

INVERSIONES PICO ESPADAS, S.A. and subsidiaries

**NON-FINANCIAL INFORMATION STATEMENT
(EINF) 2023**

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1. ABOUT THIS REPORT

GRI 2-3, GRI 2-5

This report is the Non-Financial Information Statement (EINF) of the company Inversiones Pico Espadas S.A. (hereinafter Pico Espadas, S.A.) and subsidiaries, which has been prepared in accordance with the requirements of Law 11/2018, of 28 December, amending the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts, for non-financial information and diversity, and forms part of the consolidated management report for the 2023 financial year of the company.

In addition, the most recent version of the Global Reporting Initiative standards have been taken into account to support this report.

The specifics of the content mandated by Law 11/2018 and their corresponding coverage within this report are outlined in chapter 7, titled 'Table of Contents of Law 11/2018.'

The EINF is annual in nature, and it covers the data of Pico Espadas, S.A. and subsidiaries at year-end, as of 31 December 2023. The scope of Pico Espadas S.A. has changed with respect to the financial year 2022. In order to be able to correctly compare the current year with the previous one, for 2022 Pico Espadas' data is presented together with those of Barna Steel and for 2023 those of the new company Pico Espadas S.A.. In this way, the same business scope is compared. In some tables, as not all audited data included in the same scope in 2022 is available; 'not available' (n/a) has been indicated in the corresponding fields. Likewise, for those indicators that are being published for the first time and have not been published or audited in previous reports, the comparison with 2022 is not included.

On 30 November 2023, Pico Espadas absorbed the companies: Inversiones Pico Aneto, S.A., and Inversiones Pico Anayet, S.A. As a result of this merger, Pico Espadas S.A. added to the shares of Celsa UK Group, Celsa Nordic Group and Celsa Poland Group, the shares of Barna Steel S.A. and Inversiones Pico Espadas, S.A. (IPO), as follows:

Pico Espadas, S.A., until 30 November 2023, comprised:

- Celsa UK Group
- Celsa Nordic Group
- Celsa Poland Group

Barna Steel, S.A., comprises:

- Celsa Spain Group
- Celsa France Group
- Celsa Global Circularity
- Celsa Global Support

Pico Espadas S.A., as of 1 December 2023, comprises:

- Celsa Spain Group
- Celsa France Group
- Celsa UK Group
- Celsa Nordic Group
- Celsa Poland Group
- Celsa Global Circularity

- Celsa Global Support

Since Pico Espadas S.A. represents all the business units of the CELSA Group™ (CELSA Group), the latter name will be used from now on.

The scope of the information reported for financial year 2023 is from 1 January to 31 December 2023.

Pursuant to Article 49 of the Commercial Code, this EINF has been verified by an independent external auditor, with a limited scope of assurance. The audit was conducted in accordance with the established requirements of the current revised International Standards on Assurance Engagements 3000, 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' (Revised ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the *Guidelines on Assurance Engagements on Non-Financial Information* issued by the Spanish Institute of Chartered Accountants.

The Board of Directors of the company is responsible for approving this document at a meeting organised for this purpose. In this way, it follows the same criteria for approval, filing and publication as the consolidated financial statements. The verification report is available at the beginning of this document.

For questions regarding this report or the information it presents, please contact the CELSA Group™ Corporate Strategy and Sustainability Department at the following email address: sostenibilidad@gCelsa.com.

The EINF 2023 is available on the CELSA Group™ corporate website, in the Sustainability section, under Transparency, (<https://www.celsagroup.com/sostenibilidad/>) as well as the documents published for the last five years, as required by law.

2. INVERSIONES PICO ESPADAS, S.A.

GRI 2-1

Inversiones Pico Espadas, S.A. is the parent company in Spain of the companies operating under the name of CELSA Group™, a metallurgical industrial group dedicated to the production of steel in electric arc furnaces and its transformation into rolled products and other steel derivatives. The company produces low-emission circular steel through the efficient recycling of ferrous scrap.

The CELSA Group is made up of 6 business groups and has more than 120 work centres, 7 steel mills, 12 rolling mills, and 48 circularity hubs, as well as transformation and distribution companies.

In addition to being Europe's leading producer of circular and low-CO2 steel, CELSA Group™ is the second most vertically integrated manufacturer of long steel products. The Group produces exclusively from scrap recycling and by means of electric arc furnaces, known as the Electric Arc Furnace (EAF) steel production system or route, which is the most efficient and sustainable technology currently available on the market.

CELSA Group™ has an industrial presence in 9 countries: Denmark, Finland, France, Ireland, Norway, Poland, Spain, Sweden, United Kingdom, United States, France, Portugal, Germany and China. It is present in key sectors of the economy such as construction, automotive, agriculture, oil & gas and energy.

In 2023, the CELSA Group's vertical integration accounted for 36.2 % upstream (total tonnes of scrap purchases), maintaining almost the same value as in 2022 (36.3 %), and 22.6 % downstream (production of higher value-added products from the steel product and calculated according to total tonnes of integrated sales per train), down by 1.6 % compared with 2022 (24.2 %).

2.1. Company Model

GRI 2-1, GRI 2-2

Inversiones Pico Espadas, S.A., with registered offices in San Vicente Industrial Estate, Castellbisbal (Barcelona), acts as the holding company of the metallurgical industrial group engaged in the production of steel in electric furnaces and its transformation into rolled products and other steel derivatives (CELSA Group™).

The subsidiaries of Pico Espadas, S.A., according to their activity and the business unit to which they belong, are as follows:

Companies belonging to the business unit **Celsa Spain Group**

- **Steelmaking activities:** transformation and melting of steel parts and ferrous products with electric arc furnaces.
 - Compañía Española de Laminación, S.A.
 - Global Steel Wire, S.A.
 - Nervacero, S.A.

- **Rolling activities:** rolling and marketing of wire rod, profiles and corrugated steel.
 - Compañía Española de Laminación, S.A.
 - Global Steel Wire, S.A.
 - Nervacero, S.A.
- **Finishing process activities:** manufacture and marketing of mesh, welded beams, steel pipes and wire drawing.
 - Aceros para la Construcción, S.A.U.
 - Celsa Atlantic, S.L. (Celsa Atlantic Planos, Arregui)
 - Global Special Steel Products, S.A.U.
 - Moreda Rivièrè Trefilerías, S.A.

Companies belonging to the business unit **Celsa France Group**

- **Steelmaking activities:** transformation and melting of steel parts and ferrous products with electric arc furnaces.
 - Celsa France, S.A.S.
- **Rolling activities:** rolling and marketing of wire rod, profiles and corrugated steel.
 - Celsa France, S.A.S.
 - Celsa Atlantic, S.L. (Celsa Atlantic Largos, Laracha)

Companies belonging to the business unit **Celsa UK Group**

- **Circular Hub activities:** purchase and sale of scrap and other ferrous materials.
 - Celsa Manufacturing (UK)
- **Steelmaking activities:** transformation and melting of steel parts and ferrous products with electric arc furnaces.
 - Celsa Manufacturing (UK)
- **Rolling activities:** rolling and marketing of wire rod, profiles and corrugated steel.
 - Celsa Manufacturing (UK)
- **Finishing process activities:** manufacture and marketing of mesh, welded beams, steel pipes and wire drawing.
 - BRC Reinforcement
 - ROM-Tech Ltd.
 - RFA-Tech Ltd.
 - Express Reinforcements
 - ROM Mesh
 - ROM Limited
 - BRC Manufacturing
 - Celsa Steel (UK) Ltd.
 - Celsa (Wales) Ltd.
 - Celsa Steel Service Ltd.

Companies belonging to the business unit **Celsa Nordic Group**

- **Circular Hub activities:** purchase and sale of scrap and other ferrous materials.
 - Celsa Nordic Recycling AB
- **Steelmaking activities:** transformation and melting of steel parts and ferrous products with electric arc furnaces.
 - Celsa Armeringsstal AS
- **Rolling activities:** rolling and marketing of wire rod, profiles and corrugated steel.
 - Celsa Armeringsstal AS

- **Finishing process activities:** manufacture and marketing of mesh, welded beams, steel pipes and wire drawing.
 - Celsa Steel Service AB Sweden
 - Celsa Steel Service A/S Denmark
 - Celsa Steel Service AS Norway
 - Celsa Steel Service Oy Finland
 - Raudoitusliike Haaki Oy Finland

Companies belonging to the **Celsa Poland Group** business unit

- **Circular Hub activities:** purchase and sale of scrap and other ferrous materials.
 - Celsa Huta Ostrowiec S.P. Z. O.O.
- **Steelmaking activities:** transformation and melting of steel parts and ferrous products with electric arc furnaces.
 - Celsa Huta Ostrowiec S.P. Z. O.O.
- **Rolling activities:** rolling and marketing of wire rod, profiles and corrugated steel.
 - Celsa Huta Ostrowiec S.P. Z. O.O.
- **Forging activities:** forging and shaping of heated metal products.
 - Celsa Huta Ostrowiec S.P. Z. O.O.
 - Celsa Huta Ostrowiec Holding S.P. Z. O.O.
- **Finishing process activities:** manufacture and marketing of mesh, welded beams, steel pipes and wire drawing.
 - Stal-Service S.P. Z. O.O.

Companies belonging to the **Celsa Global Circularity** business unit and linked to Circular Hubs' activities in the purchase and sale of scrap and other ferrous materials

- Ferimet, S.L.

Companies belonging to the **Celsa Global Support** business unit and linked to corporate activities (activities contributing to the company's mission and strategy, advice in support of non-intellectual property law matters, business development, commercial and contractual matters, risk management, general legal advice, policies and procedures, etc.)

- Barna Steel, S.A.
- European Supply Chain Services, S.L.U.

There are other subsidiaries of Inversiones Pico Espadas, S.A. that carry out activities other than Circular Hubs, the steel mill, rolling mills and finishing processes, which are not relevant from a non-financial reporting perspective. They are included in the following areas: real estate leasing, ship chartering, logistics and purchasing advice and consultancy, holding company, and purchase and sale of personal protective equipment.

- Río Ter Steel Applications, S.A.
- Celsa Desarrollos Industriales, S.L.
- Corcatinser, S.L.
- Inversiones Picos de Europa, S.A.
- Protek Plus, S.A.U.
- Celsa Steel, U.S.
- Alespal Aços Laminados Espanhois, L.D.A.

- IPO Wire Holdings S.A.
- Catalunya Steel, S.L.U.
- Celsa (UK) Holdings, L.T.D.
- Pimar Tas 2002, S.L.U.
- Celsa Polska Holding, S.P. Z.O.O.
- Rotorua Holdings, S.A.R.L.
- Sempre Development, S.A.R.L.
- Celsa Huta Ostrowiec Holding S.P. Z.O.O.
- Wire Rod Holding, S.L.U.
- Celsa Luxco 1, S.A.R.L.
- Celsa Luxco 2, S.A.R.L.
- Celsa Luxco 3, S.A.R.L.
- Celsa Luxco 4, S.A.R.L.
- Celsa Nordic, A.S.
- Celsa Nordic Reinforcing, A.S.
- Celsa Nordic Investments, A.S.
- Celsa Nordic Investments Alesund, A.S.
- Straume, A.S.

2.2. Products, services and markets

GRI 2-6

Today, CELSA Group™ is the second largest European manufacturer of long steel products and the most vertically integrated in scrap and steel products in Europe. All products are manufactured according to the local legislation of each country in which it operates and also in accordance with the most demanding international standards and with the approvals, specifications and quality certifications required by customer companies and the markets in which the Group operates.

2.2.1. Products

• Long products

Under this heading, the main product families of rebars and coils, steel sections, merchant bars, wire rods and rails are included. The CELSA Group produces the first four families, with significant market shares in each of them.

- Billet. Semi-finished steel product, generally square in cross-section, used to manufacture finished steel products by rolling and forging processes.
- Structural profiles. Wide range of structural profiles up to 600 mm in height, and lengths up to 24 meters. They are mainly composed of UPN, IPN, IPE, HEA, HEB profiles, in accordance with European and American standards.
- Commercial bars. A range of bars whose quality and dimensions make them suitable for an infinite number of applications in sectors as diverse as shipbuilding, automotive, forging, calibration, construction, agriculture and mining.

- Wire rod. This has a wide range of qualities and diameters manufactured according to international standards. Depending on its composition and characteristics, wire rod is available in low, medium and high carbon steels, and with different alloy grades (Al, B, Cr, Mn, Mo, P, Si, S, etc.).
- Corrugated steel. An element that, together with concrete, makes up reinforced concrete, the most widely used system in construction. Grupo CELSA™ is a pioneer in the introduction of high ductility corrugated steels, specially designed for seismic, dynamic or impact stresses.

- **Derivative products**

This term encompasses the supply of steel solutions and products derived from steel products, strongly integrated 'downstream' (in the supply chain these are the activities downstream of manufacturing, i.e. distribution to the end customer).

- Basic electrowelded lattice reinforcement. This is mainly used to manufacture half joists and other precast concrete elements, spacers in solid slab floors, bridge decks, prefabricated enclosure panels, galleries, etc. The purpose of all this is to maintain the relative position of two layers of reinforcement in a given structural element.
- Wire. CELSA Group has wire drawing mills that offer wire in different coil formats and with a wide variety of heat and surface treatments, wire for cold stamping, high and medium carbon wire, high strength and low relaxation wires and strands for pre- and post-tensioning.
- Calibrated bars. There is a division dedicated exclusively to the production of high quality calibrated bars for the automotive industry (Global Bright Bars). It focuses on the drawing, sizing and turning of round diameters between 10 and 42 mm, ensuring optimum surface quality requirements for the products.
- Electrowelded mesh. These are corrugated steel meshes, both standard and special, for concrete reinforcement. The use of these special meshes makes it possible to industrialise and optimise the rebar process on construction sites, with advantages such as easy installation and speed of execution, less need for assembly staff and greater safety and control of the work.
- Pipe. CELSA Group™ manufactures steel conduit pipes with different finishing processes (galvanised, plain or threaded), which are used in applications such as gas, sanitary water, heating and mining, among others. Precision and construction steel pipes are also produced for use in construction, light and heavy machinery, scaffolding, fencing and enclosures, signalling, and metal carpentry, among other uses.
- Enclosures. Complete range of enclosures, adapted to the residential, industrial and infrastructure sectors (progressive welded mesh). The Group is one of Europe's leading enclosure manufacturers thanks to its production volume.
- Forged products. Variety of heat-treated forge products, machined in the most requested types of steel. The products, which undergo a metal-plastic deformation forming process, have numerous applications. The most common are as components and spare parts for various sectors such as energy, metallurgy, machinery, mining, cement, mechanical power transmission, oil and gas.

Steel produced by CELSA Group™ is strategic for the economy, as it constitutes one of the most widely used materials worldwide. In fact, it is present on a daily basis in the environment of most societies. It is therefore essential to manufacture sustainably and to ensure that products put on the market are low-carbon, designed to last longer, easier to reuse, repair and recycle, and incorporate as much recycled material as possible rather than finite natural resources.

CELSA Group™'s circular steel is 100 % recyclable and durable. Since its production generates low emissions, it contributes to reducing the carbon footprint of its client companies. In this way, Celsa's steel is very present in some important economic sectors:

- Construction. Due to its hardness, ductility and durability, steel has become one of the most widely used structural materials in infrastructure construction and building. Today, this sector is the largest consumer of steel products in the world.
- Automotive. It is a product in high demand by car manufacturers, especially electric car manufacturers, for its benefits regarding weight, safety, battery protection, cost reduction and reduced impact on the environment.
- Agriculture. It is used to manufacture machinery, equipment and tools, among other items.
- Oil, gas and energy. Steel is critical to supplying energy around the world, whether thermal, nuclear or renewable. Moreover, in the current context, it is an indispensable material for the transition to a low-carbon economy. Without sustainable steel it will not be possible to meet the Paris Agreement targets. All greenhouse gas mitigation technologies need steel, including thermal and renewable generation, mass transportation and hydrogen technology.

- **Coproducts**

In the steelmaking process, by-products are obtained which, beyond steel, can be used for other purposes. They are as follows:

- Black steel aggregate (black slag). This comes from the treatment of the black slag generated during the steelmaking process in the electric arc furnace. It is mainly used as a raw material in the manufacture of asphalt, concrete, bases and granular sub-bases for road surfaces.
- White steel aggregate (white slag). It is produced in the ladle furnace during the steel refining process. Due mainly to its high calcium oxide (CaO) content, it can be used as a fertiliser, soil pH correction agent and raw material in cement factories.
- Electric arc furnace steelworks fume dust, zinc oxide (ZnO). Steel mill dust is collected from bag filters in the purification systems of the gases generated by the smelting and refining furnaces. This powder contains metal oxides, especially zinc oxide, which has a high commercial value.
- Mill scale, iron oxide (FeO). This is mainly produced in the hot rolling process. This material originates from the surface oxidation of hot steel and consists mainly of iron oxides. Its chemical composition enables its use in other industrial processes that require an iron input, such as the primary manufacture of steel, cement or ferroalloys.

- Spent furnace refractories. The main refractory materials used in the steelmaking process are magnesium oxide (MgO) lumps, dolomite bricks and high alumina bricks. Once worn out, most of these materials are reused in the same steelmaking process or as recycled raw material for the manufacture of new refractories.

- **New products - Celsa Circular Steel (CCS)**

CELSA Group™ continues to improve and develop its processes and technologies year after year to offer new products.

- **Celsa Circular Steel - Clean Energy**



Use of electricity from renewable sources in steel production processes, through power purchase agreements (PPA) and/or certified guarantees of origin (GoO). CELSA Group™ promotes CO2 reduction by reducing the carbon footprint of CCS sustainable long steel products by 20 %. In addition, in order to achieve carbon neutrality, there are also plans to introduce, in a second phase (in the medium term), other renewable energy solutions, including green hydrogen to replace natural gas.

- **Celsa Circular Steel - Carbon Neutral**



CELSA Group™ works with 'carbon neutral' steel, through certified offset projects for unavoidable emissions that the Group is not yet able to reduce. Customer companies receive a CO2-neutral steel, which is verified and awarded by a trusted external third party.

- **Celsa Circular Steel - Recycled Plus**



CELSA Group™ customises its product by increasing the recycled material content (up to 100 %) in the steel production process by taking advantage of upstream vertical integration (raw material selection, scrap management, local sourcing, etc.). In addition, the Group offers total transparency throughout the entire supply chain. The information obtained allows us to offer client companies the possibility of setting more ambitious circularity targets and challenges, such as closed-loop processes.

2.2.2. Markets

By 2023, CELSA Group™ had made sales in 105 countries. Sales in Europe accounted for 73 % of total sales, and sales outside the EU accounted for the remaining 27 %.

During the 2023 financial year, CELSA Group™ produced 5.6 million tonnes of steel (billets), representing an increase of 1.85 % over the previous year, when 5.5 million tonnes were produced.

Sales to third parties amounted to 145,907 tonnes of billet sold, 1,894 tonnes of ingots, 3.97 million tonnes of rolled product, 1.21 million tonnes of transformed product and 4,767 tonnes of forged product. This amounts to a total of 5.33 million tonnes (5.46 million tonnes if the scrap sold at the Circular HUBs is taken into account).

The table below shows the production table, the external and intra-group sales and the movements of products with destination within the same plant:

- **Circular HUB production and sales**

Tonnes (t)

	2022		2023		2023 vs. 2022	
	CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Sales to third parties	Group Sales	Sales to third parties	Group Sales	Sales to third parties	Group Sales
Ferrous scrap	21,868	1,608,802	34,351	2,164,315	57.08 %	+34.53 % *
Non-ferrous scrap	80,220	40	92,511	0	15.32 %	n/a
Plastics	432	0	698	0	61.57 %	n/a
TOTAL	102,520	1,608,842	127,560	2,164,315	24.42 %	+34.53 %

* Change of reporting criteria to include tonnes of scrap provided to group steel mills through trading without processing in scrap yards

Sales generated at CELSA Group™'s Circular Hubs during the 2023 financial year

- **Steel mill production and sales**

Tonnes (t)

	2022				2023				2023 vs. 2022			
	CELSA Group™				CELSA Group™ (Inversiones Pico Espadas, S.A.)				Variation (%)			
	Sales to third parties	Group Sales	Destination within the same plant	Total production	Sales to third parties	Group Sales	Destination within the same plant	Total production	Sales to third parties	Group Sales	Destination within the same plant	Total production
Billet	157,825	433,344	4,903,705	5,494,874	145,907	383,648	5,054,954	5,596,271	-7.55 %	-11.47 %	-8.01 %	1.85 %
Ingots	6,307	0	16,562	22,869	1,894	0	10,458	12,352	-69.97 %	n/a	-36.86 %	-45.99 %
TOTAL	164,132	433,344	4,920,267	5,517,743	147,801	383,648	5,065,412	5,608,623	-9.95 %	-11.47 %	2.95 %	1.65 %

Total productions are obtained from the sum of the different sales plus stocks (not reported in the EINF document)

Production and sales of steel mill products in the CELSA Group™ during the 2023 financial year

- **Rolling mill production and sales**

Tonnes (t)

	2022			2023			2023 vs. 2022		
	CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Sales to third parties	Group Sales	Total production	Sales to third parties	Group Sales	Total production	Sales to third parties	Group Sales	Total production
Corrugated	1,323,859	556,250	2,271,657	1,168,555	633,581	1,960,953	-11.73 %	13.90 %	-13.68 %
Wire rod	988,855	750,839	1,390,543	947,321	619,780	1,399,231	-4.20 %	-17.46 %	0.62 %
Commercial profiles	255,439	5,721	334,789	327,397	1,072	319,668	28.2 %	-81.3 %	-4.5 %
Structural profiles.	1,283,058	11,988	1,156,614	1,530,780	7,345	1,554,184	19.3 %	-38.7 %	34.3 %
TOTAL	3,851,212	1,324,798	5,153,603	3,974,053	1,261,778	5,234,036	3.19 %	-4.76 %	1.56 %

Production and sales of rolled products in the CELSA Group™ during the 2023 financial year

- **Forging and mechanical processing production and sales**

Tonnes (t)

	2022			2023			2023 vs. 2022		
	CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Sales to third parties	Group Sales	Total production	Sales to third parties	Group Sales	Total production	Sales to third parties	Group Sales	Total production
TOTAL	7,475	67	19,128	4,767	144	17,117	-36.2 %	114.9 %	-10.5 %

TOTAL = Total Forging and Mechanical Processing end products

Production and sales of finished Forging and Mechanical Treatment products in the CELSA Group™ during the 2023 financial year

- **Production and sales of finishing processes**

Tonnes (t)

	2022			2023			2023 vs. 2022		
	CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Sales to third parties	Group Sales	Total production	Sales to third parties	Group Sales	Total production	Sales to third parties	Group Sales	Total production
TOTAL	1,161,309	21,427	1,182,736	1,207,587	21,729	1,165,980	3.98 %	1.41 %	-1.4 %

TOTAL = Steel Finishing Processes, Accessories and Services end-products

Production and sales of finished products in the CELSA Group™ during the 2023 financial year

In 2023, the socioeconomic environment had a major impact on the market. The Spanish economy slowed its post-pandemic growth to 2.5 %, according to data from the National Statistics Institute (INE). Headline inflation closed at 3.1 % and core inflation - in which energy services and the shopping basket are excluded - at 3.8 %. At international level, the International Monetary Fund (IMF) set world economic growth at 3.1 %, with inflation at 6.8 %. In both cases, it could be said that economic activity is slowing down but it is not yet a recession.

The starting point was not promising in a year marked by the extension of the Ukraine-Russia conflict and the outbreak of war in the Middle East. The former continues to affect the availability of raw materials globally, a fact that has contributed to higher inflation, as well as having an impact on lower demand. At the same time, an overall situation of macroeconomic instability was marked by the aforementioned inflation and a rise in the cost of credit due to higher interest rates. Monetary policy decisions by the US Federal Reserve and the European Central Bank were aimed at fighting rising costs.

The steel sector showed remarkable resilience, reaching production of 145.5 million tonnes by the end of 2023, according to the World Steel Association, representing a growth of 3.3 % compared to 2022. In particular, the European Union also recorded a slight increase, which can be interpreted as the beginning of a gradual recovery after the complex economic downturn, fierce competition and an increasingly demanding environmental regulatory framework. The industry is responding to the demand for sustainable infrastructure, which is joining the continuing technological revolution to define the future of steel production.

In Spain, prices that had risen fourfold in 2021 and 2022 fell by half in 2023, coinciding with the weakness of sectors such as construction and automotive. Throughout the year, prices and differentials moderated their decline.

What did affect the European market in general was that, due to the consequences of the US steel import measures, since July 2018, the European Union has had safeguards against imports of steel products. In June 2021, the safeguards were extended until 30 June 2024.

2.3. Financial and tax information

GRI -1201, GRI 207-4

The fiscal information refers to the fiscal year 2023 and is broken down into five main blocks: economic value generated, distributed and retained, taxes, profits earned, donations and similar and, finally, financial aid received from the government.

- **Economic value generated, distributed and retained**

In 2023, CELSA Group™ continued to generate shared value for society. During the last financial year, its turnover decreased by 22 % compared to the previous year, to 4,764.94 million euros.

- Invoicing

Millions of euros (M€)

	2022	2023				2023 vs. 2022
	CELSA Group™	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	Consolidation adjustments	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Invoicing	6,108.99	2,055.83	2,816.77	-107.63	4,764.97	-22.00 %

Direct economic value generated in the CELSA Group™ during the 2023 financial year

- Operating costs, salaries and benefits, payments to capital providers, payments to government and expenditures on community development projects and programmes

Millions of euros (M€)

	2022	2023				2023 vs. 2022
	CELSA Group™	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	Consolidation adjustments	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Operating costs	4,786.62	1,656.66	2,320.91	-107.63	3,869.94	-19.15 %
Salaries and employee benefits	466.23	210.93	265.59	n/a	476.52	2.21 %
Payments to capital providers	110.10	41.84	74.21	n/a	116.05	5.40 %
Payments to the Government	193.78	109.78	144.84	n/a	254.62	31.39 %
Expenditures on local community development projects or programmes*	2.25	1.22	1.25	n/a	2.47	9.78 %

* Details of expenditures on community development projects or programmes can be found in section 6.3 Social Contribution (page 102)

Economic value distributed during the 2023 financial year

In this way, payments to the government by jurisdiction and business unit are also shown:

- Payments to the government by jurisdiction

Thousands of euros (k€)

	2023											
	Celsa Spain Group	Celsa France Group	Celsa UK Group		Celsa Nordic Group					Celsa Poland Group		Holdings
	Spain	France	United Kingdom	Ireland	Luxembourg	Norway	Sweden	Finland	Denmark	Luxembourg	Poland	Luxembourg
Payments to the Government	130,197.45	15,702.59	29,701.56	330.11	0.00	39,335.14	7,007.45	3,978.07	3,050.63	5.35	25,312.13	0.00

CELSA Group™ payments to the government, by country

- Direct economic value generated less economic value distributed

Millions of euros (M€)

	Millions of euros (m€)				
	2022	2023			2023 vs. 2022
	CELSA Group™	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Direct economic value generated less distributed	552	35	10	45	-91.85 %

Economic value retained by CELSA Group™ during 2023, does not include economic value allocated to community projects

- Profits earned

Subsequent to the approval of the 2022 financial statements, the Barna Steel Group decided to record the observations described by the auditor in the 2022 audit reports of its component companies. This is because it is considered that such presentation helps to give a true and fair view of the Group's assets and financial position. Consequently, the comparative figures of those items affected and published in the 2022 EINF (Result before taxes, Result after taxes and Income tax) have been corrected.

