Integrated Report

2024

FERALPI GROUP

Integrated Report

2024

Index

Letter from the Chairman

Dear Stakeholders,

2024 and the early months of 2025 present us with a scenario that has failed to bring a positive change to the global context, both socially and economically. The ongoing military conflicts, with epicentres both in Ukraine and the Middle East, have resonated throughout the year, and only in the early months of 2025 do possible peace scenarios seem to be emerging, although still too fragile. As of the day I am writing to you, the global political landscape has experienced significant shifts: in the USA with the rise of a new president, in our Europe with the formation of a new European Commission, and most recently, in Germany with elections that will lead to a new government.

In this context, the economic dynamics have incorporated all the tensions and uncertainties, as in the most traditional models, with an intensification of regionalisation processes that have distanced the Western bloc from the Eastern one. Our home, Europe, risks becoming like an earthenware pot between two iron pots, focusing too much on regulation and not enough on establishing the conditions to act as a united player capable of countering giants like the USA and China. We need a more cohesive, more responsive, more operational Europe.

In spite of this, our Group has consolidated its belief in the growing necessity to develop a business model that not only withstands crises, but also aligns ongoing operations with the achievement of environmental and social sustainability objectives. Guided by this belief, we have voluntarily produced the second edition of the Integrated Report, reaffirming the importance of providing transparent and comprehensive financial and sustainability information. While engaging with a European regulatory context on ESG reporting currently under review, the Group has decided to continue with the voluntary adoption of new significant regulatory frameworks, including the European Taxonomy and the CSRD Directive on sustainability reporting. To make it easier to read and understand, you have in your hands a document of more immediate readability and integrated in its sections.

The document reflects the Group's strategic and pragmatic vision with clear commitments and stated targets towards which we aim through a multi-lever action plan. In 2024, even with a slowdown in steel demand in Europe, Feralpi continued to invest significantly in line with its industrial plan to expand the range and depth of its offerings, to be more flexible thanks to efficient plants capable of producing low-impact steel through the electrification of production processes where possible, the replacement or reduction of the use of natural resources and fossil fuels, and the support of renewable energy. Two substantial investments are moving precisely in this direction. They will become operational in 2025 and will redesign the Group's industrial profile by strengthening it in terms of volume, range, and low environmental impact, with the *Environmental Product Declaration* (EPD) reaching the top of the market. These investments include the new Rolling Mill B in Riesa to produce the first spooler up to 8 tonnes, the first made in Germany from a zero Scope 1 direct emissions plant, and the new spooler line in Lonato del Garda, which completes our offering with a high-quality product.

In other words, we can be even more competitive in international markets, reconciling business with the purpose "*To produce and grow with respect for humanity and the environment*" of Feralpi's founder, Carlo Pasini, whose birth centenary was in 2024.

To do so, it is necessary to evolve continuously. Pursuing a constant commitment to sustainability and operational excellence, we continually invest in Research and Development, a crucial activity to reduce the environmental impacts of our activities and constantly improve production performance.

To achieve a real transformation, technologies alone are not enough. A company is sustainable when it embodies a social role that values people and respects their individuality. In this context, we have accelerated and strengthened our DEI (*Diversity, Equity and Inclusion*) activities, successfully implementing projects to promote the inclusion of female staff in a traditionally male-dominated sector. We have also maintained our engagement with our stakeholders, from employees to participants in our value chains, as genuine transformation cannot occur without collaboration. Each company is indeed a crucial node that intersects the local dimension, where our plants operate, with the international dimension of the market.

We therefore look to the future with confidence. Driven by clear goals, we pursue them steadfastly, supported by capable and motivated individuals, and equipped with efficient technologies and processes with reduced environmental impact. All this, along with an exceptionally broad and high-quality range of offerings, represents the value we provide to those who wish to face the challenges ahead together.

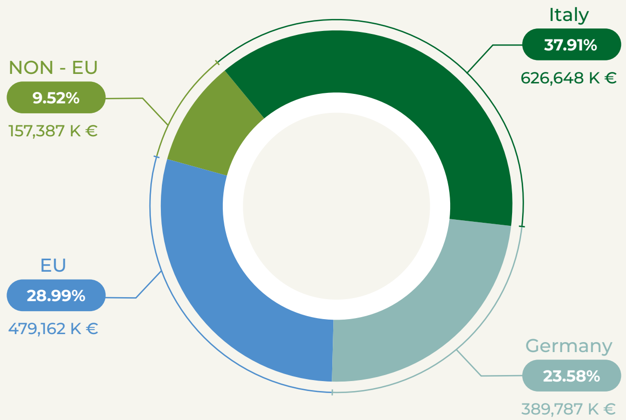
Happy reading.

Giuseppe Pasini
Chairman of Feralpi Group

Financial and Economic

1,652,984 K € | REVENUES IN 2024

SALES REVENUE
BY TARGET AREA



27,645 K € | EBITDA

180,877 K € | GROSS OVERALL VALUE ADDED

1,051,205 K € | NET INVESTED CAPITAL

Production and Innovation

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

223,111 K € | GROUP TECHNICAL INVESTMENTS

>80% | STRATEGIC INVESTMENTS WITH ESG CONTENT

10 | FUNDED RESEARCH PROJECTS

Environmental

0.330 t CO_2e/t	SPECIFIC CO_2 EMISSIONS
714,780 t CO_2e	INDIRECT SCOPE 2 EMISSIONS (CATEGORY 2- ISO 14064-1)
2.07 GJ/t	ENERGY INTENSITY PER t OF PRODUCT (BILLET) +1.47% over 2023
91%	RESIDUES IN CIRCULAR PROCESSES
98.60%	MINIMUM RECYCLED CONTENT

Social

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

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

Foreword

Feralpi Group's integrated approach report and directions for reading the document.

As further demonstration of its commitment to sustainability and its integration with corporate strategies, Feralpi Group presents the second edition of its annual report with an integrated approach. This method allows for the integration of financial performance reporting with the communication of environmental, social, and governance (ESG) information, offering stakeholders a comprehensive and transparent view of the value generated by the Group and the strategies adopted to ensure its sustainable continuity in the short, medium, and long term.

The adoption of integrated reporting reflects not only the Group's intent to ensure transparency and effective communication with its stakeholders, but also to anticipate future regulatory obligations introduced by the *Corporate Sustainability Reporting Directive* - CSRD (Directive 2022/2464). The CSRD redefines the framework of sustainability reporting, expanding the range of companies subject to reporting obligations, introducing new standards (ESRS - *European Sustainability Reporting Standards*, developed by EFRAG - *European Financial Reporting Advisory Group*) and providing for the progressive integration of sustainability into the Report on Operations.

The document was revised by adopting an approach aimed at simplifying the language, making the presentation of information clearer, and optimising the structure of the text. Repetitions were reduced and coherence between sections improved, facilitating a smoother integration of content.

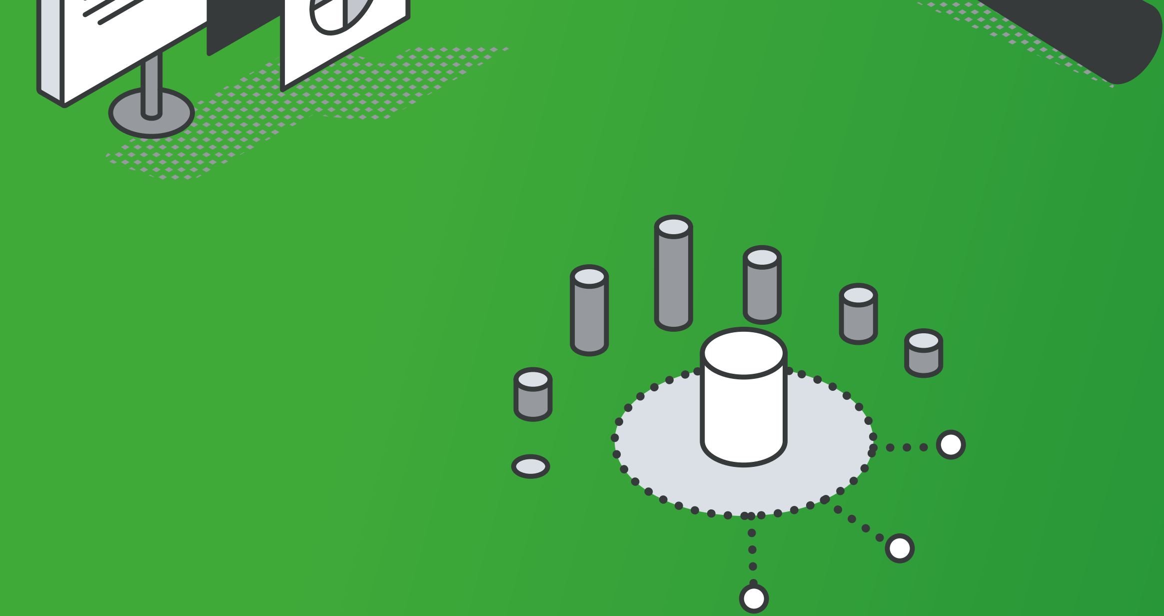
The aim is to ensure effective and accessible communication, facilitating the understanding of ESG data and their impact. This intervention contributes to aligning the document with ESRS standards, improving the quality of reporting and usability for stakeholders.

Feralpi has adopted this approach following the most recent international guidelines, with the aim of gradually aligning with the methodology required by the CSRD for double materiality. Under this standard, companies must not only disclose the societal and environmental impacts of their operations but also identify, evaluate, prioritise, and monitor the risks and opportunities that could influence the company's financial variables.

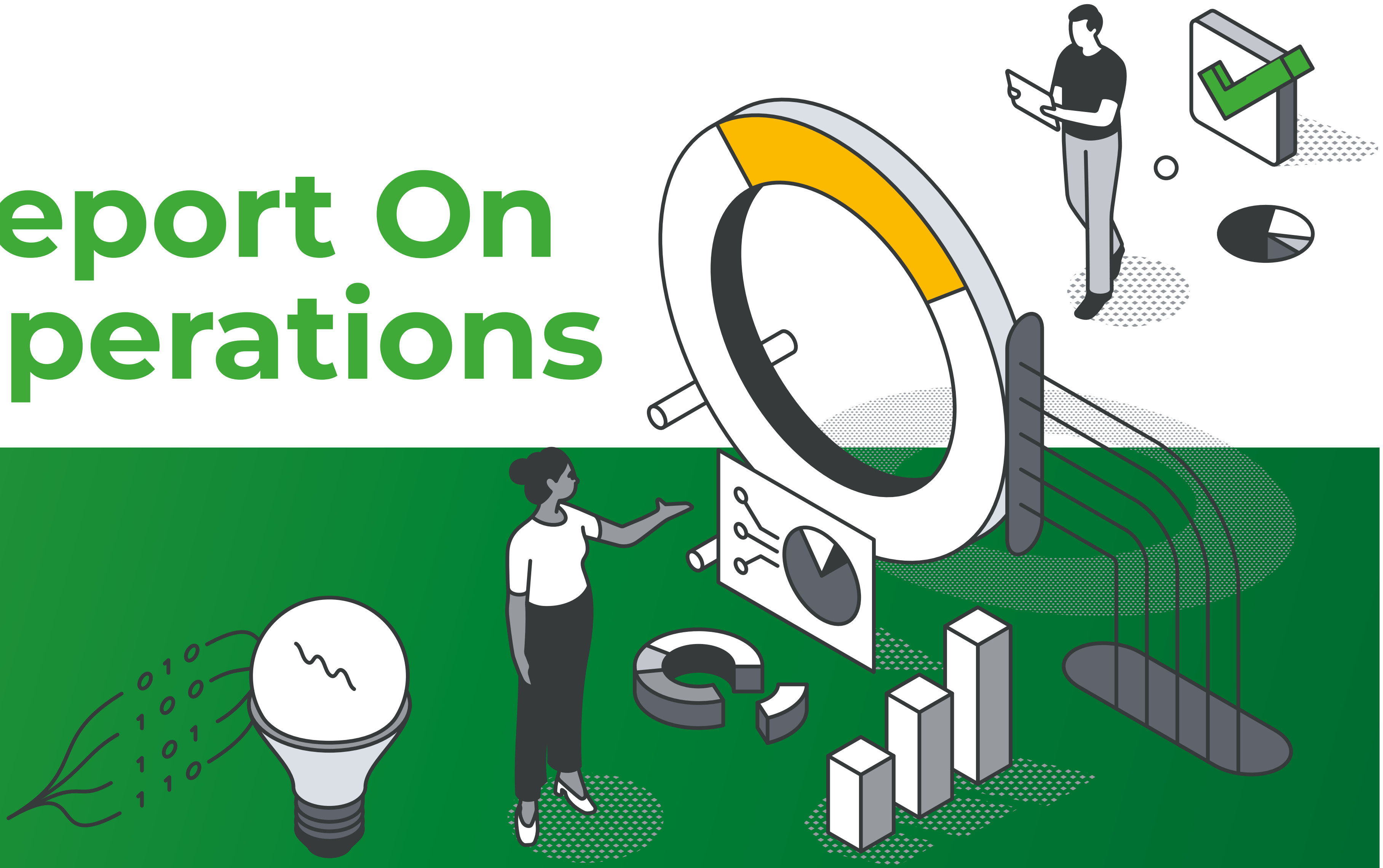
The anticipation of these requirements reflects Feralpi's awareness of the growing importance of assessing impacts, risks, and opportunities along the value chain. This aspect will play an increasingly central role in defining the Group's strategy, conducting its activities, and preparing the annual report for stakeholders.

Finally, some of the information required by GRI or otherwise associated with the material topics identified have been integrated or expanded upon in other sections of the Report on Operations. This choice stems from their close connection with financial issues and the Group's overall vision. This information can be easily found in the GRI Content Index available in the Appendix of the Voluntary Consolidated Sustainability Report.

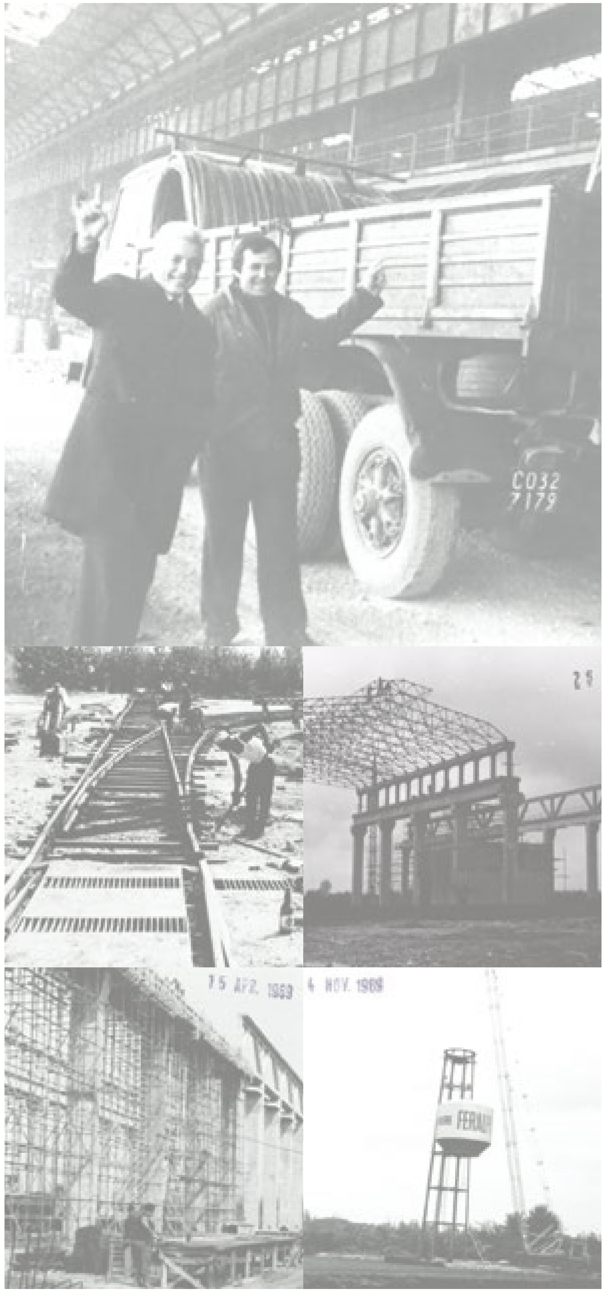
REPORT ON OPERATIONS



Report On Operations



1. The history of Feralpi Group



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

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

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

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

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

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

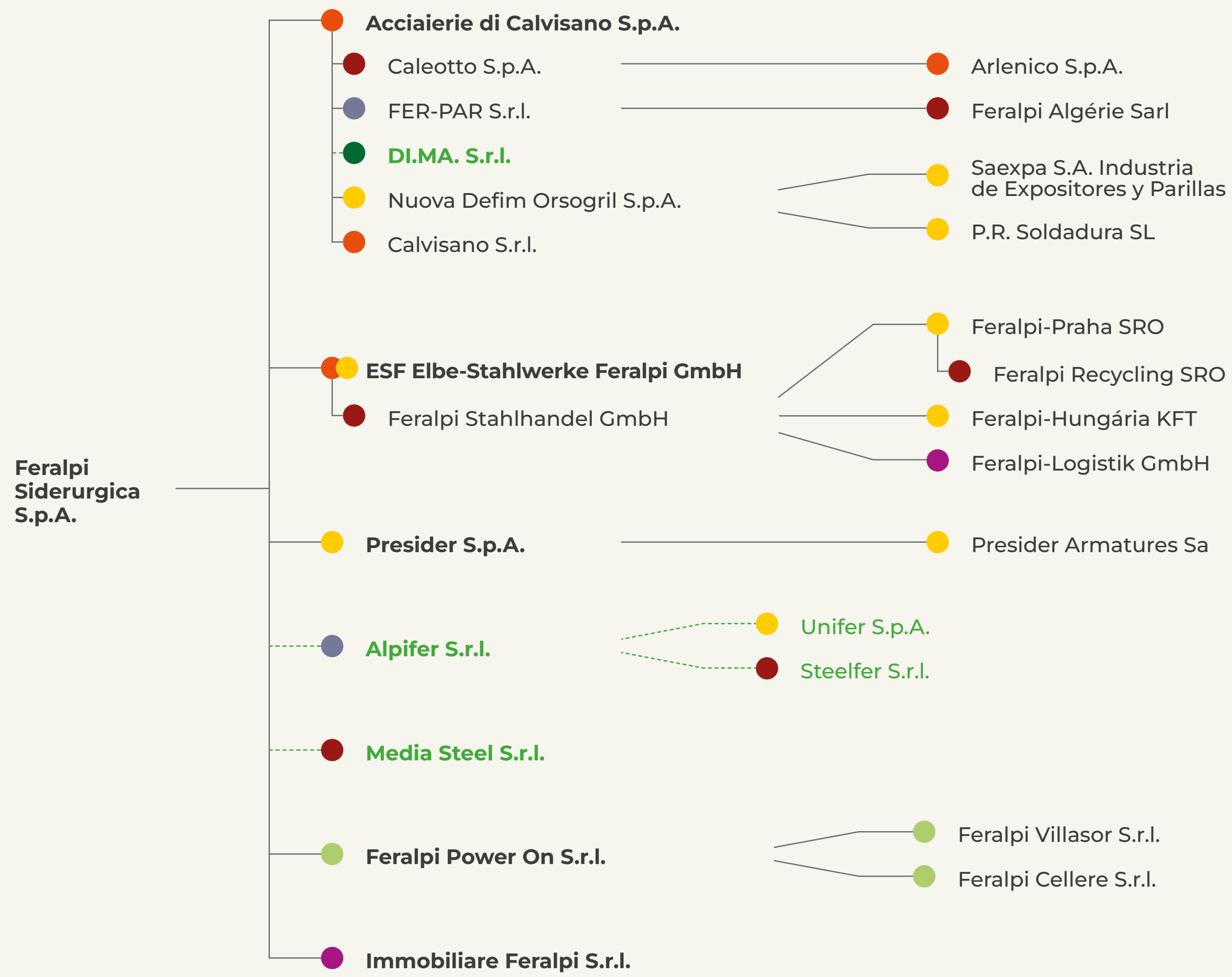
Organisation chart
Feralpi Group

LEGEND

Control ——
Interest ------

- Steel business
- Cold drawn steel - downstream products
- Trading
- Equity Investment Management

- Environment
- Other
- Energies from renewable sources



Effective 29 April 2025, Nuova Defim Orsogril S.p.A. changed its name to Defim Orsogril S.p.A.

2. The Group structure

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

Reference markets for Feralpi products

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

1 Construction Steel

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

The Italy business unit focuses on the markets in Italy, France, Switzerland and Austria, while the Germany business unit focuses on the markets in Germany and Eastern Europe.

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

GERMANY	
ESF Elbe-Stahlwerke Feralpi *Riesa*	Production of steel billets, reinforcing steel in bar and coil, smooth and ribbed wire rod, recoiled wire, drawn wire and welded mesh.
Feralpi Stahlhandel *Riesa*	Business services.
Feralpi-Logistik *Riesa*	Logistics services.
CZECH REPUBLIC	
Feralpi-Praha *Kralupy*	Production and sale of welded mesh, drawn wire in coil and bar.
HUNGARY	
Feralpi-Hungária *Budapest*	Production and sale of welded mesh and downstream products.
ALGERIA	
Feralpi Algérie *Orano*	Business services.

2 Specialties

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

ITALY	
Acciaierie di Calvisano *Calvisano, Brescia*	Billet production, mainly for quality steel.
Caleotto *Lecco*	Marketing of wire rod in quality steels.
Arlenico *Lecco*	Production of quality steel wire rod for Caleotto.
Nuova Defim Orsogril *Anzano del Parco* *Alzate Brianza, Como*	Production of welded mesh, grating, fencing.
SPAIN	
Gruppo Saexpa *Barcelona; Ripoli*	Wire and tape processing for the logistics world.

3 Energy

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

ITALY	
Feralpi Power On *Lonato del Garda, Brescia*	Development and operation of power generation facilities mainly from renewable sources.

3. The Feralpi Group's business

The Feralpi Group's business

Our Vision
Produce and grow with respect for man and the environment.
(Carlo Nicola Pasini 1968)

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

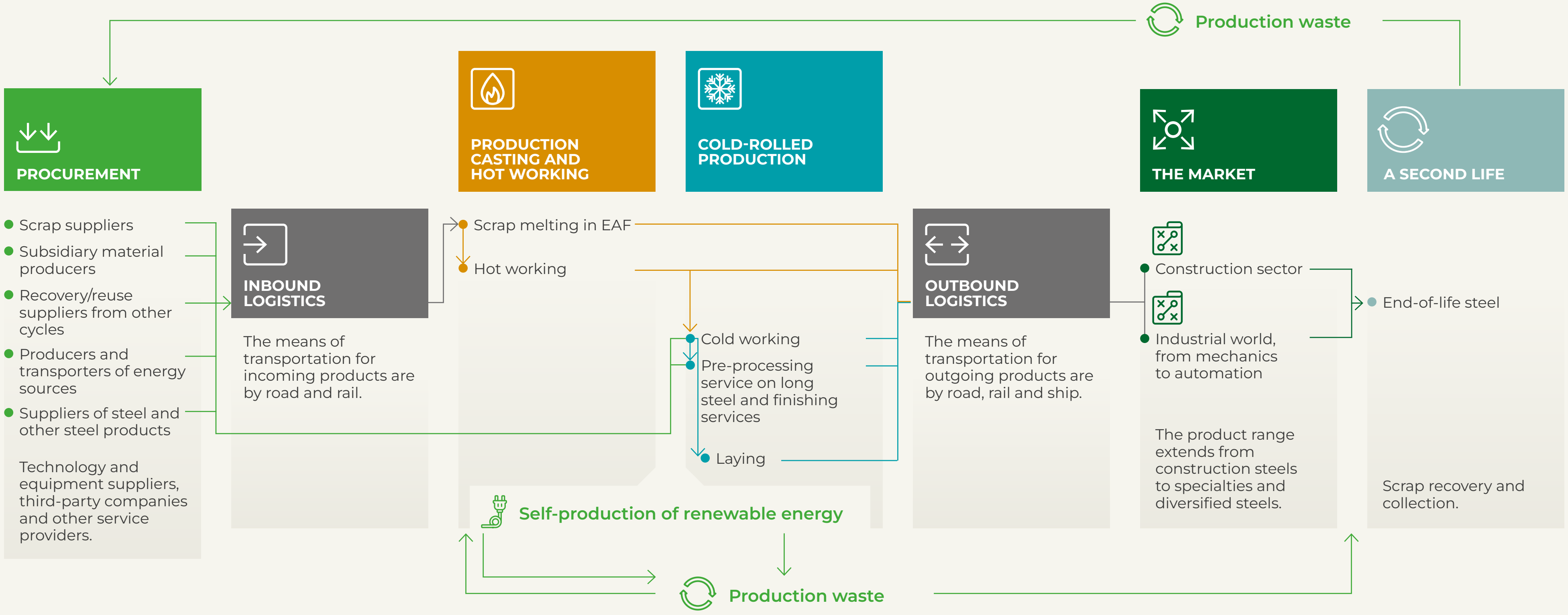
Our Value Proposition
Producing the best steel for construction and mechanical engineering in the most sustainable way possible, contributing to the economic and social progress of communities, to the enhancement of the territory and to the welfare of workers, while engaging in the transition towards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

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

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

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

The value chain: from raw material to products



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

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

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

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

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

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

Actors external to Feralpi Group | Internal workflow Feralpi Group | External actors and Feralpi Group | Actors external to Feralpi Group

* See the Group Locations map in *[section 2. The Group structure]* for the geographical location of the plants.

Products

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

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

Customers

CUSTOM CONSTRUCTION AND MACHINING SUPPLIERS

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

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

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

AUTOMOTIVE, INDUSTRIAL PROCESSING AND AGRICULTURAL SECTOR

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

Business Model

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

Similar to the **Steel for Construction Italy business unit**, the Steel for Construction Germany business unit is characterised by a high level of plant efficiency, a solid sales network, a comprehensive offering, and proximity to markets. The **Specialties business unit** was created to strengthen the strategy of diversification and integration downstream of the business. It is characterised by its well-established relationship with its customers, its product range being expanded towards larger diameters and its customised services. The product portfolio consists of quality steel billets and wire rod. The range is supplemented by additional processing such as heat and surface treatments.

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

The **Energy division** aims to contribute to achieving Feralpi Group's targets in terms of: reduction of CO_2 emissions by reducing Scope 2 emissions; increasing profitability by producing energy at competitive costs compared to market purchase prices; mitigating supply risk through self-generation. Customers are represented exclusively by Feralpi Group companies.

Competitive advantages of Feralpi Group

Feralpi operates in a sector in the midst of major challenges in terms of climate change, digital revolution, global welfare and the stability of the global geopolitical system. A responsible approach to social and environmental issues has a positive impact on the creation of lasting value for Feralpi's stakeholders; this approach integrates ESG aspects and risk management into the long-term strategy. In a competitive environment characterised by some stable long-term trends and significant changes, Feralpi can rely on the following competitive advantages, which constitute the levers on which the Group bases its strategy.

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

3.1 Megatrends

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

Climate Change

2024 was both the **warmest year on record** and **the first calendar year in which the global average temperature exceeded 1.5 °C above pre-industrial levels**, as highlighted by data from the *Copernicus Climate Change Service*. Surpassing this threshold for just one year does not mean breaching the 1.5°C temperature limit set by the Paris Agreement, which is calculated as an average over time and not within a single year. However, the timeframes to avoid exceeding this limit are getting shorter and shorter, making it urgent to accelerate decarbonisation. A strong commitment is needed throughout all value chains through technological innovations, renewable energies, and new models of production and consumption.

Global instability

The global geopolitical context remains characterised by a situation of general instability due to the continuation of the **Russian-Ukrainian conflict** and **tensions in the Middle East and Pacific Ocean**.

In this scenario, the world becomes increasingly fragmented economically and politically, marked by a resurgence of protectionism, which affects value chains in terms of logistics, energy supply, and raw materials.

ESG regulation
The evolution of ESG regulations continues: 2024 was the first year of implementation of the ***Corporate Sustainability Reporting Directive*** **(CSRD)** transposed into Italian national legislation by Legislative Decree 125/2024 published in September 2024. Moreover, the endorsement process for the ***Corporate Sustainability Due Diligence Directive*** **(CSDDD)**, which mandates companies to identify, map, and mitigate environmental and social impacts across the entire supply chain, has been finalised. The European Commission introduced the **Omnibus Package** in February 2025, a proposal to streamline and integrate the CSRD, CSDDD, and Taxonomy Regulation, with its final outcome still unpredictable. In addition, new regulations have been enacted to address the risk of **greenwashing**. In the rest of the world, on one hand, new national ESG disclosure standards have emerged in countries like China, whereas on the other hand, in the United States, the sustainability regulation context seems uncertain following the new administration's inauguration.

Sustainable and resilient supply chain
To effectively tackle the ongoing environmental and social transformations, companies are urged to more thoroughly **evaluate ESG impacts throughout their production chains**. In terms of risk mitigation and operational efficiency, it is essential for companies to collaborate with suppliers who share their values and operate with respect for the environment and the human rights of workers and local communities. The adoption of sustainable practices can be a fundamental driver for ensuring supply chain resilience in an increasingly uncertain global context from an economic and geopolitical perspective.

Innovation, Digital & AI
The intelligent adoption of new technologies is essential to remain relevant and competitive in a constantly changing world. The new l**ow-carbon technologies** are an essential tool for companies to offer new, more sustainable solutions to the market. Generative **Artificial Intelligence** (AI) technologies have experienced an unprecedented spread thanks to the adoption of ***Large Language Models*** **(LLM)** by large technology companies. However, this expansion has increased **cybersecurity risks**, which can compromise the security and integrity of corporate information, as well as ethical aspects concerning employees.

Empowerment of the workforce
The well-being and development of people's skills are increasingly central in a rapidly changing working environment. Globalisation and new technologies continue to profoundly transform many sectors, while the search for a work-life balance is becoming more of a priority, especially for younger generations. Companies and governments are called to evaluate policies capable of promoting well-being, attracting talent, and developing skills, ensuring sustainable economic growth and long-term success in a gradually more competitive global environment.

Diversity, Equity & Inclusion
Despite equal opportunity policies being at the centre of various controversies, in a globalised and international business context, recognising and valuing differences is essential for attracting and retaining talent. By committing **to guarantee the same rights and opportunities** for all, regardless of elements such as gender, background, or religious orientation, businesses can bolster their social licence and, through embracing diverse viewpoints, encourage innovation and productivity.

Use of resources
The transition towards a **new sustainable economic model** requires a global rethinking of production and consumption patterns. To ensure a reduction in the use of non-renewable resources, it is necessary to reduce waste and extend the life cycle of products, through re-use, repair and recycling of products and materials. We must also work to preserve natural systems, promoting the most harmonious coexistence possible between human activities and the ecosystem as a whole.

Evolving business models
ESG factors play an increasingly important role in the life of companies, which society asks to be **agents of change** and **to contribute to today's major environmental and social challenges**. This is why companies are urged to develop and adopt a more socially and environmentally conscious approach. Companies are called upon to take responsibility for the impacts they generate through their activities and to integrate ESG considerations into their strategies and governance models.

3.2 The market environment and steel production

	DEC 2024 (Mt)	VAR. % | DEC 24/23	JAN-DEC 2024 (Mt)	VAR. % | JAN-DEC 24/23
Africa	1.9	-1.0	22.3	1.0
Asia and Oceania	106.3	9.0	1,357.8	-1.0
EU (27)	9.6	7.2	129.5	2.6
Europe, Others	3.3	-14.3	43.2	3.4
Middle East	4.6	-4.5	54.1	0.5
North America	8.8	-4.3	105.9	-4.2
Russia & other CIS + Ukraine	6.8	-6.8	84.8	-4.2
South America	3.1	-3.8	41.9	0.6
TOTAL 71 COUNTRIES	**144.5**	**5.6**	**1,839.4**	**-0.9**

According to data recorded by the World Steel Association, the year 2024 shows a slight decline in crude steel produced worldwide with volumes of 1,839.4 million tonnes, 0.9% less than the figure for the year 2023.

RANK	COUNTRY	2024 Mt	2023 Mt	% | 2024/2023
1	China	1,005.1	1,022.5	-1.7
2	India	149.6	140.8	6.3
3	Japan	84.0	87.0	-3.4
4	United States	79.5	81.4	-2.4
5	Russia (e)	70.7	76.0	-7.0
6	South Korea	63.5	66.7	-4.7
7	Germany	37.2	35.4	5.2
8	Türkiye	36.9	33.7	9.4
9	Brazil	33.7	32.0	5.3
10	Iran	31.0	30.7	0.8
11	Vietnam (e)	22.1	19.2	14.9
12	Italy	20.0	21.1	-5.0
13	Taiwan, China (e)	19.1	19.1	-0.3
14	Indonesia (e)	17.0	16.8	0.9
15	Mexico (e)	13.7	16.4	-16.5
16	Canada (e)	12.2	12.2	0.1
17	Spain	11.8	11.4	3.3
18	France	10.8	10.0	7.6
19	Egypt	10.7	10.4	3.6
20	Saudi Arabia	9.6	9.9	-3.4
	Others	144.5	145.2	-0.5
	World	**1,882.6**	**1,897.9**	**-0.8**

Among the world's leading producers, China, Japan, the United States, Russia and South Korea reported 2024 production down from 2023 values, while India, Germany, Turkey, and Brazil reported increased production.

In Italy, crude steel production in 2024 was around 20 million tonnes, a decrease of 5% compared to 2023. This is the lowest level since 2009, when volumes stood at 19.8 million tonnes.

In terms of hot-rolled products, long steel production held steady at 11.7 million tonnes, a minor decrease of 0.2% compared to 2023. However, the output of flat products experienced a 9.7% drop, reducing to 8.6 million tonnes. The overall balance of Italian steel production was negative due to weak demand both domestically and internationally, which was in turn caused by global economic uncertainty and crises in key sectors like the automotive industry. To this must be added the high production costs, especially energy costs, which have put pressure on the competitiveness of Italian steelmakers.

According to Eurofer's *Economic and Steel Market Outlook 2025*, the downturn in the steel market that began in the second half of 2022 persisted through to the third quarter of 2024.

The drop in apparent steel consumption within the EU indicates weak demand and stems from unprecedented surges in energy prices, rising production costs, global economic uncertainty, elevated interest rates before the recent cuts, and general fragility in production.

The direct impact of the conflict in Ukraine and the energy shock on steel-consuming industries, alongside the deteriorating general economic outlook, triggered a severe recession (-8%) as early as 2022. These prolonged negative factors further affected apparent steel consumption in 2023, with a further annual decrease (-6%). This is the fourth annual recession in the last five years.

Apparent steel consumption is anticipated to increase by +2.2% in 2025, influenced by a promising industrial outlook and the easing of global tensions, currently unpredictable.

3.3 The energy market context

The European steel industry is contending with a complicated and uncertain energy landscape, marked by significant disparities in energy costs not only when compared to non-European economies but also among the EU Member States themselves.

Italy, heavily dependent on natural gas for electricity generation, suffers from the combined effect of increasing gas prices and CO_2 costs in the ETS (*European Trading Scheme*), making energy costs less competitive compared to countries with a more diversified energy mix.

In 2024, the wholesale electricity price in Italy was indeed 38% higher than in Germany, 87% higher than in France, and 72% higher than in Spain, further intensifying the cost pressure on Italian steel companies.

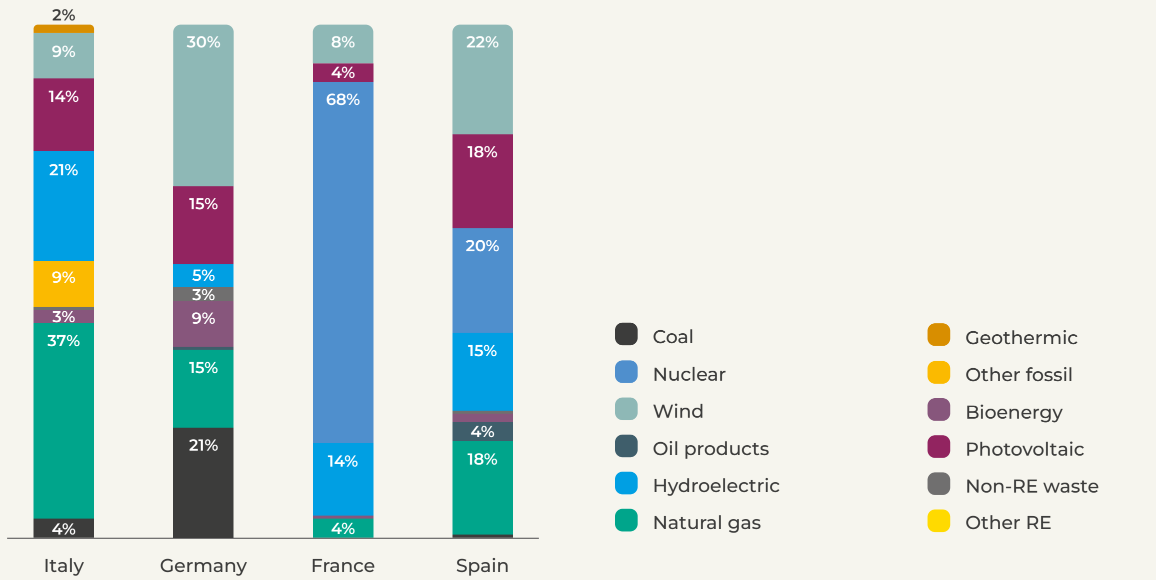
The lack of an effective separation between the determination of electricity pricing and that of natural gas, coupled with uncertainties related to supply security due to the current geopolitical situation, further strains the competitiveness of the Italian steel sector.

The scenario shows no clear signs of improvement, since the initial months of 2025 have been marked by further uncertainties, such as the stoppage of Russian gas supplies to the EU through Ukraine and a rapid decline in gas storage levels, which have fallen below the average of the last five years in the EU.

The further evolution of the European context might also be contributed to by the upcoming European and national policies, which aim to support EU manufacturing in terms of competitiveness and decarbonisation.

Electricity generation mix

YEAR 2024 - %



Own reworking of Eurelectric data https://electricity-data.eurelectric.org/

4. Strategy and investments of Feralpi Group

4.1 Strategic Guidelines

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

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

The increase in electricity and gas costs is impacting and will continue to impact the energy-intensive electro-steel industry, causing a competitive disadvantage with respect to the full steel industry (which uses hard coal). Finally, the phased elimination of the free allocation of CO_2 ETS allowances by 2034 could lead to higher operating costs for market participants; conversely, if suitably adapted, the CBAM (*Carbon Border Adjustment Mechanism*) regulation could result in a competitive gain against imported steel.

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

No less important was the centrality of the DEI (*Diversity, Equity and Inclusion*) path so that each Group company could offer a safe, secure and inclusive working environment for all, where everyone can feel free to give the best of themselves in full respect of their identity and, more generally, of all human rights. This vision is encapsulated in the DEI policy, which Feralpi structures into four pillars: global culture, inclusive leadership, gender balance and collective responsibility.

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

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

- **Growing demand** for recoiled product in construction
- Growing demand from **Eastern European markets** (net importers)
- **Growing demand for green products** still without a clear winning player
- **PNRR (National Recovery and Resilience Plan) investments in infrastructure** in Italy

Exogenous factors

- **Shrinking demand** for rebar oversupply, especially in Italy
- **Scrap shortage** and rising prices
- **High energy costs** with direct impacts on margins
- **Regulatory limits** on emissions

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

Growing beyond the current domains
Gaining market share Scope 2 in neighbouring countries for construction steels, and in high-margin applications for special steels

Expanding as a *"one-stop shop"*
Responding to customer needs with a flexible and comprehensive product offering: coiled, extended special range

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

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

Turning sustainability into an advantage
Set ambitious CO_2 emission reduction targets that differentiate Feralpi and have an impact on the Planet

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

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

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

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

SCOPE	DECARBONISATION TOOL	TOOL DESCRIPTION
Scope 1	PROCESS ELECTRIFICATION	Implementation of **induction or conduction heating** for billet rolling, possible experimentation with electric burners and resistance heating.
Scope 1	THERMAL RECOVERY AND ENERGY EFFICIENCY	Enhancement of thermal recovery to serve both **internal and external district heating**. Energy efficiency with a view to operational excellence, combining the multiple effects of individual initiatives (e.g., regenerative burners, heat recuperators).
Scope 1	USE OF GREEN FUELS (BIOMETHANE AND H2)	Replacement of natural gas in (non-electrified) furnaces with: ◇ **Biomethane**: in Italy, consider the interest in the "Green Metals" consortium; in Germany, agreements with local producers are possible. ◇ **Hydrogen for Riesa**: considering planned developments of the hydrogen pipeline network in the country, possible utilisation from 2028.
Scope 1	USE OF COAL SUBSTITUTE MATERIALS	**Use of raw materials with a higher biogenic carbon content**, continuing the implementation process already started in previous years. The search for alternative materials to fossil carbon continues.
Scope 2	ENERGY EFFICIENCY AND HEAT RECOVERY	◇ **Energy efficiency** with a view to operational excellence, combining the multiple effects of individual initiatives (e.g., IE5 motors, auxiliary optimisation, Power Quality systems). ◇ **Possible heat recovery** for internal electricity generation via ORC.
Scope 2	SELF-PRODUCTION FROM RENEWABLE PLANTS	**Implementation of investments for renewable electricity generation** in Italy and Germany, especially with solar technology, subject to implementation capacity.
Scope 2	PURCHASE OF GdO / GREEN PPA	◇ **Guarantees of Origin**: Purchase of expendable certificates to certify renewable electricity consumption, allow decoupling of energy purchase and guarantee of renewability. ◇ **PPA**: Purchase of electricity with a contract linked to a specific renewable generation plant, with established volumes and price calculation formula. First volumes planned from 2026.

From an ESG perspective, the Group is committed to:

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

4.2 State of implementation of Strategic Investments

In order to execute the Business Plan, investment projects were carried out during the year 2024, some of which are a continuation of initiatives already started in previous years. In particular:

Steel for Construction Italy business unit
Feralpi Siderurgica S.p.A.

Steel mill

The new 135 MVA Tamini transformer for furnace and LF power supply was installed in the substation to replace the 100 MVA transformer, ensuring operational continuity and flexibility with the twin 135 MVA transformer.

The new vertical rack warehouse for storing refractory materials has been constructed in the new facility to optimise warehouse space.

Rolling mills

The assembly of the new Spooler line for the production of spoolings has been completed, and by the end of 2024, initial trials for the production of the new hot spooled coil began, with full production set to start at the beginning of the 2025 financial year. The new line will be able to produce spools up to 8 tonnes.

The relocation of the reheating furnace chimney and the associated methane ramps has been completed. This work is preparatory to the foundation work for the future billet reheating machine using "electro-conduction" at Rolling Mill 2, which is scheduled to commence operations in mid-2025. The new conduction reheating machine has the advantage of reducing methane consumption at the reheating furnace, reducing scale, reducing Scope 1 CO_2 emissions and optimising the mixed charge.

A new 75 MVA auxiliary transformer was installed in the substation to replace the 60 MVA transformer in order to meet the needs of the new rolling mill utilities (inductors, welding machine, spooler system, etc.).

Derivatives Area

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

Logistics and infrastructure

The commissioning of the new osmosis water treatment plant for the steel mill and rolling mill 1 has been completed.

A 437 kWp photovoltaic system was installed on the roof of the new refractory shed.

LEGEND

Industrial commitment

Environmental Commitment

Product Quality

Presider S.p.A.
Borgaro

The necessary works for changing the layout of the factory were carried out. In particular, to enhance productivity and ensure the safety of the production teams, certain production machines were modified and relocated, while others underwent refurbishment. Action was also taken on the warehouses to rationalise the quantities of material in stock.

Presider S.p.A.
Pomezia

The works related to the special project for the expansion of the production facility have been carried out, specifically the construction of a new prefabricated shed of approximately 2,500 square metres and related appurtenances. Work was carried out on the electrical systems and the compressed air system, and the smoke extraction system and the CO_2 distribution system were installed.

Presider S.p.A.
Nave

Two new overhead cranes have been installed in the production span of the assembled product.

Steel for Construction Germany business unit
ESF Elbe-Stahlwerke Feralpi GmbH

Steel mill

New equipment has been ordered for the EAF furnace, including a slag door manipulator and a sampling/temperature robot. Installation is planned for the summer of 2025. This investment is essential to ensure safe conditions for the EAF and is part of the “no man on the floor” strategy. This action reduces EAF downtime and improves the energy efficiency of the process.

Both EAF furnace vats have been equipped with new OXYMOTM burner technology to improve process efficiency.

The initial engineering steps for modernising the ladle furnace were developed as part of the measures to increase the capacity of the steel mill. The project is in the implementation phase and will be carried out in several phases in 2025-2027.

Rolling mill

A new billet transfer system has been put into operation between the existing steel mill and the new rolling mill.

The new rolling mill B has been assembled and the commissioning process for the new production line is underway.

Logistics and infrastructure

The construction of a new electrical substation has been completed, which will enhance the efficiency of the electrical systems and supply the necessary electricity for the new Plant B and all anticipated energy users.

Specialties Business Unit
Acciaierie di Calvisano S.p.A.

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

Steel mill

A new silo has been installed specifically for the injection of polymers or other carbon substitutes to optimise the injection process and enhance material management.

A new extractor hood for the EAF furnace and two extractor hoods for the ladle furnace area have been constructed. The new larger hood allows for an increase in the efficiency of the fume extraction and treatment process.

The creation of two billet storage areas with controlled cooling has been completed in order to improve the quality of the finished product.

Arlenico S.p.A.

Rolling mill

The construction site for a new coil bar plant has been completed.

The studies and engineering for the construction of a district heating plant have been completed.

A new area adjacent to the facility was acquired.

Diversified Products Business Unit

Saexpa S.p.A.

The first stage of development has started for the new building that will host Saexpa, including compressors, evaporative towers, and lighting.

Nuova Defim S.p.A.

Installed the new edging system for the grating.

Studies and engineering for the new grating plant whose expected arrival date is in 2025.

LEGEND

Industrial commitment

Environmental Commitment

Product Quality

Energy Division

To cover part of its electricity demand for 2030, the Group has approved investments in solar power plants and is exploring wind energy projects. Photovoltaic plants are planned in areas outside the production sites located in different Italian regions and, to a lesser extent, in areas where production activities are carried out. For the latter, almost all the plants have been completed; their commissioning occurred gradually throughout the year 2024, and for the remaining part, it will happen in the near future.

In light of the significant regulatory changes concerning support for energy-intensive companies, particularly Energy Release and FerX; the fluctuating electricity market prices, and the ongoing uncertainties related to the approval times for building renewable energy plants, during the year 2024, some investment initiatives have been partially revised in content and timing, while others have been abandoned. In particular, the investment for which a building permit application is pending at the municipality of Villasor (Cagliari) is currently under review. Conversely, in the financial year 2024, due diligence activities were performed to acquire the necessary permissions for building certain plants, and new opportunities were sought using more selective energy cost criteria (*Levelized Cost Of Energy*) compared to the past.

With regard to the operating model, the Group engaged a limited number of specialised operators with high professional and reputational profiles. The operating model used follows guidelines that correspond to the best market standards and involves the purchase of shares in special purpose vehicles that have obtained authorisations to build energy production plants; the signing of contracts with EPC (*Engineering Procurement Construction*) operators; the signing of contracts with O&M (*Operation & Maintenance*) operators.

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

The investment in self-generation will also increase profitability through the production of renewable energy at competitive costs with respect to market purchase prices and mitigate the risk of volatile supply prices.

5. Research and development activities

Steel for Construction Italy business unit
Feralpi Siderurgica S.p.A.

The following R&D projects started in previous years continued during the year.

Coralis

Coralis project, co-funded through the Horizon 2020 European Funding Programme. In the financial year, the phase of defining processes for reclaiming slag and other residues by producing ferro-alloys and charging materials was completed. The tests then continued at an external pilot plant for the recovery of metal fractions through oxide reduction. Additionally, this process entailed outlining the optimal by-product combinations for recovery, selecting their compaction methods, and preparing the most appropriate size for treatment as by-products. The project also included activities in cooperation with other partners related to technical-economic feasibility analyses, environmental impact assessments, scenario studies, and dissemination.

"Steel Zero Waste"

"Steel Zero Waste" project, co-funded by the Ministry of Economic Development (MISE), launched in 2023, aims to study solutions for improving the environmental sustainability of the steel-making process through the implementation of innovative technologies for eliminating waste and significantly reducing emissions. Project activities included the completion of billet heating via electrical induction, and the development of the production sludge dewatering system. Efforts also continued in reclaiming slag for use in Construction materials and in testing plastic materials as substitutes for existing polymers and fossil-derived carbon in EAF. Analyses of the performance of the scrap shredding machine continued with the aim of achieving improved melt performance and possible reuse of the oxides in other reduction processes.

ModHeaTec

ModHeaTec Project, in 2024 the ModHeaTec project "*Modular HEATing Technology through renewable resources for steel production*" continued for the Feralpi Siderurgica site in cooperation with other production sites and research bodies within the framework of the European R&S Horizon-Twin Transition co-financing call. The aim of the project is to promote, realise and test the introduction of alternative heating systems to the use of gas through the use of electrical sources in order to drastically reduce CO_2 emissions in steel production. Applications are evaluated at two production sites. Within the project, Feralpi Siderurgica collaborates with ESF Elbe-Stahlwerke Feralpi GmbH to conduct tests and experiments on its billet samples as well as to assess potential applications in its plant configuration. In the year in question, preliminary studies and evaluations were carried out to identify the possible small-scale experimental pilot solution to be implemented.

Modiplant

Project Modiplant, the project "*MODular hybrId technology in the Steel PLANT production*" (MODIPLANT) continued in the year 2024 for the Feralpi Siderurgica site with the participation of ESF Elbe-Stahlwerke Feralpi GmbH within the European funding programme for research RFCS-2022-CSP-Big Tickets for Steel. Within the project, Feralpi Siderurgica aims to develop an innovative method of billet heating by electricity as an alternative to induction, leading to the implementation of an actual industrial-scale demonstration of the system. During the year, studies, and simulations were carried out to define the plant solution to be adopted. The design of the system and the selection of the expert supplier to whom the activity was commissioned were carried out. For the plant under study, the phase of component construction and material acquisition, as well as the relevant site preparation, was initiated.

Sunshine

Project Sunshine, in the year 2024, the Sunshine project ("*SUstainable New casting and rolling process monitoring / sensing approach aimed at proper surface quality and SHape IN flat and long products, enabling Energy savings and smart management in the casting*") was initiated, dedicated to improving the quality of the billet semi-product through the implementation: an integrated system comprising advanced continuous casting sensors, AI criteria for identifying defect origins, and process modelling applied online. The project's specific aim is to enhance the billet shape quality, thereby boosting performance not only during the casting process but also in the subsequent rolling process.

Steel for Construction Germany business unit

ESF - Elbe Stahlwerke Feralpi GmbH

ModHeaTec

ModHeaTec Project - ESF Elbe-Stahlwerke Feralpi GmbH is in charge of supporting Feralpi Siderurgica in evaluating the configuration of the pilot plant to be built and in assessing any potentially useful experimentation in order to also consider the production process and layout of ESF Elbe-Stahlwerke Feralpi GmbH. Testing will be conducted with billet samples from ESF Elbe-Stahlwerke Feralpi GmbH to evaluate both the effects on the products and the technical-economic and scalability aspects of the proposed solutions. Project started in 2023.

Modiplant

Project Modiplant ESF Elbe-Stahlwerke Feralpi GmbH carried out the necessary activities to study the plant engineering solution for innovative electric billet heating. ESF Elbe-Stahlwerke Feralpi GmbH is specifically tasked with assisting Feralpi Siderurgica in assessing the industrial implementation of the innovative electric billet reheating plant solution and overseeing the testing phase. This was carried out with the aim of evaluating the repeatability at the specific site, considering both the expertise gained and the limitations imposed by one's own plant, by exploring various installation configurations within the rolling department. Project started in 2023.

FlexHybHeat

FlexHybHeat Project. This project involves simulating heating options using various energy sources such as electricity, hydrogen, or natural gas, and others like ammonia, along with assessing all potential combinations to determine which technological mix and level of flexibility are suited for a future billet heating concept. The second part of the project focuses on developing a new type of heating control system with integrated CO_2 emissions calculation and real-time cost analysis, also considering the stability of the electricity grid and the fluctuations of market prices on a quarterly basis.

Specialties Business Unit

Acciaierie di Calvisano S.p.A.

iSlag

The **iSlag Project**, ended in 2024 with the activities related to the implementation of online slag monitoring systems and process simulators. In particular, systems for monitoring the condition of the raw materials and their transition from furnace to ladle were evaluated. Furthermore, to complete the activity, real-time process simulators for the furnace and out-of-furnace areas were developed alongside the associated Decision Support System, to obtain the best corrective recommendations for the entire process and downstream slag management.

MultisensEAF

MultisensEAF project, during the 2024 financial year, new sensors for managing the EAF process were assessed, and initial tests were performed on the following: a novel sensor for detecting steel levels in the EAF, an acoustic system for monitoring electric arc coverage, water flow sensors in the panels, and an OES system for online detection of slag composition. To complement the sensor systems and support the optimisation of the melting process, a dynamic furnace simulator is being developed that digitally replicates the state of the scrap melting.

Biorecast

Biorecast Project, throughout the 2024 financial year, the project advanced with the objective of assessing Biocoal and polymers as replacement materials for fossil coal introduced into EAF, aiming to enhance slag foaming and arc coverage in the special steel industry. For this purpose, the Acciaierie di Calvisano project has implemented a new EAF material storage and propulsion system, with which it has already conducted initial operational tests and analysed the results.

Arlenico S.p.A.

DeepQuality

DeepQuality Project, is aimed at the implementation of an advanced sensor system and a monitoring system for process parameters in order to identify process anomalies and the relevant quality standards. To achieve the project results, a predictive model was developed that considers quality and process parameters by monitoring mechanical strength as the main KPI. In 2024, the project concluded with the deployment of these systems and the associated testing and validation of the adopted technological guidelines, maximising system reliability and the consequent benefits.

LEGEND

Environmental Commitment

Industrial Commitment

6. Productions

The total production of **billet steel** and **finished product in the year 2024** is generally increasing compared to the previous year, although with different trends in the individual plants. The volumes of **cold-processing products** also increased compared to 2023.

BILLET STEEL (TONNES)	NATION	2024	2023	% CHANGE
Feralpi Siderurgica S.p.A. - Lonato del Garda	Italy	1,164,368	1,057,574	10.1%
Acciaierie di Calvisano S.p.A. - Calvisano	Italy	425,592	440,215	(3.3%)
ESF Elbe-Stahlwerke Feralpi GmbH - Riesa	Germany	994,266	931,933	6.7%
TOTAL		**2,584,227**	**2,429,722**	**6.4%**

FINISHED PRODUCT (REBAR IN BARS - REBAR IN COIL - WIRE ROD) - (TONNES)	NATION	2024	2023	% CHANGE
Feralpi Siderurgica S.p.A. - Lonato del Garda	Italy	1,347,244	1,243,966	8.3%
Caleotto S.p.A. - Lecco	Italy	265,115	238,765	11.0%
ESF Elbe-Stahlwerke Feralpi GmbH - Riesa	Germany	863,718	838,963	3.0%
TOTAL		**2,476,077**	**2,321,694**	**6.6%**

COLD WORKING - DERIVATIVES - (TONNES)	2024	2023	% CHANGE
TOTAL	**1,343,571**	**1,286,749**	**4.40%**

7. Non-GAAP Indicators

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

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

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

Net Working Capital: this item consists of the value of inventories, trade receivables, current tax receivables and other receivables, from which the value of trade payables, tax payables and other payables are subtracted.

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

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

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

8. Analysis of the economic and financial situation

8.1 Revenues by geographical area

	2024 (€/000)	2023 (€/000)	% CHANGE	% TOT 2024	% TOT 2023
Italy	626,648	658,282	(5%)	37.9%	38.2%
Germany	389,787	487,698	(20%)	23.6%	28.3%
France	175,029	174,961	0%	10.6%	10.1%
Switzerland	94,992	105,412	(10%)	5.7%	6.1%
Austria	14,078	17,929	(21%)	0.9%	1.0%
Poland	123,180	60,019	>100%	7.5%	3.5%
Czech Republic	57,368	38,740	48%	3.5%	2.2%
Turkey	18,120	26,191	(31%)	1.1%	1.5%
Other countries	153,782	154,987	(1%)	9.3%	9%
TOTAL	**1,652,984**	**1,724,219**	**(4%)**	**100.0%**	**100.0%**

The revenues reported in the year 2024 are in contraction compared to the values reported in the year 2023.

This contraction was determined by the reduction in sales prices, accompanied by growth in the volumes of finished products sold.

Poland and the Czech Republic are exceptions, where the Group's revenues grew strongly.

8.2 Reclassified economic situation

RECLASSIFIED SUMMARY INCOME STATEMENT (€/000)	31/12/2024	%	31/12/2023	%	% CHANGE
Revenues from contracts with customers	1,652,984	100.0%	1,724,219	100.0%	(4.1%)
EBITDA	**27.645**	**1,7%**	**78.300**	**4,5%**	**(64,7%)**
Depreciation and amortisation	(70,306)	(4.3%)	(65,391)	(3.8%)	7.5%
EBIT	**(42.661)**	**(2,6%)**	**12.909**	**0,7%**	**<100%**
Net interest expenditure	(6,477)	(0.4%)	(5,440)	(0.3%)	19.5%
Exchange gains and (losses)	(144)	(0.0%)	(30)	(0.0%)	380.0%
Share of profit of associates and joint ventures	3,069	0.2%	2,006	0.1%	41.6%
Pre-tax result	**(46.213)**	**(2,8%)**	**9.445**	**0,5%**	**<100%**
Income taxes	8,472	0.5%	3,451	0.2%	145.5%
Net result	**(37.742)**	**(2,3%)**	**12.896**	**0,7%**	**<100%**
Result for the Group	(37,798)	-	12,872	-	-
Minority interest result*	56	-	24	-	-

* Result attributable to minority shareholders

The sustained and widespread downturn in sales markets, alongside substantial hikes in scrap costs and, in the latter part of the year, also in energy costs, resulted in a notable reduction in contribution margins. Despite significant growth in sales volumes and the positive effect of production efficiencies, EBITDA in 2024 significantly declined compared to 2023. This reduction was more pronounced in the second half of the year than in the first. EBIT followed the same trend as EBITDA and saw an increase in amortisation/depreciation due to the investment activities carried out by Group companies. Net interest expenditure for the year 2024 increased compared to the previous year, due to a reduction in available liquidity and greater use of average debt, which became necessary to finance investments nearing completion.

As a consequence of the preceding dynamics, the Net Result for the year 2024 shows a negative value.

The reclassification of the value-added income statement according to GRI Indicator 201-1 Economic value directly generated and distributed is given in the ***Appendix [Section "Economic Sustainability Indicators"]***.

