



CELSA IS
CIRCULAR

**SUSTAINABILITY
REPORT**

**20
22**



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01

Conversation with the Chairman



We recycle more
than 8 million
tonnes of scrap
each year

01

Conversation with the Chairman

The Chairman and CEO of CELSA Group™, Francesc Rubiralta, shares with us, in this interview the keys to circularity and how the company is leading the circular and low-emission steel market in Europe. All this, at a time when the strategic role of purpose driven companies such as the one he chairs is becoming increasingly valuable.

What are the noteworthy milestones that have marked the activity of CELSA Group in 2022?

In front of the complex year marked by the Ukraine's war, the resulting tensions in the markets and the high volatility in energy prices, CELSA Group™ has continued its progress and growth, achieving, for the second year in a row, a record turnover of €6,109 million.

All of this demonstrates the success of the company's current strategic plan, highly focused on achieving two major objectives: on the

"We strive to be a driving force for circularity and sustainability in the steel sector as in the strategic sectors of our economy"

Francesc Rubiralta,
Chairman and CEO of CELSA Group™



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one hand, to reduce Scope 1 and 2 emissions by 50% and achieve 98% circularity by 2030; and, on the other hand, to complete circularity by 100% and become a Net Positive company by 2050.

From the point of view of specific advances in sustainability, we should highlight the achievement of the “AENOR’s Sustainable N Mark” certification for all steel mills in Spain, which, for the first time, is awarded to companies in the steel sector. Additionally, another noteworthy accomplishment has been the inclusion in the WorldSteel Sustainability Charter, an initiative by the WorldSteel Association for producers active in the pursuit of sustainability objectives.

Regarding progress in health and safety, we improved our accident rate by 0.09 points in 2022 compared to 2021.

In terms of equality, we have also improved the ratio of women in the job category of team manager, moving forward in line with our equality objectives.

For CELSA Group™, 2022 has been characterised by the implementation of new infrastructures aimed at improving its productivity and competitiveness. We have launched the new rolling mill in France and expanded the structural section mill in Castellbisbal. The latter enables the company to become one of the five large beam producers in Europe and the only one in Spain.

Finally, towards the end of the year, we approved an evolution of our organisational structure by creating the role of Vice-Chairman and reinforcing the position of Chief Operating Officer, aiming to enhance and further professionalise our governance.

“In front of the challenging 2023 year, CELSA Group™ has achieved a new turnover record of €6,109 million”.

What are your company’s main circularity and sustainability indicators and how have they evolved over the past year?

Our company has continued to make progress in meeting its circularity and sustainability targets. In 2022, in our headquarters, we reduced the emissions by 178,136 tonnes of Scope 1 and 2 CO₂ equivalent, in accordance with the EU Emissions Trading System (ETS). In other words, we have reduced emissions by 10.4% compared to the previous year, enabling us to maintain a below-industry average emissions in Europe.

By the end of the year, CELSA Group™ had produced 5.5 million tonnes of steel from the recycling of more than 5.9 million tonnes of scrap and by-products, thanks to our sustainable production model. When comparing this production with the same production using blast furnace systems, we have been able to avoid the consumption of 14 million m³ of water, the consumption of more than 13,800 GWh/year, which is the equivalent of electricity of Barcelona city, and more than 11 million m³ of natural resources, which is the equivalent of the volume of more than 10 buildings as the Empire State Building. I would especially like to highlight that 97.0% of our final product is made from recycled steel, which makes our product more and more demanded by the market for its contribution to the reduction of the carbon footprint of our customer companies. In addition, 85.9% of the materials we use in the process are also recycled.

CELSA Group™ continues to play a significant role as a company aimed at recovering ferrous scrap and other materials. In 2022, our company recovered 80,260 tonnes of non-ferrous metals, 432 tonnes of plastics, and ensured the recovery of over 1.37 million tonnes of co-products. Recovered waste amounts to 95.1% for the production processes, excluding Circular HUBs (and 89.2% considering them).

For all these reasons, during the past year and in the current year 2023, we have been working on the traceability of our product, to highlight the relevance of the value chain in our steel, from the moment it is manufactured to the final product, which can be a bridge, an infrastructure, a means of transport, etc. Steel is present everywhere and in countless different forms in our lives.

This year the company has reformulated its new purpose. What is it, and what impact will it have on the company's environment?

In 2022, we have defined and presented our purpose, which is none other than "to give infinite lives to finite resources". From an influential standpoint, our purpose is to help make circular supply chains a reality.

Currently, CELSA Group™ is the largest circular supply chain in Europe, and we have the necessary elements to build circular chains within our network of suppliers, customer companies and partner or third-party companies that collaborate with our entity in the recovery of by-products, generating other valuable products, making a continuous up-cycling of materials that bring new value to our society.

As part of that purpose, our commitment to people and society as a fundamental element is also underlying. At CELSA Group™, we believe in equal opportunities, the diversity of our people, and the integration of all individuals who want to be part of the Group. We are proud to have people from different backgrounds, ethnic groups, ideologies, nationalities, religions and abilities. In addition, we promote work-life balance policies and fully respect the personal and family lives of all our staff.

"Currently, CELSA Group™ is the largest circular supply chain in Europe."

What are the main future challenges of CELSA Group™?

Our main challenge is to continue working towards achieving complete circularity and becoming a Net Positive company. We want to give back to society more than what it offers us, and we have laid the foundations to achieve this. We will remain focused on our transformation through innovation and digitisation projects that will enable us to be more efficient and sustainable, especially in terms of energy consumption, and therefore, increasingly competitive.

However, there are other aspects that we must consider, such as the need for the appropriate framework that allows us to compete on equal terms with manufacturers from outside Europe, produce with reasonable energy costs, and be able to export competitively. If Europe wants geopolitical prominence, it is necessary to have a clear strategic autonomy and, for that, industry is needed, especially essential industries like ours which are vital for key sectors of the economy.

As stated before, we also have the challenge of being a driving force for the circular economy and continue to be leaders in the implementation of our production model based on scrap and electric arc furnaces, with which we have been producing steel for more than 50 years. I am aware

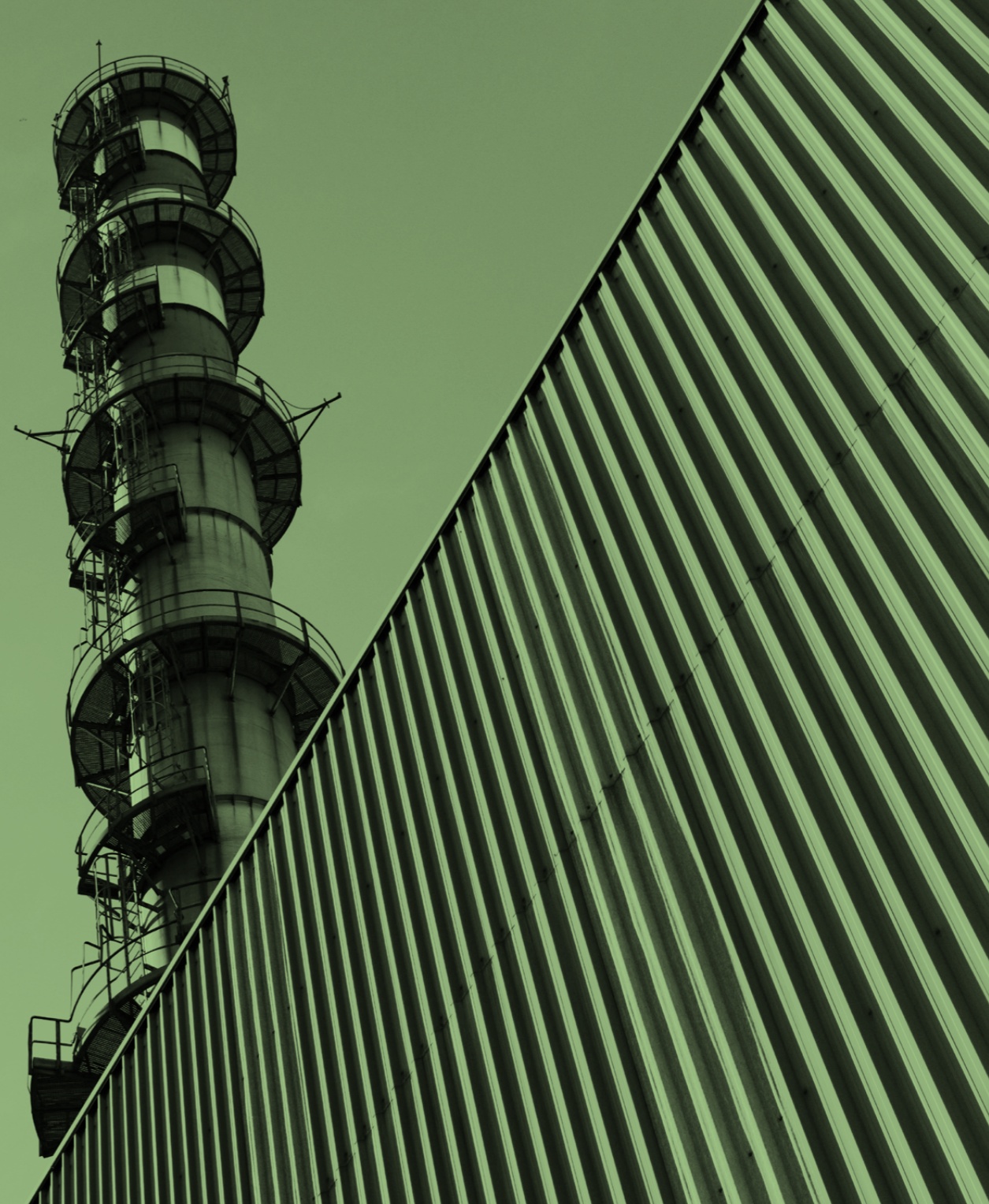
that we are paving the way for the sustainable production model that Europe needs. My appointment as chairman of Eurofer last November, the international association representing European steel companies, has highlighted this, positioning us as a driving entity for decarbonisation in the European steel sector.

"If Europe wants geopolitical prominence, it is necessary to have a clear strategic autonomy, and for that, industry is needed, especially essential industries like ours, which are vital for key sectors of the economy."

Francesc Rubiralta,
Chairman and CEO of CELSA Group™

02

**2022 milestones
and relevant
events**



May

The partner companies of Future Fast Forward, including CELSA Group™, register the project in the VEC PERTE (Strategic Projects for Economic Recovery and Transformation) to turn Spain into a hub for electric vehicles in Europe.

Year after year, we collaborate with Challenge NATIVES, an impact platform for schools that aims to integrate sustainability into the lives of children and the educational community.



June

The Minister for Business of the Generalitat, Roger Torrent, visits the expanded range of structural profile trains at CELSA Group™ in Castellbisbal. With an investment of €34 million, it becomes the only producer of large beams in Spain and one of only five manufacturers of this type of steel components in all of Europe.

CELSA Group™ achieves the AENOR's Sustainable N Mark certification for its steelworks in Spain, becoming the first company in the Spanish steel industry to receive this certificate.



June

The company participates in the launch of IND-PULS, a new collaborative innovation platform between startups and companies, promoted by a group of industrial companies to create through innovation and make the industrial sector a key asset for generating wealth and new opportunities.

A group of 55 European Council representatives visit the facilities of CELSA France, in Bayonne, and their new rolling mill.

July

The first formal Strategic Sustainability Reflection meeting is held, with the presence of more than 40 key organisation's managers from different departments, to address the main ESG challenges faced by the company in 2022.

CELSA Group™ launches the HYMET Project to promote the recovery of waste using renewable hydrogen. This initiative has a budget of €5.8 million and is supported by the Centre for the Development of Technology and Innovation (CDTI).



July

The Group's company, Ferimet, launches a green "recycling guarantee" label for ferrous recovery activities. The label serves to endorse that all its activities are based on fundamental circularity criteria (km 0, Zero waste, and traceability).



September

Nervacero participates in the Room4Steel Project, driven by the Steel Cluster Association, Siderex, and the Bilbao Faculty of Engineering, contributing to the talent pillar of ATTRACT.



October

CELSA Group™ contributes to the construction of Pelješac Bridge, the largest infrastructure project in Croatia. This facility reduces travel time by 37 minutes along the Adriatic coast.



The company has participated in COP 27. Our Chief Strategy & Sustainability Officer made two interventions on behalf of the company to discuss decarbonisation and circular economy.



November

CELSA Group™ joins the Energy Efficiency Movement promoted by ABB, which includes more than 160 companies from around the world. The company becomes the first national and European steel industry company to join the initiative.



Francesc Rubiralta is unanimously elected as Eurofer's chairman, the European Steel Association, after 12 years of active membership in the association. This is the first time that the organisation is chaired by an executive from a steel production company that follows the circular (based on scrap) and low-emission model.



The company establishes the Vice-Chairman role and improves the Chief Operating Officer position as part of an evolution of its organisational structure to enhance and professionalise its governance.



December

CELSA Group™ joins Forética, the leading business organisation in Spain for sustainability and corporate social responsibility, to further advance its commitment to sustainable development.





03

**CELSA IS
CIRCULAR**

**Passion for
circularity**

3.3 CELSA in the world

CELSA NORDIC

- 1 Steel mills
- 2 Circular HUBs
- 1 Rolling mills
- 0 Forge
- 15 Transformation and processing companies

CELSA UK

- 1 Steel mills
- 7 Circular HUBs
- 2 Rolling mills
- 0 Forge
- 55 Transformation and processing companies

CELSA POLAND

- 1 Steel mills
- 20 Circular HUBs
- 2 Rolling mills
- 1 Forge
- 2 Transformation and processing companies

CELSA FRANCE

- 1 Steel mills
- 0 Circular HUBs
- 1 Rolling mills
- 0 Forge
- 0 Transformation and processing companies

CELSA SPAIN

- 3 Steel mills
- 19 Circular HUBs
- 6 Rolling mills
- 0 Forge
- 12 Transformation and processing companies

At CELSA Group™, we have more than 120 workplaces worldwide, and we market our products and services in more than 110 countries.



CELSA GROUP IN THE WORLD

07 Steel Mills



48 Circular HUBs

12 Rolling mills

01 Forge

83 Transformation and processing companies

05 Commercial offices in
Countries: USA, France, Portugal, Germany and China

3.4 Key figures

CELSA Group™ leads with a long-term vision and a solid commitment to socioeconomic development in the countries where it operates.

2022 key figures

We are a leading family-owned company in Europe in the production of low-emission circular steel.



Commitment to talent, health and safety of the team

Our priority is the health and safety of our workforce.

Our first priority is to become a zero-accident company.

Our voluntary turnover rate is **6.2%**, which is well below the industry average.



5.92

Accident frequency rate
(directly employed workers and subcontracted employees)



94.3%

% of employees with permanent contracts
(FTE)



3.78 M€

Investment in training

Commitment to the community

We act with utmost respect for local cultures and are committed to social development.

Donations are made primarily in the immediate environment and sponsorships of local community initiatives.

We have increased our investment in community projects by **3%** compared to 2021.

We have invested **0.26%** in community projects compared to the benefits obtained for 2022.



2.25 M€

Expenditure on community projects



Commitment to our legacy

Celsa Group™ is a family-owned company committed to contributing to the industrial, economic and social development of the countries where it operates.

In 2022, investment in R&D&i has grown by **7.7%** and represents **2.9%** of profits.

In 2022, the contribution to GDP is approximately maintained, with a slight decrease of **0.1%**.

In 2022, the generated employment has increased by **6.85%**.



25.3 M€

Investment in R&D



1.8%

Contribution to GDP
(Group turnover in Spain)



37,227

Generated employment



3.5.1 Management structure

The management structure of CELSA Group™, communicated in November 2022 and applicable as of 1 January 2023, is as follows:

GENERAL MANAGEMENT COMMITTEE (GMC)



New Vice-Chairman role and COO reinforcement

With the aim of establishing the best and most professional governance structure, in 2022, CELSA Group™ has created the role of Vice-Chairman and expanded the functions of the Chief Operating Officer (COO).

The new Vice-Chairman is Francesc Mesegué, until now Director of Operations. Mesegué is a member of the Board of Directors and the General Management Committee (GMC), reporting directly to the Chairman and CEO of CELSA Group™. He takes on responsibilities in key areas such as innovation, technology and heritage.

On the other hand, the new COO is Luis Sanz, until now Chief Commercial and Marketing Officer. Sanz is a member of the GMC and the Operational Executive Committee (OEC), reporting to the Chairman and CEO of CELSA Group™. His main mission is to lead the group's operations and consolidate the company's good results, which have allowed it to achieve the objectives of its 2021-2028 business plan in the first two years of its implementation.

OPERATIONAL EXECUTIVE COMMITTEE (OEC)

The organisational structure of the COO is as follows:



In addition, during this year, a new organisational model has been implemented in the field of Sustainability, with the appointment of the Head of Sustainability in each business unit.



3.5.2

Committees and commissions

The organisational model is complemented by a series of Committees and Commissions to ensure effective governance:

The General Management Committee (GMC)

Mission: develop the Group’s corporate and executive management, set objectives with a medium to long-term vision, ensure the development of the six-year Strategic Plan, and ensure the availability of necessary resources.

Members: led by the CEO and made up of the Group Vice-Chairman, COO, CFO, CSSO, CPOO and the Head of Public Affairs.

The Operational Executive Committee (OEC)

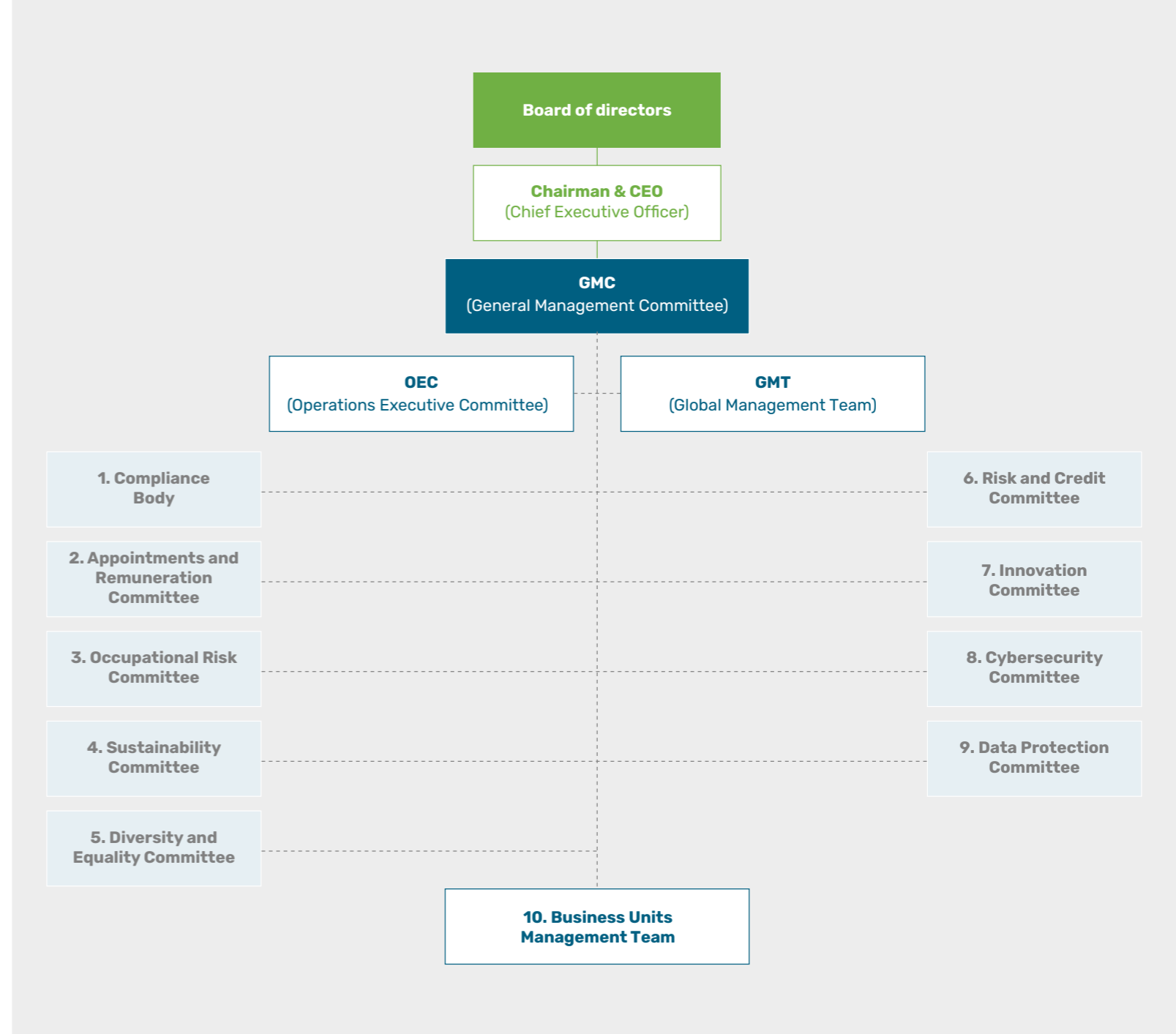
Mission: manage the Group with a more operational and short-term focus, ensuring the achievement of annual organisational objectives.

Members: led by the COO and made up of the CEOs of five business units: CELSA Spain, CELSA France, CELSA UK, CELSA Nordic and CELSA Poland; and by four functional units: Circularity, Commercial and Marketing, Supply Chain and Procurement.

The Global Management Team (GMT)

Mission: participate in long-term strategic reflections, with annual meetings.

Members: led by the Chairman & CEO, it includes members from the GMC, OEC and other group directors.



The GMC has the following commissions and committees to ensure proper governance of the organisation's key areas:

1. Compliance Body (Crime prevention)

Mission: ensure compliance with the principles of the Code of Ethics and Professional Conduct and monitor potentially unlawful conduct from a criminal perspective.

Members: led by the Chief Compliance and Ethics Officer, Head of Compliance and Head of the Legal Affairs Department.

2. Appointments and Remuneration Committee

Mission: responsible for appointments, remuneration, and compensation and benefits policies.

Members: chaired by the Chairman & CEO, and made up of the Vice-Chairman, COO, CPOO, and CEO of Celsa Poland.

3. Occupational Health and Safety Committee

Mission: oversee the improvement of safety, health and well-being culture, establish standards that exceed legal requirements, and ensure process safety with the overall objective of zero accidents throughout the Group.

Members: led by the CPOO, Head of Safety and the Heads of Safety Heads from the business units.

4. Sustainability Committee

Mission: continue developing the circular economy model, an intrinsic feature of the CELSA Group™ business model and ensure the adoption of common environmental policies.

Members: led by the CSSO and made up of the Head of Sustainability, Head of Environment, five Heads of Sustainability from the business units, Head of Sustainability of Ferimet, Head of Logistics, Head of Procurement and Head of POD of CSS Nordic.

5. Diversity and Equality Committee

Mission: oversee compliance with the equality plans of the Group companies, drawn up with the participation of employee representatives.

Members: chaired by the CPOO, accompanied by the POD Legal Advisor and Tax&Lawyer Manager.

6. Risk and Credit Committee

Mission: control and make decisions regarding the company's commercial risk.

Members: led by the COO and CFO, including the Head of Commercial & Marketing.

7. Innovation Committee

Mission: identify, organise and prioritise the Group's innovation, green transition and digital transition projects.

Members: chaired by the Vice-Chairman and led by the Head of Corporate Innovation and EU Funding and includes the innovation managers from the business units.

8. Cybersecurity Committee

Mission: ensure the proper development and implementation of cybersecurity strategies to equip the organisation with the best possible information security systems.

Members: led by the CFO, CPOO, CIO (Chief Information Officer), the CEO of Spain Group, the CEO of Celsa Poland Group, and the Head of Safety and Compliance of CELSA Group.

Resources: There is a specialized IT team, a protocol to prevent cyberattacks and another to act in the event of an attack.

9. Data Protection Committee

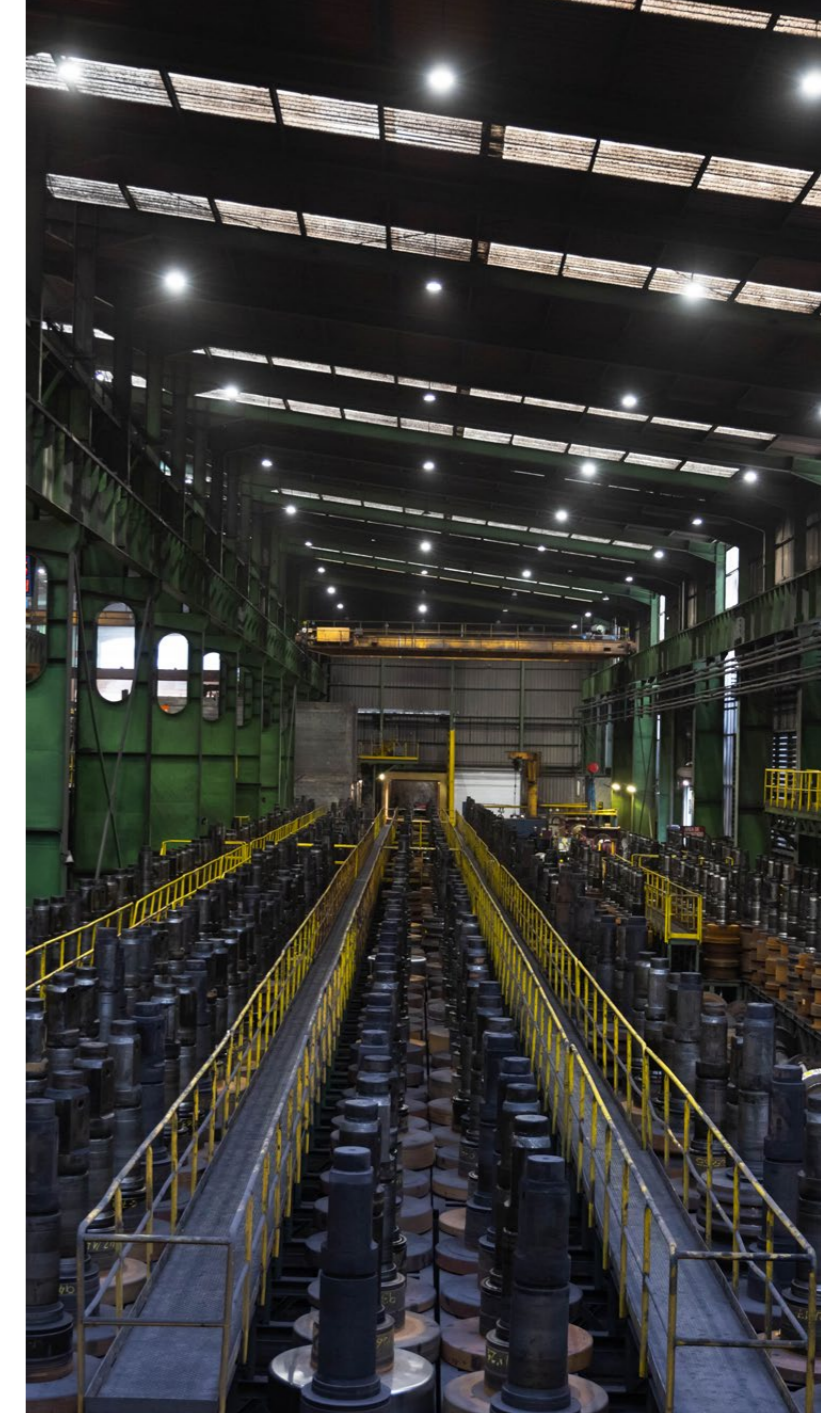
Mission: advise and inform the Group on the processing of personal data, serve as the point of reference for all business units, and collaborate with supervisory authorities.


Members: chaired by the Data Protection Officer.

10. Management committees for each of the five business units

Mission: develop the executive management of each business unit.

Members: made up, in each case, of the unit's senior management and the key executives from each company.





04

Vocation for
excellence

4.1 Responsible production and technology

Celsa Group™ is Europe's first low-emission circular steel producer. We recycle ferrous scrap to produce steel in electric arc furnaces, using the most sustainable technology.