The pre-tax and after-tax results of the CELSA Group™ companies are shown below:

○ Results before and after tax

Millions of euros (M€)

	2022			2023				2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	Consolidation adjustments	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Result before tax	303.46	391.26	694.72	477.13	-274.89	-16.02	186.22	-73.19 %
Result after tax	240.82	344.13	584.95	459.00	-240.97	-16.02	202.01	-65.47 %

Data published in the EINF for financial year 2022, prior to the restatement of such data:

- Income before taxes, Barna Steel S.A. (EINF 2022): €340.78M
- Income after taxes, Barna Steel S.A. (EINF 2022): €292.27M

Earnings in CELSA Group™, financial year 2023

• Tax

In Spain, the group companies Inversiones Pico Espadas, S.A., IPO Wire Holdings, SA, Pimar 2002 Tas, S.L., Catalunya Steel, S.L., Wire Rod Holding, S.L., and Aplicaciones de Acero Rio Fluvia, S.A., are taxed in Spain under the consolidated corporate income tax regime with group number 0076/19, with Inversiones Pico Espadas, S.A. as the group's parent company.

Also, in Spain, the group companies Barna Steel, S.A., Compañía Española de Laminación, S.L., Celsa Atlantic, S.L., Ferimet, S.L., Aceros para la Construcción, S.A., European Supply Chain Services, S.L., Aplicaciones de Acero Rio Ter, S.A., Corcatinser, S.L., Global Steel Wire, S.A., Global Special Steel Products, S.A., Moreda Rivièrre Trefilerías, S.A., Protek Plus, S.A., Inversiones Picos de Europa, S.A., Celsa Desarrollos Industriales, S.A., Trenzas y Cables de Acero Servicios, S.L., Trenzas y Cables Fishing, S.L. and Trenzas y Cables Telecom, S.L. are taxed in common territory under the consolidated corporate income tax regime with group number 0078/96, Barna Steel, S.A. being the parent company of the group.

Nervacero, S.A., a company resident in Spain, is taxed exclusively in the territory of Biscay, while Celsa France, S.A.S. is taxed in France as it is a tax resident in that country.

In both Spain and France, since the income tax return for 2023 is filed in 2024, the final payment of this tax is not shown in this Report. Therefore, the income tax actually paid in both countries during 2023 is composed of the following items:

- Payments on account of income tax for the year 2023 paid in the same year
- Income taxes for the year 2022 paid in 2023
- Withholding taxes borne during 2023

In Poland, companies are taxed on an individual basis for income tax purposes. Also, since the income tax return for 2023 is filed in March 2023, the final payment of such tax is not shown in this Report. By virtue of the foregoing, the income tax paid during 2023 corresponds to the following items:

- Payments on account of income tax for the year 2023 corresponding to the months from January to November paid in the year 2023
- Payment on account of income tax for the year 2022 corresponding to the period of December 2022, paid in January 2023

- Income taxes for the year 2022 declared in March 2023

In Luxembourg, the companies Rotorua Holdings, S.A.R.L. and Sempre Developments, S.A.R.L. only paid minimum wealth tax in 2023. However, the companies Celsa Luxco 1, S.A.R.L., Celsa Luxco 2, S.A.R.L., Celsa Luxco 3, S.A.R.L. and Celsa Luxco 4, S.A.R.L. were incorporated in 2023 and did not pay any taxes in that year.

In the United Kingdom, the companies are taxed under the consolidated tax regime (comprising all Group companies domiciled in Wales). Income tax instalment payments are made on a quarterly basis (March, June, September and December) in the income year itself based on an estimate. In December of the following year, the income tax return is filed, and the corresponding part is paid/received if there is a difference with the instalment payments already filed. By virtue of the foregoing, the income tax paid during 2023 corresponds to the following items:

- Payments on account of income tax for the year 2023 paid quarterly in the same year
- Income taxes for the year 2022 declared in December 2023

In the Nordic Group, companies are taxed individually for income tax purposes, but apply a loss offsetting scheme called 'Group Contribution'. Companies submit instalment payments on account of income tax in February and April of the year following the financial year. If both payments do not cover the total tax, an additional payment is made during the month of May (also of the year following the fiscal year). Therefore, the income tax paid in 2023 corresponds to the tax for 2022. By virtue of the foregoing, the income tax paid during 2023 corresponds to the payments on account of this tax for 2022 paid in February, April and May 2023. The CELSA Group™ tax amounts for 2023 are shown below:

- o Income tax

Millions of euros (M€)

	2022			2023			2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Income tax accrued	62.65	47.12	109.77	18.12	-33.92	-15.80	-114.39 %
Income tax for the previous year, paid in the current year	n/a	0.04	n/a	24.35	13.37	37.72	n/a
Income tax instalments for the current year, paid in the current year	n/a	3.77	n/a	4.93	3.35	8.28	n/a
Withholding taxes	n/a	0.95	n/a	0.09	7.01	7.10	n/a

Data published in the EINF for financial year 2022, prior to the restatement of such data:

- Income tax result, Barna Steel S.A. (EINF 2022): €48.51M

CELSA Group™ taxes, financial year 2023

Income taxes by jurisdiction

Thousands of euros (k€)

	2023									
	Spain	France	Luxembourg	Poland	Norway	Sweden	Finland	Denmark	UK	Ireland
Income tax	17,762.84	5,969.25	5.99	-230.20	23,739.22	2,129.23	-1,327.87	288.49	4,193.91	567.66
Income tax for the previous year, paid in the current year	8,141.32	5,072.17	0.00	-1,561.48	23,739.22	2,129.23	-1,327.87	288.49	1,262.17	-25.54
Income tax instalments for the current year, paid in the current year	2,517.41	897.08	5.99	1,331.28	0.00	0.00	0.00	0.00	2,931.74	593.20
Withholding taxes	7,104.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CELSA Group™ taxes, by country, financial year 2023

Financial assistance received from the government

The amounts received for government assistance are shown below:

Millions of euros (M€)

	2022			2023			2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation %
Public subsidies and subsidies received	9.68	3.32	13.00	34.69	17.37	52.06	n/a
Public grants and grants received	n/a	n/a	n/a	5.34	11.94	17.28	n/a
Tax allowances	n/a	n/a	n/a	0	0.28	0.28	n/a

Financial assistance received from the Government in financial year 2023.

For financial year 2023, maximum transparency and traceability of all ESG indicators has been promoted. Therefore, the reporting scope has been extended and the data is therefore not comparable (n/a) with the data presented in the 2022 EINF as much of the current information is not available in the previous year.

2.4. Corporate culture

CELSA Group™ has built up a strong corporate culture over more than 50 years of history, a culture that has been consistent since its inception, yet has adapted to the changes and demands of the economy and society. Therefore, in financial year 2023, the company's purpose has been reformulated and is presented together with its mission, vision and values:

Purpose

We give infinite lives to finite natural resources.

Vision

To be a leader in the generation of circular production chains to contribute to the transition towards a positive impact economy.

Mission

We are a leading low-carbon recycled steel producer in Europe.

We believe in our people, their safety, effort, talent and commitment; in the continuous improvement and innovation of all our processes and activities; and in conducting and managing our business in an ethical, environmentally friendly and socially responsible manner.

Values:

- **Honesty:** We show consistency between what we say and what we do.
- **Innovative approach:** We challenge the status quo and believe that the impossible is the opportunity to lead change.
- **Creative perseverance:** We never give up, there is always a next move.
- **Humility:** We are committed to learn, also from our mistakes, and to continuously improve.
- **Teamwork:** We believe in respect, trust, constructive conflict, dedication and responsibility to achieve team goals.
- **Passion:** We are passionate about what we do and how we do it.

2.5. Sustainable development

GRI 3-3, 2-23

2.5.1. CELSA Group™ Commitments

CELSA Group™ has identified seven commitments on which it bases its sustainable development strategy:

1. Commitment to climate

The steel sector is responsible for around 5 % of greenhouse gas emissions in the European Union and 7 % worldwide. At the Climate Change Conference (COP28) in 2023, countries representing more than 50 % of the world's GDP established a series of 'priority actions' aimed at specific sectors, including steel. In fact, the European Union has managed to reduce its emissions by around 50 % over the last 50 years.

Aware of the challenge posed by climate change for the planet, this year CELSA Group™ has approved a Climate Action Policy whose main targets are to improve energy efficiency, promote renewable energies and reduce the use of fossil fuels. The aim is to reduce Scope 1 and 2 emissions by 50 % and 25 % of Scope 3 emissions by 2030 compared to 2021 and to be climate neutral by 2050.

These targets are aligned with the Science Based Target initiatives (SBTi). In 2021 CELSA Group™ joined SBTi and in financial year 2022, reduction targets for steel activity were already published. In the case of scopes 1 and 2 of the carbon footprint, the targets are ambitious, and in the case of scope 3, the deadline for achieving them is 2030.

The organisation's decarbonisation plan is based on three main axes:

- I. **The reduction of Scope 1**, referring to direct emissions from the process, for which we are working on:
 - Improving energy efficiency through development projects and incorporation of new technologies to replace natural gas with biomethane, green hydrogen, electrification, etc.
 - Reducing the use of fossil fuels by analysing and implementing technologies and improvements to reduce consumption and be more efficient in combustion processes such as oxygen doping and hot charging, which allows steel bars from the steel mill (billets) to be supplied directly, hot, to the next stage of the production process (rolling mill). Another relevant source of direct emissions is the use of coal. In this case we are developing projects for the substitution of coals with more sustainable alternative materials such as biochar, shredded tire and polymers, and the substitution of pre-reduced iron ore with green DRI.
- II. **The reduction of Scope 2**, referring to indirect emissions from electricity, for which we are working on:
 - Improving energy efficiency to reduce electricity consumption in processes, e.g. by installing variable frequency drives, and thus achieving greater control of costs through analysers, meters and mathematical models.
 - Substituting conventional energy sources with renewable energy sources through long-term power purchase agreements with a renewable energy provider and the procurement of electricity with renewable energy guarantees.
- III. **Scope 3 reduction**, which covers indirect greenhouse gas emissions from third parties outside the company that are not under its control. CELSA Group™ is developing a project to reduce indirect emissions occurring in the value chain.

It should be noted that some of the internal rules approved by the CELSA Group™ Board of Directors on 13 July 2023 were the Climate Action Policy and the Environment and Resource Management Policy.

2. Commitment to circularity

CELSA Group™ is firmly committed to the recovery and use of the waste generated during the steelmaking process to boost the circular economy. Waste management not only enables the Group to be more sustainable, but it is also a strategic element for the business. Investments are made to increase recovery percentages and thus open up new lines of business linked to recycling and the treatment of plastics and other non-ferrous metals or wood, using pioneering techniques.

Innovation is crucial, and has enabled CELSA Group™ to position itself as a leader in the circular industry and in the decarbonisation of the sector. In this regard, CELSA Group™ is moving forward with the goal of being 98 % circular by 2030.

The Corporate Innovation Policy was approved on 13 July 2023. This document, which applies to the Group, includes the innovation strategy, which is based on coordination with the Group's own business strategy, collaboration and impact. Its principles include the incorporation of sustainability criteria in innovation projects, the generation of an innovative culture, support for technological research, the promotion of a safe environment that encourages innovation, and active participation in platforms, forums and conferences, consistent with the aim of sharing knowledge, both inside and outside the organisation.

3. Commitment to team talent, safety and health

Commitment to talent and professionalism means ensuring salaries commensurate with the characteristics of each function within the organisation, and with the degree of involvement and training of employees. To ensure objectivity in this respect, description and valuation systems that comply with international guidelines, such as Korn Ferry, WTW and Mercer, are used.

The company's team of employees is not only the driving force behind the improvement of our business, but is also an essential part of CELSA Group™'s history and identity. People are an essential part of a company's present and future. The main priorities and concerns in relation to people are safety, health and well-being, talent attraction and development, commitment and alignment with organisational values, and ethics and professional development.

In July 2023, the Corporate Occupational Health and Safety Policy was approved and published.

Despite all the efforts made in terms of safety, this year we mourn the death of two employees working in our facilities. This fact has prompted us to review again, with special attention, our operations, processes and protocols, which are already subject to regular monitoring for continuous improvement, in order to avoid any type of accident. The Zero Accidents strategy, which has been in place for some time now, will remain even more of a priority in the years to come. We stress the importance of complying with safety regulations without exception and with the utmost care and diligence, both on the part of the company and the employees themselves, following, among other things, the 'think before you act' principle.

4. Commitment to equality and diversity

CELSA Group™ works for people development, equal opportunities, diversity and work-life balance.

The company operates in a sector in which women have traditionally been underrepresented. Aware that this is a challenge, it is implementing equality policies and action plans to gradually change this reality. In this financial year 2023, the Diversity, Equity and Inclusion Policy has been approved and the goal has been set to reach a 30 % female presence in the general workforce by 2030.

Diversity is an essential part of the CELSA Group™ corporate culture. Discrimination on the basis of sex, race or ethnicity, ideology, nationality, religion, sexual orientation or any other personal, physical or social condition is not permitted, as established in the Group's Code of Ethics and Professional Conduct. We believe in people, in their capabilities and in their values.

5. Commitment to community

At local level, over the years, strong ties have been forged with client companies and suppliers, forging lasting partnerships based on loyalty to their products and services.

CELSA Group™ acts with full respect for the local cultures of the countries and territories where it operates.

In 2023, the new Stakeholder Dialogue and Communication Policy was approved, which encourages communication with all stakeholders to achieve a sustainable and socially beneficial operation.

6. Commitment to the value chain

We work to translate the sustainability and corporate social responsibility of the CELSA Group™ into our supply chain. One of our priorities is to provide accurate and transparent information on our supply requirements.

In line with the future entry into force of the Corporate Sustainability Due Diligence Directive, CELSA Group™ has approved the new Supply Chain Policy, which constitutes a comprehensive framework for responsible management, and includes our commitments, also contained in the Code of Ethics and Professional Conduct and the Sustainability Framework Policy.

Our supplier approval procedure positively values those companies with the best performance in environmental, social and governance (ESG) aspects and which, at the same time, have an environmental management system in accordance with ISO 14001 and an occupational health and safety management system in accordance with ISO 45001.

7. Commitment to ethics and transparency

Aware of the relevance of our operations, we are firmly committed to ethics and transparency in our national and international operations. We are also guided by principles of integrity and transparent disclosure of information, going beyond compliance with applicable laws and regulations.

This responsibility is not only an obligation to comply with current regulations and the most demanding national and international frameworks; it is an essential part of our corporate identity, forming the basis of our vision of sustainability, which integrates environmental, social and governance aspects, as well as the development of ethical and transparent business practices.

2.5.2. 2030 and 2050 targets

In the area of ESG, we have set ourselves very ambitious targets.

- **Environmental targets**

In line with the climate targets promoted in the European Union, CELSA Group™ is setting environmental goals, with an eye on 2030 and 2050.

By 2030:

- Reduce CO2 emissions of Scopes 1 and 2 by 50 % compared to 2021
- Reduce Scope 3 CO2 emissions by 25 % compared to 2021
- To be 98 % circular

In 2050:

- To be CO2-neutral in Scopes 1, 2 and 3
- To be 100 % circular

- **Social targets**

In the 2023 financial year, a social engagement plan was presented, with four work axes (safety, people, culture and communities) broken down into 20 sub-axes and 100 monitoring indicators.

Specifically, CELSA Group™'s safety targets for 2025 are to reduce the overall frequency index (IF) to 2.5 and the frequency index of potentially serious or fatal injuries (IFPSIF) to 0.25. Considering the challenge involved and the fact that the results for financial year 2023 have not followed the expected curve, the effort to be made to achieve this target will be continuous. The Group closed the 2023 financial year with a value of 6.38 (IF) and 1.13 (IFPSIF), respectively.

With regard to the people axis, CELSA Group™ belongs to a sector in which women have traditionally had little presence. However, we are working to correct this trend by strengthening women's participation in the company's strategic projects and increasing their presence in strategic positions of responsibility. The target for 2030 is to achieve a 30 % female workforce, starting from 11.4 % of women in 2022, within the framework of the 30-2030 plan.

- **Governance targets**

The biggest challenge in the short term is to continue incorporating sustainability into CELSA Group™ strategy and decision-making in a structural way. To this end, the following lines of work were developed in 2023:

- Reinforcement of transparency and commitment to all stakeholders through their participation in the materiality analysis, the results of which are being incorporated into the sustainability plan and the respective action plans of the impacted areas. In addition, given the changes in the company's ownership, the aforementioned analysis has been updated to include the company's inputs.
- Incorporation of environmental, social and governance (ESG) criteria in people development tools, such as the definition of jobs, skills, training and variable salary, among others. They were applied in the definition of the roles of head of sustainability, sustainability managers in business units and technicians. Similarly, in the definition of 25 competencies: 6 sustainability and business, 7 environmental, 5 social and 7 governance. Finally, training was provided to commercial teams on sustainability, to managers on diversity, equality and inclusion, and on reporting to those responsible for it.
- Development of a supplier portal to ensure compliance with the future due diligence directive, which will determine their relationship with the value chain: an ESG questionnaire has been created, with 50 questions and a range of scores and red lines in order to map and evaluate scrap, logistics and general purchasing suppliers. At the close of this report, the questionnaire had already been integrated into the supplier portal and is expected to be launched in April 2024.
- In 2023, development of a risk map that can be aligned with sustainability challenges. This initiative could not be carried out on a global scale, but it was possible in the case of Celsa UK, with a first general risk map. In the field of the environment linked to risk, the CELSA Group™ has developed a first analysis of the *Task Force Climate Related Financial Disclosure* (TCFD) and, in the case of Celsa UK, following the *Mandatory Climate Disclosure* (MCD) standard of that country.

- On 13 June 2023, the company's Board of Directors approved 17 sustainability-related policies, which are named in the Governance section.
- Implementation of a tool for obtaining and managing sustainability data (Net Positive Platform) to prepare and present reports in a more flexible, efficient and transparent manner. After training more than 150 people in its use, reporting data has already been collected this year, guaranteeing the robustness and traceability of the data.

2.5.3. A sustainability-oriented organisation

The Sustainability Framework Policy constitutes the formal framework for the management of ESG issues within the Group. Updated in 2023, it establishes the general principles and targets that make up the strategy in this area, with the aim of developing all its activities to promote the creation of long-term value for both society and its stakeholders. This policy has the following general principles:

- Comply with legal obligations and the recommendations, guidelines and best practices established by the various recognised international instruments.
- Align the CELSA Group™ corporate governance model with international and national good governance recommendations.
- Ensure compliance with the Purpose, Mission, Values and Vision, the CELSA Group™ Code of Ethics and Professional Conduct and its adaptation to the principles of Sustainability.
- Promote the identification of the Group as a sustainable and continuously improving company.
- To develop the CELSA Group™ business by maximising value creation and competitiveness in a sustainable, innovative, efficient and long-term manner.
- Promote circular economy and consumption.
- Promote diversity, equality and conciliation among our employees.
- Minimise negative impacts on the environments and communities in which CELSA Group™ operates.
- Promote all policies that advance the areas of sustainability and promote the updating, supervision and effective monitoring of their implementation.
- Establish and maintain the relevant systems and procedures for the proper management and implementation of this policy.

A specific organisational structure for sustainability was created in 2022. A new governance model was implemented this year in response to the need to materialise the global sustainability strategy in all business units.

In this way, specific reporting and follow-up indicators, standardised reporting, risk analysis and follow-up of initiatives aimed at eliminating or minimising such risks were organised.

The 3 main sustainability governance bodies are:

- Sustainability Executive Committees (SEC). These are the Group's sustainability committees that are attended by all corporate and business unit sustainability managers, as well as the managers of the main transversal areas with an impact on sustainability: processes, purchasing, logistics, energy, circularity, people and organisation. They address relevant sustainability issues, and present global indicators, initiatives and projects with an impact on sustainability. In 2023, 8 sessions were held.
- Business unit Sustainability Executive Committees (BU SEC). Each business unit has its own SEC. Its task is to monitor sustainability issues - with a focus on the environment - to analyse the main risks and seek solutions. These committees are composed of the CEO, the Sustainability Directors, the Environmental Manager, the Plant Manager and the Institutional Relations Manager, if any. Approximately three sessions per business unit were held in 2023.
- SEC Strategic Reflection Meeting. Annually, a face-to-face strategic reflection is carried out to evaluate and outline the sustainability alignments for the CELSA Group. In 2023, five strategic sustainability guidelines were set:
 1. Complete and deploy the CELSA Group™ ESG (environmental, social and governance criteria) roadmap to become a 'Net Positive' company. The concrete actions deployed are the improvement of the supply chain focused on sustainability (suppliers and customers) and the partnership with key players for co-creation.
 2. Integrate sustainability into the company's strategy and day-to-day decision making, communicating sustainability policies and increasing awareness and support for sustainability in all corporate departments and business units, including the European Sustainable Finance Taxonomy
 3. Develop an ESG risk management framework and dual materiality analysis.
 4. Position CELSA Group™ as a sustainable and circular company, enhancing corporate reputation. This is done through the development of initiatives and projects that respond to ESG demands and trends, ensuring their visibility to all the Group's stakeholders.
 5. Implement a data management system for sustainability (ESG), the Net Positive Platform, to achieve internal control over ESG data and define and implement quantitative and qualitative indicators, as well as a common language.

Accreditations, sustainability certifications and association membership

During 2023, progress was made on various initiatives to formalise sustainability management throughout the Group in accordance with recognised and comparable international frameworks.

- The Carbon Disclosure Project (CDP) is a global organisation that works with shareholders and corporations to disclose the performance of large companies in relation to their greenhouse gas emissions. CELSA Group™ has maintained the same rating as for the 2022 financial year: rating B (corresponding to management level) for climate change performance. The average rating for the steel sector is B-.
- Science Based Target Initiatives (SBTI), an initiative already mentioned in this EINF, aims to help set science-based climate change strategies to reduce greenhouse gas emissions. In 2023, the CELSA Group has submitted its proposed decarbonisation targets using its sectoral guidance for the steel sector and for the 2030 timeframe. This target proposal is in line with the decarbonisation targets set by the Group. The validation process by SBTi is expected to take place in the first quarter of 2024. Validation of the proposed targets will confirm that the group's level of decarbonisation ambition is sufficient to ensure that its activities contribute to no more than a 1.5°C increase in global temperature.
- European Union Environmental Taxonomy. Although CELSA Group™ is not yet required to comply with the EU Taxonomy Regulation, in 2022, as a pilot test, the analysis was performed on the perimeter of Barna Steel, S.A. (Spain and France) in order to then be able to extrapolate it to the rest of the business units. The proportion of eligible economic activities in Barna Steel, S.A. was 99.5 % of turnover, 89.93 % of CapEx and 87.04 % of OpEx.

The steel sector also has several certifications that provide specific sustainable answers for this industry. CELSA Group™ has the following:

- **UNE ISO 36.901 on Steel Sustainability Management Systems (SGSS).** Currently, the main head companies of Barna Steel, S.A. (perimeter Spain and France) have a license to use the Steel Sustainability mark (www.sostenibilidadsiderurgica.com), based on the UNE 36.901 standard and verified by the Spanish Association for Standardisation and Certification, AENOR. This standard specifies the general requirements of a steel sustainability management system, which is based on 23 social, economic and environmental aspects, as well as the indicators and parameters for evaluating them. All these companies have sustainability policies in line with steel sustainability requirements.
- **SustSteel** is a European brand established and managed by EUROFER, which was created primarily for steel construction products. Several CELSA Group™ companies are licensed to use the SustSteel Mark (www.steel-sustainability.org), and have had their sustainability system verified by *Bureau Veritas*.

CELSA Group™ headers also have various sustainability accreditations and certifications:

	Cia. Española de Laminación, S.A. (Celsa Barcelona)	Celsa Nervacero, S.A.	Celsa Global Steel Wire, S.A.	Celsa France, S.A.S.	Celsa Atlantic, S.L.	Celsa UK Manufacturing	Celsa Armeringsstål	Celsa Huta Ostrowiec S.P. Z. O.O.
ISO 14001: Environmental Management Systems	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNE 36.901: Steel Sustainability Management Systems (SSMS)	Yes	Yes	Yes	Yes	Yes	n/a	n/a	n/a
ISO 45001: Health and Safety at work	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ISO 50001: Energy Management Systems	Yes	Yes	Yes	Yes	Yes	No	Yes	In development
EMAS: Community Management and Audit System Environmental	Yes	No	Yes	No	No	n/a	No	No
IATF 16949:2016 Quality Management in the Automotive Sector	n/a	n/a	Yes	n/a	n/a	n/a	n/a	n/a
BES 6001: Environment and Sustainability Standard (BRE)	Yes	No	No	No	No	Yes	No	No
SustSteel	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes

CELSA Group™ divisions' sustainability accreditations and certifications.

At the product level, CELSA Group™ has a wide range of certifications for each of its products in more than 18 countries. Among them, the most relevant in Spain are AENOR's UNE 36068:2011 for weldable steel rebar for reinforced concrete reinforcement and the AENOR Sustainable mark. In 2022, four CELSA Group™ production plants in Spain (Celsa Atlantic, S.L. (Galicia), Global Steel Wire, S.A. (Cantabria), Nervacero, S.A. (Basque Country) and Compañía Española de Laminación, S.A. (Catalonia) were awarded this mark, endorsing that their products are sustainable from an ESG perspective.

In addition, CELSA Group™ has environmental product declarations (EPDs), which are objective, comparable and fully independently verified environmental declarations. EPDs help to analyse the life cycle of a product and report on its environmental impact.

Currently, the status of the environmental product declarations of the different CELSA Group™ head plants are as follows (they can be found publicly on the web: <https://www.environdec.com/library>).

Companies	EPD status
Celsa Armeringsstål	Published in 2018
Celsa UK Manufacturing	Published in 2022
Global Steel Wire, S.A.	Published in 2022
Compañía Española de Laminación, S.L.	Published in 2023
Nervacero, S.A.	Published in 2023
Celsa France, S.A.S.	Published in 2023
Celsa Atlantic, S.L.	Published in 2023
Celsa Huta Ostrowiec S.P. Z. O.O.	Published in 2023

Current status of development of environmental product declarations for the various CELSA Group™ companies.

In addition, CELSA Group™ actively participates in other associations in order to strengthen the relationship with our stakeholders and advance in the sustainability goals we have set for ourselves.

In the area of sustainability:

- Since March 2021, we have joined the UN Global Compact and are committed to its 10 principles on human rights, labour standards, environment and anti-corruption.
- We proactively support the achievement of the Sustainable Development Goals (SDGs), within the framework of the United Nations 2030 Agenda.
- As of June 2022, we are a member of the Platform for Accelerating the Circular Economy (under the World Business Council for Sustainable Development (WBCSD) of the World Economic Forum), a platform that unites business, government and civil society leaders to develop a collective circular economy agenda comprised of ambitious actions.
- In December 2021, we became a trustee of *Fundación Empresa & Clima*, a non-profit organisation that works for corporate leadership and commitment in the fight against climate change.
- Since February 2022, we are one of the almost 700 companies that make up the Waste Cluster of the Waste Agency of Catalonia, with the aim of contributing to its revitalisation in order to boost the competitiveness of companies in the waste sector, strengthen their internationalisation and promote innovation and research in this field.
- In October 2023, the Institute for Sustainable Leadership (ISL) of IESE Business School was created, of which we are one of the founding companies.