8.3 Reclassified statement of ffinancial position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (€/000)	31/12/2024	% REVENUES	31/12/2023	% REVENUES	% CHANGE
Net Fixed Assets	**809,381**	**49.0%**	**635,200**	**36.8%**	**27.4%**
Inventories	375,983	22.7%	295,196	17.1%	27.4%
Trade receivables	292,202	17.7%	357,323	20.7%	(18.2%)
Trade payables	(438,084)	(26.5%)	(340,774)	(19.8%)	28.6%
Commercial Working Capital	**230,101**	**13.9%**	**311,745**	**18.1%**	**(26.2%)**
Net Non-Commercial Working Capital	**11,723**	**0.7%**	**26,588**	**1.5%**	**(55.9%)**
Net Invested Capital	**1,051,205**	**63.6%**	**973,534**	**56.5%**	**8.0%**
Net financial position	**155,552**	**9.4%**	**45,556**	**2.6%**	**>100%**
Shareholders' equity	**895,650**	**54.2%**	**927,978**	**53.8%**	**(3.5%)**
TOTAL SOURCES	**1,051,202**	**63.6%**	**973,534**	**56.5%**	**<100%**

Net Invested Capital as at 31 December 2024 increased compared to the value reported as at 31 December 2023 due to the increase in Net Fixed Assets, as a result of the investment activities in progress at the Group companies, accompanied by the simultaneous reduction in Commercial Working Capital. Regarding this latter measure, the inventory value as at 31 December 2024 is significantly higher than the value reported on 31 December 2023 due to the increase in stock volumes. Conversely, the reduction in trade receivables and the increase in trade payables have made a positive contribution to cash generation.

	PFN CONSOB - AMOUNTS IN THOUSAND EUROS	31/12/2024	31/12/2023
A	Cash	50,720	173,189
B	Cash equivalents	-	-
C	Other current financial assets	-	-
D	**Liquidity(A+B+C+D)**	**50,720**	**173,189**
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	4,057	5,643
F	Current part of non-current financial debt	107,545	66,295
G	**Current financial debt (E + F)**	**111,601**	**71,938**
H	**Net current financial debt (G - D)**	**60,881**	**(101,251)**
I	Non-current financial debt (excluding current portion and debt instruments)	94,671	146,808
J	Debt instruments	-	-
K	Trade and other non-current payables	-	-
L	**Non-current financial debt (I + J + K)**	**94,671**	**146,808**
M	**Total financial debt (H + L)**	**155,552**	**45,557**

As at 31 December 2024, the consolidated Net Financial Position showed a net debt value of €155.5 million, compared to €45.6 million as at 31 December 2023. The increase is due to investment activities carried out during the year and the reduction in working capital.

9. Significant transactions and events during the year

During the year 2024, the asymmetrical full demerger of Feralpi Holding S.p.A. in favour of seven beneficiary companies took legal effect.

Feralpi Holding S.p.A. demerged its assets, consisting mainly of the equity investment in its subsidiary Feralpi Siderurgica S.p.A. The entire net assets of the demerged company were distributed on 27 November 2024 to the seven beneficiaries, maintaining civil and fiscal continuity of values, precisely in proportion to the total shares owned by each beneficiary company's shareholders in the demerged company. The shareholders were not allocated shares in the beneficiaries in proportion to their original ownership percentages in the share capital of the demerged company, but instead, these were allocated asymmetrically, specifically to alter the shareholding structure.

In relation to the demerger, there was no change in the economic value of shareholders' holdings, as the total economic value of the shareholdings in the beneficiaries matched that of the previously held shareholdings (in line with Article 2506-bis, para. 4, second part, of the Italian Civil Code), and therefore no monetary adjustments were made. Since this was a full demerger transaction, the demerged Feralpi Holding S.p.A. was extinguished as of 27 November 2024. The share capital of Feralpi Siderurgica S.p.A. is now divided among seven beneficiary companies, each corresponding to a family holding company.

As a result of the demerger, Feralpi Siderurgica S.p.A. assumed the role of parent company of the steel branch.

On 20 December 2024, with an additional addendum dated 31/01/2025, Feralpi Siderurgica S.p.A. agreed to a medium-to-long-term *Sustainability Linked Loan* amounting to €170.0 million, comprising a Capex tranche of €120.0 million and a Refi tranche of EUR 50.0 million. The disbursement of the loan took place for a first part, amounting to €100.0 million, on 31 January 2025. The loan is aimed at supporting both ordinary and extraordinary industrial investments of Feralpi Siderurgica S.p.A. and its subsidiaries, and it includes a margin trend linked to achieving two ESG Performance Indicators in addition to meeting certain financial covenants that will be measured starting from the financial year 2025.

The first indicator focuses on reducing specific CO_2 emissions and is calculated based on criteria validated by SBTi. The second indicator focuses on enhancing worker safety and measures the percentage of employees in group companies certified under the ISO 45001 standard. Through this transaction, Feralpi Siderurgica increases the average *maturity* of its financing structure.

The loan also allows for achieving the aim of having a portion of medium- to long-term financing whose margin is linked to achieving ESG objectives. The loan was secured through a consortium of banking institutions, comprising Banca Nazionale del Lavoro S.p.A., Credit Agricole Italia S.p.A., Intesa Sanpaolo S.p.A., and Unicredit S.p.A., who took on the roles of Lenders, *Global Coordinator, Mandated Lead Arranger, Bookrunner, as well as Sustainability Coordinator*. Banco BPM, BPER, and Cassa Depositi e Prestiti served as Arrangers. Banca Nazionale del Lavoro also acted as Agent and SACE Agent. The CapEx tranche of the loan was backed by the SACE Archimede guarantee.

In July 2024, Feralpi Group obtained approval from the international body SBTi (Science Based Targets Initiative) for its 2030 targets to reduce CO_2 emissions and other climate-altering gases. For more information, please refer to the Voluntary Consolidated Sustainability Report ***[Section 15.1.1.1.]***.

10. Risk management

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

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

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

The Group's risk management strategy is aimed at identifying the main uncertainties and minimising the negative effect on results. The monitoring of the main risks and the definition of adequate prevention, mitigation and remediation policies are responsibilities allocated to the Parent Company's top management: these management policies are actually defined and approved, in agreement with the administrative body, by the Top Management, which provides principles for risk management and the use of the appropriate tools.

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

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

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

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

Risks are also given an additional categorisation:

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

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

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

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

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

	Financial	Environmental	Social	Governance
STRATEGIC RISKS				
Deterioration of the global macroeconomic environment	◇	◇	◇	◇
Price fluctuation and commodity shortage	◇	◇	◇	
Energy sector dependence, price fluctuation and supply discontinuity	◇	◇		
Transition to a sustainable product	◇	◇		
Customer concentration and business relations	◇			
Physical impacts of climate change	◇	◇		
Impacts of the energy transition	◇	◇		
OPERATIONAL RISKS				
Product quality and liability	◇	◇	◇	
Computer systems operation and cybersecurity	◇	◇	◇	◇
Pollution from radiation sources and radioactive materials	◇	◇		
Waste disposal		◇		
Occupational health and safety	◇		◇	
Lack of professionalism and expertise			◇	
FINANCIAL RISKS				
Credit risk	◇			
Interest rate fluctuation	◇			
Exchange rate fluctuation	◇			
Liquidity risk	◇			
Risks associated with possible covenant breaches	◇			
LEGAL AND COMPLIANCE RISKS				
Antitrust and business ethics	◇			◇
Compliance with environmental and occupational health and safety regulations	◇	◇	◇	
Violation of human rights or discrimination	◇		◇	
PLANNING AND REPORTING RISKS				
Financial Reporting and Voluntary Consolidated Sustainability Report	◇			◇

Strategic Risks

Deterioration of the global macroeconomic and geopolitical environment
Feralpi Group companies are exposed to the risks associated with the economic trends of the specific markets in which they conduct their business activities. Sales of the Group's products are mainly influenced by investment activities in infrastructure, but also in residential housing and investments in the industrial sectors targeted by the Group's products.

Economic events such as an economic recession, high inflation and persistent high interest rates together with unpredictable events such as pandemics or environmental disasters could lead to a reduction in the volume of purchases and/or a reduction in the sales prices of the Group's products and affect the health and safety of people and the continuity of production, causing absenteeism and blocking of the production system as well as having a significant negative effect on the Group's economic, financial and equity situation.

In addition, the emergence of global wars and crises, the imposition of economic sanctions and embargoes on certain countries, anti-dumping and anti-subsidy tariffs, the establishment of protectionist policies in export countries, and possible restrictions on exports, could lead to difficulties in sourcing inputs with subsequent delays or business interruptions and the loss of markets and customers.

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

In response to emergencies that have occurred in the past, the Group has set up specific dedicated task forces and promptly adopted the necessary measures to prevent, control and contain the negative effects caused by them, while at the same time trying to ensure, as far as possible, business continuity. This approach, already effective in that circumstance, is configured as a replicable model for dealing with future emergencies in an equally timely and structured manner.

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

At present, 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 for supply obligations. Business non-continuity for unforeseeable events such as climate change and pandemics inevitably has repercussions in terms of upstream and downstream supply chain resilience.

The Group's inability to increase the selling price of finished products as a result of the increase in the cost of ferrous scrap and ferro-alloys could lead to a reduction in its contribution margin. Significant increases in sales prices could lead to losses in market share. Hedging transactions are assessed in light of the liquidity of the official markets where the main trades are executed and the visibility of sell orders.

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

Energy sector dependence, price fluctuation and supply discontinuity
Energy risks include possible supply disruptions, price volatility and taxation of energy-intensive activities. Geopolitical evolution and regulatory developments, aimed at the transition to renewable energy sources, have increased the risk of volatility in energy commodity prices to which the steel sector is heavily exposed.

In order to contain energy costs and meet decarbonisation targets, the Group has defined a specific energy strategy; in addition, it has considered scenarios of possible energy supply disruptions and consequent production stoppages. In fact, the Group has achieved its own production flexibility in order to concentrate production on days and times when the cost of energy is lower and to reduce or stop production in a planned manner during periods of peak energy prices.

Transition to a sustainable product
The regulatory, social and economic environment makes it necessary to develop increasingly sustainable products in order to maintain a high level of competitiveness on the market. Feralpi Group believes that the development of a competitive offer linked to sustainability is of fundamental importance in order to meet growing customer expectations and to prepare adequately for possible sudden changes in market demands.

The complexity of this path is reflected in the need for major investments, difficulties in forecasting and evolving market demand, and significant regulatory uncertainty combined with bureaucratic complexity for environmental authorisations.

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

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

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

Feralpi has established and maintained long-lasting business relations with its customers; however, it cannot be ruled out that the Group may have difficulties in the future in maintaining business relations with current customers or in developing business relations with new customers.

Constant commercial supervision, continuous dialogue with long-standing and newly acquired customers, and the ability to provide high quality products and adequate service levels are elements that mitigate exposure to the aforementioned risk.

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

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

Feralpi Group is most exposed to transition risk, described below, but also considers physical risks for business continuity and the resilience of its business plan and sustainability strategy.

In 2023, the first physical climate risk assessment was conducted to understand short- and long-term exposure and to take management measures for the sites most at risk.

The first phase involved a Climate Self Risk Assessment and verification of prospective climate indicators according to an ensemble of three GCM-RCM (*Global Circulation Model - Regional Climate Model*) models guided by the **RCP 8.5 scenario** for sites included in the scope of the Taxonomy Regulation[2] in the short and long term.

Subsequently, the Lonato del Garda and Riesa sites were analysed in detail, using various climate scenarios to understand the evolution of the risk up to 2050, with possible indications of worsening by the end of the century.

A further detailed analysis was then carried out, based on different climate scenarios **(RCP 2.6, RCP 4.5 and RCP 8.5)** on the plants considered most strategically relevant: Lonato del Garda and Riesa.

The assessment was expressed through the following metrics:

1. **Maximum Value-At-Risk (MVAR)**: the MVAR corresponds to the estimated value in economic terms of the potential damage caused by a climate risk. The overall MVAR represents the aggregation of the estimated Value-At-Risk (VAR) for each physical risk.
2. **Maximum Annual Loss (MAL)**: estimated valueof damage to an asset for all climate risks combined, expressed in current currency, without discounting or adjustment for other transaction costs.
3. **Failure Probability (FP)**: annual probability that a climate risk may cause disruption or malfunction of an asset with or without damage.

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

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

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

These risks can be divided into the following types:

- **Executive risks**: arising from delays or lack of expertise in strategic projects, which may result in strategic projects not being identified or slowing down their implementation, also due to a lack of skills to manage them.

[2] For more details on the European Taxonomy, please refer to the Voluntary Consolidated Sustainability Report ***[Section 15.3.]***.

- **Regulatory risks**: arising from evolving regulatory actions to limit negative impacts or promote adaptation to climate change, including potential litigation;
- **Technological risks**: related to the introduction of new technologies that support the transition to a low-carbon economy, with possible interference on existing business systems;
- **Market risks**: related to possible changes in the demand for products and services by the Group's customers.

The adoption of a climate transition strategy, which is fundamental to Feralpi Group's industrial strategy, requires close attention to be paid to this type of risk.

The Group has therefore conducted an analysis to identify and assess the types of risk, as defined above, probability (low, medium, high) and severity (low, medium, high) - of the risks associated with this process, as well as to develop strategies to effectively mitigate and manage the risks.

The risks to which the Group will pay more attention are related to possible difficulties in implementing its strategy of self-generation of renewable energy and to the evolving context regarding the use of alternative fuels such as biomethane and hydrogen.

Operational risks

Product quality and liability
The Group's products must comply with different quality, safety and regulatory standards, including through a careful selection of suppliers, consistent with the regulations required in the countries where they are marketed.
If products do not meet the requirements of the different applicable regulations, it may be legitimate to return them, which could lead to increased costs and possible damage to the image of Group companies and also negatively affect their ESG performance.

This type of risk is most relevant for the Specialties Business Unit, where product quality is crucial for the safety of the end consumer (automotive).

To this end, the Group carries out strict controls on its products: each production company has a quality risk management protocol, with specific control activities and procedures. There are dedicated functions at production units and audits at major scrap suppliers. In addition, the Group has product liability insurance coverage.

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

Computer systems operation / cybersecurity
The growing use of digital technologies increases the cybersecurity risk, with possible impacts on business continuity, data protection and privacy.

Cyber attacks or human error can compromise confidentiality, reliability, information integrity and corporate reputation. Failure to comply with regulatory requirements can lead to sanctions and loss of reliability, affecting relations between employers and employees. A cyber attack could also endanger the health and safety of workers and cause environmental damage by compromising software and monitoring equipment. Any errors, malfunctions and/or unauthorised access to the Group's software and related systems of suppliers and/or customers may also damage the production activities of the Group's suppliers and/or customers.

The occurrence of such risks could have an adverse material effect on the Group's economic, financial and equity situation.

The Group considers the operational continuity of its management and operational information systems to be of major importance; therefore, it has carried out a specific risk analysis concerning internal and external attacks on information systems aimed at blocking their normal operation, or at extracting or corrupting Group information. In addition, the Group is finalising the implementation of a framework for managing these risks, with the aim of ensuring business continuity, availability, integrity and confidentiality of data, while also enabling compliance with the European GDPR regulation and applicable national regulations in individual EU member states.

The centrality of information systems, as a lever of value for the Group, is also testified by the considerable investments made to update and digitalise systems and processes; in this context, the launch of programmes to optimise processes and automate certain activities, also through *Robotic Process Automation* solutions and solutions based on Business Intelligence and "data analytics" was emphasised in particular.

Pollution from radiation sources and radioactive materials
Pollution due to radioactive isotope decay could affect the input scrap, the melting furnace process and the finished products. This can lead to non-compliance with environmental and health and safety regulations, contamination of water, soil and air, fines and reputational damage, as well as production stoppages for clean-up operations.

The Group has adopted specific procedures, as part of its management system, to define and implement radioactivity control measures throughout the production chain, right from the material input stage.

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

The Group's management of waste and production residues mainly involves recovery and/or qualification as by-products, with only residual disposal in landfills. Processes and facilities are organised to minimise the volumes to be landfilled.

The Group is also committed to reducing the handling of raw materials and production residues, to reducing inputs and to raw material substitution.

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

The failure to control such risks, particularly following incidents leading to physical damage, fire, explosion, or workplace injuries requiring investigations, can also cause production downtime.

The Group carefully monitors the issue of health and safety based on its own Group policy and following the regulations of the countries where its plants operate, and it has different management approaches depending on the type of production processes in place. Feralpi Siderurgica has a health and safety management system in place certified in accordance with the international ISO 45001 standard, that ensures that risks are continually monitored and improvement measures are identified. This system is being extended to all Group plants.

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

Feralpi Group is committed to enhancing people's skills as a key factor for business success. With a view to Talent Attraction, the Group has developed eight different recruitment and selection formats to foster the placement of young talent by offering a practical choice for professional development. As far as talent development is concerned, Feralpi Group has implemented a framework ***[Section 16.1.]*** to map, monitor and efficiently manage the skills - technical and organisational - of its staff and act on any gaps through a series of internal training offers and in cooperation with external partners.

Financial risks

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

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

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

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

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

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

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

Legal and compliance risks

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

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

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

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

Any workplace accidents, even minor ones, caused by non-compliance with the aforementioned regulations, could lead to criminal and administrative sanctions, with even serious consequences if they involve bans, even for limited periods, financial losses and/or reputational damage.

The issuance of additional regulatory provisions applicable to companies, or changes to the regulations currently in force in the countries in which the Group operates, could require the Group to adopt stricter standards, also entailing costs for adapting production facilities.

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

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

Planning and reporting risks

Financial Reporting and Voluntary Consolidated Sustainability Report
These risks are related to the possible negative impacts that irrelevant, untimely or incorrect information could have on the Group's strategic, operational and financial decisions. In order to mitigate the risk associated with financial information, the Group has initiated a number of projects, including the implementation of a Corporate Performance Management tool for the preparation of the Consolidated Financial Statements, the Budget and the Business Plan.

The Group has also adopted an Accounting Manual and materiality thresholds for the audit of the Consolidated Financial Statements have been used that conform to those applicable to public interest companies.

In addition, to meet the requirements of process governance, a gap analysis was carried out related to the areas Information *Technology General Controls and Segregation Of Duties*. Finally, in order to better prepare for the *Corporate Sustainability Reporting Directive* (CSRD), to whose obligations the Group will be subject from the 2025 reporting, Feralpi is in the process of adopting integrated tools capable of monitoring the reporting and consolidation of financial and non-financial data in the ESG domain.

11. Other Information

11.1 Organisation and Human Resources

Throughout 2024, the group's overall workforce expanded notably, with an increase of 85 employees compared to the previous year, bringing the total from 1,887 to 1,972. Staff growth was largely fuelled by the strengthening of skills in the technical and production areas.

Of particular importance from a quantitative point of view is the increase in staff for the hiring of technical-production figures for the rolling mill B plant of ESF Elbe-Stahlwerke Feralpi GmbH and at the Calvisano plant, where a new work team was formed.

The table below shows the average number of employees for each company, comparing the figures for 2024 with those for 2023:

COMPANY	AVERAGE 2024	AVERAGE 2023
Presider S.p.A. (Italy)	90	78
Caleotto S.p.A. (Italy)	6	8
Arlenico (Italy)	106	103
Feralpi Siderurgica S.p.A. (Italy)	538	531
Presider Armatures (France)	4	4
Acciaierie di Calvisano S.p.A. (Italy)	137	129
Nuova Defim S.p.A. (Italy)	82	80
ESF Elbe-Stahlwerke Feralpi GmbH (Germany)	797	740
Industria Expositores y parrillas S.A.(Spain)	87	81
Wire applications SL (Spain)	0	2
P.R. Soldadura SL (Spain)	12	12
Feralpi Stahlhandel GmbH (Germany)	10	10
Feralpi Logistik GmbH (Germany)	29	32
Feralpi Algerié Sarl (Algeria)	13	13
Feralpi Praha Sro (Czech Republic)	39	42
Feralpi Hungária Kft (Hungary)	22	22
TOTAL	**1,972**	**1,887**

The analysis by geographical area confirms the prevalence of employees in foreign companies compared to Italian companies. The average breakdown is as follows:

AVERAGE WORKFORCE BY GEOGRAPHICAL AREA	AVERAGE 2024	AVERAGE 2023
Italy	959	929
Foreign	1,013	958
TOTAL	**1,972**	**1,887**

At the end of the year, the total number of employees increased by 64, from 1,922 to 1,986. The specific distribution by category is as follows:

DESCRIPTION	2024	2023
Executives	38	39
White-collars and middle managers	575	558
Blue-collars	1,373	1,325
TOTAL	**1,986**	**1,922**

11.2 Transactions with related parties

Transactions with related parties do not qualify as either atypical or unusual, as they are part of the ordinary course of business of Group companies. Such transactions, when not concluded on standard terms or dictated by specific regulatory conditions, are in any case settled on market terms. For details of the economic and equity effects of transactions with related parties as at 31 December 2024, please refer to the relevant section of the explanatory notes to the consolidated financial statements.

11.3 National tax consolidation, Group VAT and Tax liability

Feralpi Group's individual companies operate in compliance with local tax regulations. The Group has not received any notifications from its stakeholders concerning tax matters, and if any were to arise, they would be managed by the appropriate corporate departments. The Group companies provide the competent Authorities with all the necessary information in terms of completeness, correctness, and timeliness in accordance with the principles of the Group's Code of Ethics.

The Administration and Finance Department of the Parent Company Feralpi Siderurgica S.p.A. plays a supervisory, guidance and coordination role with regard to intercompany relations in tax matters, while responsibility for compliance in this respect lies with the Administration and Finance functions of each individual subsidiary.

For the 2024 financial year, the companies revoked the option for adhering to consolidated taxation, pursuant to Article 117 et seq. of the TUIR, following the demerger of Feralpi Holding S.p.A. which took place in November 2024. This modification to the company structure has rendered the regime no longer applicable and consequently led to the autonomous management of taxes by all the individual companies.

As for VAT, Feralpi Siderurgica S.p.A. opted into the Group VAT regime on 18 April 2024, as the "controlling entity or company", in section VK of form 2024 for the year 2023. This optional regime allows a single taxable entity to be considered for VAT purposes, offering certain benefits such as the simplification and reduction of tax obligations, the balancing of credit and debit positions of individual companies, the optimisation of liquidity management, and the reduction of the total financial burden.

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

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

Feralpi Group adopts a model for the analysis and management of risks, including those of a fiscal nature. Please refer to the ***Appendix***, ***[section "Economic Sustainability Indicators"]*** for the tax data.

11.4 Number and par value of shares of the parent company held by the company and its subsidiaries

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

12. Subsequent events

On 20 December 2024, with an additional addendum dated 31 January 2025, Feralpi Siderurgica S.p.A. agreed to a medium-to-long-term Sustainability Linked Loan amounting to €170.0 million, comprising a Capex tranche of €120.0 million and a Refi tranche of EUR 50.0 million. The initial portion of the loan, amounting to €100.0 million, was disbursed on 31 January 2025, effectively paying off the remaining balance of the old loan, which was €54,200 thousand. The loan is aimed at supporting the ordinary and extraordinary industrial investments of Feralpi Siderurgica S.p.A. and its subsidiaries.

13. Business outlook

For 2025, there is a generalised difficulty in making forecasts given the numerous factors that contribute to uncertainty. These factors include the conflicts in the Middle East and Ukraine, whose resolutions would positively impact the steel market; the pressure from Chinese exports, which risks shifting further towards Europe; the impact of the tariffs imposed by Donald Trump; the German federal elections scheduled for February 2025, a possible turning point for the future of European industrial policies; and the feared disappearance of free CO_2 allowances combined with a potential tightening of the carbon border adjustment mechanism (CBAM), which risks penalising the European sector, making it less competitive. Additional sources of uncertainty, which also impact the competitiveness of steel producers, including those in Italy, are the high cost of electricity and the dynamics related to the export of scrap. For the coming years, the long-term growth drivers, mainly related to infrastructure, continue to be confirmed. In order to capture these growth opportunities, Feralpi Group's management plans to leverage its strong market presence, an expansive and varied product portfolio, high operational efficiency, an organisation-wide commitment to ESG principles, and a stable capital foundation. The substantial investments already made and those underway aim to further strengthen the focus on growth drivers and the Group's commitment as outlined in the ESG Scorecard.

VOLUNTARY CONSOLIDATED SUSTAINABILITY REPORT

Consolidated Sustainability Report

General information

Sustainability in Feralpi Group

14

GENERAL INFORMATION | SUSTAINABILITY IN FERALPI GROUP

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

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

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

14.1 Foreword

In 2024, the European steel industry experienced modest growth, with a total production of approximately 130 million tonnes of crude steel, marking a 2.6% increase compared to the previous year. However, despite increased output in major countries such as Germany, France, and the Netherlands, Italy saw a 5% reduction, reflecting the struggles of its local market.

In this context of volatility, Feralpi Group has continued to pursue its commitment to sustainability, confirming the principle of an integrated approach that merges technological innovation with environmental responsibility. The company has made substantial investments in reducing CO_2 emissions by employing cutting-edge technologies and optimising resource utilisation.

At the same time, it has consistently pursued both the improvement of energy efficiency through increased use of renewable sources and the optimisation of consumption, as well as the continuous evolution of production processes with a particular focus on digitalisation and automation.

At the core of this transformation are people, the true catalyst of corporate innovation: this is why the Group invests in education, skill development, and organisational well-being, valuing internal talent and promoting a corporate culture oriented towards sustainable and responsible growth.

At the governance level, Feralpi Group confirms the adoption of the best international standards in terms of sustainability and transparency.

The company is continuing with the voluntary adoption of the new major regulatory frameworks, including the European Taxonomy and the CSRD Directive on sustainability reporting. By implementing more sophisticated ESG measurement and reporting models, the Group can effectively track its progress towards environmental, social, and governance goals, thereby enhancing accountability to stakeholders.

To summarise, in spite of the economic and geopolitical challenges of recent years, Feralpi Group is resolutely pursuing sustainable growth, bolstering its dedication to innovation, decarbonisation, and environmental responsibility. Thanks to long-term strategic vision and targeted investments, the Group establishes itself as a point of reference in the steel sector for the transition towards a greener, more efficient, and resilient industry.

14.1.1. Methodology note

Feralpi Group, including the subsidiaries of the parent company Feralpi Siderurgica S.p.A., operates through a sectoral structure that also includes sub-holdings. Feralpi Siderurgica S.p.A. has its registered office in Brescia, Via Aurelio Saffi 15, and its administrative headquarters in Lonato del Garda, Via Carlo Nicola Pasini 11.

This document represents the Group's voluntary Sustainability Report for the year 2024 (1 January - 31 December) and follows the publication schedule of the Consolidated Financial Statements of Feralpi Siderurgica S.p.A. The Integrated Report, published annually, were made available in June 2025.

Drafted in accordance with the GRI Reporting Standards, the statement incorporates the October 2021 revision of the GRI Universal Standards, applicable from 1 January 2023. Material topics follow the GRI 2016 standards, with some exceptions: GRI 303 (Water and Wastewater) and GRI 403 (Occupational Health and Safety) of 2018, GRI 207 (Taxes) of 2019 and GRI 306 (Waste) of 2020.

To provide a more complete overview of the sector in which it operates, the Voluntary Consolidated Sustainability Report incorporates specific KPIs defined by the *Sustainability Accounting Standards Board* (SASB), as highlighted in the Reconciliation Table between Material Issues | GRI - SASB found in the Appendix of the Voluntary Consolidated Sustainability Report.

The structure of the document, optimised compared to previous editions, follows what is outlined by the *Corporate Sustainability Reporting Directive* (CSRD) and the related ESRS standards. The scope of the report coincides with the Consolidated Financial Statements as at 31 December 2024. Information on Feralpi Power On and Feralpi Villasor, active in energy production, is reported in qualitative form as they lack production facilities and personnel.

Data consolidation includes subsidiaries, excluding associates.

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

The environmental impacts of production units located in Italy (Alzate Brianza, Anzano al Parco, Borgaro Torinese, Nave, Pomezia, Rivoli[3]), France (Saint-Soupplets), the Czech Republic (Kralupy), Hungary (Csepel) and Spain (Barcelona, Girona) are also monitored. Companies lacking production plants and employing fewer than 15 employees, as well as Faeco Ambiente S.r.l. and Eco-Trading S.r.l., which are inactive, are excluded from environmental report.

The following definitions are adopted in the document:
- Feralpi Group/the Group: all the companies included in the Consolidated Financial Statements of Feralpi Siderurgica S.p.A.
- Feralpi Siderurgica: the operations at the Lonato del Garda site.
- Acciaierie di Calvisano: the operations at the Calvisano site.
- Arlenico: the operations at the Lecco site.
- FERALPI STAHL: the operations at the Riesa, Kralupy and Csepel sites.

On 31 March 2025, the Board of Directors approved the Voluntary Consolidated Sustainability Report, subsequently submitting it to the Shareholders' Meeting for approval and publication.

This disclosure is subject to voluntary limited independent review by EY S.p.A., in accordance with the ISAE 3000 (Revised) standard of the *International Auditing and Assurance Standards Board* (IAASB).

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 the party responsible for the voluntary review.

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

How to consult this section

As with the previous edition of the document, the company's introduction, its history, and its industrial strategy are incorporated into the Report on Operations. Next, the pillar of sustainability is presented, which for Feralpi Group is an integral part of its business plan.

Since its establishment, the Group has placed the commitment to the well-being of people, environmental protection, and the creation of a long-term positive impact for all the communities it operates in at the centre of its core values. This vision translates into a robust sustainability strategy that permeates every level of the organisation and integrates into the industrial plan.

In comparison to previous years, the document's structure has been redefined, with a reorganisation of the report's chapters, thereby improving the integration between the Voluntary Consolidated Sustainability Report and the Report on Operations.

This section covers environmental, social, personnel-related, human rights, anti-corruption, and local community issues.

Two types of references
- References to external websites or resources;
- References to another section of the report or the Content Index.

The document is available in the Sustainability section of the website *www.feralpigroup.com*. For further information, please contact *sustainability@it.feralpigroup.com*.

14.1.2. Approach to CSRD and transposition of Legislative Decree no. 125/2024

The company has decided to continue sustainability report in 2024, using the GRI (*Global Reporting Initiative*) standard. This approach will continue to ensure transparency and accountability in the communication of results, allowing Feralpi Group to constantly monitor and improve its environmental, social, and governance (ESG) performance.

The Company's aim is to gradually align with the new *European Sustainability Reporting Standards* (ESRS), which will be compulsory for the Group from 2026. The ESRS represent a set of disclosure requirements and obligations envisaged by the European Union, developed within the framework of the CSRD (Corporate Sustainability Reporting Directive).

These standards are designed to offer companies clear guidance on identifying, monitoring, and reporting material sustainability aspects, using an approach that considers not only the impact of corporate activities on the environment and society but also the risks and opportunities related to climate change, resources, people, and corporate governance. Anticipating the adoption of the new legislation, Feralpi Group has decided to integrate the principles of double materiality into its reporting processes as early as 2024.

[3] Azienda Metallurgica Piemontese Lavorazioni S.r.l. is present in the reporting scope only for 2022 data.

This proactive approach enables the company to be prepared for the enforcement of ESRS and gain an in-depth understanding of the areas that require long-term improvement, which will be addressed through the implementation of processes oriented towards continuous improvement. The analysis of material issues according to the Double Materiality method is not subject to limited review by EY S.p.A. For the purposes of the review activities, the impact materiality analysis performed according to GRI Standards was considered, based on which the document's contents and the relevant GRI indicators were defined.

The efforts undertaken by the Group are not limited to mere regulatory compliance, but represent a strategic opportunity to strengthen its governance and further improve the company's approach to sustainability.

The presence of agile governance, capable of quickly responding to changes and new demands, has allowed us to immediately identify areas for improvement, which will be monitored and developed in the years to come. In doing so, the company not only braces itself for the challenges presented by the new legislation but also reaffirms its dedication to generating shared value for stakeholders and embracing sustainable practices that demonstrate its enduring commitment to people and the environment.

14.2 Feralpi Group's sustainability strategy and objectives

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

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

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

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

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

The ESG Scorecard

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

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

	PILLARS	AMBITIONS	ESG Scorecard		BASELINE		2024	% CHANGE	TARGET		SCOPE	SDGs
E Environmental	**CONTRIBUTING TO REDUCING CONSUMPTION AND IMPACTS** **MULTIPLYING THE USE OF MATERIALS**	**Countering climate change** through the decarbonisation of production processes Investing in solutions to improve **energy efficiency** and develop clean energy Increasing the quantity of waste sent to recovery and reuse processes, **substantially reducing the production of waste**		Specific CO_2 Emissions (Scope 1, 2 and 3 core boundary)[1]	2022	**0.540** tonCO$_2$eq/tonne	**0.330**	-39%	2030	**-50%**	Feralpi Siderurgica Consolidated[2]	
				Absolute CO_2 emissions (Scope 3 non-core boundary)	2022	**676,404** ton CO$_2$eq	**714,780**	+6%	2030	**-25%**		
				Renewable energy[3]	2022	**0.46%**	**48.67%**	\	2030	**50%**		
				Residues in Circular Processes	2022	**88.45%**	**91.32%**	\	2030	**96%**		
				Specific water consumption	2022	**1.38** m^3/tonne	**1.08**	-22%	2030	**-50%**		
S Social	**CARE, SAFETY AND DEVELOPMENT OF INDIVIDUALS** **WORK CULTURE AND EDUCATION OF NEW GENERATIONS** **INCLUSION AND LOCAL DEVELOPMENT**	**Addressing inequalities**, ensuring equal opportunities and adequate wages, while respecting labour and human rights **Supporting the economic growth** of the national economy **Promoting a safe, secure working environment** for all the group's workers with constant attention to accidents at work	HR	Inclusion of female staff (blue collar) in production areas[4]	2022	**0%**	**9%**	\	2027	**≥5% / yearnew entries primary steelmaking**	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, ESF	
			HR	Collective training course on "Listening, Dialogue and Inclusion" issues	2022	**0%**	**45%**	\	2027	**100% population affected**	Consolidated Feralpi Siderurgica[2]	
			HR	% female staff in Feralpi Siderurgica - Corporate Services	2022	**49%**	**52%**	\	2027	**~50%**	Feralpi Siderurgica - Corporate Services	
			Safety	Accident frequency index	2022	**23.7** (average 2019-2022)	**22.7**	\	2030	**7 (0-10)**	Consolidated Feralpi Siderurgica[2]	
			Safety	% of staff working in ISO 45001 companies	2022	**25%**	**28%**	\	2030	**100%**		
			Supply chain	% of strategic suppliers (raw materials and equipment) involved in ESG mapping aspects	2023	**0%**	**21%**	\	2030	**75% suppliers involved**	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, Feralpi Stahl, Feralpi-Hungária, Feralpi-Praha	
G Governance	**ETHICAL BUSINESS MANAGEMENT**	**Integrating ESG** (Environment, Social, Governance) aspects into the Group's business model Defining **unambiguous and measurable improvement** paths at plant level, in line with national and international targets **Guiding change in the steel sector** by encouraging companies in the supply chain to adopt sustainable policies		% of time the Board devotes to ESG issues (in meetings and induction sessions)/year	2022	**23.7%**	**42.0%**	\	2030	**35.0%**	Feralpi Siderurgica	
				ESG Financing % / Total Mid-Long Term facilities	2022	**74.4%**	**82.0%**	\	2030	**>80.0%**	Feralpi Siderurgica Consolidated	
				% of strategic investments with ESG content	2022	**>80.0%**	**>80.0%**	\	2030	**>80.0%**		
Industrial Commitment	**PRODUCT AND SERVICE QUALITY**	Improving **product and service quality** by optimising processes through inclusive and sustainable industrialisation Enhancing **technological capabilities** through research and development activities Creating **value for the community** by valuing work, safeguarding the cultural and natural heritage and contributing to sustainable urban development										

[1] On the total production of hot rolled products.
[2] Feralpi Algérie not included.
[3] Considering both electrical and thermal energy.
[4] Including those administered

14.3 The materiality analysis process

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

For the 2024 financial year, the materiality analysis process has been developed using the experience gained over recent years and the most up-to-date international guidelines, with the objective of **aligning with the requirements *of the Corporate Sustainability Reporting Directive* (CSRD)**, to which the Group will be subject starting from the 2025 financial year reporting, according to the legislation currently in place. With this view, a partial alignment methodology was developed and applied[4] to the **guidelines *"EFRAG IG 1: Materiality Assessment Implementation Guidance"***, published in May 2024, which made it possible to identify, evaluate, aggregate and prioritise **impacts, risks and opportunities (IROs)** related to material ESG issues according to the two perspectives of dual materiality:

- **Impact materiality**: evaluation of the significant negative or positive, current or potential impacts generated by the Group on environmental, economic, and social issues in the short, medium, or long term;

- **Financial materiality**: evaluation of the impacts and dependencies, both in terms of risks and opportunities for the Group, that may influence strategy, financial performance and corporate objectives.

The materiality analysis followed the following five phases:

1. **Analysis of the context**, internal and external to the organisation, through internal documentation and institutional economic, sustainability, and sector reports;
2. **Identification of IROs** through the involvement of expert internal stakeholders and the analysis of authoritative sources;
3. **Assessment of the relevance of IROS** according to the perspective of Double Materiality;
4. **Prioritisation** of the most significant IROs for reporting purposes;

- **Definition of the list of material topics** from the perspective of impact materiality, financial materiality, or both.

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

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

The impact materiality

In 2024, the impact assessment conducted in the previous year for the specific context of the Group companies was updated. The internal contact persons have identified the impacts of corporate operations on the environment and society, assessing their *severity*, given by *entity*, *extent*, and, if *negative*, *irremediability*, and the *probability* for potential ones. Compared to 2023, they were asked to indicate the position of impacts along the value chain, i.e., whether they relate to Feralpi Group's own activities, occur upstream or downstream, or represent a combination of these possibilities. The impacts identified for the individual production sites were aggregated at Group level and summarised into seventeen relevant themes.

The financial materiality

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

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

The perception of external stakeholders

According to the Group's stakeholder engagement policy ***[Section 14.4.]***, in 2024, external stakeholders were involved in the materiality analysis process to gauge their perception of the significance of ESG issues and to establish targeted objectives and engagement methods based on the identified areas of alignment or misalignment.

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

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

The next steps

In the coming years, the Group aims to improve the identification and assessment of its impacts on the environment and society by fostering greater stakeholder engagement and using analysis methodologies that are as objective as possible. Furthermore, it aims to strengthen its financial materiality methodology by integrating assessments of the importance of risks and opportunities in quantitative economic-financial terms. For the upcoming reporting exercise, Feralpi Group intends to work on enhancing the techniques and quality of its stakeholder engagement processes concerning materiality analysis. The Group's objective is both to develop additional tools and channels for engagement targeted at different stakeholder categories and to organise opportunities for dialogue dedicated to sharing the results of the materiality analysis. By doing so, the Group will be able to further strengthen its relationship with its stakeholders, making them increasingly active participants in creating shared value between the company and the communities in which it operates.

Feralpi's material topics

MATERIAL TOPIC	SDGS	MAIN IMPACT	TYPE OF IMPACT	RISKS AND OPPORTUNITIES		RELEVANCE
Climate change and energy efficiency *[Section 15.1.1.]*	7, 9, 13	Climate-altering emissions from the Group's production activities (Scope 1 and 2) and along the value chain (Scope 3). **Mitigation actions**: Reducing emissions through electrification, energy efficiency and use of renewables.	**Negative**	Increased costs due to greenhouse gas emissions.	R	
				Competitive advantage in the market and the Group's financial position.	O	
Circular economy, waste and use of materials *[Section 15.1.4.]*	9, 12, 17	Waste and residues from the group's production activities. **Mitigation actions**: Contribution to the circularity of economic activities through the production of electric furnace steel (EAF), using recycled, virgin ferrous materials, and the development of new industrial products from by-products and waste, preventing further extraction of raw materials.	**Negative**	Maintenance of management costs and compliance needs of the waste produced.	R	
				Opening of new markets interested in by-products generated by the steel process.	O	
Management of water resources *[Section 15.1.2.]*	6	Negative impact on the availability of water resources, both for the Group and for all stakeholders with whom they are shared, due to the Group's steelmaking activity. **Mitigation actions**: Adoption of practices and technologies to optimise water flows and their use in production cycles with a view to reducing withdrawals.	**Negative**	Possible conflicts with local communities and potential future criticality due to climate change in monetary and operational terms.	R	
				Cost reduction and protection from possible penalties due to misuse of water resources.	O	
Pollutant emissions *[Section 15.1.1.3.]*	9	Pollutant emissions from the group's steel activity. **Mitigation actions**: Reduction of emissions through the adoption of new technologies, the use of materials that do not require surface treatment and improved internal handling logistics (pollutant emissions from thermal combustion of vehicles).	**Negative**	Possible penalties for exceeding the emission limits of the regulations.	R	
				Reputational improvement and maintaining a positive relationship with local communities by reducing emissions.	O	
Nature and biodiversity *[Section 15.1.3.]*	14, 15	Negative impact on ecosystems and biodiversity due to air and noise pollution from the Group's production activities and site expansion operations. **Mitigation actions**: Expansion through the reclamation of disused local industrial sites leads to less land consumption, and the reduction of road transport.	**Negative**	Possible occurrence of tensions with affected stakeholders and reputational damage.	R	
				Opportunities to rehabilitate brownfield sites and improve relationships and partnerships with local communities and environmental organisations.	O	

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MATERIAL TOPIC	SDGS	MAIN IMPACT	TYPE OF IMPACT	RISKS AND OPPORTUNITIES		RELEVANCE
Development and empowerment of individuals *[Section 16.1.]*	4, 5, 8, 10	Positive impact on people's professional growth through their enhancement and continuous development of their skills, leading to greater fulfilment.	**Positive**	Deterioration of employee retention and the ability to attract new talent in case of inadequate development of professionals and lack of attention to their well-being.	R	
				Improved productivity, internal organisational skills and talent attraction through growth opportunities and guaranteed work-life balance.	O	
Well-being, health and quality of life *[Section 16.3.]*	3, 8	Positive impact on workers' health and well-being through the promotion of healthy habits, with screening activities and the dissemination of a culture of prevention and early diagnosis.	**Positive**	Deterioration of employee retention and the ability to attract new talent if diversity is not recognised.	R	
				Improved productivity, internal organisational skills and talent attraction through growth opportunities and guaranteed work-life balance.	O	
Safety and prevention culture *[Section 16.2.]*	3, 4	Negative impact on the health and safety of employees due to the risk of accidents/incidents and the development of occupational diseases. **Mitigation actions**: Reducing the risk of accidents at work through training and prevention activities, adopting certified safety management systems, improving the safety of environments and plants by adapting to best available technologies.	**Negative**	Reputational loss and the occurrence of possible criminal proceedings.	R	
				Improving relations with workers' representative associations.	O	
Diversity, Equity & Inclusion *[Section 16.4.]*	5, 8, 10	Stimulation of innovation with positive economic repercussions due to different perspectives, increased well-being and sense of belonging, promotion of a more inclusive and productive working environment.	**Positive**	Deterioration of employee retention and the ability to attract new talent if diversity is not recognised.	R	
				Improvements in productivity and staff satisfaction through the enhancement of different perspectives.	O	
Human rights and responsibilities along the supply chain *[Section 16.5.2.]*	8, 10, 16, 17	Possible presence of non-socially sustainable practices along the supply chain and their continuation in case of lack of controls / absence of adequate policies. **Mitigation actions**: Feralpi is committed to promoting human rights along its supply chain through a dedicated policy, requiring suppliers to adhere to its Code of Ethics and working with customers to ensure sustainability and shared responsibility throughout the supply chain.	**Potential negative**	Reputational damage and sanctions due to human rights violations along the supply chain.	R	
				Improved supply chain resilience through the dissemination and sharing of practices aimed at achieving climate, environmental and social objectives.	O	
Community development *[Section 16.6.]*	8	Contribution to the economic and social development of local communities by sourcing from local suppliers and supporting local associations and organisations.	**Positive**	Reputational damage due to tensions with local communities.	R	
		Potential negative impact, in terms of social tensions in local communities, that could result from Feralpi's actions and choices if insufficient attention is paid to these dynamics. **Mitigation actions**: Feralpi, as set out in its human rights policy, engages in dialogue with surrounding local communities in order to prevent any negative impacts from its activities.	**Potential negative**	Improving relations with local communities by supporting their economic, social and cultural development.	O	

MATERIAL TOPIC	SDGS	MAIN IMPACT	TYPE OF IMPACT	RISKS AND OPPORTUNITIES		RELEVANCE
Dialogue with the social partners *[Section 16.5.1.]*	16, 17	Potential negative impact on working conditions if relations with employees and their representatives deteriorate. **Mitigation actions**: Feralpi works to maintain open and constant dialogue with the associations representing employees, with a view to improving the economic and working conditions of its staff.	**Potential negative**	Possible impacts on the Group's business continuity caused by conflictual relations with social partners.	R	
				Improving relations with all social partners and maintaining the social licence to operate.	O	
Product and service quality *[Section 17.4.]*	9	Potential negative impact on communities, in terms of spill-over effects on employment and inefficiencies for end users, in case of low or inadequate quality standards leading to deterioration of customer relations. **Mitigation actions**: Feralpi works constantly to ensure high quality standards, in terms of both product and service, in order to develop trusting relationships with customers.	**Potential negative**	Deterioration of customer relations due to substandard products.	R	
				Building long-lasting relationships through products that meet their needs in terms of quality and sustainability.	O	
Creation of economic and financial value *[Section 8.]*	8	The Group's activities, through the creation of job and employment opportunities along the entire value chain, transaction investments, payment of social security contributions and taxes, generate a positive economic impact on the economic situation of employees and non-employees, and consequently of their communities.	**Positive**	Cost increases due to rapid energy transition imposed by regulators.	R	
				Strengthening market demand by contributing to the overall economic growth of the countries in which the Group operates.	O	
Integrity of governance and transparency of business *[Section 17.]*	16, 17	Negative impact resulting from potential non-compliance with the principles of good governance, ethics and integrity along one's value chain. **Mitigation actions**: Feralpi pursues fair and transparent communication, supported by third-party certified performance and regulatory-compliant procedures, with a view to disseminating ethical governance principles along the value chain.	**Potential negative**	Reputational damage and possible sanctions due to antitrust violations or possible misconduct in breach of the principles of ethical governance and integrity.	R	
				Contribution to the creation of more resilient value chains and improved reputation through proper communication with stakeholders.	O	
Business evolution *[Section 3., Section 14., Section 15.1., Section 15.2.]*	8, 9	The absence of clear legislation and a shared global policy on the issue of sustainability, together with the lack of certification and markets for *'green'* steel, hinder the spread of products with a low environmental impact, thus slowing down the contribution that Feralpi can make to the objectives of the ecological and energy transition in the sectors in which it operates. **Mitigation actions**: The capacity for vision and the continuous updating of its organisational processes enable Feralpi to adapt to changes in the environment.	**Negative**	Changes in market dynamics due to changing and evolving customer needs with regard to ESG issues.	R	
				Competitive advantage due to a leading position in the production of products that satisfy customers in terms of both quality and sustainability aspects.	O	
Digital and technological innovation and cybersecurity *[Section 4.3.]*	9	Potential negative impact on stakeholders in terms of data loss and/or sharing of sensitive information in the event of cybersecurity breaches. **Mitigation actions**: Feralpi Group takes a proactive approach to cybersecurity as a strategic investment, promoting a culture of collective responsibility and aiming to strengthen business continuity, risk awareness and collaboration with external partners for a shared defence.	**Negative**	Possible business continuity impacts in the event of the occurrence of cyber attacks.	R	
				Productivity improvements through digitalising procedures and improving staff awareness of cybersecurity risks.	O	

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14.4 The relationship with stakeholders

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

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

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

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

Collaboration
Promoting partnerships that create value for all partners involved.

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

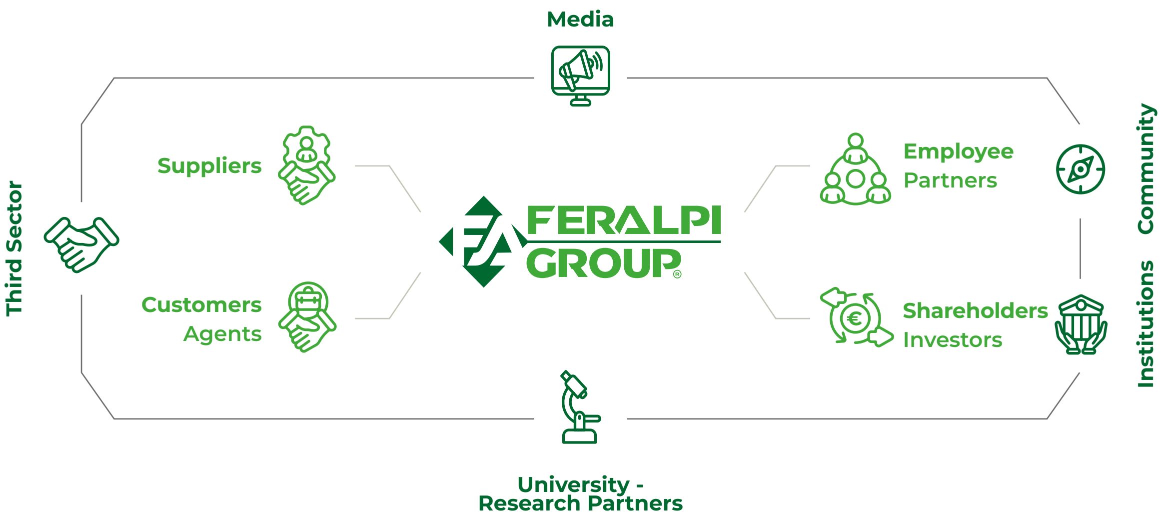
Feralpi Group also publishes **VerdeFeralpi**, the company magazine available in both print and digital formats. It addresses topics such as training, innovation, and sustainability, as well as the Group's role in the region and its engagement in cultural, artistic, and sports sectors.

With over 3,000 copies printed in Italian and German, the magazine serves as an important tool for both internal and external dialogue, contributing to the sharing of values and objectives among its stakeholders. In 2024, it was awarded "Best Print Magazine" at the Ascai Media Awards, recognising its effectiveness as a corporate communication tool.

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

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

Relationship with stakeholder



14.4.1. Internal Stakeholder Engagement

The Group promotes internal dialogue via structured initiatives, including interviews and focus groups with managers and other key personnel in the organisation, addressing issues of corporate and strategic relevance. This approach allows for the gathering of feedback, stimulating discussion, and identifying shared solutions.

In 2024, the project "**From Listening to Dialogue to Action**" continued. Introduced in 2023 alongside the ninth edition of **the biennial Business Climate Survey**, the initiative included facilities in Italy, Germany, the Czech Republic, and France, with a focus on identifying the primary needs of individuals within Feralpi Group, particularly regarding their satisfaction with their work and environment, their sense of belonging, and their perception of the Group's commitment to environmental concerns, well-being, health, and safety.

Once the results had been shared with the owners and executives, working groups were established, which included Plant Managers, HR and HSE representatives, RSPP, medical staff, and the Sustainability and Communications Department, with the objective of developing specific action plans for each company to be integrated over the 2024-2025 period.

Furthermore, cross-functional activities at the Group level continued to meet needs related to work-life balance and work flexibility by introducing additional company-funded leave and leave for employees and their families to attend medical appointments. The structured training course "Listening, Dialogue, and Inclusion", started in 2023 following the survey relating to the previous two years, also continued.

14.4.2. External Stakeholder Engagement

Externally, Feralpi Group continues to develop and consolidate the dialogue and collaboration with institutions, media, and local communities. Special focus is placed on the education sector through initiatives targeted at schools and universities, with the goal of fostering a culture of work among young people, enhancing entrepreneurship, and increasing awareness of the steel industry. Priority is also given to initiatives for dialogue with suppliers and customers, strategic partners for the sustainable growth of the entire supply chain.

In 2024, in Düsseldorf, the Group participated in **Wire & Tube**, the leading international trade fair for the wire, cable, and tube sector and the related supply industries. The event, of particular relevance for trade relations, saw the participation of 2,700 exhibitors from 60 countries, and visitors from 135 countries.

Feralpi Group was among the protagonists in Brussels at the **event-exhibition "Steel: at the Heart of Europe - Stronger with European Steel"**, organised by Eurofer at the **European Parliament**.

The initiative highlighted the necessity for common action towards a sustainable European steel industry, providing a direct dialogue between the sector and European institutions. Through the Interactive Hub, the Group presented its vision of an innovative, decarbonised, and competitive steel industry.

As in previous years, Feralpi Group took part in the twelfth edition of the **CSR and Social Innovation Exhibition** - one of Italy's key events focusing on sustainability, social innovation, and corporate social responsibility. The 2024 edition, entitled "*Challenging contradictions*", saw the Group's contributions in the tables "*Communicating sustainability, a strategic lever*" and "*Reducing emissions towards carbon neutrality*". Regarding initiatives targeting younger generations, focusing on school guidance and job placement, Feralpi Group took part in the Smart Future Brescia events in Brescia - an orientation project dedicated to young people, ranging from middle and high school students to undergraduates and graduates - and also in Domani Lavoro, a fair dedicated to employment and human resources, serving as a dynamic meeting point for companies, institutions, training bodies, and candidates.

In November 2024, Acciaierie di Calvisano hosted the "**InnovAZIONI sostenibili**" meeting to present to local institutional stakeholders the investments made to strengthen the ecological and energy transition strategy - the installation of a new extraction hood and the completion of a new photovoltaic system. They also announced the achievement of the EMAS (Eco-Management and Audit Scheme) environmental declaration. It also served as an opportunity to further solidify the dialogue with the local community through an open day, aiming to enhance awareness of strategic investments bridging sustainable development and social responsibility.

In Riesa, FERALPI STAHL organised the eighth edition of the Bella Gröba Festival, a celebration for the families of the local community of Gröba, in Riesa.

The annual event, first promoted by Feralpi in 2016, sees the participation of around 3,000 visitors each year. 2025 will see FERALPI STAHL busy on the occasion of the **inauguration of the new Rolling Mill B**, the first equipped with a K-Spooler plant in Germany, capable of producing 8-tonne coils. A series of events intended for institutional stakeholders, employees, their families, and the local community will be held at the Riesa site to present the investment.

In 2024, Feralpi Group continued to promote direct knowledge of its industrial model, fully integrated with the strategy and commitments of sustainability. Guided tours of the production facilities enabled students, institutions, partners, and local communities to witness the production processes up close, while also gaining insights into how the Group is tackling the challenges of energy transition, minimising environmental impact, and fostering a circular economy. The initiative highlighted the importance of open dialogue and transparency and engaged approximately 1,200 visitors over the year.

The Group is among the founding companies of **Comunità Pratica**, an initiative that unites thirteen business entities in the province of Brescia to promote a positive impact in the communities through sustainable projects. The community's primary goals are to encourage the exchange of knowledge and best practices in social, environmental, and cultural areas, focusing on sustainability, employee well-being, and relations with key communities and stakeholders. During the 2023-2024 period, a total of 90 concrete actions were consolidated among the participating companies, sharing best practices that generate long-term value.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Environmental information

15

ENVIRONMENTAL INFORMATION

15.1 The ecological and energy transition

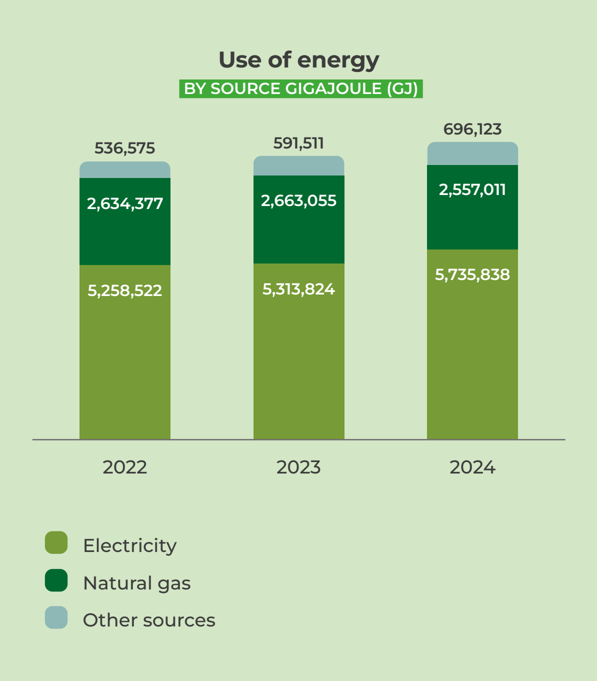
15.1.1. Energy and emissions

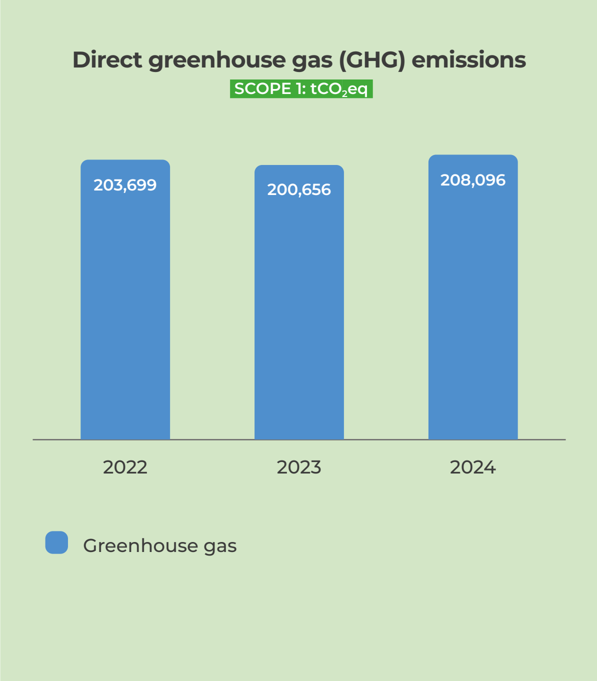
The **steel sector** generates a significant impact on climate, contributing about **8%** [5] **of global emissions**. It is considered a "**hard-to-abate**" sector, i.e. a sector where reducing greenhouse gas emissions is challenging due to complex production processes that require large amounts of high-temperature energy. Finally, the steel sector requires large long-term investments, which implies that many of the emissions generated today are defined as "**locked-in**", making them difficult to avoid in the short term due to existing infrastructure that takes time to upgrade and improve.

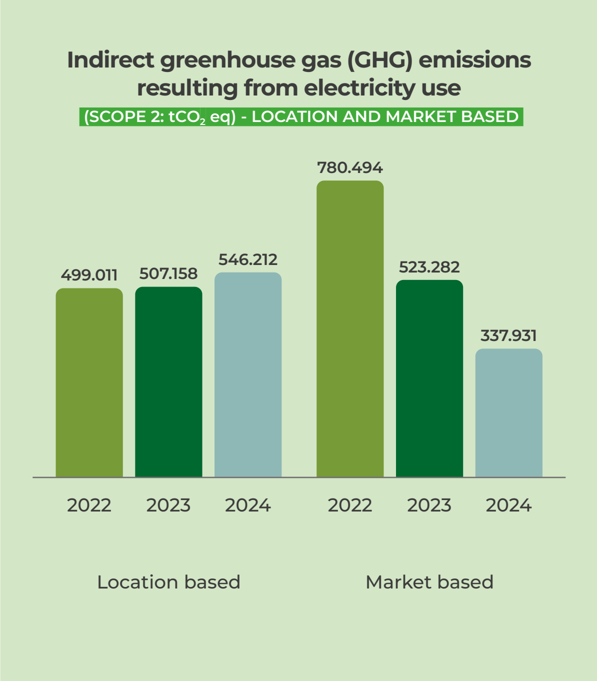
Feralpi Group's production process, based on **electric arc furnace (EAF)** and **ferrous scrap** as primary material, has an approximately **three times less impact** than the more common full-cycle process with blast furnace and iron ore, which accounts for the bulk of steel production worldwide. Feralpi Group is aware of its impact on the climate, which occurs at different stages of the value chain. Greenhouse gas emissions, both **direct (Scope 1)** and from **energy purchases (Scope 2)** of the Group derive mainly from the steel melting and rolling processes.

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

[5] International Energy Agency (IEA) - https://www.iea.org/energy-system/industry/steel







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

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

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

Regarding indirect **emissions from energy purchase (Scope 2)**, calculated according to the **Location-based methodology, they show an increase of 7.70%** from 507,158 tCO_2eq in 2023 to 546,212 tCO_2eq in 2024. Regarding the calculation according to the **Market-based methodology**, emissions **decreased by 35.42%** from 523,282 tCO_2eq in 2023 to 337,931 tCO_2eq in 2024.