We are Spain's largest recycling company and the second largest in Europe. Our steel is 100% recyclable countless times without losing its properties, bringing great value to society and the environment by minimising the use of natural resources.

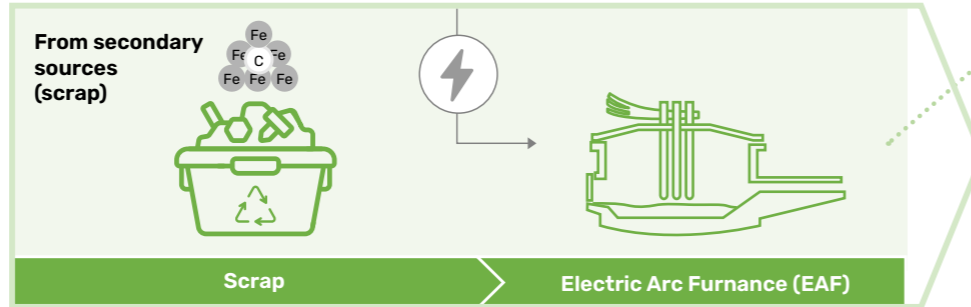
As leaders in the decarbonisation of the sector, all CELSA Group™ furnaces are electric arc furnaces (EAF), the most efficient and environmentally friendly steelmaking process, allowing us to produce steel with low CO₂ emissions. By using an electric arc furnace technology, our Scope 1 and 2 CO₂ emissions are nine times lower than those generated by blast furnaces, and our Scope 1, 2, 3 emissions are six times lower.

CELSA Group™ is Europe's first low-emission circular steel producer.



CELSA GROUP process: Electric Arc Furnace (EAF) route

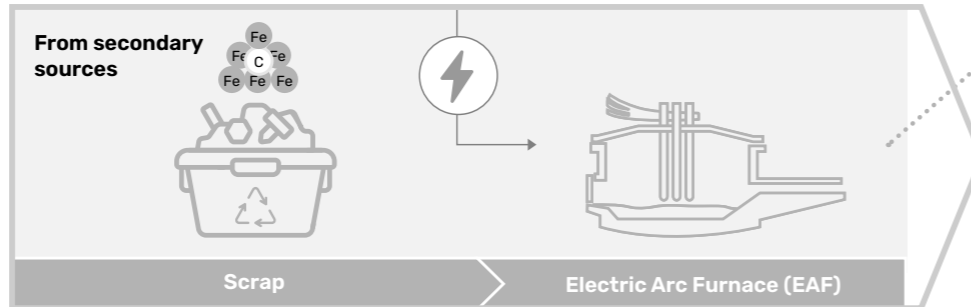
Route used by CELSA GROUP™



Source of emissions data: internal data from the Minimills of CELSA Group, reported to the WSA, for 2022. / Source of production percentage data: Fact sheet | Steel Industry co-products, WSA.

CELSA GROUP
Scope 1&2 location based
0.28 t CO₂ eq./t STEEL

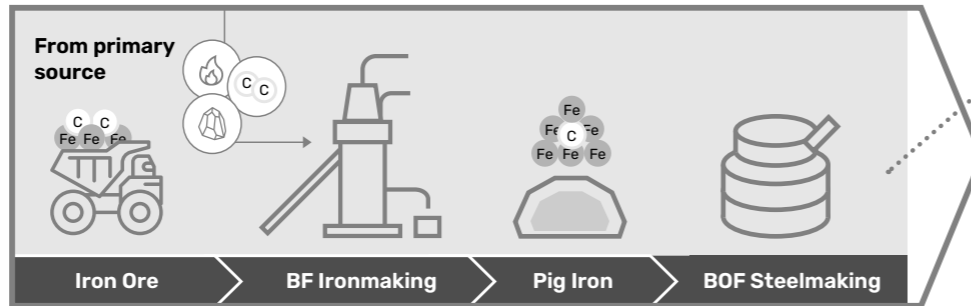
CELSA Recycled STEEL



Source of emission data: Material Economics (2018), The Circular Economy, a powerful force for climate mitigation. / Source of production percentage data: Fact sheet | Steel industry co-products, WSA.

EAF sector
Scope 1&2 location based
0.4 t CO₂ eq./t STEEL

Recycled STEEL

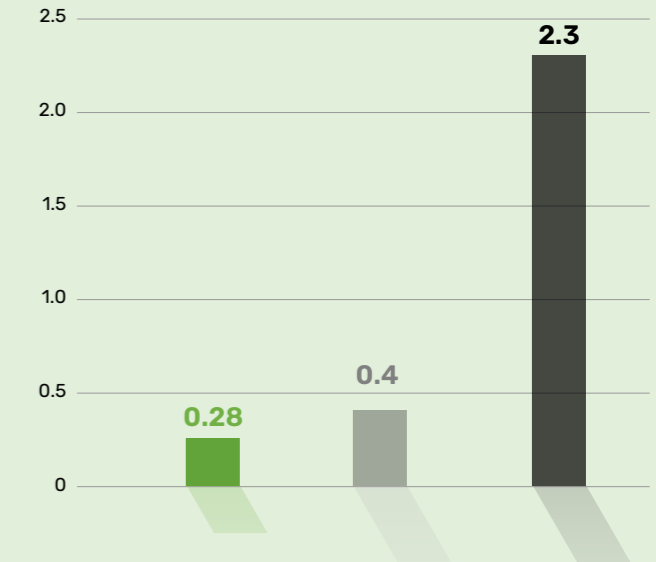


Source of emission data: Material Economics (2018), The Circular Economy, a powerful force for climate mitigation. / Source of production percentage data: Fact sheet | Steel industry co-products, WSA.

BF/BOF sector
Scope 1&2 location based
2.3 t CO₂ eq./t STEEL

1st STEEL

Scope 1 & 2 location based (t CO₂ eq/t steel) average:



- CELSA GROUP™ (EAF process) average
- EAF process sector average
- BF/BOF sector average

Calculation of Scope 1 - ETS (Emissions Trading System) for all Minimills of CELSA Group, and calculation of location-based Scope 2.

*Celsa Barcelona, Nervacero, Global Steel Wire (GSW), Celsa France, Celsa Atlantic Largos, Celsa Huta Ostrowiec (CHO, Celsa Poland), Celsa Armeringstal (CAR, Celsa Nordic), Celsa UK Manufacturing (Celsa UK).

Transformed products

CELSA Group™ is the leading supplier of steel solutions and derived steel products, strongly downstream integrated in processes and derived products.

At CELSA Group™, we are one of the main references for fences in Europe.



**Basic
Electrowelded
Lattice Girders**

Mainly used for the manufacturing of semi-joists and other prefabricated concrete elements.



Tubes

We manufacture conductor steel pipes, as well as precision and construction steel pipes. Conductor steel pipes are used in a multitude of applications, such as gas, domestic water, heating, mining and industrial sectors, among others.



**Calibrated
bars**

We have a division dedicated to the production of high-quality calibrated bars for the automotive industry (Global Bright Bars).



**Forged
products**

We offer a wide range of heat-treated and machined forged products in the most requested steel grades. These products have numerous applications, such as components and spare parts.



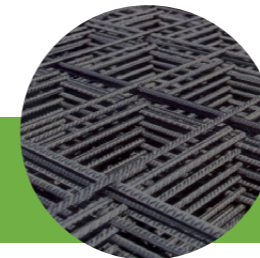
Fencing

At CELSA Group™, we are one of the main references for fences in Europe, given our production volume.



Drawn wire

We offer wire in several roll formats, with a wide variety of heat and surface treatments.



**Electrowelded
Mesh**

These are corrugated steel meshes used for reinforcing concrete. The use of special electro-welded meshes allows for the optimised industrialisation of rebar processes on construction sites.

SECTORS

The steel produced by CELSA Group™ is strategic for the economy, as it is one of the most used materials worldwide. In fact, it is present in all spheres of society today. Therefore, it is essential to manufacture steel sustainably and ensure that the products we market are low in carbon emissions and designed to last longer, are easier to reuse, repair and recycle, and incorporate as much recycled material as possible rather than virgin natural resources.

Without sustainable steel, it is impossible to meet the goals of the Paris Agreement.



That is why our steel is present in several strategic sectors of the economy:



Construction

Due to its hardness, ductility and durability, steel has become one of the most used structural materials in infrastructure and building construction. This sector is currently the largest consumer of steel products in the world.



Automotive

It is especially in demand by automobile manufacturers, especially electric vehicles, due to reasons such as weight, safety, battery protection, cost reduction and environment.



Shipbuilding

Through the forged steel products division, we manufacture forged parts for shipbuilding and medium-speed diesel engines (crankshafts, propeller shafts, and other shafts, steering knuckles, and other forged steel components for leading engine manufacturers).



Oil, gas and energy

Steel is essential for supplying energy to the world, whether it is thermal, nuclear or renewable energy. In addition, in the current context, steel is indispensable for the transition to a low-carbon economy. In fact, all greenhouse gas mitigation technologies require steel, including thermal and renewable power generation, mass transportation, and hydrogen technology. Without sustainable steel, it is impossible to meet the goals of the Paris Agreement.



Agriculture

For the manufacturing of machinery, tools and equipment, among others.

MARKET

In 2022, in CELSA Group™, we have made sales in 113 countries. 77% of total sales have been made within the European Union.

During 2022, we have produced 5.5 million tonnes of steel. However, in 2021, 6.6 million tonnes were manufactured. There has been a reduction of approximately 20% in billet production compared to the previous year, due to the high cost of energy. Below are the sales and production data for CELSA Group™ for the financial year 2022:

CIRCULAR HUBS

tonnes (t)	CELSA Group™	
	Third-party sales	Intra-group sales
Ferrous scrap	21,868	1,608,802
Non-ferrous scrap	80,220	40
Plastics	432	0
TOTAL SCRAP PRODUCTS	102,520	1,608,842

In 2022, we have significantly reduced the recovery of plastics due to changes in the recovery process for these materials. A significant investment is expected to increase the recovery value of these by-products. Furthermore, we have increased the recovery and sale of non-ferrous scrap in our facilities by 9.4%.

STEEL MILL

tonnes (t)	CELSA Group™			
	Third-party sales	Intra-group sales	Destination within the same plant	Total production
Billet	157,825	433,344	4,903,705	5,494,874
Ingots	6,307	0	16,562	22,869
TOTAL STEEL MILL PRODUCTS	164,132	433,344	4,920,267	5,517,743

4.2

The quality of our products and services

The main industrial facilities of CELSA Group™ have the following certifications: ISO 9.001, *Quality management systems*, ISO 14.001, *Environmental management systems*, and ISO 45.001, *Occupational health and safety management systems*. Specifically, our companies Compañía Española de Laminación, Nervacero, Global Steel Wire, Celsa France, Celsa Atlantic, Ferimet, and Global Special Steel Products have ISO 9.001 certification in their strategic plants.

In fact, our stakeholders consider **responsible environmental management and product quality** as material topics (more information in section “5.4. Stakeholder engagement”).

All of this is possible by the Celsa Management System (CMS), based on process standardisation and continuous improvement, which facilitates the recording and monitoring of complaints and claims and their resolution.

The Group’s companies also have steel sustainability management systems, positioning us as European leaders in environmental excellence in our sector.

Some subsidiaries of CELSA Spain and CELSA Nordic, due to their small size or lack of production operations, have not considered it necessary to implement these certifications.

Furthermore, to ensure that our products pose no risks regarding health and safety, the substances used in the manufacturing process have safety data sheets in accordance with Community Regulations, such as EU 453/2010 or EU 1907/2006, among others, and in line with CELSA Group™’s quality standards.



4.3 Satisfied customers

At CELSA Group™, we are aware of our responsibility not only towards the individuals within the organisation, but also towards the community and the environment where we operate. We are committed to creating long-term value and leading a truly sustainable model.

The loyalty of our customer companies is rooted in a fundamental added value: trust in the quality of our products and services. Over the years, we have built strong relationships with our customer companies and forged lasting partnerships. Our defining traits are flexibility, dynamism, efficiency and proximity.

We hold the most relevant certifications in the industry to ensure a management system that complies with the best practices, thus achieving a higher-level excellence in health and safety, sustainability, quality and the environment.

In fact, our stakeholders consider **product quality** as a material topic (more information in section “5.4. Stakeholder engagement”).

SATISFACTION

At CELSA Group™, we have several mechanisms to measure the level of satisfaction of customer companies and gather their feedback, assess the compliance with our quality standards in sales and customer service channels, and implement suggestions for improvement.

Every year, we monitor the satisfaction of our customer companies through surveys conducted by different companies within CELSA Group™, tailored to the specific characteristics of their markets.

	CELSA Group	
	2021	2022
Number of customer surveys conducted	552	699



Celsa Spain and Celsa France also send surveys every six months to customer companies in the main markets, allowing us to calculate the NPS Index (Net Promoter Score) of the group. The NPS gauges the level of favourable recommendation that customer companies would give to our products and services. This index focuses on customer service and product use.

In 2022, the NPS result in the Iberian Peninsula was 52.5, two points above the target set for this period (50 points). As for the French market, the NPS was 37.5, significantly surpassing the target of 10 set for 2022. The reason for the significantly lower NPS in France compared to Spain is the requirement from the French market for product deliveries to be made by appointment.

COMPLAINTS AND CLAIMS

The Group has a strong system for managing complaints and claims, allowing us to efficiently address customer feedback within the framework of our continuous improvement processes.

All companies within CELSA Group™ have the necessary channels for customer companies to directly contact the company and raise their concerns, complaints or claims related to any aspect of the business relationship. The enabled channels include:

- The phone number of the Sales and Marketing Department.
- The email address of the Customer Service Department: sales@gcelsa.com
- The complaints and claims section of the Customer Portal: <https://cp.gcelsa.com/>

In addition, both claims and complaints have dedicated monthly monitoring committees where the number of incidents received is analysed and controlled. If repetitive or significant incidents are identified, they are categorised, and corrective measures and action plans are implemented for the benefit of the company and/or the customer company.

During 2022, the Group has received 4,088 customer complaints, a 15.5% decrease compared to 2021.

In the past year, we have reduced customer complaints and claims by 15.5%.

CUSTOMER COMPLAINTS AND CLAIMS

2021	2022					
CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
4,836	4,088	2,760	41	313	957	17

PRODUCT INFORMATION AND LABELLING

Regarding claims related to labelling or penalty service, 9 incidents were recorded in Celsa Barcelona and 1 in CELSA UK, with an insignificant amount.

	2021	2022					
	CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
Number of incidents of non-compliance with regulations and/or voluntary codes related to product information and labelling.	2	10	9	0	1	0	0
% of significant product categories covered by and assessed to verify compliance with the organisation's procedures for product information and labelling.	100	100	100	100	100	100	100

4.4 Innovation and digital transformation

At CELSA Group™, innovation drives the development and integration of new solutions that enable the company to achieve our Net Positive vision. In fact, our stakeholders consider **innovation for sustainability** as a material topic (more information in section “5.5 Stakeholder engagement”).

Thus, our R&D is based on four pillars: energy and emissions, circularity, digitisation and people. Here are the ongoing projects within each of these areas.

ENERGY AND EMISSIONS

The different research lines in this field address aspects such as increasing energy efficiency, supporting the integration of renewable energies into the market, and the generation and use of alternative fuels such as hydrogen and biochar.



Chemical package

Development of a new chemical package and a new gas train to improve the efficiency of the electric arc furnace.

Period: **2021-2023**

SlagCO₂

Technological development of a new accelerated carbonation process for a steel by-product such as white slag.

Period: **2021-2023**

DevH2forEAF

Development of H2 burners for electric arc furnaces.

Period: **2021-2024**



HYMET

Study new technologies applicable in the metallurgical industry, specifically in steelmaking, for the recovery of by-products from the process itself and decarbonisation through the use of renewable raw materials, such as hydrogen.

Period: **2021-2023**

CIRCULARITY

We develop projects to improve scrap management and generate new circular businesses for steel and other materials.



CEC

Development of new processes that allow the incorporation of ASR (Automotive shredder residue) in the electric furnace of the steel mill as a catalyst for the scrap melting reaction, replacing coal.

Period: **2020-2023**



Heat harvesting

Use of the heat energy from the flue gases of rolling mills and smelting plants for heating the company buildings and providing hot water. Most of the heat will be sold to the municipal thermal power plant.

Period: **2021-2023**



LASR-FORM

Achieve industrialised production and the use of shredder light fraction as light aggregates for concrete structures.

Period: **2022-2024**

PEOPLE

People are at the core of any initiative at CELSA Group™. That is why we also innovate in this area.



Our R&D is based on four pillars: energy and emissions, circularity, digitisation and people.

Global Support Services

ESSA

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

Period: **2019 - 2023**



🏠	01	02	03	04	05	06	07	08	09	10
45	A conversation with the Chairman	2022 milestones and relevant events	Passion for circularity	Vocation for excellence	Because we believe in a sustainable future	People, reason for being	Our commitment to ecological transition	About this report	Appendix	GRI and SDG table of contents

Best Practices for R&D benchmark projects of subsidiaries



R&D FOCUSED ON RECOVERY AND QUALITY

At CELSA Barcelona, we have promoted the HYMET project, focusing on the recovery of by-products from the steel production process, and the SLAGCO₂ project, which aims to recover white slag as an additive for construction materials.

Furthermore, at GSW (Global Steel Wire), we are developing an AI tool for automatically diagnosing production and quality problems in rolling mills.



CALBY2030

This project aims to develop a calciner for low-carbon lime production within the steelmaking process. The goal is to achieve 99% CO₂ capture. Celsa Nordic is one of the three pilot plants testing the project's tools. It is a collaboration between Celsa Nordic, Swerim, Sumitomo, CSIC and LUT University.



OPTIMAL CHARGING AND DIGITAL TWIN

At Celsa France – Bayonne, we participate in the ALCHEMIA Project, which aims to develop an optimal scrap mix to reduce energy consumption, emissions and waste.

Moreover, at Atlantic Largos – Laracha, we are developing a furnace twin. It will enable testing different scenarios and optimising the process for each manufactured product without conducting real tests.

In 2022, CELSA Group™ has invested a total of 25.3 M€ in R&D&I projects, increasing funding for innovation projects by 7.7% compared to 2021.

INVESTMENT IN R&D (M€)

2021		2022				
CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
23.5	25.3	16.76	n.a.	6.0	2.30	0.24

In CELSA Group™, we have allocated approximately 3% of the profits from 2022 to R&D&I investments.









05

**Because we
believe in a
sustainable
future**

5.1 Our corporate policies

At CELSA Group™, we have different business policies, both general and specific, to organise, standardise and establish a framework with the main lines of action of our organisation.

CELSA Group™ policies

 <p>GENERAL POLICIES</p> <hr/> <ul style="list-style-type: none"> Sustainability Framework Policy Supply Chain Policy Innovation Policy 	 <p>ENVIRONMENTAL POLICIES</p> <hr/> <ul style="list-style-type: none"> Climate Action Policy Environmental and Resource Management Policy 	 <p>SOCIAL POLICIES</p> <hr/> <ul style="list-style-type: none"> Human Rights Policy Talent Management Policy Diversity, Equity and Inclusion Policy Occupational Health and Safety Policy 	 <p>CORPORATE GOVERNANCE POLICIES</p> <hr/> <ul style="list-style-type: none"> Anti-Corruption and Anti-Fraud Policy Conflict of Interest Policy Competition Compliance Policy Crime Prevention Compliance Policy Stakeholder Engagement Policy Personal Data Protection Policy Information Systems Use Policy Whistleblower Protection Policy
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5.2 Ethics and transparency

Our stakeholders consider **ethical governance** as one of our material topics (more information in the section “5.4. Stakeholder engagement”).

In fact, we have a **Code of Ethics and Professional Conduct** that encompasses a set of principles, criteria and standards that guide our actions in business situations, with the aim of achieving excellence from a fair and ethical perspective. This Code reaffirms the commitment of the companies operating within CELSA Group™ to carry out their business in accordance with applicable laws and the highest standards of business ethics. All employees are required to read, accept, comply with, and enforce the Code.

This document includes the following general principles:

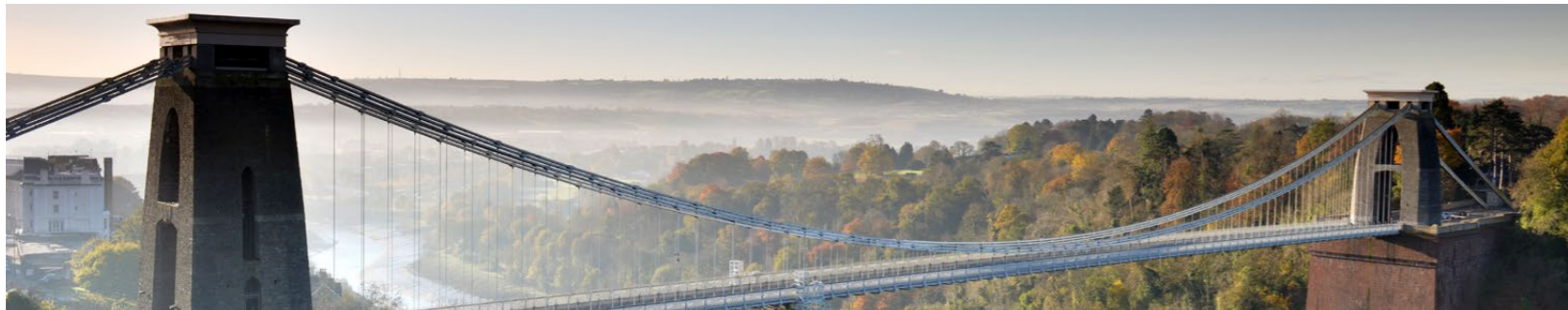
- Respect for legality and ethical values.
- Respect for the principle of non-discrimination.
- Respect for work-life balance.
- Policy of excellence in health and safety.
- Promotion of professional and personal development.
- Contribution to the social development of the communities where we operate.
- Respect for local cultures.
- Commitment to quality and innovation.
- Respect for the environment.

Regarding anti-corruption and bribery, the Code outlines that “employees within CELSA Group™ may not make or offer, directly or indirectly, any payment in cash, in kind or any other benefit, to any person serving any public or private entity, with the intention of obtaining or retaining, unlawfully, business or other advantages”.

Furthermore, “no professional should gain an unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of facts, or any other unethical practices. Professionals must carry out their responsibilities in a way that the reputation of CELSA Group™ is not affected by unethical behaviours. Some examples of fraudulent or deceptive activities may include theft, fraud, or fund embezzlement; false or inflated invoices; payment of bribes to public officials; offering or receiving bribes, directly or indirectly, in the form of money, goods or services”.

Regarding money laundering, the employees responsible for selecting suppliers and/or establishing business relationships of particular relevance to CELSA Group™ must review the integrity and honesty of these third parties to prevent their irregular behaviour from affecting the company.

The Code also includes a zero-tolerance policy regarding any conduct that may constitute discriminatory harassment.



To ensure compliance, we have a Whistleblowing Channel that allows our stakeholders to report acts contrary to the Code and/or current legislation, as well as raise doubts or concerns. This system ensures the confidentiality of the whistleblower and a non-retaliation policy.

Our Chief Compliance Officer, Pere Oteo (CPOO), is responsible for promoting ethical behaviour across the organisation and advising on potential conflicts of interest. We also have Celsa Group's Expense Policy, which expressly and exhaustively prohibits any non-work-related expenses by its staff.

In addition, we are attached to the Association of Certified Fraud Examiners (ACFE) and the Association of Corporate Investigators, associations aimed at combating and mitigating corruption and occupational fraud.

The Code of Ethics and Professional Conduct of CELSA Group™ encompasses a set of standards against corruption, bribery and money laundering, among other aspects.

RECEIVED ACTIONS, INQUIRIES, JUDGEMENTS AND MONETARY VALUE OF SANCTIONS DURING 2022

	2021	2022
Monetary disciplinary actions	2	5
Total monetary value of monetary sanctions (€)	30,855	200,000
Non-monetary disciplinary actions	0	12
Number of judgements	0	5
Inquiries	n.a.	8

Out of the five monetary disciplinary actions, two of them belong to Ferimet, specifically, to the plants in Granollers and Selva del Camp. Both plants have received monetary sanctions. However, the remaining three cases come from Celsa Poland's business unit. Among these three cases that took place in 2022, one has concluded without sanction and the other two are still pending resolution.

During 2022, training on Corruption Prevention and Risk Management has continued to be carried out for professionals from the organization. Legal training has been carried out for the Human Resources department, in which issues related to the protection of personal data (according to indications from the Spanish Agency for Data Protection) and temporary hiring after the labor reform have been discussed. Additionally, in terms of cyberfraud prevention, a cybersecurity awareness program has been carried out, as well as a refresher on the prevention of financial cyberfraud for the Administration and Finance department. Lastly, training has been provided to each member of the Management Committees on the response protocol in the event of a cyber attack.

2022	
Training	Assistants
Code of ethics and professional conduct	38
Information System Use Regulation (RUSI)	1,054
Legal training of the HR area	41
Cybersecurity awareness	2,995
Financial Cyber Fraud Prevention	64
Response protocol for a cyber attack	48

5.4 Stakeholder engagement

At CELSA Group™, we keep strong relationships with our stakeholders and provide information on those aspects that may be of interest to shareholders, customer companies, suppliers and public authorities, among others.

In fact, our stakeholders consider **transparent governance** a material topic (more information in the “Materiality assessment” section of this section).

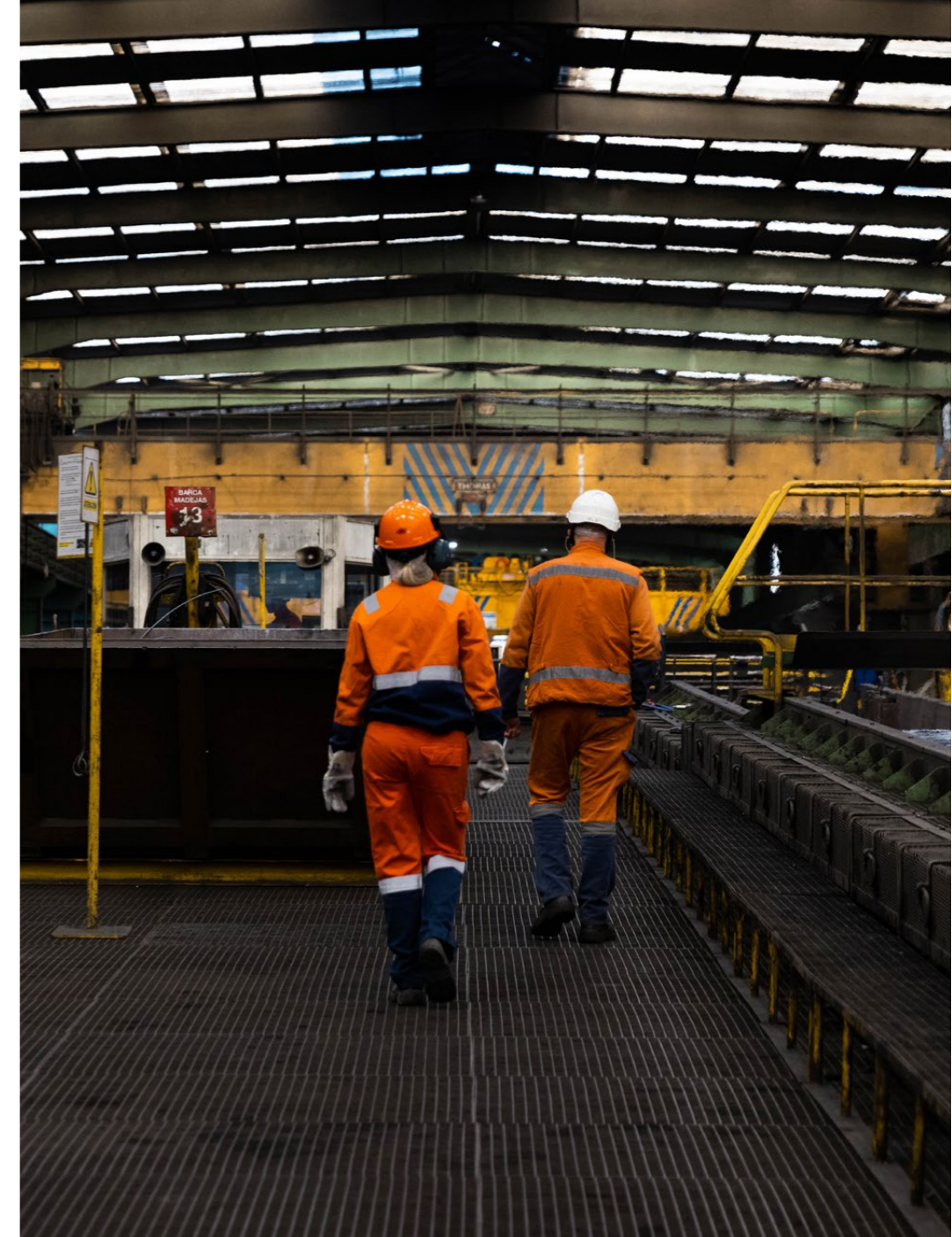
In this regard, stand out the edition of the Economic and Social Contribution Report, the dissemination of updated information on the Group’s activity on the corporate website, posts on social media (Twitter, Facebook, LinkedIn and Instagram), press releases and media attention.

