

CELSA Steel UK, passion for circularity

PROGRESS IN CELSA STEEL UK SUSTAINABILITY, 2022:

CELSA Steel UK is part of CELSA Group™, we are a company leader in Europe in the production of low-emission circular steel, we produce steel in the most sustainable way possible, in electric arc furnaces (EAF) from the recycling of ferrous scrap.



0.8 Mt
Steel production



1
Steel mill



2
Rolling mill



% Vertical integration

33.5% **43.2%**

Upstream integration

Downstream integration



996 M€
Turnover



Staff
1,885

- directly employed workers: 1,739
- subcontracted workers: 146



KEY FIGURES, 2022

1. COMMITMENT TO CLIMATE

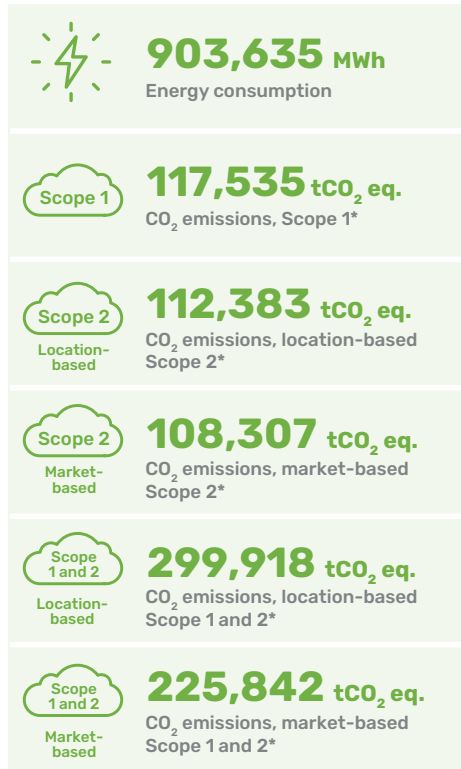


We are working to be a **Net Positive** company by **2050**

GOALS

2030: Reduce CO₂ emissions in Scope 1 and 2 by 50%, compared to 2021.

2050: To be CO₂ neutral in scopes 1, 2 and 3.



* Emission data calculated by GHG Protocol.

2. COMMITMENT TO CIRCULARITY



We are firmly committed to the valorization and use of the waste generated during the steelmaking process to promote the circular economy.

GOALS

2030: To be 98% circular.

2050: zero waste; to be 100% circular.



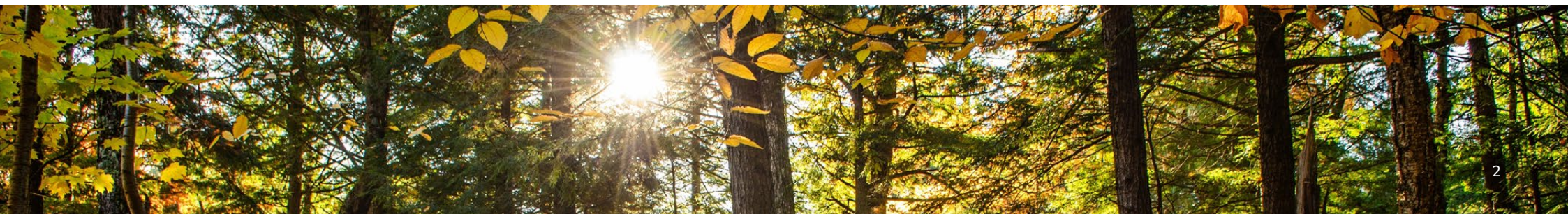
MILESTONES

99.3% of the final product is made from recycled steel.

All steel contained in the products manufactured by CELSA UK is fully recyclable.

By manufacturing steel from scrap instead of iron, we reduce water consumption by around 40%.

Data extracted from the Celsa Group's 2022 Sustainability Report verified by a third party.



3. COMMITMENT TO THE TALENT, SAFETY AND HEALTH OF THE TEAM

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



We guarantee salaries commensurate with the importance of the positions held by our professional team, their level of commitment and training, and above the market.