At the sectoral level:

- We participate in the World Steel Association's Climate Action programme, of which we are a member. The members of this association account for about 85 % of the world's steel production. Within this framework, sectoral targets are established, while focusing on the main strategic issues affecting the industry, particularly in the areas of economic, environmental and social sustainability.
- Since 2022, we have adhered to the World Steel Association's Sustainability Charter, with 9 principles and 20 criteria covering environmental, social, economic and governance areas, which are mandatory.
- CELSA Group™ is a founding member of the Global Steel Climate Council. This international coalition was founded in November 2022 with the mission to reduce greenhouse gases in steel production.
- We are members of EUROFER, the European Iron and Steel Industry Association, in which research is carried out and statistical studies and information of interest to member organisations in the sector are shared.

- Historically, we are also part of UNESID, the Spanish Association of Steel and Steel Transformation Companies, which joins forces to create strategic alliances between companies and the sector at a national level.
- In Spain, we are also part of the Steel Sustainability Association, whose members are the main companies in this sector. This organisation created the Steel Sustainability brand to respond to the social and institutional demand for corporate social responsibility by means of demanding requirements that make it possible to evaluate the commitment of organisations and which are verified by AENOR.
- In France, the Group is a member of A3M, *Alliance des Minerais, Minéraux et Métaux*, which represents companies involved in the extraction, production, processing and recycling of industrial metals and minerals, with the aim of achieving efficiency and synergies that favour both competition and sustainable development.
- In the United Kingdom, we are part of UK Steel, where steel producers have a place to promote innovation, development and commitment to environmental responsibility.
- In the Nordic countries, we are members of the Norwegian Industry Association, which represents 25 % of the full-time employees of industrial companies in Norway. Its most important function is to ensure that society understands the importance of a viable industry to the future well-being of all.
- In Poland, we are members of HIPH - the Polish Steel Association - a non-profit trade organisation founded in 1991. This association represents steel manufacturers and steel processing plants, cooperating industries, as well as service providers, design bureaus, research and development institutes and trading companies. It is the only organised representation of the steel industry in Poland, acting as a liaison for its members with the Polish government and regional authorities.

2.5.4 Sustainability communication

- **Internal communication**

CELSA Group™ considers that internal communication is a strategic component of its management style that contributes to achieving targets and adds value to the business. Sustainability is part of the corporate discourse addressed to internal audiences, mainly on circularity and the sustainable production model. The main internal communication channels, in addition to e-mail and digital signage, are as follows:

- o CELSA Group™ Portal, which acts as an information repository, reducing paper consumption and the sending of unnecessary e-mails. This portal has been a pioneer in Spain in the integration of the use of SAP utilities and other technologies, for which, in March 2023, it won the award for 'Best Innovation Project in Human Resources' from SAP Success Factors.

- During 2023, more than 40 news stories with a background theme of sustainability were published. Given the growing volume of content on ESG issues, this year an ad hoc page was created within the Portal.
- In addition, in 2023, the Celsa Academy, a development and learning initiative, launched two specific programmes: one on sustainability for the group's sales and marketing team and another on diversity, equality and inclusion (DEI).
- Also noteworthy are the collaborative communities (thematic working groups hosted on the Portal). Among those that currently exist within this tool, we highlight #WomenOfSteel, or the 70 people designated as ambassadors who contribute to disseminating communication content and who in 2023 participated in the materiality analysis.
- Campaigns and events such as the following:
 - Annual Meetings held during the months of February and March 2023 to reinforce the importance of sustainability targets in the company.
 - CELSA Group Update, informative sessions for directors in which the Group President addresses different relevant topics, analysing the current situation and identifying areas for improvement.
 - Celsa Circular Steel (CCS) programme on the brand of the same name, whose activity is characterised by low CO2 emissions and a high percentage of recycled material, even reaching 100 %.
 - Recycling week, a campaign that takes place annually in mid-May and encompasses various actions aimed at raising awareness of the climate emergency and decarbonisation.
 - 'STOPAPER' and 'STOPLASTICS' campaigns to promote the reduction of paper and plastic, which, at the same time, promote the use of more environmentally friendly materials.
 - Net Positive Newsletter, a newsletter that is mainly sent on a monthly basis to all SEC members. In the 2023 edition, key ESG trends and current news for each area were highlighted.

The aforementioned initiatives are designed in such a way that the protagonists are the internal employees, encouraging bottom-up communication and the internalisation of our sustainability culture. For all of these initiatives, feedback is requested in order to improve them so that they really meet the needs of the people who are part of the organisation.

- **External communication**

During 2023, CELSA Group™ worked on the development of the 'Sustainability' section within the corporate website in order to promote the dissemination of information and data on this area (<https://www.Celsagroup.com/sostenibilidad/>).

In parallel, in the 'Transparency' section it is possible to consult the non-financial reports and corporate sustainability reports published in financial year 2023 and in the last five years, as required by law, as well as the executive summaries of the Group and the different business units of the company, and the *Evaluation of the economic and social contribution in Spain* report.

In addition, the content and design of the vast majority of the Group's websites were updated in 2023: CELSA Group(www.Celsagroup.com), Celsa Barcelona (www.Celsabarcelona.com), Nervacero (www.nervacero.com), Ferimet (www.ferimet.com), Moreda Rivi re (www.moreda.com), Celsa UK(www.Celsauk.com), Celsa Nordic (www.Celsanordic.com) and Celsa Steel Service Nordic (www.Celsa-steelservice.com).

Recurrent communication throughout the year to the media is centralised in the sending of up to 60 press releases, which allowed us to increase the presence of our own topics in the media by up to 300 % compared to 2022. In 2023, more than 4,600 impacts related to Grupo CELSA were recorded. Of these, on 3,101 occasions the company was the protagonist of the news item and on 1,538 occasions it was mentioned.

During this financial year, CELSA Group™ also remained active, participating and promoting forums or discussion tables, mainly at conferences and in the media.

- **Digital communication**

CELSA Group™ is present on various corporate social channels such as LinkedIn, Instagram, X and Facebook, which serve as information platforms from which the company launches various news and other content in order to amplify the Group's message to our current and potential followers. It is worth noting that this year we reached 100,000 followers on LinkedIn.

The online publications made reference to the main countries of interest to the company.

2.6. Relevant issues and materiality

GRI 3-1, GRI 3-2

In accordance with Law 11/2018 on non-financial information and diversity, this report includes the relevant aspects identified relating to environmental and social issues, human rights and the fight against corruption and bribery, staff- such as health and safety, talent attraction and retention, commitment and alignment with values, ethics and professional development -, atmospheric emissions, energy consumption, water consumption and waste generation.

An update to the CELSA Group™ materiality was carried out in early 2024 to achieve greater representativeness and scope. In this readjustment, on the one hand, the perspective of two new relationship groups (external vision) was added: customer companies in the automotive sector and the business community. On the other hand, the strategic vision (internal vision) was updated to align it with the new direction of the company.

Finally, the companies of the innovation and sustainability ecosystem with which there is a relationship within the BCircular initiative were also taken into account.

In order to determine the material issues of the CELSA Group™ and this update, various sources and tools were used, such as internal company documentation and, externally, corporate sustainability standards and indices (BCorp, GRI, etc.) and industry standards, as well as market research of client and competitor companies. Online surveys and interviews with stakeholder representatives were also conducted to understand their perceptions of the CELSA Group™ in relation to material issues.

Surveys sent/received				
7/4	70/65	1,243/307	810/115	40/21
Executive Committee and	Own	Supplier companies	Customer companies	Local communities

With the results obtained, the following materiality matrix was created, in which one of the axes corresponds to the prioritisation of the strategic vision (internal vision), while the other corresponds to the valuation of the relationship groups (external vision).

This matrix reflects the most relevant issues for both groups aligned with the organisation's commitments and, therefore, which are the areas that CELSA Group should prioritise when allocating resources and efforts, in order to meet the expectations of both groups.

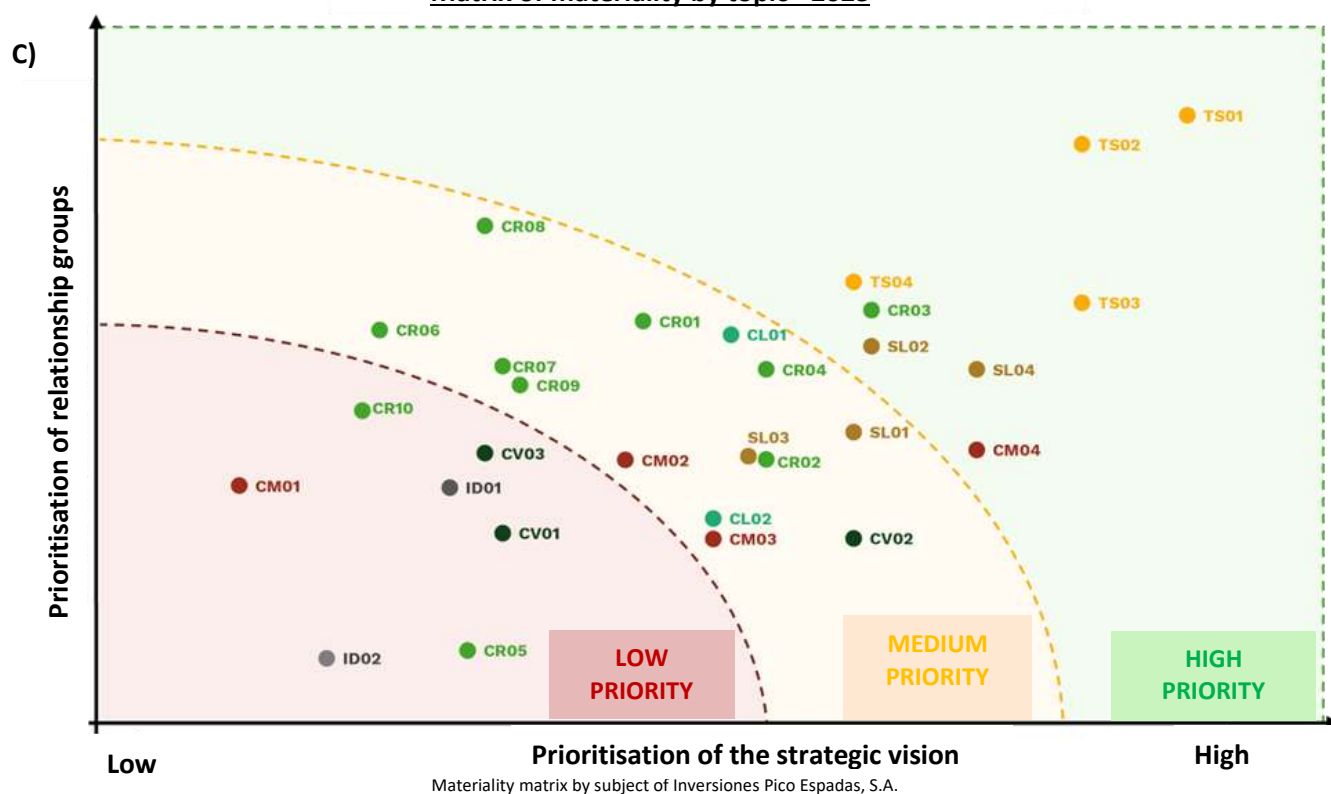
CELSA's commitments

CR	To circularity
CL	To the climate
TS	To team talent, health and safety
ID	To equality and diversity
CM	To the community
CV	To the value chain
SL	To ethics and transparency

HIGH PRIORITY		MEDIUM PRIORITY		LOW PRIORITY	
TS01	Industrial safety and welfare	CL01	Carbon emissions and clean energy	CR06	Innovation for sustainability
TS02	Workers' health	CR04	Responsible water consumption and management	ID01	Recruitment of female talent, internal promotion and presence on governing bodies
TS03	Talent recruitment	SL01	Transparent, ethical governance with sustainable DNA	CV01	Value chain with selection, strong and long-term criteria
TS04	Talent retention	CR01	Responsible environmental management	CR10	Investment in innovation and digitisation
CR03	Resource consumption and material use responsibilities	CR08	Product quality	CR05	Biodiversity and renaturation
SL04	Business management and leadership	CR02	Circularity with client companies and other economic agents	ID02	Diversity and social inclusion
SL02	Data protection and privacy	SL03	Organisational culture	CM01	Local economic development
CM04	Group reputation and image				

Table of prioritisation of material issues.

Matrix of materiality by topic - 2023



HIGH PRIORITY		MEDIUM PRIORITY		LOW PRIORITY	
R4	Health and safety	R3	Emissions reduction	R6	Equality
R5	Talent recruitment and retention	R2	Circularity and reduction of environmental impacts	R7	Diversity
R10	Governance and leadership	R8	Community involvement		
		R1	Product and business		
		R9	Value chain		

Prioritisation of Pico Espadas, S.A.'s challenges.

Materiality matrix by challenges



Materiality matrix by challenges of Inversiones Pico Espadas, S.A.

The various material issues defined in this materiality analysis are related to and grouped around the challenges set out in the company's strategic plan.

The main changes, mainly due to the update of the new management's strategic vision with respect to the 2022 materiality, are the higher priority given to Governance and Leadership, Talent Attraction and Retention, and Community Engagement. Conversely, the lowest priority consideration was Equality, followed by Circularity and Reduction of Environmental Impacts and Reduction of Emissions. The other challenges remain in a similar prioritisation position to the results obtained in 2022.

3. GOVERNANCE ISSUES

3.1. Organisation

GRI 2-9

The main governing bodies of CELSA Group™ are the General Shareholders' Meeting and the Board of Directors.

The Shareholders' Meeting is the representative body of the company's ownership, the shareholders holding the capital stock. The articles of association and an ad hoc regulation regulate its operation.

The Board of Directors is CELSA Group™'s main management and supervisory body. It is responsible for defining the framework of corporate strategy and policies, as well as overseeing management and shareholder relations.

3.1.1. Committees and Commissions

The organisational model is complemented by a series of committees and commissions to ensure effective governance:

- **General Management Committee (GMC)**
Its mission is to develop the Group's corporate and executive management, setting targets with a medium and long-term vision, ensuring the development of the six-year strategic business plan and guaranteeing the availability of the necessary resources. It is led by the CEO and comprises the COO, the CFO, the CSSO, the CPOO and the Head of Public Affairs.
- **Operational Executive Committee (OEC)**
Its mission is to manage the Group on a more operational and short-term basis, ensuring the achievement of the annual targets set by the organisation. It is led by the COO and is made up of the CEOs of five business units: Celsa Spain, Celsa France, Celsa UK, Celsa Nordic and Celsa Poland; and by five operating units: Circularity, Commercial and Marketing, Processes, Supply Chain and Purchasing.
- **Global Management Team (GMT)**
Its mission is to participate in long-term strategic thinking, and it meets annually. It is led by the CEO and is made up of the GMCs and OEC members and other Group executives. To ensure proper governance of the organisation's key areas, the GMC includes the following bodies and committees:
 - Legal compliance, whose mission is to ensure compliance with the Code of Ethics and Professional Conduct principles and to prevent and avoid any conduct that could constitute a criminal offence. It is headed by the Director of Compliance and Ethics and is also comprised of the Head of Compliance and the Head of the Legal Department.
 - Appointments and Remuneration Committee, with responsibility for appointments, remuneration and compensation and benefits policy. It is chaired by the CEO and composed of the COO, the CPOO and the CEO of Celsa Poland.

- Occupational Risk Committee, whose mission is to oversee the improvement of safety, health and wellness culture, establishing standards that exceed legal requirements, as well as process safety, with the overall goal of achieving zero accidents throughout the Group. It is led by the CPOO and also includes the head of corporate security and those of the business units.
- Sustainability Committee, with the mission to further develop the circular economy model, which is an intrinsic feature of the CELSA Group™ business model, and to ensure the adoption of common environmental policies. It is led by the CSSO and consists of the head of the Sustainability Department, who is joined by the five heads of sustainability from the business units, Ferimet, Logistics, Purchasing and a representative of the POD Department.
- Equality and Diversity Committee, which supervises compliance with the equality plans of the Group's companies, drawn up with the participation of staff representatives. It is chaired by the CPOO, and its members are also the POD of Legal Counsel and the director of Tax Law.
- Risk and Credit Committee whose mission is to control and decide on the company's commercial risk. It is led by the COO and CFO and includes the head of the Sales and Marketing Department.
- Innovation Committee, which is in charge of identifying, organising and prioritising the Group's innovation, ecological transition and digital transition projects. It is led by the head of Business Innovation and EU Funding and composed of the business units' innovation managers.
- Cybersecurity Committee, with the mission of ensuring the correct development and implementation of cybersecurity strategies to provide the organisation with the best possible information security systems. It is made up of the CFO, the CPOO, the CIO (Chief Information Officer), the CEOS for Spain and Poland, the head of security and the head of compliance.
- Data Protection Committee whose function is to advise and inform the Group on the processing of personal data, to be the point of reference for all business units and to collaborate with the supervisory authorities. It is chaired by the data protection officer.
- Management committees in the five business units to develop the executive management of each business unit. They are composed of the general management and the main executives of each unit.

3.1.2. Changes in organisational structure in 2023

The 2023 financial year was characterised by significant changes in the governance of the CELSA Group™.

Until 3 September, the organisational structure consisted of the following directors:

- On the Board of Directors, Francesc Rubiralta Rubió, Juan Carlos Orozco Rodríguez, Francesc Mesegué Bonet, Francisco Javier Pujol Artigas and Jorge Manuel Sendagorta Gomendio, with the Chairman & CEO of the CELSA Group reporting directly to the Board.

- In the Group Management Committee, Francesc Rubiralta (Chairman y CEO), Francesc Mesegué (vice-Chairman), Luís Sanz (Chief Operations Officer, COO), Javier Echavarri (Chief Financial Officer, CFO), Pedro Marcelo Oteo (Chief People and Organisation Officer, CPOO), Juan Carlos Orozco (Chief of Strategy and Sustainability Officer, CSSO) y Francesc Cardona (Head of Public Affairs).

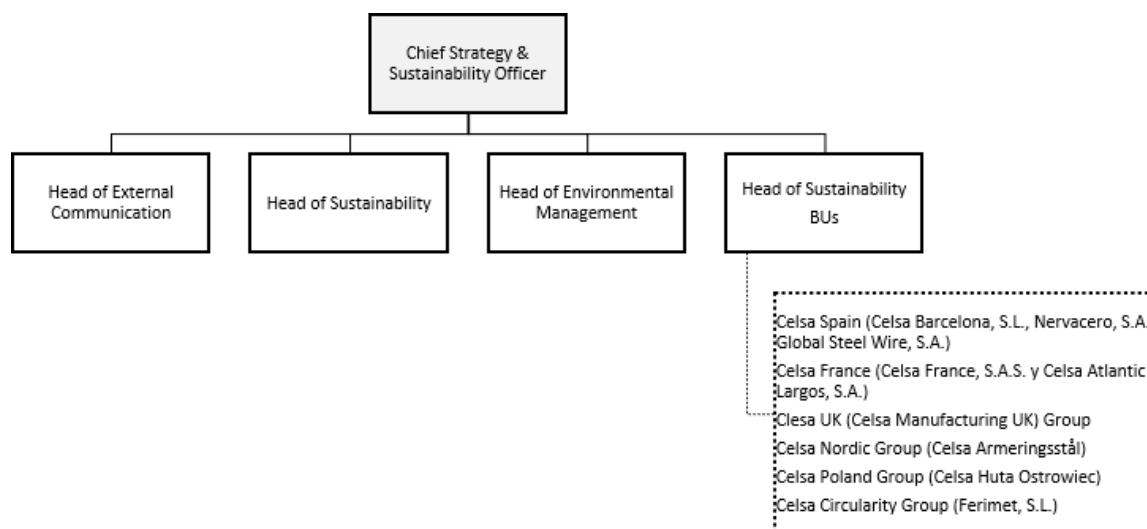
On 4 September 2023, the head of Barcelona Commercial Court No. 2 approved the restructuring plan drawn up by investment funds owning CELSA's overdue debt, which amounted to 2,433 million. The plan of the creditors - Deutsche Bank, SPV Global, Sculptor Investment and Anchorage Capital, among others - consisted of converting 1,352 million of this debt into shares of the Group and extending the maturity of the remaining debt by 5 years, thus improving the Group's financial situation.

On 30 November of the current financial year, the new control over the company became effective, with the following changes in the members of the organisational structure:

- The Board of Directors is currently being constituted, and the following appointments have been made:
 - Rafael Villaseca as Chairman of the Board of Directors of the company, replacing Francesc Rubiralta.
 - Daniel Alaminos, State Lawyer, as secretary of the board.
 - Jordi Cazorla as the new CEO, formally joining the company on 15 January 2024. With this appointment, the roles of Chairman and CEO are separated, thereby creating a new organisational structure. Until his incorporation, Sergio Vélez acted as CEO, assisted by a team of employees from FTI Consulting.
 - Provisionally, Maria Esther Alfonso Evisa, Antonio Arenas Rodríguez, Francisco Javier Díaz-Gálvez de la Cámara and Luis Aurelio Martín Bernardo joined the Board on an independent basis.
- Global Management Team (GMT) is made up of Rafael Villaseca (Chairman of the Board of Directors), Jordi Cazorla (Chief Executive Officer), Luis Sanz (Chief Operations Officer, COO), Borja García-Alarcón (Chief Financial Officer, CFO), Pedro Marcelo Oteo (Chief People and Organisation Officer, CPOO), Juan Carlos Orozco (Chief of Strategy and Sustainability Officer, CSSO) y Francesc Cardona (Head of Public Affairs).

3.1.3. Sustainability governance

In the specific area of sustainability governance within the Group, the organisation chart is as follows:



3.1.4. CELSA Group™ governance policies

GRI 2-23

In June 2023, the policies corresponding to the corporate governance framework were updated and approved.

General policies	Environmental policies	Social policies	Corporate governance policies
Sustainability framework policy	Climate action policy	Occupational Health and Safety Policy	Anti-corruption and anti-fraud policy
Supply chain policy	Environmental and resource management policy	Human rights policy	Conflict of interest policy
Innovation policy		Talent Management Policy	Antitrust compliance policy
			Crime prevention compliance policy
			Stakeholder dialogue and communication policy
			Personal data protection policy
			Information Systems Use Policy
			Whistleblower protection policy

These policies have been shared internally and published on the external corporate website for wider dissemination (<https://www.Celsagroup.com/sostenibilidad/politicas-Celsa-group/>).

3.2. Risk management

In 2023 we worked on the definition and construction of the CELSA Group's comprehensive risk management model. The target of this model is to provide a holistic view of the risks and opportunities that have an impact on the achievement of the Group's strategy, to support decision making and to promote a risk culture throughout the organisation.

Key phases in the definition of the CELSA Group's comprehensive risk management model:

- Definition of the **risk identification and assessment methodology**
- Definition of the **governance model** for integral risk management.
- Definition of the risk **reporting** and monitoring **model** that maximises the contribution of value in decision making.

In 2023, the following tasks were undertaken:

- **Training.** Development of a team of risk management employees through training at the Institute of Internal Auditors and benchmarking with companies that have a mature risk function or a consolidated risk management system.
- **Information.** Compilation of internal and external risk documentation and information.
 - Internal documentation: existing risk assessments, risk policies and standards, existing emergency plans, insurance coverage matrix.
 - External documentation: reference frameworks (Committee of Sponsoring Organisations of the Treadway Commission - COSO), guidelines for risk identification and management, global risk reports from internationally recognised institutions.
- **Definition of the top-down risk identification methodology.** The stages constituting the top-down risk identification methodology have been defined:
 - Individual interviews with members of the Management Committee and the risk team to identify the main risks that may affect achievement of the organisation's targets.
 - Compilation by the risk team of the main risks identified, and establishment of a first definition of these threats.
 - Working session with the members of the Management Committee and the risk team to agree on the definition and categorisation of the risks identified, prioritise them, and establish risk owners.
- **Definition of the risk assessment methodology.** A risk assessment methodology is established in accordance with the probability and impact criteria. Probability is defined as the likelihood of the risk materialising over a 3-year period, which coincides with the time horizon of the CELSA Group's strategy. Impact is defined as the potential of the risk to affect the achievement of strategic targets. Both criteria are evaluated according to a qualitative scale of 4 intervals. The impact assessment is carried out in seven categories: Financial, Reputational, Operational, Health and Safety, Environmental, People and Legal/Regulatory/Compliance.

Each risk will be evaluated in 3 categories:

1. Inherent risk: level of risk without considering mitigating controls.
 2. Residual risk: risk that remains after actions have been taken to reduce the impact and likelihood of an adverse event, including control activities in response to the risk.
 3. Risk appetite: risk that the organisation is willing to accept in pursuit of its mission and vision.
- **Identification of top-down risks in an operating unit.** Top-down risk identification work is carried out at Celsa UK Manufacturing, aligned with the established methodology. A list of the main risks that may affect the achievement of the 3-year objectives is obtained, prioritised and with the owners of the identified risks. The main risks identified include the following:
 - Potential health and safety incidents if the safety culture is ineffective.
 - Cybersecurity threats could cause significant business disruptions and lead to potential regulatory violations.
 - Challenges in attracting and retaining quality talent.
 - Unfavourable regulatory changes in trade and goods supply policies in the United Kingdom could lead to increased costs and business disruptions.
 - A malfunction of key machinery or equipment could lead to disruption of operations and increased costs.
 - Increased competition for scrap could reduce market share and revenues.
 - The increased cost of freight can lead to lower profits and market share, limiting growth and potentially causing reputational damage.

Next steps to work on during 2024:

1. Definition of the governance model for integral risk management.
2. Definition of the risk reporting and monitoring model.
3. Identification and evaluation of top-down risks in the CELSA Group.
4. Construction of the CELSA Group's risk map, visually representing the identified risks.
5. Definition of mitigation plans for residual risks not aligned with the company's risk appetite.

3.3. Respect for human rights

GRI 2-23, GRI 406-1

We respect, promote and demand respect for internationally recognised human rights in accordance with our Human Rights Policy and Code of Ethics and Conduct. Our commitment is embodied in a Human Rights Policy, updated in July 2023, which includes adherence to the main standards of international and European law:

1. United Nations (UN) International Bill of Human Rights, composed of the Universal Declaration of Human Rights (UN, 1948), the International Covenant on Economic, Social and Cultural Rights (UN, 1966) and the International Covenant on Civil and Political Rights (UN, 1966).
2. European Convention on Human Rights.
3. United Nations Convention on the Rights of the Child.
4. International Slavery Convention of 1926, its mechanisms and protocols.
5. Convention on the Rights of Persons with Disabilities (UN, 2006).
6. Charter of Fundamental Rights of the European Union (2000).
7. Resolution 48/13 of 8 October 2021 of the United Nations Human Rights Council recognising the right to a clean, healthy and sustainable environment as a human right.
8. Constitutions and national laws that recognise or apply human rights.
9. Social Accountability Standard SA 8000.

The purpose of this policy is to formalise the company's commitment to human rights in all the countries where we operate. Among the general principles included are the following:

- Respect for the freedom and dignity of persons, as well as the principle of non-discrimination based on race, sex, ideology, nationality, religion, sexual orientation, age or any other condition.
- Respect for applicable national and international laws and regulations, and the United Nations Guiding Principles on Business and Human Rights.
- Rejection of forced or child labour, physical, psychological or moral harassment, or any other conduct that violates people's rights.
- Guarantee of a living wage and in accordance with the legally established or through collective bargaining applicable in each territory.
- Promotion of human rights training and awareness-raising initiatives for our stakeholders.
- Incentive to supplier companies to assume the commitment to comply with this Policy.
- Evaluation of risks and impacts on human rights, preventing, mitigating and repairing, if necessary, any negative consequences that may have been caused.