Regarding our staff, at CELSA Group™, we have several internal communication channels such as the Employee Portal, corporate communications, weekly newsletters and annual meetings

(7 events held in digital format). Other notable actions include the Recycling Week, the #Celsafamily and #WomenOfSteel campaigns, sports events, and webinars on topics of interest such as Health and Safety, People and Talent, Sustainability and Innovation.

The Group also carries out a more direct, constant and personalised communication with suppliers, customers and trade unions, and, through its intense associative activity, keeps a smooth relationship with other stakeholders and with other companies in the sector.

In 2022, some of the company’s directors have participated in conferences and round tables to share the company’s breakthroughs and maintain a good level of business networking.



Best Practices for stakeholder engagement by subsidiaries



CUSTOMER VISITS

CELSA Atlantic Largos (Laracha) conducts customer visits, mainly for coiled material, to observe their needs firsthand and identify opportunities for improvement.



COMMUNITY MEETINGS AND SECTOR EVENTS

We frequently attend community meetings to understand the needs of the local population. We also participate in sector events such as the UK Construction Week, where we won the Best Innovation Prize 2022.

Luís Sanz is the chairman of UK Steel.



CIRCULAR COLLABORATION FOR A CIRCULAR FUTURE

We collaborate with our customer and partner companies to achieve our net-zero emissions goal. Additionally, we aim to create and strengthen circular partnerships with our customers and stakeholders throughout our value chain.



COLLABORATIONS

We collaborate with the Local Centre of the Steel Industry Tradition and the Steel Technical School (trainees) and participate in governmental and non-governmental working groups for legislation preparation/changes.

Internal communication

Sustainability and circularity play a key role in the internal communication of CELSA Group™. Here are some examples from 2022:

Recycling week: A campaign that encompassed different actions aimed at raising awareness about the climate emergency and decarbonisation. We also gave this campaign a more emotional approach and linked it to #Celsafamily, a concept that we use for those activities in which not only our professional team participates, but also their relatives or loved ones.

Internal news.

World days related to caring for the planet and sustainability.

Internal dissemination campaign of the Sustainability Report: After releasing the 2021 Sustainability Report, we started an internal dissemination plan to communicate the key concepts to the staff. Thus, one or two cards or cartoons were published weekly, conveying concepts of the Report and a representative image. Based on these cartoons, we even created videos in which experts in the respective fields elaborated on the concept included in the cartoons.

Stopaper and Stoplastics campaigns: In 2022, we have continued these campaigns advocating for the reduction of paper and plastic use, promoting the use of more environmentally friendly materials. We have even provided sustainable products for our staff, such as stainless steel and glass water bottles.

NEW PORTAL OF CELSA GROUP

One of the main initiatives promoted by the internal communication division has been the creation of the CELSA Group™ Portal, a digital communication channel that acts as an information repository and reduces both paper consumption and unnecessary email sending. It is a pioneering tool in Spain that integrates the use of SAP utilities and other technologies.



Materiality assessment

During 2022, at CELSA Group™, we have conducted a new materiality assessment (the previous one was conducted in 2019), providing greater representativeness and scope by including the perspective of new external stakeholders.

To do so, we have conducted interviews with representatives of external stakeholders to understand their perception of CELSA Group™ regarding material topics. We have also carried out online surveys to obtain the prioritisation of material topics by both external and internal stakeholders.

Based on the results obtained, the following materiality matrix has been created, with one axis representing the prioritisation of internal groups and the other axis reflecting the assessment from external stakeholders. This matrix identifies the most relevant topics for both groups and, therefore, indicates the areas where Cel-sa should prioritise resource allocation and efforts to meet the expectations of the stakeholders.

COLOUR CODE AND INITIALS

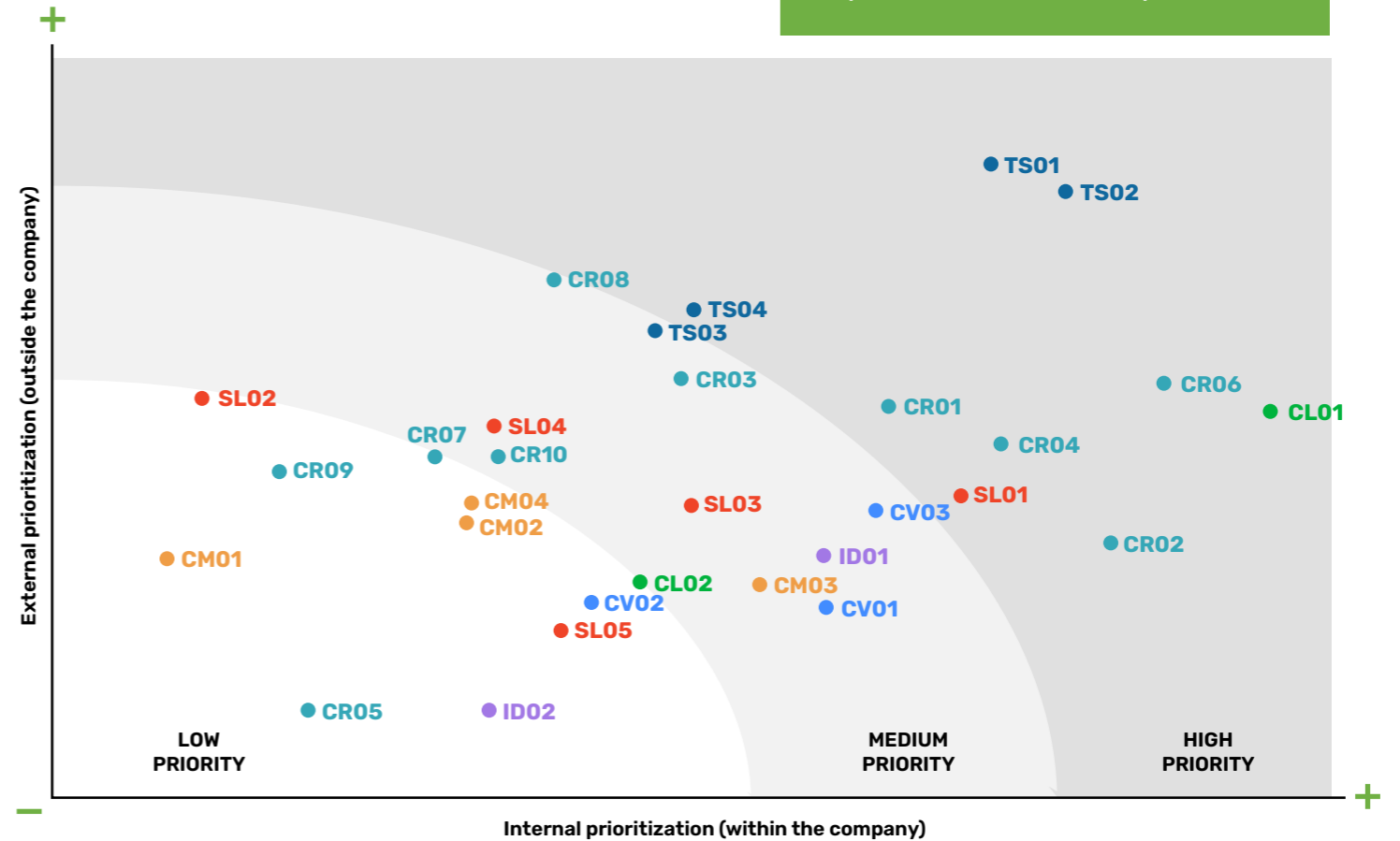
COLOURS AND INITIALS TOPICS*

CL	CL Commitment to the climate
CR	CR Commitment to circularity
TS	TS Commitment to team talent, safety and health
ID	ID Commitment to equality and diversity
CM	CM Commitment to the community
CV	CV Commitment to the value chain
SL	SL Commitment to our legacy

* They correspond to the 7 strategic commitments of CELSA Group™.

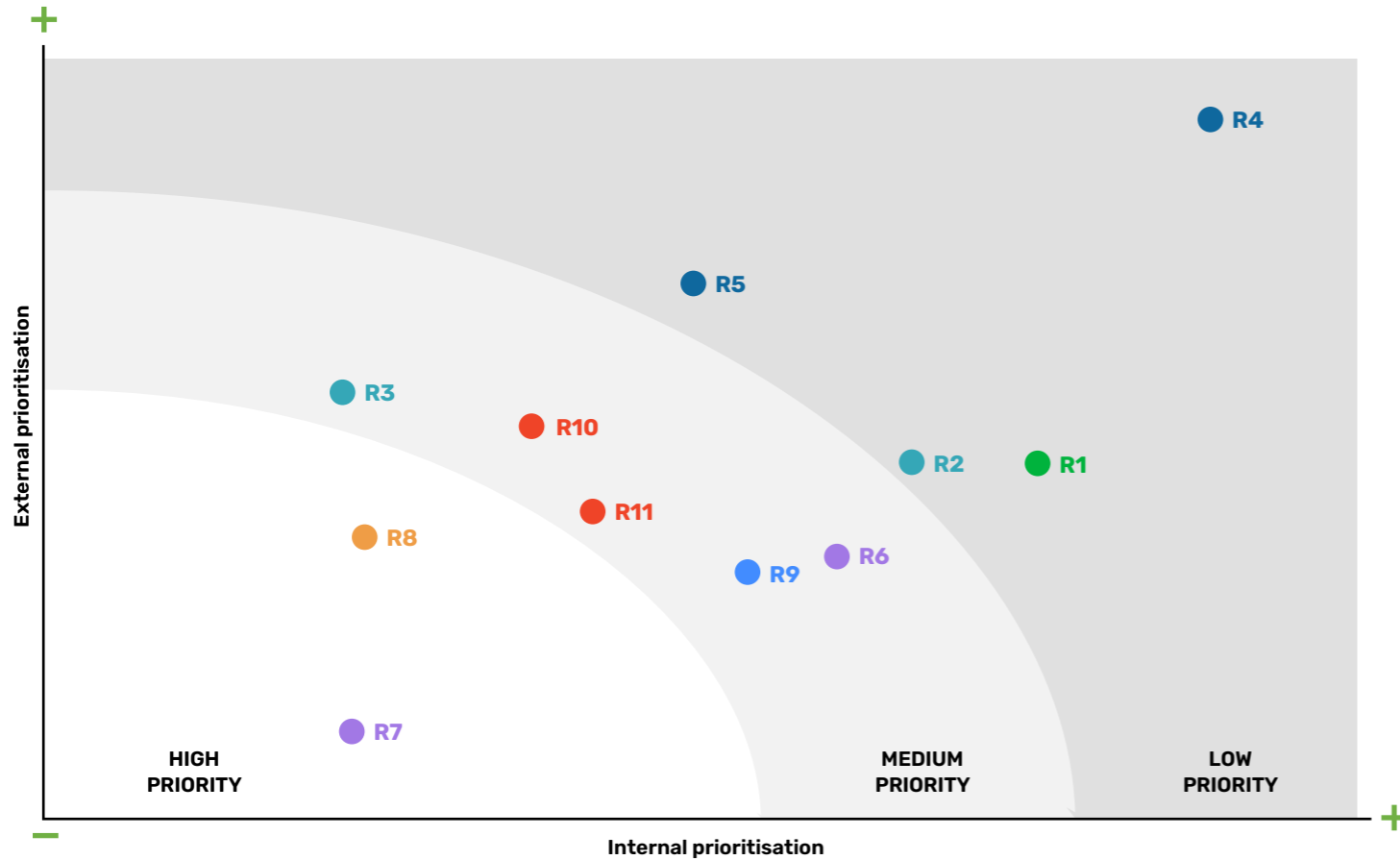
During 2022, at CELSA Group™, we have conducted a new materiality assessment with greater representativeness and scope.

Materiality matrix by topic



The several material topics identified in this materiality assessment are related and grouped under the strategic challenges outlined in the company's strategic plan. To reveal which challenges are considered most prioritised by both external and internal stakeholders, the following materiality matrix at the challenge level has been created:

Materiality matrix ranked by challenges



Materiality matrix by challenges

HIGH PRIORITY CHALLENGES	
R4	Health and safety
R5	Talent attraction and retention
R1	Emission reduction
R2	Circularity and environmental impact reduction
MEDIUM PRIORITY CHALLENGES	
R6	Equality
R9	Value chain
R3	Product and business
R10	Governance
R11	Leadership
LOW PRIORITY CHALLENGES	
R8	Community involvement
R7	Diversity

WHERE TO FIND THE HIGH PRIORITY CHALLENGES

R4	Health and safety	6.5. We work to create a safe and healthy environment
R5	Talent attraction and retention	6.3. Our talent management and development
R1	Emission reduction	7.2. Our roadmap towards decarbonisation
R2	Circularity and environmental impact reduction	7.1. Why we are leaders in circularity and recycling

5.5

A sustainable strategy with a focus on the 2030 Agenda

At CELSA Group™, we have identified seven commitments that form the basis of our sustainable development strategy:

1. Commitment to the climate

Being aware of the challenge posed by climate change to the planet, our decarbonisation plan is based on:

Improving energy efficiency: by installing variable-frequency drives and gaining better control over energy consumption through analyzers, meters and mathematical models.

Reducing the use of fossil fuels: by replacing natural gas with biomethane, green hydrogen, electrification, etc. and through long-term power purchase agreements with renewable energy developers (Power Purchase Agreements), as well as contracting electricity with Guarantees of Origin.

2. Commitment to circularity

At CELSA Group™, we are firmly committed to the recovery and use of the waste generated during the steelmaking process to promote the circular economy.

3. Commitment to team talent, safety and health

We ensure wages that align with the importance of the positions held by our employees, their level of commitment, and training, placing them above the market standards. To achieve this, we use objective job description and evaluation systems that comply with international guidelines, such as Korn Ferry, WTW (Willis Towers Watson) and Mercer.

Our commitment to health and safety is cross-cutting and extends to all our stakeholders: contractors, customer companies, suppliers, visitors and the community.

4. Commitment to equality and diversity

The steel industry has historically underrepresented women. Acknowledging this challenge, at CELSA Group™, we have been implementing equality policies and action plans for many years to gradually reverse this trend. We believe in people, their abilities, and their values.

5. Commitment to the community

We act with utmost respect for the local cultures of the countries and territories where we operate. We encourage communication with all stakeholders to achieve sustainable and beneficial activities for society.

6. Commitment to the value chain

Our supplier approval procedure positively assesses those companies with a better sustainability performance and who also possess an ISO 14.001, Environmental Management System, or ISO 45.001, Occupational Health and Safety Management System.

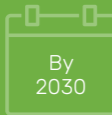
7. Commitment to our legacy

Celsa Group is a family-owned company created in 1967. The second generation is now in charge of the company and their priority is to continue contributing to the industrial, economic and social development of the countries where it operates, with a primary focus on preserving the natural resources and decarbonisation.

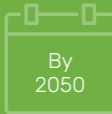
Our goals for 2030 and 2050



ENVIRONMENTAL GOALS



- Reduce Scope 1 and 2 CO₂ emissions by 50%, compared to 2021.
- Achieve 98% circularity.*



- Achieve carbon neutrality in Scope 1, 2 and 3 CO₂ emissions.
- Zero-waste: achieve 100% circularity.



SOCIAL GOALS



- Develop a social action plan with a focus on talent and impact on local communities.



- Reduce the Global Frequency INDEX (GIF) to 2.5 and the Potential Serious Injuries or Fatalities Frequency Rate (PSIFFR) to 0.25



- Achieve a 30% representation of women in the workforce.



GOVERNANCE GOALS

- Integrate environmental, social and governance (ESG) criteria into people development tools.
- Establish a supplier portal to ensure compliance with future due diligence requirements.
- Develop a risk map in 2023 that aligns with sustainability challenges.

* Only 2% of waste will go to the landfill.

Sustainability Framework Policy

CELSA Group™ has a Sustainability Framework Policy that establishes the general principles and objectives that integrate the Sustainability strategy within the Group, with the aim of conducting all its activities while promoting long-term value creation for both the Company and its stakeholders.

The company articulates its sustainable development strategy on three fundamental pillars: environmental, social and corporate governance aspects. The principles and objectives of CELSA Group™ in these three pillars are developed through corporate policies that, together with the Governance and Sustainability System, are fundamental parts of the Group's identity.



This policy is guided by the following general principles:

- Strict compliance with all legal obligations and the main recommendations and guidelines on Sustainability, such as SDG principles, the commitments of the Paris Agreement, UN Guiding Principles on Business and Human Rights, as well as other international instruments, especially in the area of good practices of human and labour rights, environmental protection, and anti-corruption.
- Aligning CELSA Group™ corporate governance model with international and national good governance recommendations.
- Ensuring compliance with the Purpose, Mission, Values, Vision, and Code of Ethics and Professional Conduct of CELSA Group™, adapting them to Sustainability principles.
- Promoting the identification of the Group as a sustainable company continuously improving its behaviour towards society;
- Developing the activity of CELSA Group™ by maximising sustainable, innovative, and efficient value creation and ensuring that business approaches are long-term oriented.
- Driving the circular economy and consumption.
- Promoting diversity, equality and work-life balance for our professionals.
- Minimising negative impacts on the environments and communities where CELSA Group™ operates.
- Promoting policies that support sustainability and promoting the regular update, supervision and effective monitoring of compliance with these policies.
- Establishing and maintaining relevant systems and procedures for proper management and implementation of this Policy.

To achieve the above-mentioned general principles regarding sustainable development, CELSA Group™ has established the following objectives:

- Adopt an innovative and sustainable management approach, fostering professional relationships based on diversity, inclusion and a sense of belonging, equal opportunities and non-discrimination in people management, productivity, profitability, efficiency and sustainability.
- Operate in line with responsible management of risks and opportunities arising from the evolving environment, maximising the positive impacts of our activities in the different territories where we operate, and minimising, as far as possible, the negative impacts, while embracing medium and long-term business approaches.
- Promote an ethical business culture, transparency and trust with stakeholders, collaborating with several stakeholders and encouraging a two-way and open communication about CELSA Group™'s business activities regarding Sustainability.
- Contribute to the recognition of CELSA Group™ in achieving its sustainable strategic objectives and continuously improving its reputation.

CELSA Group™ has a Sustainability Framework Policy that establishes the general principles and objectives that integrate the Sustainability strategy within the Group.

According to this policy, the areas that make up Sustainability consist of:

Human rights: respect, promote and demand the recognition of internationally recognised Human Rights, in accordance with our Human Rights Policy.

Occupational safety and health: consider safety and health as our top priority and foster a safe and healthy working environment for employees working in our facilities, promoting their overall well-being.

Corporate governance and compliance: act at all times in accordance with our Code of Ethics and Professional Conduct and comply with the legislation in force in the countries and territories where we operate, adopting best practices in corporate governance.

Quality: ensure the safety and quality of the products and services we offer, as well as ensuring that the supply chain complies with the principles established in our Code of Ethics and Professional Conduct, in line with our Supply Chain Policy.

Innovation: embrace innovation as a fundamental and strategic pillar to achieve the economic, social and environmental sustainability of CELSA Group™ and its value chain, in accordance with the Innovation Policy.

Environment: promote environmental protection and responsible and efficient use of natural resources, encourage the increased use of renewable energy sources, and implement sustainable water management, all within the framework of the Environmental and Resource Management Policy; and develop a climate action strategy as part of the Climate Action Policy.

Recycling and waste management: promote the implementation of the waste hierarchy, favouring the following waste management processes: prevention, minimisation, reuse, recovery, recycling and energy recovery, leaving landfill disposal as a residual management route.

Diversity and inclusion: promote a culture of respect for diversity and labour inclusion, fostering a diverse and inclusive work environment, combating discrimination and inequality in all its forms.

Sustainable Development Goals (SDGs)

CELSA Group™ is a signatory to the United Nations Global Compact, the largest global sustainability initiative that involves adhering to its 10 principles on Human Rights, labour standards, environmental protection, and anti-corruption measures, as well as contributing to the UN Sustainable Development Goals. These 17 goals, which make up the 2030 Agenda, address humanity’s most significant challenges. Notably, they are not only directed at governments, but also at companies and civil society.

At CELSA Group™, we prioritise six of the seventeen SDGs, those

to which we contribute directly. Therefore, we have reflected our commitment to these six SDGs in Sustainability Roadmap 2021–2050, fully integrated into our business strategy. This strategy includes clear and ambitious environmental, social and governance objectives.

The motto ‘Think globally, act locally’ clearly defines the philosophy behind the SDGs. As a result, we highlight some initiatives of our subsidiaries that contribute directly to the fulfilment of our priority SDGs.

CELSA Group™ has prioritised six SDGs to which it directly contributes:



SDG 3:
Good health and well-being.



SDG 5:
Gender equality



SDG 7:
Affordable and clean energy



SDG 8:
Decent work and economic growth



SDG 12:
Responsible consumption and production



SDG 13:
Climate action



 **Significant initiatives for each priority SDG**



Ensure healthy lives and promote well-being for all at all ages



We implement initiatives such as physical activity and healthy food campaigns, and we organise a paddle tennis championship and a company race.

Also, we collaborated with the Association Brotherhood of Cantabria's Blood Donors.



We provide our staff with medical consultations with cardiologists, dietitians and psychologists. We also promote the Fruit every Friday's campaign.



BIL Celsa is our company's sports team that offers several activities such as hiking, running, cycling to work, soccer, spinning, volleyball, etc.

Significant initiatives for each priority SDG



Promote sustained economic growth, and decent work for all



We participate in the XVII Employment and Entrepreneurship Forum 2022 Online at the University of Deusto. Additionally, we participate as speakers at the VIII Employment and Internship Forum of Cámara de Bilbao.



Due to high energy prices, the company had to stop production for 1.5 months in the last quarter of 2022. Despite having a short-time work scheme (ERTE), the company managed to avoid applying the short-time work scheme to any workers.



We have a social integration project with the company Plis (paper recycling in 360° offices and management by companies with workers at risk of social exclusion).



Implementation of the Transparency Law, which strives to ensure decent working conditions throughout the companies' supply chain.



Significant initiatives for each priority SDG



Ensure sustainable consumption and production



We have presented the Annual Environmental Statement, reflecting our human, economic and organisational efforts to minimise our environmental impact.



We maximise the internal reuse and external recovery of white slag for cement plants, by improving the internal waste segregation in steel pits.



We have launched our new traceability label, an ISO 14.020 certification for our circular steel, so partners and customer companies can use it.



We have conducted a campaign to reduce electricity consumption in offices and have tested anthracite substitutes using materials from waste.



We are working on the Environmental Product Declaration (EPD) for rebars and structural steel profiles/structural steel sections.



5.6

Key partnerships for a sustainable future

At CELSA Group™, we actively participate in several associations to enhance the relationship with our stakeholders and advance our sustainability goals:

In the field of sustainability:



Pacto Mundial
Red Española

We are a signatory of the **United Nations Global Compact**, adhering to its 10 Principles on Human Rights, labour standards, environment protection, and anti-corruption measures, as well as the SDGs.



During 2022, at CELSA Group™, we have scored a **B** (management level) for climate change performance, according to the **Carbon Disclosure Project (CDP)**, an organisation that discloses the performance of large companies regarding their greenhouse gas (GHG) emissions.



In 2022, we have also committed to setting **Science-Based Targets** within the next two years. This commitment involves reducing GHG emissions to limit global temperature increase to 1.5 °C compared to pre-industrial temperatures.



In 2022, CELSA Group™ has joined the **WorldSteel Sustainability Charter**, which comprises nine principles and 20 criteria covering environmental, social, economic and governance aspects. To sign the Charter, steel companies must meet all 20 criteria.



Since 2022, we have been a member of the **Platform for Accelerating the Circular Economy (PACE)**, a platform bringing together business, government and civil society leaders to develop a collective circular economy agenda and drive ambitious actions.



In 2022, AENOR has certified CELSA Group's four production plants, including CELSA Atlantic (Galicia), Global Steel Wire (Cantabria), Nervacero (Basque Country) and CELSA Barcelona (Catalonia), with the **Aenor N Sustainable Mark**. The seal confirms the sustainability of a product from an environmental, social and governance (ESG) perspective.



CELSA Barcelona, Nervacero, CELSA France, Global Steel Wire, CELSA Poland, CELSA UK and CELSA Nordic hold the licence to use the **SustSteel Mark** (www.steel-sustainability.org), a recognised and referenced European sustainability label for the steel products used in construction. The label is verified by Bureau Veritas.



We are part of the **Asociación Sostenibilidad Siderúrgica**, whose members include major Spanish steel companies. This association has created the mark **Sostenibilidad siderúrgica** to respond to societal and institutional demands for CSR through rigorous requirements that assess the organisations' commitments. These requirements have been verified by AENOR.

"We have received a B in the 2022 Carbon Disclosure Project (CDP)."

"We are very proud to be one of the first companies in the steel sector to receive the Aenor N Sustainable Mark"

FRANCESC RUBIRALTA,
Chairman and CEO of CELSA Group™

Furthermore, we are also part of **Forética** (since 2022), **Fundación Empresa & Clima**, **A.SPIRE**, **European Clean Hydrogen Partnership**, and the **European Raw Materials Alliance**.

In the sectoral context:



CELSA Group™ is a partner of the **WorldSteel Association**, whose members represent approximately 85% of world steel production. This organisation focuses on the economic, environmental and social sustainability of the steel sector.



We are part of **EUROFER**, the European Steel Association, which addresses specific challenges and issues in the stainless-steel industry. It is worth noting that, since November 2022, the CEO, Francesc Rubiralta, holds the chairmanship of EUROFER.



Historically, we have been a partner of **UNESID**, the Association of Steel and Primary Processing of Steel Products Producers. Since 2019, Francesc Rubiralta has been Vice President and a member of its Executive Committee.



The Group is a Founding Member of the **Global Steel Climate Council**. This international coalition was established in November 2022 with the aim of reducing greenhouse gas emissions in steel production.



We are part of the Steering Committee of the European project **Green Steel for Europe**, led by CEPS, which aims to enable the European steel industry to meet the European objectives for 2030 and 2050 regarding energy and climate change.

Other memberships by countries:

UNITED KINGDOM

- UK Steel Association
- Make UK (the manufacturers' organisation)
- RenewableUK

FRANCE

- French Steel Federation
- Union of Industries and Trades of Metallurgy

SPAIN

- Clúster de residuos de la Agència de Residus de Catalunya (desde 2022)
- Asociación de Trefiladores del Acero (ATA)
- Centro de Estudios y Asesoramiento Metalúrgico (CEAM)
- Centro Metalúrgico de Sabadell

NORWAY

- Norwegian Steel Association

POLAND

- Polish Chamber of Commerce and Industry of Scrap
- Polish Forging Association
- Polish Union of Steel Distributors

SWEDEN

- Swedish Steel Association

GERMANY

- Eisendraht-Und Stahldraht-Vereinigung



According to this Policy, we positively regard that collaborating companies have an ISO 14.001, Environmental Management System, and an ISO 45.001, Occupational Health and Safety Management System, as stated in the supplier approval procedure.