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

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

SCOPE 3 CATEGORIES tCO_2eq	2024	2023	2022
Purchased goods and services	658,857	502,346	594,385
Capital goods	117,342	86,486	57,621
Activities related to fuels and energy, not included in Scope 1 or Scope 2	96,213	89,284	169,059
Upstream and downstream transportation and distribution	197,044	179,272	145,368
Waste produced in operations	26,587	23,097	23,147
Transformation of goods sold	8,498	22,709	18,514
End-of-life treatment of products sold	137,854	258,329	222,452
TOTAL	**1,242,395**	**1,161,523**	**1,230,545**

Further information on how the above-mentioned Scope 3 categories contribute to determining SBTi targets is available in the ***Appendix [Section "Environmental Sustainability Indicators"]***.

15.1.1.1. The climate transition plan

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

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

Short-term objectives (2030):

- Reduction of specific CO_2 emissions (Scope 1, 2 and 3 core boundary) in relation to the total production of hot rolled products by 50% compared to the baseline year 2022.
- Reduction of absolute CO_2 emissions (Scope 3 non-core boundary) by 25% compared to the baseline year 2022.

Long-term objectives (2050):

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

For the definition of these objectives, linked to the Group's overall sustainability plan and included in the ESG Scorecard ***[Section 14.2.]***, the guidelines relating to the steel sector published in July 2023 by the **Science-based Targets Initiative (SBTi)**[6], an organisation that independently evaluates and approves the company's greenhouse gas objectives, ensuring their alignment with the objectives of the Paris Agreement, were followed. In July 2024, Feralpi Group's short-term targets received approval from the Science-Based Targets initiative (SBTi), positioning the Group as one of the first European steel companies to have its climate change mitigation efforts acknowledged by this prestigious organisation.

To achieve the established objectives, Feralpi Group has collaborated with expert strategic partners to identify, assess, and prioritise the **technological and systemic levers** available for reducing greenhouse gas emissions. The detail of the solutions identified is available in the Report on Operations ***[Section 4.1.]***.

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

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

In addition, the Group is engaged in numerous **Research and Development** activities to contribute to the development of new technologies capable of further mitigating its environmental impacts ***[Section 5.]***.

Within Feralpi Group, there is a dedicated company, **Feralpi Power On**, for the development and management of projects related to generating energy from renewable sources, through photovoltaic installations and potentially wind power. Further information about this is available in the Report on Operations ***[Section 4.2.]***.

[6] www.sciencebasedtargets.org

PHOTOVOLTAIC INITIATIVES APPROVED AND IN CONCLUSION		COMPLETION OF WORKS	POWER (MW)	TYPE	NUMBER OF MODULES
Feralpi Siderurgica	Lonato del Garda	April 2024	3.47	Roof-mounted	8,399
Acciaierie di Calvisano	Calvisano	July 2024	3.90	Roof-mounted + ground-based	7,127
Presider	Nave	May 2023	1.07	Roof-mounted	2,527
Nuova Defim	Anzano del Parco	August 2023	0.45	Roof-mounted	1,124

Physical and transitional climate risks

In addressing the climate transition, Feralpi Group is committed to assessing and mitigating the risks associated with the path described above. An in-depth description of these risks is presented in the Report on Operations ***[Section 10]***.

15.1.1.2. Measures for improving energy efficiency and greenhouse gas emissions

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

COMPANY	ACTIONS AND MEASURES FOR ENERGY EFFICIENCY AND GHG EMISSIONS
Feralpi Siderurgica	In 2024, the start-up of the new roller way was completed, which, thanks to the efficient transport of billets to Rolling Mill 2, allowed a reduction in the energy required to heat them to the required rolling temperature. Operations to improve the cleanliness of the scrap continue constantly in order to improve the quality of the input material and consequently make the process even more efficient in terms of energy and material separation.
Acciaierie di Calvisano	In 2024, two ground-mounted photovoltaic parks were built on owned land for self-consumption, which will be connected to the grid during 2025. In addition, a new ladle heating system with regenerative burners was installed, reducing the specific consumption of methane gas. At the same time, preparatory work started on the installation of a second heating station with the same characteristics, which will be installed in 2025. Also in 2024, the compressor overhaul campaign, with a view to reducing energy consumption, was concluded with the replacement of the last compressor.
Presider	In 2024, the 1 MW photovoltaic plant on the roof of the Nave factory was connected to the grid and started up. A new warehouse has been completed at the Pomezia site, and evaluations are underway for the installation of a photovoltaic system of approximately 400 kW on its roof, in addition to the existing 347 kW system. In 2025, work is scheduled to start on the roof of the Borgaro Torinese plant for the construction of a 2MW photovoltaic plant. At the same time, work will also take place to re-roof the plant to accommodate the new system.
Arlenico	In 2024, the internal heat recovery system of the rolling mill's reheating furnace was replaced. The new recuperator, which came into operation in 2025, will optimise the furnace cycles by improving energy consumption and reducing heat loss to the environment.
Nuova Defim Orsogril	At the Anzano al Parco site, activities for the installation of the photovoltaic system on the roof of the plant were completed in January 2024. In addition, efficiency work continued on the use of hydraulic power unit oils. In 2025, possible actions to improve the efficiency of the compressed air distribution network at the Anzano al Parco and Alzate Brianza sites will be evaluated.
ESF Elbe-Stahlwerke Feralpi GmbH	In 2024, work continued on the new Rolling Mill B, the first K-Spooler plant in Germany capable of producing 8-tonne coils, whose roller with induction furnaces was created. The plant will be completed and commissioned in early 2025. The new scrap sorting and preparation plant went into operation in February 2024, enabling both the efficiency of steel production through EAF and the reduction of waste production. The next steps in the process are currently being defined. Work continued on the new power plant, which will provide the necessary energy for the new production layout and will be completed in the first half of 2025. For its construction, Siemens' blue GIS (*Gas Insulated Switchgear*) technology was used, which involves replacing fluorinated gases with a pure air-based insulator that can be directly released into the atmosphere. Activities continued related to the logistics of the new layout of the site, with the construction of new internal road and rail links with the aim of optimising the flow of materials and improving safety at work. The project will continue in the coming years. Testing activities concerning the possible use of hydrogen in its production processes have been postponed due to the dynamics of the relevant market. In 2024, the German government took the decision to connect the Riesa plant to Germany's hydrogen backbone network; the connection should be completed by the end of 2027.

15.1.1.3. Emissions into the atmosphere

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

Feralpi Group's production activities are regulated by air emission regulations at the local, national, and European levels. Aware of the environmental impact of its operations, the Group is committed to managing these emissions correctly, in line with European pollution reduction objectives[7]. This commitment translates into strict compliance with current regulations and constant monitoring of the emissions generated at all Group plants.

Specifically, the chimneys at the steelworks are equipped with filtration and dust reduction systems capable of alerting operators to any anomalies, enabling them to initiate the required checks and maintenance as per system procedures.

In 2024, at Acciaierie di Calvisano, a new suction hood for the electric furnace was installed, leading to improved efficiency in capturing waste fumes and separating the dusty fraction, thus contributing to enhanced plant performance in terms of emissions.

15.1.1.4. Sustainable mobility

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

In recent years, the Group has focused on **gradually increasing the use of rail and intermodal transport** to manage the movement of products to and from its production sites, in order to reduce road travel. The aim is to provide the key facilities - Lonato del Garda, Calvisano, Lecco, and Riesa - with an efficient railway connection, gradually increasing rail freight volumes to decrease greenhouse gas emissions and lessen the traffic impact on the communities where the sites operate in terms of pollution and road safety. However, in 2024, uncertainties persisted in both the infrastructural and social spheres, largely because of numerous rail strikes and the significant increase in train transport costs in Germany, making rail transport more challenging. The Group is also investigating the contribution that alternative fuels, such as e-fuels and biofuels, may have on the indirect emissions associated with the Group's inbound and outbound transport.

At the Lonato del Garda, Calvisano and Riesa sites, recharging **stations for electric vehicles** are available and, for Presider, related installation work is in progress at the Borgaro Torinese, Pomezia and Nave sites.

For Presider, at the Borgaro Torinese plant, the **Home-to-Work Travel Plan (PSCL)** is active, led by a **Mobility Manager**, in accordance with Interministerial Decree no. 179 of 12 May 2021, to reduce the environmental impact of private vehicular traffic in urban areas through the promotion of initiatives for the reorganisation of mobility demand.

In 2024, despite not being subject to the decree, a Mobility Manager was appointed for the Feralpi Siderurgica site in Arlenico, and the associated PSCL was drafted, in addition to the external Mobility Manager already present.

	Shipping of products 2024		Scrap deliveries 2024	
ROAD	88% ITALY - LONATO DEL GARDA	89.4% GERMANY - RIESA	94.2% ITALY - LONATO DEL GARDA	71.6% GERMANY - RIESA
RAIL	12% ITALY - LONATO DEL GARDA	10.6% GERMANY - RIESA	5.8% ITALY - LONATO DEL GARDA	28.4% GERMANY - RIESA

[7] With the action plan "Towards zero pollution for air, water and soil", the European Union has set itself the ambitious goal of reducing pollution to sustainable levels for the planet by 2050. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021DC0400

For **Feralpi Logistik GmbH**, the only company in the Group that deals with logistics, sustainable mobility is a priority. All vehicles in the fleet meet EURO 6 emission standards as of 2018, and every new purchase must meet the more stringent emission standards with the aim of reducing diesel consumption by 8% by 2030.

15.1.2. Management of water resource

Water management is essential for the steel industry, especially for plant cooling. Feralpi Group implements stringent monitoring and reporting standards for the responsible use of water resources, reducing withdrawal and consumption and promoting reuse in industrial processes. In Italy, the treatment and discharge of water are guaranteed according to Legislative Decree 152/06, thanks to dedicated systems and controls by accredited bodies. In Germany, it operates with specific permits for the discharge into the public wastewater network.

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

At the Lonato del Garda site, the new sludge treatment facility at rolling mill 1 will not only reduce the volume of solid waste needing recovery but also enhance internal water recycling and, consequently, decrease reliance on the aquifer.

At the Riesa site, construction of a cistern began in 2024 to capture rainwater from the roofs of warehouses built for the new rolling mill B. This facility, with a capacity of 350 m^3, will enable the recovery and reintroduction of rainwater in the cooling and process circuits, allowing savings of about 6,000 m^3 of potable water from the public network each year. The new cistern is scheduled to come into operation in 2025.

In 2024, the volume of water withdrawn and discharged from sites with hot works was 3,131.75 ML (3,131,750 m^3) and 480.09 ML (480,090 m^3). The 2023 data indicate a 72% reduction in the discharged volume, attributed to the new direct cooling water treatment circuit that started operating at the Arlenico site in January 2024.

Hydrological context

Feralpi Group has assessed the risk of water stress in its facilities that use water for production purposes (Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, ESF Elbe-Stahlwerke Feralpi GmbH).

The analysis was based on the **Aqueduct Water Risk Atlas** of the **World Resources** Institute and on **GCM-RCM climate models**, considering current data and projections to 2050. The risk was assessed on the basis of water stress, i.e. the ratio between human demand and water availability, without considering the specific business activities.

Soil and groundwater protection

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

SITE	WATER BASIN	WATER STRESS RISK (CURRENT - 2024)	WATER STRESS RISK TO 2050
Feralpi Siderurgica *Lonato del Garda, Brescia*	Oglio (Po)	🔴	🔴
Acciaierie di Calvisano *Calvisano*	Oglio (Po)	🔴	🔴
Caleotto *Arlenico*	Adda - Lake Como (Po)	🟢	🟠
Feralpi Stahl *Riesa*	Elba	🟡	🟠

🔴 High 🟠 Medium-High 🟡 Low-Medium 🟢 Low

15.1.3. Biodiversity

Aware of the importance of biodiversity and ecosystems for the well-being of present and future society, as well as their rapid decline which threatens both nature and people, Feralpi Group has initiated a process to assess the impacts and risks to biodiversity and ecosystems in the areas in which it operates. Through climate change mitigation and adaptation actions, the Group is committed to actively contributing to the conservation of biodiversity by addressing the main causes of its loss.

Thanks to its international presence, the company aims to promote initiatives not only within its own value chain but also beyond, encouraging a widespread and shared commitment.

In line with the Taxonomy Regulation ***[Section 15.3]***, the Group has examined the position of its sites concerning protected areas. The analysis revealed[8] that none of the Group's sites fall within protected natural areas. However, the sites at Arlenico (Lecco), FERALPI STAHL (Riesa), and Feralpi-Hungária (Budapest) are located less than one kilometre from the perimeter of such areas. The complete information can be found in the ***Appendix [Section "Environmental Sustainability Indicators"]***.

In 2024, a working group was established at the Group level dedicated to this topic, which in the coming years will delve into the analyses and assess the opportunity for potential further improvements, in order to reduce the impact of the Group's activities on biodiversity.

The working group, which includes representatives from all Feralpi Group companies, aims to craft a unified strategy to address the issue and ensure consistent action across the board: therefore, by 2025, it plans to develop guidelines to guide the actions of the various companies within the Group.

In addition, biomonitoring activities through pollinating insects continue at the Lonato del Garda site: in 2024, the number of hives has doubled, increasing from four to eight.

The objectives of reducing the impact of the Group's activities on biodiversity can be achieved through two main enabling factors:

- **Strategic collaborations** with customers, suppliers, universities, institutions and research organisations, to identify new opportunities, develop innovative methodologies, and promote useful tools within the sector.
- **Active involvement of employees and communities** through training, communication, and awareness-raising on sustainable behaviours, as well as local development initiatives with a focus on climate adaptation.

15.1.4. Circularity and zero waste: material and energy management and enhancement

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

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

The steel produced by Feralpi Group consists of **98.6%[9] recycled, recovered, or by-product material**. The calculation is also made for the aggregates produced by the Group, which have the following values:

[8] To carry out the study, the "European protected sites" database of the European Environmental Agency was used, which provides a comprehensive overview of protected sites in Europe. The database is available at the following web address https://www.eea.europa.eu/data-and-maps/explore-interactive-maps/european-protected-areas-1.

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

≥ 96.6%

GREEN STONE (BLACK SLAG)

≥ 100%

GREEN LIME (WHITE SLAG)

≥ 100%

GREEN IRON (SCALE)

Total recycled, recovered, by-product content

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

15.1.4.1. Measures to improve circularity

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

Feralpi Siderurgica

In 2024, the **new sludge treatment plant at Rolling Mill 1** went into operation, which allows sludge to be obtained with less moisture, thus favouring the recovery and saving of water and reducing the amount of solid residues to be sent for recovery. Refinement activities of the plant, which will be fully operational in 2025, are ongoing.

In line with the Group's strategy to reduce the use of virgin raw materials, the **use of manufactured products containing artificial aggregates in the plant and in resurfacing operations continues**. Investments continue targeted at the continuous streamlining of scrap processing in order to boost the efficiency of the electric furnace.

In September 2024, the Lombardy Regional Council approved the guidelines for the management of white waste from secondary metallurgy, the result of the work of the related working group within the Observatory for Climate, Circular Economy and Ecological Transition, which saw the involvement of various stakeholders including the Feralpi Group.

Acciaierie di Calvisano

During 2024, the **silo for the furnace-blowing of technopolymers** derived from the processing of plastic waste came into operation, almost completely replacing coal for slag swelling.

Arlenico

Work continued on the **district heating project**: construction of the plant was completed in 2024 and it is expected to receive the necessary permits for start-up in 2025. Also in 2025, the installation of an external heat recovery boiler for the district heating system is planned for early in the year.

In addition, the replacement of the internal heat recovery system of the rolling mill's reheating furnace will optimise furnace cycles by improving energy consumption and reducing heat loss to the environment.

ESF Elbe-Stahlwerke Feralpi GmbH

Work continued on the **reuse of white slag**, which, thanks to the optimisation of the internal treatment process (screening, crushing, multi-stage magnetic separation), is now completely redirected to the concrete industry. Tests to replace hard coal with bio-coal also continue.

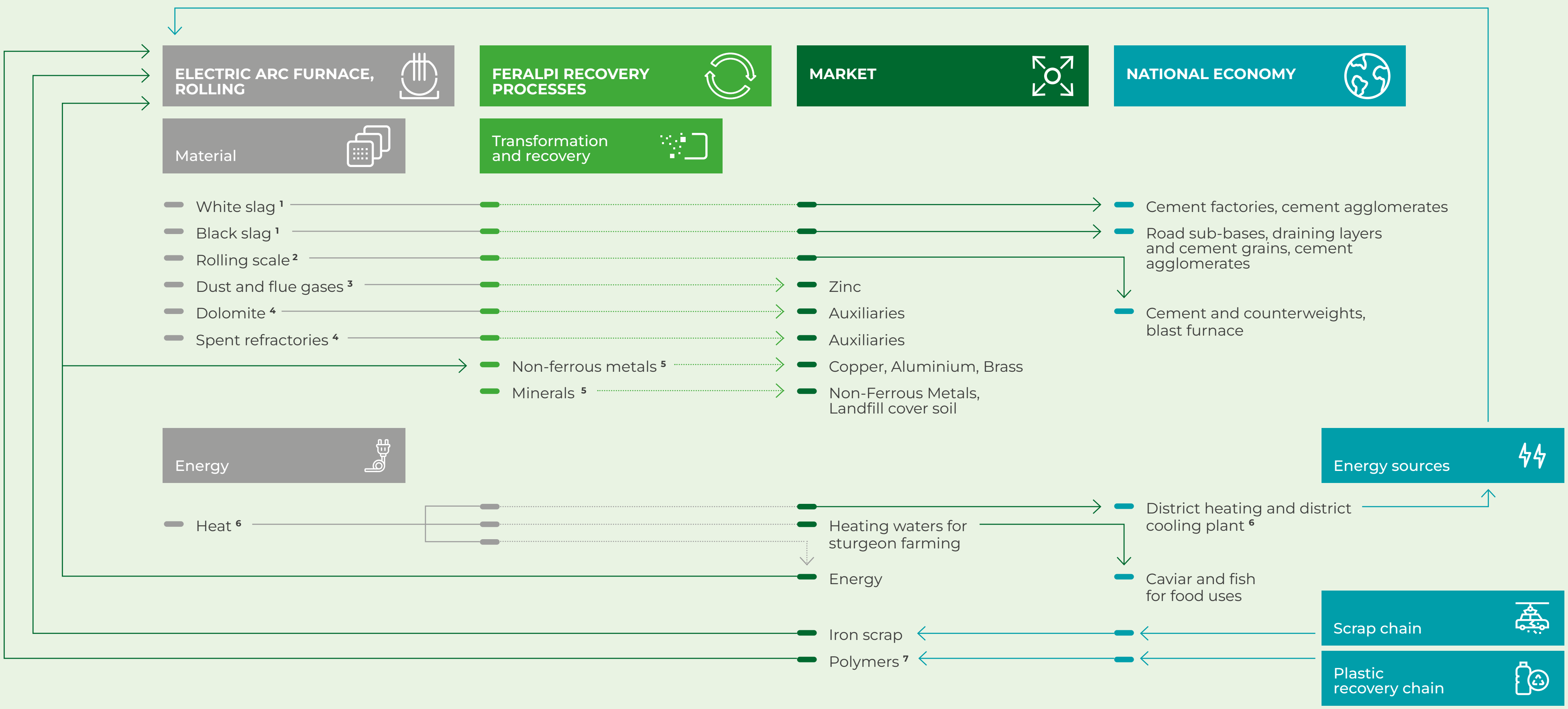
A project to recover about 3MW of waste heat from the cooling tower of the Riesa plant is being evaluated.

Circular processes in Feralpi Group

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

FERALPI STEEL

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



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

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

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

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

[5] **NON-FERROUS METALS AND MINERALS:** The residual fraction produced by the scrap selection plant is sent to external plants for the recovery through mechanical sorting of non-ferrous metals (such as aluminium, brass and copper).

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

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

ENHANCEMENT OF PRODUCTION RESIDUES WITHIN THE PRODUCTION CYCLE OR EXTERNALLY

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

15.2 The environmental sustainability of Feralpi Group products

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

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

To address the need for low-carbon products to support decarbonisation efforts both internally and at the European and global levels, Feralpi Group, through the "**Green Go-to-market**" project, has developed a systematic strategy aligned with its transition plan ***[Section 15.1.1]*** to offer a full range of these products, collaborating with leading international partners.

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

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

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

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

15.3 Taxonomy Regulation

The European Taxonomy[10] is one of the initiatives promoted by the European Commission to achieve the objectives of the European Green Deal and make Europe "carbon neutral" by 2050. It consists of a **classification system aimed at identifying environmentally sustainable economic activities**.

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

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

The full results of this analysis, a summary of which is presented in the table below, are available in ***Appendix [Section "The Taxonomy Regulation: Evaluation and KPI Tables"]***.

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

[10] Regulation (EU) 2020/852

Social information

16

SOCIAL INFORMATION

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

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

Commitment to the growth and development of people | Pillars

Attracting talent
Diverse recruitment formats, offering professional growth and development in a safe and stimulating working environment.

Developing competencies
Promoting a culture of continuous learning through quality training for employees and supporting the younger generation for conscious growth.

Ensuring a positive working environment: safe, inclusive and respectful
Investing in the safety, health and well-being of its people, implementing effective management systems, offering structured welfare and reconciliation measures in an inclusive environment.

Valuing potential
Professional development plans with targeted training, succession planning, performance management tools and fair policies aligned to employee performance and contribution.

16.1 Raising competencies: people growth and development

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

In particular, in 2024, FERALPI STAHL continued its efforts in researching and recruiting mechanics and electricians to support the expansion of the production site with the new Mill B. The company continued to hire Ukrainian refugees with technical skills, reaching a total of 40 people by the end of the financial year, and strengthened collaborations with agencies to recruit technical staff from abroad, promoting their integration into society and the workforce in Germany.

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

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

Group Technical Excellence

Group Technical Excellence activities continued in 2024, a project forming part of Feralpi Group's People Strategy in the 2021-2025 Business Plan, to **enhance internal technical skills** and align the corporate structure with the Group's strategy. The project is structured along three lines:

Technical area organisational development
GROUP TECHNICAL DEPARTMENT

Inclusion of new staff
TALENT ATTRACTION PROJECTS

Technical skills development
TALENT DEVELOPMENT

Group Technical Department

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

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

Talent Attraction & Development

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

Active recruitment formats

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

Feralpi Group is one of the founders of the **Academy Siderurgica**, which was founded in 2019 and currently has the participation of five other major players in the steel sector. Through the collaboration of the different actors, the Academy promotes the sharing of skills for the mutual growth of its collaborators. The training catalogue is continually evolving and consists of **thirteen modules** that are regularly updated and divided into five areas: Management Training, Personnel Management, Leadership Development, Technical-Specialist Training and IFTS Courses. The participation of the Group's staff takes place both in specific programmes dedicated to Feralpi Group companies and intercompany programmes.

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

Main training initiatives

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

16.2 The health and safety management at the workplace

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

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

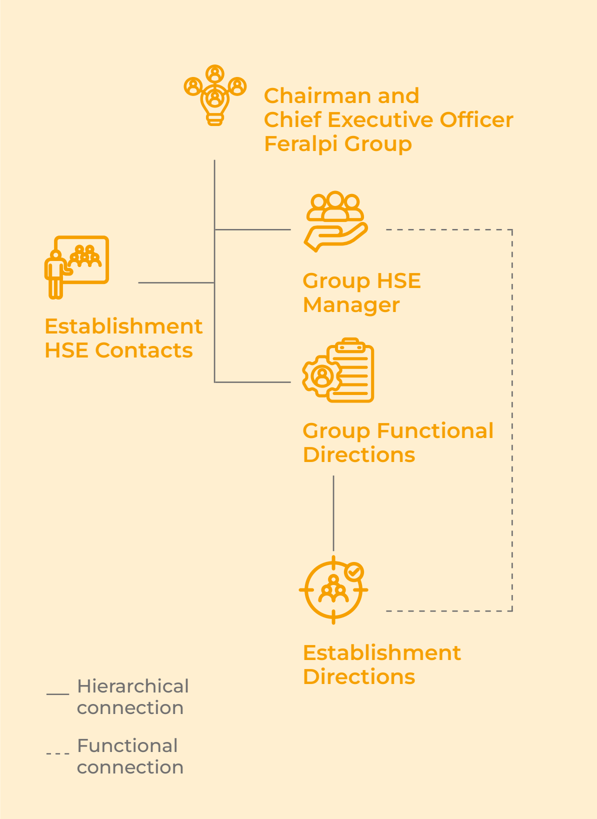
The company is constantly committed to raising awareness of safety issues and reducing risk through training, constant monitoring and targeted initiatives that enable continuous improvement of working conditions.

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

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

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

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



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

Feralpi Group ensures healthcare coverage at all major locations with both nursing and medical staff available. In 2024, due to the substantial occupational presence, the service at the Riesa site was extended to include a nurse available throughout the entire day. Furthermore, in entities with less staff, the activity of the occupational physician is guaranteed to conduct periodic health assessments related to exposure to potential occupational risks.

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

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

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

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

Finally, the Feralpi Siderurgica and Acciaierie di Calvisano sites are both equipped with a Policy, a Risk Management System and an assessment of relevant accident risk scenarios in line with the provisions of Legislative Decree no. 105/15.

With regard to contract work, all companies have specific procedures for the technical and professional assessment of contractors and the management of interference risks. Before any activity is contracted out, a check is conducted on the possession of the technical and professional requirements of the chosen company and its subcontractors, if any, by acquiring a series of documents attesting to the correct obligations required by the competent bodies, and coordination meetings are held with supervisors/employers of the parties, to eliminate or reduce any risks identified.

In January 2024, a fatal accident occurred at the Lonato del Garda site involving a worker of an external company that has contracted out, with its own staff and equipment, the entire activity of handling slag from steel melting. The event occurred during slag container handling operations. Due to causes which are being looked into by the investigating bodies, during one phase of the operation, the crate containing the incandescent slag tipped over towards the vehicle used for transport, resulting in it catching fire and the death of the driver of the vehicle.

Companies located in Riesa adopt an external companies management manual signed by the Top Management of ESF Elbe-Stahlwerke Feralpi GmbH and the workers' representative that encompasses all procedures pertaining to safety, and an information sheet with rules of conduct for visitors and the workers themselves is prepared in each company, presenting safety equipment, directions in case of emergency, signs and emergency exits.

Feralpi Group maintains constantly monitored and updated information on reported accidents, emergencies, and near misses by processing and disseminating data on the indicators of the frequency and severity of accidents that have occurred through tools set up for periodic internal reporting.

16.2.1. We Are Safety

Since 2022, Feralpi Group has initiated the "**We Are Safety**" project, which is in the process of being gradually extended to all the companies within the Group. This project aims to promote a health and safety culture through a training and experiential approach involving all staff, from management to workers, developing key skills such as communication, conflict management, leadership and team management, in order to continuously improve safety standards and ensure a safe working environment for all.

As a result of these training activities, a Decalogue of **10 safety rules** was created. The "**Safety Observations**" process is based on these rules and is conducted by those in charge, using a mobile application specifically developed as part of the project, to record and monitor compliance with the rules of the Decalogue and observe the progress trends.

In 2024, the "We Are Safety" project was extended to the Acciaierie di Calvisano and Arlenico sites, based on a similar format to that adopted at Lonato del Garda. At FERALPI STAHL, the efforts to enhance safety culture have come together under the "We Are Safety" banner, and methods of replicating the format to adapt it to the needs of the German sites are being assessed.

In 2024, a strategic decision was made to extend cultural safety training activities to the main external companies operating at the Group's plants, starting with the site at Lonato del Garda. In 2025 this approach will be extended to the Calvisano and Lecco sites.

16.2.2. Interventions in sites to protect safety and the workers

In parallel with the awareness-raising and training actions, Feralpi Group continuously carries out improvement actions in all plants.

The updating of the **risk assessment of all production sites** is carried out according to the frequency imposed by regulatory aspects as regards the assessment of physical and chemical risks, and in relation to all plant developments determined by changes to environments and production facilities carried out during the year.

In all plants, **proactive auditing activities** and the **analysis of incidents and *near misses*** are carried out, and **reports** are collected by staff. All investments by the Group involving changes, revamping, additions, or replacements of machinery and equipment at facilities, aimed at improving working environments and expanding plants and production plants, are carried out with the active and constant involvement of the Safety and Environment function. In this way, from the first design phases, plant evolution interventions are carried out with a focus on the constant improvement of the working conditions of the affected tasks.

As part of the Group strategy, a continuous improvement process was initiated, initially tested on pilot sites. In 2024, several sites, including Lonato del Garda and Calvisano, embarked on experimental projects focused on optimising logistics and ground handling.

The goal is to create a virtuous model that, once the effectiveness of the solutions adopted has been proven, can be extended and replicated in all the Group's sites.

At the same time as the changes to the production layout at the Riesa site, **ESF Elbe-Stahlwerke Feralpi GmbH** continues updating the signage for the newly constructed buildings and plants and those under construction. Steps are also being taken to improve translations of relevant health and safety documents into the different languages of the site's staff, given the increasing presence of non-German-speaking workers, visitors, and contractors on the site (in particular contractor management documents).

16.3 Welfare

Feralpi Group implements and annually updates a range of initiatives, services, and benefits dedicated to its staff, aiming to enhance their well-being and quality of life both at work and personally, promoting a balance between work and private life.

In addition to what is provided by the health and safety management systems, the Group is committed to health protection and safeguarding activities through prevention and awareness measures. Feralpi Group has been participating in the **WHP network - Workplace Health Promotion** - a European initiative implemented at a regional and provincial level since 2013. In this context, over the years, initiatives have been carried out in collaboration with competent local health authorities and Confindustria, aiming to improve the health and well-being of workers by reducing general risk factors, particularly those most closely associated with the development of non-transmissible chronic diseases.

In 2024, **Presider's Turin headquarters received accreditation from the WHP Network, the first in the province of Turin**, thus joining the Group's Lombard companies.

Total Worker Health (TWH)

In 2024, Feralpi Group began activities in the context of the international **Total Worker Health (TWH)** program, in collaboration with the Department of Occupational Medicine of the University of Brescia. The programme consists of a comprehensive three-year evaluation of the impact on the health and safety of its people, encompassing the analysis of various social, political, and economic factors: residence location, workplace, quality of the surrounding environment, genetics, lifestyle, income situation, and education level. Following the formation of the project's Steering Committee, which includes representatives from the workforce, the company, and the University of Brescia, all Feralpi Siderurgica staff were given a questionnaire to investigate the psychophysical health of the employees. At the moment, the findings of the investigation are being analysed to identify the most appropriate actions to undertake.

For work-life balance and support for parenthood, the Group's Italian companies provide paid leave for needs related to children's illness and benefits for female employees who, upon returning from maternity leave, have the option to work part-time, work from home, or reduce their canteen break. For some staff, there are flexible working arrangements in terms of working hours and how these hours are accounted for. Furthermore, additional measures have been implemented, including the granting of permits for specialist medical visits for oneself, children, and parents, as well as the introduction of Short Friday, which allows personnel not directly involved in the technical-productive sector to enjoy days with reduced working hours. In 2024, these benefits were incorporated into second-level bargaining at Feralpi Siderurgica.

Feralpi Group has also joined the **Local Conciliation Alliance**, a public-private partnership aimed at promoting work-life balance projects coordinated by the Brescia Health Protection Agency, which allows staff to obtain social vouchers to cover care expenses specified in the calls.

FERALPI STAHL organises annual **health days** for staff with the support of health insurance companies and other service providers. In Germany, employees are covered by workplace accident insurance, which also includes personal life, providing access not only to mandatory check-ups but also to other examinations. In Italy, workers can enjoy supplementary health insurance, guaranteed by the sector's collective bargaining agreement, which goes as far as including family members.

Attention to individuals' well-being also translates into initiatives aimed at making work environments more welcoming, modern, and functional. Modernisation extends beyond office spaces to include production and logistics areas, aiming to create a safe, efficient, and stimulating work environment.

All the Group's Italian companies offer a **flexible benefit** system that, through a platform based on welfare credits, allows access to goods and services. In addition, there are numerous **local agreements with commercial or service-providing businesses** that offer various kinds of benefits for staff.

16.4 Diversity, Equity, Inclusion

Aligned with its Code of Ethics, which pledges to avoid any form of discrimination, Feralpi Group regards it as imperative to address matters related to diversity and inclusion (D&I), believing that the **uniqueness of individuals** represents an absolute value. The integration of varying perspectives from its people acts as a leverage point that stimulates innovation and the promotion of a more inclusive, attractive, and consequently, productive work environment.

This belief has prompted the Group to adopt a dedicated policy structured around four pillars, guiding its efforts to promote the principles of Diversity, Equity, and Inclusion (DEI) both internally and externally.

Additionally, Feralpi Group is among the signatories of the "**Businesses for People and Society**" **Manifesto of the UN Global Compact Network Italy**, with the aim of increasing the private sector's commitment to the social dimension of sustainability in companies, along supply chains and in communities.

In 2024, the **Ambassador D&I Group**, dedicated to the active promotion of D&I principles within Feralpi Group, reached 39 members, representing all the Group's companies, and was selected as a **best practices** by the UN Global Compact Network Italy.

In 2024, FERALPI STAHL participated in the **NETZWERK Unternehmen integrieren Flüchtlinge**, an initiative organised by the **Chamber of Commerce for Industry (Deutschen Industrie - und Handelskammer (DIHK)** and the **Federal Ministry for Economic Affairs and Climate Protection** that supports German companies for refugee integration. The Manager of Human Resources of FERALPI STAHL has been appointed ambassador of the initiative for the federal state of Saxony.

DEI Policy | Pillars

Global Culture
Integration of different backgrounds.

Gender balance
Equal opportunities between genders and encouraging women to pursue scientific careers.

Inclusive leadership
Inclusion of people in their uniqueness.

Collective responsibility
Partnership with the territory to increase the values of inclusion.

Main Diversity, Equity and Inclusion initiatives

WE ARE TOGETHER	Internal campaigns dedicated to inclusion issues continued. The **We Are Together - Getting to Know Each Other** campaign provides for awareness-raising and cultural growth activities on the topics of inclusion, listening and internal dialogue aimed at all Feralpi Group personnel. In 2024, it was completed in Acciaierie di Calvisano and Presider, while in 2025 it is scheduled for completion in Feralpi Siderurgica and will continue in FERALPI STAHL. The second campaign **We Are Together - Inclusive Leadership**, which offers specific insights for managers and corporate leaders on D&I issues, involved all Italian Group locations in 2024, and will be extended to FERALPI STAHL in 2025, once the first campaign is completed.
DEPLOY YOUR TALENTS	In 2024, Deploy Your Talents continued in cooperation with Fondazione Sodalitas. The project is dedicated to the dissemination of STEM subjects with a view to combatting gender stereotypes, in order to increase the number of women employed in technical-scientific professions, through meetings aimed at students at local high schools, who have the opportunity to meet Feralpi Group engineers and experts during which they share their work experiences and answer students' questions and curiosities.
STEM IN GENDER	In 2024 Feralpi Group participated in the 'STEM in Gender' project of the University of Brescia in cooperation with the Chirone association as part of the Practical Community network ***[Section 14.4.2.]***. The project, with a view to overcoming gender stereotypes in the STEM field, envisages educational and awareness-raising meetings aimed at male and female students from primary schools in Brescia.

16.5 Human rights in the workplace and along the supply chain

16.5.1. Human rights in the workplace: protection, recruitment, pay

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

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

16.5.2. Human Rights along the value chain

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

For this reason, in 2021, the Group established its own **Human Rights Policy**, committing to promote and implement human rights principles throughout its supply chain, consistent with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Ten Principles of the Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work.

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

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

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

The initiative continued with the "**Feralpi Scrap Suppliers Dialogue**" project, aimed at sharing the Group's sustainability strategy through dedicated company meetings, the planned investments in the business plan, and the stakeholder engagement policies and worker relations, including the aspect of human rights. In 2024, additional internal audits were conducted to evaluate the practices of scrap suppliers, while also enhancing their awareness of the impact of their actions in terms of sustainability and the strategic role they play within Feralpi Group value chain.

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

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

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

16.5.3. The path to Due Diligence process along the value chain

In 2023, Feralpi Group, in collaboration with its strategic partners, undertook two fundamental projects to implement a structured Due Diligence process, in line with forthcoming European directives - including the *Corporate Sustainability Reporting Directive (CSRD)* and the *Corporate Sustainability Due Diligence Directive* (CSDDD, which will affect Feralpi Group starting in 2029) - in addition to the German law on due diligence along the supply chain (Lieferkettensorgfaltspflichtengesetz - LkSG). In response to these new regulations, the Group adopted a proactive approach, completing an in-depth gap analysis in 2023. This activity identified the crucial areas of improvement needed to align with the currently discussed text of the Due Diligence Directive, creating a solid basis for the development and implementation of an effective action plan.

In 2024, the Group started implementing some areas of improvement identified in the 2023 assessment, adopting a proactive approach in preparation for the new directive. The initiatives undertaken reflect Feralpi Group's continual commitment to strengthening its management practices along the entire value chain, anticipating regulatory changes, and promoting increasingly integrated sustainability.

During the year, the Human Rights Policy was updated and the Supplier Code of Conduct was drafted. Both documents will be approved in the first half of 2025. In particular, the **Code of Conduct seeks** to act as a clear guide for the Group's suppliers, establishing the principles that govern collaboration and setting clear expectations on key issues such as ethics, sustainability, safety, human rights, and environmental protection, thereby extending its responsibility throughout the entire supply chain.

The adoption of the Code, in addition to creating business relationships based on shared values, improves risk management within the supply chain, thanks to more controlled and qualified suppliers.

Throughout the year, the Group also collaborated with the *Working Group on Sustainable Procurement*, promoted by the **Global Compact Italia Network**, which involved 54 leading Italian companies in their respective sectors to draft a guide intended to help Italian companies steer their supply chains towards integrating sustainability in all its dimensions. The document "The drafting of a Supplier Code of Conduct" provides guidelines for the drafting of a tool to provide suppliers with a framework for governance and integrity, human rights, labour and the environment.

16.6 Creating value for the territory

Feralpi Group 's ESG strategy is based on a concrete commitment to social responsibility, conceiving the company as a shared heritage of the community. In this vision, Feralpi Group creates value not only through the development and support of the community via social, cultural, and sports projects but also through the generation of both direct and indirect employment. In 2024, considering the main production sites both in Italy and abroad, the Group recognised 25.47% of its turnover to local suppliers.

Feralpi Group's holistic approach, which includes support for social, cultural, and sporting initiatives, reflects a comprehensive perspective on corporate responsibility, promoting a lasting positive impact on the area and its community. The Group has always supported local organisations, trade associations, institutions and public administration, educational, university and research institutions, sports associations and national non-profit organisations. During 2024, Feralpi Group contributed €5.4 million to support the communities through charitable donations and sponsorships.

Since 2019, Feralpi Group has adopted a specific Policy for managing philanthropic, social, and cultural initiatives, which defines the guidelines for supporting projects of significance to the community and the area. The policy aligns with the Group's values and its dedication to positively impact the realities operating in the areas where the companies are located, ensuring that both donations and sponsorships support initiatives consistent with the seven pillars of the sustainability strategy and the SDGs to which the Group is committed - particularly Goal 8 (Decent Work and Economic Growth), Goal 9 (Climate Action), and Goal 11 (Sustainable Cities and Communities).

Specifically, the Group's support is focused on two main areas: the social, aimed at promoting community welfare through initiatives related to the environment, education, health, and social inclusion, and the cultural, which aims to conserve and enhance historical and artistic heritage.

Areas of intervention

SOCIAL SECTOR	◇ Safeguarding and caring for the environment ◇ Education, training and work as tools for change ◇ Promotion of individual physical and mental well-being and safety at work ◇ Social inclusion through sport and culture, and the creation of inclusive spaces ◇ Community development ◇ Global emergencies
CULTURAL SECTOR	◇ Culture as an educational tool ◇ Development of entrepreneurial culture ◇ Publication and education on the world of steel ◇ Preservation of the artistic and historical heritage of the community

In continuity with previous years, Feralpi Group has also confirmed its support for the **Brescia Musei Foundation** for the 2023-2025 period through the Alliance for Culture, which aims to enhance the city's artistic heritage and support major cultural communication events. The initiative is based on the sharing of a strategic cultural vision with the partners, in which events and shows represent the tool to enhance the social and economic development of the city of Brescia and its province.

Continuing the collaboration with the Brescia Musei Foundation, the initiatives related to the work "***Steel World***" by the master Emilio Isgrò have continued. Following the December 2023 inauguration of the piece donated by the master, along with Feralpi Group, to the city of Brescia as a material bequest for the Italian Capital of Culture 2023, and placed in the sculpture park of the Viridarium, in 2024 the Group inaugurated a second, identical piece, installed within the Lonato del Garda production site. "*Steel World*" represents the terrestrial globe with the network of parallels and meridians, on which the artist erases the names of nations and cities, leaving only Brixia, to emphasise the Roman origins of the city. The project is the result of a synergy between art and business, with the aim of promoting culture and strengthening the bond with the community.

In line with the enhancement of the work, the Group has organised a cultural event, in cooperation with the Municipality of Brescia and the Brescia Musei Foundation, exclusively for its collaborators. During the meeting, actor and author Marco Paolini proposed a dialogue that, starting with his show "*We all live by the sea*", created a bridge to the "*Steel World*" of Isgrò, combining two artistic and cultural visions. The shared objective of inspiring reflection and change, by connecting culture and art with social behaviours and commitments to the environment, has sparked a moment of significant cultural value.

The Group renewed its membership in the "*Amici della Rocca*" Club, an association promoted by the Fondazione Ugo da Como that unites private individuals and companies interested in culture and committed to supporting projects aimed at enhancing the monumental complex of the "*Rocca Visconteo Veneta*" of Lonato del Garda. The initiative also promotes forms of sustainable tourism, capable of stimulating culture and generating employment opportunities in the area.

FERALPI STAHL continues to support the Elbland Philharmonie Sachsen GmbH orchestra, contributing to the promotion of classical music. In addition, it actively supports the universities of Freiberg and Dresden, collaborating on research and development projects, with a focus on innovation and cultural and scientific growth.

Alongside its support for social and cultural initiatives, the Group also promotes sports sponsorships. Feralpi Group supports both professional and amateur athletes and sports clubs in a wide range of disciplines such as football, cycling, triathlon, rugby, skiing, tennis, and rowing. In this way, it contributes to the human and professional growth of the people involved and to the enhancement of their respective sporting fields.

Centenary of the birth of Carlotto Pasini, founder of Feralpi

In 2024, the Group marked the centenary of the birth of Carlo Nicola (Carlotto) Pasini, the founder of Feralpi Siderurgica and the entire Group, with a series of initiatives involving employees, the community, and those who continue to carry on his legacy. Throughout the year, gatherings have occurred both within and outside the group's companies, blending social and festive occasions with more personal moments dedicated to honouring the individual and the entrepreneur.

The common theme of these initiatives was the sharing of Feralpi Group's identity: an opportunity to revisit the company's roots, the journey and the transformations that have shaped the Group into what it is today, along with the values that have characterised its evolution. The whole year was based on the founder's motto: "*Producing and growing while respecting people and the environment*", a principle that continues to guide the Group's vision and strategic choices.

On 25 May, a commemorative celebration within the company (on the anniversary of his death) provided an opportunity to rediscover and share the foundational characteristics of Feralpi Group through the memory of the person who, along with other partners, brought the organisation to life. The event, enriched by personal testimonies and anecdotes from those fortunate enough to have known his human and professional qualities, served as an opportunity for the business community to come together. Local institutional and association representatives actively participated in the celebration, in recognition of Carlotto Pasini's contribution to the area's development and community.

The celebrations provided an occasion to honour the Valsabbine origins of the Group, with a walk in Odolo that brought together Feralpi Group members and their families, underscoring the importance of "family" as a central aspect of the Group's identity. In keeping with the past, a cycling event was organised from Lonato del Garda to Odolo, involving the Feralpi Cycling Group and the company's cycling enthusiast employees.

The initiatives were not aimed only at internal stakeholders within the organisation. In celebration of the centenary, an initiative was promoted to fund scholarships for young individuals, also with the aim of strengthening connections with universities in the regions where the Group operates - collaborating with the University of Brescia, the Milan Polytechnic (Lecco campus), and the Freiberg University of Mining and Technology - to support the professional development and academic excellence of graduates. The latter was the first to deliver certificates of merit and cheques to students during a ceremony held in December 2024.

The bond with the community and the passion for sport are deeply rooted in the history of Feralpi Group and its founder. Upon the completion of the refurbishment of the Paul VI Oratory in Lonato del Garda, to which Feralpi Group contributed to support part of the extraordinary renovation works, a plaque was dedicated to Carlotto Pasini in memory of the contribution that he was able to generate, through the company, for the new generations and for the local community. A strengthened bond also through sport: local sports clubs in the area have similarly commemorated the founder through initiatives that celebrated his passions for cycling and football.

In cycling, the Feralpi Trophy has brought together young athletes from all over Italy, reaffirming the values of sacrifice and commitment typical of this discipline. After a four-year absence, the event took on special significance as it celebrated both the 50th anniversary of the Feralpi Cycling Group and the centenary of Pasini's birth, solidifying the bicycle as a symbol of passion and the transmission of values to future generations.

Football is also confirmed as a strong aggregation tool. Feralpi Group continues to support local teams A.C. Feralpi Lonato and Virtus Feralpi Lonato, strengthening the bond between the company and the territory. In addition, the professional club Feralpisalò, which has always been close to the community, has paid tribute to the founder by keeping alive the tradition of the "Steel Cup" Trophy dedicated to Carlotto Pasini.

Governance information

17

GOVERNANCE INFORMATION

17.1. Governance and organisational structure

17.1.1. Organisational Model

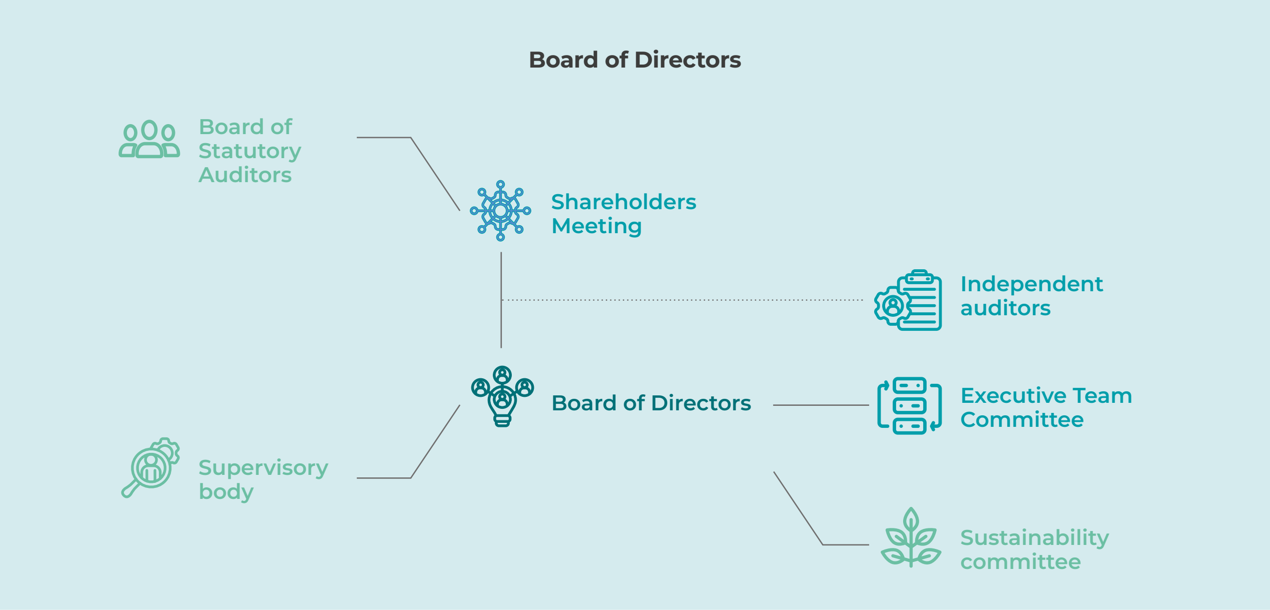
Feralpi Siderurgica S.p.A. is controlled by stable family shareholders and follows a traditional governance structure with corporate bodies such as the Shareholders' Meeting and the Board of Directors (BoD) of Feralpi Siderurgica S.p.A. and the Board of Statutory Auditors. Auditing is entrusted to a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

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

For more information, please refer to the Report on Operations ***[Section 9]***.

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

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



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

The Board of Directors consists of nine members, seven of whom are non-executive and two executive. Board members also hold positions in Feralpi Group investees and external companies. Currently, there are no representatives of social groups represented on the Board. Details of the composition of the Board of Directors can be found in the ***Appendix (GRI 2-9)***.

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

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

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

Executive Team Committee

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

The Sustainability Management Committee

Feralpi Group has had a **Sustainability Management Committee** since 2014, which works in support of the Parent Company's Board of Directors with a view to continuous improvement of the sustainability path undertaken by the Group. Further information relating to the Committee and its composition can be found in ***[Section 17.5]***.

Supervisory Body (SB)

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

For the foreign companies, no Supervisory Bodies are in place, since the 231 Model is not applicable, and the monitoring system is entrusted to the national legal system and the competent authorities. During the period under review, the Supervisory Bodies received no reports of violations of the 231 Model, the Code of Ethics, or incidents relating to corruption, environment, human rights, health, safety, and privacy.

17.2. Code of Ethics and Management Models

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

17.2.1. Organisation, Management and Control Model (MOG)

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

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

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

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

17.2.2. Anti-trust Manual

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

17.2.3. Whistleblowing

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

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

17.2.4. Managing and combating corruption

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

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

17.2.5. Privacy management

In response to the rise of cyber threats due to digitalisation, Feralpi Group constantly works on improving its systems and internal procedures to ensure high levels of security in data management.

The Group has adhered to European Regulation 2016/679 (*GDPR - General Data Protection Regulation)* and, under the supervision of the *Data Protection Officer (DPO)*, consistently prioritises the safeguarding of personal data, collaborating with representatives from individual operational entities and with a local DPO for Germany.

Feralpi Group implements further technical and organisational measures when necessary, monitoring the evolution of European and Italian regulations and best practices.

In 2024, the DPO of Feralpi Group coordinated initiatives to ensure compliance with data protection regulations, thereby supporting internal governance. During 2024, no relevant data breach events or complaints related to privacy breaches were reported.

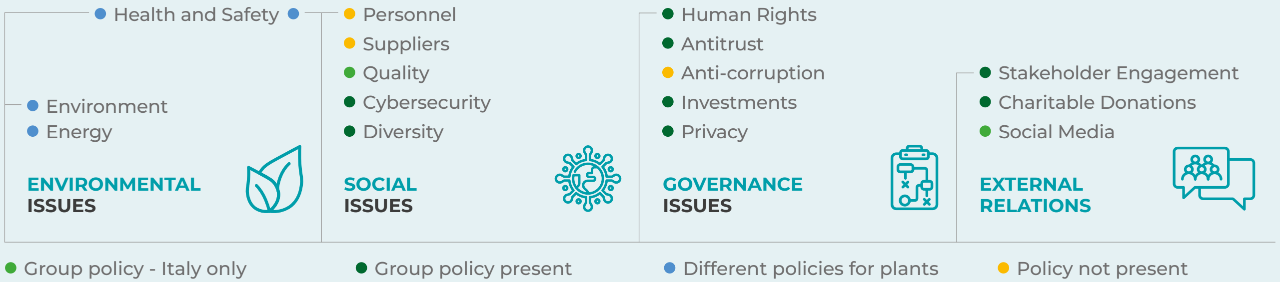
17.3 Digitalisation and Cybersecurity

17.3.1. Digitalisation at Feralpi Group

For Feralpi Group, digitalisation is a key element for ensuring business continuity and resilience, supporting the transition towards sustainable production. The use of IoT technologies and business intelligence tools enables the improvement of operational efficiency and real-time data monitoring, with a view to optimising resources and emissions, while also facilitating the accessibility and sharing of information both within and outside the organisation. Feralpi Group has been on a path of digitalisation of its business processes for years, thanks to Google Cloud technology, which allows it to be at the forefront in the following aspects:

- Flexibility and scalability: faster adaptation of IT resources;
- Cost reduction: eliminates the need to maintain on-premise hardware infrastructure;
- Accessibility and mobility: facilitates remote working and collaboration;
- Security and reliability: ensures data protection and business continuity;
- Environmental sustainability: reduces ecological impact through increased energy efficiency;
- Innovation: provides immediate access to the latest technologies and software updates.

Group Policies



Feralpi Group has confirmed its dedication to creating sustainable value by planning further developments in activities related to sustainability, the reporting process, and wider ESG themes within its digital ecosystem.

17.3.2. Cybersecurity

The increasing digitalisation of businesses, while improving operational efficiency, also poses risks to business continuity.

The opening of digital infrastructure to the outside for diagnostic, maintenance, and remote support activities increases the exposed surface to potential external attacks, worsening the risk of compromises related to the supply chain.

Within the geopolitical context shaped by the Russian-Ukrainian conflict, ongoing Middle Eastern turmoil, and elections across Western countries, there has been an uptick in DDoS attacks on institutional sites, banks, public transport, and utilities, aimed at destabilising and swaying public opinion. Moreover, espionage and data theft continue to threaten key sectors such as finance, government entities, critical infrastructure, technological innovation, and defence.

In 2024, the swift spread of generative AI technologies was facilitated by the adoption of *Large Language Models (LLMs)* by leading technology companies, extending into the consumer and mobile markets.

This dissemination has increased the risks of exposure of personal and corporate data, facilitating possible malicious uses of AI models.

At the regulatory level, regulations were introduced in 2024, such as Directive (EU) 2022/2555 (NIS2) and Regulations (EU) 2024/2847 (*Cyber Resilience Act* - CRA) and 2023/1230 (New Machinery Regulation), aimed at strengthening the resilience of national and supranational ecosystems against security incidents. Feralpi Group is evaluating the implications of these regulations for its activities. The Group adopts a proactive approach to cybersecurity, treating it as a strategic investment, and seeks to engage all employees by promoting a corporate culture of collective responsibility in cyber protection.

The committee is responsible for supporting the alignment between IT/OT Security risk response strategies and strategic business objectives through the involvement of the corporate organisation. Depending on the needs, it may be supported by specific people of primary importance in the management of the processes involved in the IT/OT Security events for which the Committee is held accountable.

Based on international standards ISO 31000, ISO 27005, and NIST 830, the Group's cyber risk management aims to heighten awareness of IT/OT risks, provide timely information to enable proactive actions, and ensure that the technological and organisational risk management solutions are effective. The IT/OT Security risk management process includes a structured methodology to identify and mitigate risks that exceed the acceptability threshold.

Feralpi Group has implemented an ICT Business Continuity and Disaster Recovery procedure to ensure data retention and the continuity of vital functions, supporting the ongoing execution of critical activities and allowing for the swift recovery of data in case of computer system disruption.

Cybersecurity measures

In the course of 2024, the activities dedicated to strengthening cybersecurity continued according to the three areas that characterise it: People, Processes, and Technologies.

Main cybersecurity measures

Group-wide continuation of the Training & Awareness programme, aimed at raising employee awareness and skills on cybersecurity risks through e-learning training activities.

Adoption of a Cyber Threat Intelligence service, aimed at preventing attacks directed at Feralpi Group, which, through continuous data collection, allows threats to be identified before they can cause significant damage.

The OT Security by Design initiative continues, which provides for cybersecurity analyses of the Group's production facilities as part of new installations or modifications to existing facilities according to ISA 62443 standard.

Specific training on the security of industrial OT networks to personnel from the Industrial Automation, Maintenance Engineering and Information Technology sectors.

With a view to continuous improvement, Feralpi Group intends to consolidate operational continuity by continuing to promote cybersecurity education for employees, increasing awareness of third-party risks, and adopting new technologies to protect infrastructures. Attention will also be focused on strengthening relationships with customers, suppliers, and local businesses, while the expansion of facilities will extend the scope of monitoring relevant to the cyber context.

17.3.3. Industrial Automation and Operational Technology

Digitalisation and automation in operational technology (OT) not only improve production efficiency, but are also a driver for a sustainable ecological transition.

The adoption of smart manufacturing practices, fuelled by digitalisation and automation, optimises the use of energy and resources, and consolidates the link between technological innovation, financial performance, and ESG objectives.

Feralpi Group is continuously working to refine its digital ecosystems to improve efficiency and flexibility. This commitment concerns all levels of automation: the field level where physical operations and data collection through instrumentation and sensors take place, the control level where processes are managed and monitored, the supervisory level where strategic decisions based on the analysis of collected data are made, as well as MES (Manufacturing Execution System) systems for production optimisation and ERP (Enterprise Resource Planning) systems for the integrated management of enterprise resources.

This approach, based on the adoption of BAT *(Best Available Techniques),* i.e. the most advanced technical solutions and technologies related to Industry 4.0, such as the Internet of Things (IoT), Artificial Intelligence, and Big Data, aims to optimise energy consumption, reduce greenhouse gas emissions, and promote the reuse of materials.

Main Automation measures

FERALPI SIDERURGICA	In 2024, automation activities focused on the energy efficiency of the production processes, working on the induction coils of Rolling Mill 1: modelling the relevant operating process made it possible to activate the furnaces according to the temperature of the incoming metal, instead of the passage of material. The first phase of the implementation of the Manufacturing Execution System (MES) at the bar line of the Lonato del Garda site was completed in 2024, while the new production line dedicated to the spooler is scheduled for completion in 2025. The aim is to achieve a more efficient analysis of diagnostic data and an acceleration of predictive analysis.
ARLENICO	The implementation of activities necessary for the development and integration of advanced automation systems for the new Garret line continues.
ESF ELBE-STAHLWERKE FERALPI GMBH	The burner control system of Rolling Mill A was replaced and new pressure measurement sensors were installed. Work also continued and is still in progress on the necessary automation systems for the new Rolling Mill B. The latter represents a key element in the Feralpi Group's development strategy, which in 2025 will focus its efforts on this plant with the aim of optimising its performance, increasing production efficiency and guaranteeing high standards of quality and sustainability. The integration of automation systems will be crucial to improve process control, increase operational safety and make the entire supply chain even more competitive in the context of the steel industry.

17.4 Governance and management of products and services

17.4.1. Product and service quality

The production of electric arc furnace (EAF) steel involves the use of scrap and other materials, including lime, ferro-alloys 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 ensured by monitoring procedures that check incoming raw materials, the production process, and finished products.

The Group manages quality through specific KPIs for each business process. Management is in the hands of the Quality Department and plant management, cascading to other functions where necessary. The **Group Quality Manager**, together with the quality managers of the individual production units act to address quality aspects on the basis of the set objectives. All Group companies share the same **quality policy**. Complaints are handled by the **Quality Office**, which decides on technical acceptance, and the Sales Department on resolution with the customer.

Feralpi Group is committed to harmonising and integrating the various Quality Management Systems of its companies in order to progressively develop a ***Group Total Quality Management (TQM) system***. The quality management systems of the Group's companies are ISO 9001 certified and are currently being aligned with the new guidelines published in 2024, which include the integration of risks due to climate change.

Through designated **representatives, Feralpi Group actively participates in the definition** of both national (UNI, DIN) and international (EN, ISO) standards and, through participation in sub-committees and/or working groups, keeps itself constantly updated on standardisation activities in the steel industry.

In 2024, Feralpi Group focused on the regulatory process necessary for marketing the **new product, Spooler**. During the first months of 2025, activities will take place to obtain the necessary certifications for its market release, initially in Italy and subsequently in the United Kingdom and France.

