

Contributing to the transformation of the steel industry

Business continuity in the current context

The Feralpi product: Quality, Sustainability, Innovation

The challenges of decarbonisation and circularity

Guaranteeing rights, Safety, and development of individuals in their uniqueness

Abstract

YEAR 2022

Voluntary Consolidated Non-Financial Statement

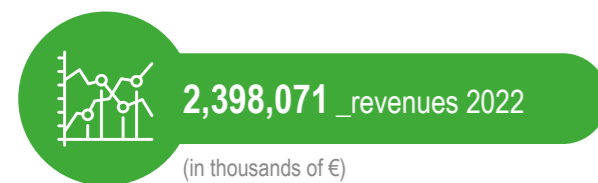




Highlights 2022

Feralpi Group, one of Europe's most important steel manufacturers, **specializes in the production of steel for construction and special applications**, intended for both civil and industrial usage. Established in Lonato del Garda in 1968, Feralpi has since grown into a **diversified, vertically integrated international group** that annually produces **over two and a half million tons** of steel and rolled products.

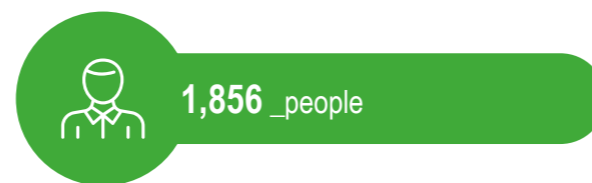
WE SUPPORT



+24.4% compared to 2021

+93.6% compared to 2020

Revenue from sales by destination area



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



Employees, Managers, and Executives_ **30%**
Workers_ **70%**





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Sustainability Strategy
Strategic Investments
Financing for a Green Transition

Megatrends
ESG Risk Management
Actions for Business Continuity

The quality of Feralpi's product
Environmental performance of products
Industry 4.0, Digitalisation, R&D (Research and Development)

Unit for the Ecological and Energy Transition
Decarbonisation strategy
Circularity as a model of sustainable management

Skills development
Health and Safety for all
Protection of rights and diversity of individuals

This document is a summary of the Consolidated Non-Financial Statement prepared by Feralpi Holding, which can be viewed in its entirety on the website www.feralpigroup.com.

The scope of the report corresponds to the Consolidated Financial Statement of Feralpi Group as of December 31, 2022. The Non-Financial Statement has been prepared "in accordance with the GRI - Global Reporting Initiative" and is published annually. As in previous editions, the Company, upon the resolution of the Board of Directors, has voluntarily subjected this Non-Financial Statement to the review of a reputable independent company.



Our Challenges



1

Contributing to the transformation of the steel industry

- 1.1. Sustainability strategy
- 1.2. Strategic investments
- 1.3. Financing for a green transition





Contributing to the transformation of the steel industry

We operate along the international steel supply chains, supplying a global market increasingly oriented towards the **realization of sustainable projects**. Our strategy leverages **decarbonisation**, **circularity** and **digitalisation** to strengthen competitive advantage and improve the impact on the environment and society.



The sector in which we operate is at the heart of **major challenges** in terms of climate change, resource consumption, digital revolution, human rights, well-being of people, and stability of the global geopolitical system. A **responsible approach** to social and environmental issues has a positive impact on creating lasting value for Feralpi's stakeholders, and that's why the commitment to integrating **ESG (Environmental, Social, Governance)** aspects into our long-term strategy is a key point the Group has been working on in recent years.



Through the evolution of our **governance and investment activities**, we develop a competitive strategy integrated with ESG and risk management objectives: in planning, monitoring, and implementation of investment projects we consider environmental impact (E), social and human resource impact (S), and integration with business and sustainability objectives (G) as a priority. This is coupled with process quality, product and service quality, productivity increase, cost reduction, efficiency improvement (generation of economic value), and implementation timelines.



Further information

Read

- Chapter 1 of the NFS "Feralpi Group" >
- Feralpi Holding Consolidated Financial Statements >

Visit

- Corporate website feralpigroup.com/group >



Sustainability Strategy

Strategic pillars

1. Business Enhancement
2. Internationalisation
3. Sustainability and Innovation
4. Strengthening the Operating Model

Pillars of sustainability

- Contributing to the reduction of consumption and impacts
- Multiplying the use of materials
- Inclusion and territorial development
- Care, safety, and valorisation of people
- Work culture and education of new generations
- Ethical business management
- Product and service quality

Commitments (2022-2026)

The fight against climate change and resource consumption

In environmental terms, Feralpi is committed to fighting climate change and reducing its environmental impact through a decarbonization strategy to decrease its direct and indirect CO₂ emissions in line with the Paris Agreement to keep temperatures within 2 °C, through a constant improvement of its energy mix by increasing the percentage of renewable energies and investing in solutions aimed at improving energy efficiency and increasing the amount of residues sent for recovery.

The great challenge of competencies

To realize its industrial commitment, the Group's focus is now on people's skills: on one hand, Feralpi is working to valorize internal resources through re-skilling and up-skilling paths related to the investment plan; on the other hand, to acquire talents from the market with the aim of strengthening already existing skills within the Group. At the same time, efforts are being made to strengthen the long-term sustainability of the business through the definition of a succession plan.

Comparability, automation and processes

The key goal that the Group is working on at the level of financial and non-financial communication is achieving the best market standards. On one hand, the Group is focusing on the transition towards international accounting principles, and on the other hand, it is ensuring compliance with all regulations in the field of sustainable development, even on a voluntary basis. The commitment, especially in terms of ESG, in drafting cross-sectional internal policies and adapting the company to the best international practices, is then confirmed.

Feralpi's Sustainability Management Committee is tasked with assisting, in a propositional and consultative capacity, the Board of Directors of Feralpi Holding in evaluations and decisions related to the sustainability issues connected to the Group's activities, interaction dynamics with the stakeholders, corporate social responsibility, integration of the strategic plan (also based on the analysis of material issues for long-term value creation), and corporate governance of the Company and the Group.



Strategic Investments

Our commitment focuses on three directions:

- increasing economic and energy efficiency (with the company Feralpi Power On);
- expanding the product range and increasing production capacity (with the new rolling mill at the Riesa plant in Germany);
- increasing production and commercial flexibility.