Every six months, we conduct a supplier assessment based on quality, delivery, and safety demerits. In the case of deviations, incidents or claims outside the set standards, on-site audits may be carried out if deemed necessary. Since 2020, the assessment process has been automated, allowing for six-monthly automated assessment of all CELSA Group™ suppliers by plants.

By 2022, 84% of the procurement (purchases) budget of CELSA Group™ has been allocated to local suppliers, 10 percentage points higher than in 2021.

In 2022



More than 2,500 suppliers have been assessed.



17 companies have been re-approved, with 15 following social criteria and 14 following environmental criteria.



Three supplier audits have been conducted, all with satisfactory results.



Local procurement

At CELSA Group™, we believe in and support local companies, as km 0 procurement offers advantages for both the community and the environment.

By doing so, we contribute to reducing the environmental footprint for several reasons: smaller transport footprint and smaller packaging waste generation, as there is no need for excessive packaging.

We also consider that buying locally helps create an ecosystem that fosters more stable and valuable relationships. Moreover, working with nearby partners allows us to have firsthand knowledge of their operations and working systems.

LOCAL PROCUREMENT (M€)

		CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
Total budget for purchases from local suppliers (M€)	2021	3,691.33	1,895.39	265.88	658.83	252.47	618.76
	2022	4,533.42	2,500.67	231.81	692.28	339.10	769.57
% of budget for purchases from local suppliers (M€)	2021	74%	69%	72%	91%	56%	86%
	2022	84%	88%	77%	93%	58%	84%

NUMBER OF LOCAL SUPPLIERS

2021	2022
CELSA Group™	
15,729	13,853

In 2022, we have increased the budget for purchases from local suppliers by 14%, approximately.



5.8 CELSA Circular Steel

Celsa Circular Steel Programme, leading circularity

CELSA Group™ has introduced the brand CELSA Circular Steel, which reflects how the Group is accelerating the transition to a fully circular steel. Much of this has deep roots in our history as a steel company that has maintained sustainable practices for over 50 years.

But this programme is not just about making CELSA more circular, it is also about supporting and promoting global and interconnected action throughout the steel value chain. This is not an internal transformation project, but a long-term programme to achieve sector-wide change.

The global annual demand will likely exceed the planet's natural resource capacity by 175%. Steel is key for our world and its future. That is why the steel indus-

try must evolve within this decade in line with the EU's climate action plans and goals, striving to limit global warming to 1.5 degrees.

The reality is that many industries will not become sustainable without sustainable steel. CELSA Circular Steel is a programme that drives positive impact far beyond our Group, as it unites the entire steel value chain to lead the acceleration towards a circular transition. Thus, this project fosters engagement with our staff, customers and stakeholders.

To achieve this, we have prioritised five pillars that will shape a more circular future across our Group and all those dependent on it.



Certifications

The CELSA Circular Steel Programme will introduce more certifications over time, making it easy for our customer companies to demonstrate the composition of our steel products and, ultimately, their final products or projects.

In the steel industry, clear and consistent traceability is key, so by certifying what we supply, our customer companies can be confident that each item meets their own material sourcing commitments.

In the Nordic region, we have the ISO 14.020 certification for our circular steel. The label ensures that our products are 100% recyclable and are manufactured with 100% recovered steel scrap.

Research and development

CELSA Group™ R&D is driven by our sustainability strategy, with circularity, digitisation and collaboration as backbones. The EU invests in R&D to help transform our industry, and has invested €121 million in this area in recent years.

Beyond specific projects, CELSA also actively participates in many industry associations, such as A.SPIRE, aimed at increasing the sustainability of the European process industry, the European Clean Hydrogen Partnership and the European Raw Materials Alliance.

Investments

CELSA Group will continue to be the leading European investor in improved production methods and will direct future investments to accelerate our circular journey.

Associations

At CELSA Group™, when we talk about partnerships, we refer to a cooperation agreement under which two or more parties commit to pooling our efforts and/or resources to achieve that shared purpose. Alliances with our suppliers allow both parties to implement strategies to fight climate change and the depletion of natural resources, guarantee traceability throughout our entire supply chain and belong to the largest circular supply chain in Europe.



For their part, our clients have products with a reduced carbon footprint, with total transparency and traceability, which allows them to mitigate their scope 3 emissions. Likewise, our partners can also be co-authors of new products and functions, which allows them to set more ambitious circularity goals and position low-carbon, circular and neutral solutions to our customers.

Partnerships

CELSA Group™ seeks every opportunity to collaborate with its customers, suppliers, and other stakeholders to reduce the environmental impact of its value chain. The new airport in Palma de Mallorca (Spain) is an example of this. CELSA Group™ used scrap from the old terminal to supply low-carbon circular rebar produced through electric arc furnace for the new terminal, built by the Spanish infrastructure company Acciona. CELSA's collaboration allowed Acciona to achieve its two sustainability objectives: improving circularity and reducing carbon emissions in the more than 40 products used in this project, resulting in savings of over 1,900 tonnes of CO₂ compared to the use of conventional products.

Another significant recent initiative was Crossrail, the €21.8 billion railway running beneath the centre of London to connect the city from east to west, which was once Europe's largest construction project. The rebar was produced by CELSA with an electric arc furnace and 98% recycled scrap. The steel emitted approximately 390 kilograms of CO₂/tonne, one of the lowest rates in Europe.

New products

At CELSA Group™, we continuously improve and develop our production processes and technologies year after year to offer our customers new products.



CELSA Circular Steel Clean Energy

We continue to reduce our carbon footprint by introducing renewable electricity in our steel production processes as a first step, through Power Purchase Agreements (PPAs) and/or Certified Guarantees of Origin (GoOs). With this key CO₂ reduction measure, our customer companies will benefit from an even more sustainable long steel product, with up to 20% lower CO₂ footprint. Our path to carbon neutrality also envisions the introduction of other renewable energy solutions, including green hydrogen to replace natural gas, in a second phase (medium-term).



CELSA Circular Steel Carbon Neutral

We offer our customer companies “carbon neutral steel”, which involves offsetting the remaining unavoidable emissions (through certified offset projects) that CELSA Group™ is currently unable to reduce. Our customer companies will receive CO₂ neutral steel, which will be verified and granted by a trusted third party.

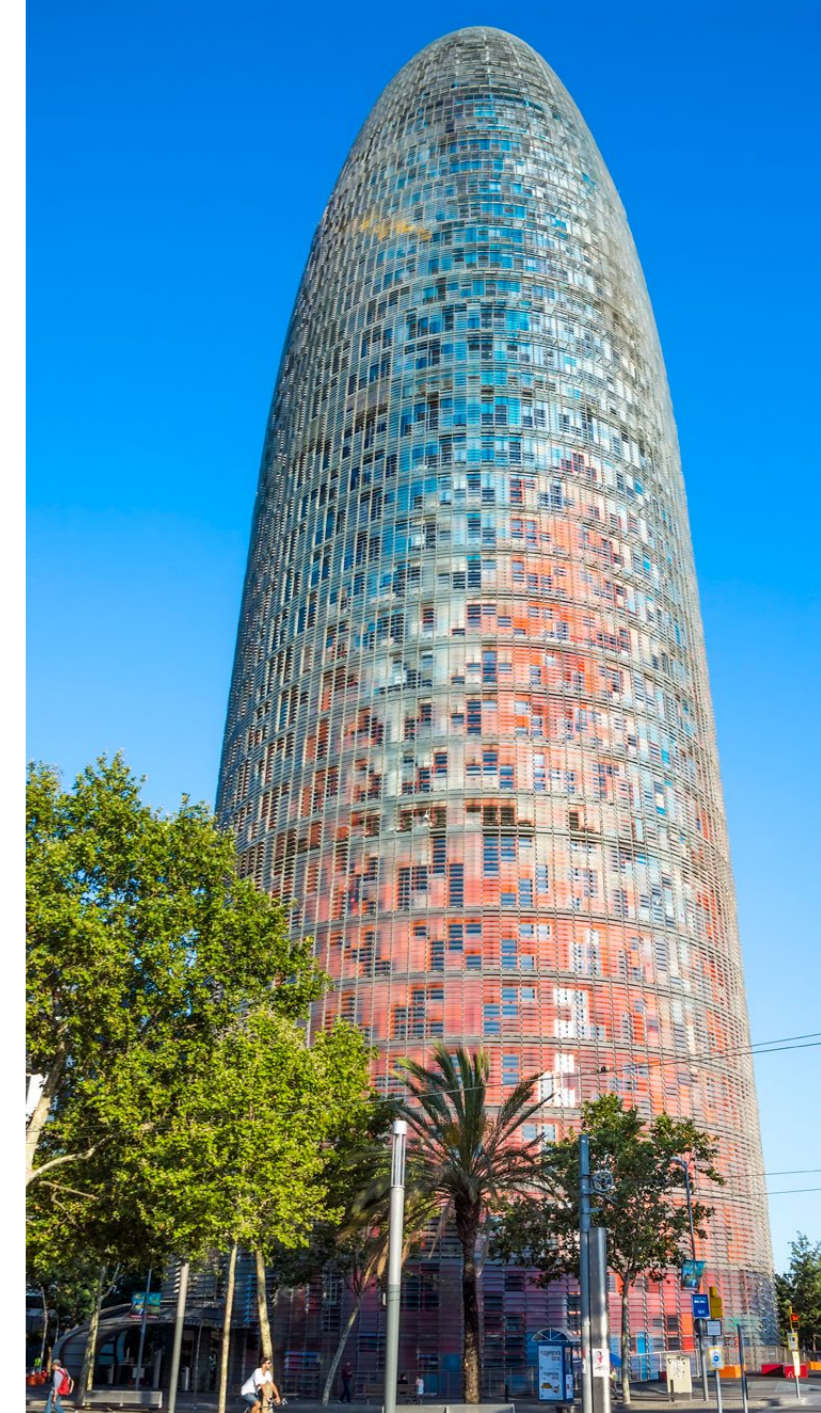


Recycled Plus

We personalize the product by increasing the content of recycled material (up to 100%) in the steel production process:

Taking advantage of the upstream integration of our business through the selection of raw materials, scrap management, local supply, etc.

Offering complete transparency throughout our entire supply chain: the information we obtain from it allows us to offer our clients the possibility of establishing more ambitious circularity objectives and challenges, such as, for example, closed-loop processes.



5.9

How we create value in our community

The business activities of CELSA Group™ (through direct and indirect employment) product procurement, transport and sponsorships, promote local economies in the territories where we operate.

We act with full respect for the local cultures of the countries and communities where we operate, contributing to their development to achieve a sustainable and beneficial activity for society.

Additionally, as part of our commitment to the community, we strongly support training projects that have a positive impact on personal and professional development.

We have increased community project spending by 3% compared to 2021.

We have invested 0.26% of the 2022 profits in community projects.

Social contribution

At CELSA Group™, we have implemented initiatives that increase our positive impact on society and the environment through our social action. In line with the Group’s commitments, we make donations that specifically address our business activities, with a special focus on the relationship with our immediate environment, as well as sponsoring local community initiatives. We also actively participate both in associations of the industry and of the sustainability field, thus increasing our contribution to the social environment.

In 2022, CELSA Group™ has made donations to non-profit entities covered by Law 49/2002, of 23 December, on the tax regime of non-profit entities and tax incentives for sponsorship and donations to non-profit foreign entities. Most of the donations have been allocated to the

following sectors: research and healthcare treatment; education and training; labour and employment promotion, as detailed in the table below.

Furthermore, in 2022, the Group has engaged in partnership and sponsorship initiatives, including participation in organisations such as the WorldSteel Association, Eurofer, Unesid, Sostenibilidad Siderúrgica, CEOE, Forética, Global Compact and Fundación Empresa y Clima.

Both the donations and partnership and sponsorship activities mentioned above have been carried out in strict compliance with anti-corruption and anti-bribery regulations.

EXPENDITURE ON COMMUNITY PROJECTS (M€)

	2021	2022					
	CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
Spending on projects or programmes for local community development based on the needs of local communities (M€)	2.17*	2.25	1.13	0.09	0.01	0.38	0.64

*In the 2021 Sustainability Report, a total of €428,306 in community expenses were recorded, which exclusively consisted of donations. For the year 2022, contributions to associations and sponsorships have also been considered.

Best Practices for social action of each subsidiary



CHALLENGE NATIVES

At CELSA Group™, we participate in the Challenge NATIVES programme, an impact platform for integrating sustainability into schools through social projects that have a positive impact on the educational and academic community.



FOOD DRIVE

At Atlantic Largos (Laracha), our staff participate in an annual non-perishable food drive, and we make an additional contribution equivalent to the collected items. The food is donated to the local association Cáritas.



SOLIDARITY

We organise a charity raffle, raising a total of £3,940 for the Ukraine humanitarian appeal. We also conducted a Christmas food drive for the Cardiff Food Bank, donating over 173 kg of food.



SOCIAL AND SPORTS SUPPORT

We carry out solidarity actions such as providing aid to the victims of the war in Ukraine, and support for minors with special needs and disabilities. Additionally, we support clubs and sporting events, including soccer tournaments for children and teenagers.



BUILDING TEAM SPIRIT

We organise events to strengthen relationships within the workforce. This includes Family Day, where we invite our employees and their families to a day of activities, and Celsa Evening, where we invite our staff and their partners to a dinner or leisure activity.

5.10

Direct economic value generated

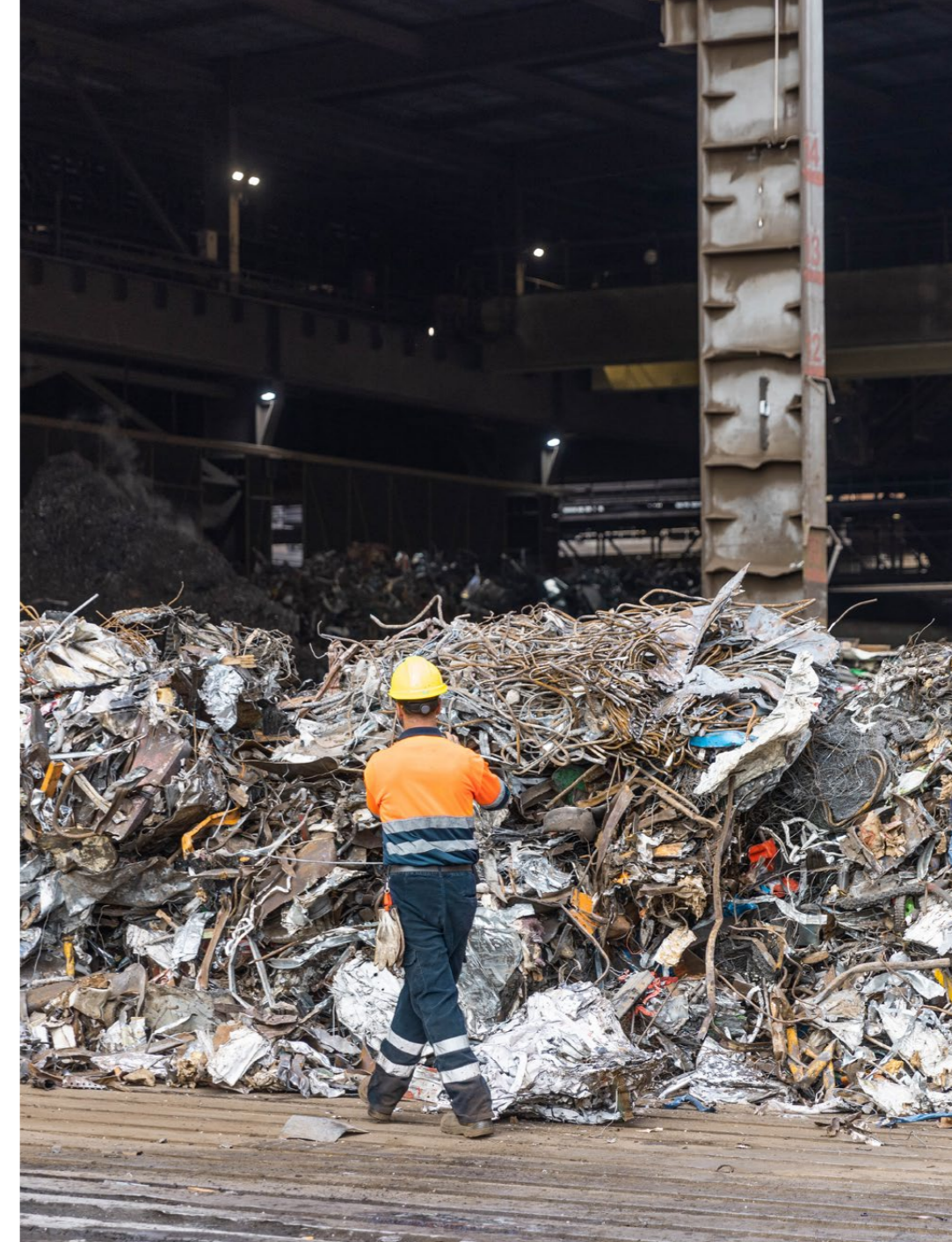
During 2022, CELSA Group™ has continued to generate shared value for society. So, its turnover has increased by 16% compared to the previous year, reaching 6,109 million euros. The amount allocated to employee wages and benefits has increased by 10% during the same period, reaching 466,23 million euros, and payments to governments have increased by 13% to 193.78 million euros.

Direct economic value generated

TURNOVER (M€)

	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland	Intercompany sales
2021	5,268.05	3,143.20	496.30	788.56	559.30	839.25	-558.56
2022	6,108.99	3,326.85	464.73	995.84	813.27	1,049.66	-541.36

In 2022, the turnover of CELSA Group™ has increased by 16% compared to 2021.



Economic value distributed

OPERATING COSTS (M€)

	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland	Intercompany sales
2021	4,178.80	2,570.87	474.42	664.15	398.73	629.19	-558.56
2022	4,786.62	2,726.50	399.86	814.47	577.10	810.05	-541.36

PAYMENTS TO PROVIDERS OF CAPITAL (M€)

	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
2021	112.60	69.70	3.95	7.90	10.93	20.12
2022	110.10	71.79	4.50	8.08	6.67	19.07

EMPLOYEE WAGES AND BENEFITS (M€)

	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
2021	424.98	229.56	14.25	66.24	75.66	39.27
2022	466.23	241.11	20.03	82.18	80.58	42.33

PAYMENTS TO GOVERNMENT (M€)

	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
2021	171.58	93.26	7.55	22.62	30.09	18.07
2022	193.78	107.87	9.41	26.68	31.11	18.71

Economic value retained

DIRECT ECONOMIC VALUE GENERATED' LESS 'ECONOMIC VALUE DISTRIBUTED' (M€)*

	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
2021	383	179	-4	27	48	133
2022	552	180	32	65	117	160

*The economic value allocated to community projects is not included.

Income tax paid

FISCAL INFORMATION BY BUSINESS GROUPS - FINANCIAL DATA (M€)*

		CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
Profit/loss before tax ¹	2021	296.78	57.60	0.13	32.54	106.65	99.85
	2022	685.04	246.31	32.60	68.66	207.38	130.07
Corporate income tax paid on a cash basis ²	2021	23.23	4.66	0.00	3.54	0.001	15.03
	2022	39.99	4.77	0.00	7.50	7.05	20.67
Corporate income tax accrued on profit and loss ³	2021	2.00	-8.73	0.00	0.25	7.59	2.89
	2022	32.14	-20.37	-5.05	8.00	25.84	23.72

¹ Profit/loss before taxes: the results before taxes of all the companies of the respective business groups are added (does not include consolidation accounting adjustments).

² Corporate income tax paid in cash: includes the amount paid for the annual Corporate Tax declarations, installment payments on account of Corporate Tax and withholdings supported in the year of each business group.

³ Corporate income tax accrued in profit and loss: includes the corporate tax expense recorded in the accounting of each business group.

Government grants

Below are the amounts received in government grants for each business unit:

GOVERNMENT GRANTS RECEIVED (M€)

	2021	2022					
	CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
Government grants received (M€)	12.27	13.00	2.79	0.53	0.00*	0.45	9.23

* 367€ - Government grants received by Celsa UK.



06

**People,
reason for being**



6.1 People in our organisation

Our commitment to people and society is key. At CELSA Group™, we believe in equal opportunities, the diversity of our people, and the integration of all individuals who want to be part of the Group. We are proud to have people from different backgrounds, races, ideologies, nationalities, religions and abilities. Additionally, we promote work-life balance policies and fully respect the personal and family life of all our staff.

We have a Talent Management System based on four pillars: attract, develop, hire and engage. All of these have two complementary support pillars: compensation and benefits, and legal and relationships, which are applied consistently across all business units and are supported by the SAP SuccessFactors IT platform, enabling comprehensive, standardised and digitised management throughout the Group.

At CELSA Group™, we conduct internal surveys to measure the level of employee satisfaction. In the 2022 edition, the Management Engagement Survey scored 3.92 out of 5, one of the highest scores in recent years, confirming the high level of commitment among the management team.

The Global Climate Survey is another survey that measures the overall satisfaction of the company’s employees. The last edition took place in 2021 (held every three years), and it scored 3.6 out of 5, showing an improvement compared to the previous edition (2018).

At CELSA Group™, people are the most important asset. We are proud to be drivers of several successful career paths within the company. We believe in people, their abilities, their values and we are committed to their health, safety and development.

People and their talent lie at the core of our Celsa Management System (CMS), which is built upon four talent pillars: attract, develop, hire, and engage. Each of these pillars has its own system—STAS, RSIS, LGMS, and PDIS—and is supported by the relationship and compensation pillars.

THE 4 PILLARS OF THE TALENT MANAGEMENT SYSTEM



ATTRACT



DEVELOP



HIRE



ENGAGE

4 PILLARS OF THE TALENT MANAGEMENT SYSTEM



- Talent profile and value proposition
- Communicate & engage
- Professional advocacy
- External recognition & measurement



- Job profile
- Competency assessment
- Learning practice acquire
- Individual development plan



- Job request and briefing
- Candidate recruitment
- Selection of candidates
- Welcome and Induction



- Total goal management
- Performance management
- Career plan management
- Talent and succession



ATTRACT (STAS)

The future needs of the organisation, identified in the strategic reflection process, are translated into the organisation's chart design and job descriptions. Each job description is associated with a position with skills or competencies.

We develop our Employer Branding strategy to attract the best potential talents with the competencies we require, aligned with our culture and employee value proposition.

Our aspiration is to become one of the most sought-after companies in the job market, so that the most talented professionals are drawn to work in the organisation.



HIRE (RSIS)

To identify potential candidates, we follow a recruitment and selection process, after which the final candidate is ready to join the CELSA Group™ culture.

The selected person begins their career in the organisation with an Onboarding process, during which they receive training on values, management standards, safety, key competencies and process standards to ensure that they will work safely and autonomously in their new position.



DEVELOP (LGMS)

At CELSA Group™, we have several tailored programmes aimed at developing internal and external talent. We understand that a well-trained team enables us to face all challenges and demands with the utmost confidence. For this reason, we have high-level development plans and serve as the starting point for many professional careers, both nationally and internationally. We firmly believe that if people grow, the Group grows.

Workers have an Individual Development Plan, through which, from learning and teaching, following the assessment of competencies (CAS process), they are continuously trained and advised to improve their skills (including teamwork and leadership) and competencies (personal, management and technical).



ENGAGE (PDIS)

To provide our team with the broadest expertise, the Group has implemented the Integrated Professional Development System (PDIS), a tool designed to manage people's talent.

Ongoing upward feedback is the performance management way of assessing and developing the necessary competencies. Each person owns their own professional development.

To become the best version of ourselves, we set goals, assess our performance regarding those goals, and receive feedback from the team review to better understand our strengths and areas for improvement. At the same time, everyone can share their professional aspirations with their superiors and receive advice on how to achieve them. These professional aspirations will also help address the company's talent and succession planning.

Within the PDIS, there are performance management systems, professional careers, talent management, succession plans and objectives.

Recognition Culture of CELSA Group™

Recognition is part of the culture of CELSA Group™ and is represented in our values. It is ingrained in our spirit to believe in those who are part of the company.

Recognitions provide an opportunity to highlight initiatives and behaviours that make the Group a better place: they allow us to acknowledge the efforts of our people and appreciate the ideas that have directly impacted and have contributed to the company's growth. The prizes awarded also emphasise the most human factor in the team and highlight behaviours that align closely with the Values.

Recognising the involvement of the families of our workers is also crucial, and therefore, CELSA Group™ organises activities that promote their participation and lead to joint recognitions, thus strengthening the #CELSAfamily.



TYPES OF CELSA GROUP™ RECOGNITION PROGRAMS

LINKED TO RESULTS:



1. CELSA GROUP™ SAFETY AWARDS:

Recognise plants for their efforts in maintaining safe and accident-free environments.



2. FRANCISCO RUBIRALTA AWARDS:

The purpose of the programme is to recognise workers and teams that, through their exceptional efforts, have implemented projects or initiatives that have been key in achieving the “Ms”* with a direct and significant impact on the Group’s results (such as: safety, environment, quality, service reliability, productivity, cost reduction or financing), and that particularly align with the CELSA Group™ Culture and Values.

* Improvement Goals, Key Improvement Goals, Departmental Improvement Goals.



The winning plants of the Safety Awards 2022 have been:

Celsa Spain

ACECSA (ACEROS PARA LA CONSTRUCCIÓN, S.A.U.)

Celsa UK

Rod&Bar Mill – CUK RBM (HOLDINGS LTD CELSA MANUFACTURING (UK)

Celsa Nordic

CSS Nordic AB Västerås, Sweden (CELSA NORDIC RECYCLING AB)
 CSS Nordic Dramenn, Norway (CELSA STEEL SERVICE A/S)

Celsa Poland

CHO Rolling Mill 2 (CELSA HUTA OSTROWIEC HOLDING SP. Z O.O.)
 Scrap Unit Elblag (CELSA HUTA OSTROWIEC SP. Z O.O.)



The winning projects in 2022 have been:

Celsa Spain

“Low Productivity Strategy, reduction of electricity consumption and optimisation of financial resources”.

Celsa France

“Start-up and staff hiring for the Rolling Mill in Celsa France”.

Celsa UK

“Reduce EAF Total Energy Consumption”.

Celsa Nordic

“Improved quality of use of checklist and e-check”.

Celsa Poland

“Developing a method for melting scrap in EG EAF with minimal consumption of natural gas on the burners in it”.

TYPES OF CELSA GROUP™ RECOGNITION PROGRAMS

NOT LINKED TO RESULTS:



1. VALUES AWARDS:

Recognise the workers who stand out in applying the Group's values during the performance of their duties. Values: honesty, humility, creative perseverance, innovative approach, teamwork and passion.



The workers of CELSA Group™ whose sons and daughters have been the winners of the Child Safety & Environmental Awards 2022:

Celsa Spain

- » **Honesty:** Manuel Jiménez Juárez / Javier Montejo / Francisco Cerato / Javier Ortega / Fernando Manso
- » **Modesty:** Antonio Barrionuevo / Juan Carlos Caparrós / Marta Vidales / Aitor Pérez / Gorka Arrotxena / Susana Ponciano
- » **Creative perseverance:** Dolores Mostazo / Julita Gorska / Alba Monsego / Elena Castro / Ana Ortega / Alejo González Ricardo Argüello.
- » **Innovative Approach:** Alejandro Martínez / Abdelkader Bulkaddid / Verena Renales / Gerardo García / Sheila Álvarez / Teresa Otilas.
- » **Teamwork:** Enrique Gutiérrez / Iris García / Raquel Domínguez / Jordi Garriga / Samantha Rodríguez / Mónica Garca / Josefa / José Alberto Blanco / Imanol Llano.
- » **Passion:** Garbiñe Múgica / Iván Tuya / Ángel Pérez / Rubén Alonso / Ramón Luque / Judith Sánchez.

