identified economic activity;
- **do not cause significant harm (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 **minimum social safeguards (MS)**, recognising the importance of human rights and labour standards.

Performed Analyses

Building upon the efforts of the previous year, the Feralpi Group conducted an analysis of the descriptions of activities outlined in Annex I and Annex II of the Climate Regulation to assess the eligibility of its economic activities. In particular, the Feralpi Group is one of the leaders in the European steel market and specialises in the production of steels used in construction and for special civil and industrial applications: therefore, the associated prevalent economic activity is **3.9 Production of iron and steel**. Since there are still considerable uncertainties regarding the requirements and guidelines provided by the EU with respect to the inclusion or non-inclusion of certain activities of the steel sector within

[8] Taxonomy-aligned economic activity: an economic activity that meets the requirements of Article 3 of Regulation (EU) 2020/85.

the Taxonomy, the Group initially considered the possibility of following a dual approach: a more restrictive one, including only the activities that carry out the production of steel with an EAF furnace, and an inclusive one, which also takes into account the activities that carry out steel processing, although this second part is not effectively reflected (to date) in the technical criteria. Following internal evaluations and the sector benchmark, it was decided to consider as eligible activities not only those aimed at the production of steel, but also the subsequent processing phases only if the material used was sourced exclusively from companies within the Group. Such processing therefore includes the production and processing of electrowelded mesh, drawn products in coils, steel rods, bending and welding, in line with the NACE codes[9] listed in the Delegated Regulation of the Taxonomy (i.e. C24.1, C24.20, C24.31, C24.32, C24.33, C24.34, C24.51 and C24.52). On the basis of the above assessments, companies that procure mainly from third-party suppliers for all or most of their steel requirements were therefore excluded from the scope. In addition to the main economic activity related to the production of iron and steel, Feralpi carried out a complete assessment of all activities carried out by the Group in order to determine their eligibility. As a result of this analysis, the Group has identified the following eligible activities, in addition to that related to iron and steel production:

- **Activity 6.6 Freight transport services by road (climate change mitigation):** this activity is associated with the company Feralpi Logistik GmbH, which is the only company in the Group that deals with logistics and manages the company's road freight fleet;
- **Activity 7.7 Acquisition and ownership of buildings (climate change mitigation):** this activity is associated with the company Immobiliare Feralpi, the only company in the Group that deals with real estate and manages three factories.

The detailed perimeter of the Group's eligible assets is set out in the Appendix. → page 138

Alignment analysis

The methodological steps that were taken to assess the alignment of the activities previously identified as eligible with the Taxonomy are described below, i.e. the assessments made to understand whether the economic activities comply with the substantial contribution criteria, the Do Not Significant Harm criteria and the minimum safeguards. The Group is aware of the challenging objectives set by the EU Taxonomy legislation and the possible evolution of its application practices. Therefore, it is proposed to further refine the methodology adopted in the coming reporting years.

Analysis of substantive contribution criteria

Activity 3.9 - Iron and steel production

The analysis conducted by the Group shows that iron and steel production activities contribute significantly to the achievement of the climate change mitigation target based on the specific parameters defined in the Regulation. In particular, for iron and steel production activities, their alignment with both criteria a) and b) of Delegated Act I was assessed. On the basis of the data collected by the Group, it was found that, with regard to criterion a), the activities related to the Lonato and Riesa steel mills fall within the threshold limits (0.209 tCO_2 /tproduct), while Calvisano exceeds this threshold. As regards the ratio of steel scrap input from electric arc furnaces (EAF) to output product, it exceeds the threshold of 90% for the steel producing companies Feralpi Siderurgica, Acciaierie di Calvisano and ESF Elbe-Stahlwerke Feralpi GmbH (>96%). This allows criterion (b), defined in Commission Delegated Regulation (EU) 2019/331, to be considered fully met.

[9] Statistical Classification of Economic Activities in the European Communities.

Activity 6.6 - Freight transport services by road

Due to time and resource constraints, the analysis carried out by the Group made it possible to recover only part of the data needed to assess compliance with the substantial contribution criterion of the activity associated with road haulage services. In the absence of exhaustive information to support the analysis, the Group has therefore opted to adopt a prudential approach and has assessed as met only the substantial contribution criterion relating to the transport of fossil fuels (type of activity not actually carried out by the company) and therefore not sufficient to meet the requirements to consider CCS exceeded. However, the Group is committed to taking steps to implement a more precise data collection procedure starting next year, in order to ensure maximum transparency of transport activity data.

Activity 7. 7 - Acquisition And Ownership Of Buildings

The Group engages in real estate acquisition and management activities through the company Feralpi Immobiliare, which owns the three properties indicated above. However, according to the preliminary analyses carried out by the Group, the properties in question, built before 31 December 2020, on the basis of the information available, do not meet the criteria required by the Taxonomy (e.g. absence of Class A Energy Performance Certificates or lack of information on the inclusion of the properties in the top 15% of the national or regional building stock in terms of operating primary energy requirements).

Analysis of Do Not Significant Harm criteria

Activity 3.9 - Iron and steel production

Climate Change Adaptation: Each activity is required to meet the criteria set out in Appendix A of the Climate Delegated Act, which requires the organisation conducting the activity to implement an analysis to identify and assess the vulnerability of chronic and acute physical climate risks (listed in Section II of the Appendix) that impact the activity. According to a conservative and prudential approach, in the absence of sufficient evidence to allow a full assessment of compliance with the criterion, the Group considers the activity to be non-aligned. Nevertheless, it is important to note that the Group is already planning actions to develop a more accurate climate risk analysis, which is likely to be implemented as early as next year. This demonstrates the Group's commitment to protecting the environment and mitigating the impacts of climate change.

Sustainable use and protection of water and marine resources: the DNSH criterion of Appendix B requires that the organisation identifies and manages risks of environmental degradation in relation to the preservation of water quality and the prevention of water stress, in accordance with Directive 2000/60/EC of the European Parliament and of the Council, as well as a water management plan. The environmental analyses carried out by the Group for the purposes of the EMAS Environmental Declaration (Feralpi Siderurgica SpA, ESF Elbe-Stahlwerke Feralpi GmbH) and the context analysis for the purposes of ISO 14001 certification (Feralpi Siderurgica SpA, Acciaierie di Calvisano SpA and ESF Elbe-Stahlwerke Feralpi GmbH) also examine territorial and geographical aspects relating to water resources. In addition, EMAS itself also provides for the preparation of an Environmental Management Plan (EMP) that defines environmental objectives, actions and responsibilities for their implementation, methods for monitoring and verifying results, and necessary resources. Therefore, it is reasonable to assume that the DNSH criterion is met for these companies. On the other hand, for the other Group companies (Arlenico, Presider, Presider Armatures, Feralpi Praha and Feralpi Hungaria) that do not have an EMAS Environmental Declaration or ISO 14001 certification, it is not possible to state that the criterion is met.

Pollution Prevention and Control: The DNSH criterion requires that the organisation is able to comply with Appendix C and that the activity has a level of emissions equal to or lower than the emission levels associated with the Best Available Technique Intervals (BAT-AELs) set out in the most recent relevant Best Available Technique (BAT) conclusions of the Climate Delegated Act - Delegated Act I. The Feralpi Group undertakes to comply with the applicable regulations and to follow the EMAS statement or BAT alignment documentation. These measures enable the Group to meet the criterion as regards ESF Elbe-Stahlwerke Feralpi GmbH and Feralpi Siderurgica. Furthermore, with regard to Acciaierie di Calvisano, thanks to the risk assessment conducted for ISO 14001 certification and the BAT alignment documentation, the criterion is also met for that company. Finally, as far as Arlenico, Presider, Presider Armatures, Feralpi Praha and Feralpi Hungaria are concerned, the BAT alignment documentation allows only one of the two criteria to be met. Therefore, only a portion of the Group's activities are able to meet the criterion.

Protection and restoration of biodiversity and ecosystems: the DNSH criterion requires that the organisation is able to meet the requirements of Appendix D, which requires an environmental impact assessment (EIA) or a review in accordance with Directive 2011/92/EU if the site under consideration is located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage Sites and major biodiversity areas, as well as other protected areas). The Group has conducted environmental analyses as part of the EMAS Environmental Declaration (Feralpi Siderurgica SpA, ESF Elbe-Stahlwerke Feralpi GmbH) and context analysis for the purposes of ISO 14001 certification (Feralpi Siderurgica SpA, Acciaierie di Calvisano SpA and ESF Elbe-Stahlwerke Feralpi GmbH), analyses that consider territorial, geographical and ecosystem-related aspects in general.

According to the findings, Feralpi Siderurgica SpA and Acciaierie di Calvisano SpA do not fall within a Natura 2000 area or in the proximity of other sensitive areas, therefore the requirements of the criterion are met. On the contrary, the site of ESF Elbe-Stahlwerke Feralpi GmbH is found to fall within the vicinity of a Natura 2000 area (DE45452) and other natural areas (< 1km). The same applies to Arlenico (site adjacent to a Natura 2000 Network area (IT2030003)) and Feralpi Hungaria (site adjacent to a Natura 2000 Network area (HUDI20034)). No specific environmental impact assessments were carried out for these companies, as would be required by Appendix D. Therefore, the activities of ESF Elbe-Stahlwerke Feralpi GmbH, Arlenico and Feralpi Hungaria do not meet the criteria for the protection and restoration of biodiversity and ecosystems.

Activity 6.6 - Freight transport services by road

Adaptation to climate change: As outlined above, one of the technical criteria for determining whether an element is aligned with the requirements of the European Taxonomy is the climate risk assessment, which must take into account the physical risks associated with climate change. However, to date, no comprehensive climate risk analysis has been conducted that can consider the minimum risks for an accurate vulnerability and risk assessment. Therefore, according to a conservative and prudential approach, the Group considers the activity to be non-aligned. However, as already mentioned, it is the Group's intention to implement from next year a detailed analysis capable of making an adequate assessment of these climate risks.

Transition to a circular economy: The Group conducted a partial analysis of the data and elements required to verify the substantial contribution of road haulage services. In spite of this, through the verification of vehicle registration documents and available information, it can be reasonably concluded that the DNSH criterion is fulfilled. In fact, the vehicles used for transport comply with the requirements of the latest Euro VI

type approval, which adopts Directive 2005/64/EC on measures to prevent and limit the waste of end-of-life vehicles and their components by ensuring their re-use, recycling and recovery in accordance with the requirements of the Taxonomy Delegated Act.

Pollution prevention and control: The group conducted a partial analysis of the data and elements needed to verify the substantial contribution of road haulage services. Despite this, on the basis of the elements collected, the vehicles meet the requirements of the latest Euro VI type approval applicable to heavy-duty vehicle emissions, as laid down in Regulation (EC) No 595/2009.

Activity 7. 7 - Acquisition And Ownership Of Buildings

Climate Change Adaptation: The analyses conducted by the Group recognised the need for a more rigorous and effective approach to assessing the climate risks associated with its activities. At present, the analyses performed were partial and insufficient to meet the requirements of the EU Taxonomy. Therefore, according to a conservative and prudential approach, the Group considers the activity to be non-aligned. As mentioned above, the Group will engage in the development of a comprehensive and detailed climate risk assessment that takes into account all physical risks associated with climate change, so as to meet the criteria of Appendix A of Delegated Act I. This assessment will also include activity 7.7.

Minimum Safeguard Guarantees

The Group conducted an in-depth analysis to assess the compliance of its business activities with the Minimum Safeguards requirements of the EU Taxonomy. The analysis was based on the criteria specified in Article 18 of the Taxonomy Regulation and the recommendations in the Draft Report on Minimum Safeguards prepared by the EU Platform on Sustainable Finance (July 2022). This assessment enabled the Group to gain a thorough understanding of its level of compliance with EU regulations on social safeguards and to assess any corrective actions needed to improve its performance in this area.
Compliance with the minimum guarantees was established through a criteria assessment, which considered nine categories of requirements related to:

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

The Feralpi Group adheres to the principles of human rights protection in alignment with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's (ILO) Declaration of Fundamental Principles and Rights at Work, and the Ten Principles of the Global Compact.

The Group has adopted a Code of Ethics that establishes the rules, values and fundamental principles that guide the operations of the entire Group. This Code plays an important role in promoting ethical behaviour and responsible actions by all stakeholders relevant to the company.

In addition, the Group has introduced a Human Rights Policy as a further tool to ensure respect for values and human rights by all its stakeholders, including suppliers. This policy aims to promote and protect these principles in the value chain and in the company's daily activities.

One of the means available to ensure ethical business management is the Whistleblowing Procedure, which governs the process of reporting and handling wrongdoing and

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irregularities. Furthermore, the Group is committed to promoting dialogue with all stakeholders. To this end, the Group-wide 'Stakeholder Management' policy defines and regulates the Group's relations with its stakeholders in all related activities and operations. This policy is based on fundamental principles such as listening, responsibility, transparency and collaboration.

In pursuing its objectives, the Feralpi Group considers the respect for its customers' interests to be of fundamental importance. To this end, the Group endeavours to constantly monitor production processes and ensure compliance with current regulations on the safety and quality of the products it offers. Furthermore, the Group is committed to complying with the requirements established by European Regulation 2016/679 (GDPR - General Data Protection Regulation) in order to guarantee the security of its customers' personal data.

For this reason, since 2018 Feralpi has set up a Group DPO (Data Protection Officer), whose main role is to direct, coordinate and link the activities of the Group's individual legal entities in compliance with the regulatory framework defined by the GDPR. Thanks to the presence of the DPO, the Group is able to guarantee compliance with the highest standards of security and privacy of its customers' personal data.

Furthermore, Feralpi is fully committed to ensuring timely and accurate tax declarations and payments to the relevant authorities, in strict compliance with applicable laws. The Group is dedicated to preparing and submitting tax declarations that are comprehensive, truthful, and devoid of any falsifications, manipulations, or omissions, thereby guaranteeing complete transparency in its operations and preventing any form of tax evasion. This commitment reflects the Group's unwavering commitment to conducting its activities with the utmost integrity and responsibility.

However, in line with a conservative and prudential approach, the Group believes that current supply chain practices are not sufficient to ensure that activities identified as eligible are aligned with Minimum Social Guarantees requirements.

Contextual information and KPI calculation methodology (Accounting Policy)

For the purpose of preparing the consolidated financial statements, the Group adopts Italian national accounting standards (OIC). As stipulated in the delegated act 'Disclosures', for the calculation of the KPIs required by the European Taxonomy, companies must use the same accounting principles adopted 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, the accounting principles of consolidation would exclude intra-group transactions[10].

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, which are 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. As a result, the denominator of the KPI corresponds to the

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

item 'Revenues from ordinary operations' of the perimeter under analysis, identifying the value of € 2,398,071 thousand, and is in line with the provisions of accounting standard OIC 12, equivalent to accounting standard IAS 1, par. 82 (a), mentioned in Annex I of the Delegated Act § 1.1.1.

- *Numerator:* the portion of net turnover (considered for the calculation of the denominator) associated with eligible and aligned activities. For this assessment, the approach adopted involved identifying all legal entities, included in the perimeter, generating turnover associated with the following eligible taxonomic activities:
  - 3.9 - Iron and steel production (94.94%),
  - 6.6 - Freight Transport Services by Road (0.07%).

Almost all of the turnover of the perimeter under analysis (95.02%) 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 corporate assets) and intangible assets (patents, software and capitalised research and development costs). The approach used for the extraction of the aforementioned numbers included a punctual analysis of management reports showing the investments made during the year by all the companies within the scope of the analysis. In line with the Disclosure Delegated Act, for the calculation of the CapEx share, the Group considered the following values:

- *Denominator:* The Group, in line with national and international accounting standards, as well as the provisions of Annex I of Delegated Act 2178/2021, considered tangible assets accounted for in accordance with OIC 16, which is equivalent to IAS 16, and intangible assets (excluding goodwill), accounted for in accordance with OIC 24, which is equivalent to IAS 38. This analysis returned a value of € 118,570 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. In this regard, the Group identified increases related to the following eligible taxable assets:*
  - 3.9 - Iron and steel production (88.93%),
  - 7.7 - Acquisition and ownership of buildings (0.93 %) described as 'Acquisition of buildings and exercise of ownership over such buildings'.

OpEx

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

- *Denominator:* the approach used was to proceed with a punctual analysis of the Group's chart of accounts, considering the share of costs falling specifically into the categories indicated in Annex I of Delegated Act 2178/2021. Specifically:
  - Non-capitalised R&D costs related to internal and external projects, from which the component of costs related to the 'managing' activities of the R&D projects performed was eliminated, as per the recommendations of the European Commission[11]. As costs related to project 'managing' activities, all costs incurred during the year related to project managers were identified and eliminated from the calculation;

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

- Short-term leases, whereby, according to Annex I of the Disclosure Delegate Act, leases recognised in the Income Statement relating to contracts with a term of less than 12 months must be taken into account and are therefore exempt from recognition in the Balance Sheet, according to IFRS 16. For the group, all items in the chart of accounts relating to leases have been analysed and all existing contracts have been taken into account, as the group prepares its consolidated financial statements in accordance with the Italian national accounting standards OIC, which require these contracts to be accounted for entirely in the Income Statement, with no impact on the Balance Sheet[12].
- Costs related to maintenance and repairs, incurred during the financial year, on buildings and IT equipment. Costs related to employees involved in maintenance and repair activities were taken into account 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 to 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 identified a value of €59,303 thousand.

- *Numerator:* the operating expenses that can be associated with point A[13] were identified, in line with the indications of § 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 economic activities aligned with the taxonomy, derived in a timely manner from management systems. Below is a breakdown of operating expenses by eligible activities:
  - 3.9 - Iron and Steel Production (95.09%),
  - 6.6 - Freight Transport Services by Road (0.16%).

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 punctual analysis of the Group's chart of accounts, considering the share of costs falling specifically into the categories indicated in Annex I of Delegated Act 2178/2021.

Specifically:

- Non-capitalised R&D costs related to internal and external projects, from which the component of costs related to the 'managing' activities of the R&D projects performed was eliminated, as per the recommendations of the European Commission[14]. As costs related to project 'managing' activities, all costs incurred during the year related to project managers were identified and eliminated from the calculation;
- Short-term leases, for which, according to Annex I of the Disclosure Delegate Act, leases recognised in the Income Statement relating to contracts with a term of less than 12 months must be considered, and therefore exempt from recognition in the Balance Sheet, according to IFRS 16. For the group, all items in the chart of

[12] Paragraph 1.1.3.1 Annex I Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.
[13] Paragraph 1.1.3.1 Annex I Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.
[14] Communication from the Commission on the interpretation of certain legal provisions of the Delegated Act concerning disclosure pursuant to Article 8 of the EU Taxonomy Regulation as regards the reporting of economic activities and eligible assets (2022/C 385/01).

accounts relating to leases have been analysed and all existing contracts have been taken into account, as the group prepares its consolidated financial statements in accordance with the Italian national accounting standards OIC, which require these contracts to be accounted for entirely in the Income Statement, with no impact on the Balance Sheet[15].

- Costs related to maintenance and repairs, incurred during the financial year, on buildings and IT equipment. Costs related to employees involved in maintenance and repair activities were taken into account 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 to the concept of 'building renovation measures', mentioned in the Annex to Delegated Act 2178/2021, were also taken into account.

[15] Paragraph 1.1.3.1 Annex I Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

1.4.6. Creation of economic value for the territory

The Feralpi Group is deeply rooted in the communities where it operates, considering itself an integral part of the local landscape. The economic value it generates is shared among various stakeholders, thereby fostering economic and social progress within the communities. Additionally, the Group actively contributes to the development and enhancement of the local territory, while prioritizing the well-being of its workforce.

The role that the Feralpi Group companies have on the territory translates into:

Direct employment

of staff and indirect employment (through the supply chain)

Care for the territory

in terms of development and community support

Enhancement of the territory

through sports, cultural, or sustainability projects

Considering the main Italian and foreign production sites, in 2022 Feralpi Group recognised 25.1% of its turnover to local suppliers.

Feralpi also contributed EUR 3.6 million to support local communities in terms of charitable donations and sponsorships.

The Group has consistently provided support to local organizations, trade associations, institutions, public administration, educational institutions, universities, research institutions, sports associations, and national non-profit organizations. This commitment aligns with the Group's sustainability strategy, which encompasses six specific areas, in line with the seven pillars of sustainability and the Global Development Goals the Group has pledged to uphold:

- Environmental care and protection;
- Education, training and employment as catalyst for change;
- Promotion of physical and mental well-being and workplace safety;
- Social inclusion through sports, culture, and the creation of inclusive spaces;
- Territorial development;
- Addressing global emergencies.

In addition to these six areas, there are four specific areas dedicated to the support of artistic and cultural heritage: culture as an educational tool, development of industrial culture, dissemination and education on the world of steel, and preservation of the artistic and historical heritage of the territory.

Feralpi has provided support to **Fondazione Brescia Musei** during the three-year period of 2020-2022 through the Alliance for Culture (Alleanza per la Cultura). The objective of this alliance is to enhance the artistic heritage of the city and support significant cultural communication events. The initiative is based on a shared strategic-cultural vision with partners, where events and exhibitions with a popular, scientific, and artistic focus serve as tools for promoting the social and economic development of the city of Brescia and its province.

The Group also confirmed its membership of the Club 'Amici della Rocca' (Friends of the Fortress): an exclusive association promoted by the **Fondazione Ugo da Como** that brings together and welcomes private individuals and companies that support and share an interest in culture and wish to support central projects and activities as part of the process of enhancing the monumental complex of the 'Rocca' of Lonato del Garda, also by encouraging forms of sustainable tourism capable of promoting culture and creating jobs.

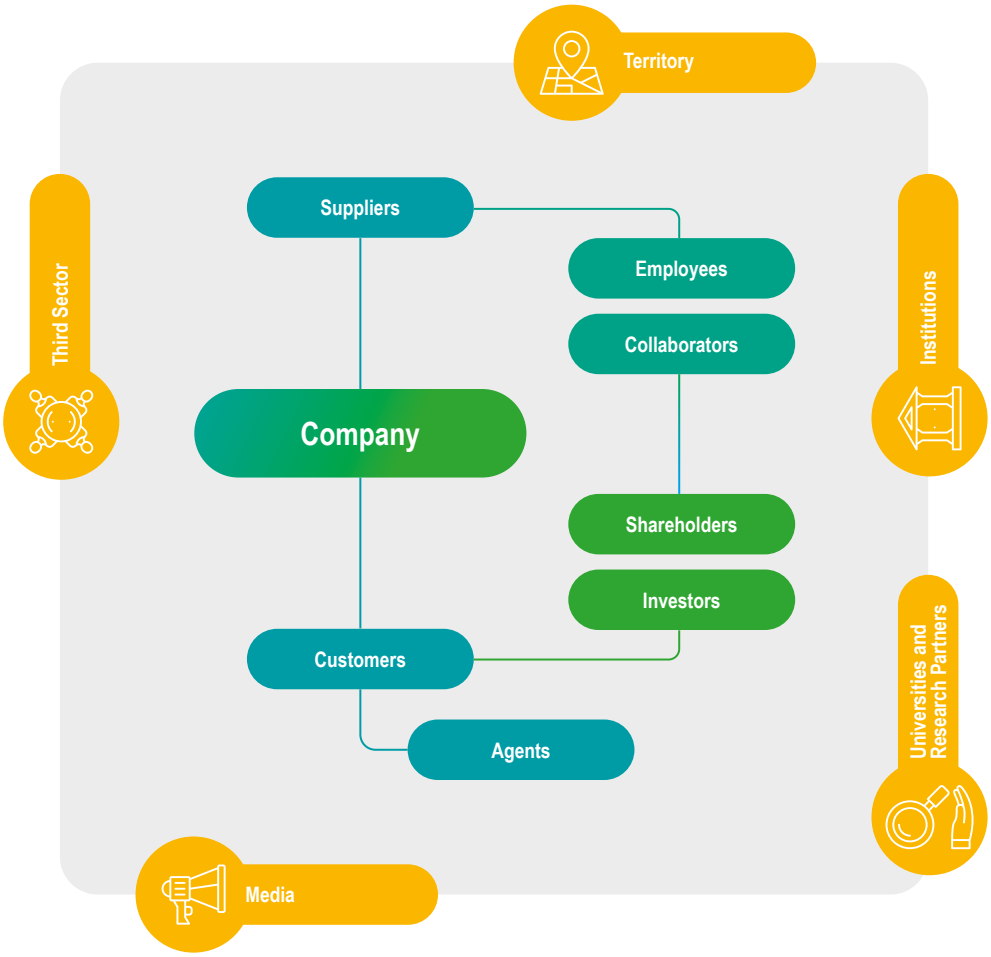
FERALPI STAHL cooperates with the **Italienischen Kulturinstitut Berlin** as support for cultural projects and activities of the Italian Centre of the Technical University of Dresden. Furthermore, as a member of the **Vereinigtes Wirtschaftsforum**, it participates with other companies in the region in supporting joint actions for the promotion and enhancement of the Riesa region.

Alongside the support of social and cultural initiatives and driven by the strong link with the local area and the commitment to enhance local realities, also with a view to inclusion, there is also space for sports sponsorship through the support of activities such as football, cycling, rugby and rowing.

1.5.

The relationship with stakeholders

Feralpi Group firmly believes in the importance of collaborating with external stakeholders to foster enduring relationships and create a positive impact on both people and the environment. Through its extensive and enduring network of stakeholders, comprising organizations and individuals with a shared goal of promoting positive growth, Feralpi has consistently made tangible contributions to sustainable development over the years. In 2022, the Group expanded the range of **dedicated listening and feedback channels** targeted at specific categories of stakeholders. This was done to enhance the understanding of their needs and sentiments, while also fostering dialogue and collaboration. Engagement efforts continued through **"Sustainable Dialogues"**, which was established in 2020 as a network for all Group stakeholders interested in engaging in active and ongoing discussions with Feralpi on sustainability matters. As of now, the network has attracted over one hundred members.



In 2022, the Group reaffirmed its **'Stakeholder Management' policy**, which seeks to establish a framework for the Group's interactions with its stakeholders across various activities and operations. The responsibility for stakeholder engagement initiatives lies with the entire Group structure, with Feralpi Holding's External Relations and Sustainability Department serving as a link and coordinator. Following each interaction with stakeholders, it is customary to provide participants with a written report detailing the outcomes of the activities conducted and the anticipated next steps.

'Stakeholder Management' Group Policy

Principles	**Listening**	**Responsibility**	**Transparency**	**Collaboration**
Commitments	Responding to stakeholder interests and addressing potential concerns proactively	Facilitating knowledge sharing and mutual influence in the context of sustainable development	Cultivating enduring, stable, and transparent relationships of trust	Safeguarding and enhancing corporate reputation

Internal Stakeholder Engagement

In 2022, the **'From Listening to Dialogue to Action'** project, which was initiated the previous year with a two-year corporate climate survey, continued its progress. This project involved all Group plants with the objective of identifying and discussing the key needs of Feralpi employees, moving beyond mere listening to fostering constructive and collaborative dialogue.

The goal is to initiate a shared journey of internal transformation on critical issues, with a specific focus on areas such as talent retention through competency development, promoting the well-being of employees both physically and mentally, fostering diversity and inclusion, and fostering awareness in terms of corporate strategy. Following internal workshops to share the survey results with owners and executives, working groups were established, including Plant Managers, HR and EHS representatives, the External Relations and Sustainability Department, and internal employee representatives. These working groups facilitated broad and constructive discussions on the analyzed topics. From these discussions, specific action plans were formulated for individual companies to be implemented during the 2022-2023 period.

At the Group level, transversal activities have been launched to address work-life balance needs. These initiatives include flexible work arrangements, sick leave provisions for children, maternity leave support, and the development of Welfare projects. Additionally, a Structured Training Course on **'Listening, Dialogue, and Inclusion'** is scheduled to begin in 2023.

Anniversaries

The 50th anniversary of Acciaierie di Calvisano and 30th of FERALPI STAHL

The year 2022 marked two important anniversaries for the Feralpi Group. The 50th anniversary of Acciaierie di Calvisano and the 30th of FERALPI STAHL.

The celebrations at Calvisano, based on the claim **'All Special, All Different'**, saw the succession of numerous activities during the course of the year, linking the world of steel with that of art. In particular, the creation of the mural on the 1,000 square metres of the front wall of the steel plant, renamed ***'Unexpected Colour of Steel'*** conceived by the artist **Tellas**, after listening to the testimonies, impressions and emotions of Calvisano employees. An attempt was also made to give a sound to steel thanks to artist **Dario Rossi**, who involved the Acciaierie di Calvisano work group in researching instruments and sounds that are part of company life. Lastly, the indissoluble relationship between Acciaierie di Calvisano and Caleotto (Arlenico plant) was enhanced through the creation of the two new **Digital Factory Experiences**, a 360° virtual journey in which people were involved both in the creation process and in interfacing with the public who access to find out information and curiosities about the company and the production process. The closing event of the celebrations then featured **Telmo Pievani**, scientific populariser, evolutionist and essayist with his speech "All special, all different: how can an industrial, economic, social reality face an increasingly changing future?".
Consistent with the ESG values and approach, all events celebrating Acciaierie di Calvisano's 50th Anniversary were designed, organised and reported in accordance with the principles of the international standard **ISO 20121**, which defines international guidelines for a sustainable event[8].

The 30th anniversary celebrations at the Riesa plant included a two-day open house event in September. The first day for the public was accompanied by the presentation of the anniversary film - Steel Reborn, available for streaming on the Prime Video platform, and the unveiling of the Tree of Life, a steel work of art positioned along the plant's access road. Finally, FERALPI STAHL employees who have experienced the entire history of the company, i.e. since 1992, were invited to Italy to get to know the Lonato plant and participate in excursions to Lonato, Verona and the Valpolicella wine region.

[8] As stated in the 2009 **United Nations Environment Programme**, an event is defined as sustainable when it is *'designed, planned and implemented in a way that minimises negative impacts on the environment and leaves a positive legacy for the host community'*.

External Stakeholder Engagement

In 2022, as part of Feralpi's regular practice, the Group conducted an update of the **external stakeholder mapping**, which was expanded to include the German context. This exercise aimed to ensure the ongoing relevance and effectiveness of the corporate strategy in alignment with the external environment. Following this, it was conducted the annual engagement process to gather stakeholders' perspectives on issues that are pertinent to the **materiality analysis** (presented in the subsequent section of the document).

The objective of this initiative was to identify the most significant and priority issues, allowing the Group to focus the attention on critical success factors and shape a sustainability strategy that addresses the key concerns of both Feralpi and its stakeholders.

In the same year, Feralpi Group took part for the first time in the international **Wire and Tube** exhibition in **Düsseldorf**, which was attended by over 1,000 companies from more than 47 countries, and in **FUTURA EXPO**, both a physical and digital hub for the proposal of best practices in sustainable economics and a point of contact between the world of production and the general public, through workshops, seminars, training and entertainment. Lastly, in October 2022, Feralpi took part in the tenth edition of the **CSR and Social Innovation Fair**, where issues concerning the ecological transition and the importance of leadership in spreading sustainability in companies were addressed. In Riesa, FERALPI STAHL organized the sixth edition of the **'Bella Gröba' Family Festival**, which held special significance as it coincided with the company's 30th anniversary.

Also in 2022, in Italy, Feralpi Group joined, together with other companies, an **ESG Community of Practice** project with the aim of sharing and incorporating **good sustainability practices** within socially-oriented projects. The community's first goal is to share a manifesto of social sustainability intentions and values, as well as to promote this new business model by involving additional external stakeholders.

Scrap Suppliers Dialogue

In 2022, the **'Scrap Suppliers Dialogue'** was held at the headquarters in Lonato del Garda (BS). This event facilitated sharing, training, and collaboration, involving **10 brokerage companies**. The primary objective was to promote sustainability as a standard in procurement processes, aiming to reduce ESG risks and identify opportunities for improvement. The purpose of involving suppliers in sustainability strategies is not only to contribute to a reduction in reputational risks, but above all to help trigger a virtuous circle that takes on an even greater value when it is applied to strategic supply chains such as those of ferrous scrap.

The project, in continuity with the 'Sustainable Dialogue' network activity, is essential not only to share development projects, but also to listen to suppliers and learn insights for continuous improvement. The meetings dealt with topics that are fundamental for the resilience and competitiveness of the supply chain: human rights, labour, environmental protection and the fight against corruption are in fact all elements that characterise a truly sustainable supply chain. The **proposed EU Directive on Due Diligence along the supply chain** was also discussed. At the end of the meetings, the representatives of the supplier companies visited the production site in Lonato del Garda, meeting also the Owner and the heads of the **Sustainability and External Relations** and **Scrap Purchasing** units, with whom the values and commitment defining the sustainability strategy related to the business were shared. The events will continue in 2023 with the aim of increasing the number of suppliers involved.

Feralpi's participation in the world of associations

Italy

Trade Associations

- **AIDAF** > Italian Family Business Association
- **Confindustria Brescia** > Brescia Industrial Association
- **A.N.SAG.** > National Association of Steel Shapers for C.A.
- **Assogrigliati** > National Association of Italian producers of electro-welded and pressed gratings in steel and metal alloys
- **Eurofer** > European Steel Association
- **Federacciai** > Industry Federation
- **Federmeccanica** > Trade Union Federation
- **Ramet** > Consortium for Environmental Research for Metallurgy

Technical Associations

- **AIM** > Italian Metallurgy Association
- **Csr Foundation** > National Study Centre for Corporate Risk Control and Management
- **Riconversider** > Federacciai's consultancy company dealing with business organisation, technological innovation and finance management
- **UNSIDER** > Italian steel unification body for the dissemination of knowledge of national (UNI) and international (CEN and ISO) standards

Sustainability Associations

- **United Nations Global Compact (UNGC)** > A global network that already includes more than 18,000 companies from over 173 countries worldwide, operating in Italy through the **Global Compact Network Italia**
- **Sustainability Makers** > A professional network of Fondazione Sodalitas and Fondazione Symbola, organisations committed to the promotion and enhancement of corporate sustainability
- **Associazione Fabbrica Intelligente Lombardia** > A technology cluster for advanced manufacturing in the Lombardy region that brings together companies, research centres, universities and industrial associations
- **Cluster Nazionale Fabbrica Intelligente (CIF)** > An association with the aim of implementing a strategy based on research and innovation for the competitiveness of Italian manufacturing
- **Sustainable Infrastructure Association (AIS)** > An association with the aim of fostering a culture of sustainability and awareness of the value of having sustainable infrastructure
- **Associazione Cluster Lombardo della Mobilità** > A system that provides services for research project development, innovation, internationalisation and access to public funding opportunities
- **Green Economy Observatory of the GREEN Research Centre - Bocconi University** > Platform for research and trend analysis of the Green and Circular Economy

Germany

- **Dresden Regional Chamber of Commerce and Industry**
- **SachsenMetall, Unternehmensverband der Metall-und Elektroindustrie Sachsen e. V.** > Association representing employers in the metal and electrical industry in Saxony
- **Deutscher Ausschuss für Stahlbeton e.V., Berlin** > Regional Industrial Association of Saxony - German National Committee for Standard Setting in Industry for the Improvement and Dissemination of Building Products
- **EWI, Energie- und Wasserstoffallianz im Industriebogen Meißen** > Association of the Meißen Industrial Region that deals with the availability of energy and hydrogen for the region
- **Industrieverein Sachsen 1828 e.V., Chemnitz** > Regional Business Association of Saxony
- **Vereinigtes Wirtschaftsforum Riesa** > Local Economic Association
- **Wirtschaftsvereinigung Stahl** > National Federation of German Steel Enterprises
- **BDSV, Bundesvereinigung Deutscher Stahlrecycling- und Entsorgungsunternehmen e. V., Düsseldorf** > German National Association of Steel Recycling and Disposal Companies
- **ESN, Entsorgergemeinschaft der Deutschen Stahl- und NE-Metall-Recycling -Wirtschaft e.V., Düsseldorf** > German National Association for the Recovery of Steel and Non-Ferrous Materials
- **ESTEP** > European Steel Technology Platform
- **FEhS, Institut für Baustoff-Forschung e.V., Duisburg** > Institut für Baustoff-Forschung e.V., Duisburg, Institute for Building Materials Research, particularly focused on slag reuse and recovery
- **Sächsischer Hafen- und Verkehrsverein e.V., Dresden** > Association for the Management of Saxon Ports
- **Klimaschutzunternehmen e.V.** > An initiative of the German Federal Environment Ministry exclusively for companies committed to climate and environmental protection

2

Sustainability in the Feralpi Group


E-FARMER
HOUSE

2.1.

The megatrends of 2023

Over the past three years, extraordinary events such as the Covid-19 pandemic and the Ukraine-Russia conflict have greatly influenced global social, economic and political dynamics. These phenomena, along with other megatrends highlighted in this section, are on the one hand contributing to a much more complex and intricate future whose outcomes are difficult to predict, and on the other hand present opportunities related to infrastructure projects and other government initiatives.

Energy cost

The cost of energy, crucial in the global economy, impacts the cost of living and business strategies. Influenced by geopolitical tensions, growing demand, production trends of different energy sources and market fluctuations, it has led to EU-wide initiatives such as the **RePower EU Plan**[16], focused on diversification and promotion of clean and renewable energy. The change aims to reduce import dependency and combat climate change by promoting a low-carbon economy.

