

Executive Summary sustainability report

2023

CELSA

Data drawn from the Celsa 2023 Sustainability Report. Verified by a third party.

01

About us

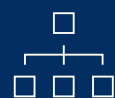




At Celsa we are Europe's leaders in producing **circular steel** and **low CO₂ emissions steel**. This is thanks to our capacity for innovation in the recovery and treatment of ferrous scrap and other materials to produce steel in **electric arc furnaces**, the most sustainable and energy-efficient steel manufacturing technology.

The company is made up of **six major business groups** and has **120 sites** employing almost **8,000 in-company staff**. We have an industrial presence in Denmark, Finland, France, Ireland, Norway, Poland, Spain, Sweden and the United Kingdom.

We are committed to being the driver of circularity and sustainability in the steel sector, and exerting a positive influence on other strategic sectors of our economy. We aim to contribute to the pursuit of solutions to minimise the key systemic risks facing the planet: the depletion of natural resources and the fight against climate change.

**6**

BUSINESS GROUPS

**120**

WORKPLACES

**7,958**

OWN EMPLOYEES

A robust corporate culture

We have in place a **consolidated corporate culture** which has gradually adapted to the changes and demands of the economy and society.



Purpose

We give **infinite** lives to **finite natural resources**.



Vision

Lead the creation of **circular production chains** to contribute to the transition towards a positive impact economy.



Mission

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



Values



Honesty

We show consistency in being true to our word.



Groundbreaking approach

We challenge the *status quo* and believe that the impossible is an opportunity to lead change.



Creative perseverance

We never give up, there is always a new movement.



Humility

We are committed to learning, from our errors as well, and continuously improving.



Teamwork

We believe in respect, trust, constructive conflict, dedication and responsibility to achieve the team's goals.



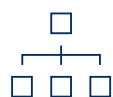
Passion

We feel energised by what we do and how we do it.

Key dimensions of the Group

At Celsa we lead with a long-term vision, making a robust and ongoing contribution to the socio-economic development of the countries where we operate.

Business dimensions



6
BUSINESS
GROUPS



9
COUNTRIES
Denmark, Spain, Finland, France,
Ireland, Norway, Poland, United
Kingdom and Sweden.



120
WORKPLACES



5
COMMERCIAL
DELEGATIONS IN THE
UNITED STATES, FRANCE,
PORTUGAL, GERMANY
AND IN CHINA



€4,765 M
TURNOVER



€441 M
EBITDA



€45 M
OF ECONOMIC VALUE



6
SECTORS
where we have the greatest pres-
ence: construction, automotive,
agriculture, oil, gas and energy



5.89 Mt
OF SCRAP
PROCESSED



5.61 Mt
OF STEEL
PRODUCTION



5.33 Mt
SALES OF STEEL
PRODUCTS



73%
OF SALES,
IN THE EUROPEAN
UNION



36.3%
UPSTREAM
% vertical integration



22.6%
DOWNSTREAM
% vertical integration

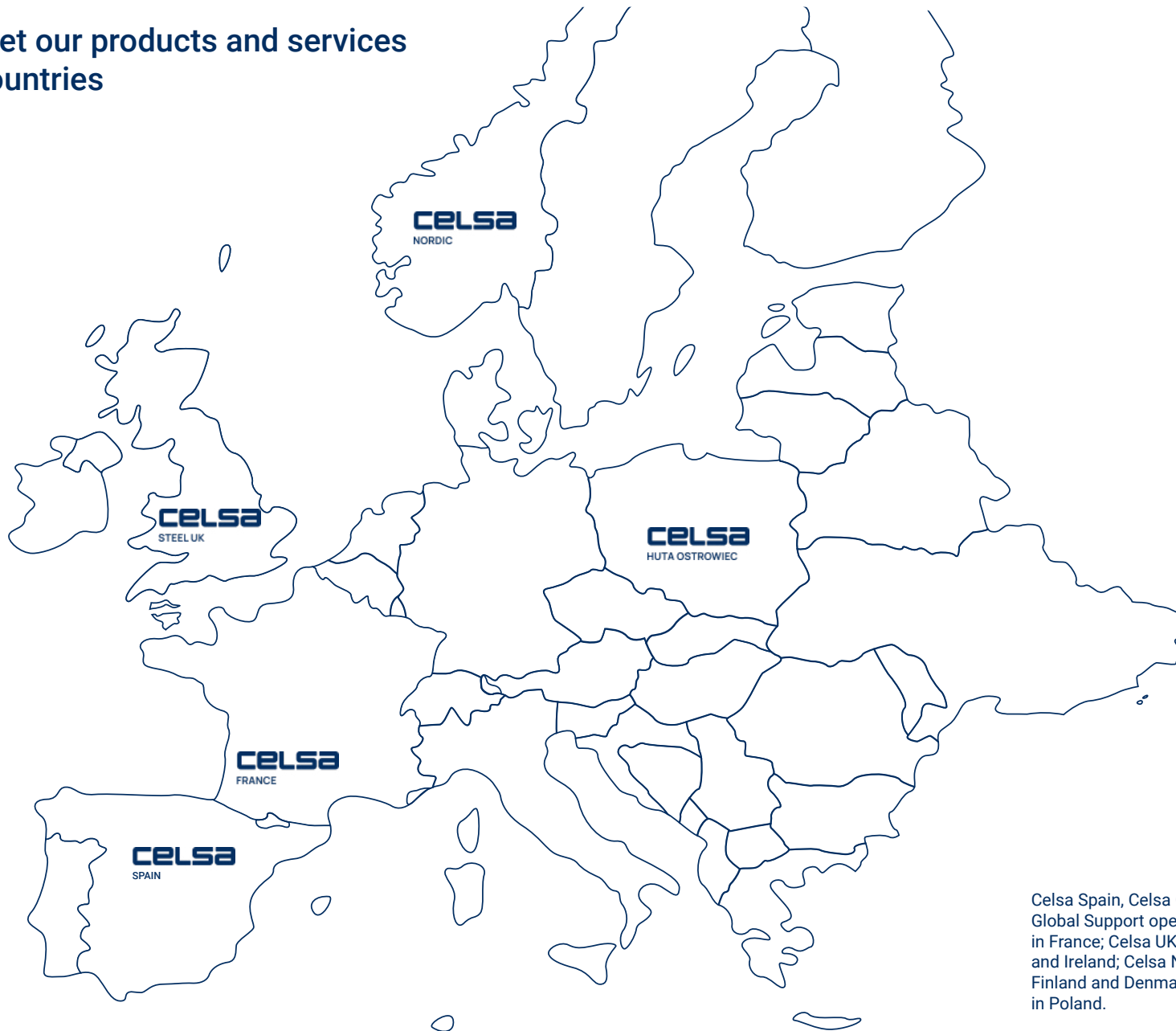


10,178
EMPLOYEES AT 31/12/23
● Employees on our own
workforce: **7,958**
● Subcontracted employees: **2,220**



94%
PERMANENT
CONTRACTS

We market our products and services
in 105 countries



Celsa Spain, Celsa Global Circularity and Celsa Global Support operate in Spain; Celsa France, in France; Celsa UK, in the United Kingdom and Ireland; Celsa Nordic, in Norway, Sweden, Finland and Denmark, and Celsa Poland, in Poland.



We have 120 Celsa sites around the world

Industrial dimensions



8

MAIN PLANTS

Celsa Spain

- Compañía Española de Laminación, S.L.
- Nervacero, S.A.
- Global Steel Wire, S.A.
- Celsa Atlantic, S.L.

Celsa France

- Celsa France, S.A.S.

Celsa UK

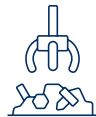
- Celsa UK Manufacturing

Celsa Nordic

- Celsa Armeringsstål

Celsa Poland

- Celsa Huta Ostrowiec S.P. Z. O.O.



48

CIRCULARITY HUBS*



7

STEELWORKS



12

ROLLING MILLS



1

FORGE AND MECHANICAL TREATMENT



83

TRANSFORMATION AND PROCESSING COMPANIES

* Facilities dedicated to recovery and treatment of ferrous scrap and other materials.

Our corporate governance model

Organisational model

(as of December 2023)

2023 saw the **change of ownership** of Celsa take effect, allowing the implementation of a **restructuring plan** to consolidate our competitiveness and leadership. On this new scenario, we embarked on the process of putting in place a **Strategic Plan** to guarantee the company's future, with the involvement of the executive teams at the Group and our business units.

Our main governing bodies are the General Meeting of Shareholders and the Board of Directors. The organisational model is completed by a set of Committees and Commissions guaranteeing effective governance:

Management Committee

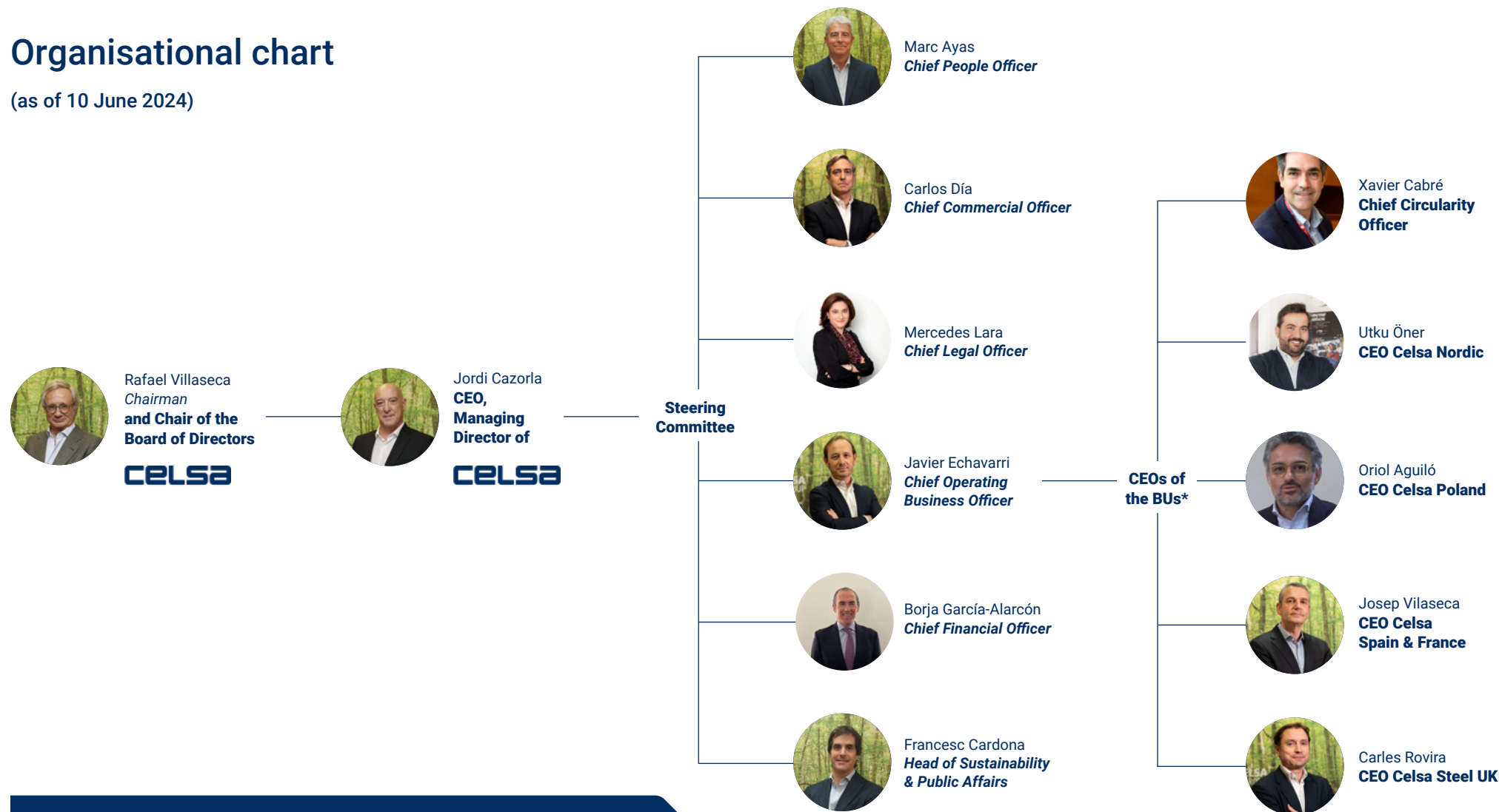
The mission of the steering committee is to develop the corporate and executive management of the Group, setting objectives with a medium- and long-term vision, ensuring the development of the strategic business plan, and guaranteeing the availability of the required resources.