Our commitment to health and safety is transversal and extends to all our relationship groups.

GOALS 2025

Reduce the Global Frequency Index (FI) to 2.5.

Reduce the Potentially Serious or Fatal Injury Frequency Rate (PSIFFI) to 0.25.



3.29
Accident frequency rate
(directly employed workers and subcontracted employees)



98.1%
% of employees with permanent contracts (FTE)



0.60 M€
Investment in training

4. COMMITMENT TO EQUALITY AND DIVERSITY

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



We have been implementing equality policies and action plans for many years to reverse the traditional masculinized trend in the sector. We believe in people, in their capabilities and in their values.


GOALS 2030

To have 30% women in the workforce.

Incorporate environmental, social and governance (ESG) criteria in the people development tools.



9.6%
Proportion of women in the workforce (FTE)



0
Discrimination cases



MILESTONES

The average number of training hours per employee has been 17.06 hours/employee.

The training on human rights and the Code of Conduct was provided to 5 of our employees.

Our average of seniority is about 6 years.

Our voluntary turnover rate is 25.1%, below the average of the sector.



MILESTONES

We increased the representation of women by 20.0% in the past five years.

Data extracted from the Celsa Group's 2022 Sustainability Report verified by a third party.



5. COMMITMENT TO THE COMMUNITY



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

GOALS 2023

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



6. COMMITMENT TO THE VALUE CHAIN



We include social and environmental criteria in our supplier contracting processes.

GOALS

2023: Develop a risk map that can be aligned with sustainability challenges.

2025: Develop a supplier portal to ensure compliance with future due diligence.



MILESTONES

We invested 6.1 k€ in community projects.

We have invested 0.001% of the Group's total profit for 2022 in community projects.

MILESTONES

Celsa Group™ includes social and environmental criteria in its supplier procurement processes.

During 2022, 93% of our purchases are made from local supplier companies in the territories where we have a presence. We have increased by more than 2% compared to 2021.

Data extracted from the Celsa Group's 2022 Sustainability Report verified by a third party.



7. COMMITMENT TO THE SENSE OF LEGACY



BIG COMPANY WITH LONG TRADITION

CELSA Group™ is a business created in 1967. The company has growth in Europe during the last 20 years.



PURPOSE

To give infinite lives to finite resources.



SUPPLY CHAIN

Today, we are the first and largest circular supply chain in Europe.



6.0 M€

Investment in R&D

Data extracted from the Celsa Group's 2022 Sustainability Report verified by a third party.



BEST PRACTICES, 2022

Best practices for occupational health and safety



Best practices for training



Best practices for social action



BEHAVIOURAL HEALTH & SAFETY

Completion of the implementation of Behavioural Safety Observations for team leaders.

Create Vision and Beliefs for behavioural safety and communicate through employee Safety in Mind Handbook.

Pilot H&S Reward and Recognition program.

Re-instate the Contractors Quarterly H&S Meeting.

Develop Behavioural Safety Scorecard and monitor and review defined KPIs on a monthly basis – focus of behaviours that were to be modified.

6 New H&S training courses issued (Welding Fumes, Electromagnetic Fields, Risk Assessment for L4-5s, Process Safety, Just Culture and Asbestos).

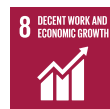
Welding Fumes GAP analysis carried out and action plans developed.

H&S plan completion – overall completion of the H&S plan was 86%, with a 33% increase compared to 2021. Completion was equal or higher than 80% in all OUs, with the SM achieving a 97%.



WE INVEST IN APPRENTICES CERTIFICATION

In 2022, we retained our gold award for We Invest in Apprentices certification, as part of the Investors in People standard. We were the first steel company in the world to receive this award! This recognises CELSA UK's support for the development of high-quality education and training schemes. This year has been our strongest year to date with 14 apprentices indenturing and moving into full time roles within the company. This year three of our high achieving apprentices reached the final of the Make UK Manufacturing awards, with Maurice Drane, our Electrical Apprentice Craftsman, winning the Engineering Apprentice Rising Star Award! We also had success in the Apprenticeship Awards Cymru 2022, with Chrystalla Moreton, our Sections Mill Apprentice Mechanical Craftswomen, winning the Tomorrow's Talent Award. CELSA currently supports over 65 apprentices within the UK and wider CELSA Steel Services Group.