Decarbonisation

Decarbonisation has become a global priority to limit the impacts of climate change. In 2022, climate investments increased due to the US **Inflation Reduction Act (IRA)**[17] and the **Fit for 55** package[18], as well as the EU's **Green Deal Industrial Plan**[19]. The transition to a low-emission economy requires technological innovations, promotion of renewable energies and changes in production and consumption patterns.

ESG (Environmental, Social, Governance) Regulatory Changes

In 2022, **EFRAG**, **SEC** and **ISSB** proposed their own ESG reporting standards for sustainability reporting in companies. The **Taxonomy Regulation** was introduced in Europe in 2020, with first provisions in 2022. The risk of sustainability-related lawsuits has increased. Companies and investors will have to adapt to new sustainability disclosure standards and increasingly manage the risk of ESG litigation. These will be joined by **Corporate Sustainability Due Diligence (CSDD)**, a further measure put in place by the European Union.

[16] REPowerEU: affordable, secure and sustainable energy for Europe. Obtained from: *https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en*

[17] The White House (2022). Inflation Reduction Act. Obtained from: *https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/*

[18] Council of the EU and the European Council (2023). Fit for 55: The EU plan for a green transition. Obtained from: *https://www.consilium.europa.eu/en/policies/green-deal/fit-for-55-the-eu-plan-for-a-green-transition/*

[19] European Commission (2023). The Green Deal Industrial Plan: putting Europès net-zero industry in the lead. Obtained from: *https://ec.europa.eu/commission/presscorner/detail/en/ip_23_510*

Artificial Intelligence

Artificial Intelligence (AI) has revolutionised work, communication and decision-making in many sectors in just a few months, offering efficiency and innovation. It facilitates process automation, reduces costs and improves productivity. However, AI requires ethical reflection on work and social implications, such as job losses, the need for training and retraining, and questions about privacy, data security and the risk of discrimination in automated processes.

Well-being and People Skills to Attract Talent

People's well-being and skills are increasingly crucial in the post-pandemic era. The latter has highlighted the importance of physical and mental well-being and the urgency of developing skills adapted to the changing work environment. Phenomena such as **quiet quitting** and **great resignation** show the search for balance between work and personal life. Companies and governments must implement policies to promote well-being, attract talent and develop skills, ensuring sustainable economic growth and long-term success in the competitive global environment.

2.2.

The international and industry context

The year 2022 closed with a **global growth of 3.2%** (OECD[20]), slowed down mainly by three factors: the outbreak of the war conflict between Russia and Ukraine, inflationary pressures triggered by rising energy and raw material costs, and a Chinese economy that was slower than expected. Against this backdrop, last year the Eurozone recorded a 3.5% increase in GDP, with discrepancies at the level of individual countries. Italy recorded a GDP increase of 3.8%, after a last quarter of the year that actually undermined the better performance of the first nine months of the year. Germany, on the other hand, closed the year with a GDP of +1.9%.

In terms of **industrial production**, in Italy (ISTAT[21]), 2022 closed with a trend change (calendar-adjusted data) of +0.4% compared to the previous year, which in turn had marked a robust +12.2% over a pandemic-affected 2020. The quarterly progression confirms the slowdown during the last quarter.

In Germany, industrial production showed a year-on-year decline of 3.9% (Destatis - German Statistical Office[22]). In 2022 as a whole, calendar-adjusted production was 0.6% lower than in 2021 and 5 % lower than in the pre-crisis year of 2019.

The start of 2023 showed **signs of a recovery** that nevertheless still appears fragile due to geopolitical uncertainties and trade tensions between the world's most important economic blocs. Among the main causes of this fragility are, on the one hand, the impact of **restrictive monetary policies** on consumption and the financial sector, and, on the other hand, the **uncertainties** that still remain on the global energy markets, which do not avert possible new price increases and, therefore, inflation.

In fact, the OECD's forward-looking forecast predicts that the global growth rate will remain below 2.6% and 2.9% in 2023 and 2024, respectively.
In Italy, there was already a slight cyclical decrease (-0.7%) in industrial production in January, while Germany saw a turnaround with industrial production growing by 3.5% (source: Destatis).
The **steel industry**, on the other hand, ended 2022 with a decrease in production. According to the World Steel Association's findings[23], 1.831 billion tonnes of steel were produced in 2022, down 4.3% from the year before.

[20] OECD - A Fragile Recovery. Obtained from: *https://www.oecd-ilibrary.org/sites/d14d49eb-en/index.html?itemId=/content/publication/d14d49eb-en*
[21] ISTAT - General industrial production indices Serieipi_2301
[22] Destatis - Production in January 2023: +3.5% on the previous month. Obtained from: *https://www.destatis.de/EN/Press/2023/03/PE23_088_421.html*
[23] World Steel Association - December 2022 crude steel production and 2022 global crude steel production totals. Obtained from: *https://worldsteel.org/media-centre/press-releases/2023/december-2022-crude-steel-production-and-2022-global-totals*

This is according to the **World Steel Association** (the association of global steel producers). The EU 27 stood at 136.7 million tonnes of steel with a marked -10.5% YoY decrease. In Italy, the reduction in steel production was 11.5% with 21.6 million tonnes (Federacciai[24]). Specifically, the long products sector, in which Feralpi operates, recorded -12% with 12.0 million tonnes.

In this context, Feralpi has been able to be resilient not only thanks to a structure that has its foundations in verticalisation, diversification and internationalisation, but also in its ability to seize business opportunities within the ecological and energy transformation process. An ambitious **plan of extraordinary investments** has been launched here, which also includes among the factors of change the development of renewable energies destined to supply, in progressively increasing proportions, the production plants. Feralpi has begun defining its climate strategy, based on the use of artificial intelligence, the management of carbon dioxide emissions, advanced energy monitoring and the enhancement of energy efficiency measures.

The sector in which Feralpi operates is at the centre of some of the great challenges of our time: climate change, the digital revolution, global welfare. This competitive arena presents risks but also a great opportunity to translate a responsible approach to social and environmental issues into positive impact on the creation of lasting value for all stakeholders. This is why the Group is committed to integrating **Environmental, Social and Governance (ESG)** aspects into its long-term strategy.

[24] Federacciai - Statistics on Steel Production in Italy.

2.3.

The sustainability strategy at Feralpi Group

Sustainability is a critical element in the Group's vision, mission, and strategic foundations. The sustainability strategy, anchored in **seven pillars**, adopts a **holistic approach** that places it **at the core of the business processes**. This ranges from strategic planning to operational management, from investment allocation to risk analysis and management. Feralpi is committed to **integrating principles** of environmental, social, and economic **sustainability** into daily operations, with the goal of **creating long-term shared value** for stakeholders, minimizing environmental impact, and making a substantial contribution to the well-being of communities in which it operates.

The strategy is implemented through:

- The development of an ethical and responsible corporate culture towards the environment and society;
- Continuous refinement of governance to meet sustainability challenges;
- Execution of initiatives related to technological investments and process enhancements;
- The establishment of strategic ESG KPIs and targets aligned with corporate ones;
- Maintaining a transparent dialogue with stakeholders about objectives, actions, and performance.

Over the next few years, the evolution of the sustainability strategy will concentrate on reinforcing the **integration between ESG performance and financial results**, both strategically and operationally. The adoption of an **integrated vision and planning** will allow the Group to better understand the interplay between the company and the current socio-economic context in order to make **more effective and informed strategic decisions**. This approach is aimed at equipping the Group with the necessary tools and competencies to successfully tackle the dual challenge of ensuring **business continuity**, meeting the expectations of shareholders, employees, and customers, while simultaneously generating a **positive impact on the environment and society**, in line with international sustainability and climate change goals.

PILLARS	AMBITIONS	PROGRESS TO 2022
ENVIRONMENTAL - Contributing to the reduction of consumption and impacts - Multiplying the uses of matter	Fighting climate change through the decarbonisation of production processes	- Hot-charging efficiency[25] to reduce methane consumption at the mill - Almost total substitution of coal by polymers from recycling process
	Investing in solutions to improve energy efficiency and develop clean energy	- Launch of Feralpi Power On for the development of clean energy with the goal of achieving 20% self-production in Italy from photovoltaics
	Increasing the amount of residues sent to recovery and reuse processes, substantially reducing waste generation	- Efficiency of the incoming scrap cleaning process to remove inert materials - Efficiency enhancement of existing recovery processes and development of new ones
SOCIAL - Care, safety and valorisation of people - Work culture and education of the new generations - Inclusion and territorial development	Reducing inequalities, ensuring equal opportunities and adequate wages, while respecting labour and human rights	- Skills mapping and valorisation paths - Creation of a Working Group to carry out projects and awareness-raising campaigns on gender balance
	Supporting the economic growth of the country system	- Commitment to corporate economic sustainability brings value shared and distributed among stakeholders every year
	Promoting a safe and secure working environment for all workers in the group with a constant focus on accidents at work	- We Are Safety project on safety culture - Technical and process interventions to ensure safety in plants
GOVERNANCE - Ethical Business Management	Integrating ESG (Environmental, Social, Governance) aspects into the Group's industrial model	- Governance Update - Integration of ESG aspects into the MBO/management incentive system - Application of sustainable finance instruments
	Defining unambiguous and measurable improvement paths at plant level, in line with national and international targets	- Establishment of the Ecological and Energy Transition Unit (UTEE) and of the HSE Manager and DEI Manager functions, Group Cyber Security Office, to synergistically pursue the set objectives
	Driving change in the steel sector, encouraging companies in the supply chain to adopt sustainable policies	- Media relations for ESG awareness - R&D planning in line with the ESG priorities of the European institutions - R&D partnership on innovation and sustainability
INDUSTRIAL COMMITMENT - Product and service quality	Improving product and service quality, optimising processes through inclusive and sustainable industrialisation	- Special Steel Quality: Quality monitoring at Acciaierie di Calvisano + Data integration at Arlenico mill - Mapping of quality procedures for standardisation purposes
	Promoting technological capabilities through research and development activities	- Continued and acquired new R&D projects aimed at improving industrial performance, energy efficiency and reducing environmental impacts
	Creating value for the territory by valuing work, safeguarding the cultural and natural heritage and contributing to the development of sustainable urbanisation	- Donation and sponsorship activities, in line with the Social, cultural and sports donation and sponsorship policy

[25] Residual heat conserved by the billet from the continuous casting and melting process. The more heat is stored, the less energy is required to heat the billet for the rolling process.

Technology at the service of ESG performance

Technology will play an increasingly important role in supporting companies in their efforts to address the challenges posed by climate change and sustainability more broadly. In 2020, Feralpi Group adopted cloud-based software in order to improve the management of KPIs and ESG information, make commitments made and results achieved traceable and communicable, reduce the risk of litigation, strengthen the sustainability reporting process and remain compliant and up-to-date with evolving regulatory requirements. Transitioning into the year 2023, the Group commenced the evaluation of a suite of **advanced ESG software solutions** considering the impending regulatory changes in the field of sustainability. This approach seeks to address the needs of stakeholders while providing a strategic tool capable of facilitating a comprehensive analysis of corporate performance. The objective is to leverage available data within the Group to cultivate **predictive abilities** that can minimize risks and maximize sustainability-related opportunities. This initiative aspires to position Feralpi Group as a responsible, pioneering leader in the steel industry.

2.3.1. The governance of sustainability

Feralpi's sustainability governance structure lays a strong foundation for enhancing ESG performance, as well as for devising and implementing its sustainability commitments. The structure is governed by the Board of Directors, bolstered by the Sustainability Management Committee and the External Relations and Sustainability Department.

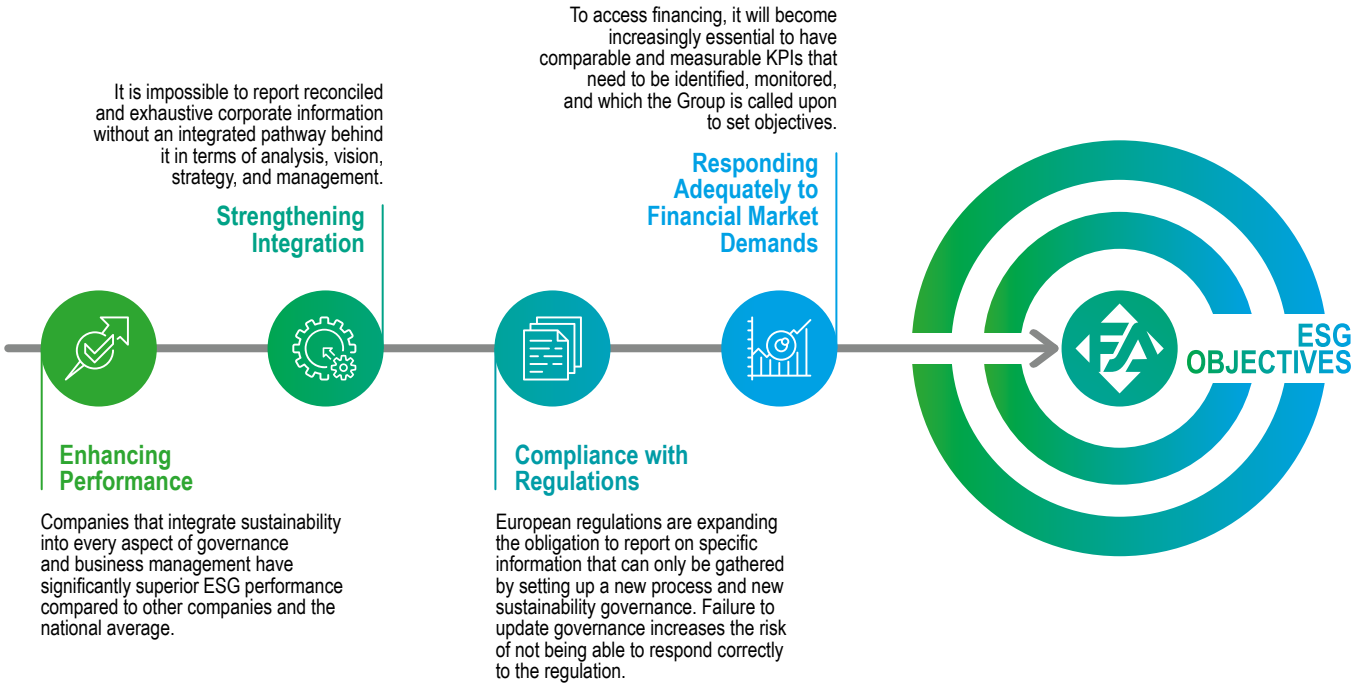
The **Board of Directors** at Feralpi Holding steers the formulation and execution of the Group's ESG and Sustainability strategy. The objective is to cultivate a resilient, adaptable entity that ensures business continuity amid an international landscape marked by increasing unpredictability and numerous crises. The Board is dedicated to creating shared value for employees, customers, shareholders, and the communities where the Group operates. It is responsible for ensuring that the organisation's long-term goals are aligned with the Sustainable Development Goals (SDGs) of the United Nations **2030 Agenda** and that these are achieved through ethical, sustainable and socially responsible practices. This implies the approval and continuous monitoring of clear, measurable **ESG targets** that are embedded in the corporate strategy. Furthermore, the Board fosters a culture of transparency and accountability, encouraging responsible functions to engage stakeholders in open dialogues addressing pertinent ESG issues and sharing updates on related initiatives. To perform its functions, the Board also utilizes external expertise and specialized counsel from the international market.

The Group's ambition to **generate long-term shared value** for its stakeholders, combined with the escalating demand for transparency about sustainable and socially responsible practices and the impact of ESG metrics on financial performance, triggered the need for a renewed focus on sustainability governance starting in 2021. This process began with updating the responsibilities of the Sustainability Committee.

The **Sustainability Management Committee** serves in a propositional and advisory capacity, aiding Feralpi's Board of Directors in evaluating and resolving sustainability issues linked to the company's operations, stakeholder interaction dynamics, corporate social responsibility, strategic plan integration (based also on the analysis of matters pertinent to long-term value generation), and corporate governance of the company and the Group. The Sustainability Committee currently consists of the Chairman, 8 internal members and 2 external members, one focusing on the environmental (E) aspects, and one focusing on the social (S) and governance (G) aspects. The aim in the coming years is to ensure an **increase in the number of external members, in order** to:

- Integrate more expertise and experience on ESG issues;
- Ensure compliance with laws and regulations and proactively manage ESG risks;
- Provide an impartial and innovative perspective on sustainability strategy and initiatives;
- Manifest the Group's commitment to transparent and responsible management;
- Forge connections and relationships that can generate new opportunities for enhancing the Group's sustainability strategy.

The **External Relations and Sustainability Department** assists the Board of Directors and the Committee in defining the sustainability strategy and objectives, guaranteeing their alignment with pertinent Regulations, Directives, and Guidelines. Additionally, it orchestrates the various units and functions in the operational execution of the strategy and manages the data and information collection process for non-financial statements (NFS) and Taxonomy Regulations. Lastly, it coordinates and amplifies relations with internal and external stakeholders to understand and meet their expectations, promote transparency, and ensure consistent, constructive dialogue.


It is impossible to report reconciled and exhaustive corporate information without an integrated pathway behind it in terms of analysis, vision, strategy, and management.
Strengthening Integration
To access financing, it will become increasingly essential to have comparable and measurable KPIs that need to be identified, monitored, and which the Group is called upon to set objectives.
Responding Adequately to Financial Market Demands
ESG OBJECTIVES
Enhancing Performance
Companies that integrate sustainability into every aspect of governance and business management have significantly superior ESG performance compared to other companies and the national average.
Compliance with Regulations
European regulations are expanding the obligation to report on specific information that can only be gathered by setting up a new process and new sustainability governance. Failure to update governance increases the risk of not being able to respond correctly to the regulation.

The Group's Strategic ESG KPIs

In 2022, the Sustainability Committee defined and approved a list of **Strategic ESG KPIs**, which are key to monitoring and assessing the performance of the Group's sustainability strategy. The KPIs were defined in alignment with international standards such as **ESRS**, **GRI** and **SASB**, to ensure the integration, comparability and authority of the data and information reported.

With the approval of the KPIs by the Board of Directors to take place in 2023, the next step will be the creation of a **Sustainability Scorecard**, a management and communication tool with a dual value:

Internally, it will allow:
- Monitor the effectiveness of the sustainability strategy, highlighting areas and processes in need of improvement;
- Integrating ESG considerations into strategic decision-making processes, ensuring more comprehensive and informed decisions;
- Proactively identify and manage risks and opportunities related to ESG issues;
- Involve Feralpi's employees more closely in the realisation of sustainability goals by promoting a responsible corporate culture.

Externally, it will allow:
- Clearly and transparently communicate the company's ESG performance, demonstrating Feralpi's commitment to achieving its sustainability objectives;
- Provide investors, customers and local communities with a transparent and comprehensive assessment of the company's alignment with their expectations;
- Facilitating comparisons with other companies in the sector, encouraging effective benchmarking;
- Stimulate a continuous improvement approach, encouraging collaboration with external stakeholders to develop joint sustainable solutions.

2.3.2. SDGs and the 2030 Agenda

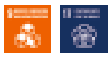
The 17 United Nations **Sustainable Development Goals (SDGs)** and their 169 targets address the most important economic, social, environmental and governance challenges of our time and globally require the accountability and participation of governments, businesses, cities and civil society necessary to achieve them.

Feralpi Group has adopted the SDGs as a guide to clarify its ambitions, make its sustainability strategy effective and improve its understanding and management of its impacts, aiming to make an increasingly significant contribution to achieving sustainable development and generating value for all the Group's stakeholders.

The Group's long-term priorities in the context of the SDGs are unequivocal: to use its technical capabilities and innovative vision in the steel sector to promote efficient production processes with a low environmental impact, to stimulate the supply chains in which it operates to create sustainable products, to improve the safety and well-being of workers, and to contribute to the social growth of the communities in which it operates.

Feralpi contributes to the achievement of the SDGs on which it has a significant impact through:

- conducting its business in an ethical and responsible manner;
- innovation in its products and services;
- job creation;
- support for skills development and training of young people.

THEMES	ACTIVITIES	SDG
Climate and Environment	Strategic activities and R&D for decarbonisation • Reduction of climate-changing emissions • Safe water management	
Circular Economy	R&D activities to minimise waste and promote the development of circular processes • Partnerships • Efficient use of natural resources • Recovery and reuse of production waste	
Health and Safety	Training activities on safety culture; Periodic and constant risk assessments; Updating Personal Protection Equipment	
Working Culture	Technological upgrading of digital processes and systems • Elimination of inequalities • Opening of positions and growth paths for women and men without discrimination	
Market and Research Partnerships	Sharing of technological know-how • Multilateral partnerships; Active participation in inclusive and sustainable urbanisation	
GDP and Employment Rate	Talent development; Efficient use of energy resources • R&D for inclusive and sustainable industrialisation • Diversification and technology upgrading	

Integrated Governance Index

In 2022, Feralpi once again participated in the **Integrated Governance Index (IGI),** an initiative now in its seventh edition, along with 86 leading companies in Italy, including 67 listed ones. The IGI aims to succinctly convey the extent to which ESG factors are integrated into corporate strategies by analyzing the awareness and presence of a corporate ESG Identity. This is evaluated both internally-examining elements such as the existence of a sustainability committee, a remuneration policy tied to ESG parameters, or board diversity-and externally, emphasizing the significance of its relationship with the supply chain, both upstream and downstream. By participating in this initiative, Feralpi was awarded with the **ESG IDENTITY - IGI COMPANY** label, a distinction granted to companies that have embraced the challenge of the Integrated Governance Index 2022. This achievement serves as a testament to the Group's consistent commitment and vision, demonstrating its capacity to confront ESG issues and initiate a profound trajectory of transformation and evolution.

2.4.

The identification and management of ESG risks

The succession of health, economic, environmental and geopolitical shocks over the past three years has shown that the price of inadequate risk management can be high. Following the "Risk Assessment" carried out at Group level in 2020, Feralpi began a process of implementing an Enterprise Risk Management (ERM) model. Risks for Feralpi are understood as events, actions or lack of actions that may directly or indirectly impact the achievement of corporate objectives.

Feralpi implements a Risk Management strategy, minimising the negative effect of major business-related uncertainties through appropriate remedial policies.

The Risk Model adopted by Feralpi is divided into heterogeneous categories to assess the Group's risk exposure. A first level of categorisation defines risks as:
- strategic, relating to medium- to long-term corporate objectives;
- operational, relating to the efficiency and effectiveness of business processes and the safeguarding of assets;
- legal and contractual compliance;
- image, related to corporate and group brand reputation;
- financial and reporting, related to internal and external reporting of financial and non-financial information, as well as related to short- and long-term financial assets.

Risks are also divided into:
- external risks, relating to factors not directly controllable by the company;
- risks related to internal processes;
- risks related to internal and external information flows and decision-making.

The risk analysis is updated annually and includes both financial risks and environmental, social and governance (ESG) risks. In particular, in 2022, Feralpi updated the Risk Assessment previously carried out in order to integrate the universe of its risks with ESG risks, considered relevant to the business itself. The process has led Feralpi towards a structured approach at Group level, spreading a risk management-oriented culture, as well as a change in its management approach. The analyses were carried out at Group level and involved various players, such as: the Chairman and Board of Directors of Feralpi Holding, the internal functions responsible for processes, and the managers and senior figures of all the Group's Italian and German plants. This process also envisaged the identification and formalisation of the main risk responses already implemented in order to guard against and/or mitigate the effects generated by the occurrence of risky events and possible future further mitigation and prevention actions. The identified risks have been classified according to a rating scale (High, Medium and Low), in consideration of the variables of probability of occurrence and severity of impact, updated with respect to the analyses carried out in 2020. The findings are presented in this non-financial report.

The update of the risk analysis carried out in 2022 focused on environmental, social and governance risks, thus excluding the following categories:
- Credit-related risks: risks related to customers' failure to meet payment deadlines, which could lead to financial losses for the Group.
- Risks associated with exchange rate fluctuations and interest rate trends: risks associated with the Group's financial debt, which is partly governed by variable interest rates and is therefore exposed to the risk of their fluctuation;
- Liquidity risk: risk related to the lack of liquid assets as well as funds available through committed credit lines;

- Risks associated with intangible assets: risks associated with possible impairment of goodwill and fixed assets.

For further details on the risks, the analysis is detailed in the Group's Consolidated Financial Statements. The main ESG risks that emerged from the analysis, broken down by the areas indicated by Legislative Decree 254/16, are described and discussed below.

Environmental Risks

RISK	DESCRIPTION
Dependence on the energy sector, price fluctuations and supply discontinuities	Energy risks include possible disruptions, price volatility and taxation of energy-intensive activities. Geopolitical developments 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 will have to rethink its energy strategy (supply and efficiency measures) in order to contain costs and meet decarbonisation targets, and on the other hand, it will have to prepare for possible energy supply disruptions and consequent production stoppages.
Raw materials: unavailability and price changes	The Russian-Ukrainian conflict, regulatory developments on the ecological transition and logistical constraints have aggravated the difficulties in sourcing raw materials and further increased price volatility with consequences on supply obligations. Responsible management of raw materials offers opportunities in the circular economy, as well as positive impacts on competitiveness and availability risk management.
Radiation sources and radioactive materials	Smelting furnace plants may face environmental risks related to the use of radiogenic sources and the melting of radioactive sources. These risks can lead to non-compliance with environmental and health and safety regulations, contamination of water, soil and air, penalties and reputational damage, as well as production shutdowns for clean-up. Compliance with management measures and procedures reduces these risks and prevents emergency scenarios.
Waste Disposal	Monitoring risks related to regulatory changes in the use of by-products is crucial. Keeping up with such developments prevents production slowdowns, economic and reputational damage. Finally, implementing strategic pavement and sealing maintenance is essential to prevent soil and groundwater contamination.
Uncontrollable/unpredictable phenomena leading to production stoppages	Uncontrollable phenomena include climatic phenomena, both physical and transitional. Physical risks can be acute (extreme events, e.g. floods and droughts) or chronic (progressive and tendentially permanent changes, e.g. temperature rise and water stress). Transition risks involve adapting to a low-carbon economy. Feralpi is most exposed to transition risk, but also considers acute physical risks, especially for the continuity of supplies and deliveries. Chronic physical risks, such as water stress and resource scarcity, will be important in the long term.
Risks related to regulatory compliance in the field of ecological transition	Evolving European environmental regulations expose companies to the risk of late alignment, with negative business consequences and potential cost increases and business limitations.
Geopolitical risks	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 exporting countries, and possible restrictions on exports, could lead to difficulties in sourcing inputs resulting in delayed or interrupted production and loss of markets and customers.
Risks associated with the transition to a more sustainable product	The regulatory, social and economic environment is driving the development of more sustainable products. However, this can be difficult and costly, with possible negative economic impacts, depending on market demand in the relevant sectors. In addition, delays in environmental permits or lack of funding can lead to market losses, higher costs and penalties. Finally, failure to meet product sustainability requirements may result in the loss of suppliers, contracts and customers.

Project Integration of ESG risks into the ERM model

Feralpi embarked on the path towards the implementation of an Enterprise Risk Management (ERM) model in 2020, with a specific 'risk assessment' process. In 2022, the Group continued its efforts to incorporate ESG risks into this model. This included reviewing and evaluating responses to previously identified ESG risks and detecting new ones.

This was done through an in-depth analysis of the external context in which the Feralpi Group operates. In particular, the impacts of **global megatrends were** considered, and an in-depth **analysis of the steel sector** and a **benchmark analysis** of thirteen national and international peers was carried out to assess the ESG impacts and repercussions on Feralpi.

The results led to the definition of an updated **ESG risk profile** to 2022 and the drafting of a new Action Plan to implement the previously identified risk responses.

Continued from previous page.

Environmental Risks

RISK	DESCRIPTION
Performance Reduction	The inappropriate selection of suppliers, resulting in low-quality raw material, or machinery malfunctions, can cause loss of product and by-product quality, leading to loss of customers and revenue. A decline in by-product quality may make it difficult to sell. Finally, failure to integrate ESG factors into the supply chain may negatively affect environmental performance and access to funds and markets. These risks are most relevant for the Special Steels Business Unit, where product safety is crucial for the end consumer (automotive).

Personnel-related risks

RISK	DESCRIPTION
Cybersecurity risk	The increasing use of digital technologies increases cyber security 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 penalties and loss of accountability, affecting employer-employee relationships. A cyber attack could also endanger the health and safety of workers and cause environmental damage through the compromise of software and monitoring equipment.
Workers' health and safety risks in the workplace	Worker health and safety risks include exposure to chemical agents, physical agents, equipment and major accident hazards. Failure to make facilities safe can lead to accidents, occupational diseases, fires and explosions, with social, legal and reputational consequences. The company may incur penalties for failure to take preventive measures, training or appropriate PPE. Such risks may also lead to production stoppages as a result of physical damage, fire, explosion or work-related injuries requiring investigation.
Possible unpredictable and catastrophic events: due to social/technical factors	Unpredictable events such as pandemics or environmental disasters can affect the health and safety of people and the continuity of production, causing absenteeism and disruption to the production system. Mechanical failures and human errors can also limit production activity, increasing work schedules and reducing productivity, resulting in lower revenues. In addition to repair costs, business interruption can cause production losses and compromise the fulfilment of contractual obligations with customers.
Lack of skills and/or expertise	The current market poses risks associated with the challenge of attracting, developing, and retaining crucial skills and aptitudes. The success of a business relies heavily on a qualified and motivated leadership team. Any shortcomings in this regard could potentially lead to a decrease in production speed, innovation, and product quality. Moreover, reliance on external suppliers for key competencies exposes the company to risk. Interruption of these business relationships could significantly impair the company's production strategies and operations.

Social risks

RISK	DESCRIPTION
Value Chain Risks	Interruption of business due to unforeseeable events such as climate change and pandemics inevitably has repercussions in terms of upstream and downstream supply chain resilience.
Risks associated with scrap suppliers	Scrap is a strategic raw material for business continuity. Responsible management of supplier relations and careful control of the quality of the raw material are essential to prevent risks. and customer dissatisfaction.
Risks associated with the loss of customers	Economic crises and recessions, sanctions, material shortages, production interruptions, poor product quality, technological change and competition may lead to loss of customers and reduced sales. Lack of staff knowledge and skills may also reduce competitiveness resulting in loss of attractiveness. Adaptation to new systems and technologies and knowledge transfer are crucial.

Risks related to corruption

RISK	DESCRIPTION
Risks related to corruption and business ethics	Risks of non-compliance with anti-corruption, antitrust and ethical principles could lead to economic sanctions and reputational damage. However, these risks are not currently significant.

***
Risks related to the local community and the area where the Group's plants are located do not emerge as significant.

Human rights risks

RISK	DESCRIPTION
Cybersecurity risk	The most vulnerable human rights are the right to health and self-determination. In a European regulated business environment, the failure to protect human rights can be linked to cybersecurity risk. A cyber attack, in addition to having significant impacts on business continuity, could compromise staff privacy, labour relations and create an unsuitable working environment, for example, in the case of an attack on video surveillance or monitoring systems.
Violation of human rights or discrimination	Risks related to inclusion and integration, stemming from bullying, harassment and discrimination based on nationality, faith, gender or age, as well as risks related to the protection of human rights, although less significant, need to be monitored. The occurrence of such risks may lead to reputational damage with possible financial losses and legal action.

***
Risks related to human rights in the supply chain, for the geographic region to which the Group's suppliers belong, or, on a broader level, risks related to discrimination for any kind of diversity, do not emerge as significantly relevant.

2.5.

Business continuity

For Feralpi, business continuity represents the company's capacity to navigate crises, anticipate and adjust to new market situations and environmental standards, and maintain agility in organizational processes through structured and efficient management systems.

In 2022, the notion of *business continuity* grew even more important and central to the Group's strategies. These strategies must be adaptable and equipped to address a broad spectrum of threats and challenges. The COVID-19 pandemic that started in January 2020 led to a worldwide health and economic crisis, necessitating the adoption of new work models and a reevaluation of strategic goal achievement. As Feralpi transitioned towards a new reality post-pandemic in 2022, another destabilizing event hit the global stage: the conflict between Russia and Ukraine, which erupted in February 2022. This conflict introduced another layer of complexity with international implications spanning various sectors, including energy, raw materials, and global security. Geopolitical tensions, demographic shifts, and political uncertainties have caused fluctuations in financial markets, thereby increasing volatility and placing further emphasis on the ability to plan and manage simultaneous crises of varying nature.

The cost of energy and the suspension of production

After a slight decrease in January 2022 compared to the final 2021 values, gas and electricity prices escalated once more due to conflicts in Eastern Europe, a drought that affected Europe, and extended shutdowns of numerous French nuclear power plants. In Italy, the price averaged around 300 €/MWh (Single National Price, PUN), while in Germany it was around 235 €/MWh. In both Italy and Germany, there were peaks of over 800 €/MWh in August. Between the end of 2022 and the first months of 2023, prices fell due to the stabilisation of gas prices, which were influenced by the international price of LNG (40-60 €/MWh), and the drop in demand for gas and electricity due to the climate trend in Europe. For 2023, the energy market situation remains uncertain and difficult to predict. Geopolitical tensions and the ongoing energy transition have pushed energy companies to adopt important structural solutions and to monitor developments on a daily basis.
Energy expenditure is a major outlay for the Feralpi Group, with electricity being the primary energy source and natural gas primarily employed for billet reheating furnaces in the rolling mills. The Feralpi Group has strived to enhance and **instate structural flexibility in its production**, enabling concentration of production in specific departments during days and hours when energy costs are lower. Conversely, production can be reduced or halted systematically during periods of peak energy prices. The energy price is tracked daily to identify the costliest hours and manage production needs and their financial impact. The Group also gained from the introduction of certain tax credits by the Italian Government to offset increased costs. Prioritizing the reduction of energy costs and consumption remains integral to the Feralpi Group's business continuity plan. Therefore, the Group is consistently examining different ways to reduce its energy usage and boost process efficiency. Alongside these measures, the Group is rolling out a **major plan for self-production** of electricity from renewable sources and biomethane.

Cyber security: safe management

The Covid-19 pandemic has led to an acceleration in terms of digitisation by companies. Industry 4.0 is enabling a significant increase in productivity and efficiency, offering opportunities to reduce costs and improve competitiveness. However, it brings with it challenges in terms of IT security, exposing companies to vulnerabilities that can undermine *business continuity*.
Cybersecurity management is now a key element in ensuring the continuity of the Group's operations. Over the last three years, Feralpi has developed an approach to cybersecurity capable of providing the best possible protection for its product processes, services and underlying IT and OT infrastructures.

In 2022, the Group continued the implementation of its **cybersecurity management plan** to protect itself against cyber attacks. **Awareness-raising actions** also continued, both through the **Security Culture Programme** aimed at internal users and **verification actions** along the value chain (particularly aimed at suppliers), with the aim of raising awareness of the cultural change that is taking place.
The Feralpi Group's cyber security strategic plan, developed for the period 2021-2024, bases its priorities on the continuous improvement of the **Business Continuity & Recovery Plan** and the mapping and improvement of IT/OT infrastructures and policies. The continuous monitoring system aimed at identifying possible cybersecurity-related threats is continuously refined and enhanced. Since 2022, there has been a **Chief Information Security Officer who**, together with his team, is responsible for establishing the Group's cyber security policies, developing the cybersecurity plan, monitoring control measures, improving cybersecurity processes/procedures, monitoring the integration of IT/OT systems and planning and implementing security training programmes for the entire workforce, reporting to the Group's Director of Information Systems.

Logistics: leaner procedures, sustainability and demand for infrastructure

In 2022, the logistics sector rebounded following the crisis, spurred by the revitalization of the post-Covid economy. The issue of driver shortages has receded, influenced by the pandemic's end and the decreased demand for steel. Challenges persist due to the shift from road to rail transport aimed at reducing transportation emissions. The growing demand for rail transport has caused difficulties in the sector due to infrastructure that's not yet capable of handling the increased load. The most significant barrier lies in modernizing and expanding rail capacity.

Feralpi has consistently upheld high standards in logistics management and in the rapid loading and unloading at its facilities, constantly striving for process improvement over time. In 2022, Feralpi Siderurgica continued its logistics digitalization by completing an online registration system for vehicles delivering scrap. This system was extended to include foreign suppliers and was developed to enhance transport forecasting and reduce wait times at the plant entrance. Feralpi Siderurgica has a tracking system that monitors all stages of goods entry and exit, providing detailed reports on the number of vehicles managed and loading and unloading times.

In 2022, following an analysis of optimization opportunities related to the road system, the second driveway entrance was entirely renovated. This included constructing a new office, doubling the scales, and initiating a project to identify alternative routes for vehicles. This would improve internal traffic flow, leading to better efficiency and safety. The new route will ease access to the loading and unloading areas, decrease accident risks, and eliminate conflict zones. This project, due to be completed in 2023, also

Feralpi in the CEIP Consortium

In 2022, the Feralpi Group, recognising the strategic importance of technological innovation in the steel industry, decided to join the **Consorzio Elettrosiderurgici Italiani per il Preridotto (Italian electro-steel consortium for pre-reduced iron one, CEIP Scarl)**. The coalition aims to identify, promote and develop innovative solutions in the field of production, marketing and sale of **Direct Reduced Iron (DRI).** In a context characterised by an increasingly uncertain geopolitical situation, a growing demand for ferrous scrap and the need to contribute to the long-term sustainability of the Italian iron and steel industry, joining CEIP represents a strategic choice of great significance for Feralpi. In fact, using DRI as an alternative raw material to traditional ferrous scrap makes it possible to diversify its supply sources and reduce dependence on foreign suppliers whose availability may be influenced by exogenous factors that cannot be controlled and are difficult to predict. Lastly, participation in CEIP will also allow the applicability of the technology to be understood in terms of the use of hydrogen, both as a source of energy and as a reducing agent.

focuses on the plant's entrance and exit points. Special attention is given to creating an external route to prevent traffic congestion on adjacent roads.

