



LIVING



STEEL

SUSTAINABILITY SUMMARY 2023



STEEL

A material characterised by excellent **strength** and **versatility**, steel is a key metal alloy for important economic sectors such as **construction** and **automotive**.



PRESENT AND FUTURE

Towards the energy transition

Approximately **2 billion tonnes of steel** are produced annually, with significant environmental repercussions.

The steel industry is today responsible for **8% of global CO₂ emissions***, but it is strongly committed to an **path of energy transition** through innovation, efficient production processes and the use of renewable energy.



The target set is Emissions 0 by 2050.



ABOUT US

A community that grows with respect for people and the environment

We undertook **over 50 years ago** a path of human and technological development that has made us one of the most important steel producers in **Europe** operating in **4 business sectors**.

More **efficient**, more **innovative**, more **sustainable**: the steel and services we offer meet the needs of the market and the planet with the next step in mind.

2,429,721

tonnes of steel produced in 2023

We are present in

7 Countries

Sold in more than

20 Countries

9 Ongoing **research projects**



4 business **sectors**

- ↓ Construction steels
- Special Steels
- Diversified products
- Renewable energies

€216 million

Overall gross added value of our steel in 2023

1,927

Employees

PURPOSE

We create shared value with responsibility and strategy

Our **purpose** is to produce the best steel in the most sustainable way possible while contributing to the economic and social **progress** of communities, to the **enhancement** of the **territory** and to the safety and **well-being** of our **people**.





STRATEGY

Every day,
we exceed
yesterday's standards.

Our **development strategy** aims at market growth through a wide range of efficient and innovative products.

Our business plan incorporates **sustainability** because we want to produce steel with **low emissions, zero waste** and **positive impacts** on people and the community.

OUR INDUSTRIAL PLAN



Verticalisation
Diversification
Internationalisation
Sustainability
Innovation

OUR ESG STRATEGY



Reduce consumption, **impacts** and waste
Empower **people**
Educate new generations
Inclusion and local **development**
Ethical business management
Product and service **quality**
ESG Scorecard

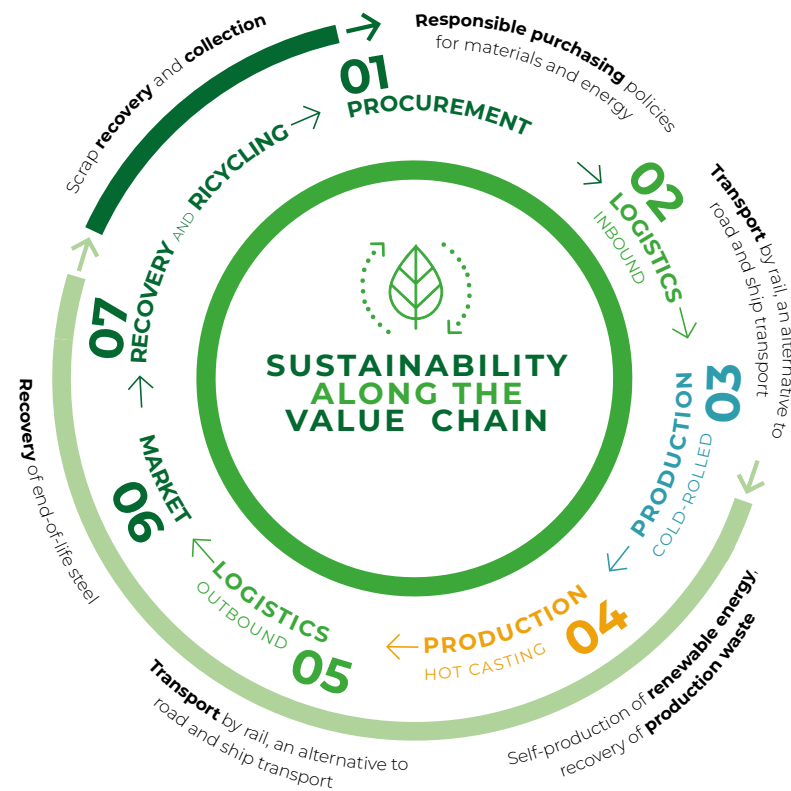
THE STEEL OF THE FUTURE

Green steel is a daily challenge

The **steel of the future** is the fruit of a **shared vision** between all players in the production chain.