Celsa France

- » **Honesty:** Jorge Mareque
- » **Modesty:** Carmen Aliana
- » **Creative perseverance:** Regino Gil
- » **Innovative Approach:** Santiago Queijo
- » **Teamwork:** Jean de la Hera
- » **Passion:** Jesús Souto

Celsa Poland

- » **Honestidad:** Ludwik Fiszer
- » **Modesty:** Waldemar Lata
- » **Creative perseverance:** Mariusz Kacata
- » **Innovative Approach:** Artur Dapciak
- » **Teamwork:** Lukasz Ogtaza
- » **Passion:** Artur Zapalsi

Celsa UK

- » **Honesty:** Matthew Green
- » **Modesty:** Inese Usklina
- » **Creative perseverance:** Anna Henley
- » **Innovative Approach:** Ian West / Andrew Comb / Liam Rich / James Prichard / Daniel Wilkins
- » **Teamwork:** Michael Whyte / Marc Vela / Rajesh Gidde
- » **Passion:** Carl Moore

Celsa Nordic

- » **Honesty:** Maibritt Rasmussen
- » **Modesty:** Oystein Aslaksen/ Andreas Engblom/ Jim Brun
- » **Creative perseverance:** Bettina Kim Schmidt / Casper Alm / Orjan Johan Grane
- » **Innovative Approach:** Sampsa Stigell / Jan Malyszko / Anders Jönsson / Tore Aasen
- » **Teamwork:** Marianne Jakobsen / Mattias Loskin / Trude Bernas / Asbjorn Myrvoll / Patrick Persson
- » **Passion:** Henrik Gronhoj / Aki Korkiakoski / Richard Buskum / Madeleine Hallner / Tim Ivan Bredesen



2. CHILD SAFETY & ENVIRONMENT AWARDS:

Contest aimed at the children of the #CELSAfamily, with the objective of highlighting our commitment to the safety and health of people, as well as environmental care.



3. LENGTH OF SERVICE AWARDS:

Recognise workers for their commitment, dedication and long-term tenure in the company.



The workers of CELSA Group whose children have won the Child Safety & Environmental Awards 2022 are:

Celsa Spain

<i>Celsa Barcelona</i> Teresa Minguet Canosa	<i>Nervacero</i> Javier Trinidad González	<i>Global Steel Wire (GSW)</i> Francisco J. Fernández Oti	<i>Ferimet</i> Borys Ivanov
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Celsa France Óscar Queijo Amado	Celsa UK José Antonio Pacheco	Celsa Nordic Petra Karell-Lindholm	Celsa Poland Rafat Zybata
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4. APPRENTICESHIP AWARDS:

Recognise workers who are committed to continuous learning and development.

6.2

Get to know our team

At CELSA Group™, the team represents an essential part of our history and identity. As a family-owned company, we take care of our staff and ensure they integrate the Group’s values.

As of December 2022, CELSA Group™ had a total of 10,162 employees, 7,922 directly employed workers and 2,240 subcontracted. We believe in our people and that’s why we provide stable and secure employment. In fact, in 2022, 94.3% of the staff had permanent contracts.

By the end of 2022, our team had an average seniority of, approximately, 11 years, demonstrating the job stability and long-term professional development of the workers, who predominantly join the company after completing their studies.

Furthermore, in 2022, the voluntary turnover rate was at 6.2%.

The total number of absenteeism hours, including any work absences, during 2022, has been 1,008,411 hours. The absenteeism rate was 6.3% in 2022.

COMMITMENT TO LABOUR STABILITY



94,3%
of staff with permanent contracts



11 years
Average of seniority



The voluntary turnover rate was at
6,2%

TOTAL NUMBER OF EMPLOYEES BY GEOGRAPHIC REGION AS OF 31/12/2022

2021	2022						
CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland	CELSA International*
7,777	7,922	3,462	265	1,739	1,005	1,447	4

*CELSA International includes other regions with commercial activity, mainly in the US and Portugal.

STAFF BY OCCUPATION AND GENDER AS OF 31/12/2022

	2021		2022	
	Women	Men	Women	Men
Team managers	103	431	115	431
Qualified Technical and Administrative Staff	376	1,110	372	1,121
Operational and Administrative Staff	406	5,351	421	5,462
TOTAL	885	6,892	908	7,014

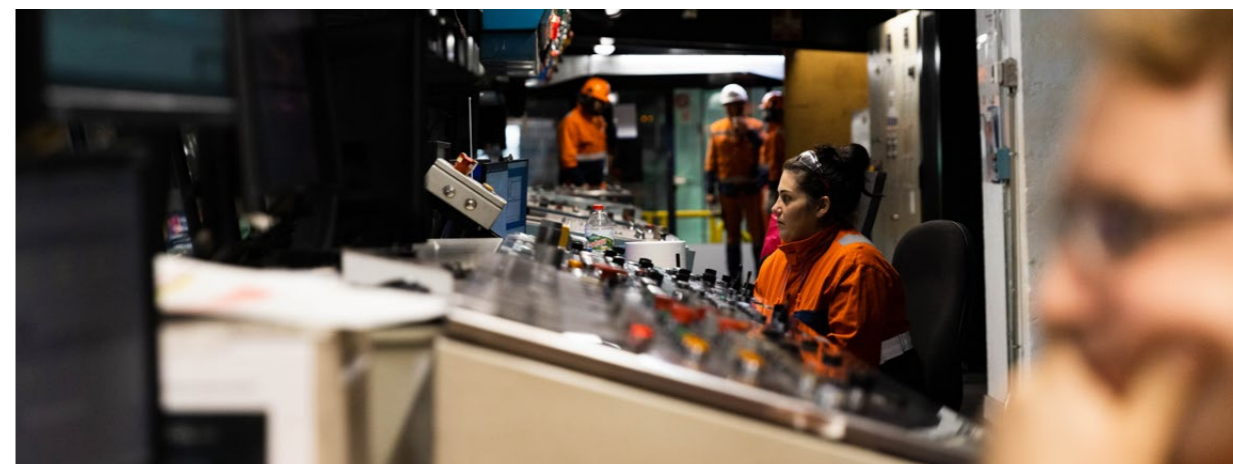
STAFF BY AGE AND GENDER AS OF 31/12/2022

	2021		2022	
	Women	Men	Women	Men
Up to 35	278	1,337	308	1,524
From 36 to 50	410	3,178	414	3,210
Over 50	197	2,377	186	2,280
TOTAL	885	6,892	908	7,014

CONTRACT MODALITIES*

		2021		2022	
		Women	Men	Women	Men
Permanent contract	Full-time	754	6,208	813	6,523
	Part-time	25	67	25	71
Temporary contract	Full-time	60	398	56	365
	Part-time	2	23	2	23
TOTAL		841	6,696	896	6,982

* Average 2022.



STAFF BY CONTRACT MODALITY AND GEOGRAPHIC REGION*

Unidad de negocio	2021		2022	
	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Celsa Spain	3,152	262	3,253	232
Celsa France	209	0	248	0
Celsa UK	1,436	41	1,642	33
Celsa Nordic	1,353	138	959	27
Celsa Poland	896	42	1,326	154
CELSA International	0	0	4	0
Total	7,054	483	7,432	446

*Average 2022.

NUMBER OF TERMINATED CONTRACTS BY MUTUAL CONSENT OR BY THE EMPLOYEE

	2021		2022	
	Women	Men	Women	Men
Up to 35	37	139	39	163
From 36 to 50	28	129	25	151
Over 50	11	87	16	91
TOTAL	76	355	80	405

TOTAL NUMBER OF TERMINATED CONTRACTS*

	2021		2022	
	Women	Men	Women	Men
Up to 35	92	533	55	292
From 36 to 50	79	438	33	268
Over 50	22	207	29	247
TOTAL	193	1,178	117	807

*Includes terminations of temporary employees who were hired multiple times during the year as replacements for employees on sick leave, absences or with the right to keep their position (due to illness, leaves, holidays, etc.) or due to production peaks.

TOTAL NUMBER OF NEW HIRES**

	2021		2022	
	Women	Men	Women	Men
Hasta los 35	125	711	98	567
De 36 a 50	97	518	53	379
Más de 50	18	129	14	141
TOTAL	240	1,358	165	1,087

**Includes new temporary employees who were hired as replacements for employees on sick leave or absences with the right to keep their position (due to illness, leaves, holidays, etc.) or due to production peaks.

NEW HIRES AND EMPLOYEE TURNOVER BY GENDER AND AGE

Gender	Employee turnover rate*		Voluntary employee turnover		New hires rate**	
	2021	2022	2021	2022	2021	2022
Women	21.8%	13.1%	8.6%	8.9%	27.1%	18.4%
Men	17.1%	11.6%	5.2%	5.8%	19.7%	15.6%
TOTAL	17.6%	11.7%	5.5%	6.2%	20.5%	15.9%

*Includes terminations of temporary employees who were hired multiple times during the year as replacements for employees on sick leave, absences or with the right to keep their position (due to illness, leaves, holidays, etc.) or due to production peaks.

**Includes new temporary employees who were hired as replacements for employees on sick leave or absences with the right to keep their position (due to illness, leaves, holidays, etc.) or due to production peaks.

NUMBER OF SUBCONTRACTED EMPLOYEES AS OF 31/12/22*

2021	2022					
CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
4,152	2,240	1,082	60	146	393	559

*The calculation criteria for subcontracted employees have been adjusted. In addition, the total number of subcontracts has decreased compared to 2021 due to the drop in production by approximately 20%.
By geographic region.

ABSENTEEISM*

	2021	2022					
	CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
Number of theoretical working hours	13,911,713	15,953,093	6,442,391	483,295	4,081,150	1,882,833	3,063,424
Number of absenteeism hours	795,750	1,008,411	512,119	40,852	173,438	166,024	115,979
% Absenteeism	6.32%	6.32%	7.95%	8.45%	4.25%	8.82%	3.79%

*By geographic region.

At CELSA Group™, we respect the fundamental conventions of the International Labour Organization related to freedom of association and the right to collective bargaining of both directly employed and subcontracted employees working at the company's facilities. In 2022, the percentage of employees covered by a collective bargaining agreement was 75%.

% OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENT*

2021	2022*					
CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
75%	75%	79%	75%	71%	71%	81%

*Average 2022. By geographic region.

6.3

We work to create a safe and healthy environment

The first priority of CELSA Group™ is to achieve a safe and healthy working environment for all the employees of the company. In fact, our stakeholders consider **Occupational Health and Safety and Industrial security and well-being as material topics (more information in the section “5.4. Stakeholder engagement”)**.

This commitment extends to all those individuals who, while not part of the organisation, are involved with it, such as employees of suppliers, contractors, customer companies, visitors or the local community living in the vicinity. To accomplish this, we have a safety, health and well-being policy.

Our goal is to achieve Zero Accidents. Therefore, as an active member of the WorldSteel Association, we have embraced its Principles of Health and Safety.

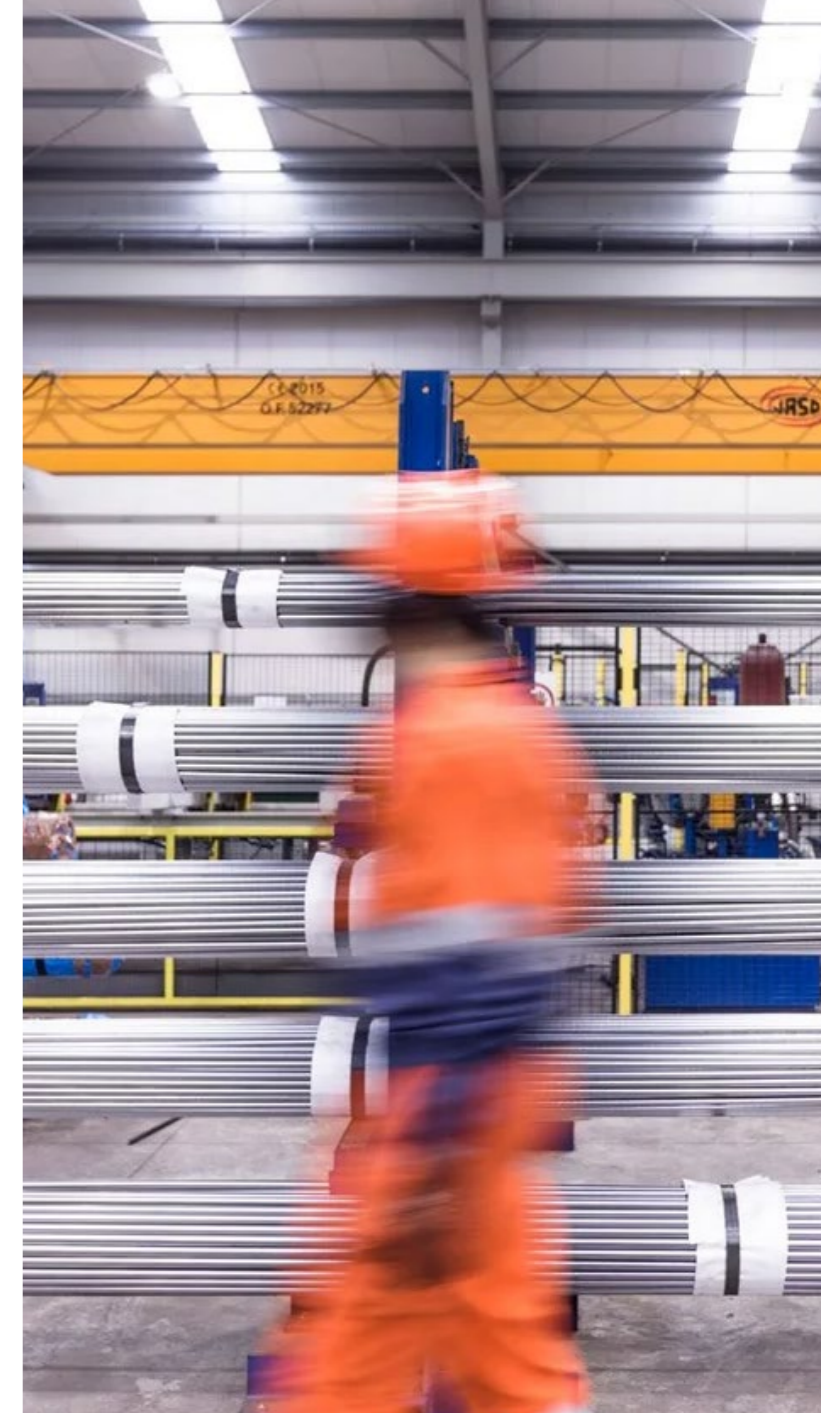
Beyond compliance with legal requirements in occupational risk prevention, CELSA Group™ has introduced several measures such as Corporate Health and Safety Standards, Accident and Incident Communication and Investigation, Preventive Safety Observations, and Safety

and Health System Certification. Additionally, the production centres periodically carry out training on safety, safety audits and emergency drills.

In 2022, the CELSA Group™ Well-being Model has been defined to ensure consistent deployment across business units following common guidelines. Accompanied by awareness workshops where topics related to the three pillars of the model (physical, mental and social well-being) have been addressed. These workshops have also initiated activities related to these pillars.

Furthermore, in 2022, the corporate standard for Just Culture and Safety School has been developed, with the aim of strengthening a safety culture by improving key behaviours within the organisation.

Beyond compliance with legal requirements in occupational risk prevention, CELSA Group™ has continuously integrated a range of programmes into our Occupational Health and Safety Management System that allow us to move towards our goal of Zero Accidents.



OPS Programme: Preventive Security Observations

We regularly observe the normal course of work, with a focus on identifying unsafe acts and conditions and acting to correct them. The OPS involves the participation of all employees at all levels, including managers, supervisors, employees and staff from partners. These observations are the basis for creating and developing a preventive culture within our organisation.

TCR Programme: Risk Correction Cards

To encourage the active participation of all our employees in identifying and reducing accident and incident risks, we promote the reporting of dangerous situations through Risk Correction Cards. These cards are reviewed and assessed to generate action plans in order to eliminate these risks.

In doing so, we achieve a multiplier effect and develop a strong safety culture where everyone acts to prevent anyone from getting hurt.

PSAP (Personal Safety Action Plan) Programme

All managers of the organisations that make up CELSA Group™ are required to develop and maintain a specific safety action plan, through which they commit to implementing specific actions aimed at improving the safety conditions of the people under their responsibility. These action plans are mostly made public, and their evolution is systematically reviewed by the management team.

OOL Programme: Organisation, Order and Cleanliness

An initial and essential condition for carrying out our work and operations without accidents or incidents is to have each area tidy and perfectly clean during the normal course of work. For this reason, our safety management system constantly strives to identify and eliminate sources of dirt and to keep everything in its place. We create teams that continually strive to improve organisation, order and cleanliness to increase efficiency and improve safety.



🏠	01	02	03	04	05	06	07	08	09	10
99	A conversation with the Chairman	2022 milestones and relevant events	Passion for circularity	Vocation for excellence	Because we believe in a sustainable future	People, reason for being	Our commitment to ecological transition	About this report	Appendix	GRI and SDG table of contents

Audit Programme: internal, cross and external audits

We maintain an ongoing audit programme at different levels to ensure the proper implementation of our own and corporate standards.

Internal audits allow us to review the correct functioning of the systems established for safety improvement at each plant.

Cross audits not only identify areas where the system does not align with internal plant procedures or corporate procedures, but also identify the best practices in the Group's plants that can be subsequently shared with other units through the creation or modification of corporate standards.

External audits ensure that our safety management systems comply with the strictest current regulations, thereby ensuring continuous improvement.

Programme 10: The 10 Safety Rules that Save Lives

We develop, implement and improve performance across a range of safe work standards and practices, which are the cornerstone of our management model.

Behind each of these 10 Life-Saving Rules, there is a set of standards that define how we carry out our work to achieve zero accidents.

These include leadership (with the example of the chain of command), work at heights, crane and lifting operations, DECAP (De-energise, Tag, Lock, Secure and Test), teams carrying out repairs or cleaning, entry into confined spaces or high-energy work, among others.

Behind each of these 10 Life-Saving Rules, there is a set of standards that define how we carry out our work to achieve zero accidents.

IAI Programme: Accident and Incident Investigation

We investigate and analyse each and every accident and incident that takes place, identifying the root causes with the primary goal of implementing action plans to prevent their repetition.

We pay attention not only to those situations in which people get hurt, but also to incidents in which risk situations are detected that must be corrected and avoided, even if there have been no injuries.

We make a special effort to disseminate the lessons learned from these accidents as an essential educational tool that promotes knowledge about occupational safety.



100	01 A conversation with the Chairman	02 2022 milestones and relevant events	03 Passion for circularity	04 Vocation for excellence	05 Because we believe in a sustainable future	06 People, reason for being	07 Our commitment to ecological transition	08 About this report	09 Appendix	10 GRI and SDG table of contents
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SHARED SAFETY PRINCIPLES

1. All occupational accidents and diseases can and must be prevented.
2. Managers are responsible and accountable for safety and health performance.
3. Employee commitment and training is essential.
4. Working safely is a condition of employment, promotion and career advancement.
5. Excellence in health and safety leads to excellent business results.
6. Health and safety are integrated into all business management processes.



PROGRESS IN HEALTH AND SAFETY IN 2022 COMPARED TO 2021

-0.09 points

Frequency rate of recordable occupational accidents in directly employed workers

-2.26 points

Frequency rate of recordable occupational accidents in subcontracted workers

-0.18 points

Severity rate of recordable occupational accidents in subcontracted workers



STAFF UNDER AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Unidad de negocio	2021	2022
Group companies certified with an occupational health and safety management system (OHSAS 18.001 or ISO 45.001)	73%	73%
Percentage of employees under an occupational health and safety management system (OHSAS 18.001 or ISO 45.001)	88%	89%

ACCIDENT RATE

	Directly employed workers		Subcontracted workers	
	2021	2022	2021	2022
Number of deaths due to occupational accidents	0	0	0	0
Number of occupational accidents with serious consequences (excluding deaths)	1	12	1	6
Number of recordable occupational accidents	94	94	48	29
Occupational accident death rate	0	0	0	0
Frequency rate of occupational accidents with serious consequences (excluding deaths)	0.07	0.86	0.014	0.89
Frequency rate of recordable occupational accidents ¹	6.79	6.70	6.57	4.31
Severity rate of recordable occupational accident ²	0.29	0.64	0.28	0.10

¹Frequency rate = (number of accidents / total working hours) x 1,000,000.

²Severity rate = (lost days during 2022 / total hours of work) x 1,000.

ILLNESS AND DEATHS OF OUR PROFESSIONALS*

	2021	2022					
	CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
Occupational diseases (directly employed workers)	5	5	3	1	1	0	0
Deaths due to illness or occupational disease (directly employed workers)	0	0	0	0	0	0	0

*By geographic region.



Best Practices for occupational health and safety of each subsidiary



SAFETY LEADERS

At CELSA Barcelona, we have launched the informative itinerary Safety Leaders, whose main objective is to provide managers with tools to exercise their leadership in safety. We have conducted 6 training sessions with the participation of 252 managers.



REWARDING PROACTIVITY

At Celsa Atlantic Largos (Laracha), we have acknowledged those workers who have actively and effectively contributed to the 'Con Sentidiños' campaign in 2022. At Celsa France (Bayonne), we also have a programme to acknowledge best practices or initiatives.



HEALTH PLAN

We have completed the Health and Safety Plan with a compliance rate of 86%, which is 33% higher than in 2021. We have introduced a pilot programme for health and safety recognition and reward, and we offer 6 new training courses in health and safety.



HEALTH INSURANCE

All employees at CELSA Armeringsstål (CAR), in Mo i Rana, Norway, have an agreement with a company that provides medical care. They also have private health insurance to ensure specialised treatment.



SECURITY SCHOOL

In GSW in 2022, the Basic Teams (KAIZEN) have been certified at levels 2 and 3, which has allowed the teams themselves to immediately detect security incidents and their resolutions, and, when not possible, escalate to a higher level. Additionally, the GSPI indicator is consolidated as a reference for monitoring the improvement of plants' safety management.

6.4 Our talent management and development

The commitment of CELSA Group™ to talent and professionalism involves ensuring compensation levels that align with the importance of the positions held by our employees and their levels of commitment and training. To achieve this, we use objective assessment and job description systems that comply with internationally renowned guidelines, such as the Korn Ferry Hay Method.

The Recruitment and Selection (RISES) process also uses this classification system for the preselection of internal and external candidates, ensuring equal opportunities and non-discrimination. Each year, the wage conditions of our employees are reviewed in accordance with the conditions agreed with trade unions and within the framework of objective performance assessment and goal achievement criteria.

We are particularly attentive to maintaining our equal pay and compensation policies. Therefore, we have an Appointments and Remuneration Committee that works to ensure the proper functioning of the entire system and its periodic review and updates.

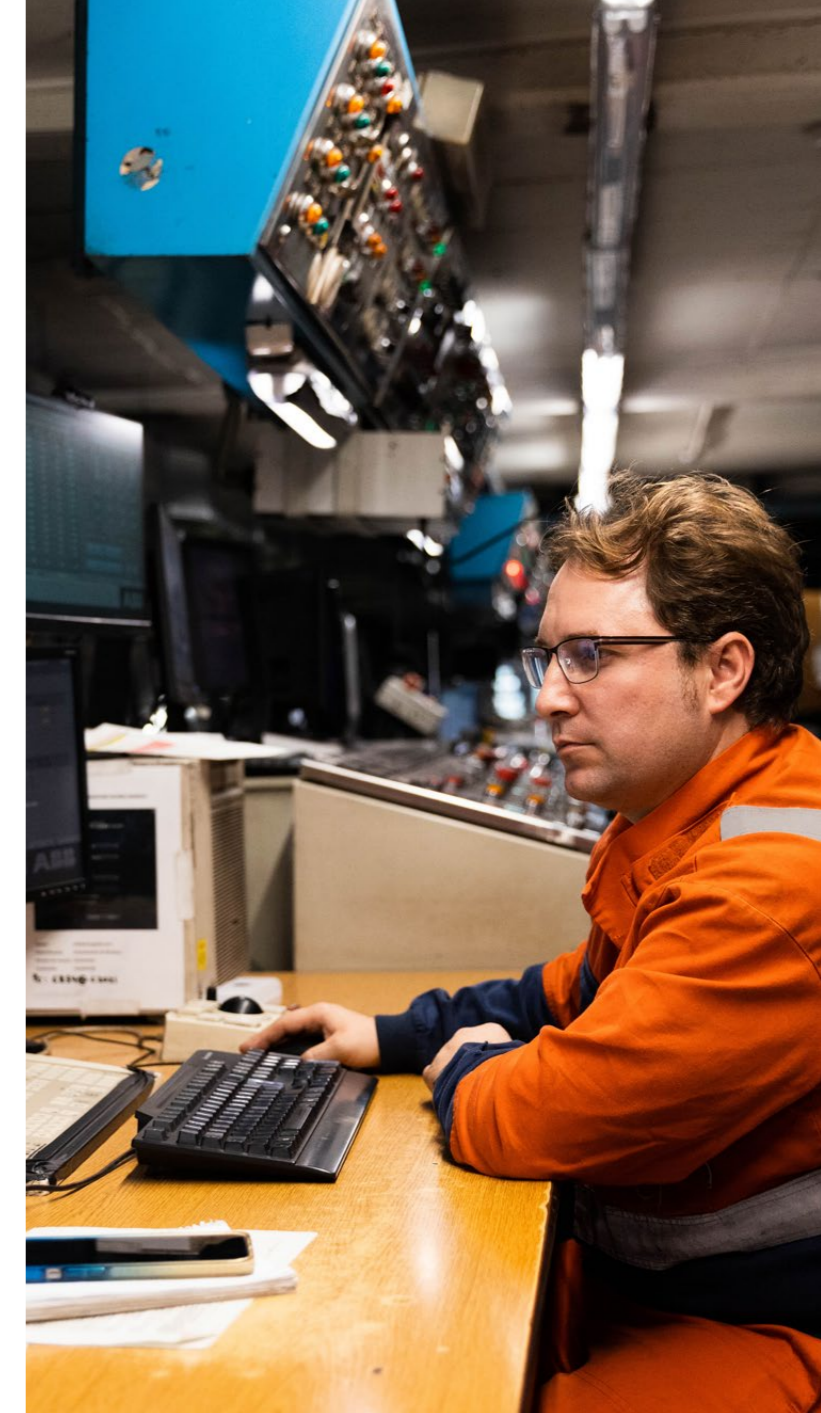
Furthermore, to provide our team the broadest expertise, at CELSA Group™, we have implemented the Integrated Professional Development System (PDIS), a tool designed to manage people's talent. According to this system, qualities are identified, and the career planning is tailored to everyone's profile. This system has been developed across all business units with the aim of:

ENSURING the satisfaction of our employees and providing value for talent retention.

BUILDING the attitudes, skills and knowledge necessary to contribute and add value to the CELSA Group™ project.

ATTRACTING, motivating and developing the best and brightest talent.

PROVIDING a common, easy and coherent tool that catalyses the company's strategy through our people.



INTERNALLY FILLED POSITIONS BY OCCUPATION

Business Unit	2021	2022
Team managers	82%	65%
Qualified technical and administrative staff	46%	40%
Operational and administrative staff	30%	28%
TOTAL	35%	32%

The record of the number of employees who have received training during 2022 has increased by 80% to 5,172, and the investment in training has increased by 34% to 3.78 million euros compared to the previous year.

TRAINING AND CONTINUOUS EDUCATION EXPENSES (M€) *

2021	2022					
CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
2,83	3,78	2,49	0,08	0,60	0,26	0,35

*By geographic region.

NUMBER OF EMPLOYEES WHO RECEIVED REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	2021		2022	
	Women	Men	Women	Men
Team managers	98	393	113	416
Qualified technical and administrative staff	248	615	273	638
Operational and administrative staff	146	1,370	114	487
TOTAL	492	2,378	500	1,541

HOURS OF TRAINING BY GENDER

	2021		2022	
	Women	Men	Women	Men
Team managers	2,996	10,434	2,078	9,988
Qualified technical and administrative staff	8,477	22,226	6,468	26,524
Operational and administrative staff	5,160	45,032	4,573	92,558
TOTAL	16,632	77,692	13,119	129,070

TRAINING HOURS BY BUSINESS GROUPS*

	2021	2022						
	CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland	International
Team managers	n.a.	12,065	7,065	222	595	2,897	1,264	22
Qualified technical and administrative staff	n.a.	32,992	21,032	950	4,470	3,222	3,313	5
Operational and administrative staff	n.a.	97,131	75,261	4,083	10,818	1,697	5,272	0
TOTAL	170,955	142,188	103,358	5,255	15,883	7,816	9,849	27

*By geographic region.