Procurement of raw materials

In 2022, the supply of raw materials was affected by the conflict between Russia and Ukraine, leading to re-routing and causing delays both by sea and land. The suspension of international negotiations, high transport and container freight costs[26], combined with difficulties in sourcing materials mainly from Ukraine and Russia, such as nickel and ferroalloys, created organisational problems for companies.

In Feralpi's case, the impact of rising prices for ferrous and ferroalloy scrap, as well as the actual availability of scrap, has been particularly severe. In this regard, the conflict in Eastern Europe undermined certain previously established market balances, prompting other international players to compete for ferrous scrap supplies. This, combined with the anxiety generated by uncertainty among buyers and speculation on the part of sellers, has led to obvious price distortion phenomena. Italy, which produces more than 80 per cent of its electric furnace steel by melting scrap, suffers from a chronic shortage of raw material and has suffered from these events most clearly. In 2022, against a national production of 21.6 million tonnes and a scrap consumption of over 16.4 million tonnes, net scrap imports amounted to around 5.2 million tonnes (Siderweb processing of ISTAT data). The strategy adopted by Feralpi to meet these challenges was based, as far as scrap is concerned, on its solid financial capacity to cope with rising prices and, above all, on the strength of the historical relationships and trust established over the years with its suppliers. In relation to the other raw materials, flexible trade agreements based on market trends, also made possible thanks to the strong relationships of trust with suppliers, ensured availability during the year.

Responsible Supply Chain Management

The raw materials utilized by the steel industry are crucial for a company's economic sustainability and ESG performance. At Feralpi, supplier selection is grounded in technical, economic, and sustainability evaluations. Preference is given to suppliers who assure quality, timely delivery, continuity, and robust environmental and social performance. Scrap suppliers are asked to provide sustainability information via a questionnaire based on the Ten Principles of the UN Global Compact, which evaluates details on quality, environment, ethics, health, and safety.

Regarding the selection of non-Italian scrap suppliers, the procedure involves a process to gather environmental information. In Germany, there's a unified questionnaire concerning quality, energy, and environment, in accordance with the integrated management system, which is distributed to all suppliers of significant materials.

Purchasing policies are shared at Group level with functional coordination by the Group Purchasing Department, particularly concerning the purchase of ferrous scrap, refractories, ferroalloys, electrodes and equipment. On the other hand, relations with suppliers of energy sources are managed in the first person by the Group Energy Management. Relations with suppliers are governed by contractual agreements that require transparency, long-term cooperation and attention to product and service quality on both sides. Suppliers are required to comply with the Group's Code of Ethics, pledging

[26] Logistics news - Logistics: a year to interpret (2023). Obtained from: https://www.logisticanews.it/crollo-dei-noli-e-costi-operativi-affondano-il-trasporto-marittimo/

to adhere to the values and principles set out therein and to promote awareness of them among their employees and collaborators. Acknowledgement and acceptance of the Code of Ethics is a mandatory requirement for all Group purchase orders, both in Italy and abroad. Furthermore, Feralpi in Italy follows the provisions set out in the Management and Control Model pursuant to Legislative Decree no. 231/2001.

Feralpi's main supply categories

Energy Sources (energy, methane gas and oxygen)	Large international players able to guarantee security and continuity of supply and support in monitoring the market. The Group selects suppliers with a shared vision to conceive energy efficiency ideas and projects. Feralpi also works with ESCo (Energy Service Companies) for the presentation and reporting of energy efficiency projects with the aim of obtaining TEE (Energy Efficiency Certificates) to certify real savings.
Scrap, subsidiary raw materials and steel products	Ferrous scrap suppliers and suppliers of subsidiary raw materials are the most strategic category of suppliers for the continuity of an Electric Arc Furnace (EAF) steel mill. They must ensure a constant and quality supply, as well as prices in line with the market.
Technologies and installations	National and international companies with which Feralpi establishes co-designing and partnership relations, specialising in the construction of steel plants and services in general, based on technological requirements and project objectives and the desired degree of innovation, reliability and performance.
Substitute materials	Suppliers from alternative supply chains proposing alternative products to develop viable circular solutions.
Other suppliers	Service providers or external companies operating within the plants.

2.6.

The materiality analysis process

Materiality analysis is of crucial importance in the overall assessment of the Group's performance and its short, medium and long-term consequences on society and the environment. The materiality analysis process for the 2022 financial year saw a methodological update to incorporate the new requirements introduced by the 2021 version of the GRI Universal Standards and to make the double materiality analysis more complete and objective[27]. A double materiality analysis is essential to identify the importance of ESG impacts from two different but equally important perspectives:

- **Financial materiality:** assessment of the impacts, in terms of risks and opportunities for the Group, that influence strategy, financial performance and business objectives;
- **Impact materiality:** assessment of the significant negative or positive, actual or potential impacts generated by the Group on the environment, economy and people, including the effects on their human rights, in the short, medium or long term.

The Board of Directors, supported by Feralpi Holding's External Relations and Sustainability Department, is responsible for the materiality analysis at Group level and plays a coordinating role, incorporating and implementing the reference guidelines and requirements internally and with its stakeholders and external experts. The materiality analysis is subject to specific review and approval by the Board of Directors and the Sustainability Committee. The analysis was developed according to the latest guidelines of international standards such as GRI, EFRAG, SASB and the O.I.B.R. foundation.
The materiality analysis process consisted of five steps:

1. Understanding the internal and external context of the organisation;
2. Identification of potential and actual impacts through stakeholder engagement;
3. Evaluation of the importance of impacts according to the two perspectives (financial and impact);
4. Prioritisation of the most significant impacts for reporting purposes;
5. Definition of material subject lists.

Impacts were identified through the analysis of internal sources, such as Policies, Commitments, Procedures concerning process management (EMAS Environmental Declaration, ESG risk study, etc.), and from external sources, such as national, European and international regulatory references, studies related to the steel sector on ESG issues, and grey literature, composed of associations, consulting agencies, expert groups and internationally recognised rating agencies. A benchmark analysis of the Group's main peers and competitors was also carried out.

The assessment for the **impact materiality** was conducted by considering several factors such as severity, which encompasses aspects like scale, scope, irreversibility (in the case of negative impacts), likelihood, and the position along the value chain. This process involved focus groups with department managers and external experts.

[27] The concept of dual materiality was first introduced by the European Commission in the 2019 Non-Financial Reporting Guidelines document and also taken up in the *Corporate Sustainability Reporting Directive*.

External stakeholders were engaged through a simplified survey that gauged the perceived importance of proposed topics.

When assessing **financial materiality**, the Group utilized the **ESG risk assessment study** carried out in 2022, in addition to information provided by the **SASB** and **MSCI** materiality matrices.

The analysis led to the establishment of a list of significant themes, detailed below, which represent the Group's most substantial impacts on the economy, environment, and society. These impacts are assessed from both a financial and an impact perspective, or sometimes just one of the two. Compared to 2021, the materiality analysis has expanded to include two additional themes, "water resource management" and "Integrity of governance and transparency of business".

Statistics of participants in the engagement process

List of Material Themes

THEMES	DESCRIPTION	TYPE OF IMPACT
MATERIAL ESG TOPICS FROM BOTH IMPACT AND FINANCIAL PERSPECTIVES		
Climate change and energy efficiency	Negative impact on climate change resulting from the group's production activities. This negative impact is mitigated by the energy efficiency of production processes and the reduction of climate-changing gas emissions through innovative technological solutions aimed at mitigating the current negative climate impacts, both direct and along the supply chain, and facilitating the energy transition	Negative
Economic sustainability and generated value	Ability of the company to remain competitive in the marketplace while complying with competitive, economic and environmental regulations, so that it can continue to generate a positive economic impact for all stakeholders throughout the value chain	Positive
Circular economy, waste and use of material	Negative impact on the environment from production of waste and residues. This negative impact is mitigated by the responsible management of these and of raw materials, with a view to recycling, reuse and thus the circular economy, in order to preserve natural resources and help reduce the demand for raw materials and the impacts caused by waste generation	Negative
Safety culture and prevention	Negative impact on workers' health and safety, mitigated through the development of an internal culture characterised by the management of possible health and safety risks and by preventive actions and activities aimed at making workers aware of the importance of working safely and preparing them for emergency situations	Negative

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List of Material Themes

THEMES	DESCRIPTION	TYPE OF IMPACT
Business continuity	Capacity for vision and continuous updating of organisational processes so that the company can adapt to ongoing changes and related risks, related to technological development on the one hand and sustainable development on the other, thus avoiding potential negative impacts on the well-being of stakeholders along the entire value chain	Positive
Pollutant emissions	Negative impact of pollutant emissions on the environment and people living in the surrounding areas. This impact is mitigated through the management of pollutant emissions with a view to reduction and in compliance with current regulations	Negative
Water resource management	Negative impact on the availability of the water resource for the group and the stakeholders with whom the resource is shared. This impact is mitigated through responsible use and sustainable management in terms of consumption, use and recovery, also with a view to reducing or eliminating potential negative impacts on aquatic ecosystems	Negative
Digital and technological innovation	Ability to create innovation through planned research activities, the development of new technologies and the promotion of digitisation initiatives and programmes in order to continue to make a positive impact on the environment, climate and society through technologies that enable the safe production of environmentally sustainable and low-carbon products	Positive
Product and service quality	Feralpi's ability to make a positive impact on society and the environment by guaranteeing high standards of quality in terms of the product and service offered and thus developing relationships of trust with customers, aimed at building loyalty and satisfaction in the service rendered and not just the product sold	Positive
Development and empowerment of people	Ability to enhance professionals through the continuous development of their skills in order to continue generating positive economic impacts on people and through the creation of new professional opportunities and in order to prevent talent drain	Positive
MATERIAL ESG ISSUES FROM A FINANCIAL PERSPECTIVE		
Health and wellbeing	Positive impact on the well-being of Group employees through management aimed at promoting healthy lifestyles and benefits on people's daily lives, in terms of safeguarding their psycho-physical health and supporting work/life balance	Positive
MATERIAL ESG TOPICS FROM AN IMPACT PERSPECTIVE		
Integrity of Governance and Transparency of business	Ability of the company to make a positive impact throughout the value chain and towards its stakeholders by managing its business and governance in a fair, ethical and integral manner in terms of regulatory compliance (from antitrust to corruption), internal management and reporting with a view to transparency and honesty	Positive

3

Feralpi steel: a fusion of quality, environmental sustainability and innovation

Feralpi stands out as excellence in the steel industry thanks to its constant commitment to adopting cutting-edge production processes and innovative, eco-friendly technological solutions.

Its main goal is to ensure sustainable and inclusive industrial development, with particular attention to environmental protection.

3.1.

Product and service quality

The production of steel from electric arc furnace (EAF) involves the use of scrap and other materials, including lime, ferroalloys and refractories. Quality, understood as the set of characteristics and properties of products, processes or services that enable the customer's requirements to be met, is guaranteed through specific monitoring procedures of the internal production process.

3.1.1. Qualification of suppliers and scrap quality

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 supplier qualification process is crucial to guarantee the contractual requirements agreed with customers and to meet their expectations. High quality suppliers help to prevent corruption or regulatory compliance risks, ensure a better control of the market and enable more incisive and targeted business operations. The scrap delivered can be of two types:

- **scrap consisting of scraps or processing residues:** new scrap is collected by third parties and delivered directly to the steelworks or sold to companies that market them;
- **scrap from steel artefacts 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.

Feralpi's main suppliers of scrap include traders and intermediaries, who acquire the material from various sources, including waste collection and disposal centres, demolition companies, recycling plants, manufacturing industries and car manufacturers.
In Italy, the supply profile is marked by a high degree of fragmentation with approximately 30% of supplies being imported. To mitigate management and purchasing risks due to the high fragmentation of the Italian market, the Group has established relationships with intermediaries, such as **Mediasteel**, one of the main suppliers, 45% owned by Feralpi itself. In Germany, ESF Elbe-Stahlwerke Feralpi GmbH's strategic geographical location, coupled with lower competition for raw materials in the area, facilitates the recovery of scrap, including from neighboring foreign countries like Poland and the Czech Republic. This is also combined with the less fragmentation of suppliers against larger and more structured groups, through which a safer and more cost-effective management is possible.

The incoming scrap is subjected to visual and radiometric controls, the latter aimed at searching for possible radioactive sources, to verify its conformity from a safety point of view before being sent to the melting process. At the plants in Lonato del Garda, Calvisano and Riesa, there are advanced plants for the selection and treatment of scrap that make it possible to eliminate **non-ferrous inert** fractions, i.e. materials other than

steel that would negatively affect the energy efficiency of the melting process and the quality of the product itself.

Reporting Non-Compliance

Any occurrence of non-compliance triggers immediate notification to the supplier and an entry in the **'Non-compliant Scrap Event Register'**. Should radiocontaminated material be detected through the designated portals, procedures mandate that the vehicle be detained, cleaned, and its potential hazard evaluated by a qualified external specialist. In cases where actual radioactive material is identified, a report is submitted to the competent authorities and the material is confiscated. Non-conformities intercepted within Feralpi Siderurgica decreased by one percentage point compared to 2021, thus favouring, through the reduction of inefficiencies, the volumes of marketed product.
At the Acciaierie di Calvisano and Caleotto plants, which are specific for the **production of special steels**, the trend of internal downgraded product[28] increased slightly compared to 2021. This is caused by the increase in internal controls due to the change in the production mix, which is increasingly devoted to special steels, which require much more stringent quality requirements. However, the increase in these controls resulted in a decrease in complaints compared to 2021.

3.1.2. Controls throughout the production process and management of feedback information

Within the **Specialities Division (Acciaierie di Calvisano - Caleotto chain)**, the Quality Integration project, concluded in 2022, led to the implementation of a system that is able to promptly identify the onset of defects and preventively address products to the target customer in relation to product quality classes. The system is also able to provide alerts in the event of abnormal situations in the process, enabling operators to take the necessary corrective action. Added to this is a laminated product detector to identify any defects and guarantee a delivery of quality material. Simultaneously, to enhance the internal organizational structure and project a strong quality message to the relevant market, Caleotto achieved **Automotive IATF 16949 Certification** in the first half of 2022.

At Feralpi Siderurgica, the project covered all processes in the quality department, from the certification flow to the acquisition of test machine data. In 2023, the plan is to transition to a new cloud-based Google interface. This shift will facilitate the transmission of data acquired in SAP and enable the issuance of test certificates via SAP on a customer-accessible portal named “Share”. Customers will be able to access this portal using their own credentials.

At FERALPI STAHL, a rolling mill quality predictive model project is being implemented with the objective of predicting the Tensile Strength Index starting from the chemical composition of the steel and the rolling mill process parameters. Feasibility studies and conceptual development of intelligent material tracking systems are also underway with the aim of improved product quality control within the production process, which we aim to implement in the near future.

[28] Product that does not meet the quality requirements of the customer and is destined for a different market.

DeepQuality
Artificial Intelligence for Quality

Feralpi is committed to bolstering its quality management system through Research and Development initiatives, focusing on individual stages or entire production processes. Among such initiatives is the DeepQuality project, initiated in 2021 and co-funded by the European Community through the RFCS (Research Fund for Coal and Steel) Call for Proposals. The project’s goal is to enhance the efficiency and accuracy of Feralpi’s special steel quality assessments (involving the Acciaierie di Calvisano - Caleotto supply chain) through the application of **deep learning**. This form of artificial intelligence utilizes advanced algorithms to analyze substantial volumes of data and autonomously learn new patterns. Continued in 2022, the project aims to identify and classify correlations between process parameters and the qualitative attributes of the end product. Consequently, advanced systems can equip operators with **crucial decision-making support by predicting properties** (such as tensile strength) and anticipating **defects or irregularities**.

DeepQuality therefore aims to **improve the integration** between steel mill and rolling mill activities. This is of paramount importance because it allows the quality of the final product to be predicted in advance from the field data of the steel mill, thus enabling optimisation of the rolling mill’s work, **reducing production errors and** customer **complaints**. Thanks to DeepQuality, the steel mill and rolling mill processes are no longer seen as separate, but as **one integrated process**.

The large amount of information that these systems are able to provide cannot disregard the need for personnel education and training, which must be conducted to enable personnel to acquire the technical-operational and control knowledge necessary for the correct execution, in safety, of the activities for which they are responsible, and also concerns the knowledge of the correct application of the prescriptive documentation.

3.1.3. Compliance with labelling and information transparency regulations

The products are named according to national and European standards and technical directives: each product is associated with a label bearing an identification code, quality level, standard references, dimensional references, bar code and identification of the logos of the certificates of the standardising bodies. The correspondence of the labelling is verified by inspection and certification bodies. The company provides the 3.1 inspection certificate in accordance with EN 10204:2005 for the various types of products and, for structural steel, also the qualification certificate in accordance with the regulations of each reference country. Product traceability is based on package labelling and delivery documents. In addition, on Italian products or according to the country of reference, a distinctive hot mark is applied to guarantee their origin.

In 2023, a tag featuring a QR code will be implemented, enabling customers to access comprehensive technical and quality specifications of the product, along with bundle-specific information. This QR code won't replace the existing barcode but will complement the labeling information. The goal of this enhancement is to offer customers greater transparency regarding their purchased products.

At Group level, all products are assessed for compliance with the relevant technical standard or customer specification. Product quality assessment criteria are applied with the analysis of non-conformities and their resolution. During the three-year period 2020-2022, there were no instances of non-compliance with regulations and voluntary codes relating to product information and labelling. No certification losses or warnings from certification bodies were recorded.

3.1.4. Quality of service

Continuous process innovation, research into innovative materials and certified quality management are the key to ensuring real customer satisfaction. With the aim of increasing service quality, work continued in 2022 on developing a growing synergy between Feralpi Siderurgica and FERALPI STAHL in order to respond adequately to customer requests and meet deadlines. At the same time, with a view to improving logistics efficiency, work was completed on improving the internal road network and logistics movements to the outside world, with the aim of being more effective and present at the international level as well. Finally, the renewal of rail transport planning continued. In 2022, at Feralpi Siderurgica and ESF Elbe-Stahlwerke Feralpi GmbH, technically accepted claims remained in line with the previous year.

Feralpi's *Customer Relation Management (CRM)* includes credit management, which makes it possible to monitor the credit situation of all customers and to keep it constantly updated and visible to both the internal sales team and the agent in the territory. Therefore, one-to-one update meetings were held with agents in 2022.

In 2023 Feralpi will follow the regulatory process and obtain certifications to market the new product, the spooler, which will take place in the first quarter in 2024. The new plant, alongside the current bar mill, should bring the following benefits:

- High efficiency, productivity and improved material yield;
- Improvements in logistics, transport and storage;
- Optimisation of production processes, minimisation of waste;
- Increased levels of automation, plant safety, standardisation of processes;
- Evolution towards larger roll diameters (20, 25, 28 mm).

The modernisation of the bar/spooler mill also includes a new hot charge system using induction furnaces.
This project was designed to ensure that the rolling mill could be fed directly from the existing continuous casting to reduce CO_2 consumption due to the traditional gas heating of the existing furnace.

3.1.5. The digitisation of quality - Feralpi Cloud Platform (FCP)

The Feralpi Cloud Platform (FCP) is a centralized cloud solution that aggregates production and quality data, gathered from various sources and multiple Group production plants. This platform offers a comprehensive overview of processes, thereby simplifying their management and optimization. The integration of all Feralpi Group plants into the cloud platform will also enable the implementation of increasingly elaborate Artificial Intelligence technologies, with the aim of:

- Detecting any performance decline;
- Preventing interruptions in production;
- Anticipating maintenance needs.

The platform has also significantly increased customer focus through its ability to offer detailed product information and receive feedback based on customer satisfaction, a crucial factor in prioritising and evaluating business strategies.
Thanks to the cloud platform, there has been a heightened focus on customers through offering increasingly detailed product information and simultaneously receiving feedback based on customer satisfaction. This feedback is an important tool in prioritizing and reviewing company policies, and it can stimulate continuous improvement.

The ability to guarantee *customer satisfaction* is closely related to the ability to think in systemic terms, to understand the reason for any problems or dissatisfaction, to identify the causes hindering performance and to intervene promptly to overcome them. For this reason, a satisfaction questionnaire has been implemented in some of the Group's plants, such as Feralpi Siderurgica and ESF Elbe-Stahlwerke Feralpi GmbH. In 2023, the aim is to develop a more structured and timely customer questionnaire for the Group.

3.2.

The environmental sustainability of the product

Feralpi has taken significant steps to measure the environmental impact of its products. The **Life Cycle Assessment** methodology, regulated by the ISO 14040 and ISO 14044 standards, has been applied to 100% of the products at Feralpi Siderurgica's Lonato plant, specifically:

- Hot-rolled;
- Cold-rolled;
- Greenstone product.

For this analysis, the **'cradle to gate'** methodology was used. This approach takes into account all the stages of product creation, from the extraction and acquisition of raw materials to the production of Feralpi's finished product. The term "cradle to gate" refers to the route from the "cradle", the origin of the raw materials, to the "gate", the point at which the product leaves the company to be distributed.

These studies led to obtaining the **Environmental Product Declaration (EPD)** for each product category in accordance with ISO 14025 and EN 15804. The EPD is a document certified by an independent third-party organization. It attests to the environmental impact of a company's products and processes, offering detailed, verified information about the ecological footprint of each product. In 2023, Feralpi Siderurgica plans to recertify its Environmental Product Declarations (EPDs), adopting a new model that allows certification for individual products instead of an overarching system. This effort will be complemented by the addition of EPDs for products from ESF Elbe-Stahlwerke Feralpi GmbH and Caleotto.

In addition to the EPD, Feralpi has also conducted **Product Carbon Footprint (CFP)** studies for the products of Feralpi Siderurgica, Acciaierie di Calvisano and Caleotto, certifying them through the **ISO 14067** standard. Both the EPD and CFP are valuable tools for assessing and communicating the environmental impact of a product.
While the EPD provides a holistic view of a product's environmental performance across various impact categories, the CFP allows for a more detailed look at the climate impact due to greenhouse gas emissions associated with the product's life cycle.

Having both certifications, gives Feralpi a competitive advantage in the market, as it enables the company to present a complete and transparent assessment of the environmental performance of its products. This dual certification not only demonstrates Feralpi's dedication to sustainable practices, but also provides valuable pointers for the design of the Group's processes and products.

Feralpi's focus on these certifications also enables it to work more effectively with suppliers, promoting more efficient and sustainable practices throughout the supply chain. By conducting an in-depth analysis of the environmental impacts associated with the strategic raw materials used in its products, Feralpi can assess and continuously update its environmental performance, in line with its dedication to sustainable practices.

Lastly, the presence of EPDs and CFPs is of strategic importance in the market and in relations with customers, as it enables the Group to access specific market segments and support its customers in meeting environmental criteria in turn. In this way, Feralpi helps to promote the value of synergic cooperation between the various parties involved in the supply chain, achieving an increasingly high level of environmental performance throughout the entire production chain right up to the end customer.

What does the Environmental Product Declaration (EPD) communicate?

The EPD enables Feralpi to have a complete understanding of the environmental impacts of its products, making it possible to highlight the most significant ones and identify any unexpected and unintended trade-offs when improving or redesigning an industrial process or product. For example, the substitution of a material in the production process could improve environmental performance in terms of carbon dioxide emissions (CO_2) but increase eutrophication with immediate consequences on ecosystems. Knowledge of these aspects is now fundamental for the continuity of the Group's business and for the principle of transparency of environmental information to combat greenwashing. Below are the main indicators disclosed in Feralpi's EPDs:

Global Warming Potential (GWP): emissions of CO_2 and other greenhouse gases during the production of the product.
Acidification (AP): acid gases such as sulphur dioxide (SO_2) react with water in the atmosphere, leading to the formation of 'acid rain', which can cause damage to the ecosystem.
Eutrophication (EP): certain levels of nitrates and/or phosphates in water can damage ecosystems.
Stratospheric Ozone Depletion Potential (ODP): ozone-depleting gases (e.g. CFCs, HCFCs and halons) cause damage to the ozone layer, which is essential for life on Earth.
Photochemical ozone creation potential (POCP): nitrogen oxides (NOx) and volatile organic compounds (VOCs) can form pollutants that can cause health damage.
Abiotic depletion: concerns the use of non-renewable resources, including minerals, chemicals and fossil fuels.

3.3.

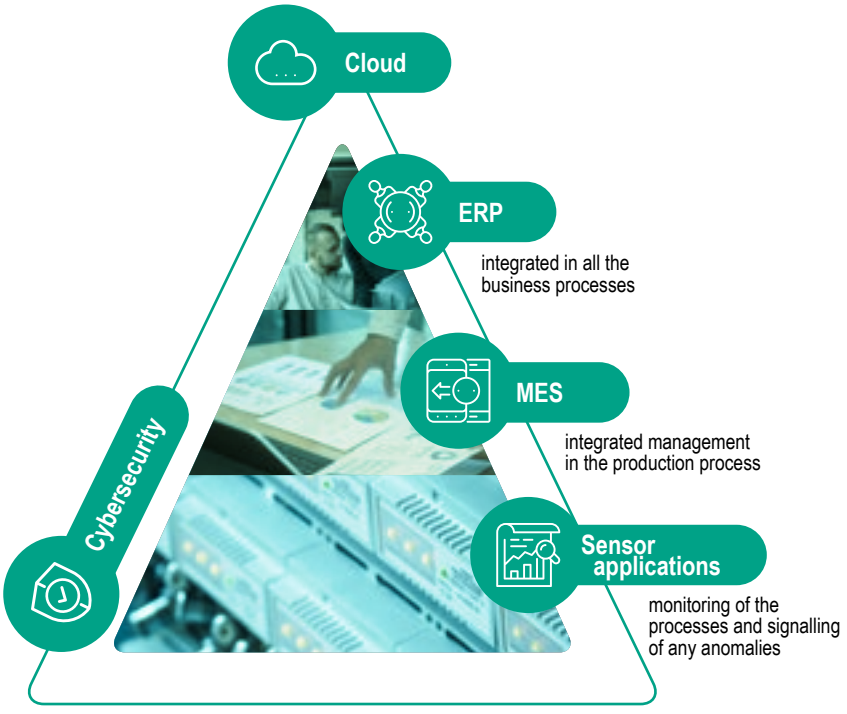
Industry 4.0 and automation

Innovation is the driving force of development for the Feralpi Group, playing a crucial role in its business strategy aimed at supporting the transition towards sustainable and inclusive industrialisation.

For Feralpi, digitalisation and automation are engines of growth and powerful catalysts for change, accelerating the ecological transition and promoting a sustainable future in the context of the global market. Indeed, **intelligent production** helps to increase efficiency by making better use of resources (reducing waste and maximising resource use), thus promoting the link between technological investment, financial performance, and ESG performance.

In recent years, and notably in recent months with the surge of Artificial Intelligence services available for both businesses and individuals, technologies have entirely transformed not only the production processes, but also the business models of companies. Digital infrastructures and solutions are now indispensable to maintain a competitive position in the market. As a result, Feralpi's digital ecosystems have evolved, consolidated and adapted to be increasingly flexible and resilient in order to anticipate the growing difficulties posed by new production processes and increasingly complex external contexts.

Feralpi Digital Ecosystem



Feralpi's constant commitment to technical and plant-engineering evolution, aimed at adopting predictive and automation technologies, particularly for special steels, is a fundamental element in ensuring production efficiency, progressively reducing environmental impacts and enhancing industrial performance. This approach is based on the adoption of **BAT (Best Available Techniques)**, i.e. the most advanced technical solutions, economically and technically applicable in the industrial sector of reference, which include plant, management and control aspects. The use of technologies related to Industry 4.0, such as Internet of Things (IoT), Artificial Intelligence and Big Data, proves to be essential to monitor and optimise energy consumption, reduce greenhouse gas emissions and promote the reuse of materials, thus avoiding landfilling or incineration.

Accelerating digitalisation in the production areas is a Group objective, which sees uniform systems and full integration of data with different systems as the most important prerequisites. The implementation of a Group-wide **Manufacturing Execution System (MES)** began in 2022, with the aim of achieving more efficient diagnostic data analysis and accelerating predictive analysis. These are the prerequisites for taking production processes to a higher level in terms of energy and material efficiency, to which is added the issue of safety. Such technology is considered to be fundamental to addressing sustainability challenges and achieving ESG goals[29].

Through its technical investments, Feralpi supports the constant improvement of plants to optimise process performance, reduce production costs and increase operator safety. The **Group's Technical Department**, the function that brings together technical and technological expertise at company level, is the organisational body responsible for managing strategic projects and acts as an incubator for the Group's technical profiles.

The Group's **Research and Development** function plays a strategic role in supporting management. Indeed, the adoption of innovative technologies implies a preliminary study phase, followed by the design of new cycles and systems and, subsequently, the testing of pilot solutions, up to large-scale industrial implementation. These phases may be fully or partially included in R&D projects, and each application may follow a different development path, based on careful evaluation of the economic aspects, technical objectives and opportunities offered by the proposed solution.

In 2022, technical investments reached a value of EUR 116.909 million.

Feralpi has for years been on a path of technological evolution in terms of digitising business processes through the adoption of **Google Cloud Technology**. which has led to improvements in the following aspects:

- **Flexibility and scalability:** faster adaptation of IT resources
- **Cost reduction:** eliminated 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[30]
- **Innovation:** provides immediate access to the latest technologies and software updates

The digitalisation of processes has enabled Feralpi to continue optimising logistics, continuing the expansion of the pre-registration service on the company portal to vehicles arriving from Italian and foreign suppliers. Moreover, the paper-based Transport Documentation for Italian haulers was substituted with a digital document, cutting paper

[29] Rockwell Automation & Plex (2022). 7th Annual State of Smart Manufacturing Report.
[30] Sustainability of Google Cloud. Obtained from: https://cloud.google.com/sustainability.

Manufacturing Execution System (MES)

The **Manufacturing Execution System,** or **MES**, is a comprehensive and dynamic software system for monitoring, tracking, documenting and controlling the production process of goods, from raw materials to finished products. It is a bridge connecting the upper level of planning and the lower level of control. As an **intermediate functional level** between ERP (Enterprise Resource Planning), supervisory **and control systems** (Supervisory Control And Data Acquisition - SCADA, Programmable Logic Controllers - PLCs, etc.) and process **sensor measurement systems**, MES provides decision makers with the data they need to make manufacturing departments more efficient and optimise production.

Regardless of the size of a manufacturing operation, MES can contribute to overall productivity and profitability by ensuring that information about production processes is transparent and correctly addressed. This is of particular benefit to traceability-regulated industries, which must ensure that appropriate procedures are in place to produce compliant products, that these procedures are documented, and that the resulting products can be easily recalled if necessary.

With the help of the MES, Feralpi is able to guarantee the necessary efficiency, optimisation and transparency for its products. Feralpi is thus able to plan, record, monitor and analyse production and adjust it to orders received at short notice. Machine efficiency, material consumption, production and delivery times are continuously optimised with the aim of offering maximum flexibility and quality throughout the production process.

usage by 50%. Similarly, the bill for incoming goods sent to scrap suppliers (both domestic and foreign) is now handled solely through publication on a web portal, thus completely eliminating the use of paper.

Feralpi, with the aim of bringing its digital innovation experience into a context of high-level international exchange, continues its active collaboration as a member of the **SAP Advisory Council for Metals**. Furthermore, through ESF Elbe-Stahlwerke Feralpi GmbH, it is also a member of the board of directors of the **Italienische Handelskammer für Deutschland (ITKAM)** in Frankfurt, which also deals with issues related to digital innovation and recently presented Feralpi as a business case for internationalisation.

3.4.

Commitment to Research & Development

The main objective of the research activities is the implementation of innovative technological developments, following the best obtainable technologies for the pursuit of the company's strategic lines in terms of:

1. development of product lines;
2. development and optimisation of production processes;
3. increasing the sustainability of production.

As development projects might face risks in terms of desired outcomes and, more importantly, the costs to achieve final industrial solutions, it's crucial these projects are backed by specific contributions to lessen the economic risk and vigorously encourage technical activity. Initiating research projects, occasionally in partnership with external entities and through intricate alliances, enhances the chance of discovering fresh ideas and forming beneficial relationships for executing the projects themselves, discovering innovative solutions, and orchestrating initiatives, even intricate ones.

Securing approval for research projects and receiving funding is vital for the Group's innovative activities and development. Furthermore, the presence of skilled and proactive individuals is instrumental in achieving remarkable results. Research initiatives serve as an excellent platform for learning and expanding the company's knowledge base, owing to the diverse expertise that can be acquired through intensive collaboration with research partners. Feralpi fosters involvement in a Europe-wide research network, enabling the Group to keep track of current advancements in research, identify partners who can support the Group's participation in R&D projects, and contribute to training and cultural growth events.

Improving products

Feralpi has designed a line dedicated to the production of special steels with medium and high carbon content, ideal for the bolting, automotive and other industrial sectors. To achieve this goal, the company has invested in several initiatives, including the creation of a specific Business Unit and a renewal of the plants and professional profiles involved. In addition, the R&D and Process Technology department coordinates and manages research activities, thus guaranteeing continuous development and evolution of the solutions offered in the field of special steels. Three areas for improvement have been identified:

- development of new products and new steel grades not previously present to expand the production range of special steels;
- Improvement of steel mill quality in terms of reducing internal and surface defects and improving overall process metallurgy;
- quality improvement on the laminated product and improvement of product calibration and packaging.

Improving process performance and safety

Feralpi has spent several years enhancing its facilities, which have played a pivotal role in this respect:

- active collaboration with external bodies;
- increasing the efficiency of processes;
- the implementation of Industry 4.0 logic, simulation and digitisation to increase the ability to monitor and control the production process.

To proceed, it was essential to include plant actions, process simulations, monitoring systems and self-adaptive control systems throughout the entire production chain.

To this end, Feralpi has also promoted the internal development of process calculation and simulation systems as a means of increasing company know-how and improving synergy with external development partners.

Development of sustainability initiatives and reduction of environmental impact

Feralpi is committed to fostering steel production that minimizes environmental impact by fully utilizing available resources. Accordingly, Feralpi aims to holistically improve people, processes, and information to optimize production cycles. The research agenda concentrates on exploring alternative materials and transitioning to energy sources that are both renewable and have a low environmental impact. Broad networking and partnership initiatives are thus critical to supporting this endeavor.

Process control and optimisation

The application of digitisation and Industry 4.0 systems has been a continuous and global effort for Feralpi. The main focus is on the application of better monitoring and control of processes, these being the necessary basis for controlling and increasing their repeatability.

The most relevant research projects

Coralis		Development of examples of industrial symbiosis in different European areas where a virtuous approach can be demonstrated in terms of the valorisation of products that would otherwise find no further use.
DeepQuality		Development of logics and systems for process and quality data analysis of the rolling product with a view to the entire production chain. The project aims to identify criteria for correct quality management and to identify advanced control logics through the implementation of artificial intelligence and self-learning criteria for the Arlenico plant.
iSlag		Development of a control system that has slag characteristics as its main input in order to optimise the liquid steel treatment process and the slag metallurgy process for subsequent reuse.
Wire Accuracy 4.0		Application of technological/plant developments and Industry 4.0 process control criteria in order to achieve the highest quality wire rod product with thermomechanical treatment and improved dimensional tolerance. In 2022, the verification of operational practices was completed and improvement actions of a software and plant engineering nature implemented.
SteelZeroWaste		Research and study of demonstration systems to identify favourable solutions to reduce the environmental impact of steel production in all its forms, including solid and gaseous waste as well as the development of a plant monitoring system based on quantitative KPIs.
Onlyplastic		Development of innovative solutions for the use of polymeric materials in the EAF process with a view to the circular economy in order to replace materials of fossil origin used in the EAF process.
Integrated		Development of systems dedicated to energy recovery by means of innovative materials of otherwise lost heat sources, such as radiant heat from hot products.
ConSolCast		Development of monitoring and simulation systems for continuous casting processes through innovative control systems. This is aimed at improving production performance by creating criteria that prevent out-of-process solidification (breakout).

Legend

- Improving products
- Improving process performance and safety
- Development of sustainability initiatives and reduction of environmental impact
- Process control and optimisation

3.5.

Product and service governance and management

The Group oversees quality through specific Key Performance Indicators (KPIs) tailored for each business process. This responsibility falls on the Quality and Plant Management teams, cascading down to other roles such as the Integrated Management System Manager at the Riesa plant, the Sales Management, Logistics, and Customer Care departments. The Information Technology (IT) function and the Research and Development Department back these activities, joining forces with the Technical Management for innovative projects. Handling complaints involves teamwork, with decisions made based on the detected anomaly. The Quality Department decides on the technical acceptance of complaints, while the Sales Department oversees resolution with the customer. Each year, the factories within the Group conduct comprehensive surveys to gauge customer satisfaction levels. This evaluation considers pertinent aspects like service quality, interactions with sales offices, and flexibility regarding production and deliveries.