New Feralpi Product: the Spooler

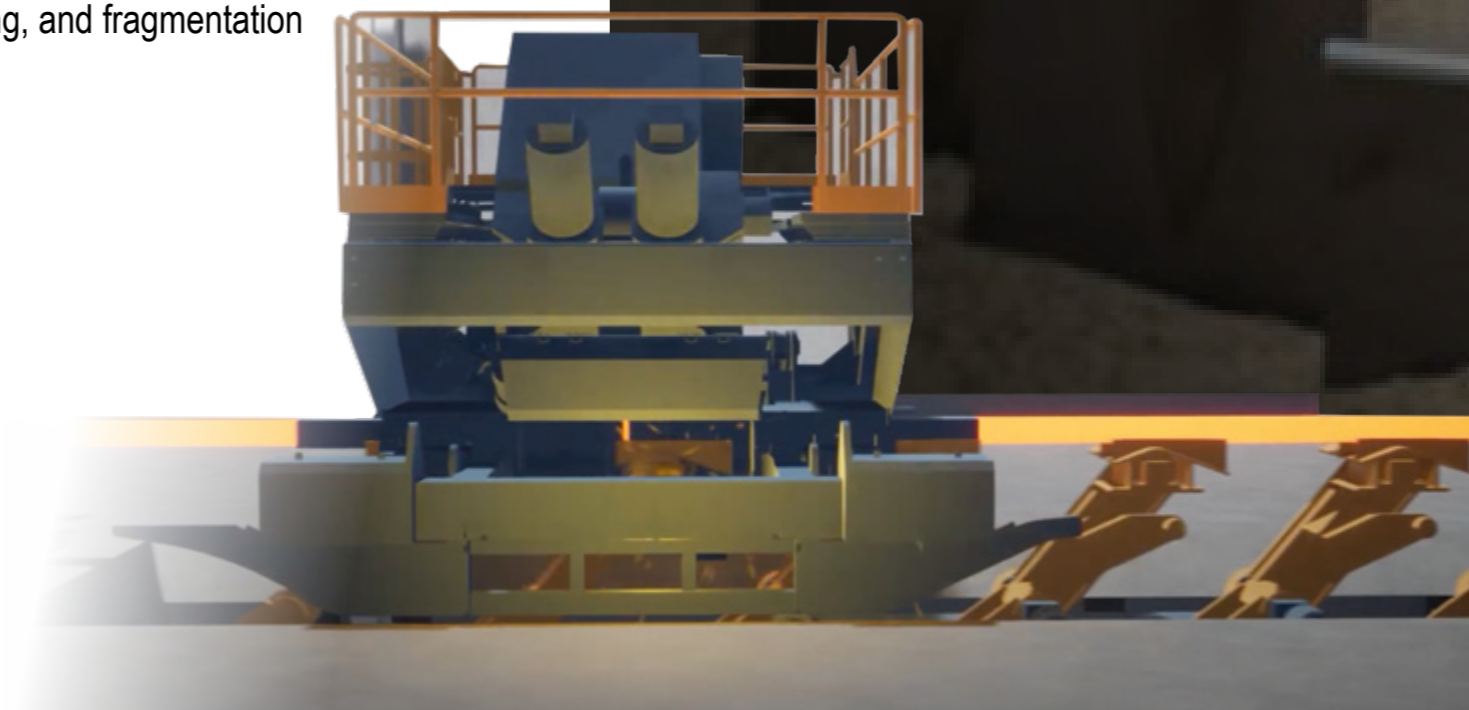
The new product will be manufactured at the Feralpi Siderurgica and ESF Elbe-Stahlwerke Feralpi GmbH plants and will be accompanied by modern technologies, efficiency increases, and reductions in environmental impact. These investments are aimed at guaranteeing the Group an increasing presence in the reference markets and greater production and commercial flexibility, also through a high combination of diameters and roll weights.

Scrapyard at ESF Elbe-Stahlwerke GmbH

The investment, to be carried out in several phases, aims to increase the yield of scrap and related materials, through appropriate selection, cleaning, and fragmentation of ferrous scrap.

Rolling Mill B at ESF Elbe-Stahlwerke Feralpi GmbH

Equipped with the best technologies aimed at efficiency and quality enhancement, with a view to reducing environmental impacts and raising safety standards - it aims to achieve an increase in market share in Germany through the introduction of the “spooler” product in the German market.





Financing for a Green Transition

Feralpi pursues its commitment to reducing environmental impacts also thanks to the adoption of **green financial instruments** capable of combining business development with environmental sustainability.

The relationship with the various financial institutions is based on a dialogue aimed at:

- identifying the most appropriate solutions to finance industrial plan investments in terms of size and duration of the financing lines;
- activating investments and resorting to financing tools that favor aspects of sustainability, circularity, and decarbonization.

The main financing currently in place for Feralpi includes:

Club Deal 2022 - Feralpi Siderurgica

A 100 million Euro financing agreement signed with a pool of institutes to finance strategic interventions in Italy aimed at concretizing the ecological and energy transition also through research projects, development, and technological innovation related to the implementation of circular and decarbonizing industrial models.



Club Deal 2021 - FERALPI STAHL

A series of financings with a total amount of 90 million Euros 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 whose related CO₂ emissions are significantly lower than traditional technologies.



CE-linked Interest Rate Swap

A financing amount of 40 million Euros signed with Intesa Sanpaolo. This is the first financing of this type in the Italian market that provides for a commitment to a progressive reduction of Feralpi Siderurgica's environmental footprint through circular processes and energy transition.





2

Business continuity in the current context

2.1. Megatrends

2.2. ESG Risk Management

2.3. Actions for Business Continuity





Megatrends

Over the past three years, extraordinary events such as the Covid-19 pandemic and the conflict between Ukraine and Russia have significantly influenced **global social, economic e political dynamics**. These phenomena, together with other megatrends, are contributing to shaping a much more complex and intricated future whose outcomes are hard to predict. However, they also present **opportunities** related to infrastructure projects and other governmental initiatives.

01

Energy Cost

The **cost of energy**, crucial in the global economy, affects the cost of living and **corporate strategies**. The current situation has led to Community-level initiatives such as the *RePower EU Plan*, focused on diversification and promotion of clean and renewable energies.

02

Decarbonization

Decarbonization has become a global priority **to limit the impacts of climate change**. In 2022, climate investments grew thanks to the *Inflation Reduction Act (IRA)* of the United States and the *Fit for 55* package, as well as the EU's *Green Deal Industrial Plan*.

