

CELSA Group

Assessment of economic
and social contribution
in Spain

September 2023



Leading the *circular*
transformation



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2022

Key Figures

For CELSA Group

 CELSA Group is the leader in the private steel industry in Spain, and would **rank 18 among the Ibx 35 companies** in terms of revenue

 CELSA Group is **in the TOP 5 of Spanish family companies** in terms of revenue ^(*)

For CELSA Group in Spain

 CELSA Group is **in the TOP 15 of Spanish industrial material manufacturing companies** in terms of revenue ^(**)

 CELSA Group is the **largest industrial recycler** in Spain

 CELSA Group is the **third largest industrial consumer of electric power in Spain**

CELSA Group in Spain

-  **600 M€** of direct economic contribution in Spain
-  **2,209 M€** of indirect and induced economic contribution in Spain
-  **1,6%** of employment in the Spanish industrial sector, considering total direct, indirect and induced jobs generated by CELSA Group
-  **37,182** direct, indirect and induced jobs generated in Spain
-  **1%** of exports in the Spanish industrial sector correspond to CELSA Group
-  **1.8%** of the Spanish industrial sector's GDP ^(*)
-  **112 M€** of tax contribution by CELSA Group
-  **143 M€** of tax collected through the output VAT system
-  **2,036 M€** invested by CELSA Group in Spain over the 2001-2022 period

^(*) Information provided by CELSA Group based on Actualidad Económica data.

^(**) This data is calculated considering CELSA Group's revenue in Spain and revenue from companies in the industrial sector with tax domicile in Spain. Oil, energy and construction companies are not included

^(*) Calculated based on Celsa Group's sales in Spain. M€: Millions of euros

Methodology

Methodology

CELSA Group has sought EY's advice to assess the economic and social contribution of its activity in Spain in 2022.

The information provided in this report gives an estimate of the direct, indirect and induced economic and social contributions by CELSA Group to the Spanish economy.

The methodology applied by EY is based on the use of symmetrical input-output tables to model the monetary interdependency between the activity sectors of a specific economy. When combining this representation of economy with the structure of employment, average salary and gross value added for each of its sectors, it is possible to determine the indirect and induced economic and social impact of CELSA Group, considering its purchases in Spain and direct and indirect salaries generated.

The primary data considered (economic data, purchases and social data of CELSA Group in Spain) correspond to the past fiscal year, which started on January 1, 2022 and ended on December 31, 2022.

The secondary data considered (input and output data, household consumption by sector, gross value added at basic prices by sector, total equivalent and occupied jobs by sector, wages and salaries by sector, gross average salary by sector, etc.) correspond to public data available from the 2016 Input-Output Tables of the Annual Spanish National Accounts (published in 2019) and the Spanish Institute of Statistics (hereinafter INE, by its acronym in Spanish). All calculations are based on the most recent tables.

CELSA Group's direct economic contribution in Spain corresponds to earnings before interest, taxes, depreciation and amortization and the Group's employees' salaries over 2022 (Gross Value Added, GVA).

CELSA Group's direct social contribution in Spain corresponds to the number of jobs of the Group in Spain.

For the calculation of CELSA Group's indirect contribution in Spain, the data of purchases in 2022 in Spain have been mapped in accordance with the sectors in the Input-Output tables of Annual Spanish National Accounts to analyze their impact on the employment, salary and gross value added of the economy.

For the calculation of CELSA Group's induced contribution in Spain, net direct and indirect salaries generated have been considered, extracting the portion set aside for savings.

According to INE, household saving rate in 2022 was 7.2%. Net direct and indirect salaries generated have been injected into local economy, based on total household consumption in the several sectors of the Spanish economy, in order to analyze their impact on the employment, salary and gross value added of the economy.

Tax contribution has been calculated based on the taxes paid and collected by CELSA Group, including Value Added Tax (VAT), Personal Income Tax withholdings, Social Security contributions, Corporate Income Tax, Tax on Real Property, Tax on Economic Activities, effluent charges and other taxes and levies.

Thus, taxes related to the activities carried out by CELSA Group (those that entail a cost for the activities and have an impact on their results) and taxes collected on behalf of third parties have been considered.

In order to obtain the contribution derived from investments data provided by CELSA Group have been used.

Appendix B includes greater detail on the methodology used.

CELSA Group and its presence in Spain



CELSA Group

CELSA Group is one of the leading multinational companies in steel-long products worldwide and the second largest steel recycler in Europe. CELSA Group is a family business headquartered in Barcelona and with industrial presence in 9 European countries (Denmark, Spain, Finland, France, Ireland, Norway, Poland, the United Kingdom and Sweden), where it has over 120 work centers.

CELSA Group is the largest European manufacturer of reinforcing steel, the second largest European manufacturer of structural sections and merchant bars and the third largest European manufacturer of high-quality wire rod. It focuses on offering the highest quality and care in the services that its customers demand. It provides circular steel to strategic industries such as the construction, automotive, energy and capital goods industries, among others.

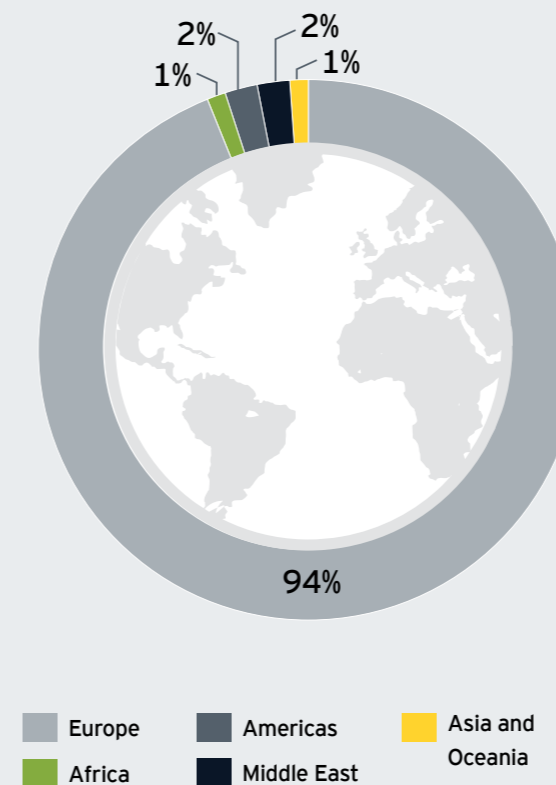
The origins of CELSA Group are to be found in Castellbisbal (Barcelona), where it started its activities in 1967. Constant innovation has always defined CELSA Group. Thus, in 1977 the first electric arc furnace was inaugurated, and over the years CELSA Group became a reference for steel in Spain through the acquisition of several companies in the industry. With the dawn of the new millennium, the Group's international expansion began with the acquisition in 2003 of CELSA UK in the United Kingdom and Celsa Huta Ostrowiec in Poland. After these two successful acquisitions, the globalization process consolidated with the purchases of CELSA Nordic in 2006 and Celsa France in 2007. CELSA Group has continued fostering its vertical integration policy by investing in both recycling and processing plants. Lastly, in 2021 the construction of a rolling mill in CELSA France was completed.

