2023 sustainability report

CELSA

Sustainability report

2023

CELSA

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CELSA once again this year presents its *Sustainability Report* (2023), setting out our group's non-financial performance, progress and results during the year 2023, along with key aspects of corporate management and future goals.

We hereby reassert our commitment to sustainability, as seen through the integration of environmental, social and governance criteria within our strategy, our activities and everyday decision-making at all levels within the organisation. Sustainability is a responsibility which forms part of our corporate culture, as a proactive commitment from the very top of our organisation, an organisation which since December 2023 I have had the honour of chairing.

Last year, CELSA's sustainability efforts focused on continued development of the seven formal commitments linked to the European Union's 2030 Agenda, in line with the United Nations Global Compact to which we belong: commitment to climate; to circularity; to the talent, health and safety of our team; to equality and diversity; to the community; to the value chain, and to ethics and transparency. I would like in particular to emphasise our commitment to health and safety, which has always been and remains our highest priority.

All while simultaneously undergoing a far-reaching transformation of our governing bodies, derived from the change in company ownership following the court decision acknowledging the viability of the restructuring plan presented by the creditor institutions. This change marks a turning point, and the start of a new stage in our company's history, defined by a robust future with the aim of continuing to maintain our leadership and competitiveness.

Competitiveness which is reflected in our business model: we are Europe's leading producer of circular and low CO_2-emissions steel. The composition of our steel contains on average 97.37% recycled material, 0.40% higher than in 2022, an achievement representing the extraction of approximately of some 11 million m^3 of natural resources per year.

CELSA has an industrial presence in nine countries, and is present in such key sectors of the economy as construction, the automotive industry, agriculture, oil, gas and energy. The complex geopolitical and socio-economic situation has had an impact on the steel market, which nonetheless in 2023 showed great resilience: during this period, CELSA produced 5.61 million tonnes of steel, an increase of 1.65% on our figure for the previous year.

Our ambition goes further, however, and in response to our client companies' demand for sustainable infrastructure, we continue to improve, innovate and develop our processes and technologies year after year, to offer new and better products, with 2023 specifically being a key year in the launch of the Celsa Circular Steel programme, a further step towards sustainability, presenting the market with three new steels: Recycled Plus, Clean Energy and Carbon Neutral.

It was also an important year for Ferimet, the group's Circularity Hub, with a total of 18 yards distributed around Spain, and which once again this year received the Green Seal. This seal of approval is a recycling guarantee launched in 2022 for local ferrous scrap recovery and recycling operations, avoiding transport emissions across the regional network, and facilitating 0 waste and traceability.

This document is an exercise in transparency, in that it sets out information and indicators as to our management of non-financial impacts, making them available to our stakeholders, and thus also representing an exercise of trust.

Trust for which I am grateful to our new shareholders, as well, of course, as our client companies and other stakeholders who believe in our circular low-emissions steel production model.

In conclusion, I would like to emphasise and acknowledge the efforts made by each and every individual working at CELSA, along with our extensive network of partners.

Rafael Villaseca
Chairman of CELSA

It is my pleasure to take part in this *Sustainability Report*, having had the honour to join the CELSA team in January 2024, in the position of CEO.

2023, the period covered by this report, was a year of challenges both internally and externally.

First of all, with regard to health and safety, the company has for some years focused its efforts on maintaining these principles, subjecting our processes to reviews which result in continuous improvements with the aim of achieving a zero accident rate. We have therefore approved an urgent action plan for 2024, and will not relax our efforts until we have achieved our goal.

I would also like to emphasise the official change in ownership of the company, allowing us to begin the implementation of a restructuring plan, stabilising the financial situation, which will serve to consolidate CELSA's competitiveness and leadership. On this new scenario, we have begun to adopt the necessary measures to underpin our operational effectiveness. In fact, the process to put in place a strategic plan that will guarantee the company's viability has already begun, with the participation of the executive teams of our group and our business units.

All three dimensions of sustainability (environmental, social and governance) will also form part of this new strategic plan. In this regard, our aims of combating the depletion of the planet's resources and addressing climate change remain valid, and I would like to share with you some of our results during 2023 in connection with this sphere over the course of this report.

We remain committed to reducing our CO_2 emissions by 50% in scopes 1 and 2, and 25% in scope 3, as well as achieving 98% circularity by 2030, attaining zero waste and the goal of being a *Net Positive* company by 2050.

Recycling of ferrous scrap has increased by 3%. With regard to location-based scope 1 and 2 CO_2 emissions, our figures are 35.90% below the EU sector average. Nonetheless, emissions in absolute terms at our main plants have risen by 2%, because of the increase in output in 2023.

Our company has more than 10,000 employees at 120 sites. Within the sphere of human resources, we have made efforts to increase and trace training, representing an investment of 323,291 hours. 94% of employees have a permanent contract, and 99% work full-time. In terms of equality, we have increased the presence of women by 6.75% over the last five years.

