

24. ESRS G1 - Business conduct



Governance

[ESRS 2 GOV-1 5.a; ESRS 2 GOV-1 5.b]

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

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

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

BOARD OF DIRECTORS



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

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

The **Executive Team Committee** of Feralpi Group is responsible for defining, proposing to the Board of Directors and implementing the Group's strategy.

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

Feralpi Group has had a **Sustainability Management Committee** since 2014, a body that supports the Parent Company's Board of Directors in consolidating and developing the company's ESG strategies. Further information relating to the Committee and its composition can be found in [ESRS 2 GOV-1](#).

The **Supervisory Body** (SB), as a collegiate body, primarily aims to oversee the operation and ensure compliance with the Organisational Models, and to receive and manage reports concerning critical issues in accordance with the Management and Control Model. The SB consists of two or three members, except in the cases of Acciaierie di Calvisano and Defim Orsogrill, where it is single-member. As at 31 December 2025, there are six operating SBs: Feralpi Siderurgica, Acciaierie di Calvisano, Defim Orsogrill, Presider, Caleotto, Arlenico. Feralpi Siderurgica's SB operates in collaboration with the others.

For the foreign companies, no Supervisory Bodies are in place, since the 231 Model is not applicable, and the monitoring system is entrusted to the national legal system and the competent authorities.

For further details on the responsibilities of the administrative, management and supervisory bodies with regard to business conduct, refer to [ESRS 2 GOV-1](#).

GOVERNANCE

Management of impacts, risks and opportunities

G1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

[G1 ESRS 2 IRO-1]

In carrying out the double materiality analysis, the following impacts, risks and opportunities related to business conduct were identified as relevant. Information on the process that led to their identification and the assessment methodology is available in section [ESRS 2 IRO-1](#) of this document.

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

IRO

RISK

OPPORTUNITY

IMPACT

VALUE CHAIN

FERALPI OPERATIONS

VALUE CHAIN

TIME HORIZON

SHORT

MEDIUM

LONG

+

 POSITIVE CURRENT

(+)

 POSITIVE POTENTIAL

-

 NEGATIVE CURRENT

(-)

 NEGATIVE POTENTIAL

G1-1 Business conduct policies

[ESRS G1-1 7; ESRS G1-1 9]

Feralpi Group has an organisational and corporate governance model that defines specific tasks and responsibilities for corporate bodies in order to integrate sustainability into processes and the business plan.

Code of Ethics

Feralpi Group's Code of Ethics is the main tool for the promotion, dissemination and management of work and business ethics within the Group. The Code defines the company's internal and external ethical and social responsibilities and its values. The principles and provisions it contains are binding on anyone working on behalf of Feralpi, regardless of their relationship with the company.

The document, available on the Group's website, refers to the following principles, which guide Feralpi's business activities: respect, transparency, truth, honesty, trust, loyalty, fairness, collaboration, diligence, professionalism, sustainable development, and protection of the environment, health and safety.

Organisation, Management and Control Model (MOG)

In addition, relevant Italian companies of the Group adopt an Organisation, Management and Control Model (MOG) in accordance with Article 6 of Legislative Decree no. 231/2001, approved by the Board of Directors. The MOG ensures transparency and fairness, preventing offences through planning, self-monitoring, and supervision of risk areas carried out by the Supervisory Body.

On 19 February 2025, the Board of Directors of Feralpi Siderurgica S.p.A. updated its Organisation, Management and Control Model (pursuant to Legislative Decree no. 231/2001) by including Procedure no. 11 relating to the "Management of the Use of Company Vehicles". Following this action, the Model now consists of thirteen procedures.

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

Anti-Trust Manual

Feralpi Group has structured an anti-trust compliance programme, appointing the Anti-trust Compliance Officer and preparing an industry-specific Anti-trust Manual, complete with an Operational Handbook containing principles and guidelines for personnel most exposed to anti-trust risk. The programme, updated every two years, provides for biennial training for all employees and, for top executives, calibrated audits. The programme was updated in the spring of 2025, so the next update with related training and audits is scheduled for 2027. In the three-year period 2023-2025, nothing was contested against Feralpi Group companies.