LIVE CHARITY RAFFLE DRAWN BY THE MANAGING DIRECTOR

The charity raffle distributed prizes such as holiday vouchers, hampers, spa escapes, vouchers, and gift cards that were donated by our contractors. It was a huge success and raised £3,940 for the Ukraine Humanitarian Appeal.

CHRISTMAS FOODBANK

In December 2022, CELSA UK employees arranged a Christmas collection for Cardiff foodbank and donated over 173 kg of food, that were redistributed locally to help alleviate food poverty.

GREEN SQUIRREL

In 2022, CELSA UK contributed aggregate construction materials to the Green Squirrel project to create pathways at their community hub, located on a disused land. This space is a wonderful addition to the local community, providing a space for meetings, classes and community gatherings.



BEST PRACTICES, 2022

Best practices for circular economy and recycling



Best practices for R&D benchmark projects



Best practices for emissions reduction



Best practices for dialogue with the stakeholders



CEMENT 2 ZERO (C2Z)

In 2022, we continued our partnership with the University of Cambridge, Materials Processing Institute and key players in the supply industry on a major £6.5M project to develop the world's first zero emission cement on an industrial scale. The Cement 2 Zero project will investigate both the technical and commercial aspects of upscaling Cambridge Electric Cement (CEC) production to produce 20 tonnes of the world's first zero emissions cement by utilising end of life cement from demolition of buildings in the electric arc furnace steelmaking process. CELSA UK's role is to industrialise a technology developed by Cambridge University where demolition aggregate will be transformed into a lime replacement product for the EAF. The output from the EAF is a slag material that can be then used as a cement clinker product

CIRCULAR ECONOMY CASE STUDY: MELT SHOP REFRACTORIES PROJECT

In 2022, a circular economy project of reusing refractories in our electric arc furnace began its trial phase to avoid the disposed on the landfill.



ELECTRIC VEHICLE (EV) SCHEME - OCTOPUS ENERGY

In 2022, CELSA UK launched the Octopus Electric Vehicles' EV electric car salary sacrifice scheme as a new employee benefit. This promotes sustainable living and gives employees the opportunity to save up to 40% on the monthly cost thanks to saving on National Insurance and Income Tax. One of the primary benefits of driving an electric car is that they have zero carbon emissions in comparison to petrol and diesel. Due to the renewable fuel, choices such as wind, solar or even hydro, electric cars can be even more sustainable.



SIGNIFICANT REDUCTIONS IN MELT SHOP OPERATIONS

A new Tundish lining process using cold-setting material, removing the use of natural gas from the process. This will save approximately 300 m³ of natural gas a day.

We are working on the reduction of charge carbon through optimising the furnace. Also, Gas fired burners are only used at the start of the scrap melting process instead of throughout. Furthermore, we are working on the increased alignment across departments to optimise conditions to ensure melting of scrap is as efficient as possible.



UNIVERSITY OF SOUTH WALES CAREER FAIR

The recruitment team started a partnership with the University of South Wales Career Fair in order to meet, chat and explore future employment opportunities with students and graduates.

THE CAREER TRANSITION PARTNERSHIP (CTP) EMPLOYMENT FAIR

We attended The Career Transition Partnership (CTP) Employment Fair in Bristol. The CTP is the official provider of resettlement and have supported leavers of the Armed Forces for over 20 years, during their transition from the military into civilian life.

UK CONSTRUCTION WEEK

Our innovation team attended and exhibited on UK Construction Week event in Birmingham, where we made a "Supply Chain Circularity" presentation and won the Best Innovation Prize 2022. In 2022 we also attended and supported events such as the Supply Chain Sustainability School Summit, Concrete Expo, Future build and many more.