03

Regulatory Changes

In the ESG field, in 2022, EFRAG, SEC, and ISSB proposed their **ESG reporting standards** for sustainability reporting in companies. The **Taxonomy Regulation** was introduced in Europe in 2020, with the first provisions in 2022. The risk of legal cases related to sustainability has increased.

04

Artificial Intelligence

Artificial Intelligence (AI) **has revolutionized work, communication, and decision-making processes** in numerous sectors, offering efficiency and innovation. It facilitates process automation, reduces costs, and improves productivity, but at the same time requires **ethical reflection on work and social implications**.

05

Well-being and Skills of People to Attract Talents

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 to develop skills appropriate to the evolving work context to counter phenomena such as **quiet quitting** and the **great resignation**.






ESG Risk Management

Feralpi implements a Risk Management strategy, minimizing the negative effect of the main uncertainties related to the business through appropriate remediation policies. The risk model adopted by Feralpi is articulated in heterogeneous categories that allow the evaluation of the Group's risk exposure.

A first level of categorization defines **risks** as:

- **strategic**, pertaining to medium-long term business objectives;
- **operational**, related to the efficiency and effectiveness of business processes and the safeguarding of assets;
- legal and contractual **compliance**;
- **image-related**, linked to the reputation of the corporate and group brand;
- **financial and reporting**, linked to internal and external reporting of information;
- **financial and non-financial**, as well as related to short and long-term financial availability.

Risks are also divided into:

-  **external risks**, pertaining to factors not directly manageable by the company;
-  **process risks**, related to internal processes;
-  **information and decision-making risks**, linked to internal and external information flows, as well as the decisions derived from them.

Main characteristics of the risk analysis

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 conducted with the purpose of integrating its own universe of risks with ESG risks, considered relevant to the business itself.



Actions for Business Continuity

1 of 2

By business continuity we mean the company's ability to **manage crises** and ensure **agility in organisational processes**, thanks to structured and efficient management systems.

Such processes have been present in Feralpi for a long time. Constant developments in the field of information technology, the evolution of extreme situations in terms of climate or the protection of human health, require continuous updates with the active involvement of numerous corporate functions.



Further information

Read

- Chapter 2.5 NFS "Business continuity" >
- Chapter 1 NFS "Feralpi Group" & Discover Products & Services >

Visit

- Our business areas >
- The value chain of Feralpi Group >

Energy Cost and Production Suspension

After a slight decrease in January 2022 compared to the final figures of 2021, gas and electricity prices have risen again due to the conflicts that broke out in Eastern Europe, the drought that has plagued Europe, and the prolonged shutdowns of several French nuclear power plants. Feralpi has worked to improve and structurally implement its **production flexibility**, concentrating the production of certain departments on days and times when the cost of energy is lower, and to reduce or interrupt production in a planned way during periods of peak energy prices. Alongside these actions, the Group is implementing a significant **plan for self-production of electricity** from renewable sources and biomethane.



Cyber Security: Safe Management

The Covid-19 pandemic has accelerated digitalization. **Industry 4.0** is allowing a significant increase in productivity and efficiency, offering the opportunity to reduce costs and improve competitiveness. However, it brings challenges in terms of cybersecurity, exposing companies to vulnerabilities that can undermine *business continuity*. Over the past three years, Feralpi has developed a cybersecurity approach capable of providing the best possible protection for its products, services, as well as the underlying IT and OT infrastructures.





Actions for Business Continuity 2 of 2

By business continuity we mean the company's ability to **manage crises** and ensure **agility in organisational processes**, thanks to structured and efficient management systems.

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Logistics

In 2022, logistics saw a **recovery** after the crisis caused by the acceleration of the post-Covid economy.

The difficulty related to the shortage of drivers has receded while the challenges due to the transition from road to rail transport to reduce emissions persist.

In 2022, Feralpi Siderurgica continued the **digitisation of logistics** to improve transport forecasting and reduce waiting times at the plant entrance, it has restructured the entrances and doubled the weighbridges. A project has begun to identify **alternative routes** to improve internal traffic with benefits in terms of efficiency and safety.



Supply of Raw Materials

In 2022, the supply of raw materials was influenced by the conflict between Russia and Ukraine, leading to the redefinition of routes and causing both maritime and terrestrial delays. The strategy adopted by Feralpi, regarding scrap metal, was based on the strong financial capacity to deal with the increase in prices and the robustness of the trust relationships established over the years with its suppliers. For other raw materials, **flexible trade agreements** based on market trends, also made possible thanks to solid trust relationships with suppliers, ensured availability throughout the year.



Responsible Supply Chain Management

The raw materials used by the steel industry are important both for a company's **economic sustainability** and its **ESG performance**. At Feralpi, supplier selection is based on technical, economic, and sustainability assessments. **Preference** is given to **suppliers** who guarantee quality, respect for time, continuity, and high environmental and social performance. Scrap suppliers are invited to provide sustainability information through a questionnaire based on the **Ten Principles of the United Nations Global Compact** that analyses information related to quality, environment, ethics, health, and safety.





3

The Feralpi product: Quality, Sustainability, Innovation

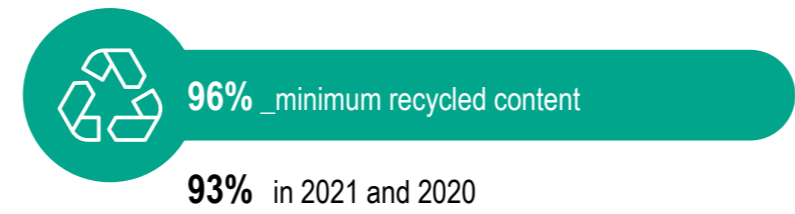
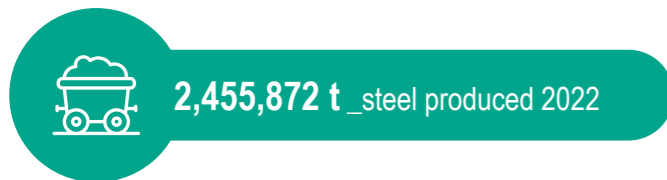
- 3.1. The quality of Feralpi's product
- 3.2. Environmental performance of products
- 3.3. Industry 4.0, Digitalisation, R&D (Research and Development)





The Feralpi product

We are a steel group that constantly invests in state-of-the-art **production processes** and **modern**, environmentally-friendly **technological solutions** to ensure inclusive and sustainable industrial development.