CELSA Group recycles ferrous waste and manufactures a wide range of steel-long products through the electric arc furnace technology. Its production process is highly integrated throughout the value chain as it has steelworks, rolling mills, recycling companies and processing plants.

Since the very beginning CELSA Group has been committed to producing steel with electric arc furnaces, the most environmentally sustainable and energy-efficient technology in our industry. CELSA Group's strong commitment to innovation in its production processes has taken it to a leading position in the circular industry and the production of recycled steel. 85.9% of the materials used in its production processes are recycled materials, and 97% of the end product is made up of recycled steel. CELSA Group recovers more than 95% of the waste generated by its production processes and expects to recover 98% by 2030.

Moreover, its production process, which uses the electric arc furnace technology, generates much fewer air emissions, i.e. nine times fewer direct and indirect greenhouse gas emissions than blast furnaces, which is the traditional production method. In turn, it also reduces water consumption and pollution, as well as mining waste from the extraction of iron ore.

CELSA Group's sales in 2022 by continent



Fuente: Data provided by CELSA Group M€
mt: Thousands of tons

2022 revenue 6,109 M€	Workers in 2022 <small>(own employees and subcontractors)</small> 10,162	2022 sales 5,385 mt
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“ CELSA Group is one of the **30 largest steel long-product companies in the world** and is the most diversified and vertically integrated private European steel group. ”

CELSA Group in Spain



CELSA Group has a **32% average market share** in the product segments in which it operates in Spain, with an annual production close to **3 million tons of steel**.



Additionally, the Group is in the **TOP 5 of Spanish family businesses** in terms of revenue. ^(*)



CELSA Group is present in **14 Spanish provinces**, with **50 work centers**, of which 34 are production centers engaged in the recovery and treatment of scrap, and the processing and distribution of steel products. The Group's headquarters are located in the Barcelona province, at the Group's premises in Castellbisbal.



Imports account for **18%** of total Group purchases, and **exports** account for **66%** of sales.

CELSA Group's market share in Spain



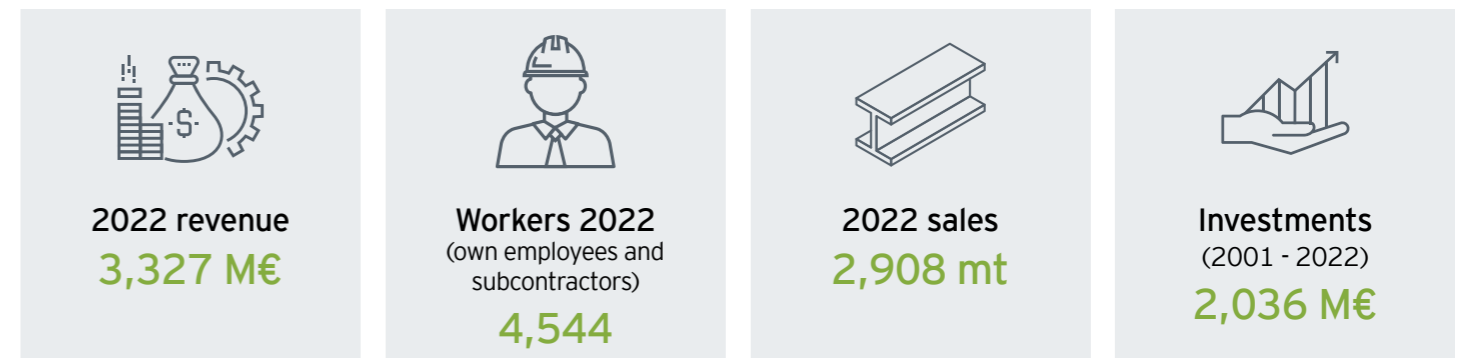
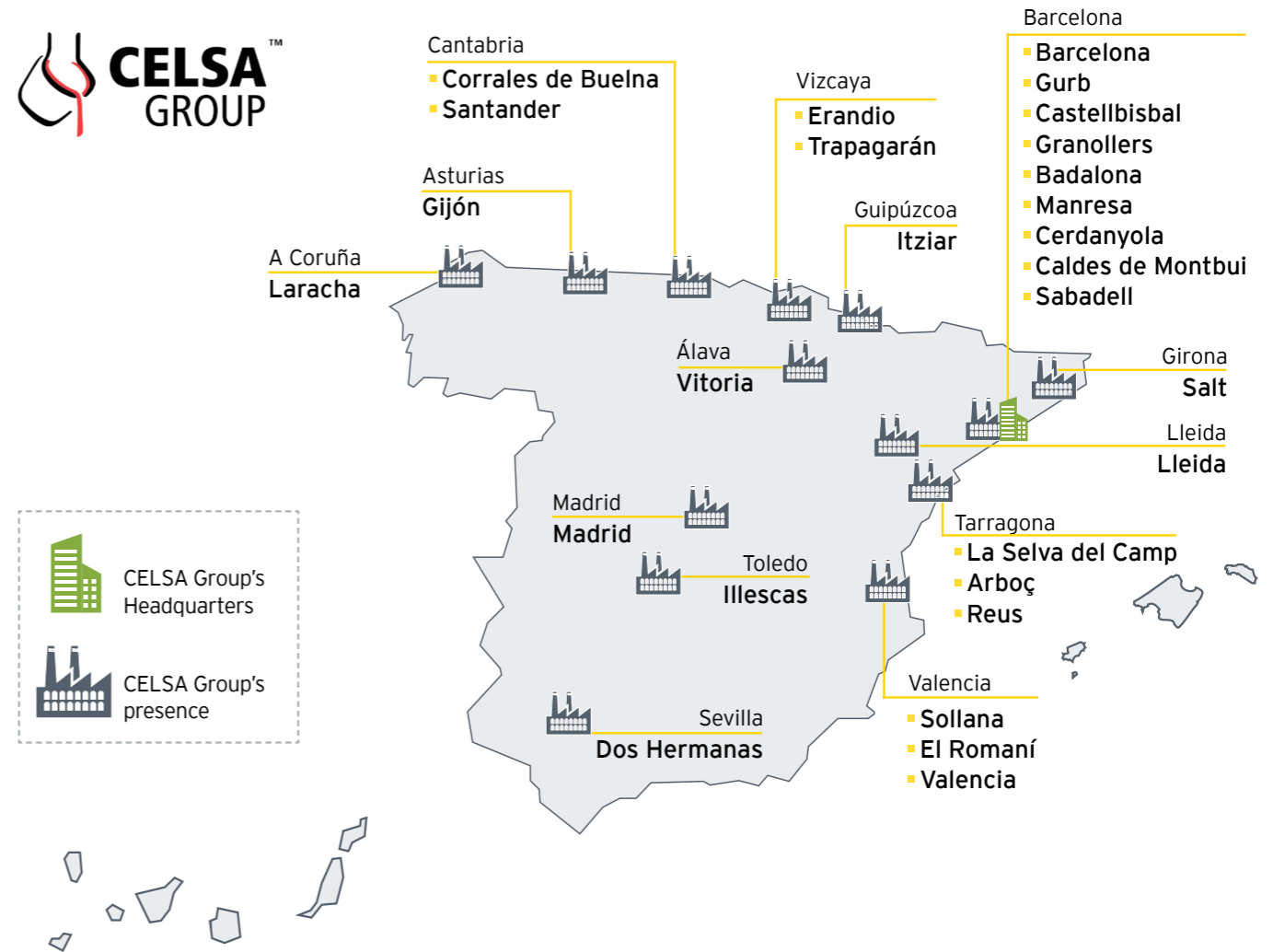
“ CELSA Group is the **leader in the private steel industry in Spain**, and would rank 18 among the Ibx 35 companies in terms of revenue. ^(**) ”