With regard to the elimination of forced or compulsory labour and the abolition of child labour, it should be noted that CELSA Group™ operates mainly in countries that have ratified the main human rights conventions of the International Labour Organisation (ILO). Due to the low risk in these countries, no human rights due diligence processes or other complementary measures have been implemented to date. However, in view of the imminent approval of a European directive on the subject, the organisation is analysing new procedures to adapt to it.

CELSA Group™'s main companies adhere to international certification schemes such as Steel Sustainability and SustSteel, relating to social, environmental, human rights and sustainability responsibility.

In 2023, CELSA Group™ did not receive any human rights complaints through the compliance process and channels. Likewise, no internal discrimination complaints were received. However, in 2022, Barna Steel S.A. received two internal complaints of discrimination in Spain, both of which were investigated internally and found to be without grounds. However, alternative measures were offered for consideration for those potentially affected, which were not ultimately implemented.

3.4. Fight against corruption and bribery

GRI 2-23, GRI 3-3

CELSA Group™ is a member of the Association of Certified Fraud Examiners (ACFE) and the Association of Corporate Investigators, both of which aim to combat and mitigate corruption and occupational fraud.

Since 2012, the Group has had a Code of Ethics and Professional Conduct, the latest revision and publication of which took place in June 2023 (https://www.Celsagroup.com/wp-content/uploads/2023/07/06-23_Celsa_codigo-etico-2023_cast-eng.pdf). All members of the organisation are required to comply with this Code of Ethics and Professional Conduct. This document contains the set of principles, criteria and standards that drive our performance towards excellence. It also includes the main risks related to the prevention of corruption and bribery associated with the CELSA Group's activities, reaffirming the commitment of its companies to conduct business in accordance with applicable laws and the highest standards of business ethics.

As shown in the Code, the Group is aware that companies, in addition to pursuing economic profit, must integrate the promotion of sustainability and the protection of human rights into their activities, and encourage all staff to act in accordance with these principles in their professional, personal and family life.

The Code of Ethics and Professional Conduct establishes the following specific measures against corruption and bribery:

- Under no circumstances may employees accept any type of bribe.
- They may not make or offer, directly or indirectly, any payment in cash, in kind or by means of any other benefit to any person in the service of any entity, public or private, with the intention of obtaining or maintaining, unlawfully, business or other advantages.
- Each employee must strive to act ethically on behalf of the CELSA Group with clients, suppliers, competitors and other employees. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of facts, or any other unfair practice.
- The professional team must carry out its responsibilities in a manner that does not affect its reputation as a result of unethical conduct. Examples of fraudulent or deceptive activities include theft, fraud or embezzlement; false or inflated invoices; paying bribes to government officials; paying or receiving bribes; offering or receiving, directly or indirectly, money, goods or services.

- The Code also contains specific measures against money laundering and informs each of the Group's employees of the existence of antitrust laws and prohibited practices, with special emphasis on the behaviour expected of the professional team.

The organisation also has a generally applicable Anti-Corruption and Anti-Fraud Policy, updated in 2023. Its targets are to maintain an internal monitoring system in all areas and activities aimed at preventing any corrupt conduct and ensuring compliance with the principles set out in the Code of Ethics and Professional Conduct. They are also to convey to all employees and third parties the CELSA Group™ commitment against corruption and fraud, and its firm determination to eradicate this type of behaviour.

The CELSA Group has a criminal prevention body, led by the Chief Compliance Officer (CPOO), whose mission is to promote ethical behaviour throughout the organisation and advise on possible conflicts that may arise from its activities. This figure is responsible for the adoption of corporate reputation and ethical behaviour policies, and is also responsible for overseeing the application of the principles and values that govern our activity.

The Chief Compliance Officer has at their disposal a series of tools to achieve their targets, among which are the following:

- A whistleblower channel, which provides interested parties with an effective communication channel for raising both queries and complaints about acts that do not comply with the Code of Ethics and Conduct or the legislation in force in the CELSA Group.
- A whistleblower management system, which allows for proper handling, investigation and documentation of complaints, and maintains the confidentiality of the whistleblower, as well as ensuring a non-retaliation policy to promote ethical behaviour and protect whistleblowers.
- Policies and standards, in order to further develop the contents of the Code.
- Training, with special emphasis on the risks of bribery, corruption, fraud and conflict, with training adapted to the risks inherent to the roles of those participating in the sessions.

For its part, the Expenses Policy, updated in 2023 and published on the Employee Portal, expressly and strictly prohibits any expenses not related to the work activity of its staff. Specifically, and without limitation, it prohibits expenditure involving prostitution, corruption and bribery, political party financing, offences against public health and offences against industrial and intellectual property.

In 2023, training in corruption prevention and risk management continued for the organisation's employees. The Code of Ethics and Professional Conduct and the Regulations for the Use of Information Systems (RUSI) were updated.

In the area of cyber fraud prevention, a cybersecurity awareness programme was carried out, as well as refresher training on the prevention of financial cyber fraud for the administration and finance area. Cybersecurity training was also provided across the Group and training was given on the cyberattack response protocol.

Finally, Celsa Global Support has carried out three risk management trainings.

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Code of ethics and professional conduct	n/a	33	38	2,170	5,611 %
Cybersecurity awareness	n/a	1,527	2,995	870	-71 %
Risk management training	n/a	0	0	3	n/a
Cybersecurity training	n/a	0	0	834	n/a
Financial cyber fraud prevention	n/a	55	64	57	-11 %
Cyberattack response protocol	n/a	48	48	18	-63 %
Regulations for the Use of Information Systems (RUSI)	n/a	682	1,054	412	-61 %
HR legal training	n/a	41	41	0	n/a

Number of attendees at CELSA Group™ training courses on Corruption Prevention and Risk Management.

3.5. Data Protection

Organic Law 3/2018 of 5 December 2018 on the Protection of Personal Data and the Guarantee of Digital Rights applies to all CELSA Group™ contractual relations. Internally, the organisation has a Personal Data Protection Policy, which was updated on 13 July 2023. Its targets are to establish fundamental principles and obligations regarding the personal data protection of the companies and professionals that make up the Group, and to establish guidelines to guarantee the privacy of customer, supplier and other external third-party data. The general principles that determine the basic conditions for processing personal data are as follows:

- Principle of lawfulness, fairness and transparency of processing.
- Principle of limitation to a specific purpose.
- Principle of minimising the use of data strictly necessary for the above-mentioned purpose.
- Principle of accuracy, which includes keeping the data updated.
- Principle of transparency and information to the interested party.
- Principle of integrity and confidentiality of the information processed.
- Principle of active responsibility on the part of the data controller.
- Prohibition of illegitimately acquiring or obtaining personal data.
- Compliance with applicable law in the case of data transfer outside the European Economic Area.
- Guarantee of the rights of data subjects to access, rectification, deletion, limitation of processing, portability and opposition to data.

CELSA Group™ possesses a Data Protection Officer role, which was formally communicated to the Spanish Data Protection Agency in 2021. Its mission is to advise and inform the Group on the processing of personal data, as well as to be a point of reference for all the Group's business units and to collaborate with the supervisory authorities.

In 2023, it did not register any data protection complaints as shown in the following table:

- **Claims in the field of data protection**

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Claims received from third parties and corroborated by the organisation	n/a	n/a	n/a	0	n/a
Complaints from authorities regulators	n/a	n/a	n/a	0	n/a
Customer data leaks detected	n/a	n/a	n/a	0	n/a
Customer data thefts detected	n/a	n/a	n/a	0	n/a
Customer data losses detected	n/a	n/a	n/a	0	n/a
Total number of data-privacy related complaints	0	1	1	0	n/a

Number of complaints related to data protection in CELSA Group™

4. SOCIAL ISSUES

4.1. Staff profile

GRI 2-7, GRI 2-23, GRI 3-3, GRI 401-1

The human team is fundamental to the present and future of CELSA Group™, as shown in the Group's mission statement "we believe in our people, in their safety, effort, talent and commitment."

The Group's priorities in relation to people are health, safety and well-being, attraction of external talent, loyalty of internal talent, their professional development and commitment to the corporate culture (values, ethics, etc.).

CELSA Group™ has a talent management system based on four pillars: Attract, Hire, Develop and Engage. All of them include two complementary support pillars, Compensation and Benefits, and Legal and Relations, which are applied uniformly in all business units and are supported by SAP's IT platform - Success Factors - which enables comprehensive, standardised and digitised management throughout the Group.

Listening to internal professionals is made possible, among other initiatives, through our own survey programme, which allows us to gather their opinions in order to identify areas for improvement. In this way, employees' degree of satisfaction is also measured, and reliable information was obtained anonymously.

In April 2023, the Group launched its Management Engagement Survey under the Gallup methodology. This was a survey to find out executives' and team managers' level of commitment, which obtained 84 % participation and a result of 3.94 out of 5, equivalent to the 'engaged' level, increasing 0.02 points compared to the year 2022. This is one of the highest scores in recent years, a fact that confirms the high level of commitment of the organisation's management team.

As a new feature, the survey, which was presented at the 2023 Annual Meeting, incorporated a question about CELSA Group™'s purpose. The result was an average score of 4.27 out of 5 for awareness of its purpose, and 4.03 for the fact that it makes people feel that their work is important.

	I am aware of CELSA Group™'s purpose	CELSA's Group™'s purpose makes me feel that my work is important
Celsa Spain Group	4.32	3.95
Celsa France Group	3.94	3.94
Celsa UK Group	4.23	3.75
Celsa Nordic Group	4.33	4.10
Celsa Poland Group	4.29	4.10
Celsa Global Support	4.52	4.37
CELSA Group™	4.27	4.03

Average scores for the new questions asked at the CELSA Group™'s 2023 Annual Meeting.

In April 2024, the Global Climate Survey, which takes place every three years and measures the overall satisfaction of the workforce, is scheduled to be carried out again.

The information on own staff and average number of contracts provided in this section is calculated on the basis of full-time equivalent (FTE) staff.

The CELSA Group™ workforce is distributed as follows:

- **Total number of employees**

- Employees (own staff) as of 31/12/2023

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
CELSA Group™ employees	4,196	3,726	7,922	7,958	0.45 %

Total number of CELSA Group™ employees as of 31/12/2023

- Employees (own staff) as of 31/12/2023 by country

		Germany	Denmark	USA	Spain	Finland	France	Norway	Poland	Portugal	United Kingdom	Sweden
CELSA Group™ employees	2022	*	77	*	3,462	182	265	533	1,447	*	1,739	213
	2023	3	79	0	3,535	151	296	537	1,363	1	1,765	228

*In 2022, a total of four international jobs were published, corresponding to employees located in the countries of Germany, USA and Portugal.

Total number of CELSA Group™ employees as of 31/12/2023 Data disaggregated by country

- Average number of employees (own staff)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
CELSA Group™ employees	n/a	3,732	n/a	8,026.13	n/a

Average number of CELSA Group™ employees as of 31/12/2023

- **Distribution of employees by gender, age and professional classification**

- Distribution of own staff at 31/12/2023

	2022												2023				2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)				Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)				CELSA Group™				CELSA Group™ (Inversiones Pico Espadas, S.A.)				Variation (%)	
	W	% W	M	% M	W	% W	M	% M	W	% W	M	% M	W	% W	M	% M	W	M
Directors	28	4.81 %	176	0.04 %	87	2.33 %	255	6.84 %	115	1.45 %	431	5.44 %	19	0.24 %	117	1.47 %	13.91 %	6.73 %
Team managers													112	1.41 %	343	4.31 %		
Qualified Technical and Administrative staff	148	3.5 %	582	13.87 %	224	6.01 %	539	14.47 %	372	4.70 %	1,121	14.15 %	383	4.81 %	1,157	14.54 %	2.96 %	3.21 %
Operational and Administrative Staff	211	5.03 %	3,051	72.71 %	210	5.64 %	2,411	64.71 %	421	5.31 %	5,462	68.95 %	424	5.33 %	5,403	67.89 %	0.71 %	-1.08 %
Total	387	9.22 %	3,809	9.78 %	521	13.98 %	3,205	86.02 %	908	11.46 %	7,014	88.54 %	938	11.79 %	7,020	88.21 %	3.30 %	0.09 %

Staff distribution by gender and professional classification as of 31/12/2023

○ Average distribution of employees (own staff) by gender and organisational group

	2022												2023				2023 vs. 2022			
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)				Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)				CELSA Group™				CELSA Group™ (Inversiones Pico Espadas, S.A.)				Variation (%)			
	W	% W	M	% M	W	% W	M	% M	W	% W	M	% M	W	% W	M	% M	W	% W	M	% M
Directors	n/a	n/a	n/a	n/a	84	2.25 %	262	7.02 %	n/a	n/a	n/a	n/a	18.98	0.24 %	120.11	1.50 %	n/a	n/a	n/a	n/a
Team managers	n/a	n/a	n/a	n/a									113.34	1.41 %	343.07	4.27 %	n/a	n/a	n/a	n/a
Qualified Technical and Administrative staff	n/a	n/a	n/a	n/a	223	5.98 %	533	14.28 %	n/a	n/a	n/a	n/a	376.87	4.70 %	1,152.75	14.36 %	n/a	n/a	n/a	n/a
Operational and Administrative Staff	n/a	n/a	n/a	n/a	206	5.52 %	2,424	64.95 %	n/a	n/a	n/a	n/a	425.00	5.29 %	5,476.01	68.23 %	n/a	n/a	n/a	n/a
Total	n/a	n/a	n/a	n/a	513	13.75 %	3,219	86.25 %	n/a	n/a	n/a	n/a	934.19	11.64 %	7,091.94	88.36 %	n/a	n/a	n/a	n/a

Average distribution by gender and professional classification

○ Distribution by gender and age of employees (own staff) as of 31/12/2023

Age group (number of persons)	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<=35	141	1,094	167	430	308	1,524	313	1,485	1.62 %	-2.60 %
36 to 50	142	1,428	272	1,782	414	3,210	427	3,156	3.14 %	-1.68 %
>=51	104	1,287	82	993	186	2,280	198	2,379	6.45 %	4.34 %
TOTAL	387	3,809	521	3,205	908	7,014	938	7,020	3.30 %	-0.09 %

Distribution by age and gender as of 31/12/2023

○ Average distribution by gender and age of employees (own staff)

Age group (number of persons)	2022						2023		2023 vs 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<=35	n/a	n/a	165	434	n/a	n/a	303.08	1,455.63	n/a	n/a
36 to 50	n/a	n/a	273	1,812	n/a	n/a	423.41	3,163.44	n/a	n/a
>=51	n/a	n/a	76	972	n/a	n/a	207.70	2,472.87	n/a	n/a
TOTAL	n/a	n/a	513	3,219	n/a	n/a	934.19	7,091.94	n/a	n/a

Average distribution by age and gender

○ Distribution by gender and age of employees (own staff) as of 31/12/2023, in percentages

Age group (%)	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<=35	3.36 %	26.07 %	4.48 %	11.54 %	3.89 %	19.24 %	3.93 %	18.66 %	1.03 %	-3.01 %
36 to 50	3.38 %	34.03 %	7.30 %	47.83 %	5.23 %	40.52 %	5.37 %	39.66 %	2.68 %	-2.12 %
>=51	2.48 %	30.67 %	2.20 %	26.65 %	2.35 %	28.78 %	2.49 %	29.89 %	5.96 %	3.86 %
TOTAL	9.22 %	90.78 %	13.98 %	86.02 %	11.46 %	88.54 %	11.79 %	88.21 %	2.88 %	-0.36 %

Distribution by age and gender as of 31/12/2023

○ Average distribution by gender and age of employees (own staff) as of 31/12/2023, in percentages

Age group (%)	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<=35	n/a	n/a	4.42 %	11.63 %	n/a	n/a	3.78 %	18.14 %	n/a	n/a
36 to 50	n/a	n/a	7.32 %	48.55 %	n/a	n/a	5.27 %	39.41 %	n/a	n/a
>=51	n/a	n/a	2.04 %	26.05 %	n/a	n/a	2.59 %	30.81 %	n/a	n/a
TOTAL	n/a	n/a	13.75 %	86.25 %	n/a	n/a	11.64 %	88.36 %	n/a	n/a

Average distribution by age and gender

● Distribution of contracts by gender, age and professional classification

○ Type of contract and time as of 31/12/2023

Types of contract	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Permanent contract	n/a	n/a	3,540	21	n/a	n/a	7,459	16	n/a	n/a
Temporary contract	n/a	n/a	141	24	n/a	n/a	459	24	n/a	n/a
TOTAL	n/a	n/a	3,681	45	n/a	n/a	7,918	40	n/a	n/a

Contract types as of 31/12/2023

○ Average contracts type, by duration and gender

Types of contract		2022												2023				2023 vs. 2022	
		Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)				Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)				CELSA Group™				CELSA Group™ (Inversiones Pico Espadas, S.A.)				Variation (%)	
		W	%W	M	%M	W	%W	M	%M	W	%W	M	%M	W	%W	M	%M	Women	Men
Permanent contract	Full-time	340	8.20 %	3,518	84.85 %	473	12.67 %	3,005	80.52 %	813	10.32 %	6,523	82.80 %	871.98	10.86 %	6,665.69	83.05 %	7.26 %	2.20 %
	Part-time	19	0.46 %	54	1.30 %	6	0.16 %	17	0.46 %	25	0.32 %	71	0.90 %	4.42	0.06 %	13.67	0.17 %	-82.33 %	-80.74 %
Temporary contract	Full-time	23	0.55 %	189	4.56 %	33	0.88 %	176	4.72 %	56	0.71 %	365	4.63 %	56.73	0.71 %	389.35	4.85 %	1.30 %	6.67 %
	Part-time	1	0.02 %	2	0.05 %	1	0.03 %	21	0.56 %	2	0.03 %	23	0.29 %	1.06	0.01 %	23.23	0.29 %	-46.77 %	0.98 %
TOTAL		383	9.24 %	3,763	90.76 %	513	13.75 %	3,219	86.25 %	896	11.37 %	6,982	88.63 %	934.19	11.64 %	7,091.94	88.36 %	4.26 %	1.58 %

Average distribution by type of contract and gender

In 2023, 93.89 % of CELSA Group™'s workforce will have a full-time, permanent contract. In addition, the number of contracts for permanent employees increased by 1.24 % during the year.

○ Average number of employees with permanent contracts, by professional category and gender

Permanent contract										
Professional category	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Directors	n/a	n/a	83	261	n/a	n/a	18.98	120.11	n/a	n/a
Team managers	n/a	n/a			n/a	n/a	112.33	337.60	n/a	n/a
Qualified technical and administrative staff	n/a	n/a	216	516	n/a	n/a	356.54	1,099.10	n/a	n/a
Operational and administrative staff	n/a	n/a	180	2,245	n/a	n/a	388.55	5,122.56	n/a	n/a
TOTAL	n/a	n/a	479	3,022	n/a	n/a	876.40	6,679.37	n/a	n/a

Average annual number of employees with permanent contracts by professional category and gender

○ Average number of employees with permanent contracts, by age and gender

Permanent contract										
Age group	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<=35	n/a	n/a	145	344	n/a	n/a	267.87	1,271.34	n/a	n/a
36 to 50	n/a	n/a	262	1,731	n/a	n/a	409.31	2,991.02	n/a	n/a
>=51	n/a	n/a	73	947	n/a	n/a	199.22	2,417.00	n/a	n/a
TOTAL	n/a	n/a	479	3,022	n/a	n/a	876.40	6,679.37	n/a	n/a

Average annual number of employees with permanent contracts by age

o Average number of staff on temporary contracts, by professional category and gender

Temporary contract										
Professional category	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Directors	n/a	n/a	1	1	n/a	n/a	0	0	n/a	n/a
Team managers	n/a	n/a			n/a	n/a	1.01	5.47	n/a	n/a
Qualified technical and administrative staff	n/a	n/a	7	18	n/a	n/a	20.34	53.65	n/a	n/a
Operational and administrative staff	n/a	n/a	26	178	n/a	n/a	36.44	353.45	n/a	n/a
TOTAL	n/a	n/a	34	197	n/a	n/a	57.79	412.57	n/a	n/a

Average annual number of staff on temporary contracts by professional category and gender

o Average number of staff on temporary contracts, by age and gender

Age group	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		Difference %		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<=35	n/a	n/a	20	91	n/a	n/a	35.21	184.28	n/a	n/a
36 to 50	n/a	n/a	11	81	n/a	n/a	14.10	172.42	n/a	n/a
>=51	n/a	n/a	3	25	n/a	n/a	8.48	55.87	n/a	n/a
TOTAL	n/a	n/a	34	197	n/a	n/a	57.79	412.57	n/a	n/a

Average annual number of staff on temporary contracts by age and gender

o Average number of part-time staff, by professional category and gender

Part-time										
Professional category	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Directors	n/a	n/a	0	7	n/a	n/a	0	4.08	n/a	n/a
Team managers	n/a	n/a			n/a	n/a	0.10	3.05	n/a	n/a
Qualified technical and administrative staff	n/a	n/a	3	5	n/a	n/a	1.99	5.60	n/a	n/a
Blue collar	n/a	n/a	4	26	n/a	n/a	3.39	24.16	n/a	n/a
TOTAL	n/a	n/a	7	38	n/a	n/a	5.48	36.89	n/a	n/a

Average annual number of part-time employees by professional category and gender

- Average number of part-time staff, by age and gender

Part-time										
Age group	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<=35	n/a	n/a	1	2	n/a	n/a	1.97	1.09	n/a	n/a
36 to 50	n/a	n/a	4	10	n/a	n/a	1.02	6.03	n/a	n/a
>=51	n/a	n/a	2	26	n/a	n/a	2.49	29.77	n/a	n/a
TOTAL	n/a	n/a	7	38	n/a	n/a	5.48	36.89	n/a	n/a

Average annual number of part-time staff by age and gender

• New hires

- Number of new employee hires by gender and age as of 31/12/2023

New hires						
Gender	2022				2023	2023 vs. 2022
	Age group	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Women	<=35	36	62	98	58	-40.82 %
	36 to 50	32	31	53	42	-20.75 %
	>=51	9	5	14	8	-42.86 %
Men	<=35	366	201	567	336	-40.74 %
	36 to 50	178	201	379	216	-43.01 %
	>=51	106	35	141	93	-34.04 %
TOTAL		727	535	1,252	753	-39.85 %

New hires by gender and age

- Number of new staff hired by gender and age as of 31/12/2023

New hires	
Professional category	2023
	CELSA Group™ (Inversiones Pico Espadas, S.A.)
Directors	3
Team managers	23
Qualified technical and administrative staff	140
Operational and administrative staff	587
TOTAL	753

New hires by professional category

- Internally filled jobs (in absolute value), by professional category as of 31/12/2023

Jobs filled internally	
Professional category	2023
	CELSA Group™ (Inversiones Pico Espadas, S.A.)
Directors	10
Team managers	22
Qualified technical and administrative staff	100
Operational and administrative staff	272
TOTAL	404

Number of jobs filled internally

- Internally filled jobs (in absolute value), by professional category as of 31/12/2023

Jobs filled internally	
Professional category	2023
	CELSA Group™ (Inversiones Pico Espadas, S.A.)
Directors	76.92 %
Team managers	48.89 %
Qualified technical and administrative staff	41.67 %
Operational and administrative staff	31.66 %
TOTAL	34.92 %

% Jobs filled internally = Number of jobs filled internally / (Number of jobs filled internally + New staff) Percentage of jobs filled internally by internal staff

Completed hires and turnover rates

- Number of terminated contracts by gender and age as of 31/12/2023

Age group (no. of persons)	2022		2023		2023 vs. 2022	
	CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men
<=35	55	292	57	311	3.64 %	6.51 %
36 to 50	33	268	39	259	18.18 %	-3.36 %
>=51	29	247	6	133	-79.31 %	-46.15 %
TOTAL	117	807	102	703	-12.82 %	-12.89 %

Total number of employment contracts terminated by gender and age

- Number of contracts terminated by mutual agreement or by the employee, by gender and age as of 31/12/2023

	2022		2023		2023 vs. 2022	
	CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men
<=35	39	163	32	139	-17.95 %	-14.72 %
36 to 50	25	151	24	123	-4.00 %	-18.54 %
>=51	16	91	5	88	-68.75 %	-3.30 %
TOTAL	80	405	61	350	-23.75 %	-13.58 %

Number of contracts terminated by mutual agreement or by the employee, by gender and age

- Staff turnover rate, by gender and age as of 31/12/2023

	2022		2023		2023 vs. 2022	
	CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men
<=35	n/a	n/a	18.81 %	21.47 %	n/a	n/a
36 to 50	n/a	n/a	9.25 %	8.23 %	n/a	n/a
>=51	n/a	n/a	2.90 %	5.39 %	n/a	n/a
TOTAL	13.1 %	11.6 %	10.95 %	9.95 %	-16.41 %	-14.22 %

Staff turnover rate, by gender and age a

- Voluntary staff turnover rate, by gender and age as of 31/12/2023

	2022		2023		2023 vs. 2022	
	CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Difference %	
	Women	Men	Women	Men	Women	Men
<=35	n/a	n/a	10.56 %	9.59 %	n/a	n/a
36 to 50	n/a	n/a	5.70 %	3.91 %	n/a	n/a
>=51	n/a	n/a	2.42 %	3.57 %	n/a	n/a
TOTAL	8.9 %	11.6 %	6.55 %	4.95 %	-26.40 %	-57.33 %

Voluntary staff turnover by gender and age

○ Dismissals by professional category and gender as of 31/12/2023

Number of dismissals										
Professional category	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Directors	n/a	n/a	0	0	n/a	n/a	0	0	n/a	n/a
Team managers	n/a	n/a			n/a	n/a	0	0	n/a	n/a
Qualified technical and administrative staff	n/a	n/a	1	3	n/a	n/a	0	9	n/a	n/a
Operational and administrative staff	n/a	n/a	3	15	n/a	n/a	3	110	n/a	n/a
TOTAL	n/a	n/a	4	18	n/a	n/a	3	119	n/a	n/a

Number of dismissals by professional category and gender

○ Dismissals by age category and gender as of 31/12/2023

Number of dismissals										
Age group	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
<=35	n/a	n/a	2	3	n/a	n/a	1	56	n/a	n/a
36 to 50	n/a	n/a	2	8	n/a	n/a	2	31	n/a	n/a
>=51	n/a	n/a	0	7	n/a	n/a	0	32	n/a	n/a
TOTAL	n/a	n/a	4	18	n/a	n/a	3	119	n/a	n/a

Number of dismissals by age and gender

● Absenteeism

○ Hours (in absolute value) and percentage of absenteeism as of 31/12/2023

Absenteeism	2022						2023		2023 vs. 2022			
	Inversiones Pico Espadas, S.A. <small>(Celsa UK, Celsa Nordic and Celsa Poland)</small>		Barna Steel, S.A.				CELSA Group™ <small>(Inversiones Pico Espadas, S.A.)</small>		Variation (%)			
			Spain <small>(Celsa Spain, Celsa Atlantic, Celsa Global Circularity and Celsa Global Support)</small>		France <small>(Celsa France and MRT France)</small>							
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men		
	Absence hours	455,440		39,267	472,852	2,601	38,251	1,008,411		110,618	994,395	9.58 %
% Absenteeism	n/a		4.23 %	8.58 %	4.86 %	8.90 %	n/a	n/a	6.03 %	7.35 %	n/a	n/a
							6.32 %		7.20 %		13.92 %	

Absenteeism % = Absence hours / Theoretical working hours during 2023

The theoretical working hours of the BarnaSteel, S.A. perimeter have been taken from the SAP platform.

