

Together **we** change



SUSTAINABILITY

INTEGRATED REPORT



We know that time is precious.

Precious for us and for all.

This is why we exceedingly respect the time of the people with whom we interact.

Clarity, synthesis and practicality are at the base of our communication.

We want you to know us. Better than you have had the opportunity to do so far.

Without ever going off topic. Straight to the point.

So that you can learn our principles, our plans and our manner of "doing business" in the near future, along a sustainable path where you too will play a major role in our project for change:

 Together **we**change

The Marketing
Director

Massimo Sperto

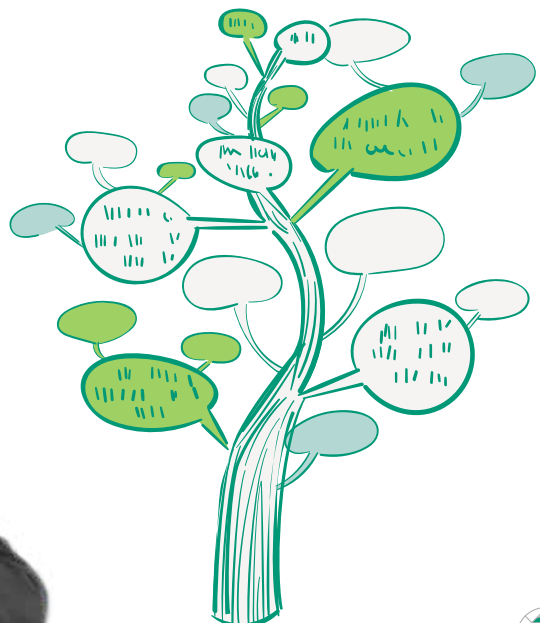


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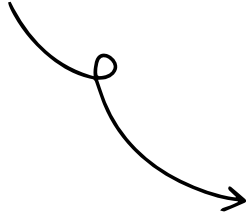
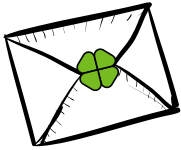


LETTER TO THE STAKEHOLDERS

The idea of a sustainable industry, which I stubbornly introduced into **Gruppo Lucefin**, is born from the will to abandon the conventional “Green Economy” concept in favour of a stronger change in terms of method, mentality, planning, relations and interactions. Change is here a synonym of evolution, where the bonds, involvement and spirit of cooperation of all internal and external company resources can become our key strength and the beating heart dynamically thrusting us towards the achievement of prestigious sustainable targets.

This is **Togetherwechange**

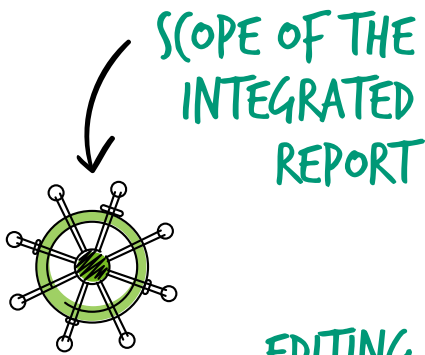
This logo makes it clear that in this short document, we are going to put down in words the vision of a modern enterprise. We will talk about its will to create value in the near and distant future, with special consideration for the surrounding world, and about its ambition to tangibly contribute to building a better future for the next generations. You may say I’m dreamer, but I believe in this dream. In my opinion, this pathway will bring us results and satisfactions. I do believe in everybody’s commitment to improve the GRUPPO LUCEFIN and make it more rugged, motivated and inspired. OUR GROUP. I believe that all this is really possible together with YOU.



The Entrepreneur

Giorgio Buzzi





SCOPE OF THE INTEGRATED REPORT

EDITING PRINCIPLES

This is the first report that analyses the sustainability activities of **Gruppo Lucefin** for its **core steel business** and provides an outlook on its sustainability for the next three years.

This document has been designed keeping in mind the Integrated Reporting Framework guidelines and using the Global Reporting Initiative (GRI-referenced claim) as the source to identify the quality and quantity key indicators for the financial years 2018 to 2020.

The editing principles make reference to the seven IR Framework concepts: strategic focus and future orientation, connectivity of information, stakeholder relationships, materiality, conciseness, reliability and completeness, consistency and comparability.

STAKEHOLDER ENGAGEMENT



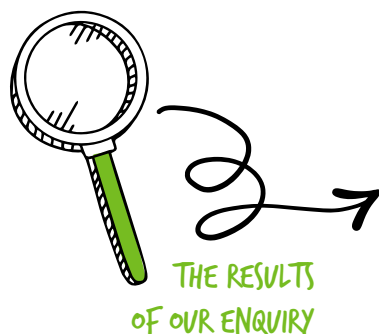
Document contents were identified on the basis of the materiality principle. The most significant topics for corporate sustainability resulting from the interaction of the company and its major stakeholders were selected on the basis of mutual influence between the company and the players identified.

The stakeholders were involved by means of dedicated meetings where the project was introduced. The topics to be voted were illustrated with the possible addition of supplementary ideas and the description of the voting modes.

A number of categories were involved, among which institutional bodies, competitors, trade associations, training organisations, suppliers, consultants, customers, employees, media, and credit institutions.



THE MATERIALITY MATRIX



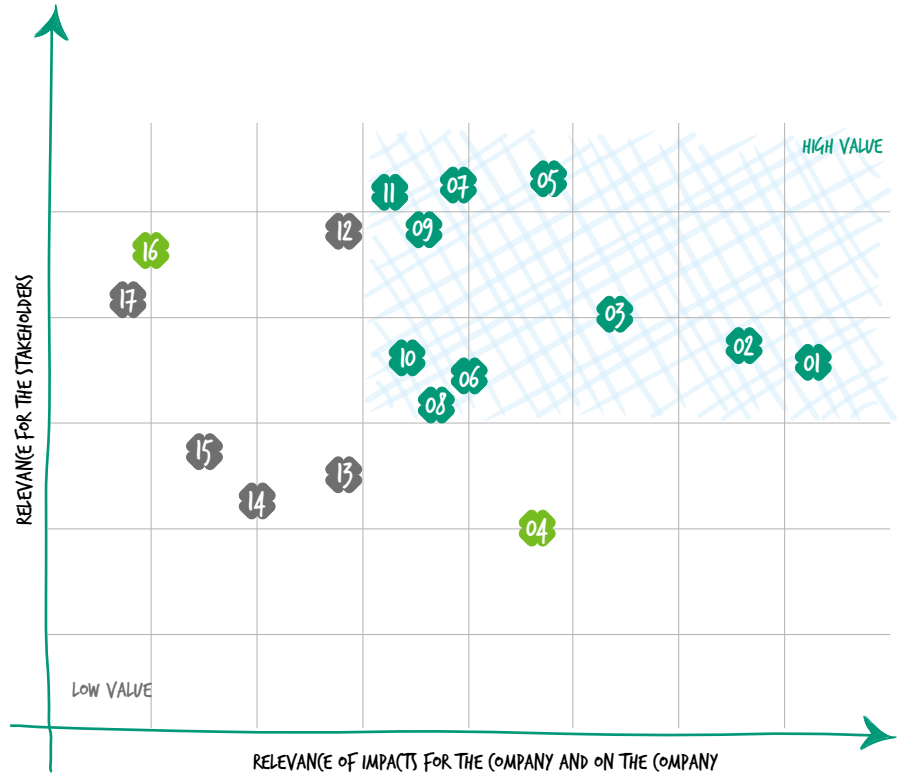
The **materiality matrix** is a sine qua non element for defining the basic principles of Lucefin's sustainability project "**Together we change**". It provides the prospects and the objectives for which the entire organisation commits to work in the next three years in terms of sustainability. Sustainability as the ability to create value shared over time. We achieved this result after a long effort of data collection, analysis and subsequent synthesis. Thanks to stakeholder engagement activities including direct interviews, exchanges at different levels, brainstorming sessions with the work team, we could draw up a list of topics rated by their relevance for the definition of the company's sustainability project.

The project leads to define the policies, the objectives, the actions, the KPI, and the financial and human resources with which Lucefin will pursue the creation of value while implicitly supporting change. This will include improving company performances and interacting with all the major stakeholders involved in the process through mapping, measuring and communication activities. Let's change together! Together with all the stakeholders for one common sustainable objective.

 Together **we** change

THE MATERIALITY MATRIX

- 01. FINANCIAL AND ECONOMIC PERFORMANCES
- 02. GOVERNANCE MODEL
- 03. EFFICIENCY
- 04. CORPORATE STRUCTURE
- 05. HUMAN CAPITAL
- 06. SALES DEVELOPMENT
- 07. QUALITY AND INNOVATION
- 08. GENERATIONAL HANDOVER
- 09. RELATIONS WITH THE STAKEHOLDERS
- 10. TECHNOLOGICAL INNOVATION
- 11. HEALTH AND SAFETY
- 12. ETHICS AND REPUTATION
- 13. INDUSTRIAL PARTNERSHIPS
- 14. LOGISTICS
- 15. COMPLIANCE
- 16. ENVIRONMENTAL FOOTPRINT
- 17. SOCIAL IMPACT



In the diagram you see all the topics selected by **Gruppo Lucefin** which were voted by the company management and by the many stakeholders involved (both internal and external).

The most voted topics, highlighted in dark green 🍀, are to be further investigated in view of three-year sustainable growth and development plan (High Value).

Low-value topics, coloured in light green 🍀, are considered strategic for the completion of the sustainable project, namely topic 04 for its being relevant to Lucefin management and topic 16 for its affinity with the concept of a sustainable business.

Topics coloured in grey 🍀 are considered non-strategic due to the low amount of votes obtained.

CORPORATE IDENTITY

Vision, mission and values: the three pillars upon which our aim and our manner of doing business are based. They are the reference points for all our actions and decisions.

VISION:



Doing business and creating long-lasting value **through a culture of integration with people and the territory.**

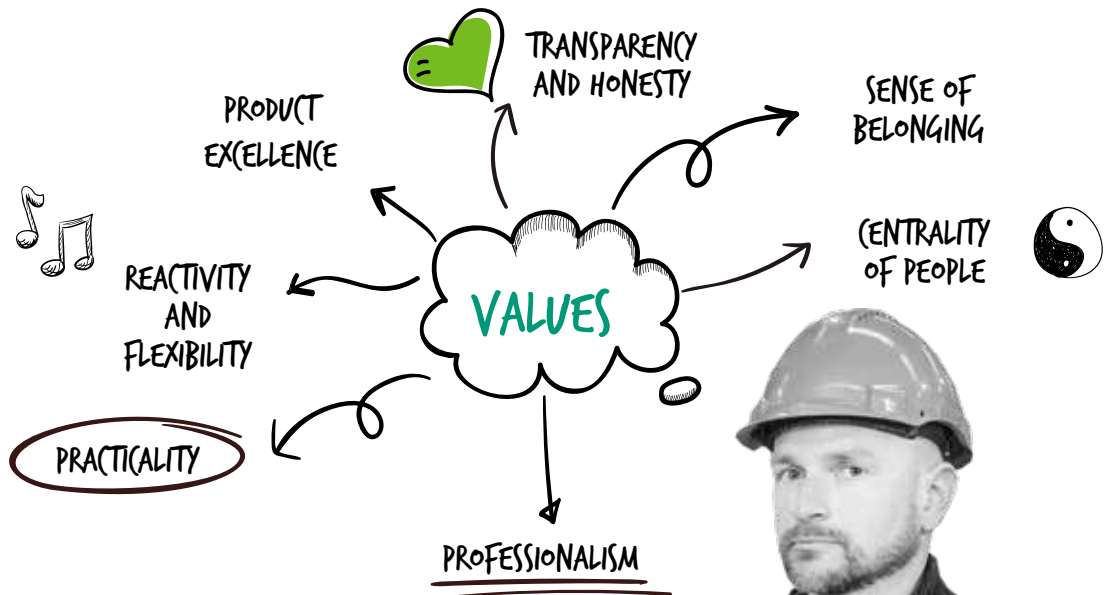
MISSION:



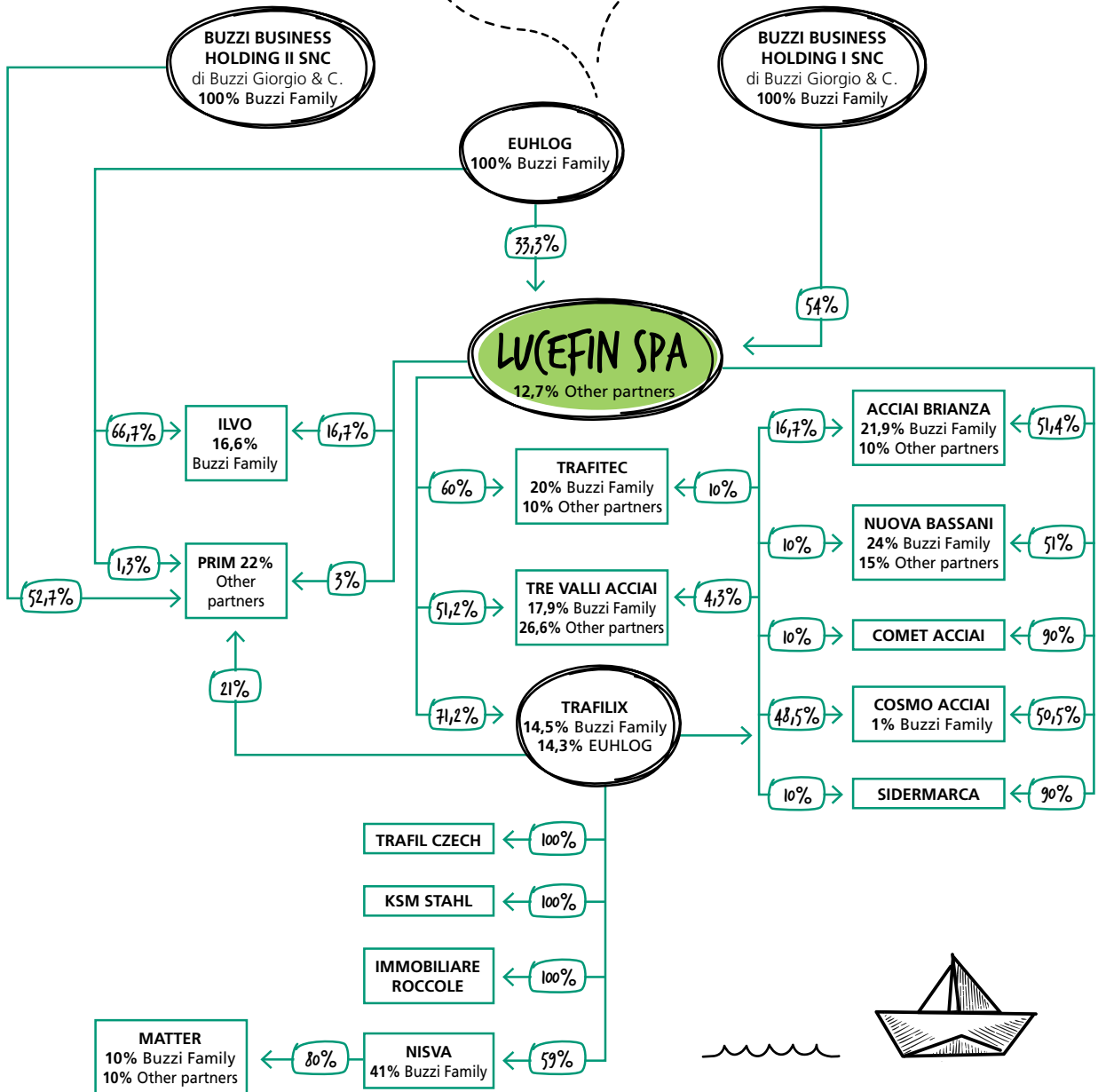
Handing down the passion for steel with competence, innovation and production quality.