Source: Data provided by CELSA Group

^(*) Information provided by CELSA Group based on Actualidad Económica data

^(**) This information is based on CELSA Group's revenue worldwide.

CELSA Group's presence in Spain



Source: Data provided by CELSA Group | M€: Millions of euros | mt: Thousands of tons

Assessment of economic and social contribution in Spain

Assessment of economic and social contribution in Spain

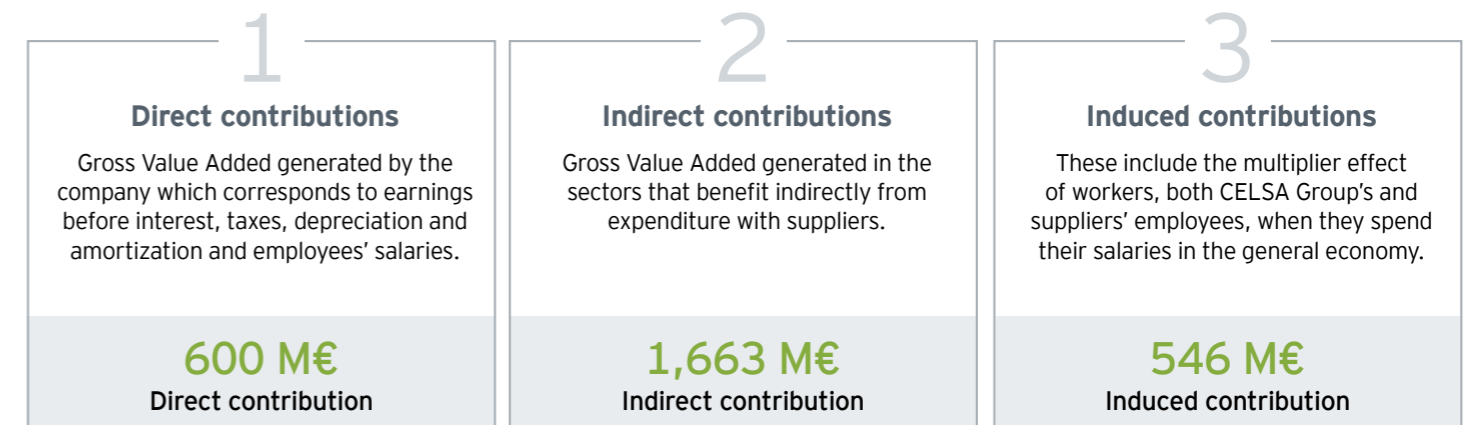
“ €1 of value added generated by CELSA Group in Spain contributes to generating around €4 of value added in the Spanish economy. ”

CELSA Group's economic contribution in Spain

“ Contribution of €2,809 M to the Spanish economy, which accounts for 0.3% of Spanish GDP and 59% of Spanish steel industry's GDP ”

The contribution to Spanish GDP generated by CELSA Group is estimated based on the Gross Value Added (GVA).

GVA provides global contribution to the Spanish economy through its business activities and, indirectly, through its expenditure, as indicated below:



CELSA Group contributed **2.809 M€** to the Spanish economy in 2022, **€600 M** of which were generated by direct operations, **€1,663 M** were generated by indirect operations as a result of expenditure with suppliers, and **€546 M** derived from induced contributions from the salaries of CELSA Group's and suppliers' employees as a result of spending in local economy.

Source: Data provided by CELSA Group | M€: Millions of euros

Purchases and sales in Spain

“ CELSA Group accounts for **1% of total exports in the Spanish industrial sector** and **9.6% of exports in the steel industry**, with total revenue outside of Spain of **€2,210 M.** ”

CELSA Group's sales account for 9.6% of sales in the Spanish steel market, with a volume of €3,326.8 M in 2022 and a total production of around 3 million tons of steel.

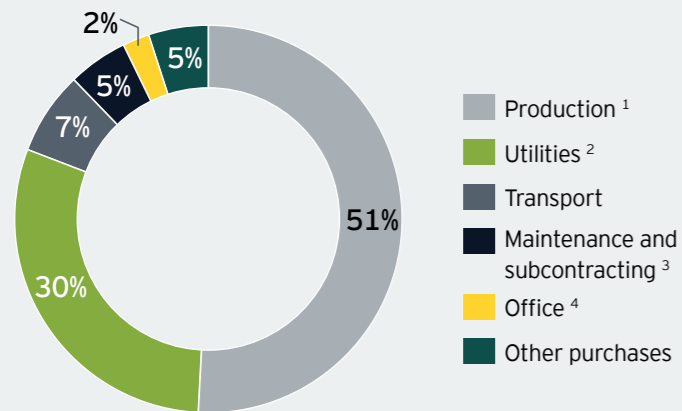
82% of the Group's purchases are made from Spanish suppliers. CELSA Group works with around 7,300 Spanish suppliers in several sectors to carry out its activity.

This means an injection of €2,131 M into the Spanish economy and is a clear indicator of the Group's commitment to local suppliers and local economy. Additionally, CELSA Group's purchases account for almost 9.6% of the sales in Spain by the Spanish steel industry.

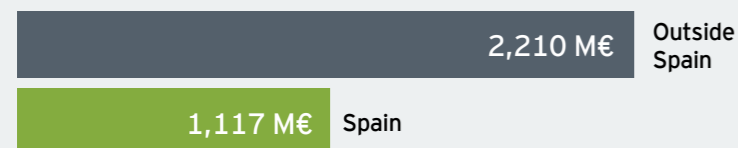
The production process taking place at CELSA Group plants is an energy-intensive process. The Group's electricity consumption in Spain in 2022 accounted for 0.51% of total Spanish consumption, and natural gas consumption accounted for 0.8% of total Spanish consumption, also in 2022. These data show that CELSA Group is the third largest consumer of electric power in Spain.