It is led by the CEO and made up of the *Chief People Officer (CPO)*, the *Chief Commercial Officer (CCO)*, the *Chief Legal Officer (CLO)*, the *Chief Operating Business Officer (COBO)*, the *Head of Sustainability & Public Affairs* and the *Chief Financial Officer (CFO)*.



Organisational chart

(as of 10 June 2024)



In December 2023, Rafael Villaseca was named as the new Chairman of Celsa, and in January 2024, Jordi Cazorla as Managing Director

* BUs: Business Units

Internal policies

We have a robust body of regulations comprising a series of policies that establish operational principles in various spheres.



General policies

- Sustainability Framework Policy
- Supply Chain Policy
- Innovation Policy



Environmental Policy

- Climate Action Policy
- Environment and Resource Management Policy



Social policies

- Occupational Safety and Health Policy
- Human Rights Policy
- Talent Management Policy
- Diversity, Equality and Inclusion Policy



Corporate governance policies

- Anti-corruption and Anti-fraud Policy
- Conflict of Interest Policy
- Policy for Regulatory Compliance concerning Defence of Competition
- Policy for Regulatory Compliance concerning Crime Prevention
- Policy for Dialogue and Communication with Stakeholders
- Personal Data Protection Policy
- Policy for Use of Information Systems
- Whistleblower Protection Policy



Judit Ferrer
Corporate Security
Internal Audit
CELSA

“

In 2023, 17 key corporate policies were approved in the Environmental, Social and Governance (ESG) sphere, with a fundamental role in contributing to a business culture placing people at its heart”

Management System

We have our own **Celsa Management System (CMS)**, which is the key to ensuring our continuous improvement and excellence in management. The elements of the CMS are:



People

The goal is to ensure that all our staff fulfil their maximum potential.



Continuous improvement

This allows us to guarantee quality and safety, and to minimise waste.



Process standardisation

Process of strategic reflection through which we define the main strategies, objectives and improvement projects which are gradually deployed via senior management at each business unit.



Innovation

Generate value for the company and for our client companies, by addressing opportunities learned of through unexpected means, and unexplored opportunities.

870

PROFESSIONALS
RECEIVED TRAINING IN
CYBERSECURITY

2,170

PROFESSIONALS
RECEIVED TRAINING
IN THE CODE OF ETHICS
OF THE COMPANY

Ethics and Anti-Corruption

During 2023, at Celsa we **updated** the **Code of Ethics and Professional Conduct**, the **Anti-corruption and Anti-fraud Policy**, and the **Expenses Policy**.

The Code of Ethics includes a series of standards steering the conduct of all those belonging to the organisation, and likewise setting out the main risks regarding the prevention of corruption and bribery in connection with our activities.

To ensure compliance with the Code of Ethics, we have a **whistleblowing channel** in place, allowing stakeholders to submit queries and complaints as to actions in breach of the code or the legislation in force.

Meanwhile, the Expenses Policy prevents the funding of political parties, offences against public health, against intellectual property rights and other aspects.



Nacho Alonso

Head of HR CSS

CELSA
NORDIC

“

In 2023 our department defined the Group's Social Plan as a participatory process. It comprises four strands, 20 sub-strands, and 100 actions”

02

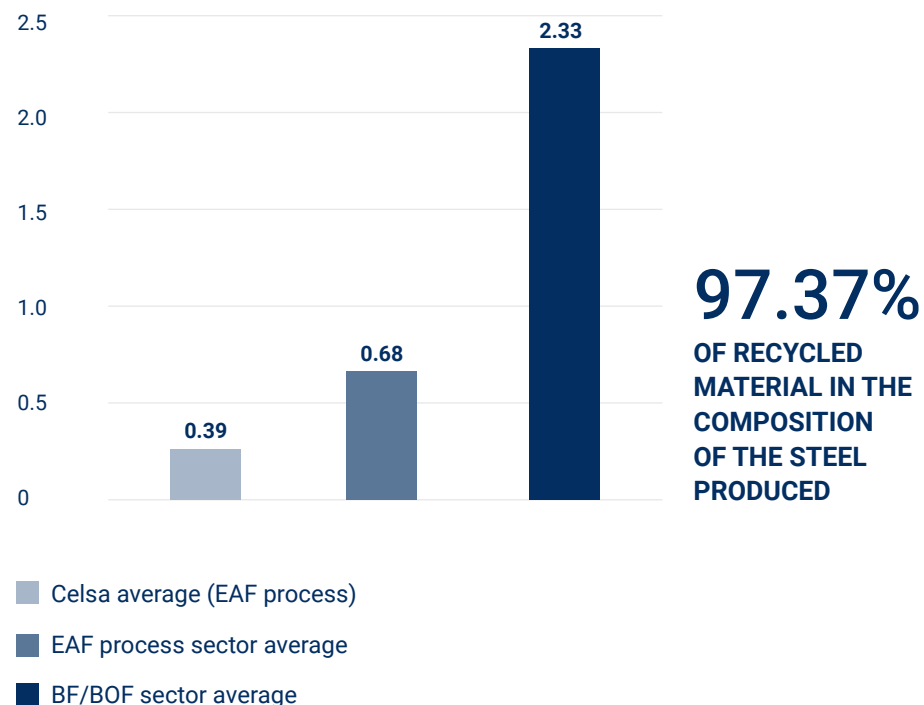
The road
to excellence



We produce with responsible technology

We are the **largest recycling company in Spain**, the **second-largest in Europe**, and the **leaders in decarbonising** our sector. In fact, all our **furnaces are Electric Arc Furnaces (EAF)**.

Scopes 1 and 2, location-based (t CO₂ eq./t steel) on average



Óscar Cubiñá
Head of Processes

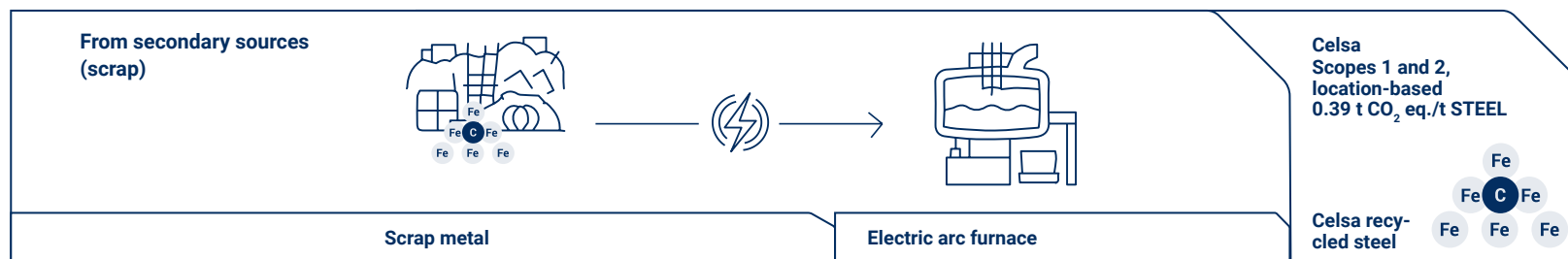
CELSA

“

At the Process Department we have made efforts to reduce energy consumption, for example by optimising gas consumption in the electric furnace and ladle heaters”

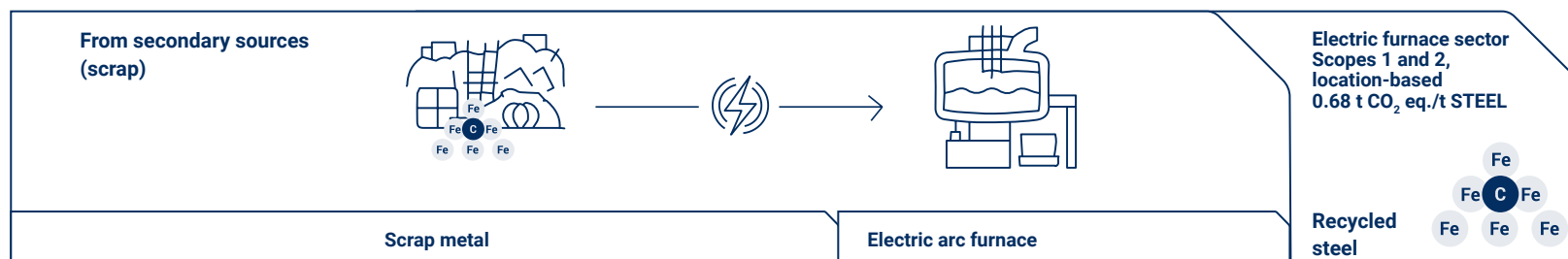
Our scope 1 and 2 CO₂ emissions (location-based) are nine times lower than those generated by blast furnaces.*

Celsa Process
Electric Arc Furnace (EAF) Route
 Route used by Celsa



Original source of emissions figure: internal figure of the Celsa Minimills reported to the World Steel Association (WSA), 2023 financial year.