more than 25 Ongoing research projects

more than 50 R&D projects partners

0 cases of non-compliance
on product information and labelling

Double certification
EPD e Carbon Footprint for Feralpi products



Insights

Read

- Chapter 3 of the DNF “Feralpi steel: fusion of quality, environmental sustainability and innovation” >

Visit

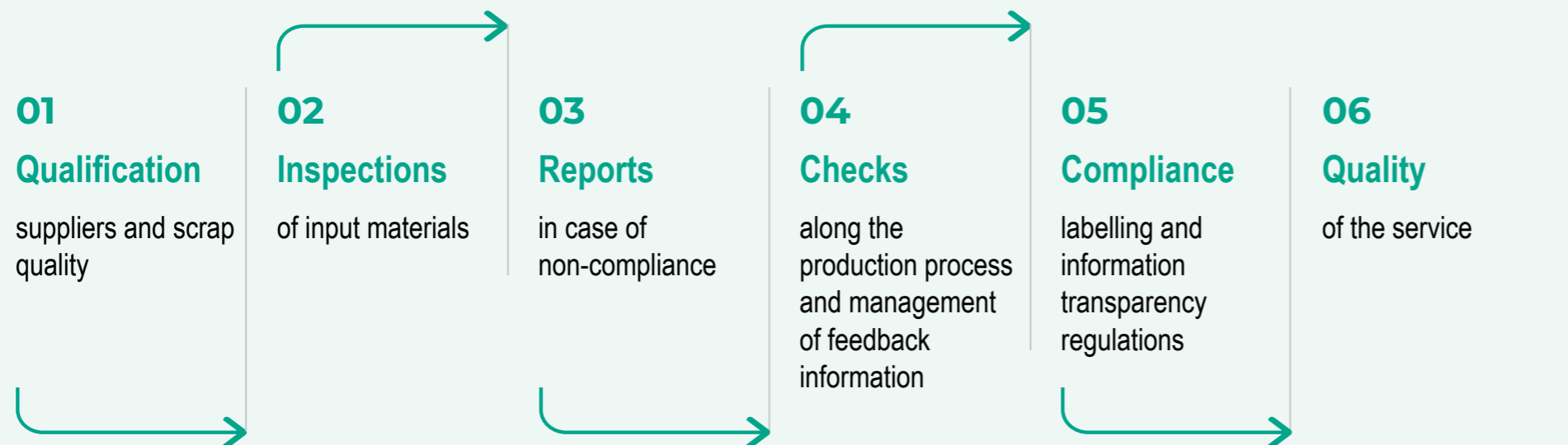
- Research and development: discover our milestones on the site >
- Supply chain quality: discover our approach >



The quality of Feralpi's product

Quality is the set of characteristics and properties of a product, process or service, which give it the capacity to **satisfy implicit or expressed requirements**.

The production of electric furnace steel involves the use of metals and other materials, including lime, ferroalloys, refractories. Of all of them, the most important is **scrap**, which forms the core of what is produced and then sold. The steel chain in which we operate develops a wide range of products, the quality of which - from production to the final product - is guaranteed thanks to specific monitoring procedures throughout the entire process.



Insights

Read

- Chapter 3.1. of the DNF "Product and Service Quality" >
- Learn more about quality management and policies by reading Chapter 3.5. of the DNF >

Visit

- Discover product certificates >
- Discover system certificates >



Environmental performance of products

Feralpi has taken significant steps to measure the environmental impact of its products.

The **Life Cycle Assessment methodology**, governed by 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.

These studies led to the **Environmental Product Declaration** for each product category (**EPD - Environmental Product Declaration**) in accordance with ISO 14025 and EN 15804.

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 through various impact categories, the CFP allows for the climate impact due to greenhouse gas emissions associated with the product's life cycle to be examined in great detail.