17.4.2. Qualification of suppliers

Scrap suppliers

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

The qualification of suppliers is essential to guarantee compliance with contractual requirements and to satisfy customer expectations. A high quality of suppliers helps ensure transparency and regulatory compliance, improves market oversight, and enables more incisive and targeted business operations.

Feralpi Group aims to strengthen the integration of ESG criteria into the qualification of suppliers, with the goal of improving the evaluation of their performance and promoting sustainable practices along its supply chain ***[Section 16.5.2.]***.

The scrap delivered can be of two types:

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

The Group's scrap suppliers are traders and intermediaries who acquire materials from collection centres, demolitions, industries and car manufacturers, in compliance with current regulations. To address management and purchasing risks arising from the highly fragmented Italian scrap market, Feralpi Group focuses on establishing stable, long-term relationships with intermediaries specialising in scrap supply. In Germany, the strategic position of ESF Elbe-Stahlwerke Feralpi GmbH and the lower level of local competition for raw materials facilitate procurement, including from neighbouring countries such as Poland and the Czech Republic, thanks also to more structured suppliers who ensure safer and more efficient management.

The incoming scrap undergoes visual and radiometric controls, the latter aimed at searching for possible radioactive sources, in order to verify its conformity from a safety point of view before it is sent to the melting process.

At the facilities in Lonato del Garda, Calvisano and Riesa, there are advanced plants for the selection and treatment of scrap allowing the removal of **non-ferrous aggregates**, i.e. materials other than steel that would negatively affect the energy efficiency of the melting process and the quality of the product itself.

In 2024, internal audits continued at a selection of strategic scrap suppliers, where they were evaluated on various aspects such as the state of the facilities, the kind and amount of material handled, resources and operational procedures, as well as sustainability-related aspects.

The audit outcomes are collected into a technical report, which not only allows the Group to assess supplier practices but is also shared with them to identify potential areas for improvement and to raise their awareness of the importance of their actions in terms of sustainability, also in relation to the role of these topics in commercial relations with the Group. The objective is to gradually extend this practice to more and more suppliers.

Furthermore, the internal policy concerning scrap suppliers has been revised to incorporate EU Regulation 2023/2878, which has supplemented EU Regulation 833/2014 regarding the procurement of scrap from Russia.

Other supplier categories

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

Reporting non-compliance

The detection of any non-compliance involves promptly notifying the concerned supplier and recording it in the "Register of non-compliant scrap events". If material that has been contaminated with radiation is detected through the appropriate portals, the procedures require the vehicle to be stopped, decontaminated, and the level of risk evaluated by a qualified external expert.

In the event that the material is actually radioactive, the report is made to the competent authorities, followed by the consequent seizure of the material. The awareness of suppliers regarding compliance with the requirements set by Feralpi Group is fundamental, in order to reduce inefficiencies and maximise the volumes of product marketed.

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

17.4.3. Compliance with labelling regulations and information transparency

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

Ongoing dialogue with customers, focused on understanding and **meeting their needs**, has resulted in all Group companies adopting a **card embedded with a QR code**, aimed at enhancing transparency by providing instant access to the product's technical and quality specifications as indicated on the label.

At the Group level, all products are evaluated to ensure compliance with technical regulations or customer specifications. Between 2022 and 2024, there were **no instances of non-compliance** with regulations or voluntary guidelines and codes related to information and labelling, nor were there any losses of certifications or reports from certification bodies.

17.5 Sustainability governance

The sustainability governance structure of Feralpi Group is led by the Board of Directors of the Parent Company, Feralpi Siderurgica S.p.A., supported by the Sustainability Management Committee and the Sustainability and Communications Department. The **Board of Directors** of the Parent Company coordinates the development and implementation of the Group's ESG and sustainability strategy to create a resilient and flexible company capable of ensuring business continuity and generating shared value. It is entrusted with the responsibility of ensuring alignment between the organisation's goals and the UN SDGs through the approval and constant monitoring of ESG objectives, and it also has the task of promoting a culture of transparency and accountability within the organisation.

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

After its reorganisation in 2024, the Committee is currently composed of eight internal members (including the CFO and managers for HR, Environment, Health and Safety, and Sustainability) and three external members, including the Chairman of the Committee, who are experts in environmental, social, and governance issues. With regard to the specific topics for discussion by the committees, participation is also extended to any other relevant roles involved, and there are four permanent invitees: three representatives of the majority shareholder and the Group Technical Manager. In addition, 2024 saw the formal adoption of a regulation dedicated to the Committee, which was approved by the Parent Company's Board of Directors.

IMPROVING PERFORMANCE	STRENGTHENING INTEGRATION	REGULATORY COMPLIANCE	RESPONDING ADEQUATELY TO MARKET DEMANDS
through the integration of sustainability into every aspect of corporate governance and management	in terms of analysis, vision, strategy and management of financial and non-financial issues	with the increasing demands of European regulations in terms of ESG information	both from customers and financial stakeholders

Objectives of the Sustainability Committee

The **Sustainability and Communications Department** supports the Parent Company's Board of Directors and the Sustainability Management Committee in defining the sustainability strategy and objectives, ensuring they are aligned with current and pending regulations, while also coordinating the Units and functions for their practical implementation.

It manages the process of collecting data and information for the **Voluntary Consolidated Sustainability Report** and the Taxonomy Regulation, while also coordinating and strengthening relationships with internal and external stakeholders in order to understand and meet their expectations, promote transparency, and ensure a continuous and constructive dialogue.

17.6 Governance and management of environmental aspects

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

The Group Energy Department manages regulatory and strategic aspects (e.g. energy procurement, renewable development, sale of white certificates) for energy-intensive companies and supports the others on supply contracts and regulatory aspects. Plant managers, together with EMS managers, coordinate the management of waste materials.

At the Italian sites, plant-specific procedures are followed, whereas at the Riesa sites, integrated and centralised management is adopted. The Scrap Purchasing and Environmental Protection Departments collaborate in the management of incoming waste.

17.6.1. Environmental management policies and systems

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

Feralpi Group's facilities with the most significant energy consumption and environmental impact levels, given their process type and high production volumes are: Feralpi Siderurgica, Acciaierie di Calvisano, and ESF Elbe-Stahlwerke Feralpi GmbH, which are ISO 14001 and ISO 50001 certified, and EMAS registered. The Arlenico site, whose rolling mill is considered energy intensive due to the high consumption of methane gas needed to heat and process the billets, obtained ISO 14001 certification in 2024. Presider's Environmental Management System is certified according to the UNI EN ISO 14001 standard.

Feralpi Siderurgica and Acciaierie di Calvisano sites are also among those at Risk of Major Accident, according to European Directive 2012/18/EU, regarding dust from steel mill fume abatement, in relation to the authorisation for temporary storage of the same within the site. Management of this risk is integrated into the Environment, Safety and Energy systems. The *Integrated Management System Department* of the Riesa sites centrally coordinates and manages all aspects of quality, occupational health and safety, fire protection and explosion risk, environmental protection and waste management.

At sites without certified systems, there are procedures in place to ensure the proper monitoring of environmental aspects that have an impact on the production site's performance. All system procedures for all sites are referred to in the 231 Model, which is operational in all Group companies.

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

At the Italian sites, specific operating and management procedures are applied for the various plants. At the Riesa site, the waste produced in the various companies is delivered to the central collection points within the site, where the differentiation, recovery and residual transfer to landfill is managed. For all operational sites, managers inspect the sites on a weekly basis and manage communications with the authorities and with recyclers and disposers (e.g. application for certificates such as EMAS; ISO 14001, etc.).

The "Research and Development" function works with managers and environmental contacts, constantly searching for new solutions. The circular economy involves actors in the supply chain, public and private, outside the organisation.

External awareness of environmental issues is raised through annual reporting tools (Integrated Report, EMAS Environmental Statement) as well as digital communication tools and external reports ***[Section 14.4]***.

17.7 Governance and management of social aspects

Human resources management

The Human Resources department has two integrated organisational structures: the first focused on the plants in Italy, France, Spain and Algeria. The second on plants in Germany and Eastern Europe.

In this regard, the first structure reports hierarchically to the Group Chairman, while the other, concerning management, organisational, and union negotiation matters, reports to the Top Management of ESF Elbe-Stahlwerke Feralpi GmbH.

The strategic themes and special projects are under the functional responsibility of the Italian structure. In addition to the HR functions, the HSE function for Safety and the Sustainability & Communications Department for well-being, human rights, Diversity & Inclusion, and relations with the territory and stakeholders also provide support.

The management of human resources at Feralpi Group follows the national provisions of the countries in which it operates, in accordance with its Code of Ethics, provided to every newly hired employee. In FERALPI STAHL, there is a company policy to support the Code of Ethics.

The Group favours permanent employment relationships, ensuring economic growth, enhancement of human capital, adequate pay above the minimum wage, safe working environments, psycho-physical well-being, and corporate welfare initiatives.

Human Rights

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

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

Diversity, Equity, Inclusion and Welfare

Feralpi Group has a DEI & Welfare Manager who develops projects and strategies for diversity, inclusion and the well-being of employees, in line with the D&I Policy (Diversity & Inclusion).

Welfare and well-being activities are managed in collaboration with the relevant occupational physicians, local health authorities, and dedicated working groups and have a dedicated budget.

Performance management system

As for the managerial level, a **formalised performance management system (MBO)** is in place for the Group’s companies in Italy and Germany, based on objective quantitative and qualitative indicators, including ESG objectives. In 2024, the MBO system in place in the Group’s German companies was aligned with the Performance Management System in force in Italian companies since 2018.

Relations with the territory

The management of relations with the territory is entrusted to the management of each site, in coordination with the Sustainability & Communications Department. Donations and sponsorships are governed by a Group policy that identifies its areas of action in six pillars, with an additional focus on cultural aspects.

APPENDIX

Appendix

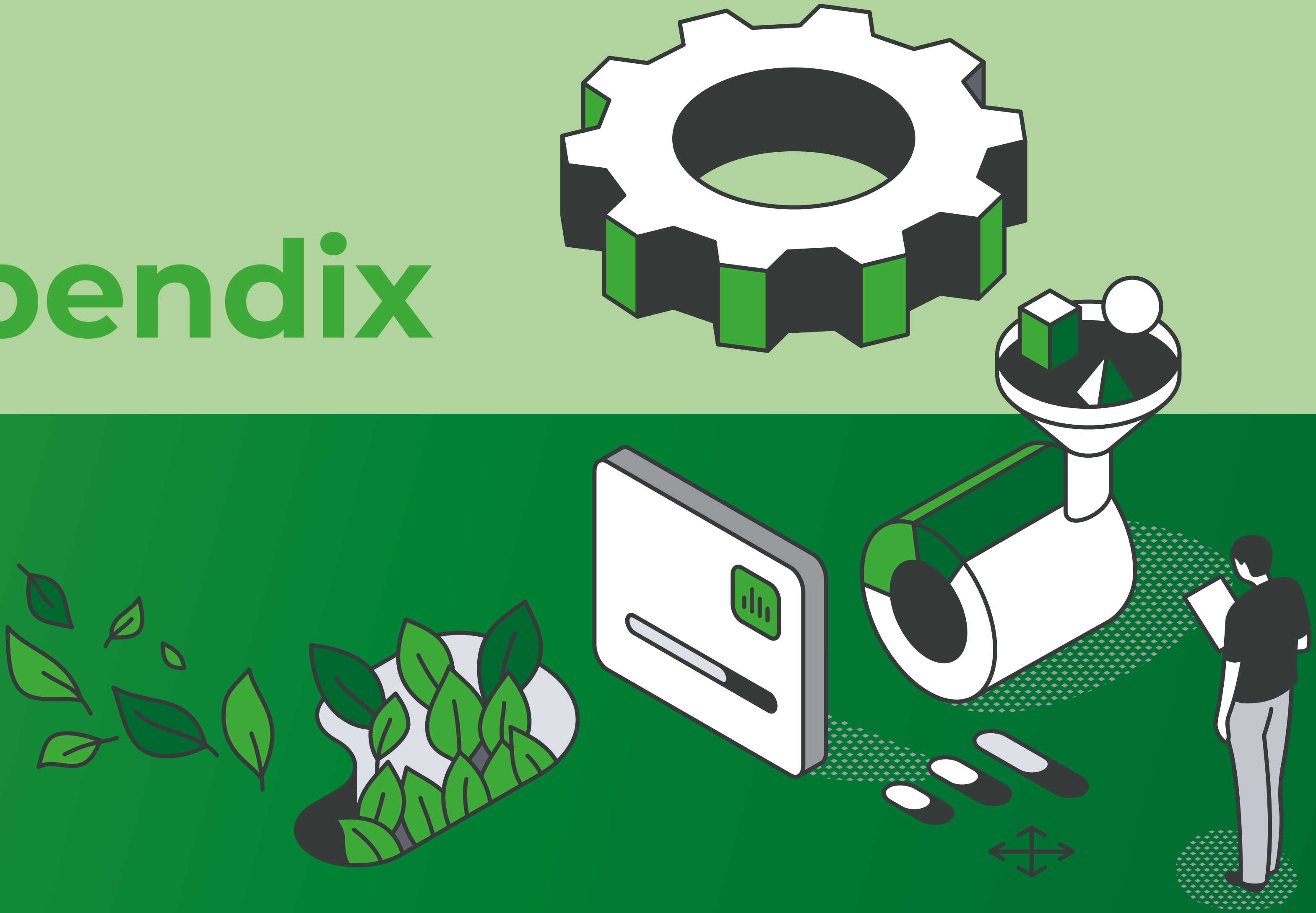


Table linking material topics | GRI - SASB

MATERIAL TOPIC	GRI	SASB
Climate change and energy efficiency Feralpi Group constantly monitors the negative impact on climate change resulting from its production activities. This impact is mitigated by the energy efficiency of production processes and the reduction of climate-changing emissions through innovative technological solutions and the progressive use of energy from renewable sources, so as to contribute to international targets for the energy transition.	**302** - Energy **305** - Emissions	EM-IS-110a.1 EM-IS-110a.2 EM-IS-130a.1 EM-IS-130a.2
Circular economy, waste and use of materials The Group's activities have a negative impact on the environment from the production of waste and residues. This impact is mitigated through responsible management of these and raw materials, encouraging their recycling and reuse along the value chain, in order to preserve natural resources by preventing further extraction of raw materials and reducing waste generation.	**301** - Materials **306** - Waste	EM-IS-150a.1
Water resource management The Group's activities have a negative impact on the availability and quality of the water resource for itself and for the stakeholders with they are 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.	**303** - Water and Effluents	EM-IS-140a.1 (only for withdrawals and discharges)
Pollutant emissions Feralpi Group manages the pollutant emissions due to its production activities with a view to reducing them, mitigating their negative impact on the environment and people through the containment and abatement actions envisaged by current legislation and permitted by current technological solutions.	**305** - Emissions **2-27** - Compliance with laws and regulations	EM-IS-120a.1
Nature and biodiversity Feralpi Group is aware that its activities have a negative impact on natural ecosystems both in direct terms, due to the expansion of production sites and their proximity to protected areas, and in indirect terms, due to the negative impact on climate change. For mitigation purposes, Feralpi Group has adopted management systems that take these aspects into account, such as EMAS, and intends to enhance its assessments of these issues.	**304** - Biodiversity	-
Development and enhancement of people Ability of Feralpi Group to enhance professional figures through the continuous development of their skills in order to increase opportunities for professional growth and enhance their value, to encourage alignment with corporate objectives and prevent talent drain.	**401** - Employment **404** - Training and education **405** - Diversity and equal opportunities	-
Wellness, health and quality of life Feralpi Group constantly strives to improve the well-being of its people, by implementing policies and projects aimed at encouraging healthy lifestyles, ensuring a work-life balance, and creating suitable working spaces and environments, seeking to mitigate any burnout caused by workloads	**403** - Occupational health and safety	-
Culture of safety and prevention To mitigate its negative impact on the health and safety of workers, Feralpi Group implements and maintains certified systems for the management of employees and collaborators, infrastructure and machinery. Training and prevention activities are also carried out to make staff aware of the importance of safety and prepare them for emergency situations. Environments and facilities are subject to improvement activities through adaptation to best available technologies.	**403** - Occupational health and safety	EM-IS-320a.1
Diversity, Equity & Inclusion Feralpi Group is committed to recognising the diversity of its people, so that there is no unequal treatment and that different perspectives can act as a stimulus to innovation and team spirit, enhancing well-being and a sense of belonging and thus promoting a more inclusive, attractive and productive working environment.	**405** - Diversity and equal opportunities	-

MATERIAL TOPIC	GRI	SASB
Human rights and responsibilities along the supply chain Through its code of ethics and the adoption of policies shared with its suppliers, Feralpi Group contributes to the dissemination of sustainable practices along its supply chain, seeking to prevent human rights violations from occurring and implementing any mitigation measures.	-	-
Community development Through its activities and the choice of local suppliers, Feralpi Group contributes directly and indirectly to the economic development of the communities in which it operates, guaranteeing local employment and economic well-being. It also contributes to their socio-cultural development by supporting associations, organisations and educational institutions in the areas.	-	-
Dialogue with the social partners Feralpi Group operates by developing open and constant dialogue with the social partners in order to improve workers' working and wage conditions and ensure compliance with contractual terms.	**2** - General disclosures	-
Product and service quality Feralpi Group's ability to have a positive impact on society and the environment by guaranteeing high quality standards in terms of the product and service offered. By avoiding possible negative impacts on customers, the company is able to develop relationships of trust with them, targeted at loyalty and satisfaction with the service rendered and not just the product sold.	**417** - Marketing and labelling	EM-IS-000.A (100% EAF)
Creation of economic and financial value Feralpi Group operates in compliance with current regulations to ensure the creation of economic value, contributing to the economic growth of the regions and countries in which it operates, through its production activities and investments that benefit society and the environment as a whole.	**201** - Economic performance **204** - Procurement practices	-
Integrity of governance and transparency of the business Ability of the company to bring a positive impact throughout the value chain and towards its stakeholders by managing its business and governance in a correct, ethical and integral manner in terms of regulatory compliance (from antitrust to corruption), internal management and reporting in a transparent and honest manner.	**205** - Anti-corruption **206** - Anti-competitive behaviour **207** - Tax	-
Business evolution Through its vision and the continuous updating of its organisational processes, Feralpi Group is able to adapt to changes and risks related to sustainable development, new technologies and geopolitical tensions, in order to avoid or limit potential negative impacts on stakeholders along the entire value chain.	-	-
Digital and technological innovation and cybersecurity Feralpi Group 's ability to create innovation through planned research activities, the development of new technologies and the promotion of digitalisation helps to have a positive impact on the environment, climate and society through technologies that enable the safe production of environmentally sustainable and low-carbon products, while ensuring the protection of sensitive data.	-	-

GRI Content Index

GRI STANDARDS	SECTION IN THE DOCUMENT	OMISSIONS REQUIREMENT OMITTED	REASONS	EXPLANATION
GRI 2 - GENERAL DISCLOSURES (2020)				
◇ The organisation and its reporting practices				
2-1 Organisational Details	14.1.1. Methodology note 2. The Group structure			
2-2 Entities included in the organisation's sustainability reporting	14.1.1. Methodology note			
2-3 Reporting Period, Frequency and contact point	14.1.1. Methodology note			For information, please contact sustainability@ it.feralpigroup.com
2-4 Restatements of information	14.1.1. Methodology note			
2-5 External assurance	14.1.1. Methodology note Independent Auditor's report			
◇ Activities and workers				
2-6 Activities, value chain and other business relationships	3. The Feralpi Group's business			
2-7 Employees	16. Social information Social sustainability indicators			
2-8 Workers who are not employees	16. Social information Social sustainability indicators			
◇ Governance				
2-9 Governance structure and composition	17.1. Governance and organisational structure			
2-10 Nomination and selection of the highest governance body	17.1.1. Organisational Model			
2-11 Chair of the highest governance bodies	17.1.1. Organisational Model			
2-12 Role of the highest governance body in overseeing the management of impacts	17.1.1. Organisational Model 17.5. Sustainability governance			
2-13 Delegation of responsibility for managing impacts	17.1.1. Organisational Model 17.5. Sustainability governance			
2-14 Role of the highest governance bodies in sustainability reporting	17.1.1. Organisational Model 17.5. Sustainability governance			
2-15 Conflicts of interest	17.1.1. Organisational Model			

GRI STANDARDS	SECTION IN THE DOCUMENT	OMISSIONS REQUIREMENT OMITTED	REASONS	EXPLANATION
2-16 Communication of critical concerns	17.1.1. Organisational Model			https://www.feralpigroup.com/it/gruppo/governance/whistleblowing
2-17 Collective knowledge of the highest governance body	17.1.1. Organisational Model			
2-18 Evaluation of the performance of the highest governance body	17.1.1. Organisational Model			
2-19 Remuneration policies	17.1.1. Organisational Model			
2-20 Process to determine remuneration	17.1.1. Organisational Model			
2-21 Annual total compensation ratio	n.d.	2-21. a 2-21. b 2-21. c	Confidentiality constraints	It is not possible to report on the indicator for reasons of confidentiality and competitive advantage of the information it requires.
◇ **Strategy, policy and practices**				
2-22 Statement on sustainable development strategy	Letter from the Chairman			
2-23 Policy commitments	17.2. Code of Ethics and Management Models 17.5. Sustainability governance			
2-24 Embedding policy commitments	17.2. Code of Ethics and Management Models 17.5. Sustainability governance			
2-25 Processes to remediate negative impacts	17.2. Code of Ethics and Management Models			
2-26 Mechanisms for seeking advice and raising concerns	17.2. Code of Ethics and Management Models			https://www.feralpigroup.com/it/gruppo/governance/whistleblowing
2-27 Compliance with laws and regulations	17.2. Code of Ethics and Management Models			
2-28 Membership associations	Appendix - Membership of Associations			
◇ **Stakeholder engagement**				
2-29 Approach to stakeholder engagement	14.4. The relationship with stakeholders			
2-30 Collective bargaining agreements	17.7. Governance and management of social aspects			
MATERIAL TOPICS				
3-1 Process to determine material topics	14.3. The materiality analysis process			
3-2 List of material topics	14.3. The materiality analysis process			

GRI STANDARDS	SECTION IN THE DOCUMENT	OMISSIONS REQUIREMENT OMITTED	REASONS	EXPLANATION
SPECIFIC DISCLOSURE				
ECONOMIC PERFORMANCE				
◇ GRI 201 - Economic performance (2016)				
3-3 Management of material topics	8. Analysis of the economic and financial situation			
201-1 Direct economic value generated and distributed	Economic sustainability indicators			
201-4 Financial assistance received from government	The value of public funding received by the government is €63,546,962			
◇ GRI 204 - Procurement practices (2016)				
3-3 Management of material topics	17.4.2. Qualification of suppliers			
204-1 Proportion of spending on local suppliers	16.6. Creating value for the territory Economic sustainability indicators			
◇ GRI 205 - Anti-corruption (2016)				
3-3 Management of material topics	17.2.4. Managing and combating corruption			
205-3 Confirmed incidents of corruption and actions taken	17.2.4. Managing and combating corruption			Throughout 2024, there were no incidents of corruption by the Group.
◇ GRI 206 - Anti-competitive behaviour (2016)				
3-3 Management of material topics	17.2.2. Anti-trust Manual			
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	17.2.2. Anti-trust Manual			In the three-year period 2022-2024, nothing was contested against Feralpi Group companies.
◇ GRI 207 - Tax (2019)				
3-3 Management of material topics	11.3. National tax consolidation, Group VAT and Tax liability			
207-1 Approach to tax	11.3. National tax consolidation, Group VAT and Tax liability			
207-2 Tax governance, control, and risk management	11.3. National tax consolidation, Group VAT and Tax liability			
207-3 Stakeholder engagement and management of concerns related to tax	11.3. National tax consolidation, Group VAT and Tax liability			
207-4 Country-by-country reporting	Economic sustainability indicators			
ENVIRONMENTAL PERFORMANCE				
◇ GRI 301 - Materials (2016)				
3-3 Management of material topics	17.6. Governance and management of environmental aspects			

GRI STANDARDS	SECTION IN THE DOCUMENT	OMISSIONS REQUIREMENT OMITTED	REASONS	EXPLANATION
301-1 Materials used by weight and volume	Environmental sustainability indicators			
301-2 Recycled input materials used	Environmental sustainability indicators			
◇ **GRI 302 - Energy (2016)**				
3-3 Management of material topics	17.6. Governance and management of environmental aspects			
302-1 Energy consumption within the organisation	15.1.1. Energy and emissions Environmental sustainability indicators			
302-2 Energy consumption outside the organisation	15.1.1. Energy and emissions Environmental sustainability indicators			
302-3 Energy intensity	15.1.1. Energy and emissions Environmental sustainability indicators			
◇ **GRI 303 - Water and effluents (2018)**				
3-3 Management of material topics	17.6. Governance and management of environmental aspects			
303-1 Interaction with water as a shared resource	15.1.2. Management of water resource			
303-2 Management of water discharge related impacts	15.1.2. Management of water resource			
303-3 Water withdrawal	15.1.2. Management of water resource Environmental sustainability indicators			
303-4 Water discharge	15.1.3. Management of water resource Environmental sustainability indicators			
◇ **GRI 304 - Biodiversity (2016)**				
3-3 Management of material topics	17.6. Governance and management of environmental aspects			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	15.1.3. Biodiversity Environmental sustainability indicators			
304-2 Significant impacts of activities, products and services on biodiversity	15.1.3. Biodiversity			
◇ **GRI 305 - Emissions (2016)**				
3-3 Management of material topics	17.6. Governance and management of environmental aspects			
305-1 Direct (Scope 1) GHG emissions	15.1.1. Energy and emissions Environmental sustainability indicators			
305-2 Indirect (Scope 2) GHG emissions	15.1.1. Energy and emissions Environmental sustainability indicators			
305-3 Other indirect (Scope 3) GHG emissions	15.1.1. Energy and emissions Environmental sustainability indicators			
305-4 GHG emissions intensity	15.1.1. Energy and emissions Environmental sustainability indicators			
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant emissions	15.1.1.3. Emissions into the atmosphere Environmental sustainability indicators			

GRI STANDARDS	SECTION IN THE DOCUMENT	OMISSIONS REQUIREMENT OMITTED	REASONS	EXPLANATION
◇ GRI 306 - Waste (2020)				
3-3 Management of material topics	17.6. Governance and management of environmental aspects			
306-1 Waste generation and significant waste-related impacts	15.1.4. Circularity and zero-waste: material and energy management and enhancement			
306-2 Management of significant waste-related impacts	15.1.4. Circularity and zero-waste: material and energy management and enhancement			
306-3 Waste generated	15.1.4. Circularity and zero-waste: material and energy management and enhancement Environmental sustainability indicators			
306-4 Waste diverted from disposal	15.1.4. Circularity and zero-waste: material and energy management and enhancement Environmental sustainability indicators			
306-5 Waste directed to disposal	15.1.4. Circularity and zero-waste: material and energy management and enhancement Environmental sustainability indicators			
SOCIAL PERFORMANCE				
◇ GRI 401 - Employment (2016)				
3-3 Management of material topics	17.7. Governance and management of social aspects			
401-1 New employee hires and employee turnover	Social sustainability indicators			
◇ GRI 403 - Occupational Health and Safety (2018)				
3-3 Management of material topics	17.7. Governance and management of social aspects			
403-1 Occupational health and safety management system	16.2. The health and safety management at the workplace			
403-2 Hazard identification, risk assessment, and incident investigation	16.2. The health and safety management at the workplace			
403-3 Occupational health services	16.2. The health and safety management at the workplace			
403-4 Worker participation, consultation, and communication on occupational health and safety	16.2. The health and safety management at the workplace			
403-5 Worker training on occupational health and safety	16.2. The health and safety management at the workplace			
403-6 Promotion of worker health	16.3. Welfare			
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	16.2. The health and safety management at the workplace			
403-9 Accidents at work	Social sustainability indicators			
◇ GRI 404 - Training and education (2016)				
3-3 Management of material topics	17.7. Governance and management of social aspects			

GRI STANDARDS	SECTION IN THE DOCUMENT	OMISSIONS: REQUIREMENT OMITTED	OMISSIONS: REASONS	OMISSIONS: EXPLANATION
404-1 Average hours of training per year per employee	16.1. Raising competencies: people growth and development Social sustainability indicators			
◇ GRI 405 - Diversity and equal opportunities (2016)				
3-3 Management of material topics	17.7. Governance and management of social aspects			
405-1 Diversity of governance bodies and employees	16.4 Diversity, Equity, Inclusion Social sustainability indicators			
405-2 Ratio of basic salary and remuneration of women to men	16.5.1. Human rights in the workplace: protection, recruitment, pay Social sustainability indicators			
◇ GRI 417 - Marketing and labelling (2016)				
3-3 Management of material topics	17.4. Governance and management of products and services			
417-1 Requirements for product and service information and labelling	17.4.3. Compliance with labelling regulations and information transparency			
417-2 Incidents of non-compliance concerning product and service information and labelling	17.4.3. Compliance with labelling regulations and information transparency			During the three-year period 2022-2024, there were no cases of non-compliance.
OTHER TOPICS NOT COVERED BY GRI STANDARDS				
◇ Digital and technological innovation and cybersecurity				
3-3 Management of material topics	5. Research and development activities 17.3. Digitalisation and Cybersecurity 17.4. Governance and management of products and services			
◇ Business evolution				
3-3 Management of material topics	3. The Feralpi Group's business 13. Business outlook 15.2. The environmental sustainability of Feralpi Group products			
◇ Community development				
3-3 Management of material topics	16.6. Creating value for the territory			
◇ Human rights and responsibilities along the supply chain				
3-3 Management of material topics	16.5. Human rights in the workplace and along the supply chain			

SDG Content Index

AGENDA 2030	RELEVANT TOPICS	DOCUMENT SECTION
SDG 1 - No poverty	Community development	4. Strategy and investments of Feralpi Group 8. Analysis of the economic and financial situation 11.3. National tax consolidation, Group VAT and Tax liability 16.6. Creating value for the territory
SDG 2 - End hunger	Community development	4. Strategy and investments of Feralpi Group 8. Analysis of the economic and financial situation 11.3. National tax consolidation, Group VAT and Tax liability 16.6. Creating value for the territory
SDG 3 - Good health and well-being	Well-being, health and quality of life	16.3. Welfare
SDG 4 - Quality education	Development and empowerment of individuals Community development	16.1. Raising competencies: people growth and development
SDG 5 - Gender equality	Diversity, Equity & Inclusion	16.4 Diversity, Equity, Inclusion
SDG 6 - Clean water and sanitation	Management of water resources	15.1.2. Management of water resource
SDG 7 - Affordable and clean energy	Climate change and energy efficiency	4. Strategy and investments of Feralpi Group 15.1.1. Energy and emissions
SDG 8 - Decent work and economic growth	Safety and prevention culture Human rights and responsibilities along the supply chain Dialogue with the social partners Development and empowerment of individuals Creation of economic and financial value	16. Social information
SDG 9 - Industry, innovation and infrastructure	Digital and technological innovation and cybersecurity Product and service quality Creation of economic and financial value	15.2. The environmental sustainability of Feralpi products 17.3. Digitalisation and Cybersecurity 17.4. Governance and management of products and services
SDG 10 - Reduced inequalities	Community development	16.6. Creating value for the territory
SDG 11 - Sustainable cities and communities	Pollutant emissions Circular economy, waste and use of materials Climate change and energy efficiency Management of water resources Community development	15. Environmental information 16.6. Creating value for the territory
SDG 12 - Responsible consumption and production	Pollutant emissions Circular economy, waste and use of materials Climate change and energy efficiency Management of water resources	15. Environmental information
SDG 13 - Climate action	Climate change and energy efficiency	15. Environmental information
SDG 14 - Life below water	Management of water resources	15.1.2. Management of water resource
SDG 15 - Life on land	Nature and biodiversity	15.1.3. Biodiversity
SDG 16 - Peace, justice and strong institutions	Integrity of governance and transparency of business	17.1. Governance and organisational structure 17.2. Code of Ethics and Management Models
SDG 17 - Partnership for the goals	Integrity of governance and transparency of business	5. Research and development activities 11.3. National tax consolidation, Group VAT and Tax liability 14.2. Feralpi Group's sustainability strategy and objectives

APPENDIX

Membership of Associations

ITALY

TRADE ASSOCIATIONS

- **AIDAF** > Italian Association of Family Businesses
- **Confindustria Brescia** > Industrial Association of Brescia
- **A.N.SAG.** > National Association of Steel Shapers for C.A.
- **Assogrigliati** > National association among Italian manufacturers of electrowelded and pressed gratings made of 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
- **ESTEP** > European Steel Technology Platform
- **Fondazione Csr** > National study centre for corporate risk control and management
- **ISFOR** > Training organisation promoted by Confindustria Brescia
- **Riconversider** > Federacciai consultancy firm that deals with business organisation, technological innovation and financial management
- **UNSIDER** > Italian steel standards unification body for promoting the knowledge of national (UNI) and international (CEN and ISO) standards

SUSTAINABILITY ASSOCIATIONS

- **Global Compact of the United Nations (UNGC)** > a global network that already includes more than 18,000 companies from over 173 countries around the world, as well as of the Italian network (Global Compact Network Italy)
- **Sustainability Makers** > 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)** > Association with the aim of implementing a strategy based on research and innovation for the competitiveness of Italian manufacturing
- **Associazione Infrastrutture Sostenibili (AIS)** > Association with the aim of fostering the dissemination of a culture of sustainability and awareness of the value of having sustainable infrastructures
- **Associazione Cluster Lombardo della Mobilità** > System providing 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
- **SYMBOLA** >Foundation for Italian Qualities
- **SODALITAS** >Foundation dedicated to the promotion of Corporate Sustainability

GERMANY

TRADE ASSOCIATIONS

- **Regional Chamber of Commerce and Industry in Dresden**
- **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 - National committee for the setting of standards in German industry and the improvement and distribution of construction products
- **EWI, Energie- und Wasserstoffallianz im Industriebogen Meißen** > Association of the Meißen industrial region dealing with the availability of energy and hydrogen for the region
- **Industrieverein Sachsen 1828 e.V., Chemnitz** > Regional association of businesses of Saxony
- **Vereinigtes Wirtschaftsforum Riesa** > local economic association
- **Wirtschaftsvereinigung Stahl** > German steel industry federation

TECHNICAL ASSOCIATIONS

- **BDSV, Bundesvereinigung Deutscher Stahlrecycling- und Entsorgungsunternehmen e. V., Düsseldorf** > German business union for steel recovery and disposal
- **ESN, Entsorgergemeinschaft der Deutschen Stahl- und NE-Metall- Recycling -Wirtschaft e.V., Düsseldorf** > German national association for the recycling of steel and non-ferrous material
- **ESTEP** > European Steel Technology Platform
- **FEhS, Institut für Baustoff-Forschung e.V., Duisburg** > Building materials research institute, focusing mainly on the reuse and recovery of slag
- **Sächsischer Hafen- und Verkehrsverein e.V., Dresden** > Association for the management of harbours in the region of Saxony

SUSTAINABILITY ASSOCIATIONS

- **Klimaschutzunternehmen e.V.** > Initiative of the German Federal Environment Ministry exclusively for companies committed to climate and environmental protection

The Taxonomy Regulation: Evaluation and KPI Tables

Eligibility analysis

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

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

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

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

Alignment analysis

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

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

Analysis of substantial contribution criteria

Regarding CCM activity 3.9, the steel mills in Lonato del Garda and Riesa meet both criterion a) (0.209 tCO_2/t product) and criterion b) (the ratio between incoming steel scrap and outgoing product not being less than 96%) as outlined in Annex I of the Delegated Regulation (EU) 2021/2139, whereas the mills in Calvisano comply only with the second criterion. Therefore, all the Group's steel mills comply with the criteria of substantial contribution for the production of iron and steel.
For the CCM activity 4.1, the Regulation does not require specific technical screening criteria; therefore, the criterion of substantial contribution is considered met by Feralpi Power On, the Group's company dedicated to renewable energy projects.
For CCM activity 4.25, the Regulation does not require specific technical screening criteria; therefore, the heat recovery operations at the Lonato del Garda and Riesa facilities are regarded as contributing to the climate change mitigation objective.

Analysis of Do Not Significant Harm criteria

Climate change adaptation
The Group performed an exposure risk assessment of its assets based on the climate scenarios presented in the IPCC[11] assessment reports in cooperation with an external partner. In this way, it was possible to confirm that the Group's assets are able to withstand the expected climate change during their life cycle, and Feralpi Group therefore considers that its eligible activities meet the criteria set out in Delegated Regulation 2021/2139. Further information is available in the Report on Operations ***[Section 10]***.

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

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

[11] IPCC - Sixth Assessment Report.

Pollution prevention and reduction
Feralpi Group complies with the applicable regulations and undertakes to pursue the provisions of the EMAS statement or the BAT alignment documentation.

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

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

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

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

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

Minimum safeguards

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

Compliance with the minimum safeguards was established through a criteria evaluation, which considered nine categories of requirements related to:
- Human rights, including workers' rights;
- Corruption;
- Taxation;
- Unfair competition.

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

The Group is equipped with a number of instruments to implement these commitments:
- Code of Ethics, which establishes the rules, values and fundamental principles that guide the Group's work by promoting ethical behaviour and responsible actions by all stakeholders ***[Section 17.2.]***;
- Human Rights Policy, which aims to promote and protect respect for human rights in the value chain and in the day-to-day activities of the company ***[Section 16.5.2.]***;
- Whistleblowing Procedure, which governs the process of reporting and handling offences and irregularities ***[Section 17.2.3.]***;
- Stakeholder Management Policy, which regulates the Group's relations with its stakeholders ***[Section 14.4.]***;
- Group DPO (Data Protection Officer), whose presence ensures compliance with the highest standards of security and privacy of customers' personal data ***[Section 17.2.5.]***.

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

In 2023, Feralpi Group started a process aimed at adopting structured Due Diligence procedures on a voluntary basis, in advance of forthcoming European directives such as the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDD), and also taking into account the recent German Law on Due Diligence along the Supply Chain (Lieferkettensorgfaltspflichtengesetz - LkSG) ***[Section 16.5.3.]***.

Since the activities aimed at adopting a Due Diligence process are still ongoing, Feralpi Group conservatively considers that it is not aligned with the minimum safeguards, and therefore all of the Group's eligible activities are to be considered not-aligned with the requirements of the Taxonomy Regulation. The adoption of structured Due Diligence procedures represents a crucial objective for Feralpi Group for the immediate future.

Contextual information and KPI calculation methodology (Accounting Policy)

For the purpose of preparing the consolidated financial statements, the Group adopts international accounting standards. As stipulated in the Delegated Act «Disclosures», for the calculation of the KPIs required by the European Taxonomy, companies must use the same accounting standards as for the preparation of the consolidated annual financial statements, with the objective of comparability to the turnover disclosed in the consolidated financial statements. Consequently, when a consolidated non-financial statement is prepared, consolidation accounting standards would exclude intra-group transactions[12].

Turnover

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

- *Denominator*: net turnover is defined as the amount derived from the provision of services after deduction of sales discounts and value-added taxes directly related to turnover. It is also specified that, in order to avoid any possible double counting, intercompany items have been eliminated and do not contribute to the determination of the KPI. Consequently, the denominator of the KPI corresponds to the item "Revenues from ordinary operations" of the perimeter under analysis, identifying a value of €1,724,219 thousand, and is in line with the provisions of IAS 1, par. 82 (a), mentioned in Annex I to the Delegated Act § 1.1.1.
- *Numerator*: the share of net turnover (taken into account for the calculation of the denominator) associated with eligible and aligned activities. For this assessment, the approach adopted was to identify all legal entities, included in the perimeter, generating turnover associated with the following eligible taxonomy activities:
    - 3.9 - Iron and steel production (95.91%);
    - 4.1 - Power generation using photovoltaic solar technology (0.01%);
    - 4.1 - Production of heat/cooling using waste heat (0%).

Almost all of the turnover of the perimeter under analysis (95.92%) can therefore be considered eligible for the purposes of the European Taxonomy, and refers mainly to revenues from steel production and further processing of steel.

CapEx

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

- *Denominator*: in line with national and international accounting standards, as well as the provisions of Annex I to the Delegated Act 2178/2021, the Group considered tangible assets accounted for in accordance with IAS 16, intangible assets (excluding goodwill) accounted for in accordance with IAS 38, and the right of use in accordance with IFRS 16. This analysis yielded a value of €187,165 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 has identified increases in the following eligible taxonomic activities:
    - 3.9 - Iron and steel production (97.43%);
    - 4.1 - Power generation using photovoltaic solar technology (1.45%);
    - 4.1 - Production of heat/cooling using waste heat (0.02%).

OpEx

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

- *Denominator*: the approach used was to proceed with a precise analysis of the Group's plan of accounts, considering the share of costs falling specifically into the categories indicated in Annex I to the Delegated Act 2178/2021. Specifically:
    - Non R&D costs relating to internal and external projects, from which the cost component relating to the "managing" of R&D projects carried out has been eliminated, as recommended by the European Commission[13]. As expenses related to project management activities, all costs incurred during the year related to project managers were identified and eliminated from the calculation;
    - Short-term leases, whereby, according to Annex I to the Disclosure Delegate Act, leases recognised in the Income Statement relating to contracts with a term of less than 12 months must be considered as exempt from recognition in the Balance Sheet, in accordance with IFRS 16;
    - Costs related to maintenance and repairs, incurred during the year, on buildings and IT equipment. Costs related to employees

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

involved in maintenance and repair activities were considered for this category, together with maintenance commissioned to third-party companies. Within the accounts for maintenance and repairs, renovations to buildings that can be assimilated into the concept of "building renovation measures", mentioned in the Annex to Delegated Act 2178/2021, were also taken into account. The result of this analysis yielded a value of €60,344 thousand.
- *Numerator*: operating expenses associated with point A[14] have been identified, in line with the indications of paragraph 1.1.3.2 of Annex I to the "Disclosure Delegated Act" and the clarifications provided by the European Commission, relating to assets or processes associated with taxonomy-aligned economic activities, derived in a timely manner from management systems. Below is a breakdown of operating expenses by eligible activity:
  - 3.9 - Iron and steel production (98.24%);
  - 4.1 - Power generation using photovoltaic solar technology (0%);
  - 4.1 - Production of heat/cooling using waste heat (0%).

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

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

Specifically:
- Non R&D costs relating to internal and external projects, from which the cost component relating to the "managing" of R&D projects carried out has been eliminated, as recommended by the European Commission15. As expenses related to project management activities, all costs incurred during the year related to project managers were identified and eliminated from the calculation;
- Short-term leases, whereby, according to Annex I to the Disclosure Delegate Act, leases recognised in the Income Statement relating to contracts with a term of less than 12 months must be considered as exempt from recognition in the Balance Sheet, in accordance with IFRS 16.
- Costs related to maintenance and repairs, incurred during the year, on buildings and IT equipment. Costs related to employees involved in maintenance and repair activities were considered for this category, together with maintenance commissioned to third-party companies. Within the accounts for maintenance and repairs, renovations to buildings that can be assimilated into the concept of "building renovation measures", mentioned in the Annex to Delegated Act 2178/2021, were also taken into account.

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

[14] Paragraph 1.1.3.2 Annex I Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.
[15] Communication from the Commission on the interpretation of certain legal provisions of the Delegated Act concerning disclosure under Article 8 of the EU Taxonomy Regulation as regards the reporting of eligible economic activities and assets (2022/C 385/01).

TURNOVER

FY 2024	YEAR			SUBSTANTIAL CONTRIBUTION CRITERIA						"DO NOT SIGNIFICANT HARM" CRITERIA									
Economic activities (1)	**Code(s) (2)**	Absolute turnover (3)	Share of expenses invoiced (4)	Climate change mitigation (5)	Climate change adaptation (6)	Marine waters and resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Marine waters and resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of taxonomy-aligned turnover, Year 2023 (18)	Category (enabling activity) (19)	Category (transitional activities) (20)
		k €	%	S; N; N/AM	S; N; N/AM	S; N; N/AM	S; N; N/AM	S; N; N/AM	S; N; N/AM	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	**3.9**		0%																
Power generation using photovoltaic solar technology	**4.1**		0%																
Production of heat/cooling using waste heat	**4.25**		0%																
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**- €**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.00%**		
of which enabling																	**0.00%**	**A**	
of which transitional																	**0.00%**		**T**
A.2 ACTIVITIES ELIGIBLE FOR THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES NOT TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	**3.9**	€1,585,329	95.91%		**AM**												96.10%		
Power generation using photovoltaic solar technology	**4.1**	€180	0.01%		**AM**												0.01%		
Production of heat/cooling using waste heat	**4.25**	- €	0.00%		**AM**														
Turnover from activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		**€1,585,509**	**95.92%**														**96.11%**		
Total (A.1 + A.2)		**€1,585,509**	**95.92%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**96.11%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Turnover from activities not eligible for taxonomy (B)		**€67,475**	**4.08%**																
TOTAL (A + B)		**€1,652,984**	**100.00%**																

CAPEX

FY 2024	YEAR			SUBSTANTIAL CONTRIBUTION CRITERIA						"DO NOT SIGNIFICANT HARM" CRITERIA									
Economic activities (1)	**Code(s) (2)**	Absolute capital expenditures (3)	Share of capital expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Marine waters and resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Marine waters and resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of capital expenditure aligned (A1) or eligible for taxonomy (A2), Year 2023 (18)	Category (enabling activity) (19)	Category (transitional activities) (20)
		k €	%	S;N;N/AM	S;N;N/AM	S;N;N/AM	S;N;N/AM	S;N;N/AM	S;N;N/AM	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	**3.9**		0																
Power generation using photovoltaic solar technology	**4.1**		0																
Production of heat/cooling using waste heat	**4.25**		0																
Capital expenditures of environmentally sustainable activities (taxonomy-aligned) (A.1)		**- €**	**0.00%**														**0.00%**		
of which enabling																		**A**	
of which transitional																			**T**
A.2 A.2 ACTIVITIES ELIGIBLE FOR THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES NOT TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	**3.9**	€221,355	97.43%														93.72%		
Power generation using photovoltaic solar technology	**4.1**	€3,285	1.45%														4.23%		
Production of heat/cooling using waste heat	**4.25**	€48	0.02%														0.02%		
Capital expenditures of activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		**€224,688**	**98.89%**														**97.97%**		
TOTAL (A.1 + A.2)		**€224,688**	**98.89%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**97.97%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Capital expenditure of activities not eligible for taxonomy (B)		**€2,514**	**1.11%**																
TOTAL (A + B)		**€227,201**	**100.00%**																

OPEX

FY 2024	YEAR			SUBSTANTIAL CONTRIBUTION CRITERIA						"DO NOT SIGNIFICANT HARM" CRITERIA									
Economic activities (1)	**Code(s) (2)**	Absolute capital expenditures (3)	Share of capital expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Marine waters and resources (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Marine waters and resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of capital expenditure aligned (A1) or eligible for taxonomy (A2), Year 2023 (18)	Category (enabling activity) (19)	Category (transitional activities) (20)
		k €	%	S;N;N/AM	S;N;N/AM	S;N;N/AM	S;N;N/AM	S;N;N/AM	S;N;N/AM	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	A	T
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	**3.9**		0																
Power generation using photovoltaic solar technology	**4.1**		0																
Production of heat/cooling using waste heat	**4.25**		0																
Capital expenditures of environmentally sustainable activities (taxonomy-aligned) (A.1)		**- €**	**0.00%**														**0.00%**		
of which enabling																		**A**	
of which transitional																			**T**
A.2 ACTIVITIES ELIGIBLE FOR THE TAXONOMY BUT NOT ENVIRONMENTALLY SUSTAINABLE (ACTIVITIES NOT TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	**3.9**	€58,550	98.24%														98.01%		
Power generation using photovoltaic solar technology	**4.1**	- €	0.00%														0.00%		
Production of heat/cooling using waste heat	**4.25**	- €	0.00%														0.00%		
Capital expenditures of activities eligible for the taxonomy but not environmentally sustainable (activities not taxonomy-aligned) (A.2)		**€58,550**	**98.24%**														**98.01%**		
TOTAL (A.1 + A.2)		**€58,550**	**98.24%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**98.01%**		
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY																			
Capital expenditure of activities not eligible for taxonomy (B)		**€1,048**	**1.76%**																
TOTAL (A + B)		**€59,598**	**100.00%**																

◇ SHARE OF TURNOVER / TOTAL TURNOVER		
	TAXONOMY-ALIGNED BY OBJECTIVE	ELIGIBLE FOR TAXONOMY BY OBJECTIVE
Climate change mitigation	0%	95.92%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Pollution	0%	0%
Circular Economy	0%	0%
Biodiversity and ecosystems	0%	0%

◇ SHARE OF CAPEX / TOTAL CAPEX		
	TAXONOMY-ALIGNED BY OBJECTIVE	ELIGIBLE FOR TAXONOMY BY OBJECTIVE
Climate change mitigation	0%	98.89%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Pollution	0%	0%
Circular Economy	0%	0%
Biodiversity and ecosystems	0%	0%

◇ SHARE OF OPEX / TOTAL OPEX		
	TAXONOMY-ALIGNED BY OBJECTIVE	ELIGIBLE FOR TAXONOMY BY OBJECTIVE
Climate change mitigation	0%	98.24%
Climate change adaptation	0%	0%
Water and marine resources	0%	0%
Pollution	0%	0%
Circular Economy	0%	0%
Biodiversity and ecosystems	0%	0%

Economic sustainability indicators

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED *(GRI 201-1)*

FIGURES IN THOUSAND EUROS	2024	2023	2022
Revenues from sales and services	1,652,984	1,724,219	2,385,577
Changes in inventory of work-in-progress	42,678	(86,549)	20,674
Increases in fixed assets for in-house work	6,227	6,541	5,464
Other revenues and income	28,570	23,519	12,473
A - VALUE OF PRODUCTION	**1,730,459**	**1,667,730**	**2,424,188**
Consumption of raw materials (scrap)	920,455	877,025	961,028
Energy	155,420	161,734	361,811
Consumable materials and supplies	255,851	194,194	270,626
Cost of services	211,141	204,766	211,455
Hire, purchase and leasing charges	10,486	9,082	5,658
Provisions for risks	236	2,050	142
Other provisions and write-downs	127	0	0
Other operating expenses	4,067	8,572	3,473
B - COST OF PRODUCTION	**1,557,514**	**1,457,423**	**1,814,192**
GROSS CHARACTERISTIC VALUE ADDED	**172,945**	**210,307**	**609,996**
Financial income	4,862	2,446	1,201
Adjustments to financial assets	3,069	3,122	4,461
Accessory items	7,931	5,568	5,662
Extraordinary items	0	0	0
GROSS OVERALL VALUE ADDED	**180,877**	**215,876**	**615,658**
Amortisation	70,179	65,391	58,275
NET OVERALL VALUE ADDED	**110,698**	**150,485**	**557,383**

DISTRIBUTION OF CONSOLIDATED VALUE ADDED *(GRI 201-1)*

FIGURES IN THOUSAND EUROS	2024	2023	2022
Wages and salaries	101,763	93,393	81,082
Employee severance indemnity	2,862	2,511	1,835
Other charges	5,772	4,608	4,942
A - PERSONNEL	**110,398**	**100,513**	**87,859**
Taxes	-6,699	(2,031)	102,440
Social security contributions	27,755	25,895	22,835
B - PUBLIC ADMINISTRATION	**21,056**	**23,864**	**125,275**
Provisions	132	445	1,525
Non-distributed profit / loss	-37,741	12,897	335,194
C - RISK CAPITAL	**-37,609**	**13,341**	**336,719**
Distributed profit	0	0	0
Financial expenses	11,483	7,916	3,968
D - LENDERS	**11,483**	**7,916**	**3,968**
Charity	255	186	242
Sponsoring of sports/recreational activities	5,115	4,665	3,320
E - COMMUNITY	**5,369**	**4,851**	**3,562**
NET OVERALL VALUE ADDED	**110,698**	**150,485**	**557,383**

PROPORTION OF SPENDING ON LOCAL SUPPLIERS[16] *(GRI 204-1)*

GEOGRAPHICAL AREA %	2024	2023	2022
Province of Brescia	34.7	39.9	36.4
Province of Como	5.4	6.3	3.9
Province of Lecco	6.3	6.5	3.0
Province of Turin	2.0	2.6	2.4
District of Meißen/Dresden	14.2	12.6	7.2
District of Mělník	6.4	7.2	6.1
District of Csepel	14.5	7.9	5.0
Province of Barcelona	87.2	28.7	29.4

[16] Ratio of local purchases from suppliers of materials, products and services to total purchases, for the main production facilities. By "local" we mean the Province or District of reference. For Feralpi-Praha and Feralpi-Hungária it is not possible to identify local suppliers. In calculating the indicator, it was considered the item related to other operating expenses in the Income Statement, which incorporate most of local suppliers out of total charges.

TAXES: COUNTRY-BY-COUNTRY REPORTING *(GRI 207-4)*

COUNTRY[17]	NUMBER OF EMPLOYEES	REVENUE FROM SALES TO THIRD PARTIES (€MLN)	REVENUE FROM INTRA-GROUP TRANSACTIONS WITH OTHER TAX JURISDICTIONS (€ MLN)	PRE-TAX PROFIT/LOSS (€ MLN)	PROPERTY, PLANT AND EQUIPMENT OTHER THAN CASH AND CASH EQUIVALENTS (€ MLN)	CORPORATE INCOME TAXES PAID ON A CASH BASIS (€ MLN)	CORPORATE INCOME TAXES ACCRUED ON PROFITS/LOSSES (€ MLN)
2024							
Italy	970	626.6	-	(61.7)	(554.7)	0.0	(22.3)
Germany	906	389.8	43.2	15.5	528.8	6.6	4.9
Other	110	636.5	12.7	-	25.9	-	0.1
TOTAL	**1,986**	**1,653.0**	**55.8**	**(46.2)**	**-**	**6.6**	**(17.4)**
2023							
Italy	937	658.3	-	5.5	(478.4)	13.2	(6.0)
Germany	875	487.7	28.5	3.9	451.9	5.6	2.4
Other	110	578.2	11.0	-	26.5	0.1	0.0
TOTAL	**1,922**	**1,724.2**	**39.5**	**9.4**	**-**	**18.9**	**(3.6)**
2022							
Italy	931	881.5	-	265.8	1,072.0	8.8	50.2
Germany	824	776.3	94.2	171.0	438.2	22.8	52.3
Other	101	740.3	26.0	-	29.9	0.1	0.0
TOTAL	**1,856**	**2,398.1**	**102.2**	**436.8**	**1,540.1**	**31.6**	**102.5**

[17] The figure for Germany includes Feralpi-Praha and Feralpi-Hungária.

Environmental sustainability indicators

USE OF MATERIALS AND % RECYCLED *(GRI 301-1, 301-2)*

		2024		2023		2022	
MATERIAL	UNIT	USED	% RECYCLED	USED	% RECYCLED	USED	% RECYCLED
Scrap	**t**	**2,841,584**	**100.00**	**2,657,177**	**100.00**	**2,719,283**	**99.98**
Feralpi Siderurgica		1,305,183	100.00	1,182,816	100.00	1,270,953	100.00
Acciaierie di Calvisano		450,308	99.97	454,140	100.00	499,291	99.87
FERALPI STAHL		1,086,093	100.00	1,020,221	100.00	949,039	100.00
Additives	**t**	**19,197**	**1.60**	**16,796**	**2.54**	**15,830**	**1.63**
Feralpi Siderurgica		8,232	0.00	6,018	0.00	5,158	0.00
Acciaierie di Calvisano		3,670	0.00	3,706	0.00	2,573	0.00
FERALPI STAHL		7,295	4.22	7,072	6.03	8,098	3.18
Lime	**t**	**114,100**	**2.80**	**105,176**	**3.35**	**108,561**	**4.51**
Feralpi Siderurgica[18]		57,828	2.91	50,781	3.51	56,289	3.97
Acciaierie di Calvisano		19,549	0.00	21,285	0.00	19,700	0.00
FERALPI STAHL		36,722	4.12	33,109	5.25	32,572	8.19
Ferro-alloys	**t**	**36,208**	**0.20**	**33,899**	**0.20**	**32,955**	**0.00**
Feralpi Siderurgica		15,854	0.00	14,651	0.00	15,900	0.00
Acciaierie di Calvisano		5,734	0.00	5,823	0.00	4,892	0.00
FERALPI STAHL		14,621	0.49	13,425	0.49	12,163	0.00
Refractory materials	**t**	**18,802**	**4.27**	**17,373**	**0.00**	**16,976**	**5.71**
Feralpi Siderurgica		7,707	0.00	6,419	0.00	6,833	0.00
Acciaierie di Calvisano		4,093	0.00	4,254	0.00	4,052	0.00
FERALPI STAHL		7,002	11.48	6,700	0.00	6,092	15.91
Polymers	**t**	**6,718**	**100.00**	**4,885**	**100.00**	**3,925**	**100.00**
Feralpi Siderurgica		3,886	100.00	3,228	100.00	3,220	100.00
Acciaierie di Calvisano		2,832	100.00	1,657	100.00	705	100.00

[18] The figure includes internally recovered lime and dolomite: 2,233 t for 2022.1, 783 t for 2023 and 1,684 t for 2024.