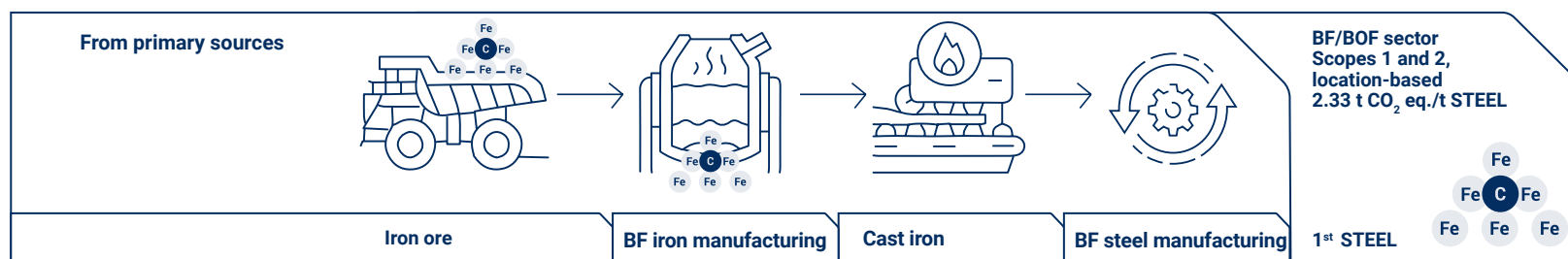
Electric Arc Furnace (EAF) Process
 30% of the world's steel is produced in electric arc furnaces (EAF)



Original source of emissions figure: <https://worldsteel.org/steel-topics/sustainability/sustainability-indicators-2023-report/#co2-emissions-and-energy-intensity>.

Original source of production percentage figure: Fact sheet | Steel industry coproducts, WSA.

Blast Furnace-Basic Oxygen Furnace (BF-BOF) Route
 70% of the world's steel is produced in blast furnaces (BF-BOF route)



Data source: <https://worldsteel.org/steel-topics/sustainability/sustainability-indicators-2023-report/#co2-emissions-and-energy-intensity>.

Original source of production percentage figure: Fact sheet | Steel industry coproducts, WSA.

*According to World Steel Association figures

Quality offering

Quality and certification

The main Celsa industrial facilities hold **ISO 9001** quality certification. Furthermore, to ensure that our products do not give rise to any risk to the health and safety of consumers, the substances employed in the production process are recorded on a safety data sheet in accordance with such European regulations as EU 453/2010 and EU 1907/2006.

Meanwhile, we analyse the satisfaction of our client companies each year by means of a series of surveys. For example, every six months we send a survey out to the clients on our main markets to calculate the **NPS (Net Promoter Score)**, rating the extent to which these companies would recommend our products and services.

The results obtained in 2023 were very similar to previous years. Particular mention should nonetheless be made of the significant improvement in Italy, registering improved scores, with more responses received. An improvement was likewise achieved in terms of the reduced time taken to handle claims received.

The overall Celsa NPS value stood at 41.5 (the NPS ranges from -100 to 100).



José Ángel Rey

Commercial & Marketing
Global Head & OECM

CELSA

“

As the largest industrial circular supply chain in Europe, our steels combine sustainability with circularity”



Portfolio

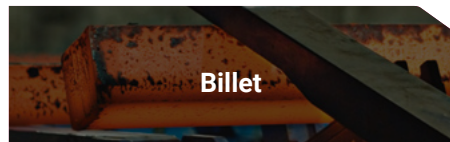
Our products are manufactured in accordance with the most demanding national and international standards, and fulfil the approval criteria, specifications and quality certifications required by our markets and client companies.

With regard to **long products**, we produce **corrugated bars and rolls, steel profiles, commercial bars and wire rods**, with substantial market shares in each of these segments. As for **derivative products**, we have **wire-drawing plants** providing **wire** in different roll formats, with a wide variety of heat and surface treatments.

Co-products

We also generate a number of recycled by-products with a low carbon footprint which are suitable for manufacturing negative-carbon cements, more sustainable clinker, concrete, counter-weights, ferrous alloys and pigments.

Long products



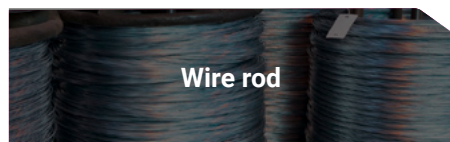
Billet



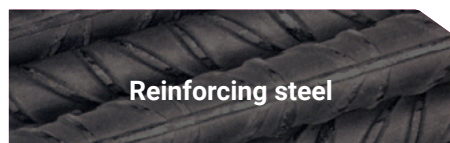
Structural sections



Merchant bars

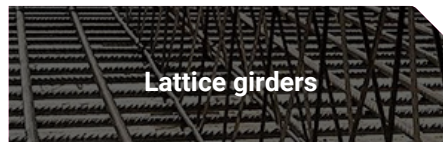


Wire rod

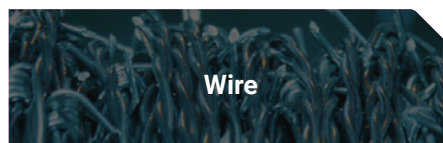


Reinforcing steel

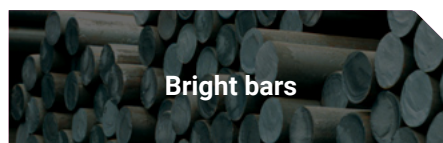
Related products



Lattice girders



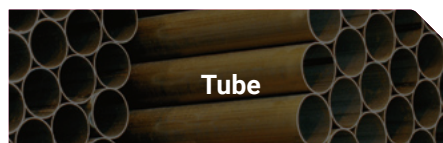
Wire



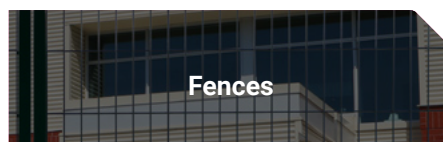
Bright bars



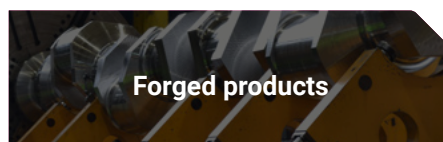
Electro-welded mesh



Tube



Fences

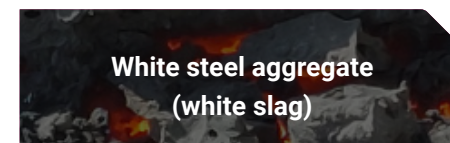


Forged products

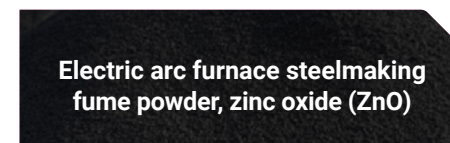
Co-products



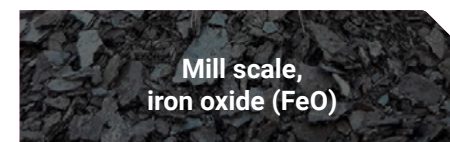
Black steel aggregate
(black slag)



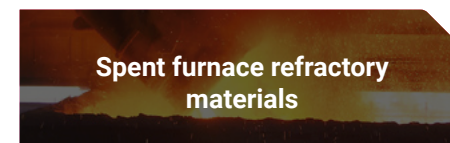
White steel aggregate
(white slag)



Electric arc furnace steelmaking
fume powder, zinc oxide (ZnO)



Mill scale,
iron oxide (FeO)



Spent furnace refractory
materials

Celsa Circular Steel

Celsa Circular Steel covers the commitments and actions that our group is driving at the global level to lead the transition towards fully circular steel. However, the programme does not simply involve making Celsa more circular, but also supporting and fostering integrated and interconnected action throughout our **value chain**.



**CLEAN
ENERGY**

Use of renewable electricity in steel production processes, through Power Purchase Agreements (PPA) and/or certified Guarantees of Origin (GoO).



**CARBON
NEUTRAL**

The client companies receive CO₂ emissions-neutral steel, verified and certified by an external third party.



**RECYCLED
PLUS**

Personalisation of our product by increasing the content of recycled material (up to 100%) in the steel production process.

Sectors

Steel is present in a host of spheres of our **everyday life**, as one of the **most commonly used materials worldwide**. It is therefore essential that it be manufactured in a sustainable manner, ensuring that the products sold are **low in carbon emissions**, designed to **last longer**, easier to reuse, repair and recycle, and include as much **recycled** material as possible, rather than finite natural resources. Our steel can be found in many of what are seen as strategic sectors of the economy:



Construction

Currently the **largest consumer of steel products worldwide**.



Agriculture

Steel is used to make machinery, apparatus and tools.



Automotive

The product is in high demand from automotive manufacturers.



Oil, gas and energy

Steel plays an essential role in **energy supply worldwide**, whether thermal, nuclear or renewable. All greenhouse gas mitigation technologies need steel.

Markets

During 2023, we marketed our Celsa products in **105 countries**. Sales in **Europe** accounted for **73%** of the total.

Products sold

145,907_t
OF BILLET

1,894_t
OF INGOTS

3.97_{Mt}
OF LAMINATED PRODUCT

1.21_{Mt}
OF TRANSFORMED PRODUCT

4,767_t
OF FORGED PRODUCT

TOTAL: 5.33_{Mt}
(5.46 Mt IF WE TAKE INTO ACCOUNT THE SCRAP SOLD BY THE CIRCULARITY HUBS)

Innovative focus

We innovate to develop and incorporate new solutions, allowing the company to progress towards our *Net Positive* vision. R&D is thus based on four cornerstones:



Energy and emissions

We address such aspects as the increase in **energy efficiency**, decarbonisation, the integration of **renewable energies** and generation, and the use of **alternative fuels**, such as **hydrogen** and **biochar**.



Circularity

Our aim through these projects is to improve scrap management and facilitate new circular businesses in steel and other materials and by-products.



Digitalisation and robotics

These are projects using **artificial intelligence (AI)**, advanced simulation, traceability and other aspects.



People

We believe in equal opportunities, diversity and the integration of all those who wish to form part of our group.



Carmen Martínez
IT BP Sustainability
& App. Maint. Manager

CELSA

“

Historically, IT has provided the gears which keep the wheels turning at Celsa, providing cohesion and coordination for all the other departments”



Anna Domènech
Innovation Global Head

CELSA

“

In 2023 we achieved certain decarbonisation impact results, most notably including the development of hybrid burners capable of running on 100% hydrogen (*TWINGHY* project), and the initial testing of biochar injection in a laboratory EAF (*GreenHeatEAF* project).”

€19.58 M

INVESTED
IN R&D IN 2023

4.4%

INVESTMENT IN R&D
VS. PROFITS (EBIDTA)

↑ **48% vs. 2022**

03

**We believe
in a sustainable
future**



Our commitment to sustainability

We have established seven commitments on which we base our sustainable development strategy:



Commitment to climate

We apply different measures to improve energy efficiency and reduce the use of fossil fuels.



Commitment to circularity

We invest resources and efforts to increase recovery percentages and so open up new lines of business connected with recycling.



Commitment to the talent, safety and health of the team

Our main priorities and concerns regarding our team are health, safety, well-being and attracting and developing talent.



