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Fortalecemos el mañana.

CELSA Circular Economy Policy

Approved by the Board of Directors of CELSA STEEL on 26/01/2026.

Table of Contents

1. Purpose and scope
2. Definitions
3. General guiding principles
4. Roles and responsibilities
5. Approval, communication and update process
6. References

1. Purpose and scope

Purpose: To establish a clear and effective framework to promote the circular economy in CELSA, in line with its purpose of "giving infinite lives to finite resources". This policy aims to promote the efficient use of available resources – including energy, recycled raw materials and water – through a model based on scrap recycling to produce low-emission steel. CELSA also promotes the recovery of the by-products generated during the production process, thanks to the collaboration with its network of supplier companies, customers and other agents. The policy seeks to move towards a more resilient and circular business model, reducing environmental impact and promoting a more efficient and innovative industry, in line with applicable regulations and strategic objectives.

Scope: Applies to all CELSA companies and professionals, covering all its activities, locations and operations. In investee companies, the Chief Circularity Officer will promote principles consistent with this policy and will guarantee its adequate control. Likewise, CELSA will promote the application of the principles of this policy throughout its value chain, encouraging its adoption among stakeholders, when relevant, either through dialogue, collaboration or the gradual integration of circularity criteria in purchasing processes and commercial relations. In addition, each professional is responsible for knowing, respecting and applying this policy in the development of their daily functions, actively contributing to circularity and compliance with the commitments assumed by CELSA.

2. Definitions

Ferrous scrap: Metallic material of ferrous origin (mainly steel and iron) that has reached the end of its useful life or has been discarded, and that can be recycled and reused as a secondary raw material in production processes, such as CELSA's electric arc furnaces.

Circular economy: Economic model that seeks to maintain the value of products, materials and resources for as long as possible, improving their efficiency in the production and consumption phases. Its objective is to reduce environmental impact, minimize waste generation and limit the release of hazardous substances throughout the life cycle, applying principles such as the waste hierarchy.

Sustainability Roadmap: Inventory of initiatives that define objectives, actions and those responsible for moving towards sustainability, integrating ESG (Environmental, Social and Governance) criteria in decision-making in accordance with the provisions of the Sustainability Policy. It allows the organization to anticipate challenges, align the organization for a medium-long term transformation, comply with regulations, and respond to the expectations of stakeholders. It incorporates a periodic tracking and reporting system to monitor progress and adjust actions as needed.

Waste hierarchy: Principle that orders waste management options from highest to lowest environmental priority: prevention, preparation for reuse, recycling, recovery (including energy recovery) and, finally, disposal. This hierarchy guides decisions towards the most sustainable alternatives.

Recovered raw material for recycling: Material that has been recovered after its initial use and that can be reincorporated into production processes as a substitute for virgin raw materials, contributing to the reduction of environmental impact.

Resource: Any element, material or input used in production and operational processes. This mainly includes raw materials, water and energy.

Waste: Any substance or object that its owner discards or has the intention or obligation to dispose of in accordance with current regulations, and that has no intended use, requiring to be managed, reused, recycled, recovered or disposed of.

Recovery: Process by which a waste is used to fulfil a useful function, either as a material (material recovery) or as an energy source (energy recovery), avoiding its disposal. This process helps to reduce the use of virgin resources and the volume of waste sent to landfills.

- **Co-product:** Material generated during the manufacturing process (in this case steel) that, although it is not the main product, has industrial value and can be used as an alternative raw material in other processes. For example, the iron and steel aggregate.
- **By-product:** Material that is generated incidentally during main production, and that has less economic value or limited utility. For example, Electric Arc Furnace (EAF) dust.

3. General guiding principles

Sustainability is recognized as a hub for long-term value creation. For this reason, CELSA, in addition to regulatory compliance, guides its activity in accordance with the following general guiding principles, which guide decision-making, operational management and interaction with stakeholders:

1. Integration of ESG criteria and stakeholder expectations in decision-making
2. Management of material impacts, risks and opportunities
3. Regulatory compliance and voluntary commitment
4. Flexibility and continuous evolution
5. Measurement and traceability

6. Innovation and technological development
7. Training, awareness and corporate culture
8. Transparency and responsible communication
9. Promoting sustainability in the value chain

In addition, CELSA bases its circularity management on a series of specific principles, aimed at ensuring responsible action aligned with regulatory frameworks, as well as with the organization's measurable objectives.

1. Waste prevention and circular design

Promote the design of products and processes that minimize waste generation at source, encouraging the use of energy, raw materials recovered for recycling and water throughout the production process and the life of the product, and promote value creation through more circular solutions and products that improve efficiency, competitiveness and sustainability.

2. Recycling and promotion of circular flows

To promote secondary steel production through the recycling of ferrous scrap, maintaining high standards of quality and durability. Collaborate with customers to improve the collection and return of recyclable products, contributing to the closure of the materials cycle.