VALUES:

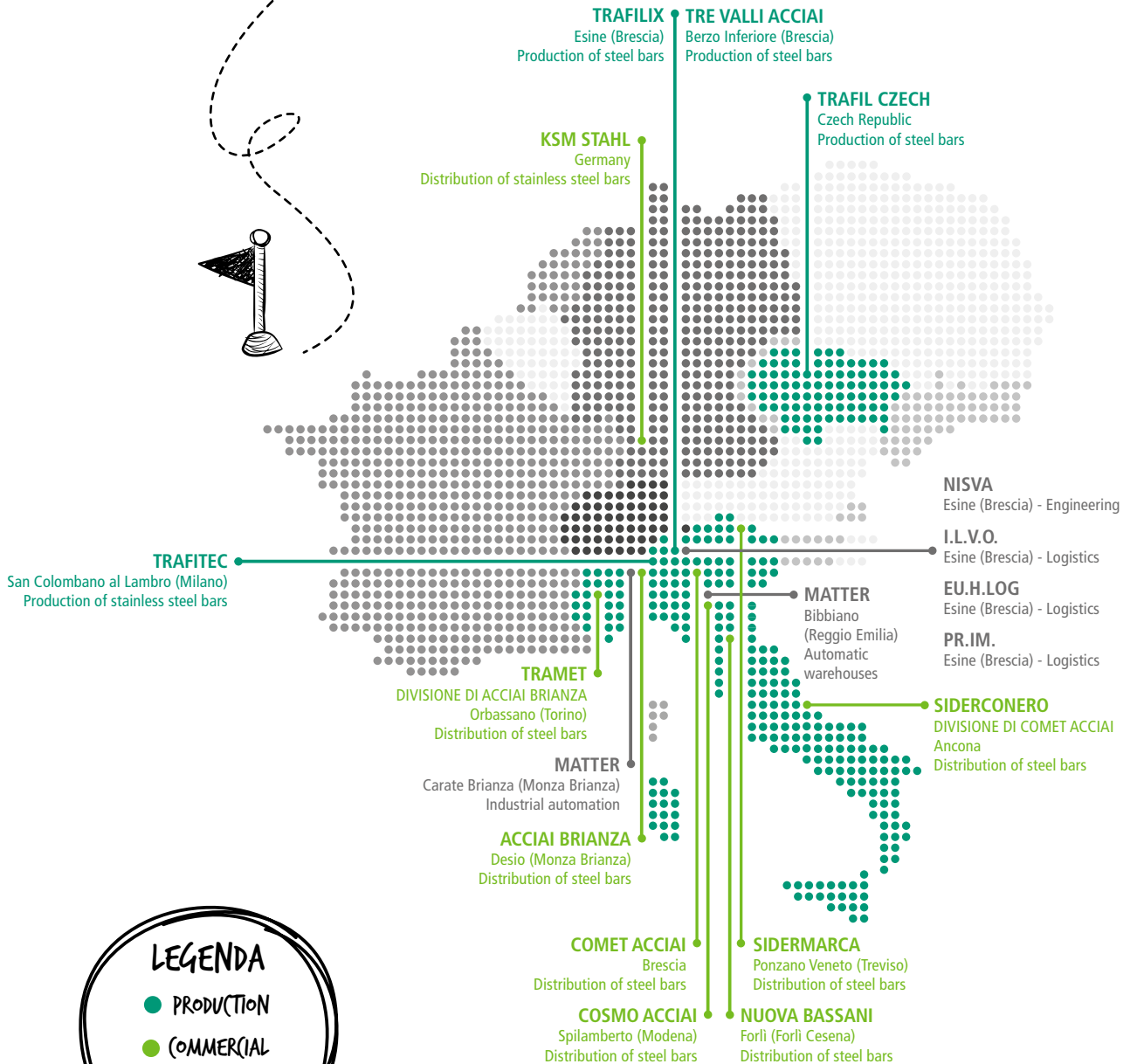
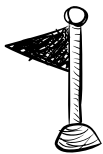
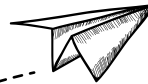
We believe in the centrality of people and in their professional growth. This is why our group values result from a way of thinking shared by all who work in the group. People who make honesty and transparency their fundamentals to respond rapidly to market needs and offer a production of superior quality at all times.



OWNERSHIP AND BUSINESS UNITS



GEOGRAPHICAL POSITION



LEGENDA

- PRODUCTION
- COMMERCIAL
- NOT STEEL SECTORS

HISTORY



LUIGI BUZZI

FOUNDER



1973

Est.
TRAFILIX
(Esine, BS).

1976 Est. Acciai Brianza, first commercial warehouse in Lombardy.

1977 The Buzzi family acquires Tramet in Piedmont, a productive and sales unit that broadens the range of cold-drawn steels.

1984 The sales unit Nuova Bassani is set up in Romagna.

1988 Start of logistic activities. The integrated platform Magazzini Desio Brianza in Lombardy begins operating.

1989 Cosmo Acciai is the new commercial warehouse in Emilia.

1992 Sidermarca is founded in Veneto for increased geographical sales coverage.

1996 A new production site is started to complete the cold-drawn steel range: Tre Valli Acciai in Valle Camonica, Lombardy.

2000 Comet Acciai is set up nearby Brescia as a new project for a centralised commercial warehouse.

2001 The first automatic warehouse of the Group, being a new concept of commercial storage. In the following years, the entire steel product distribution network is equipped with automatic warehouses. A strategic innovative choice.

2002 Development of the logistic project. The Lucefin/Austrian Federal Railways (OEBB) joint-venture leads to the creation of a second logistic hub in Veneto: MVO - Magazzini Veneto Orientale.

2002 The first drawing machine with crawlers is installed in Trafifix. This is a sign of technological innovation and a considerable production investment.



1989

EST. **LUCEFIN SPA:**

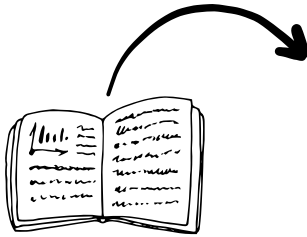
THE WORD GROUP STARTS BEING USED.
QUOTAS/SHARES ARE TRANSFERRED TO
START NEW COMPANIES REPORTING TO
THE HOLDING COMPANY



2006

EST. **TRAFILIX CZECH** IN THE CZECH REPUBLIC:
TOWARDS PRODUCTIVE AND COMMERCIAL
INTERNATIONALISATION





2007 An agreement is entered with Express Italia. The management of both logistic platforms (MDB and MVO) is transferred.

2008 The firms Matter (Reggio Emilia), which designs and manufactures automatic warehouses, and P.R.A.E. (Monza Brianza), which is involved in industrial automation, join the Group.

2008 A 500,000 m2 area is acquired from Edison and Teksid in Crescentino (province of Vicenza) and partly transferred to the Mossi&Ghisolfi Group in 2011 to become the first unit producing bioethanol in Europe.

2008 The company Euras is taken over from the Lucchini Group (transferred again in 2017). This is the first step in the sector of mould steels.

2010 Tre Valli Acciai installs a modern plant with a fast drawing line for common and quality steel rounds.

2011 Acquisition of KSM Stahl (Empingen, Germany), which marks commercial internationalisation in the stainless steel sector.

2012 Acquisition of Siderconero, in the Marche region. This new commercial warehouse is strategically located for the market of Central Italy.

2013 New surface controls and ultrasounds in Tre Valli Acciai.

2015 Activated two modern labs at the production sites of Esine and San Colombano al Lambro.

2016 Revamping of the Comet Acciai automatic warehouse.

2017 New corporate strategy: Siderconero and Tramet are merged into Comet Acciai and Acciai Brianza, respectively.

2018 Two newcos are set-up with participations from Giorgio and Giuseppina Buzzi, namely: Buzzi Business Holding 1 for Lucefin and Buzzi Business Holding 2 for Prim.

2018 New heat-treatment plants are installed in Trafifix concurrently with the activation of a new system for automatic US tests on flats and squares.

2018 The Sales, Purchase and Marketing offices of the Group are moved to the new premises in Darfo Boario Terme.

2020 The third automatic warehouse is installed in Nuova Bassani.

2010

A NEW DRAWING FACTORY IS ACQUIRED:
TRAFITEC IN THE PROVINCE OF LODI:
THIS IS WHEN STAINLESS STEEL PRODUCTION
TAKES OFF



2018

OFFICIAL

HANDOVER TO THE NEXT GENERATION:
GIORGIO BUZZI TAKES OVER CONTROL OF
THE GROUP'S COMPANIES



2020

START OF THE
SUSTAINABLE PROJECT
TOGETHERWECHANGE



COMPANY HIGHLIGHTS



CORE STEEL BUSINESS





620

EMPLOYEES

451 of whom in the core steel business

13% WOMEN



87% MEN



235 MLN/€

2020 SALES

6.800 ITALY



8.100

CUSTOMERS

1.300 ABROAD



81.000 TONS

STEEL ON THE GROUP'S STOCK



200.000 TONS P.Y.

STEEL PRODUCED

3.000



SIZES AVAILABLE ON STOCK

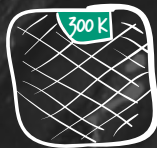


11.000 TONS

STORED IN AUTOMATIC W/H

25.000 TONS ON GROUND

DISTRIBUTION WAREHOUSES



300.000 TONS P.Y.

STEEL DISTRIBUTED

70% ITALY

30% ABROAD

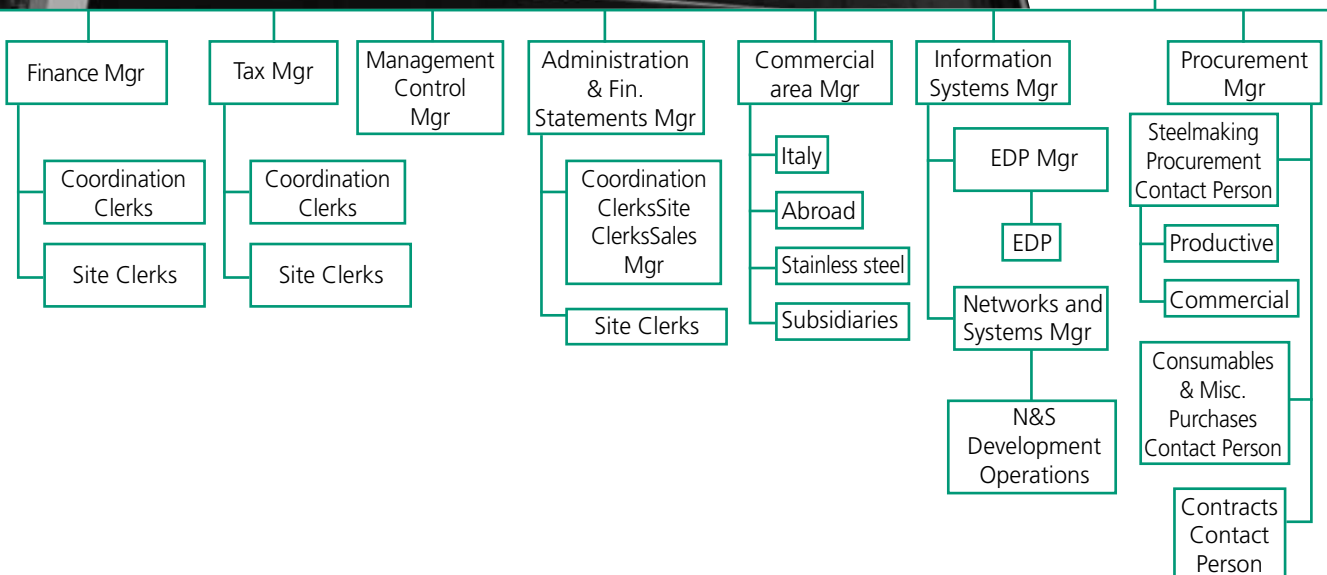
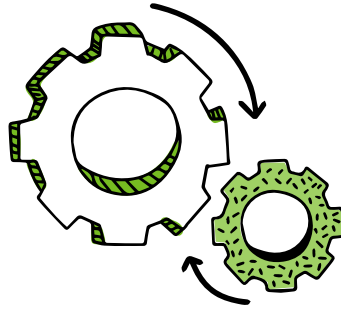