Policies and Management Systems

Feralpi is dedicated to harmonizing and integrating the diverse Quality Management Systems across its various companies. The objective is to establish consistent guidelines that will progressively transition into a Group **Total Quality Management (TQM)** system over time. This commitment aims to enhance overall quality practices and ensure a unified approach throughout the organization. In this system, all company procedures and processes will be outlined according to shared and agreed methodologies, and staff will receive continuous training and be supported to perform at their best. In this regard, the mapping of all quality procedures within the Group companies began in 2022 to highlight those common to all plants and begin the process of standardising those that differ. The mapping process will be completed in 2023.

The quality activities, such as product control and tracking, are conducted at the Group level using the SAP software. This software enables reliable information tracking and streamlines the certification process, covering the entire cycle from feasibility assessment and subsequent order placement to shipment and certificate issuance.

All Group companies adhere to the **Group Quality Policy** implemented in 2021. With the exception of Ecoeternit and Presider Armatures, which adhere to specific product standards managed by the AFCAB certification body, the Group companies have a quality management system in accordance with **UNI EN ISO 9001**. In the Riesa-based companies, the quality management system is integrated into the broader integrated management system, which also encompasses environmental and energy management systems.

Feralpi actively participates in shaping the content of standards at both national (UNI, DIN) and international (EN, ISO) levels through its appointed representatives. This involvement includes contributing to the development of standards, ensuring the company remains competitive and efficient. Participation in sub-committees and working groups also keeps Feralpi updated on standardization activities within the steel industry.

4

Environment: towards decarbonisation through efficiency, circularity and cutting-edge technology

Feralpi Group has embraced the challenges of decarbonisation, committing itself to the process of ecological and energy transition towards models with a lower impact. In 2022 a mapping of existing and upcoming environmental impact projects was carried out in all the Group's plants, identifying over 100 projects active on this front.

4.1.

The Ecological and Energy Transition Unit (UTEE)

2022 saw the establishment of the **Ecological and Energy Transition Unit (UTEE)** within Feralpi, a fundamental step for the group in the process of adapting to new environmental and energy challenges.
This choice is a response to the growing relevance of ecological and energy issues at institutional and market level. It is in line with the objectives of the Paris Agreement and the actions contained in the European Green New Deal. While the Group's HSE function deals with regulatory issues, environmental authorisations and system and product certifications, the UTEE stands as a key element in achieving the objectives of sustainable development, energy transition and combating climate change, in line with the ambitious European objectives of achieving climate neutrality by 2050 and with the Paris Agreement, which aims to keep the increase in the planet's global temperature below 1.5 °C.

To date the UTEE consists of the Feralpi Group's Ecological and Energy Transition Manager and three resources engaged in the development and management of energy efficiency, decarbonisation and circularity projects. The main objective is to help define and implement a clear strategy on ecological transition that is communicable both internally and externally. Coordination of all group companies is essential to ensure that each of them adopts objectives that are consistent with the overall strategy.

The UTEE is also called upon to act as a disseminator of best practices within the Group in order to facilitate the development of projects to achieve pre-established environmental and decarbonisation objectives, monitor the progress of results and intervene promptly if deviations from what was planned occur.
Finally, the unit is also a reference point for external stakeholders, providing information on project planning and achievements in the field of ecological and energy transition.

4.2.

Decarbonisation Goal: tackling climate change through energy management and emission reduction

In 2022, Feralpi remained committed to its goal of reducing carbon emissions and to align with the objectives of the Paris Agreement and the European Union, which aim to limit global warming to 1.5 °C, reduce emissions by 50% by 2030 and achieve carbon neutrality by 2050, in order to avoid the most drastic impacts of ongoing climate change.

4.2.1. Climate Strategy and Science-Based Targets

Feralpi Group has implemented a multi-year strategy to mitigate climate change, aiming to reduce greenhouse gas emissions in line with the provisions of the Paris Agreement and European objectives on the subject. The Group's responsibility and commitment are reflected in the definition, implementation and management of practices and processes to reduce greenhouse gas emissions and in investments in technological and process projects aimed at reducing the Group's direct (Scope 1) and indirect (Scope 2 and 3) carbon footprint. Feralpi Group intends to act as a catalyst for change in the energy transition, not only by adopting energy efficiency solutions, but also by actively participating in the generation of renewable and sustainable energy.

The current business plan envisages an exceptional investment of approximately EUR 400 million, with a significant portion aimed at the reduction of greenhouse gas emissions, both direct and indirect from electricity supply, as recommended by the **UN High-Level Panel of Experts on Zero Net Emission Commitments of Non-State Entities**[31]. The business plan is being reviewed and will include an increase in these investments. The solutions identified will include the independent production of electricity through photovoltaic panels (118 MW confirmed as of December 2022) to cover 20% of the current energy consumption of the Group's Italian companies, the electrification of industrial processes and the adoption of technologies capable of zeroing or significantly reducing the net greenhouse gas emissions generated by the Group's production processes. With regard to the latter activity, in Italy Feralpi has joined the **Green Metals** project, whose objective is to contribute to the decarbonisation of the sidermetallurgical industry in the province of Brescia through the construction and reconversion of plants for the production of **agricultural biomethane** (a fuel with near-neutral emissions), thereby enhancing the synergies between agriculture and local industry. In Germany, FERALPI STAHL joined the Alliance for Energy and Hydrogen in the Meissen Industrial Area (EWI) in 2022, with the aim of making hydrogen usable as an energy carrier.
The refinement of the climate strategy was also continued in 2022. Within the strategic ESG KPIs established in 2022 within the Sustainability Committee, three KPIs relating to

[31] UN High-Level Expert Group on the net zero emissions commitments of non-state entities (2022). Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions.

energy efficiency and decarbonisation were defined. In the context of its climate strategy, at the end of 2022 the Feralpi Group began the process of joining the **Science-Based Targets initiative (SBTi)**, born of the collaboration between the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The initiative provides companies with guidelines, criteria and tools to set and validate **ambitious, science-based climate targets** to reduce greenhouse gas emissions not only in their own operations but also along the entire value chain.

SBTs are medium- and long-term climate targets, based on science, that aim to reduce greenhouse gas emissions and contribute to the fight against climate change.
By adopting these targets, Feralpi wants to demonstrate its commitment to take concrete action to reduce the environmental impact of its operations and align with the **Paris Agreement** and the recommendations of the Intergovernmental Panel of Climate Change Experts (IPCC) to limit global warming to well below 2 °C compared to pre-industrial levels, with a preferred target of **1.5 °C**.

In the course of 2023 Feralpi will draw up its **energy strategy** for achieving the SBTs decarbonisation targets. Specifically, an analysis of the current and prospective energy consumption profile will be carried out, from which a strategy will be defined based on various interventions. As part of the strategy, the adoption of **Purchase Power Agreements (PPAs)** will be defined in 2023, supported by **Guarantees of Origin** certifying the sourcing of energy from renewable sources, in order to reduce emissions due to the purchase of electricity (Scope 2). Finally, the necessary investments and skills required to implement the strategy will be analysed.

4.2.2. Feralpi Power On

Feralpi Power On, the Group's new company dedicated to **renewable energy projects**, was founded in January 2022. The company's first objective is to cover, through self-production from photovoltaic plants, **20% (around 120 MW)** of the current energy needs of the Group's companies in Italy. In 2022, Power On's activities consisted of identifying the first photovoltaic projects in Italy and defining a pipeline of projects for the following years, which may also be based in other countries where the Group operates.

Feralpi Power On is also responsible for managing all authorisation procedures and feasibility studies in the area of energy self-production for the other companies in the group (covering the roofs of plants or other suitable areas of plants with photovoltaic panels).

The company complies with the Group's Code of Ethics and policies, implementing due diligence processes in the selection of local developers for photovoltaic projects. Feralpi has appointed an external organisation to carry out checks to verify the presence of any pending criminal proceedings or judgments that have become final, as well as any proximity to criminal organisations, in order to reduce the risk of project failure and reputational damage to the Group. With regard to attention to the sustainability of technological supplies, a product carbon footprint is required for project components (modules, inverters).

4.2.3.Organisation and Product Carbon Footprint

In 2022, the Feralpi Group obtained both the **Carbon Footprint of Organisation (CFO)** and **Carbon Footprint of Product (CFP)** for Feralpi Siderurgica, Acciaierie di Calvisano and Caleotto. The CFO measures the total amount of greenhouse gas emissions produced by a company over a given period of time, while the CFP measures the carbon footprint of a specific product throughout its life cycle (see section *3.2 - Product Environmental Sustainability* for further details). Thanks to these tools, Feralpi is able to identify the main sources of climate impact relating to both its own activities and the activities associated with its supply chain. This enables the Group to assess the most effective opportunities for reducing emissions, to communicate its commitment in a credible and transparent manner and to comply with current and, above all, future regulations on combating climate change. Thanks to these projects, it is also possible to study Scope 3 emissions in detail, increasing awareness of where action is needed at supply chain level.

All studies conducted on the carbon footprint of organisations and products have followed the requirements set out in the **international standards ISO 14064-1 (CFO) and ISO 14067 (CFP)**, and it is important to emphasise that these analyses have been audited by recognised external bodies to ensure the accuracy and reliability of the results obtained. Over the next few years, starting in 2023, the CFO and CFP studies will be extended to the Group's other companies.

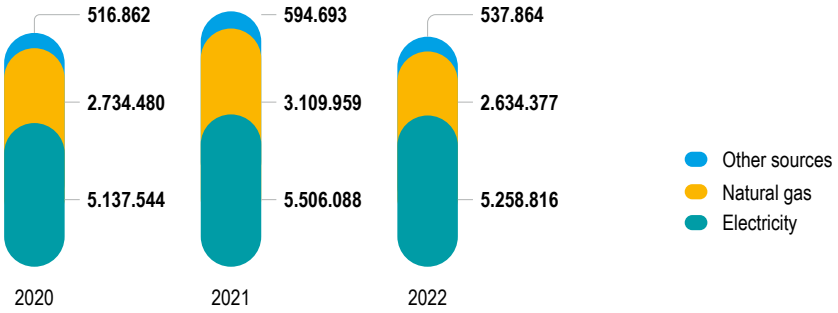
4.2.4. Energy efficiency measures and reduction of greenhouse gas and other emissions

Every year Feralpi 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. The main source of **energy** required for melting ferrous scrap is electricity, followed by **natural gas** combustion. On the other hand, the main source of energy for the hot rolling processes of billets produced by the steel mill is natural gas, which is used to fuel the billet reheating furnaces once they arrive at the rolling mill.

In 2022, energy consumption followed the production trend, dropping by 8.5% compared to 2021. → Next page graphic *Energy use by source in GJ*

Energy use by source in GJ

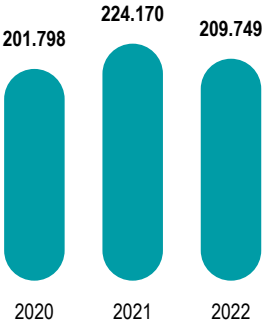
(GRI 302-1)



With regard to direct emissions (Scope 1), a decrease of 6.4 per cent compared to 2021 and an increase of 3.9 per cent compared to 2020 (year of the Covid-19 pandemic) were observed.

Direct greenhouse gas (GHG) emissions (Scope 1: tCO_2eq)

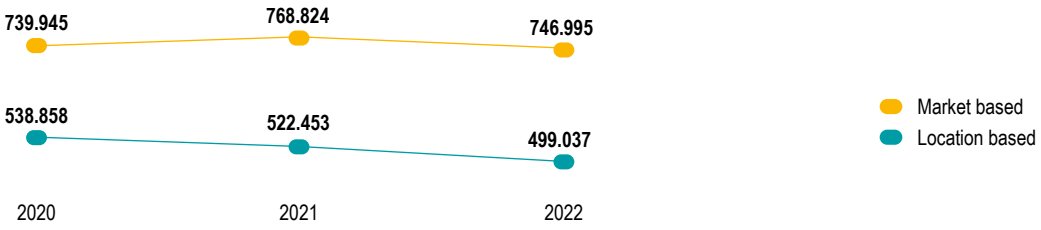
(GRI 305-1)



Indirect greenhouse gas emissions (Scope 2), calculated according to the location-based methodology[25], show a decrease of 4.5% compared to 2021 and 7.4% compared to 2020.

Indirect greenhouse gas (GHG) emissions from electricity use (Scope 2: tCO_2 eq) - Location based and Market based[32]

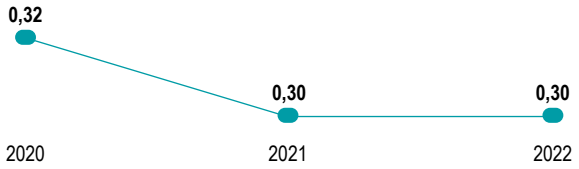
(GRI 305-2)



As far as the Group-wide emission intensity of hot-rolling operations is concerned, the values remain constant with respect to 2021 and improve with respect to 2020 (-6.25%).

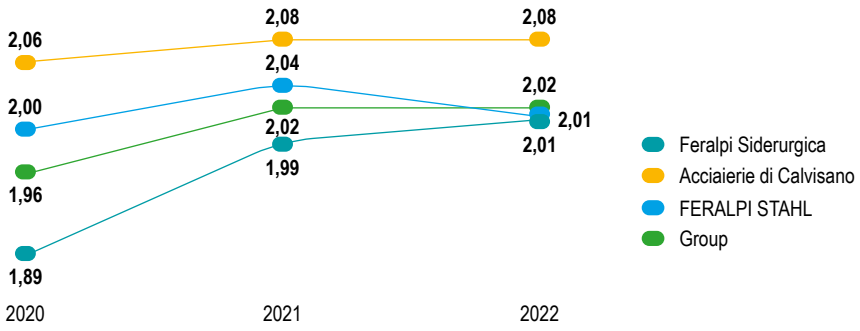
Emission intensity trend (Scope 1 and Scope 2 according to location-based method) for hot processing ($t_{CO_2}/t_{product}$)

(GRI 305-1)



[32] The *Location based* methodology considers the average GHG emission intensity of the networks on which energy consumption occurs, mainly using data on the average emission factor of the network. The *Market based* methodology considers emissions from electricity that an organisation has intentionally chosen by contract or the use of a residual mix if the organisation's emission intensity level is not specified in its contractual instruments.

Energy intensity per t of product (specifically billet) - GJ/t



The main energy efficiency and GHG emission reduction actions implemented in the short term concern:

- Enhancing energy monitoring systems;
- Optimizing plant operational efficiency;
- Securing white certificates for energy efficiency initiatives and projects;
- Installing and upgrading advanced control systems to optimize billet preheating furnaces;
- Investigating alternatives to fossil fuels;
- Monitoring and reporting greenhouse gas emissions in accordance with ISO 14064 and ISO 14067 methodologies;
- Investing in plant improvements to reduce direct emissions;
- Funding the development of renewable energy production facilities.

In 2022, **Feralpi Siderurgica** worked on energy monitoring and efficiency in view of the major upgrades that will see in 2023 the replacement of the natural gas billet reheating furnace at Rolling Mill 1 with a series of electric induction furnaces and the installation of a billet welder for the production of Feralpi's new product, the spooler. The main advantage of this technological upgrade will be the better utilisation of the residual thermal energy (hot charge) of the newly created billet entering the rolling process.

In 2024, a new roller conveyance system will be implemented to enhance the transportation efficiency of hot billets to Rolling Mill 2. This system will allow for the transportation of billets at significantly higher temperatures, approximately 700-800 °C, compared to the current standard of 450 °C. This substantial increase in transit temperature will effectively reduce the energy required for reheating upon their arrival at the rolling mill. In 2022, efficiency measures were carried out to reduce methane consumption at both Rolling Mill 1 and Rolling Mill 2. In addition, a welding machine was installed at Rolling Mill 2, which, by connecting the billets together, makes it possible to reduce the production waste caused by the removal of the head and tail of the billets.

In 2023, plans are in place to enhance the efficiency of the **compressed air distribution network** and generation within the compressor station. This improvement will be achieved through the application of artificial intelligence technology based on machine learning. An evaluation is currently underway for the potential underground storage of compressed air.

By the end of 2022, an **energy management and control software** was selected. This software will provide a comprehensive, real-time overview of the monitored lines and the vectors that significantly affect the Group's energy consumption. It will display the energy data collected from various measuring instruments and production data,

presenting them in accessible dashboards and automated reports. These features will facilitate more effective energy management, adhering to Feralpi's principles of economic and environmental sustainability. The software will be implemented at Feralpi Siderurgica in 2023.

At the Calvisano plant, the compressor refurbishment campaign continued, resulting in a reduction of energy consumption. The campaign was followed by an audit and surveillance process to identify any leaks on the plant's compressed air network. In 2023, photovoltaic systems will be installed on the roofs and at the car park of the plant. Subsequently, two photovoltaic parks will be developed on owned land to reach a total of more than 4 MW.

At the Arlenico (Caleotto) plant, a major investment was made in revamping the intermediate rolling mill, which led to the replacement of the cage motors with new latest-generation inverter motors capable of generating reduced energy consumption.

Presider continued its activities to improve advanced energy monitoring. Revamping activities also continued at the Nave plant, where work to install a photovoltaic system on the roof (1 MW) will be completed in 2023. Technical assessments are being carried out to install a photovoltaic plant also on the roofs of the Borgaro Torinese, Pomezia and Paris plants. For the Borgaro Torinese site, a thermal study analysis of the offices was carried out, which led to highlighting the possibility of energy savings through thermal insulation, replacement of windows and doors, and installation of a condensation boiler.

Nuova Defim has started the installation of the photovoltaic system on the roof of the Anzano del Parco plant. The work will be completed in 2023. and will lead to a self-production capacity of about 500 kWh. The replacement of the power factor correction system was completed in 2022, improving its efficiency.

Photovoltaic projects approved and scheduled for completion in 2023

		COMPLETION OF WORK	MW POWER	TYPE	NUMBER OF MODULES
Feralpi Siderurgica	Lonato	April 2023	2,94	roof	**7.343**
Acciaierie di Calvisano	Calvisano	December 2023	4,24	roof + land	**7.031**
Presider	Nave	May 2023	1,07	roof	**2.542**
Nuova Defim	Anzano	August 2023	0,45	roof	**1.124**

In 2022, ESF Elbe-Stahlwerke Feralpi GmbH optimized the burner profile of their electric arc furnace, enhancing the efficiency of the melting process by 11.65 MWh. To further fine-tune the profile and improve control, an exhaust gas analysis probe was installed. This tool will provide insightful data on the combustion process, enabling further adjustments to the burner's operating profile.
Additionally, ESF Elbe-Stahlwerke Feralpi GmbH is committed to lowering its natural gas consumption. To facilitate this, they've implemented plant control technology in several factory buildings, thereby improving energy management and minimizing waste.
Finally, to ensure efficient capture and filtration of emissions from the smelting plant, the company installed a new roof hood in 2022. This enhancement will bolster ventilation and reduce the plant's environmental impact.

At ESF Elbe-Stahlwerke Feralpi GmbH, efforts are underway to optimize the compressed air distribution network. Since 2020, leak detection has been in progress, and the repair of identified leaks is set to commence in 2023. A new concept has been developed for the

compressed air generation systems of both the steel mill and rolling mill. This approach is estimated to conserve 1,850 MWh/year of electricity and over 1,000 MWh/year of heat, contributing significantly to energy savings.

Beginning in 2023, ESF Elbe-Stahlwerke Feralpi GmbH is set to introduce several new systems: a stabilisation system, a slag discharge system, a digital tundish temperature measurement system, and a new outlet for the transfer of slag from the ladle to the tundish. These improvements will enhance the efficiency and quality of steel production. Additionally, plans are in place to replace the exhaust box in the furnace flue gas channel to boost waste heat recovery availability. This enhancement will facilitate improved energy recovery.
In 2022, various initiatives were implemented including the replacement of metal halide lamps with LED lamps, structural upgrades of the slag room cover hood, direct integration into the collection line for dust removal, the coverage of the furnace area, and the launch of a billet welder in the rolling mill.
With a consistent goal of reducing energy consumption and boosting energy efficiency, the company plans to replace compression equipment (resulting in savings of 1,850 MWh/year) and tempcore pumps (resulting in savings of 141 MWh/year) in the steel mill and rolling mill in 2023.
Investigations are also in progress to explore the potential use of hydrogen in the heating furnace of the rolling mill, with preliminary testing scheduled for 2023. Additionally, a predictive model for managing casting and tapping temperatures will be implemented.

The commitment to discovering self-generation solutions for renewable energy is also actively pursued at FERALPI STAHL. The group is actively looking to invest in photovoltaic plants and is also studying the possibility of investing in wind farms. In addition, on-site photovoltaic plants with a possible total capacity of up to 5 MWp are being evaluated[33]. Parallel to renewable energies, a strong focus is increasingly being placed on the topic of hydrogen, especially by the Saxon Ministry for Energy and Climate Protection, which sees green electricity as the basis for business survival in Saxony. This is where FERALPI STAHL's membership of the Alliance for Energy and Hydrogen in the Meissen Industrial Area (EWI) mentioned in the section on the Group's decarbonisation strategy comes in.

Sustainable Mobility

For **Feralpi Logistik GmbH**, a Group company specialising in logistics, sustainable mobility is a key priority. All the vehicles in the fleet were purchased within the last five years and the trailers are no more than 10 years old. The most recent vehicles are equipped with liftable technology, which significantly reduces fuel consumption.
As of 2018, all vehicles in the fleet meet **EURO 6 emission standards**, and every new purchase aims to meet the most stringent emission standards of the year in which the purchase is made.

Over the past two years, 12 vehicles have been replaced, resulting in a 5% reduction in specific diesel consumption in terms of kilometres travelled compared to 2016-2018. A further 5 vehicles are scheduled to be replaced by 2024. Thanks to these continuous modernisation actions, the company plans to continue to reduce diesel consumption by a further 8% by 2030.

Feralpi Group is also committed to transferring the handling of raw materials and products **from road to rail, in order to** reduce the environmental impact of logistics operations

[33] Peak generator power rating.

and help increase the sustainability of its business model. The Group's objective is to equip its four main sites - Lonato, Calvisano, Arlenico and Riesa - with a high-performance rail link that will gradually enable it to increase volumes by rail in preference to road.

Recently, **Presider** has renewed its internal mobility vehicles, replacing its diesel fleet with electric vehicles. Similarly, **Caleotto** is also replacing its diesel forklifts with electric models. **Nuova Defim**'s forklift fleet consists of 100% electric vehicles. At **ESF Elbe-Stahlwerke Feralpi GmbH**, a gradual process of replacing company vehicles with electric vehicles is underway. In addition, two diesel-powered wire rod handling forklifts have been replaced by electric models. Two more diesel-to-electric replacements are planned for 2023.

At Presider, for the Borgaro Torinese plant, there is the figure of the **Mobility Manager** and the **Home-Work Travel Plan (PSCL)** is active, in line with Interministerial Decree no. 179 of 12 May 2021. The Plan is aimed at enabling the structural and permanent reduction of the environmental impact of private vehicle traffic in urban and metropolitan areas, promoting new measures to reorganise the demand for mobility.

Charging stations for electric vehicles are available at the Lonato, Calvisano and Riesa sites. In 2023, charging stations will also be installed at Nuova Defim and Presider.

4.3.

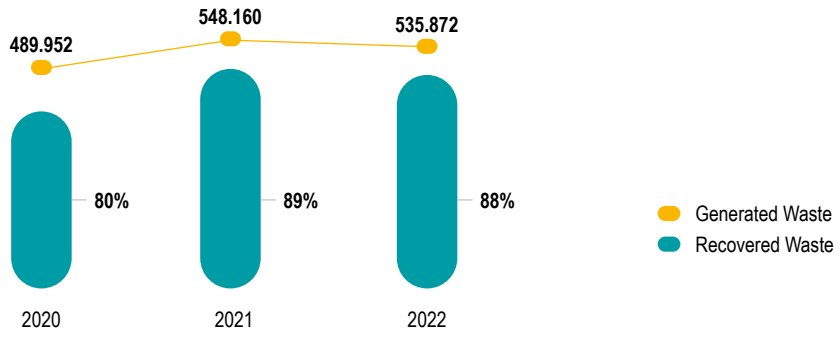
Circularity and *zero-waste*: material and energy management and valorisation

Feralpi is committed to organizing its processes and plants to reduce production waste, landfill impact, and raw material consumption. It invests in the substitution and circularity of these materials.

The materials utilized in steel production include scrap metal, additives[34], filler polymers, lime, ferroalloys, refractories, along with oxygen and inert gases. Certain materials, such as scrap metal and polymers, are fully reclaimed from other supply chains. Others, like lime and refractories, contain a recycled content of 4% and 6% respectively.

In 2022, the percentage of waste recovery experienced a slight decrease (approximately 1%) due to specific market dynamics that hindered the transfer of white slag for recovery in the same volumes as the previous year.

Waste from Steel Processing - Generated vs. Recovered (t)



Use of recovered materials from other production cycles as raw material

Feralpi's production process embodies the concept of circularity: steel is produced from scrap metal, which not only prevents waste dispersion into the environment, but also reduces the consumption of natural raw materials that would otherwise be required. Ferrous scrap, the most critical raw material for Feralpi, can be sourced either as waste or non-waste, depending on its origin and composition, as outlined by EU Regulation 333/2011 "End of Waste". This allows for its effective reuse, further supporting the circular economy model.

The steel produced by Feralpi consists of 96% recycled material: this figure has been subjected to validation by a third-party body with a positive outcome to checks on the percentage content of recycled material of origin in accordance with the UNI EN ISO 14021 and UNI/PdR 88:2020 standards.

[34] The additives used are filler coals, swellers, desulfurisers, deoxidisers and recarburisers.

The steel production process is constantly evolving. The Group applies innovative solutions that aim to reuse waste materials from other supply chains as well, such as the recycling of plastic waste, which is too often dispersed in the environment and slowly deteriorates. Feralpi Group - in cooperation with its partners I.Blu (IREN Group), Tenova and Euromec - is now producing steel through the insertion of technopolymers into the melting process of the electric furnace, almost completely replacing coal and its derivatives. The polymers - derived only from plastic packaging from separate waste collection - are produced in line with regulations and required quality standards. Laboratory studies and industrial tests have shown no undesirable emissions compared to conventional production, so this action cannot be considered 'dangerous' or 'harmful', as the polymers are only produced from carefully selected packaging.

4.3.1. Measures to improve circularity

In 2022, at Feralpi Siderurgica, the furnace-blown coal was almost completely replaced with polymers derived only from recycled plastic packaging (BLUAIR material). The use of polymers also began at Acciaierie di Calvisano. The replacement project will soon be completed with the installation of a furnace-blowing silo.

At Feralpi Siderurgica and Acciaierie di Calvisano, the volume of scrap subjected to sorting and treatment has increased. This allows better separation of scrap from inert products, which are recovered and sent to other commercial players for reuse and treatment. This process helps to further increase the efficiency of scrap melting in the electric arc furnace.

At Feralpi Siderurgica's offices, work is also underway to improve the sorting of municipal waste with the widespread placement of waste bins to facilitate its separation.

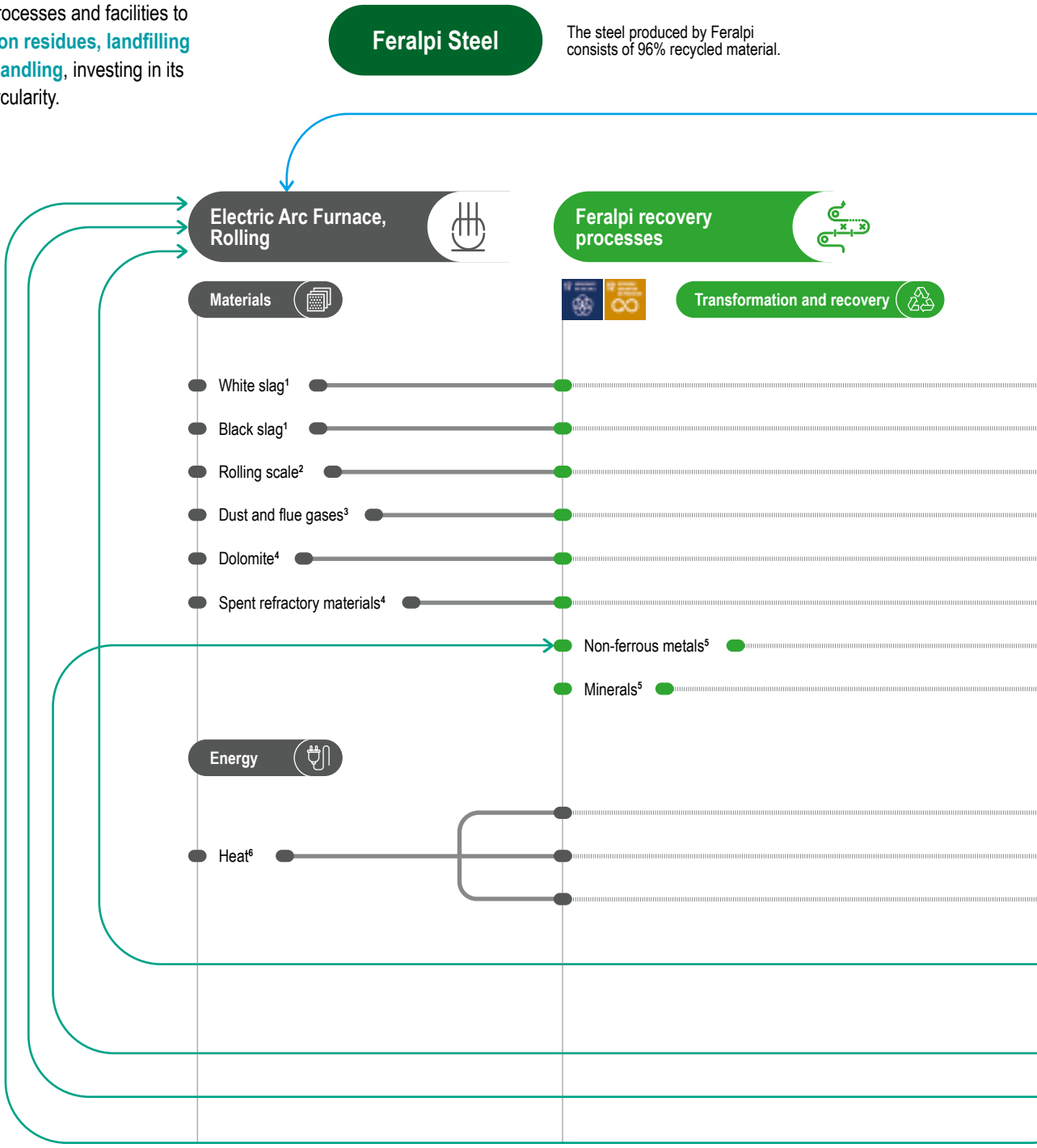
In 2022, ESF Elbe-Stahlwerke Feralpi GmbH enhanced the recovery of residual iron from ladle slag for reuse in the European Electric Furnace (EAF). To boost the efficiency of the scrap processing area, a new roofing system is being installed, with completion expected in 2023. This upgrade will enable better management of scrap processing operations and decrease waste generation.

During 2023, ESF Elbe-Stahlwerke Feralpi GmbH plans to carry out further operations aimed at fostering a circular economy:

- Launching a new scrap room and a ferrous scrap processing and cleaning plant to improve the separation of inert materials. This will enhance both their recovery and disposal process as well as the efficiency of the smelting process;
- Treating excavated soil and concrete for reuse as a recycling material, replacing the need for natural stone;
- Intensifying internal recycling of white dross by reusing it in the electric furnace;
- Executing a feasibility study for a potential joint venture focused on the treatment and distribution of slag from the electric arc furnace (EAF) melting process as a by-product.

Circular processes in Feralpi

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



[1] **WHITE AND BLACK SLAG**
Slag from the smelting process can be recovered to produce building materials, such as paving and New Jersey blocks. The black slag is processed into the commercial by-product 'Greenstone'. Feralpi is conducting further studies to develop processes for reusing white slag in building limes, plastics and within production processes.

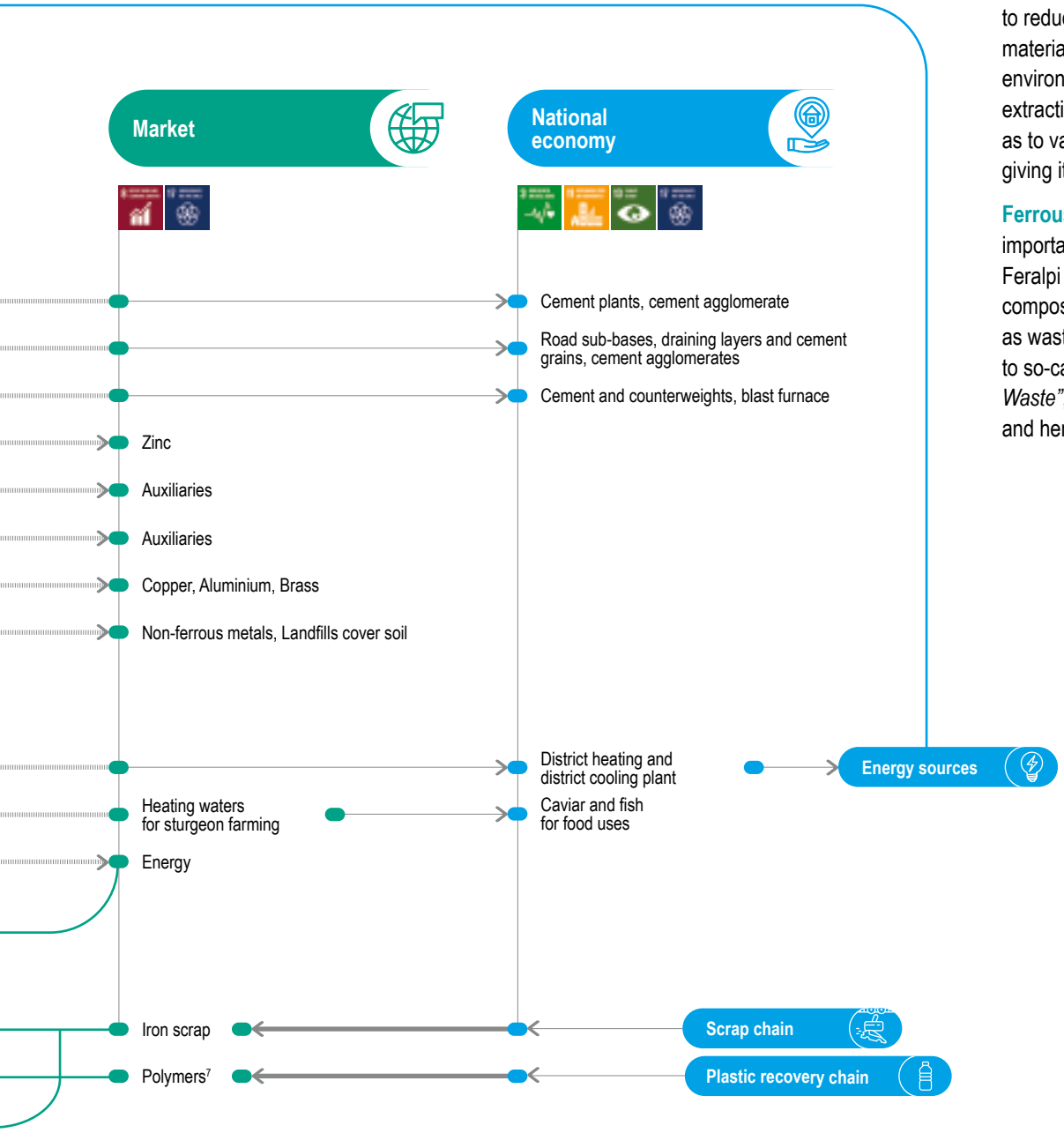
[2] **ROLLING SCALE**
Rolling scale is recovered for external use. Green Iron is the by-product obtained from the rolling scale that is sold to plants for the production of ballasts and concrete.

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

[4] **DOLOMITE AND SPENT REFRACTORIES**
Spent ref ractory 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.

Feralpi's production process is circular by nature:
it makes it possible to obtain steel from ferrous scrap, thus helping to reduce the use of natural raw materials and mitigating the environmental impact of their extraction and processing, as well as to valorise the scrap itself by giving it a new life.

Ferrous scrap - the most important raw material for Feralpi - of different origins and compositions, can be considered as waste or non-waste, according to so-called UE 333/2011 *"End of Waste"*, EU Regulation 333/2011, and hence be reused.



[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.

Valorisation of production residues within the production cycle or externally

Recovery and reuse in the production cycle of spent refractories instead of raw material - Spent refractories from ladle demolition are fed back into the production cycle as partial raw material substitutes. The raw material to be replaced is lime and dolomitic lime ("CaO lump" and "CaO 40%"), which is used in the Electric Arc Furnace (EAF) as a scorifying agent. Their reuse in the kiln has no negative impact on the environment or human health.