We assure our customers of our commitment to continuously improve technologies and production processes, making each stage of the **value chain** more **advanced** and **sustainable**.

A challenge in which we involve - in a stimulating and guiding role - partners and suppliers who recognise as a **necessity** the **green transition** of the industry towards **Zero Emission** and the **complete reuse** of production materials.





RAW MATERIAL SUPPLIERS

The responsibility of being a supplier: steel quality



Each steel carries within it the merits of the materials from which it is made.

Involving raw material suppliers is crucial to ensure high quality and sustainability standards in the final product.

The exchange of views between the various actors in the production chain creates awareness of individual responsibilities and provides insights for improving the end product and the process efficiency.

It's important to highlight projects like **Feralpi Scrap Suppliers Dialogue**, which incorporated opportunities for sharing, training and dialogue organised with its suppliers of scrap iron.

Reflecting on environmental, social and quality issues is crucial to focus on steel quality, which is closely linked to the raw material, and to stimulate the raising of standards and certification of efforts.





LIFE

Condition closely linked to the ability to respond to external stimuli and **evolve** revealing capacities of **adaptation** to environmental conditions through processes of reproduction, **transformation** or **growth**.

OBJECTIVES

14 objectives for shared sustainable development

The future, like the planet, belongs to everyone. Aware of the necessary evolution of the steel sector towards more sustainable models, in the 14 objectives of the **ESG scorecard** we have set out our daily commitments for tomorrow.

Producing with **low emissions**, using **circular processes** that do not waste environmental resources

+ Read more



Producing steel with maximum **security** and creating **value for society**, through the **inclusion** of **people** and the **valorisation** of **differences**

+ Read more

Producing steel by following processes that consider **environmental, social and governance sustainability** as a **strategic element**

+ Read more



ENVIRONMENTAL

Designed for the environment

For us, **respect for the environment** is a **strategic value**, a distinctive element of our offer and a guarantee of a future for the planet.

We build together with our partners the **transition** of the steel industry towards **low emissions** and **zero waste** steel.



2023 RESULTS

Specific emissions of CO₂
(Scope 1 e Scope 2) on total production of hot-rolled products calculated according to the Market-based method

0.31 tCO₂eq/t
per tonne of finished product

-24.09%
compared to 2022

Energy intensity per t of product (billet)

2.04 GJ/t

+0.99%
compared to 2022

523,282 tCO₂eq

Indirect emissions Scope 2
(category 2- ISO 14064-1) resulting from electricity according to the Market-based method

-29.94%
compared to 2022

Residues in circular processes

91%

+3.00%
compared to 2022

Minimum recycled content

98.6%

+2.60%
compared to 2022

The objectives for the environment E

Feralpi's targets for reducing CO₂ emissions and other climate-changing gases to 2030 were approved by SBTi (Science Based Targets Initiative).



Environmental

	Baseline	2023		Target	Scope	SDGs
Specific CO ₂ emissions (Scope 1, 2 and 3 core boundary) ¹	2022 0.540 tonCO ₂ eq/tonnes	0.379 tonCO ₂ eq/tonnes	-50% ⁴	2030		6
CO ₂ emissions Scope 3 non core boundary	676,404 tonCO ₂ eq	656,004 tCO ₂	-25% ⁴			7
Renewable energy ²	0.46%	27.4%	50%		Feralpi Siderurgica's consolidated figure ³	11
Residues in Circular Processes	88%	91%	96%			12
Specific water consumption ¹	1.38 m ³ /tonnes	1.15 m ³ /tonnes	-50%			13

¹ Out of the total production of hot-rolled products.