NUMBER OF EMPLOYEES WHO RECEIVED TRAINING*

	2021	2022						
	CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland	International
Team managers	491	613	314	18	53	168	59	1
Qualified technical and administrative staff	863	1,238	684	38	199	161	155	1
Operational and administrative staff	1,516	3,321	1,969	191	679	104	378	0
TOTAL	2,870	5,172	2,967	247	931	433	592	2

*By geographic region.

AVERAGE TRAINING HOURS PER EMPLOYEE*

	2021	2022						
	CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland	International
Team managers	n.a.	19.68	22.50	12.35	11.23	17.24	21.43	21.65
Qualified technical and administrative staff	n.a.	26.65	30.75	24.99	22.46	20.01	21.37	5.3
Operational and administrative staff	n.a.	29.25	38.22	21.38	15.93	16.32	13.95	0
TOTAL	33.15	27.49	34.84	21.27	17.06	18.05	16.64	13.48

*Average training hours per employee obtained by dividing the total hours of training by the total number of employees who have undergone training.

A change in the calculation criteria is applied in reference to the 2021 financial year. Currently, we continue working to improve the collection and processing of training data.

Best Practices for training in each subsidiary



KNOWLEDGE PARTNERSHIPS

At Barna Steel, we collaborate with the CELSA Chair of Competitiveness in Manufacturing at IESE and Nervacero. We also partner with Room4Steel, which aims to introduce students in the steel industry labour market.



CONTINUOUS TRAINING

At Celsa France (Bayonne), we have dedicated 5,013 training hours to safety, and, at Atlantic Largos (Laracha), 3,323 hours. In the latter case, we have allocated 4,505 hours to external training (English, statistics, leadership, alignment of axes, etc.).



GOLD ACCREDITATION

We have kept our Gold Accreditation for 'We Invest in Apprentices' as part of the Investors in People standard. We were the first steel company in the world to receive this award, recognising our commitment to high-quality training.



GAMELEARN

At GSW we implemented gamified training through an online platform with great acceptance by the people who took it. This experience was a fun and interactive learning, where we learn by playing and obtaining personalized feedback based on our decisions. Our people completed training in soft skills, leadership, time management, emotion management, well-being and diversity.



TRAINING NEW PROFESSIONALS

At Celsa Armeringsstål, we have about 30 apprentices each year with the aim of training new professionals. Additionally, we are part of the Kandidat Helgeland internship programme to recruit the best talents from the region.



LINKEDIN LEARNING PLATFORM

We have provided our staff with access to the LinkedIn Learning Platform in several areas, including business analysis and strategy, professional development, customer service, finance and accounting, human resources, leadership and management, marketing, project management, sales, etc.

INTERNATIONAL MOBILITY PROGRAMME

This programme is designed to provide our employees with the opportunity to access local or international positions in other Group's workplaces. It is aimed at people who want to develop themselves to access higher positions of responsibility in a different cultural environment, allowing them to continue growing professionally. Currently, approximately 33 employees from the Group are part of the Global Mobility Programme.

6.5

Commitment to equality, diversity and inclusion

CELSA Group™ belongs to an industry where traditionally women have had limited representation. However, the company is working to correct this trend and promote female participation in strategic projects and increase their representation in key leadership positions. An example of this is the implementation of the 30-2030 Programme, which aims to achieve a 30% female representation in the overall workforce by 2030.

Over the last five years, there has been a 10% increase in the number of women within the company, while the total workforce has remained unchanged. Essential areas such as the occupational risk prevention technicians' team and the finance team already have a high percentage of female representation.

Overall, CELSA Group™ has a 11.4% representation of women. Specifically, in 2022, in the support departments that provide global services to each of the operational units, the average women representation was 50.3% of the workforce.

Internally, we work to give visibility to all the women who are part of CELSA Group™ through participative initiatives and actions. An example is the #WomenofSteel campaign, where global and local activities are organised, later transformed into emotional and positive campaigns where women take centre stage.

We also have a whistleblowing channel and specific protocols against sexual harassment. During 2020, 2021 and 2022, there have been no complaints or claims related to sexual harassment.

Moreover, at CELSA Group™, we respect the principle of non-discrimination based on sex, race, ideology, nationality, religion, sexual orientation or any other personal, physical, mental or social condition. This principle applies to access, hiring, and equal opportunities for professionals, as stated in the Group's Code of Ethics and Professional Conduct.



In fact, our offices are designed to ensure accessibility for people with disabilities. They are properly signposted and have access control rules and procedures. However, due to their nature, iron and steel production plants are not accessible to people with certain disabilities.

At CELSA Group™, we comply with the provisions of article 42 of Royal Legislative Decree 1/2013, of November 29, on employment quota for workers with disabilities. We do so through direct hiring in collaboration with the Adecco Foundation for the labour integration of people with disabilities in cases where an exception to RD Legislative 1/2013 has been declared. In 2022, a total of 77 employees with disabilities were part of our staff. a.

NUMBER OF EMPLOYEES WITH DISABILITIES

2021	2022					
CELSA Group™	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
83	77	52	3	n.a.*	1	21

*In the UK, there is no legal obligation to collect this information.



Best Practices for equality and diversity by our subsidiaries



CELSA TALKS

We organise Celsa Talks via Teams to raise awareness among our team about the inclusion of people with functional diversity. Through these sessions, they had the opportunity to meet Javi Martín, an actor and television presenter; and David Aguilar, who has Poland syndrome (underdevelopment or absence of some chest muscles on one side of the body, absence of the portion of the chest muscle that attaches to the sternum) and built his own prosthesis using LEGO pieces.

EMPOWERING WOMEN'S TALENT (EWT)

We have joined the Empowering Women's Talent (EWT) programme. The Head of Internal Communication and Business Partner of Talent Management, Beth Canals, participated in an interview with *Equipos & Talentos* under the motto "Attracting and empowering female talent is key to facing future challenges".

STEM WOMEN CONGRESS

We participated in the STEM Women Congress, which was inaugurated by the Head of Sustainability, María Salame-ro, while the Head of R&D for Spain and France, Anna Casals, participated in the round table "How to address the under-representation of women in STEM".

Work-life balance

At CELSA Group™, we respect the personal and family life of all our employees, and we promote policies that facilitate a better work-life balance for our employees. In this regard, the work-life balance provisions included in the several collective bargaining agreements are applicable, which provide improvements compared to those established in the Workers' Statute.

Other noteworthy initiatives include open-door days for families, the Child Safety Awards, the aid programme for the education of employees' children, and the inclusion of the work-life balance in equality plans.

In 2019, the Group began implementing policies on digital disconnection. It is important to note that the vast majority of the Group's employees work in production facilities with shift work organisation, which significantly and naturally facilitates digital disconnection.



6.6

We ensure compliance with Human Rights

At CELSA Group™, we have a Human Rights Policy aimed at formalising the company’s commitment to human rights in all countries where we operate. It also defines the principles to ensure the respect for these rights, in accordance with the principles of the United Nations Global Compact, the International Labour Organization conventions, the Sustainable Development Goals (SDG) and our Code of Ethics and Professional Conduct.



Among the general principles included in this Policy are:

- Respecting the freedom and dignity of people, as well as the principle of non-discrimination based on race, gender, ideology, nationality, religion, sexual orientation, age or any other condition.
- Complying with applicable national or international regulations and the United Nations Guiding Principles on Business and Human Rights.
- Rejecting forced or child labour, physical, psychological or moral harassment, or any other behaviour that violates human rights.
- Ensuring fair wages, in accordance with legal requirements or through collective bargaining agreements applicable in each territory.
- Promoting training and awareness initiatives on human rights for our stakeholders.
- Encouraging suppliers to comply with this Policy.
- Establishing and maintaining systems and procedures for detecting, reporting, protecting, and addressing actions or behaviours contrary to Human Rights.
- Aligning our principles and commitments with the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises.
- Assessing human rights risks and impacts, preventing, mitigating and repairing, where appropriate, any negative consequences that may have arisen.

Among the international instruments to which the CELSA Group™ adheres, in addition to the Universal Declaration of Human Rights, are the European Convention on Human Rights and the Charter of Fundamental Rights of the European Union.

During 2022, training on human rights and the Code of Conduct was provided to 38 of our employees.

Through its Human Rights Policy, CELSA Group™ implements systems and procedures for detection, reporting and protection.

Código de Ética y Conducta Profesional

Code of Ethics and Professional Conduct



07

**Our commitment
to ecological
transition**



CELSA Group™ promotes environmental excellence in all its activities. Its commitment is articulated through the following lines of action:

- Promote initiatives for environmental protection, continuous improvement of environmental performance and pollution prevention in recycling area, energy conservation and reduction of consumptions, emissions, noise and waste.
- Comply with legal obligations, commitments and voluntary agreements. Anticipate compliance with future regulatory changes.
- Have a certified and proven environmental management system adapted to the nature of our activities. The entire organisation and the individuals and/or companies acting on behalf of CELSA Group™ are responsible for complying with the provisions of the environmental management system, ensuring care and respect for the environment. In fact, our main industrial facilities have an ISO 14.001 environmental management certification. Additionally, some of the Group's companies in Spain, such as Global Steel Wire, Celsa Atlantic and Celsa Barcelona, have the European EMAS registration. Only 20% of European companies in the steel sector have this certification.
- Inform and collaborate with authorities.
- Identify risks and opportunities to prevent or reduce adverse effects on the environment, considering both the processes and the context of the company.
- Promote a participatory attitude at all levels of the organisation towards environmental management.
- Select and assess subcontracted companies and suppliers in accordance with environmental protection criteria. Promote their environmentally responsible practices.
- Consider the needs and expectations of stakeholders. Support commitments and voluntary agreements with nearby communities in environmental improvement projects and promote environmental awareness and training among the employees of CELSA Group™ and the local community.
- Apply continuous improvement in all processes and invest in new technologies that prevent and minimise atmospheric emissions, waste generation, and inefficient use of resources. Consider the product lifecycle to determine environmental aspects and impacts.
- Promote resource recovery, recycling and reuse, and work with customer companies to raise awareness about the lifecycle of steel. Participate in initiatives that promote the use of environmentally responsible products.



During 2022, CELSA Group™ has made several environmental investments. The amounts of these investments are detailed below:

ENVIRONMENTAL INVESTMENT OF CELSA GROUP™ IN 2022 (M€)

2022					
CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
9,06	7.25	n.a.	0.03	n.a.	1.78

ENVIRONMENTAL INVESTMENTS (M€)

2021	2022
7.25	9.05

ENVIRONMENTAL EXPENSES (k€)

2021	2022
n.a.*	9.90

* n.a. (data not available). In 2021, no environmental expenses data were reported.

The environmental investments of CELSA Group™ have increased by 25% in 2022, reaching 9.05 million euros.



CELSA Group has several financial guarantees related to waste management and export and the environmental liability law. The amounts of these guarantees during 2022 are as follows:

FINANCIAL GUARANTEES (k€)

2022						
	CELSA Group™	CELSA Spain	CELSA France	CELSA UK	CELSA Nordic	CELSA Poland
Financial guarantee related to waste management	1,266.6	889,9	n.a.	0.0	0.0	376.8
Financial guarantee related to waste export	1,143.1	769.3	259.1	0.0	50.0	64.7
Financial guarantee related to the environmental liability law	12,714	12.560	154	0.0	0.0	0.0

7.1

Why we are leaders in circularity and recycling

CELSA Group™ is the largest European producer of recycled steel. 97% of our final product is composed of recycled steel, and 100% of the products' steel we generate are recyclable. The recovered waste amounts to 95.1% for the production processes, excluding Circularity HUBs (and 89.2% considering the processes of recovery and transformation of ferrous scrap and other materials). Additionally, 85.9% of the total materials we use in the production process are recycled.

By adopting this approach, we address the demands of our stakeholders, who consider **circularity with customer companies and other economic agents** as a material topic (more information in section "5.4. Stakeholder Engagement").

We contribute to the annual recycling of approximately 5.9 million tonnes of materials, including ferrous scrap, waste from our own production processes, plastics and other non-ferrous metals. Out of this total, more than 5.7 million tonnes of iron scrap are used in steel production. This enables us to avoid waste accumulation in landfills and produce once again high-value steel products for society without depleting natural resources.



Thanks to our circular model, we produce 5.5 million tonnes of steel, saving more than 11 million m³ of natural resources from extraction. This volume is equivalent to what more than 10 Empire State Buildings would occupy.

At CELSA Group™, we are strongly committed to the recovery and use of waste generated during the steelmaking process. These materials have a high potential to serve as secondary raw materials for processes such as road construction or reuse in the steel production process.

ENVIRONMENTAL AND RESOURCE MANAGEMENT POLICY

CELSA Group™ has an Environmental and Resource Management Policy that reflects the company's Purpose: 'We give infinite lives to finite resources'.



Principles associated with our activity:

- Strictly comply with national and international legislation in all the territories where we operate, adhering to initiatives and programmes for environmental protection and improvement our impacts.
- Integrate the conservation of resources and natural capital as a prominent element in the Group's decision-making, corporate strategy, and activity development.
- Develop our activity in accordance with an environmentally friendly production system, following a circular economy model.
- Use natural resources effectively and responsibly, 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, objectives and processes that enable continuous monitoring and assessment of natural capital management in our surroundings, along with periodic review of environmental objectives and goals.
- Minimise and promote compensation of the impacts of our activities on the environment and the biodiversity of the areas where we operate.
- Promote innovation, efficiency and continuous improvement in all our processes and activities, as well as the development of new products, services and solutions related to steel that contribute to economic value creation, sustainable development and the efficient use of our natural capital, all of which are approached from a life cycle analysis perspective.
- Improve the management of waste generated by implementing proper measures for reduction, recovery and recycling, and ensuring proper disposal of non-recoverable waste.
- Support the procurement of energy-efficient and environmentally friendly products and services, as well as design for improved energy and environmental performance of CELSA Group™.

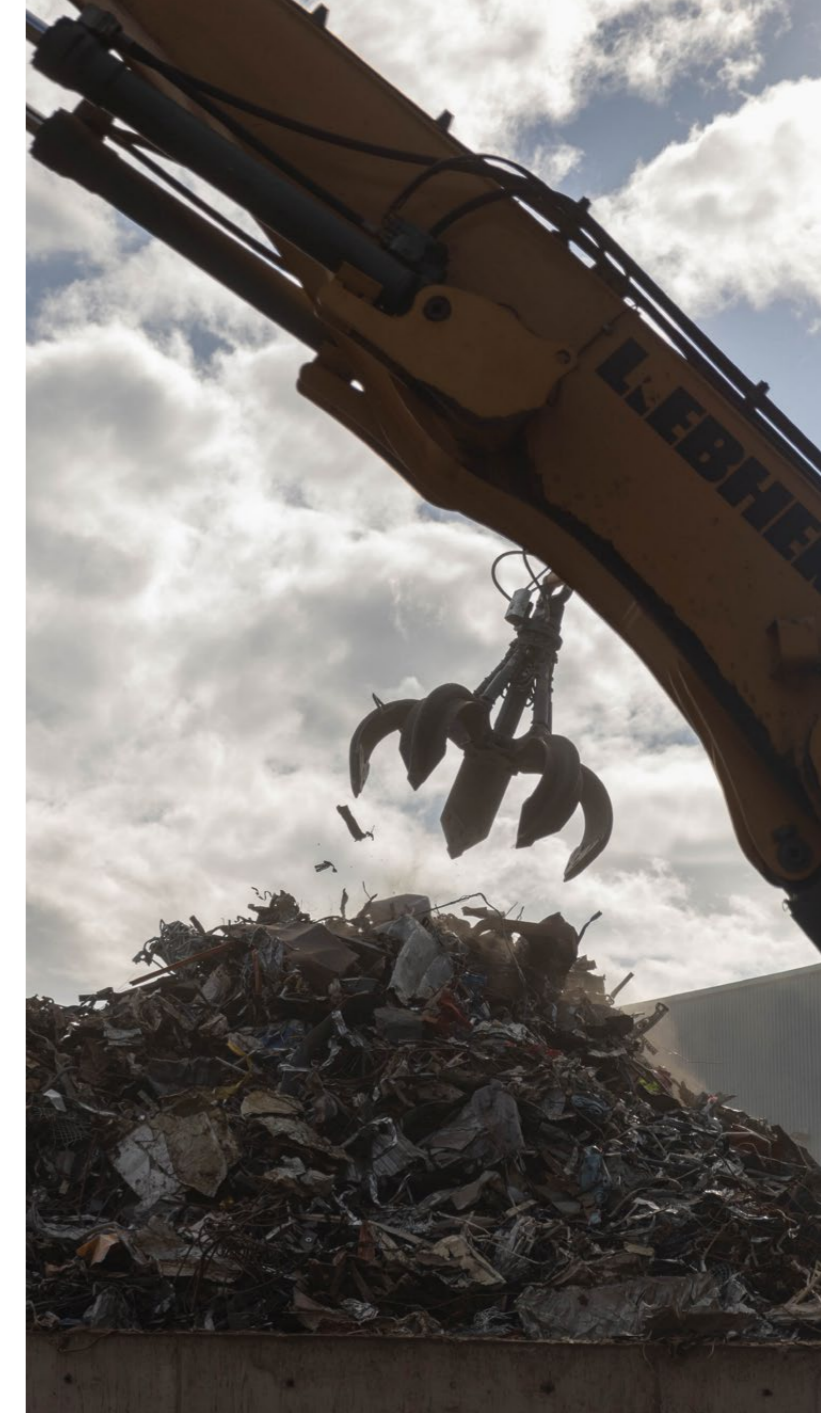
ENVIRONMENTAL AND RESOURCE MANAGEMENT POLICY

General principles with our professionals and value chain:

- Train our employees, suppliers, contractors and partners in environmentally respectful practices and in responsible use of natural resources, including water and energy.
- Promote the environmental commitment among those associated with our business, including management, professionals, contractors, customers and suppliers, making awareness, information and training essential tools.
- Communicate our environmental performance openly and transparently to all stakeholders with the aim of achieving an environmentally respectful integration in our surroundings.

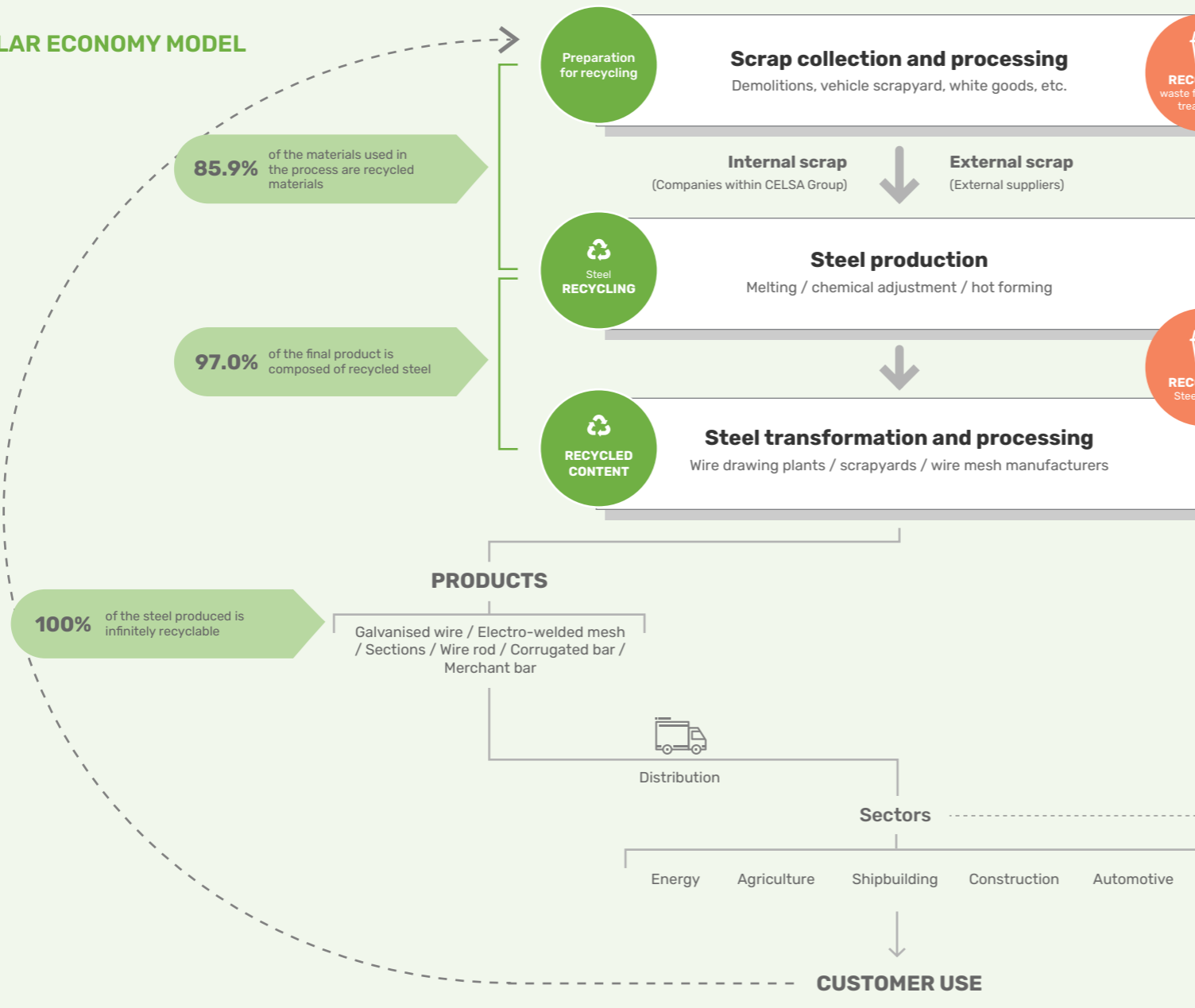
The Environmental and Resource Management Policy includes the following objectives:

- Implement continuous improvement in all our processes and invest 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 about the lifecycle of steel.
- Use of iron scrap as raw material. Specifically, in our steel mills, we engage in the recycling process to transform waste into commercial products again.
- Recovery and use of the waste generated during the steelmaking process, which has high potential to serve as secondary raw material for processes such as road construction or reuse in the steel production process.
- Work with certified, proven and adapted environmental management systems that ensure environmental care and respect in line with the nature of our activities.
- Develop an integrated management system, Celsa Management System (CMS), that maintains a high level of control over processes, as well as the quality and compliance with applicable requirements for the products and services we offer.
- Promote environmentally responsible actions within our value chain, supporting commitments and voluntary agreements with our local communities for environmental improvement projects.



OUR CIRCULAR ECONOMY MODEL

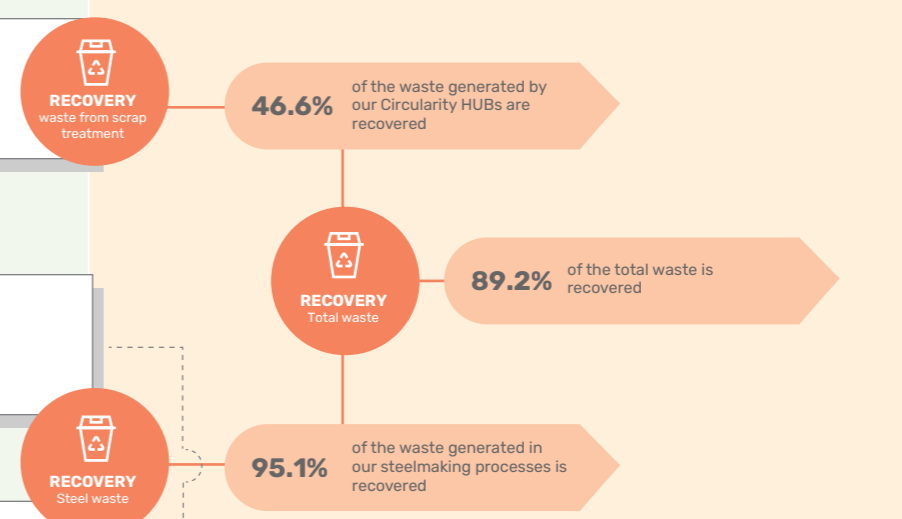
Steel recycling process



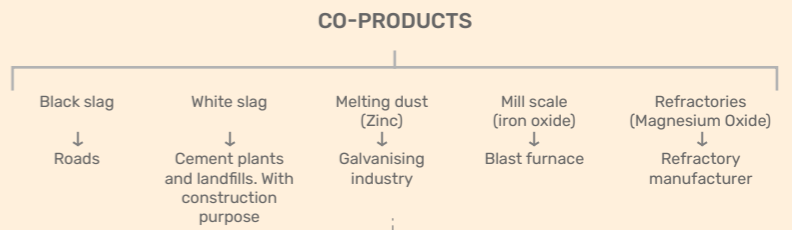
85.9% of the materials used in the process are recycled materials

97.0% of the final product is composed of recycled steel

100% of the steel produced is infinitely recyclable



Waste recovery



OUR CIRCULAR ECONOMY MODEL

Input materials for the steelmaking process

In steel manufacturing, recycled, renewable and linear materials are used.

TYPOLOGY OF MATERIALS USED IN THE ACTIVITIES OF CELSA GROUP™

	2021	2022	2021	2022
	t		%	
Total input materials	8,485,656	6,702,944	100%	100%
Recycled materials used in the process	7,635,680	5,761,114	89.9%	85.9%
Renewable materials used in the process (gases: oxygen, nitrogen and argon)	n.a.	285,299	n.a.	4.3%
Linear materials used in the process (Non-renewable)	n.a.	656,531	n.a.	9.8%

The amount of input materials in the group's activities has decreased by 14.0% compared to 2021 (8.5 million tonnes), due to the production decline in the last year 2022.

85.9% of the materials used in the process are recycled.

The typology of input materials consumed by process is detailed below:

TOTAL INPUT MATERIALS IN THE ACTIVITIES OF CELSA GROUP™ (t)

	2022			
	Total input materials	Recycled materials	Renewable materials	(Non-renewable) Linear materials
Input Materials to Circularity HUBs	1,403,030	1,403,030	0	0
Input materials to steel mills	5,028,880	4,215,105	275,323	538,452
Input materials to rolling mills	1,105	0	0	1,105
Input materials to finishing process companies	188,984	141,994	7,231	39,759
General input materials	80,944	984	2,745	77,215
Total input materials	6,702,943	5,761,113	285,299	656,531

OUR CIRCULAR ECONOMY MODEL

Output materials (waste and by-products – TARGET ZERO WASTE)

During 2022, CELSA Group™ has generated approximately a total of 1.4 million tonnes of waste as a result of steelmaking processes. Below is the amount of waste generated, broken down by production process and by waste type and hazardousness:

TYPE OF WASTE GENERATED (t)

	Hazardous waste	Non-hazardous waste
Waste from scrap processing	162	187,766
Shredder (light and heavy fraction)	0	108,726
Screening soil (fine and coarse fraction)	0	68,797
Others	162	10,243
Waste from steelmaking	104,383	1,018,281
Slag	0	832,273
Screening soil (fine and coarse fraction)	0	101,782
Scrap melting dust	104,140	0
Used refractories	0	26,151
Scale	0	14,389
Ferrous scrap	0	38,936
Others	243	4,750
Waste from rolling mills	26,480	173,709
Scale	0	113,513
Ferrous scrap	0	55,266
Others	26,480	4,930
Waste from finishing processes	3,246	25,974
Total waste generated	134,271	1,405,730

Finished product circularity

The production of steel from scrap instead of iron ore leads to significant savings in the consumption of raw materials. However, during the production process of our steel, a loss of approximately 10% is generated. Therefore, the amount of scrap recycled in our process is slightly less than the input scrap. The amount of input materials that have been recycled in our processes is shown below:

RECYCLED CONTENT IN THE PRODUCED STEEL

	t	%
Recycled scrap	5,722,822	97%
Other non-recycled iron contributions	174,498	3%
Total recycled materials	5,897,320	100%

97.0% of manufactured steel is produced from recycled scrap.