Dust and fume recovery to reduce demand for zinc ore - Fume abatement dust from the smelting process is largely recovered at external plants in the zinc metal component, replacing that from natural ore. Abatement dust from the ferroalloy plant, on the other hand, is fed directly into the production cycle, with utilisation equal to that of the materials from which it originates.

Recovery of rolling mill scale to replace iron ore in the construction industry - Rolling mill scale is sent for recovery for external use. Green Iron is the by-product from the mill scale that is sold to plants for the production of counterweights and cement.

Recovery of non-ferrous metals from scrap sorting - The residual fraction resulting from the scrap sorting plant is sent to external plants for the recovery, through mechanical sorting, of non-ferrous metals such as aluminium, brass and copper.

Sludge recovery - A new sludge filtration plant was purchased in 2022 and will be installed in 2023, which will allow the production of a residue with a lower moisture content and thus more suitable for recovery in the construction industry.

Slag recovery to replace materials of natural origin in the construction sector - The recovery of black and white slag and its processing are entrusted to external companies, which then take care of its marketing. At the Lonato del Garda plant, the black slag is processed into the commercial by-product 'Greenstone' with CE 2+ marking, which is used in the construction sector to replace materials of natural origin. It has an Environmental Product Declaration EPD®. At the Calvisano plant, black slag is also recycled for the production of CE 2+ certified products. In 2022, the black slag produced by Feralpi Siderurgica and ESF Elbe-Stahlwerke Feralpi GmbH was sent for total recovery. Feralpi Siderurgica's share of white slag sent for recovery was around 22% of its production. The percentage is decreasing compared to 2021 (about 40%), but still on an upward trend compared to previous years (8% in 2020). This was caused by the lack of new opportunities that would allow its recovery and the shutdown of some plants that ensured its recovery.

Heat recovery for energy generation - Feralpi Siderurgica's plant and Riesa's plant recover heat from cooling water and the steelworks melting furnace, respectively. **Feralpi Siderurgica**'s plant heats the buildings inside the plant and, thanks to cooperation with the local administration, also public buildings and some private ones in the municipal area. The evaluation of further extensions of the network beyond Lonato is underway. In addition, a study is being evaluated on heat recovery from fumes from the rolling mill 2 furnace and heat recovery from the entire fumes line of the electric arc furnace.

The **ESF Elbe-Stahlwerke Feralpi GmbH** facility generates up to 30 tons of steam per hour, which is partially directed by the local Riesa municipal company (Stadtwerke Riesa - SWR) to Goodyear Dunlop Tires and partially used for electricity generation. Waste heat from the compressor stations is used to provide heating and hot water for the offices of the Riesa technical administration. In 2023, an evaluation in collaboration with Stadtwerke Riesa will take place to explore the possibility of recovering energy from cooling cycle number 1 for the residential heating of the surrounding community.

In 2022, construction began on a district heating network at the **Arlenico** site extending to the Caleotto district. The planned network, spanning 16 kilometres, will be capable of heating the homes of 20,000 residents in the municipalities of Lecco, Malgrate, and Valmadrera. The project includes the establishment of two heat production centers, one of which will be located at the Caleotto industrial site in Lecco. Here, a heat production capacity centered on the recovery of thermal waste from the rolling process and cogeneration is envisaged. Overall, the project is set to eliminate 700,000 tons of CO_2 emissions over the concession period, achieved by shutting down individual domestic boilers and incorporating the use of renewable sources.

DISTRICT HEATING (LONATO)	REMOTE COOLING (LONATO)
Energy recovered from the EAF furnace: almost 8,000 MWht (Megawatt hours of heat)	**Thermal energy used by the absorber:** 840 MWht
Network yield: 88% (12% average dispersion)	**Cooling energy produced by the absorber in summer:** 220 MWht
Energy sold to Lonato: over 3,400 MWht (almost 50% of the total used)	**Average COP:** 0.26
Primary energy from fossil fuels not used: over 6,000 MWht	**Electricity not consumed for production**
Methane gas consumption avoided: over 600,000 Sm^3	**Cooling energy with compression chillers:** almost 45 MWhe
Standardised energy savings: over 600 TOE	**Normalised energy saving:** 8 TEP

4.4.

Governance and management of environmental aspects

Environmental management of production processes is delegated to the individual plants, overseen by plant managers, management system managers, the UTEE, the HSE (Health, Safety, and Environment) Group Manager, and the External Relations and Sustainability Department. The Group Energy Department handles regulatory and strategic aspects (for instance, energy procurement, renewable development, and sale of white certificates) for companies with high energy consumption, while also offering support to other companies regarding supply contracts and regulatory aspects.
Plant managers, in collaboration with the heads of Environmental Management Systems, coordinate the management of waste materials. In Italy, procedures are tailored to individual plants, whereas at the Riesa sites, an integrated and centralized approach is implemented. The Scrap Purchasing and Environmental Protection Departments work together to manage incoming waste.

4.4.1. Environmental Management Policies and Systems

The steelmaking sector is subject to EU regulations on integrated pollution prevention and control, introduced in 1996 with the first IPPC (Integrated Pollution Prevention and Control) directive. Feralpi carries out its activities in compliance with current legislation: in Italy it operates in line with **Legislative Decree 152/2006** and with the specific authorisation requirements of the competent bodies; in Germany with the Federal Emission Protection Act (**BImSchG**), in which it accounts for all monitoring carried out in accordance with the assigned requirements. Feralpi also applies the precautionary principle set forth in Article 15 of the Rio Declaration on Environment and Development, according to which “where there is a threat of serious and irreversible damage, lack of full scientific certainty may not be invoked as a justification for delaying the application of the most appropriate measures to prevent environmental degradation”.

Environmental Management Policies and Systems

Feralpi’s facilities with the most significant energy consumption and environmental impacts, owing to the type of process and high production volumes, include Feralpi Siderurgica, Acciaierie di Calvisano, and ESF Elbe-Stahlwerke Feralpi GmbH. Both Feralpi Siderurgica and ESF have achieved ISO 14001 and ISO 50001 certifications and are registered with EMAS (Eco-Management and Audit Scheme), while Acciaierie di Calvisano holds ISO 14001 and ISO 50001 certifications and is progressing towards EMAS registration. The rolling mill at the Arlenico site is considered energy-intensive due to the high consumption of methane gas required for heating and processing the billets; it has started the journey towards ISO 14001 certification. Similarly, Presider has set a goal to certify its Environmental Management System according to the UNI EN ISO 14001 standard in 2023.

Feralpi Siderurgica and Acciaierie di Calvisano are among the sites at Risk of Major Accidents, according to European Directive 2012/18/EU, with regard to dust from steelworks fume abatement, in relation to the authorisation for temporary storage of the same on the site. The management of this risk is integrated into the Environment, Safety and Energy systems.
The Integrated Management System of the Riesa sites centrally coordinates and manages all aspects of quality, occupational health and safety, fire and explosion protection, environmental protection and waste management.
The Ecoeternit plant is regulated by the Integrated Environmental Authorisation and the Operational Management Plan in their current versions. The company adopts an Integrated Management System compliant with UNI EN ISO 14001 and UNI ISO 45001. At sites without certified systems, procedures are in place to ensure that environmental aspects with an impact on site performance are properly monitored. Model 231, which encompasses all system procedures, is present and operational across all Group companies, serving as the reference for all Group sites.

External environmental awareness is raised through annual reporting tools (Sustainability Report/Non-financial Statement, EMAS Environmental Statement) as well as digital communication tools (corporate website, MyFeralpi portal and social channels) and external relations tools (media relations, institutional relations, stakeholder engagement, dialogue with the local community, events, company visits, VerdeFeralpi house organ).

Waste Management

The handling of waste and production residues predominantly focuses on recovery and/or requalification as by-products, with only a small fraction going to landfill. Processes and plants are organized to minimize volumes destined for landfill. Feralpi is also devoted to reducing the transportation of raw materials and production residues, minimizing inputs, and replacing raw materials.
At the Italian sites, specific operational and management procedures are followed.
At the Riesa site, waste produced in various companies is brought to central collection points within the site, where sorting, recovery, and residual disposal are managed.
Managers of all operational sites conduct weekly site inspections and manage communications with authorities and recyclers/disposers (for instance, applying for certificates like EMAS, ISO 14001, etc.).
The ‘Research and Development’ department collaborates with environmental managers and liaisons, continually exploring new solutions. The circular economy model involves actors both within and outside the organization, including those in the supply chain and the public and private sectors.

Water resource management

Feralpi’s production processes, which involve smelting and hot processing, require large quantities of water for cooling purposes. To reduce consumption, measures such as constant monitoring, regular plant maintenance, usage of closed-loop systems, and strategic investments aimed at minimizing water withdrawal are in place to ensure efficient resource use. The Group ensures water purification and discharging into surface water bodies in compliance with the legal limits of Legislative Decree 152/06, thanks to its dedicated facilities and analyses conducted by accredited third-party organizations.

Water is drawn from the water table through wells at both Feralpi Siderurgica and Acciaierie di Calvisano, while at the ESF Elbe-Stahlwerke Feralpi GmbH plant, it is obtained from the municipal water network, with additional small quantities from wells for firefighting purposes.

ESF Elbe-Stahlwerke Feralpi GmbH conducts voluntary annual groundwater and impermeable water investigations, which is used for cooling the slag. This plant has obtained authorization for the discharge of wastewater into the public wastewater network (indirect discharge) from the Große Kreisstadt Riesa and the Zweckverband Abwasserbeseitigung Oberes Elbtal Riesa.
The Arlenico plant sources water from the lake and constantly monitors the wastewater, documenting and storing the data. A third party conducts monthly water sample analyses to ensure compliance with Legislative Decree 152/06. A de-oiling system ensures the absence of polluting hydrocarbons in the rainwater. In 2022, the project for an indirect cooling water recirculation system was completed, which will decrease water withdrawals. In 2023, a significant technological upgrade will be implemented to improve water management for the direct cooling process. Ecoeternit, in accordance with the Integrated Environmental Authorization in force, uses percolation water to humidify waste and dampen access tracks to waste storage and disposal sites (cultivated lots) to further reduce water withdrawals.

In 2022, the Feralpi Group carried out a preliminary exploratory analysis of the risk of water stress due to physical phenomena occurring on an annual basis in the facilities that use water for production purposes (Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, ESF Elbe-Stahlwerke Feralpi GmbH), in order to assess and better understand the issues related to water quality and scarcity within the Group, both in the present and in the future. The tool used for the risk assessment is the World Resources Institute's **Aqueduct Water Risk Atlas**[35], recognised as a reliable exploratory tool by the GRI. The assessment was conducted through the analysis of the **water stress indicator**, representative of the competition for water resources and informally defined as the ratio between the demand for water by human society and the available water. The analysis focused exclusively on the climatic, hydrological and geomorphological aspect of the territory and does not take into account the specific type of activity of the Group. In fact, an in-depth assessment of the four sites with more detailed tools is planned for 2023. In the event that potentially critical situations emerge from the assessments, mitigation, adaptation and water resource conservation plans will be drawn up, as deemed necessary both for production purposes and for maintaining relations with surrounding communities.

PLANT	WATERSHED	WATER STRESS RISK
Feralpi Siderurgica - Lonato del Garda	Oglio (Po)	High
Acciaierie di Calvisano	Oglio (Po)	High
Caleotto - Arlenico	Adda - Lake Como (Po)	Low-Medium
FERALPI STAHL	Elba	Medium-High

[35] Aqueduct Water Risk Atlas - https://www.wri.org/aqueduct

Soil and groundwater management

Feralpi implements comprehensive measures to ensure that water pollution and soil contamination are minimised across its operations. The water used in the plants is treated and discharged responsibly either into surface water bodies, such as in Lonato and Calvisano, or into urban sewage systems, as is the case in Riesa. Emergency procedures are in place and regular maintenance work is carried out on pipes and seals to prevent leaks and spills. First aid kits are strategically located at all plants, particularly in areas where hazardous substances and waste are stored. Materials that have the potential to contaminate soil, such as grease, solvents, oils, rags, and filters, are collected and processed for recycling or disposal. In line with its commitment to sustainability, Feralpi is actively seeking environmentally friendly alternatives to potentially harmful substances. For example, the company is gradually replacing petroleum-based lubricants with biodegradable, plant-based alternatives that offer comparable performance without compromising the integrity of the plants. The management of substances and materials follows safety and environmental procedures, with regular drills carried out in plants certified by ISO 14001. Presider and MPL, for instance, have an Environmental Emergency Plan in place to prevent extraordinary events and mitigate potential negative impacts. In 2022, training was conducted in the use of environmental emergency kits, and the availability of spill control products for soil protection was also increased.
This comprehensive approach to environmental management ensures that potential environmental impacts are addressed proactively and responsibly.

5

Social: people, human rights and D&I


PC1

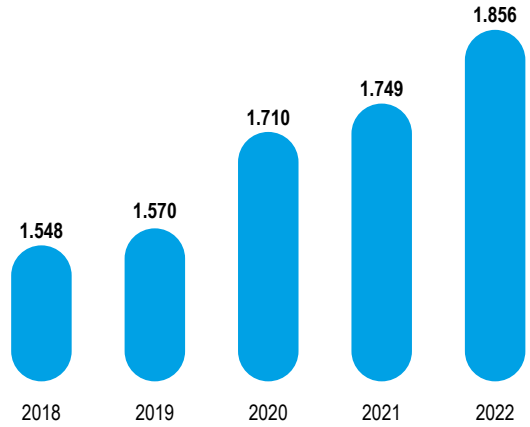
5.1.

Raising competencies: growth and empowerment of people

Feralpi has long recognized the vital role of human resources as a cornerstone for its own success and transformation, as well as for the growth of the local communities in which it operates. The matter of developing, updating, and managing skills remained central to the Group's strategy in 2022. Notable initiatives in this regard included driving the Group's organizational evolution, onboarding highly skilled individuals, and identifying and cultivating technical abilities within the Group to cater to the demands of an ever-increasingly competitive and dynamic economic environment. In Germany, FERALPI STAHL expanded its talent pool by recruiting 15 Ukrainian refugees, each possessing valuable technical skills crucial to the company's operations.

The total number of Feralpi employees as at 31 December 2022 amounted to 1,856, an **increase of 6.1%** compared to 2021. The Group's organisational structure is characterised by a balanced presence between Italy and Germany, with a smaller percentage of employees coming from other countries.

Number of Feralpi Group personnel as at 31.12.2022



Italy _ **50%**
Germany _ **41%**
Other Countries* _ **9%**

*Czech Republic, Hungary, France, Spain, Algeria

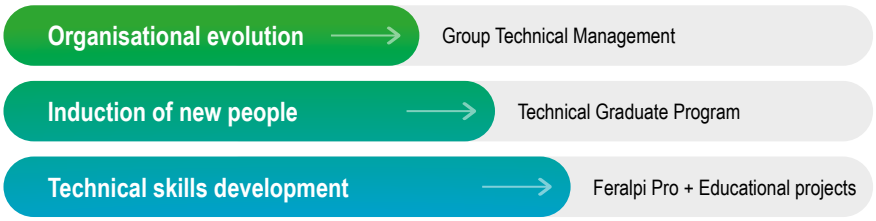
Women_ **9%**
Men_ **91%**

White-collar workers, middle managers and executives_ **30%**
Blue-collar workers_ **70%**

Under 30 _ **14%**
30-50 _ **49%**
Over 50 _ **37%**

Group Technical Excellence

In 2022, Feralpi continued to reinforce the technical competencies within the group through the **Group Technical Excellence** initiative, a part of Feralpi's People Strategy outlined in the 2021-2025 Industrial Plan. This plan recognizes the necessity for skilled technical personnel and aligns it with the company's management strategy. Its objective is to support the evolution of the corporate structure by aligning processes, roles, and personnel with the Feralpi Group's overall strategy, with a focus on nurturing emerging technical talent. Enhancing the abilities of the Feralpi team is thus perceived as a strategic business asset to assist the organization in achieving its objectives.
The project is structured along three lines:



Group Technical Management

In order to improve the consolidation of skills in the technical field, in 2021 a new organisational unit called **Group Technical Management** was set up within Feralpi's organisation. Among its tasks, it acts as a **hub for the technical-technological skills** available within the company, as well as an **incubator for technical resources** being integrated into the company organisation. This unit is regarded as the fundamental structure of Feralpi's skills management and development initiatives. The Technical Department reports to the Chairman and Managing Director - who retain decision-making power over technologies to be developed and strategic investments - and has a functional link with the Technological Development and Strategic Investments Committee.

Induction and skills development paths

Feralpi has launched programmes and training courses aimed at fostering the integration of young talent into its organisational system, offering an effective choice for those who aspire to develop professionally. This strategy is fundamental for achieving the Group's objectives in an extremely dynamic technological, social and economic context.

In 2022, Feralpi continued its commitment to the **Technical Graduate Program**, a program specifically designed to recruit and nurture young talent in the technical field. The program aims to ensure the seamless integration of new recruits into the organization, fostering the development of specialist skills vital for key technical roles within the Group and individual plants. The 20-month program consists of 6 months of cross-departmental training within the Group's Technical Department and plants, followed by 14 months of work on existing projects, with the ultimate assignment to their initial department.

In 2022, the training offer within the Steel Academy - launched by Feralpi with the Asonext, Duferco and Pittini groups, with the entry of Ori Martin in 2020 and Acciaierie Venete in 2022,- was further enriched. A total of 11 modules were therefore launched with reference to the **Management4Steel** (training for potential figures on organisational, management and transversal skills), **Electrical4Steel** (in-depth study of topics in the field of electrical maintenance), **Mechanical4Steel** (in-depth technical study in the field of mechanical

maintenance) and **Leadership4Steel** (training of operational managers on management and soft skills).

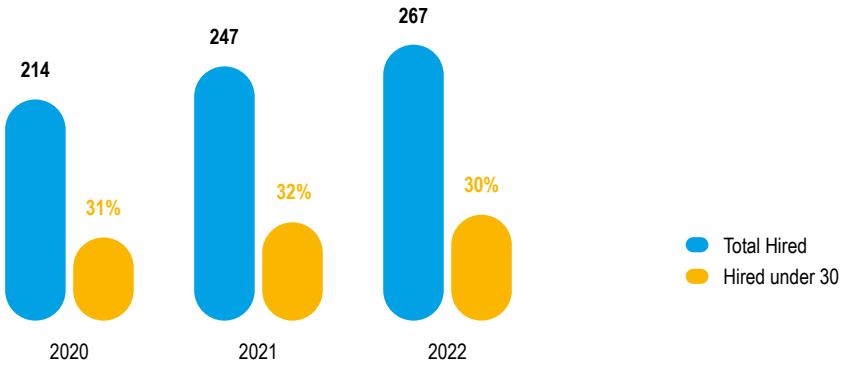
In addition, the **Future4Steel** training pathway was activated for the employment of young maintenance technicians, with the attainment of a post-diploma **Higher Technical Education and Training (IFTS)** certification in 'Installation and maintenance techniques for civil and industrial plants' (an activity that is also part of the Academy Siderurgica project).

The activities of the **Sider+** project also continue, a 96-hour training course that, between technical training and workshops, aims to provide basic training useful for working in the steel industry. Feralpi is actively involved in the **ITS - Istituto Tecnico Superiore per la Meccatronica (Higher Technical Institute for Mechatronics)** course, hosting students and providing lectures by the company's technical managers.

Looking ahead, Feralpi plans to update the **initial training program (induction training)** for newcomers to the Group's companies, beginning with those based in Italy.
The objective is to provide incoming personnel with a more comprehensive training that extends beyond the standard areas of focus such as health, safety, quality, environment, and energy. This renewed approach will integrate training content on Environmental, Social, and Governance (ESG) and Diversity and Inclusion (D&I), alongside the development of soft skills such as team building.

Throughout 2022, FERALPI STAHL invested heavily in both internal and external communication, expanding **talent acquisition campaigns** and enhancing its social media presence. Additionally, the company increased its participation in industry trade shows to attract attention and appeal. Coupled with the onboarding of six trainees who successfully completed their training, these efforts led to a 3.15 per cent growth in the workforce, addressing the need for additional personnel for strategic projects, including the construction of Rolling Mill B. Alongside managing the Rolling Mill B project, the company began recruiting production and support staff for the operations that will be launched in the new mill. Lastly, FERALPI STAHL continued to nurture existing ties and establish new connections with **universities and schools** to source freshly trained talent in Germany.

Incoming turnover growth (2020-2022) - New hires under 30 vs Total new hires



Mapping, Measuring and Developing Competencies

The Feralpi Group has always recognised the importance of developing and retaining skills, matured over more than fifty years of history and constantly updated through ongoing training and projects to recruit new professionals from the school system, universities and the market. The Feralpi Group's main companies - such as Feralpi Siderurgica, Acciaierie di Calvisano and FERALPI STAHL - have long adopted a system called "**Professionalità Feralpi**", a benchmark in personnel management and internal resource optimisation.

In 2022, the Feralpi Group launched a new project focused on mapping and developing technical skills in the technical-production areas. The project was realised thanks to the close cooperation between the various technical areas, which contributed their experience and specific knowledge of the various production sectors. The initiative then took the form of an integration phase with the 'Feralpi Professionalism' system, in order to create a single, comprehensive platform for skills management. As of January 2023, integration between the two systems led to the birth of the new **Feralpi PRO** system, which brings together the organisational and technical skills of Feralpi's various organisations.
At the heart of this new system is a specially developed management application that makes it possible to efficiently monitor and manage employee skills.

Feralpi PRO is currently being implemented for the **technical production areas of** the Lonato and Calvisano sites, as well as for the **maintenance** of Feralpi Siderurgica.
In 2023 it is expected to become operational for the maintenance function of Acciaierie di Calvisano and for the Arlenico company. Once the adoption of the system at these sites is consolidated, Feralpi intends to extend the use of Feralpi PRO to the Group's other sites.

Creation of a structured system for the dissemination and development of **technical skills**

Updating of **organisational competence** mapping tools

FERALPI PRO

Implementation of a **digital application** for process management, accessible to all levels of hierarchical responsibility

Participation in Masters and higher education courses

Feralpi promotes the development of skills, also encouraging the participation of personnel in advanced training courses such as, for example:

Master's Degree in Industrial Maintenance

(delivered jointly by the MIP Politecnico di Milano Graduate School of Business and the SdM - School of Management of the University of Bergamo): development of the professional skills needed to maintain and improve the Group's industrial assets.

Master's Degree in Business Management and Innovation

(organised by ISFOR, developed with the support of Confindustria Brescia, and in collaboration with the University of Brescia): development of transversal skills useful for tackling current competitive scenarios, increasingly characterised by volatility, uncertainty, complexity and ambiguity.

Metal University

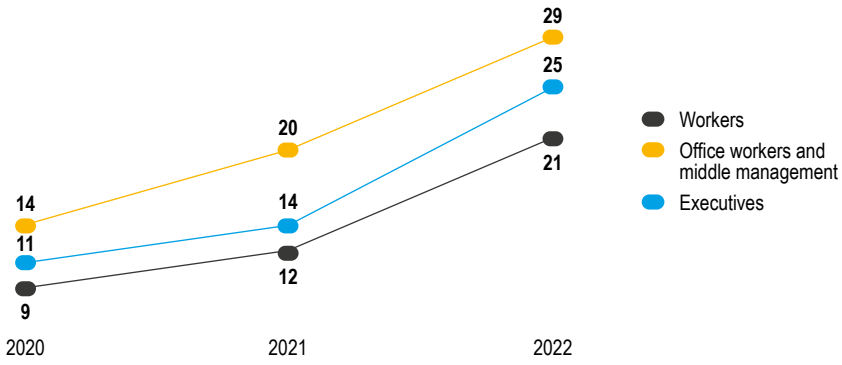
(born out of the alliance between AQM, Isfor and Riconversider): development of skills to fully express the potential of technological and plant assets with a focus on the processing and transformation of metal materials from a 4.0 perspective.

Feralpi Corporate EMBA

(developed by MIP Politecnico di Milano in partnership with Feralpi): dedicated to prospects identified through the Succession Planning pathway. It will award a 1st-level Master's degree in Business Administration.

During 2022, all compulsory training activities provided for by national regulations continued, including basic training modules, addressed to all new employees, for which a learning assessment is always carried out. Alongside compulsory training activities, additional training activities were also promoted, aligned with the strategic plan for the development and growth of skills on topics such as safety, environment, quality, languages (English, German, Spanish), technical and trade training (metallurgy, maintenance, personnel management, interpersonal communication).

Per capita training hours per qualification



Succession planning

The Succession Planning project was initiated with the objective of addressing both anticipated and unforeseen replacement needs of employees in strategic roles within the company. The eleven participants engaged in professional development and growth activities as outlined by their Managers during the project's first year of implementation. These activities were supported by the Managers through regularly scheduled meetings and the use of a dedicated project management application. In 2022, the participants had the opportunity to enroll in the **Feralpi Corporate Executive Master in Business Administration (EMBA)** program, developed in partnership with the Graduate School of Management at the Milan Polytechnic. Succession planning activities continue at FERALPI STAHL and will be supplemented by further talent development efforts.

5.2.

Protecting people: health and safety in the workplace

Worker safety is a paramount concern for Feralpi. The company is committed to continually improving its facilities, environments, and work processes, adopting a proactive strategy that focuses on identifying and setting forth investments and policies for worker safety, as well as fostering worker awareness. The goal is to cultivate a culture of safety and minimize risk levels as much as possible through consistent monitoring and interventions that enable continuous improvement. In 2022, the **We Are Safety** project was launched, dedicated to cultivating a shift in safety culture, alongside regular training activities in health and safety and ongoing technological advancements in the field.
At FERALPI STAHL, custom training courses were offered for managers and employees, featuring the digitalization of training documents, in line with the recognition received in 2020 when they were awarded the 'Clever Fox' (Schlauer Fuchs) safety award by the German Employers' Liability Insurance Association (BGHM). This award highlights the company's ongoing commitment to enhancing safety practices and standards.

5.2.1. We Are Safety

The We Are Safety project is designed to provide a training and experiential journey that begins with the Management and cascades down to every member of the Feralpi team, from managers to workers. The goal is to share, cultivate, and disseminate a robust **health and safety culture** through an emotional-based approach. This project aims to distinguish itself from conventional training courses that focus solely on procedural and technical aspects of safety. Instead, it seeks to develop and strengthen those skills needed for employees to fulfill their roles with mindfulness in the perpetual improvement of safety standards. This includes effective communication, conflict management, team management, and leadership skills. The specific objectives of the project are:

- Working on safe behaviour through unconventional training methodologies;
- Building competences (soft skills) in managers and supervisors in personnel management and in dealing with complex situations;
- Putting everyone in a position to play their role with respect to Feralpi Group policy and values;
- Make everyone an active part of the process of cultural change related to health and safety.

The project, in connection with the rationale behind the design of the previous *'I am Safety'*, envisages a renewed involvement of the figure of the **Safety Tutor**, with a dedicated path in which to recreate in the organisation new reference figures in the path of spreading the culture of safety.

The project started in 2022 from the Lonato site and will be extended to all Group companies. The first part of the project consisted of four phases.

phase 1

Initial technical assessment:

in-depth analysis of the path already taken by the organisation in terms of projects, tools and development of the HSE culture, in order to trigger downstream recovery and continuation of projects already carried out.

phase 2

Onboarding:

a training session with the Management Group with the aim of creating awareness and motivation through an emotional journey on the topic to activate a cultural path. Creation of an internal Feralpi Project Group to ensure that the project objectives are achieved.

phase 3

Involvement of safety officers and safety tutors:

specific training courses for safety officers and safety tutors at the Lonato plant with the aim of getting people emotionally attached to the issue, aligning their role with the concept of safety culture and the need for vigilance, compliance with rules, and constant warning of points to watch out for.

phase 4

Implementation of behavioural safety tools (in 2023):

implement a cultural pathway that leads to making the observation of one's colleagues' behaviour structural with the aim of reinforcing safe behaviour and modifying observed risk behaviours observed.

5.2.2. Interventions in establishments to protect safety and the worker

In tandem with its awareness-raising and training initiatives, Feralpi is persistently implementing improvements across all plants, with a keen focus on prevention and safety measures.

The risk assessment of all production sites was updated in line with the required periodicity mandated by regulations concerning the evaluation of physical and chemical risks. This process also considered alterations to environments and production facilities that were carried out during 2022. Proactive auditing activities, accident and near-miss analysis, as well as feedback from personnel, are regularly conducted at all plants.

Regarding prevention, given the types of risks uniformly present across the Group's production sites, safety improvement activities for managing work at heights continued consistently at all locations. This involved identifying and implementing appropriate safeguards, achieved through meticulous monitoring of maintenance needs.
Similarly, the procedure of regular inspections, maintenance, and preventive replacement of lifting equipment was maintained throughout the year at all sites. This included the preemptive replacement of lifting equipment with new installations, furnished with corresponding technological upgrades.

Similar attention has been paid to the monitoring and improvement of safety aspects of internal logistics, through further replacements of fleets of machines and vehicles and through maintenance and improvements to the configuration of horizontal and vertical signage, optimisation of routes and areas, constantly evolving in relation to existing investments.

At Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico and Presider, the analyses of safety requirements and functional interventions for **CE marking** of complex lines continue. In this regard, there are constant increases in areas and equipment guarded by controlled area and access segregation systems, using special interlocked key systems.

Attention is also paid to the issue of manual handling of loads, both in terms of risk assessment aspects and in the choices related to the characteristics of new plants being

designed, investments in dedicated equipment to reduce the level of risk related to handling, and in upgrading warehouses for better management of storage and handling of components.

In 2022, the redevelopment project of the Nave plant, Presider's production unit, continued, upgrading new areas destined for production and taking the opportunity for a complete overhaul of the roofing, on which a photovoltaic system will be installed, similar to what is planned on new areas of the roofs of Feralpi Siderurgica and Acciaierie di Calvisano.

A number of experimental activities have also been activated, particularly at Feralpi Siderurgica and Acciaierie di Calvisano, to identify personnel tracking methods to optimise potential risk situations related to working alone and the management and control of evacuation in the event of an emergency. These activities will continue in 2023, as well as the constant maintenance and related revamping actions connected to the fire-risk control systems of all production sites.

The signage project that began in 2021 was further advanced in 2022. The FERALPI STAHL buildings in Riesa were progressively outfitted with new signage, aiming to simplify and augment the pre-existing safety signs at the entrances to various areas. The signs possess reflective properties, allowing them to be easily discernible even in poor lighting conditions and from great distances. This project is aligned with the minimum Personal Protective Equipment (PPE) standards on-site.
The plant was therefore segmented into protection zones, each corresponding to the hazard potential of the individual areas. Each protection zone has minimum PPE requirements. The color used for the background of the new signs matches the respective protection zone, reinforcing the adjustment of the minimum PPE standards. The safety signage project will carry on into 2023 with further modifications and additions. Notably, the requirement for protective goggles will be extended.

In 2022, FERALPI STAHL persisted with its 'safety offensive' strategy, which was accompanied by management consultancy from *Kirschstein Associates*. The Board of Directors made the decision to continue emphasizing behavioral changes within the field of occupational safety. In several training courses, managers from all production and maintenance departments convened in small group communication meetings. Key topics included integrating occupational safety into daily work routines, promoting honesty and transparency (viewing accidents as learning opportunities to shift away from a 'blame culture'), and conducting thorough accident investigations. In November, a further on-site meeting was held to assess the management of safety aspects. Other activities included the introduction of new certified work clothes, the introduction of the **virtual** health and safety **mentor** '*Bella Steel*', whose task is to remind employees of the correct safety behaviour (Watch Out campaign). An **Action Plan** will be developed in 2023 to improve the safety culture, such as the commitment to restrict access to plant premises for contractors. There will be further development of the workplace safety campaign ('Join Us' Campaign) and the introduction of an **e-learning campaign** to digitise training courses for external companies, visitors and employees (planned in 2022 and later postponed to 2023).

5.2.3. Welfare

A **flexible benefits system** is implemented across the Group's Italian companies. This system allows employees to access goods and services through a **special platform** (a marketplace using welfare credits). Additionally, local agreements with commercial activities or service providers offer various types of benefits to Group personnel.
From 2021, Feralpi has joined the **Local Reconciliation Alliance**, guaranteeing its employees vouchers to partially cover expenses for family services, affirming its role in the territorial network. With an aim to recognize care and domestic work, the Group provides specific company benefits such as reimbursement for childcare and educational expenses from kindergarten to university, babysitting or family care costs, domestic help, school transportation, and meals for children.
Alongside reimbursements, childcare and domestic help services are also available at reduced rates. Discounts at kindergartens are provided as well, especially in Germany.

Health and well-being: initiatives for psycho-physical support

To supplement the safety management system, Feralpi is also active in protecting and safeguarding company health, through prevention and awareness-raising measures. Since 2013, Feralpi Group has been a member of the **WHP - Workplace Health Promotion - network**, a European initiative implemented at regional and provincial level thanks to the system of national **ATSs (Health Protection Agencies),** which provide methodological and scientific support to the project, and to cooperation with Confindustria. Over the years, the Group has been committed to pursuing a path of initiatives dedicated to improving the health and wellbeing of workers by reducing general risk factors and, in particular, those most correlated to the genesis of chronic non-communicable diseases. Today, the Group's companies locatd in Lombardy and Como are members of the WHP Network, accompanied by the health prevention initiative that began at Presider's Turin headquarters.

From 2013 to date, the Group has promoted a total of **37 good practices in the different 6 areas of intervention**, with a focus on the project's core themes: the adoption of healthy eating and active lifestyle behaviours, and the fight against smoking and additive behaviours.

In 2022, in collaboration with the Physiatrics and Rehabilitation Service of the ASST Civil Hospitals of Brescia, the 'Posture Project' continued, completing the screening carried out in 2019 to assess malocclusion of the oral cavity. The project involved 52 employees who presented postural abnormalities and complained of rachialgia; the employees underwent clinical and instrumental assessment and an individual rehabilitation project was prepared for each of them, followed with the presence of a physiotherapist in the company. Feralpi, through this project, was called upon to illustrate its activities at the conference promoted by INAIL as part of the European campaign on the prevention of musculoskeletal disorders "Let's lighten the load!".

With a view to Diversity Management, the '**women's check-up**' initiative was introduced in the Brescia offices, in collaboration with Fondazione Poliambulanza: the employees of the Group's Brescia offices were able to undergo a free gynaecological examination, PAP test and breast examination (and breast ultrasound if deemed useful). The initiative was joined by 26 employees. The prostate cancer prevention campaign - **project Fifty, Fifty** - was also renewed during the year, again in collaboration with Fondazione Poliambulanza. For people suffering from obesity and related diseases, a nutrition course was promoted with the support of a dedicated nutritionist doctor.

During the year, a general training initiative on addictive behaviour was also set up at the Lonato and Calvisano sites, in collaboration with ATS Brescia and Cooperativa Sociale Fraternità: a travelling exhibition aimed at all workers and designed to increase knowledge, awareness and sensitivity to the risks linked to pathological addictions (such as alcohol intake, drug use or gambling), to strengthen resilience, to become familiar with the procedures for obtaining support, activating a process of reflection and exchange on the concept of addiction.

Still within the WHP project, it was also important for the internal HR and CSR contact persons to attend the **training course** *'Promoting health in the company: the valorisation of diversity in the planning of initiatives'*, organised by ATS Brescia in collaboration with the Department of Mechanical and Industrial Engineering of the University of Brescia. The management of diversity in all its possible manifestations is an essential tool for the strategic and effective development of workplace health promotion. It is therefore important to increase the ability to critically observe diversity and stereotypes, as well as to be able to identify and manage possible diversity in the work context.

FERALPI STAHL hosts annual **health days** for all personnel, supported by health insurance companies and other service providers. Despite ongoing challenges related to the pandemic, the 2022 health day was well received by employees and suppliers, with about five hundred employees participating. Employees can also benefit from health insurance initiatives aimed at promotion and awareness-raising.
In Germany, employees have occupational accident insurance that extends into their private lives. Employees can take advantage of mandatory check-ups and other medical examinations during which their current health status is assessed and, if necessary, measures are suggested by the company doctor. In Italy, employees have access to supplementary health insurance, guaranteed by the sector's Collective Labor Agreement (CCNL), which also includes family members.
At the end of 2022, **funds were allocated to support a local nursery school**, enabling employees to continue receiving assistance in caring for their children during working hours. In 2023, the company plans to modernize the medical service rooms and enhance the canteen service to offer healthier and tastier food choices, thereby promoting the physical and psychological health of employees. Subsequent plans include renovations and modernizations of the canteen, restrooms, toilets, changing rooms, and showers.

5.3.

Human Rights and Diversity, Equity, Inclusion

Feralpi operates in line with the International Charter of Human Rights, the fundamental Conventions of the International Labour Organisation (ILO), the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the ten principles of the United Nations Global Compact, and in compliance with the principles and values referred to in the Group's Code of Ethics.

In view of the nature of its activities and its geographical location, Feralpi takes a broad view of the issue of human rights in aspects relating to personnel management, first and foremost the enhancement of diversity and inclusion, as well as aspects relating to the supply chain.