Commitment to equality and diversity

We operate in a sector where women have traditionally been under-represented. We therefore apply equality policies and action plans in order progressively to redress this reality.



Commitment to the community

We fully respect the local cultures of those countries and regions where we operate.



Commitment to the value chain

Our supplier company approvals procedure takes a positive view of those with better environmental, social and governance (ESG) performance.

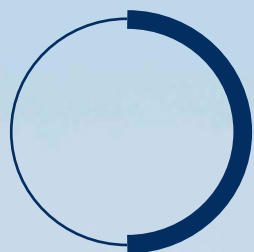


Commitment to ethics and transparency

We maintain a firm commitment to ethics and transparency.

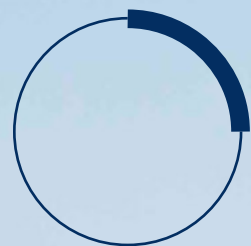
Environmental goals

FOR 2030



50%

CO₂ emissions, scopes 1 and 2 vs. 2021



25%

scope 3* CO₂ emissions vs. 2021



98%

circular

BY 2050

Neutral

in scope 1, 2 and 3* CO₂ emissions.



100%

circular

*Scope 3: goods purchased, transport and distribution upstream and downstream, oil and electricity production, waste disposal, capital goods, travel and business trips.

Social goals**

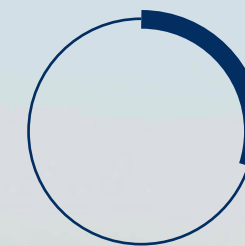
FOR 2025



2.5

the **overall frequency index (FI)** and 0.25, the **index of potentially serious or fatal injuries (IPSFI)**

BY 2030



30%

women employees

**Under review.

Aligned with the SDGs

At Celsa we prioritise 6 of the 17 UN **Sustainable Development Goals (SDGs)**.



Maria Salamero
Head of Sustainability

CELSA

“

During 2023 we consolidated the sustainability function at the different business units and created a transparency section on the public website, with ESG reports, policies and key figures”



About our stakeholders

At Celsa we maintain **open, constant and honest dialogue** with all stakeholders or audiences directly or indirectly linked to the Group. We foster **strong ties** to them and provide them with information as to those aspects demanded by client companies, shareholders, supplier companies, public authorities and others.

In 2023, we in fact approved the new **Stakeholder Dialogue and Communication Policy**, fostering communication with all stakeholders to achieve sustainable and socially beneficial operations.



Franc Cardona
*Head of Public Affairs
& Sustainability*

CELSA

“

At Celsa we value alliances and play an active part in associations at the local, national and international level, allowing us to strengthen our industry”





Materiality update

In early 2024 we updated the materiality analysis to achieve greater representativeness and reach. In this regard, we included and updated two new stakeholders with the new management: client companies in the automotive sector and the business community.

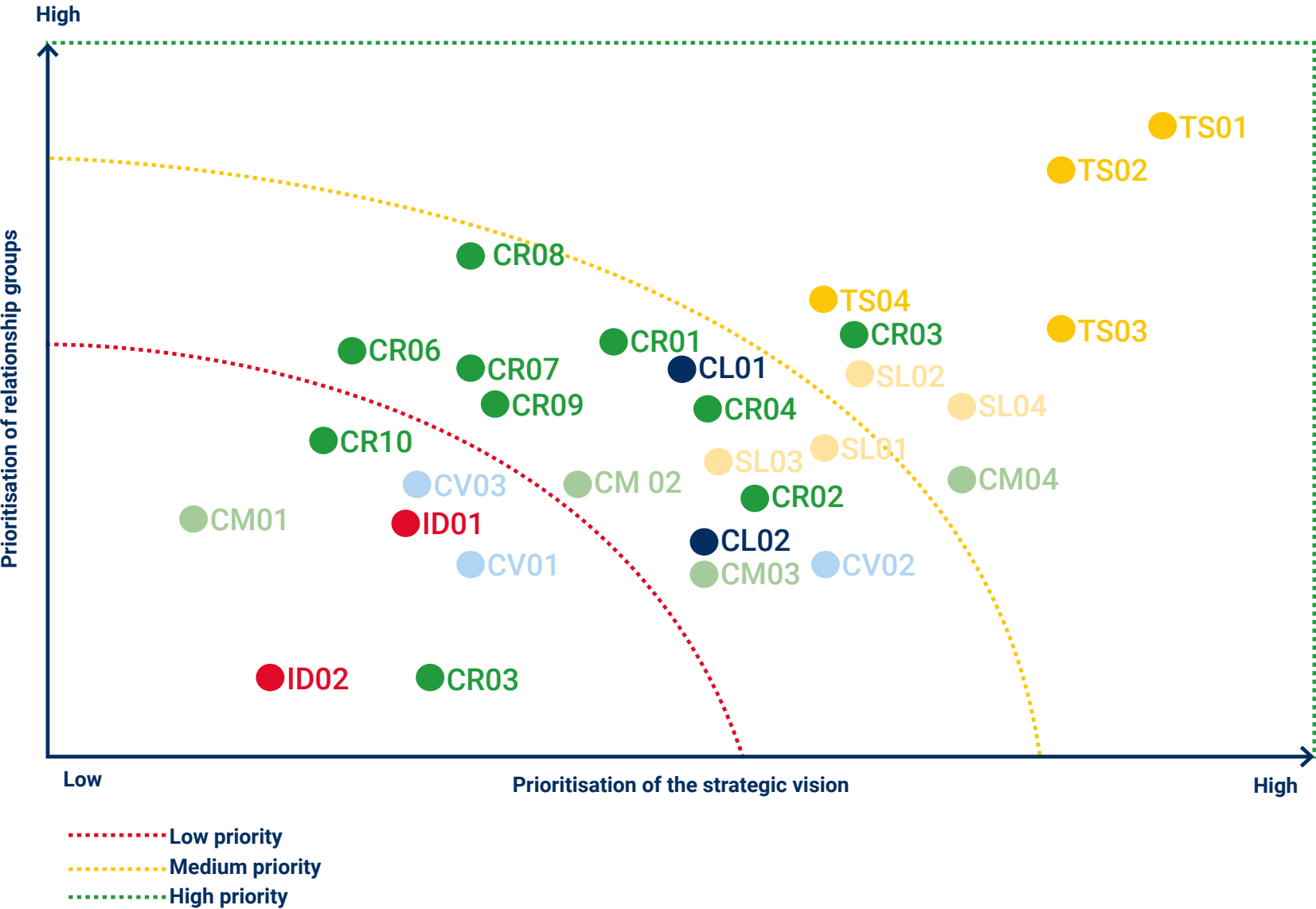
Material topic prioritisation table

| HIGH PRIORITY | | MEDIUM PRIORITY | | | | LOW PRIORITY | |
|---------------|---|-----------------|---|------|---|--------------|--|
| TS01 | Safety and industrial well-being | CL01 | Carbon emissions and clean energy | CR07 | Service offered to client companies and reliability | CR06 | Education on sustainability |
| | | | | | | | |
| TS02 | Employee health | CR04 | Responsible consumption and management of water | CR09 | Optimisation of production and sales capacity | ID01 | Attraction of female talent, internal promotion and presence on governing bodies |
| TS03 | Attracting talent | | | | | | |
| TS04 | Talent retention | SL01 | Transparent and ethical governance with sustainable DNA | CM02 | Commitment to local communities | CV01 | Value chain with strong, long-term selection criteria |
| | | | | | | | |
| CR03 | Consumption of resources and responsibility in the use of materials | CR01 | Responsible environmental management | CV02 | Support for supplier companies | CR10 | Investment in innovation and digitalisation |
| | | | | | | | |
| SL04 | Business management and leadership | CR08 | Product quality | CL02 | Sustainable transport | CR05 | Biodiversity and rewilding |
| | | | | | | | |
| SL02 | Data protection and privacy | CR02 | Circularity with client companies and other economic agents | CM02 | Social action | ID02 | Social inclusion and diversity |
| | | | | | | | |
| CM04 | Group reputation and image | SL03 | Organisational culture | CV03 | Working conditions of recycling staff | CM01 | Local economic development |

We furthermore updated our strategic vision (internal vision) in line with the new company management.

With the results obtained, we drew up the following matrix, in which one of the axes corresponds to prioritisation of the strategic vision (internal vision), while the other refers to the evaluation of stakeholders (external vision).

Materiality matrix by topic (2023)



Partnerships for a sustainable future

We play an active role in associations and platforms in order to forge closer relationships with our stakeholders and progress towards the sustainability goals we have set ourselves. As demonstrated by the €1.94 M we contributed to associations in 2023. Below we highlight the main associations to which we belong:



CERTIFICATIONS AND ALLIANCES IN THE SPHERE OF GLOBAL SUSTAINABILITY

CERTIFICATIONS

- **Carbon Disclosure Project (CDP):** this year we achieved a B grade in CDP, successfully maintaining the same rating as in 2022, and matching the average score for the sector in Europe.
- **SustSteel:** various Celsa companies hold the SustSteel mark (www.steel-sustainability.org), with their sustainability systems verified by Bureau Veritas.
- **AENOR:** currently the main companies of Spain and France hold a usage licence under the Sostenibilidad Siderúrgica steelmaking sustainability mark (www.sostenibilidadesiderurgica.com), based on UNE 36901, with AENOR verification.

- **Science Based Target Initiative (SBTi):** in 2023 we presented our proposed decarbonisation objectives, using their sectoral guide for the steel sector and for the 2030 time frame, and successfully passed the validation process to confirm our level of ambition in terms of decarbonisation.

ALLIANCES

- **UN Global Compact**
- **Instituto de Liderazgo Sostenible**
- **World Steel Sustainability Charter 2023**
- **European Raw Materials Alliance**



ALLIANCES IN THE GLOBAL SECTORAL SPHERE

- World Steel Association
- Global Steel Climate Council
- EUROFER

In 2023 we assigned a total of €1.94 M
by way of contributions to associations



Josep Vilaseca

CEO of Celsa Spain
& France

CELSA

SPAIN

CELSA

FRANCE

“

In 2023 we launched a plan to
reduce scope 1 emissions"



Carles Rovira

CEO of Celsa Steel UK

CELSA

STEEL UK

“

We have developed a gover-
nance model integrating sustain-
ability at various departments"



Utku Öner

CEO of Celsa Nordic

CELSA

NORDIC



“

We aim to lead the market, not
only in steel production, but also by
taking responsibility throughout our
value chain"

Responsible purchasing

During 2023 we approved a new version of the **Supply Chain Policy**. One of the main aims is to advance towards the **inclusion of environmental, social and governance criteria** in procedures for the negotiation of contracts, commercial agreements and purchase orders with the value chain.