Whistleblowing

[ESRS G1-1 10.a; ESRS G1-1 10.c i; ESRS G1-1 10.c ii; ESRS G1-1 10.e; ESRS G1-3 20]

In accordance with Legislative Decree no. 24/2023, there is a dedicated channel for reporting offences, including confirmed incidents of corruption and bribery, which is managed by an independent external operator and accessible via an encrypted platform, for the following Italian companies of the Group: Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, Caleotto, Fer-Par, Defim Orsogrill and Presider.

The procedure for handling whistleblowing and the protection of whistleblowers is made known to all interested parties through publication on the Group's website, in the section "Whistleblowing", and, for employees, also through the company Intranet. In addition, specific information is provided at the time of recruitment and a mandatory e-learning training course on these topics is activated.

For the receipt and handling of reports, a platform external to the company's information systems has been adopted, and the role of report handler has been entrusted to an independent law firm, which acts promptly to protect whistleblowers against any form of retaliation, discrimination or penalisation. The absolute confidentiality of the whistleblower's identity is ensured during each phase of the handling of the report, without prejudice to legal obligations.

FERALPI STAHL has a whistleblowing platform accessible to customers, suppliers, and employees, with the latter being informed via email. Similarly, the Alpifer Group is also equipped with dedicated channels. In 2025, no complaints were filed.

[ESRS G1-1 10.h]

Within the MOG, activities that could give rise to cases of corrupt conduct have been identified, including: Sponsorships, donations and gifts; Entertainment expenses; Extraordinary transactions; Relations with the Public Administration; Procurement of goods and services; Accounting management; Selection and recruitment of personnel.

Privacy management

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

The Group has adhered to European Regulation 2016/679 (GDPR - General Data Protection Regulation) and, under the supervision of the Data Protection Officer (DPO), consistently prioritises the safeguarding of personal data, collaborating with representatives from individual operational entities and with a local DPO for Germany. Feralpi Group implements further technical and organisational measures when necessary, monitoring the evolution of European and Italian regulations and best practices.

Throughout 2025, requests from data subjects were also handled and the drafting of the policy for the use of artificial intelligence in the company was started and subsequently completed.

During 2025, no relevant data breach events or complaints related to privacy breaches were reported.

Supplier Code of Conduct

In 2025, the Feralpi Group **Supplier Code of Conduct** was approved. The document, which will be disseminated during 2026, seeks to act as a clear guide for all the Group's suppliers, establishing the principles that govern collaboration and setting clear expectations on key topics such as ethics, sustainability, safety, human rights, and environmental protection, thereby extending responsibility throughout the entire supply chain. Once fully disclosed to all business partners, compliance with these rules will be an essential contractual requirement, supported by the whistleblowing reporting system and periodic verification procedures. In the event that the latter reveal non-compliance with the provisions of the Code, Feralpi Group may take measures proportionate to the severity of the violations detected.

G1-2 Management of relations with suppliers

[ESRS G1-2 14]

The procurement process is carried out directly by Feralpi Group in compliance with the regulations in force in the countries in which it operates, with company procedures and, in line with its Code of Ethics, with the principles of equal opportunities and non-discrimination.

Sufficient competition is ensured in each tender, and procurement staff are required not to preclude anyone who meets the requirements from competing for contracts. Furthermore, the Group undertakes to respect the agreed payment terms, in accordance with the contracts entered into and the relevant legislation in force.

[ESRS G1-2 15.a]

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

When suppliers are entered into the system, they are provided with the Group's Human Rights Policy and the environmental, safety and energy policies relevant to their activities, while the Code of Ethics is attached to each order confirmation, which they are required to accept by undertaking to respect its values and principles.

Since 2018, Feralpi Group, in the context of the "**Feralpi Scrap Suppliers Dialogue**" project, has initiated a series of activities to generate an in-depth knowledge of suppliers, starting with **scrap** suppliers, and to **map sustainability aspects** related to quality, the

environment, health, safety, and ethics. Through a questionnaire consisting of 7 sections and over 70 questions on general and specific aspects such as human rights, labour, environment, corruption, and quality, the Group qualified 95% of the scrap suppliers for Italy in 2025. For non-Italian scrap suppliers, Feralpi Group has implemented a procedure for collecting environmental information, in line with the integrated management system, to ensure that foreign suppliers also meet the standards required by the company.