5.3.1. Human Rights

Guiding the Group's modus operandi on the issues of equality, human rights and equal opportunities are the **Organisational Model drawn up pursuant to Legislative Decree 231/2001** in Italy, the German Constitution (Art. 1) and the Allgemeines Gleichbehandlungsgesetz, transposed within the Group through the Code of Ethics, the **'Diversity & Inclusion' policy** and the **'Human Rights' policy**. In 2022, the topic of human rights found a place in the first quarter during training activities aimed at the front line of the Italian Group. In addition, the specific Group policy was **shared with all** Group **suppliers**. Human Rights were also one of the main topics discussed during the Scrap Suppliers Dialogue. The main element of the topic was the discussion and update on the contents of the European Commission's proposal on the Directive on Corporate Sustainability Due Diligence.

Rights in the workplace: protection, recruitment, pay

In the workplace, human rights are rigorously protected through multiple mechanisms. The Code of Ethics enshrines the moral and behavioral rules to be adopted within the corporate community. The sector's **collective agreements**, along with the company's supplementary agreements - which are ensured by the free representation of personnel at all operational locations - form the foundation of the trade union relations system. These relations are predicated on a constant, constructive dialogue between the parties, anchored in the timely and transparent communication of information that may directly or indirectly affect employees. The ultimate objective is to reach consensus on agreements shared between the parties. **Collective bargaining** covers all personnel at sites in Italy, Germany, France and Spain (96% of the Group), and the quality of industrial relations is subject to the assessment of periodic meetings between the social partners. In Germany, the Works Council is responsible for protecting workers' rights, as well as implementing measures for the inclusion of foreign workers and promoting the recruitment and

integration of workers with disabilities. For this reason FERALPI STAHL participated in the event 'Respect! - No place for racism' by IG Metall.
In the recruitment and selection stages, Feralpi considers many issues concerning the proper management of the relevant process. As well as taking into account the specific conditions of the labour market in the various territories where the plants are located, it ensures respect for equal opportunities and, more generally, diversity.
Staff members involved in the personnel recruitment and selection process, whether from HR, Operations or staff departments, must operate in such a way as to ensure respect for personal dignity as well as objectively assess technical and aptitude suitability criteria. Recruitment of new resources is tracked and transparent and always involves the approval of the various organisational entities involved.
For the companies based in Italy and Germany, Feralpi's remuneration **structure** consists not only of the basic salary envisaged by the national collective agreement, but also of supplementary agreements establishing more favourable conditions for most employees (90.89%). As far as the managerial level is concerned, a **formalised performance management system (MBO)** based on objective indicators, both quantitative and qualitative, is in place for Group companies in Italy and Germany. In 2022, MBOs were established specifically linked to social performance (S). In 2023, the approach of ESG-related MBOs was further expanded to include environmental performance targets in addition to social performance targets.

Rights along the supply chain

Along the supply chain, Feralpi's Purchasing Department plays a key role in protecting human rights, specifically in terms of safeguarding labor relations between workers and external contractors or subcontractors with whom Feralpi may have direct or indirect business interactions.
Feralpi's commitment manifests in conducting **document checks on contractors and subcontractors** to ensure they comply with regulations designed to protect their workers and maintain safety standards in line with the requirements of the Italian Legislative Decree 81/2008. This ensures all personnel entering the plant are properly employed, receive timely payments, and subjected to health surveillance, which confirms their suitability to perform their relevant duties.
For each contractor, Feralpi verifies technical-professional qualifications by acquiring documents that certify their compliance with contribution requirements (DURC), proper fulfilment of obligations towards relevant authorities (such as opening an INPS position and ensuring appropriate insurance coverage for risks via INAIL), and an RCT-RCO policy to verify adequate coverage for their personnel. The company also ensures all personnel are equipped with appropriate personal protective equipment (PPE) and that they have received adequate training, including compulsory training and specific instruction for performing specialized activities.
Feralpi does not permit access to its plants for underage workers, workers under contract for specific work, or workers with atypical contracts, such as internships or apprenticeships. In addition to these checks, Feralpi conducts document checks on any work equipment brought into the plant to verify its good state of maintenance, preservation, and safety efficiency.
Feralpi also requires contractors and subcontractors to sign a declaration in which they commit to reducing energy consumption and the environmental impact of the plant, guaranteeing their part in waste elimination and fault correction by using energy-efficient and sustainable equipment.
In case the contractor needs to resort to subcontracting, this can only be authorized in writing for specific activities, and subcontractors are subject to the same verification process for the possession of technical and professional requirements as per the aforementioned rules.

5.3.2. Diversity, Equity, Inclusion

In line with the European Commission, according to which the diversity of people in terms of age, sexual orientation, gender identity, ethnicity, religion and ability is considered a **fundamental intrinsic value** of the uniqueness of the individual, Feralpi is committed to enhancing the issue by adopting the values expressed in the Group's Code of Ethics, observing the United Nations Universal Declaration of Human Rights and following the principles of the Global Compact, to which it adheres.

Global culture

Work was carried out in terms of raising internal awareness through communications on the subject and enhancing interchanges between colleagues in Feralpi's various plants.

Gender balance

Work was carried out on developing various projects to promote STEM professions among girls in local schools.

Inclusive leadership

Work was carried out on a wide-ranging training project proposal, which also focused on raising management awareness.

Collective responsibility

The members of the D&I Working Group were activated to propose projects on the four pillars, as well as participating in territorial initiatives on D&I issues.

During 2022, several projects and initiatives were launched within the four strands of the Diversity and Inclusion Policy.
Global culture: sharing moments were implemented during classroom lectures with the Catholic University of Piacenza and Brescia as part of multicultural management and sustainability strategies.
Collective responsibility: support for the new ABA (Applied Behaviour Analysis) centre in Lonato del Garda, to support pre-school children (1-5 years) diagnosed with autism spectrum disorder and their families. A further important initiative was dedicated to the children of employees, with a show in the company premises to help them reflect on the themes of diversity and uniqueness.
Inclusive Leadership: carried out a training session dedicated to Executives and Top Management focusing on diversity and inclusion issues, with a qualified partner. We also participated in the European Commission's EU Diversity Month campaign in May, aimed at raising the profile of diversity and inclusion issues within companies.
Gender balance: valorisation of the awareness-raising campaign during the 25 November day against violence against women, as well as adhesion to the travelling exhibition 'Io Ti Ascolto', sponsored by Le Imprenditrici Confindustria in cooperation with Casa delle donne.

The 'D&I' Working Group

In 2022, activities by the 'D&I' Working Group on the Collective Responsibility Pillar continued. The working group on the subject **consists of about 25 people** representing all the Group's Italian and international plants and is led by the Human Resources Department and the External Relations and Sustainability Department. The Feralpi Group aims to **train** competent people to manage opportunities and risks in the company. Over time, the Working Group will be called upon to value diversity, act in an ethically and socially responsible manner, develop solutions for inclusive governance, communicate internally and externally in an inclusive manner and uphold D&I principles with stakeholders in the value chain.

In 2022, the activities were **awarded** by the Sodalitas Foundation as part of the Call for Future 2022 innovation projects. During the year, the Working Group met twice in person at the Nuova Defim and Caleotto Arlenico plants. In addition to being moments of exchange and knowledge of the Group's other companies, they were also important **opportunities to get to know the local area** and their associations that welcome boys and girls with different abilities, including them in educational activities or placing them in the world of work. The Working Group continued its activities by proposing projects for the other three pillars as well.

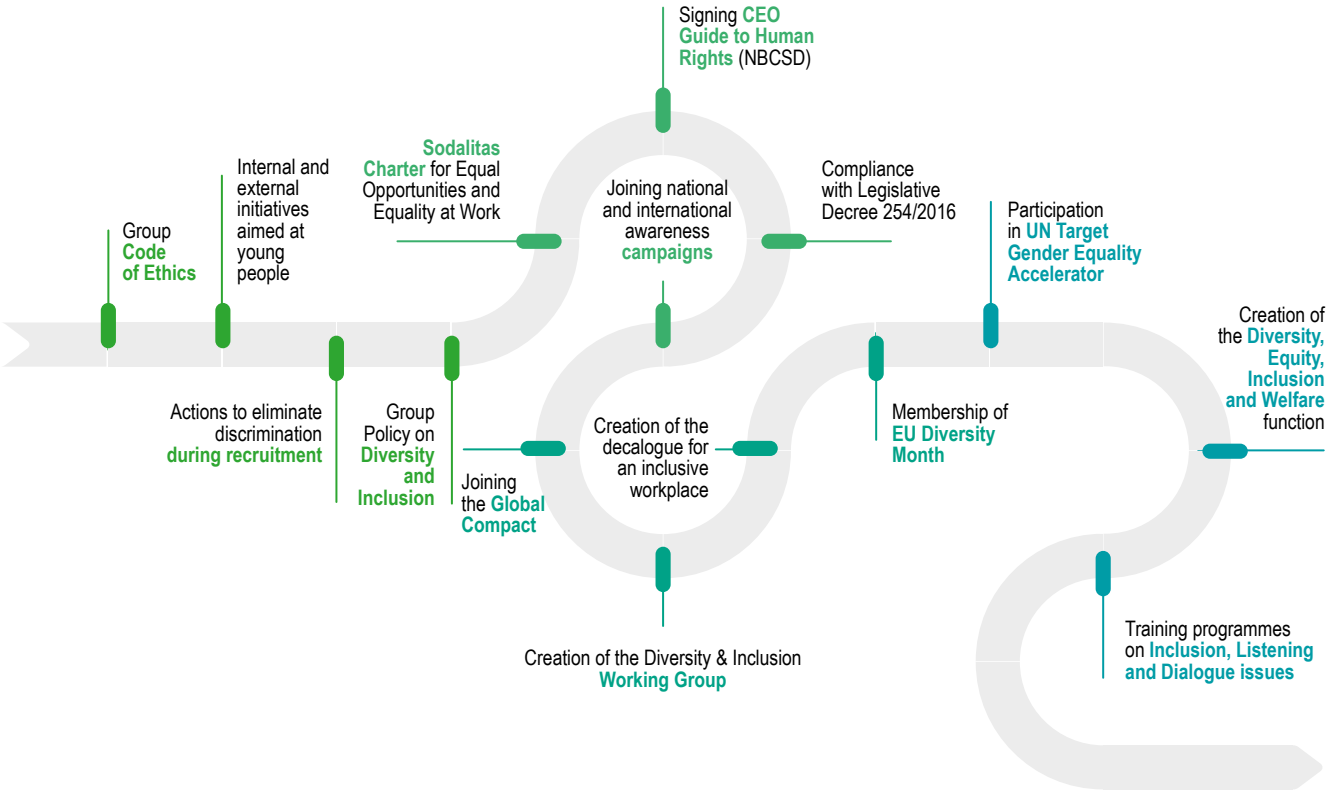
At FERALPI STAHL in 2022, important initiatives were developed on this topic, starting with initiatives to **promote the employment of female and migrant workers** at the Riesa plant. For the former, the changing rooms and showers were completely modernised. In addition, a car park was provided for specific use to ensure safety at the beginning and end of shifts. Finally, two women were added to managerial positions. To support the integration of refugees, it was decided to offer them **free language courses** to facilitate their integration and integration with their colleagues.

Feralpi's consolidated participation in the Confindustria Brescia Association of Women Entrepreneurs and Young Entrepreneurs continued in 2022. The former are engaged in the promotion of best practices both in the digitalisation of SMEs and in the area of Diversity and Inclusion, while the latter in professional school and work training projects for the younger generations and for positive, hate-free communication that can attract young people to the entrepreneurial realities of the Brescia area. FERALPI STAHL is a member of the association '**Economy for a Cosmopolitan Saxony e.V.**', which is financed by the Ministry of Economy, Labour and Transport of the Free State of Saxony and is committed to promoting the topic of immigration on a national level.

Deploy your talents

Feralpi continued the **Deploy your talents** programme in 2022 in cooperation with Sodalitas. The programme is aimed at enhancing **STEM subjects** and overcoming **gender stereotypes**, in order to increase the number of women employed in technical-scientific professions in companies, especially those with a mainly male-centred history. In 2022, the edition involving pupils in the fourth and fifth year classes of the Canossa Institute of Higher Education came to an end. The project realised during the course, a video on female professionals in the STEM area, won the prize in the dedicated contest. In 2023 the project will instead see the participation of the fourth and fifth year pupils of the Liceo Scientifico e Pedagogico "Paola di Rosa" in Lonato.
Each edition reserves numerous moments of encounter between the pupils and the company, with important moments of dialogue with Feralpi engineers and experts during which they share their work experiences and answer questions and curiosities from the pupils.

Our journey towards inclusion



5.4.

Governance and management of social aspects

To effectively address the diverse needs of the company's personnel, the Human Resources department operates through two integrated organizational structures. One focuses on the plants located in Italy, France, Spain, and Algeria, while the other caters to the plants in Germany and Eastern Europe.

The first structure reports hierarchically to the Group Chairman, and the second to the General Manager of ESF Elbe-Stahlwerke Feralpi GmbH, concerning management, organizational, national bargaining, and labor relations issues. For strategic, policy, or special project concerns, the Italian structure retains functional responsibility. Working alongside the HR functions are the HSE function for Safety and the External Relations and Sustainability Department for individual well-being, human rights, *Diversity & Inclusion*, and management of relations with the territory and key stakeholders.

In 2022, the role of Group HSE Manager was permanently assigned to the Head of Feralpi Siderurgica's Environmental Protection Prevention Service, solidifying the function of guiding and coordinating all Group companies in the field of safety and the environment. All decisions and policies related to the environment, safety, and energy are coordinated through a synergy between the HSE Manager and the safety and environment managers and contacts from various companies. This allows for the standardization of strategic implementation and objective definition. The Group HSE Manager supports Feralpi in defining Health, Safety, Environment, and Energy strategies and guarantees the promotion and dissemination of these strategies and policies in subsidiaries while managing HSE processes and supervising the implementation of approved projects.
At Ecoeternit, the Technical Director and RSPP, in close cooperation with the Managing Director, handle these aspects. In the Italian plants, one or more internal personnel safety representatives (RLS) are appointed, elected by the workers within the company's union representation framework.

In 2022, Feralpi Siderurgica established the role of *Diversity, Equity, Inclusion and Welfare (DEI & Welfare) Manager* with the goal of developing projects and strategies in the area of diversity, inclusion, and employee welfare, following the four guidelines already present in the *D&I Policy*.
Similar mixed bodies have been set up at ESF Elbe-Stahlwerke Feralpi GmbH, where there is a committee made up of the Plant Manager, the Works Council and the company doctor, which is also responsible for facilitating the reintegration of staff after long periods of sick leave. At ESF Elbe-Stahlwerke Feralpi GmbH, there has been an *Integrated Management System* department since 2018.

Feralpi Group ensures a health service in all its main sites with a nursing and medical presence and guarantees, in companies with a smaller number of employees, the activity of an occupational physician to carry out periodic health checks on exposure to potential occupational risks. With regard to aspects more closely related to the personal health of employees, in addition to the medical staff, the HSE Manager and the RSPPs of Group companies, the Human Resources Department and the External Relations and Sustainability Department are also directly involved, contributing to the definition and monitoring of the progress of projects relating to the promotion of health and wellbeing.

As regards the management of human rights, it is the Human Resources Department that manages their protection among employees. In terms of actions on the supplier chain, the Purchasing Department provides support. The External Relations and Sustainability Department acts as an alignment, specifically for aspects related to ESG issues. Any complaints are handled internally according to the procedures established and described in the 231/2001 model and are dealt with in accordance with company regulations, supervised by the General Management in consultation with the personnel department.

Social Policies and Management Systems

Human Resources Management

Human resources management follows the national laws and regulations of the countries in which it operates and in accordance with the corporate principles and values stated in its Code of Ethics (a document provided at the time of hiring), which is given to each new employee. In support of the Code of Ethics, FERALPI STAHL also has a specific company policy. Feralpi has always given preference to permanent employment relationships with the aim of supporting the company's economic growth, ensuring the enhancement of human capital, adequate remuneration above the minimum wage, safe working environments, attention to workers' psychological and physical wellbeing and corporate welfare initiatives.

Occupational Health and Safety Management

Safety management follows the regulations of the sites and countries in which the Group's plants operate and is managed differently depending on the type of production processes in place. Feralpi Siderurgica has implemented an integrated safety, environment and energy management system certified to international standard ISO 45001, which ensures constant monitoring of risks and identification of improvement measures. Feralpi Siderurgica's system is governed by an integrated Environment, Safety and Energy policy; this policy, which defines objectives, guidelines and commitments in the field of safety, is also present in Presider, MPL and Ecoeternit. In Feralpi Siderurgica and Acciaierie di Calvisano, the relevant accident risk scenarios have also been examined and assessed through the preparation of a specific Safety Report, since both plants have a Policy and a Major Accident Risk Management System, which integrates procedures for emergency management and coordination for the management of the external Emergency Plan, in accordance with Legislative Decree 105/15. Feralpi Holding is subject to a specific operating procedure that includes safety rules for personnel, risks arising from office work, emergency management, access to affiliated companies, and the safety supervision plan, and refers to relevant specific procedures of Feralpi Siderurgica's management system for the organisation of all safety-related processes. In 2022 Calvisano underwent audits by the Regional Technical Committee 2022 set up by the Ministry of the Interior. These audits take place at varying intervals.

All Italian companies are subject to specific control activities on the application of health and safety procedures by the Supervisory Board, as required by Model 231. Foreign companies do not have a certified safety management system, but comply with the requirements of national regulations. At FERALPI STAHL, with regard to safety aspects, the management system is based on management and operating procedures that ensure constant monitoring of hazards and the definition of improvement measures. The goal for the coming years is to combine the integrated management system with a health and safety management system certified to the international ISO 45001 standard. The company is a member of the professional association Berufsgenossenschaft *Holz und Metall (BGHM)*, which lays down the rules and behaviour of companies and personnel with regard to health and safety.

Throughout 2022, Feralpi Group maintained rigorous implementation of the **Protocol for the Prevention of the Spread of Covid-19** in Working Environments, which outlines measures designed to ensure worker safety. These measures include access rules, sanitation procedures for spaces, and control of the 'Green Pass'.
As containment measures at national and regional levels were relaxed, Feralpi adjusted its internal procedures, but sustained key improvements such as readily accessible hand sanitisation stations and the availability of Personal Protective Equipment (PPE) for respiratory protection. These steps enabled even the most sensitive workers to continue their duties in a secure and peaceful environment.

Concerning contracted work, Feralpi companies have specific procedures for assessing the technical-professional qualifications of contractors and managing potential risk interferences. Before outsourcing any activity, Feralpi verifies the technical-professional qualifications of the selected company and any of its subcontractors, requiring documentation that certifies compliance with the mandates of competent authorities. Coordination meetings are held to eliminate or reduce any identified risks, and companies performing contracted work must adhere to the specific guidelines provided by the Covid-19 prevention protocol.

In 2022, Feralpi continued to involve suppliers of contract work in the comprehensive management of health, safety, environmental, and energy risks at the Riesa plant. The Group increased awareness-raising, training, and audits during the suppliers' activities at the plant. Companies operating in Riesa are governed by a management manual for external companies, endorsed by the General Manager of ESF Elbe-Stahlwerke Feralpi GmbH and the workers' representative. This manual includes all safety procedures, and every company has an information sheet detailing conduct rules for visitors and workers, safety device overviews, emergency instructions, signage, and emergency exit locations.

Generally speaking, each report is handled entirely in accordance with the procedures laid down by the Safety Management System and is dealt with in accordance with the company regulations, which are supervised by the General Management in consultation with the RSPP.
Feralpi constantly monitors and updates information on reported accidents, emergencies and near-misses, processing and disseminating data on the frequency and severity indicators of accidents occurring by means of tools prepared for periodic internal reporting.

Managing relations with the territory

The management of relations with the territory is the responsibility of the Management of each plant, in continuous alignment and coordination with the External Relations and Sustainability Department. To manage aspects relating to donations and sponsorships with social and cultural purposes, there is a Group policy that identifies its areas of action in 6 pillars, to which are added further focuses on cultural aspects.

Appendix

Table of Reconciliation between Material Themes - GRI - SASB - Legislative Decree 254/2006

In the 2022 Non-Financial Statement, additional Key Performance Indicators (KPIs) specific to the sector in which the Group operates were integrated, above and beyond compliance with the requirements of Legislative Decree 254/2016. This was done with due consideration of the indicators published by the Sustainability Accounting Standards Board (SASB).

THEMES	GRI	SASB	D.lgs. 254/2006
Climate change and energy efficiency	- 302 - Energy - 305 - Emissions	EM-IS-110a.1 EM-IS-110a.2 EM-IS-130a.1 EM-IS-130a.2	- Environmental aspects
Economic sustainability and generated value	- 201 - Economic performance - 204 - Procurement practices	-	- Social aspects
Circular economy, waste and use of material	- 301 - Materials - 306 - Waste	EM-IS-150a.1	- Environmental aspects
Safety culture and prevention	- 403 - Occupational Health and Safety	EM-IS-320a.1	- Personnel aspects
Business continuity	-	-	- Environmental aspects - Social aspects - Personnel aspects - Respect for human rights
Pollutant emissions	- 305 - Emissions - 307 - Environmental compliance	EM-IS-120a.1	- Environmental aspects
Water resource management	-	EM-IS-140a.1 (only for drains)	- Environmental aspects
Digital and technological innovation	-		- Social aspects
Product and service quality	- 417 - Marketing and Labelling	EM-IS-000.A (100% EAF)	- Social aspects
Development and empowerment of people	- 401 - Employment - 404 - Training and Education - 405 - Diversity and Equal Opportunity	-	- Personnel aspects
Health and well-being	- 403 - Occupational Health and Safety	-	- Personnel aspects
Integrity of Governance and Business Transparency	- 205 - Anti-Corruption - 206 - Anti-competitive behaviour - 207 - Tax	-	- Fighting corruption
Human rights of workers	-	-	- Respect for human rights
Inclusive, cultural and local economic development	-	-	- Social aspects

GRI Content Index

GRI standard	Section in the document	Omissions		
		Requirement omitted	Reasons	Explanation
GRI 2 - General Disclosures (2020)				
THE ORGANISATION AND ITS REPORTING PRACTICES				
2-1 Organisational Details	- Methodological note - 1.1. - The present and future development of the Group	-	-	-
2-2 Entities included in the organisation's sustainability reporting	- 1.1.1. - Group Headquarters	-	-	-
2-3 Reporting Period, Frequency and Contact Point	- Methodological note	-	-	-
2-4 Restatements of Information	- Methodological note	-	-	-
2-5 External Assurance	- Methodological note - Independent Auditor's Report	-	-	-
ACTIVITIES AND WORKERS				
2-6 Activities, Value Chain and Other Business Relationships	- 1.3. - The value chain: from raw material to products	-	-	-
2-7 Employees	- 5. - Social: people, supply chain and territory - Social Sustainability Indicators	-	-	-
2-8 Workers who are not employees	- 5. - Social: people, supply chain and territory - Social Sustainability Indicators	-	-	-
GOVERNANCE				
2-9 Governance Structure and Composition	- 1.2. Governance and organisational structure	-	-	-
2-10 Nomination and selection of the highest governance body	- 1.2.1. Organisational Model	-	-	-
2-11 Chair of the highest governance body	- 1.2.1. Organisational Model	-	-	-
2-12 Role of the highest governance body in overseeing the management of impacts	- 1.2.1. Organisational Model	-	-	-
2-13 Delegation of Responsibility for Managing Impacts	- 1.2.1. Organisational Model	-	-	-
2-14 Role of the Highest Governance Body in Sustainability Reporting	- 1.2.1. Organisational Model	-	-	-
2-15 Conflicts of Interest	- 1.2.1. Organisational Model	-	-	-
2-16 Communication of Critical concerns	- 1.2.1. Organisational Model	-	-	-
2-17 Collective knowledge of the highest governance body	- 1.2.1. Organisational Model	-	-	-
2-18 Evaluation of the performance of the highest governance body	- 1.2.1. Organisational Model	-	-	-
2-19 Remuneration Policies	- 1.2.1. Organisational Model	-	-	-
2-20 Process to determine remuneration	- 1.2.1. Organisational Model	-	-	-
2-21 Annual total compensation ratio	-	2-21. a 2-21. b 2-21. c	Constraints of confidentiality	It is not possible to report the indicator for reasons of confidentiality and competitive advantage of the information requested by it.
STRATEGY, POLICIES AND PRACTICE				
2-22 Statement on sustainable development strategy	- President's letter to stakeholders	-	-	-

Continued on next page.

Continued from previous page.

GRI Content Index

GRI standard	Section in the document	Omissions		
		Requirement omitted	Reasons	Explanation
2-23 Policy Commitments	- 1.2.2. - Code of Ethics and Management Models - 2.3.1. - The Governance of Sustainability	-	-	-
2-24 Embedding policy commitments	- 1.2.2. - Code of Ethics and Management Models - 2.3.1. - The Governance of Sustainability	-	-	-
2-25 Processes to Remediate Negative Impacts	- 1.2.2. - Code of Ethics and Management Models	-	-	-
2-26 Mechanisms for seeking advice and raising concerns	- 1.2.2. - Code of Ethics and Management Models	-	-	-
2-27 Compliance with Laws and Regulations	- 1.2.2. - Code of Ethics and Management Models	-	-	-
2-28 Membership associations	- 1.5. The relationship with stakeholders	-	-	-
STAKEHOLDER INVOLVEMENT				
2-29 Approach to stakeholder engagement	- 1.5. The relationship with stakeholders	-	-	-
2-30 Collective bargaining agreements	- 5.5. - Governance and management of social aspects	-	-	-
Material Themes				
3-1 Process to Determine Material Topics	- 2.6. - The Materiality Analysis Process	-	-	-
3-2 List of material topics	- 2.6. - The Materiality Analysis Process	-	-	-
Specific Disclosure				
Economic Performance				
GRI 201 - ECONOMIC PERFORMANCE (2016)				
3-3 Management of Material Topics	- 1.4. - Economic Sustainability and Generated Value	-	-	-
201-1 Direct economic value generated and distributed	- 1.4. - Economic Sustainability and Generated Value	-	-	-
201-4 Financial assistance received from government	- 1.4. - Economic Sustainability and Generated Value	-	-	-
GRI 204 - PROCUREMENT PRACTICES (2016)				
3-3 Management of Material Topics	- 1.4. - Economic Sustainability and Generated Value	-	-	-
204-1 Proportion of spending on local suppliers	- 1.4.1. - Economic and Financial Performance of the Group	-	-	-
GRI 205 - PROCUREMENT PRACTICES (2016)				
3-3 Management of Material Topics	- 1.4. - Economic Sustainability and Generated Value			
205-3 Confirmed incidents of corruption and actions taken	- Economic Sustainability Indicators			
GRI 206 - ANTI-COMPETITIVE BEHAVIOUR (2016)				
3-3 Management of Material Topics	- 1.2.2. - Code of Ethics and Management Models (Antitrust Manual)	-	-	-
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	- 1.2.2. - Code of Ethics and Management Models (Antitrust Manual)	-	-	-
GRI 207 - TAXES (2019)				
3-3 Management of Material Topics	- 1.4.4. - Feralpi's Fiscal Responsibility	-	-	-
207-1 Approach to Tax	- 1.4.4. - Feralpi's Fiscal Responsibility	-	-	-

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GRI standard	Section in the document	Omissions		
		Requirement omitted	Reasons	Explanation
207-2 Tax governance, control, and risk management	- 1.4.4. - Feralpi's Fiscal Responsibility	-	-	-
207-3 Stakeholder engagement and management of concerns related to tax	- 1.4.4. - Feralpi's Fiscal Responsibility	-	-	-
207-4 Country-by-country reporting	- 1.4.4. - Feralpi's Fiscal Responsibility	-	-	-
Environmental Performance				
GRI 301 - MATERIALS (2016)				
3-3 Management of Material Topics	- 4.4. - Governance and Management of Environmental Aspects	-	-	-
301-1 Materials used by weight or volume	- Environmental Sustainability Indicators	-	-	-
301-2 Recycled input materials used	- Environmental Sustainability Indicators	-	-	-
GRI 302 - ENERGY (2016)				
3-3 Management of Material Topics	- 4.4. - Governance and Management of Environmental Aspects	-	-	-
302-1 Energy consumption within the organization	- 4.2. - Goal Decarbonisation: tackling climate change through energy management and emission reduction - Environmental Sustainability Indicators	-	-	-
302-2 Energy consumption outside of the organization	- 4.2. - Goal Decarbonisation: tackling climate change through energy management and emission reduction - Environmental Sustainability Indicators	-	-	-
302-3 Energy intensity	- 4.2. - Goal Decarbonisation: tackling climate change through energy management and emission reduction - Environmental Sustainability Indicators	-	-	-
GRI 305 - EMISSIONS (2016)				
3-3 Management of Material Topics	- 4.4. - Governance and Management of Environmental Aspects	-	-	-
305-1 Direct (Scope 1) GHG emissions	- 4.2. - Goal Decarbonisation: tackling climate change through energy management and emission reduction - Environmental Sustainability Indicators	-	-	-
305-2 Energy indirect (Scope 2) GHG emissions	- 4.2. - Goal Decarbonisation: tackling climate change through energy management and emission reduction - Environmental Sustainability Indicators	-	-	-
305-3 Other indirect (Scope 3) GHG emissions	- Environmental Sustainability Indicators	-	-	-
305-4 GHG emissions intensity	- 4.2. - Goal Decarbonisation: tackling climate change through energy management and emission reduction - Environmental Sustainability Indicators	-	-	-
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	- Environmental Sustainability Indicators	-	-	-

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GRI Content Index

GRI standard	Section in the document	Omissions		
		Requirement omitted	Reasons	Explanation
GRI 306 - WASTE (2020)				
3-3 Management of Material Topics	- 4.4. - Governance and Management of Environmental Aspects	-	-	-
306-1 Waste generation and significant waste-related impacts	- 4.3. - Circularity and zero-waste: material and energy management and valorisation	-	-	-
306-2 Management of significant waste-related impacts	- 4.3. - Circularity and zero-waste: material and energy management and valorisation	-	-	-
306-3 Waste generated	- 4.3. - Circularity and zero-waste: material and energy management and valorisation - Environmental Sustainability Indicators	-	-	-
306-4 Waste diverted from disposal	- 4.3. - Circularity and zero-waste: material and energy management and valorisation - Environmental Sustainability Indicators	-	-	-
306-5 Waste directed to disposal	- 4.3. - Circularity and zero-waste: material and energy management and valorisation - Environmental Sustainability Indicators	-	-	-
Social Performance				
GRI 401 - EMPLOYMENT (2016)				
3-3 Management of Material Topics	- 5.5. - Governance and management of social aspects	-	-	-
401-1 New employee hires and employee turnover	- Social Sustainability Indicators	-	-	-
GRI 403 - HEALTH AND SAFETY AT WORK (2018)				
3-3 Management of Material Topics	- 5.5. - Governance and management of social aspects	-	-	-
403-1 Occupational health and safety management system	- 5.2. - Protecting people: health and safety in the workplace	-	-	-
403-2 Hazard identification, risk assessment, and incident investigation	- 5.2. - Protecting people: health and safety in the workplace	-	-	-
403-3 Occupational health services	- 5.2. - Protecting people: health and safety in the workplace	-	-	-
403-4 Worker participation, consultation, and communication on occupational health and safe	- 5.2. - Protecting people: health and safety in the workplace	-	-	-
403-5 Worker training on occupational health and safety	- 5.2. - Protecting people: health and safety in the workplace	-	-	-
403-6 Promotion of Worker Health	- 5.4.3. - Welfare	-	-	-
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	- 5.2. - Protecting people: health and safety in the workplace	-	-	-
403-9 Work-related injuries	- Social Sustainability Indicators	-	-	-
GRI 404 - TRAINING AND EDUCATION (2016)				
3-3 Management of Material Topics	- 5.5. - Governance and management of social aspects	-	-	-
404-1 Average hours of training per year per employee	- 5.1. - Raising competencies: growth and development of people - Social Sustainability Indicators	-	-	-
GRI 405 - DIVERSITY AND OPPORTUNITY (2016)				
3-3 Management of Material Topics	- 5.5. - Governance and management of social aspects	-	-	-

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GRI standard	Section in the document	Omissions		
		Requirement omitted	Reasons	Explanation
405-1 Diversity of governance bodies and employees	- 1.2.1. - Organisational Model - 5.4.2. - Diversity, Equity, Inclusion - Social Sustainability Indicators	-	-	-
405-2 Ratio of basic salary and remuneration of women to men	- 5.4.1. - Human Rights - Social Sustainability Indicators	-	-	-
GRI 417 - MARKETING AND LABELLING (2016)				
3-3 Management of Material Topics	- 3.5. - Product and Service Governance and Management	-	-	-
417-1 Requirements for product and service information and labeling	- 3.1. - Product and Service Quality	-	-	-
417-2 Incidents of non-compliance concerning product and service information and labeling	- 3.1. - Product and Service Quality	-	-	-
Other material topics not covered by GRI Standard				
DIGITAL AND TECHNOLOGICAL INNOVATION				
3-3 Management of Material Topics	- 3.3. - Industry 4.0 and automation - 3.4. - Commitment to Research & Development - 3.5. - Product and Service Governance and Management	-	-	-
BUSINESS CONTINUITY				
3-3 Management of Material Topics	- 2.4. - The Identification and Management of ESG Risks - 2.5. - Business continuity	-	-	-
WATER RESOURCE MANAGEMENT				
3-3 Management of Material Topics	- 4.4. - Governance and Management of Environmental Aspects - Environmental Sustainability Indicators	-	-	Feralpi is implementing the necessary activities to fully report GRI 303-4 disclosure within the Non-Financial Statement for the year 2023.
Other non-material topics				
INCLUSIVE, CULTURAL AND LOCAL ECONOMIC DEVELOPMENT				
3-3 Management of Material Topics	- 1.4.6. - Creation of economic value for the territory	-	-	-
HUMAN RIGHTS OF WORKERS				
3-3 Management of Material Topics	- 5.4.1. - Human Rights - 5.5. - Governance and management of social aspects	-	-	-

SDG Content Index

AGENDA 2030	RELEVANT TOPICS	DOCUMENT SECTION	RELEVANCE FOR FERALPI GROUP
SDG 1 Eradicating poverty	- Inclusive, cultural and local economic development	**1.4 -** Economic sustainability and generated value	●●○○○
SDG 2 Defeating hunger	- Inclusive, cultural and local economic development	**1.4 -** Economic sustainability and generated value	●●○○○
SDG 3 Health and well-being	- Health and well-being	**5.3 -** Protecting people: health and safety in the workplace	●●●○○
SDG 4 Quality education	- Development and empowerment of people - Inclusive, cultural and local economic development	**5.1. -** Raising skills: growth and development of people	●●●○○
SDG 5 Achieving gender equality	- Diversity, equality and equal treatment	**5.4 -** Diversity, Equity, Inclusion, Welfare e Diritti umani	●●●○○
SDG 6 Clean water and sanitation	- Water resource management	**4.4 -** Governance and Management of Environmental Aspects (Water Management)	●●●○○
SDG 7 Clean and affordable energy	- Climate change and energy efficiency	**2.5 -** Business continuity (The cost of energy and the suspension of production) **4.1** - The Ecological and Energy Transition Unit (UTEE) **4.2** - Goal Decarbonisation: tackling climate change through energy management and emission reduction	●●●●●
SDG 8 Decent work and economic growth	- Culture of safety and prevention - Human rights of workers - Dialogue with social partners - Development and empowerment of people - Economic sustainability and generated value	**1.4.6** - Creation of economic value for the territory **5 - Social -** people, supply chain and territory	●●●●●
SDG 9 Enterprise, innovation and infrastructure	- Digital and technological innovation - Product and service quality - Economic sustainability and generated value	**3.1** - La Product and service quality **3.2** - Product Environmental Sustainability **3.3** - Industry 4.0 and automation	●●●●●
SDG 10 Reducing inequalities	- Inclusive, cultural and local economic development	**1.4.6** - Creation of economic value for the territory	●●○○○
SDG 11 Sustainable cities and communities	- Pollutant emissions - Circular Economy, Waste and Material Use - Climate change and energy efficiency - Water resource management - Inclusive, cultural and local economic development	**4** - Environment: towards decarbonisation through efficiency, circularity and state-of-the-art technology **1.4.6** - Creation of economic value for the territory	●●●●○
SDG 12 Responsible consumption and production	- Pollutant emissions - Circular Economy, Waste and Material Use - Climate change and energy efficiency - Water resource management	**4** - Environment: towards decarbonisation through efficiency, circularity and state-of-the-art technology	●●●●●
SDG 13 Fight against climate change	- Climate change and energy efficiency	**4** - Environment: towards decarbonisation through efficiency, circularity and state-of-the-art technology	●●●●●
SDG 14 Life under water	- Water resource management	**4.4** - Governance and Management of Environmental Aspects (Water Management)	●●●○○

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AGENDA 2030	RELEVANT TOPICS	DOCUMENT SECTION	RELEVANCE FOR FERALPI GROUP
SDG 15 Life on earth	-	-	●○○○○
SDG 16 Peace, justice and sound institutions	- Governance Integrity and Business Transparency	**1.2.1** - Organisational Model **1.2.2** - Code of Ethics and Management Models	●●●○○
SDG 17 Partnership for objectives	- Governance Integrity and Business Transparency	**1.4.3** - Funding for a Green Transition **1.4.4** - Feralpi's Fiscal Responsibility **2.3** - The sustainability strategy **3.3** - Industry 4.0 and automation **3.4** - Commitment to Research & Development	●●●●●