MATERIAL	UNIT	2024 USED	2024 % RECYCLED	2023 USED	2023 % RECYCLED	2022 USED	2022 % RECYCLED
Oxygen	**Sm³**	**74,595,658**	**0.00**	**70,921,189**	**0.00**	**69,537,814**	**0.00**
Feralpi Siderurgica		36,037,184	0.00	33,100,160	0.00	33,055,552	0.00
Acciaierie di Calvisano		11,361,482	0.00	11,796,351	0.00	10,025,168	0.00
FERALPI STAHL		27,196,992	0.00	26,024,678	0.00	26,457,094	0.00
Inert gases	**Sm³**	**2,358,214**	**0.00**	**2,249,467**	**0.00**	**2,196,320**	**0.00**
Feralpi Siderurgica		1,220,494	0.00	1,071,089	0.00	1,105,252	0.00
Acciaierie di Calvisano		593,362	0.00	561,836	0.00	417,682	0.00
FERALPI STAHL		544,358	0.00	616,543	0.00	673,385	0.00

USE OF ENERGY BY SOURCE *(GRI 302-1)*

	UNIT	2024	2023	2022
Electricity	**MWh**	**1,593,288**	**1,476,062**	**1,460,700**
Feralpi Siderurgica		721,286	635,133	660,761
Acciaierie di Calvisano		253,995	253,455	254,012
Arlenico		41,050	37,625	39,214
Nuova Defim		2,835	2,942	2,948
Presider		1,621	1,717	1,662
MPL		-	-	626
FERALPI STAHL		568,846	541,630	497,820
Feralpi-Praha		1,475	1,437	1,882
Feralpi-Hungária		534	479	486
Presider Armatures		474	502	495
Saexpa		1,079	1,045	745
P.R. Soldadura		93	96	51
Natural gas	**Sm^3 - Standard mc**	**66,575,756**	**67,639,919**	**71,307,784**
Feralpi Siderurgica		29,018,448	33,170,607	38,434,909
Acciaierie di Calvisano		4,097,865	4,264,955	4,413,306
Arlenico		9,792,096	8,745,301	8,974,456
Nuova Defim		98,567	68,600	147,449
Presider		43,411	42,557	39,325
FERALPI STAHL		23,517,288	21,330,956	19,288,451
Feralpi-Hungária		8,081	7,972	9,888
Saexpa		0	8,971	5,711
Petrol	**Litres**	**45,520**	**45,478**	**33,588**
FERALPI STAHL		30,653	27,704	18,068
Feralpi-Praha		12,525	13,328	11,770
Feralpi-Hungária		2,342	2,946	3,750
Saexpa		0	1,500	1,456

	UNIT	2024	2023	2022
Diesel	**Litres**	**2,520,593**	**2,475,082**	**2,498,701**
Feralpi Siderurgica		427,250	394,450	381,000
Acciaierie di Calvisano		153,500	110,240	108,755
Arlenico		82,183	84,556	86,482
Nuova Defim		37,639	62,457	57,047
Presider		11,326	16,402	12,900
FERALPI STAHL		1,769,806	1,745,784	1,802,392
Feralpi-Praha		14,226	19,459	22,172
Feralpi-Hungária		4,763	5,819	2,651
Presider Armatures		2,999	2,000	2,000
Saexpa		12,193	29,155	21,753
P.R. Soldadura		4,708	4,760	1,549
Charge carbon	**t**	**8,167**	**6,972**	**6,597**
Feralpi Siderurgica		3,113	1,628	1,028
Acciaierie di Calvisano		3,006	2,652	733
FERALPI STAHL		2,048	2,692	4,836
Waste foam	**t**	**4,705**	**4,756**	**85,159**
Feralpi Siderurgica		0	11	22
Acciaierie di Calvisano		821	1,114	1,200
FERALPI STAHL		3,884	3,631	83,936
Polymers	**t**	**6,718**	**4,885**	**3,925**
Feralpi Siderurgica		3,886	3,228	3,220
Acciaierie di Calvisano		2,832	1,657	705
Photovoltaic	**MWh**	**1,119**	**784**	**621**
Feralpi Siderurgica		664	609	441
Arlenico		5	4	4
Nuova Defim		276	-	-
Presider		174	171	176

USE OF ENERGY BY SOURCE, EXPRESSED IN GJ *(GRI 302-1)*

	2024	2023	2022
Electricity	**5,735,838**	**5,313,824**	**5,258,522**
Feralpi Siderurgica	2,596,631	2,286,479	2,378,738
Acciaierie di Calvisano	914,383	912,437	914,443
Arlenico	147,780	135,452	141,168
Nuova Defim	10,206	10,590	10,612
Presider	5,836	6,183	5,983
MPL	-	-	2,252
FERALPI STAHL	2,047,844	1,949,869	1,792,152
Feralpi-Praha	5,311	5,174	6,774
Feralpi-Hungária	1,922	1,724	1,751
Presider Armatures	1,706	1,807	1,782
Saexpa	3,884	3,763	2,684
P.R. Soldadura	335	347	183
Natural gas	**2,557,011**	**2,663,055**	**2,634,377**
Feralpi Siderurgica[19]	1,150,168	1,313,371	1,360,451
Acciaierie di Calvisano	145,818	151,223	155,953
Arlenico	348,442	310,240	317,130
Nuova Defim	3,507	2,426	5,210
Presider	1,534	1,504	1,390
FERALPI STAHL	907,255	883,693	793,698
Feralpi-Hungária	287	281	344
Saexpa	0	317	202
Petrol[20]	**1,454**	**1,443**	**1,110**
FERALPI STAHL	971	878	571
Feralpi-Praha	407	433	382
Feralpi-Hungária	76	96	122
Saexpa	0	36	35

[19] The figure relating to natural gas was calculated using SNAM's Lower Calorific Value for 2024, 2023 and 2022.
[20] For Super Petrol E10 and Super Petrol, the conversion factors used were 42.82 MJ/kg - 0.75 kg/l and 43.13 MJ/kg - 0.75 kg/l, respectively.

	2024	2023	2022
Diesel[21]	**92,524**	**88,296**	**89,123**
Feralpi Siderurgica	15,295	14,121	13,639
Acciaierie di Calvisano	5,495	3,937	3,890
Arlenico	2,923	3,008	3,063
Nuova Defim	1,347	2,236	2,042
Presider	2,997	587	462
FERALPI STAHL	63,076	62,220	64,237
Feralpi-Praha	507	694	790
Feralpi-Hungária	170	207	94
Presider Armatures	107	72	72
Saexpa	436	1,044	779
P.R. Soldadura	170	170	55
Charge carbon[22]	**238,057**	**200,770**	**189,473**
Feralpi Siderurgica	90,742	46,885	29,538
Acciaierie di Calvisano	87,611	76,365	21,051
FERALPI STAHL	59,704	77,520	138,884
Waste foam[23]	**137,152**	**136,971**	**119,054**
Feralpi Siderurgica	0	328	643
Acciaierie di Calvisano	23,935	32,081	34,475
FERALPI STAHL	113,217	104,562	83,936
Polymers	**222,909**	**161,208**	**135,580**
Feralpi Siderurgica	128,943	106,521	111,228
Acciaierie di Calvisano	93,966	54,687	24,352
Photovoltaic	**4,027**	**2,823**	**2,235**
Feralpi Siderurgica	2,390	2,191	1,589
Arlenico	18	14	14
Nuova Defim	993	-	-
Presider	626	617	633
TOTAL	**8,988,971**	**8,568,390**	**8,429,474**

[21] Italy: specific weight 0.84 tonnes/m^3 and ETS coefficient 42.873 for 2022, 2023 and 2024. FERALPI STAHL: GEMIS-Datebank conversion factors, 42.63 MJ/kg and 0.836 kg/l.
[22] In 2022, a Lower Calorific Value of 28.721 GJ/t, in 2023, 28.797 GJ/t, and in 2024, 29.150 GJ/t (table of ETS standard parameters).
[23] In 2022, a Lower Calorific Value of 28.721 GJ/t, in 2023, 28.797 GJ/t, and in 2024, 29.150 GJ/t (table of ETS standard parameters).

INDIRECT ENERGY CONSUMPTION[24] EXPRESSED IN GJ *(GRI 302-2)*

	2024	2023	2022
Feralpi Siderurgica			
Employee commuting	9,609	9,315	7,766
Transport and distribution	102,057	88,274	108,406
Upstream	111,666	97,589	116,173
Transport and distribution	110,163	126,086	123,787
Downstream	110,163	126,086	123,787
Acciaierie di Calvisano			
Employee commuting	2,776	2,513	2,223
Transport and distribution	30,855	27,537	33,089
Upstream	33,631	30,050	35,312
Transport and distribution	10,068	10,603	10,533
Downstream	10,068	10,603	10,533
Arlenico			
Employee commuting	1,275	1,199	1,094
Transport and distribution	0	0	1,155
Upstream	1,275	1,199	2,248
Transport and distribution	30,238	47,629	20,257
Downstream	30,238	47,629	20,257
Nuova Defim			
Employee commuting	1,946	1,121	1,113
Transport and distribution	4,415	1,322	1,928
Upstream	6,361	2,443	3,042
Transport and distribution	4,886	2,896	3,200
Downstream	4,886	2,896	3,200

[24] Incoming and outgoing transport refer to road transport only, and is estimated at 28 tonnes for each load. With regard to employee commuting, one round-trip a day per person was considered.

	2024	2023	2022
Presider			
Employee commuting	1,984	1,716	1,484
Transport and distribution	78	64	226
Upstream	2,062	1,780	1,710
Transport and distribution	13,474	11,078	16,876
Downstream	13,474	11,078	16,876
MPL			
Employee commuting	-	-	292
Transport and distribution	-	-	1,878
Upstream	-	-	2,170
Transport and distribution	-	-	2,121
Downstream	-	-	2,121
FERALPI STAHL			
Employee commuting	9,907	9,884	9,051
Transport and distribution	67,472	53,977	47,324
Upstream	77,379	63,861	56,375
Transport and distribution	162,238	180,106	152,075
Downstream	162,238	180,106	152,075
Feralpi-Praha			
Employee commuting	636	753	808
Transport and distribution	0	0	0
Upstream	636	753	808
Transport and distribution	1,456	2,114	2,062
Downstream	1,456	2,114	2,062
Feralpi-Hungária			
Employee commuting	272	261	240
Transport and distribution	0	0	0
Upstream	272	261	240
Transport and distribution	508	218	331
Downstream	508	218	331

	2024	2023	2022
Presider Armatures			
Employee commuting	41	46	47
Transport and distribution	68	55	39
Upstream	110	101	86
Transport and distribution	2,753	1,075	4,888
Downstream	2,753	1,075	4,888
Saexpa			
Employee commuting	1,471	1,472	1,586
Transport and distribution	394	475	318
Upstream	1,865	1,947	1,904
Transport and distribution	4,586	4,982	4,352
Downstream	4,586	4,982	4,352
P.R. Soldadura			
Employee commuting	98	51	42
Transport and distribution	3	0	2
Upstream	101	51	44
Transport and distribution	0	0	0
Downstream	0	0	0

ENERGY INTENSITY IN GJ PER TONNE OF PRODUCT[25] *(GRI 302-3)*

	2024	2023	2022
Billets			
Feralpi Siderurgica	2.11	2.08	2.01
Acciaierie di Calvisano	2.15	2.07	2.08
FERALPI STAHL	1.98	1.99	2.01
Ribbed bar			
Feralpi Siderurgica	0.43	0.68	0.78
FERALPI STAHL	1.13	1.11	1.04
Rebar in coils			
Feralpi Siderurgica	1.67	1.70	1.55
Wire rod			
FERALPI STAHL	1.13	1.11	1.04
Wire rod in special steels			
Arlenico	1.87	1.87	1.87
Downstream products			
Feralpi-Praha	0.16	0.20	0.20
Feralpi-Hungária	0.29	0.30	0.26
Welded mesh and gratings			
Nuova Defim	0.54	0.63	0.59
Saexpa	0.54	0.47	0.34
P.R. Soldadura	2.44	2.57	2.23
Shaped or assembled reinforcing steel in bar			
Presider	0.04	0.05	0.06
Presider Armatures	0.09	0.10	0.09
Girders and angle sections			
MPL	-	-	0.11

[25] The figures relate to December each year. In the calculation, the total consumption of methane, electricity, charge carbon and coal for waste foam was used for Feralpi Siderurgica, the total consumption of electricity and methane for Acciaierie di Calvisano and FERALPI STAHL, consumption of electricity and natural gas for Arlenico and total consumption of electricity for Nuova Defim, Presider, Presider Armatures, Feralpi-Praha, Feralpi-Hungária, Saexpa Group and P. R. Soldadura.

WATER WITHDRAWAL IN ML *(GRI 303-3)*

	2024		2023		2022	
	AREAS SUBJECT TO WATER STRESS	ALL AREAS	AREAS SUBJECT TO WATER STRESS	ALL AREAS	AREAS SUBJECT TO WATER STRESS	ALL AREAS
Surface water (total)	**0**	**111**	**0**	**1,223**	**0**	**1,459**
Fresh water (≤1,000 mg/L total dissolved solid particles)	**0**	**111**	**0**	**1,223**	**0**	**1,459**
Feralpi Siderurgica	0	**0**	0	0	0	0
Acciaierie di Calvisano	0	**0**	0	0	0	0
Arlenico	0	**111**	0	1,223	0	1,459
Feralpi Stahl	0	**0**	0	0	0	0
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Water table (total)	**2,289**	**2,289**	**2,471**	**2,471**	**2,391**	**2,391**
Fresh water (≤1,000 mg/L total dissolved solid particles)	**2,289**	**2,289**	**2,471**	**2,471**	**2,391**	**2,391**
Feralpi Siderurgica	1,657	1,657	1,839	1,839	1,761	1,761
Acciaierie di Calvisano	632	632	631	631	630	630
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Sea water (total)	**0**	**0**	**0**	**0**	**0**	**0**
Fresh water (≤1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0

	2024		2023		2022	
	AREAS SUBJECT TO WATER STRESS	ALL AREAS	AREAS SUBJECT TO WATER STRESS	ALL AREAS	AREAS SUBJECT TO WATER STRESS	ALL AREAS
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Water produced (total)	**0**	**0**	**0**	**0**	**0**	**0**
Fresh water (≤1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Third-party water (total)	**0**	**731**	**0**	**665**	**0**	**623**
Fresh water (≤1,000 mg/L total dissolved solid particles)	**0**	**731**	**0**	**665**	**0**	**623**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	4	0	0	0	0
Feralpi Stahl	0	727	0	665	0	623
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
TOTAL WATER WITHDRAWAL	**2,289**	**3,131**	**2,471**	**4,359**	**2,391**	**4,473**

WATER DISCHARGE IN ML *(GRI 303-4)*

	2024		2023		2022	
	AREAS SUBJECT TO WATER STRESS	ALL AREAS	AREAS SUBJECT TO WATER STRESS	ALL AREAS	AREAS SUBJECT TO WATER STRESS	ALL AREAS
Surface water (total)	**411**	**454**	**484**	**1,670**	**463**	**1,246**
Fresh water (≤1,000 mg/L total dissolved solid particles)	**411**	**454**	**484**	**1,670**	**463**	**1,246**
Feralpi Siderurgica	405	405	478	478	456	456
Acciaierie di Calvisano	6	6	6	6	7	7
Arlenico	0	43	0	1,185	0	783
Feralpi Stahl	0	0	0	0	0	0
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Water table (total)	**0**	**0**	**0**	**0**	**0**	**0**
Fresh water (≤1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Sea water (total)	**0**	**0**	**0**	**0**	**0**	**0**
Fresh water (≤1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0

	2024		2023		2022	
	AREAS SUBJECT TO WATER STRESS	ALL AREAS	AREAS SUBJECT TO WATER STRESS	ALL AREAS	AREAS SUBJECT TO WATER STRESS	ALL AREAS
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Third-party water (total)	**0**	**19**	**0**	**18**	**0**	**20**
Of which volume of water sent to other organisations	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
Fresh water (≤1,000 mg/L total dissolved solid particles)	**0**	**19**	**0**	**18**	**0**	**20**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	19	0	18	0	20
Other water (>1,000 mg/L total dissolved solid particles)	**0**	**0**	**0**	**0**	**0**	**0**
Feralpi Siderurgica	0	0	0	0	0	0
Acciaierie di Calvisano	0	0	0	0	0	0
Arlenico	0	0	0	0	0	0
Feralpi Stahl	0	0	0	0	0	0
TOTAL WATER DISCHARGE	**411**	**473**	**484**	**1,688**	**463**	**1,266**

OPERATIONAL SITES OWNED, LEASED OR MANAGED IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE OR CLOSE TO PROTECTED AREAS *(GRI 304-1)*

COMPANY	SITE	COUNTRY	COORDINATES	ACTIVITIES	DIMENSIONS	DISTANCE TO PROTECTED AREA	BIODIVERSITY VALUE				
							AREA NAME	CODE	AREA TYPE	N° HABITAT	N° SPECIES
Arlenico	Lecco	ITA	45.85000134412464, 9.399545596508103	Steel production	0,106 km²	459,51 m 792,47 m	Adda Nord Nature Park *Monte Barro*	390486 IT2030003	Site of National Interest (CDDA) Habitats Directive Birds Directive	5	86
ESF Elbe-Stahlwerke Feralpi	Riesa	GER	51.31293984265011, 13.284907508448773	Steel production Cold processing/ Derivatives	0,580 km²	430 m	Elbtal zwischen Schöna und Mühlberg	DE4545452	Birds Directive Site of National Interest (CDDA	0	69
Feralpi-Hungária	Budapest	HU	47.43372836282799, 19.062947942285895	Cold processing/ Derivatives	0,018 km²	773,38 m	Duna és ártere	HUDI20034	Habitats Directive	14	30

TOTAL DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1: tCO_2 EQ) *(GRI 305-1)*

	2024	2023	2022
EU ETS emissions	**199,048**	**195,716**	**201,639**
Feralpi Siderurgica	82,917	85,815	93,638
Acciaierie di Calvisano[26]	27,580	25,788	23,938
Arlenico	19,766	17,525	17,865
FERALPI STAHL	68,785	66,588	66,198
Other GHG emissions from natural gas not included in the EU ETS	**208**	**-**	**179**
Feralpi Siderurgica	91	-	131
Acciaierie di Calvisano	13	-	15
Arlenico	31	-	34
FERALPI STAHL	73	-	0
GHG emissions from refrigerant gas leaks	**354**	**140**	**531**
Feralpi Siderurgica	122	87	455
Acciaierie di Calvisano	37	53	71
FERALPI STAHL	195	0	4

[26] Following an alignment, the 2022 figure relating to EU ETS emissions by Acciaierie di Calvisano has been restated with respect to that published in the previous Voluntary Consolidated Sustainability Report.

	2024	2023	2022
GHG emissions from natural gas	**950**	**253**	**408**
Nuova Defim	199	136	297
Presider	88	83	79
FERALPI STAHL	647	-	-
Feralpi-Hungária	16	16	20
Saexpa	0	18	12
GHG emissions from diesel	**7,254**	**4,480**	**830**
Feralpi Siderurgica	1,445	222	120
Acciaierie di Calvisano	421	26	32
Arlenico	228	14	37
Nuova Defim	104	165	146
Presider	162	69	33
FERALPI STAHL	4,705	3,831	334
Feralpi-Praha	70	43	57
Feralpi-Hungária	20	18	7
Presider Armatures	8	0	5
Saexpa	78	77	56
P.R. Soldadura	13	14	4
GHG emissions from petrol	**282**	**67**	**92**
Feralpi Siderurgica	33	-	0
Presider	11	4	0
FERALPI STAHL	148	-	55
Feralpi-Praha	60	42	25
Feralpi-Hungária	11	10	8
Presider Armatures	15	7	0
Saexpa	4	4	3
GHG emissions from LPG for heating	**0**	**0**	**20**
MPL	-	-	20
TOTAL DIRECT EMISSIONS (SCOPE 1)	**208,096**	**200,656**	**203,699**

INDIRECT GREENHOUSE GAS EMISSIONS (GHG) RESULTING FROM ELECTRICITY USE (SCOPE 2: tCO_2 EQ *(GRI 305-2)*

	2024	2023	2022
Location based[27]	**546,212**	**507,158**	**499,011**
Feralpi Siderurgica	227,205	200,067	208,140
Acciaierie di Calvisano	80,009	79,838	80,014
Arlenico	12,931	11,852	12,352
Nuova Defim	893	927	930
Presider	511	541	524
MPL	-	-	197
FERALPI STAHL	223,556	212,861	195,643
Feralpi-Praha	701	683	894
Feralpi-Hungária	135	121	123
Presider Armatures	27	28	28
Saexpa	227	220	157
P.R. Soldadura	19	20	11
Market based[28]	**337,931**	**523,282**	**780,780**
Feralpi Siderurgica	70,691	61,776	302,067
Acciaierie di Calvisano	77,085	79,295	116,122
Arlenico	3,028	8,057	17,926
Nuova Defim	919	1,345	1,348
Presider	0	785	760
MPL	-	-	286
FERALPI STAHL	184,714	370,491	340,524
Feralpi-Praha	972	1,002	1,312
Feralpi-Hungária	172	153	156
Presider Armatures	19	63	62
Saexpa	305	288	288
P.R. Soldadura	26	27	14

[27] For the calculation of indirect CO_2 emissions from electricity using the location-based methodology, the respective national electricity emission factors were used: for the Italian sites 315 gCO_2 /kWh for 2022, 2023 and 2024; for Germany 393 gCO_2 /kWh for 2022, 2023 and 2024; for the Czech Republic 475 gCO_2 /kWh for 2022, 2023 and 2024; for Hungary 253 gCO_2 /kWh for 2022, 2023 and 2024; for France 56 gCO_2 / kWh for 2022, 2023 and 2024; for Spain 210 gCO_2 /kWh for 2022, 2023 and 2024.

[28] To calculate indirect CO_2 emissions resulting from electricity using the market-based method, reference was made to the AIB (Association of Issuing Bodies) for the years 2022 and 2023. For 2022, reference was made to the 2021 Residual Mix 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, for Spain 295.83 gCO_2/kWh. For 2023, reference was made to the 2022 Residual Mix which for Italian sites is 457.15 gCO_2/kWh, for Germany 684.03 gCO_2/kWh, for Hungary 319.96 gCO_2/kWh, for the Czech Republic 697.21 gCO_2/kWh, for France 124.96 gCO_2/kWh, for Spain 275.11 gCO_2/kWh. For 2024, reference was made to the 2023 Residual Mix which for Italian sites is 500.57 gCO_2 /kWh, for Hungary, 322.63 gCO_2/kWh, for the Czech Republic, 658.58 gCO_2/kWh, for France, 40.74 gCO_2/kWh, for Spain, 282.45 gCO_2/kWh. For 2024, reference was made to the emission factor of the German energy supplier RWE for Germany, equal to 469.00 gCO_2/kWh. For photovoltaic energy and the energy certified as renewable (e.g., green certificates) an emission factor of zero was used. For the calculation of the KPIs for the Specific CO_2 Emissions Scorecard (Scope 1, 2, and 3 core boundary), the 2022 values for all companies (except MPL, which is not included in the perimeter) were recalculated using the AIB 2022 Residual Mix.

OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3: tCO_2 EQ)[29] *(GRI 305-3)*

◇ SCOPE 3 CATEGORIES - 2024	TOTAL	CORE BOUNDARY	OUT OF CORE BOUNDARY	NOT COVERED BY TARGETS
Purchased goods and services	658,857	266,358	392,499	-
Capital goods	117,342	-	-	117,342
Activities related to fuels and energy, not included in Scope 1 or Scope 2	96,213	-	96,213	-
Upstream and downstream transportation and distribution	197,044	-	197,044	-
Waste produced in operations	26,587	-	26,587	-
Transformation of goods sold	8,498	6,061	2,437	-
End-of-life treatment of products sold	137,854	-	-	137,854
TOTAL	**1,242,395**	**272,419**	**714,780**	**255,196**

◇ SCOPE 3 CATEGORIES - 2023	TOTAL	CORE BOUNDARY	OUT OF CORE BOUNDARY	NOT COVERED BY TARGETS
Purchased goods and services	502,346	155,093	347,253	-
Capital goods	86,486	-	-	86,486
Activities related to fuels and energy, not included in Scope 1 or Scope 2	89,284	-	89,284	-
Upstream and downstream transportation and distribution	179,272	-	179,272	-
Waste produced in operations	23,097	-	23,097	-
Transformation of goods sold	22,709	5,611	17,098	-
End-of-life treatment of products sold	258,329	-	-	258,329
TOTAL	**1,161,523**	**160,704**	**656,004**	**344,815**

◇ SCOPE 3 CATEGORIES - 2022	TOTAL	CORE BOUNDARY	OUT OF CORE BOUNDARY	NOT COVERED BY TARGETS
Purchased goods and services	594,385	268,459	325,926	-
Capital goods	57,621	-	-	57,621
Activities related to fuels and energy, not included in Scope 1 or Scope 2	169,059	-	169,059	-
Upstream and downstream transportation and distribution	145,368	-	145,368	-
Waste produced in operations	23,147	-	23,147	-
Transformation of goods sold	18,514	5,609	12,905	-
End-of-life treatment of products sold	222,452	-	-	222,452
TOTAL	**1,230,546**	**274,068**	**676,405**	**280,073**

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

INTENSITY OF GREENHOUSE GAS EMISSIONS *(GRI 305-4)*

tCO_2/t FINISHED PRODUCT	2024	2023	2022
EU ETS direct emissions (Scope 1)			
Feralpi Siderurgica	0.06	0.07	0.07
Acciaierie di Calvisano	0.06	0.06	0.06
Arlenico	0.07	0.07	0.07
FERALPI STAHL	0.08	0.08	0.08
Indirect emissions resulting from electricity use (Scope 2)			
Feralpi Siderurgica	0.17	0.16	0.16
Acciaierie di Calvisano	0.19	0.18	0.18
Arlenico	0.05	0.05	0.05
Nuova Defim	0.04	0.06	0.05
Presider	0.00	0.00	0.00
MPL	-	-	0.01
FERALPI STAHL	0.26	0.25	0.25
Feralpi-Praha	0.02	0.03	0.03
Feralpi-Hungária	0.02	0.02	0.02
Presider Armatures	0.00	0.00	0.00
Saexpa	0.03	0.03	0.02
P.R. Soldadura	0.14	0.15	0.13

ATMOSPHERIC EMISSIONS *(GRI 305-7)*

	UNIT	2024	2023	2022
Dust[30]	**t**			
Feralpi Siderurgica		2.27	2.49	4.81
Acciaierie di Calvisano		1.86	6.37	4.82
Arlenico		0.23	0.81	0.20
Nuova Defim		0.19	0.19	0.21
FERALPI STAHL		1.99	1.87	2.43
Saexpa		0.07	0.07	0.10
PM10	**t**			
Feralpi Siderurgica		2.14	0.36	0.68
Acciaierie di Calvisano		0.75	1.89	1.26
FERALPI STAHL		1.69	1.59	2.05
NOx[31]	**t**			
Feralpi Siderurgica		91.01	75.06	107.81
Acciaierie di Calvisano		43.13	58.73	49.89
Arlenico		27.73	21.38	18.62
FERALPI STAHL		92.79	152.95	134.11
CO[32]	**t**			
Feralpi Siderurgica		2,732.61	1,675.47	1,144.32
Acciaierie di Calvisano		542.00	588.14	360.06
Arlenico		1.67	0.00	0.66
FERALPI STAHL		960.72	1,500.56	727.39
Dioxins and Furans	**gI-TEQ**			
Feralpi Siderurgica		0.03	0.02	0.03
Acciaierie di Calvisano		0.02	0.05	0.13
FERALPI STAHL		0.14	0.00	0.08
IPA	**kg**			
Feralpi Siderurgica		0.09	0.03	0.03
Acciaierie di Calvisano		0.09	0.10	0.16
FERALPI STAHL		-	-	-

[30] Figure for the site.
[31] The variability of NOx values depends on the way the reheating furnace is operated in relation to the product being rolled during sampling.
[32] Figure for the site.

	UNIT	2024	2023	2022
COT	**t**			
Feralpi Siderurgica		47.33	50.06	39.45
Acciaierie di Calvisano		26.98	12.78	8.19
FERALPI STAHL		-	-	-
Pb	**kg**			
Feralpi Siderurgica		61.32	19.02	27.63
Acciaierie di Calvisano		13.66	84.28	13.86
Arlenico		1.50	1.50	0.63
FERALPI STAHL		34.32	31.20	54.80
Zn	**kg**			
Feralpi Siderurgica		635.67	252.94	288.81
Acciaierie di Calvisano		219.46	1,277.75	260.41
Arlenico		4.44	3.17	9.35
FERALPI STAHL		677.33	666.03	853.71
Hg	**kg**			
Feralpi Siderurgica		44.96	22.37	31.09
Acciaierie di Calvisano		18.67	45.64	50.67
Arlenico		0.08	0.00	0.24
FERALPI STAHL		117.23	105.42	28.32
SOx[33]	**t**			
Feralpi Siderurgica		12.16	18.87	7.05
Acciaierie di Calvisano		19.25	23.18	30.98
FERALPI STAHL		48.90	44.45	4.23
Pcb[34]	**kg**			
Feralpi Siderurgica		0.00	0.01	0.01
Acciaierie di Calvisano		0.17	0.10	0.37
FERALPI STAHL		0.00	0.00	0.00

[33] Figure for the site.
[34] Dioxin-like without toxicity factor.

WASTE GENERATED (t) AND BREAKDOWN BY WASTE COMPOSITION *(GRI 306-3)*

	2024	2023	2022
◇ **HAZARDOUS WASTE**	**43,158**	**42,119**	**43,127**
Fume abatement dust	**42,250**	**41,341**	**42,414**
Feralpi Siderurgica	20,159	19,062	21,218
Acciaierie di Calvisano	6,854	7,099	7,130
FERALPI STAHL	15,237	15,180	14,066
Other waste	**908**	**778**	**713**
Feralpi Siderurgica	163	108	142
Acciaierie di Calvisano	295	75	70
Arlenico	113	107	78
Nuova Defim	5	7	8
Presider	23	19	8
MPL	-	-	0
FERALPI STAHL	306	462	406
Feralpi-Praha	1	1	1
Feralpi-Hungária	1	0	0
Presider Armatures	2	0	0
Saexpa	0	0	0
P.R. Soldadura	0	0	0
◇ **NON-HAZARDOUS WASTE**	**540,250**	**596,421**	**492,744**
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	**35,699**	**32,951**	**34,945**
Feralpi Siderurgica	16,075	13,600	14,618
Acciaierie di Calvisano	879	1,530	448
Arlenico	3,987	3,746	3,837
FERALPI STAHL	14,646	13,930	15,815
Feralpi-Praha	87	117	193
Feralpi-Hungária	25	28	35

	2024	2023	2022
Black slag	**286,521**	**242,042**	**231,262**
Feralpi Siderurgica[35]	143,685	99,556	99,259
Acciaierie di Calvisano	36,362	40,434	42,781
FERALPI STAHL	106,473	102,052	89,222
White slag	**71,844**	**75,923**	**69,844**
Feralpi Siderurgica	37,900	34,473	35,365
Acciaierie di Calvisano	23,001	22,452	16,870
FERALPI STAHL	10,942	18,997	17,609
Other waste	**146,187**	**245,505**	**156,693**
Feralpi Siderurgica	81,986	96,189	89,494
Acciaierie di Calvisano	12,954	16,783	16,479
Arlenico	1,682	2,013	2,185
Nuova Defim	1,172	1,160	1,098
Presider	2,556	2,428	3,343
MPL	-	-	730
FERALPI STAHL	44,388	125,666	42,103
Feralpi-Praha	110	146	201
Feralpi-Hungária	66	67	28
Presider Armatures	1,014	838	885
Saexpa	250	209	140
P.R. Soldadura	7	6	7
TOTAL WASTE	**583,408**	**638,540**	**535,871**

[35] 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)*

2024	ON SITE						AT EXTERNAL SITE					
	Reuse	Recycling	Recovery	Composting	Other treatment	**TOTAL**	Reuse	Recycling	Recovery	Composting	Other treatment	**TOTAL**
HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	**0**	**0**	**0**	0	0	19,413	0	0	**19,413**
Acciaierie di Calvisano	0	0	0	**0**	**0**	**0**	0	0	6,670	0	0	**6,670**
Arlenico	0	0	0	**0**	**0**	**0**	0	0	100	0	0	**100**
Nuova Defim	0	0	0	**0**	**0**	**0**	0	0	5	0	0	**5**
Presider	0	0	7	**0**	**0**	**7**	0	0	0	0	0	**0**
MPL	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FERALPI STAHL	0	**0**	**0**	**0**	**0**	**0**	**0**	**22**	13,801	0	**0**	**13,823**
Feralpi-Praha	0	**0**	**0**	**0**	**0**	**0**	**0**	0	0	0	**0**	**0**
Feralpi-Hungária	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**
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**
TOTAL	**0**	**0**	**7**	**0**	**0**	**7**	**0**	**22**	**39,990**	**0**	**0**	**40,011**
NON-HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	0	257,241	0	0	**257,241**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	47,981	0	0	**47,981**
Arlenico	0	0	0	0	0	**0**	0	0	5,645	0	0	**5,645**
Nuova Defim	0	0	0	0	0	**0**	0	1,123	50	0	0	**1,172**
Presider	0	2,389	163	0	0	**2,552**	0	0	0	0	0	**0**
MPL	-	-	-	-	-	**-**	-	-	-	-	-	**-**
FERALPI STAHL	0	0	23,588	0	0	**23,588**	0	7,759	142,639	11	0	**150,409**
Feralpi-Praha	0	0	0	0	0	**0**	0	104	93	0	0	**197**
Feralpi-Hungária	0	0	0	0	0	**0**	25	66	0	0	0	**91**
Presider Armatures	0	999	15	0	0	**1,014**	0	0	0	0	0	**0**
Saexpa	0	0	0	0	0	**0**	0	247	3	0	0	**250**
P.R. Soldadura	0	0	0	0	0	**0**	0	7	0	0	0	**7**
TOTAL	**0**	**3,388**	**23,766**	**0**	**0**	**27,154**	**25**	**9,305**	**453,652**	**11**	**0**	**462,992**

2023	ON SITE						AT EXTERNAL SITE					
	Reuse	Recycling	Recovery	Composting	Other treatment	**TOTAL**	Reuse	Recycling	Recovery	Composting	Other treatment	**TOTAL**
HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	0	17,264	0	0	**17,264**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	6,744	0	0	**6,744**
Arlenico	0	0	0	0	0	**0**	0	0	87	0	0	**87**
Nuova Defim	0	0	0	0	0	**0**	0	0	7	0	0	**7**
Presider	0	0	0	0	0	**0**	0	0	0	0	4	**4**
FERALPI STAHL	0	0	0	0	0	**0**	17	271	12,411	0	0	**12,700**
Feralpi-Praha	0	0	0	0	0	**0**	0	0	0	0	0	**0**
Feralpi-Hungária	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**
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**17**	**272**	**36,512**	**0**	**4**	**36,805**
NON-HAZARDOUS WASTE												
Feralpi Siderurgica	0	0	0	0	0	**0**	0	0	216,357	313	0	**216,671**
Acciaierie di Calvisano	0	0	0	0	0	**0**	0	0	63,050	0	0	**63,050**
Arlenico	0	0	0	0	0	**0**	0	0	4,879	0	0	**4,879**
Nuova Defim	0	0	0	0	0	**0**	0	1,111	49	0	0	**1,160**
Presider	0	0	0	0	0	**0**	0	0	0	0	2,424	**2,424**
FERALPI STAHL	0	0	53,371	0	0	**53,371**	0	5,373	189,279	44	0	**194,696**
Feralpi-Praha	0	0	0	0	0	**0**	0	129	134	0	0	**263**
Feralpi-Hungária	0	0	0	0	0	**0**	28	67	0	0	0	**94**
Presider Armatures	0	0	825	0	13	**839**	0	0	0	0	0	**0**
Gruppo Saexpa	0	0	0	0	0	**0**	0	201	8	0	0	**209**
P.R. Soldadura	0	0	0	0	0	**0**	0	6	0	0	0	**6**
TOTAL	**0**	**0**	**54,196**	**0**	**13**	**54,209**	**28**	**6,886**	**473,757**	**357**	**2,424**	**483,453**

2022	ON SITE						AT EXTERNAL SITE					
	Reuse	Recycling	Recovery	Composting	Other treatment	**TOTAL**	Reuse	Recycling	Recovery	Composting	Other treatment	**TOTAL**
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	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-Hungária	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**
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	1,403	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-Hungária	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**
TOTAL	**0**	**25,489**	**0**	**0**	**0**	**25,489**	**35**	**74,196**	**328,992**	**196**	**4,958**	**408,378**

WASTE FOR DISPOSAL (t) *(GRI 306-5)*

2024	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**
HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	0	909	**909**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	0	479	**479**
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	16	**16**
MPL	-	-	-	-	**-**	-	-	-	-	**-**
FERALPI STAHL	0	0	0	0	**0**	0	35	1,685	0	**1,721**
Feralpi-Praha	0	0	0	0	**0**	0	1	0	0	**1**
Feralpi-Hungária	0	**0**	0	0	**0**	0	0	0	0	**0**
Presider Armatures	0	0	0	0	**0**	0	0	0	2	**2**
Saexpa	0	0	0	0	**0**	0	0	0	0	**0**
P.R. Soldadura	0	0	0	0	**0**	0	0	0	0	**0**
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**36**	**1,685**	**1,419**	**3,140**
NON-HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	22,395	11	**22,406**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	25,215	0	**25,215**
Arlenico	0	0	0	0	**0**	0	0	0	24	**24**
Nuova Defim	0	0	0	0	**0**	0	0	0	0	**0**
Presider	0	0	0	0	**0**	0	0	0	4	**4**
MPL	-	-	-	-	**-**	-	-	-	-	**-**
FERALPI STAHL	0	0	0	0	**0**	0	0	2,454	0	**2,454**
Feralpi-Praha	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Hungária	0	0	0	0	**0**	1	0	0	0	**1**
Presider Armatures	0	0	0	0	**0**	0	0	0	0	**0**
Saexpa	0	0	0	0	**0**	0	0	0	0	**0**
P.R. Soldadura	0	0	0	0	**0**	0	0	0	0	**0**
TOTAL	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**50,064**	**40**	**50,104**

2023	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**
HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	0	1,906	**1,906**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	0	430	**430**
Arlenico	0	0	0	0	**0**	0	0	0	20	**20**
Nuova Defim	0	0	0	0	**0**	0	0	0	0	**0**
Presider	0	0	0	0	**0**	0	0	0	15	**15**
FERALPI STAHL	0	0	0	0	**0**	0	63	2,879	0	**2,942**
Feralpi-Praha	0	0	0	0	**0**	0	1	0	0	**1**
Feralpi-Hungária	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**
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**64**	**2,879**	**2,371**	**5,314**
NON-HAZARDOUS WASTE										
Feralpi Siderurgica	0	0	0	0	**0**	0	0	27,136	12	**27,148**
Acciaierie di Calvisano	0	0	0	0	**0**	0	0	18,149	0	**18,149**
Arlenico	0	0	0	0	**0**	0	0	0	879	**879**
Nuova Defim	0	0	0	0	**0**	0	0	0	0	**0**
Presider	0	0	0	0	**0**	0	0	0	4	**4**
FERALPI STAHL	0	0	0	0	**0**	0	0	12,579	0	**12,579**
Feralpi-Praha	0	0	0	0	**0**	0	0	0	0	**0**
Feralpi-Hungária	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**
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**57,864**	**895**	**58,759**

2022	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**
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**
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-Hungária	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**
TOTAL	**0**	**0**	**0**	**0**	**0**	**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**
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-Hungária	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**
TOTAL	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**58,337**	**541**	**58,879**

Social sustainability indicators

FERALPI GROUP PERSONNEL AS AT 31.12.2024 *(GRI 2-7)*

	2024			2023			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
◇ PERSONNEL EMPLOYED BY GENDER AND GEOGRAPHICAL AREA									
TOTAL	**1,773**	**213**	**1,986**	**1,735**	**187**	**1,922**	**1,680**	**171**	**1,851**
of which Italy	858	112	**970**	850	87	**937**	845	81	**926**
of which Germany	776	69	**845**	746	68	**814**	694	62	**756**
of which Czech Republic	31	8	**39**	32	7	**39**	38	6	**44**
of which Hungary	19	3	**22**	19	3	**22**	21	3	**24**
of which France	3	1	**4**	3	1	**4**	3	1	**4**
of which Spain	74	19	**93**	73	20	**93**	67	17	**84**
of which Algeria	12	1	**13**	12	1	**13**	12	1	**13**
◇ CONTRACT TYPE									
Permanent	**1,666**	**200**	**1,866**	**1,642**	**168**	**1,810**	**1,583**	**159**	**1,742**
of which Italy	834	107	**941**	809	79	**888**	803	78	**881**
of which Germany	695	63	**758**	696	58	**754**	646	53	**699**
of which Czech Republic	29	6	**35**	30	6	**36**	31	6	**37**
of which Hungary	19	3	**22**	19	3	**22**	21	3	**24**
of which France	3	1	**4**	3	1	**4**	3	1	**4**
of which Spain	74	19	**93**	73	20	**93**	67	17	**84**
of which Algeria	12	1	**13**	12	1	**13**	12	1	**13**
Temporary	**57**	**7**	**64**	**56**	**13**	**69**	**56**	**8**	**64**
of which Italy	19	4	**23**	34	7	**41**	31	2	**33**
of which Germany	36	1	**37**	20	5	**25**	18	6	**24**
of which Czech Republic	2	2	**4**	2	1	**3**	7	0	**7**
of which Hungary	0	0	**0**	0	0	**0**	0	0	**0**
of which France	0	0	**0**	0	0	**0**	0	0	**0**
of which Spain	0	0	**0**	0	0	**0**	0	0	**0**
of which Algeria	0	0	**0**	0	0	**0**	0	0	**0**
TOTAL EMPLOYEES	**1,723**	**207**	**1,930**	**1,698**	**181**	**1,879**	**1,639**	**167**	**1,806**

	2024			2023			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Full-time	**1,716**	**176**	**1,892**	**1,692**	**151**	**1,843**	**1,634**	**139**	**1,773**
of which Italy	850	101	**951**	842	77	**919**	833	71	**904**
of which Germany	727	47	**774**	712	45	**757**	662	43	**705**
of which Czech Republic	31	7	**38**	32	6	**38**	36	5	**41**
of which Hungary	19	1	**20**	18	2	**20**	21	1	**22**
of which France	3	0	**3**	3	0	**3**	3	1	**4**
of which Spain	74	19	**93**	73	20	**93**	67	17	**84**
of which Algeria	12	1	**13**	12	1	**13**	12	1	**13**
Part-time	**7**	**31**	**38**	**6**	**30**	**36**	**5**	**28**	**33**
of which Italy	3	10	**13**	1	9	**10**	1	9	**10**
of which Germany	4	17	**21**	4	18	**22**	2	16	**18**
of which Czech Republic	0	1	**1**	0	1	**1**	2	1	**3**
of which Hungary	0	2	**2**	1	1	**2**	0	2	**2**
of which France	0	1	**1**	0	1	**1**	0	0	**0**
of which Spain	0	0	**0**	0	0	**0**	0	0	**0**
of which Algeria	0	0	**0**	0	0	**0**	0	0	**0**
TOTAL EMPLOYEES	**1,723**	**207**	**1,930**	**1,698**	**181**	**1,879**	**1,639**	**167**	**1,806**
Apprentices	50	6	**56**	37	6	**43**	41	4	**45**
TOTAL PERSONNEL EMPLOYED	**1,773**	**213**	**1,986**	**1,735**	**187**	**1,922**	**1,680**	**171**	**1,851**
Temporary and other types of contract	114	10	**124**	101	22	**123**	72	8	**80**
Interns	0	1	**1**	3	1	**4**	2	0	**2**
External companies[36]	2,939	91	**3,030**	2,860	84	**2,944**	2,426	86	**2,512**
TOTAL PERSONNEL[37]	**4,826**	**315**	**5,141**	**4,699**	**294**	**4,993**	**4,180**	**265**	**4,445**

[36] The personnel of contracting companies refers to external personnel operating, as at 31.12.2024, at Feralpi Siderurgica, Acciaierie di Calvisano and Feralpi-Praha (for 2023 the figure includes Feralpi Siderurgica, Acciaierie di Calvisano and Feralpi-Praha, for 2022 the figure includes Feralpi Siderurgica and Acciaierie di Calvisano). These are augmented by 90 men and 9 women from external companies who worked at Presider and Presider Armatures (calculated on average - for Presider and Presider Armatures in 2023, 103 men and 11 women; for Presider, Presider Armatures and MPL in 2022, 121 men and 9 women) and 282 men from external companies who carried out activities at ESF Elbe-Stahlwerke Feralpi GmbH in 2024 (calculated as FTE - 333 men in 2023, 132 men in 2022). These are mainly staff with employment contracts, employed in the following tasks: internal handling, railway handling, installation of new plants and related maintenance (electrical, hydraulic, mechanical), services (reception, security, catering, cleaning).
[37] Only for Germany, the figures do not take into account employees on parental leave or sick leave exceeding 62 weeks as at 31st December.

GOVERNANCE STRUCTURE AND COMPOSITION *(GRI 2-9)*

COMPOSITION OF THE BOD	WOMEN	MEN	TOTAL
BOARD MEMBERS	0	8	**8**[38]
Non-executive members	0	6	**6**
Executive Members	0	2	**2**
Members with a requirement of independence	0	0	**0**
Members belonging to under-represented social groups	0	0	**0**

[38] As at 31 December 2024. For most of 2024, the Board of Directors of Feralpi Siderurgica S.p.A. consisted of nine members until the date of 16 November 2024, when one of them stepped down.

MOVEMENT OF PERSONNEL BY GEOGRAPHICAL AREA AND AGE GROUP *(GRI 401-1)*

		2024				2023				2022			
	GENDER/AGE	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
◇ **PERSONNEL RECRUITMENT (NO.)**													
Group	Women	22	29	6	**57**	11	23	7	**41**	9	22	3	**34**
	Men	82	131	40	**253**	75	143	36	**254**	75	133	25	**233**
	TOTAL	**104**	**160**	**46**	**310**	**86**	**166**	**43**	**295**	**84**	**155**	**28**	**267**
Italy	Women	16	11	1	**28**	7	7	0	**14**	5	4	1	**10**
	Men	21	35	11	**67**	31	43	8	**82**	32	47	14	**93**
	TOTAL	**37**	**46**	**12**	**95**	**38**	**50**	**8**	**96**	**37**	**51**	**15**	**103**
Germany	Women	5	13	4	**22**	3	10	5	**18**	4	16	1	**21**
	Men	55	79	22	**156**	40	89	23	**152**	39	68	3	**110**
	TOTAL	**60**	**92**	**26**	**178**	**43**	**99**	**28**	**170**	**43**	**84**	**4**	**131**
Other areas	Women	1	5	1	**7**	1	6	2	**9**	0	2	1	**3**
	Men	6	17	7	**30**	4	11	5	**20**	4	18	8	**30**
	TOTAL	**7**	**22**	**8**	**37**	**5**	**17**	**7**	**29**	**4**	**20**	**9**	**33**
◇ **PERSONNEL OUTGOING TURNOVER (NO.)**[39]													
Group	Women	6	18	5	**29**	2	12	11	**25**	1	18	8	**27**
	Men	44	79	67	**190**	27	100	66	**193**	35	111	74	**220**
	TOTAL	**50**	**97**	**72**	**219**	**29**	**112**	**77**	**218**	**36**	**129**	**82**	**247**
Italy	Women	0	4	1	**5**	0	2	4	**6**	0	7	4	**11**
	Men	8	18	25	**51**	16	28	32	**76**	9	41	45	**95**
	TOTAL	**8**	**22**	**26**	**56**	**16**	**30**	**36**	**82**	**9**	**48**	**49**	**106**
Germany	Women	6	12	3	**21**	1	8	5	**14**	1	6	3	**10**
	Men	33	53	40	**126**	11	62	27	**100**	26	55	24	**105**
	TOTAL	**39**	**65**	**43**	**147**	**12**	**70**	**32**	**114**	**27**	**61**	**27**	**115**
Other areas	Women	0	2	1	**3**	1	2	2	**5**	0	5	1	**6**
	Men	3	8	2	**13**	0	10	7	**17**	0	15	5	**20**
	TOTAL	**3**	**10**	**3**	**16**	**1**	**12**	**9**	**22**	**0**	**20**	**6**	**26**

[39] 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.

	GENDER/AGE	2024 <30	2024 30-50	2024 >50	2024 TOTAL	2023 <30	2023 30-50	2023 >50	2023 TOTAL	2022 <30	2022 30-50	2022 >50	2022 TOTAL
◇ PERSONNEL RECRUITMENT RATE (%)[40]													
Group	Women	59.46	25.89	9.38	**26.76**	40.74	21.90	10.77	**20.81**	42.86	24.72	4.92	**19.88**
	Men	31.18	14.70	6.46	**14.27**	29.30	17.06	5.71	**14.72**	30.86	16.30	4.03	**13.87**
	TOTAL	**34.67**	**15.95**	**6.73**	**15.61**	**30.39**	**17.60**	**6.18**	**15.35**	**31.82**	**17.13**	**4.11**	**14.42**
Italy	Women	64.00	19.64	3.23	**25.00**	53.85	16.28	0.00	**16.09**	55.56	10.81	2.86	**12.35**
	Men	22.11	7.81	3.49	**7.81**	31.00	10.00	2.50	**9.65**	31.68	11.30	4.27	**11.01**
	TOTAL	**30.83**	**9.13**	**3.47**	**9.79**	**33.63**	**10.57**	**2.28**	**10.25**	**33.64**	**11.26**	**4.13**	**11.12**
Germany	Women	50.00	36.11	17.39	**31.88**	25.00	27.78	26.32	**26.87**	36.36	48.48	5.56	**33.87**
	Men	35.03	21.18	8.94	**20.10**	27.78	25.57	9.02	**20.35**	29.77	21.25	1.23	**15.85**
	TOTAL	**35.93**	**22.49**	**9.67**	**21.07**	**27.56**	**25.78**	**10.22**	**20.88**	**30.28**	**23.80**	**1.53**	**17.33**
Other areas	Women	50.00	25.00	10.00	**21.88**	50.00	23.08	13.33	**20.93**	0.00	9.09	12.50	**9.68**
	Men	54.55	24.29	12.07	**21.13**	33.33	18.33	8.93	**15.63**	36.36	23.38	16.00	**21.74**
	TOTAL	**53.85**	**24.44**	**11.76**	**21.26**	**35.71**	**19.77**	**9.86**	**16.96**	**33.33**	**20.20**	**15.52**	**19.53**
◇ PERSONNEL OUTGOING TURNOVER RATE (%)[41]													
Group	Women	16.22	16.07	7.81	**13.62**	7.41	11.43	16.92	**12.69**	4.76	20.22	13.11	**15.79**
	Men	16.73	8.87	10.82	**10.72**	10.55	11.93	10.46	**11.19**	14.40	13.60	11.92	**13.10**
	TOTAL	**16.67**	**9.67**	**10.54**	**11.03**	**10.25**	**11.88**	**11.06**	**11.34**	**13.64**	**14.25**	**12.02**	**13.34**
Italy	Women	0.00	7.14	3.23	**4.46**	0.00	4.65	12.90	**6.90**	0.00	18.92	11.43	**13.58**
	Men	8.42	4.02	7.94	**5.94**	16.00	6.51	10.00	**8.94**	8.91	9.86	13.72	**11.24**
	TOTAL	**6.67**	**4.37**	**7.51**	**5.77**	**14.16**	**6.34**	**10.26**	**8.75**	**8.18**	**10.60**	**13.50**	**11.45**
Germany [42]	Women	60.00	33.33	13.04	**30.43**	8.33	22.22	26.32	**20.90**	9.09	18.18	16.67	**16.13**
	Men	21.02	14.21	16.26	**16.24**	7.64	17.82	10.59	**13.39**	19.85	17.19	9.88	**15.13**
	TOTAL	**23.35**	**15.89**	**15.99**	**17.40**	**7.69**	**18.23**	**11.68**	**14.00**	**19.01**	**17.28**	**10.34**	**15.21**
Other areas	Women	0.00	10.00	10.00	**9.38**	50.00	7.69	13.33	**11.63**	0.00	22.73	12.50	**19.35**
	Men	27.27	11.43	3.45	**9.15**	0.00	16.67	12.50	**13.28**	0.00	19.48	10.00	**14.49**
	TOTAL	**23.08**	**11.11**	**4.41**	**9.20**	**7.14**	**13.95**	**12.68**	**12.87**	**0.00**	**20.20**	**10.34**	**15.38**

[40] The recruitment rate (A) is calculated according to the following formula: A=new hires/total workforce*100.
[41] The outgoing 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.
[42] Only for Germany, the exits also include employees on parental leave or sick leave exceeding 62 weeks as at 31st 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[43] *(GRI 403-9)*

		2024	2023	2022
◇ RATE OF ACCIDENTS AT WORK BY AREA				
Employees (Accident Rate)				
Group	Accidents recorded	22.81	15.52	16.50
	Serious accidents	1.15	1.52	0.99
	Deaths due to occupational accidents	0.00	0.00	0.00
Italy	Accidents recorded	14.87	11.20	13.95
	Serious accidents	1.65	2.36	1.90
	Deaths due to occupational accidents	0.00	0.00	0.00
Germany	Accidents recorded	29.69	22.27	21.06
	Serious accidents	0.76	0.00	0.00
	Deaths due to occupational accidents	0.00	0.00	0.00
External companies (Accident rate)				
Group	Accidents recorded	8.44	14.30	12.45
	Serious accidents	0.99	0.00	0.00
	Deaths due to occupational accidents	0.50	0.00	0.00
Italy	Accidents recorded	6.65	11.44	11.13
	Serious accidents	0.95	0.00	0.00
	Deaths due to occupational accidents	0.95	0.00	0.00
Germany	Accidents recorded	4.07	29.78	19.27
	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				
Employees (no. of accidents)				
Group	No. of accidents recorded	79	51	50
	No. of serious accidents	4	5	3
	No. of deaths due to occupational accidents	0	0	0
	Hours worked	3,463,585	3,285,536	3,030,081

[43] Index = (no. accidents/hours worked)x1,000,000. The calculation of accidents takes into account accidents that occur in the workplace. Commuting accidents are excluded, with the exception of those occurring with transport organised by the company. Reported incidents (recordable injuries) are those that resulted in absence from the workplace for a period 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 a number of days lost of 180 or more. The main types of injuries encountered in the three-year period 2021-2023 include lacerated contusion injuries, contusions, crushing, and fractures.

		2024	2023	2022
External companies (no. of accidents)				
Group	No. of accidents recorded	17	14	12
	No. of serious accidents	2	0	1
	No. of deaths due to occupational accidents	1	0	0
	Hours worked	2,013,520	979,301	936,541

PER CAPITA AVERAGE TRAINING HOURS BY GENDER AND BY PROFESSIONAL CATEGORY *(GRI 404-1)*

		2024	2023	2022
◇ AVERAGE TRAINING HOURS PER CAPITA BY GENDER	**GENDER**			
Group	Men	21	23	25
	Women	31	32	12
	TOTAL	**22**	**24**	**24**
Italy	Men	27	35	21
	Women	44	55	17
	TOTAL	**29**	**37**	**21**
Germany	Men	17	12	34
	Women	20	15	9
	TOTAL	**17**	**12**	**32**
◇ AVERAGE TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY	**CATEGORY**			
Group	Blue-collars	19	20	21
	White-collars and middle managers	31	33	29
	Executives	21	30	24
	TOTAL	**22**	**24**	**24**
Italy	Blue-collars	24	34	15
	White-collars and middle managers	39	43	30
	Executives	24	44	36
	TOTAL	**29**	**37**	**21**
Germany [44]	Blue-collars	17	10	33
	White-collars and middle managers	19	20	31
	Executives	19	10	4
	TOTAL	**17**	**12**	**32**

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

COMPOSITION OF THE MEMBERS OF FERALPI SIDERURGICA'S BOARD OF DIRECTORS BY GENDER AND AGE GROUP *(GRI 405-1)*

AGE	2024 MEN	2024 WOMEN	2024 TOTAL	2023 MEN	2023 WOMEN	2023 TOTAL	2022 MEN	2022 WOMEN	2022 TOTAL
◇ **COMPOSITION OF THE MEMBERS OF FERALPI SIDERURGICA'S BOARD OF DIRECTORS, NUMBER**									
<30	0	0	**0**	0	0	**0**	0	0	**0**
30-50 (including 30 and 50)	0	0	**0**	0	0	**0**	0	0	**0**
>50	8	0	**8**	9	0	**9**	9	0	**9**
TOTAL	**8**	**0**	**8**	**9**	**0**	**9**	**9**	**0**	**9**
◇ **COMPOSITION OF THE MEMBERS OF FERALPI SIDERURGICA'S BOARD OF DIRECTORS, PERCENTAGE**									
<30	0	0	**0**	0	0	**0**	0	0	**0**
30-50 (including 30 and 50)	0	0	**0**	0	0	**0**	0	0	**0**
>50	**100**	0	**100**	100	0	**100**	100	0	**100**
TOTAL	**100**	**0**	**100**	**100**	**0**	**100**	**100**	**0**	**100**

COMPOSITION OF GROUP EMPLOYEES BY GENDER, AGE GROUP AND OTHER RELEVANT CATEGORIES *(GRI 405-1)*

	2024						2023						2022					
	MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL		MEN		WOMEN		TOTAL	
Age	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%
<30	263	13.24	37	1.86	**300**	**15.11**	256	13.32	27	1.40	**283**	**14.72**	235	12.70	21	1.13	**264**	**14.26**
30-50 (30 and 50 included)	876	44.11	110	5.54	**986**	**49.65**	838	43.60	105	5.46	**938**	**48.80**	824	44.52	89	4.81	**905**	**48.89**
>50	634	31.92	66	3.32	**700**	**35.25**	631	32.83	65	3.38	**701**	**36.47**	621	33.55	61	3.30	**682**	**36.84**
TOTAL	**1,773**	**89.27**	**213**	**10.73**	**1,986**	**100.00**	**1,725**	**89.75**	**197**	**10.25**	**1,922**	**100.00**	**1,680**	**90.76**	**171**	**9.24**	**1,851**	**100.00**

◇ **OTHER DIVERSITY INDICATORS**

OTHER DIVERSITY INDICATORS	2024 NUMBER	2024 %	2023 NUMBER	2023 %	2022 NUMBER	2022 %
Protected categories	67	3.37	64	3.33	63	3.39
Other	67	3.37	46	2.39	33	1.78

RATIO (%) BETWEEN AVERAGE MALE AND FEMALE REMUNERATION[45] *(GRI 405-2)*

	CATEGORY	2024	2023	2022
Feralpi Siderurgica	White-collars and middle managers	68.65	68.69	-
Arlenico	White-collars and middle managers	65.05	61.36	57.04
Presider	White-collars and middle managers	77.32	76.84	76.93
ESF Elbe-Stahlwerke Feralpi	White-collars and middle managers	69.17	67.44	65.29

RATIO (%) BETWEEN MALE AND FEMALE BASE SALARY[46] *(GRI 405-2)*

	CATEGORY	2024	2023	2022
Feralpi Siderurgica	White-collars and middle managers	92.33	92.38	-
Arlenico	White-collars and middle managers	93.39	91.79	89.08
Presider	White-collars and middle managers	94.31	95.23	94.92
ESF Elbe-Stahlwerke Feralpi	White-collars and middle managers	100.00	100.00	100.00

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

APPENDIX

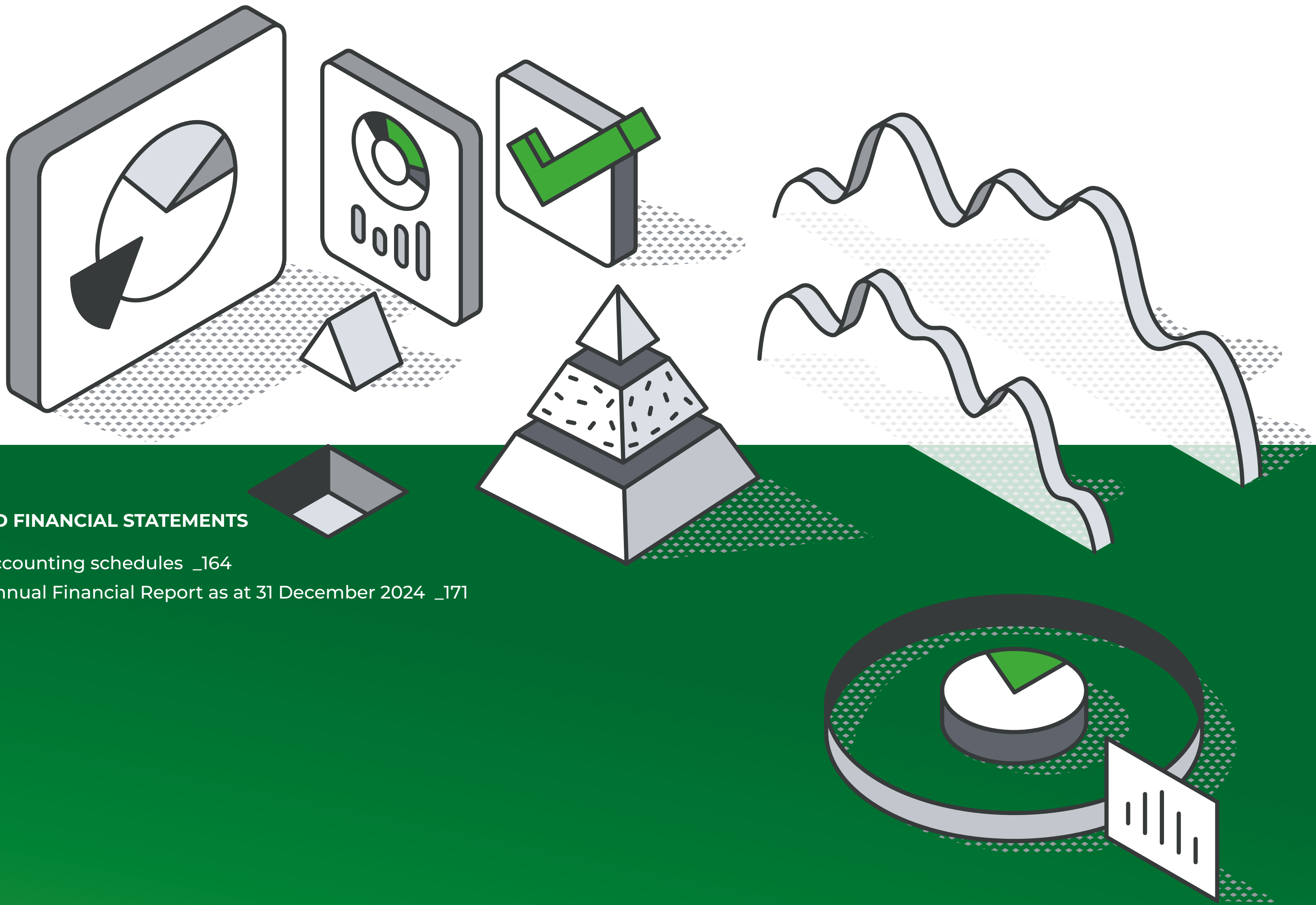
System certifications

Feralpi Siderurgica	UNI EN ISO 9001, 14001, 45001, 50001, EMAS
Acciaierie di Calvisano	UNI EN ISO 9001, 14001, 50001, EMAS
Presider	UNI EN ISO 9001, 14001
Presider Armatures	BS EN ISO 9001
Nuova Defim	UNI EN ISO 9001
Arlenico	UNI EN ISO 9001, 14001 - IATF 16949 - Automotive Quality Management System
ESF Elbe-Stahlwerke Feralpi GmbH	DIN EN ISO 9001, 14001, 50001, EMAS, Entsorgungsfachbetried
FERALPI STAHLANDEL GMBH	DIN EN ISO 9001, 50001
FERALPI LOGISTIK GMBH	DIN EN ISO 9001, 50001
FERALPI-PRAHA S.R.O.	ISO 9001
FERALPI-Hungária KFT	ISO 9001

Product certifications

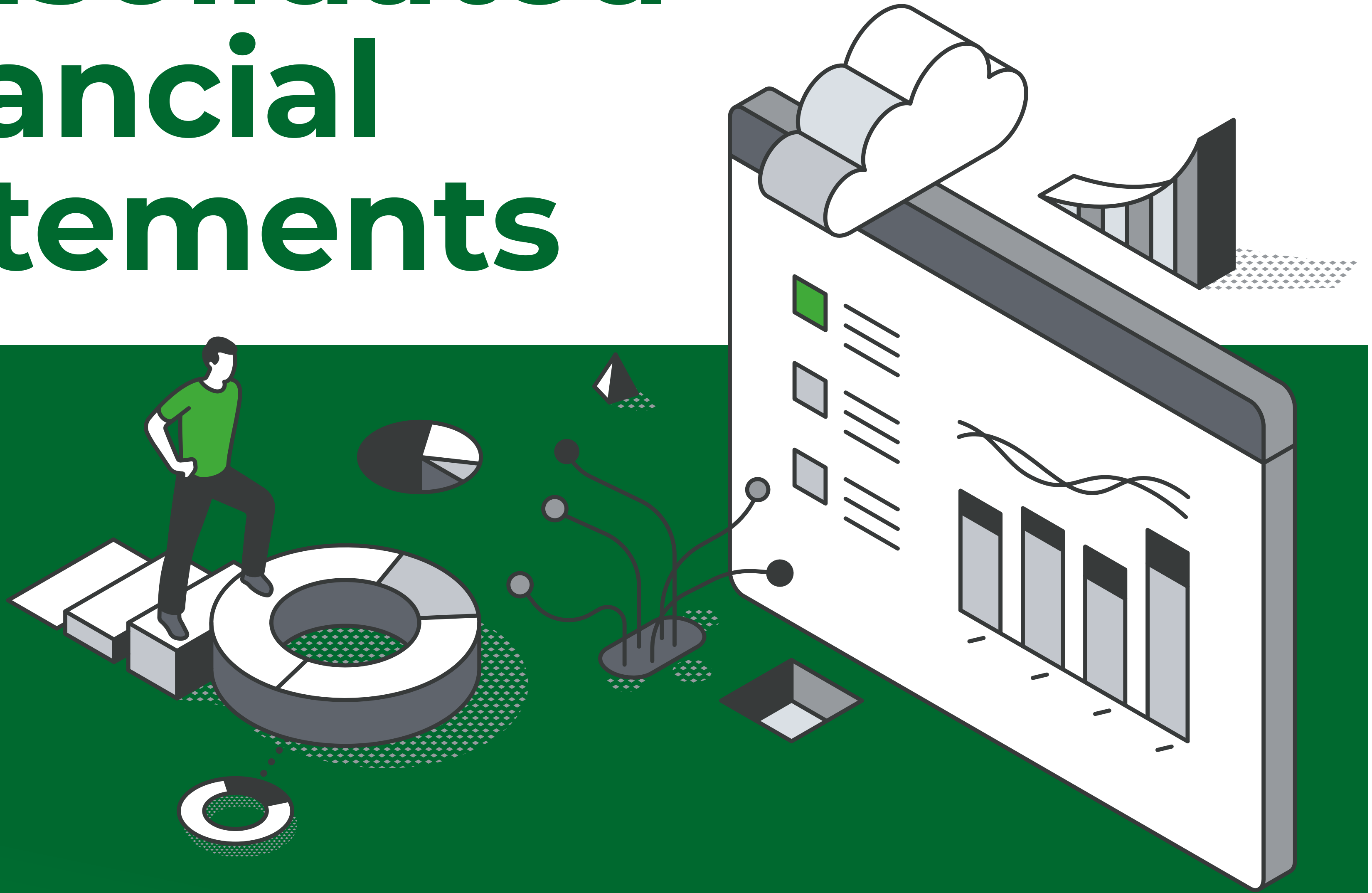
Feralpi Siderurgica	EPD - Environmental Product Declaration UNI EN ISO 14067 Certificate of minimum recycled/recovered/by-product content for: ◇ Steel ◇ Green stone ◇ Green lime ◇ Green iron SUSTSTEEL SYSTEM 2+ GREEN STONE
Acciaierie di Calvisano	EPD - Environmental Product Declaration UNI EN ISO 14067 TUV Certificate PED AD2000W 0 Risk and safety control for pressure equipment Certificate of minimum recycled/recovered/by-product content for
Presider	EPD - Environmental Product Declaration UNI EN ISO 14067 EN ISO 17660-1 (load transmitting welds) and 17660-2 (non-load transmitting welds) AFCAB NF-Armatures
Presider Armatures	UK CARES - CERTIFICATION AUTHORITY FOR REINFORCING STEELS AFCAB NF-Armatures
Nuova Defim	UNI EN ISO 1090-1
Arlenico	EPD - Environmental Product Declaration UNI EN ISO 14067
ESF Elbe-Stahlwerke Feralpi GmbH	EPD - Environmental Product Declaration Certificate of minimum Recycled / Recovered / By-product Content

The up-to-date overview of system and product certifications for each Group company can be found in the Appendix and on the Product Certifications page of the website www.feralpigroup.com.