In order to integrate "sustainability as standard" into the Feralpi Group's procurement processes, this initiative was extended in 2024 to **strategic suppliers** — covering ferro-alloys, electrodes, lime, aluminium, refractories, and plants — by involving them in a sustainable development journey. The commitment relating to ESG mapping, carried out in collaboration with the Open-ES partner, was included in the Group's ESG Scorecard.

In line with this vision, the **Feralpi Value Alliance** was established in 2025, a project that, through a collaborative approach with the Group's strategic suppliers, focuses on integrated sustainability throughout the entire value chain with the aim of improving the sustainability performance of the entire Feralpi Group ecosystem. In January 2025, the first official meeting of the Feralpi Value Alliance took place, during which the Group shared its sustainability strategy, with a focus on the supply chain, and presented the Open-ES platform. Also in 2025, in collaboration with the partner CSMT and Confindustria Brescia, an initiative was organised relating to the Organisation Carbon Footprint for Feralpi Group suppliers. On this occasion, participants were provided with the knowledge and methodologies to measure and manage their carbon footprint (Scope 1 and 2), with the aim of supporting them in aligning with regulatory requirements to

improve their competitiveness and contribute to climate action. In this way, Feralpi's management of Scope 3 emissions will also be strengthened by the initiative.

In addition, Feralpi Group's ESG strategy focuses on creating shared value with local suppliers, integrating this objective with social and cultural support for the communities in which the Group operates. In 2025, considering the main production sites both in Italy and abroad, 28.7% of turnover was recognised to local suppliers. For more information, refer to [ESRS S3](#).

[ESRS G1-2 15.b]

At present, the ESG qualification criteria do not constitute barriers to entry for Feralpi Group suppliers. However, as illustrated in [ESRS G1-1](#), Feralpi Group has adopted a Supplier Code of Conduct which, in addition to contributing to the creation of business relationships based on shared values, will allow better risk management within the supply chain, thanks to more controlled and qualified suppliers.

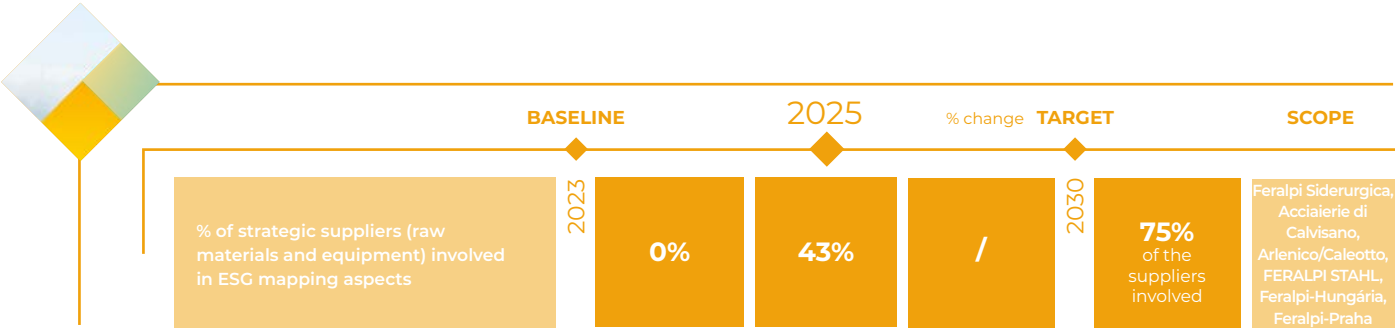
G1-3 Prevention and detection of corruption and bribery

[ESRS G1-3 16; ESRS G1-3 18.a]

Feralpi Group's companies have adopted an Organisation, Management and Control Model, in line with the provisions of Legislative Decree no. 231/2001, which includes the monitoring of risks related to corruption. For more information, refer to [ESRS G1-1](#).