Taxonomy Regulation

Turnover

Economic Activities	Code	Absolute Turnover (€ thousands)	Proportion of turnover (%)	SUBSTANTIAL CONTRIBUTION CRITERIA: Climate Change Mitigation (%)	Climate Change Adaptation (%)	Water and Marine Resources (%)	Circular Economy (%)	Pollution (%)	Biodiversity and Ecosystems (%)	DNSH CRITERIA: Climate Change Mitigation (S/N)	Climate Change Adaptation (S/N)	Water and Marine Resources (S/N)	Circular Economy (S/N)	Pollution (S/N)	Biodiversity and Ecosystems (S/N)	Minimum Safeguards (S/N)	Taxonomy-aligned Proportion of Turnover 2022 (%)	Taxonomy-aligned Proportion of Turnover 2022	Category (Enabling Activity) (A)	Category (Transitional Activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (A.1)		**0**	**0**														**0**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of iron and steel	3.9	2,276,765	94.94																	
Freight Transport Services by Road	6.6	1,774	0.07																	
Purchase and ownership of buildings	7.7	19	0.00																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2,278,558**	**95.02**																	
Total (A.1 + A.2)		**2,278,558**	**95.02**														**0**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		119,513	4.98																	
Total (A + B)		**2,398,071**	**100**																	

CapEx

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA										
		(€ thousands)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(S/N)	(%)		(A)	(T)
Economic Activities	Code	Absolute CapEx	Proportion of CapEx	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources	Circular Economy	Pollution	Biodiversity and Ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resources	Circular Economy	Pollution	Biodiversity and Ecosystems	Minimum Safeguards	Taxonomy-aligned Proportion of CapEx 2022	Taxonomy-aligned Proportion of CapEx 2022	Category (Enabling Activity)	Category (Transitional Activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**0**	**0**														**0**			
Manufacture of iron and steel	3.9	105,446	88.93																	
Purchase and ownership of buildings	7.7	1,104	0.93																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**106,550**	**89.86**																	
Total (A.1 + A.2)		**106,550**	**89.86**														**0**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of activities not eligible for taxonomy (B)		12,020	10.14																	
Total (A + B)		**118,570**	**100**																	

OpEx

Economic Activities	Code	Absolute OpEx (€ thousands)	Proportion of OpEx (%)	SUBSTANTIAL CONTRIBUTION CRITERIA: Climate Change Mitigation (%)	Climate Change Adaptation (%)	Water and Marine Resources (%)	Circular Economy (%)	Pollution (%)	Biodiversity and Ecosystems (%)	DNSH CRITERIA: Climate Change Mitigation (S/N)	Climate Change Adaptation (S/N)	Water and Marine Resources (S/N)	Circular Economy (S/N)	Pollution (S/N)	Biodiversity and Ecosystems (S/N)	Minimum Safeguards (S/N)	Taxonomy-aligned Proportion of OpEx 2022 (%)	Taxonomy-aligned Proportion of OpEx 2022	Category (Enabling Activity) (A)	Category (Transitional Activity) (T)
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0**														**0**			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of iron and steel	3.9	56,390	95.09																	
Freight Transport Services by Road	6.6	97	0.16																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**56,487**	**95.25**																	
Total (A.1 + A.2)		**56,487**	**95.25**														**0**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of activities not eligible for taxonomy (B)		2,816	4.75																	
Total (A + B)		**59,303**	**100**																	

Economic Sustainability Indicators

Creation of consolidated value added

(GRI 201-1)

Figures in thousands of euros	2022	2021	2020
Revenues from sales and services	2,398,071	1,928,446	1,238,398
Change in inventories of work in progress	20,674	109,917	-25,427
Increases in fixed assets for internal work	5,464	4,730	3,698
Other revenues and income	111,585	14,993	5,788
(A) VALUE OF PRODUCTION	**2,535,795**	**2,058,086**	**1,222,457**
Raw material consumption (scrap)	961,448	994,271	585,692
Energies	448,692	206,318	79,242
Consumption of subsidiary materials and consumables	270,762	268,558	194,150
Costs for services	215,015	188,233	172,395
Use costs for goods and services	7,317	6,182	5,578
Provisions for risks	142	408	200
Other provisions and write-downs	1,835	2,717	4,698
Sundry operating expenses	5,408	4,891	2,899
(B) COST OF PRODUCTION	**1,910,618**	**1,671,579**	**1,044,854**
GROSS CHARACTERISTICS VALUE ADDED	**625,176**	**386,507**	**177,603**
Financial income	1,010	632	444
Adjustments to financial assets	-2,433	-129	-2,048
Accessory items	-1,423	503	-1,604
Extraordinary items	0	0	0
GROSS OVERALL VALUE ADDED	**623,754**	**387,009**	**175,999**
Depreciation	58,722	50,800	53,708
NET OVERALL VALUE ADDED	**565,032**	**336,209**	**122,291**

Distribution of consolidated value added

(GRI 201-1)

Figures in thousands of euros	2022	2021	2020
Wages and salaries	85,398	80,349	73,821
Employee severance indemnity	3,103	2,711	2,513
Other charges	5,105	4,309	4,107
A - EMPLOYEES	**93,607**	**87,369**	**80,441**
Taxes	108,168	61,520	9,060
Social security contributions	24,183	22,344	20,631
B - PUBLIC ADMINISTRATION	**132,351**	**83,864**	**29,691**
Provisions	1,598	1,608	1,332
Non-distributed profit/loss	330,697	155,884	5,450
C - RISK CAPITAL	**332,295**	**157,492**	**6,782**
Distributed profit	0	0	0
Financial expenses	3,204	3,941	4,309
D- LENDERS	**3,204**	**3,941**	**4,309**
Charity	245	175	169
Sponsoring of sports/recreational activities	3,330	3,368	3,899
E- COMMUNITY	**3,575**	**3,543**	**4,068**
NET OVERALL VALUE ADDED	**565,032**	**336,209**	**122,291**

Percentage of turnover invoiced by local suppliers[1]

(GRI 204-1)

GEOGRAPHICAL AREA	2022	2021	2020
Province of Brescia	36.4	37.5	39.3
Province of Como	3.9	2.9	5
Province of Lecco	3.0	6.5	7.2
Province of Torino	2.4	3.6	5.2
District of Dresda	7.2	6.9	9.8
District of Mělník	6.1	3.9	5.5
District of Csepel	5.0	3.7	6.7
Province of Barcelona	29.4	-	-

[1] Ratio of local purchases from suppliers of materials, products and services to total purchases. By 'local' is meant the Province or District of reference. For Feralpi-Praha and Feralpi-Hungaria 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.

Taxes: Country-by-country reporting

(GRI 207-4)

Country	Number of employees	Revenues from third-party sales (€ Mln)	Revenues from intra-group transactions with other tax jurisdictions (€ Mln)	Profit/loss before taxes (€ Mln)	Tangible assets other than cash and cash equivalents (€ Mln)	Corporate income taxes paid on a cash basis (€ Mln)	Corporate income tax accrued on profits/losses (€ Mln)
2022							
Italy	931.0	881.5	-	265.8	1,072.0	8.8	50.2
Germany*	756.0	776.3	94.2	171.0	438.2	22.8	52.3
Other	169.0	740.3	26.0	-	29.9	0.1	0.0
TOTAL	**1,856.0**	**2,398.1**	**120.2**	**436.8**	**1,540.1**	**31.6**	**102.5**
2021							
Italy	937.0	795.6	-	118.8	1,003.6	2.2	30.8
Germany*	795.0	599.3	36.2	96.5	352.4	8.8	28.5
Other	17.0	533.5	18.8	-	18.6	-	0.1
TOTAL	**1,749.0**	**1,928.4**	**55.0**	**215.3**	**1,374.6**	**11.0**	**59.4**
2020							
Italy	923.0	744.9	38.2	(23.0)	749.1	-	2.7
Germany*	770.0	471.0	-	35.7	253.5	10.9	10.9
Other	17.0	23.0	2.5	-	13.2	-	-
TOTAL	**1,710.0**	**1,238.9**	**40.7**	**12.7**	**1,015.8**	**10.9**	**13.6**

* Includes Feralpi Praha and Feralpi Hungaria.

Environmental Sustainability Indicators

Use of materials and % recycled

(GRI 301-1, 301-2)

		2022		2021		2020	
	Unit	Used	% Recycled	Used	% Recycled	Used	% Recycled
SCRAP	t	**2,719,283**	**99.98**	**2,875,291**	**99.95**	**2,734,192**	**99.87**
Feralpi Siderurgica		1,270,953	100	1,344,205	100	1,231,412	100
Acciaierie di Calvisano		499,291	99.87	533,706	99.72	484,282	99.25
FERALPI STAHL		949,039	100	997,380	100	1,018,498	100
ADDITIVES	t	**15,830**	**1.63**	**23,441**	**18.21**	**20,329**	**5.74**
Feralpi Siderurgica		5,158	0	8,971	26.31	7,559	13.15
Acciaierie di Calvisano		2,573	0	2,818	0	2,896	0
FERALPI STAHL		8,098	3.18	11,653	16.39	9,874	1.76
LIME	t	**108,561**	**4.51**	**103,873**	**2.22**	**95,543**	**2.54**
Feralpi Siderurgica[2]		56,289	3.97	53,471	4.31	45,797	5.29
Acciaierie di Calvisano		19,700	0	14,336	0	15,990	0
FERALPI STAHL		32,572	8.19	36,065	0	33,756	0
IRON ALLOYS	t	**32,955**	**0**	**36,249**	**0**	**35,360**	**0**
Feralpi Siderurgica		15,900	0	16,458	0	16,382	0
Acciaierie di Calvisano		4,892	0	6,061	0	4,927	0
FERALPI STAHL		12,163	0	13,730	0	14,051	0
REFRACTORY MATERIALS	t	**16,976**	**5.71**	**18,331**	**4.53**	**17,049**	**5.14**
Feralpi Siderurgica		6,833	0	7,028	0	6,780	0
Acciaierie di Calvisano		4,052	0	4,475	0	3,601	0
FERALPI STAHL		6,092	15.91	6,828	12.17	6,668	13.15
POLYMERS	t	**3,925**	**100**	**-**	**-**	**-**	**-**
Feralpi Siderurgica		3,220	100	-	-	-	-
Acciaierie di Calvisano		705	100	-	-	-	-
OXYGEN	Sm^3	**69,537,814**	**0**	**78,781,810**	**0**	**71,413,324**	**0**
Feralpi Siderurgica		33,055,552	0	37,424,048	0	33,547,680	0
Acciaierie di Calvisano		10,025,168	0	12,191,351	0	10,981,932	0
FERALPI STAHL		26,457,094	0	29,166,411	0	26,883,712	0
INERT GASES	Sm^3	**2,196,320**	**0**	**2,160,660**	**0**	**2,088,872**	**0**
Feralpi Siderurgica		1,105,252	0	1,121,086	0	1,062,005	0
Acciaierie di Calvisano		417,682	0	412,916	0	387,478	0
FERALPI STAHL		673,385	0	626,658	0	639,389	0

[2] The figure includes internally recovered lime and dolomite: 2,423 t for 2020, 2,307 t for 2021, 2,233 t for 2023.

Use of energy by source

(GRI 302-1)

	Unit	2022	2021	2020
ELECTRICITY	**MWh**	**1,460,782**	**1,529,469**	**1,427,095**
Feralpi Siderurgica		660,761	677,052	618,207
Acciaierie di Calvisano		254,012	285,612	248,676
FER-PAR		-	-	7,966
Arlenico		39,214	37,754	21,753
Nuova Defim		2,948	3,298	2,750
Presider		1,662	2,137	1,336
MPL		626	904	789
FERALPI STAHL		497,820	519,198	522,474
Feralpi-Praha		1,882	2,282	1,974
Feralpi-Hungaria		486	510	526
Presider Armatures		495	631	558
Gruppo Saexpa		745	-	-
P.R. Soldadura		51	-	-
Ecoeternit		82	91	86
NATURAL GAS	**Sm^3 - Standard mc**	**71,307,784**	**80,429,918**	**70,556,922**
Feralpi Siderurgica		38,434,909	43,081,009	36,264,157
Acciaierie di Calvisano		4,413,306	5,009,637	4,156,842
FER-PAR		-	-	2,871,469
Arlenico		8,974,456	8,827,399	5,948,275
Nuova Defim		147,449	208,061	141,693
Presider		39,325	47,660	29,169
FERALPI STAHL		19,288,451	23,244,159	21,131,151
Feralpi-Hungaria		9,888	11,993	14,166
Gruppo Saexpa		5,711	-	-
PETROL	**Litres**	**33,588**	**23,737**	**16,098**
Nuova Defim		0	0	133
FERALPI STAHL		18,068	13,218	8,874
Feralpi-Praha		11,770	7,453	3,961
Feralpi-Hungaria		3,750	3,066	3,130
Gruppo Saexpa		1,456	-	-
DIESEL	**Litres**	**2,534,456**	**2,581,183**	**2,493,287**
Feralpi Siderurgica		381,000	392,000	403,000
Acciaierie di Calvisano		108,755	96,000	94,000
FER-PAR		-	-	146
Arlenico		86,482	86,200	52,867
Nuova Defim		57,047	82,377	76,186
Presider		12,900	12,000	16,904
FERALPI STAHL		1,802,392	1,851,273	1,790,634
Feralpi-Praha		22,172	19,935	23,183
Feralpi-Hungaria		2,651	2,004	1,940
Presider Armatures		2,000	1,000	1,077
Gruppo Saexpa		21,753	-	-
P.R. Soldadura		1,549	-	-
Ecoeternit		35,755	38,394	33,350
CHARGE CARBON	**t**	**6,597**	**8,678**	**8,506**
Feralpi Siderurgica		1,028	1,556	2,037
Acciaierie di Calvisano		733	960	1,003
FERALPI STAHL		4,836	6,163	5,466
WASTE FOAM	**t**	**85,159**	**8,153**	**5,971**
Feralpi Siderurgica		22	2,702	194
Acciaierie di Calvisano		1,200	2,019	1,849
FERALPI STAHL		83,936	3,432	3,928
POLYMERS	**t**	**3,925**	**-**	**-**
Feralpi Siderurgica		3,220	-	-
Acciaierie di Calvisano		705	-	-
PHOTOVOLTAIC	**MWh**	**621**	**675**	**677**
Feralpi Siderurgica		441	499	498
Arlenico		4	5	7
Presider		176	171	173

Use of energy by source, expressed in GJ

(GRI 302-1)

	2022	2021	2020
ELECTRICITY	**5,258,816**	**5,506,088**	**5,137,544**
Feralpi Siderurgica	2,378,738	2,437,388	2,225,544
Acciaierie di Calvisano	914,443	1,028,203	895,232
FER-PAR	-	-	28,679
Arlenico	141,168	135,914	78,309
Nuova Defim	10,612	11,871	9,902
Presider	5,983	7,692	4,811
MPL	2,252	3,253	2,841
FERALPI STAHL	1,792,152	1,869,114	1,880,906
Feralpi-Praha	6,774	8,217	7,106
Feralpi-Hungaria	1,751	1,835	1,894
Presider Armatures	1,782	2,271	2,008
Gruppo Saexpa	2,684	-	-
P.R. Soldadura	183	-	-
Ecoeternit	294	329	311
NATURAL GAS	**2,634,377**	**3,109,959**	**2,734,480**
Feralpi Siderurgica[3]	1,360,451	1,669,295	1,403,215
Acciaierie di Calvisano	155,953	176,745	144,993
FER-PAR	-	-	111,075
Arlenico	317,130	311,439	209,861
Nuova Defim	5,210	7,341	5,583
Presider	1,390	1,681	1,029
FERALPI STAHL	793,698	943,040	858,150
Feralpi-Hungaria	344	418	575
Gruppo Saexpa	202	-	-
PETROL[4]	**1,110**	**760**	**512**
Nuova Defim	0	0	4
FERALPI STAHL	571	419	283
Feralpi-Praha	382	242	126
Feralpi-Hungaria	122	100	100
Gruppo Saexpa	35	-	-
DIESEL[5]	**90,411**	**92,096**	**88,926**
Feralpi Siderurgica	13,639	14,033	14,428
Acciaierie di Calvisano	3,890	3,437	3,305
FER-PAR	-	-	5
Arlenico	3,063	3,067	1,893
Nuova Defim	2,042	2,949	2,725
Presider	462	430	609
FERALPI STAHL	64,237	65,979	63,818
Feralpi-Praha	790	710	826
Feralpi-Hungaria	94	71	69
Presider Armatures	72	36	46
Gruppo Saexpa	779	-	-
P.R. Soldadura	55	-	-
Ecoeternit	1,288	1,383	1,201
CHARGE CARBON[6]	**189,473**	**251,888**	**249,730**
Feralpi Siderurgica	29,538	45,160	59,834
Acciaierie di Calvisano	21,051	27,860	29,472
FERALPI STAHL	138,884	178,868	160,424
WASTE FOAM[7]	**119,054**	247,519	175,255
Feralpi Siderurgica	643	89,316	5,707
Acciaierie di Calvisano	34,475	58,594	54,274
FERALPI STAHL	83,936	99,609	115,274
POLYMERS	**135,580**	**-**	**-**
Feralpi Siderurgica	111,228	-	-
Acciaierie di Calvisano	24,352	-	-
PHOTOVOLTAIC	**2,235**	**2,430**	**2,438**
Feralpi Siderurgica	1,589	1,796	1,792
Arlenico	14	18	25
Presider	633	617	622
Total	**8,431,057**	**9,210,740**	**8,388,886**

[3] The figure relating to natural gas was calculated using SNAM's Lower Calorific Value for 2020, 2021 and 2022.

[4] For Super Petrol E10 and Super Petrol, the conversion factors used were 42.82 MJ/kg - 0.75kg/l and 43.13 - 0.75kg/l, respectively.

[5] Italy: Specific weight 0.84 ton/m3 and ETS coefficient 42.877 for 2020, 42.873 for 2021 and 2022. FERALPI STAHL: GEMIS-Datebank conversion factors, 42.63 MJ/kg and 0.836 kg/l.

[6] In 2020, a Lower Calorific Value of 29.378 GJ/t was used, of 29.025 GJ/t in 2021, and of 28.721 GJ/t in 2022 (table of ETS standard parameters).

[7] In 2020, a Lower Calorific Value of 29.378 GJ/t was used, of 29.025 GJ/t in 2021, and of 28.721 GJ/t in 2022 (table of ETS standard parameters).

Indirect energy consumption[8] expressed in GJ

(GRI 302-2)

	2022	2021	2020
FERALPI SIDERURGICA			
Employee commuting	7,766	7,078	5,852
Transport and distribution	108,406	165,687	149,486
Upstream	116,173	172,764	155,338
Transport and distribution	123,787	173,177	148,161
Downstream	123,787	173,177	148,161
ACCIAIERIE DI CALVISANO			
Employee commuting	2,223	2,293	1,364
Transport and distribution	33,089	50,657	39,416
Upstream	35,312	52,950	40,780
Transport and distribution	10,533	17,668	11,006
Downstream	10,533	17,668	11,006
FER-PAR			
Employee commuting	-	-	575
Transport and distribution	-	-	0
Upstream	-	-	575
Transport and distribution	-	-	8,875
Downstream	-	-	8,874
ARLENICO			
Employee commuting	1,094	1,105	1,026
Transport and distribution	1,155	76	806
Upstream	2,248	1,180	1,831
Transport and distribution	20,257	18,555	4,612
Downstream	20,257	18,555	4,612
NUOVA DEFIM			
Employee commuting	1,113	924	1,004
Transport and distribution	1,928	2,222	1,629
Upstream	3,042	3,146	2,633
Transport and distribution	3,200	4,500	4,195
Downstream	3,200	4,500	4,195
PRESIDER			
Employee commuting	1,484	1,502	1,529
Transport and distribution	226	272	264
Upstream	1,710	1,774	1,793
Transport and distribution	16,876	21,560	17,304
Downstream	16,876	21,560	17,304
MPL			
Employee commuting	292	342	297
Transport and distribution	1,878	2,926	2,710
Upstream	2,170	3,268	3,007
Transport and distribution	2,121	3,251	2,721
Downstream	2,121	3,251	2,721
FERALPI STAHL			
Employee commuting	9,051	9,097	8,532
Transport and distribution	47,324	57,630	57,669
Upstream	56,375	66,727	66,201
Transport and distribution	152,075	211,428	186,583
Downstream	152,075	211,428	186,583
FERALPI-PRAHA			
Employee commuting	808	800	553
Transport and distribution	0	0	0
Upstream	808	800	553
Transport and distribution	2,062	2,314	2,095
Downstream	2,062	2,314	2,095
FERALPI-HUNGARIA			
Employee commuting	240	199	184
Transport and distribution	0	0	0
Upstream	240	199	184
Transport and distribution	331	359	401
Downstream	331	359	401

Continued on next page.

[8] Incoming and outgoing transport refer to road transport only, and is estimated at 28 tons for each load. For incoming transport to Ecoeternit, 22 tons has been assumed for each load. With regard to employee commuting, one round-trip a day per person was considered.

	2022	2021	2020
PRESIDER ARMATURES			
Employee commuting	47	47	47
Transport and distribution	39	38	15
Upstream	86	85	62
Transport and distribution	4,888	5,941	4,433
Downstream	4,888	5,941	4,433
GRUPPO SAEXPA			
Employee commuting	1,586	-	-
Transport and distribution	318	-	-
Upstream	1,898	-	-
Transport and distribution	4,352	-	-
Downstream	4,352	-	-
P.R. SOLDADURA			
Employee commuting	42	-	-
Transport and distribution	2	-	-
Upstream	44	-	-
Transport and distribution	0	-	-
Downstream	0	-	-
ECOETERNIT			
Employee commuting	104	104	104
Transport and distribution	3,044	3,044	3,044
Upstream	3,148	3,148	3,148
Transport and distribution	0	0	0
Downstream	0	0	0

Energy intensity in GJ per ton of product[9]

(GRI 302-3)

	2022	2021	2020
BILLETS			
Feralpi Siderurgica	2.01	1.99	1.89
Acciaierie di Calvisano	2.08	2.08	2.06
FERALPI STAHL	2.01	2.04	2.00
RIBBED BAR			
Feralpi Siderurgica	0.78	0.81	0.83
FERALPI STAHL	1.04	1.12	0.99
REBAR IN COILS			
Feralpi Siderurgica	1.55	1.69	1.69
WIRE ROD			
FERALPI STAHL	1.04	1.12	0.99
WIRE ROD IN SPECIAL STEEL			
Arlenico	1.87	1.88	2.06
DOWNSTREAM PRODUCTS			
Feralpi-Praha	0.20	0.23	0.21
Feralpi-Hungaria	0.26	0.28	0.32
SECTION BARS			
FER-PAR	-	-	2.20
WELDED MESH AND GRATINGS			
Nuova Defim	0.59	0.57	0.56
Gruppo Saexpa	0.34	-	-
P.R. Soldadura	2.23	-	-
SHAPED OR ASSEMBLED REINFORCING STEEL IN BAR			
Presider	0.06	0.07	0.05
Presider Armatures	0.09	0.09	0.12
GIRDERS AND ANGLE SECTIONS			
MPL	0.11	0.12	0.11

[9] The figures relate to December each year. In the calculation, the total consumption of natural gas, electricity, charge carbon and coal for foamy scrap was used for Feralpi Siderurgica, electricity and natural gas for Acciaierie di Calvisano and FERALPI STAHL, electricity and natural gas for Arlenico and total consumption of electricity for Nuova Defim, Presider, MPL, Presider Armatures, Feralpi-Hungaria, Gruppo Saexpa and P. R. Soldadura.

Total direct greenhouse gas emissions (GHG) (Scope 1: tCO_2eq)

(GRI 305-1)

	2022	2021	2020
EU ETS EMISSIONS	**204,567**	**218,145**	**196,120**
Feralpi Siderurgica	93,638	101,890	85,299
Acciaierie di Calvisano	25,975	19,491	18,910
FER-PAR	-	-	5,547
Arlenico	17,865	17,509	11,801
FERALPI STAHL[10]	67,089	79,255	74,563
GHG EMISSIONS FROM REFRIGERANT GAS LEAKS	**444**	**133**	**250**
Feralpi Siderurgica	422	133	247
Acciaierie di Calvisano	22	0	0
FER-PAR	-	-	3
FERALPI STAHL	0	0	0
GHG EMISSIONS FROM NATURAL GAS	**382**	**507**	**339**
Nuova Defim	293	413	281
Presider	78	95	58
Gruppo Saexpa	11	-	-
GHG EMISSIONS FROM DIESEL	**5,238**	**5,368**	**5,117**
Arlenico	226	227	139
Nuova Defim	151	217	201
Presider	34	32	45
FERALPI STAHL	4,760	4,889	4,729
Presider Armatures	5	3	3
Gruppo Saexpa	58	-	-
P.R. Soldadura	4	-	-
GHG EMISSIONS FROM PETROL	**3**	**-**	**-**
Gruppo Saexpa	3	-	-
GHG EMISSIONS FROM LPG FOR GEATING	**20**	17	23
MPL	20	17	23
Total direct emissions (Scope 1)	**210,654**	**224,170**	**201,849**

[10] Following alignment, the 2020-2021 biennium data for FERALPI STAHL's Scope 1 emissions have been restated from those published in the previous Non-Financial Statement.

Indirect greenhouse gas emissions (GHG) resulting from electricity use (Scope 2: tCO_2eq)

(GRI 305-2)

	2022	2021	2020
LOCATION BASED[11]	**499,037**	**522,453**	**538,858**
Feralpi Siderurgica	208,140	213,271	207,717
Acciaierie di Calvisano	80,014	89,968	83,555
FER-PAR	-	-	2,860
Arlenico	12,352	11,892	7,309
Nuova Defim	930	1,039	924
Presider	524	673	449
MPL	197	285	265
FERALPI STAHL	195,643	204,045	234,591
Feralpi-Praha	894	1,084	983
Feralpi-Hungaria	123	129	144
Presider Armatures	28	35	31
Gruppo Saexpa	157	-	-
P.R. Soldadura	11	-	-
Ecoeternit	26	33	29
MARKET BASED[12]	**746,995**	**768,824**	**739,945**
Feralpi Siderurgica	301,683	310,476	288,016
Acciaierie di Calvisano	115,974	130,973	115,856
FER-PAR	-	-	3,850
Arlenico	17,904	17,313	10,134
Nuova Defim	1,346	1,512	1,329
Presider	759	980	623
MPL	286	414	368
FERALPI STAHL	307,573	305,719	318,380
Feralpi-Praha	1,035	1,215	1,175
Feralpi-Hungaria	134	140	150
Presider Armatures	29	37	24
Gruppo Saexpa	221	-	-
P.R. Soldadura	15	-	-
Ecoeternit	37	44	40

[11] For the calculation of indirect CO_2 emissions from electricity with the location-based methodology, the respective national electricity emission factors of: for Italian sites 336 gCO_2/kWh for 2020, 315 gCO_2/kWh for 2021,315 gCO_2/kWh for 2022; for Germany 449 gCO_2/kWh for 2020, 393 gCO_2/kWh for 2021, 393 gCO_2/kWh for 2022; for the Czech Republic 498 gCO_2/kWh for 2020, 475 gCO_2/kWh for 2021, 475 gCO_2/kWh for 2022; for Hungary 273 gCO_2/kWh for 2020, 253 gCO_2/kWh for 2021, 253 gCO_2/kWh for 2022; for France 56 gCO_2/kWh for 2020, 2021, and 2022: for Spain 210 gCO_2/kWh for 2022.

[12] For the calculation of indirect CO_2 emissions from electricity using the market-based methodology, reference was made to the AIB (Association of Issuing Bodies). For 2020, reference was made to the 2019 Residual Mix, which for Italian sites is 465.89 gCO_2/kWh, for Germany 609.37 gCO_2/kWh, for Hungary 285.74 gCO_2/kWh, for the Czech Republic 595.11 gCO_2/kWh, and for France 43.19 gCO_2/kWh. For 2021, reference was made to the Residual Mix 2020, which for Italian sites is 458.57 gCO_2/kWh, for Germany 588.83 gCO_2/kWh, for Hungary 274.11 gCO_2/kWh, for the Czech Republic 532.44 gCO_2/kWh, for France 58.52 gCO_2/kWh. For 2022, reference was made to the Residual Mix 2021, which for Italian sites is 456.57 gCO_2/kWh, for Germany 617.84 gCO_2/kWh, for Hungary 276.26 gCO_2/kWh, for the Czech Republic 549.96 gCO_2/kWh, for France 48.57 gCO_2/kWh, and for Spain 295.83 gCO_2/kWh. An emission factor of zero was used for photovoltaic energy and energy certified as renewable (e.g., green certificates).

Other indirect greenhouse emissions (GHG) (Scope 3)[13]

(GRI 305-3)

	2022	2021	2020
TRANSPORT OF INCOMING SCRAP OR PRODUCT - tCO_2	**14,706**	**20,718**	**18,721**
Feralpi Siderurgica	8,013	12,247	11,000
Acciaierie di Calvisano	2,446	3,508	2,825
FER-PAR	-	-	0
Arlenico	85	6	59
Nuova Defim	143	164	120
Presider	17	20	19
MPL	139	216	199
FERALPI STAHL	3,507	4,270	4,273
Feralpi-Praha	0	0	0
Feralpi-Hungaria	0	0	0
Presider Armatures	3	3	1
Gruppo Saexpa	24	-	-
P.R. Soldadura	0	-	-
Ecoeternit	330	284	224
PRODUCT TRANSPORT OUTGOING - tCO_2	**25,196**	**33,865**	**28,802**
Feralpi Siderurgica	9,150	12,801	10,902
Acciaierie di Calvisano	779	1,224	789
FER-PAR	-	-	653
Arlenico	1,497	1,371	339
Nuova Defim	237	331	309
Presider	1,247	1,594	1,273
MPL	157	240	200
FERALPI STAHL	11,269	15,667	13,826
Feralpi-Praha	153	171	155
Feralpi-Hungaria	25	27	30
Presider Armatures	361	439	326
Gruppo Saexpa	322	-	-
P.R. Soldadura	0	-	-
EMPLOYEE DISPLACEMENT - tCO_2	**1,886**	**1,694**	**1,546**
Feralpi Siderurgica	552	503	416
Acciaierie di Calvisano	158	163	125
FER-PAR	-	-	45
Arlenico	78	76	92
Nuova Defim	82	72	74
Presider	129	130	109
MPL	21	24	21
FERALPI STAHL	639	642	603
Feralpi-Praha	57	56	39
Feralpi-Hungaria	17	14	13
Presider Armatures	2	2	2
Gruppo Saexpa	117	-	-
P.R. Soldadura	3	-	-
Ecoeternit	11	11	8

[13] ETS Standard National Parameters were used in the calculation.

Intensity of greenhouse gas emissions

(GRI 305-4)

tCO_2/t finished product	2022	2021	2020
EU ETS DIRECT EMISSIONS (Scopo 1)			
Feralpi Siderurgica	0.07	0.07	0.07
Acciaierie di Calvisano	0.06	0.04	0.04
FER-PAR	-	-	0.09
Arlenico	0.07	0.07	0.08
FERALPI STAHL[14]	0.08	0.09	0.09
INDIRECT EMISSIONS RESULTING FROM ELECTRICITY USE (Scopo 2)			
Feralpi Siderurgica	0.16	0.15	0.17
Acciaierie di Calvisano	0.18	0.18	0.19
FER-PAR	-	-	0.05
Arlenico	0.05	0.05	0.05
Nuova Defim	0.05	0.05	0.05
Presider	0.00	0.01	0.00
MPL	0.01	0.01	0.01
FERALPI STAHL	0.25	0.24	0.27
Feralpi-Praha	0.03	0.04	0.03
Feralpi-Hungaria	0.02	0.02	0.02
Presider Armatures	0.00	0.00	0.00
Gruppo Saexpa	0.02	-	-
P.R. Soldadura	0.13	-	-

[14] Following an alignment, the 2021 EU ETS emission intensity figure for FERALPI STAHL has been restated from that published in the previous Non-Financial Statement.

Atmospheric emissions

(GRI 305-7)

	Unit	2022	2021	2020
DUST[15]	**t**			
Feralpi Siderurgica		4.81	2.60	2.83
Acciaierie di Calvisano		4.82	2.57	2.28
FER-PAR		-	-	0.04
Arlenico		0.20	0.90	0.01
Nuova Defim		0.21	0.24	0.19
FERALPI STAHL		2.43	2.45	1.31
PM10	**t**			
Feralpi Siderurgica		0.68	0.84	0.46
Acciaierie di Calvisano		1.26	2.25	1.57
FERALPI STAHL		2.05	2.07	1.10
NOX[16]	**t**			
Feralpi Siderurgica		107.81	165.15	172.76
Acciaierie di Calvisano		49.89	131.49	50.65
FER-PAR		-	-	0.8
Arlenico		18.62	21.90	4.85
FERALPI STAHL		134.11	137.85	61.63
CO[17]	**t**			
Feralpi Siderurgica		1,144.32	1,729.96	1,021.59
Acciaierie di Calvisano		360.06	584.95	333.13
FER-PAR		-	-	0.39
Arlenico		0.66	0.18	0.06
FERALPI STAHL		727.39	1,322.29	844.64
DIOXINS AND FURANS	**gI-TEQ**			
Feralpi Siderurgica		0.03	0.02	0.02
Acciaierie di Calvisano		0.13	0.05	0.04
FERALPI STAHL		0.08	0.08	0.09
IPA	**kg**			
Feralpi Siderurgica		0.03	0.03	0.04
Acciaierie di Calvisano		0.16	0.14	0.12
FERALPI STAHL		-	-	-
COT	**t**			
Feralpi Siderurgica		39.45	57.21	51.63
Acciaierie di Calvisano		8.19	11.27	3.81
FERALPI STAHL		-	-	-
Pb	**kg**			
Feralpi Siderurgica		27.63	11.58	16.28
Acciaierie di Calvisano		13.86	9.10	15.68
Arlenico		0.63	0.90	0.03
FERALPI STAHL		54.80	54.86	60.05
Zn	**kg**			
Feralpi Siderurgica		288.81	252.67	263.87
Acciaierie di Calvisano		260.41	371.77	307.51
Arlenico		9.35	8.76	0.03
FERALPI STAHL		853.71	801.05	401.69
Hg	**kg**			
Feralpi Siderurgica		31.09	56.45	25.41
Acciaierie di Calvisano		50.67	8.35	4.80
Arlenico		0.24	0.07	-
FERALPI STAHL		28.32	28.45	31.37
SOx[18]	**t**			
Feralpi Siderurgica		7.05	7.25	9.02
Acciaierie di Calvisano		30.98	72.66	51.64
FER-PAR		-	-	0.04
FERALPI STAHL		4.23	4.18	4.52
Pcb[19] **[5]**	**kg**			
Feralpi Siderurgica		0.01	0.01	0.13
Acciaierie di Calvisano		0.37	0.10	0.55
FERALPI STAHL		0.00	0.00	0.00

[15] Figure for the site.
[16] The variability of NOx values depends on the way the reheating furnace is operated in relation to the product being rolled during sampling. Figure for the site.
[17] Figure for the site.
[18] Figure for the site.
[19] Dioxin-like without toxicity factor.

Waste generated (t) and breakdown by waste composition

(GRI 306-3)

	2022	2021	2020
HAZARDOWS WASTE	**123,893**	**124,206**	**112,099**
Fume abatement dust	**42,414**	**44,494**	**40,132**
Feralpi Siderurgica	21,218	21,336	18,092
Acciaierie di Calvisano	7,130	8,334	7,337
FERALPI STAHL	14,066	14,824	14,703
Other waste	**81,479**	**79,712**	**71,967**
Feralpi Siderurgica	142	164	126
Acciaierie di Calvisano	70	87	121
FER-PAR	-	-	47
Arlenico	78	86	22
Nuova Defim	8	8	6
Presider	8	31	4
MPL	0	0	0
FERALPI STAHL	406	440	540
Feralpi-Praha	1	1	0
Feralpi-Hungaria	0	1	0
Presider Armatures	0	0	0
Gruppo Saexpa	0	-	-
P.R. Soldadura	0	-	-
Ecoeternit[20]	80,766	78,896	71,101
NON-HAZARDOWS WASTE	**496,136**	**519,342**	**434,351**
Heavy waste from shredding	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0
Acciaierie di Calvisano	0	0	0
FERALPI STAHL	0	0	0
Light waste from shredding (fluff)	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0
Acciaierie di Calvisano	0	0	0
FERALPI STAHL	0	0	0
Mill scale	**34,945**	**39,884**	**38,215**
Feralpi Siderurgica	14,618	18,614	17,543
Acciaierie di Calvisano	448	727	712
FER-PAR	-	-	885
Arlenico	3,837	3,620	2,794
FERALPI STAHL	15,815	16,722	16,088
Feralpi-Praha	193	166	175
Feralpi-Hungaria	35	35	18
Black slag	**231,262**	**221,652**	**193,421**
Feralpi Siderurgica[21]	99,259	86,978	74,514
Acciaierie di Calvisano	42,781	27,013	22,415
FERALPI STAHL	89,222	107,661	96,492
White slag	**69,844**	**87,437**	**90,714**
Feralpi Siderurgica	35,365	32,339	33,857
Acciaierie di Calvisano	16,870	36,674	35,507
FERALPI STAHL	17,609	18,424	21,350
Other waste	**160,084**	**170,368**	**112,001**
Feralpi Siderurgica	89,494	97,203	49,462
Acciaierie di Calvisano	16,479	17,214	18,037
FER-PAR	-	-	3,773
Arlenico	2,185	1,870	823
Nuova Defim	1,098	1,947	1,016
Presider	3,343	7,642	2,378
MPL	730	944	835
FERALPI STAHL	42,103	25,961	27,478
Feralpi-Praha	201	0	0
Feralpi-Hungaria	28	40	8
Presider Armatures	885	1,055	839
Gruppo Saexpa	140	-	-
P.R. Soldadura	7	-	-
Ecoeternit	3,391	16,492	7,352
Total waste	**620,029**	**643,550**	**546,450**

[20] The figure refers to asbestos-containing waste (EWC code 17.06.05*) disposed of at the Ecoeternit landfill.