In fact, in 2023 we developed an **ESG questionnaire** intended for our supplier companies, with the following characteristics:

- ? **50 questions** (**22** social, **17** environmental, and **11** concerning governance).
-  A **scoring mechanism** to evaluate the responses and determine the degree of alignment with ESG topics that are material for Celsa.
-  A **system of red flags** for **critical aspects** which could have negative repercussions.

This questionnaire has already been added to the **supplier company portal**, and in April 2024 was launched among an initial group of supplier companies.

83%
OF OUR PURCHASING BUDGET
CORRESPONDS TO LOCAL
SUPPLIER COMPANIES

€3,967^M
TOTAL INVESTMENT
IN PURCHASES FROM LOCAL
SUPPLIER COMPANIES

19,150
LOCAL SUPPLIERS



Carlos Javier Castán
Head of External Logistics

CELSA

“

Our Logistics Department has embarked on a project to evaluate our supplier companies in accordance with sustainability criteria, covering environmental, social and governance aspects”



Commitment to the community

We undertake initiatives to increase our positive impact on society and our surroundings through social action. In this regard, we make donations aligned with business activities and sponsor local community initiatives.

During 2023, most **donations** allocated to **non-profit organisations** focused on the following spheres: **healthcare treatment and research, education and training, employment and employability.**



€2.47 ^M

INVESTMENT IN COMMUNITY PROJECTS
AND PROGRAMMES IN 2023

↑ 9.78% vs. 2022



€1,936,308

CONTRIBUTIONS TO ASSOCIATIONS

€273,039

LOCAL SPONSORSHIPS

€239,610

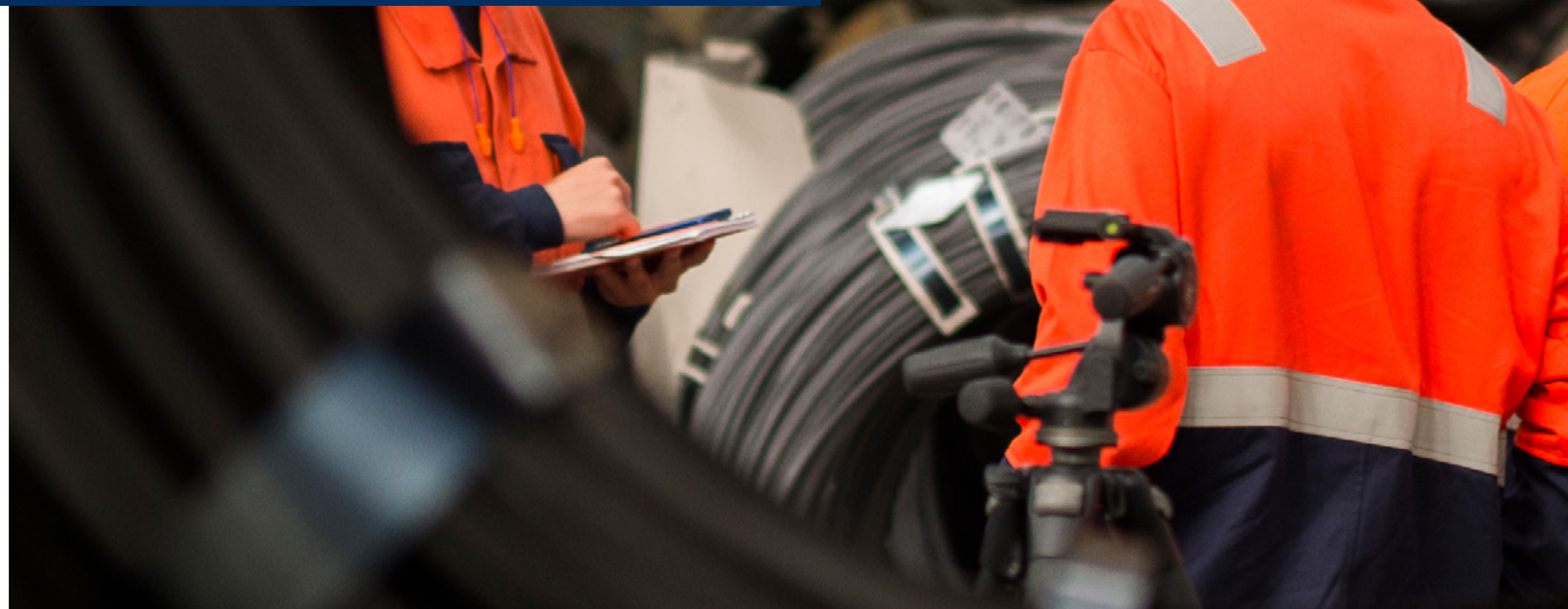
DONATIONS TO NON-PROFIT
ORGANISATIONS (ACT 49/2002)

€23,586

DONATIONS TO FOREIGN ORGANISATIONS

04

Our talent





Discover our team

Our professionals are an essential element in our success. That is why we ensure their well-being and promote their skills and development. Given our binding commitment to our people, we champion the **creation of stable employment**.

We maintain **active listening** to our internal professional staff through a range of tools, most notably our own survey programme which sounds out their opinions to identify areas for improvement.

94%
ON PERMANENT CONTRACTS

99%
FULL-TIME

13 YEARS
AVERAGE SERVICE

4.95%
VOLUNTARY MALE
ROTATION RATE

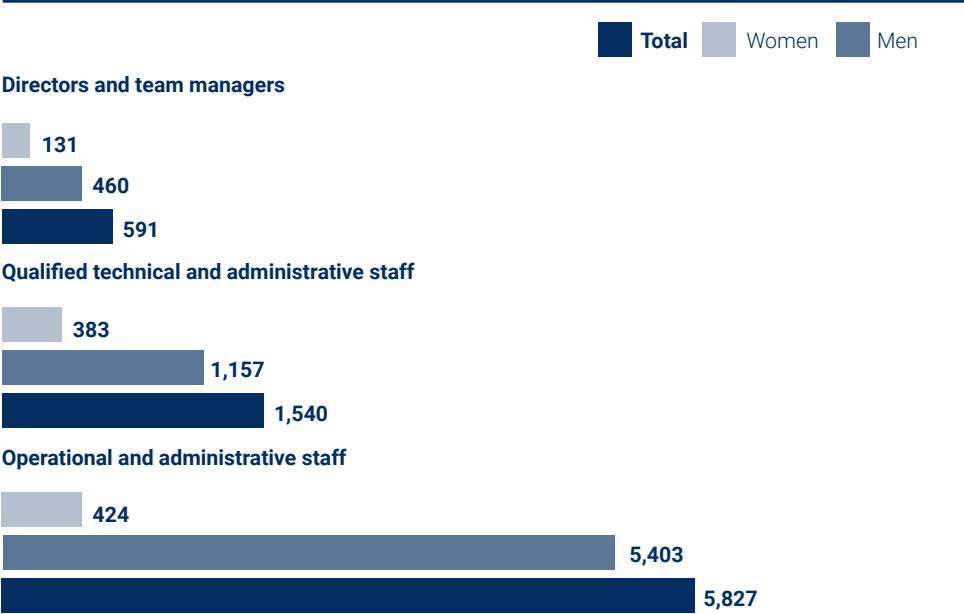
6.55%
VOLUNTARY FEMALE
ROTATION RATE

6.32%
ABSENCE RATE

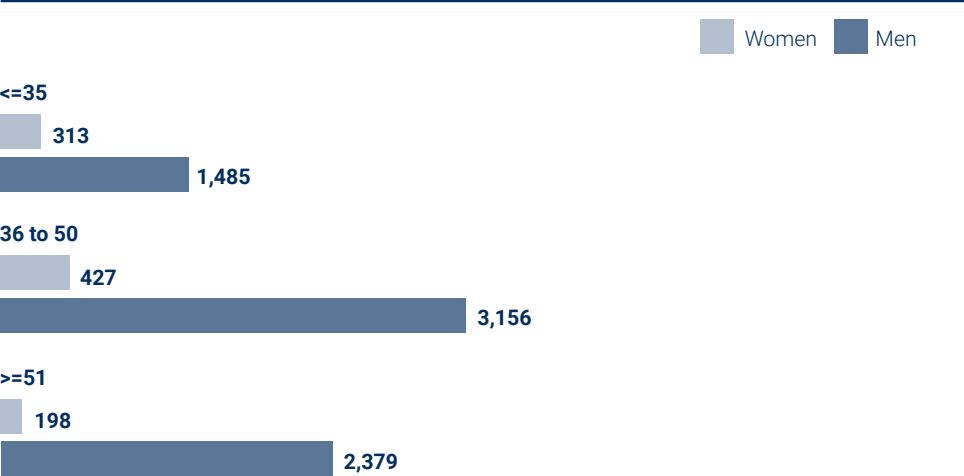
Total number of in-company professionals by gender in 2023



Total distribution of in-company professionals by gender and professional classification in 2023



Total distribution of in-company professionals by gender and age in 2023





Rosa Castrillo
Head of People and Organisation Development (POD)

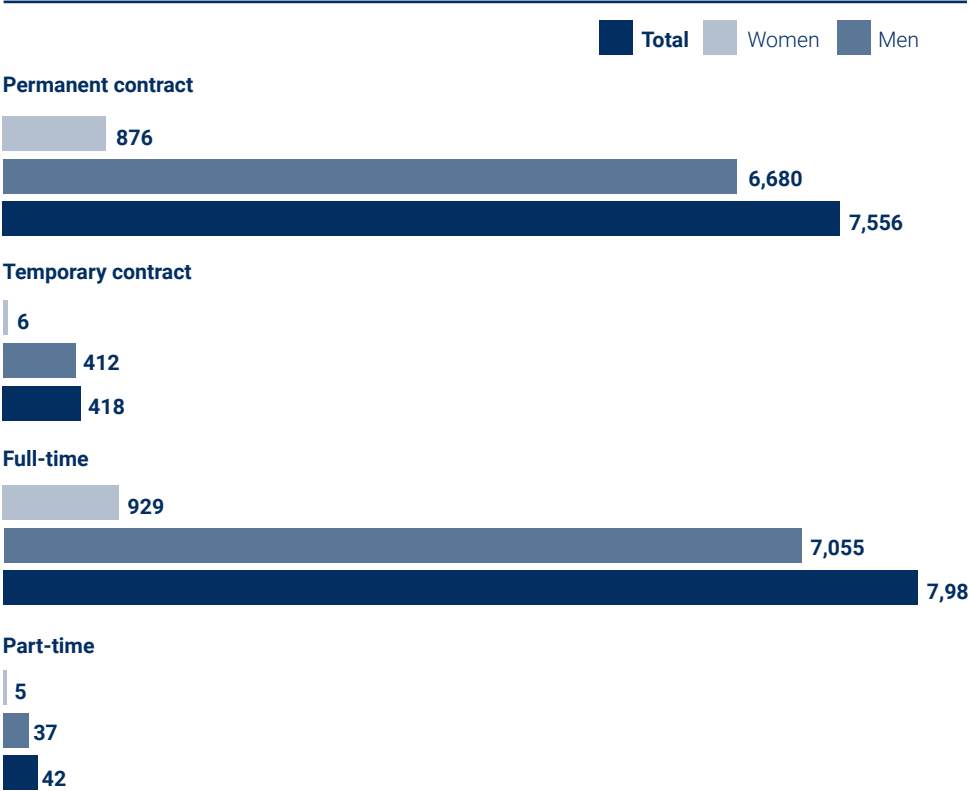


“

The commitment of our professionals is a vital ingredient for people to feel comfortable, valued, and to increase their sense of belonging to the organisation”