An approximate calculation of theoretical working hours has been made for the foreign business units, assuming a 40-hour workweek for temporary and permanent full-time contracts and a 20-hour workweek for temporary and permanent part-time contracts.

*Only verified data is available for 2022 by country Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha) and France (Celsa France (Bayonne) and MRT France), verified data for Barna Steel, S.A. is not available.

Total number and percentage of hours of absenteeism.

- **Average salaries and their evolution broken down by gender, age and professional classification or equal value**

CELSA Group™ guarantees that its salary levels are commensurate with the level and responsibility of the positions held by its employees in a system of grades and salary bands, taking into account their levels of performance, fulfilment of targets, potential, commitment and training. To achieve this, target job descriptions and an organisational model based on recognised methodologies are used. For compensation calculations, the professional category 'Team Managers' is divided into 'Functional and General Managers', which encompasses organisational groups 0 and 1, and 'Team Managers', group 2. Data includes fixed compensation, variable compensation and bonuses received in 2023. Average remuneration data are obtained from the persons as of 31/12 who have been working for the whole year.

○ **Average remuneration by professional classification**

Average remuneration in euros (€)						
Professional category	2022			2023	2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A.		CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
		Spain (Celsa Spain, Celsa Atlantic, Celsa Global Circularity and Celsa Global Support)	France (Celsa France and MRT France)			
Functional and general managers	n/a	190,140	294,135	n/a	180,684	n/a
Team managers	n/a	77,789	69,175	n/a	76,442	n/a
Qualified technical and administrative staff	n/a	45,451	42,311	n/a	47,440	n/a
Operational and administrative staff	n/a	37,691	34,000	n/a	40,575	n/a
TOTAL	n/a	44,990	45,482	n/a	46,346	n/a

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France). No verified data available for Barna Steel, S.A.

Average remuneration by professional category

○ **Average remuneration by age**

Remuneration in euros (€)						
Age group	2022			2023	2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A.		CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
		Spain (Celsa Spain, Celsa Atlantic, Celsa Global Circularity and Celsa Global Support)	France (Celsa France and MRT France)			
<=35	n/a	31,327	24,329	n/a	40,294	n/a
36 to 50	n/a	46,424	45,579	n/a	46,926	n/a
>=51	n/a	49,909	66,493	n/a	52,262	n/a
TOTAL	n/a	n/a	n/a	n/a	47,267	n/a

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France). No verified data available for Barna Steel, S.A.

Average remuneration by age

- Average remuneration by professional classification and gender

Average remuneration in euros (€)												
Professional category	2022							2023		2023 vs. 2022		
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A.*				CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
			Spain (Celsa Spain, Celsa Atlantic, Celsa Global Circularity and Celsa Global Support)		France (Celsa France and MRT France)							
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Functional and general managers	n/a	n/a	141,782	200,118	n/a	294,135	n/a	n/a	141,818	187,897	n/a	n/a
Team managers	n/a	n/a	70,086	80,754	56,718	72,289	n/a	n/a	69,157	78,876	n/a	n/a
Qualified technical and administrative staff	n/a	n/a	36,548	49,368	45,756	41,427	n/a	n/a	40,747	49,500	n/a	n/a
Operational and administrative staff	n/a	n/a	26,920	38,693	27,164	34,711	n/a	n/a	33,583	41,139	n/a	n/a
TOTAL	n/a	n/a	39,319	45,953	36,380	46,599	n/a	n/a	42,990	46,832	n/a	n/a

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France). No verified data available for Barna Steel, S.A.

Average remuneration by gender and professional classification.

- Average remuneration by professional classification and gender. Excluding bonuses for qualified technical and administrative staff and operational and administrative staff

Average remuneration in euros (€)												
Professional category	2022								2023		2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel, S.A.				CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
			Spain (Celsa Spain, Celsa Atlantic, Celsa Global Circularity and Celsa Global Support)		France (Celsa France and MRT France)							
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Functional and general managers	n/a	n/a	141,782	200,118	n/a	294,135	n/a	n/a	139,796	182,508	n/a	n/a
Team managers	n/a	n/a	70,086	80,754	56,718	72,289	n/a	n/a	68,617	77,534	n/a	n/a
Qualified technical and administrative staff	n/a	n/a	36,104	45,617	40,414	34,933	n/a	n/a	39,711	45,676	n/a	n/a
Operational and administrative staff	n/a	n/a	25,368	31,629	21,555	24,402	n/a	n/a	31,843	34,697	n/a	n/a
TOTAL	n/a	n/a	38,421	39,832	31,139	36,982	n/a	n/a	41,675	41,081	n/a	n/a

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France), no verified data available for Barna Steel, S.A.

Average compensation by gender and job classification, excluding bonuses for qualified technical and administrative staff and operational and administrative staff associated with their activity.

- **Pay gap**

Qualified technical staff and operating staff working in the manufacturing facilities have salary bonuses associated with their activity (shift work, holidays, night work, dangerousness, overtime, etc.), which administrative staff working in offices do not have. Proportionally, men are more concentrated in shop-floor positions, while women occupy a higher proportion of office positions. Therefore, in order to provide a comparable figure, the pay gap has been calculated excluding bonuses received by qualified technical and administrative staff and by operational and administrative staff.

- **Wage gap by job classification and gender**

Pay gap (%)						
Professional category	2022			2023	2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A.		CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
		Spain (Celsa Spain, Celsa Atlantic, Celsa Global Circularity and Celsa Global Support)	France (Celsa France and MRT France)			
Functional and general managers	n/a	29.15 %	n/a	n/a	25 %	n/a
Team managers	n/a	13.21 %	21.54 %	n/a	12 %	n/a
Qualified technical and administrative staff	n/a	20.85 %	-15.69 %	n/a	18 %	n/a
Operational and administrative staff	n/a	19.79 %	11.67 %	n/a	18 %	n/a
TOTAL	n/a	3.54 %	15.80 %	n/a	8 %	n/a

Wage gap = (Average remuneration for men - Average remuneration for women) / Average remuneration for men

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France). No verified data available for Barna Steel, S.A.

Wage gap, remuneration for equal or median jobs in society

- **Wage gap by job classification and gender. Excluding bonuses for qualified technical and administrative staff and operational and administrative staff**

Pay gap (%)						
Professional category	2022			2023	2023 vs. 2022	
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A.		CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
		Spain (Celsa Spain, Celsa Atlantic, Celsa Global Circularity and Celsa Global Support)	France (Celsa France and MRT France)			
Functional and general managers	n/a	29.15 %	n/a	n/a	23 %	n/a
Team managers	n/a	13.21 %	21.54 %	n/a	12 %	n/a
Qualified technical and administrative staff	n/a	20.85 %	-15.69 %	n/a	13 %	n/a
Operational and administrative staff	n/a	19.79 %	11.67 %	n/a	8 %	n/a
TOTAL	n/a	3.54 %	15.80 %	n/a	-1 %	n/a

Wage gap = (Average remuneration for men - Average remuneration for women) / Average remuneration for men

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France). No verified data available for Barna Steel, S.A.

Wage gap, remuneration for equal or median jobs in society, excluding bonuses.

The average remuneration for all items for directors and executives earned in 2023 was 139,461.07 euros for women and 217,551.91 euros for men - a pay gap of 35.90 % - while in 2022 it was 139,855.84 euros for women and 202,230.13 euros for men. Within the category of directors and executives, Organisational Groups 0 and 1, as well as independent directors, have been taken into account. In financial year 2022, Organisational Group 2 was also included.

CELSA Group™ has a policy on work-life balance and digital disconnection. Among the measures to encourage co-responsibility in the care of children at an early age by both parents, the provisions contained in the different collective bargaining agreements in force in the different business units are applied, which also include improvements in the area of paid leave compared to those established in the Workers' Statute.

In addition, the Group also has a policy and standard for working from home for certain duties, with the aim of facilitating family reconciliation, as well as to guarantee application of the right recognised in Article 34.8 of the Workers' Statute. On the other hand, in 2024, work will continue on drafting a protocol on digital disconnection.

- Number of employees benefiting from family reconciliation measures in 2023

Family reconciliation measures	Number of employees in 2023
Remote work	531
Reduction of working hours	122
Flexibility in working hours	953
Parental leave	298

Number of employees who have benefited from conciliation measures.

In 2022, the figures for Barna Steel, S.A. in relation to this matter were as follows: 204 employees for remote working, 87 for reduced working hours and 5 for flexible working hours.

Finally, it is worth noting the approval of the Corporate Human Rights Policy by the CELSA Group™ Board of Directors on 13 July 2023.

• Other social data

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Average age (years)	9	14	11	13	18.19 %
Number of employees in the Global Mobility Programme (YTD)	n/a	n/a	33	32	-3.03 %
External staff	n/a	n/a	n/a	2,765	n/a
Average number of people subcontracted	1,908	1,142	2,240	2,220	-0.89 %
Number of temporary employment contracts (YTD)	n/a	n/a	n/a	565	n/a

**Human Resources presents a different approach to the Health&Safety department in terms of the external staff indicator. In the case of HR, external staff are all those subcontracted workers or workers under temporary employment contracts (ETT)*

Total average number of CELSA Group™ employees as of 31/12/2023

4.2. Health, safety and welfare

GRI 3-3, GRI 403-1, GRI 403-9, GRI- 403-10

The top priority of CELSA Group™ is to achieve a safe and healthy working environment for the Group's workers. This commitment extends to those who form part of any link in its value chain, as well as the staff of suppliers, contractors, client companies and the inhabitants of the local communities where the organisation's work centres are located. For this reason, it has a Health, Safety and Welfare Policy, approved on 13 July 2023.

The Group's target is to achieve zero accidents and to become an organisation where its members believe in the value of safety, working as a team, being able to give and receive feedback and observations, achieving the Bradley Curve interdependent stage. Furthermore, as an active member of the World Steel Association, CELSA Group™ has established its own health and safety principles concerning awareness, manager training, proactive learning by staff and building an internal process model based on the successes and strengths of the organisation.

The legal requirements for occupational risk prevention include risk assessment and the corresponding planning of mitigation measures, health and safety information and training, emergency response planning, accident investigation, health surveillance, management of personal protective equipment and coordination of business activities, among other actions. Beyond the regulatory framework, CELSA Group™ has developed corporate programmes and standards that enable progress towards the goal of zero accidents, including the following: accident and incident reporting and investigation, risk correction cards, preventive safety observations, 'think before you act' criteria, second party audits and 'Just Culture'. In addition, production centres carry out periodic safety training and safety audits in accordance with local legislation where they operate and the established corporate standards.

CELSA Group™ is ISO 45001 certified for occupational health and safety in its main industrial facilities and in most of the facilities along the value chain. This standard accredits the adoption of processes for employee consultation and participation, continuous hazard identification, occupational health and safety risk assessment, identification of opportunities within the management system, identification of applicable legal requirements, internal and external communication on the subject, hazard elimination and risk reduction, change management, integration into purchasing, emergency preparedness, monitoring, measurement and analysis, compliance evaluation and, finally, incident management and implementation of corrective actions.

The company's companies that have a health and safety management system (ISO 45.001) are: Ferimet, S.L.U., Cia. Española de Laminación, S.L. (Celsa Barcelona), Nervacero, S.A., Global Steel Wire, S.A., Moreda Rivière Trefilerías, S.A., Global Special Steel Products, S.A.U., Celsa Atlantic, S.L., Celsa France, S.A.S., BRC Reinforcement, ROM-Tech Ltd., RFA-Tech Ltd., Express Reinforcements, ROM Mesh, ROM Limited, BRC Manufacturing, Celsa Manufacturing (UK), Celsa Armeringsstål A.S., Celsa Huta Ostrowiec, S.P. Z.O.O. and Stal- Service, S.P. Z.O.O.

On the other hand, the corporate wellness model was defined in 2022 and is ready to be deployed homogeneously in the coming years during 2023, following common guidelines in all the Group's business units. Among the initiatives carried out, it is worth mentioning the awareness-raising workshops that address issues related to the three pillars of this model: physical, mental and social wellbeing. The corporate Just Culture and Safety School standard, developed in 2022, aims to reinforce the safety culture by improving key behaviours in the organisation through line management safety leadership.

Despite all the efforts made in the area of security, in this financial year. As can be seen in the attached table, we regret the death of two employees at our facilities. This has led the Group to carefully review all its operations, processes and protocols, which are regularly monitored for continuous improvement, especially with a view to preventing this type of accident.

- Accidents occurring to own and subcontracted employees

	2022			2023			2023 vs. 2022		
	CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Own staff	Outsourced staff	Total	Own staff	Outsourced staff	Total	Own staff	Outsourced staff	Total
Deaths due to occupational accidents	0	0	0	1	1	2	n/a	n/a	n/a
Accidents with serious consequences (excludes fatalities)	12	6	18	6	6	12	-50 %	0 %	-33 %
Recordable occupational accidents	n/a	n/a	n/a	605	184	789	n/a	n/a	n/a

Own workforce is considered as own employees and temporary staff - applies to all tables in chapter 4.2. Safety, health and welfare

Own workforce is considered as own employees and temporary staff - applies to all tables in chapter 4.2. Safety, health and welfare

Type of accidents involving own employees and subcontracted staff

- Occupational accidents of own staff and subcontracted staff (differentiated)

Type of accidents and lost hours/working days	2022									2023			2023 vs. 2022		
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)			Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)			CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Own staff	Subcontracted staff	Total	Subcontracted staff	External staff	Total	Own staff	Subcontracted staff	Total	Own staff	Subcontracted staff	Total	Own staff	Subcontracted staff	Total
Occupational accidents (with and without sick leave)	n/a	n/a	n/a	n/a	n/a	405	644	199	843	605	184	789	-6.06 %	-7.54 %	-6.41 %
Occupational accidents with sick leave	n/a	n/a	n/a	1	58	59	94 *	29*	123 *	94	42	136	n/a	44.83 %	10.57 %
Total working hours	n/a	n/a	n/a	n/a	n/a	n/a	14,028,515	6,730,995	20,759,510	14,212,909	7,089,029	21,301,938	n/a	n/a	n/a
Lost workdays due to occupational accidents	n/a	n/a	n/a	n/a	n/a	n/a	8,920	699	9,589	9,376	7,422	16,798	5.11 %	960.80 %	75.18 %

*Data reported in the Group's 2022 Sustainability Report as 'Number of recordable occupational accidents'

Workplace accidents of own and external staff, by gender

As specified in the law, the breakdown by gender of accidents resulting in sick leave for own employees is presented:

- Occupational accidents involving sick leave of own staff, by gender

Occupational accidents with sick leave of own staff, by Gender															
	2022									2023			2023 vs. 2022		
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)			Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)			CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	W	M	Total	W	M	Total	W	M	Total	W	M	Total	W	M	Total
Occupational accidents with sick leave, own staff	n/a	n/a	35	0	59	59	n/a	n/a	94	4	90	94	n/a	n/a	n/a

Occupational accidents involving sick leave of own staff and by gender

○ Work-related accidents of own and subcontracted staff (undifferentiated), by gender

Type of accidents and lost working days	2022									2023			2023 vs. 2022		
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)			Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)			CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	W	M	Total	W	M	Total	W	M	Total	W	H	Total	W	M	Total
Occupational accidents (with and without sick leave)	n/a	n/a	n/a	n/a	n/a	405	n/a	n/a	843	32	757	789	n/a	n/a	-6.41 %
Occupational accidents with sick leave	n/a	n/a	n/a	1	58	59	n/a	n/a	123 *	7	129	136	n/a	n/a	10.57 %
Accidents on the way to and from work, own staff	n/a	n/a	n/a	0	5	5	n/a	n/a	n/a	3	15	18	n/a	n/a	n/a
Total working hours	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20,759,510	n/a	n/a	21,301,938	n/a	n/a	2.61 %
Lost workdays due to occupational accidents	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9,589	n/a	n/a	16,798	n/a	n/a	75.18 %

*Data reported in the Group's 2022 Sustainability Report as 'Number of recordable occupational accidents'

¹Only the number of accidents on the way to and from work of own staff (own staff and temporary employment agencies) is included.

Workplace accidents of own and external staff, by gender.

○ Illnesses and fatalities due to deaths of own staff and by gender

Diseases	2022									2023			2023 vs. 2022		
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)			Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)			CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Occupational diseases (own staff)	n/a	n/a	1	0	4	4	n/a	n/a	5	0	8	8	n/a	n/a	60 %
Death due to occupational disease (own staff)	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a

Illnesses and fatalities associated with occupational diseases of own staff and by gender

○ Fatality rate and accident rates for own employees

	2022			2023			2023 vs. 2022
	CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)
	Women	Men	Total	Women	Men	Total	Total
Occupational accident fatality rate	n/a	n/a	0	n/a	n/a	0.07	n/a
Frequency rate of major consequences	n/a	n/a	0.86	n/a	n/a	0.42	-51.16 %
Frequency Rate (FR)	n/a	n/a	6.70	2.39	7.18	6.61	-1.34 %
Severity Index (SI)	n/a	n/a	0.64	0.08	0.58	0.66	3.13 %
Hazard Index (HI)	n/a	n/a	45.91	n/a	n/a	42.57	-7.28 %

Occupational accident fatality rate = (Number of fatal accidents / Hours worked) x 1,000,000

Frequency rate of major consequences (FR major consequences, excluding fatalities) = (Number of accidents with major consequences, excluding fatalities / Total hours worked) x 1,000,000

Frequency rate (FR) = (Number of accidents with sick leave / Total hours worked) x 1,000,000

Severity index (SI) = (Days lost / Total hours worked) x 1,000

Hazard index = (Number of accidents / Total hours worked) x 1,000,000

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France). No verified data available for Barna Steel, S.A.

Fatality rate and accident rates for own employees

○ Fatality rate and accident rates for subcontracted employees

	2022	2023	2023 vs. 2022
	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Occupational accident fatality rate	0	0.14	n/a
Frequency rate of major consequences	0.89	0.85	-4.49 %
Frequency rate (FR)	4.31	5.92	37.35 %
Severity Index (SI)	0.10	1.05	950 %
Hazard Index (HI)	29.56	25.96	-12.18 %

Occupational fatality rate = (Number of fatal accidents / Hours worked) x 1,000,000

High consequence frequency rate (High consequence FR, excluding fatalities) = (Number of high consequence accidents, excluding fatalities / Total hours worked) x 1,000,000

Frequency rate (FR) = (Number of accidents with sick leave / Total hours worked) x 1,000,000

Severity index (SI) = (Days lost / Total hours worked) x 1,000

Hazard index = (Number of accidents / Total hours worked) x 1,000,000

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France). No verified data available for Barna Steel, S.A.

Fatality rate and accident rates for own employees

○ Accident rates of own staff, by gender

Accident rates of own staff	2022									2023			2023 vs. 2022		
	Barna Steel, S.A. *						CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Spain (Celsa Spain, Celsa Atlantic, Celsa Global Circularity and CELSA Global Support)			France (Celsa France and MRT France)											
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Occupational accident fatality rate	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0.07	n/a	n/a	n/a
Frequency rate of major consequences	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.86	n/a	n/a	0.56	n/a	n/a	n/a
Frequency Index (FI)	1.28	8.12	7.21	0.00	49.43	44.32	n/a	n/a	6.70	n/a	n/a	6.61	n/a	n/a	-1.34 %
Severity Index (SI)	0.01	1.43	1.24	0.00	1.61	1.45	n/a	n/a	0.64	n/a	n/a	0.66	n/a	n/a	3.13 %
Hazard Index (HI)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	42.57	n/a	n/a	n/a

Occupational accident fatality rate = (Number of fatal accidents / Hours worked) x 1,000,000

Frequency rate of major consequences (FR major consequences) = (Number of accidents with major consequences / Total hours worked) x 1,000,000

Frequency rate (FR) = (Number of accidents with sick leave / Total hours worked) x 1,000,000

Severity Index (SI) = (Days lost / Total hours worked) x 1,000

Hazard index = (Number of accidents / Total hours worked) x 1,000,000

*Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France). No verified data available for Barna Steel, S.A.

Accident rates of own staff, by gender.

4.3. Training

GRI 3-3, 404-1 and 402-2

People and their talent are at the heart of the Celsa Management System (CMS), which is made up of the four pillars of talent: attract, select, develop and engage. Each of these have their own systems and processes, complemented by the other two pillars: compensation and benefits and legal and relationships. Of particular note is the approval by the Board of Directors of the Corporate Talent Management Policy on 13 July 2023.

CELSA Group™ is committed to people development, offering the training necessary for them to be autonomous and develop their skills, encouraging people to grow and develop professionally within the company.

Within the development pillar, CELSA Group™ has different programmes tailored and aimed at increasing internal and external talent. We believe that a well-trained team allows us to face all challenges and demands with maximum guarantees. For this reason, the Group has high-level plans for people development, which are intended to be the starting point for many professional careers, both nationally and internationally.

CELSA Group™ employees have access to the Individual Development Plan through which, after a competency assessment process, they receive continuous training and coaching to improve their skills - including teamwork and leadership - and their personal, managerial and technical competencies. In financial year 2023, new learning and development programmes were created to respond to specific needs, including self-development, since the target is for each person to lead their own professional development.

In July 2023, a specific sustainability training programme was launched for the Group's sales and marketing teams, with the aim of providing them with knowledge and skills in this area. Along the same lines, the technical sustainability competencies that professionals should have were identified, grouped into four thematic categories: corporate sustainability, environment, social and governance.

Similarly, the Diversity, Equality and Inclusion (DEI) Training Programme was launched in November 2023 to raise awareness of the added value of diversity, strengthen teamwork, minimise unconscious bias and encourage the use of inclusive language within the organisation. This programme consists of three modules: basic concepts of diversity, inclusive leadership and inclusive selection processes.

At the end of the year, work also began on a cybersecurity programme to prevent cyber-attacks and fraud on the Internet, which can seriously damage employees' private data, as well as the company's interests.

During financial year 2023, the Group has made the '*Trabajamos en Digital*' courses of the Spanish Confederation of Business Organisations (CEOE) available to staff in Spain. On the other hand, CELSA Group™ continues to collaborate with LinkedIn Learning, a tool that offers 20,000 virtual training sessions on different topics taught by experts in their field. A significant improvement has also been identified in the courses offered by Steeluniversity (WorldSteel), where a digital, visual and interactive platform has been implemented, which offers employees a better experience, making it easier for them to search for training content on different topics related to the steel industry.

- **Training hours and number of trained employees by professional category and gender**

- Training hours, employees trained and average number of training hours by professional category

2022										2023			2023 vs. 2022		
Professional category	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)			Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)			CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Training hours	Trained employees	Average hours of training	Training hours	Trained employees	Average hours of training	Training hours	Trained employees	Average hours of training	Training hours	Trained employees	Average hours of training	Training hours	Trained employees	Average hours of training
Functional and general managers	5,571	267	20.87	6,494	346	18.77	12,065	613	19.68	4,289	132	32.49	141.38 %	-2.28 %	147.05 %
Team managers										24,833	467	53.18			
Qualified technical and administrative staff	15,129	482	31.39	17,863	756	23.63	32,992	1,238	26.65	78,768	1,511	52.13	138.75 %	22.05 %	95.61 %
Operational and administrative staff	23,985	691	34.71	73,146	2,630	27.81	97,131	3,321	29.25	215,401	4,622	46.60	121.76 %	39.18 %	59.32 %
TOTAL	44,685	1,441	31.00	97,503	3,731	26.13	142,188	5,172	27.49	323,291	6,732	48.02	127.37 %	30.16 %	74.68 %

Training hours and number of trained employees by professional category

- Training hours and number of trained employees by gender

2022										2023			2023 vs. 2022		
Professional category	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)			Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)			CELSA Group™			CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
	Training hours	Trained employees	Average hours of training	Training hours	Trained employees	Average hours of training	Training hours	Trained employees	Average hours of training	Training hours	Trained employees	Average hours of training	Training hours	Trained employees	Average hours of training
Women	4,214	n/a	n/a	8,905	513	17.36	13,119	n/a	n/a	42,140	966	43.62	221.21 %	n/a	n/a
Men	40,472	n/a	n/a	88,598	3,219	27.52	129,070	n/a	n/a	281,151	5,766	48.76	117.83 %	n/a	n/a
TOTAL	44,686	1,441	31.01	97,503	3,731	26.13	142,189	5,172	27.49	323,291	6,732	48.02	127.37 %	30.16 %	74.68 %

Training hours and number of trained employees by gender

CELSA Group™ aimed to improve reporting in the area of training and development by 2023. To this end, we have worked with all the company's business units to promote standardisation, improve traceability and ensure that all training is correctly reported in our LMS (Learning Management System).

- **Data on training and lifelong learning**

The CELSA Group™ also increased its expenditure on training and lifelong learning by 52.38 % compared to the previous year, due to a greater centralisation of information and the continuity of training provided to employees.

Millions of euros (M€)

	2022	2023	2023 vs. 2022
	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Expenditures on training and lifelong learning	3.78	5.76	52.38 %

Expenditures on staff training and lifelong learning

- **Development plans**

2022	2023		
Professional category	CELSA Group™ (Inversiones Pico Espadas, S.A.)		
	Women	Men	Total
Functional and general managers	19	124	143
Team managers	108	308	416
Qualified technical and administrative staff	259	644	903
Operational and administrative staff	144	1,113	1,257
TOTAL	530	2,189	2,719

Number of people employed with PFM and CAS, by professional classification

4.4. Equality and diversity

GRI 405-1, GRI 3-3, GRI 2-23

CELSA Group™ respects the principle of non-discrimination on grounds of gender, race, age, ideology, nationality, religion, sexual orientation or any other personal, physical, mental or social condition, both from the point of view of access and incorporation into the organisation, as well as from the point of view of equal opportunities. This is set out in the Group's Code of Ethics and Professional Conduct, which contains the principles and regulations of Law 15/2022, of 12 July 2002, on equal treatment and non-discrimination.

With regard to Spanish legislation and following the entry into force of Organic Law 3/2007, of 22 March 2007, for the effective equality of women and men, equality plans were implemented in companies, drawn up with the participation of staff representatives. Following the publication of Royal Decrees 901 and 902, dated 14 October 2020, on equal pay and the registration of equality plans, all Group companies in Spain set up negotiating tables for the implementation or reform of existing plans, which were accompanied by the corresponding salary audits. Since then, as of 31/12/2023, ten equality plans have been closed and submitted for registration.

The Group also has a whistleblower channel and specific protocols for action against sexual harassment. In the 2020-2023 period there were no complaints or claims related to this matter.

CELSA Group™ belongs to a traditionally male sector, however, in recent years much effort has been devoted to correcting this trend. The Social Impact Plan establishes the Women 30/30 target, which is to achieve a 30 % representation of women by 2030. To this end, the focus is on attracting female talent, making CELSA Group™ women visible and increasing their presence in strategic and responsible duties/positions. This is why the following initiatives are being taken:

- Since 2022, the Group has been collaborating with Equipos&Talento's Empowering Women's Talent and Diversity Leading Company programmes to promote the development of women's talent in companies. The Group also participates annually in the Stem Women Congress in Barcelona to promote STEM (Science, Technology, Engineering and Mathematics) careers among women.