Insights

Visit

- Discover product certificates >
- Discover system certificates >



Industry 4.0, Digitalisation, R&D

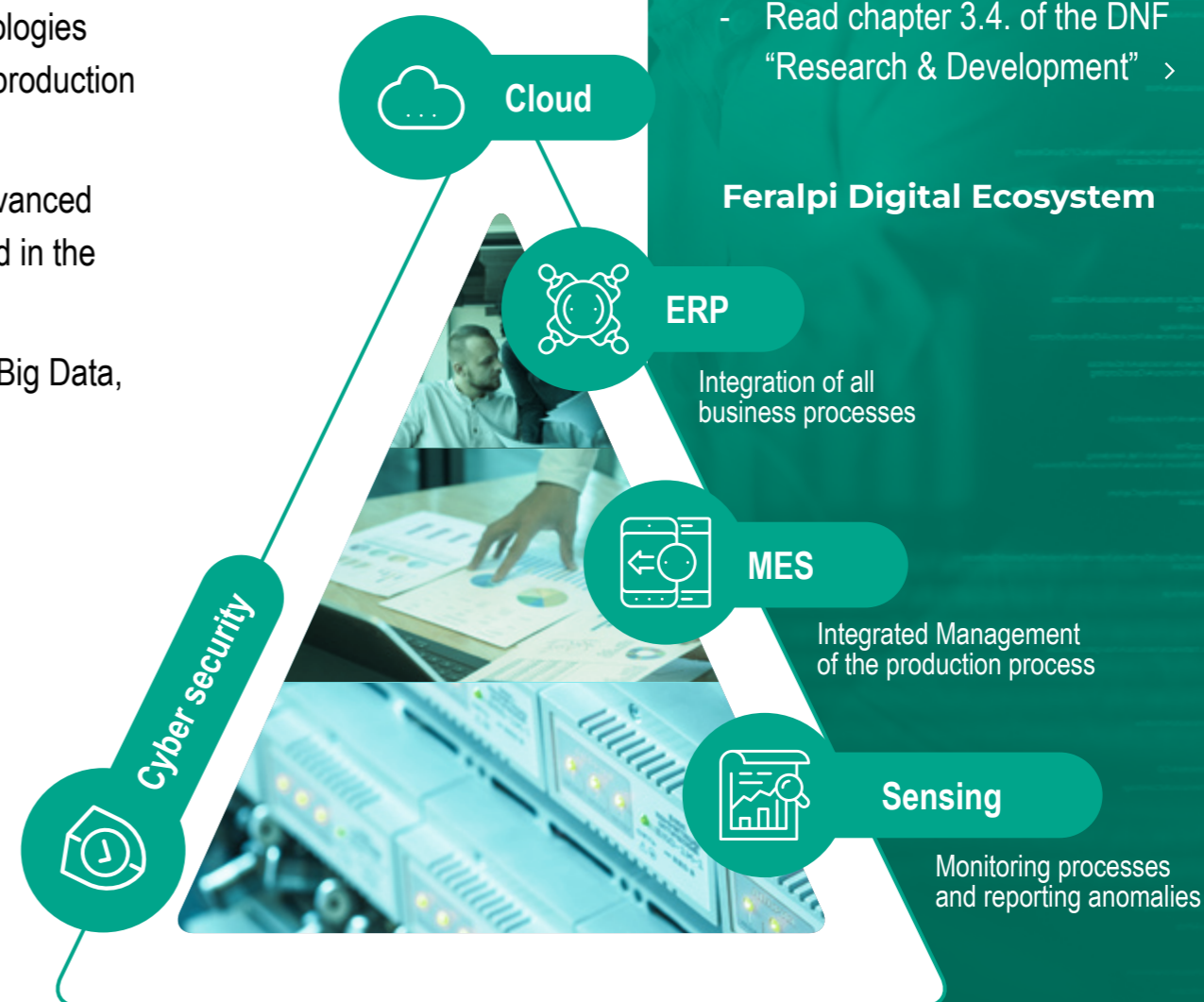
1 of 3

For Feralpi, innovation is the engine of development, an essential component of its corporate strategy for inclusive and sustainable industrialisation.

The continuing trend towards **technical and plant** development aimed at developing predictive technologies and automation, especially for special steels, is an essential condition for Feralpi to be efficient at the production level, to constantly reduce its environmental impact and to improve industrial performance.

At the basis of this approach are the **Best Available Techniques (BAT)**, which represent the most advanced technical solutions for plant management and control that can be economically and technically adopted in the relevant industrial sector.

The use of **Industry 4.0 technologies**, such as Internet of Things (IoT), Artificial Intelligence (AI) and Big Data, are in fact instrumental in monitoring and making efficient use of energy consumption, CO₂ emissions, and for the reuse of materials seemingly at the end of their life cycle.



Insights

Read

- Chapter 3 of the DNF “Feralpi steel: a fusion of quality, environmental sustainability and innovation” >
- Read chapter 3.4. of the DNF “Research & Development” >

Feralpi Digital Ecosystem



Industry 4.0, Digitalisation, R&D

2 of 3

The main objective of Research and Development is the pursuit of the company's strategic lines in terms of:

- development of product lines;
- development and optimisation of production processes;
- increasing the sustainability of production.

The approach to innovation with which Feralpi enters the market translates into:

Improving products



Performance Enhancement processes and safety



Development of sustainability initiatives and reducing environmental impact



Process control and optimisation



Insights

Visit

- Learn more about product improvement at feralpigroup.com >
- Process and safety performance at feralpigroup.com >
- Research for sustainability at feralpigroup.com >
- R&D for process optimisation at feralpigroup.com >



Industry 4.0, Digitalisation, R&D

3 of 3

The most relevant research projects

Coralis	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	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	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	Development of logic and systems for analysing process data and product quality in rolling mills 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	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	Development of a control system whose main input is the characteristics of the slag in order to optimise the process treatment of liquid steel and the slag metallurgy process for subsequent reuse.
Wire Accuracy 4.0	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	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	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	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	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	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	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Development of systems dedicated to the energy recovery through innovative materials of otherwise lost heat sources, such as the radiated heat from hot products.
ConSolCast	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	Development of monitoring and simulation systems for continuous casting processes through innovative control systems. This is in order to improve production performance by creating criteria that prevent out-of-process solidification (breakout).

Legend

- Improving products
- Improving process performance and safety
- Developing sustainability initiatives and reducing environmental impact
- Process control and optimisation



4

The challenges of decarbonization and circularity

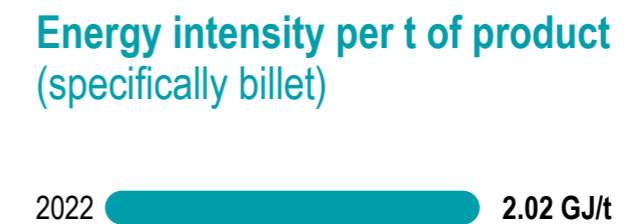
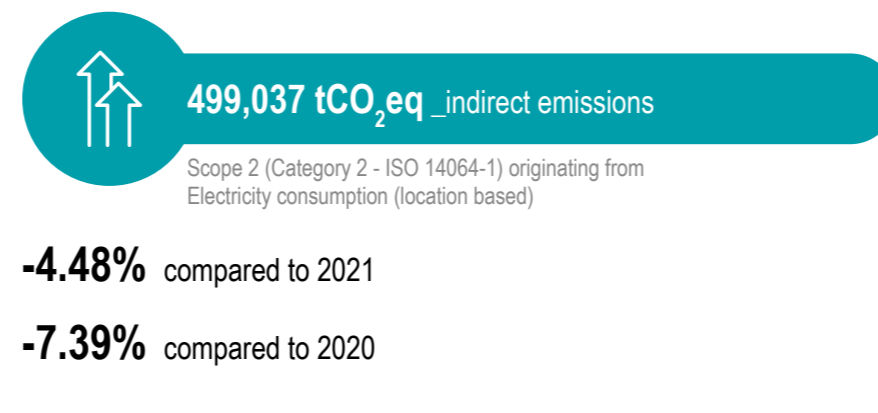
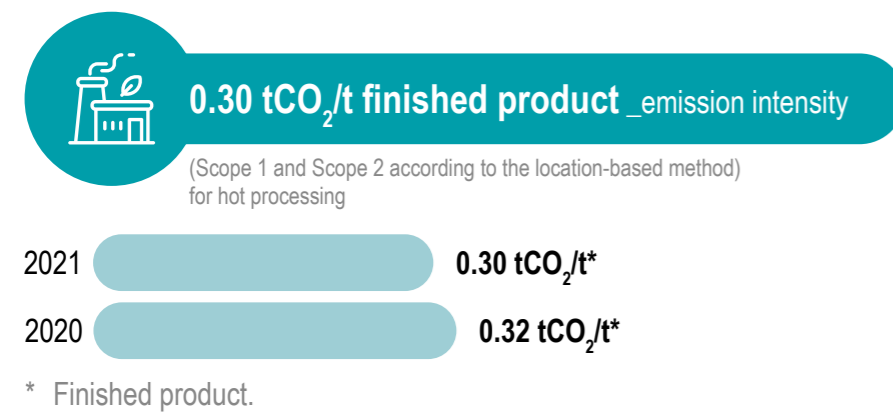
- 4.1. Unit for the Ecological and Energy Transition
- 4.2. Decarbonization strategy
- 4.3. Circularity as a model of sustainable management



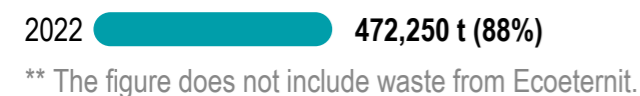


The challenges of decarbonisation and circularity

Feralpi Group has taken up 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 active projects**.