OUR CIRCULAR ECONOMY MODEL

Recycling of other materials

At the Group's facilities dedicated to the recovery, handling and processing of iron scrap for subsequent recycling in electric arc furnaces, other mixed materials arrive, which we also separate and recycle. The most significant materials we treat are as follows:



Light shredder residue:

It mainly consists of foams, textiles, small plastics and a small number of metals. We have implemented technological processes that have allowed us to recover part of the metallic materials that were mixed with light shredder residue.



Heavy shredder residue:

In this category, we include carbon-concentrated waste, mainly composed of rubbers, plastics and other materials obtained from shredding and as a result of the segregation carried out by the magnetic separators in the facility. We are working with the Group's steel mills to explore the possibility of using CEC as an alternative material to coal in electric furnaces.

At CELSA Group™, we are integrated throughout the entire steel value chain, contributing with different solutions: from demolition services that allows us to source raw materials (scrap) to services for the implementation of transformed steel, thus covering the entire value chain of our product.



VALORIZATION

Recycling of other material



Black Steel Aggregate (Black Slag)

From electric arc furnace (black slag). The steel aggregate comes from treatment of the black slag generated during the manufacturing process steel in the electric arc furnace. HE mainly used as a material premium in the manufacture of asphalt, concrete, granular bases and subbases of road surfaces.



White Steel Aggregate (White Slag)

From secondary metallurgy (white slag): produced in the furnace spoon during the refining process of steel. Mainly due to its high CaO content, can be used as fertilizer, correction agent pH of the soil and raw material in the cement factories.



Electric arc furnace steelwork fume dust (Zinc Oxide)

Steel dust is collected from filters of sleeves in purification systems of the gases generated by the smelting and refining furnaces. This dust contains metal oxides, especially zinc oxide, which has a high commercial value.



Mill scale (Iron Oxide)

Mill scale is a steel co-product that is produced mainly in the lamination process hot. This material originates due to surface oxidation of steel hot and is mainly formed by iron oxides (Fe_2O and Fe_3O_4). This chemical composition allows it to be used in other industrial processes that require a supply of iron, such as primary steel manufacturing, cement or ferroalloys.



Used furnace refractories

The main refractory materials that are used in the manufacturing process of steel are masses of oxide Magnesium (MgO) and dolomite bricks and high alumina bricks. These materials, once they wear out, they recover mostly to be re-used in the same steel process or as recycled raw material for manufacturing of new refractories.

CELSA GROUP JOINS THE EUROPEAN HORIZON 2020 PROBONO CIRCULAR PROJECT

In 2022, CELSA Group™ has joined the Horizon 2020 PROBONO project, funded by the European Union, aiming to recover several by-products from the steel production process, either for road surfacing or use in sustainable urban developments, as part of the European initiative.

As a participant in this project, which includes 46 partners from 15 countries, CELSA Group™ will conduct a pilot test on the use of the screening soil generated at its Circular HUBSs (collection centres for ferrous scrap and other waste recovered by the Group, and where materials are prepared for steel production) and the steel slag aggregate derived from the smelting process. The objective is to promote the recovery of all waste materials.

This project will advance the strategic goal of zero waste or complete recovery of waste and by-products derived from its steel production process, set by the company for 2050, in accordance with its sustainability roadmap.



Best Practices for circular economy and recycling of each subsidiary



RECYCLING AT HOME TOO

At Celsa Atlantic Largos (Laracha) we have organised an electrical and electronics appliances waste collection campaign from employees. In total we have collected 180 kg of obsolete equipment.



NERVACERO



CIRCULARITY PATHWAY

At Celsa Barcelona, we recover 96% of waste, and at Nervacero and GSW (Global Steel Wire), we have reduced landfill waste by 20 and 7.3%, respectively.



CEMENT 2 ZERO (C2Z)

Along with the University of Cambridge, we collaborate in this project, which aims to develop the world's first zero-emission cement on an industrial scale. We have also started a circular economy project for the reuse of refractories.



CIRCULAR PARTNERSHIPS

We aim to create and strengthen circular partnerships with our stakeholders throughout their value chain. For example, at Celsa Nordic Recycling, we have signed new agreements with Swedish railway recyclers.



ALTERNATIVES

We are exploring alternatives to shredded waste and seeking new ways to use industrial waste in other industries. Additionally, we cooperate with industry organisations and ministerial working groups in the field of circular economy development.

The decarbonisation plan is based on two main axes:

01

THE REDUCTION OF (SCOPE 1) DIRECT EMISSIONS THROUGH:



Reduction of fossil fuel use: working on projects to develop and integrate new technologies to replace natural gas with biomethane, green hydrogen, electrification, etc., and developing projects to replace coals with alternative materials such as biochar, shredded used tires and polymers from waste.

Improvement in energy efficiency: implementing technologies and process enhancements to reduce consumption and increase efficiency in combustion processes, such as oxygen doping and hot charging to improve process efficiency.

02

THE REDUCTION OF (SCOPE 2) INDIRECT EMISSIONS FROM ELECTRICITY:



Improving energy efficiency to reduce electricity consumption in processes through the installation of devices for optimising electricity consumption, such as variable-frequency drives, and by better monitoring energy consumption using analysers, meters, and mathematical models.

Replacing conventional energy sources for renewable energy sources through long-term Power Purchase Agreements with renewable energy developers and/or sourcing electricity covered by Guarantees of Origin.



1) EU EMISSIONS TRADING SYSTEM (EU ETS) FOR HEAD PLANTS OF CELSA GROUP™

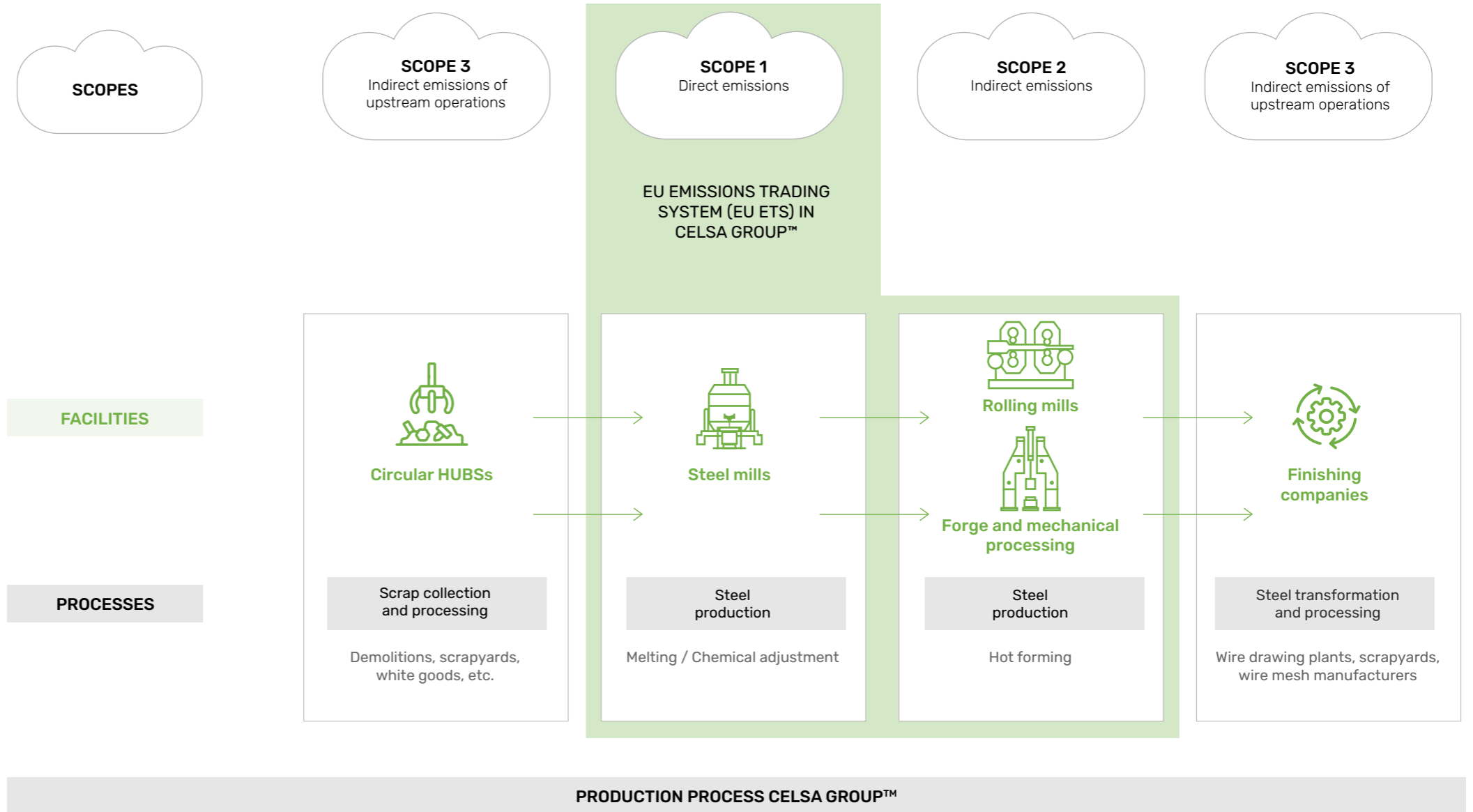
Our emissions

Scope 1 emissions in absolute values:

650,012 (t CO₂ eq.)

Scope 1 emissions in specific values:

119 (kg CO₂ eq./t acero)



PRODUCTION PROCESS CELSA GROUP™

CELSA Group™ is already a low-emission company, and we have set the goal to reduce Scope 1 and 2 market-based emissions from the headquarters* by 50% by 2030 and become a Net Positive company by 2050.

*Headquarters: steel mills and rolling mills of Celsa Barcelona, Nervacero, Global Steel Wire (GSW), Celsa Atlantic Largos, Celsa France (Bayonne), CAR (Celsa Nordic, Armeringstal), CHO (Celsa Poland, Huta Ostrowiec) and Celsa UK Manufacturing (Celsa UK).

To calculate our carbon footprint, we rely on the GHG Protocol standard, which allows us to account for the main types of greenhouse gases (carbon dioxide (CO₂), methane (CH₄), nitrous oxides (N₂O) and others) generated directly and indirectly in reporting emissions, expressed in units of tonnes of CO₂ equivalent (tCO₂eq.).

The Carbon Footprint is verified by an accredited third party, which provides more assurance to the results obtained. Specifically, the following scopes have been analysed: Scope 1, Scope 2 and Scope 3 (the most relevant).

The values of Scope 1 emissions (direct emissions) have been reported and verified within the European Union Emissions Trading System (EU ETS).

Scope 2 emissions (indirect emissions) are calculated using two methodologies:

- A location-based method that effects the average emission intensity of the grids where the energy consumption occurs (mainly using data from the average emission factor of the grid).
- A market-based method that reflects the electricity emissions that companies have based on contractual instruments for selling and purchasing bundled energy with attributes on energy generation or for unbundled attribute claims.

Additionally, we have calculated Scope 3 emissions from sources that are not owned or controlled by the company but are generated due to our activity.

The following Scope 3 categories have been considered:

- Purchased goods.
- Capital goods.
- Fuel and electricity production.
- Upstream transportation and distribution.
- Waste management.
- Business travel.
- Employee commuting.
- Downstream transportation and distribution.

Emission factors have been obtained from different databases (DEFRA, Ecoinvent 3.8, Oficina Catalana del Canvi Climàtic (OCCC), among others).

HEAD PLANTS CARBON FOOTPRINT (location-based) FROM 2021 AND 2022 (t CO₂ eq.)

	2021	2022
Scope 1	768,791	656,322
Scope 2 (location-based)	851,325	764,747
Scope 3	2,159,508	1,852,221
TOTAL	3,779,624	3,273,290

HEAD PLANTS CARBON FOOTPRINT (market-based) FROM 2021 AND 2022 (t CO₂ eq.)

	2021	2022
Scope 1	768,791	656,322
Scope 2 (market-based)	1,109,317	995,431
Scope 3	2,159,508	1,852,221
TOTAL	4,037,616	3,503,974

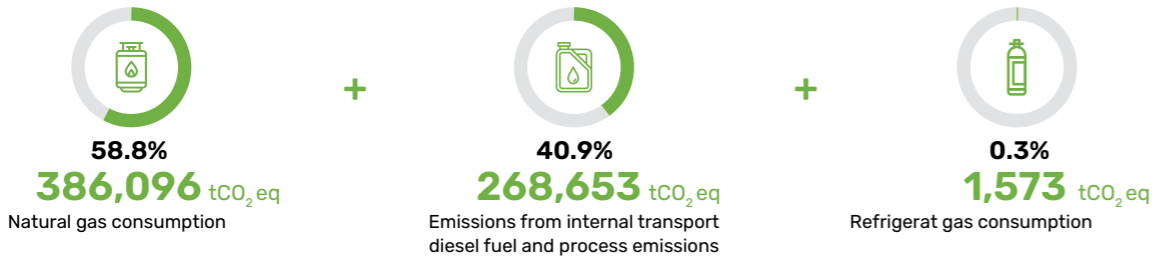
Hereafter are the head plants Carbon Footprint data for 2021 and 2022, according to the location-based and marker-based methodologies:

HEAD PLANTS CARBON FOOTPRINT 2022

At Celsa Group™ we reaffirm our commitment to sustainability and climate change, and we work to measure and mitigate emissions from our activities. As part of our commitment, the 2022 carbon footprint is included below.

WHAT EMISSIONS HAVE WE GENERATED?

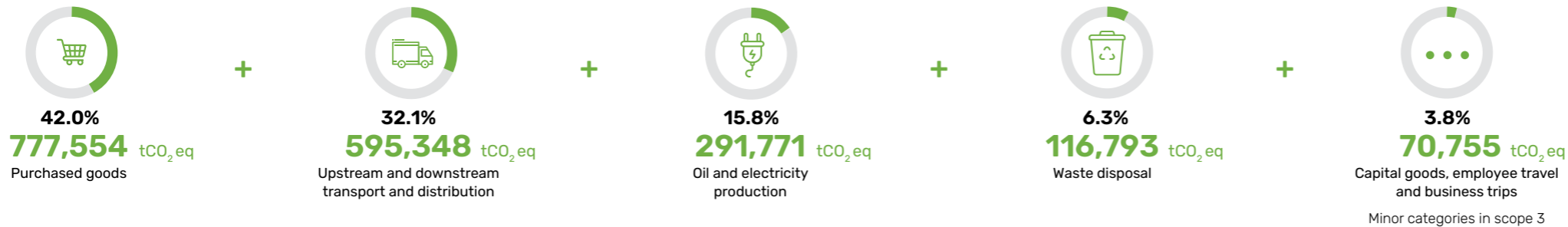
SCOPE 1: DIRECT EMISSIONS



SCOPE 2: INDIRECT EMISSIONS



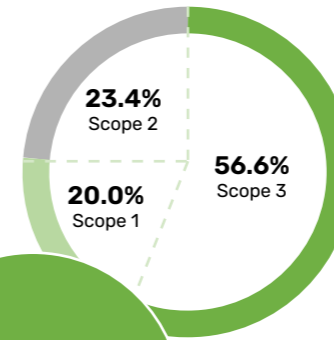
SCOPE 3: OTHER INDIRECT EMISSIONS



The carbon footprint is the impact of our activities on the environment and is expressed in tonnes of CO₂ equivalent. It is calculated from the Greenhouse Gas (GHG) emissions generated.

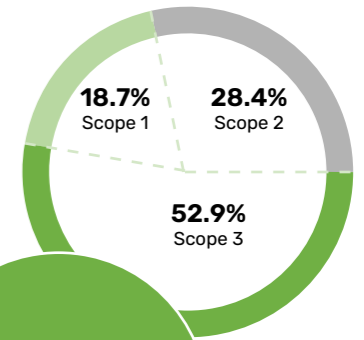
The GHG Protocol Corporate Standard methodology has been used to calculate the carbon footprint.

GHG EMISSIONS BY SCOPE 2022 (location-based)



100%
3,273,290
tCO₂eq

GHG EMISSIONS BY SCOPE 2022 (market-based)



100%
3,503,974
tCO₂eq

Compared to 2021, we have reduced Scope 1 emissions by 14.6%, mainly due to a decrease of almost 20% in the steel production of CELSA Group™. Regarding Scope 2 location-based emissions, our indirect emissions have decreased by 10.2% compared to the previous year. As for Scope 2 market-based emissions, we have reduced our emissions by 10.3%.

Regarding Scope 3 emissions, there is a reduction of 14.2% compared to the previous year.

Additionally, we also present the emission intensity values for steelmaking and rolling processes, considering the emissions from the headquarters for 2021 and 2022:

EMISSIONS (kg CO₂ eq./t billet)

	2021	2022
Direct GHG emissions (Scope 1)	116.4	119.4
Indirect GHG emissions (location-based Scope 2)	128.8	139.1
Indirect GHG emissions (Scope 3)	326.8	337.0
Total emissions (location-based Scopes 1+2)	572.0	595.6

EMISSIONS (kg CO₂ eq./t billet)

	2021	2022
Direct GHG emissions (scope 1)	116.4	119.4
Indirect GHG emissions (market-based Scope 2)	167.9	181.1
Indirect GHG emissions (Scope 3)	326.8	337.0
Total emissions (market-based Scopes 1+2)	611.1	637.5

In 2021, we committed to the Science Based Targets initiative (SBTi). CELSA Group™ has not yet specified this commitment because it is waiting for SBTi to publish the steel sector's objectives soon. In accordance with this commitment, the baseline for the decarbonisation roadmap must be set in 2021.

Starting from this baseline, we have reduced the absolute value of emissions from our headquarters by more than 100,000 t CO₂ eq., due to lower production volume in the past year. However, in terms of emissions intensity, it has increased by 5.7%. Currently, we should have reduced our specific emissions by 5.6% to meet our short-term roadmap.

This increase in emissions intensity is due to the reduction in production volumes, leading to shutdowns and restarts of facilities, consequently resulting in lower process efficiency.

Furthermore, Scope 2 emissions have been affected by an increase in the emission factor of electricity grids.

In 2022, CELSA Group™ has reduced Scope 1 emissions by 14%, Scope 2 location-based emissions by 10%, and market-based emissions by 26% compared to 2021.

7.3 Other emissions and pollution

All our production processes are subject to the EU Industrial Emissions Directive and, therefore, we have implemented the best available techniques defined for the sector where we operate.

The main production facilities of CELSA Group™ are subject to integrated environmental authorisations that cover all relevant environmental aspects for integrated preservation and pollution control.

In our commitment to air quality, steel mills of CELSA Group™ have treatment systems to minimise environmental impact and prevent pollution associated with emissions of pollutants into the atmosphere.

At all plants, we monitor the channelled emissions, which are those emitted into the atmosphere through controlled flue or chimney. Below is the total mass load emitted during 2022 for different compounds:

CHANNELLED EMISSIONS (MASS LOAD)

	2021	2022
Dust emission (kg)	69,205	60,713
Mercury emission [Hg] (kg)	224	101
NOx [Emission REF 02 3%] (kg)	1,272,948	699,255
CO [Emission REF 02 3%] (kg)	6,831,204	5,032,218
SOx [Emission REF 02 3%] (kg)	7,916	341,880
Dioxin emission (g)	2.8	0.7

Compared to 2021, a reduction in emissions of the main pollutants (CO and NOx) can be observed, due to the decrease in our production.

On the other hand, an increase in sulphur dioxide (SOx) emissions is observed since, sometimes, a specific measure may be implemented under non-representative conditions of the normal process. Since the measurements for this compound are carried out annually, the representativeness of this data may not reflect the typical operating conditions of the plant.

Additionally, some of the plants monitor fugitive emissions, which are more difficult to quantify and are calculated approximately:

FUGITIVE ATMOSPHERIC EMISSIONS (MASS CHARGE)*

	2021	2022
Particle emission (kg)	636,000	43,131

*Currently, we are working to standardize methods for measuring diffuse emissions in order to carry out robust comparative studies. In this case, concrete measures were taken, in situations that might not be representative of the normal conditions of the process.

Noise pollution prevention

At CELSA Group™, we take actions to ensure that our activities do not cause nuisances in the neighbouring communities where we operate, ensuring that we do not emit noise above permitted levels outside our plants. For this purpose, we conduct noise impact studies and noise maps that help define the necessary actions and investments to shield and absorb the noise associated with industrial activities where needed. Thanks to these measures, CELSA Group™ has successfully reduced noise levels at its plants in recent years.

Below, the number of complaints received during 2022 is shown, along with a comparison with the results from the previous year:

NUMBER OF COMPLAINTS

	2021	2022
Noise complaints	226	91
Other complaints	456	222
Total complaints	682	313

A significant decrease is evident, both in the number of noise complaints and in the total number of complaints, with no monetary sanctions imposed.

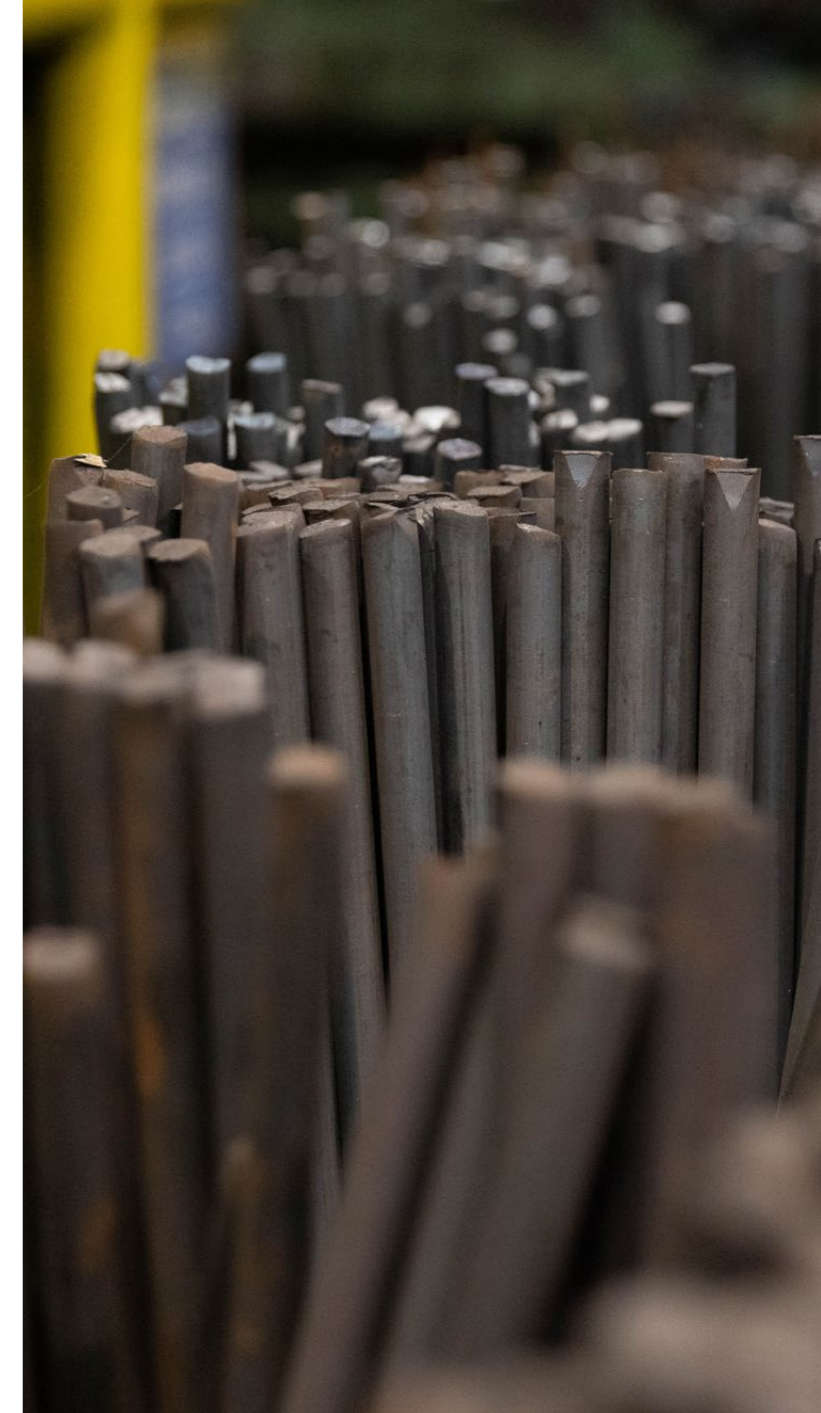
Below is the breakdown of different environmental complaints received during 2022, broken down by formality:

NUMBER OF ENVIRONMENTAL COMPLAINTS RECEIVED FORMALLY AND INFORMALLY

	2022
Formal complaints ¹	308
Informal complaints ²	6
Total complaints	314

¹ Documented (complaints written by neighbours, notification to the town council, etc.).

² Undocumented (social media comments, calls, etc.).



7.4

Efficient use and consumption of energy

The first step towards carbon neutrality is to improve energy efficiency. Therefore, our facilities and processes are adapted to enhance energy efficiency. In fact, our stakeholders consider clean energies as a material topic (more information in the section “5.4. Stakeholder engagement”).

The Environmental and Resource Management Policy of CELSA Group™ includes among its objectives the efficient and responsible use of natural resources, including energy, prioritising the reduction of their consumption and the use of renewable or recycled resources, whenever possible. We also aim to train our employees, suppliers, contractors and partners on environmentally friendly practices and responsible use of natural resources, including energy.

In this regard, at CELSA Group, we have opted for the most efficient technology in the sector; electric arc furnaces (EAF) require about 75% less energy consumption compared to blast furnaces. Thanks to avoiding the consumption of more than 13,800 GWh/year of electricity, which is equivalent to what 81% of the city of Barcelona consumes in a year.

The steelmaking process through electric arc furnaces (EAF) is energy intensive. Therefore, efficient energy management is relevant in our facilities, and we annually set improvement goals. Many of these objectives are supported by the innovation programmes we develop, mainly based on industrial process optimisation, monitoring of physical process variables (industry 4.0) and the application of machine learning concept.

At our plants, we conduct energy audits to identify projects related to energy efficiency. These projects focus on consumption reduction through industrial process optimisation, adoption of best practices and technologies, and the implementation of machine learning concepts.



In compliance with Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency and the subsequent transposition in each country, all the steel plants of the Group are in the European Union, Norway and the United Kingdom, and comply with applicable legislation.