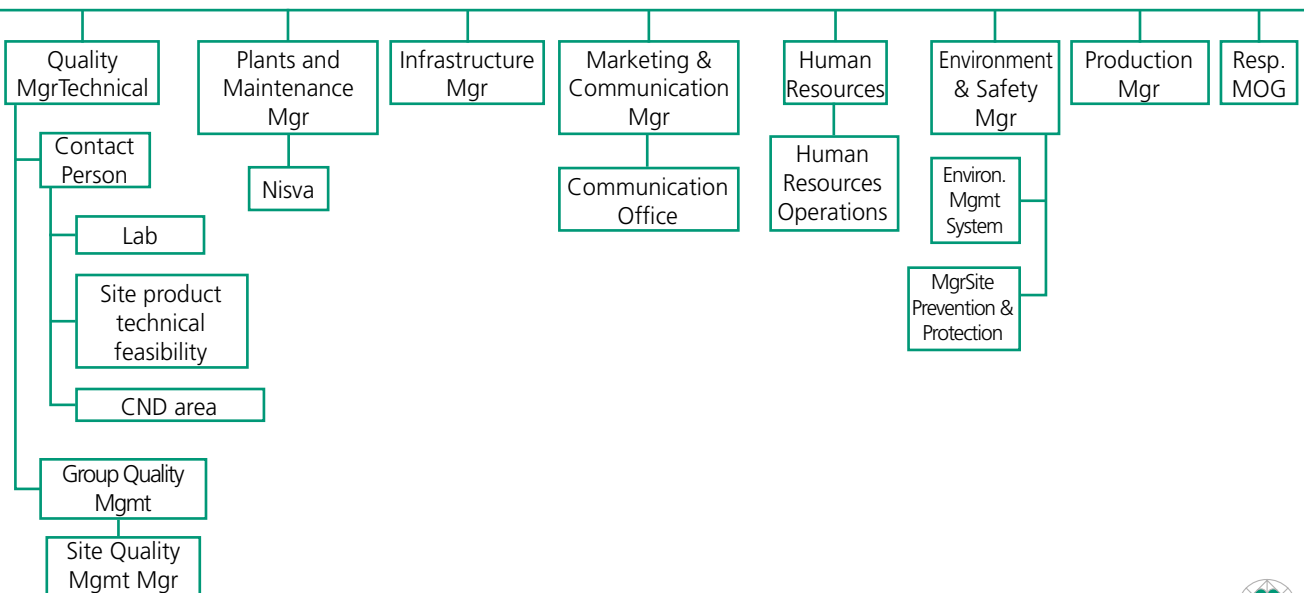
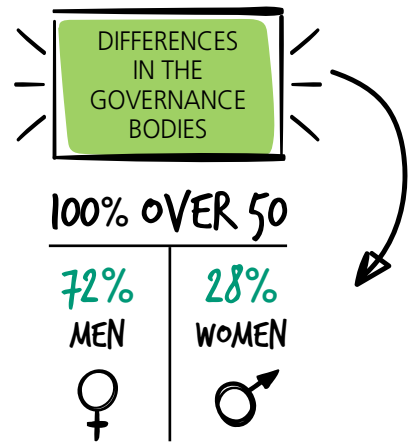
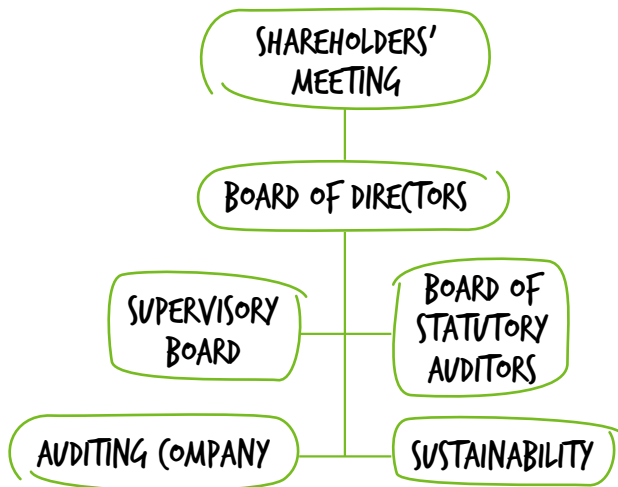
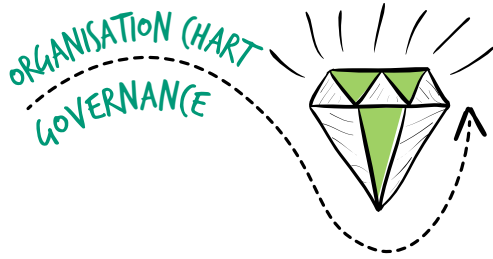
EXPORT

63 COUNTRIES

MANAGEMENT STRUCTURE

The corporate leadership is willing to guarantee autonomy to the single functions through an organised system aimed at risk management and integrated thinking.



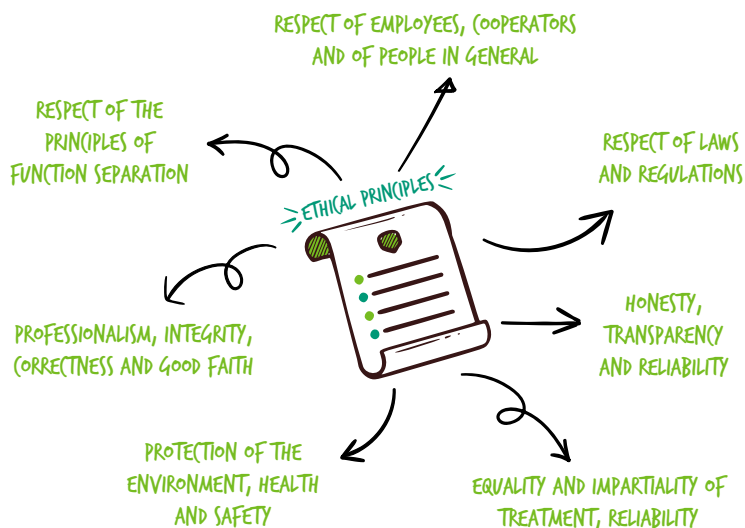


CODE OF ETHICS



MORE DETAILS ON OUR PRINCIPLES AND VALUES

The Code of Ethics states the principles and the values that Lucefin wants to affirm and pursue while performing its activity. **Gruppo Lucefin** considers ethics in behaviours a priority reference for its managerial actions and choices and is fully convinced that pursuing personal interests must not justify a conduct in contrast with the principles of ethics and with the laws and regulations in force.



In the accomplishment of their working tasks, all employees must restrain from activities that are not in the interest of the Group or present even potential conflicts of interest with Lucefin.

Gruppo Lucefin will not start or continue any relation with people expressing that they are not going to adhere to the aforesaid principles.

CORPORATE POLICY

Gruppo Lucefin Management promotes the commitment of all its subsidiaries to respect the principles set out in the Corporate Policy. Document integration between the Management Systems (Quality, Environment and Safety) and the other corporate organisational models governs the processes taking place in the company, in a planned and documented manner to achieve the following goals:



REGULATORY COMPLIANCE:

Respect of law provisions and regulations in force in the Countries where the Group operates.



PROFESSIONALISM AND RELIABILITY:

Capability of strengthening our image and reputation on the market while meeting contract obligations. Enhancement of in-house human resources in terms of improved skills and increased dignity of being a worker.



FLEXIBILITY, INNOVATION AND TRANSPARENCY:



A quick response to market needs.

ENVIRONMENTAL PROTECTION:

Preventing pollution, privileging waste recovery and promoting corporate awareness.

PROTECTING HEALTH AND SAFETY AT THE WORK PLACE:

Promoting worker prevention and protection measures.



MORE DETAILS ON OUR CORPORATE POLICY

Gruppo Lucefin will privilege cooperation relationships with those attesting their respect for the aforesaid principles.

Based on systematic analysis and evaluation activities, **Gruppo Lucefin** defines the actions required for continuous improvement in accordance with the planned sustainable targets.

The Management guarantees the resources required to implement this Policy to all process managers.

PROVISIONS



CERTIFICATIONS

From the start, we have been implementing a management policy that goes hand in hand with the major product and system certifications.

IATF 16949:2016 System certification.
Quality management systems - Automotive sector.



UNI EN ISO 9001:2015 System certification.

Quality management systems



PED 2014/68/EU AD 2000 W O Product certification.

Pressure equipment directive.



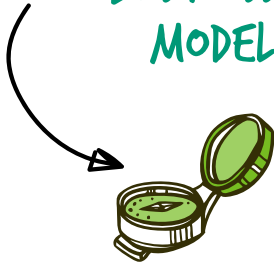
ISO 14001:2015 System certification.

Environmental management systems.