Average distribution of professional contracts by gender in 2023



James Ellis
Head of People and Organisation Development (POD)



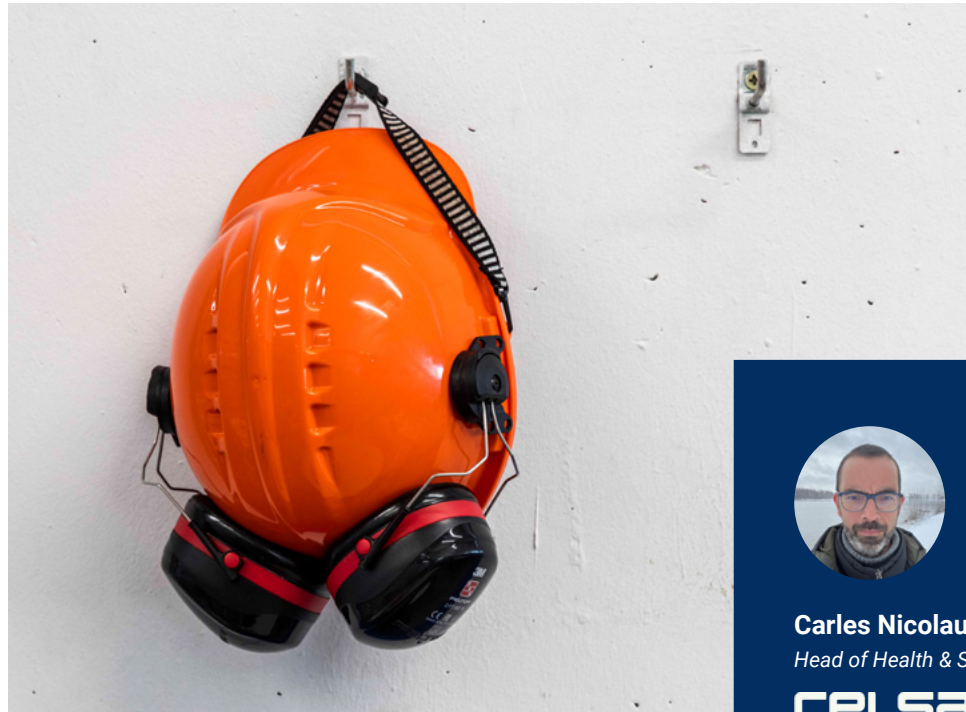
“

It is leadership that drives commitment and commitment that drives results. The main challenge has been to encourage managers to 'let go', increasing their trust in the capacity of their team”

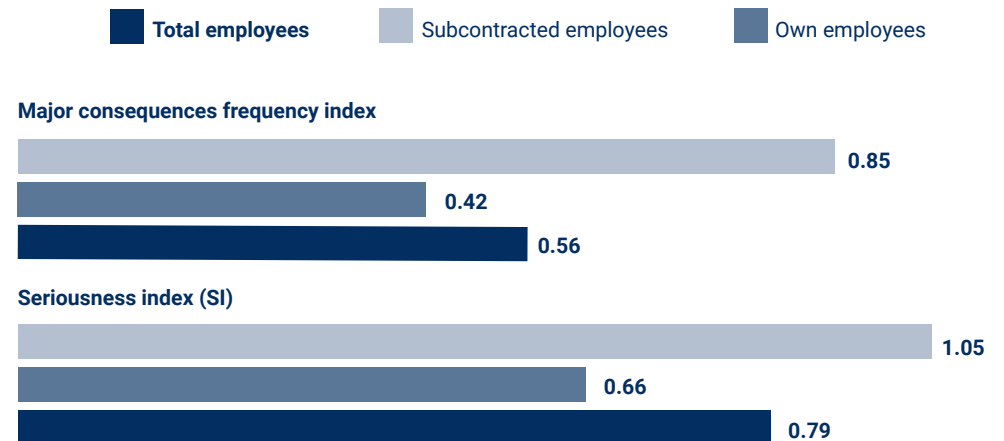
A safe and healthy environment

At Celsa we look out for the health and safety of our professionals. We have in this regard put in place the **Health, Safety and Well-being Policy approved in 2023**. We also hold **ISO 45001 health and safety at work certification** at our main industrial sites, and many of the sites forming part of the value chain.

Meanwhile, in 2022 we defined our **Corporate Well-being Model**, prepared and deployed during 2023. The most notable actions undertaken include **awareness-raising workshops** addressing themes connected with the three pillars of this model: **physical, mental and social well-being**.



Accident rates and indices in 2023



Frequency index of major consequences (FI major consequences, excluding death) =
 Number of accidents with major consequences, excluding death / Total hours worked) x 1,000,000
 Frequency index (FI) = (Number of accidents with absence / Total hours worked) x 1,000,000
 Seriousness index (SI) = (Days lost / Total hours worked) x 1,000



Carles Nicolau
 Head of Health & Safety

CELSA

“

We help to improve the working environment of everyone who works at Celsa”

Training and professional development

In 2023 we approved the new **Talent Management Policy**. It is based on four cornerstones: **Attract, Hire, Develop and Engage**. They all have a further two supporting cornerstones: **Compensation and Benefits**, and **Legal and Relations**.



Beth Canals
Head of Internal
Communications & Talent

CELSA

“

The results of the *Management Engagement Survey* (Gallup) reveal that managers are committed to the company's purpose”

Training suited to new needs

During 2023 we set up **new learning and development programmes** to meet specific needs. In this regard, we implemented a **specific training programme in the sphere of sustainability** for our commercial and marketing team, and a **training programme to cover diversity, equality and inclusion (DEI)**. We likewise began work on a **cybersecurity programme** to prevent **cyberattacks and fraud** online.

During the first quarter of the year, we also launched the **Sustainability Reporting Essentials development programme**.

This programme provides the keys to carry out a **reporting process of the company's non-financial aspects** that allows us to **measure, evaluate and make our management transparent**, reinforcing our strategic commitment to **sustainability**.

With regard to our main priority, health and safety at work, we maintained and strengthened training initiatives and conducted around 30,000 Preventive Safety Observations.

Our
cornerstones:



ATTRACT



HIRE

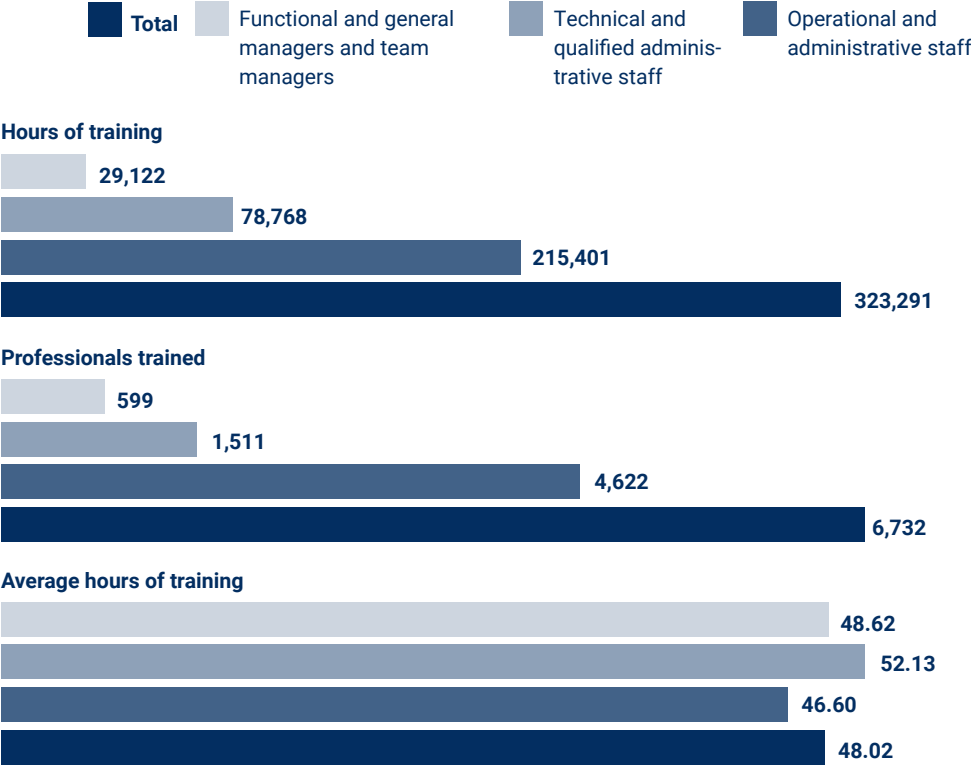


ENGAGE



DEVELOP


Hours of training, professionals trained and average hours of training by professional category in 2023



323,291
HOURS OF TRAINING
IN 2023

6,732
PROFESSIONALS
RECEIVED TRAINING





In 2023, the number of professionals with disability amounted to 83

We promote equality and diversity

We belong to a traditionally male sector. Significant efforts have nonetheless been made over recent years to redress this situation. The social impact plan in fact sets the **Women 30/30** target, which involves achieving **30% female representation by 2030*** (women currently make up **11.79%** of our professionals). To this end, we have implemented our **Diversity, Equality and Inclusion Policy**, approved in 2023.

We undertake various initiatives in this regard, such as the **#WomenofSteel** campaign, within the context of which we have organised a series of forums for debate among women from various business units and company management, with the aim of opening up channels of dialogue to increase and improve the role of women at our company.

11.79%
PROPORTION OF FEMALE
EMPLOYEES (FTE)



Susana Ocio
Human Resources (HHRR)
Manager

CELSA
GLOBAL STEELWIRE

“

At plants such as Celsa France, we have increased the hiring of female staff over the last two years”

*Under revision

Work-life balance

At Celsa we promote the work-life balance of all our professionals. We in fact have in place a **Work-Life Balance and Digital Disconnection Policy** and a **Remote Working Standard and Policy** for certain functions.

Meanwhile, work will continue in 2024 to draw up a **digital disconnection protocol**.



Number of professionals taking advantage
of work-life balance measures in 2023

531

REMOTE
WORKING

122

REDUCED
WORKING HOURS

953

FLEXIBLE WORKING
HOURS

298

MATERNAL/PARENTAL
LEAVE



Respect for human rights

We promote and demand respect for Human Rights, as set out in our **Human Rights Policy and Code of Ethics and Professional Conduct**, both of which were updated in 2023. The key principles in this policy include respect for the freedom and dignity of people, non-discrimination, a rejection of forced or child labour, the guarantee of decent pay and the right to collective bargaining.