7% of the Group's purchases in Spain in 2022 related to the transport sector. 8,364 mt were transported, which means an annual total of 348,503 trucks or a daily total of 1,335 trucks. In other words, 1% of tons transported by truck in Spain was generated by CELSA Group's activity. The same happened with 0.3% of tons transported by ship in Spanish ports.

CELSA Group's purchases in España



Sales of CELSA Group



¹ Purchase of scrap, rollers, cables, slings, zinc, etc. | ² Electricity, water, oxygen, gas, fuel, etc. | ³ Temporary employment agency, repairs, subcontracting, waste treatment, etc. | ⁴ External services, advisors, insurance, office material, cafeteria service, etc

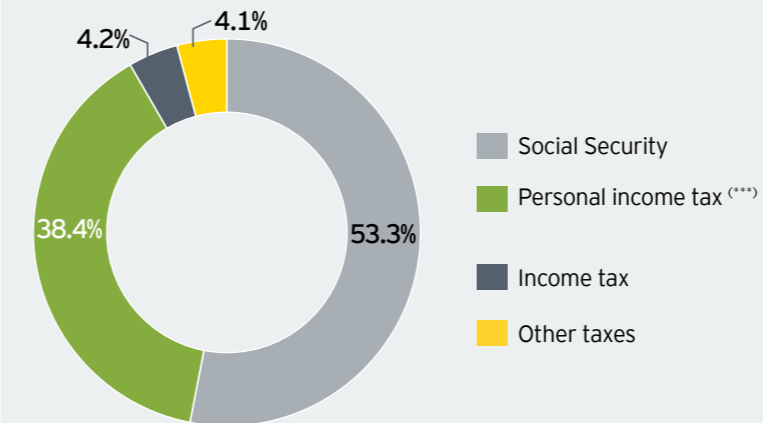
Tax contribution in Spain

“ The taxes paid by CELSA Group in 2022 would cover **1.3%** of the budget of the Spanish Ministry of Industry, Commerce and Tourism for said year. ”

112 M€
CELSA Group's tax contribution in 2022

CELSA Group also contributes to Spanish public finance through taxes and liens. Some taxes are paid directly whereas others are collected from customers and employees.

In 2022 total taxes and liens paid and collected amounted to **112 M€**^(**) and break down as follows:



9,2 M€ of taxes and levies derived from CELSA Group's activities and CELSA Group's equity, such as the Corporate Income Tax, Tax on Real Property, Tax on Economic Activities, effluent charges, and other taxes and levies.

102,3 M€ of Personal Income Tax and Social Security contributions.

During the year 2022 CELSA Group collected for the Spanish tax agency, through the output VAT system, an amount of €143 M (21% of direct contribution).

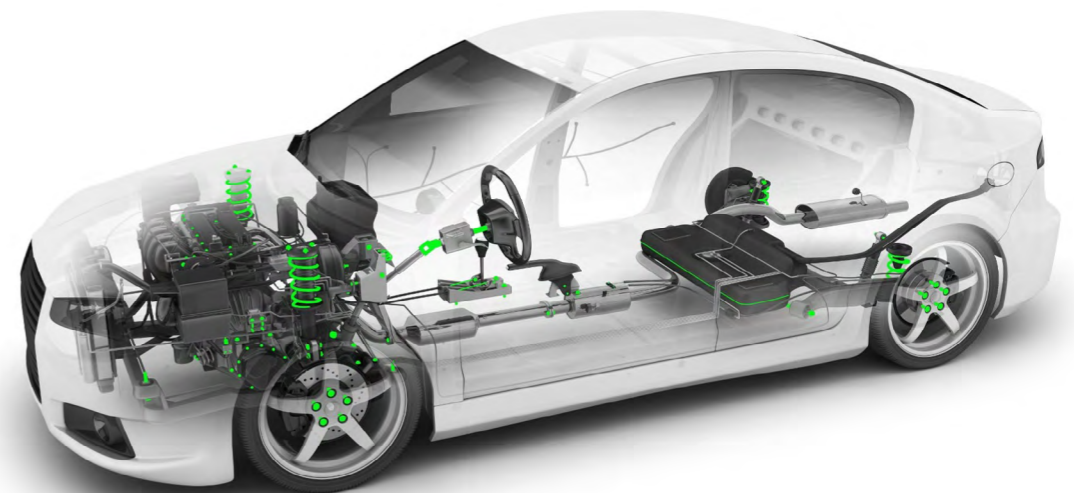
143 M€
of tax collected through the output VAT system

Source: Data provided by CELSA Group | M€: Millions of euros

^(*) Source: 2022 Spain's State Budget (available on the website of the Ministry of Industry, Commerce and Tourism).

^(**) The Value Added Tax (VAT) for the year 2022 has resulted in a refundable balance. Consequently, it has not been included as a payment in this report.

^(***) The personal income tax is a collected tax .



CELSA Group's social contribution in Spain

“ CELSA Group accounts for **1.6% of employment** in the Spanish industrial sector, considering total direct, indirect and induced jobs that it generates ”

- ▶ CELSA Group gives direct job to 6.6% of the Spanish steel industry's employees. This means a total of 3,462 direct jobs.
- ▶ Since the company purchases goods and services from several suppliers and suppliers need human capital to meet their needs, CELSA Group's economic activity entails the creation of 25,772 indirect jobs. CELSA Group gives direct and indirect jobs to 6.2% of the Spanish steel industry's employees. It should be noted that purchases of scrap made by CELSA Group in Spain alone have contributed to the creation of 11,879 indirect jobs in Spain.
- ▶ Direct and indirect employees obtain gains that allow them to inject money into the economy through consumption. Said consumption generates 7,948 induced jobs, derived from spending in sectors such as hospitality, food and beverage, tourism, fashion and services.
- ▶ CELSA Group generates a total of **37,182** direct, indirect and induced jobs in Spain. For every job created by CELSA Group around 10 indirect or induced jobs are generated.