[ESRS G1-3 18.b; ESRS G1-3 18.c]

The investigative activities are entrusted exclusively to the external members of the Supervisory Body, so there is no overlap with the management chain affected by any reports. The SB reports to the Board of Directors and the Board of Statutory Auditors on the verification activities carried out on a six-monthly basis.



[ESRS G1-1 10.g; ESRS G1-3 21.a; ESRS G1-3 21.b; ESRS G1-3 21.c]

The training programmes provided for by Legislative Decree no. 231/2001, which also include corruption and bribery, involve the entire company workforce from the recruitment stage, as reported in [ESRS G1-1](#), and are adapted to the users for whom they are intended and to the risks associated with their respective activities.

The general training illustrates the basic concepts of the legislation, the preventive purposes of the Organisational Model and the related ethical guidelines. For those working in activities identified as "at risk" by the MOG, targeted meetings are planned to illustrate the operational procedures and processes related to the performance of their duties.

The Supervisory Body ensures that training courses are constantly updated in line with changing regulatory and operational requirements, and monitors their use.

Digitalisation and cybersecurity

For Feralpi Group, digitalisation is a key element for ensuring business continuity and resilience, supporting the transition towards sustainable production. The use of IoT technologies and business intelligence tools enables the improvement of operational efficiency and real-time data monitoring, with a view to optimising resources and emissions, while also facilitating the accessibility and sharing of information both within and outside the organisation.

Feralpi Group has been on a path of digitalisation of its business processes for years, thanks to Google Cloud technology, which allows it to be at the forefront in the following aspects:

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

In 2025, the first phase of implementation of the new digital solution dedicated to Sustainability Reporting was completed. The platform is already operational, but work is underway on the necessary adjustments based on the evolution of the relevant European legislation.

Cybersecurity

The increasing digitalisation of businesses, while improving operational efficiency, also poses risks to business continuity. The opening of digital infrastructure to the outside for diagnostic, maintenance, and remote support activities increases the exposed surface to potential external attacks, worsening the risk of compromises related to the supply chain.

Within the geopolitical context, shaped in particular by the ongoing Russian-Ukrainian conflict and the instability in the Middle East, there has been an uptick in DDoS attacks on institutional sites, banks, public transport, and utilities, aimed at destabilising and swaying public opinion. Moreover, espionage and data theft continue to threaten key sectors such as finance, government entities, critical infrastructure, technological innovation, and defence. At the local level, there has been an increase in attacks on customers and suppliers who have seen their email accounts compromised. This has led to increased surveillance and increased attention requested of Feralpi Group users.

In 2025, the trends of the previous year relating to the spread of generative AI technologies were consolidated, becoming increasingly pervasive in terms of both defence and the exploitation of vulnerabilities by malicious actors. In addition, 2025 saw the full transposition at national level of the NIS2 legislation through Legislative Decree no. 138/2024, and the adaptation of company procedures and policies is therefore in progress.

The Group adopts a proactive approach to cybersecurity, treating it as a strategic investment, and seeks to engage all employees by promoting a corporate culture of collective responsibility in cyber protection.

IT/OT Security Strategic Committee

Chief Information Officer (CIO)

Chief Technology
Officer (CTO)

Chief Information Security Officer (CISO)

Group Chief
Financial Officer
(CFO)Director of FERALPI
STAHL

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

Based on international standards ISO 31000, ISO 27005, and NIST 830 and in reference to NIS2, the Group's cyber risk management aims to heighten awareness of IT/OT risks, provide timely information to enable proactive actions, and ensure that the technological and organisational risk management solutions are effective. The IT/OT Security risk management process includes a structured methodology to identify and mitigate risks that exceed the acceptability threshold.

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

In the course of 2025, the activities dedicated to strengthening cybersecurity continued according to the three areas that characterise it: People, Processes, and Technologies.

MAIN CYBERSECURITY MEASURES**Training & Awareness****CONTINUATION AT GROUP LEVEL OF THE TRAINING & AWARENESS PROGRAMME,**

aimed at enhancing employee awareness and skills **on cybersecurity risks** through **e-learning training** activities. The programme has been extended and strengthened compared to previous years in terms of **training hours provided**.