- Internally, we also work to give visibility and empower all the women who are part of the Group through initiatives and participatory actions.
- On the occasion of International Women's Day, celebrated on 8 March 2023, and as part of the *#WomenofSteel* campaign, focus group meetings were organised between women from the different business units and the company's management, with the aim of opening channels of dialogue to increase and improve the role of women in the Group. These meetings resulted in action plans and proposals in different areas, such as attracting and developing talent and adapting facilities and resources, among others. One of the most outstanding actions has been the creation of an inclusive language guide to be used in different communications, mainly internal.
- Specific training on diversity, equality and inclusion has been developed to raise awareness of the value of diversity and to detect unconscious biases that often occur in the workplace and prevent progress towards full equality.

With regard to staff with disabilities, the CELSA Group™ complies with the provisions of Article 42 of Royal Legislative Decree 1/2013, of 29 November, on the allocation of employment to professionals with disabilities, either through direct hiring or by declaring an exceptional situation through collaboration with special employment centres. In our case, we have an agreement with the Adecco Foundation, in Spain, to reintegrate people with disabilities into the labour market.

On 13 July 2023, the Group's Board of Directors approved the Diversity, Equality and Inclusion Policy.

The number of employees with disabilities is shown below:

- Working people with disabilities**

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Number of people with disabilities in the workforce	25	55	77	83	7.79 %

Celsa UK Group is not legally obliged to collect this type of information, therefore no disabled persons are counted in the workforce of this business unit (n/a)

Number of people with disabilities in the workforce

4.5. Social relations

GRI 2-30, GRI 3-3

In relation to the different activities carried out by the companies that consolidate accounts and their respective geographic scopes:

- In Spain, 8 company collective bargaining agreements, 2 provincial sectoral agreements, 2 regional sectoral agreements and 2 statewide sectoral agreements apply. Likewise, the IV State Collective Bargaining Agreement for the Metal Sector is in force for matters reserved for state bargaining.

- In France, two national collective bargaining agreements apply to management and workers.
- In the Nordic countries, five sectoral agreements have been adopted, one of them at regional level and four at state level.

At the end of the 2023 financial year, there is no collective bargaining agreement negotiation process open, although the Global Steel Wire, S.A. (GSW) collective bargaining agreement expires on 31/12/2023, so the corresponding negotiation process will be initiated. During the next financial year 2024, and taking into account the agreed duration, no other company agreement is expected to be negotiated.

The collective bargaining agreements applicable within the Group envisage the participation of Celsa's staff in occupational health and safety and prevention matters. In addition, all companies with legal representation of the workforce have prevention delegates and committees that carry out their work in accordance with the Prevention of Occupational Risks Act 31/1995.

Social dialogue mechanisms focus on collective bargaining, the implementation and monitoring of equality plans and the participation of companies that are members of business organisations (in Spain, CEOE [Spanish Confederation of Business Organisations] and UNESID [Spanish Association of Steel and Steel Transformation Companies]). The implementing conventions contain provisions on the settlement of disputes through arbitration.

• Percentage of employees covered by collective bargaining agreement (ECBA)

Percentages (%)

	2022	2023	2023 vs. 2022
	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
% employees covered by collective bargaining agreements	75 %	77 %	2.67 %

Percentage of employees covered by collective bargaining agreement

Information on the percentage of persons employed covered by collective bargaining agreements is also provided by country, as required by law:

• Percentage of employees covered by collective bargaining agreement (ECBA), by country

Percentages (%)

		Germany	Denmark	USA	Spain	Finland	France	Norway	Poland	Portugal	United Kingdom	Sweden
Percentage of employees covered by collective bargaining agreements	2022	0 %	67 %	0 %	76 %	70 %	76 %	73 %	81 %	0 %	70 %	67 %
	2023	0 %	63 %	0 %	74 %	67 %	82 %	72 %	97 %	0 %	73 %	64 %

Percentage of employees covered by collective bargaining agreements = (ECBA) / (ECBA + IRS)

ECBA= Employees covered by collective bargaining agreement

IRS= Individually regulated staff

Percentage of employees covered by collective bargaining agreements. Data disaggregated by country

As a result of external circumstances such as the uncertainty affecting demand and the variability of energy prices, it has become necessary to process the appropriate temporary layoff plans (ERTE). In 2023, 12 ERTes were carried out, 10 of which were in force at the end of the year, all of them for economic, technical or organisational reasons, providing additional benefits from the State Public Employment Service (SEPE).

These flexibilisation measures provided for in the proceedings were implemented with the aim of carrying out, only if necessary, temporary activity adjustments in order to prioritise the maintenance of employment over the termination of contracts. In the countries that make up the Celsa Nordic Group, temporary employment reduction measures have also been applied in accordance with their own legal regulations.

- **ERTE**

	2022			2023	2023 vs. 2022
	Pico Investments Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. *		CELSA Group™ (Pico Espadas Investments, S.A.)	Variation (%)
		Spain (Celsa Spain, Celsa Atlantic, Celsa Global Circularity and Celsa Global Support)	France (Celsa France and MRT France)		
Own staff affectable	n/a	n/a	n/a	n/a	2,699
ERTE hours over theoretical hours of work	n/a	2.99 %	0.00 %	n/a	2.41 %

* Verified data is only available in 2022 for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha)) and France (Celsa France (Bayonne) and MRT France), no verified data available for Barna Steel, S.A

Percentage of hours affected by Temporary Layoffs (ERTE). The aggregate value of the Group (2023) is calculated based on the workforce affected by ERTE

The ERTE utilisation rate for the business units of Celsa Spain Group, Celsa France Group and Celsa Nordic Group is detailed below. The rest of the CELSA Group™ subsidiaries do not have ERTE agreements.

- **ERTE in the business units in which it applies**

	2023		
	Celsa Spain Group ¹	Celsa France Group ²	Celsa Nordic Group ³
Own staff affectable	2,438	131	130
% ERTE utilisation	2.24 %	0.00 %	7.70 %

¹ Celsa Spain Group companies with ERTE agreements during 2023: Compañía Española de Laminación, S.A. (Celsa Barcelona), Nervacero, S.A., Global Steel Wire, S.A. (GSW), Moreda RivièrreTrefilerías, S.A. (Cerdanyola), Celsa Atlantic (Planos; Arregui), S.L., Aceros para la construcción, S.A.U. and Global Special Steel Products, S.A.U. (TYCSA, GBB, BSTQ and TQ)

² Celsa France Group companies with ERTE agreements during 2023: Celsa Atlantic (Largos; Laracha), S.L.

³ Celsa Nordic Group companies with ERTE agreements during 2023: Celsa Steel Service Oy Finland (Turku)

Percentage of hours affected by temporary layoff plans (ERTE), by business unit

5. ENVIRONMENTAL ISSUES

5.1. Environmental management

GRI 3-3, GRI 2-23

CELSA Group™ promotes the environmental excellence of the activities it carries out. Its commitment is implemented through the following lines of action:

- **Promoting initiatives for the protection of the environment**, the continuous improvement of environmental behaviour and the prevention of pollution in the field of recycling, energy saving and the reduction of consumption, emissions, noise and waste. The aim of these initiatives is to achieve performance levels equivalent to the application of technical improvements available and affordable to the company.
- Complying with the **legal obligations, commitments** and voluntary agreements signed and take into account future regulatory changes.
- Having a proven and certified **environmental management system** adapted to the nature of its activities. It is the responsibility of the entire organisation and of those persons or companies that carry out activities on behalf of the CELSA Group™ to comply with the provisions of the Environmental Management System in order to ensure care and respect for the environment.
- **Informing and being transparent** with the directors. Considering the needs and expectations of interested parties.
- Integrating management into daily business and providing **information, training and resources** for continuously improving environmental conditions and behaviours.
- Determining risks and opportunities to prevent or reduce undesirable effects on the environment, considering both the processes and context of the company.
- Promoting a **participatory attitude** in environmental management at all levels of the organisation.
- Selecting and evaluating **subcontractors and suppliers**, taking into account environmental protection criteria. Promoting its environmentally responsible actions.
- Considering the needs and expectations of stakeholders. Signing **commitments and voluntary agreements with the nearest communities** in environmental improvement projects and in the dissemination and training in environmental matters of CELSA's employees and the surrounding area.
- Applying **continuous improvement in all processes** and developing and investing in new technologies to prevent and minimise atmospheric emissions, waste generation and inefficient use of resources. Considering the product life cycle to determine environmental aspects and impacts.
- **Promoting the recovery, recycling and reuse** of products, and working with client companies to raise awareness of the life cycle of steel. Participating in initiatives that promote the use of environmentally responsible products.

In addition, two corporate environmental policies were approved on 13 July 2023: the Climate Action Policy and the Environment and Resource Management Policy .

Furthermore, section 2.5 Sustainable Development - A sustainability-oriented organisation, mentions various sustainability accreditations and certifications of the CELSA Group™'s headquarter facilities.

With regard to the resources dedicated to the prevention of environmental risks, the costs of acquiring systems, equipment and facilities to eliminate, limit and control the possible impacts that could be caused by the normal development of the CELSA Group™ activity on the environment are considered as investments in fixed assets.

During the 2023 financial year, CELSA Group™ has made several environmental investments, the amounts of which are detailed below:

- **Environmental investments**

Millions of euros (M€)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Environmental investments	1.65	7.25	8.90	9.10	2.25 %

The CELSA Group™ figure for 2022 has been modified to be in accordance with the criteria followed in the Financial Statements Report.

Investments for the prevention of environmental risks, the costs incurred in the acquisition of systems, equipment and facilities for the elimination, limitation or control of the activity's impact on the environment

The main environmental investments made are listed below:

- **Compañía Española de Laminación SA** invested a total of € 3,024,472 in the steel mill and laminations plant to improve energy efficiency, as in the case of the Condoor door, and to reduce electrode consumption, as well as in the replacement of the ACE-5 door to reduce noise pollution, among other actions.
- **Celsa Huta Ostrowiec** allocated € 1,514,336 to install two water filters at the pumping station, build the drainage system, upgrade the shredder drainage and sanitary sewer system, and conduct environmental impact assessments (EIA), which are mandatory processes required prior to implementing any environmental investments.
- **Nervacero SA** invested € 1,040,469 in the transformation of the melting furnace of the steel plant to eliminate the shaft hopper and the oxy-fuel burners, which has resulted in a reduction of 80 % in natural gas consumption at the steel mill, compared to 2022.
- **Celsa Armeringsstål AS**, the head plant of Celsa Nordic Group's business unit, invested a total of € 990,000 in electric battery chargers, improved filters and pre-study and installation of the new electric reheating furnace, among other actions.
- **Global Steel Wire SA** invested € 735,028 in concreting the scrap yard.

- **Ferimet SL** allocated € 191,643 to paving the plants and the installation of radioactivity gantries.

The following table shows the total values of CELSA Group™ expenses allocated to environmental issues during the 2023 financial year:

- **Environmental expenses**

Millions of euros (M€)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Environmental expenses	1.17	16.65	17.82	23.85	33.83 %

Expenditure for the prevention of environmental risks, the costs incurred in the acquisition of systems, equipment and facilities for the elimination, limitation or control of the activity's impact on the environment in CELSA Group™

A notable increase was identified at the Celsa France SAS plant in terms of waste exportation, as a clean-up of the historical piles on field land was initiated, to manage the refractory that had accumulated.

Generally, most of the environmental expenditure is spent on waste management and transport, maintenance of facilities with environmental impact and other aspects related to environmental consultancy.

Finally, CELSA Group™ has various financial guarantees in relation to waste management and export, as well as to respond to the Environmental Liability Act.

The amounts of these financial guarantees during 2023 were as follows:

- **Environmental financial guarantees**

Thousands of euros (k€)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Financial guarantee related to waste management	377	890	1,267	1,658	30.86 %
Financial guarantee related to waste export	115	1,028	1,143	2,821	146.81 %
Financial guarantee related to the Environmental Responsibility Law	n/a	12,714	12,714	13,314	4.72 %

Total cost of financial guarantees during 2023 in CELSA Group™

A significant increase in the financial guarantee related to the export of waste is identified compared to financial year 2022, mainly due to the establishment of a new financial guarantee, related to the export of waste, from the Celsa Nordic Group business unit.

5.2. Risks and compliance with legal requirements

GRI 2-23, GRI 2-27

In general terms, CELSA Group™ industrial activities are carried out in compliance with the precautionary principle, which involves taking appropriate preventive measures when a given activity may threaten to harm the environment.

One of the tools implemented to identify these possible risks is the preparation of environmental risk studies required by Law 26/2007, of 23 October 2007, on Environmental Responsibility. These studies have been carried out in all the Group's plants located in Spain that are within the scope of the aforementioned law. Most of these studies concluded that there is a low level of environmental risk, given that the thresholds established in the regulations are not exceeded and, therefore, there is no legal obligation for these plants to have an environmental liability policy.

CELSA Group™ has a product liability and claims policy of up to 25 million euros that provides coverage in the event of sudden and accidental contamination.

The main environmental risks arising from CELSA Group™'s activity, according to the reference sustainability management systems in the sector, are mainly related to atmospheric pollution, energy consumption, water consumption and waste generation.

In relation to major accident regulations, no CELSA Group™ company falls within the scope of the SEVESO III Directive on the control of major-accident hazards involving dangerous substances, referring in particular to chemical substances.

All the Group's plants, as part of their environmental management system, have tools to ensure compliance with legal environmental requirements, and are subject to regular ad hoc inspections by public authorities. The plants implement all necessary self-monitoring mechanisms to ensure ongoing compliance with these legal requirements. During 2023, environmental inspections have been carried out to determine the business' environmental status, as well as to verify compliance with all the conditions established by the competent autonomous communities.

The CELSA Group™ head plants where management has conducted environmental inspections are as follows:

- **Celsa Spain:** Compañía Española de Laminación S.L., Nervacero S.A. and Global Steel Wire S.A
- **Celsa France:** Celsa France SAS and Celsa Atlantic SL
- **Celsa UK:** Celsa Manufacturing (UK) and Celsa Recycling UK
- **Celsa Nordic:** Celsa Steel Service AB Sweden, Celsa Steel Service Denmark and Celsa Nordic Recycling AB
- **Celsa Poland:** Forging and Scrap Division of Celsa Huta Ostrowiec
- **Celsa Global Circularity:** Ferimet SL (in the rural areas of Granollers and La Selva del Camp)

Only minor deviations were detected in the cases of Nervacero SA (Celsa Spain Group), Celsa France Group and Celsa Nordic Group.

On the other hand, all CELSA Group™ plants have environmental protection facilities, such as waste storage points, water treatment facilities, monitoring of physical pollution produced by the activity through preventive observations to ensure proper operation, self-monitoring of the different environmental vectors to ensure discharges and emissions below the limits indicated by law, among others.

5.2.1. Files, complaints and claims

The following table shows the data on open files for environmental issues:

- **Files and lawsuits**

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Information records	0	8	8	2	-75.00 %
Non-monetary sanctions	0	12	12	0	n/a
Monetary sanctions	3	2	5	3	-40.00 %
Number of lawsuits	3	2	5	8	60.00 %

Files and lawsuits conducted during the CELSA Group™ financial year 2023

- **Information files**

Celsa France SAS received two information files as a result of inspections by the BREF-Laminations and a modification of its environmental license.

- **Non-monetary sanctions**

No non-monetary sanctions were reported in 2023.

- **Monetary sanctions**

There were three monetary sanctioning proceedings -whose economic impact is not significant-, referring to formal non-compliance with some aspects of the environmental authorisations of two scrap metal fields. Two of them belong to the Celsa Poland Group business unit and the third corresponds to the Celsa Global Circularity business unit in La Selva del Camp, where, as they are not in agreement, an administrative appeal has been lodged (for the time being, there is still no final resolution).

During the year 2023, Compañía Española de Laminación SA was involved in four lawsuits regarding a cassation appeal on the limit values of the new AC smoke scrubber, an administrative lawsuit for light pollution and another for scrap storage capacity in field land. Finally, a last lawsuit was won, and the costs were charged to the General Directorate of Environmental Quality and Climate Change of the Catalanian Regional Government (DGQA).

Regarding active lawsuits, it is worth mentioning the Nervacero SA black slag case, which is still ongoing in 2024.

Celsa France SAS is also involved in two active lawsuits. In February 2023, an air pollution dispute with the residents' association was settled favourably for the company. Specifically, of the 33

requests filed by the residents' association, only two were considered by the judge, and were resolved favourably in the company's interest. These two requests consisted of modifications to the thresholds for nitrogen oxides (NOx) and emissions to water, with which Celsa France complies. In September 2023, the prefecture appealed to the Administrative Court against the judge's decision, thus causing the procedure to continue.

Ferimet SL, a company that belongs to the Celsa Global Circularity business unit, also filed a lawsuit for one of its plots of land - specifically, that of Granollers - in which, not being in agreement, it lodged an appeal via administrative litigation (no final resolution was obtained in 2023).

In terms of formal and informal complaints, during 2023, actions were carried out at certain Group plants to reduce the number of pollution complaints. An example of this is the major repairs carried out on the roof of the Celsa UK Manufacturing steel mill, which have reduced visual dust emissions (air pollution).

In addition, Celsa France SAS has improved the system of complaints received, grouping them together for better traceability and management.

The formal and informal complaints that the companies accounted for during 2023 are as follows:

- **Formal and informal complaints**

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Formal claims¹	3	305	308	180	-41.56 %
Informal claims²	1	5	6	5	-16.67 %

¹ Documented complaints (written complaints from neighbours, notification to the city council, etc.)

² Undocumented complaints (comments on social networks, phone calls, etc.)

Number of complaints received through formal and informal channels during 2023

5.3. Pollution

5.3.1. Noise and light pollution

Due to the production process carried out by the CELSA Group™, there are a number of noise emission sources, the most significant of which are the movement of scrap, the melting furnaces and the cutting saws in the rolling mills.

CELSA Group™ takes measures to prevent noise pollution, ensuring that no noise is emitted above permitted levels outside its plants. To this end, noise impact studies and noise maps are carried out to define the actions and investments required to screen, encapsulate and absorb the noise associated with industrial activity wherever necessary. Thanks to these measures, in recent years CELSA Group™ has managed to reduce the noise level in its plants.

In most cases, CELSA Group™ facilities are located in industrialised areas with residential or environmentally sensitive areas

The number of complaints received during the year 2023 and the comparison with the results of the previous year are shown below:

- **Noise pollution complaints**

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Noise pollution complaints (noises)	3	88	91	45	-50.55 %

Number of noise pollution complaints during financial year 2023 in CELSA Group™

When a complaint is received, data on the plant's operating conditions are analysed and, if the plant has continuous noise measurement devices, an analysis of the levels during the complaint is prepared. Usually a compliant result is obtained, but if the limits are exceeded, an investigation is carried out and a specific action plan for improvement is implemented, the consequences of which will be measured again. Regardless of the result obtained in the analysis, CELSA Group™ proceeds to communicate the result to the person issuing the complaint.

Celsa France has a formal procedure in place with the authorities and the community to handle concerns, complaints, improvement projects and other types of communications. This is a register that enables the traceability of complaints to be monitored in comparison with other locations.

In relation to light pollution, all industrial plants are in moderately protected environments and do not have outdoor lighting points of high intensity that disturb the environment. Our facilities monitor aspects of light pollution through environmental inspections linked to their integrated environmental authorisations, ensuring compliance with all applicable legal requirements.

5.3.2. Atmospheric pollution

GRI 305-7

In accordance with CELSA Group™ environmental commitments, the company is committed to reducing atmospheric emissions of any type of pollutant, not only to comply with emission limit values, but also to restrict their impact on the environment.

These are the main air pollutants by process:

- Steelmaking: particles, organic compounds and metals generated during the melting of scrap metal
- Hot rolling: combustion gases, mainly nitrogen oxides (NOx)
- Finishing processes: acid gases, mainly hydrochloric acid (HCl)

In addition to channelled emissions, there are also diffuse emissions generated in the movement and sorting of scrap and in the handling of powdery material such as slag. In the specific case of slag, the material is confined in closed bays to prevent its dispersion. More generally, in order to minimise the generation of diffuse emissions, some of the plants have sweepers and watering systems.

All the Group's production processes are subject to the European Directive on Industrial Emissions and, therefore, the best available techniques as defined for the sector in which they operate have been implemented. The required levels and intervals for monitoring and self-monitoring are laid down in the environmental authorisations. At the sites that require it, treatment systems are available to comply with the required emission levels, the most important being the gas purifiers based on sleeve filters for the steel mills and the injection of activated carbon for the adsorption of organic compounds.

The companies that make up the CELSA Group™ have procedures in place that define the system and responsibilities for the control and monitoring of pollutant gas emissions into the atmosphere deriving from the activities carried out in the production plants. Within this framework, the companies identify and catalogue the emission sources, register them, report them and carry out the necessary equipment inspections and maintenance in accordance with the regulations in force. In order to be able to monitor the pollutants emitted into the atmosphere, the main emission sources at the different facilities are evaluated on an ongoing basis.

In relation to the reporting year, the most significant air pollutants emitted were the following:

- **Atmospheric pollutants**

		2022			2023	2023 vs. 2022
		Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
General categories	Subcategories					
Particles	PM	31,944	28,769	60,713	79,163	30.39 %
	PM ₁₀	n/a	8,003	n/a	26,078	n/a
	PM _{2.5}	n/a	52	n/a	2,368	n/a
Organic compounds	VOCs (volatile organic compounds)	n/a	92,107	n/a	170,573	n/a
	POPs (persistent organic pollutants - dioxins and others) *	0.03	0.670	0.70	1.86	165.71 %
	PAC (polycyclic aromatic compound)	n/a	0	n/a	452	n/a
Combustion gases	CO	2,089,710	2,942,508	5,032,218	6,352,766	26.24 %
	NO _x	393,623	305,632	699,255	966,340	38.20 %
	SO _x	265,414	76,466	341,880	435,748	27.47 %
Inorganic gases	HCl	n/a	1,545	n/a	22,146	n/a
	Other	n/a	635	n/a	6,177	n/a
Metals	Hg	35	66	101	380	276.24 %
	Pb	n/a	203	n/a	2,588	n/a
	Zn	n/a	2,033	n/a	4,150	n/a
	Other	n/a	130	n/a	20,593	n/a

*POP units in grams/year (g/year).

Air pollutants emitted during the year 2023

The mass load values fluctuate as they are based on point measurements which by nature are variable over time, always below the established legal limits.

Complaints related to air pollution registered in 2023:

- **Air pollution complaints**

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Air pollution complaints (emissions)	0	222	222	123	-44.59 %

Number of atmospheric pollution complaints during financial year 2023 in CELSA Group™

It is worth noting that, during 2023, actions have been taken at certain Group plants to reduce the number of pollution-related complaints, such as major repairs to the roof of the Celsa UK Manufacturing steelworks, which has reduced visual dust emissions. Nervacero SA has also worked to reduce the impact on the environment and fugitive emissions and has repaired facades to minimise atmospheric emissions, among other things.

5.4. Climate change

GRI 3-3, GRI 305-1, GRI 305-2, GRI- 305-4

CELSA Group™ performs the analysis and management of climate-related risks and opportunities following the recommendations of the Task Force Climate Related Financial Disclosure (TCFD), whose report was finalised in December 2023. This document gathers the company's information in four areas: governance, strategy, risk management and metrics and targets.

- In Governance, the role of the Sustainability Executive Committee (SEC), created in 2022, stands out, whose target is to monitor sustainability indicators in order to detect risks and propose solutions. In addition, the Chief of Strategy and Sustainability Officer promotes CO2 reduction projects and sustainability initiatives, both internally and externally.
- The CELSA Group™ strategy has identified different commitments that are part of its vision of sustainable development, mainly in relation to climate and circularity.
- In terms of the main climate transition risks identified, the transition to lower-emission technologies, carbon pricing models and changing customer behaviour stand out for their likelihood and potential financial impact. Among the physical risks, rainfall, hydrological variability and water scarcity were the most important. In all cases, indicators for periodic follow-up and monitoring of probability and financial impact factors were associated with the project.
- The study was completed with an analysis of impacts and opportunities related to the activity and the value chain of the aforementioned risks.

CELSA Group™ also has a Climate Action Policy, approved in July 2023, whose main targets are to improve energy efficiency, promote renewable energies and reduce the use of fossil fuels.

General principles of this Policy:

- Complying with the legislation applicable to the fight against climate change, as well as with the national and international recommendations on the matter.
- Contributing to mitigating climate change and decarbonising the business model, reducing the intensity of greenhouse gas emissions in Scopes 1 and 2 by 50 % by 2023 and being climate neutral by 2050.
- Reducing climate vulnerability and promoting the adaptation of activities to different climatic conditions
- Adopting energy saving and efficiency measures.
- Promoting the use of renewable energies.
- Implementing the use of alternative carbon-containing materials and biogenic fuels.
- Promoting and supporting projects aimed at mitigating and adapting to climate change.
- Promoting training and awareness-raising initiatives for relationship groups in the fight against climate change.
- Integrating the climate change variable into the internal decision-making processes, as well as the analysis and management of long-term risks.
- Voluntary adherence to initiatives and covenants that allow us to take on commitments and define actions to reduce emissions.
- Encouraging collaborators and companies that supply materials and services to adopt policies consistent with this Climate Action Policy.

The CELSA Group™'s main production facilities are subject to integrated environmental authorisations. These authorisations include all environmental aspects relevant to pollution control, consistent with the European greenhouse gas emission allowance trading scheme (EU-ETS), the cornerstone of the European Union's policy to combat climate change.

In terms of climate change mitigation and adaptation, during 2023, CELSA Group™ continued to develop its goals to reduce greenhouse gas emissions in the medium and long term. To this end, the company is working on a strategy to replace fossil fuels, mainly coal, with alternative sources such as green hydrogen, biomethane and other renewable energies. On the other hand, we are also working intensively on increasing process efficiency and minimising natural gas and electricity consumption.

The company's strategy also includes a decarbonisation plan, which has the following targets for 2030:

- Reduce CO₂ emissions from Scopes 1 and 2 by 50 % compared to 2021 and in relation to CO₂ emissions intensity.

- Reduce Scope 3 CO2 emissions by 25 % compared to 2021.

In addition, the Group has set itself the following target for 2050:

- Become a Net Zero company in Scopes 1, 2 and 3.

All the improvements achieved in energy efficiency also lead to a reduction in greenhouse gas (GHG) emissions, since energy consumption is the main source of this type of emissions.

In relation to the consumption of energy from renewable sources, CELSA Group™ companies' electricity supply contracts are indexed to the Iberian Energy Market Operator (OMIE) wholesale market, known as the pool, so their proportion is determined by the generation energy mix of the different technologies in this market.

With the aim of reducing the Scope 1 carbon footprint of the Group's most significant activities, in 2023, a series of actions associated with the improvement of energy efficiency focused on reducing natural gas consumption were carried out:

- Hot charging of Celsa Spain Group's rolling mills.
- Installation of frequency inverters for large intermittent use motors in Celsa Spain's rolling mills.
- Replacement of the old rolling mill heat recuperators for more efficient ones in the Redondos rolling mill at Celsa Barcelona.
- Thermal insulation of the loading table area at the Redondos rolling mill in Barcelona.
- Partial incorporation of oxy-combustion technology in reheating furnaces, as in Celsa Barcelona's rolling mills.
- Installation of O2 lances in Celsa Barcelona's sheet train, which has reduced the consumption of natural gas in the furnace.
- Installation of a thermographic camera inside the furnace to improve the reliability of the exit temperature in Global Steel Wire's rolling mill.
- Installation of thermal insulation in Celsa Barcelona's billet stacks and rolling mills.
- Transformation of the melting furnace at the Nervacero steelworks to eliminate the shaft hopper in order to reduce carbon dioxide emissions associated with the consumption of natural gas required to purify the gases generated in the shaft. Thanks to this modification, the plant's emissions have been reduced by 7 %.
- Significant reduction in gas consumption at Celsa UK Manufacturing's steel mill due to the conversion of the oxygen gas preheater and chemical optimisation of the electric arc furnace.