Pedro Oteo
Legal Advisor

CELSA

“

The Celsa companies have signed up to the 10 Principles of the Global Compact, as essential values derived from various UN declarations”



0

CASES OF SEXUAL HARASSMENT
IN 2023

0

CASES OF HUMAN RIGHTS BREACHES
IN 2023

05

Commitment to the planet





Sound environmental performance is vital not only for the natural world itself, but also for the long-term sustainability and reputation of companies, in a world where concern for environmental impacts is becoming increasingly widespread.

In 2023 we approved two corporate policies in the environmental sphere: the **Climate Action Policy**, and the **Environment and Resource Management Policy**.

The integration of environmental aspects within our decision-making is reflected in the numerous environmental certifications that we hold:

- **ISO 14001** for Environmental Management Systems at all the main companies.
- **ISO 50001** for Energy Management Systems at some of our main companies.
- **UNE ISO 36901** for Steel Sustainability Management Systems at some of our main companies.
- **EMAS** (European Eco-Management and Audit Scheme) at some of our main companies.
- **BES 6001** (BRE Environment and Sustainability Standard) at some of our main companies.

Leaders in circularity and recycling

We are firmly committed to the recovery and reuse of waste generated during the steelmaking process. These materials have great capacity to be used as secondary raw materials for processes such as roadbuilding or for reuse within the steel production process itself.

During 2023 we approved an **Environment and Resource Management Policy** which includes various goals regarding circularity and recycling, such as using **ferrous scrap** as a raw material, **recovering** and using waste generated during the steelmaking process, and improving the **management of the waste** generated.

Our steel is 100% recyclable, 97% of the material used in the composition of our products is of recycled origin.

We also have a **Circularity Department**, whose main goal is to maximise the value of co-products generated in the production process. We have furthermore set a series of goals in terms of circularity, which involve achieving **98% recovery** of the **waste** generated in **2030**, and **100%** by **2050**.

Our circularity, in figures

Steel recycling processes

86.8%

CONTENT

of recycled material used in the steel manufacturing process

97.4%

RECYCLED MATERIAL

in the composition of the **steel produced**

100%

OF STEEL

in our products is **recyclable**

Recovery processes for generated waste

28.3%

OF WASTE RECOVERED

at the scrap division

94.1%

OF WASTE RECOVERED

at the steel division

86.8%

OF WASTE RECOVERED

in total



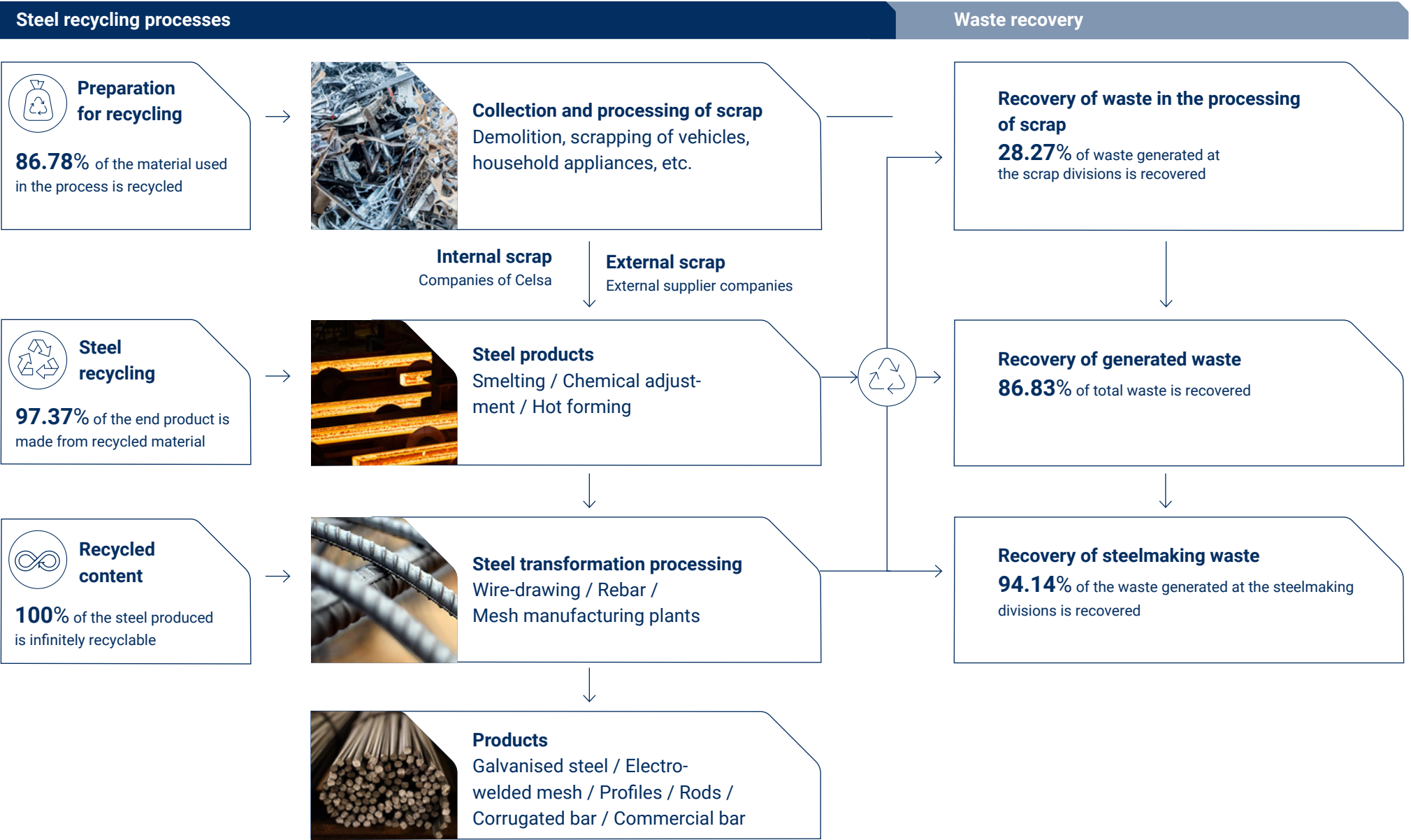
Esther Ventura
Head of Sustainability

“

At Ferimet we aim for maximum recyclability of the waste arriving at our facilities”

CELSA | FERIMET

Our circularity model



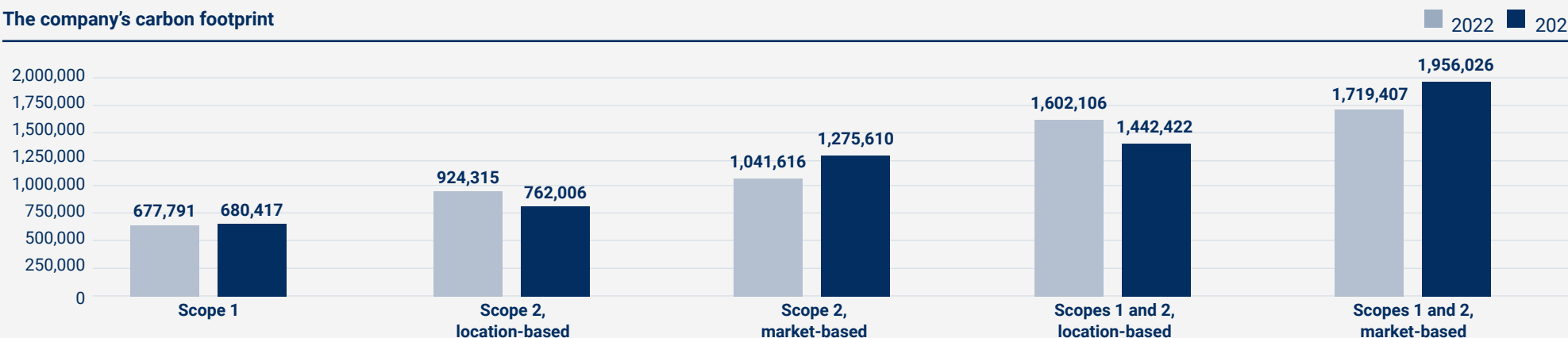
Our *Net Zero* strategy

Celsa has approved its Climate Action Policy, the main aims of which are to improve energy efficiency, promote renewable energies and reduce the use of fossil fuels.

We are in fact working on a **strategy to replace fossil fuels**, mainly **coal**, with other alternative sources such as **green hydrogen, biomethane**, and other **renewable energies**. We also make efforts to increase process efficiency and minimise consumption of natural gas and electricity.

We lastly calculated the approximate carbon footprint for all our activities, including the integration of all Group production processes (circularity hubs, steelworks, rolling, forging and finishing processes) in scopes 1 and 2, based on location and market. It should be stated that in 2023 our overall scope 1 emissions remained stable (+0.39%).

The company's carbon footprint





Carlos Javier Abajo
Head of Environment

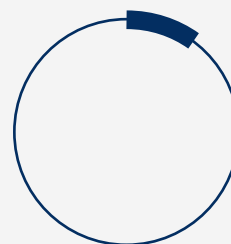
CELSA

“

During 2023 we aligned our decarbonisation targets with the science-based targets, submitting the corresponding information to the SBTi initiative to obtain recognition over the course of 2024”.

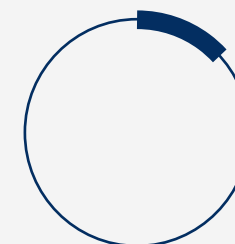
During 2023, at the main Celsa plants we managed to reduce scope 1 ETS emissions by 3.4% in absolute and 5.88% in specific terms

OVERALL SCOPE 1 AND 2 EMISSIONS (2023)



9.97%

Location-based



13.76%

Market-based

Initiatives to combat other emissions

The companies that make up Celsa have procedures in place for the control and monitoring of atmospheric emissions as a result of production plant activities. Within this context, the Group companies identify and catalogue the **sources of emissions**, conducting **registration, notification and the controls** required for continuous evaluation, with equipment being maintained in accordance with the regulations in force.

We also adopt measures to prevent noise pollution, ensuring that there are no noise emissions beyond the permitted levels outside our plants.



Alex Lafuente
*Sustainability &
Environment Engineer*

CELsa

“

Guaranteeing air and water quality is a fundamental priority at Celsa. To achieve this, we have implemented treatment systems to minimise environmental impact”





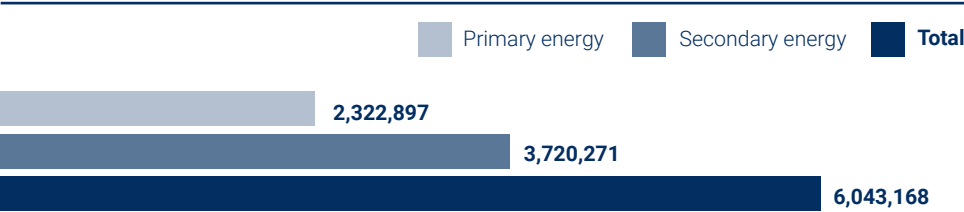
In support of resource efficiency

Our Environment and Resource Management Policy sets a series of goals and principles linked to efficient energy consumption and water savings, such as promoting renewable energies and the acquisition of energy-efficient products and services.