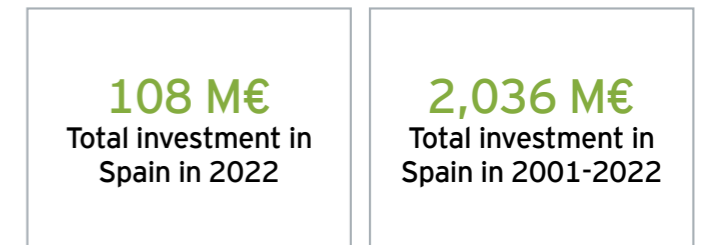
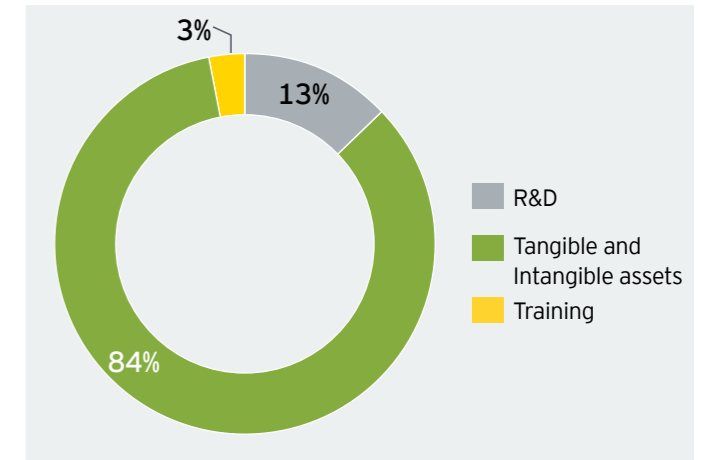
“ For every direct job created by CELSA Group, **around 10 indirect and induced jobs** are generated in other economic sectors ”



Source: Calculated from data provided by CELSA Group | M€: Millions of euros

Investments in Spain

- ▶ During 2022, CELSA Group invested €108 M in its plants, in machinery, in the development of new products and in knowledge and talent management. Of this figure, CELSA Group invested €90.8 M in tangible and intangible assets, which accounts for almost 9.9% of total investments in tangible and intangible assets of the steel industry in Spain.
- ▶ Between 2001 and 2022, CELSA Group has invested €2,036 M, an amount that confirms the Group's commitment to development and continuous improvement in its plants in Spain.
- ▶ Total investment in training amounted to €782 per employee, whereas the average of the Spanish steel industry is €142.1.
- ▶ This means that CELSA Group invested 5.5 times more in employee training than the average of the Spanish steel industry, a clear commitment to training and specialization of its human capital.
- ▶ This reinvestment of profit indicates that CELSA Group is committed to continuous product improvement, reducing imports of substitute goods and increasing demand from foreign markets.



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CELSA Group's contribution in Catalonia, Cantabria and the Basque Country



CELSA Group's contribution in Catalonia, Cantabria and the Basque Country



 CELSA Group is in the **TOP 5 of industrial material manufacturing companies** in Catalonia ^(*)

CELSA Group is the **largest Catalan industrial family business** in terms of revenue

CELSA Group is the **largest wholly Catalan owned company** in terms of revenue

335 M€
Direct economic contribution

1.2%
of exports in the Catalan industrial sector correspond to CELSA Group

3.7%
of the Catalan industrial sector's GDP^(**)

59 M€
CELSA Group's tax contribution in Catalonia in 2022

- ▶ CELSA Group's revenue in Catalonia amounts to €1,536 M, which accounts for 30% of the Catalan steel industry's revenue. Said revenue accounts for 0.67% of Catalonia's GDP. CELSA Group is the largest wholly Catalan owned company in terms of revenue.
- ▶ CELSA Group employs 0.42% of the Catalan industrial sector's workers with 2,080 own employees and subcontractors. Additionally, CELSA Group has invested over €1,153 M in its plants in Catalonia during 2001-2022, which accounts for 57% of the Group's investment in Spain.
- ▶ CELSA Group contributes to Catalonia's public finance through taxes and liens. Some taxes are paid directly whereas others are collected from customers and employees. In 2022 total taxes and liens paid amounted to €59 M.
- ▶ CELSA Group is the largest industrial consumer of electric power in Catalonia. 4,958 mt were transported, which means an annual total of 206,569 trucks or a daily total of 791 trucks. CELSA Group's tons moved at the Port of Barcelona account for 0.3% of total movements. CELSA Group is the largest industrial recycler in Catalonia.

 **2022 revenue**
1,536 M€

 **Workers 2022**
(own employees and subcontractors)
2,080

 **2022 Sales**
1,473 mt

 **Investments**
(2001 - 2022)
1,153 M€


Source: Data provided by CELSA Group | M€: Millions of euros | mt: Thousands of tons

^(*) This data is calculated considering CELSA Group's revenue in Catalonia and revenue from industrial companies with tax domicile in Catalonia. Oil, energy and construction companies are not included

^(**) CELSA Group's sales account for 3.7% of the Catalan industrial sector's GDP.

CELSA Group in Cantabria





CELSA Group is the largest **industrial material manufacturing company** in Cantabria ^(*)

CELSA Group's revenue in Cantabria accounts for **6% of Cantabria's GDP**

153 M€
Direct economic contribution

23%
of exports in Cantabria's industrial sector correspond to CELSA Group

30%
of Cantabria's industrial sector's GDP ^(**)

29 M€
CELSA Group's tax contribution in Cantabria in 2022

- ▶ CELSA Group's revenue in Cantabria amounts to €857 M, which accounts for 49% of Cantabria's steel industry's revenue. Said revenue accounts for 6% of Cantabria's GDP.
- ▶ CELSA Group employs 3.6% of Cantabria's industrial sector's workers with 1,145 own employees and subcontractors. Additionally, CELSA Group has invested over €467 M in its plants in Cantabria during 2001-2022.
- ▶ CELSA Group contributes to Cantabria's public finance through taxes and liens. Some taxes are paid directly whereas others are collected from customers and employees. In 2022 total taxes and liens paid amounted to €29 M.
- ▶ CELSA Group is the largest industrial consumer of electric power in Cantabria. Additionally, 1,895 mt were transported, which means an annual total of 78,975 trucks or a daily total of 303 trucks. CELSA Group's tons moved at the Port of Santander account for 2% of total movements, which makes CELSA Group the first user of said port.




2022 revenue
857 M€



Workers 2022
(own employees and subcontractors)
1,145



2022 sales
633 mt



Investments (2001 - 2022)
467 M€


Source: Data provided by CELSA Group | M€: Millions of euros | mt: Thousands of tons

^(*) This data is calculated considering CELSA Group's revenue in Cantabria and revenue from industrial companies with tax domicile in Cantabria. Oil, energy and construction companies are not included

^(**) CELSA Group's sales account for 30% of Cantabria's industrial sector's GDP

CELSA Group in the Basque Country





CELSA Group is in the **TOP 10 of industrial material manufacturing companies** in the Basque Country ^(*)

CELSA Group is the **second largest industrial recycler** in the Basque Country.