- **Direct and indirect emissions - location based (Scopes 1 and 2) in tCO₂-eq**

t CO₂-eq (tonnes of carbon dioxide equivalent)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Direct GHG emissions (Scope 1)	n/a	338,884	656,322	634,017	-3.40 %
Indirect GHG emissions (Scope 2, location based*)	n/a	223,446	764,747	815,669	6.66 %
Total emissions (Scopes 1+2, location based*)	n/a	562,330	1,421,069	1,449,686	2.01 %

*Location based (country).

Direct, indirect and total greenhouse gas emissions, expressed in tonnes of CO₂ equivalent (t CO₂-eq), generated in 2022 and 2023. 2022 emission factors used to calculate 2022 and 2023 energy data.

Pending update of emission factors for energy calculation 2023

- **Direct and indirect emissions - location based (Scopes 1 and 2) in kg CO₂-eq/t billet**

kg CO₂-eq/t billet (tonnes of carbon dioxide equivalent / tonnes of billet)

	2022			2023	2023 vs. 2021
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Direct GHG emissions (Scope 1)	n/a	115	119	113	-5.04 %
Indirect GHG emissions (Scope 2, location based*)	n/a	76	139	146	5.04 %
Total emissions (Scopes 1+2, location based*)	n/a	191	258	259	0.39 %

*Location based (country).

Direct, indirect (location based) and total greenhouse gas emissions, expressed in specific values (t CO₂-eq)

- **Direct and indirect emissions - market based (Scopes 1 and 2) in t CO₂-eq**

t CO₂-eq (tonnes of carbon dioxide equivalent)

	2022			2023	2023 vs. 2021
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Direct GHG emissions (Scope 1)	n/a	338,884	656,322	634,017	-3.40 %
Indirect GHG emissions (Scope 2, market based*)	n/a	376,060	995,431	978,744	-1.68 %
Total emissions (Scopes 1+2, market based*)	n/a	714,944	1,651,753	1,612,761	-2.36 %

*Market based.

Direct, indirect and total greenhouse gas emissions, expressed in tonnes of CO₂ equivalent (t CO₂-eq), generated in 2022 and 2023. 2022 emission factors used to calculate 2022 and 2023 energy data.

Pending update of emission factors for energy calculation 2023

- **Direct and indirect emissions - market based (Scopes 1 and 2) in kg CO₂-eq/t billet**

kg CO₂-eq/t billet (tonnes of carbon dioxide equivalent / tonnes of billet)

	2022			2023	2022 vs. 2021
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Direct GHG emissions (Scope 1)	n/a	115	119	113	-5.04 %
Indirect GHG emissions (Scope 2, market based*)	n/a	127	181	175	-3.31 %
Total emissions (Scopes 1+2, market based*)	n/a	242	300	288	-4.00 %

*Market based.

Direct, indirect (market based) and total greenhouse gas emissions, expressed in specific values (t CO₂-eq)

A decrease in Scope 1 emissions, due to the reduction in natural gas consumption, is worth noting. This reduction is due to the results of the measures implemented in the steel mills and rolling mills, such as the installation of O₂ lances.

To assess climate change performance, CELSA Group™ steel mill facilities compare their Scope 1 + 2 (location based) emissions with the official benchmark value and the sector average value, both data set by the European Commission on the greenhouse gas emissions trading scheme. The value established as a benchmark by this body is the average value of the CO₂ emission intensity of the top 10 % of the least CO₂ emitting facilities in the Electric Arc Furnance (EAF) steelmaking sector.

The values resulting from this comparison are shown in the following table:

- **Direct and indirect emissions - market based (Scopes 1 and 2) in kg CO₂-eq/t billet**

		2023
Carbon steel	% of European benchmarking value ⁽¹⁾⁽³⁾	+4.6 %
	% of the average sector value ⁽²⁾⁽⁴⁾	-35.9 %
Stainless steel	% of European benchmarking value ⁽¹⁾⁽³⁾	+ 10.2 %
	% of the average value of the sector ⁽²⁾⁽⁴⁾	- 58.3 %

⁽¹⁾ The share of indirect emissions is calculated with the European emission factor: 0.375 t CO₂/MWh.

⁽²⁾ The share of indirect emissions is calculated with the country's emission factor:

⁽³⁾ European benchmark value of carbon steel mills: 0.215 t CO₂/t steel // Alloy steel mills: 0.268 t CO₂/t steel

⁽⁴⁾ Average value of the carbon steel mills sector: 0.255 t CO₂/t steel // Stainless steel works: 0.325 t CO₂/t steel

CO₂ emissions intensity compared to the European benchmark, presented in percentages

5.5. Sustainable use of resources

GRI 3-3, GRI 2-23

CELSA Group™ has an Environment and Resource Management Policy (approved in July 2023), which includes the following targets:

- Apply continuous improvement in all processes and developing and investing in new technologies to prevent and minimise atmospheric emissions, waste generation and inefficient use of resources.
- Promote the recovery, recycling and reuse of our products and work with our stakeholders to raise awareness of the steel life cycle.
- Use ferrous scrap as raw material. In particular, steel mills are involved in the process of recycling waste back into a marketable product.
- Recover and use waste generated during the iron and steel process that has a high capacity to be used as a secondary raw material for processes such as road construction or for reuse in the process of obtaining steel.
- Work with proven, certified environmental management systems adapted to the nature of our activities that ensure care and respect for the environment.
- Continue with the development of the Celsa Management System (CMS), which includes an excellent level of demand in process monitoring, as well as quality and compliance with the requirements applicable to the products and services we offer.
- Promote the environmentally responsible performance of our value chain, subscribing commitments and voluntary agreements with our closest communities in environmental improvement projects.
- Comply with the legislation applicable to the fight against climate change, as well as with the national and international recommendations on the matter.
- Contribute to mitigating climate change and decarbonising the business model, reducing the intensity of greenhouse gas emissions in Scopes 1 and 2 by 50 % by 2024 and being climate neutral by 2050.
- Reduce climate vulnerability and promote the adaptation of activities to different climate scenarios.
- Adopt energy saving and efficiency measures in the development of CELSA Group™'s activities.
- Promote the use of renewable energies.
- Implement the use of alternative carbon-containing materials and biogenic fuels.

This Policy reflects the company's purpose: "We give infinite lives to finite resources" and includes a series of general principles associated with our business and our value chain.

Principles associated with our business activity:

- Strictly comply with national and international legislation in all territories where we operate, adhering to initiatives and programmes to protect the environment and improve our impact.
- Integrate the conservation of resources and natural capital as a prominent element in CELSA Group's decision-making, in the corporate strategy and in the performance of our activities, establishing targets that guarantee the responsible management of the organisation.
- Carry out our business activity in accordance with a production system that respects the environment, following a circular economy model and in accordance with legal obligations and voluntary commitments and agreements signed by CELSA Group on environmental issues.
- Efficient and responsible use of natural resources, including water and energy, prioritising the reduction of their consumption and the use of renewable or recycled resources, whenever possible.
- Consider and assess the negative impacts of our activity by establishing indicators, targets and processes that allow us to monitor and continuously evaluate the management of natural capital in our environment, together with the periodic review of environmental targets and goals.
- Minimise and promote offsetting of the impact of our activity on the environment and the biodiversity of the surroundings in which we carry out our business, both of the equipment and facilities and of the products manufactured, through the use of the best technologies available and affordable to the company.
- Promote innovation, efficiency, continuous improvement in all our processes and activities and the development of new products, services and solutions around steel that contribute to the creation of economic value, sustainable development and the efficient use of our natural capital, all from a life cycle analysis approach.
- Improve the management of waste generated, applying appropriate measures for its reduction, recovery and recycling, ensuring the correct disposal of non-recoverable waste.
- Support the procurement of energy efficient and environmentally friendly products and services, as well as design to improve the energy and environmental performance of the CELSA Group™.

Principles associated with our employees and our value chain:

- Train our employees, suppliers, contractors and collaborating companies in environmentally friendly practices and the responsible use of natural resources, including water and energy.

- Promote the environmental commitment of each person linked to our business, including management, employees, contractors, customers and suppliers, making awareness, information and training an essential tool.
- Communicate openly and transparently about our environmental performance with all interested parties with the target of achieving environmentally friendly integration into our surroundings.
- Establish and maintain the relevant systems and procedures for the proper management and implementation of this Policy.

5.5.1. Raw materials

GRI 3-3, GRI 301-1, GRI 301-2

The production of steel by melting scrap in electric arc furnaces is one of the most energy and environmentally efficient manufacturing processes. As recognised by the European Commission in its Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and in the Action Plan for a competitive and sustainable steel industry in Europe of 11 June 2013, more than 1,200 kg of iron ore, 7 kg of coal and 51 kg of limestone can be saved with one ton of recycled scrap. Making steel from steel scrap instead of virgin ore reduces energy consumption by about 75 % and saves about 90 % of raw material input. Manufacturing from scrap metal also greatly reduces air pollution (around 86 %), water consumption (40 %), water pollution (76 %) and mining waste (97 %).

The CELSA Group™ activity contributes to the environment in two ways: avoiding the accumulation and deposition of waste in landfills and obtaining new steel products without the need to consume natural resources.

A large part of the recycled material used in CELSA Group™ production processes is reused as raw material in the manufacture of steel, so this product has a high percentage of recycled material in its composition, which in 2023 is 94.5 % on average. The value of recycled material in the composition of fabricated steel is obtained by dividing the consumption of ferrous scrap (recycled material) by the total of materials introduced in the process and which will end up forming part of the finished product (ferrous scrap, pig iron and pre-reduced products).

• Consumption of raw materials

Tonnes of raw materials (t)

		2022										2023			2023 vs. 2022		
		Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)			Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)			CELSA Group™				CELSA Group™ (Inversiones Pico Espadas, S.A.)			Variation (%)		
		Used non-renewable material		Used renewable material	Used non-renewable material		Used renewable material	Used non-renewable material		Used renewable material	Used non-renewable material		Used renewable material	Used non-renewable material		Used renewable material	
		Not Recycled	Recycled		Not Recycled	Recycled		Not Recycled	Recycled		Not Recycled	Recycled		Not Recycled	Recycled		Not Recycled
Raw materials	Scrap processing	0	660,151	0	0	742,879	0	0	1,403,030	0	64	2,256,826	1	n/a	60.85 % *	n/a	
	Steelworks	150,119	2,071,625	114,802	388,333	2,143,480	160,521	538,452	4,215,105	275,323	593,261	3,612,598	272,025	10.18 %	-14.29 %	-1.20 %	
	Lamination	0	0	0	1,105	0	0	1,105	0	0	2,122	1,002	1,919	92.02 %	n/a	n/a	
	Finishing processes	19	138,256	7,231	39,740	3,738	0	39,759	141,994	7,231	25,547	16,537	1,884	-35.75 %	-88.35 %	-73.95 %	
	General	71,221	923	2,018	5,994	61	727	77,215	984	2,745	n/a	n/a	n/a	n/a	n/a	n/a	
	TOTAL	221,359	2,870,955	124,051	435,172	2,890,158	161,248	656,531	5,761,113	285,299	620,994	5,886,863	275,829	-5.41 %	2.18 %	-3.32 %	

* Change of reporting criteria to include tonnes of scrap provided to Group steel mills through trading without processing in scrap yards

Raw material input in 2022 and 2023 at the production centres. These data do not include movements within the Group

A large part of the recycled material used in CELSA Group™ production processes is used as raw material in steel manufacturing, which means that the manufactured product has a high percentage of recycled material in its composition. Based on the different materials used as raw materials in the steelmaking process, the finished product in 2023 contains on average 97.4 % of recycled material in its composition, increasing by 0.40 % compared to 2022 (97.0 %). The value of recycled material in the composition of fabricated steel is obtained by dividing the consumption of ferrous scrap (recycled material) by the total of materials introduced in the process and which will end up forming part of the finished product (ferrous scrap, pig iron and pre-reduced products).

5.5.2. Energy

GRI 302-1, GRI 302-4

The production of steel by electric arc furnace is an intensive activity in terms of using electrical energy. As a consequence, efficient energy management is important in CELSA Group™ facilities and improvement targets related to energy efficiency are set annually. Many of them are supported by the innovation programmes developed, which are based on the optimisation of industrial processes, the monitoring of physical process variables (industry 4.0) and the application of machine learning.

On the other hand, all CELSA Group™ head plants have energy audits in place which are carried out in accordance with Directive (EU) 2023/1791 of the European Parliament on energy efficiency, or instead have an energy management system based on the ISO 50001 standard, which includes energy audits.

Below are the data corresponding to the absolute values of energy consumption for the 2023 financial year:

- **Energy consumption**

Megawatt hour (MWh)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Natural gas and other combustion gases for thermal processes	1,000,207	1,299,926	2,300,133	2,247,441	-2.29 %
Diesel	21,279	46,817	68,096	73,932	8.57 %
Gasoline	n/a	n/a	n/a	771	n/a
Propane	n/a	n/a	n/a	638	n/a
Total consumption of renewable fuels	0	0	0	115	n/a
Total consumption of fossil fuels	1,021,486	1,346,743	2,368,229	2,322,782	-1.92 %
Biomethane	0	0	0	0	n/a
Biofuels	0	0	0	115	n/a
Total consumption of renewable fuels	0	0	0	115	n/a
Total primary energy consumption	1,021,486	1,346,743	2,368,229	2,322,897	-1.91 %
Electricity not attributed to renewable sources	n/a	n/a	3,392,077	3,708,392	9.33 %
Electricity from renewable sources	n/a	n/a	185,555	9,896	-94.67 %
Electricity	1,630,329	1,947,303	3,577,632	3,718,288	3.93 %
Heating	15,635	0	15,635	18,545	18.61 %
Cooling	0	0	0	0	n/a
Steam	4,058	0	4,058	-16,562	-508.13 %
Total secondary energy consumption	1,650,022	1,947,303	3,597,325	3,720,271	3.42 %
Total energy consumption	2,671,508	3,294,046	5,965,554	6,043,168	1.30 %

Energy consumption, in absolute values, of all companies during the 2022 and 2023 activity

With regard to primary energy, there was a 2.3 % reduction in the consumption of natural gas and other fuels used to heat the process. This is due to several factors, among them, the reform of Nervacero's electric melting furnace, consisting in the elimination of the shaft hopper with which the scrap was preheated, thus eliminating the need to post-combust the resulting gases to control the emission of persistent organic compounds. It is also worth noting the reduction in natural gas consumption in the Group's steel mills during the scrap melting process (complementary energy to electricity). Finally, the gradual incorporation of partial oxy-combustion processes in the billet reheating furnaces has also had an impact on the reduction of natural gas consumption. However, all these actions to reduce consumption are affected by low production volumes, which lead to continuous process stoppages and, therefore, unnecessary fuel consumption to keep the facilities ready for the next cycle.

With regard to secondary energy and specifically electricity consumption, there was an increase in consumption of approximately 4 % over the previous year, mainly due to the need to consume more electricity in Nervacero's electric furnace, as the previous scrap preheating system was dismantled. Another aspect that influences higher consumption is the continuous production stoppages, which make it necessary to keep auxiliary facilities that consume electricity without associated production in operation. It is worth highlighting the lower weighting of electricity from renewable sources, which drops from 185,555 MWh in 2022 to 9,485 MWh in 2023. This reduction is due to a change in strategy at the Polish plant, shifting resources from the purchase of renewable energy to investment in energy efficiency actions.

In the area of secondary energy, the value associated with steam consumption appears in negative terms due to the fact that the Polish steelworks generates and sells steam to a third-party industrial facility located on the same site. There has been an increase in the total consumption of fuels such as diesel, since, for the current year, an improvement in the reporting system has been achieved, especially in the Group's finishing plants.

- **Energy consumption in specific values**

kWh/t billet

	Total, weighted by tonnes produced				
	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Electricity	n/a	659	651	664	2.00 %
Natural gas	n/a	440	419	402	-4.06 %
Total	n/a	1,099	1,070	1,066	-0.37 %

Total energy consumption during the 2022 and 2023 activity, presented in specific values for electricity and natural gas

5.5.3. Water

GRI 3-3, GRI 303-1, GRI 303-3, GRI 303-4, GRI 303-5

The most significant industrial processes are carried out at high temperatures and use water to ensure the cooling of both the facilities and the manufactured product. At CELSA Group™ we are fully committed to the efficient use of this valuable natural resource.

- **Water withdrawal**

Cubic meters (m³)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Withdrawal, surface water	25,627,808	1,473,877	27,101,685	23,930,625	-11.70 %
Withdrawal, groundwater	437,255	2,116,311	2,553,566	2,556,182	0.10 %
Withdrawal, distribution network	671,600	878,206	1,549,806	1,502,438	-3.06 %
Withdrawal, rainwater	269,733	0	269,733	456,140	69.11 %
Total water withdrawal	27,006,395	4,468,394	31,474,790	28,445,385	-9.62 %
Total water discharge	25,367,211	1,175,219	26,542,430	23,206,793	-12.57 %
Total consumption	1,639,184	3,293,175	4,932,360	5,238,592	6.21 %

Volume of water withdrawn, discharged and consumed by all the areas where steel activity takes place during 2022 and 2023

The specific water consumption values in the plants are among the best in the sector thanks to the continuous implementation of actions to reduce it, such as the use of semi-closed cooling circuits that allow the continuous reuse of most of the water in the process; the implementation of rainwater collection and reuse systems; the assurance of the quality of the reused water, and the commissioning of completely closed cooling systems where the cooling of the water in the circuit is carried out by means of steel coolers, without evaporation losses.

The following are the specific water withdrawal values:

- **Water withdrawal in specific values**

Cubic meters (m³)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Withdrawal, surface water	n/a	0.50	4.93	4.28	-13.18 %
Withdrawal, groundwater	n/a	0.72	0.46	0.46	n/a
Withdrawal, distribution network	n/a	0.30	0.28	0.27	-3.57 %
Withdrawal, rainwater	n/a	0	0.05	0.08	60.00 %
Total water withdrawal	n/a	1.51	5.72	5.09	-11.01 %
Total water discharge	n/a	0.40	4.84	4.15	-14.26 %
Total consumption	n/a	1.11	0.88	0.94	6.82 %

Volume of water withdrawn, discharged and consumed (in relation to the billet produced) by all the areas where steel activity is carried out during 2022 and 2023

In relation to water resource availability risks, it should be noted that five of the seven CELSA Group™ head plants are located in water stress zones. In order to classify them, the geographical location of each plant has been considered, assuming that the water withdrawal necessary for their production is close to the corresponding facility. Water stress zones are all those that are above the low range (0-1) on the scale established by the Water Risk Atlas (<https://www.wri.org/applications/aqueduct/water-risk-atlas/>).

Therefore, a series of measures have been taken in relation to this risk:

- Systematic monitoring of water consumption used for cooling facilities and internal benchmarking exercises to identify and implement best practices.
- Guaranteeing the resilience of our water processes, avoiding discharges and damage to the natural environment, with three main objectives: reducing the use of water from natural watercourses, making the water consumed in the process more efficient and minimising discharges / improving the quality of the discharge. This measure was activated at the end of 2024 and is considered a key improvement objective (KIO).

A particular case is the Castellbisbal plant (Celsa Barcelona). It is currently under the regulatory scope of the Catalan Water Agency (ACA), which enforces the Special Drought Plan in Catalonia. During 2023 it has been on high alert, which means that a 15 % reduction in total water consumption is required. As of the closing date of this report, the ACA has declared an emergency situation, which means a 25 % reduction in water consumption. CELSA Group™ has obtained a favourable technical report from the ACA after submitting a water saving plan, which will reduce the limit to a value that will allow normal production to continue.

The plant submitted a water saving plan to the ACA to structurally reduce water consumption as much as possible in order to be able to continue production without such restrictions. In addition, in 2023, work was carried out to reduce water consumption by 12 % in the plants, 30-50 % in the rolling mills and 5 % in the steel mill.

In terms of discharges, our priority is to reduce the pollutant load of discharged water. We are equipped with treatments (decanters, hydrocarbon separators, etc.) and carry out measurements to control effluent parameters.

To the extent possible at each plant, treated water is reused for less restrictive purposes in relation to water quality, such as irrigation of roads or for cooling slag. In addition, discharges are preferably piped to downstream sewage networks. These measures are relevant in many of our facilities within the context of water stress.

- **Water discharges**

m³/kg billet (Cubic meters per kilogram of billet)

	2022	2023	2023 vs. 2022
	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Surface water*	25,243,537	22,030,525	-12.73 %
Groundwater	463,433	409	-99.91 %
Marine water	n/a	1,850	n/a
Third-party water	835,460	1,104,242	32.17 %
Industrial symbiosis	n/a	69,767	n/a
Total	26,542,430	23,206,793	-12.57 %

*99 % of the water discharged into surface waters occurs in areas without water stress.

The classification criterion and part of the 2022 discharge to groundwater has been modified, in the the Company reports in waters to third parties for the financial year 2023.

Total water discharge in all zones (m³) and a breakdown of this total according to types of destination

5.6. Circular economy and waste management

GRI 3-3, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

CELSA Group™ bases its activity on the production of steel using electric arc furnaces. Both steel manufacturing processes and scrap metal upgrading processes are considered waste recovery activities according to the European Waste Framework Directive, and metal and metal composite recycling or recovery operations are carried out. Specifically, in the steel manufacturing processes, the metal recycling or recovery operation is carried out. On the other hand, in the processing plants, the ferrous scrap is sorted, adapted and prepared for recycling.

Likewise, the manufacturing processes carried out in the Group generate waste. CELSA Group™ is committed to the recovery and use of the waste generated during the steelmaking process to boost the circular economy.

Main wastes generated by process during the activity of obtaining steel products:

- Scrap metal processing: scrap fragmentation residues and non-metallic materials present in scrap metal
- Steelmaking: metal oxides (flue gas dust) and steelmaking slag
- Hot rolling: iron oxide (scale) released during the forming process
- Finishing processes: spent acids, wire-drawing soap and zinc mattes

The quantities of the different types of waste generated during 2023 are shown below:

- **Amount of waste**

Tonnes of waste produced (t)

Waste typology produced	2022						2023		2023 vs. 2022	
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)		Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and CELSA Global Support)		CELSA Group™		CELSA Group™ (Inversiones Pico Espadas, S.A.)		Variation (%)	
	Hazardous waste	Non-hazardous waste managed	Hazardous waste	Non-hazardous waste managed	Hazardous waste	Non-hazardous waste managed	Hazardous waste	Non-hazardous waste managed	Hazardous waste	Non-hazardous waste managed
Processing residues from scrap	137	40,900	25	146,866	162	187,766	527	179,573	225.50 *	-4.36 %
Waste from the manufacture of steel	45,783	425,793	58,600	592,488	104,383	1,018,281	128,343	1,047,009	22.95 *	2.82 *
Waste from lamination	513	63,777	25,967	109,932	26,480	173,709	565	211,704	-97.87 %	21.87 *
Finishing process residues	695	13,649	2,551	12,325	3,246	25,974	11,289	42,967	247.78 *	65.42 %
TOTAL	47,128	544,119	87,143	861,611	134,271	1,405,730	140,724	1,481,253	4.81 *	5.37 *

**There is a considerable increase in hazardous waste generated in scrap metal processing activities due to the fact that in financial year 2022 there are no reported tonnes of WEEE (Waste Electrical and Electronic Equipment).*

Quantity of hazardous and non-hazardous waste generated during 2022 and 2023 at the various production plants

Although environmental management has associated risks, it is worth highlighting the opportunities present. Within the CELSA Group™ there is a Circularity Department, whose main mission is to maximise the value of the co-products generated in the production process. In addition, the Group has set circularity targets of 98 % recovery of waste generated by 2030 and 100 % by 2050.

The wastes associated with melting scrap and obtaining steel have a high recyclability rate. As for the waste obtained from scrap processing (screening, shredding, etc.), it has lower recyclability due to the heterogeneity of its chemical nature, coming from plastics, soils, wood, etc.

With regard to the management of this waste, the following table shows (in percentages) the different recovery and disposal routes for all CELSA Group™ activities.

- **Waste recovery in percentage**

Percentage (%)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Recovery of waste from the steel division	n/a	94.24 %	95.1 %	94.1 %	-1.0 %
Recovery of waste from the scrap division	n/a	39.00 %	43.2 %	28.3 %	-14.9 %
Total waste recovery	n/a	85.67 %	89.2 %	86.8 %	-2.4 %

Percentage of waste recovery

It can be seen that the percentage of waste recovered in the CELSA Group™ is 94.41 % in the iron and steel process and 86.83 % if scrap processing activities are also taken into account.

- **Waste management methods in percentage**

Percentage (%)

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas SA (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel SA (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Internal recovery within the plant itself	n/a	8.2 %	6.7 %	15.9 %	9.2 %
Internal recovery within the Group	n/a	8.4 %	7.2 %	7.8 %	0.6 %
External recovery	n/a	69.2 %	75.3 %	63.1 %	-12.2 %
Subtotal recovered waste	n/a	85.7 %	89.3 %	86.8 %	-2.5 %
Incineration with energy recovery	n/a	0.00 %	0.1 %	1.3 %	1.2 %
Incineration without energy recovery	n/a	0.02 %	0.03 %	0.03 %	0.0 %
Shipment to landfill	n/a	14.29 %	10.6 %	11.6 %	1.0 %
Other disposal operations	n/a	0.03 %	0.2 %	0.2 %	0.0 %
Subtotal of waste not recovered	n/a	14.34 %	10.8 %	13.2 %	2.4 %

Management of waste generated during 2022 and 2023 in production processes

It should be noted that, due to the company's type of activity, food waste is not a material issue.

5.7. Biodiversity protection

GRI 304-1

With regard to biodiversity, none of the CELSA Group™ facilities are located in natural areas of special protection, so there is no significant risk of direct impact in the event of an incident on protected habitats; consequently, no specific measures have been undertaken in this regard. However, CELSA Group™ attaches great importance to biodiversity, and therefore recognises the need to work and invest resources in projects linked to biodiversity and the relationships it maintains with the environment.

Projects that have been worked on during financial year 2023:

- SEASLAG Project. Innovation project based on the development of new materials for marine regeneration structures from by-products of the steel industry, with the aim of addressing the loss of marine biodiversity worldwide. It involves the research and development of a new sustainable material to create environmental regeneration structures that allow the growth of marine biodiversity, using as raw materials by-products obtained from the steel industry, such as white slag, and from the agri-food industry, such as bivalve shells and eggshells.
- NACTIVA Project. CELSA Group™ is a founding partner of this project, whose corporate purpose is the development of natural capital.

6. VALUE CHAIN

6.1. Subcontracting and supplying companies

GRI 2-6

Purchases of raw materials and other supplies and services are made under the guidelines of the Supply Chain Policy, the Code of Ethics and Professional Conduct and the Sustainability Framework Policy.

