

# Governance information

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## GOVERNANCE INFORMATION

# 17.1. Governance and organisational structure

### 17.1.1. Organisational Model

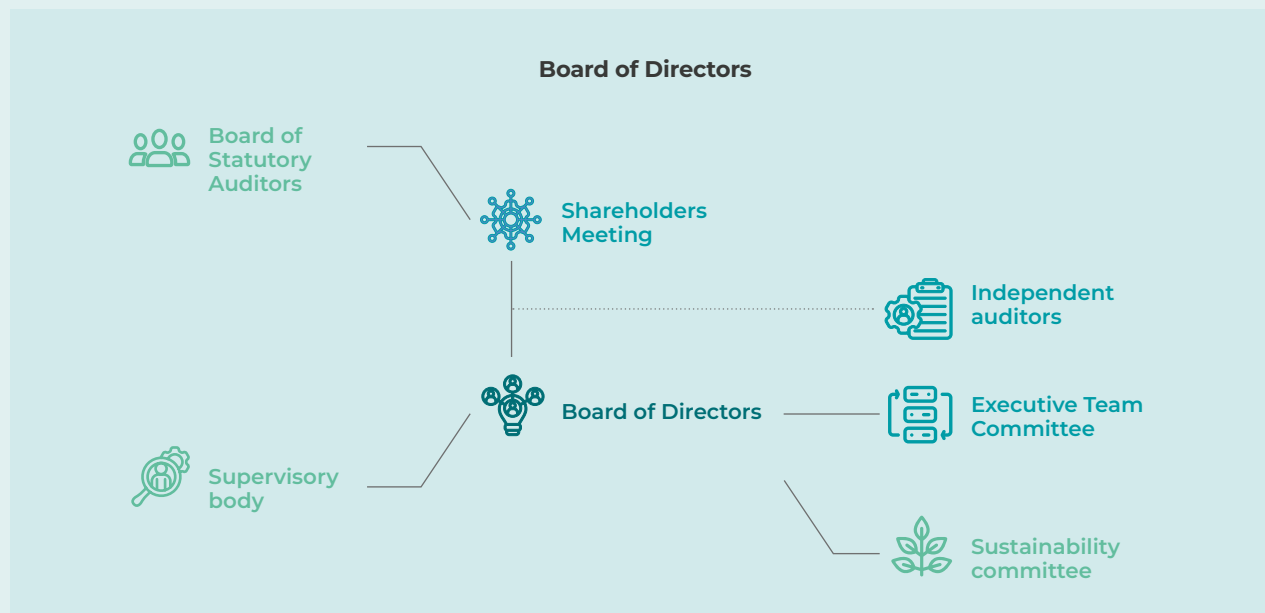
Feralpi Siderurgica S.p.A. is controlled by stable family shareholders and follows a traditional governance structure with corporate bodies such as the Shareholders' Meeting and the Board of Directors (BoD) of Feralpi Siderurgica S.p.A. and the Board of Statutory Auditors. Auditing is entrusted to a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



### 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,

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 Directors 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.

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, Manage-

ment 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

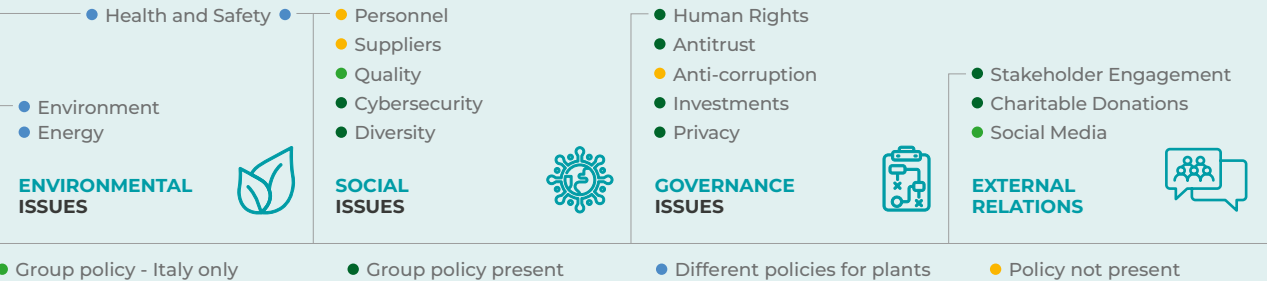
In response to the rise of cyber threats due to digitalisation, Feralpi Group constantly works on improving its systems and internal procedures to ensure high levels of security in data management.

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.

Group Policies



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.

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	<p>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.</p> <p>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.</p>
ARLENICO	<p>The implementation of activities necessary for the development and integration of advanced automation systems for the new Garret line continues.</p>
ESF ELBE-STAHLWERKE FERALPI GMBH	<p>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.</p>

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.

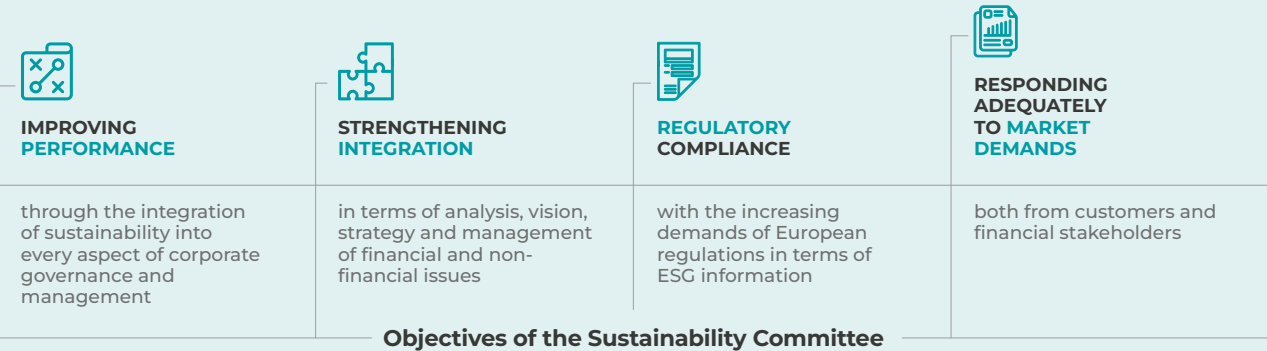
17.5 Sustainability governance

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.



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.