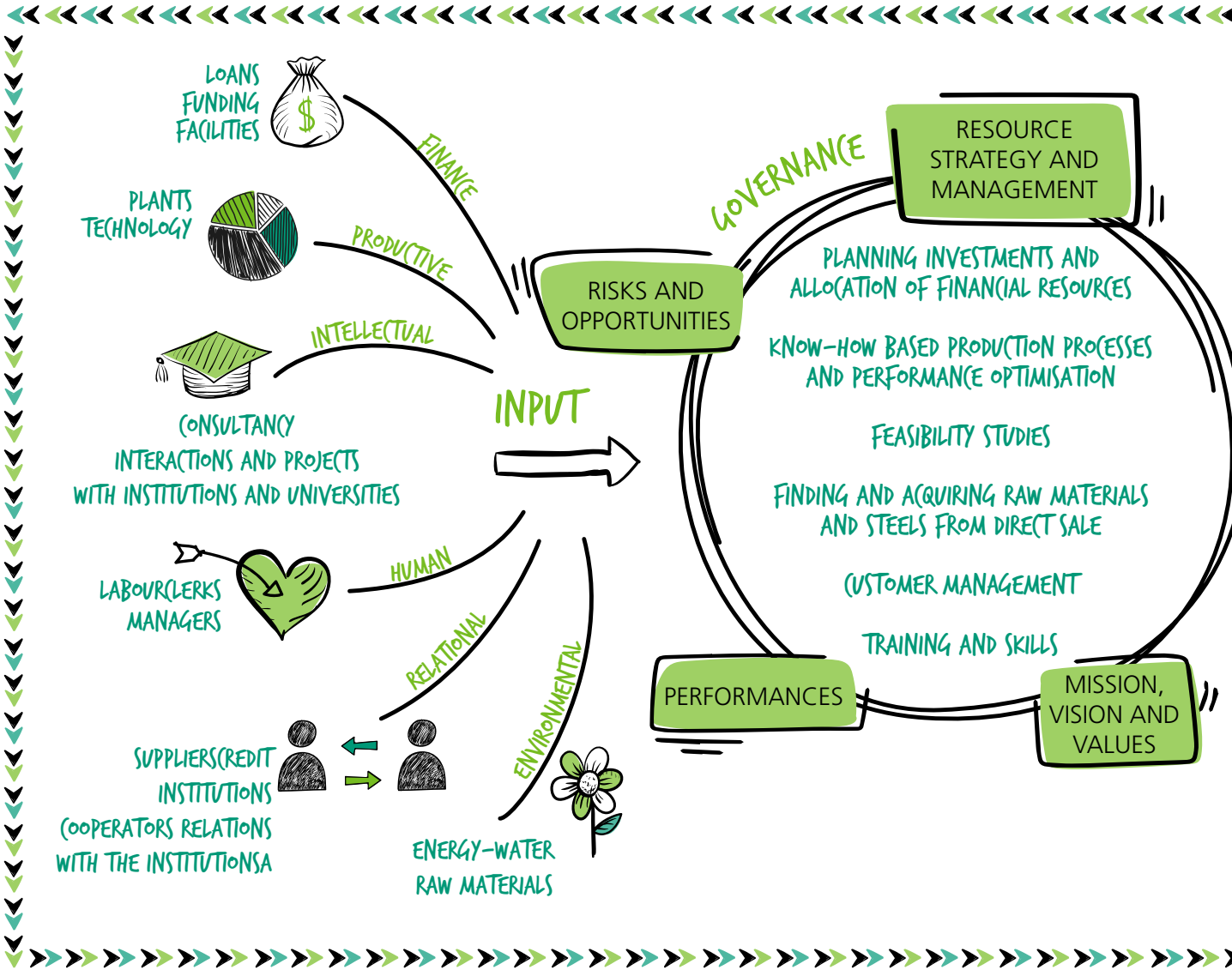


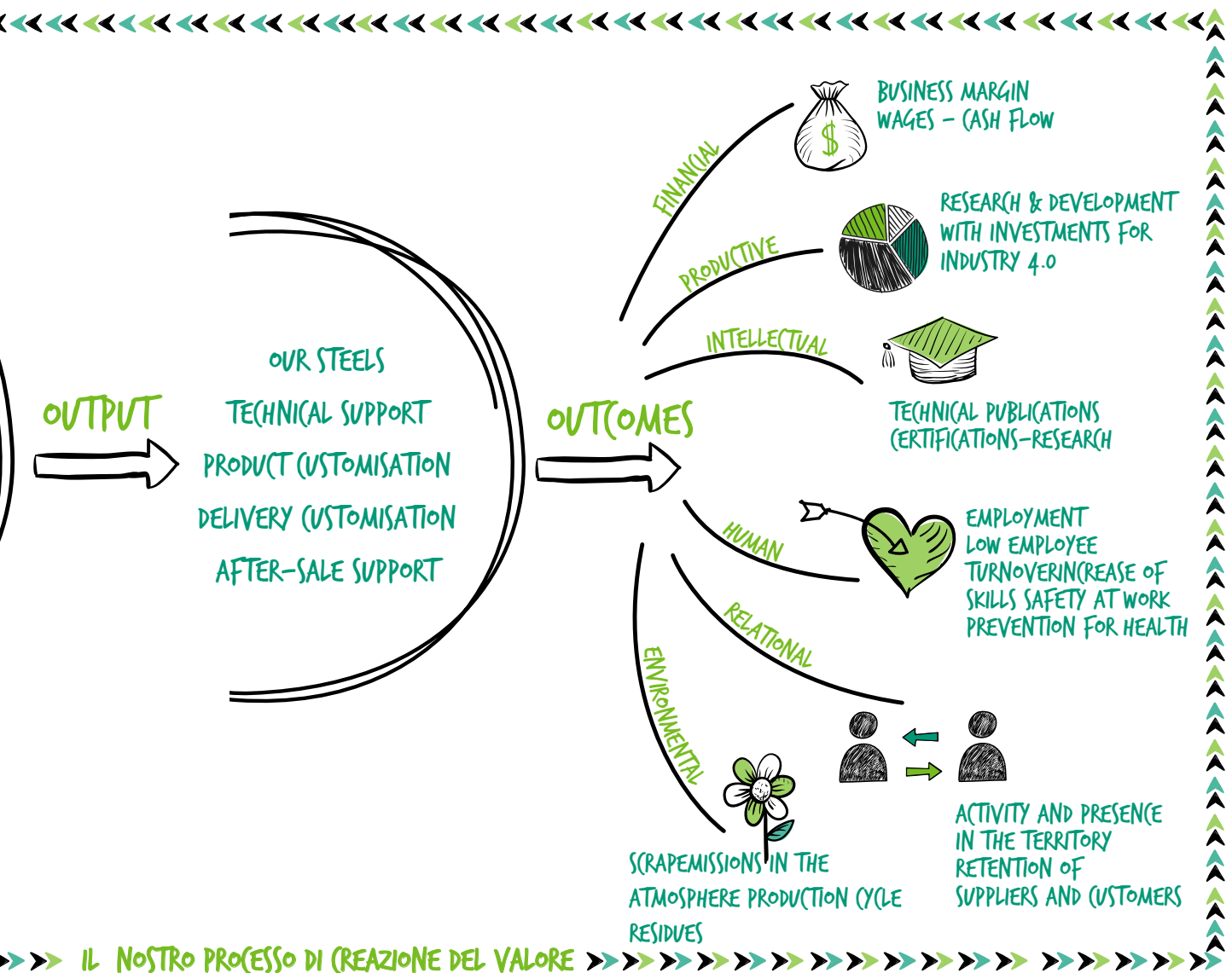
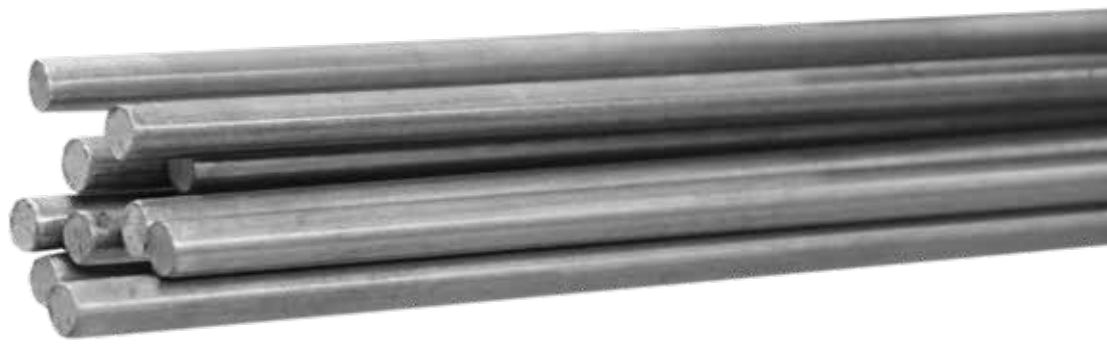
MORE DETAILS ON CERTIFIED COMPANIES

BUSINESS MODEL

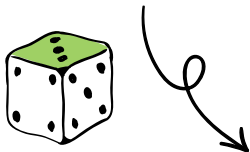


The steelmaking division is at the core of our origin and history. This is a strong division, passionately involved in offering superior products now and in the future. It operates responsibly, for which it can provide constant support and continuous innovation. Exclusive attention is paid to the production of cold-drawn, ground, peeled and reeled steels in a broad range of section and sizes: flats, rounds, squares, hexagons and special profiles. We take pride in our widespread steel distribution network that is carefully designed and future-oriented. It manages and markets an extremely high stock of products, providing immediate response and valuable support.



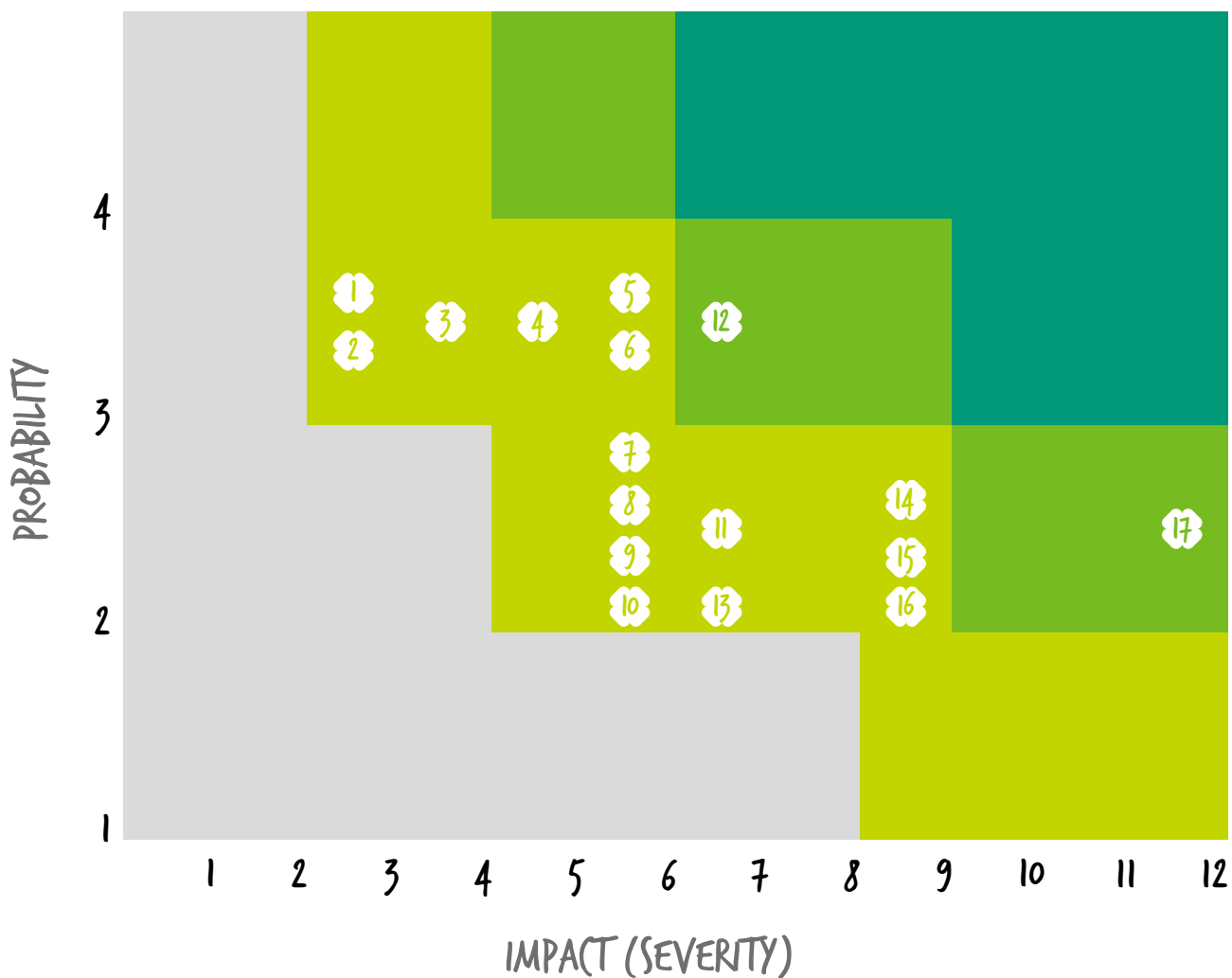


RISK EVALUATION



Gruppo Lucefin has implemented risk evaluation systems and processes based on detection, monitoring and mapping of the main company hazards and considering their impact on the sustainability of our business.

Risk analysis consists in identifying the risks and associating them with the single company processes, either an internal or external, the parties involved, and potential criminal offences. Risks are evaluated, managed and mitigated through opportune actions. They are regularly analysed by site, by management system or organisational model. The map shows the most significant risks for the various capitals and matches probability and impact (severity)





- 12. PRODUCTIVE – UNSUITABLE PLANNING
- 17. INTELLECTUAL – CRIMES AGAINST HEALTH AND SAFETY AT THE WORK PLACE
- 01. HUMAN CAPITAL – HIGH EMPLOYEE TURNOVER
- 02. ENVIRONMENTAL – UNAUTHORISED WASTE MANAGEMENT
- 03. HUMAN CAPITAL – ABSENTEES/UNDERSTAFFING
- 04. INTELLECTUAL – UNSUITABLE IDENTIFICATION OF STRATEGIES/OBJECTIVES
- 05. FINANCIAL – CORPORATE CRIMES
- 06. INTELLECTUAL – MAJOR CRIMES AGAINST HEALTH AND SAFETY AT THE WORK PLACE
- 07. INTELLECTUAL – INEFFECTIVE SHARING OF STRATEGIES/OBJECTIVES
- 08. INTELLECTUAL – OPERATIONAL INEFFICIENCY
- 09. RELATIONAL – CUSTOMER SOLVENCY
- 10. RELATIONAL – DELIVERY TIMES NOT RESPECTED
- 11. INTELLECTUAL – MALFUNCTIONING OR DETERIORATION OF INFORMATION SYSTEMS
- 13. PRODUCTIVE – PRODUCTION DELAYS
- 14. INTELLECTUAL – COMPANY DOWNTIME (PANDEMIC/EXCEPTIONAL EVENT)
- 15. FINANCIAL – OFFENCES AGAINST THE PUBLIC ADMINISTRATION
- 16. INTELLECTUAL – RISK OF LOSS, (CHANGE OR MISAPPROPRIATION OF DATA)

LEGENDA

- Very significant
- Significant
- Barely significant
- Not significant

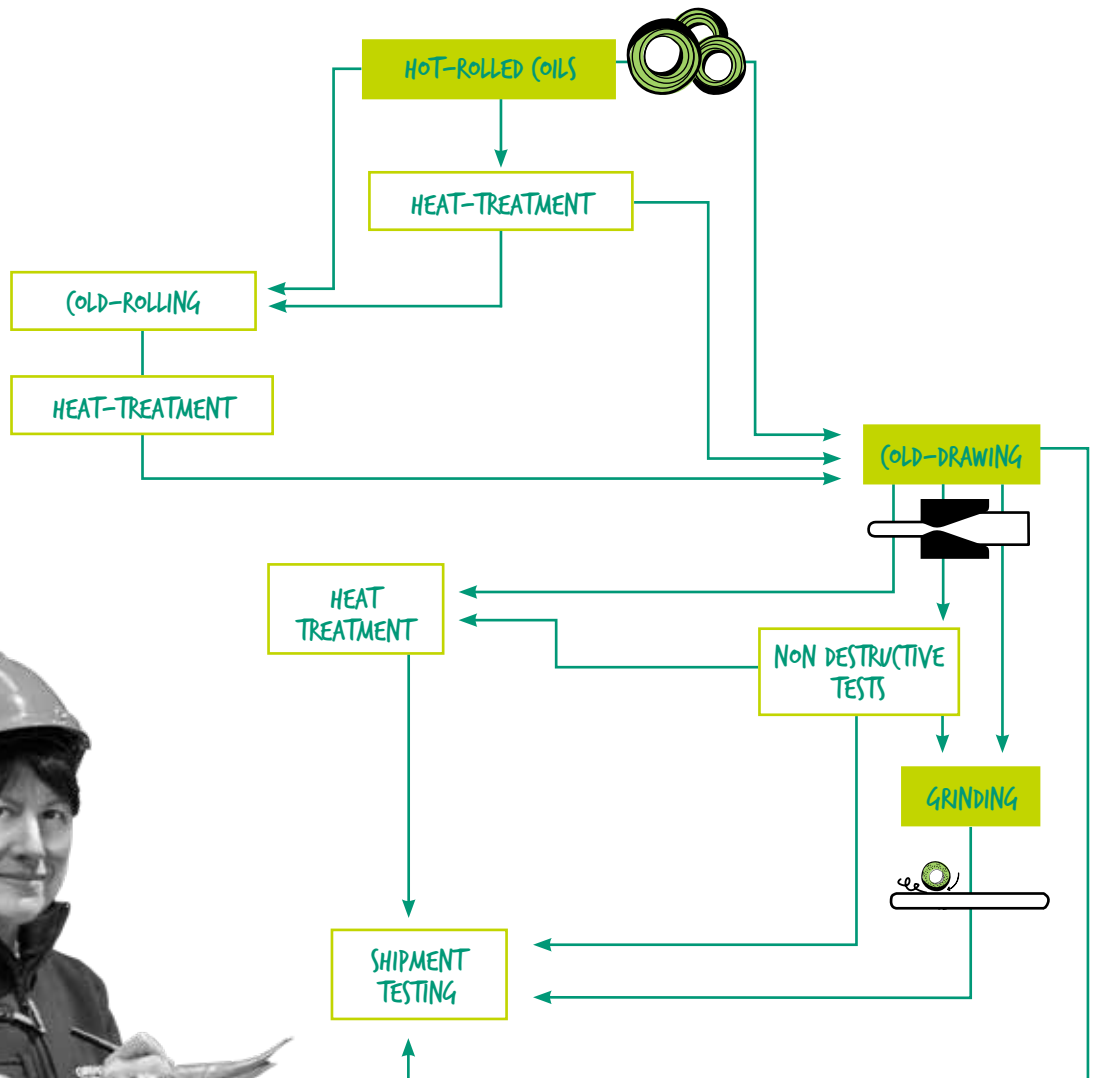
OUR CORE BUSINESS



The production chains represented summarise the essential steps characterising operations in **Gruppo Lucefin's** production division.