² Considering both electricity and heat.

³ Feralpi Algeria not included.

Data updated to July 2024 after approval of targets by SBTi



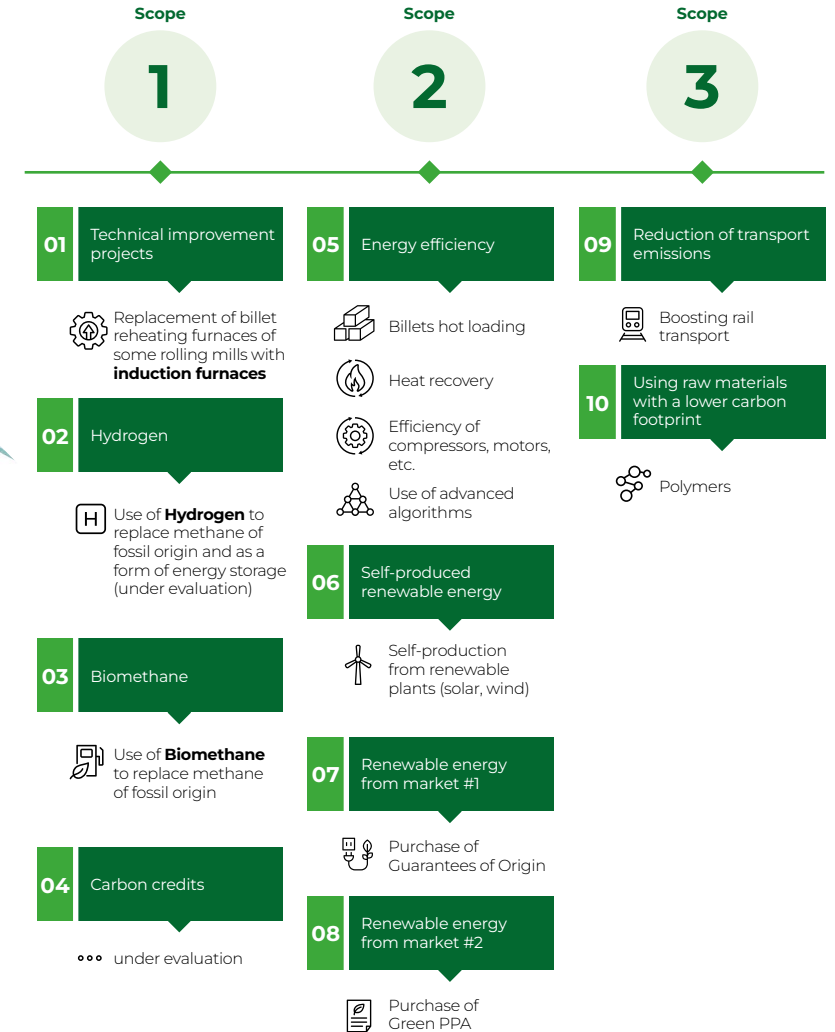
TOWARDS ZERO EMISSION

Can steelmaking fight climate change?

To combat climate change, in line with globally set targets, the steel industry has committed to zero CO₂ emissions by 2050. We meet the challenge by investing in innovation to make our production processes increasingly efficient and linked to alternative and sustainable forms of energy.

We are moving towards **Zero Emissions** following a genuine **decarbonisation strategy** based on **defined actions** and **medium and long-term objectives shared** with suppliers and partners throughout the supply chain. The goal - by 2050 - is **to zero direct and indirect emissions** along the entire value chain, making our **production carbon-free**.