All our furnaces are EAF (Electric Arc Furnaces), the most sustainable and efficient technology in the sector, with energy consumption 75% lower than blast furnaces. This allows us to avoid the consumption of more than 13,800 GWh of electricity per year, a similar figure to the electricity consumed by Berlin in one year.

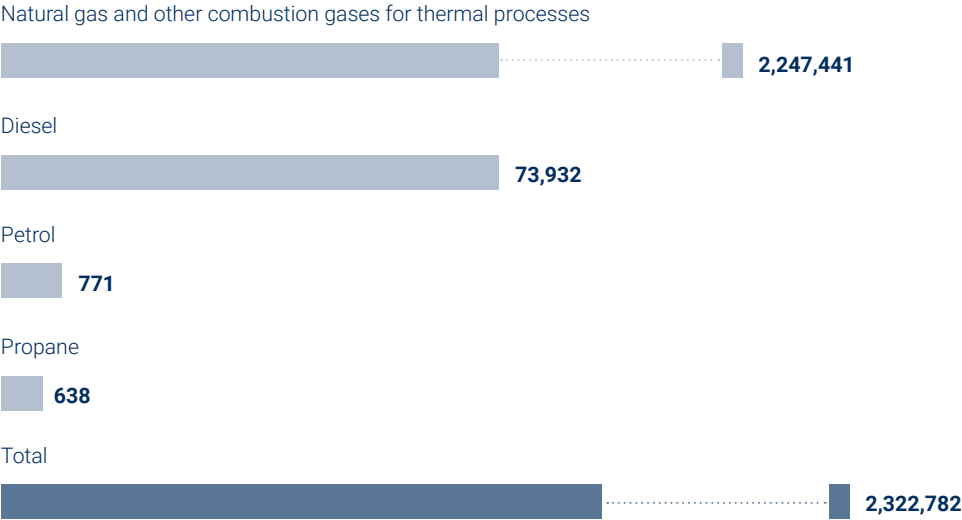
During 2023 we achieved a 2.29% drop in our consumption of natural gas and other fuels used to provide heat for our processes. This is thanks to such aspects as the reform of the electric smelting furnace at Nervacero and the gradual incorporation of partial oxy-combustion processes in the billet reheating furnaces. Overall, consumption of fossil fuels was cut by 1.92% in 2023, with primary energy consumption down by 1.91%.

Total energy consumption in 2023 (MWh)

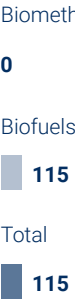


Breakdown of primary energy consumption in 2023 (MWh)

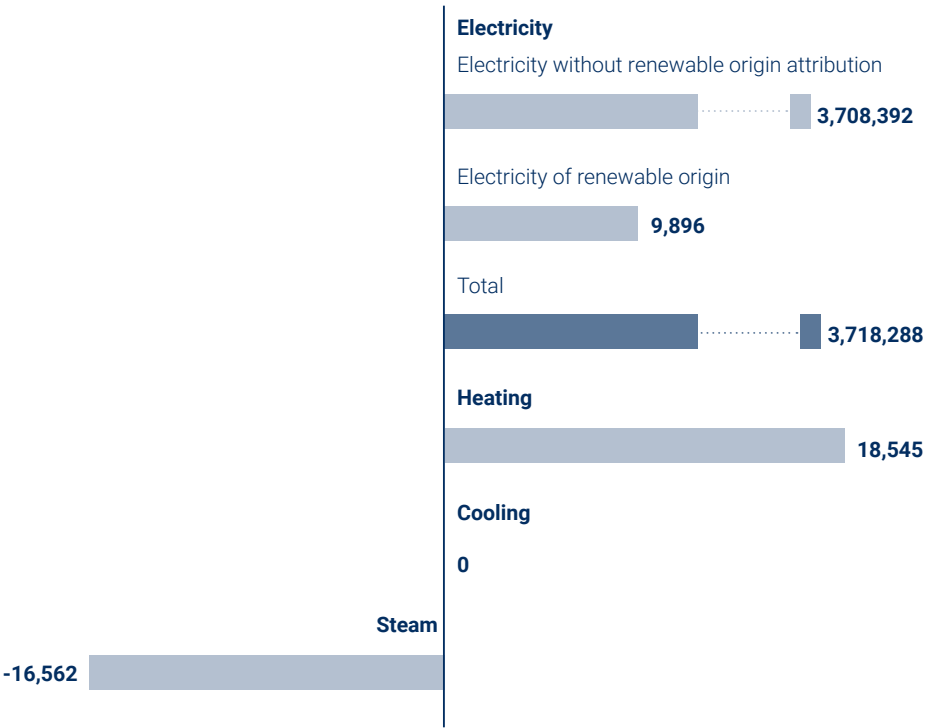
Fossil fuels



Renewable fuels



Breakdown of secondary energy consumption in 2023 (MWh)



Alex Ballabriga
Head of Energy
CELSA

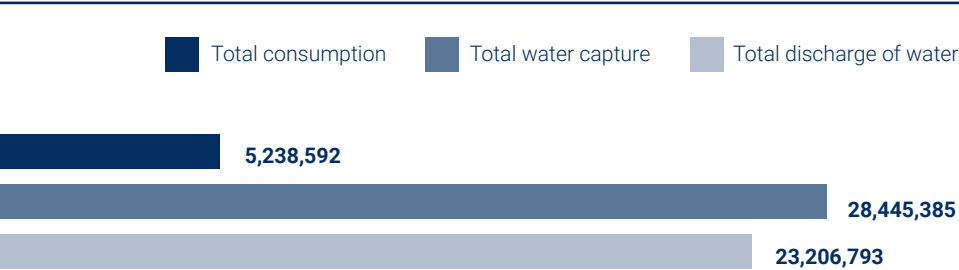
“

By taking part in voluntary carbon offset projects, and also ensuring the proper purchasing of energy of renewable origin, we have managed significantly to reduce CO₂ emissions”

Responsible water management

Five of the seven main Celsa plants are located in **water-stressed areas**. These are areas above the low (0-1) range on the scale established by the *Water Risk Atlas*. We have therefore adopted a series of measures in this regard, such as a reduction in the use of water from natural watercourses, increased efficiency in the water consumption process, and reduced discharges or improved discharge quality.

Total water consumption, discharge and capture in 2023 (m³)



Celsa Nordic has the water circuits open



Javier Barrero
Sustainability & Environmental Manager

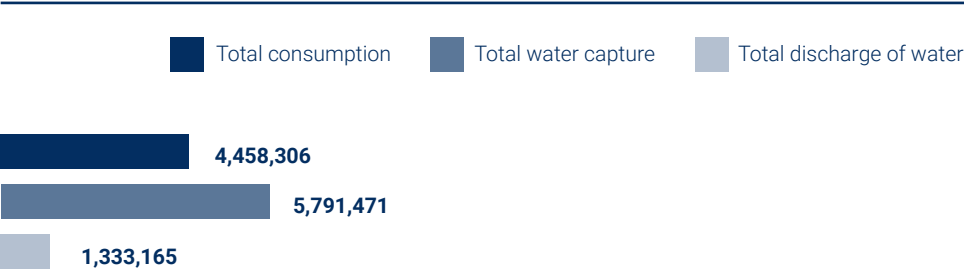


“

Within a context of drought in Catalonia, at Celsa Barcelona we devised a Water Savings Plan which received a favourable technical report from the ACA (Catalan Water Agency), allowing us to continue production as normal”

At Celsa we reduced our water intake by 11% in 2023; water discharges by 14%, along with a 60% increase in rainwater capture.

Water consumption, discharge and capture in water-stressed areas in 2023 (m³)



Katarzyna Pawlik-Kutera
Environmental Manager



“

In 2023, Celsa Poland conducted a series of initiatives to optimise water consumption, allowing us to reduce the quantity of waste water discharged into the river behind the waste water treatment plant”

Protection of biodiversity

Over recent years there has been a significant increase in social concern as to biodiversity, given the rise in the number of species at risk of extinction (more than **44,000** according to the Red List of Threatened Species of the International Union for Conservation of Nature).

However, none of our facilities is located in a natural area subject to special protection, and there is therefore no significant risk of a direct impact on protected habitats.

In this regard, we worked on three biodiversity-related projects during 2023:



SEASLAG

Innovation project based on the development of new materials for marine regeneration structures using by-products from the steelmaking industry.



NACTIVA

Nactiva assigns all its income and future profits to identifying, selecting, designing, accelerating, sourcing finance (public, private and philanthropic) and supporting the establishment of enterprise projects that regenerate the natural capital of the region in four thematic areas: **Water, Coastline, Woods and Land**.



Biodiversity project at Celsa Steel UK

Within the context of the Celsa UK biodiversity project, more than **150 m² of wildflower seeds were scattered**, **54 species of pollinator flowers** were planted, and bird nesting boxes distributed.



Paula Ferrer

*Sustainability &
Environmental Corporate
Strategy Technician*

CELSA

“

Over the coming years, not only will major companies like ourselves need to incorporate biodiversity plans to fulfil CSRD regulations, but they will also represent an opportunity to mitigate negative impacts, manage risks and foster innovation”



Hannah Powell

Environmental Manager

CELSA
STEEL UK

“

At Celsa Steel UK we successfully undertook a biodiversity project at our manufacturing plants in Cardiff, in collaboration with the University of Cardiff”



Gabriella Nizam
*Head of Sustainability
& Strategy*

CELSA
STEEL UK

“

In 2023 we fulfilled the Mandatory Climate Disclosure, and used the scenario analysis to understand and mitigate risks”



Natacha Melquiot
*Head of Sustainability &
External Communications*

CELSA
FRANCE

“

If we want to speed up the transition towards net zero emissions, we need to focus on decarbonising our activities”



Sylwia Mucha
*Head of Sustainability
& Strategy*

CELSA
HUTA OSTROWIEC

“

We make investments that will help our business unit speed up the transition towards *Net Zero* to fulfil climate goals”



Susanne Naevermo-Sand
*Head of Sustainability
& Strategy*

CELSA
NORDIC

“

The greatest achievement is the way in which each of our professionals embraces the sustainability efforts they need to put into practice”

CELSA

An abstract graphic featuring a large, flowing blue wave that curves from the top left towards the bottom right. The wave is composed of many fine, parallel lines, giving it a textured, liquid appearance. The background is a solid dark blue. A thin white line frames the entire image, with a small notch in the top right corner.

CELSA