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements



Prospetti bilancio consolidato

STATEMENT OF FINANCIAL POSITION - ASSETS

AMOUNTS IN THOUSAND EUROS	NOTES	31.12.2024	31.12.2023
ASSETS			
Non-current Assets			
Property, plant and equipment	8	721,578	562,243
Right-of-use assets	9	16,519	19,841
Intangible assets	10	8,964	11,092
Goodwill	11	8,077	8,077
Investments in associates and joint ventures	12	26,897	24,545
Other investments	13	461	434
Non-current financial assets	14	3,544	6,667
Deferred tax assets	15	31,190	16,763
Other non-current assets	16	3,482	1,362
TOTAL NON-CURRENT ASSETS		**820,712**	**651,024**
Current assets			
Inventories	17	375,983	295,196
Trade receivables	18	242,577	326,707
Trade receivables from parent companies and for tax consolidation	19	-	9,069
Trade receivables from associates	20	49,625	30,616
Tax receivables	21	2,626	7,898
Current financial assets	22	5,563	7,560
Other current assets	23	55,698	63,560
Cash and cash equivalents and short-term deposits	24	50,720	173,189
TOTAL CURRENT ASSETS		**782,792**	**913,795**
TOTAL ASSETS		**1,603,504**	**1,564,819**

STATEMENT OF FINANCIAL POSITION - LIABILITIES AND SHAREHOLDERS' EQUITY

AMOUNTS IN THOUSAND EUROS	NOTES	31.12.2024	31.12.2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	25	50,000	50,000
Other reserves	25	883,061	864,808
Profit/loss for the year	25	(37,798)	12,872
TOTAL GROUP SHAREHOLDERS' EQUITY		**895,263**	**927,680**
Minority interest Shareholders' equity	25	331	274
Minority interest profit	25	56	24
TOTAL SHAREHOLDERS' EQUITY		**895,650**	**927,978**
Non-current liabilities			
Non-current financial payables	26	84,686	133,445
Non-current lease payables	9	9,985	13,617
Other non-current financial liabilities		-	-
Liabilities for employee benefits	27	5,090	5,272
Provisions for risks and charges	28	3,481	6,614
Deferred tax liabilities	15	1,903	3,078
Other non-current liabilities	29	859	860
TOTAL NON-CURRENT LIABILITIES		**106,003**	**162,886**
Current liabilities			
Current financial payables	26	107,820	67,734
Current lease payables	9	3,781	3,949
Trade payables to parent companies and for tax consolidation	30	-	431
Trade payables	31	385,381	279,172
Trade payables to associates	32	52,703	61,602
Tax payables	33	8,480	19,434
Other current liabilities	34	43,685	41,633
TOTAL CURRENT LIABILITIES		**601,850**	**473,955**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,603,504**	**1,564,819**

CONSOLIDATED INCOME STATEMENT

AMOUNTS IN THOUSAND EUROS	NOTES	2024	2023
Revenues from contracts with customers	35	1,652,984	1,724,219
Rental income	36	806	1,043
Other income	37	27,764	22,475
Changes in inventories of finished and semi-finished products		42,678	(86,549)
Raw materials and consumables	38	(1,176,036)	(1,071,218)
Cost of services	39	(382,162)	(380,246)
Personnel costs	40	(138,277)	(126,408)
Other operating costs	41	(6,208)	(12,229)
Increases in fixed assets for in-house work	42	6,227	6,541
Depreciation and amortisation	43	(70,306)	(65,391)
Reversal/(Write-down) of financial assets	44	(132)	(1,177)
Financial income	45	1,199	2,446
Financial expenses	46	(7,676)	(7,886)
Share of profit of associates and joint ventures	47	3,069	3,855
Exchange gains and (losses)	48	(144)	(30)
PROFIT BEFORE TAX FROM OPERATING ACTIVITIES		**(46,214)**	**9,445**
INCOME TAXES	**49**	**8,472**	**3,451**
NET RESULT FROM OPERATING ACTIVITIES		**(37,742)**	**12,896**
NET RESULT		**(37,742)**	**12,896**
Result for the Group		(37,798)	12,872
Minority interest result		56	24

STATEMENT OF OTHER COMPREHENSIVE INCOME

AMOUNTS IN THOUSAND EUROS	NOTES	2024	2023
NET RESULT		**(37,742)**	**12,896**
Other comprehensive income components			
Other comprehensive income components that will be reclassified to profit/loss for the year: (Net of tax)			
Net profit from the hedging of net investments			
Translation differences in foreign financial statements	25	(39)	(133)
Net (loss)/gain from cash flow hedges	25	(2,315)	(7,372)
TOTAL OTHER COMPREHENSIVE INCOME COMPONENTS THAT WILL LATER BE RECLASSIFIED TO PROFIT/(LOSS) FOR THE YEAR NET OF TAX		**(2,354)**	**(7,505)**
Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax			
(Loss)/gain from revaluation on defined benefit plans	27	67	(99)
TOTAL OTHER COMPREHENSIVE INCOME COMPONENTS THAT WILL LATER NOT BE RECLASSIFIED TO PROFIT/(LOSS) FOR THE YEAR NET OF TAX		**67**	**(99)**
TOTAL OTHER INCOME STATEMENT ITEMS AFTER TAX		**(2,287)**	**(7,604)**
TOTAL COMPREHENSIVE PROFIT/(LOSS) AFTER TAX		**(40,029)**	**5,292**
Result for the Group		(40,118)	12,872
Minority interest result		89	24

CASH FLOW STATEMENT

AMOUNTS IN THOUSAND EUROS	NOTES	2024	2023
NET RESULT		**(37,742)**	**12,896**
Adjustments to reconcile pre-tax profit with net cash flows:			
Depreciation and impairment of property, plant and equipment	43-8	62,532	57,757
Amortisation and impairment of intangible assets	43-10	3,864	4,096
Amortisation of right of use	43-9	3,783	3,538
Further write-downs of fixed assets		127	-
Capital loss/gain on disposal of assets	41	(564)	2,790
Financial income	45	(1,199)	(2,446)
Financial expenses	46	7,676	7,886
Finance costs on financial lease liabilities		275	232
Income taxes	49	(8,472)	(3,451)
Share of profit for the year of associates and joint ventures	47	(3,069)	(3,855)
Write-down of current assets	44	132	445
Net change in employee severance indemnity and pension funds	27	(115)	(656)
Net change in provisions for risks and charges	28	(3,133)	1,058
Net change in deferred tax assets and liabilities	15	(1,622)	(2,102)
Interest income received		744	-
Interest paid		(6,127)	(5,359)
Income taxes paid		(7,157)	(18,898)
Changes in working capital:			
(Increase)/decrease in inventories	17	(80,787)	104,988
(Increase)/decrease in trade receivables	18	64,991	83,816
(Increase)/decrease in other non-financial assets		7,667	21,534
Increase/(decrease) in trade payables	31	97,310	(53,944)
Increase/(decrease) in tax payables	33	(4,034)	4,254
Increase/(decrease) in other non-financial liabilities		323	(74,561)
Other decreases/(Other increases) in net working capital		9,914	(7,940)
CASH FLOW GENERATED/ABSORBED BY OPERATING ACTIVITIES		**143,060**	**119,184**
Investing activities:			
Net investments in tangible fixed assets	8	(222,410)	(164,524)
Net investments in intangible assets	10	(1,511)	(2,206)
Net investments in financial fixed assets	9	(27)	8
Net investments in short-term financial assets		-	-
Acquisition of subsidiaries, net of cash acquired		-	-

AMOUNTS IN THOUSAND EUROS	NOTES	2024	2023
CASH FLOW GENERATED/ABSORBED BY INVESTING ACTIVITIES		**(223,948)**	**(166,722)**
Financing activities:			
New loans	26	838	57,942
Repayment of loans	26	(51,341)	(31,418)
(Increase)/decrease in financial receivables (incl. derivative assets)		3,259	1,298
Increase/(decrease) in financial payables (incl. derivative liabilities)		39,491	(2,599)
Principal payments - lease liabilities		(3,746)	(3,068)
Dividends paid to shareholders		-	(15,000)
Capital increase/decrease		7,700	-
Other changes in Shareholders' equity		(39)	
CASH FLOW GENERATED/ABSORBED BY FINANCING ACTIVITIES		**(3,839)**	**7,155**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(122,469)**	**(27,486)**
Net cash and cash equivalents at the beginning of the period		173,189	200,675
Net cash and cash equivalents at the end of the period		50,720	173,189

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2024

AMOUNTS IN THOUSAND EUROS	SHARE CAPITAL	OTHER RESERVES	FTA RESERVE	RESERVE FOR ACTUARIAL GAINS (LOSSES)	CASH FLOW HEDGE RESERVE	PROFIT/LOSS FOR THE YEAR	TOTAL GROUP SHAREHOLDERS' EQUITY	MINORITY INTEREST SHAREHOLDERS' EQUITY	MINORITY INTEREST RESULT	TOTAL SHAREHOLDERS' EQUITY
Balance as at 31 December 2023	**50,000**	**863,261**	**(2,130)**	**(167)**	**3,844**	**12,873**	**927,680**	**274**	**24**	**927,978**
Allocation of result for the period 2023		12,873				(12,873)	-	24	(24)	**-**
Profit/loss for the period						(37,798)	(37,798)	-	56	**(37,742)**
Other comprehensive income		(72)		67	(2,315)		(2,320)	33	-	**(2,287)**
TOTAL COMPREHENSIVE INCOME/LOSS	**-**	**(72)**	**-**	**67**	**(2,315)**	**(37,798)**	**(40,118)**	**33**	**56**	**(40,029)**
Dividends	-	-	-	-	-	-	-	-	-	**-**
Capital increase	-	7,700					7,700	-	-	**7,700**
Shareholder payment	-	-	-	-	-	-	-	-	-	**-**
Other changes	-	-	-	-	-	-	1	-	-	**1**
BALANCE AS AT 31 DECEMBER 2024	**50,000**	**883,762**	**(2,130)**	**(100)**	**1,528**	**(37,798)**	**895,263**	**331**	**56**	**895,650**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 2023

AMOUNTS IN THOUSAND EUROS	SHARE CAPITAL	OTHER RESERVES	FTA RESERVE	RESERVE FOR ACTUARIAL GAINS (LOSSES)	CASH FLOW HEDGE RESERVE	PROFIT/LOSS FOR THE YEAR	TOTAL GROUP SHAREHOLDERS' EQUITY	MINORITY INTEREST SHAREHOLDERS' EQUITY	MINORITY INTEREST RESULT	TOTAL SHAREHOLDERS' EQUITY
Balance as at 1 January 2023	**50,000**	**510,134**	**(2,130)**	**(68)**	**11,214**	**335,159**	**904,309**	**246**	**33**	**904,588**
Allocation of 2022 profit	-	-	-	-	-	(335,159)	-	33	(33)	**-**
Result for the period	-	12,872	-	-	-	12,872	12,872	-	24	**12,896**
Other comprehensive income	-	(133)	-	(99)	(7,372)	-	(7,604)	-	-	**(7,604)**
TOTAL COMPREHENSIVE INCOME/LOSS	**-**	**(133)**	**-**	**(99)**	**(7,372)**	**12,872**	**5,268**	**-**	**24**	**5,292**
Dividends	-	(15,000)		-	-	-	(15,000)	-	-	**(15,000)**
Operations under common control	-	100	-	-	-	-	100	-	-	**100**
Shareholder payment	-	33,000	-	-	-	-	33,000	-	-	**33,000**
Other changes	-	1		-	2	-	3	(5)	-	**(2)**
BALANCE AS AT 31 DECEMBER 2023	**50,000**	**863,261**	**(2,130)**	**(167)**	**3,844**	**12,872**	**927,680**	**274**	**24**	**927,978**

Consolidated Annual Financial Report as at 31 December 2024

1. Corporate information

The publication of the consolidated financial statements of Feralpi Siderurgica S.p.A. and its subsidiaries (together the Group) for the year ended 31 December 2024 was authorised by the Board of Directors on 31 March 2025.

Feralpi Siderurgica S.p.A. is a joint-stock company registered and domiciled in Italy, whose registered office is located in Brescia at Via A. Saffi, no. 15.

The activities of the Company and its subsidiaries are described in Note 4, while Note 5 provides information on the structure of the Group. Information on the Group's relations with other related parties is presented in Note 6.7.

Feralpi Group is one of Europe's leading steel producers specialising in building steels, special steels and renewable energy production. See section 5 for further information.

2. Transactions during the year 2024

During the year 2024, the asymmetrical full demerger of Feralpi Holding S.p.A. in favour of seven beneficiary companies took legal effect. Feralpi Holding S.p.A. demerged its assets, consisting mainly of the equity investment in its subsidiary Feralpi Siderurgica S.p.A. The entire net assets of the demerged company were distributed on 27/11/2024 to the seven beneficiaries, maintaining civil and fiscal continuity of values, precisely in proportion to the total shares owned by each beneficiary company's shareholders in the demerged company. The shareholders were not allocated shares in the beneficiary in proportion to their original ownership percentages in the share capital of the demerged company, but instead, these were allocated asymmetrically, specifically to alter the shareholding structure. In relation to the demerger, there was no change in the economic value of shareholders' holdings, as the total economic value of the shareholdings in the beneficiaries matched that of the previously held shareholdings (in line with Article 2506-bis, para. 4, second part, of the Italian Civil Code), and therefore no monetary adjustments were necessary. Since this was a full demerger transaction, the demerged Feralpi Holding S.p.A. was extinguished as of 27/11/2024. The share capital of Feralpi Siderurgica S.p.A. is now divided among seven beneficiary companies, each corresponding to a family holding company.

As a result of the demerger, Feralpi Siderurgica S.p.A. assumed the role of parent company of the steel branch. It is important to specify that Feralpi Holding S.p.A. made a capital contribution to its subsidiary, Feralpi Siderurgica S.p.A., of €7,700,000 before the demerger transaction.

Furthermore, during the year, the subsidiary Feralpi Power On Srl established Feralpi Cellere Srl in February 2024 to construct a photovoltaic plant on a non-valuable agricultural area within the Municipality of Cellere, Viterbo province, in the Lazio Region, a Central-Southern electricity market area.

On 20 December 2024, with an additional addendum dated 31 January 2025, Feralpi Siderurgica S.p.A. agreed to a medium-to-long-term *Sustainability Linked* Loan amounting to €170.0 million, comprising a Capex tranche of €120.0 million and a Refi tranche of EUR 50.0 million. The initial portion of the loan, amounting to €100.0 million, was disbursed on 31 January 2025, effectively paying off the remaining balance of the old loan, which was €54,200 thousand. The loan is aimed at supporting both ordinary and extraordinary industrial investments of Feralpi Siderurgica S.p.A. and its subsidiaries, and it includes a margin trend linked to achieving two ESG Performance Indicators. The first indicator focuses on reducing specific CO_2 emissions and is calculated based on criteria validated by SBTi. The second indicator focuses on enhancing worker safety and measures the percentage of employees in group companies certified under the ISO 45001 standard. Through this transaction, Feralpi Siderurgica increases the average *maturity* of its financing structure. The loan also allows for achieving the aim of having a portion of medium- to long-term financing whose margin is linked to achieving ESG objectives. The loan was secured through a consortium of banking institutions, comprising Banca Nazionale del Lavoro S.p.A., Credit Agricole Italia S.p.A., Intesa Sanpaolo S.p.A., and Unicredit S.p.A., who took on the roles of Lenders, *Global Coordinator, Mandated Lead Arranger, Bookrunner, as well as Sustainability Coordinator*. Banco BPM, BPER, and Cassa Depositi e Prestiti served as *Arrangers*. Banca Nazionale del Lavoro also acted as Agent and *SACE Agent*. The CapEx tranche of the loan was backed by the SACE Archimede guarantee.

In July 2024, Feralpi Group obtained approval from the international body SBTi (Science Based Targets Initiative) for its 2030 targets to reduce CO_2 emissions and other climate-altering gases.

3. Company exercising management and coordination

As a result of the complete demerger transaction previously outlined, as of that date, Feralpi Holding S.p.A. was dissolved. Consequently, Feralpi Siderurgica S.p.A. became the Parent Company, assuming responsibility for management and coordination in accordance with Articles 2497 sexies and 2497 septies of the Italian Civil Code.

4. Scope of consolidation

The consolidated financial statements of Feralpi Siderurgica as at 31 December 2024 comprise 25 companies: the parent company Feralpi Siderurgica, its subsidiaries and associates.

The scope of consolidation includes the financial statements of the parent company and the companies in which it directly or indirectly exercises control. Please refer to the tables below for details of the companies consolidated on a line-by-line basis and using the equity method, respectively, as at 31 December 2024.

It should be noted that Feralpi Cellere Srl was established in February 2024 and that with a notarial deed registered in March 2024, the company Co.ge.me. Steel Srl changed its company name to Calvisano Srl and transferred its registered office from Casalmaggiore (Cr) to Lonato del Garda (Bs). For more details, please refer to the section “Significant Events”.

Subsidiaries:

NAME AND LOCATION	ADDRESS OF REGISTERED OFFICE	SHARE CAPITAL	REFERENCE CURRENCY	% OF OWNERSHIP	EQUITY RELATIONSHIP	CONSOLIDATION METHOD
Acciaierie di Calvisano S.p.A.	Calvisano (IT)	3,250	Euro	100.00%	Direct	Line-by-line
Nuova Defim S.p.A.	Brescia (IT)	300	Euro	100.00%	Indirect	Line-by-line
Fer-Par S.r.l.	Lonato del Garda (IT)	20	Euro	100.00%	Indirect	Line-by-line
Presider S.p.A.	Borgaro Torinese (IT)	4,160	Euro	100.00%	Direct	Line-by-line
Presider Armatures S.a.S.	Saint Souplette (IT)	1,022	Euro	100.00%	Indirect	Line-by-line
Caleotto S.p.A.	Lonato del Garda (IT)	2,000	Euro	100.00%	Direct	Line-by-line
Arlenico S.p.A.	Lonato del Garda (IT)	1,000	Euro	100.00%	Direct	Line-by-line
Calvisano S.r.l.	Lonato del Garda (IT)	300	Euro	100.00%	Indirect	Line-by-line
ESF Elbe-Stahlwerke Feralpi GmbH	Riesa (DE)	11,000	Euro	100.00%	Direct	Line-by-line
Feralpi Stahlhandel GmbH	Riesa (DE)	2,100	Euro	100.00%	Direct	Line-by-line
Feralpi Logistik GmbH	Riesa (DE)	1,000	Euro	100.00%	Indirect	Line-by-line
Feralpi Praha Sro	Kralupy (CZ)	95,000	Czech Koruna	100.00%	Indirect	Line-by-line
Feralpi Hungária KFT	Budapest (HU)	4,833	Euro	100.00%	Indirect	Line-by-line
Industria de Expositores y Parrilas S.A.	Barcelona (ES)	163	Euro	100.00%	Indirect	Line-by-line
P.R. Soldadura S.L.	Girona (ES)	3	Euro	100.00%	Indirect	Line-by-line
Immobiliare Feralpi S.r.l.	Lonato del Garda (IT)	1,000	Euro	100.00%	Direct	Line-by-line
Feralpi Algerié S.a.r.l.	Orano (DZ)	55,000	Algerian Dinar	70.00%	Indirect	Line-by-line
Feralpi Power On S.r.l.	Lonato del Garda (IT)	500	Euro	100.00%	Direct	Line-by-line
Feralpi Villasor S.r.l.	Lonato del Garda (IT)	50	Euro	100.00%	Indirect	Line-by-line
Feralpi Cellere S.r.l.	Lonato del Garda (IT)	50	Euro	100.00%	Indirect	Line-by-line
Feralpi Recycling Sro	Kralupy (CZ)	200	Czech Koruna	90.00%	Indirect	Line-by-line

ASSOCIATES AND JOINT VENTURES

NAME AND LOCATION	ADDRESS OF REGISTERED OFFICE	SHARE CAPITAL	REFERENCE CURRENCY	% OF OWNERSHIP	EQUITY RELATIONSHIP	CONSOLIDATION METHOD
Dima S.r.l.	Montichiari (IT)	1,000	Euro	31.00%	Indirect	Shareholders’ equity
Media Steel S.r.l.	Massa (IT)	200	Euro	45.00%	Direct	Shareholders’ equity
Alpifer S.r.l.	Piacenza (IT)	9,560	Euro	50.00%	Direct	Shareholders’ equity

5. Group information

As at 31 December 2024, the Feralpi Siderurgica Group incorporates a group of companies mainly operating in the following sectors:

- Construction Steel: divided into two business units, one called Construction Italy, the other Construction Germany. In particular, the range of products consists of long hot-rolled and cold-pre-processed products, which include wire rods, drawn coils, spacers, lattice girders, bars, elec-trowelded wire meshes, recoiled coils, shaped and pre-shaped products, as well as assembled and pre-assembled products, mechanical joints, and billets.
- Specialties: the area is divided into two business units, one called Specialties focusing on the me-chanical and automotive sectors and the other called Diversified Products, which operates in the construction and coatings sectors.
- Production of energy from renewable sources.

The Group's consolidated financial statements include:

NAME	MAIN ACTIVITIES	REGISTERED OFFICE	PARTICIPATION %
Acciaierie di Calvisano S.p.A.	Steelworks and trade in related products	Calvisano (IT)	100.00%
Nuova Defim S.p.A.	Wholesale of building materials	Brescia (IT)	100.00%
Fer-Par S.r.l.	Holding, management and assumption of equity investments	Lonato del Garda (IT)	100.00%
Presider S.p.A.	Ironwork and metal carpentry	Borgaro Torinese (IT)	100.00%
Presider Armature S.a.S.	Manufacture of wire products, chains and springs	Saint Souplette (FR)	100.00%
Caleotto S.p.A.	Wholesale of metal ores, ferrous metals and semi-finished products	Lonato del Garda (IT)	100.00%
Arlenico S.p.A.	Production of iron, steel and ferro-alloys	Lonato del Garda (IT)	100.00%
Calvisano S.r.l.	Production of iron, steel and ferro-alloys	Lonato del Garda (IT)	100.00%
ESF Elbe-Stahlwerke Feralpi GmbH	Steelworks and trade in related products	Riesa (DE)	100.00%
Feralpi Stahlhandel GmbH	Sale of metal and plastic for construction	Riesa (DE)	100.00%
Feralpi Logistik GmbH	Road haulage services	Riesa (DE)	100.00%
Feralpi Praha Sro	Manufacture of wire products, chains and springs	Kralupy (CZ)	100.00%
Feralpi Hungária KFT	Manufacture of wire products, chains and springs	Budapest (HU)	100.00%
Industria de Expositores y Parrilas S.A.	Manufacture of products from wire	Barcelona (ES)	100.00%
P.R. Soldadura S.L.	Manufacture of products from wire	Girona (ES)	100.00%
Feralpi Power On S.r.l	Power generation using photovoltaic solar technology	Lonato del Garda (IT)	100.00%
Feralpi Villasor S.r.l.	Power generation using photovoltaic solar technology	Lonato del Garda (IT)	100.00%
Feralpi Cellere S.r.l.	Power generation using photovoltaic solar technology	Lonato del Garda (IT)	100.00%
Immobiliare Feralpi S.r.l.	Lease of owned real estate	Lonato del Garda (IT)	100.00%
Feralpi Algerié S.a.r.l.	Resale products in stock	Orano (DZ)	70.00%

In addition, the Group holds investments in associ-ates and companies accounted for using the equity method, which are listed below:

NAME	MAIN ACTIVITIES	REGISTERED OFFICE	PARTICIPATION %
Dima S.r.l.	Recovery and preparation for recycling of municipal solid waste, industrial waste and biomass	Montichiari (IT)	31.00%
Media Steel S.r.l.	Wholesale of scrap and by-products of industrial metal processing	Massa (IT)	45.00%
Alpifer S.r.l.	Management activities and trade in metal building products	Piacenza (IT)	50.00%

It should be noted that Alpifer S.r.l. owns Unifer S.p.A. and Steelfer S.r.l., companies active in the steel industry.

6. Main accounting standards

6.1. Drafting principles

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, financial assets represented by equities or bonds in the portfolio, and contingent consideration, which are recorded at fair value. The carrying amount of assets and liabilities that are the subject of fair value hedges and would otherwise be carried at amortised cost is adjusted for changes in fair value attributable to the hedged risks.

The consolidated financial statements are presented in Euro and all values are rounded to the nearest thousand, unless otherwise indicated.

The Group has prepared the Financial Statements on the basis of the continued satisfaction of the going concern requirement.

6.2. Content and form of the financial statements

The formats adopted by the Group, in accordance with IAS 1, are composed as follows:

- *Statement of financial position:* by showing current/non-current assets and liabilities separately, as specified in Section 6.3 "Classification criteria" below.
- *Consolidated income statement:* shows the items by nature, as it is considered the one that provides the most explanatory information.
- *Statement of other comprehensive income:* this includes other income and expense items that are allowed to be recognised in equity under IAS/IFRS.
- *Cash flow statement:* this presents the cash flows from operating, investing and financing activities as required by IAS 7.
- *Statement of changes in shareholders' equity:* shows the overall result for the year and further movements in the company's and the Group's risk capital.

6.3. Classification criteria

Assets and liabilities in the Group's balance sheet are classified on a current/non-current basis. An asset is current when:

- it is intended to be realised, or is held for sale or consumption, in the normal course of business;
- it is held primarily for trading purposes;
- it is intended to be realised within twelve months after the end of the financial year; or
- it is cash or cash equivalents unless it may be exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.
A liability is current when:

- it is expected to expire in its normal operating cycle;
- it is held primarily for trading purposes;
- it must be extinguished within twelve months after the end of the financial year; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

With reference instead to the income statement, it should be noted that it is classified by nature, as it is considered that this representation is the one that best provides a correct representation of the Group's operations.

The Group has decided to present two separate statements, a *consolidated statement of profit/(loss) for the year* and a statement of other comprehensive income (OCI), rather than a single statement combining the two. The Group presents each OCI item net of the relevant tax impact.
The cash flow statement is presented using the indirect method.

6.4. Principles of consolidation

The consolidated financial statements include the financial statements of Feralpi Siderurgica S.p.A. and its subsidiaries as at 31 December 2024.

Control is achieved when the Group is exposed or entitled to variable returns from its relationship with the investee entity and, at the same time, has the ability to affect those returns by exercising its power over that entity. Specifically, as required by IFRS 10, the Group controls an investee if, and only if, the Group has:

- power over the investee entity (i.e. holds valid rights that give it the current ability to direct the relevant activities of the investee entity);
- the exposure or rights to variable returns arising from the relationship with the investee entity;
- the ability to exert its power over the investee entity to affect the amount of its returns.

Generally, there is a presumption that a majority of voting rights implies control. To support this presumption and when the Group holds less than a majority of the voting rights (or similar rights), the Group considers all relevant facts and circumstances to determine whether it controls the investee entity, including:

- Contractual agreements with other holders of voting rights;
- Rights arising from contractual agreements;
- Voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control over an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control.

Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

The profit (loss) for the year and each of the other components of the statement of comprehensive income are allocated to the shareholders of the parent company and the non-controlling interests, even if this implies that the non-controlling interests have a negative balance. When necessary, appropriate adjustments are made to the financial statements of subsidiaries to ensure compliance with the group's accounting policies. All intercompany assets and liabilities, shareholders' equity, revenues, costs and cash flows related to transactions between group entities are eliminated completely upon consolidation.

Changes in ownership interests in a subsidiary that do not result in a loss of control are accounted for in equity.

If the Group loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, minority interests and other components of shareholders' equity, while any gain or loss is recognised in the income statement. Any retained interest must be recognised at fair value.

Conversion of items in foreign currency

The consolidated financial statements are presented in Euro, the functional and presentation currency adopted by the Parent Company. Each Group company defines its own functional currency, which is used to measure the items included in the individual financial statements.

The Group uses the direct consolidation method; the profit or loss reclassified to the income statement upon the disposal of a foreign subsidiary represents the amount arising from the use of this method.

Below are the exchange rates used to convert the financial statements of companies in foreign currencies into euros:

CURRENCY	2024 - AVERAGE EXCHANGE RATE	31.12.24 - EXACT EXCHANGE RATE	2023 - AVERAGE EXCHANGE RATE	31.12.23 - EXACT EXCHANGE RATE
Algerian Dinar	140.4777	140.8920	146.9354	148.2657
Hungárian Forint	411.986	411.35	381.8527	382.8000
Czech Koruna	25.1361	25.185	24.0043	24.7240

6.5. Summary of the main accounting standards

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group determines whether to measure the non-controlling interest in the acquiree at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed in the financial year and classified under administrative expenses.

The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and one substantial process that together contribute significantly to the ability to generate an output. The acquired process is considered substantial if it is critical to the ability to continue generating an output and the acquired inputs include an organised labour force that has the necessary skills, knowledge or experience to perform that process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant cost, effort or delay to the ability to continue generating an output. When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed in accordance with the contractual terms, economic terms and other relevant conditions in place at the acquisition date. This includes testing whether an embedded derivative should be separated from the host contract.

Any contingent consideration to be recognised is recorded by the acquirer at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent payment is recognised in equity. The change in fair value of contingent consideration classified as an asset or liability, such as a financial instrument that is within the scope of IFRS 9 Financial Instruments must be recognised in the income statement in accordance with IFRS 9. Contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognised in the income statement.

Goodwill is initially recognised at cost represented by the excess of the aggregate of the consideration paid and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and reviews the procedures used to determine the amounts to be recognised at the acquisition date. If the remeasurement still results in a fair value of the net assets acquired exceeding the consideration, the difference (gain) is recognised in the income statement.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each cash-generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.
If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset is included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the discontinued operation is determined on the basis of the relative values of the discontinued operation and the retained portion of the cash-generating unit.

Investments in associates and joint ventures

An associate is a company over which the Group exercises significant influence. Significant influence means the power to participate in determining the financial and operating policies of the investee without having control or joint control over it.
A joint venture is a jointly controlled arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint control means sharing control of an arrangement on a contractual basis, which only exists when decisions on relevant activities require the unanimous consent of all parties sharing control.
The considerations made to determine significant influence or joint control are similar to those required to determine control over subsidiaries. The Group's investments in associates and joint ventures are accounted for using the equity method.
Under the equity method, an investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is increased or decreased to recognise the investor's share of the investee's profits and losses realised after the acquisition date. Goodwill pertaining to the associate or joint venture is included in the carrying amount of the investment and is not subject to a separate impairment test.

The statement of profit/(loss) for the year reflects the Group's share of the profit/(loss) for the year of the associate or joint venture. Any changes in the other components of the statement of comprehensive income relating to these investees are presented as part of the Group's statement of comprehensive income. Furthermore, in the event that an associate or joint venture recognises a change with a direct charge to equity, the Group recognises its share, where applicable, in the statement of changes in shareholders' equity. Unrealised gains and losses arising from transactions between the Group and associates or joint ventures are eliminated in proportion to the interest in the associates or joint ventures.

The Group's aggregate share of the profit/(loss) for the year of associates and joint ventures is recognised in the statement of profit/(loss) for the year after operating profit/(loss) and represents the profit/(loss) after tax and the share of the other shareholders of the associate or joint venture.
The financial statements of associates and joint ventures are prepared on the same date as the Group's financial statements. Where necessary, the financial statements are adjusted to bring them into line with Group accounting standards.
Subsequent to the application of the equity method, the Group assesses whether it is necessary to recognise an impairment loss of its investment in associates or joint ventures. The Group assesses at each reporting date whether there is objective evidence that investments in associates or joint ventures are impaired. In this case, the Group calculates the amount of the loss as the difference between the recoverable amount of the associate or joint venture and the carrying amount of the associate or joint venture in its financial statements, and recognises this difference in the statement of profit/(loss) for the year under the caption "share of profit/(loss) of associates and joint ventures".

Upon the loss of significant influence over an associate or joint control over a joint venture, the Group measures and recognises the residual investment at fair value. The difference between the carrying amount of the investment at the date of loss of significant influence or joint control and the fair value of the residual investment and consideration received is recognised in the income statement.

Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each reporting date.
Fair value is the price that would be received for the sale of an asset, or paid for the transfer of a liability, in a regular transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place:

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.
The fair value of an asset or liability is measured by adopting the assumptions that market participants would use in pricing the asset or liability, assuming that they would act to satisfy their economic interest in the best way possible.
A fair value measurement of a non-financial asset considers the ability of a market participant to generate economic benefits by deploying the asset to its highest and best use or by selling it to another market participant who would deploy it to its highest and best use.
The Group uses measurement techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised according to the fair value hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability;

- Level 3 - measurement techniques for which the input data are not observable for the asset or liability.

The fair value measurement is classified entirely in the same level of the fair value hierarchy in which the lowest level of the hierarchy input used for the valuation is classified.
For assets and liabilities recognised at fair value on a recurring basis, the Group determines whether transfers between levels of the hierarchy have occurred by reviewing the categorisation (based on the lowest level input, which is significant to the fair value measurement in its entirety) at each reporting date.
The Group Finance Department determines the criteria and procedures for both recurring fair value measurements, such as investments in equity instruments in unlisted companies, and non-recurring measurements, such as discontinued assets held for sale.
At each reporting date, the Group Finance Department analyses changes in the values of assets and liabilities for which remeasurement or restatement is required under Group accounting standards.
For the purposes of fair value disclosures, the Group determines classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as illustrated above.

Revenues from contracts with customers
Feralpi Group is a leading manufacturer of construction steels and special steels for the mechanical engineering and automotive industries.
Revenues from contracts with customers is recognised when control of the goods is transferred to the customer, generally upon delivery, in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group considers whether there are other promises in the contract that represent contractual obligations on which part of the transaction consideration is to be allocated (e.g. guarantees). In determining the price of the product sales transaction, the Group considers the possible effects of variable consideration and significant financial components.

If the consideration promised in the contract includes a variable amount, the Group estimates the amount of the variable consideration at the time the contract is entered into. This value is not recognised until it is highly probable that it will be recognised in view of what has been agreed upon.

Government grants
Government grants are recognised when there is reasonable certainty that they will be received and that all the conditions attached to them have been met. Grants related to cost components are recognised as revenues, but are systematically allocated between periods in order to be commensurate with the recognition of the costs they are intended to offset. The grant related to an asset is recognised as revenue on a straight-line basis over the expected useful life of the relevant asset.
Where the Group receives a non-monetary contribution, the asset and the related contribution are recognised at nominal value and released to the income statement on a straight-line basis over the expected useful life of the relevant asset.

Contract assets
The contract asset represents the entity's right to obtain the agreed consideration for the transfer of control of assets to the customer.
If the Group settles the obligation by transferring goods to the customer before the customer pays the consideration or before payment is due, the entity shall recognise an asset arising from the contract, excluding amounts presented as receivables.

Trade receivables
A receivable is recognised if the consideration is unconditionally due from the customer (i.e. it is only necessary for time to run out for payment of the consideration to be obtained). Please refer to the paragraph on standards in the section on Financial instruments - Initial recognition and subsequent measurement.

Contract liabilities
A contract liability is an obligation to transfer to the customer goods or services for which the Group has already received consideration (or for which a portion of the consideration is due). If the customer pays the consideration before the Group has transferred control of the goods or services to the customer, the contract liability is recognised when payment is made or (if earlier) when it is due. Liabilities arising from contracts are recognised as revenues when the Group fulfils its obligations to do so under the relevant contract.

Income taxes

Current taxes
Current tax assets and liabilities for the year are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are those enacted, or substantially in effect, at the reporting date in the country where the Group operates and generates its taxable income.

Current taxes related to items recognised directly in equity are also recognised in equity and not in profit/(loss) for the year. The *Management* periodically assesses the position taken in the tax return in cases where tax rules are subject to interpretation and, where appropriate, makes provisions.

Deferred taxes
Deferred taxes are calculated by applying the liability method to temporary differences at the reporting date between the tax amounts of assets and liabilities and the corresponding carrying amounts.

Deferred tax liabilities are recognised on all taxable temporary differences, with the following exceptions:
- deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- the reversal of taxable temporary differences associated with investments in subsidiaries, associates and *joint ventures* can be controlled, and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits and tax losses carried forward, to the extent that it is probable that sufficient future taxable income will be available to allow the utilisation of deductible temporary differences and tax credits and tax losses carried forward, except where:

- the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- in the case of deductible temporary differences associated with investments in subsidiaries, associates and *joint ventures*, deferred tax assets are recognised only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to allow for the recovery of such temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to allow all or part of this credit to be utilised. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent that it becomes probable that taxable income will be sufficient to allow for the recovery of these deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which these assets are realised or these liabilities are settled, taking into account the rates in force and those already enacted, or substantially in force, at the reporting date.

Deferred taxes relating to items recognised outside the income statement are also recognised outside the income statement and, therefore, in equity or in the statement of comprehensive income, consistently with the item to which they relate.
Tax benefits acquired as a result of a business combination, but which do not meet the criteria for separate recognition at the acquisition date, may be recognised at a later date, when new information on changes in facts and circumstances is obtained. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), if recognised during the measurement period, or in the income statement, if recognised subsequently.

The Group offsets deferred tax assets and deferred tax liabilities if and only if there is a legal right to offset current tax assets and current tax liabilities, and the deferred tax assets and liabilities refer to income taxes owed to the same tax authority by the same or different taxpayers that intend to settle current tax assets and liabilities on a net basis.

Indirect taxes
Costs, revenues, assets and liabilities are recognised net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible, in which case it is recognised as part of the purchase cost of the asset or part of the cost recognised in the income statement;
- trade receivables and payables include the applicable indirect tax.

The net amount of indirect taxes to be recovered from or paid to the Treasury is included in the balance sheet either as a receivable or as a payable.

Transactions and balances
Foreign currency transactions, if any, are initially recognised in the functional currency, applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Realised exchange rate differences or those arising from the translation of monetary items are recognised in the income statement. Taxes attributable to exchange rate differences on monetary items are also recognised in the statement of comprehensive income.

Non-monetary items measured at historical cost in foreign currencies are translated at the exchange rates on the date of initial recognition of the transaction. Non-monetary items recorded at *fair value* in a foreign currency are translated at the exchange rate on the date the value was determined. The gain or loss that arises from the translation of non-monetary items is treated consistently with the recognition of gains and losses related to the change in *fair value* of those items (i.e. translation differences on items whose change in *fair value* is recognised in the statement of comprehensive income or the income statement are recognised in the statement of comprehensive income or the income statement, respectively).

Property, plant and equipment

Property, plant and equipment under construction are recognised at historical cost, less any accumulated impairment losses. Property, plant and equipment are recognised at historical cost, less accumulated depreciation and accumulated impairment losses. This cost includes costs for the replacement of part of machinery and plant at the time they are incurred, if they meet the recognition criteria. Where it is necessary to replace significant parts of plant and equipment on a regular basis, the Group depreciates them separately in accordance with their specific useful lives. Similarly, in the case of major overhauls, the cost is included in the carrying amount of the plant or machinery as in the case of replacement, where the criterion for recognition is met. All other repair and maintenance costs are recognised in the income statement when incurred.

Depreciation of tangible assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

CATEGORY	%
Buildings	2.5% to 5%
Lightweight construction - Roofing	10%
Plant and machinery	from 5% to 20%
Industrial and commercial equipment	12,50% - 20% - 25%
Other assets	12% - 20% - 25%

The carrying amount of an item of property, plant and equipment and any significant components initially recognised is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain/loss arising on derecognition of the asset (calculated as the difference between the net carrying amount of the asset and the consideration received) is recognised in the income statement when the item is derecognised.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each year-end and, where appropriate, adjusted prospectively.

Leases

The Group assesses when entering into a contract whether it is, or contains, a lease. In other words, if the contract confers the right to control the use of an identified asset for a period of time in return for a consideration.

Group as lessee

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. The Group recognises liabilities relating to lease payments and the right-of-use asset representing the right to use the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets on the lease commencement date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, net of accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date net of any incentives received. Right-of-use assets are amortised on a straight-line basis from the effective date of the contract to the end of the useful life of the asset underlying the right-of-use or the end of the lease term, whichever is earlier.
If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the purchase option, the lessee shall amortise the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset.
Right-of-use assets are subject to impairment. Please refer to section s) Impairment of non-financial assets.

Lease liabilities

At the lease inception date, the Group recognises lease liabilities by measuring them at the present value of unpaid lease payments due at that date. Payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be paid as guarantee for the residual value. Lease payments also include the exercise price of a purchase option if it is reasonably certain that such option will be exercised by the Group and lease termination penalty payments if the lease term takes into account the Group's exercise of its lease termination option.

Variable lease payments that do not depend on an index or rate are recognised as expenses in the period (unless incurred in the production of inventories) in which the event or condition that generated the payment occurs.

In calculating the present value of payments due, the Group uses the incremental borrowing rate at the start date if the implied interest rate cannot be easily determined. After the effective date, the amount of the lease liability increases to reflect interest on the lease liability and decreases to reflect payments made. In addition, the carrying amount of lease payables is restated in the event of any changes to the lease or for the revision of the contractual terms for the change in payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine such payments.

The Group's lease liabilities are recorded under the specific item "Finance lease payables" (current/non-current).

Short-term leases and leases of low-value assets

The Group applies the exemption for the recognition of short-term leases relating to machinery and equipment (i.e., leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). The Group has also applied the low-value asset exemption in respect of leases relating to office equipment whose value is considered low. Lease payments for short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Group as lessor

Lease agreements that essentially leave the Group with all the risks and rewards of ownership of the asset are classified as operating leases. Lease income from operating leases must be recognised on a straight-line basis over the lease term, and is included as revenues in the income statement due to its operating nature.

Initial trading costs are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Unbudgeted rents are recognised as revenues in the period in which they accrue.

Financial expenses

Financial expenses directly attributable to the acquisition, construction or production of an asset that requires a substantial period of time before it is available for use are capitalised on the cost of the asset. All other financial expenses are recognised as an expenses in the year in which they are incurred. Financial expenses consist of interest and other costs that an entity incurs in connection with obtaining financing.

Intangible assets

Le attività immateriali acquisite separatamente sono Intangible assets acquired separately are initially recognised at cost, while those acquired through business combinations are recognised at fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, with the exception of development costs, are not capitalised and are recognised in the income statement of the year in which they are incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with a finite useful life are amortised over their useful life and are tested for impairment whenever there are indications of possible impairment. The amortisation period and amortisation method for an intangible asset with a finite useful life is reviewed at least at each year-end. Changes in the expected useful life or the manner in which the future economic benefits associated with the asset will be realised are recognised through changes in the period or method of amortisation, as appropriate, and are considered changes in accounting estimates.

The amortisation of intangible assets with a finite useful life is recognised in the statement of profit/(loss) for the year in the cost category consistent with the function of the intangible asset.

Intangible assets with an indefinite useful life are not amortised, but are tested annually for impairment, both at the individual and cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether this allocation continues to be sustainable, otherwise, the change from indefinite to finite useful life is applied on a prospective basis.

An intangible asset is derecognised on disposal (i.e., on the date the acquirer obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Patents and licences

The Group paid advances to acquire patents and licences. The patents were granted for use by the relevant body for a minimum period of 10 years, with an option to renew at the end of that period. Licences for the use of intellectual property were granted for a period of five to ten years, depending on the specific licence. Licences could be renewed at no or minimal cost.

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

INTANGIBLE FIXED ASSETS CATEGORY	%
Development costs	20%
Industrial patent rights	20%
Concessions, licences and trademarks	10% 20%
Customer list	20%

Customer list

The Group accounts for the customer list at fair value, if acquired for consideration in a business combination. The fair value of an intangible asset reflects the expectations of market participants at the acquisition date about the probability that the future economic benefits inherent in the asset will flow to the entity. This fair value is calculated by an appraiser on the basis of an independent valuation.

Financial instruments - Recognition and measurement

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified, as appropriate, according to subsequent measurement methods, i.e. at amortised cost, at fair value through OCI and at fair value through profit or loss.

The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of the financial assets and the business model the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

The purchase or sale of a financial asset that requires delivery within a time-frame generally established by regulation or market conventions (a standardised sale or regular way trade) is recognised on the trade date, i.e. the date on which the Group committed to purchase or sell the asset.

Subsequent measurement
For the purposes of subsequent measurement, financial assets are classified into four categories:
- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of cumulative gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses on derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.

Investments in equity instruments
Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognised at fair value through other comprehensive income (OCI) when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument. Gains and losses realised on such financial assets are never reversed to the income statement.

Dividends are recognised as other revenues in the income statement when the right to payment has been resolved upon, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised in the statement of comprehensive income.
The Group has chosen to irrevocably classify its unlisted equity investments in this category.

Financial assets at fair value through profit or loss
Financial instruments at fair value through profit or loss are recognised in the statement of financial position at fair value and net changes in fair value are recognised in the statement of profit/(loss) for the year.

This category includes derivative instruments and listed equity investments that the Group has not irrevocably elected to classify at fair value through other comprehensive income. Dividends on listed equity investments are recognised as other income in the statement of profit/(loss) for the year when the right to payment has been established.

Derecognition
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised in the first instance (e.g. removed from the Group's statement of financial position) when:
- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred substantially all risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of it.

Impairment loss
The Group recognises an expected credit loss ("ECL") for all financial assets represented by debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows will include cash flows from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but fully recognises the expected loss at each reporting date. The Group has established a matrix system based on historical information, revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, as a tool for determining expected losses.

For assets represented by debt instruments measured at fair value through OCI, the Group applies the simplified approach allowed for low credit risk assets. At each reporting date, the Group assesses whether the debt instrument is considered to have low credit risk using all available information that can be obtained without undue cost or effort. In making this assessment, the Group monitors the creditworthiness of the debt instrument. Furthermore, the Group assumes that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, as mortgages and loans, or as derivatives designated as hedging instruments.
All financial liabilities are initially recognised at fair value plus, in the case of mortgages, loans and debts, directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, mortgages and loans, including overdrafts and derivative financial instruments.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the most relevant category for the Group. After initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial expenses in the statement of profit/(loss). This category generally includes interest-bearing loans and receivables.

Derecognition

A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled or fulfilled. Where an existing financial liability is exchanged for another financial liability of the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognised in the statement of profit/(loss) for the year.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments including forward currency contracts, interest rate swaps and forward commodity contracts to hedge its currency exchange risks, interest rate risks and commodity price risks, respectively. These derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are accounted for as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

When initiating a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets hedge effectiveness requirements (including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it satisfies all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not prevail over changes in value resulting from the aforementioned economic report;
- the hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Group actually hedges and the amount of the hedging instrument that the Group actually uses to hedge that amount of the hedged item.

Transactions that meet all the qualifying criteria for hedge accounting are accounted for as follows:

1. **Fair value hedges**
   The change in the fair value of hedging derivatives is recognised in other expenses in the statement of profit/(loss) for the year. The change in the fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in the statement of profit/(loss) for the year in the specific item.When an unrecognised firm commitment is designated as a hedged item, subsequent cumulative changes in its fair value attributable to the hedged risk are recognised as assets or liabilities and corresponding gains or losses recognised in the statement of profit/(loss) for the year.
2. **Cash flow hedges**
   The portion of the gain or loss on the hedged item relating to the effective portion of the hedge is recognised in other comprehensive income in the “cash flow hedge reserve”, while the ineffective portion is recognised directly in the statement of profit/(loss) for the year. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item. The Group uses forward currency contracts to hedge its exposure to exchange rate risk related to both planned transactions and already established commitments; likewise, it uses forward commodity contracts to hedge against the volatility of commodity prices. The ineffective portion of forward currency contracts is recognised in other expenses and the ineffective portion of commodity forward contracts is recognised in other operating income or expenses. The Group only designates the spot component of forward contracts as a hedging instrument. The forward component is cumulatively recognised in the statement of comprehensive income in a separate item.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows impact the income statement.

If cash flow hedge accounting is discontinued, the amount accumulated in the statement of comprehensive income must remain so if the hedged future cash flows are expected to occur. Otherwise, the amount must be immediately reclassified to profit/(loss) for the year as a reclassification adjustment. After suspension, once the hedged cash flow occurs, any accumulated amount remaining in the statement of comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

Inventories

Inventories are valued at the lower of cost and net realisable value. The valuation criterion adopted is the weighted average cost method.

The costs incurred in bringing each asset to its present location and condition are recognised as follows:

- Raw materials: purchase cost calculated using the weighted average cost method
- Finished and semi-finished products: purchase cost calculated using the direct weighted average cost method of materials and labour plus a share of production overheads, defined on the basis of normal production capacity, excluding financial expenses, through a bill of materials.

Net realisable value is the estimated normal selling price in the normal course of business, less estimated completion costs and estimated costs to realise the sale.

Provisions are calculated for obsolete or slow-moving inventories, taking into account their expected future use and realisable value.

Impairment of non-financial assets

At each reporting date, the Group assesses whether there are any indicators of asset impairment. In such cases, or in cases where an annual impairment test is required, the Group makes an estimate of the recoverable amount. The recoverable amount is the higher of the *fair value* of the asset or cash-generating unit, less costs to sell, and its value in use. The recoverable amount is determined for each individual asset, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is greater than its recoverable amount, that asset has suffered an impairment loss and is consequently written down to its recoverable amount.

For assets other than goodwill, at each reporting date, the Group assesses whether there are any indicators of the reversal (or reduction) of previously recognised impairment losses and, if such indicators exist, estimates the recoverable amount of the asset or CGU. The value of an asset previously written down may only be reinstated if there have been changes in the assumptions on which the calculation of the determined recoverable amount was based, subsequent to the recognition of the last impairment loss. The write-back may not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. This reversal is recognised in profit/(loss) for the year unless the fixed asset is recognised at revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least once a year or more frequently if circumstances indicate that the carrying amount may be impaired.

Goodwill impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which goodwill has been allocated, an impairment loss is recognised. The impairment of goodwill cannot be reversed in future years.

Cash and cash equivalents and short-term deposits

Cash and cash equivalents include cash balances, unencumbered deposits and other treasury investments with an original scheduled maturity of three months or less. A cash investment is considered to be a cash equivalent when it is readily convertible to cash with no significant risk of change in value and when it is intended to meet short-term cash commitments and is not held for investment.

Provisions for risks and charges

Provisions for liabilities and charges are made when the Group has a present obligation (legal or constructive) as a result of a past event, an outflow of resources to meet that obligation is probable, and a reliable estimate of the amount can be made. When the Group believes that a provision for risks and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognised separately as an asset if, and only if, it is practically certain. In this case, the cost of the provision, if any, is presented in the statement of profit/(loss) for the year net of the amount recognised for the indemnity.

If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a financial expense.

Liabilities for employee benefits

The cost of expected benefits under the defined benefit plan is determined using the projected unit credit actuarial method.

Revaluations, which include actuarial gains and losses, changes in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position by debiting or crediting retained earnings through other comprehensive income in the period in which they arise.

Revaluations are not reclassified to the income statement in subsequent years.

Past service cost is recognised in the income statement at the earliest of the following dates:

- the date on which an amendment or curtailment of the plan occurs;
- the date on which the Group recognises related restructuring costs or employee termination benefits.

Net interest on the defined benefit liability/net asset is to be determined by multiplying the liability/net asset by the discount rate. The Group recognises the following changes in the net defined benefit obligation in the costs to sell, administrative expenses and selling and distribution costs in the income statement (by nature):

- Labour costs, including current and past labour costs, gains and losses on non-routine reductions and extinguishments;
- Net interest income or expense.

Discretionary assessments and significant accounting estimates

The preparation of the Group's financial statements requires the directors to make discretionary assessments, estimates and assumptions that affect the amounts of revenues, costs, assets and liabilities and the disclosure of contingent liabilities. The uncertainty surrounding these assumptions and estimates could lead to outcomes that will require a significant adjustment to the carrying amounts of these assets and/or liabilities in the future.

Discretionary assessments

Duration of lease agreements containing an extension option

The Group determines the lease term as the non-cancellable period of the lease to which is added both the periods covered by the lease extension option where there is reasonable certainty of exercising that option and the periods covered by the lease termination option where there is reasonable certainty of not exercising that option.

The Group has the option, for some of its leases, to extend the lease or terminate it early. The Group applies its judgement in assessing whether there is reasonable certainty of exercising the renewal options. That said, the Group considers all factors noted that may result in an economic incentive to exercise the renewal options or to terminate the contract. After the commencement date, the Group revises its estimates of the lease term in the event of a significant event or a significant change in circumstances within its control that may affect the ability to exercise (or not exercise) the option to renew or to cancel the lease early (e.g., investment in leasehold improvements or significant specific changes to the leased asset).