3. Recovery of materials

Promote the recovery of waste and the efficient use of co-products and by-products generated in the industrial process. Guarantee that their treatment, recycling or recovery is carried out with criteria of safety, efficiency and environmental protection, minimizing the use and presence of substances of concern.

4. Waste management

Properly manage waste that cannot be reused, recycled or recovered, following principles of environmental protection and resource efficiency. Promoting that waste is no longer considered as such when possible, through its recovery or reuse, in line with the principles of the circular economy.

5. Preparing for reuse

Encourage practices that extend the shelf life of products. Promote agreements with customers and actors in the value chain to facilitate recovery, reuse and reconditioning at the end of their useful life, minimizing the presence of substances of concern.

This approach is developed based on the methodological framework of the CSRD (Corporate Sustainability Reporting Directive) and the Ecodesign for Sustainable Products Regulation (ESPR) adapted to the particularities of CELSA and its sectoral and

geographical context. The principles defined herein are integrated into CELSA's internal regulatory system and form part of the company's Code of Ethical Conduct.

In addition, in the preparation of this Policy, the perspectives of CELSA's main stakeholders, both internal and external, who may be affected by the impacts, risks and opportunities associated with climate change, have been considered.

4. Roles and responsibilities

The governance bases of this Policy are based on the principles established in CELSA's Sustainability Policy. This approach ensures effective, structured and transparent circularity management, in line with CELSA's sustainability objectives. Key responsibilities are as follows:

Board of Directors:

- To approve the Circular Economy Policy, as part of its non-delegable function of defining CELSA's general policies and strategies.
- The Appointments, Remuneration and Sustainability Committee (CNRS for its acronym in Spanish), as an internal, permanent and specialized body of the Board of Directors, with advisory and supervisory functions in matters of sustainability, is responsible for supervising the implementation of this policy and forwarding to the Board any observations or proposals for updates that it deems necessary, for approval.
- The Audit and Control Committee (CAC), a collegiate and internal body of the Board of Directors, supervises the proper functioning of CELSA's risk management system, including risks in the field of circularity, as well as the internal control systems related to non-financial information. This Committee evaluates the effectiveness of the control mechanisms, reviews the results of audits – internal or external – and periodically reports to the Board the most relevant aspects related to risk management and the assurance of circularity and sustainability information.

Executive Committee:

- Actively promote compliance with this Policy and supervise its correct application within its areas of responsibility.

Sustainability Committee (CdS):

- As a delegated support body, it is responsible for leading the governance of sustainability, as well as promoting the integration and alignment of sustainability criteria in the management of the business and its operations. It also coordinates the implementation of this Policy in all areas of CELSA, promotes the homogeneous application of environmental criteria and carries out operational monitoring to ensure compliance.

Other Corporate functions:

- The Chief Circularity Officer is responsible for promoting the general guiding principles of this policy through the different Committees responsible for the management of circularity, ensuring its proper application and control.
- The Head of Process is responsible for promoting the circularity criteria defined in this policy in CELSA's production processes.

Heads of each Scrap Plant or Scrap Yards and those responsible for their environment:

- CELSA's operational and business areas are responsible for the direct implementation of this Policy within their scope of action.
- This includes identifying and operationally managing circularity, adhering to the principles defined in the policy in relation to efficient and resilient scrap management, promoting circular flows in resources and fostering circular products, as well as monitoring key performance indicators and implementing corrective measures in the event of deviations.

5. Approval, communication and updating

The Head of Sustainability, Environment, Public Relations and External Communications, together with the Chief Circularity Officer, will review this Policy at least once a year, or more frequently if circumstances require it, and will update it as necessary to maintain its validity, relevance and effectiveness. Any updates must be approved by the Board of Directors.

To guarantee CELSA's commitment to the circular economy, this policy will be published on CELSA's website and on internal communication channels. Likewise, the necessary means will be adopted to promote their knowledge and application. In addition, a dedicated sustainability email address sostenibilidad@gcelsa.com and an ethical channel (<https://celsa.integrityline.com/>) have been set up to deal with queries and related reports.

This policy will enter into force after its approval by the Board of Directors, without prejudice to the enforceability deadlines established by the applicable regulations on the circular economy.

6. References

Internal Regulations:

- Code of Ethical Conduct
- Sustainability Policy
- Environmental Policy
- Climate Action Policy
- Risk Management and Internal Control Policy
- Purchasing Policy

External Regulations:

- Circular economy regulation (non-exhaustive list):
 - Regulation (EU) 2024/1781 Framework for the establishment of ecodesign requirements for sustainable products
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards sustainability reporting by companies
- ISO 14001 Standard: "Environmental Management System"
- ISO 50001 Standard: "Energy Management System"
- ISO 14021 Standard: "Environmental Labels and Declarations"
- SustSteel Standard: "Sectoral Sustainability Management System for Steel"
- UNE 36901 Standard: "Steel Sustainability Management System"
- BES 6001 Standard: "Responsible Sourcing"