We obtain **COLD-DRAWN, PEELED/REELED, and GROUND** steels from the raw materials (hot-rolled coils or bars) through machining processes, treatments and tests. These steels are used by our customers to manufacture components meant for all main market sectors. We serve the automotive, furniture, oil&gas, medical, agricultural, chemical, pharmaceutical, transport, food, building, and contract-work sectors.

PRODUCTION FLOW FROM HOT-ROLLED COILS

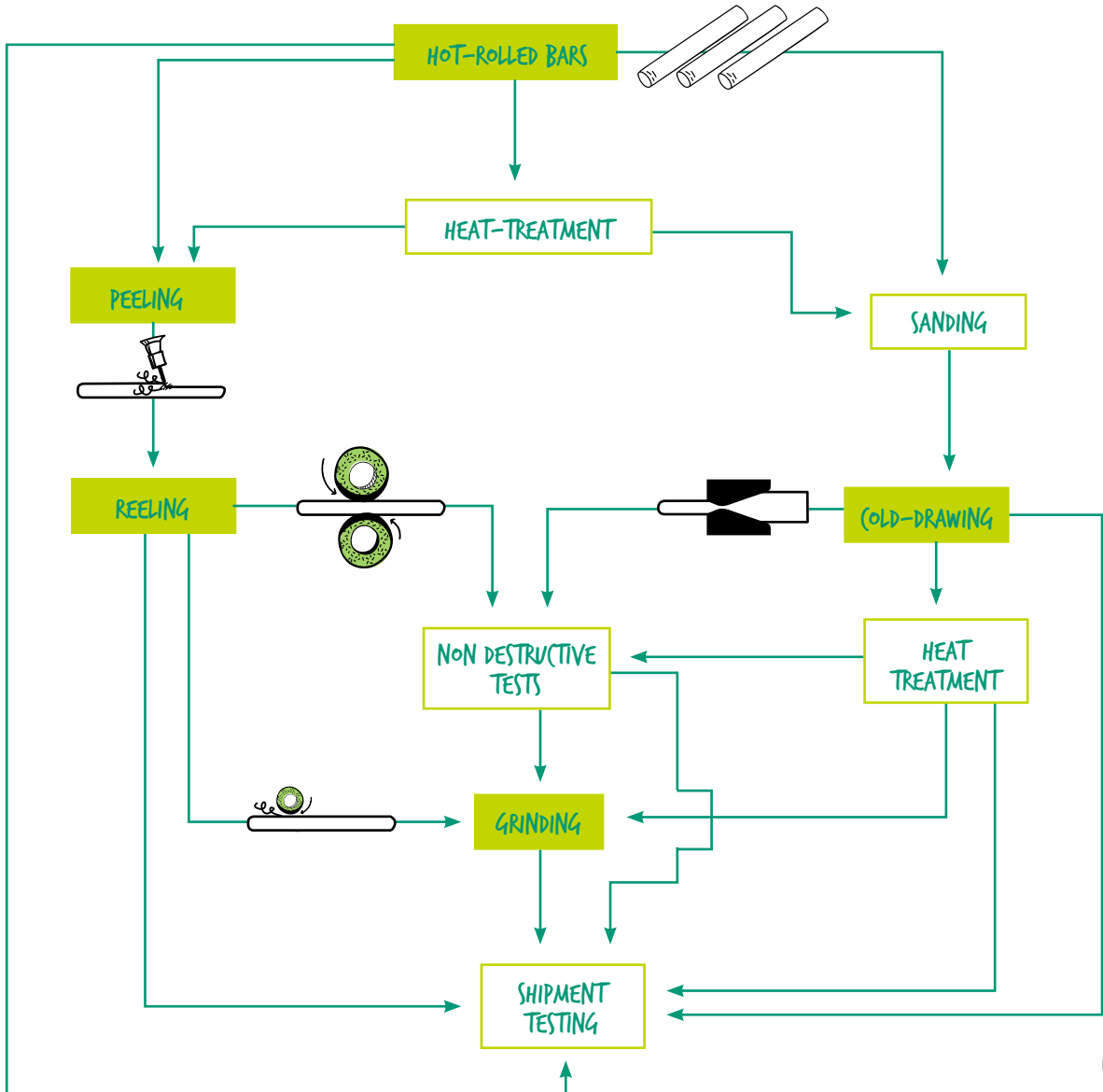




A broad complete range of alloy, non-alloy and stainless steels, in a number of sizes and sections, with chemical and mechanical qualities and characteristics that derive from years of thorough application and devotion. Our professionalism acquired over time has enabled us to customise and optimise all the Group's production machinery and plants to the level of fully meeting the ever more demanding requirements of our customers.

Our confirmed leading position worldwide is acknowledged by the whole sector, with an overall volume of sales exceeding 300,000 tons p.a.

PRODUCTION FLOW FROM HOT-ROLLED BARS



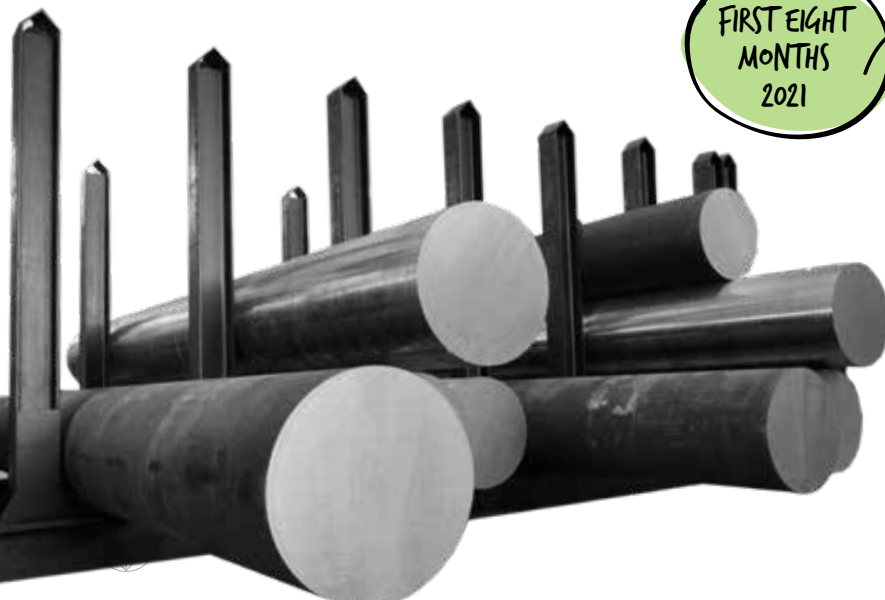
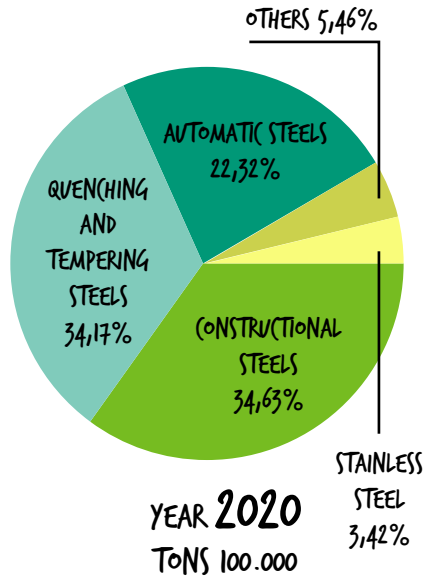
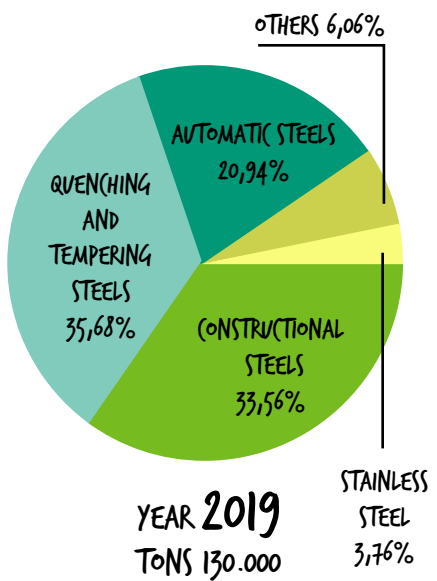
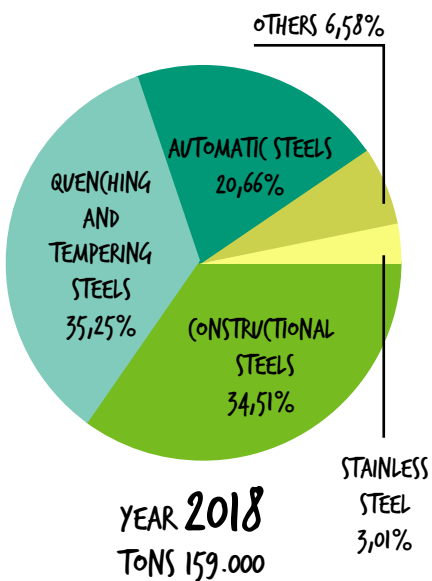
FOCUS ON OUR PRODUCTION



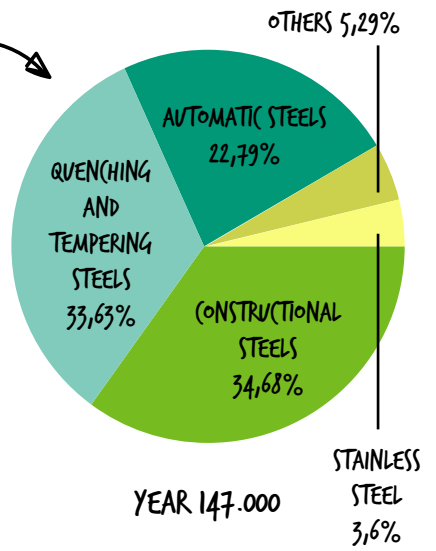
PRODUCTION RANGE - BARS

FLATS	6x2 - 400x40 mm
SQUARES	3 - 160 mm
ROUNDS	3 - 200 mm
HEXAGONS	4 - 100 mm

SALES BY STEEL FAMILY

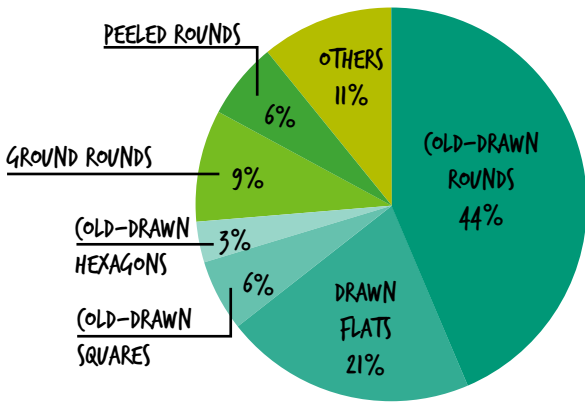


FIRST EIGHT MONTHS 2021

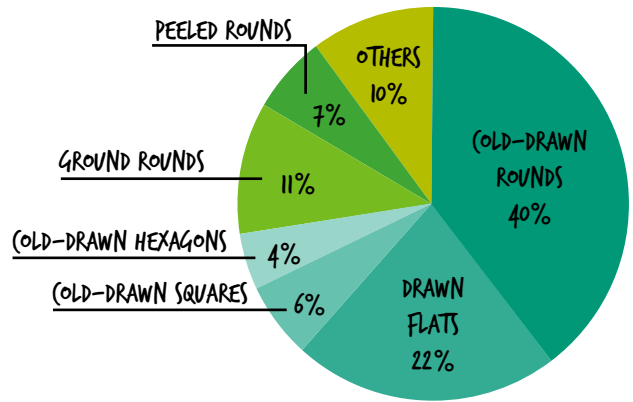




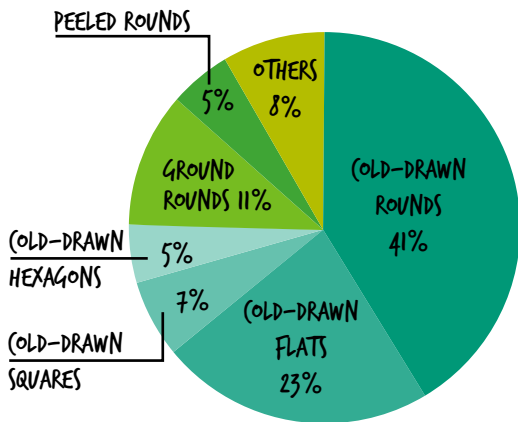
SALES BY EXECUTION AND SECTION



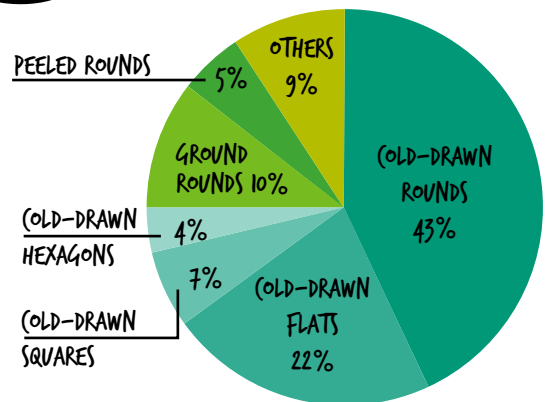
YEAR 2018
TONS 159.000



YEAR 2019
TONS 130.000



YEAR 2020
TONS 100.000



TONS 147.000



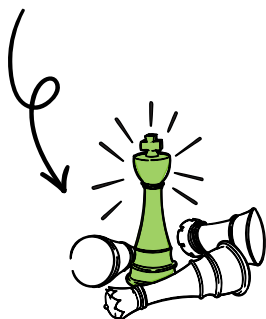
A
worldwide

INTERNATIONAL LEADERSHIP

ACKNOWLEDGED BY

≡ THE WHOLE SECTOR ≡

LUCEFIN'S SUSTAINABILITY PLAN: OUR STRATEGY AT A GLANCE



The modern meaning of corporate sustainable development refers to the ability of creating long-lasting value through the so-called “rules of good governance”. This involves directing the capitals towards activities that not only generate an economic plus value, but also are useful to society and the territory where the company is located, while respecting the ethical, social and moral values and those for the protection of the environment.