Estimates and assumptions

The main assumptions concerning the future and other major causes of valuation uncertainty that, at the reporting date, present a material risk of giving rise to significant adjustments to the carrying amounts of assets and liabilities within the next financial year are illustrated below. The Group has based its estimates and assumptions on parameters available at the time the consolidated financial statements were prepared. However, current circumstances and assumptions about future events may change due to variations in the market or events beyond the Group's control. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its *fair value* less costs to sell and its value in use. *Fair value* less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The calculation of value in use is based on a discounted cash flow model.

The cash flows are derived from a 5-year business plan and do not include restructuring activities for which the Group has not yet committed or significant future investments that will increase the results of the business included in the cash-generating unit being measured. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, as well as the expected future cash flows and the growth rate used for extrapolation.

Given the uncertainties involved, it is important for entities to provide detailed information on the assumptions made, the evidence on which they are based, and the impact of changing key assumptions (sensitivity analysis). Given the level of inherent risk and the variability of judgements and estimates, disclosure of the key assumptions used and the assessments made in estimating recoverable amount plays a key role. Entities will need to assess the key assumptions used to determine the recoverable amount for different CGUs.

The key inputs used in the models with reference to the determination of value in use and fair value less cost to sell will have to be reviewed to determine any impact.

Provision for expected losses on trade receivables and contract assets

The Group uses a matrix to calculate ECLs for trade receivables and contract assets. Provisioning rates are based on days past due for each class of customers grouped into the various segments with similar historical loss trends (e.g. by geographic area, product type, customer type, rating and collateral).

The matrix is initially based on the Group's observed historical default rates. The Group calibrates the matrix to refine the historical data on credit losses with forward-looking elements. For example, if forecast economic conditions (e.g. gross domestic product) are expected to deteriorate in the following year, this may lead to an increase in the number of defaults in the manufacturing sector, and historical default rates are therefore adjusted. At each reporting date, historical default rates are updated and changes in estimates are analysed on forecasting elements.

Assessing the correlation between historical default rates, forecast economic conditions and ECLs is a meaningful estimate.

The amount of ECL is sensitive to changes in circumstances and expected economic conditions.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that there will be a taxable profit in the future that will allow the losses to be utilised. Significant estimation by management is required to determine the amount of tax assets that may be recognised based on the level of future taxable profits, the timing of their occurrence and the applicable tax planning strategies.

Defined benefit plans (pension funds)
The cost of defined benefit pension plans and other post-employment benefits and the present value of the defined benefit obligation are determined using actuarial valuations. As far as the Group is concerned, it is only applicable for Italian companies and with insignificant impacts. Actuarial valuation requires the development of various assumptions that may differ from actual future developments. These assumptions include the determination of the discount rate, future wage increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, these estimates are extremely sensitive to changes in assumptions. All assumptions are reviewed annually.

The discount rate is the parameter most subject to change. Bonds are subjected to further qualitative analysis and those with a credit spread deemed excessive are excluded from the basket of bonds from which the discount rate is calculated, as they do not represent a high quality bond category.

The mortality rate is based on available country-specific mortality tables. These tables tend to vary only in response to a change in demographic assumptions. Future wage and pension increases are based on expected inflation rates for each country. These plans currently only apply to the Group's Italian companies.

Fair value of financial instruments
When the fair value of a financial asset or financial liability recognised in the statement of financial position cannot be measured by reference to prices in an active market, fair value is determined using various measurement techniques, including the discounted cash flow model. The inputs into this model are taken from observable markets where possible, but where this is not possible, some degree of estimation is required to define fair value. The estimates include considerations on variables such as liquidity risk, credit risk and volatility. Changes in assumptions about these items could have an impact on the fair value of the financial instrument recognised.

Contingent consideration related to business combinations are measured at fair value at the acquisition date in the business combination as a whole. If the contingent consideration meets the definition of a derivative and is therefore a financial liability, its value is subsequently remeasured at each reporting date. The determination of fair value is based on discounted cash flows. The key assumptions take into account the probability of achieving each contractually agreed performance target and the discount factor.

Lease - Estimating the incremental borrowing rate
The Group cannot easily determine the implicit interest rate of the lease and therefore uses the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate the lessee would have to pay for a loan, with a similar term and guarantees, required to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the group would have had to pay, and this requires estimation when there is no observable data (as in the case of investees that are not direct counterparts to financial transactions) or when rates need to be adjusted to reflect the terms and conditions of the lease (for example, when the leases are not in the investee's functional currency).

The Group estimates the incremental borrowing rate using observable data (such as market interest rates) if available, and making specific considerations about the conditions of the investee (such as the creditworthiness of the investee alone).

Decommissioning provisions
The Feralpi Siderurgica Group did not set aside any decommissioning provisions for the plants because it considered their useful life to be more than 50 years. Consequently, it was concluded that although a present obligation exists from past events, the amount of the obligation cannot be measured with sufficient reliability. This conclusion was reached on the basis that liquidation dates are indeterminate and that other estimates, such as discount rates over too long a time horizon, do not represent an observable measure and are therefore not considered reliable. Consequently, there is a decommissioning and restoration obligation that cannot be recognised or quantified and is referred to as a contingent liability.

Goodwill
In accordance with the accounting standards adopted for the preparation of the Financial Statements, goodwill is tested annually for impairment to be recognised in the Income Statement. In particular, this test involves the allocation of goodwill to groups of cash-generating units (CGUs) and the subsequent determination of the related recoverable amount, understood as the higher of fair value and value in use. If the recoverable amount is lower than the carrying amount of the group of cash-generating units to which the goodwill has been allocated, the goodwill allocated to them is written down.

With reference to the impact of the adoption of IFRS 16 - Leases, the carrying amount of cash-generating units includes the value of the rights of use belonging to the CGUs themselves. In determining the present value of future cash flows, flows relating to the repayment of lease obligations are excluded as they represent flows from financing activities. Consequently, the value of lease payables is excluded from the carrying amount of the CGU at the impairment test date.

6.6. 6.6.Recently enacted standards

The Group has applied certain standards or amendments for the first time, which are effective as of 1 January 2024. The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet in force.
Amendments to IFRS 16 - Lease Liability in a Sale

and Leaseback
The amendments to IFRS 16 specify the requirements for a seller-lessor in determining the lease liability resulting from a sale and leaseback transaction, ensuring that the seller-lessor does not recognise a gain or loss related to the right of use retained by them.
The amendment had no impact on the Group's financial statements.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
The amendments to IAS 1 specify the requirements for classifying a liability as current or non-current.
The amendments clarify:
- What is meant by the right of subordination at maturity;
- That the right of subordination must exist at the close of the financial year;
- The classification is not affected by the likelihood that the entity will exercise its right of subordination;
- Only if a derivative embedded in a liability is itself a convertible equity instrument does the maturity of the liability have no impact on classification.

Furthermore, a requirement has been introduced to disclose when a liability stemming from a financing agreement is classified as non-current, and the entity's right to subordination is contingent upon complying with covenants within twelve months.
The amendments did not entail additional disclosures and had no impact on the classification of the Group's liabilities.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of these arrangements. The purpose of the introduced disclosure requirements is to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows, and exposure to liquidity risk.
Please refer to Note 31 for additional information presented as a result of these amendments.

International Tax Reform - Pillar Two Model Rules
The amendments to IAS 12 (Income Taxes) were introduced to respond to the BEPS Pillar Two rules of the OECD.

The Pillar Two rules introduce a minimum effective taxation of 15% on a jurisdictional basis for multinational enterprise groups and large domestic groups with annual revenues of at least €750 million in the consolidated financial statements in at least two of the previous four financial years. Many of the countries in which the Group operates have enacted national tax regulations on the Pillar Two rules effective as of 1 January 2024, including Italy, France and Germany.
In preparing the consolidated financial statements as at 31 December 2024, in line with what was done for the consolidated financial statements as at 31 December 2023 and maintaining continuity of policies, the Group applied the temporary exception provided by the amendments to IAS 12 "Income Taxes", allowing a company not to recognise or disclose information concerning deferred tax assets and liabilities related to Pillar Two.

Considering the economic conditions in the steel market where the group operates, which resulted in a net loss in the Italian jurisdiction, no significant impact on current taxes is anticipated.

In this regard, it should be specified that the other Group companies operate in jurisdictions without privileged tax regimes, applying a tax rate higher than the minimum taxation of 15%.

Other endorsed or unendorsed standards, interpretations or amendments that have not yet come into force at the date of this document are summarised in the table below:

DESCRIPTION	ENDORSED	EXPECTED EFFECTIVE DATE
Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability"	YES	1 January 2025
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	NO	1 January 2026
IFRS18 "Financial Statement Presentation and Disclosure"	YES	1 January 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	NO	1 January 2027

The Group has not early adopted new standards, interpretations or amendments that have been issued but not yet in force. The possible impacts on the Group's consolidated financial statements resulting from the application of these new standards/interpretations are currently being assessed; however, they are not expected to be significant.

6.6.1. Standards issued but not yet in force

The standards and interpretations that had already been issued but were not yet in force at the date of preparation of the Group's consolidated financial statements are illustrated below. The Group intends to adopt these standards and interpretations, if applicable, when they come into force.

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability"**
  On 15 August 2023, the IASB issued amendments to IAS 21 specifying how an entity should evaluate if a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency cannot be exchanged into another currency, it provides information that allows users of its financial statements to understand how the non-exchangeable currency affects, or is expected to affect, the entity's economic result, financial condition, and cash flows. The amendments will be effective for financial years beginning on or after 1 January 2025. Early application is permitted and it is necessary to disclose this fact. No significant impact on the Group's consolidated financial statements is expected.
- **Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"**
  On 30 May 2024, the IASB issued amendments to the classification and measurement of financial instruments. It clarifies when a financial liability is derecognised on the "settlement date" and introduces an accounting policy option to derecognise financial liabilities settled through an electronic payment system before the settlement date, provided certain conditions are met. Clarification was provided on the assessment methods for the contractual cash flow characteristics of financial assets that include ESG characteristics and similar ones. In addition, the amendments clarify the treatment of non-recourse financial assets and contractually-bound instruments. The amendment to IFRS 7 requires additional disclosure for financial assets and liabilities with contractual terms that refer to a potential event (including those linked to ESG factors) and for equity instruments measured at fair value through other comprehensive income. The amendments will take effect for annual reporting periods starting on or after 1 January 2026, and entities may adopt the changes related to the classification of financial assets and related disclosures early. No significant impact on the Group's consolidated financial statements is expected.
- **IFRS 18 Presentation and Disclosure in Financial Statements**
  In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Furthermore, entities must classify all expenses and revenues in the income statement into five categories: operating, investing, financing, income tax, and discontinued operations, noting that the first three categories are newly introduced. The standard further requires that disclosures adhere to the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and includes new provisions for the aggregation and disaggregation of financial information based on the identified roles of the Primary Financial Statements (PFS) and notes. Furthermore, amendments were introduced to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations using the indirect method; from profit or loss to operating profit or loss, and removing the option to classify cash flows from dividends and interest. Furthermore, consequential changes were made to several other accounting standards. IFRS 18, and amendments to other standards, are effective for financial years beginning on or after 1 January 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively. The Group is currently working to identify the impacts the changes will have on its financial statements and notes to the financial statements.
- **FRS 19 Subsidiaries without Public Accountability: Disclosures**
  In May 2024, the IASB issued IFRS 19, permitting eligible entities to reduce their disclosure requirements while still adhering to the recognition, measurement, and presentation stipulations of other IFRS accounting standards. To be eligible at the end of the financial year, an entity must be a subsidiary as defined under IFRS 19, cannot have "public accountability", and must have a parent company (ultimate or intermediate) that prepares consolidated financial statements available to the public, in accordance with IFRS accounting standards. IFRS 19 will become effective for financial years beginning on or after 1 January 2027, with the possibility of early application. As the Group's shares are not publicly traded, the Group is not eligible for the application of IFRS 19. IAS 8.30 mandates the disclosure of standards that have been issued but are not yet effective; it requires the provision of known or reasonably estimable information to enable users to assess the potential impact of applying these standards on an entity's financial statements. The Group has listed all issued standards and interpretations not yet effective, taking into account the illustrative purpose of these financial statements. An alternative that entities might consider is to list and elaborate only on those expected to impact the Group's financial position, performance, representations, and/or disclosures.

6.7. Information on transactions with related parties

During the year, transactions with related parties of both a commercial and financial nature were carried out at market conditions. Transactions with related parties, when not dictated by specific regulatory conditions, were usually settled at market conditions. Details of the transactions that took place during the year and the previous year are given below:

	ASSETS	LIABILITIES	COSTS	REVENUES
FINANCIAL RELATIONS - 2024	**RECEIVABLES**	**PAYABLES**	**EXPENSES**	
Alpifer S.r.l.	-	-	-	500
Dima S.r.l.	-	-	-	217
Tuxor	-	-	-	5
TOTAL	**-**	**-**	**-**	**722**

	ASSETS	LIABILITIES	COSTS		REVENUES	
COMMERCIAL RELATIONS 2024	**RECEIVABLES**	**PAYABLES**	**SERVICES**	**OTHER**	**SERVICES**	**OTHER**
Media Steel S.r.l.	-	72,316	-	242,494		69
Alpifer S.r.l.	20,753	1,313	-	3,618	-	85,104
Ecoeternit S.r.l.	-	5	15	-	-	6
Dima S.r.l.	-	473	2,672	-	-	
Agroittica Lombarda S.p.A.	301	48		38	-	225
Comeca Tecnologie S.p.A.	7	6,553	16,670	605	-	16
Feralpisalò S.r.l.	-	-	4,538	-	-	-
Far Energia	-	**132**	**122**	-	-	-
Tuxor	1,419	-	-	-	-	9,742
TOTAL	**22,480**	**80,840**	**24,016**	**246,756**	**-**	**95,162**

7. 7. Business combinations

During 2024, the Feralpi Siderurgica Group did not make any significant acquisitions.

8. 8. Property, plant and equipment

The net carrying amount of property, plant and equipment as at 31 December 2024 was €721,578 thousand, compared to €562,243 thousand the previous year.

Changes in tangible fixed assets and their respective accumulated depreciation are shown at the bottom of the page.

During the period, the Group made investments totalling €223,111 thousand. Investments mainly relates to new plants and *revamping* of existing plants at the various production sites. For further details, please refer to the report on operations in section 4. “Feralpi Group’s strategy and state of implementation of strategic investments”.

During the year, there were disposals amounting to €2,939 that generated capital gains of €737 thousand and capital losses of €173 thousand.

9. 9. Right-of-use assets

The Group has lease agreements in place for property, plant, machinery, cars and equipment that are used in operations. Leases relating to buildings generally last between 6 years and 12 years, those relating to equipment between 2 years and 8 years, those for plant and machinery between 3 years and 12 years, and those for cars between 3 and 5 years. The Group’s liabilities under these leases are secured by the lessor’s title to the leased assets. Generally, the Group may not grant the leased assets to third parties and certain contracts require the Group to meet certain liquidity ratios. There are many leasing agreements that include options for renewal and cancellation and variable payments, which are better described below.

The Group also has certain leases for machinery with a duration of 12 months or less and office equipment with a low value. The Group has chosen to apply the exemptions in IFRS 16 regarding short-term or low-value leases for these contracts. See section 39 for further information.

AMOUNTS IN THOUSAND EUROS	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER ASSETS	ASSETS UNDER CONSTRUCTION AND ADVANCES TO SUPPLIERS	TOTAL PROPERTY, PLANT AND EQUIPMENT
Historical cost - 31 December 2023	**354,464**	**904,348**	**16,951**	**55,555**	**177,399**	**1,508,717**
Increases	18,820	35,521	2,010	3,738	163,022	**223,111**
Decreases	-	(2,016)	(29)	(512)	(382)	**(2,939)**
Change in the scope of consolidation	-	-	-	-	-	**-**
Reclassifications	20,627	15,197	-	515	(36,340)	**-**
Historical cost - 31 December 2024	**393,911**	**953,051**	**18,931**	**59,296**	**303,700**	**1,728,889**
Accumulated amortisation - 31 December 2023	**(152,721)**	**(734,578)**	**(14,348)**	**(44,826)**	**-**	**(946,474)**
Amortisation	(9,812)	(47,202)	(1,118)	(4,400)	-	**(62,532)**
Decreases	-	1,194	(11)	581	(69)	**1,695**
Reclassifications	-	**-**	**-**	-	-	**-**
Accumulated amortisation - 31 December 2024	**(162,534)**	**(780,587)**	**(15,477)**	**(48,645)**	**(69)**	**(1,007,311)**
Net carrying amount - 31 December 2023	**201,742**	**169,770**	**2,603**	**10,729**	**177,399**	**562,243**
Net carrying amount - 31 December 2024	**231,378**	**172,464**	**3,455**	**10,651**	**303,631**	**721,578**

The table on the right shows the breakdown of the right of use by nature of the underlying assets as at 31 December 2024 and the previous year:

The decrease of €1,972 thousand refers to the ending of the lease contract within the Spanish subsidiary following the decision to move production to another production site.

AMOUNTS IN THOUSAND EUROS	PROPERTIES	EQUIPMENT	PLANT AND MACHINERY	CARS	TOTAL RIGHT OF USE
Right of use as at 31 December 2023	**8,542**	**6,120**	**17,432**	**1,462**	**33,556**
Change in the scope of consolidation	-	-	-	-	**-**
Increases	1,594	148	-	691	**2,433**
Decreases	(1,972)	-	-	-	**(1,972)**
Exchange rate effect	-	-	-	-	**-**
Right of use as at 31 December 2024	**8,164**	**6,268**	**17,432**	**2,153**	**34,017**
Accumulated amortisation as at 31 December 2023	**3,292**	**3,192**	**6,100**	**1,131**	**13,715**
Change in the scope of consolidation	-	-	-	-	**-**
Increases	948	977	1,571	287	**3,783**
Decreases	-	**-**	**-**	-	**-**
Accumulated amortisation as at 31 December 2024	**4,240**	**4,169**	**7,671**	**1,418**	**17,498**
Net carrying amount as at 31 December 2023	**5,250**	**2,928**	**11,332**	**331**	**19,841**
Net carrying amount as at 31 December 2024	**3,924**	**2,099**	**9,761**	**735**	**16,519**

The table on the right shows the details of financial liabilities.

The *IBR (Incremental Borrowing Rate)* was calculated as the sum of the risk free rate *(Swap Standard Rates vs 6-month Euribor)* for each maturity, measured as at 31 December 2024, and a pure risk component reflecting the "*credit risk*" attributable to Feralpi Group. The *Risk free* component takes into account the economic environment in which the Group operates.

AMOUNTS IN THOUSAND EUROS	PROPERTIES	EQUIPMENT	PLANT AND MACHINERY	CARS	TOTAL FINANCIAL LEASE LIABILITY
Financial liability for leasing as at 31 December 2023	**5,425**	**2,965**	**8,843**	**335**	**17,567**
Short-term financial liability as at 31 December 2023	999	933	1,849	168	**3,949**
Long-term financial liability as at 31 December 2023	4,426	2,031	6,994	167	**13,617**
Increases	1,594	148	-	691	**2,433**
Decreases	(3,099)	(956)	(1,902)	(278)	**(6,234)**
Exchange rate effect	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Change in the scope of consolidation	-	-	**-**	-	**-**
Financial liability for leasing as at 31 December 2024	**3,920**	**2,157**	**6,941**	**748**	**13,766**
Short-term financial liability as at 31 December 2024	**814**	**870**	**1,875**	**222**	**3,781**
Long-term financial liability as at 31 December 2024	**3,106**	**1,286**	**5,065**	**526**	**9,985**

10. Intangible assets

The net carrying amount of intangible assets as at 31 December 2024 was €8,964 thousand, compared to €11,092 thousand as at 31 December 2023. The adjacent table shows the changes in intangible assets and their respective accumulated amortisation.

The increase of €921 thousand in patent rights is mainly attributable to the development and customisation of the Group SAP ERP.

The item other intangible assets includes deferred charges relating to the Metalinterconnector consortium. This consortium aims to make investments in the Metalinterconnector project through the construction of interconnection power lines with foreign countries and has the purpose of granting consortium members the purchase of electricity at lower prices than the market. The value recorded was €2,097 thousand as at 31 December 2024 against €2,621 thousand in the previous year.

AMOUNTS IN THOUSAND EUROS	PATENT RIGHTS	OTHER INTANGIBLE FIXED ASSETS	TOTAL INTANGIBLE FIXED ASSETS
Historical cost - 31 December 2023	**12,181**	**32,548**	**44,824**
Increases	921	615	**1,536**
Decreases	(35)	-	**(35)**
Change in the scope of consolidation	-	-	**-**
Reclassifications	39	186	**225**
Historical cost - 31 December 2024	**13,106**	**33,348**	**46,454**
Accumulated amortisation - 31 December 2023	**(8,350)**	**(25,286)**	**(33,636)**
Amortisation	(2,940)	(924)	**(3,864)**
Decreases	10	-	**10**
Change in the scope of consolidation	-	-	**-**
Reclassifications	-	-	**-**
Accumulated amortisation - 31 December 2024	**(11,280)**	**(26,210)**	**(37,490)**
Net carrying amount - 31 December 2023	**3,831**	**7,261**	**11,092**
Net carrying amount - 31 December 2024	**1,826**	**7,137**	**8,964**

11. Goodwill

The total value, unchanged from the previous year, refers to the goodwill arising from the acquisition of the Saexpa Group, which is part of the “Diversified Products CGU”. The adjacent table provides a breakdown with the comparative of the previous year.

The value is entirely allocated to the Diversified Products CGU.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Saexpa Group	8,077	8,077
TOTAL	**8,077**	**8,077**

11.1. Recoverability of goodwill and intangible assets

According to IAS 36, goodwill is not subject to amortisation and is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). The impairment test must be carried out by verifying that the fair value of the individual CGUs does not exceed the total carrying amount of the goodwill and all net assets independently capable of producing cash flows (CGUs). Goodwill acquired through business combinations is allocated to cash-generating units for impairment testing purposes.
For the year 2024, the Group performed its own impairment test on the excess cost generated in connection with the acquisition of Saexpa, which is part of the Diversified Products CGU. The test was carried out on the basis of a specific procedure drawn up by company management and subject to specific approval by the Board of Directors. The recoverable amount was estimated on the basis of the value in use, which in turn was defined by applying the Discounted Cash Flow (DCF) method in its unlevered version, by discounting the expected cash flows over an analytical and residual forecast period (Terminal Value). Cash flows were determined on the basis of projections from the business plan for a five-year period, approved by the Board of Directors. The Terminal Value was in turn estimated as the yield of a normalised cash flow at full capacity, possibly increasing by a factor g.
If the value of the assets thus obtained, the Enterprise Value (EV), was lower than their carrying amount, an impairment loss, equal to the difference, would arise to align the carrying amount with the recoverable amount.
The business plan used for the DCF was prepared on the basis of 2025 Budget to which an additional four years were added by applying growth rates for revenues, profitability and cash flow evolution based on knowledge of the business and expected developments in the relevant sectors.
The impairment test was conducted by identifying cash flow projections for the years 2025-2029 obtained through the indirect method. The discounting of the expected cash flows from the aforementioned projections was obtained through an appropriate discount rate expressive of the related business risk, applying the Discounted Cash Flow. The present value of the 2025-2029 explicit cash flows was supplemented by the Terminal Value, i.e. the present value of the perpetual annuity obtainable with a normalised cash flow. Specifically, a WACC (weighted average cost of capital) of 8.7% and a g-rate of 1% were used.

The discount rates reflect the market assessment of the specific risk, taking into account the time value of money and the specific risks of the underlying assets that have not already been included in the cash flow estimate. The calculation of the discount rate is based on the specific circumstances of its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and shareholders' equity. The cost of shareholders' equity is derived from the expected rate of return on investments by investors in comparable companies. The cost of debt is based on the onerous financing it has to cover. Sector-specific risk is incorporated by applying specific beta factors. Beta factors are reviewed annually on the basis of available market data. The discount rates considered are net of the tax effect.
The EBITDA margin used is based on the 2025 budget and has been essentially stable over the plan period in relation to expected improvements in market dynamics and expected volume growth.
In determining the Terminal Value, an average Value of Production of the last three plan years and an EBITDA margin reflecting the average of the same three years were used.
Based on the analyses carried out, the enterprise value of the Diversified CGU was significantly higher than the carrying amount, which matches the net invested capital (Capital Employed).

A sensitivity analysis was carried out to test the change in the Enterprise Value and, therefore, of the cover (EV - Capital Employed - Excess Cost) by alternatively assuming increases in investments, reductions in EBITDA, increases in WACC and reductions in the g-rate compared to the values used for the base case. The sensitivity analysis led to the following results:

- a linear decrease in EBITDA of 25.8% over all plan years, all other variables being equal, could lead to a cover of zero;
- an increase in the WACC rate of 2.7 percentage points, all other variables being equal, would result in a cover of zero;
- a decrease in the g-rate by 100% could lead, all other variables being equal, to a reduction in cover of 32%.

Regarding the other CGUs for which there is no obligation for annual impairment in the absence of allocated goodwill, the Group evaluated the presence of impairment indicators. When reviewing its impairment indicators, the Group considers several factors, including the performance of reference markets, the costs of major commodities, the uncertainty caused by geopolitical events and macroeconomic trends, and the subsequent impacts on margins. Based on forecasts expected in the medium to long term, the Group has not identified indicators of lasting loss of value.

12. Investments in associates and joint ventures

The adjacent table summarizes the investments in associates and joint ventures held by the Group.

The increase is due to the adjustment of the value of investments in associates to shareholders' equity, which resulted in a total income of €3,069 thousand during the year. It is specified that during the period, a dividend of €217 thousand was received by subsidiary Acciaierie di Calvisano S.p.A. from Dima S.r.l. and a dividend of €500 thousand from Alpifer S.r.l. was received by Feralpi Siderurgica S.p.A.

Financial information on the Group's investments in the three companies is given in the appendix.

AMOUNTS IN EURO UNITS	31.12.2024	31.12.2023
Media Steel S.r.l.	3,482	3,163
Dima S.r.l.	2,595	2,370
Alpifer S.r.l.	20,820	19,012
TOTAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	**26,897**	**24,545**

13. Other investments

Other investments amounted to €461 thousand as at 31 December 2024 compared to €434 thousand in the previous year.
As in the previous year, the most significant item refers to Webuild and Astaris participatory financial instruments in the amount of €228, unlisted and not negotiable on any regulated market or organised multilateral trading system, issued by the composition with creditors of Astaldi S.p.A., which give the creditor/owner the right to contribute to the net proceeds of the liquidation of the assets included in the earmarked assets, assigned to creditors in the ratio of 1 SFP for each Euro of credit claimed.

14. Non-current financial assets

Non-current financial assets amounted to €3,544 thousand as at 31 December 2024 compared to €6,667 thousand as at 31 December 2023. Details are given below:

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Derivative assets	2,268	5,396
ESF security deposits	1,001	1,001
Financial receivables from others	275	270
TOTAL NON-CURRENT FINANCIAL ASSETS	**3,544**	**6,667**

The item derivative instruments receivable refers to the long-term portion of derivatives subscribed by the Group. The decrease from the previous year is mainly due to the termination of energy hedging derivatives entered into by the ESF Group.
Security deposits refer mainly to the ESF Group and were taken out to guarantee the retirement of its employees.

The Group's outstanding derivative contracts are summarised below with their market value as at 31 December 2024.

INTEREST RATE HEDGING 31 DECEMBER 2024

CONTRACT TYPE	COUNTERPART	POSITION	DATE OF SIGNING	START DATE	EXPIRY DATE	NOTIONAL (EURO)	MARKET VALUE AS AT 31.12.24
Rate Coverage	UNICREDIT	Buy	21/01/2021	31/01/2021	31/01/2026	4,000	3
Rate Coverage	UNICREDIT	Buy	21/01/2021	31/01/2021	31/01/2026	6,000	35
Rate Coverage	INTESA SANPAOLO	Buy	04/03/2021	05/03/2021	04/03/2026	29,500	268
Rate Coverage	INTESA SANPAOLO	Buy	04/03/2021	05/03/2021	04/03/2026	10,500	96
Rate Coverage	BPER	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	116
Rate Coverage	INTESA SANPAOLO	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	221
Rate Coverage	BNL	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	153
Rate Coverage	BPM	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	125
Rate Coverage	Credit Agricole	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	116
Rate Coverage	UNICREDIT	Buy	12/01/2022	31/01/2022	30/12/2026	60,000	154
Rate Coverage	BPER	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	98
Rate Coverage	INTESA SANPAOLO	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	188
Rate Coverage	BNL	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	130
Rate Coverage	BPM	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	106
Rate Coverage	Credit Agricole	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	100
Rate Coverage	UNICREDIT	Buy	12/01/2022	31/01/2022	30/12/2026	20,000	131
Rate Coverage	Cariparma	Buy	06/08/2019	02/01/2020	02/07/2029	6,013	169
Rate Coverage	UNICREDIT	Buy	11/02/2021	28/02/2021	28/02/2026	5,500	46
Rate Coverage	UNICREDIT	Buy	31/03/2021	31/03/2021	31/03/2026	2,000	15
TOTAL							**2,268**

IRS derivatives designated as hedging

The IRS derivative contracts in place were designated to hedge the exposure to the variability of future interest expense flows generated by a recognised financial liability, whose effects impact the company's income statement at the same time as the related interest expense is recognised in the accounts.

The specific objective that the Group intends to pursue through the hedging interest rate derivatives portfolio is to mitigate its exposure to the risk arising from market rate volatility by fixing the cost of its variable-rate debt.

15. Deferred tax assets and deferred tax liabilities

Deferred tax assets as at 31 December 2024 amounted to €31,190 thousand, compared to €16,763 thousand in the previous year. Deferred tax liabilities as at 31 December 2024 amounted to €1,903 thousand, compared to €3,078 thousand in the previous year.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Deferred tax assets	31,190	16,763
Deferred tax liabilities	1,903	3,078
TOTAL	**29,287**	**13,685**

It should be noted that the offsetting of tax assets and liabilities has been carried out at the level of the individual consolidated company in cases where the prerequisites provided for in this regard by IAS 12 are met. The tax effect related to temporary differences as at 31 December 2024 and 31 December 2023 is determined based on the tax rates in effect in the relevant countries at the assumed realisation date of the temporary differences. Deferred tax liabilities and deferred tax assets are thus analysed according to the nature of the most significant temporary differences.

During the year, deferred tax assets were allocated in the Parent Company and in the subsidiaries Acciaierie di Calvisano S.p.A. and Presider S.p.A. It is also emphasised that deferred tax assets were recognised due to the reasonable certainty, as from prepared financial projections, that in the subsequent years the Group will be able to generate taxable income adequate for the full recovery of the recognised credits.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
DEFERRED TAX ASSETS		
Slag disposal	52	-
Provisions for sundry risks	456	868
Inventory write-down	2,392	4,151
Maintenance	734	828
Amortisation	9,540	8,426
Impairment of fixed assets	69	81
Tax losses	15,601	543
Goodwill	25	-
Write-down of receivables	468	398
Leases	641	560
Elimination of intercompany margins	151	461
Other minor items	1,061	447
TOTAL	**31,190**	**16,763**
DEFERRED TAX LIABILITIES		
Derivative instruments	740	1,301
Customer list	16	97
Amortised cost	61	92
Discounting of employee severance indemnity and FISC	165	158
Temporary difference ESF costs	921	783
Other	-	647
TOTAL	**1,903**	**3,078**

16. Other non-current assets

Other non-current assets amounted to €3,482 thousand as at 31 December 2024 compared to €1,362 thousand as at 31 December 2023. The adjacent table provides the detailed breakdown.

The significant increase in the item is attributable to Industry 4.0 tax credits that will see their numerical manifestation beyond the financial year.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
4.0 tax credits	3,482	1,343
Receivables from others	-	18
Tax receivables	-	1
TOTAL OTHER NON-CURRENT ASSETS	**3,482**	**1,362**

17. Inventories

Inventories, net of the related finished goods and merchandise write-down provision, amounted to €375,983 thousand as at 31 December 2024, compared to €295,196 thousand in the previous year. The adjacent table provides the detailed breakdown.

Inventories valued at the lower of cost and market value are valued using the weighted average cost method. This method appears more appropriate to normalise price variations of both the raw material and, consequently, of the finished product, allowing the reader a better interpretation of the data.

Inventories are recorded net of an inventory write-down provision totalling €11,504 thousand, of which €8,627 thousand relates to the provision for obsolescence of ancillary inventory and €2,877 thousand to adjust finished products to their estimated realisable value. The increased costs of raw materials and scrap recorded in 2024, linked with the rise in the unit value of goods in stock, also resulted in a price effect.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12. 2023
Raw materials, supplies and consumable	176,794	130,362
Work in progress and semi-finished products	39,924	36,137
Advances	287	1,028
Finished products and goods	169,804	143,539
Contract work in progress	677	478
Inventory write-down provision	(11,504)	(16,348)
TOTAL	**375,983**	**295,196**

In 2024, a comprehensive study was completed, with support from external consultants, aimed at assessing the true condition of spare parts and component management in different warehouses. It also sought to redefine a procedure for determining the inventory obsolescence provision, tailored more specifically to the characteristics of the maintenance warehouse components, thereby providing a more accurate representation of inventory asset value. The previous policy was based on flat-rate percentages, prudently chosen in the absence of specific empirical analyses.

As for the increases in raw materials and finished products, these were due to the increase in quantities compared to the previous year. The increase is connected to the very low quantities from the previous financial year, which had delayed productions in the early months of 2024, a circumstance that did not occur by the end of this financial year.

The adjacent table shows the breakdown of inventories by company as at 31 December 2024.

AMOUNTS IN THOUSAND EUROS	GROSS INVENTORY VALUE	INVENTORY WRITE-DOWN PROVISION	TOTAL INVENTORIES 31.12.2024
Siderurgica S.p.A.	134,663	(3,314)	131,350
ESF Elbe-Stahlwerke Feralpi GmbH	139,343	(4,316)	135,028
Calvisano S.p.A.	40,681	(1,753)	38,927
Caleotto S.p.A.	11,452	(1,591)	9,861
Presider S.p.A.	14,507	(340)	14,167
Nuova Defim S.p.A.	12,098	-	12,098
Arlenico S.p.A.	25,458	-	25,458
Presider Armature	4,448	(190)	4,258
Feralpi Algerié S.a.r.l.	1,861	-	1,861
Industria de Expositores y Parrilas S.A.	2,974	-	2,974
TOTAL INVENTORIES	**387,486**	**(11,504)**	**375,983**

18. Trade receivables

As at 31 December 2024, the value of the Group's trade receivables amounted to a total of €242,577 thousand (as at 31 December 2023, it amounted to €326,707 thousand) net of the related provision for doubtful debts of €4,341 thousand. The adjacent table provides the detailed breakdown.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Trade receivables from third parties	246,918	332,361
Provision for doubtful debts	(4,341)	(5,654)
TOTAL	**242,577**	**326,707**

The nominal value of receivables was adjusted to their presumed realisable value by means of a special provision for doubtful debts, which underwent the following changes during the year (refer to the adjacent table):

BALANCE 1 JANUARY 2024	**5,654**
Provisions	132
Provision uses/releases	(1,445)
BALANCE 31 DECEMBER 2024	**4,341**

The decrease in trade receivables is partly related to the reduction in turnover compared to the previous year, as there are no significant deferrals in terms of collection.

In addition, during the year, non-recourse assignment transactions were carried out with leading banks concerning trade receivables with a nominal value of €47,177 thousand.

The credit quality of customers is assessed on the basis of an evaluation of their creditworthiness. Individual credit limits are also set for all customers on the basis of this assessment. Outstanding receivables from customers and contract assets are regularly monitored. At each reporting date, an impairment analysis is conducted on receivables, using a matrix to measure expected losses. Impairment percentages are determined on the basis of days past due and by grouping receivables from customers that are characterised by similar causes of impairment (geographic area, type of product, type of customer, rating, presence of guarantees or other insurance). The calculation is based both on the probability of credit recovery and on a historical analysis of credit losses, which, it is noted, have never been of a significant amount. Finally, the valuation takes into account the time factor of money, and information on past events that are available at the reporting date, current conditions and expected market scenarios. This analysis led to a release of the provision for doubtful debts amounting to €1,192 thousand.

The adjacent table provides the breakdown of receivables by past due band and geographical area.

AMOUNTS IN THOUSAND EUROS	TOTAL AS AT 31/12/2024	NOT PAST DUE	PAST DUE 0-30	PAST DUE 30-60	PAST DUE 60-90	PAST DUE 90-180	PAST DUE OVER 180
Italy	180,889	163,580	5,976	1,223	7,462	2,628	19
Europe	46,810	41,667	4,464	230	85	127	237
Extra - Europe	19,220	15,955	3,032	64	126	23	19
GROSS TRADE RECEIVABLES	**246,918**	**221,202**	**13,472**	**1,517**	**7,673**	**2,779**	**275**
Incidence %	2%	0%	6%	32%	11%	27%	386%
Write-down of receivables	(4,341)	(329)	(847)	(479)	(867)	(1,561)	(257)
NET TRADE RECEIVABLES	**242,577**	**220,873**	**12,625**	**1,038**	**6,806**	**1,218**	**18**

19. Receivables from parent companies of a commercial nature and for tax consolidation

As at 31 December 2024, the receivables from parent companies were reduced to zero because Feralpi Holding S.p.A. was demerged in November 2024, as further explained in Section 2. Furthermore, again as a result of the demerger, the Group's consolidated tax group that was headed by Feralpi Holding S.p.A. ceased to exist.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
IRES credits	-	9,049
Trade receivables	-	20
IVA credits	-	-
TOTAL CURRENT RECEIVABLES FROM PARENT COMPANIES	**-**	**9,069**

20. Trade receivables from associates

As at 31 December 2024, the value of trade receivables from associates amounted to a total of €49,625 thousand compared to €30,616 thousand in the previous year. This item refers mainly to trade receivables for sales of wire rod made to the associate Unifer S.p.A., owned by Alpifer S.r.l., from Feralpi Siderurgica S.p.A, and Caleotto S.p.A.

21. Tax receivables

As at 31 December 2024, the Group's tax receivables amounted to €2,626 thousand, compared to €7,898 thousand in the previous year.

As in the previous year, this item refers entirely to the IRAP receivable claimed by the Group. In addition, the decrease during the year was due to the non-recourse sale by Feralpi Siderurgica S.p.A. for €6,915 thousand.

22. Current financial assets

As at 31 December 2024, the Group's current financial assets amounted to €5,563 thousand, compared to €7,560 thousand in 2023. Details are provided below:

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Financial receivables - purchase of equity investments	4,690	4,663
Receivables from Alpicapital	-	2,400
Other receivables	873	497
TOTAL CURRENT FINANCIAL ASSETS	**5,563**	**7,560**

Financial receivables for the purchase of equity investments refer to the advance paid by the company Feralpi Villasor S.r.l., for the purchase of shares in a company whose objective is to obtain the necessary authorisations for the construction of a photovoltaic park. In addition, it should be noted that the receivable claimed by the Company from Alpicapital was assigned to Feralpi Farm Srl.
Other receivables, on the other hand, refer to receivables for interest income accrued but not yet collected.

23. Other current assets

As at 31 December 2024, the Group's other receivables amounted to €55,698 thousand, compared to €63,560 thousand in the previous year. The adjacent table provides a detailed breakdown.

This item shows an overall decreases over the previous year as a result of a combination of events, the main ones of which are discussed below:

- Increase in energy-intensive subsidies of €9,380 thousand. The contributions entered as at 31 December 2024 relate to the company ESF Elbe-Stahlwerke Feralpi GmbH;
- Decrease in VAT credit for a total of €6,124 thousand mainly due to the ESF Group;
- Collection of insurance credit for €6,139 thousand referring to damages suffered due to atmospheric events during the previous year.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Energy-intensive subsidies	37,014	27,634
VAT credit	6,434	12,558
Tax credits for R&D and Industry 4.0	5,179	8,242
Insurance receivable		6,139
Sundry receivables	2,559	2,433
Stock sale credit - customers to AFV Beltrame	-	2,418
Energy and mineral oil tax credits	156	**1,709**
Accrued income and prepaid expenses	3,639	**1,198**
Other tax receivables	291	1,076
Social security institutions	176	153
Advance payments to suppliers	250	-
TOTAL OTHER CURRENT ASSETS	**55,698**	**63,560**

24. Cash and cash equivalents and short-term deposits

As at 31 December 2024, the Group's cash and cash equivalents and short-term deposits amounted to €50,720 thousand, compared to €173,189 thousand in the previous year. The adjacent table provides a detailed breakdown.

The restricted current account as at 31 December 2023 amounting to €44,101 thousand referred to one-month term deposit accounts of the subsidiary ESF Elbe-Stahlwerke Feralpi GmbH.

The balance includes cash in hand and in bank accounts, as well as bank deposits that bear interest at a rate in line with the market rate. For a better understanding of cash outflows and inflows during the year, please refer to the cash flow statement.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Bank and postal deposits	50,716	129,080
Cash and valuables in hand	5	8
Restricted current account	-	44,101
TOTAL CASH AND CASH EQUIVALENTS	**50,720**	**173,189**

25. Shareholders' Equity

For an analysis of the changes, please refer to the statement of changes in consolidated shareholders' equity. The following is a breakdown of shareholders' equity.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Share capital	50,000	50,000
Other reserves	883,762	863,261
First Time Adoption reserve	(2,130)	(2,130)
Cash flow hedge reserve	1,528	3,844
Reserve for actuarial gains /(losses)	(99)	(167)
Profit/loss for the year	(37,798)	12,872
TOTAL	**895,263**	**927,680**
Minority interest Shareholders' equity	331	274
Minority interest profit	56	24
TOTAL SHAREHOLDERS' EQUITY	**895,650**	**927,978**

Share capital
As at 31 December 2024, the Share capital of the Parent Company Feralpi Siderurgica S.p.A. amounted to €50,000 thousand, unchanged from the previous year and fully subscribed and paid-up; it consisted of 5,000,000 ordinary shares with a value of €10 each. There are no shares encumbered by rights, privileges or restrictions on the distribution of dividends.

The item Other reserves is detailed below.

DESCRIPTION AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Share premium reserve	13,600	13,600
Reserves for shareholders' capital contributions	40,700	33,000
Revaluation reserves	27,460	27,460
Legal reserve	9,798	8,259
Foreign exchange difference reserve	548	696
Retained earnings/(accumulated losses)	791,656	780,246
TOTAL OTHER RESERVES	**883,762**	**863,261**

Share premium reserve
As at 31 December 2024, the item amounted to €13,600, unchanged from the previous year.

Legal reserve
As at 31 December 2024, this reserve amounted to €9,798 thousand, increased from the previous period by €1,539 thousand.

Revaluation reserve
As at 31 December 2024, it amounted to €27,460, unchanged from the previous year.

Reserves for shareholders' capital contributions
The increase in the Reserves for shareholders' capital contributions of €40,700 thousand, further increased by €7,700 thousand, reflects the increase made by the parent company Feralpi Holding S.p.A. before its demerger, effective from 27 November 2024.

First Time Adoption reserve
The reserve relates to the recognition made on the first-time application of IAS/IFRS.

Reserve for actuarial gains (losses)
The item "Reserve for actuarial gains (losses)" as at 31 December 2024 includes the net effect on actuarial gains (losses) resulting from the application of the amendment to IAS 19 (Employee Benefits), recognised directly in equity.

Cash flow hedge reserve
The reserve as at 31 December 2024 amounted to €1,528 and included the change in fair value of derivatives net of the related tax effect.

Retained earnings/(accumulated losses)
As at 31 December 2024, the item amounted to €791,656 thousand, and the changes that occurred during the year mainly related to the carry-forward of the 2024 profit.

25.1. Other comprehensive income components, net of tax

Details of the changes in other comprehensive income components are shown below:

AMOUNTS IN THOUSAND EUROS	CASH FLOW HEDGE RESERVE	HEDGING COST RESERVE	FV RESERVES FOR FINANCIAL ASSETS MEASURED AT FV THROUGH OTHER COMPREHENSIVE INCOME	RESERVE FOR TRANSLATION DIFFERENCES	ASSET REVALUATION RESERVE	RESERVE FOR EMPLOYEE BENEFITS	TOTAL
Exchange rate differences on translation of foreign currency transactions				(72)		-	**(72)**
Forward contracts on commodities						-	**-**
IRS contracts	(2,315)						**(2,315)**
Actuarial changes on pension plans						67	**67**
	(2,315)	**-**	**-**	**(72)**	**-**	**67**	**(2,320)**

25.2. Reconciliation statement between Shareholders' equity and net profit of the parent company and consolidated Shareholders' equity and net profit

The reconciliation between Feralpi Siderurgica S.p.A.'s shareholders' equity and net profit for the year and the respective figures in the Consolidated financial statements as at 31 December 2024 is as follows:

AMOUNTS IN THOUSAND EUROS	RESULT FOR THE PERIOD - 2024	CAPITAL AND RESERVES	SHAREHOLDERS' EQUITY 31.12.2024
Feralpi Siderurgica S.p.A.	**(26,333)**	**538,167**	**511,834**
Intra-group margins included in the value of inventories	802	(1,191)	(389)
Subsidiary contribution	(17,321)	732,203	714,882
Elimination of equity investments in subsidiaries		(348,406)	(348,406)
Dividend elimination			-
Consolidation with the equity method	3,069	13,776	16,845
Other minor items		227	227
IFRS effects	2,042	(1,384)	658
CONSOLIDATED PROFIT (LOSS)/CAPITAL	**(37,742)**	**933,392**	**895,650**
MINORITY INTEREST PROFIT (LOSS)/MINORITY INTEREST CAPITAL	**56**	**331**	**387**
GROUP PROFIT (LOSS)/CAPITAL	**(37,798)**	**933,061**	**895,263**

25.3. Profit (Loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to the parent company's ordinary shareholders (after adjustment to account for interest on bonds convertible into preference shares, if any) by the weighted average number of ordinary shares outstanding during the year and those potentially arising from the conversion of all convertible bonds.

The result and share information used in the calculation of basic and diluted earnings per share are shown in the adjacent table.

AMOUNTS IN THOUSAND EUROS	2024	2023
Profit (Loss) attributable to ordinary shareholders of the parent company:		
Operating assets	(37,798)	12,872
Assets held for sale	-	-
PROFIT (LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE PARENT COMPANY FOR BASIC EARNINGS	**(37.798)**	**12.872**
Interest on convertible bonds	-	-
NET PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE PARENT COMPANY ADJUSTED FOR DILUTED EFFECT	**(37,798)**	**12,872**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (EXCLUDING TREASURY SHARES) FOR THE PURPOSE OF BASIC EARNINGS PER SHARE	**5,000,000**	**5,000,000**
Effect of dilution:		
Stock options	-	-
Bonds convertible into preference shares	-	-
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ADJUSTED FOR DILUTION EFFECT	**5,000,000**	**5,000,000**
NET PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE PARENT COMPANY FOR THE PURPOSE OF CALCULATING BASIC AND DILUTED EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	**(7.56)**	**2.57**

26. Financial payables (current and non-current)

Financial payables as at 31 December 2024 amounted to €192,506 thousand (€201,180 thousand as at 31 December 2023). The item is split between non-current and current portions, respectively, amounting to €84,686 thousand and €107,820 thousand. Please refer to the adjacent table for more details.

It should be noted that the item Loans to banks has primarily decreased following the repayment of loans amounting to €51,341 thousand. It should be noted that there was no need to calculate the covenants on the current loan, as it was fully settled in January 2025 for €54,200 thousand, following the disbursement of a new loan, as further detailed in subsequent events. Current and non-current financial payables showed an overall decrease of €8,674 compared to the previous year.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Loans to banks	84,628	133,191
Payables for derivative instruments	58	254
TOTAL NON-CURRENT FINANCIAL PAYABLES	**84,686**	**133,445**
Loans to banks	49,763	49,018
Bank overdrafts and invoice advances	57,858	16,018
Convertible bonds	-	-
Payables to other lenders	-	-
Payables for derivative instruments	199	295
Financial payables to parent companies	-	1,283
Deferred price for acquisition of Saexpa Group	-	1,120
TOTAL CURRENT FINANCIAL PAYABLES	**107,820**	**67,734**
TOTAL FINANCIAL PAYABLES	**192,506**	**201,180**

The bank loans received by Feralpi Group as at 31 December 2024 are summarised below at nominal value.

As mentioned in Note 2, in the first months of 2025 the existing pool loan amounting to €54,200 thousand was fully repaid.

COUNTERPART	ORIGINAL AMOUNT	AMOUNT AS AT 31.12.2024	DISBURSEMENT DATE	EXPIRY	PARAMETER	SPREAD
INTESA SAN PAOLO	10,500	3,150	05/03/2021	04/03/2026	6-month Euribor	0.95
INTESA SAN PAOLO	29,500	8,850	05/03/2021	04/03/2026	6-month Euribor	0.7
UNICREDIT	10,000	487	01/06/2015	30/06/2025	6-month Euribor	0.85
UNICREDIT	6,000	375	21/01/2021	31/01/2025	3-month Euribor	1.3
UNICREDIT	4,000	1,667	21/01/2021	31/01/2026	3-month Euribor	0.75
SIMEST	480	360	04/06/2021	31/12/2027	Fixed rate	0.55
BNL	60,000	34,200	31/01/2022	30/12/2026	6-month Euribor	1.15
BNL	20,000	20,000	31/01/2022	30/12/2026	6-month Euribor	1.4
UNICREDIT	10,000	7,500	02/03/2023	31/12/2027	3-month Euribor	0.9
INTESA SAN PAOLO	10,000	7,500	02/03/2023	31/12/2027	3-month Euribor	0.9
UNICREDIT	282	370	12/06/2023	31/12/2025	6-month Euribor	1.9
UNICREDIT	2,421	1,725	12/06/2023	31/12/2025	Fixed rate	0.8
MPS	3,500	831	11/03/2021	28/02/2026	6-month Euribor	1
Banca Santa Giulia	550	183	14/05/2021	01/10/2025	6-month Euribor	2
MPS	1,500	356	11/03/2021	28/02/2026	6-month Euribor	1
UNICREDIT	2,000	833	31/03/2021	31/03/2026	6-month Euribor	0.75
Banca Santa Giulia	360	270	27/04/2021	31/12/2027	6-month Euribor	0.55
Banca Santa Giulia	550	183	14/05/2021	01/10/2025	6-month Euribor	2
Banca Santa Giulia	950	317	21/09/2021	01/10/2025	6-month Euribor	2.75
UNICREDIT	5,500	2,292	11/02/2021	28/02/2026	6-month Euribor	0.75
KWF1 Club Deal	1,440	20,000	14/04/2022	31/12/2028	Fixed rate	1.5
KWF2 Club Deal	1,470	22,500	29/11/2022	31/12/2028	Fixed rate	1.5
Banco de Santander	700	236	30/04/2020	03/04/2025	Fixed rate	0.98
Banco del Sabadell	900	410	31/03/2021	31/03/2026	Fixed rate	0.85
TOTAL	**182,603**	**134,595**				

The Group's outstanding liability derivative contracts are summarised below with their market value as at 31 December 2024.

CONTRACT TYPE	COUNTERPART	POSITION	START DATE	EXPIRY DATE	NOTIONAL (EURO/000)	MARKET VALUE 31.12.24 (EUROS)
Rate Coverage	UNICREDIT	Buy	30/06/2023	31/12/2027	10,000	129
Rate Coverage	INTESA SANPAOLO	Buy	09/05/2023	31/12/2027	10,000	128
TOTAL						**257**

IRS derivatives designated as hedging
lease refer to the description in note 14. Non-current financial assets

26.1. Analysis of net financial debt

The net financial debt schedule was prepared on the basis of the latest ESMA guidelines.

In accordance with the ESMA Guidelines dated 4 March 2021, the Net Financial Position mentioned above excludes trade payables owed to strategic suppliers with whom agreements have been made to extend original payment terms through arrangements with a major financial institution. Under these arrangements, the Group pays invoices issued by these suppliers directly to the involved financial institution, while the suppliers have the option, on an invoice-by-invoice basis, to receive payment from the financial institution earlier than the agreed extension. At the reporting date, the payables recorded and subject to these agreements and classified among trade payables amount to €31,915 thousand. Please refer to Note 31 for further details.

The consolidated Net Financial Position reports a net debt value of €155,552 thousand, compared to €45,557 thousand reported as at 31 December 2023. The increase is due to investment activities carried out during the year and the reduction in working capital.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
A - Cash	50,720	173,189
B - Cash equivalents	-	-
C - Other current financial assets	-	-
D - LIQUIDITY (A+B+C)	**50,720**	**173,189**
E - Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	4,057	6,352
F - Current part of non-current financial debt	107,545	65,332
G - CURRENT FINANCIAL DEBT (E + F)	**111,601**	**71,684**
H - NET CURRENT FINANCIAL DEBT (G - D)	**60,881**	**(101,505)**
I - Non-current financial debt (excluding current portion and debt instruments)	94,671	147,062
J - Debt instruments	-	-
K - Trade and other non-current payables	-	-
L - NON-CURRENT FINANCIAL DEBT (I + J + K)	**94,671**	**146,554**
M - TOTAL FINANCIAL DEBT (H + L)	**155,552**	**45,557**

27. Liabilities for employee benefits

As at 31 December 2024, liabilities for employee benefits amounted to a total of €5,090 thousand, compared to €5,272 thousand in the previous year, and related solely to the Group's Italian companies.

AMOUNTS IN THOUSAND EUROS	
BALANCE 31 DECEMBER 2023	**5,272**
Provisions	2,982
Use of provisions and payment to social security funds	(3,112)
Other changes	-
Discount interest from previous year	-
Actuarial gains and losses	(52)
BALANCE 31 DECEMBER 2024	**5,090**

The provision set aside represents the company's actual debt at year-end to employees in force at that date, net of advances paid.
The valuation of the provision for severance indemnity, as required by the international accounting standard IAS 19, follows the method of projecting the present value of the defined benefit obligation with an estimate of the benefits accrued by employees. Following the changes introduced by Law no. 296 of 27 December 2006 ("2007 Budget Law") and subsequent implementing Decrees and Regulations, the severance indemnities accrued up to 31 December 2006 will continue to remain with the company, constituting a defined benefit plan (obligation for accrued benefits subject to actuarial valuation), while the portions accruing from 1 January 2007 as a result of the choices made by employees during the year, will be allocated to supplementary pension schemes or transferred by the company to the treasury fund managed by INPS, representing defined contribution plans (no longer subject to actuarial valuation) from the moment the choice is formalised by the employee.
The determination of the employee severance indemnity is thus the result of the application of an actuarial model that is based on various assumptions, both demographic and economic.

The adjacent table shows the economic technical bases used.

SUMMARY OF ECONOMIC ASSUMPTIONS	31.12.2024	31.12.2023
Annual discount rate	3.38%	3.17%
Annual inflation rate	2.00%	2.30%
Annual rate of increase in employee severance indemnity	3.000%	3.000%
Annual rate of salary increase	1.00%	1.00%

SUMMARY OF DEMOGRAPHIC ASSUMPTIONS	31.12.2024	31.12.2023
Turnover rate	3.00%	3.00%
Advance rate	3.00%	3.00%
Probability of death	ISTAT 2022	RG48
Probability of disability	INPS Tables	INPS Tables
Retirement	100% upon fulfilment of AGO requirements	100% upon fulfilment of AGO requirements

SENSITIVITY ANALYSIS OF KEY EVALUATION PARAMETERS (AMOUNTS IN THOUSAND EUROS)	DBO AS AT 31 DECEMBER 2024	DBO AS AT 31 DECEMBER 2023
Turnover rate +1.00%	5,109	5,287
Turnover rate -1.00%	5,069	5,255
Inflation rate +0.25%	5,153	5,335
Inflation rate -0.25%	5,028	5,209
Discount rate +0.25%	4,999	5,179
Discount rate -0.25%	5,184	5,367

The discount rates used for the valuation of the liability are defined, as provided for in para. 83 of IAS 19, based on the yield curves of high-quality fixed-income securities, whereby the amounts and maturities correspond to the amounts and maturities of estimated benefit payments.

28. Provisions for risks and charges

As at 31 December 2024, the item Provisions for risks and charges amounted to a total of €3,481 thousand, compared to €6,614 thousand in the previous year. Below is a breakdown of their movement and composition:

AMOUNTS IN THOUSAND EUROS	SUPPLEMENTARY CUSTOMER ALLOWANCE	SLAG DISPOSAL	OTHER RISK PROVISIONS	TOTAL PROVISIONS FOR RISKS AND CHARGES
BALANCE 31 DECEMBER 2023	**1,040**	**507**	**5,067**	**6,614**
Provisions	145	187	275	607
Provision discounting	(28)	-	-	(28)
Provision uses and releases	(3)	(507)	(3,203)	(3,712)
BALANCE 31 DECEMBER 2024	**1,154**	**187**	**2,139**	**3,481**

As shown in the table, the provisions for risks and charges include the supplementary customer allowance, the provision for slag disposal and other risk provisions. The item “Other risk provisions” is equal to €2,139 thousand and relates to provisions made during the year for €275 thousand. The use amounts to €3,203 thousand, with the most significant elements pertaining to the resolution of the dispute with the tax authorities and the closing of the provision for CO_2 allowances allocated in the preceding year.

Information on pending litigation
The Group has ongoing legal disputes with personnel and for the reclamation of land belonging to Feralpi Siderurgica S.p.A. Adequate risk provisions have been set aside for both types.

29. Other non-current liabilities

Other non-current liabilities amounted to €859 thousand as at 31 December 2024, essentially unchanged from the previous year (refer to the adjacent table).

The item security deposits includes €850 thousand for security deposits received by the German subsidiary ESF Elbe-Stahlwerke Feralpi GmbH as a guarantee for the supply of goods.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Security deposits	858	858
Other non-current liabilities	1	2
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	**859**	**860**

30. Trade payables to parent companies and for tax consolidation

Trade payables to parent companies and for tax consolidation as at 31 December 2024 amounted to €0, compared to €431 thousand in the previous year. The adjacent table provides the detailed breakdown.

The strong decrease in the item is attributed to the demerger of Feralpi Holding S.p.A. on 27 November 2024, which resulted in the termination of all creditor and debtor positions with it. For more details on the operation, please refer to note 2.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Payables to parent companies for IRES	-	399
Trade payables to parent companies	-	32
TOTAL CURRENT RECEIVABLES FROM PARENT COMPANIES	**-**	**431**

31. Trade payables

Trade payables as at 31 December 2024 amounted to €385,381 thousand, compared to €279,172 thousand last year. The adjacent table provides the detailed breakdown.

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Trade payables to suppliers	379,825	272,726
Advances	5,556	6,446
TOTAL	**385,381**	**279,172**

Trade payables are stated net of trade discounts. The nominal value of these payables has been adjusted for returns or allowances (billing adjustments) to the extent of the amount defined with the counterpart. As at 31 December 2024, payables to suppliers have increased compared to the previous year, mainly due to investment activity in the group's production sites. The increase in investments is also evident from the table of property, plant, and equipment.

Included in trade payables is €31,915 thousand owed to strategic suppliers, with whom arrangements have been made to extend the original due dates by up to a maximum of 300 days beyond the initially agreed payment terms.

The deferral was carried out through the signing of agreements with a leading financial institution, whereby the Group makes payments of invoices issued by these suppliers directly to the financial institution involved, which pays the suppliers at the natural maturity of the issued invoices.

There are no additional financial charges related to these agreements except for one-off bank fees of a non-significant amount paid at the finalisation of these agreements.

The Group evaluated these agreements to determine if the payables still met the definition of trade payables or if they should be classified as financial liabilities. Taking into account the terms of these agreements and the analysis of their characteristics, the Group concluded that as at 31 December 2024, these payables met the criteria to be included among trade payables.