50 M€
Direct economic contribution

0.7%
of exports in the Basque industrial sector correspond to CELSA Group

2.9%
of the Basque industrial sector's GDP ^(**)

12 M€
CELSA Group's tax contribution to the Basque Country in 2022

- ▶ CELSA Group's revenue in the Basque Country amounts to €484 M, which accounts for 7% of the Basque Country's steel industry's revenue. Said revenue accounts for 0.68% of the Basque Country's GDP.
- ▶ CELSA Group employs 0.3% of the Basque Country's industrial sector's workers with 602 own employees and subcontractors. Additionally, CELSA Group has invested over €234 M in its plants in the Basque Country during 2001-2022.
- ▶ CELSA Group contributes to the Basque Country's public finance through taxes and liens. Some taxes are paid directly whereas others are collected from customers and employees. In 2022 total taxes and liens paid amounted to €12 M.
- ▶ CELSA Group is the second largest industrial consumer of electric power in the Basque Country. 1,063 mt were transported, which means an annual total of 44,287 trucks or a daily total of 170 trucks. CELSA Group.



2022 revenue
484 M€



Workers 2022
(own employees and subcontractors)
602



2022 sales
500 mt

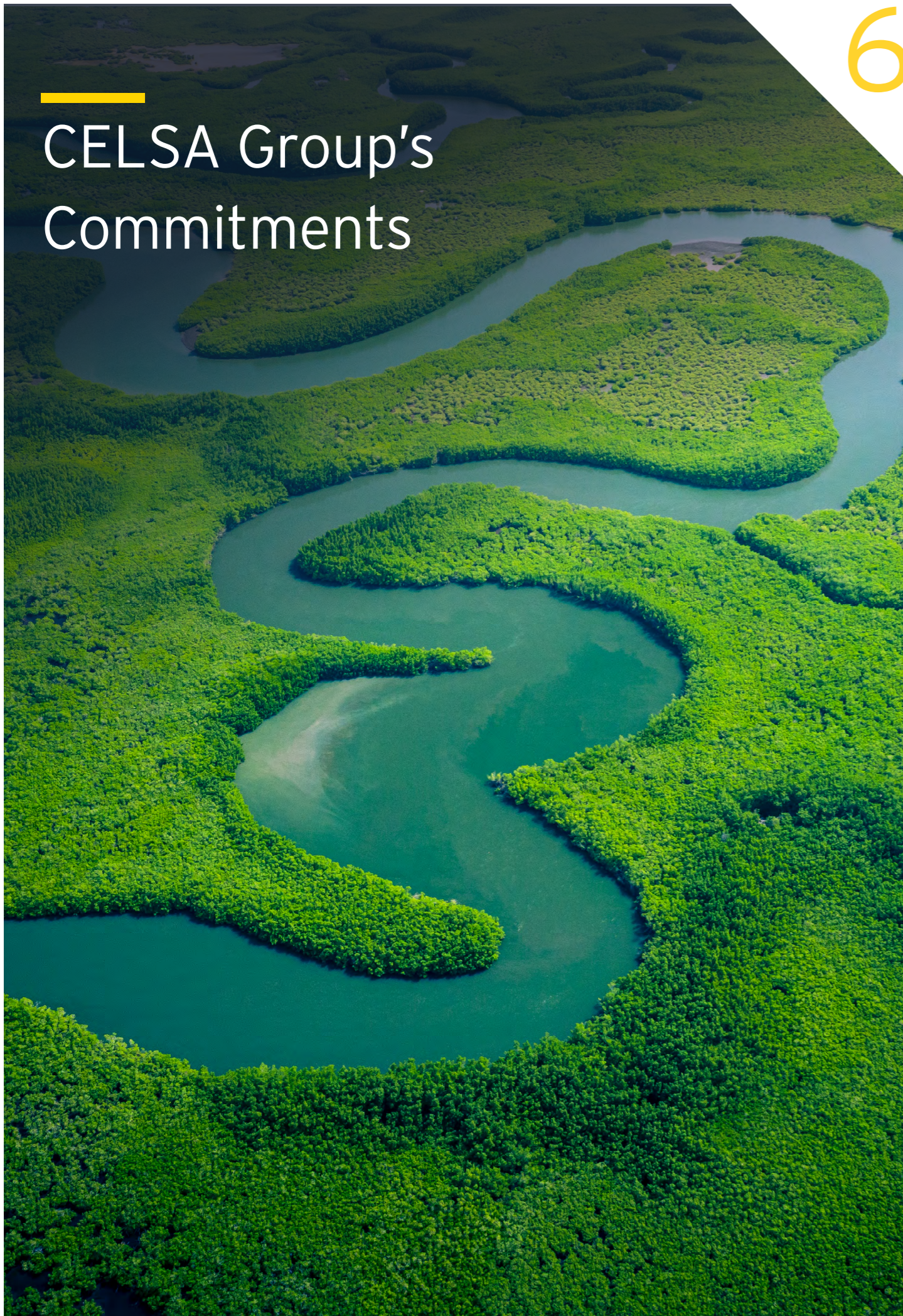


Investments (2001 - 2022)
234 M€

Source: Data provided by CELSA Group | M€: Millions of euros | mt: Thousands of tons

^(*) This data is calculated considering CELSA Group's revenue in the Basque Country and revenue from companies with tax domicile in the Basque Country. Oil, energy and construction companies are not included.

^(**) CELSA Group's sales account for 2.9% of the Basque Country's industrial sector's GDP.










CELSA Group's Commitments

6

CELSA Group's Commitments

Commitments

At Celsa we base our sustainable development strategy on the following seven commitments:

-  Commitment to climate
-  Commitment to circularity
-  Commitment to our team's talent, health and safety
-  Commitment to equality and diversity
-  Commitment to the community
-  Commitment to the value chain
-  Commitment to a sense of legacy

Committed to climate

Climate change has made it to the top of the greatest global threats, with negative effects on people, the economy and nature. CELSA Group is aware that for the climate crisis to be solved, economy should be transformed and we all need to push ourselves further in how to boost it. CELSA Group is committed to the planet and is part of the solution.

Aware of the challenge that climate change poses to our planet, CELSA Group is determined to work on reducing its greenhouse gas (GHG) emissions related to steel and being net positive carbon by 2050.

CELSA Group's scope 1 and 2 CO₂ emissions in Spain in 2022 amounted to 212 kg CO₂ per ton of steel produced, 30% fewer scope 1 and 2 CO₂ emissions than the European Union's average for electric furnaces. Consequently, CELSA Group is already a low-emission company, with 9 times fewer (scope 1 and 2) CO₂ emissions than those generated by traditional steel production, thanks to electric arc furnaces.

Additionally, Celsa Group's activity corresponding to the smelting of scrap is eligible to be an activity listed in the EU Taxonomy on Climate Change Mitigation.

Lastly, it should be highlighted that steel is the material that will be most used in the fight against climate change since it is necessary or involved in the development of almost all greenhouse gas mitigation technologies. CELSA Group's goal is to be Net Positive by 2050, which means that not only CO₂ emissions will no longer be generated but also that it will launch projects for capturing already emitted CO₂ (cumulative and historical emissions).