[21] The black slag is sent for recovery in a shared plant (DIMA) for the production of System 2+ certified products such as aggregates and cement mixtures, thus also contributing to the reduction of the use of natural raw materials from quarries.

Waste not intended for disposal (t)

(GRI 306-4)

	ON SITE						AT EXTERNAL SITE					
	Reuse	Recycling	Recovered	Composting	Other treatment	**Total**	Reuse	Recycling	Recovered	Composting	Other treatment	**Total**
2022												
HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	0	18,892	0	0	**18,892**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	6,703	0	0	**6,703**
Arlenico	0	0	0	0	0	**0**	0	0	64	0	0	**64**
Nuova Defim	0	0	0	0	0	**0**	0	1	7	0	0	**8**
Presider	0	0	0	0	0	**0**	0	0	0	0	1	**1**
MPL	0	0	0	0	0	**0**	0	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	0	**0**	42	281	11,184	0	0	**11,506**
Feralpi-Praha	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Feralpi-Hungaria	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Presider Armatures	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Gruppo Saexpa	0	0	0	0	0	**0**	0	0	0	0	0	**0**
P.R. Soldadura	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Ecoeternit	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**42**	**281**	**36,850**	**0**	**2**	**37,175**
NON-HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	0	211,106	196	0	**211,302**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	45,666	0	0	**45,666**
Arlenico	0	0	0	0	0	**0**	0	0	5,488	0	0	**5,488**
Nuova Defim	0	0	0	0	0	**0**	0	1,043	55	0	0	**1,098**
Presider	0	0	0	0	0	**0**	0	0	0	0	3,343	**3,343**
MPL	0	0	0	0	0	**0**	0	0	0	0	730	**730**
FERALPI STAHL	0	25,489	0	0	0	**25,489**	0	72,792	66,469	0	0	**139,261**
Feralpi-Praha	0	0	0	0	0	**0**	0	188	206	0	0	**394**
Feralpi-Hungaria	0	0	0	0	0	**0**	35	28	0	0	0	**63**
Presider Armatures	0	0	0	0	0	**0**	0	0	0	0	885	**885**
Gruppo Saexpa	0	0	0	0	0	**0**	0	139	2	0	0	**140**
P.R. Soldadura	0	0	0	0	0	**0**	0	7	0	0	0	**7**
Ecoeternit	0	0	0	0	0	**0**	0	0	1,208	0	0	**1,208**
Total	**0**	**25,489**	**0**	**0**	**0**	**25,489**	**35**	**74,196**	**330,200**	**196**	**4,958**	**409,586**
2021												
HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	0	19,058	0	0	**19,058**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	7,823	0	0	**7,823**
Arlenico	0	0	0	0	0	**0**	0	0	67	0	0	**67**
Nuova Defim	0	0	0	0	0	**0**	0	0	6	0	0	**6**
Presider	0	0	0	0	0	**0**	0	0	0	0	29	**29**
MPL	0	0	0	0	0	**0**	0	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	0	**0**	18	365	12,023	0	0	**12,405**
Feralpi-Praha	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Feralpi-Hungaria	0	0	0	0	0	**0**	0	0	1	0	0	**1**
Presider Armatures	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Ecoeternit	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**18**	**365**	**38,978**	**0**	**29**	**39,389**
NON-HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	0	215,159	262	0	**215,422**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	45,707	0	0	**45,707**
Arlenico	0	0	0	0	0	**0**	0	0	5,490	0	0	**5,490**
Nuova Defim	0	0	0	0	0	**0**	0	1,881	66	0	0	**1,947**
Presider	0	0	0	0	0	**0**	0	0	0	0	7,588	**7,588**
MPL	0	0	0	0	0	**0**	0	0	0	0	944	**944**
FERALPI STAHL	0	6,662	0	0	0	**6,662**	0	113,862	48,245	0	0	**162,107**
Feralpi-Praha	0	0	0	0	0	**0**	166	0	0	0	0	**166**
Feralpi-Hungaria	0	0	0	0	0	**0**	35	40	0	0	0	**75**
Presider Armatures	0	0	0	0	0	**0**	0	0	0	0	1,055	**1,055**
Ecoeternit	0	0	0	0	0	**0**	0	0	1,202	0	0	**1,202**
Total	**0**	**6,662**	**0**	**0**	**0**	**6,662**	**201**	**115,784**	**315,869**	**262**	**9,587**	**441,703**

Continued on next page.

	ON SITE						AT EXTERNAL SITE					
	Reuse	Recycling	Recovered	Composting	Other treatment	**Total**	Reuse	Recycling	Recovered	Composting	Other treatment	**Total**
2020												
HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	0	16,416	0	0	**16,416**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	7,151	0	0	**7,151**
FER-PAR	0	0	0	0	0	**0**	0	0	0	0	40	**40**
Arlenico	0	0	0	0	0	**0**	0	0	18	0	0	**18**
Nuova Defim	0	0	0	0	0	**0**	0	0	5	0	0	**5**
Presider	0	0	0	0	0	**0**	0	0	3	0	1	**4**
MPL	0	0	0	0	0	**0**	0	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	0	**0**	20	428	11,857	0	0	**12,305**
Feralpi-Praha	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Feralpi-Hungaria	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Presider Armatures	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Ecoeternit	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**20**	**428**	**35,450**	**0**	**41**	**35,939**
NON-HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	12,792	130,491	207	29	**143,519**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	41,153	0	0	**41,153**
FER-PAR	0	0	0	0	0	**0**	0	455	0	0	4,191	**4,646**
Arlenico	0	0	0	0	0	**0**	0	0	3,617	0	0	**3,617**
Nuova Defim	0	0	0	0	0	**0**	0	965	0	0	0	**965**
Presider	0	0	0	0	0	**0**	0	4	2,292	0	82	**2,378**
MPL	0	0	0	0	0	**0**	0	0	835	0	0	**835**
FERALPI STAHL	0	0	0	0	0	**0**	24	106,619	54,765	0	0	**161,408**
Feralpi-Praha	0	0	0	0	0	**0**	175	0	0	0	0	**175**
Feralpi-Hungaria	0	0	0	0	0	**0**	18	8	0	0	0	**26**
Presider Armatures	0	0	0	0	0	**0**	0	0	8,039	0	0	**8,039**
Ecoeternit	0	0	0	0	0	**0**	0	0	790	0	175	**965**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**217**	**120,843**	**241,981**	**207**	**4,477**	**367,726**

Waste for disposal (t)

(GRI 306-5)

	ON SITE					AT EXTERNAL SITE				
	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfilling	Other disposal operations	**Total**	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfilling	Other disposal operations	**Total**
2022										
HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	0	2,468	**2,468**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	497	0	**497**
FER-PAR	-	-	-	-	**-**	-	-	-	-	**-**
Arlenico	0	0	0	0	**0**	0	0	0	13	**13**
Nuova Defim	0	0	0	0	**0**	0	0	0	0	**0**
Presider	0	0	0	0	**0**	0	0	0	7	**7**
MPL	0	0	0	0	**0**	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	**0**	0	22	2,944	0	**2,965**
Feralpi-Praha	0	0	0	0	**0**	0	1	0	0	**1**
Feralpi-Hungaria	0	0	0	0	**0**	0	0	0	0	**0**
Presider Armatures	0	0	0	0	**0**	0	0	0	0	**0**
Gruppo Saexpa	0	0	0	0	**0**	0	0	0	0	**0**
P.R. Soldadura	0	0	0	0	**0**	0	0	0	0	**0**
Ecoeternit	0	0	80,766	0	**80,766**	0	0	0	0	**0**
Total	**0**	**0**	**80,766**	**0**	**80,766**	**0**	**23**	**3,441**	**2,488**	**5,952**
NON-HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	27,427	7	**27,434**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	30,911	0	**30,911**
FER-PAR	-	-	-	-	**-**	-	-	-	-	**-**
Arlenico	0	0	0	0	**0**	0	0	0	533	**533**
Nuova Defim	0	0	0	0	**0**	0	0	0	0	**0**
Presider	0	0	0	0	**0**	0	0	0	0	**0**
MPL	0	0	0	0	**0**	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Praha	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Hungaria	0	0	0	0	**0**	0	0	0	0	**0**
Presider Armatures	0	0	0	0	**0**	0	0	0	0	**0**
Gruppo Saexpa	0	0	0	0	**0**	0	0	0	0	**0**
P.R. Soldadura	0	0	0	0	**0**	0	0	0	0	**0**
Ecoeternit	0	0	3	0	**3**	0	0	0	2,180	**2,180**
Total	**0**	**0**	**3**	**0**	**3**	**0**	**0**	**58,337**	**2,721**	**61,059**
2021										
HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	0	2,442	**2,442**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	0	598	**598**
Arlenico	0	0	0	0	**0**	0	0	0	19	**19**
Nuova Defim	0	0	0	0	**0**	0	0	0	2	**2**
Presider	0	0	0	0	**0**	0	0	0	5	**5**
MPL	0	0	0	0	**0**	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	**0**	0	20	2,838	0	**2,858**
Feralpi-Praha	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Hungaria	0	0	0	0	**0**	0	0	0	0	**0**
Presider Armatures	0	0	0	0	**0**	0	0	0	0	**0**
Ecoeternit	0	0	78,896	0	**78,896**	0	0	0	0	**0**
Total	**0**	**0**	**78,896**	**0**	**78,896**	**0**	**20**	**2,838**	**3,066**	**5,925**
NON-HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	19,570	143	**19,713**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	35,920	0	**35,920**
Arlenico	0	0	0	0	**0**	0	0	0	0	**0**
Nuova Defim	0	0	0	0	**0**	0	0	0	0	**0**
Presider	0	0	0	0	**0**	0	0	0	54	**54**
MPL	0	0	0	0	**0**	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Praha	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Hungaria	0	0	0	0	**0**	0	0	0	0	**0**
Presider Armatures	0	0	0	0	**0**	0	0	0	0	**0**
Ecoeternit	0	0	6	0	**0**	0	0	0	15,284	**15,284**
Total	**0**	**0**	**6**	**0**	**0**	**0**	**0**	**55,490**	**15,481**	**70,971**

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	ON SITE					AT EXTERNAL SITE				
	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfilling	Other disposal operations	**Total**	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfilling	Other disposal operations	**Total**
2020										
HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	0	1,802	**1,802**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	307	0	**307**
FER-PAR	0	0	0	0	**0**	0	0	0	7	**7**
Arlenico	0	0	0	0	**0**	0	0	4	0	**4**
Nuova Defim	0	0	0	0	**0**	0	0	1	0	**1**
Presider	0	0	0	0	**0**	0	0	0	0	**0**
MPL	0	0	0	0	**0**	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	**0**	0	31	2,907	0	**2,938**
Feralpi-Praha	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Hungaria	0	0	0	0	**0**	0	0	0	0	**0**
Presider Armatures	0	0	0	0	**0**	0	0	0	0	**0**
Ecoeternit	0	0	71,101	0	**71,101**	0	0	0	0	**0**
Total	**0**	**0**	**71,101**	**0**	**71,101**	**0**	**31**	**3,219**	**1,809**	**5,059**
NON-HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	31,592	265	**31,857**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	35,519	0	**35,519**
FER-PAR	0	0	0	0	**0**	0	0	0	11	**11**
Arlenico	0	0	0	0	**0**	0	0	0	0	**0**
Nuova Defim	0	0	0	0	**0**	0	0	51	0	**51**
Presider	0	0	0	0	**0**	0	0	0	0	**0**
MPL	0	0	0	0	**0**	0	0	0	0	**0**
FERALPI STAHL	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Praha	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Hungaria	0	0	0	0	**0**	0	0	0	0	**0**
Presider Armatures	0	0	0	0	**0**	0	0	0	0	**0**
Ecoeternit	0	0	16	0	**16**	0	0	0	6,371	**6,371**
Total	**0**	**0**	**16**	**0**	**16**	**0**	**0**	**67,162**	**6,647**	**73,809**

Total water discharged by destination in m³

	2022	2021	2020
DISCHARGED INTO SEWAGE SYSTEM	**28,875**	**21,660**	**27,634**
Feralpi Siderurgica	0	0	0
Acciaierie di Calvisano	0	0	0
Arlenico[22]	4,763	5,195	3,458
Presider	2,849	2,723	2,313
FERALPI STAHL	19,743	11,563	19,644
Feralpi Hungaria	503	1,068	854
Presider Armatures	1,017	1,111	1,365
DISCHARGED INTO SURFACE WATER	**1,246,124**	**2,508,674**	**1,877,577**
Feralpi Siderurgica	455,793	649,541	623,323
Acciaierie di Calvisano	7,084	5,280	4,254
Arlenico	783,247	1,853,853	1,250,000
Presider	0	0	0
FERALPI STAHL	0	0	0
Feralpi Hungaria	0	0	0
Presider Armatures	0	0	0
Total water discharged	**1,274,999**	**2,530,334**	**1,905,211**

[22] Following an alignment, the Arlenico figure reported for 2020 has been restated from that published in the previous Non-Financial Statement.

Social Sustainability Indicators

Feralpi Group's personnel as at 31.12.2022

(GRI 2-7)

Total personnel employed by gender and geographical area

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	**1,685**	**171**	**1,856**	**1,607**	**142**	**1,749**	**1,569**	**141**	**1,710**
of which in Italy	850	81	931	856	81	937	848	75	923
of which in Germany	694	62	756	682	51	733	651	56	707
of which in the Czech Republic	38	6	44	39	6	45	39	6	45
of which in Hungary	21	3	24	15	2	17	16	2	18
of which in France	3	1	4	3	1	4	3	1	4
of which in Spain	67	17	84	-	-	-	-	-	-
of which in Algeria	12	1	13	12	1	13	12	1	13

Type of contract

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
PERMANENT	**1,588**	**159**	**1,747**	**1,512**	**137**	**1,649**	**1,501**	**132**	**1,633**
of which in Italy	808	78	886	815	79	894	835	73	908
of which in Germany	646	53	699	634	48	682	603	49	652
of which in the Czech Republic	31	6	37	33	6	39	32	6	38
of which in Hungary	21	3	24	15	2	17	16	2	18
of which in France	3	1	4	3	1	4	3	1	4
of which in Spain	67	17	84	-	-	-	-	-	-
of which in Algeria	12	1	13	12	1	13	12	1	13
TEMPORARY	**56**	**8**	**64**	**50**	**2**	**52**	**25**	**4**	**29**
of which in Italy	31	2	33	32	2	34	10	1	11
of which in Germany	18	6	24	12	0	12	9	3	12
of which in the Czech Republic	7	0	7	6	0	6	6	0	6
of which in Hungary	0	0	0	0	0	0	0	0	0
of which in France	0	0	0	0	0	0	0	0	0
of which in Spain	0	0	0	-	-	-	-	-	-
of which in Algeria	0	0	0	0	0	0	0	0	0
Total employees	**1,644**	**167**	**1,811**	**1,562**	**139**	**1,701**	**1,526**	**136**	**1,662**
FULL-TIME	**1,639**	**139**	**1,778**	**1,533**	**113**	**1,666**	**1,516**	**109**	**1,625**
of which in Italy	838	71	909	843	74	917	841	67	908
of which in Germany	662	43	705	644	32	676	610	35	645
of which in the Czech Republic	36	5	41	36	5	41	35	5	40
of which in Hungary	21	1	22	15	1	16	15	1	16
of which in France	3	1	4	3	0	3	3	0	3
of which in Spain	67	17	84	-	-	-	-	-	-
of which in Algeria	12	1	13	12	1	13	12	1	13
PART TIME	**5**	**28**	**33**	**9**	**26**	**35**	**10**	**27**	**37**
of which in Italy	1	9	10	4	7	11	4	7	11
of which in Germany	2	16	18	2	16	18	2	17	19
of which in the Czech Republic	2	1	3	3	1	4	3	1	4
of which in Hungary	0	2	2	0	1	1	1	1	2
of which in France	0	0	0	0	1	1	0	1	1
of which in Spain	0	0	0	-	-	-	-	-	-
of which in Algeria	0	0	0	0	0	0	0	0	0
Total employees	**1,644**	**167**	**1,811**	**1,562**	**139**	**1,701**	**1,526**	**136**	**1,662**
APPRENTICES	**41**	**4**	**45**	**45**	**3**	**48**	**43**	**5**	**48**
Total peronnel employees	**1,685**	**171**	**1,856**	**1,607**	**142**	**1,749**	**1,569**	**141**	**1,710**
TEMPORARY AND OTHER TYPS OF CONTRACT	73	8	81	62	8	70	67	9	76
INTERNS	2	0	2	2	0	2	3	0	3
CONTRACTED PERSONNEL[23]	2,426	86	2,512	2,417	77	2,494	2,353	74	2,427
Total employees[24]	**4,186**	**265**	**4,451**	**4,088**	**227**	**4,315**	**3,992**	**224**	**4,216**

[23] Contracted personnel refers to external personnel operating, as of 12.31.2022, at Feralpi Siderurgica and Acciaierie di Calvisano. For 2021 the figure also includes FER-PAR and Ecoeternit, for 2020 FER-PAR, Ecoeternit and Presider Armatures. In addition, there are 121 men and 9 women from external companies who worked at Presider, MPL, and Presider Armatures in 2022 (calculated as an average - Presider, MPL, and Presider Armatures in 2021: 119 men and 11 women; for Presider and MPL: in 2020, 124 men and 8 women) and 132 men from external companies who carried out activities at ESF Elbe-Stahlwerke Feralpi GmbH in 2022 (calculated as FTE - in 2021, 113 men; in 2020, 123 men and 2 women). These are mainly staff with employment contracts, employed in the following tasks: in-house handling, railway handling, installation of new equipment and related maintenance (electrical, hydraulic, mechanical), services (reception, security, catering, cleaning).

[24] Only for Germany, the workforce does not include personnel who were still on parental leave or personnel absent from work due to illness for more than 62 weeks as of December 31. It should be noted that three employees of Feralpi Holding and Feralpi Siderurgica occasionally served at Eco-Trading in 2021 (3 in 2021 and 2020), a Group company that is currently non-operational and has no employees on its payroll.

Movement of personnel by geographic area, gender, and age group

(GRI 401-1)

Personnel recruitment (n.)

		2022				2021				2020			
	Gender/Age	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Group	Women	8	21	3	32	5	9	2	16	7	12	0	5
	Men	71	133	31	235	75	125	31	231	59	114	22	195
	Total	**79**	**154**	**34**	**267**	**80**	**134**	**33**	**247**	**66**	**126**	**22**	**214**
Italy	Women	5	4	1	10	4	5	1	10	1	5	0	6
	Men	32	47	14	93	31	63	16	110	19	50	5	74
	Total	**37**	**51**	**15**	**103**	**35**	**68**	**17**	**120**	**20**	**55**	**5**	**80**
Germany	Women	3	15	1	19	1	4	1	6	6	7	0	13
	Men	35	68	9	112	42	52	14	108	33	53	11	97
	Total	**38**	**83**	**10**	**131**	**43**	**56**	**15**	**114**	**39**	**60**	**11**	**110**
Other areas	Women	0	2	1	3	0	0	0	0	0	0	0	0
	Men	4	18	8	30	2	10	1	13	7	11	6	24
	Total	**4**	**20**	**9**	**33**	**2**	**10**	**1**	**13**	**7**	**11**	**6**	**24**

Personnel outgoing turnover[25] (n.)

		2022				2021				2020			
	Gender/Age	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Group	Women	0	20	9	29	3	7	3	13	3	4	2	9
	Men	28	118	72	218	30	75	91	196	33	60	69	162
	Total	**28**	**138**	**81**	**247**	**33**	**82**	**94**	**209**	**36**	**64**	**71**	**171**
Italy	Women	0	7	4	11	0	0	2	2	0	0	2	2
	Men	9	41	45	95	2	35	68	105	5	11	40	56
	Total	**9**	**48**	**49**	**106**	**2**	**35**	**70**	**107**	**5**	**11**	**42**	**58**
Germany	Women	0	8	4	12	3	7	1	11	3	4	0	7
	Men	19	62	22	103	20	36	21	77	21	40	27	88
	Total	**19**	**70**	**26**	**115**	**23**	**43**	**22**	**88**	**24**	**44**	**27**	**95**
Other areas	Women	0	5	1	6	0	0	0	0	0	0	0	0
	Men	0	15	5	20	8	4	2	14	7	9	2	18
	Total	**0**	**20**	**6**	**26**	**8**	**4**	**2**	**14**	**7**	**9**	**2**	**18**

Personnel recruitment rate[26] (%)

		2022				2021				2020			
	Gender/Age	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Group	Women	38.10	23.60	4.92	18.71	31.25	12.50	3.70	11.27	43.75	15.79	0.00	13.48
	Men	30.21	16.10	4.97	13.95	34.56	15.68	5.23	14.37	31.55	14.96	3.55	12.43
	Total	**29.92**	**16.98**	**4.96**	**14.39**	**34.33**	**15.42**	**5.10**	**14.12**	**32.51**	**15.04**	**3.29**	**12.51**
Italy	Women	50.00	10.81	2.63	11.76	57.14	11.90	3.13	12.35	33.33	11.36	0.00	8.00
	Men	31.68	11.27	4.27	10.99	33.33	14.42	4.91	12.85	25.68	12.14	1.38	8.73
	Total	**33.33**	**11.23**	**4.10**	**11.06**	**35.00**	**14.20**	**4.75**	**12.81**	**25.97**	**12.06**	**1.28**	**8.67**
Germany	Women	27.27	45.45	5.56	30.65	12.50	16.67	5.26	11.76	50.00	28.00	0.00	23.21
	Men	28.46	20.73	3.70	16.14	35.90	16.10	5.79	15.84	30.84	16.83	4.80	14.90
	Total	**28.36**	**22.99**	**3.83**	**17.33**	**34.40**	**16.14**	**5.75**	**15.55**	**32.77**	**17.65**	**4.44**	**15.56**
Other areas	Women	0.00	9.09	12.50	9.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Men	36.36	23.38	16.00	21.74	28.57	27.03	4.00	18.84	116.67	31.43	20.69	34.29
	Total	**33.33**	**20.20**	**15.52**	**19.53**	**25.00**	**23.26**	**3.57**	**16.46**	**100.00**	**26.19**	**19.35**	**30.00**

[25] At the Italy level, personnel discharged on 12/31 of the reporting year are counted among both personnel in force and workers leaving in the reporting year. At the foreign level, personnel discharged on 12/31 of the reporting year are counted among personnel in force but not among workers leaving in the reporting year. These workers will be counted among the outgoing workers in the next reporting year. As for New Cogeme, the company in voluntary liquidation has no employees.

[26] The recruitment rate (A) is calculated according to the following formula: A=new hires/total workforce*100.

Personnel turnover rate[27] (%)

		2022				2021				2020			
	Gender/Age	**<30**	**30-50**	**>50**	**Total**	**<30**	**30-50**	**>50**	**Total**	**<30**	**30-50**	**>50**	**Total**
Group	Women	0.00	22.47	14.75	16.96	18.75	9.72	5.56	9.15	18.75	5.26	4.08	6.38
	Men	11.91	14.29	11.54	12.94	13.82	9.41	15.35	12.20	17.65	7.87	11.13	10.33
	Total	**10.61**	**15.21**	**11.82**	**13.31**	**14.16**	**9.44**	**14.53**	**11.95**	**17.73**	**7.64**	**10.61**	**10.00**
Italy	Women	0.00	18.92	10.53	12.94	0.00	0.00	6.25	2.47	0.00	0.00	7.14	2.67
	Men	8.91	9.83	13.72	11.23	2.15	8.01	20.86	12.27	6.76	2.67	11.05	6.60
	Total	**8.11**	**10.57**	**13.39**	**11.39**	**2.00**	**7.31**	**19.55**	**11.42**	**6.49**	**2.41**	**10.77**	**6.28**
Germany[28]	Women	0.00	24.24	22.22	19.35	37.50	29.17	5.26	21.57	25.00	16.00	0.00	12.50
	Men	15.45	18.90	9.05	14.84	17.09	11.15	8.68	11.29	19.63	12.70	11.79	13.52
	Total	**14.18**	**19.39**	**9.96**	**15.21**	**18.40**	**12.39**	**8.43**	**12.01**	**20.17**	**12.94**	**10.89**	**13.44**
Other areas	Women	0.00	22.73	12.50	19.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Men	0.00	19.48	10.00	14.49	114.29	10.81	8.00	20.29	116.67	25.71	6.90	25.71
	Total	**0.00**	**20.20**	**10.34**	**15.38**	**100.00**	**9.30**	**7.14**	**17.72**	**100.00**	**21.43**	**6.45**	**22.50**

[27] The turnover rate (T) is calculated according to the following formula: T=leavers/total workforce*100. At the Italy level, outgoing personnel on 31/12 of the reporting year are counted among both personnel in force and workers leaving in the reporting year. At the foreign level, outgoing personnel on 31/12 of the reporting year are counted among both personnel in force but not among workers leaving in the reporting year. These workers will be reported among the outgoing workers in the next reporting year.

[28] Only for Germany, the figures do not take into account employees on parental leave or sick leave exceeding 62 weeks as at 31 December. These employees, considering only Germany, are not included in the total workforce. New hires, on the other hand, include personnel who returned to work in the reporting year following the use of parental leave.

Rate and number of accidents at work by area[29]

(GRI 403-9)

Rate of accidents at work by area

		2022	2021	2020
EMPLOYEES (Injury rate)				
Group	Accidents recorded	16.45	21.61	25.84
	Serious accidents	0.99	0.70	0.37
	Deaths due to occupational accidents	0.00	0.00	0.37
Italy	Accidents recorded	13.93	14.64	14.03
	Serious accidents	1.90	0.00	0.00
	Deaths due to occupational accidents	0.00	0.00	0.00
Germany	Accidents recorded	21.06	32.80	40.05
	Serious accidents	0.00	1.73	0.87
	Deaths due to occupational accidents	0.00	0.00	0.87
EXTERNAL COMPANIES (Injury rate)				
Group	Accidents recorded	12.79	12.78	10.60
	Serious accidents	0.00	0.91	0.00
	Deaths due to occupational accidents	0.00	0.00	0.00
Italy	Accidents recorded	11.11	10.60	2.79
	Serious accidents	0.00	1.33	0.00
	Deaths due to occupational accidents	0.00	0.00	0.00
Germany	Accidents recorded	19.27	20.72	38.40
	Serious accidents	0.00	0.00	0.00
	Deaths due to occupational accidents	0.00	0.00	0.00

Number of accidents at work by area

		2022	2021	2020
EMPLOYEES (no. of injuries)				
Group	No. of accidents recorded	50	62	70
	No. of serious accidents	3	2	1
	No. of deaths due to occupational accidents	0	0	1
	Hours worked	3,039,881	2,869,263	2,709,431
EXTERNAL COMPANIES (no. of injuries)				
Group	No. of accidents recorded	12	14	10
	No. of serious accidents	0	1	0
	No. of deaths due to occupational accidents	0	0	0
	Hours worked	937,991	1,095,291	943,827

[29] Index = (no. accidents/hours worked)x1,000,000. Accidents occurring at the workplace are taken into account in the calculation of accidents. It excludes commuting accidents, except those that occurred with company-organized transportation. Reported accidents (recordable accidents) are those that resulted in removal from the workplace for a duration of 24 hours or more including medical treatment beyond first aid or transfers to another job that resulted in days away from work. Injuries with serious consequences are those that resulted in 180 or more days lost. The main types of injuries encountered in the three-year period 2020-2022 involve contusions, crushing, lacerated contusion injuries, and fractures.

Per capita average training hours by gender and by professional category

(GRI 404-1)

Per capita average training hours by gender

		2022	2021	2020
Group	Women	12	18	17
	Men	25	14	10
	Total	**24**	**14**	**10**
Italy	Women	17	15	12
	Men	21	16	8
	Total	**21**	**16**	**9**
Germany	Women	9	25	26
	Men	34	12	12
	Total	**31**	**13**	**13**

Per capita average training hours by professional category

		2022	2021	2020
Group	Blue-collars	21	12	9
	White-collars and middle managers	29	20	14
	Executives	25	14	11
	Total	**24**	**14**	**10**
Italy	Blue-collars	15	13	6
	White-collars and middle managers	30	21	14
	Executives	36	14	12
	Total	**21**	**16**	**9**
Germany[30]	Blue-collars	33	11	13
	White-collars and middle managers	31	22	15
	Executives	4	15	11
	Total	**32**	**13**	**13**

[30] At the level of Germany, starting in 2021, apprentice workers are considered below the category of "Blue collars".

Composition of Feralpi Holding board members by gender and age groups

(GRI 405-1)

Composition of Feralpi Holding board members by gender and age groups, no.

	2022				2021				2020			
Gender/Age	**<30**	**30-50***	**>50**	**Total**	**<30**	**30-50***	**>50**	**Total**	**<30**	**30-50***	**>50**	**Total**
Women	0	0	2	2	0	0	2	2	0	0	2	2
Men	0	1	5	6	0	1	5	6	0	2	4	6
Total	**0**	**1**	**7**	**8**	**0**	**1**	**7**	**8**	**0**	**2**	**6**	**8**

*30 and 50 included.

Composition of Feralpi Holding board members by gender and age groups, %

	2022				2021				2020			
Gender/Age	**<30**	**30-50***	**>50**	**Total**	**<30**	**30-50***	**>50**	**Total**	**<30**	**30-50***	**>50**	**Total**
Women	0%	0%	25%	25%	0%	0%	25%	25%	0%	0%	25%	25%
Men	0%	12%	63%	75%	0%	12%	63%	75%	0%	25%	50%	75%
Total	**0%**	**12%**	**88%**	**100%**	**0%**	**12%**	**88%**	**100%**	**0%**	**25%**	**75%**	**100%**

Composition of Group employees by gender, age group and other relevant categories

(GRI 405-1)

		2022				2021				2020			
Gender/Age		**<30**	**30-50***	**>50**	**Total**	**<30**	**30-50***	**>50**	**Total**	**<30**	**30-50***	**>50**	**Total**
Women	n.	21	89	61	171	16	72	54	142	16	76	49	141
	%	1.13	4.80	3.29	9.21	0.91	4.12	3.09	8.12	0.94	4.44	2.87	8.25
Men	n.	235	826	624	1,685	217	797	593	1,607	188	762	619	1,569
	%	12.66	44.50	33.62	90.79	12.41	45.56	33.91	91.88	10.99	44.56	36.20	91.75
Total	n.	**264**	**907**	**685**	**1,856**	**233**	**869**	**647**	**1,749**	**204**	**838**	**668**	**1,710**
	%	**14.22**	**48.87**	**36.91**	**100.00**	**13.32**	**49.69**	**36.99**	**100.00**	**11.93**	**49.01**	**39.06**	**100.00**

*30 and 50 included.

Other diversity indicators

	2022		2021		2020	
	No.	**%**	**No.**	**%**	**No.**	**%**
Protected categories	63	3.39	69	3.95	62	3.63
Other	33	1.78	26	1.49	14	0.82

Comparison between average male and female remuneration[31]

(GRI 405-2)

Company/Job title		**2022**	**2021**	**2020**
Feralpi Holding	White-collars and middle managers	80.27	85.94	84.48
Arlenico	White-collars and middle managers	57.04	55.25	58.48
Nuova Defim	Blue-collars	-	-	81.69
	White-collars and middle managers	-	65.22	60.64
Presider	White-collars and middle managers	76.93	72.68	72.89
ESF Elbe-Stahlwerke Feralpi	White-collars and middle managers	65.29	64.62	65.99

[31] The table shows only the sites and categories where female personnel are present or where thebreakdown by role concerns at least 6 members of female personnel.

Comparison between male and female base salary[32]

(GRI 405-2)

Company/Job title		**2022**	**2021**	**2020**
Feralpi Holding	White-collars and middle managers	95.43	95.32	95.81
Arlenico	White-collars and middle managers	89.08	89.30	89.16
Nuova Defim	Blue-collars	-	-	97.39
	White-collars and middle managers	-	87.65	86.09
Presider	White-collars and middle managers	94.92	94.47	95.93
ESF Elbe-Stahlwerke Feralpi	White-collars and middle managers	100.00	100.00	100.00

[32] The table shows only the sites and categories where female personnel are present or where thebreakdown by role concerns at least 6 members of female personnel.

System Certifications

FERALPI SIDERURGICA	UNI EN ISO 9001, 14001, 14064, 45001, 50001 EMAS
Acciaierie di Calvisano	UNI EN ISO 9001, 14001, 14064, 50001
Presider	UNI EN ISO 9001
Presider Armatures	BS EN ISO 9001
MPL	UNI EN ISO 9001, 14001
Nuova Defim	UNI EN ISO 9001
Caleotto e Arlenico	UNI EN ISO 9001, 14064 IATF 16949 - Automotive Quality Management System
ESF Elbe-Stahlwerke Feralpi GmbH	DIN EN ISO 9001, 14001, 50001 EMAS Entsorgungsfachbetrieb
FERALPI STAHLHANDEL GMBH	DIN EN ISO 9001, 50001
FERALPI LOGISTIK GMBH	DIN EN ISO 9001, 50001
FERALPI-PRAHA S.R.O.	UNI EN ISO 9001
FERALPI-HUNGARIA KFT	UNI EN ISO 9001
ECOETERNIT	UNI EN ISO 14001, 45001

System certifications can be viewed on the **Feralpi Group website**, under **Products > Certifications.**

Product Certifications

FERALPI SIDERURGICA	UNI EN ISO 14067 EPD Certificate of Minimum Recycled Content SUSTEEL SISTEMA CE 2+ GREENSTONE
Acciaierie di Calvisano	UNI EN ISO 14067 TUV Certificate PED AD2000W 0 Risk and Safety Control for Pressure Equipment Certificate of Minimum Recycled Content
Presider	EN ISO 17660-1 (load transmitting welds) and 17660-2 (non-load transmitting welds) AFCAB NF-Armatures
Presider Armatures	AFCAB-POSE e AFCAB NF-Armatures
MPL	UNI EN ISO 1090-1
Nuova Defim	UNI EN ISO 1090-1
Caleotto e Arlenico	UNI EN ISO 14067
ESF Elbe-Stahlwerke Feralpi GmbH	EPD

Product certifications can be consulted on the **Feralpi Group website** under **Products > Certifications.**

Report of the independent auditors

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Independent auditors' report on the voluntary consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of January 18, 2018

(Translation from the original Italian text)

To the Board of Directors of
Feralpi Holding S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree December 30, 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the voluntary consolidated disclosure of non-financial information of Feralpi Holding S.p.A. and its subsidiaries (hereinafter the "Group" or "Feralpi Group") for the year ended on December 31, 2022 in accordance with article 4 and article 7 of the Decree, and approved by the Board of Directors on May 16, 2023 (hereinafter "DNF").
Our limited assurance engagement does not cover the information included in the paragraph "*Alignment with European Taxonomy*" of the DNF, that are required by art.8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – *Global Reporting Initiative* (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing

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Auditors' 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 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 Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. 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 DNF is free from material misstatements. Therefore, the extent of work performed in our examination 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 DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the Feralpi Group's consolidated financial statements;
4. understanding of the following aspects:
   - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
   - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
   - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

   With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below.
5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.

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In particular, we have conducted interviews and discussions with the management of Feralpi Holding S.p.A. and with the personnel of Feralpi Siderurgica S.p.A. and ESF Elbe-Stahlwerke Feralpi GmbH 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 DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level,
  a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.

- for Feralpi Siderurgica S.p.A. (production sites of Lonato del Garda, Brescia, Italy) and ESF Elbe-Stahlwerke Feralpi GmbH (production site of Riesa, Germany), that we have selected based on their activities, relevance to the consolidated performance indicators and location, we have carried out remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Feralpi Holding S.p.A. Group for the year ended on December 31, 2022 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.
Our conclusions on the DNF of the Feralpi Holding S.p.A. Group do not refer to the information included in the paragraph "*Alignment with European Taxonomy*" of the DNF itself, that are required by art.8 of the European Regulation 2020/852.

Brescia, May 31st, 2023

EY S.p.A.
Signed by: Andrea Barchi, Partner


FERALPI

For more information on the Non-Financial
Statement, please contact **sustainability@it.feralpigroup.com**.
The document is available under the
'Reporting and certification' section on the website **www.feralpigroup.com.**

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