OUR PLAN TO ZERO EMISSIONS



For the environment, for people, for tomorrow



CUSTOMERS ENVIRONMENT

What the
market
wants

GREEN STEEL

Our
offer

Environmental Product
Declaration (EPD)

Product Carbon Footprint (CFP) for the products of Feralpi Siderurgica, Acciaierie di Calvisano, Presider, Caleotto and ESF Elbe-Stahlwerke Feralpi GmbH

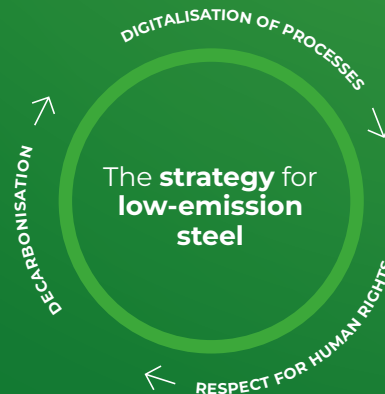
Compliance with
market requirements

Our
approach

Environmental monitoring of production

A daily
commitment

Our
vision



Not a product, but a philosophy:
our steel is made of research,
innovation, technology, respect for
the environment and for people.



THE STEELZEROWASTE PROJECT

In steel we listen to the future

Steel is **circular**. We want to enhance its nature and achieve production with **no impact on the environment**. The **SteelZeroWaste Project** aims at the **complete re-use of materials** used in the steelmaking process.

98.6 %

of our steel is produced with **recycled, recovered** or **by-product material**



SteelZeroWaste is a project that encompasses the various initiatives we have developed through research and development to contribute to a continuous reduction of our environmental footprint.

For this purpose, it promotes the introduction of innovative circular economy models that could affect the different stages of the value chain.

The research activity not only investigates the impacts within the production perimeter, but also assesses the global effects, also exploiting waste materials from other sectors.

The **circular activities** at different stages of the value chain

- **Production:** innovative models relating to the supply of resources, their use in production and the generation of waste (scraps) throughout the product life cycle.
- **Industrial processes:** this includes interventions aimed at the efficient use of resources in production processes, such as industrial symbiosis whereby waste or by-products from one industry become inputs for another.
- **Waste and scrap management** highly innovative solutions to reduce the generation of waste and scrap in production processes and consumption, to prepare for reuse and recycling or energy recovery, with a view to integrating waste management within industrial processes and the economic system, across the different stages of resource supply, production and consumption.



RESEARCH AND DEVELOPMENT ACTIVITIES

Research and innovation: passion for discovery

We live our work with the same **passion** for **discovery** as travellers: to transform the steel industry, we collaborate on numerous **research projects** with internationally established **partners**.







SOCIAL

Designed for communities

The **skills** and **commitment** of our people make us a leading player in the steel industry.

We protect this value by building them a **safe, inclusive e stimulating workplace** that enriches the community through the growth of individuals and the company.



2023 RESULTS

1,922 **94%**
Persons of which ___ permanent

+3.84%
compared to 2022

Rate of new hires 2023

15.35%

+0.93%
compared to 2022

45,538 Training hours

+3.53%
compared to 2022

24
Training hours per capita

15.52
Total accident rate at work*

-5.94%
compared to 2022

€4.9 million
Group's contribution to the territory

+36.11%
compared to 2022

28.44%
turnover paid to local suppliers

+3.44%
compared to 2022

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

The objectives for people and the community



		Baseline	2023		Target	Scope	SDGs
Human Resources	Inclusion of female staff (blue collar) in technical-production areas ⁴	2022	0%	8.6%	≥5% / year new entries primary steelmaking	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, ESF	5
	Collective training course on "Listening, Dialogue and Inclusion" issues		0%	15.4%	100% population affected	Feralpi Siderurgica's consolidated figure ³	8
	% Female Staff in Feralpi Siderurgica - Corporate Services		49%	49%	~50%	Feralpi Siderurgica - Corporate Services	
Safety	Accident Frequency Index	2022	23.7 (average 2019-2022)	15.6	7 (0-10)	Feralpi Siderurgica's consolidated figure ³	3
	% of staff working in ISO 45001 companies		25%	28%	100%		8
Supply Chain	% of strategic suppliers (Raw materials and Plants) involved in ESG mapping aspects	2023	0%	0%	75% of the suppliers involved	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico/Caleotto, FERALPI STAHL, Hungaria, Praha	9 12

³ Feralpi Algeria not included.