COMMITTED TO CLIMATE

Net Positive Carbon by 2050



The activity carried out at our steelworks would be listed in the activities established by the EU Taxonomy on Climate Change Mitigation for the manufacture of steel



The electric arc furnace technology used by CELSA Group causes its CO₂ emissions to be **9 times lower** than the emissions produced by blast furnaces



The manufacture of carbon steel at CELSA Group steelworks in Spain generates **30% fewer** scope 1 and 2 CO₂ emissions than the ESF industry's average in the European Union

Circular economy

Circular economy is the socio-economic model of the future. Thanks to its production process, CELSA Group supports change towards an efficient circular economy by using resources, making it possible for waste to rejoin the economic cycle, thus forming an integral part of the new products that are created in the production system.

The production of steel using electric arc furnaces is based on manufacturing steel from recycled scrap. It is the most environmentally sustainable and energy-efficient technology, allowing us to make the most of steel's infinite capacity for recyclability and circularity.



85,9% of the materials used in production are recycled



100% of the steel contained in CELSA Group's products is recyclable



95,1% of waste has been recovered excluding the processes carried out at the Circular HUBs^(*) of CELSA Group™ (and 89.2% including them).



By manufacturing steel using steel scrap instead of raw ore we reduce water consumption by around **40%**

Thus, in its firm commitment to circular economy, in the past 5 years CELSA Group has invested in seven new recycling centers, 3 of them in the Basque Country, 3 in Catalonia and 1 Valencia.

Manufacturing recycled steel with electric arc furnaces instead of using raw ore generates up to 9 times fewer (scope 1 and 2) CO₂ emissions, reduces the consumption of energy by around 75% and saves around 90% in the input of raw materials. It also hugely reduces atmospheric pollution (around 86%), water consumption (40%), water pollution (76%) and mining waste (97%).

Thus, the manufacture of steel using electric arc furnaces is representative of a circular economy.

In 2022 CELSA Group was the first scrap recycling company in Spain, with a total of 2.6 million recovered tons. Additionally, it should be noted that around 94% of steel production in Spain comes from recycled material. Moreover, all the products manufactured by CELSA Group are 100% recyclable.

CELSA Group's Zero Waste policy demonstrates its firm commitment to the recovery and use of waste generated during the steelmaking process. These materials have high capacity to be used as secondary raw materials for processes such as roadbuilding or for reuse in the steelmaking process. In Spain, CELSA Group recovers 97% of waste generated in the manufacture of steel.

^(*) Circular hubs: facilities dedicated to the recovery and treatment of ferrous scrap and other materials



Commitment to our team's talent, health and safety

Our commitment to talent and professionalism entails ensuring that salaries are in agreement with the relevance of the positions held by our teams, their levels of commitment and training, thus paying them salaries above market rates. To that end, we use objective description and assessment systems that meet international directives, such as Korn Ferry, WTW and Mercer.

Our team of professionals is not only the driving force that pushes us forward, but also an essential part of the history and identity of Celsa Group. People are key to the company's present and future. Our key priorities and interest with regard to people are health, safety and wellbeing; talent attraction and development, commitment and alignment to values; and ethics and professional development.

Our commitment to health and safety goes beyond the Group and extends to all the people who do not belong to our organization, that is, our stakeholders, such as contractors, customer and supplier companies, visitors and the local community.

Commitment to equality and diversity

We are committed to people's growth, equal opportunities, diversity and professional and family wellbeing.

We operate in an industry where women have traditionally been underrepresented. Aware of this challenge, we have been implementing equality policies and action plans for many years now to reverse this trend little by little.

Diversity is an essential part of our corporate culture. We do not tolerate discrimination based on gender, race, ideology, nationality, religion or sexual orientation, or based on any other personal, physical or social feature, as set out in Celsa Group's Code of Ethics and Professional Conduct. We believe in people, their abilities and values.

Commitment to a sense of legacy

We are a family business with over 50 years of history that was born in 1967. From a rolling mill in Castellbisbal and a small steelworks, our group has recently grown into one of the five largest Spanish family companies.

The second generation is currently running the company and their priority is to keep contributing to the industrial, economic and social development of the countries in which it operates, focusing on the preservation of natural resources and decarbonization.



Commitment to the community

Throughout the years we have created strong bonds with our local customer and supplier companies and forged lasting alliances, based on the loyalty of their products and services.

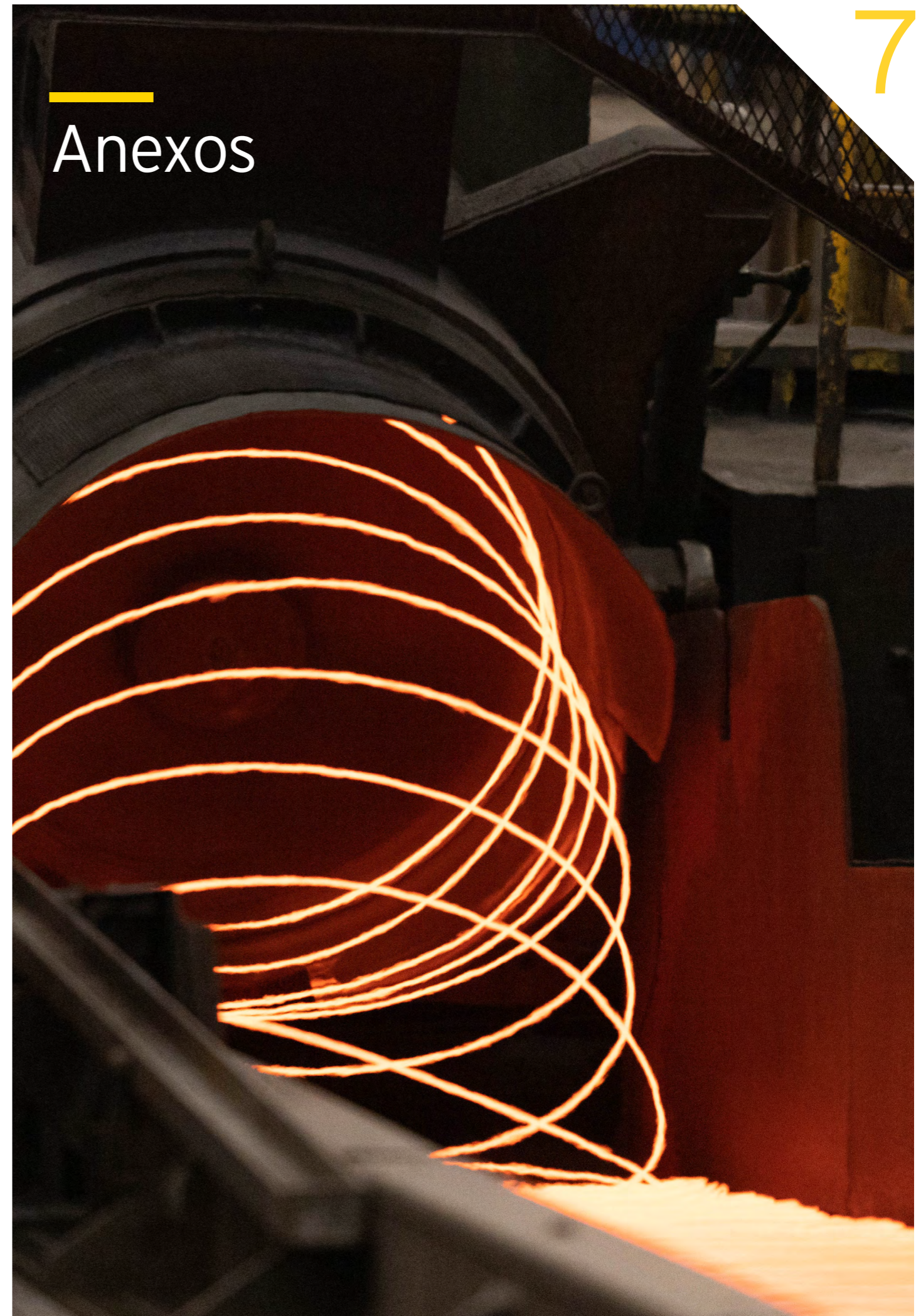
We are respectful of the local cultures of the countries and regions in which we operate.