As at 31 December 2024, payables for advances amounted to €5,556 thousand. The main item relates to the parent company and refers to the advance received for the future sale of an area to the high-speed rail network. The remainder are advances received from customers.

The Group has no significant overdue amounts.

32. Trade payables to associates

Trade payables to associates as at 31 December 2024 amounted to €52,703 thousand compared to €61,602 thousand in the previous year.
Trade payables to associates mainly include payables of the parent company and Acciaierie di Calvisano S.p.A. to the associate Media Steel S.r.l. for scrap supplies.

33. Tax payables

Tax payables as at 31 December 2024 amounted to €8,480 thousand, compared to €19,434 thousand in the previous year. The item includes payables solely for the income taxes of the group companies, both Italian and foreign.

34. Other current liabilities

Other current liabilities amounted to €43,685 thousand as at 31 December 2024, compared to €41,633 thousand the previous year. Details are given below:

AMOUNTS IN THOUSAND EUROS	31.12.2024	31.12.2023
Personnel costs allocated	14,011	17,048
Bonuses to customers	5,300	7,074
Payables to social security institutions	6,471	6,088
Accrued expenses and deferred income	7,934	5,516
Irpef debt	2,940	2,584
Other current liabilities	-	1,860
VAT debt	7,029	1,462
TOTAL OTHER CURRENT LIABILITIES	**43,685**	**41,633**

The most significant payable relates to the December salaries of employees and partners, which are, as usual, paid in the following month. The item for accrued expenses and deferred income mainly refers to the deferral of contributions of 4.0 tax credits.

Bonuses to customers, on the other hand, refer to bonuses earned by customers of the subsidiary ESF Elbe-Stahlwerke Feralpi GmbH who are members of the consortium.

35. Revenues from contracts with customers

Revenues from contracts with Group customers as at 31 December 2024 amounted to €1,652,984 thousand, compared to €1,724,219 thousand in the previous year.

AMOUNTS IN THOUSAND EUROS	2024	2023
Revenues from contracts with customers	1,652,984	1,724,219
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS	**1,652,984**	**1,724,219**

The breakdown by geographical area is provided in the adjacent table.

AMOUNTS IN THOUSAND EUROS	2024	2023
Italy	626,649	658,282
E.U. countries	868,948	921,628
Non-EU countries	157,387	144,309
TOTAL REVENUES FROM CONTRACTS WITH CUSTOMERS	**1,652,984**	**1,724,219**

36. Rental income

The Group's rental income as at 31 December 2024 amounted to €806 thousand, compared to €1,043 thousand in the previous year.

Rental income refers to recharges of rented space to companies outside the scope of consolidation and to the rental of industrial mobile platforms to third parties. The decrease compared to the previous year mainly refers to the lower revenues earned by Presider S.p.A. for the rental of industrial platforms.

AMOUNTS IN THOUSAND EUROS	2024	2023
Rental income	806	1,043
TOTAL RENTAL INCOME	**806**	**1,043**

37. Other income

As at 31 December 2024, other Group income amounted to €27,764 thousand, compared to €22,475 thousand in the previous year. The adjacent table provides a detailed breakdown.

Operating grants amounting to €3,414 thousand mainly refer to subsidies from institutional bodies for research and development or investment projects. The item "Energy revenues/Sale of CO_2 allowances" amounting to €16,007 thousand pertains to the sale of CO_2 allowances by Feralpi Siderurgica S.p.A. and its subsidiary, ESF Elbe-Stahlwerke Feralpi GmbH, accounted for primarily using the free allowances allocated compared to those purchased for a fee.

AMOUNTS IN THOUSAND EUROS	2024	2023
Operating grants	3,414	5,337
Insurance reimbursements	902	6,982
Capital gain on sale of assets	737	2,126
Refund of customs charges	568	1,020
Energy revenues/Sale of CO_2 allowances	16,007	576
Release of funds	1,439	1,600
Property Sale	-	1,000
Other income	4,697	3,834
TOTAL OTHER INCOME	**27,764**	**22,475**

38. Raw materials and consumables

As at 31 December 2024, costs for raw materials and consumables used by the Group amounted to €1,176,036 thousand, compared to €1,071,218 thousand for the year. The adjacent table provides a detailed breakdown.

See note 17 to the statement of financial position for changes in inventories. It should be noted that the cost of scrap accounted for 80% of the total raw material cost.

For more information on the economic performance for the year, please refer to the Report on Operations.

AMOUNTS IN THOUSAND EUROS	2024	2023
Purchase of finished products, raw materials, supplies and consumables	1,215,335	1,052,029
Change in inventories of raw materials, supplies and consumable and goods	39,299	19,189
TOTAL COSTS FOR RAW MATERIALS AND CONSUMABLES	**1,176,036**	**1,071,218**

39. Cost of services

As at 31 December 2024, the Group's cost of services amounted to €382,162 thousand compared to €380,246 thousand in the previous year. The adjacent table provides a detailed breakdown.

The item Hires - Rentals of costs of services mainly refers to contracts for which the Group has applied the IFRS 16 exemption.

In the financial year 2024, costs of services are substantially in line with the previous year.

AMOUNTS IN THOUSAND EUROS	2024	2023
Miscellaneous energy and utilities	159,075	165,155
Maintenance and third-party services	37,517	63,592
Internal transport and transfers	66,343	61,183
Production services	57,453	39,202
Consultancy, Insurance, Advertising	22,472	18,429
Commissions	13,624	15,412
Fees for user licences	4,909	3,483
Hires - Rentals	2,141	2,531
Directors' compensation	2,232	2,020
Board of Statutory Auditors' compensation	170	170
Other miscellaneous minor items	16,227	9,071
TOTAL COST OF SERVICES	**382,162**	**380,246**

40. Personnel costs

As at 31 December 2024, the Group's personnel costs amounted to €138,277 thousand, compared to €126,408 thousand in 2023. The adjacent table provides a detailed breakdown.

This item includes the entire expense for employees, including merit increases, promotions, automatic cost-of-living increases, the cost of untaken holidays and provisions as provided for by law and collective agreements, bonuses to be paid for the achievement of certain objectives, and costs related to temporary staff if employed.

AMOUNTS IN THOUSAND EUROS	2024	2023
Wages and salaries	101,763	93,393
Social security contributions	27,755	25,895
Employee severance indemnity	2,986	2,739
Other personnel costs	5,773	4,381
TOTAL PERSONNEL COSTS	**138,277**	**126,408**

In the year 2024, personnel costs increased by €11,745 thousand. This increase is mainly due to contractual salary increases in Italy and cost-of-living adjustments in the German subsidiaries.

The adjacent table shows the number of Group employees by category and the average number:

EMPLOYEES AT YEAR-END	2024	2023
Executives	38	39
Employees	575	558
Blue-collars	1,373	1,325
TOTAL EMPLOYEES	**1,986**	**1,922**

AVERAGE ANNUAL EMPLOYEES	2024	2023
Executives	38	39
Employees	574	522
Blue-collars	1360	1,326
TOTAL EMPLOYEES	**1,972**	**1,887**

41. Other operating costs

As at 31 December 2024, other operating costs amounted to €6,208 thousand, compared to €12,229 thousand in 2023. The adjacent table provides a detailed breakdown.

Under “CO_2 allowances - Guarantees of origin”, the purchases of guarantees of origin and CO_2 allowances are accounted for. This item is down compared to the previous year, as in the current year the item is only Guarantees of origin.

Miscellaneous taxes and duties mainly refer to costs for IMU (municipal property tax), regional taxes for land reclamation, TARI (waste tax).

AMOUNTS IN THOUSAND EUROS	2024	2023
Provisions for risks	236	2,050
Loss on sale/disposal of assets	173	3,450
Charity	199	112
Membership fees	617	814
Miscellaneous taxes and duties	1,962	1,968
Deductible credit losses	22	272
CO_2 allowances - Guarantees of origin	1,345	2,062
Other operating costs	1,655	1,501
TOTAL OTHER OPERATING COSTS	**6,208**	**12,229**

42. Increases in fixed assets for in-house work

As at 31 December 2024, increases in fixed assets for in-house work amounted to €6,227 thousand, compared to €6,541 thousand in the previous year.

Increases in fixed assets refer to the participation of internal staff in the extraordinary maintenance and construction on a timework basis of certain parts of investments carried out during the year.

AMOUNTS IN THOUSAND EUROS	2024	2023
Increases in fixed assets for in-house work	6,227	6,541
TOTAL INCREASES IN FIXED ASSETS FOR IN-HOUSE WORK	**6,227**	**6,541**

43. Depreciation and amortisation

As at 31 December 2024, the Group's depreciation, amortisation and write-downs amounted to €70,306 thousand, compared to €65,391 thousand in the previous year. The adjacent table provides a detailed breakdown.

As regards depreciation and amortisation, it is specified that it was calculated on the basis of the useful life of the assets and their use in the production phase, taking into account technical and technological obsolescence, as well as physical-technical degradation.

The increase of €4,915 thousand is mainly due to the commissioning of new plants during the year and, to a lesser extent, to the transfer of the above-mentioned business unit, which generated higher amortisation of intangible assets.

AMOUNTS IN THOUSAND EUROS	2024	2023
Amortisation of intangible fixed assets	3,864	4,096
Depreciation of tangible fixed assets	62,532	57,757
Amortisation of right of use	3,783	3,538
Write-down of tangible fixed assets	127	-
TOTAL DEPRECIATION, AMORTISATION AND WRITE-DOWNS	**70,306**	**65,391**

44. Reversal/(Write-down) of financial assets

In 2024, the item Reversal/(write-down) of financial assets is positive and equal to €132 thousand, against €(1,177) thousand in the previous year. The adjacent table provides a detailed breakdown.

The item write-down of equity investment for the previous financial year refers to the write-down held in Metal Interconnector following the capital increase carried out during the year by Feralpi Siderurgica S.p.A. and Acciaierie di Calvisano S.p.A., as they did not consider its value recoverable. In 2024, no write-down was made, and the item is zero.

AMOUNTS IN THOUSAND EUROS	2024	2023
Reversal / (Write-down) of receivables included in current asset and cash and cash equivalents	(132)	672
Write-down of Metal Interconnector equity investment	-	(1,849)
TOTAL REVERSAL/(WRITE-DOWN) OF FINANCIAL ASSETS	**(132)**	**(1,177)**

45. Financial income

As at 31 December 2024, the Group's financial income amounted to €1,199 thousand, compared to €2,446 thousand in the previous year. The adjacent table provides a detailed breakdown.

The marked decrease compared to the previous year, as demonstrated in the table, is due to the interest accrued on *Time Deposits* closed during 2024, which are no longer present in Immobiliare Feralpi, ESF Elbe-Stahlwerke Feralpi GmbH, and Fer-Par Srl. Only the interest income relating to the Saexpa *Time Deposit* remains.

It should also be noted that the item relating to interest income concerns interest accrued on current account balances.

AMOUNTS IN THOUSAND EUROS	2024	2023
Interest income - Time deposit	183	1,704
Interest income on current accounts	756	429
Other financial income	179	226
Credit discounting and other assets	54	87
Income from derivative instruments	27	-
TOTAL FINANCIAL INCOME	**1,199**	**2,446**

46. Financial expenses

As at 31 December 2024, the Group's financial expenses amounted to €7,676 thousand, compared to €7,886 thousand in 2023. The adjacent table provides a detailed breakdown.

As a result of the demerger that occurred during the year, the financial expenses to Feralpi Holding S.p.A. were cancelled, resulting in the closure of the loans. Financial charges on credit lines increased significantly compared to the previous year due to the opening of new lines and also due to the increase in interest rates related to the economic situation.

AMOUNTS IN THOUSAND EUROS	2024	2023
Interest to Feralpi Holding S.p.A.	-	2,611
Bank interest for mortgages	2,217	2,564
Bank interest for credit lines	3,030	1,582
Interest on credit facilities	1,610	479
Finance charges on financial lease liabilities	510	355
Other interest expenses	309	294
Hedging interest	-	-
TOTAL FINANCIAL CHARGES	**7,676**	**7,886**

47. Share of profit of associates and joint ventures

In 2024, the share of profit of associates and joint ventures amounted to €3,069 thousand, compared to €3,855 thousand in the previous year. The adjacent table provides a detailed breakdown.

AMOUNTS IN THOUSAND EUROS	2024	2023
Alpifer S.r.l.	2,307	3,236
Dima S.r.l.	442	570
Media Steel S.r.l.	320	49
TOTAL SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES	**3,069**	**3,855**

48. Exchange gains and (losses)

The item Exchange gains and (losses) for the year 2024 amounts to a loss of €144 thousand compared to a loss of €30 thousand in the previous year. The change is mainly attributable to the increase in purchases of raw materials from non-European countries compared to the previous year.

49. Income taxes

The tax burden for the year 2024 amounts to a positive balance of €8,472 thousand. As at 31 December 2023, the Group closed with an income tax balance of €3,451 thousand. The adjacent table provides a detailed breakdown.

AMOUNTS IN THOUSAND EUROS	2024	2023
Current taxes and income/expenses	(5,508)	2,631
Deferred tax assets	13,522	499
Deferred taxes	458	321
TOTAL INCOME TAXES	**8,472**	**3,451**

The reconciliation between the theoretical tax burden determined by applying the current Italian IRES tax rate of 24% (same value in 2023) and the actual tax burden is shown in the adjacent table.

The change in the tax rate for 2024 is primarily due to the decreased tax deductions on contributions compared to 2023, when we benefited from energy-intensive contributions.

See note 15 for details of deferred tax assets and liabilities.

		2024		2023	
AMOUNTS IN THOUSAND EUROS		**TAXABLE**	**TAX**	**TAXABLE**	**TAX**
PRE-TAX PROFIT	**A**	**(46,213)**		**9,445**	
Applicable tax rate (IRES)	B	24.00%		24.00%	
THEORETICAL TAXES	**C=AxB**		**(11,091)**		**2,267**
Deduction of contributions for the period		(1,014)	(243)	(28,088)	(6,741)
Hyper/super amortisation		(3,277)	(786)	(5,467)	(1,312)
Joint venture shares		3,069	737	(3,308)	(794)
Intra-group dividend taxation effect		701	168	(192)	(46)
Non-deductible write-downs		2,868	688	2,375	570
Allocations to non-deductible provisions		37	9	2,563	615
Higher taxation effect of foreign companies		3,554	853	3,550	852
Other increases/decreases		4,763	1,143	3,021	725
TOTAL CHANGES	**D**		**2,568**		**(6,131)**
IRAP effect	E		51		413
TAX CHARGE RECORDED IN THE INCOME STATEMENT	**F=C+D+E**		**(8,472)**		**(3,451)**

50. Information on financial risks

The Group's main financial liabilities, other than derivatives, include bank loans and financing, and trade and other payables. The main purpose of these liabilities is to finance the Group's operating activities. The Group has financial and other receivables, trade and non-trade receivables, cash and cash equivalents and short-term deposits that originate directly from operations. The Group enters into derivative contracts.

As required by IFRS, information on the main financial risks to which the Group is exposed is provided below. In particular, the Group is exposed to the following risks: market, interest rate, foreign exchange, commodity price, securities, credit and liquidity. The Group's management is responsible for managing these risks.

It receives support in this activity from the Administration, Finance and Control Department, which provides information on financial risks and suggests an appropriate Group-wide risk management practice based on appropriate business practices and procedures so that financial risks are identified, assessed and managed as required by Group policies and procedures. It is the Group's established practice not to enter into derivatives for trading or speculative purposes. The Board of Directors reviews and approves the management policies for each of the risks outlined below.

50.1. Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will change due to changes in the market price. Market price risk comprises three types of risk: interest rate risk, currency risk and other price risks, such as equity risk and commodity price risk. Financial instruments affected by market risk include loans and financing, deposits, debt and equity instruments and derivative financial instruments.
The sensitivity analyses presented below refer to positions as at 31 December 2024 and 2023 and have been prepared under the assumption that the amount of net debt, the ratio of fixed and variable interest rates on debt and derivatives, and the portion of financial instruments in foreign currencies are all constant and aligned with the designation of hedges in place as at 31 December 2024.
The analyses exclude the impact of movements in market variables on the carrying amount of pension plans and other post-employment obligations, provisions and non-financial assets and liabilities of foreign subsidiaries.
The following assumptions were made in the calculation of the sensitivity analyses:

- the sensitivity analysis of the relevant elements of the statement of profit/(loss) for the year is the effect of changes assumed with respect to market risks. It is based on financial assets and liabilities held as at 31 December 2024 and 2023 including the effect of hedge accounting;
- the sensitivity analysis on equity is calculated considering the effect of any cash flow hedges and hedges of net investments in foreign operations as at 31 December 2024, associated with the effects of estimated changes in the underlying risk.

50.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is primarily related to long-term debt with variable interest rates.

The Group manages its interest rate risk through a balanced portfolio of loans and financing at fixed and variable interest rates. The Group's policy is to hold medium- to long-term loans at variable rates, excluding loans related to discontinued operations, against which interest rate swaps (IRS) are entered into for no less than 50% of the amount of medium- to long-term debt. Through IRSs, the Group agrees to exchange, at defined intervals, the difference in amount between the fixed and variable rate calculated by reference to an agreed amount of notional principal. These swaps are designated to hedge the underlying debt.

The following table illustrates the sensitivity to a reasonably possible change in interest rates on that portion of debts and loans, after the impact of hedge accounting.
With all other variables held constant, the Group's pre-tax profit is affected by the impact on variable-rate loans as follows:

AMOUNTS IN THOUSAND EUROS	INCREASE/DECREASE IN BASIS POINTS	2024	2023
Pre-tax profit	+50	151	141
	-50	(151)	(141)

50.3. Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of an exposure will change as a result of changes in exchange rates. The Group's exposure to the risk of exchange rate changes mainly relates to the Group's operating activities (when revenues or costs are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. It is considered that the exchange rate risk is not significant because the transactions are carried out mainly in euros.

50.4. Commodity price risk

The Group is affected by the volatility of the price of certain commodities such as mainly ferrous scrap, energy and natural gas. The Group is exposed to changes in the price of scrap with regard to planned purchases of this product. The Group's Board of Directors has developed and implemented a risk management strategy, including the increase in sales prices to customers related to rising commodity prices, aimed at mitigating the impact of commodity prices on margins.
In the long run, trends in the price of ferrous scrap and electricity on the one hand and the price of the finished product on the other tend to run on parallel lines; any hedging transactions are assessed in the light of the liquidity of the official markets in which the main trades are conducted.

The adjacent table shows the effect of the change in raw material prices.

AMOUNTS IN THOUSAND EUROS	YEAR-END PRICE CHANGE	EFFECT ON PRE-TAX PROFIT		GROSS EFFECT ON SHAREHOLDERS' EQUITY	
		2024	2023	2024	2023
Iron scrap	10%	96,000	85,876	96,000	85,876
	-10%	(96,000)	(85,876)	(96,000)	(85,876)
Energy	10%	15,106	17,365	15,106	17,365
	-10%	(15,106)	(17,365)	(15,106)	(17,365)
Methane gas	10%	2,991	3,749	2,991	3,749
	-10%	(2,991)	(3,749)	(2,991)	(3,749)

50.5. Equity price risk

The Group's listed and unlisted equities are exposed to market price risk arising from uncertainties in the future values of securities. The Group manages price risk through diversification and by placing single or total limits on equities. Reports on the share portfolio are regularly submitted to the Group's management. The Group's Board of Directors reviews and approves all equity investment decisions.

50.6. Credit risk

Credit risk is the risk that a counterpart will not fulfil its obligations linked to a financial instrument or commercial contract, thus leading to a financial loss. The Group is exposed to credit risk arising from its operating activities (mainly trade receivables and credit notes) and its financing activities, including deposits with banks and financial institutions, foreign currency transactions and other financial instruments.

50.6.1. Trade receivables and contract assets

Trade credit risk is mitigated by the application of Group procedures and guidelines for the selection and assessment of the customer portfolio, for the definition of credit limits, for monitoring expected collection flows and for any recovery actions.

They provide, where possible and appropriate, for the conclusion of insurance policies with leading counterparts as well as, in some cases, requesting additional guarantees from customers. Group Credit Management manages and monitors credit risk in the Group.

The Group considers the concentration risk of trade receivables and contract assets to be low, based on the size of the customer portfolio and the location of customers, which operate in different countries and in partly independent markets. Credit risk is also mitigated by the use of the non-recourse assignment instrument to specialised financial operators.

50.6.2. Financial instruments and bank deposits

Credit risk related to relations with banks and financial institutions is managed by the Group Treasury in accordance with Group practice. The investment of available funds is made only with approved counterparts and within the credit limits allocated to each counterpart. Counterpart credit limits are reviewed annually by the Board of Directors and may be updated throughout the year. Limits are defined to minimise the concentration of risks and, consequently, mitigate the financial loss generated by the potential failure of the counterpart.

50.7. Liquidity risk

The Group monitors the risk of a liquidity shortage using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity in the availability of funds and flexibility in their utilisation through the use of instruments such as bank overdrafts, bank loans and leasing contracts. It is the Group's policy to adjust the maturity of loans to the cash flow generation perspectives; to this end, the Group Treasury prepares financial projections that are derived from the Business Plan, Budget and Forecast.

As at 31 December 2024, 31.6% of the Group's debt was due in less than one year. The Group assessed the risk concentration, with reference to debt refinancing, and concluded that it is low. Access to financing sources is sufficiently available and debts due within 12 months can be extended with existing lenders.

50.7.1. Risk of over-concentration

Concentration arises when a number of counterparts are engaged in a similar business or exercise their activities in the same geographical area or have economic characteristics such that their ability to honour contractual commitments is affected by economic, political or other changes. Concentration indicates the relative sensitivity of the Group's result to changes that may affect a particular sector.

In order to avoid excessive risk concentration, the Group's rules and procedures include specific guidelines for maintaining a diversified portfolio. If situations of credit risk concentration are identified, they are controlled and managed accordingly.

The adjacent table summarises the maturity profile of the Group's financial liabilities on the basis of contractually agreed undiscounted payments.

AS AT 31 DECEMBER 2024 AMOUNTS IN THOUSAND EUROS	AT SIGHT	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL
Loans and borrowings	47,274	8,800	48,837	87,595		**192,506**
Lease liabilities	-	-	3,781	9,964	21	**13,766**
Other financial liabilities	-					
Trade payables	385,381	-	-	-	-	**385,381**
Downstream products	-	-	257	58	-	**315**
TOTAL	**432,655**	**8,800**	**52,875**	**97,617**	**21**	**591,968**

AS AT 31 DECEMBER 2023 AMOUNTS IN THOUSAND EUROS	AT SIGHT	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL
Loans and borrowings	16,019		49,018	133,191		**198,228**
Lease liabilities			3,949	10,507	3,110	**17,566**
Other financial liabilities	-	1,283	1,120	-	-	**2,403**
Trade payables	279,172	-	-	-	-	**279,172**
Downstream products	-	-	254	295	-	**549**
TOTAL	**295,191**	**1,283**	**54,341**	**143,993**	**3,110**	**497,918**

50.7.2 Climate Risk

The Group considers climate-related issues in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for the Group arising from both physical and transition risks. Even though the Group believes that its business model and products will remain appealing after the transition to a low-emission economy, climate-related issues increase the uncertainty of estimates and assumptions concerning numerous elements or items in the financial statements. For further details, please refer to the specific paragraph in the Unified Document.

50.8. Capital Management

For the purposes of the group's capital management, the definition includes the issued share capital, the share premium reserve and all other capital reserves attributable to the shareholders of the parent company. The main objective of capital management is to maximise shareholder value.

The Group manages the capital structure and makes adjustments according to economic conditions and the requirements of financial covenants. In order to maintain or adjust the capital structure, the Group could take action on dividends paid to shareholders, repay capital to shareholders or issue new shares. The Group monitors assets using mainly three indicators: Gearing Ratio, consisting of the ratio between Net Financial Position and Shareholders' Equity; Debt Coverage Ratio, consisting of the ratio between Net Financial Position and EBITDA; Debt Service Coverage Ratio, consisting of the ratio between Free Operating Cash Flow after taxes and loan instalments to be repaid plus related interest. The group's policy is to maintain this ratio so as to keep safety margins with respect to financial covenants. The Group's Net Financial Position includes interest-bearing loans, borrowings, leases and in general financial liabilities less cash and cash equivalents and short-term deposits and excluding discontinued operations.

AMOUNTS IN THOUSAND EUROS	2024	2023
Interest-bearing loans and borrowings	192,507	201,179
Lease payables	13,766	17,566
Less: cash and cash equivalents and short-term deposits	(50,720)	(173,189)
NET DEBT	**155,552**	**45,556**
Group and minority interest Shareholders' equity	895,650	927,978
CAPITAL AND NET DEBT	**1,051,202**	**973,534**
GEARING RATIO	**14.8%**	**4.7%**

Interest-bearing loans and borrowings also include other non-current financial liabilities.

In order to achieve this, the Group's capital management aims, among other things, to ensure that the covenants, linked to interest-bearing loans and borrowings, which define the capital structure requirements, are met. Violations of covenants would allow banks to demand immediate repayment of loans and financing. In the current and previous years, there were no breaches of covenants in connection with interest-bearing loans and borrowings.

No changes were made to capital management objectives, policies and procedures during the year ended 31 December 2024.

50.8.1. Fair value measurement

The adjacent table compares, by individual class, the carrying amount and fair value of financial instruments held by the Group, excluding those whose carrying amount reasonably approximates fair value.

AMOUNTS IN THOUSAND EUROS	2024		2023	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
FINANCIAL ASSETS				
Non-current financial assets	3,544	3,544	6,667	6,667
Current financial assets	5,563	5,563	7,560	7,560
Cash and other liquid assets	50,720	50,720	173,189	173,189
TOTAL FINANCIAL ASSETS	**59,827**	**59,827**	**187,416**	**187,416**
FINANCIAL LIABILITIES				
Non-current financial payables	84,686	83,655	133,445	136,346
Current financial payables	107,820	107,820	67,734	67,734
TOTAL FINANCIAL LIABILITIES	**192,506**	**191,475**	**201,179**	**204,080**

Management has verified that the carrying amount of cash and cash equivalents and short-term deposits, trade receivables and payables, bank overdrafts and other current liabilities approximates fair value as a result of the short-term maturities of these instruments.
The following methods and assumptions were used to estimate fair value:

- Long-term loans and receivables, both fixed-rate and variable-rate, are assessed by the Group on the basis of parameters such as interest rates, country-specific risk factors, the individual creditworthiness of each customer and the characteristic risk of the financial project. On the basis of this valuation, allocations for estimated losses on these receivables are recognised in the accounts.
- The fair value of listed securities and bonds is based on the quoted price at the reporting date. The fair value of unlisted instruments, such as loans from banks or other non-current financial liabilities, is estimated by discounting future cash flows using current rates available for debt with similar terms, such as credit risk and remaining maturities. In addition to being sensitive to reasonably possible changes in expected cash flows or the discount rate, the fair value of equity securities is also sensitive to reasonably possible changes in growth rates. The evaluation requires management to use unobservable input data. Management regularly defines a range of reasonably possible alternatives for these significant unobservable inputs and determines their impact on total fair value.
- The fair value of investments in unlisted companies was estimated using the discounted cash flow model. The assessment requires management to make certain assumptions with respect to model inputs, including expected cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably verified and are used in management's estimates of fair value for these investments in unlisted companies.
- There is an active market for the Group's investments in listed shares and listed debt instruments.
- The Group enters into derivative financial instruments with various counterparts, mainly financial institutions with an assigned credit rating. Derivatives measured using valuation techniques with observable market data consist mainly of interest rate swaps, currency and commodity forward contracts. The most frequently applied valuation techniques include "forward pricing" and "swaps" models, which use present value calculations. The models consider various inputs, including the credit quality of the counterpart, foreign currency spot and forward rates, interest rate curves and forward rate curves of the underlying commodities, the yield curves of the respective currencies, and the base spread between the respective currencies. All derivative contracts are fully secured by liquidity, thus eliminating both counterpart risk and the risk of default by the Group. As at 31 December 2024, the mark-to-market value of other derivative assets is shown net of an adjustment related to the recognition of counterpart default risk in the derivative contract. The change in counterpart credit risk did not have a material effect on the assessment of hedge effectiveness for derivatives designated as hedging and for other financial instruments recognised at fair value.
- The fair value of the Group's loans and borrowings that bear interest is determined using the discounted cash flow method and using a discount rate that reflects the interest rate of the issuer at the end of the financial year. The Group's default risk as at 31 December 2024 was assessed as insignificant.

The following table shows the *fair value* hierarchy for the Group's assets and liabilities as at 31 December 2024 and in the previous year:

AMOUNTS IN THOUSAND EUROS	31/12/2024			31/12/2023		
	PRICES QUOTED IN AN ACTIVE MARKET (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	PRICES QUOTED IN AN ACTIVE MARKET (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
FINANCIAL ASSETS						
Non-current financial assets	-	3,544		-	6,667	
Current financial assets	-	5,563		-	7,560	
Cash and other liquid assets	50,720	-		173,189	-	
TOTAL FINANCIAL ASSETS	**50,720**	**9,107**		**173,189**	**14,227**	
FINANCIAL LIABILITIES						
Other non-current financial liabilities						
Current financial payables		140,117			67,734	
Current lease payables		3,781			3,949	
TOTAL FINANCIAL LIABILITIES	**-**	**206,272**		**-**	**221,646**	

51. Other information

51.1. Off-balance sheet commitments, guarantees and risks

The adjacent table summarizes the guarantees issued by the Group.

The above guarantees refer to letters of patronage in favour of Group companies for loans and credit facilities granted and for the purchase of certain commodities.

GUARANTEES	31.12.2024	31.12.2023
Guarantees - subsidiaries	238,518	58,953
Guarantees - associates	93,360	94,860
Other guarantees	5,458	36,100
TOTAL	**337,336**	**189,913**

51.2. Amount of compensation to directors, statutory auditors and independent auditors

The compensation paid in 2024 to the Directors and the Board of Statutory Auditors (Article 2427, no. 16 of the Italian Civil Code) of the parent company for performing this function also in other companies included in the scope of consolidation is shown in the adjacent table.

Such compensation includes emoluments and any other sum of a remuneration, social security and welfare nature due for the performance of the function of director or auditor that constituted a cost for the Group, even if not subject to personal income tax.

AMOUNTS IN THOUSAND EUROS	2024 COMPENSATION
Directors	2,332
Board of Statutory Auditors	170
TOTAL	**2,502**

Below are details of the fees due to the independent auditors for the statutory audit and other services rendered during the year:

STATUTORY AUDIT AND OTHER SERVICES AMOUNTS IN THOUSAND EUROS	2024 COMPENSATION
Statutory audit services	223
Other audit services performed	32
Other non-audit services	**97**
TOTAL	**352**

51.3. Categories of shares issued and securities issued by the Group

The share capital of €50,000 thousand, fully subscribed and paid-up, is divided into 5,000,000 shares, each with a value of €10.
The Group has not issued any securities or similar instruments.

51.4. National tax consolidation, Group VAT and Tax liability

The individual companies of Feralpi Group operate in compliance with local tax regulations. The Group has not received any notifications from its stakeholders concerning tax matters, and if any were to arise, they would be managed by the appropriate corporate departments. The Group companies provide the competent Authorities with all the necessary information in terms of completeness, correctness, and timeliness in accordance with the principles of the Group's Code of Ethics.

The Administration and Finance Department of the Parent Company Feralpi Siderurgica S.p.A. plays a supervisory, guidance and coordination role with regard to intercompany relations in tax matters, while responsibility for compliance in this respect lies with the Administration and Finance functions of each individual subsidiary.

For the 2024 financial year, the companies revoked the option for adhering to consolidated taxation, pursuant to Article 117 et seq. of the TUIR, following the demerger of Feralpi Holding S.p.A. which took place in November 2024. This modification to the company structure has rendered the regime no longer applicable and consequently led to the autonomous management of taxes by all the individual companies.

As for VAT, Feralpi Siderurgica S.p.A. opted into the Group VAT regime on 18 April 2024, as the "controlling entity or company", in section VK of form 2024 for the year 2023. This optional regime allows a single taxable entity to be considered for VAT purposes, offering certain benefits such as the simplification and reduction of tax obligations, the balancing of credit and debit positions of individual companies, the optimisation of liquidity management, and the reduction of the total financial burden.

The Group companies participating in this tax regime are the following: Acciaierie di Calvisano S.p.A., Nuova Defim S.p.A., Fer-Par S.r.l., Presider S.p.a., Caleotto S.p.a., Arlenico S.p.a. and Feralpi Villasor S.r.l.
It should be noted that the German companies Feralpi Stahlhandel GmbH and Feralpi-Logistik GmbH also adhere to the tax consolidation scheme in Germany where the consolidating company is ESF Elbe-Stahlwerke Feralpi GmbH.

51.5. Information pursuant to Article 1, paragraph 125, of Law no. 124 of 4 August 2017

With reference to Article 1 paragraph 125 of Law 124/2017, the company is obliged to disclose public grants received. To this end, the following table shows the main grants and subsidies received during the year.

FERALPI SIDERURGICA S.p.A.

NAME OF GRANTING BODY	AMOUNT	GRANTING DATE	COLLECTION DATE	USE FOR OFFSETTING	REASON
Acquirente Unico S.p.A.	€4,731,426.79	17/12/2024	30/12/2024		**Aid for indirect emission costs 2023 D.D. 31/05/2024** **Measure Type** Aid scheme **Measure Law** Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS (“aid for indirect emission costs”).
Acquirente Unico S.p.A.	€3,915,863.59	29/12/2023	17/01/2024		**Aid for indirect emission costs 2022 D.D. 10/08/2023** **Measure Title** Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS (“aid for indirect emission costs”). **Measure Type** Aid scheme **Measure Law** Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. **Granting Authority** Acquirente Unico S.p.A.
FONDIMPRESA	€9,600.00	31/05/2024	Corporate fund account (ISFOR Lead Company)		**ROOTS: the roots of skills** **Measure Title** Regulation for interprofessional funds for continuing training for the granting of State aid exempted under Regulation (EC) no. 651/2014 and under the de minimis regime under Regulation (EC) no. 1407/2013. **Measure Type** Aid scheme **Measure Law** Provisions for the drafting of the annual and multi-year State budget (2001 Budget Law).

NAME OF GRANTING BODY	AMOUNT	GRANTING DATE	COLLECTION DATE	USE FOR OFFSETTING	REASON
Tax credit	€1,502,679.42				**INDUSTRY 4.0 Interconnections 2024** Law 178/2020: "Assets intended for the benefits referred to in paragraphs 1054 to 1058 of Article 1 of Law 178/2020, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)"; Law 234/2021: "Assets intended for the benefits referred to in paragraphs 1054 to 1058-ter of Article 1 of Law 178/2020, as amended by Law 234/2021, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)". The total amount of €1,502,679.42 is available in 3 equal instalments starting from the year of interconnection (2024).
TAX CREDIT					
EUROPEAN COMMUNITY	€80,131.39		23/02/2024		**European RFCS project named ONLY PLASTIC** Project share
EUROPEAN COMMUNITY	€74,759.09		05/06/2024		**European project H2020 called CORALIS** Project share
EUROPEAN COMMUNITY	€106,453.12		07/06/2024		**European project CSP - HORIZON called ModHeatTech** PRE-FINANCING
EUROPEAN COMMUNITY	€593,977.05		17/10/2024		**European CSP - RFCs project called Modiplant** PRE-FINANCING
EUROPEAN COMMUNITY	€197,992.35		14/11/2024		**European CSP - RFCs project called Modiplant** PRE-FINANCING
EUROPEAN COMMUNITY	€59,162.50		06/12/2024		**European CSP project called SunShine** PRE-FINANCING
Sustainable growth fund	€385,535.53		31/07/2024		**Ministerial Project SteelzeroWaste no. F/220019/00/X47**
BRESCIA MUSEI FOUNDATION	€9,750.00		Donation of €15,000. 27/02/2024 (Date recorded by the beneficiary body)		**ART BONUS 2023** Charitable donation made for the purposes of Article 1. ART-BONUS-Tax credit to promote charitable donations in support of culture (Decree Law no. 83 of 31 May 2014, converted with amendments into Law no. 106 of 29 July 2014, as amended). Tax credit equal to 65% of the donated amount to be divided into 3 annual instalments (€3,250.00 sub. expenditure - 1st instalment 2024 - 2nd instalment 2025 - 3rd instalment 2026).
AIB FOUNDATION	€4,723.54		11/07/2024		**CONFINDUSTRIA BRESCIA REIMBURSEMENT FOR MEMBERS** For companies that are members of Confindustria Brescia, a reimbursement of 30% of the cost incurred for training carried out with ISFOR is recognised.
Lombardy Region	€12,000.00		27/02/2024		**EMPLOYMENT INCENTIVES / SKILL ADJUSTMENT**
Lombardy Region	€3,600.00		27/02/2024		**EMPLOYMENT INCENTIVES / SKILL ADJUSTMENT**
Lombardy Region	€8,400.00		27/02/2024		**EMPLOYMENT INCENTIVES / SKILL ADJUSTMENT**

ACCIAIERIE DI CALVISANO S.p.A.

NAME OF GRANTING BODY	AMOUNT	GRANTING DATE	COLLECTION DATE	REASON
Acquirente Unico S.p.A.	€1,186,404.95	29/12/2023	17/01/2024	**Project Title** **Aid for indirect emission costs 2022 D.D. 10/08/2023 Aid for indirect emission costs 2022 D.D. 10/08/2023** **Measure Title** Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS (“aid for indirect emission costs”). **Measure Type** Aid scheme **Measure Law** Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Amount deductible from RNA
Acquirente Unico S.p.A.	€1,519,742.49	17/12/2024	30/12/2024	**Project Title** **Aid for indirect emission costs 2023 D.D. 31/05/2024** **Measure Title** Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS (“aid for indirect emission costs”). **Measure Type** Aid scheme **Measure Law** Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. Amount deductible from the RNA.
Excise, Customs and Monopolies Agency - Italian State	€50,208.89		01/07/2024	**Refund of subsidised excise duty**
Excise, Customs and Monopolies Agency - Italian State	€20,591.11		30/12/2024	**Refund of subsidised excise duty**
EUROPEAN COMMUNITY	€91,956.00		18/04/2024	**European RFCs project called BIORECAST (01/11/2023 -30/04/2027)** PRE-FINANCING
Tax credit	€389,176.56			**INDUSTRY 4.0 Interconnections 2024** Law 178/2020: “Assets intended for the benefits referred to in paragraphs 1054 to 1058 of Article 1 of Law 178/2020, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)”; Law 234/2021: “Assets intended for the benefits referred to in paragraphs 1054 to 1058-ter of Article 1 of Law 178/2020, as amended by Law 234/2021, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)”. The total amount of €389,176.56 is available in 3 equal instalments starting from the year of interconnection (2024).
Confindustria Brescia	€2,689.80		11/07/2024	**CONFINDUSTRIA BRESCIA REIMBURSEMENT FOR MEMBERS** For companies that are members of Confindustria Brescia, a reimbursement of 30% of the cost incurred for training carried out with ISFOR is recognised.

ARLENICO S.p.A.

NAME OF GRANTING BODY	AMOUNT	GRANTING DATE	COLLECTION DATE	REASON
Acquirente Unico S.p.A.	€225,899.88	12/17/2024	12/30/2024	**Project title** **Aid for indirect emission costs 2023 D.D. 31/05/2024** **Measure title** Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs") **Measure Type** Aid scheme Measure Law Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Regulation (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. **Concession Deed** Single Buyer Provision no. 76 of 17/12/2024
Acquirente Unico S.p.A.	€183,430.20	29/12/2023	17/01/2024	**Project title** **Aid for indirect emission costs 2022 D.D. 10/08/2023** **Measure Title** Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs") **Measure Type** Aid scheme **Measure Law** Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. **Granting Authority** Acquirente Unico S.p.A. **Granting date** 29/12/2023 **Granting act** Single Buyer Provision no. 63 of 29/12/2023 **Project Title** Aid for indirect emission costs 2022 D.D. 10/08/2023 **Description** Aid for indirect emission costs 2022 D.D. 10/08/2023
Tax credit	€2,208,050.56			**INDUSTRY 4.0 2024** Law 178/2020: "Assets intended for the benefits referred to in paragraphs 1054 to 1058 of Article 1 of Law 178/2020, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)"; Law 234/2021: "Assets intended for the benefits referred to in paragraphs 1054 to 1058-ter of Article 1 of Law 178/2020, as amended by Law 234/2021, in compliance with the conditions set out in Law 232/2016 (Article 1, paragraph 1062 of Law 178/2020)". The total amount of €389,176.56 is available in 3 equal instalments starting from the year of interconnection (2024).

PRESIDER S.p.A.

NAME OF GRANTING BODY	AMOUNT COLLECTED	COLLECTION DATE	REASON
GSE	€117,784		**Incentives related to the use of the photovoltaic system.**

51.6. Significant events occurring after the end of the year

On 20 December 2024, with an additional addendum dated 31 January 2025, Feralpi Siderurgica S.p.A. agreed to a medium-to-long-term *Sustainability Linked Loan* amounting to €170.0 million, comprising a Capex tranche of €120.0 million and a Refi tranche of EUR 50.0 million. The disbursement of the loan took place for a first part, amounting to €100.0 million, on January 2025. The loan is aimed at supporting both ordinary and extraordinary industrial investments of Feralpi Siderurgica S.p.A. and its subsidiaries, and it includes a margin trend linked to achieving two ESG Performance Indicators. The first indicator focuses on reducing specific CO_2 emissions and is calculated based on criteria validated by SBTi. The second indicator focuses on enhancing worker safety and measures the percentage of employees in group companies certified under the ISO 45001 standard. Through this transaction, Feralpi Siderurgica S.p.A. increases the average *maturity* of its financing structure. The loan also allows for achieving the aim of having a portion of medium- to long-term financing whose margin is linked to achieving ESG objectives. The loan was secured through a consortium of banking institutions, comprising Banca Nazionale del Lavoro S.p.A., Credit Agricole Italia S.p.A., Intesa Sanpaolo S.p.A., and Unicredit S.p.A., who took on the roles of Lenders, *Global Coordinator*, *Mandated Lead Arranger*, *Bookrunner*, as well as *Sustainability Coordinator*, Banco BPM, BPER, and Cassa Depositi e Prestiti served as Arrangers. Banca Nazionale del Lavoro also acted as Agent and SACE Agent. The CapEx tranche of the loan was backed by the SACE Archimede guarantee.

Lonato del Garda, 31 March 2025

For the Board of Directors

The Chairman
Giuseppe Pasini

Appendix

1. Financial information on associates and joint ventures

1.1. Media Steel S.r.l.

The Group holds a 45% stake in Media Steel S.r.l., whose corporate purpose is the purchase and resale to the steel industry of scrap used by the steel industry as raw material.

The adjacent table summarises the financial information of the Group's investment in Media Steel S.r.l.

The associate has no contingent liabilities or commitments as at 31 December 2024.

AMOUNTS IN THOUSAND EUROS	31/12/2024	31/12/2023
Current assets	112,000	80,385
Non-current Assets	541	576
Current liabilities	(104,457)	(73,624)
Non-current liabilities	(346)	(309)
SHAREHOLDERS' EQUITY	**7,738**	**7,028**
Group share of shareholders' equity	45%	45%
CARRYING AMOUNT OF THE GROUP'S EQUITY INVESTMENT	**3,482**	**3,163**

AMOUNTS IN THOUSAND EUROS	2024	2023
Revenues from contracts with customers	357,071	303,571
Raw materials and consumables	(348,156)	(297,224)
Cost of services and other operating expenses	(2,924)	(2,657)
Financial expenses	(3,950)	(2,772)
PRE-TAX PROFIT	**2,041**	**918**
Taxes	(1,330)	(810)
NET PROFIT FOR THE YEAR (FROM CONTINUING OPERATIONS)	**710**	**108**
Other comprehensive income components that may be reclassified to profit/(loss) for the year net of tax	-	-
Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax	-	-
TOTAL COMPREHENSIVE INCOME (FROM CONTINUING OPERATIONS)	**710**	**108**
GROUP NET PROFIT FOR THE YEAR	**320**	**49**

1.2. Dima S.r.l.

The Group holds a 31% stake in Dima S.r.l., which is involved in the treatment and reuse of inert materials.

The Group's investment in Dima S.r.l. is accounted for in the consolidated financial statements using the equity method.

The adjacent table summarises the financial information of the Group's investment in Dima S.r.l.

The associate has no contingent liabilities or commitments as at 31 December 2024.

AMOUNTS IN THOUSAND EUROS	31/12/2024	31/12/2023
Current assets	7,031	10,571
Non-current Assets	9,986	6,974
Current liabilities	(8,330)	(9,622)
Non-current liabilities	(315)	(277)
SHAREHOLDERS' EQUITY	**8,372**	**7,645**
Group share of shareholders' equity	31%	31%
CARRYING AMOUNT OF THE GROUP'S EQUITY INVESTMENT	**2,595**	**2,370**

AMOUNTS IN THOUSAND EUROS	2024	2023
Revenues from contracts with customers	11,661	13,113
Raw materials and consumables	(1,751)	(2,273)
Cost of services and other operating expenses	(8,296)	(8,110)
Write-down of financial assets	-	-
Financial expenses	(118)	(58)
PRE-TAX PROFIT	**1,496**	**2,672**
Taxes	(423)	(834)
NET PROFIT FOR THE YEAR (FROM CONTINUING OPERATIONS)	**1,072**	**1,838**
Other comprehensive income components that may be reclassified to profit/(loss) for the year net of tax	-	-
Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax	-	-
TOTAL COMPREHENSIVE INCOME (FROM CONTINUING OPERATIONS)	**1,072**	**1,838**
GROUP NET PROFIT FOR THE YEAR	**332**	**570**

1.3. Alpifer Group

Feralpi Group holds a 50% stake in Alpifer S.r.l., which in turn controls Unifer S.p.A. Steelfer S.r.l. The Alpifer Group is active in the processing of steel products for the construction industry.

The adjacent table summarises the financial information of the Group's investment in Alpifer S.r.l.

The associate has no contingent liabilities or commitments as at 31 December 2024.

AMOUNTS IN THOUSAND EUROS	31/12/2024	31/12/2023
Non-current Assets	28,200	27,872
Current assets		
Current liabilities	(51,085)	(52,595)
Non-current liabilities	(137)	(129)
SHAREHOLDERS' EQUITY	**41,640**	**38,024**
Group share of shareholders' equity	50%	50%
Goodwill	-	-
CARRYING AMOUNT OF THE GROUP'S EQUITY INVESTMENT	**20,820**	**19,012**

AMOUNTS IN THOUSAND EUROS	2024	2023
Revenues from contracts with customers	107,782	109,563
Raw materials and consumables	(83,847)	(84,395)
Cost of services and other operating expenses	(17,411)	(15,929)
Financial expenses	(255)	(574)
PRE-TAX PROFIT	**6,269**	**8,665**
Taxes	1,640	2,193
NET PROFIT FOR THE YEAR (FROM CONTINUING OPERATIONS)	**4,629**	**6,473**
Other comprehensive income components that may be reclassified to profit/(loss) for the year net of tax	-	-
Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax	-	-
TOTAL COMPREHENSIVE INCOME (FROM CONTINUING OPERATIONS)	**4,629**	**6,473**
GROUP NET PROFIT FOR THE YEAR	**2,314**	**3,236**


SMS group

RELATIONS

Relations

Board of Statutory Auditors' Report

REPORT OF THE BOARD OF STATUTORY AUDITORS

OF FERALPI SIDERURGICA S.p.A. ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

PURSUANT TO **ARTICLE 2429**, PARAGRAPH 2, **OF THE ITALIAN CIVIL CODE**

To the Shareholders' Meeting of Feralpi Siderurgica S.p.A. ("Feralpi"; the "Company")

Foreword

This report has been prepared pursuant to Article 2429 of the Italian Civil Code, as the Company has entrusted the statutory audit, pursuant to Article 13 of Legislative Decree no. 39/2010, to the audit firm EY S.p.A.

The Board of Statutory Auditors is not responsible for the statutory audit and has carried out, on both the separate and consolidated financial statements, the supervisory activities provided for by the "*Rules of Conduct of the Board of Statutory Auditors of unlisted companies*", consisting of a general summary review aimed at verifying that the financial statements have been properly prepared. The verification of consistency with the accounting records is, in fact, the responsibility of the above-mentioned audit firm.

The Board of Directors has made available the following documents relating to the financial year ended 31 December 2024:

- The separate financial statements for the year ended 31 December 2024, which show a loss of EUR 26,333 thousand (which does not fall within the cases referred to in Articles 2446 and 2447 of the Italian Civil Code);;
- The consolidated financial statements for the year ended 31 December 2024, which show a loss of EUR 37,742 thousand;
- The Report on Operations.

The structure of this report is based on the legal provisions and the "*Rules of Conduct of the Board of Statutory Auditors* of *unlisted companies*" *issued by the National Council of Chartered Accountants and Accounting Experts*, as subsequently amended and supplemented, published in December 2024.

Knowledge of the company, risk assessment and report on mandates entrusted

Based on the knowledge that the Board of Statutory Auditors declares to have acquired regarding the Company, specifically concerning:

i) the nature of the business activities carried out;

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ii) its organisational and accounting structure;

and taking into consideration the size and characteristics of the Company, it should be noted that the "*planning*" phase of the supervisory activity was carried out through the information acquired from the moment of appointment and throughout the entire 2024 financial year.

It was therefore possible to verify that:

- the Company's core business activity has not substantially changed during the financial year under review and remains consistent with the corporate purpose;
- the organisational structure as well as the IT infrastructure have remained substantially unchanged, and the management of operational activities has not undergone significant changes, including following the incorporation of activities resulting from the full demerger of Feralpi Holding S.p.A. (which ceased to exist as of 27 November 2024).

This report therefore summarises the activities related to the information required under Article 2429, paragraph 2, of the Italian Civil Code, and more specifically:

- on the results of the financial year;
- on the activities carried out in fulfilment of the duties provided by law;
- on any comments and proposals regarding the financial statements, with particular reference to the possible use by the Board of Directors of the exception provided for in Article 2423, paragraph 4, of the Italian Civil Code;
- on any shareholders' complaints received pursuant to Article 2408 of the Italian Civil Code.

During the financial year, the meetings of the Board of Statutory Auditors, as required by Article 2404 of the Italian Civil Code, were held regularly, and specific minutes of these meetings were drawn up and duly signed following unanimous approval.

Activity carried out

During its periodic audits, the Board of Statutory Auditors monitored the development of the Company's activities, paying particular attention to contingent and/or extraordinary matters in order to assess their economic and financial impact on the financial results and on the Company's equity structure.

The Board attended the Shareholders' Meetings and the meetings of the Board of Directors and, based on the information available, did not detect any violations of the law or of the Articles of Association, nor any manifestly imprudent, risky, potentially conflicting or detrimental operations that could compromise the integrity of the Company's assets.

Furthermore, during the meetings held, the Board obtained information from the Directors on the general course of business and its foreseeable development.

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The Directors have prepared the financial statements as at 31 December 2024 on a going concern basis.

The Board also assessed the adequacy of the organisational, administrative and accounting structure and its effective functioning, within the scope of its responsibilities; it also assessed its reliability in correctly representing business transactions, including with reference to the provisions recently introduced by Articles 2086 of the Italian Civil Code and Article 4, paragraph3, of the CCII (Italian Code of Corporate Crisis and Insolvency), through obtaining information from the responsible functions and examining corporate documentation.

Throughout the financial year, it was observed that:

- the internal administrative staff responsible for recording corporate transactions has not substantially changed compared to the previous financial year;
- their technical competence is adequate for recording the ordinary business transactions and they possess sufficient knowledge of the Company's operational matters.

In conclusion, based on the findings of the activities carried out during the financial year, the Board of Statutory Auditors can state that:

- the decisions taken by the shareholders and the Board of Directors have been in compliance with the law and with the Articles of Association, and were not manifestly imprudent or such as to compromise the integrity of the Company's assets;
- sufficient information has been obtained regarding the general course of management and its foreseeable evolution, as well as concerning the most significant transactions, in terms of size or characteristics, carried out by Feralpi Siderurgica;
- the transactions carried out were also compliant with the law and the Articles of Association, not in potential conflict with the resolutions passed by the Shareholders' Meeting, nor such as to compromise the integrity of the Company's assets;
- no specific remarks are made regarding the adequacy of the Company's organisational structure, nor regarding the adequacy of the administrative and accounting system and its reliability in correctly representing management transactions;
- no critical issues have emerged from the exchange of information with the Supervisory Body pursuant to Legislative Decree 231/01;
- during the supervisory activities described above, no further significant events have arisen which would require mention in this report;

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- no intervention was required due to omissions by the Board of Directors pursuant to Article 2406 of the Italian Civil Code;
- no complaints were received pursuant to Article 2408 of the Italian Civil Code;
- no reports were made pursuant to Article 2409, paragraph 7, of the Italian Civil Code;
- no notifications were submitted to the Board of Directors pursuant to Article 15 of Law Decree no. 118/2021, or pursuant to Article 25-octies of Legislative Decree no. 14 of 12 January 2019. No notifications were received from public creditors pursuant to Article 25-novies of Legislative Decree no. 14 of 12 January 2019, or pursuant to Article 30-sexies of Law Decree no. 152 of 6 November 2021, converted into Law no. 233 of 29 December 2021, as subsequently amended.

Comments and proposals on the financial statements and their approval

We have examined the draft separate and consolidated financial statements as at 31 December 2024, approved by the Board of Directors and consisting of the statement of financial position, the comprehensive income statement, the statement of changes in equity and the explanatory notes. Since the Board of Statutory Auditors is not entrusted with the statutory audit, we have reviewed the presentation and general compliance of the financial statements with legal requirements in terms of preparation and structure.

As previously stated, the statutory audit has been entrusted to the audit firm EY S.p.A., which, on this date, has issued its report pursuant to Article 14 of Legislative Decree no. 39 of 27 January 2010, stating that, in its opinion, the financial statements provide a true and fair view of the financial position of the Company as at 31 December 2024, of its financial performance and cash flows for the year then ended, in accordance with the applicable accounting standards.

The draft separate and consolidated financial statements have therefore been reviewed, and the following additional information is provided:

- attention has been paid to the presentation of the draft separate and consolidated financial statements, their general compliance with legal provisions regarding preparation and structure, and no observations requiring mention in this report have arisen in this regard;
- the Company is not subject to any management and coordination activities;
- compliance with the legal provisions regarding the preparation of the Management Report accompanying the separate and consolidated financial statements has been verified. The report also includes information on the Company's sustainability initiatives. In this respect,

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it is noted in particular that Feralpi Siderurgica, also for 2024, has continued its reporting in accordance with the GRI ("Global Reporting Initiative") standards, and at the same time is carrying out the necessary activities to implement and align with the new European ESRS standards, which will become mandatory for the Feralpi Group as from 2026. With regard to the Management Report, as well as the contents of the Voluntary Consolidated Sustainability Report, no observations have emerged that require mention in this report;

- to the best of our knowledge, the Board of Directors has not availed itself of any exemptions from statutory provisions pursuant to Article 2423, paragraph 5, of the Italian Civil Code in preparing the financial statements;
- the consistency of the separate and consolidated financial statements with the facts and information acquired in the performance of the duties of the Board of Statutory Auditors has been verified, and no further observations have arisen in this regard;
- the explanatory notes provide the disclosures required under Article 2427-bis of the Italian Civil Code;
- with regard to the proposal of the Board of Directors concerning the allocation of the net result for the year, as set out at the end of the explanatory notes, the Board of Statutory Auditors has no observations to make, noting in any case that the final decision lies with the Shareholders' Meeting.

We also report that:

- we have verified the inclusion in the explanatory notes of the information required under Article 1, paragraph 125, of Law no. 124/2017 ("Public grants");
- during 2024 — as also disclosed in the financial statements, including the consolidated accounts — the audit firm was engaged to perform "Other assurance services" and "Other non-audit services" amounting to EUR 32 thousand and EUR 97 thousand, respectively.

Result for the Financial Year

The net result determined by the Board of Directors for the financial year ended 31 December 2024, as also shown in the separate financial statements, is a loss of EUR 26,332,588.

Conclusions

On the basis of the above and the information available to the Board of Statutory Auditors from its periodic controls, it is unanimously considered that there are no objections to the approval by this Shareholders' Meeting of the draft financial statements for the year ended 31

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December 2024, as prepared by the Board of Directors, including the proposed allocation of the result for the year.

Lonato del Garda, 14 April 2025

The Board of Statutory Auditors

Mr Giancarlo Russo Corvace

Mr Alberto Soardi

Mr Stefano Guerreschi Stefano Guerreschi

Independent Auditors' Report on the Consolidated financial statements

EY
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Feralpi Siderurgica S.p.A.

Consolidated financial statements as at December 31, 2024

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of
Feralpi Siderurgica S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Feralpi Siderurgica Group (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.
We are independent of the Group in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Feralpi Siderurgica S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Feralpi Siderurgica S.p.A. are responsible for the preparation of the Report on Operations of Feralpi Siderurgica Group as at 31 December 2024, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations, with the consolidated financial statements;
- express an opinion on the compliance of the Report on Operations with the applicable laws and regulations;
- issue a statement on any material misstatements in the Report on Operations.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of Feralpi Siderurgica as at 31 December 2024.
Furthermore, in our opinion, the Report on Operations complies with the applicable laws and regulations.
With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Brescia, 14 April 2025

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

This report has been translated into the English language solely for the convenience of international readers.

Independent Auditors' Report on the Sustainability Statement

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Independent auditors' report on the Voluntary Consolidated Sustainability disclosure

(Translation from the original Italian text)

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

We have been appointed to perform a limited assurance engagement on the Voluntary Consolidated Sustainability disclosure of Feralpi Siderurgica S.p.A. and its subsidiaries (hereinafter the "Group" or "Feralpi Group") for the year ended on December 31, 2024, presented in the specific section of the Director's Report of the Group's consolidated financial statements and approved by the Board of Directors on March 31, 2025 (hereinafter "Sustainability disclosure").

Responsibilities of Directors and Board of Statutory Auditors for the Sustainability disclosure

The Directors are responsible for the preparation of the Sustainability disclosure in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard, as described in section "14.1.1. Methodology note" of the Sustainability disclosure.

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 Sustainability disclosure that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the Group's objectives in relation to sustainability performance, as well as for identifying stakeholders and significant aspects to be reported.

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 Sustainability disclosure, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

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.

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Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability disclosure with the requirements 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 Sustainability disclosure 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 Sustainability disclosure were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability disclosure, documents analysis, recalculations and other procedures in order to obtain evidence considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant topics in relation to the activities and characteristics of the Group reported in the Sustainability disclosure, with reference to the methods of analysis and understanding of the reference context, identification, evaluation and prioritization of actual and potential impacts and the internal validation of the results of the process;
2. comparison of the economic and financial data and information included in the Sustainability disclosure with those included in the Feralpi Group's consolidated financial statements;
3. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability disclosure.

   In particular, we have conducted interviews and discussions with the management of Feralpi Siderurgica S.p.A. and with the personnel of Feralpi Stahl and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the Sustainability disclosure.

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

   - at Group level,
     a) with reference to the qualitative information included in the Sustainability disclosure, 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. (Lonato del Garda) and Feralpi Stahl (Riesa) 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 Sustainability disclosure of the Feralpi Group for the year ended on December 31, 2024, has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in section "14.1.1. Methodology note" of the Sustainability disclosure.
Our above conclusions on the Sustainability disclosure of the Feralpi Group do not refer to the information included in the paragraph "15.3 Taxonomy Regulation" of the Sustainability disclosure itself, that are required by art. 8 of the European Regulation 2020/852.

Other aspects

The comparative data presented in the Sustainability disclosure in relation to the financial year ended on December 31st, 2022, have not been audited.

Brescia, April 14th, 2025

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

This report has been translated into the English language solely for the convenience of international readers.


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