Waste Destined for Recovery, Recycling and Reuse out of Total Waste Produced by Steel Processing**



- ISO 50001** Feralpi Siderurgica
ESF Elbe-Stahlwerke Feralpi
- ISO 14001** Feralpi Siderurgica
ESF Elbe-Stahlwerke Feralpi
Acciaierie di Calvisano
MPL
- EMAS** Feralpi Siderurgica
ESF Elbe-Stahlwerke Feralpi



Unit for the Ecological and Energy Transition

The year 2022 saw the establishment of the **Ecological and Energy Transition Unit (UTEE)**, a fundamental step for the Group in the process of adapting to new environmental and energy challenges.

The UTEE stands as a **key element in the realisation of the goals of sustainable development, energy transition and combating climate change**, in line with the ambitious European goals of achieving climate neutrality by 2050 and the Paris Agreement, which aims to keep the increase in global temperatures of the planet below 1.5 °C.

The UTEE is also called upon to act as a **propagator of best practices within the Group in order to** facilitate the development of projects to achieve the set environmental and decarbonisation targets, monitor the progress of results and intervene promptly if deviations from what was planned occur.

Finally, the unit is **also a point of reference for external stakeholders**, providing information on project planning and results in the field of ecological and energy transition.



Insights

Read

- Read chapter 4.2. of the DNF “Decarbonisation Target: Addressing climate change through energy management and emission reduction” >



Decarbonisation strategy

Feralpi Group has implemented a multi-year climate change mitigation strategy, aiming to reduce greenhouse gas emissions in line with the provisions of the **Paris Agreement and European objectives on the subject**. Feralpi is committed to reducing greenhouse gas emissions through investments aimed at reducing **direct (Scope 1) and indirect (Scope 2 and 3) emissions**.

The solutions identified will include the autonomous production of electricity through **photovoltaic plants**, 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 (such as **biomethane** and **hydrogen**).

At the end of 2022, the Feralpi Group started the process of joining the **Science-Based Targets** initiative (**SBTi**), an initiative which 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.

Feralpi Power On

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



Circularity as a model of sustainable management

1 of 2

Feralpi structures processes and facilities to minimise production waste, landfill and raw material handling, investing in its **replacement and circularity**. Feralpi's production process is, by nature, circular: circularity consists in producing steel from scrap, thus avoiding the dispersion of waste into the environment and reducing the consumption of **natural raw materials** that would otherwise be needed.

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 standard.

Circular processes in Feralpi

The steel production process is constantly evolving. We apply **innovative solutions** that aim to reuse waste materials from other supply chains as well, such as the valorisation of plastic waste, which is too often dispersed in the environment and slowly decays.

- **Recovery and reuse** in the production cycle of spent refractories instead of raw material
- **Recovery of dust and fumes** to reduce demand for zinc ore
- **Slag recovery** to replace materials of natural origin in the construction sector
- **Heat recovery** for clean energy generation
- **Scale recovery rolling mills** to replace iron ore in the construction industry
- **Sludge recovery**
- **Metal recovery non-ferrous** from scrap sorting



Insights

Read

- Read Chapter 4.3. of the DNF "Circularity and zero-waste: management and valorisation of matter and energy" >

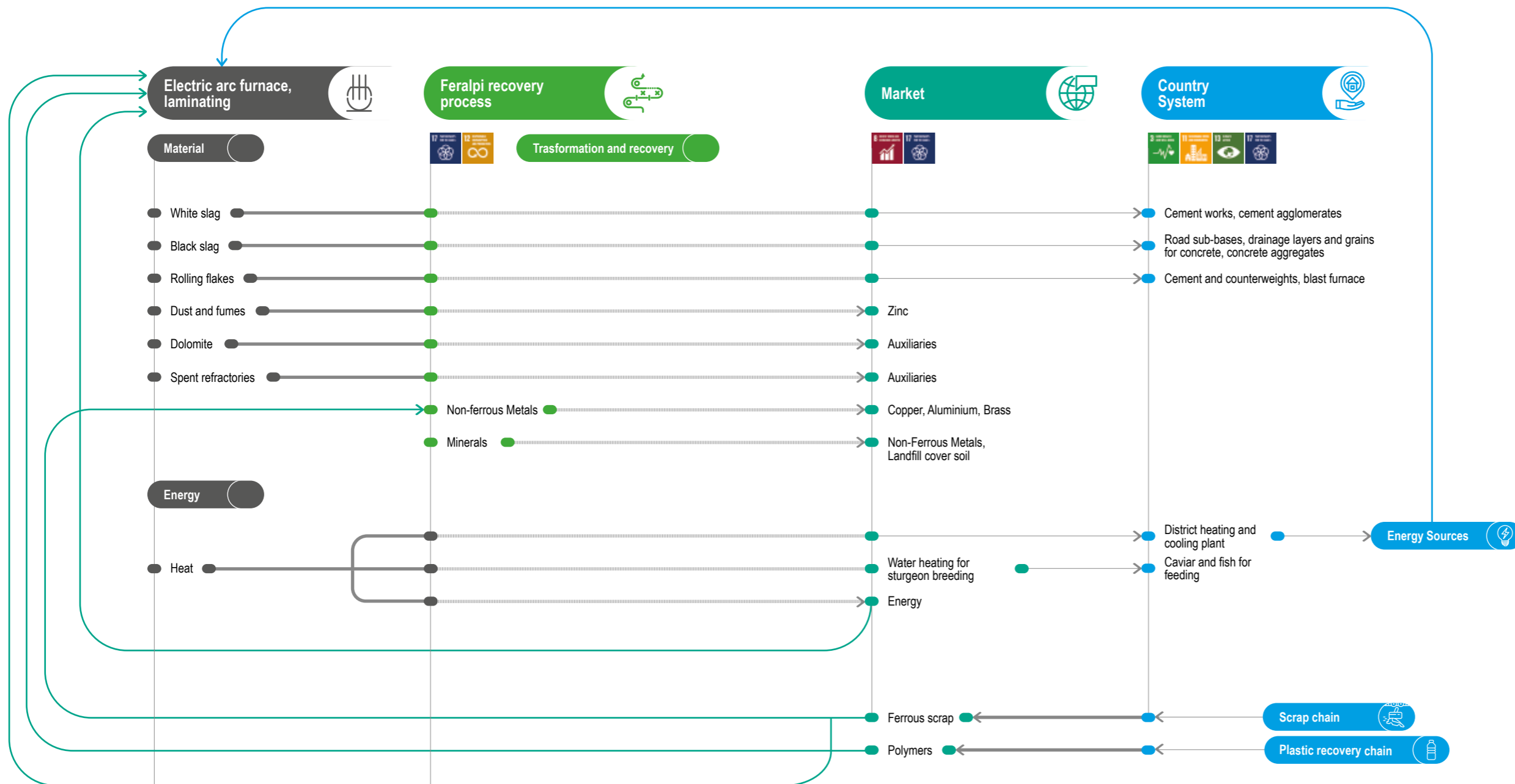
The materials used for steel production, in addition to **scrap**, are **additives, lime, ferroalloys, refractories**. To these are added **oxygen and inert gases**. Some of these materials, e.g. scrap, are 100% materials recovered from other supply chains, while others, such as lime and refractories, have a percentage of recycled material (2% and 5% respectively). The recycled percentage of additives (18% in 2021) refers to filler coals, swellers, desulphurisers, deoxidisers, recarburisers and filler polymers.