Therefore, in the next pages, we point out and highlight the connection between Capitals, as in the UN sustainable development plan, and our Material Topics where we support each strategic priority by creating a competitive advantage to generate profitability while building a robust and supportive image for an ever healthier business over time.

A ROBUST
AND SUPPORTIVE IMAGE
INTO A HEALTHY BUSINESS
OVER TIME



THE SDGs



In 2015, the U.N. Countries signed the 2030 Agenda. This is a common sustainable development plan consisting of 17 objectives, named Sustainable Development Goals (SDGs), to be reached by 2030 through the involvement of governments, companies and citizens. A development model capable of guaranteeing that the needs of the current generation are met without jeopardizing the possibilities of future generations to meet theirs.

The Lucefin Group has always been trying to achieve these same objectives in its daily conduct. Also for this reason, we found it wise and natural to adopt them as guidelines to prepare this report.

The analysis conducted while processing data allowed identifying the SDGs to which **Gruppo Lucefin** can contribute directly, thanks to its sustainable management features and its approach to the creation of common good.

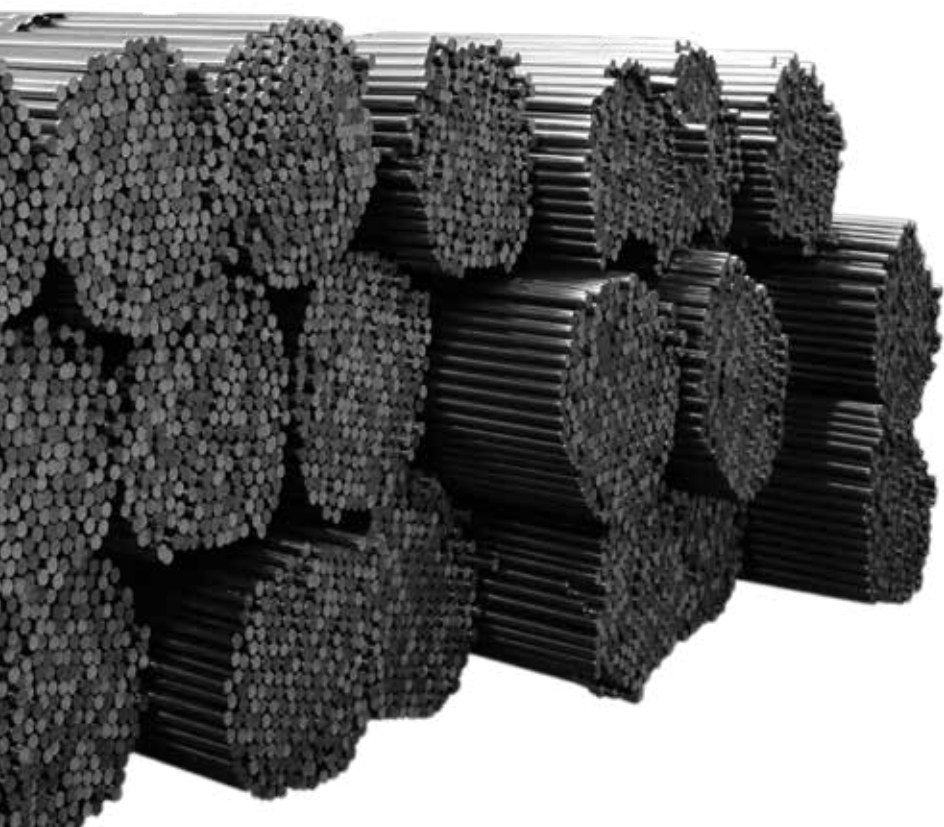
WE CONTRIBUTE TO 8 SDGS OUT OF THE 17 DEFINED BY THE U.N.



OUR COMMITMENT FOR THE THREE-YEAR PERIOD 2021-2023



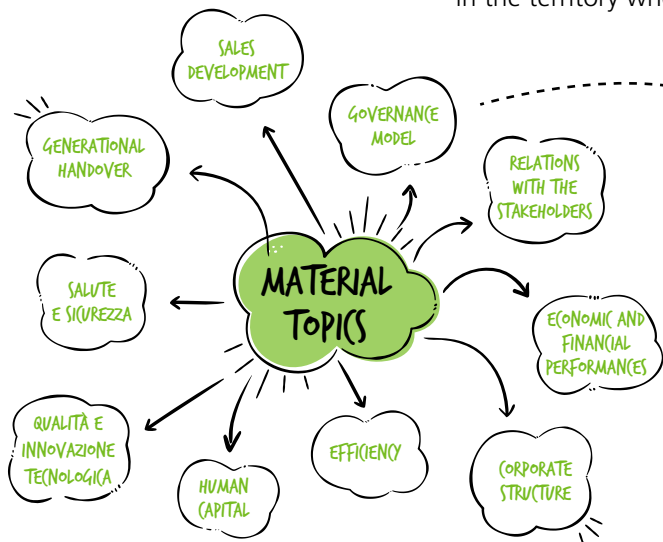
REFLECTIONS FOR THE FUTURE



MATERIAL TOPICS

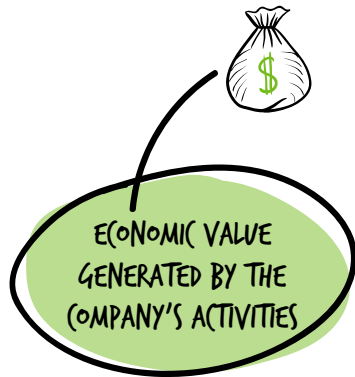


This year we have started a strategic planning process with which group will cope in the next years to achieve ambitious corporate results. We are presently interacting with our managers, workers and all the major stakeholders involved in our business and will leverage on their knowledge, authority and ability to provide original innovative points of view. An advanced and modern industrial project aimed at creating value; a value shared over time, mainly based on principles that are sustainable for the company, its relations with the reference market and its modes of being present in the territory where the company operates.



MATERIAL TOPICS	OBJECTIVES	2021-2023 ACTIONS
CORPORATE STRUCTURE	Corporate rationalisation	Optimising the corporate organisation (core business) and divesting non-strategic assets
GOVERNANCE MODEL	Improvement of the organisational structure Development of strategic assets	Developing/implementing an integrated organisational model Specific industrial plan
GENERATIONAL HANDOVER	Change management	Process of function and task continuity during the change
SALES DEVELOPMENT	Commercial penetration and new markets	Market research actions and activities and for specific investments
RELATIONS WITH THE STAKEHOLDERS	Definition of interaction methods and procedures	Dedicated hiring projects
QUALITY AND TECHNOLOGICAL INNOVATION	Enhancement of the production chain and sales offer	Planning and experimenting activities Feasibility studies and investment plans
EFFICIENCY	Process optimisation and decrease of inefficiencies	Data control and collection tools as regards materials, work processes and corporate processes
HUMAN CAPITAL	Improvement of workers' skills and well-being	Training courses, incentive plans and welfare plans
HEALTH AND SAFETY	Plant upgrade. UNI EN ISO 45001 implementation	Monitoring the work places Increasing awareness in personnel. Developing the management system
ECONOMIC AND FINANCIAL PERFORMANCE	Safeguard of the economic financial balance	Checking stocks and sales margins, monitoring ROS

THE FINANCIAL CAPITAL



MATERIAL TOPICS:

ECONOMIC PERFORMANCE

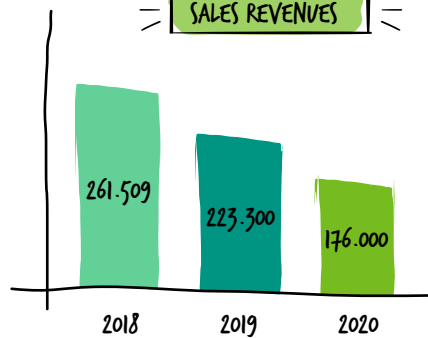
STRATEGIC PRIORITIES:

Correct management of the financial capital is essential to guarantee business continuity and sustainability. The Group's economic sustainability actually depends on effective management of the financial capital and the debt capital, which allows creating value also following the impact that economic choices may have on the other capitals.

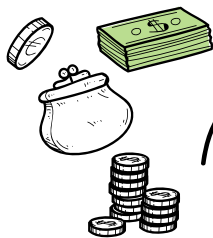
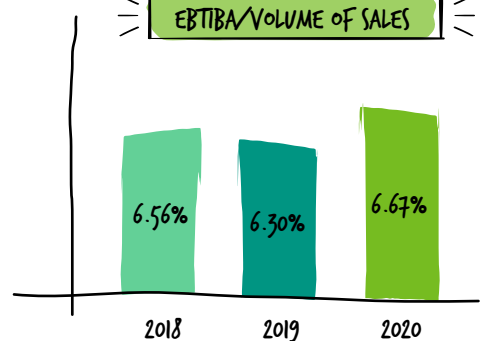
As pointed out above, the economic value generated by the company's activities is vital for an organisation doing business. However, today our vision of "creating value" can NO LONGER exclude the generation of a positive impact on all company people, those who interact with it and on the territory where the company operates.



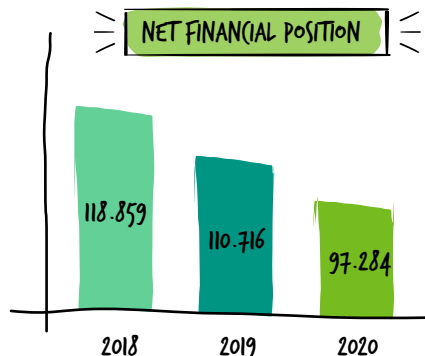
SALES REVENUES



EBITDA/VOLUME OF SALES



NET FINANCIAL POSITION



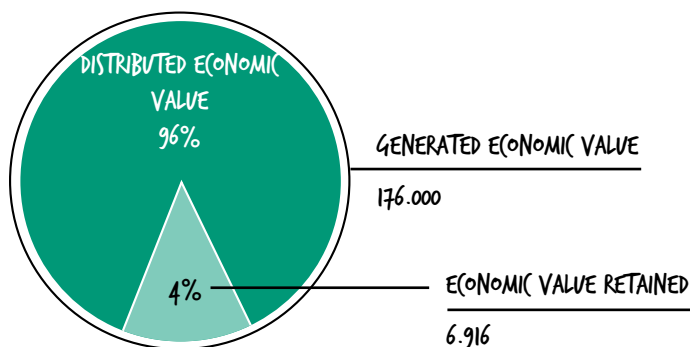
AN ECONOMIC VALUE THAT COMPANY'S ACTIVITIES CREATE AND DISTRIBUTE TO A NUMBER OF STAKEHOLDERS

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE	2018	2019	2020
A. Generated economic value: revenues	261.509	223.300	176.000
B. Distributed economic value:	250.268	214.062	169.084
B.1. Operational overheads	221.395	186.312	146.349
B.2. Wages and benefits for the employees	24.089	24.042	19.954
B.3. Payments to capital providers	3.192	2.891	3.205
B.4. Payment to the P.A.	1.492	677	-529
B.5. Investments in the community	100	140	105
C. Economic value retained (A-B)	11.241	9.238	6.916

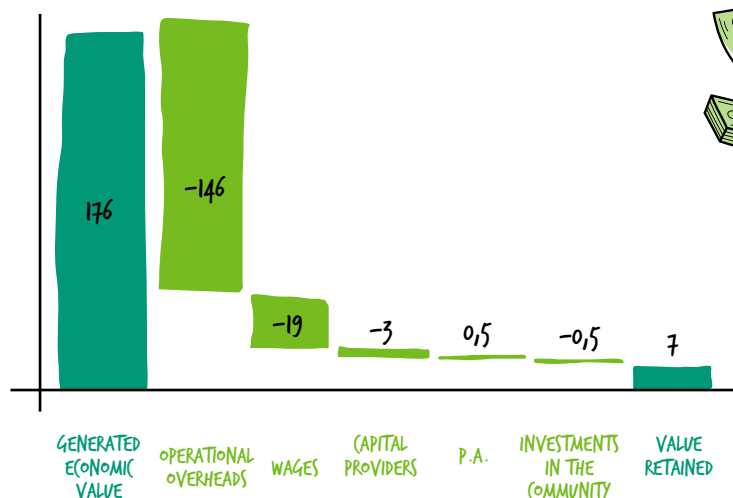
Valori espressi €1.000

FOCUS ON 2020

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE 2020



DISTRIBUTED ECONOMIC VALUE 2020



THE PRODUCTIVE CAPITAL



MATERIAL TOPICS:

EFFICIENCY AND TECHNOLOGICAL INNOVATION

STRATEGIC PRIORITIES:

In all our company processes, we believe that implementing innovative production technologies, managing the networks and adopting organisational models are essential actions to promote really sustainable corporate development.

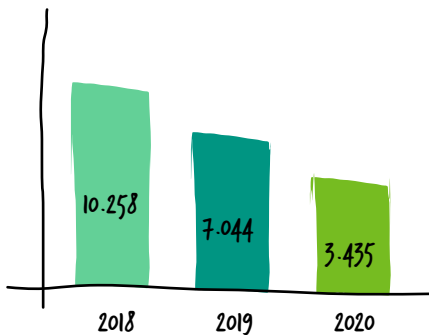
A process where we want to stress the progress of combined research and innovation efforts in view of sharing knowledge and to realise projects also in cooperation with start-ups and in scientific and university partnerships.