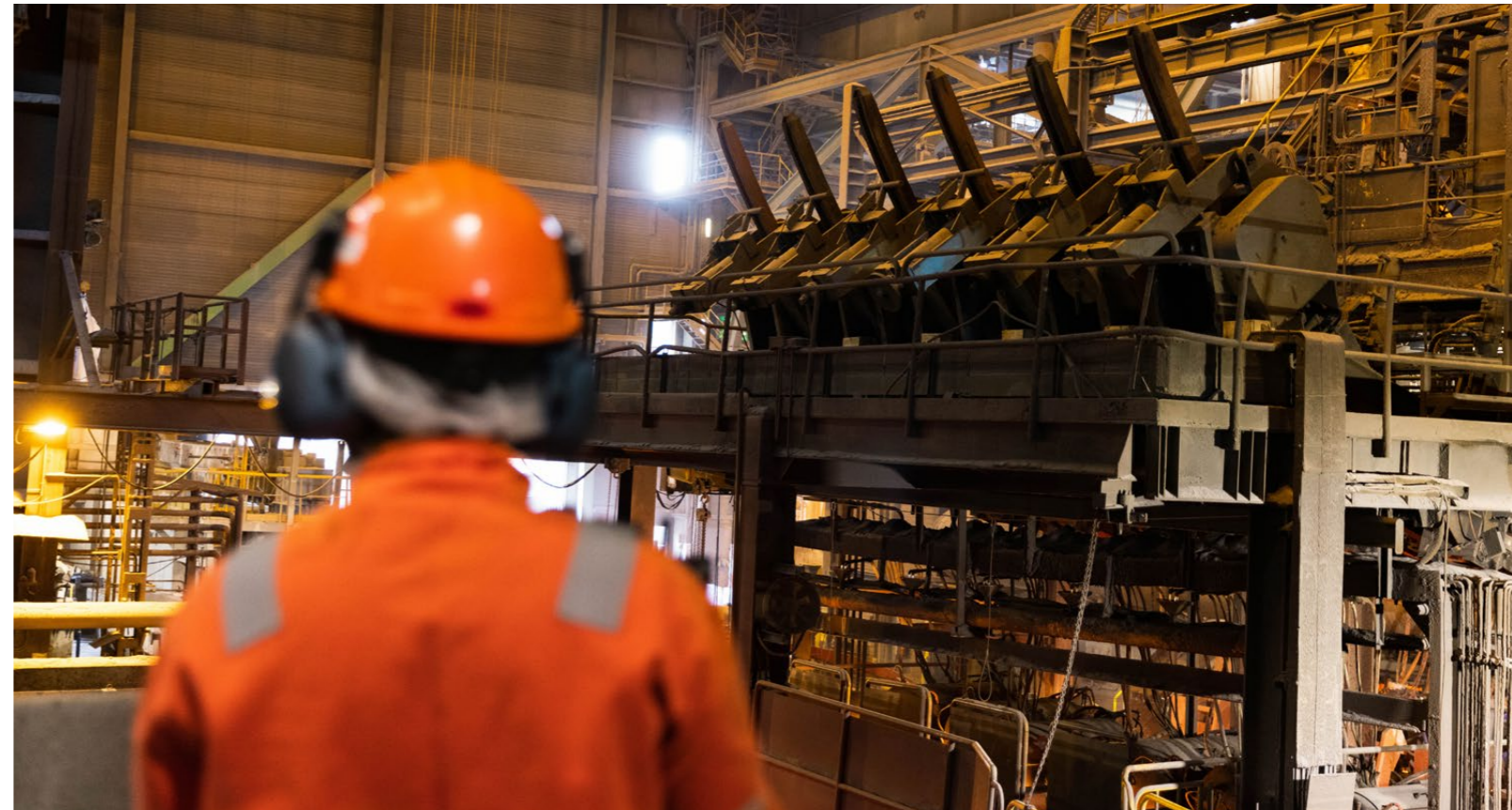
In 2022, the total energy consumption in CELSA Group™ has been 5,965,554 MWh, decreasing 18% compared to the previous year (7,258,802 MWh in 2021). This has mainly occurred due to a 20% reduction in production caused by a significant increase in energy costs.

Out of the total energy consumption, 3,392,077 MWh have corresponded to non-renewable electricity (56.9% of the total energy consumption of CELSA Group™), and the total electricity consumption within the organisation from renewable sources in 2022 has been 185,555 MWh (3.1%). It is worth noting that in 2022, the consumption of electricity from renewable sources has increased more than 9 times through the purchase of Guarantees of Origin, while the consumption of non-renewable electricity has decreased by 21%.

Regarding energy consumption from renewable sources, the electricity supply contracts of the Group's companies are usually linked to the hourly spot price of the wholesale market. Consequently, the renewable share of these supplies is publicly defined by the regulatory entity of each country each year.

2,300,133 MWh correspond to the Group's total consumption of natural gas (38.6% of total consumption), 15,635 MWh correspond to heating consumption (0.3%), 68,096 MWh of petrol, diesel and diesel oil used in the organisation's production processes (1.1%) and 4,058 MWh to steam consumption (0.1%).

In 2022, the total energy consumption in CELSA Group™ has been 5,965,554 MWh.



Total water withdrawal of CELSA Group™

TOTAL WATER WITHDRAWN IN ALL AREAS (hm³)

	2021	2022
Surface water withdrawal	27.71	27.10
Groundwater withdrawal	2.95	2.55
Seawater withdrawal	n.a.*	n.a.*
Produced water withdrawal	n.a.*	n.a.*
Third-party water withdrawal	0.97	1.55
Rainwater withdrawal	0.41	0.27
Total water withdrawal	32.04	31.47

* Not applicable.

66% of the total withdrawal of water in CELSA Group™ occurs in water-stressed areas.

In addition, we present the data on water withdrawal in the water-stressed areas where CELSA Group™ operates:

TOTAL WATER WITHDRAWN IN WATER-STRESSED AREAS (hm³)

	2021	2022
Surface water	2.75	1.44
Groundwater	2.52	2.02
Seawaters	n.a.*	n.a.*
Produced water	n.a.*	n.a.*
Third-party water	0.93	0.88
Rainwater	n.a.*	0
Total	6.20	4.34

The total of water consumption in water-stressed areas (considering Spain and France) has been 3,240,315 m³. Water consumption in water-stressed areas has decreased by 33% compared to the previous year.

To determine the areas that are experiencing water stress, the geographical location of each plant has been considered, assuming that the water withdrawal necessary for production is carried out near the corresponding facility. We have considered as water stress areas those that are above the low-medium range (1-2), based on the information extracted from the Water Risk Atlas website. (<https://www.wri.org/applications/aqueduct/water-risk-atlas/>).

Regarding water resource availability risks, CELSA Group™ companies systematically monitor water consumption used for cooling facilities and conduct benchmarking exercises to identify best practices.

QUALITY OF WATER WITHDRAWN IN ALL AREAS (hm³)

	2021	2022
Fresh water (≤1 g/l total dissolved solids)	32.04	30.98
Other types of water (>1 g/l total dissolved solids)	n.a.	0,49
TOTAL	32.04	31.47

QUALITY OF WATER WITHDRAWN IN ALL AREAS (m³/ t billet)

	2021	2022
Fresh water (≤1 g/l total dissolved solids)	4,85	5,64
Other types of water (>1 g/l total dissolved solids)	n.a.	0,09
Total	4,85	5,73

Discharge of residual water from the activities of the CELSA Group™ used in the activities of the CELSA Group™

Regarding discharges, our priority is to reduce the pollution load of discharged water. We use treatments (settling tanks, hydrocarbon separators, etc.) and conduct measurements to monitor effluent parameters.

To the extent possible at each plant, purified water is reused for less restrictive uses in relation to water quality (road irrigation or cooling slag). Additionally, discharges are preferably channelled into downstream sewage networks, and under no circumstances are direct discharges made into public channels. These measures are particularly relevant in the water-stressed areas, where many of our facilities are located.

TOTAL WATER DISCHARGE FROM ALL AREAS (hm³)

	2021	2022
Surface water	24.76	25.24
Groundwater	0.15	0.46
Seawaters	n.a.	n.a.
Produced water	n.a.	n.a.
Third-party water	1.15	0.84
Total	26.06	26.54

WATER DISCHARGE QUALITY (hm³)

	2021	2022
Fresh water (≤1,000 mg/l total dissolved solids)	24.37*	26.54
Other type of water (>1,000 mg/l total dissolved solids)	1.69*	n.a.
TOTAL	26.06	26.54

*In the 2021 sustainability report, the figures were reported incorrectly (the reported data for freshwater quality was indicated as 'other type of water', and vice versa). For 2022, the necessary corrections have been made.

QUALITY OF WATER DISCHARGED IN WATER-STRESSED AREAS (hm³)

	2021	2022
Fresh water (≤1,000 mg/l total dissolved solids)	1.38	1.11
Other waters (>1,000 mg/l total dissolved solids)	n.a.	0
TOTAL	1.38	1.11

As internal indicators, it is important to have and be aware of data in specific values, i.e., based on the production of manufactured steel (billets). Therefore, the ratios of consumption, withdrawal, discharge and quality of the water discharged for the entire organisation for 2022 are shown:

QUALITY OF WATER DISCHARGED IN ALL AREAS (m³/t billet)

	2021	2022
Fresh water (<1 g/l total dissolved solids)	0.26	4.83
Other type of water (>1 g/l total dissolved solids)	3.69	n.a.
Total	3.95	4.83



Water consumption

The water consumed is mainly used for cooling purposes, as most processes occur at high temperatures. At Celsa Group, we are fully committed to the efficient use of valuable natural resource. The specific water consumption values in our plants remain among the best in the industry, thanks to the ongoing implementation of actions that reduce water consumption, such as: using of semi-closed cooling circuits that allow for continuous reuse of most of the water in the process; implementing rainwater withdrawal and reuse systems; ensuring the quality of reused water; commissioning fully closed cooling systems where water is cooled using air coolers, with no option for losses due to evaporation.

In 2022, the water consumption of CELSA Group™ has been 4,932,359 m³. During this period, we have avoided the use of 942,857 m³ of water compared to 2021.

At CELSA Group™ we have decreased water consumption by 16% compared to 2021, due to a nearly 20% decrease in production.

At CELSA Group™ 16% of the water we withdraw is reused.

The specific values for water withdrawal, discharge and total consumption at CELSA Group™, considering the tonnes of billets produced (tonnes of steel manufactured), are as follows:

SPECIFIC CONSUMPTION (m ³ /t billet)	2022
Withdrawal, surface water	4.93
Withdrawal, groundwater	0.46
Withdrawal, water distribution system	0.28
Withdrawal, rainwater	0.05
Withdrawal, seawater	n.a.
Total water withdrawal	5.72
Withdrawal, surface water	4.61
Withdrawal, groundwater	0.08
Withdrawal, water distribution system	0.15
Water discharge	4.84
Total consumption	0.88

At CELSA Group™, we annually save over 14 million m³ of water, equivalent to the water used by approximately 290,000 inhabitants in a year compared to blast furnaces.

Number of water-related incidents

NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH DISCHARGE LIMITS

2021	2022
9	3

We have reduced the number of non-compliance incidents with discharge limits by almost 66%.



7.6 Commitment to biodiversity

At CELSA Group™, we are aware of the high importance of biodiversity. That is why we recognise the need to work on and invest resources in projects related to biological diversity and our relationships with the environment. As pointed out during the COP27 in Sharm El-Sheikh: ‘For many years, the climate crisis and the biodiversity crisis have been treated as separate issues, but the reality is that there is no viable path to limit global warming to 1.5 °C without urgently protecting and restoring nature’ - UN News <https://news.un.org/en/story/2022/11/1130677>.

For this reason, our Environmental and Resource Management Policy sets forth as one of its principles the minimisation and promotion of compensating for the impacts of our activities on the environment and biodiversity of the areas where we conduct our business. This applies to both our equipment and facilities and the products we manufacture, achieved using the best available and affordable technologies for the company.

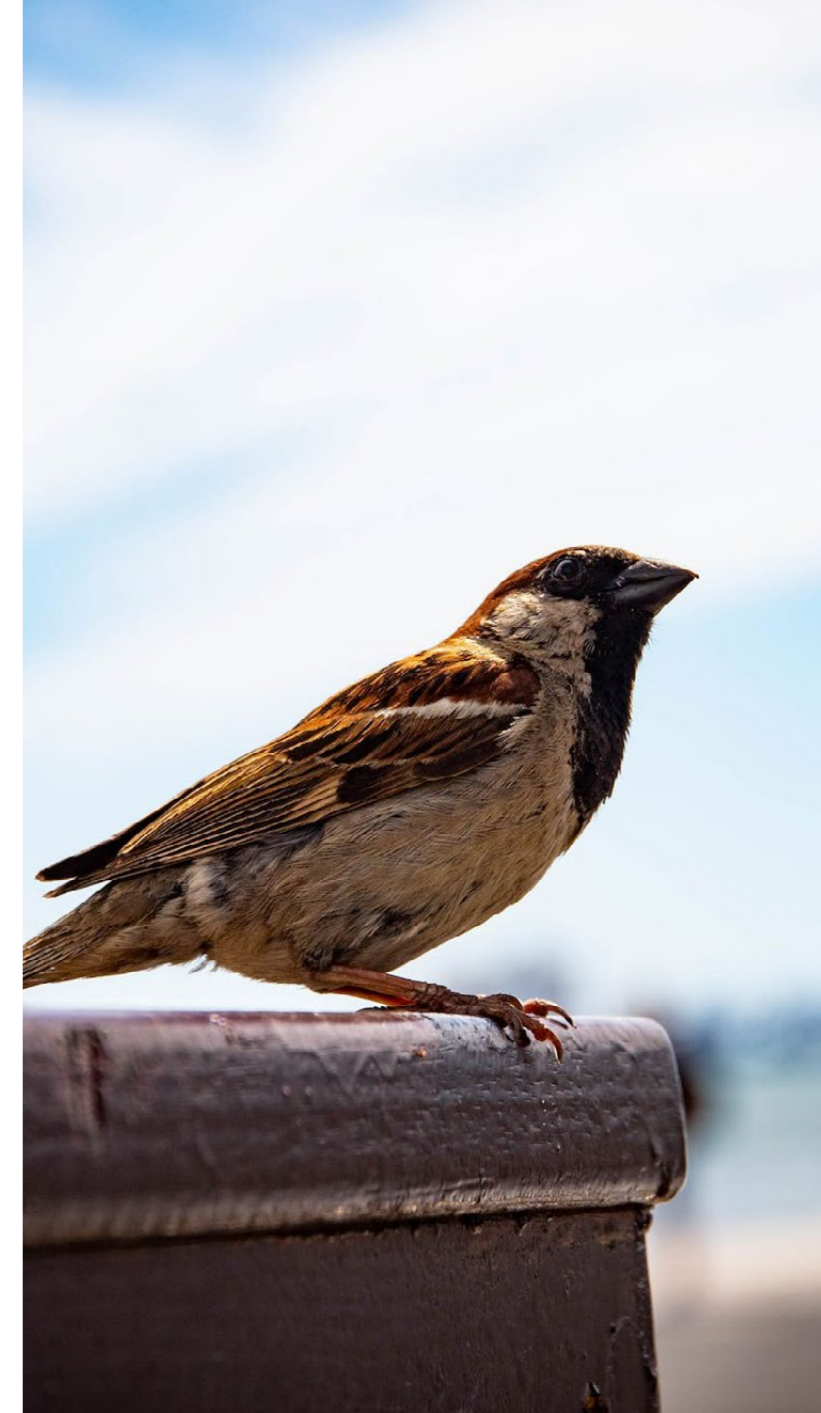
CELSA Group™ aims to establish several agreements linked to biodiversity protection and the conservation of natural resources, aligned with the fulfilment of the Sustainable Development Goals (SDG).

Additionally, as part of our ongoing duties, we are focusing on actions associated with biodiversity in the territory. For example, one of the innovation projects that began in 2022 involves research and develop-

ment of a new sustainable material to create structures for environmental regeneration, promoting the growth of marine biodiversity. This project uses by-products as raw materials, specifically, the white slag generated in our steelmaking processes. (Seaslag project, 4.4 Innovation and digital transformation, p.43).

Furthermore, we are founding partners of NACTIVA, the first Market Builder with the social objective of developing Europe’s natural capital. ‘Natural capital’ is understood as the global stock of natural resources, including geology, soil, air, water and all living organisms.

CELSA Group™ is a founding partner of NACTIVA, the first Market Builder with the social objective of developing Europe’s natural capital.



7.7

Aligning with the EU Taxonomy

To comply with the 2030 Agenda, and make the objectives of the European Green Deal a reality, it is key to invest in sustainable projects and activities. The European Union's Sustainable Finance Action Plan has as one of its main objectives to redirect capital flows towards sustainable investments.

In this context, in 2020, the EU adopted the Regulation EU 2020/852 (framework to facilitate sustainable investments). It is a classification system that provides a common language for investors and companies, along with a clear definition of what is considered sustainable and what not. The aim is to help investors understand if an economic activity is environmentally sustainable and under what circumstances, to drive investments towards more sustainable technologies and companies that have a positive impact on the environment.

According to this system, environmentally sustainable activities are those that contribute to at least one of the following six environmental objectives:

1. CLIMATE CHANGE MITIGATION.
2. CLIMATE CHANGE ADAPTATION.
3. SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES.
4. TRANSITION TO A CIRCULAR ECONOMY.
5. POLLUTION PREVENTION AND CONTROL.
6. PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS.



An activity is considered sustainable if it is indicated in the taxonomy to contribute, at least, to one of the six objectives mentioned on the previous page, and if none of these activities can cause harm to the other environmental objectives and do not contribute to generate negative social impacts.

Currently, the EU has published the delegated acts for two of the six objectives, specifying the technical criteria that an economic activity must meet to be considered sustainable: climate change mitigation and climate change adaptation. The delegated acts of the remaining four objectives are still pending approval.

The Regulation requires reporting of three economic KPIs: the percentage that eligible and/or aligned activities represent in the total company's turnover, CapEx and OpEx.

Although CELSA Group™ is not required to comply with the EU Taxonomy Regulation, we have decided to publish the financial eligibility KPIs of the Taxonomy as part of our commitment to transparency and sustainability. We have done it on a pilot basis within the perimeter of Barna Steel S.A., with the intention of later applying it to the rest of the business units.

Eligibility

In 2022, at Barna Steel, S.A., the proportion of **eligible economic activities** has been as follows:



The process followed to determine the eligibility of the economic activities of CELSA Group™ consists of three main phases:

1. IDENTIFICATION OF ALL ECONOMIC ACTIVITIES OF CELSA GROUP™ AND CALCULATION OF THEIR PERCENTAGE IN TURNOVER, OPEX AND CAPEX.
2. LINKING THESE ACTIVITIES TO NACE CODES (STATISTICAL CLASSIFICATION OF ECONOMIC ACTIVITIES).
3. IN-DEPTH UNDERSTANDING OF THE ACTIVITIES CARRIED OUT BY CELSA TO VERIFY THE CORRELATION WITH THE DESCRIPTION OF ACTIVITIES PUBLISHED IN ANNEX I OF THE TAXONOMY, AND PREVIOUSLY LINKED.



The **process of calculating the percentage of eligible and non-eligible turnover, CapEx, and OpEx**, in accordance with the EU Taxonomy regulation, has been carried out for the divisions that make up the activities of Barna Steel (Spain and France). Financial information is extracted after the accounting close of SAP ERP consolidation and provided by the group's accounting heads.

For the preparation and obtaining of the consolidated data of each KPI, CELSA Group™ has relied on information from the turnover, CapEx and OpEx. For the **calculation** of the denominator of each KPI, we have considered the total consolidated data of the Group after adjustments, which have undergone verification to align with the Balance Sheet and consolidated profit and loss statement.

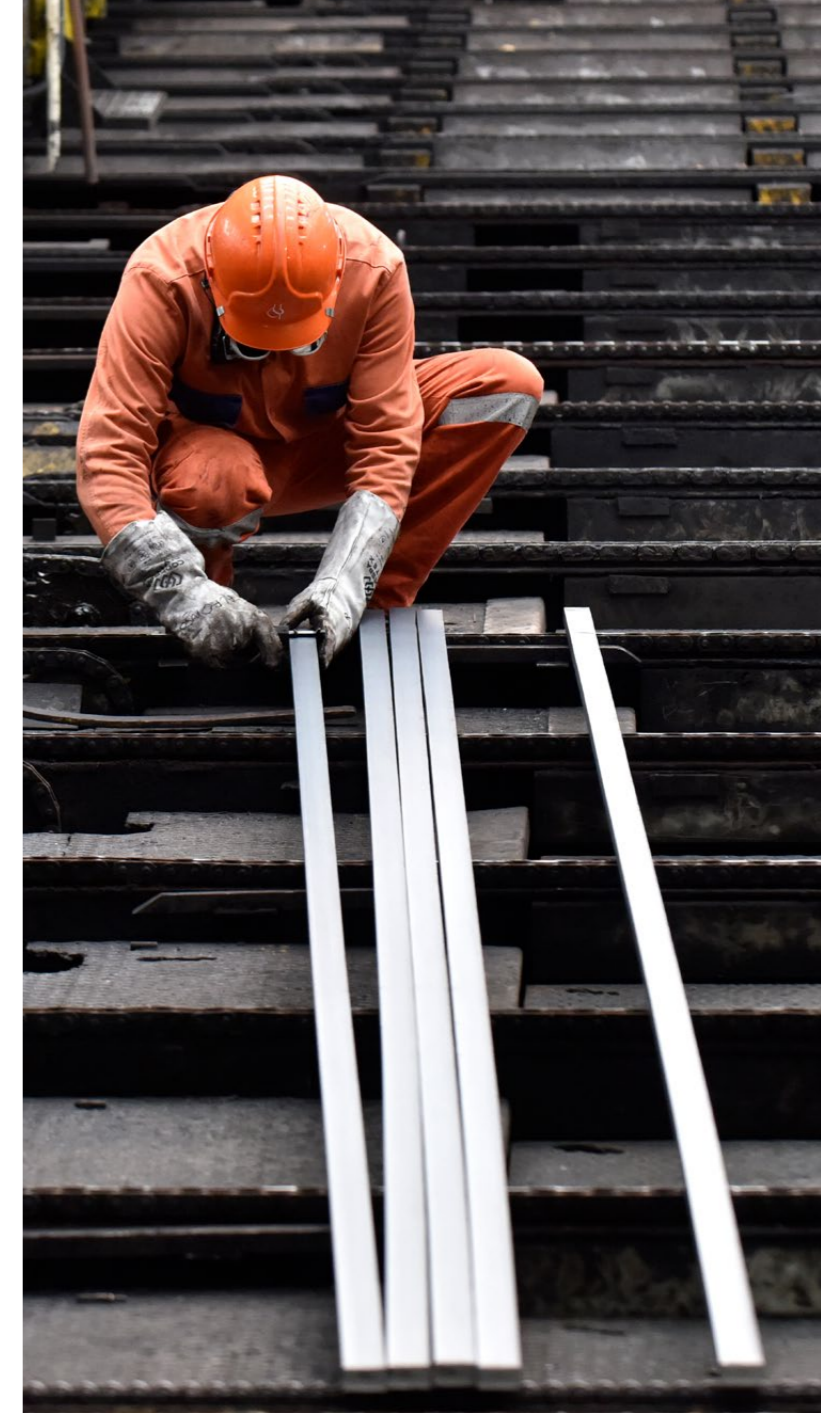
1. For the **calculation of turnover**, all accounts derived from the Group's revenue are adjusted, thereby eliminating all intercompany accounts that may have occurred during the year. Other sales accounts that do not correspond to the ordinary income of the company's economic activity are not part of this calculation and are not included in the KPI.
2. For the **calculation of CapEx**, we have covered the Group's tangi-

ble assets additions, broken down by projects. The CapEx figure is calculated as the difference between the balances of the aforementioned accounts for the current year compared to the previous year, adjusted for depreciation, provisions, and exchange rates. In other words, the net investments made during the year.

3. For the **calculation of OpEx**, we included direct non-capitalised costs related to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of tangible fixed assets by the undertaking or third party to whom the activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Once the accounts that make up the taxonomic turnover/CapEx/OpEx are defined, each account in the denominator is assigned the option "Eligible" or "Non-eligible", so that eligible accounts are selected to determine the numerator of the KPI.

Below are the results of eligibility for CELSA Group™ activities, according to the European Taxonomy.



A) TURNOVER

Codes	Absolute turnover (1) 2022	Proportion of turnover (2) 2022	Substantial contribution criteria						DNSH Criteria (Does Not Significantly Harm)						Category					
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year 2021	Taxonomy-aligned proportion of turnover, year 2021	Category (enabling activity)	Category (transitional activity)	
	€	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Economic activities																				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)*																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	0	0%																		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.9. Manufacture of iron and steel	CCM 3.9	3,312,691.18	94.71%																	
5.9. Material recovery from non-hazardous waste	CCM 5.9	162,666.49	4.65%																	
5.5. Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	4,872.80	0.14%																	
Turnover of Taxonomy - eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		3,480,230.46	99.50%														99.50%	94.80%		
Total (A.1 + A.2)		3,480,230.46	99.50%														99.50%	94.80%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		17,613.07	0.50%																	
Total (A + B)		3,497,843.54	100.00%																	

*Until the alignment analysis is conducted, no activity can be considered sustainable. CELSA Group™ is working to have this analysis in the next fiscal year.

B) CAPEX

Codes	Absolute CapEx (1) 2022	Proportion of CapEx (2) 2022	Substantial contribution criteria							DNSH Criteria (Does Not Significantly Harm)						Category				
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year 2021	Taxonomy-aligned proportion of CapEx, year 2021	Category (enabling activity)	Category (transitional activity)	
	€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Economic activities																				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)*																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	0	0%																		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.9. Manufacture of iron and steel	CCM 3.9	94,018.22	80.16%																	
5.9. Material recovery from non-hazardous waste	CCM 5.9	11,040.03	9.41%																	
6.6. Freight transport services by road	CCM 6.6	420.65	0.36%																	
CapEx of Taxonomy - eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		105,478.90	89.93%														89.93%	95.00%		
Total (A.1 + A.2)		105,478.90	89.93%														89.93%	95.00%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		11,815.78	10.07%																	
Total (A + B)		117,294.68	100%																	

*Until the alignment analysis is conducted, no activity can be considered sustainable. CELSA Group™ is working to have this analysis in the next fiscal year.

C) OPEX

Codes	Absolute OpEx (1) 2022	Proportion of OpEx (2) 2022	Substantial contribution criteria						DNSH Criteria (Does Not Significantly Harm)						Category					
			Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx, year 2021	Taxonomy-aligned proportion of OpEx, year 2021	Category (enabling activity)	Category (transitional activity)	
	€	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Economic activities																				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)*																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	0	0%																		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.9. Manufacture of iron and steel	CCM 3.9	68,690.34	79.58%																	
5.9. Material recovery from non-hazardous waste	CCM 5.9	6,053.88	7.02%																	
6.6. Freight transport services by road	CCM 6.6	388.57	0.45%																	
OpEx of Taxonomy - eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	75,132.78	87.04%															87.04%	90.10%		
Total (A.1 + A.2)	75,132.78	87.04%															87.04%	90.10%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)	11,183.69	12.96%																		
Total (A + B)	86,316.47	100%																		

*Until the alignment analysis is conducted, no activity can be considered sustainable. CELSA Group™ is working to have this analysis in the next fiscal year.

Contribution to climate change mitigation

CELSA Group™ strives to report the complete taxonomy analysis (eligibility and alignment) in 2024 based on 2023 data. However, this year, to move forward, the company has conducted the assessment of the substantial contribution to the climate change mitigation objective of the identified eligible activities.

The assessment has been carried out the main activity (3.9 Manufacturing of iron and steel), resulting in the fulfilment of the technical selection criteria for substantial contribution, which is included in the delegated act related to climate change mitigation. Currently, we are working on the compliance with “Does Not Significantly Harm” criteria and minimum safeguards to conclude whether they are in line with the EU Taxonomy.



08

About this
report



09

Appendix

9.1 Taxonomy KPIs

TURNOVER:

The proportion of turnover referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 shall be calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator), as defined in Article 2, point (5), of Directive 2013/34/EU.

Specifically, in the case of CELSA Group™, the denominator corresponds to the net turnover of the accounts for 2022. The numerator corresponds to the net turnover of the activities we have considered eligible in the Taxonomy.

CAPEX:

The proportion of CapEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator. The denominator shall cover the additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and new re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes.

The denominator shall also cover additions to tangible and intangible assets resulting from business combinations. Specifically, in the case of CELSA Group™, the denominator corresponds to all additions in cost during 2022 of tangible assets and intangible assets, reflected in the fixed assets statement in the annual accounts. The numerator corresponds to the amount of additions in cost in tangible fixed assets and intangible assets of the activities that we have considered eligible in the Taxonomy.

OPEX:

The proportion of OpEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 shall be calculated as the numerator divided by the denominator, covering direct non-capitalised costs related to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of tangible fixed assets by the undertaking or third party to whom the activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Specifically, in the case of CELSA Group™, the denominator corresponds to the operating expense accounts for 2022 associated with R&D expenses, short-term leases, and maintenance and repairs. The numerator corresponds to the R&D expenses, and the amount of the expense accounts of short-term leases and maintenance and repairs associated with the activities that we have considered eligible in the Taxonomy.

SAFE STORAGE

Water in electric arc furnace + EHS-MSS-02 for preventing explosions in closed containers.

General safety.

General safety rules.

Safety beaconing.

Work at heights.

Safe Assembly and use of scaffolding.

Portable ladders.

Prevention of slips, trips and falls.

Harnesses and lifelines.

People lifting platforms.

Use of lifting devices.

Crane operations.

Decap-depower, label, lock, secure, and testing.

Work permit.

Equipment guards with moving parts.

Entry to confined spaces.

Handling of grab cranes and trucks with grab cranes.

Health and safety audit protocol.

Work on rooftops.

Inspection of railings, stairs and platforms.



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