We are committed to responsible supply chains and foster communication with all stakeholders to carry out a sustainable and beneficial activity for our society.

Commitment to the value chain

The Purchasing Policy specifies that the contractual terms and conditions shall patently reflect the commitment of supplier companies to adhere to and act according to our Code of Ethics and the principles of the UN Global Compact in terms of human rights, labor, environment and anti-corruption. Moreover, our Purchasing Policy particularly focuses on the need to minimize environmental impact, apply sustainability criteria, protect health, and prioritize the most valued supplier companies.

The Procedure for Approval of Supplier Companies gives a positive rating to the companies that perform better in these sustainability aspects and that also have an ISO 14001-certified Environmental Management System and an ISO 45001-certified Occupational Health and Safety Management System in place.



Appendices

Appendix A: Scope and limitations

In order to assess the economic and social contribution of CELSA Group in Spain, the following sources of information have been used:



- ▶ Annual Spanish National Accounts: 2016 Input-Output Tables (published on December 17, 2019).
- ▶ Other data from the Spanish Institute of Statistics (INE).

And the following data provided by CELSA Group:



- ▶ General data on CELSA Group at Spanish and international level, and for Catalonia, Cantabria and the Basque Country.
- ▶ 2022 production data and market share.
- ▶ Purchases and sales in Spain in 2022
- ▶ 2022 income statement.
- ▶ Number of own employees/subcontractors and salary costs for 2022.
- ▶ Data on liens and taxes for 2022.
- ▶ Investments made during 2001-2022.
- ▶ Data on energy and materials.

None of the information provided by CELSA Group has been audited or verified by a third party.

EY's work was carried out between May 29 and July 28, 2023. This report has been prepared only from the data made available to EY during this period. EY is not responsible for the decisions or actions taken regarding the events and circumstances that take place outside the engagement term. EY is not responsible for updating this report as a result of any circumstance that may arise after its preparation.

Appendix B: Methodology and calculation

Impact / Value	Gross Value Added (GVA)	Job creation
Direct	It represents the gross value added (earnings before interest and taxes plus depreciation and amortization and personnel costs) generated directly by CELSA Group.	Number of CELSA Group jobs in Spain
Indirect	Value added generated through CELSA Group's activity. It has been calculated through the creation of an economic contribution model based on CELSA Group's purchases in 2022, 2016 Input-Output Tables of the Annual Spanish National Accounts (published in 2019) and the average value added generated by each sector (INE - Annual Spanish National Accounts, 2020).	Number of net jobs created as a result of CELSA Group's purchases. It has been calculated through the creation of an economic contribution model based on 2016 Input-Output Tables of the Annual Spanish National Accounts (published in 2019) and full-time equivalent jobs by sector (INE - Annual Spanish National Accounts, 2020).
Induced	Value added generated through consumption by CELSA Group's and its suppliers' employees. It has been calculated through the creation of an economic contribution model based on the net salary of CELSA Group's direct and indirect employees (data from CELSA Group in 2022 and INE in 2020). Once the available net salary has been calculated, it is injected into the economy based on the average household consumption by activity sector and on the average value added generated by each sector (INE - Annual Spanish National Accounts, 2020).	Number of net jobs created as a result of consumption by CELSA Group's direct and indirect employees. It has been calculated through the creation of an economic contribution model based on the net salary of CELSA Group's direct and indirect employees (data from CELSA Group in 2022 and INE in 2020). Once the available net salary has been calculated, it is injected into the economy based on the average household consumption by activity sector and on full-time equivalent jobs by sector (INE - Annual Spanish National Accounts, 2020).

Appendix C: Employment tables

Economic contribution

Direct GVA	2022 (M€)
EBIT	216.2
Personnel costs	241.1
Depreciation and amortization	143.1
Direct contribution	600.4

Direct, indirect and induced contribution	2022 (M€)
Direct	600.4
Indirect	1,662.6
Induced	545.7
Total	2,808.7

Social contribution

Job creation	2022 (Jobs)
Direct	3,462
Indirect	25,772
Induced	7,948
Total	37,182

M€: Millions of euros | EBIT: Earnings before interest and taxes | GVA: Gross Value Added



Appendix D: Sources of information and bibliography

Sources and bibliography

	Year
Input-Output Tables - Annual Spanish National Accounts	2016
Spanish Institute of Statistics - Annual Spanish National Accounts. Base data. Gross Value Added: current prices	2020
Spanish Institute of Statistics - Annual Spanish National Accounts. Salaries and wages	2020
Spanish Institute of Statistics - Annual Spanish National Accounts. Full-time equivalent jobs	2020
Spanish Institute of Statistics - Structural Business Statistics: Industrial Sector	2021
Spanish Institute of Statistics - Spanish Regional Accounts (GDP)	2021
Spanish Institute of Statistics - Annual Labor Cost Survey (Spanish results)	2021
IDESCAT - Catalan Institute of Statistics - Foreign Trade. By division:	2022
EUSTAT - Foreign Trade of the Basque Country by flow, historical territory, area, CNAE group	2022
09, unit and month.	2022
ICANE - Exports/imports by activity according to CNAE 2009	2022
D&B Hoovers - Revenue from companies with tax domicile in Spain	2022
Results of IBEX companies in 2022 - El País (3/11/2023)	2022
World Steel Association - World Steel in figures 2022	2022
CELSA Group - Company information (broken down in Appendix A)	



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