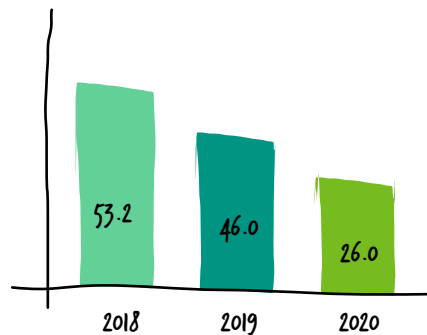
A SIGNIFICANT INFRASTRUCTURE INVESTMENT

SAFETY SYSTEM FOR AUTOMATIC TESTING OF BRIDGE CRANE MAGNETIC FIELD EFFICIENCY

INDUSTRIAL INVESTMENTS (€ / 1.000)



INDUSTRIAL INVESTMENTS PER TON PRODUCED (€ / T)



INVESTMENT IN THE THREE-YEAR PERIOD 2018/2020 (€/1.000)

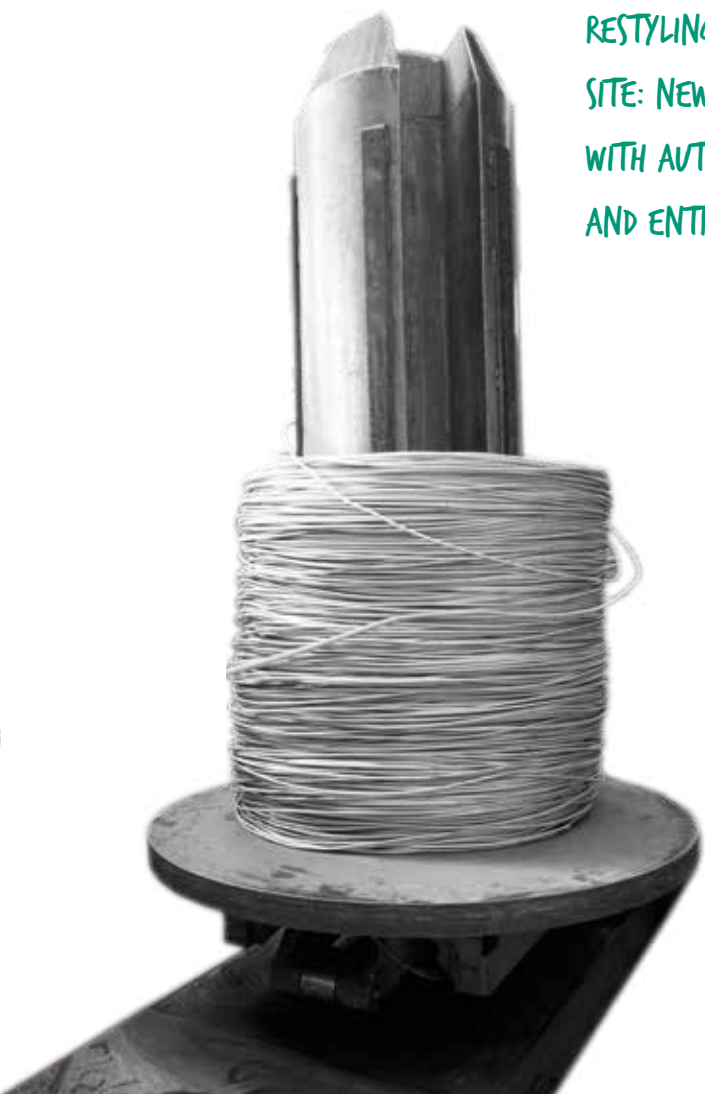
BUILDINGS AND LAND	1.087
PURCHASE/REVAMPING OF PLANTS AND MACHINERY	18.192
EQUIPMENT	449
FURNITURE, OFFICE EQUIPMENT AND VEHICLES	1.009

OUR INDUSTRIAL PLANTS

DRAWING MACHINES	23
PEELING MACHINES	5
REELING MACHINES	4
GRINDING MACHINES	21
MILLS	2
HEAT-TREATMENT PLANTS	3
CHAMFERING MACHINES	6
CND	6
DEMAGNETISATION LINE	1
CUTTING CENTRES	82

RESTYLING OF THE ESINE SITE: NEW ENTRANCE WITH AUTOMATIC REGISTRATION AND ENTRY/EXIT SAFETY CHECKS

A SIGNIFICANT INFRASTRUCTURE INVESTMENT



PRODUCTION

Roofed surface 62,000 M²
Open air surface 74,000 M²

DISTRIBUTION

Roofed surface 64,000 M²
Open air surface 75,000 M²

THE INTELLECTUAL CAPITAL



INVESTMENTS
IN SOFTWARE
230,000 EUROS



2018/2020

2018/2020
3 TECHNICAL
PUBLICATIONS



MATERIAL TOPICS:

GOVERNANCE MODEL - CORPORATE STRUCTURE - QUALITY AND INNOVATION

STRATEGIC PRIORITIES:

Our intellectual capital is made of immaterial assets, the value of knowledge and the competences that the Group has accumulated and developed in about 50 years of activity. It substantiates in regulations, procedures and operational management and governance systems.

We are engaged in many research and innovation efforts regarding both processes and products, together with our commitment to training activities and for disseminating the culture of steel. This not only guarantees compliance with the applicable standards, but also enables us to optimise the value generated in terms of money resulting from our operations as well as in terms of innovation and commercial liveliness to meet the specific needs of the stakeholders.

These elements contribute to guaranteeing the honesty, transparency, integrity, responsibility, and correctness with which the Group performs its business activities and promotes its leadership in the reference market. Corporate reorganisation and, in particular, how it is implemented will be essential aspects as regards both people's ability to adapt to developing situations and the economic stability of the areas affected.



2018/2020
17 STAGES
IN HIGH SCHOOLS
AND UNIVERSITIES



AS TO THE NEAR FUTURE, THE GROUP'S COMMITMENT IS TO INCREASE THE EFFICIENCY OF ITS ORGANISATIONAL STRUCTURE BY INTEGRATING THE EXISTANT MANAGEMENT SYSTEMS: QUALITY, ENVIRONMENT AND SAFETY AS WELL AS THE ORGANISATIONAL MODELS (AS PER ITALIAN LEGISLATIVE DE(REE 231/01) AND PRIVACY REGULATIONS.

THEIR BEING MERGED INTO ONE APPROACH WILL ALLOW OPTIMISING CORPORATE PROCESSES AND UNIFY AND COMBINE OPERATING EFFORTS BY ALL THE PARTS.



TO OPERATE
ALL TOGETHER
FOR THE
IMPLEMENTATION
OF CONTINUOUS
DEVELOPMENT!



THE HUMAN CAPITAL



MATERIAL TOPICS:

HUMAN CAPITAL – GENERATIONAL HANDOVER – SAFETY AND HEALTH

STRATEGIC PRIORITIES:

Talking and listening activities, sharing of information, continuous exchange on topics and strategies are milestones when you want to involve your employees and foster their professional growth. They are preliminary to a methodical effort to enhance the professional profiles that, thanks to their skills, sense of belonging and spirit of initiative, can guarantee role and function continuity.

This is a real corporate wealth that they hand down together with the values and principles intrinsic in the cultural and generational background of the Group. Learning is the thrust motor to work out a regular and well-planned training pathway aiming at providing all workers, either physically or virtually, locally or globally, with educational and training experiences as long as they work with the company.

To obtain a stimulating and motivating work environment where also the culture of safety, health and accident prevention plays a leading role and where everybody feels committed to give correct support and maximum contribution to achieve the goals established. Strengthening employee motivation and commitment to achieve the objectives is important to keep a consistent and shared company vision.



WORK-RELATED INJURIES



YEAR	2018	2019	2020
Hired employees+leased employees, core steel business	562	555	537
Number and rate of deaths following work accidents	No deaths		
Number of recordable work accidents	32	22	21
Rate of work accidents (multiplicative factor: 1 million)	32.65	27.83	24.06
Main types of work accidents	Bruises, crushing, sprains, and tripping		
Number of worked hours	865.480	854.700	826.980
Work hazards posing the risk of accidents with major injuries	43	47	38



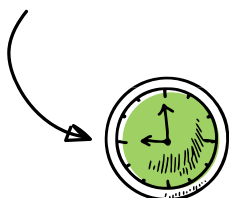
NEW EMPLOYEE HIRE
AND EMPLOYEE
TURNOVER



EMPLOYEES WITH MORE THAN
10 YEARS OF SENIORITY
YEAR 2020 = 53%

TYPE OF ENGAGEMENT:
- PERMANENT CONTRACT
96,5%
- TERM CONTRACT 2%
- LEASE WITH TERM
CONTRACT 1,5%

TRAINING HOURS



YEAR		2018	2019	2020
New employee hires*		43	16	8
Rate of new employee hires		9.00%	3.40%	1.77%
Employees by age	under 30	20	10	4
	30-50 years	20	5	4
	over 50	3	1	0
Employees, men and women	M	39	14	8
	F	4	2	0
Employee turnover total*		26	24	28
Employee turnover rate		5.44%	5.10%	6.21%
Employee turnover by age	under 30	3	9	2
	30-50 years	11	5	11
	over 50	12	10	15
Employee turnover, men and women	M	18,00	21,00	24,00
	F	8,00	3,00	4,00
Reason for end of employment relative to employee turnover total	Resigned	8	6	9
	Terminated	3	9	2
	Laid off	3	2	3
	Retired	12	7	14



YEAR		2018	2019	2020
Differences of employees by age	under 30	7.07%	7.76%	7.46%
	30-50 years	53,96%	54,96%	55,70%
	over 50	38,97%	37,28%	36,84%
Differences of personnel by gender	M	86,30%	86,21%	86,40%
	F	13,70%	13,79%	13,60%

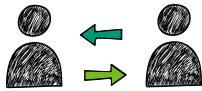


YEAR	2018	2019	2020
Training hours	15.929	8.972,75	4.821
Training hours by employee	33.32	19.05	10.7

* Figure calculated on Italian companies in the core steel business 451 employees year 2020 - 471 year 2019 - 478 year 2018



THE RELATIONAL CAPITAL



THANKS TO OUR TECHNOLOGIES AND POLICIES OF INTERACTION, THERE ARE NO CHARGES AGAINST US FOR LOSS OF CUSTOMER DATA OR BREACHES OF CUSTOMER PRIVACY

MATERIAL TOPICS:

RELATIONS WITH THE STAKEHOLDERS - SALES DEVELOPMENT

STRATEGIC PRIORITIES:

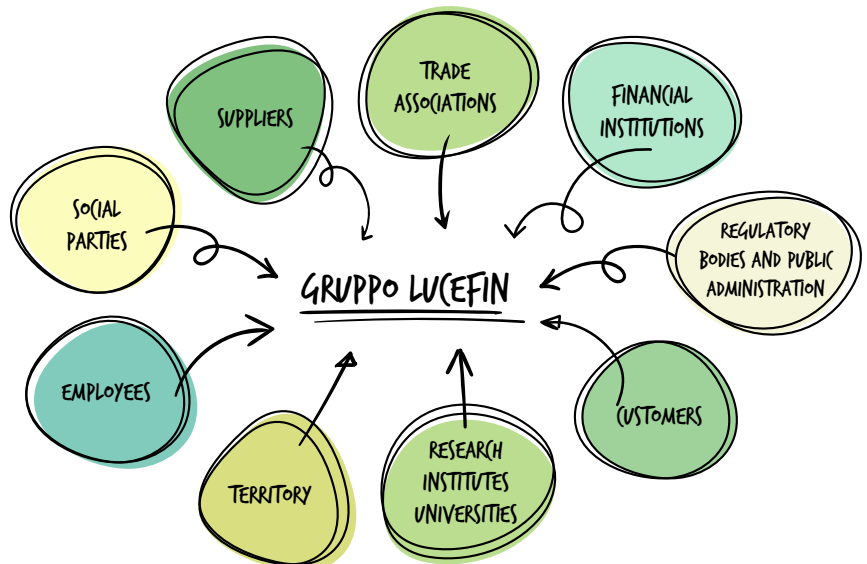
Understanding the relevance of building a transparent and cooperative relationship with all the stakeholders in a context of sustainability and will of transformation has become still more important in this period. In the year 2020, the measures necessary to fight the pandemic including mandatory social distancing heavily affected travels and get-togethers.

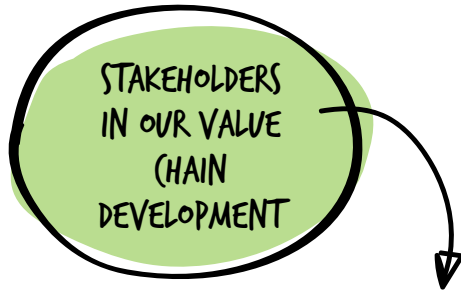
The stakeholder engagement activity consisting in listening and including all the primary players, turns into systematic planning of continuous motivational and transparent interactions to increase fidelity relationships and mutual trust between the company and its stakeholders, thereby improving processes, initiatives and projects of common interest.

Customer interaction will play a decisive role. ENHANCING QUALIFICATIONS and STRENGTHENING CUSTOMER APPRECIATION will be priorities in our sustainable pathway, in a mutual exchange of professionalism and competence.