⁴ Including those administered.

Data updated to July 2024 after approval of targets by SBTi



A COMMUNITY FOR THE COMMUNITY

What do we offer the territories?

We see ourselves as a community working for the welfare of communities. We are aware that we have an important role for the territories in which we are present: we can create opportunities for economic and social development.

We are an integral part of the territories in which we operate. The value generated by our operations is distributed among our stakeholders, thus contributing to the **economic and social progress** of the communities, the **enhancement of the territory**, as well as the well-being of its workers.





LIVING VOICE

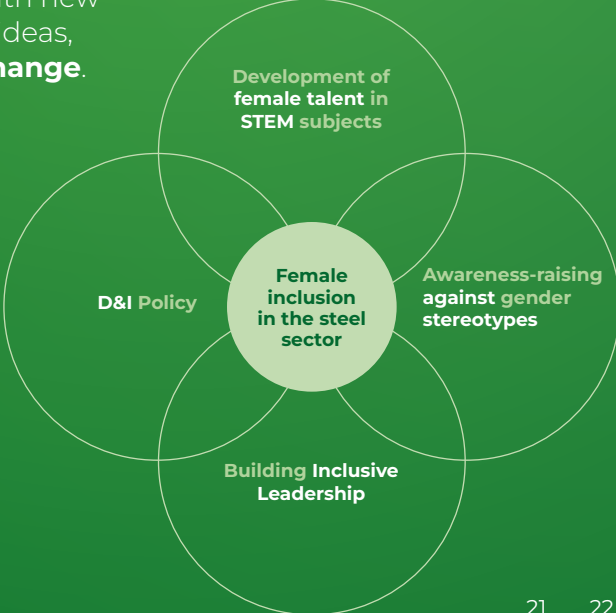
Steel beyond gender stereotypes



Change is the path of people with vision, character and ambition. It is the path we have chosen, marked by what we **we do** in our plants and by the **choices** we make every day. We approach it with the awareness that this **new steel** can only be generated in an **environment free of all stereoty** pescapable of involving in the work processes **energies** that have been **traditionally** excluded from it.

We have defined a **Group policy** to make inclusion a **daily practice** by encouraging the **presence of women** we enrich the steel sector with new outlooks and innovative ideas, we ignite the **spark of change**.

Enhancing the sector with women's skills





GOVERNANCE

Designed for development

Our **sustainability governance** structure provides a **solid basis** for the **improvement of ESG performance** and the development and implementation of sustainability commitments.



2023 RESULTS

1,724,219

revenues (€/000)

>80%

Strategic investments with ESG content

168,942

 (€/1,000)

Group Technical Investments

+5.61%
compared to 2022

more than 25
Current research projects

The objectives for transparent business management



	Baseline	2023		Target	Scope	SDGs
Governance	2022			2030		
	% of time the Board of Directors devotes to ESG issues (in meetings and induction sessions)/year	23.7%	29.8%	35%	Consolidated Feralpi Siderurgica	9
	ESG Financing % / Total Midl Long Term facilities	74.4%	80.7%	>80%	Consolidated Feralpi Siderurgica ³	12
% of strategic investments with ESG content	>80%	>80%	>80%			

³ Feralpi Algeria not included.

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LIVING STEEL

Daily. Capable of reviving. **Circular** by nature.

Connected to the present, ready for the **future**.

Versatile. Modern. Innovative. Constantly evolving.

Designed and produced for **people, communities** and the **environment**. In a word: **alive**.

It is our steel.
Living steel.



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