Circularity as a model of sustainable management

2 of 2

Feralpi Steel The steel produced by Feralpi is 96% recycled material.



Circular processes in Feralpi

Feralpi structures processes and plants to **minimise production waste, landfilling and handling of raw material**, investing in its replacement and circularity.

The production process

Feralpi's steelmaking process is, **by its very nature, circular**: 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 enhancing the value of the scrap itself by giving it new life.

Ferrous scrap - Feralpi's most important raw material - of different origin and composition, can be considered as waste or as non-waste, as defined by EU Regulation 333/2011 'End of Waste', and thus be reused.



5

Guaranteeing rights, Safety, and development of individuals in their uniqueness

5.1. Skills development

5.2. Health and Safety for all

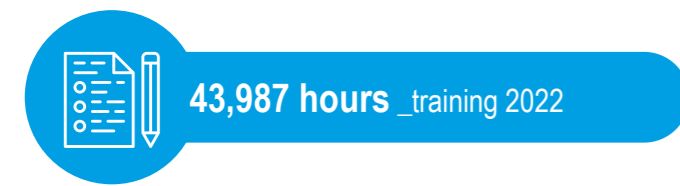
5.3. Protection of rights and diversity of individuals





Guaranteeing rights, Safety, and development of individuals in their uniqueness

Inclusive economic growth, through policies and approaches aimed at fostering decent work, is a commitment that Feralpi pursues in alignment with the [International Labour Organisation \(ILO\)](#), which promotes employment, the guarantee of rights at work, the extension of social protection and the development of social dialogue.



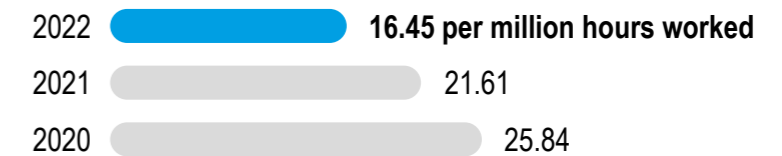
+77.2% compared to 2021

+152.8% compared to 2020

Rate of new hires



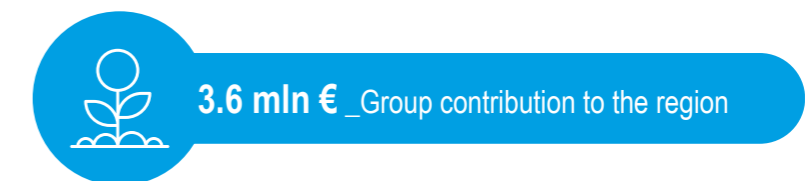
Total occupational accident rate*



*Considering employees only.

over 250 hours of training on D&I issues

ISO 45001 certified management system in Feralpi Siderurgica



25% turnover 2022 recognised for local suppliers



Skills development

Feralpi has long understood the importance of human resources as a key success and transformation factor for the company itself and for the development of the local community in which it operates.

In 2022, the topic of creating, updating and **managing skills** continued to play a crucial role for the Group. The main projects in this area concerned the organisational evolution of the Group, the inclusion of new excellence and the mapping of technical skills within the Group to meet the needs of an increasingly competitive and dynamic economic landscape.

Group Technical Excellence

In 2022, activities to strengthen technical competencies within the group continued through the Group Technical Excellence project, the People Feralpi's Strategy defined in the context of the 2021-2025 Industrial Plan, which acknowledges this need by focusing on the strategy of technical personnel management.

Insertion paths and development of technical skills

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

Steel Academy

A total of 11 modules were started with reference to the **Management4Steel** (training for potential figures on organisational, management and soft skills), **Electrical4Steel** (in-depth training on electrical maintenance), **Mechanical4Steel** (in-depth technical training on mechanical maintenance) and **Leadership4Steel** (training of operational managers on management and soft skills).



Insights

Read

- Read chapter 5.1. of the DNF "Raising Competence: Growth and Empowerment of People" >

Succession Planning

The **Succession Planning** project was created with the aim of addressing possible needs of planned and unplanned replacements of employees taking on strategic roles within the company. In 2022, participants had the opportunity to take part in the **Feralpi Corporate Executive Master in Business Administration (EMBA)** developed together with the Graduate School of Management of the Milan Polytechnic. Succession planning activities are also continuing at **FERALPI STAHL** and will be accompanied by further talent development activities.