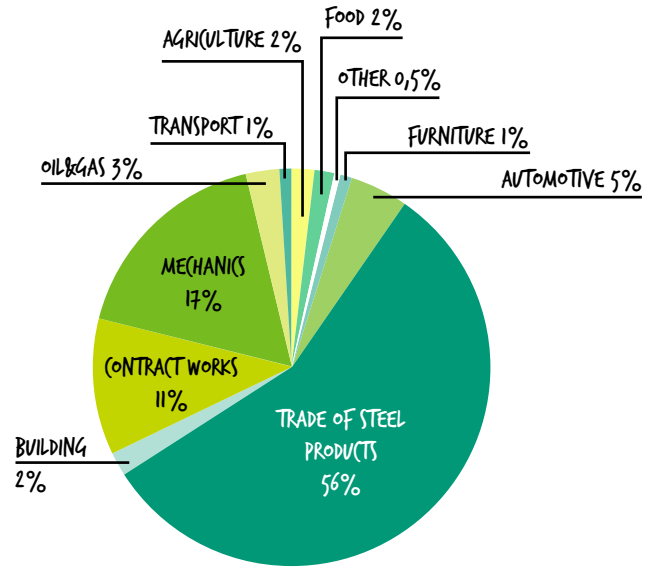


OUR STAKEHOLDERS

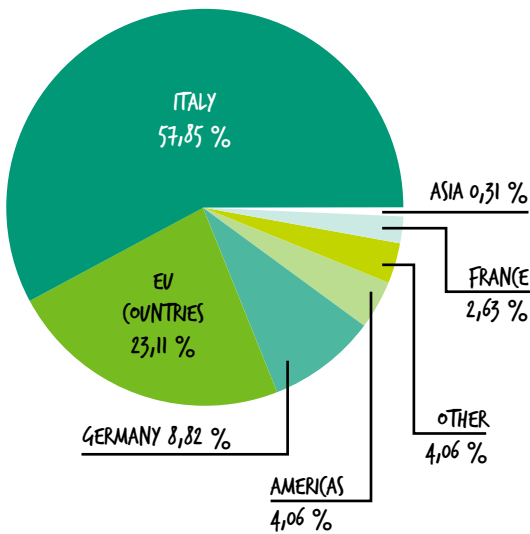




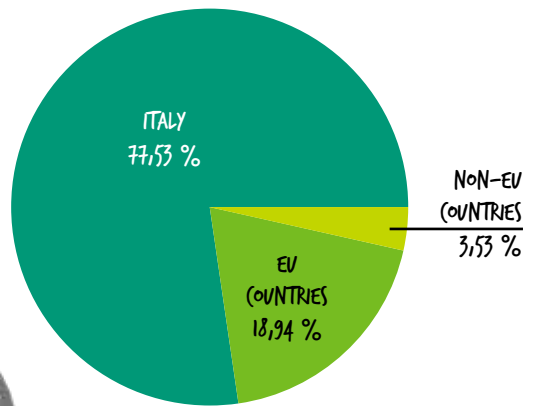
SALES ON THE ITALIAN MARKET 2020



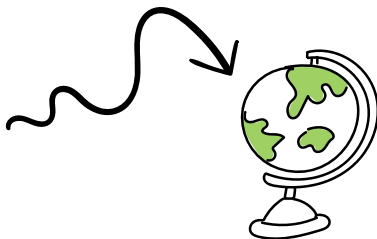
SHIPPED BY GEOGRAPHICAL AREAS 2020



PURCHASES OF RAW MATERIALS BY GEOGRAPHICAL AREAS 2020



OUR PRESENCE IN THE TERRITORY



FONDO OSPEDALI E SANITÀ DI VALLE CAMONICA

This fund supports public interest initiatives to broaden the health-care offer and improve patient proximity at the hospital Polo Ospedaliero di Valle Camonica and its local network.

FONDAZIONE PROSSIMA GENERAZIONE VALLECAMONICA ETS

To promote economic and social development of people and communities in the Vallecamonica valley and upper Sebino area. It produces ideas and projects for economic recovery and resilience and to reclaim abandoned areas.

1021ZER097 LA BELLA CORSA DELLA VALLE CAMONICA

This is a foot race held annually amidst wonderful naturalistic surroundings and glimpses of historical and cultural interest. The project started in 2013 from an idea of the Corrintime sport association founded by Giorgio Buzzi.

D'ADA RASSEGNA ARTE, DESIGN, ARCHITETTURA

A project for culture supported by Lucefin. Since 2019, it organises dedicated meetings to pinpoint experiences and visions involving great artists, creatives and architects who left a deep trace also in Valle Camonica in the 20th century.



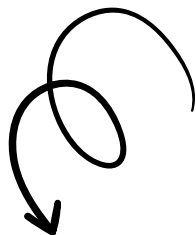
Fondo Ospedali e Sanità
di Valle Camonica



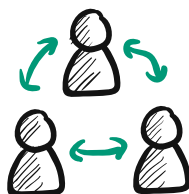
Comunità Montana
di Valle Camonica



INDUSTRIAL RELATIONSHIPS AND TRAINING ORGANISATIONS



WE BELIEVE IN SECTOR CULTURE AND
KNOWLEDGE (CULTURE AND ADDRESS
THOSE WHO LIVE THIS PROFESSION WITH
INTENSITY AND PASSION AND ALSO THOSE
WHO ARE JUST BEGINNERS)



Gruppo Lucefin is an active member of several industrial associations, namely: Federacciai, Confindustria Brescia (AIB), and Assofermet. It actively cooperates with Assocamuna and Siderweb.

It makes available its sector know-how by cooperating with Unsider and taking part in the meetings for standards revision. In 2020, the Group was one of the teachers at the Day Training focussing on the revision of the UNI 11025 standard (Steel products - Management of technical claims).

In cooperation with the Department of Mechanics of Politecnico di Milano, the Group has published technical volumes intended for work specialists, university students and professors, and researchers in the effort of disseminating knowledge and sharing its years-long experience.

Together with FaFe, it develops and promotes failure analysis and forensic engineering training projects intended for managerial and technical profiles, insurance and law professionals working in the industrial, chemical, petrochemical, transport and components sectors.



THE ENVIRONMENTAL CAPITAL



WE WANT TO START AN INCREASINGLY ACCURATE ANALYTICAL PROCESS MEASURING WATER AND ENERGY CONSUMPTION, WASTE PRODUCTION AND EMISSIONS OF THE ENTIRE COMPANY

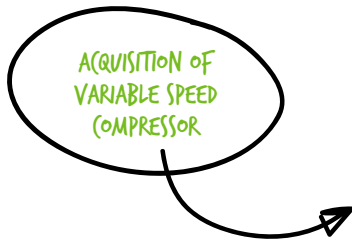
MATERIAL TOPICS:



MONITORING AND PLANNING ABILITY:

The Lucefin Group certainly exerts direct and indirect environmental impacts on the environment. Our approach to manage and contain such impacts includes: monitoring and mitigating them at both the decision-making and operating levels, pursuing efficiency in the use of resources, improving waste management, and increasing environmental awareness inside and outside the company. The fundamentals of our environmental capital include new technologies increasing business efficiency, reducing environmental impacts, lowering energy consumption, and supporting the use of renewable energy sources.

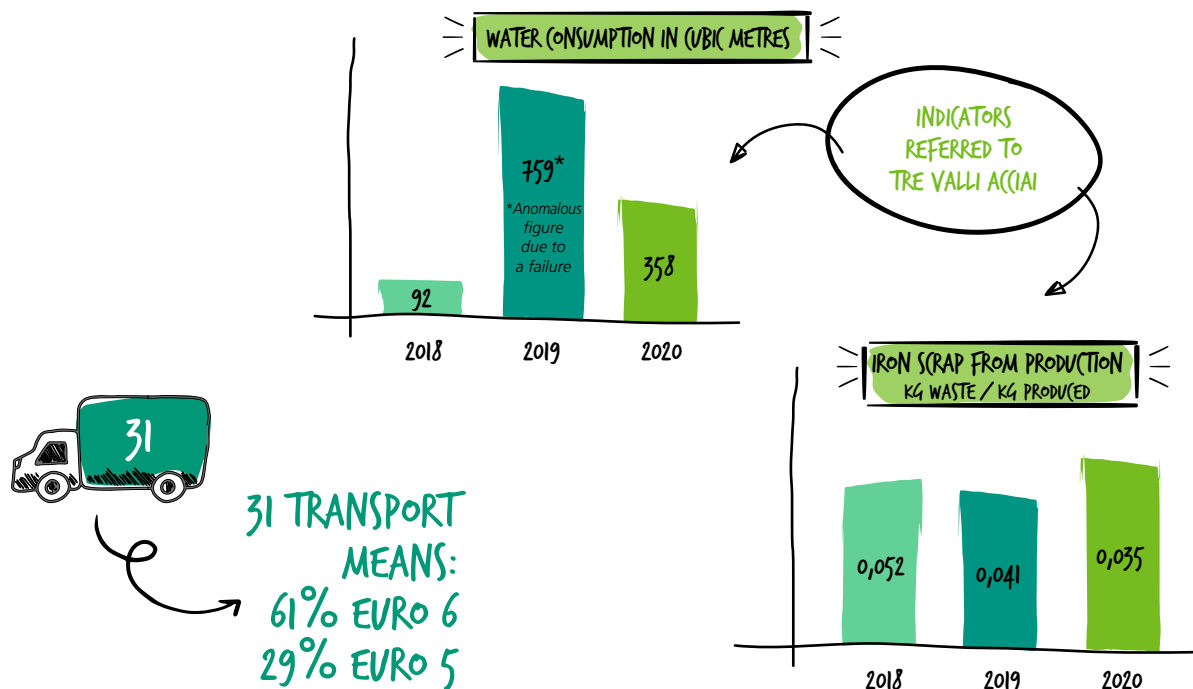
The process of preparing this document has demonstrated that the Group needs to improve its environmental indicator collection system. Its first effort regarded the two INCREASINGLY CRUCIAL TOPICS of circular economy and energy and consisted in participating to two different circularity check-ups and an energy audit. Starting from these experiences, we are going to trigger a continuous improvement process for increased awareness. The main data reported refer to the Lucefin Group site (i.e. Tre Valli) that exhibits the heaviest environmental impacts due to its production processes.

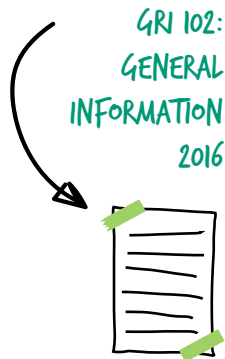


Compressed air need during monitoring	1,949,184 Nm ³
Average specific consumption before intervention	0,188 kWh/ Nm ³
Final actual average specific consumption	0,111 kWh/ Nm ³
Equivalent electric energy consumption before intervention	366.447 kWh
Final actual electric energy consumption	216.804 kWh
Final electric energy saving	149.643 kWh 40,8 %
Electric energy saving as per feasibility study	39.6 %

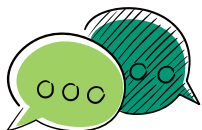


Energy consumed in the organisation (unit of measure: GJ)	2018	2019	2020
a. Total consumption of fuel obtained from non-renewable sources in the organisation	23,119.4	25,347.1	18,628.8
b. Total consumption of fuel obtained from renewable sources in the organisation	14%	13%	Not available
c. Total electric energy consumption in the organisation, in joules	69.125,2	58.850,7	46.400,9
d. Electricity sold in joules	1.965,8	1.800,6	1.661,0
e. Total energy consumption in the organisation, in joules	90.278,8	82.397,3	63.368,6
f. Standards, methods, calculation hypotheses and/or tools used	Consumptions obtained from supply company documents		
g. Source of the conversion factors used	<p>1. Factors applied to convert Scm into Joules: we used the local conversion factors available in the web site www.snam.it per point of delivery and year of reference. Where not available, we used data retrieved from the methane gas supply company bills.</p> <p>2. As to GPL (tank installed at Acciai Brianza - Orbassano), we used the following higher heating value (HHV): 24,9 kw/h per m3 (source ENEA)</p> <p>3. To convert kw/h into joules, we applied the following value: 1 kw/h = 0.0036 GJ</p>		

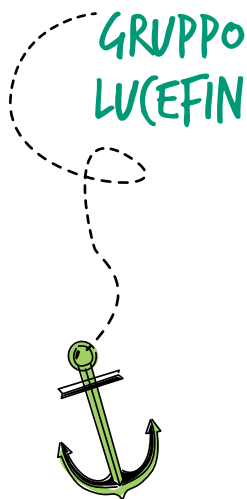




- 102-1.** Name of the organisation.....Front cover; p.12
- 102-2.** Main brands, products and services.....p.13; 26-29
- 102-3.** Location of headquarters.....Back cover
- 102-4.** Countries of operations.....p.13
- 102-5.** Ownership and legal form.....p.12
- 102-6.** Markets served.....p.13; 17; 45
- 102-7.** Size of the organisation.....p.16-17
- 102-8.** Information on employees and other workers.....p.17; 42-43
- 102-11.** Modes of implementation of the precautionary principle or approach.....p.24-25
- 102-13.** Membership of associations.....p.47
- 102-14.** Statement of a top manager.....p.7
- 102-15.** Key impacts, risks and opportunities.....p.25
- 102-16.** Description of values, principles, standards and rules of behaviour.....p.11; 20-21
- 102-18.** Description of the governance structure.....p.18-19
- 102-22.** Composition of the highest governance body and its committees.....p.18-19
- 102-40.** List of stakeholder groups.....p. 8; 44
- 102-43.** Approach to stakeholder engagement.....p.8
- 102-46.** Defining report contents and their boundaries.....p.8-9
- 102-47.** List of material topics identified while defining report contents.....p.10
- 102-55.** GRI contents index.....p.50-51



GRI 201: ECONOMIC PERFORMANCE 2016	201-1. Direct generated and distributed economic value.....p. 37
GRI 204: PROCUREMENT PRACTICES 2016	204-1. Expenditure towards local suppliers.....p. 45
GRI 302: ENERGY 2016	302-1. Energy consumption within the organisation.....p. 49
GRI 303: WATER AND EFFLUENTS 2018	303-5. Water consumption.....p. 49
GRI 306: WASTE 2020	306-1. Waste production and significant waste-related impacts.....p.49
GRI 401: EMPLOYMENT 2016	401-1. New employee hires and employee turnover.....p. 43
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-9. Work-related injuries.....p.42
GRI 404: TRAINING AND EDUCATION 2016	404-1. Average training hours p.a.....p.43
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405.1. Diversity of governance bodies and employees.....p.19; 43
GRI 418: CUSTOMER PRIVACY 2016	418-1. Proven claims regarding customer privacy violations and loss of customer data.....p.44



This is the last page of the report. We thank you for spending your precious time reading and hope that our sustainability concept was clearly conveyed to you. So far, you have known and evaluated us.

From now on, we would like to receive your opinion. So, we invite you to e-mail us at sostenibilita@lucefin.com either to obtain more information or simply to let us know your thoughts about what you have read.

 Together **we** change

This is the vision that will make us grow together.

Thank you very much from
the whole COMMITTEE.



www.lucefin.com





HANDING OVER

passion

FOR STEEL WITH

COMPETENCE, INNOVATION AND
≡ PRODUCTION QUALITY ≡

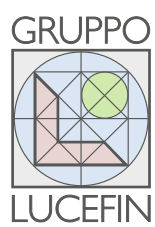


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