The Supply Chain Policy, a new version of which was approved in June 2023, establishes the following internal principles:

- Translate CELSA Group™ sustainability and corporate social responsibility into our supply chain by providing accurate and transparent information on our sourcing requirements.
- Demand that the products, services and projects supplied strictly comply with the laws in force in each of the countries where they are carried out and that they are socially responsible. In particular, to guarantee that purchasing processes ensure service quality, in the best conditions (technical, price, delivery time, level of service, financing conditions, etc.) and with the minimum environmental impact, and preserving the health and safety of workers.
- When selecting suppliers, apply the criteria of quality, service and price, as well as those of competition, objectivity, professionalism, transparency and equal opportunities.
- Similarly, apply safety, health and sustainability criteria and prioritise supplier companies with the best development in these areas.
- Advance the inclusion of environmental, social and corporate governance criteria in the procedures for negotiating contracts, commercial agreements or purchase orders with the value chain.
- Assess whether our supplier companies have an environmental management system that includes carbon footprint and water footprint reduction targets, as well as projects such as energy efficiency and circularity plans.
- Ensure that the relationship with each of our supplier companies respects and follows the CELSA Group™ values set out in the Code of Ethics and Professional Conduct, our sustainability policies, good governance and regulatory compliance.
- Ensure that the general terms and conditions of contracts clearly state the commitment of supplier companies to respect and act in accordance with the Global Compact principles on human rights, labour, environment and anti-corruption, as well as the UN Guiding Principles on Human Rights.
- Promote collaborative innovation through partnerships with our supplier companies to develop technological solutions that help to consolidate our sustainable strategy.

- Encourage long-term actions with supplier companies, ensuring that the commitments made by the contracting parties are fulfilled, allowing the traceability of the purchasing process.
- Encourage continuous improvement in our suppliers' performance.
- Ensure legal and ethical compliance in business practices involving the use of conflict minerals such as coltan, gold, cassiterite, wolframite or their derivatives, extending this commitment to our supplier companies to ensure the traceability of these materials.

In accordance with this Policy, we value positively that the collaborating companies have an environmental management system in accordance with the ISO 14001 standard and an occupational health and safety management system in accordance with the ISO 45001 standard, as stated in the Supplier Approval Procedure.

An evaluation of supplier companies based on quality, delivery and safety demerits is carried out twice a year. If deviations, incidents or complaints are detected outside the marked standard and it is considered necessary, on-site audits will be carried out.

Regarding sustainability, a project was initiated at the end of 2022 with stakeholders from each area of sustainability, general purchasing, logistics, scrap purchasing and IT to develop a sustainable supply chain and measure Scope 3 emissions. All of this, aligned with the forthcoming sustainability due diligence directive, obliges companies to implement due diligence measures to identify, stop, prevent, mitigate and account for negative impacts of their actions on human rights and the environment in the supply chain.

An ESG questionnaire with these characteristics has been developed for financial year 2023:

- 50 questions (11 governance, 17 environmental and 22 social).
- a scoring system to evaluate responses and determine the degree of alignment with the CELSA Group™ material ESG issues.
- a red flag system for critical issues that may have a negative impact

This questionnaire has been integrated into the supplier portal and, at the same time, the supplier website is being designed in order to involve them in these matters, offering information and training to facilitate the achievement of the targets set.

Suppliers have also been prioritised according to their impact on the CELSA Group™ chain, also taking into account the type of company:

- **General purchasing:** following Krajclik's method which allows us to work more intelligently with existing suppliers, to be aware of the impact of each product or service to be purchased on our results and to assess third-party risk. This model works by mapping the profit impact of a product on one axis and supplier trust in that product on the other.
- **Purchase of raw materials (scrap and other metals):** the most critical suppliers with the greatest impact on turnover and the volume of material received have been included in the ESG approval process.
- **Logistics:** primarily related to mileage, turnover and CO2 emissions.

The questionnaire is expected to be launched to a first group of suppliers in April 2024, to then evaluate the responses, map the risks, and develop action plans to mitigate them. At the same time, work is under way to design a more detailed and rigorous process for calculating CO2 emissions.

6.1.1. Suppliers and local purchases

GRI 3-3, GRI 204-1

CELSA Group™ supports local businesses, as 'km 0' purchases have advantages for both the community and the environment. This helps to reduce the environmental footprint for several reasons: the transport carbon footprint is reduced, and less packaging waste is generated, because there is no need to use large quantities of packaging.

The Group also believes that buying locally contributes to an ecosystem that fosters more stable value relationships. Likewise, working with close partners allows us to get first-hand knowledge of the operation and working system used.

As the supply chain is broad and diverse, these processes are described in a number of points:

6.1.2. General purchases

The purpose of the General Purchasing Department is to purchase, supply and store raw materials (except scrap and ferrous derivatives), capital goods, spare parts and services.

In line with the Supplier Purchasing and Contracting Policy, we promote stable commercial relationships that add value for both parties, in line with the Values established by the CELSA Group™. Consequently, in addition to the aforementioned values, the framework agreements concluded with supplier companies seek to apply technical and economic criteria, defining new approaches to promote good practices that provide high added value to society and help to minimise environmental impact.

The CELSA Group's Quality Management System has defined a system for integrating supplier companies based on four pillars: approval, technical specifications, reception control and evaluation. The CELSA Group's supplier companies are approved on the basis of the criteria set out in the Supplier Manual.

An evaluation based on quality, delivery and safety demerits is carried out twice a year. In the event that deviations, incidents or claims against a supplier company are detected that are outside the marked standard and it is considered necessary, on-site audits are carried out.

All suppliers that deliver during the evaluation period are evaluated on a twice-yearly basis. An evaluation based on quality, delivery and safety demerits is carried out. Incidents and complaints are recorded via the Enterprise Resource Planning (ERP) tool by the user in charge at each work centre.

Continuous supplier improvement is encouraged, at the discretion of the purchasing area and according to the supplier's performance level, based on action plans and on-site audits if deemed appropriate.

Since 2020, improvements to the continuous assessment system have steadily been developed and implemented to increase assessment reliability and the level of automation and integration of the digital procurement ecosystem.

It is anticipated that a continuous online evaluation will be available by 2024, which will be visible to suppliers via the purchasing portal.

In addition, 3 audits were carried out in 2023, two of them with suppliers in China and one with a supplier in Italy.

6.1.3. Scrap metal suppliers

Scrap is the main raw material, and it is therefore a critical issue. To minimise the risks of dependence on this material, CELSA Group™ aims to increase vertical integration, which now stands at 36.3 %.

Furthermore, as can be seen from the results of the materiality analysis, scrap suppliers must evolve to adapt to the required sustainability parameters.

In this regard, the environmental documentation provided by the companies supplying ferrous (scrap) and non-ferrous materials is currently being reviewed and, in the event that they do not have the necessary tools to do so, CELSA Group™ manages the information directly.

As mentioned above, the ESG questionnaire is being developed in order to incorporate it into the supplier approval process. Furthermore, it anticipates that the approval management will be carried out through the supplier portal that the CELSA Group™ is developing.

6.1.4. Logistics suppliers

Logistics suppliers are considered to be companies that provide services to Group companies, which handle and transport raw materials, semi-finished products or end products. These activities may take place in the CELSA Group companies' own facilities, or in locations such as external warehouses, ports or railway terminals.

Internal logistics or material movement and storage management includes transportation activities, placement in warehouses and some material preparation tasks. It is carried out with electric overhead cranes, electric forklifts, diesel engines and diesel-powered tractors. Since 2007, the Barcelona plant has been reporting its fuel, oil, tyre and spare parts consumption figures. External logistics are mainly carried out by road (78 %), rail (5 %) and sea (17 %).

- **Suppliers and purchases from local companies**

	2022	2023	2023 vs. 2022
	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Number of local suppliers	13,853	19,150	38.84 %

Suppliers and General Purchasing and internal logistics, external logistics and scrap logistics

The increase in the number of local suppliers is due to the extension of the scope of this report. In financial year 2022, the scrap suppliers of Barna Steel, S.A. were not taken into account.

- **Budget for purchases from local suppliers**

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Total budget for purchases from local suppliers (M€)	1,801	2,732	4,533.42	3,966.75	-12.50 %
Total purchasing budget (M€)	2,255	3,142	5,396.93	4,770.86	-11.60 %
Percentage (%) of budget for purchases from local suppliers	80 %	87 %	84 %	83 %	-1.19 %

Budget understood as expenditure on purchases

Percentage and total budget of purchases from local suppliers in CELSA Group™

The percentage of purchases from local suppliers has remained virtually unchanged compared to 2022, demonstrating CELSA Group™'s commitment to the local economy.

On the other hand, there has been a decrease in the volume of total purchases and, therefore, of local purchases. Specifically, the decrease was 12.50 % in purchases from local companies and 11.60 % of purchases from total companies. The reason for this lies in the lower sales figures and the drop in scrap prices over the course of 2023.

6.2. Client companies

GRI 3-3, GRI 2-25

Virtually all of the Group's production is sold to other companies as semi-finished products for their industrial processes, so that only a small proportion of the products manufactured and marketed by the Group reach end consumers directly. For the most part, CELSA Group™ products are manufactured in accordance with the most important national and international specifications and standards (UNE, EN, etc.) in the sector.

The most significant risks in terms of customer companies are related to unfair competition from steel products from countries outside the European Union.

CELSA Group™'s main industrial facilities are ISO 9001 certified for quality, ISO 14001 certified for environmental management and ISO 45001 certified for occupational health and safety. Specifically, Compañía Española de Laminación, S.L., Nervacero, S.A., Global Steel Wire, S.A., Celsa France, S.A.S., Celsa Atlantic, S.A., Ferimet, S.L., and Global Special Steel Products, S.A. have obtained ISO 9001 certification at their strategic plants.

In fact, two of the topics considered important by our stakeholders are responsible environmental management and product quality (more information in section '2.6 materiality'). All this is possible thanks to the Celsa Management System (CMS), a system based on the standardisation and continuous improvement of the processes that facilitate the registration of complaints and claims, and the monitoring of their resolution.

The Group's companies also have steel sustainability management systems in place, positioning us as European leaders in our sector for environmental excellence. Due to their small size or lack of production operations, some of the subsidiaries of CELSA Spain Group and CELSA Nordic Group have not considered it necessary to implement these certifications.

6.2.1. Consumer health and safety measures

The Group is aware of its responsibility not only to the people who make up the organisation, but also to the community and the environment in which it operates.

CELSA Group™ holds the most recognised certifications in the sector to guarantee a management system with the best practices, and in this way to achieve a higher level of health and safety, sustainability, quality and environmental standards. (See section 2.5).

To confirm that our products do not represent any risk in terms of the health and safety of consumers, the substances used in the manufacturing process are listed in a safety data sheet in accordance with EU regulations, such as EU 453/2010 or EU 1907/2006, among others, and according to CELSA Group™ quality standards.

From the perspective of preserving natural capital, it is important to have recycling as the starting point of our activity in order to preserve the environment. The CELSA Group is committed to creating long-term value and leading the way towards a truly sustainable model.

The loyalty of our corporate clients is based on the quality of our products and services. Over the years, CELSA Group™ has built strong ties with its client companies and forged long-lasting partnerships.

6.2.2. Complaint systems. Complaints received and their resolution

GRI 2-25, GRI 418-1

The Group operates a robust complaints and claims management system that enables us to efficiently relay customer feedback as part of our continuous improvement processes. All CELSA Group™ companies are equipped with the necessary channels so that client companies can contact the organisation directly with their concerns, complaints or claims about any aspect of the business relationship. These are the channels available for this purpose:

- Sales Department Telephone
- Customer Service Department e-mail address: sales@gCelsa.com
- Complaints and claims section of the Customer Portal: <https://cp.gCelsa.com/>

In addition, both complaints and claims have monthly monitoring committees where the number of incidents received is analysed and monitored. If these are considered to be recurring or important incidents for the company and/or the client company, they are classified, and corrective measures and action plans are implemented.

• Claims and complaints

	2022			2023	2023 vs. 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Customer complaints	1,287	278	4,088	2,271	77.67 %
Customer claims		2,523		4,992	

Complaints and claims received. (Rejected complaints and claims have not been taken into account)

During 2023, CELSA Group™ received a total of 7,263 customer claims and complaints. The significant increase in the number of complaints and claims reported with respect to 2022 is due to the fact that,

for the 2023 financial year, the reporting ratio has been extended to include all the Group's plants: steelmaking, rolling, forging and mechanical treatment divisions and all the finishing processes (wire drawing, meshing, rebars, etc.).

6.2.3. Customer satisfaction

The CELSA Group™ has several systems in place to measure customer satisfaction levels and gather feedback, check compliance with quality standards in customer service and sales channels, and implement suggestions for improvement.

Every year, the client company's satisfaction is measured by means of surveys managed by the various CELSA Group™ companies, adapted to the specific characteristics of their markets. The number of customer surveys collected in the Customer Portal (CP) is shared below:

- **Number of customer surveys**

	2022	2023	2023 vs. 2022
	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Number of customer surveys completed (Customer Portal)	699	778	11.30 %

Customer surveys

In addition, every six months, a survey is sent to client companies in the main markets, which allows the CELSA Group to calculate the NPS (Net Promoter Score) index, which evaluates the degree to which these companies would recommend the Group. This index stands out in terms of attention points and product utilisation. The survey applies to the following countries: Spain (ES), Portugal (PT), France (FR) and Italy (IT), maintaining the same scope as for 2022.

In 2023, data are very similar to those of previous years. However, it is worth noting the significant improvement in IT, obtaining better results with more responses (758 % increase). In addition, in the last year good logistical service was provided in terms of road transport, and there was also an improvement in terms of reducing the time taken to deal with complaints received.

The NPS value of the CELSA Group™ was 41.5. These are NPS values per country:

- **Net Promoter Score**

	2022					2023					2023 vs. 2022				
	CELSA Group™					CELSA Group™ (Inversiones Pico Espadas, S.A.)					Variation (%)				
	ES	FR	PT	IT	ES + PT	ES	FR	PT	IT	ES + PT	ES	FR	PT	IT	ES + PT
NPS value															
Net Promoter Score	54.3	37.5	14.3	7.1	52.5	43.0	28.1	22.2	60.9	41.4	-20.81 %	-25.07 %	55.24 %	757.75 %	-21.14 %
Number of client NPS surveys completed	172					171					-0.58 %				

* BarnaSteel, S.A.'s NPS scope of application is limited to that of the Group. Surveys are only collected from the following countries: ES, FR, PT and IT

Number of surveys and Net Promoter Scores

6.3. Social contribution

GRI 3-3

The CELSA Group™'s business activity, through direct and indirect employment of people, purchase of products and services, transport and sponsorships, supports the local economies of the regions in which it operates.

The Group acts with full respect for the local cultures of the countries and communities where it operates, contributing to their development in order to ensure that its activities are sustainable and beneficial to society. In addition, as part of our commitment to the community, we are firmly committed to promoting training projects that have an impact on personal and professional development.

CELSA Group™ carries out initiatives that increase its positive impact on society and the environment through its social action. Consistent with the Group's commitments, donations are made in line with business activities and sponsorship of local community initiatives. It also actively participates in associations, both in the sector and in the field of sustainability, thereby increasing its value contribution to the social environment.

In 2023, CELSA Group™ made donations to non-profit organisations under Law 49/2002, of 23 December, on the Tax Regime for Non-Profit Organisations and Tax Incentives for Patronage and donations to foreign non-profit organisations. Most of the donations made were allocated to the following sectors: health research and treatment, education and training, labour and employment promotion.

The above donations, partnerships and sponsorships were made in strict compliance with applicable anti-corruption and bribery prevention regulations.

With regard to the Group's participation in partnership actions, the following are worth highlighting:

- **Barna Steel, S.A.** - including Celsa Spain Group, Celsa Global Circularity & Celsa Global Support -
 - World Steel Association
 - EUROFER
 - CEOE
 - Global Compact
 - Forética
 - Fundación Empresa y Clima
 - UNESID
 - Steel Sustainability
 - Foment del Treball Nacional
 - SIDEREX Spanish Association of Exporters of Iron and Steel Products and Facilities
 - NACTIVA. Activating natural capital
 - IESE Business School (within the Institute for Sustainability Leadership)
- **Celsa France Group**
 - **Celsa France, S.A.S.**
 - Union des industries et métiers de la métallurgie
 - Fédération Française de l'Acier
 - Association SPPPI Estuaire de l'Adour
 - Medef Pays Basque
 - Port Bayonne Avenir
 - MEDEF (Mouvement des entreprises de France)

- **Celsa Atlantic, S.L.** - including Celsa Atlantic Largos (Laracha, Galicia) and Celsa Atlantic Planos (Arregui, Madrid) -
 - Cámara Oficial de Comercio A Coruña
 - Asociación Cultural y Asistencial de Laminaciones
 - AFTA - Association of Manufacturers of Longitudinally Welded Steel Pipe and Malleable Cast Iron Pipe Fittings Threaded for Pipelines
- **Celsa Nordic Group**
 - Swerim Innovation
 - NHO - Norwegian Hospitality Association
 - Norsk Industri
 - EPD International AB
 - Rakennustuteteollisuus
 - Jernkontoret
 -
- **Celsa Poland Group**
 - HIPH
 - IZBA GOSPODARCZA METALI NIEŻELAZNYCH I RECYKLINGU
 - ZWIĄZEK PRACODAWCÓW PRZEMYSŁU HUTNICZEGO
 - IZBA PRZEMYSŁOWO HANDLOWA GOSPODARKI ZŁOMEM
 - CENTRUM PROMOCJI JAKOŚCI STALI
 - POLSKIE STOWARZYSZENIE JAKOŚCI ZARZĄDZANIA POLISOLAB (PFI+POLLAB)

6.3.1. Donations and similar

The following table shows the expenditures on local community development projects or programmes based on the needs of local communities:

- **Expenditure on community development projects**

Millions of euros (M€)

	2022	2023	2023 vs. 2022
	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
Donations to non-profit entities	n/a	0.24	n/a
Donations to foreign entities	n/a	0.02	n/a
Local sponsorships	n/a	0.27	n/a
Contributions to sector-specific associations	n/a	1.94	n/a
Total expenditure on projects or programmes for local community development	2.25	2.47	9.78 %

Expenditure on community projects and programmes in CELSA Group™

CELSA Group™ allocated 239,610 euros in donations to non-profit entities (Law 49/2002), 23,586 euros to foreign entities, 273,039 euros to local sponsorships and, finally, 1,936,308 euros to contributions to associations. In 2022, the economic value of donations to non-profit entities, foreign entities, local sponsorships and contributions from the Barna Steel, S.A. 2022 scope amounted to 1,220 thousand euros.

6.4. Innovation and digital transformation

GRI 3-3

At CELSA Group™, innovation drives the development and integration of new solutions that enable the company to achieve our 'Net Positive' vision. In fact, one of the topics considered significant by the relationship groups is innovation for sustainability.

As such, the Group's R&D is based on four pillars: **energy and emissions, circularity, digitalisation and people.**

○ **Energy and emissions**

The different lines of research in this field address aspects such as increasing energy efficiency, supporting the integration of renewable energies in the market and the generation and use of alternative fuels such as hydrogen and biochar. These are some of the energy and emissions projects underway:

- **HYMET.** New technologies applicable to the steel industry for the recovery of by-products of the process itself and the decarbonisation of the activity through the use of renewable raw materials, such as hydrogen.
- **DevH2forEAF.** New hydrogen burners for electric arc furnaces (EAF)
- **SlagCO2.** New accelerated carbonation of white slags processes.
- **Chemical package.** New chemical package and new gas ramp to improve EAF efficiency.
- **Gasification of plastic and rubber wastes.** Production of new alternative fuels.
- **Biofluff.** Reduction of the pollutant and leachate load of Circular Hubs by-products from micro-organisms present in the waste.
- **MEVO.** Transformation of black slag for cement production.
- **Cement 2 Zero:** generation of cement clinker from EAF waste.
- **Rolling Mill Furnance H2.** Hydrogen combustion in the reheating furnace.
- **ZteelCOp.** Exploring hydrogen as a reducing and blowing agent in key metallurgical processes in steel and copper production.
- **Biochar.** Generation of carbon credits through the production of biochar from residual woody biomass with a sustainable production model.
- **REBIOEAF.** Transformation of wood waste into a new product with physicochemical characteristics similar to anthracite and reduction of CO₂ produced in the anthracite combustion process by 5-7 %.
- **GreenPlan.** Reduction of unnecessary deliveries of recycled building materials and CO₂ emissions using AI, which enables real-time risk management and data analysis, to achieve more sustainable construction.

○ **Circularity**

The different circularity projects seek to improve scrap management and generate new circular businesses for steel and other materials and by-products. These are some of the current circularity projects:

- **CEC (Vehicle shredder residue).** Development of new processes that allow the incorporation of CEC in the electric arc furnace of steel mills as a catalyst for the melting reaction of scrap, replacing coal.

- **Heat harvesting.** Utilisation of heat energy from the exhaust gases of the rolling mills and foundries for heating the company's own buildings and hot water supplies and for sale to the municipal thermal power plant in Huta Ostrowiec (Poland).
- **LASR-FORM.** Industrialised production and use of the light fraction of automotive shredder residues for the creation of concrete structures.
- **CaLby2030.** Development of a new closed calcium system that allows the calcination process to be combined with the carbonation process to capture CO₂ emissions.
- **Nanoscale.** Use of iron oxides to obtain magnetic nanoparticles to improve the sensitivity of electrochemical sensors and facilitate their use in decentralised diagnostic applications, where the evolution of the disease can be monitored without the need for access to large equipment.
- **PROBONO.** Development of new materials for the different layers that make up a pavement by reusing materials.
- **Seaslag.** Development of a new sustainable material for the creation of a marine regeneration structure that allows the growth of marine biodiversity in coastal and port areas.
- **Recupera 3-D.** Recovery of steel mill slag by means of large-scale 3D printing processes.
- **Valorauto.** Recovery through chemical recycling of waste from car shredding currently sent to landfill.
- **GREENSENSOR.** Non-invasive lactate monitoring with miniaturised and improved sensors by incorporating magnetic nanoparticles from the recovery of an iron and steel by-product.
- **MgCO₂.** Recovery of kiln demolition waste by transforming it into value-added compounds for other economic sectors such as construction, avoiding its accumulation in landfills and reducing the use of new materials.
- **PLAFIMAG.** Use of iron oxides to obtain magnetic nanoparticles, with an optimised surface/volume ratio that allows the capture of polluting materials.
- **ECOSWAP (Swappable battery ecosystems to accelerate fast charging and sustainable e-mobility).** Encouraging the adoption of electric motorcycles by implementing a battery exchange ecosystem that enables new commercialisation models. In this project, the Group collaborates with SEAT MO to analyse the recyclability of batteries in electric motorcycles.

○ **Digitalisation and robotics**

CELSA Group™ is working on developing projects involving artificial intelligence (AI) and advanced simulation for process optimisation, traceability, digital product passports, among other aspects. These are some of the innovation projects in the field of digitalisation that are being developed:

- **Thermographic cameras.** Installation of thermographic cameras and integration of the data with the rolling reheating furnace mathematical model for the optimisation of the furnace heating parameters for different steels. This would improve furnace natural gas consumption and energy efficiency.
- **EAF Power.** Design and implementation of a data model with advanced Machine Learning algorithms with the aim of reducing the electrical consumption of the furnace in the scrap smelting process. This development would optimise the electric furnace operation, energy consumption and improve the control of deviations.

- **Interface.** Development of a high-performance computing (HPC) platform for high-fidelity simulations and the generation of reduced-order AI-based models using Digital Twin and sensor instrumentation at the Barcelona sheet plant.
- **ALCHIMIA.** Optimisation of the load mix to reduce energy consumption, emissions and waste, while obtaining high quality products. Project co-financed by the EU.
- **MEYE24.** Advanced maintenance platform for the detection of equipment operating outside of the norm, optimising preventive maintenance of the installations and avoiding potential failures.
- **Flex4fact.** Aggregated online electricity consumption platform at CELSA Barcelona that enables production planning based on the Spanish electricity market. Project co-financed by the EU.
- **Drones_iScrap.** Development of an assisted system for the quantification of materials deposited in outdoor scrap lands, using a volumetric drone system by means of an artificial intelligence algorithm.
- **Digiwaste.** Development via digital technology of a system for picking and traceability of electrical and electronic materials from end-of-life vehicles and connected infrastructure
- **Portwaste FII.** Blockchain platform for the improvement of port waste management.
- **3DStore.** 3D printing of solid-state batteries for application in the Industrial IoT.
- **Quantum Resistant (QCDI).** Development of a digital twin to optimise the intermediate stock generated by the wire drawing machines and consumed by the welding machines so as not to de-supply the latter, by using a simulator capable of exploiting the large amount of data generated in the plants, using quantum computing.
- **SmartFab.** Development of a predictive and prescriptive maintenance system for the rolling mill using Big Data with the incorporation of two crucial IIoT sensors to validate the correct operation of the different equipment in the factory.

○ People

People are at the heart of any CELSA Group™ initiative, which is why we innovate in this are too:

- **ESSA.** Plan for a sustainable, driven and sustainable European Steel Skills Agenda (ESSA) coordinated by the steel industry. Project co-financed by the EU.

In 2023, CELSA Group™ invested a total of 19.58 million euros in R&D projects.

• R&D investment

Millions of euros (M€)

	2022			2023	2023 vs 2022
	Inversiones Pico Espadas, S.A. (Celsa UK, Celsa Nordic and Celsa Poland)	Barna Steel, S.A. (Celsa Spain, Celsa France, Celsa Global Circularity and Celsa Global Support)	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
R&D investment	8.54	16.76	25.3	19.58	-22.61. %

In the case of Celsa UK, an estimate of the year has been made and a value similar to that reported in 2022 calculated.

Investments in innovation and development (R&D) in 2023

It is worth noting the decrease in investments in this area in the Celsa Global Support and Celsa Poland Group business units.

- In Celsa Global Support It has been a year marked by the change in the company's shareholder, which has temporarily halted all R&D projects. It is expected that with a more stable situation and a new strategic plan, R&D projects can resume.
- In Celsa Poland Group. R&D investments have been stopped in 2023 due to the fact that the results could not be achieved. In this sense, a more conservative approach is sought, where project results can be consolidated in a shorter timeframe and priority is given to those with a shorter payback period.

- **R&D investment as a percentage of total Group profits**

Percentage (%)

	2022	2023	2023 vs. 2022
	CELSA Group™	CELSA Group™ (Inversiones Pico Espadas, S.A.)	Variation (%)
R+D investment % with respect to profits	3 %	4 %	33.3 %

Percentage of R&D investments in relation to total profits obtained in financial year 2023

In 2023, R&D investment decreased. However, the percentage in relation to profit increased to 4.44 %, as the Group's profit amounted to 441 million euros.

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This consolidated non-financial information statement of Inversiones Pico Espadas, S.A. (CELSA Group™) and subsidiaries has been prepared by the Board of Directors of the Company and is signed below by all the Directors at the head office premises in Castellbisbal, Barcelona on 27 March 2024.

Mr Rafael Villaseca Marco
Chairperson of the Board of Directors

RODANTARE, S.L.P., represented
by **Mr Antonio Arenas Rodríguez**

AUDIEX, AUDITORES EXTERNOS
S.A.,
represented by **Ms Maria Esther**
Alfonso Evisa

ABENCYS MANAGEMENT S.L.,
represented by **Mr Luis Aurelio**
Martín Bernardo

Mr Jorge Cazorla Pujalte

Mr Daniel Alaminos Echarri,
Secretary (non-member)