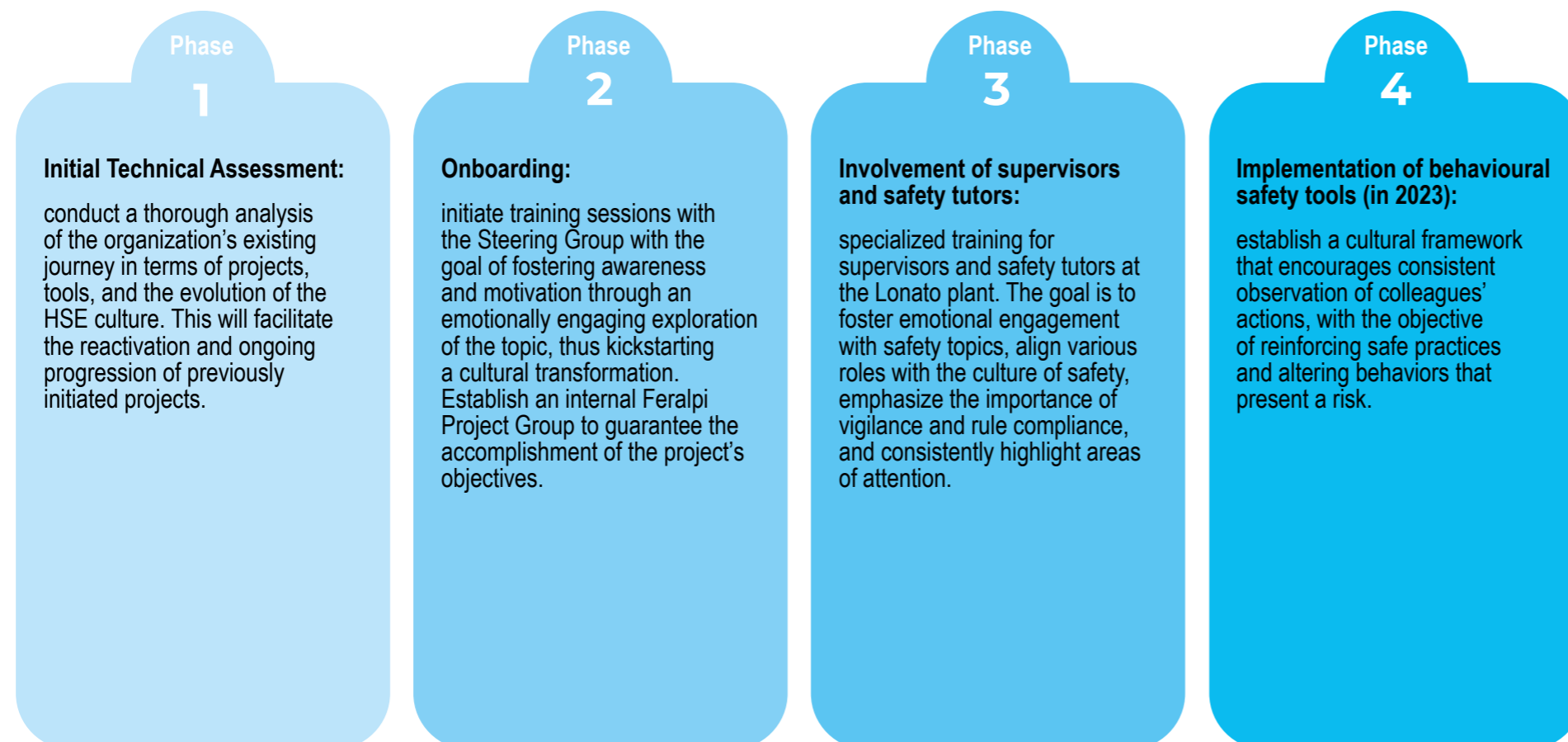


Health and Safety for all

The safety of workers must be a top **priority**.

Feralpi is committed to the ongoing improvement of plants, environments, and working procedures, implementing a preventative strategy with the goal of identifying and defining investments and policies for enhanced safety. Furthermore, the Group aims to raise awareness about these matters.

The aim is to create a **culture of safety** and to reduce the level of risk as much as possible through continuous monitoring and interventions that enable continuous improvement.



Insights

Read

- Read chapter 5.2. of the DNF "Protecting people: health and safety in the workplace" >



We are Safety

The year 2022 marked the initiation of the "**We Are Safety**" project, devoted to a cultural shift regarding safety. This complements the regular health and safety training activities and ongoing technological advancements in the field. The specific objectives of the project are:

- To encourage safe behaviors through unconventional training methodologies;
- To build soft skills in managers and supervisors for staff management and handling complex situations;
- To empower everyone to better interpret their role concerning Feralpi Group's policies and values;
- To make each individual an active part of the cultural change process related to health and safety.



Protection of rights and diversity of individuals

Feralpi conducts its operations in accordance with the principles enshrined in the International Charter of Human Rights, the fundamental conventions of the **International Labour Organisation (ILO)**, the **Organisation for Economic Cooperation and Development (OECD)** guidelines for Multinational Enterprises, and the ten principles of the United Nations Global Compact. Furthermore, Feralpi upholds the principles and values delineated in the Group's Code of Ethics.

In Feralpi, there is a **flexible benefit system**. This system allows the use of goods and services through a dedicated platform (marketplace using welfare credits).

In addition to the safety management system, Feralpi is also active in the protection and safeguarding of corporate health, through prevention and awareness measures.

Since 2013, the Feralpi Group has been a member of the **WHP - Workplace Health Promotion Network**.



Global culture

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



Gender balance

Work has been done on the development of several projects to promote STEM professions among girls in local schools.



Inclusive leadership

A wide-ranging training project proposal was worked on, which also had management awareness as its focus.



Collective responsibility

The members of the D&I Working Group were activated to propose projects on the four pillars and participated in territorial initiatives on D&I issues.



Insights

Read

- Read chapter 5.3. of the DNF "Human Rights and Diversity, Equity, Inclusion" >

Diversity, Equity, Inclusion

Aligned with the stance of the European Commission, which regards the diversity of individuals in terms of age, sexual orientation, gender identity, ethnicity, religion, and ability as an inherent value of individual uniqueness, Feralpi actively champions these issues. We uphold the values stated in the Group's Code of Ethics, adhere to the United Nations Universal Declaration of Human Rights, and abide by the **principles of the Global Compact**, to which we are signatories.

Contributing to the
transformation of the steel
industry

Business continuity
in the current context

The Feralpi product:
Quality, Sustainability,
Innovation

The challenges
of decarbonisation and
circularity

Guaranteeing rights, Safety,
and development of individuals
in their uniqueness



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