OT Security by design**CONTINUATION OF THE OT SECURITY BY DESIGN INITIATIVE,**

which provides **for cybersecurity analyses** of the **Group's production facilities** as part of new installations or modifications to existing facilities according to **ISA 62443 standard**.

Cyber Threat Intelligence**ADOPTION OF THE CYBER THREAT INTELLIGENCE SERVICE,**

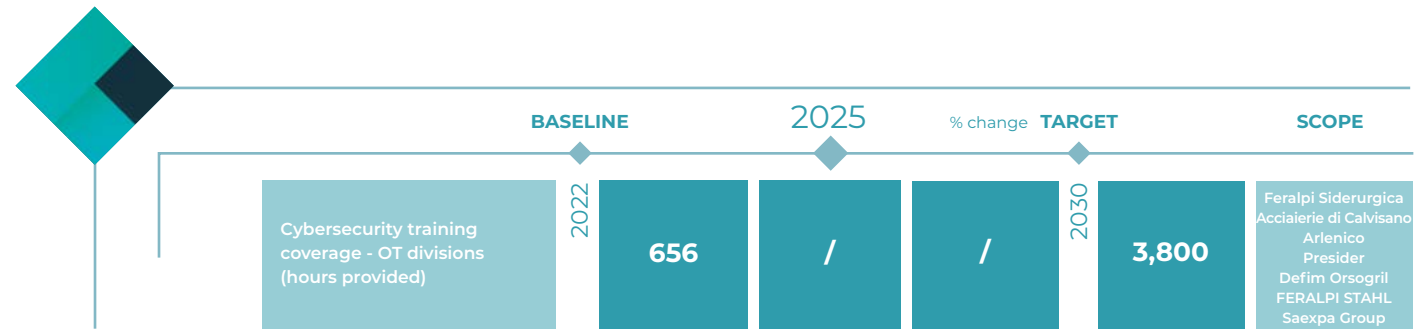
aimed at **preventing attacks directed** at Feralpi Group, which, through **continuous data collection**, makes it possible to **identify threats** before they can cause significant damage.

Specific training**SPECIFIC TRAINING IS PLANNED FOR 2026**

on the security of OT industrial networks aimed at the personnel in the Industrial Automation, Maintenance Engineering and Information Technology sectors.

In addition, the IT systems were updated to the latest available versions and the perimeter firewalls were renewed.

With a view to continuous improvement, Feralpi Group intends to consolidate operational continuity by continuing to promote cybersecurity education for employees, increasing awareness of third-party risks, and adopting new technologies to protect infrastructures. For this reason, a target in this regard was included in the 2025 ESG Scorecard, as described in [Section 4.1 - Strategic Guidelines](#) of the [Report on Operations](#).



Attention will also be focused on strengthening relationships with customers, suppliers, and local businesses, while the expansion of facilities will extend the scope of monitoring relevant to the cyber context.

Industrial Automation and Operational Technology

Digitalisation and automation in operational technology (OT) not only improve production efficiency, but are also a driver for a sustainable ecological transition. The adoption of smart manufacturing practices, fuelled by digitalisation and automation, optimises the use of energy and resources, and consolidates the link between technological innovation, financial performance, and ESG objectives.

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

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

In 2025, Feralpi Group's efforts focused on the implementation of the MES for the new spooler production line at the Lonato del Garda site and on the completion of activities relating to the new Rolling Mill B at the Riesa plant, for which the modernisation of Rolling Mill A is planned in the coming years. At the Lecco site, work on the Garret line has been completed.

Metrics and targets

G1-4 Confirmed incidents of corruption and bribery

[ESRS G1-4 24.a; ESRS G1-4 24.b; ESRS G1-4 25.a; ESRS G1-4 25.b; ESRS G1-4 25.c; ESRS G1-4 25.d]

During the period under review, no reports of violations of the 231 Model, the Code of Ethics, or incidents relating to corruption, environment, human rights, health, safety, and privacy were reported. Therefore, there were no convictions or penalties related to corruption and bribery in 2025 and no remediation actions were required.