We are aware that this is a highly male-dominated sector, although at our company women now make up 11.79% of employees, and in the case of the support departments, 57.44%.

As for governance, we have approved an updated 17 policies, which we share internally and externally.

With regard to the value chain, we work shoulder to shoulder with our client companies to contribute to their roadmap towards sustainability, and in terms of the supply chain, I would emphasise that 83% of our supplier companies are local, while we are working to incorporate sustainability criteria into the approval process.

Innovation and digital transformation will likewise form part of the future Strategic Plan through the application of artificial intelligence and advanced simulation for process optimisation, likewise guaranteeing the traceability of our products through initiatives such as the digital passport.

None of this, though, would be possible without our human capital. At CELSA we have more than 10,000 employees performing their roles with a spirit of teamwork, enthusiasm, honesty, we have outstanding professionals approach.

In short, we have brought to an end one year of change, transformation and learning, to embark on another, 2024, which will have new challenges and opportunities in store for us.

Before taking my leave, I would first like to give my thanks for the trust placed in us and the efforts made by our employees and partners during an unprecedented period at our company, in which they demonstrated their courage and commitment. **We are leading the circular transformation!**

Jordi Cazorla
CELSA CEO

2023 milestones

02

JANUARY MILESTONES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

The forge division of Celsa Poland marks a step forward in the shipbuilding industry

Celsa Huta Ostrowiec (Celsa Poland) continues its production of propeller shaft lines for large ships and vessels. For the first time the plant manufactures a propulsion shaft measuring 24.7 metres in length with axial perforation.

FEBRUARY MILESTONES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CELSA supplies Acciona with circular and low-emissions steel to build the new airport at Palma de Mallorca

At CELSA we produce and supply 7,000 tonnes of corrugated steel for Acciona, the company responsible for remodelling and extension works of the terminal and modules A and D of Son Sant Joan airport in Palma de Mallorca. Acciona prioritised us as the supplier capable of offering a product which helps reduce the carbon footprint of the facility.

MARCH MILESTONES

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

Official opening of our new Celsa Steel Service Trondheim factory

The new Celsa Nordic factory will be a nerve centre for our client companies Trøndelag, Møre & Romsdal and the north of Norway, housing a new Bamtec machine which will allow us to set up a completely new welding department, a large warehouse for ancillary products, and solar panels on the roof.

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Recognition from SAP for our innovation in human resources

We implement a collaborative tool which has allowed us to cover every individual at the group through internal communication. We obtained greater interaction and a two-way flow in communication, improving our metrics and strengthening our employer branding strategy.

MARCH MILESTONES

AENOR

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

We achieve AENOR N SUSTAINABLE certification for transformed products

AENOR granted us N Sustainable certification for the transformed products we manufacture at our five Spanish steel transformation plants: Celsa Steel Service Illescas, Celsa Steel Service Castellbisbal, Celsa Steel Service Dos Hermanas, Aceros Para la Construcción and TYCSA.

APRIL MILESTONES

GSCC Global Steel Climate Council™

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Global Steel Climate Council (GSCC) publishes a global standard for carbon emissions measurement and reporting

The GSCC, of which CELSA is a founding member, published *The Steel Climate Standard*, a global reference for measuring and reporting carbon emissions, and a pioneering protocol for the certification and traceability of circular and sustainable steel production.

MAY MILESTONES

8 DECENT WORK AND ECONOMIC GROWTH

CELSA Nordic Recycling opens a new scrap collection site in Otterbäcken and acquires Boberg Recycling in Karlshamn

The opening of a new circularity hub in Otterbäcken and the acquisition of Boberg Recycling in Karlshamn, Sweden, led to the creation of eight new jobs.

4 QUALITY EDUCATION

We take part in the third edition of the educational programme NATIVES Challenge 2023

Members of the Sustainability and Environment Department were involved on the jury of the NATIVES Challenge programme, an impact platform for schools with the aim of integrating sustainability into the lives of children and the whole educational community.

JUNE MILESTONES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

We make progress in the circularity of our sustainable steel, laying the foundations to provide our client companies with traceability

We launched the Celsa Circular Steel programme to speed up the transition to full circularity of our sustainable steel and to reduce emissions, while at the same time extending the benefits of this production throughout the value chain, including client and supplier companies and stakeholders.

17 PARTNERSHIPS FOR THE GOALS

Celsa *Nordic's Sustainability Day*

Celsa Nordic held its first *#SustainabilityDay*. The event was presented by our *Head of Sustainability* at Celsa Nordic, Susanne M. Nævermo-Sand.

Diversity Leading Company

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Diversity Leading Company seal obtained

We were awarded the seals Diversity Leading Company and Empowering Women's Talent. Both accolades recognise our commitment to Diversity, Equality and Inclusion as the driver of change and development at our company.

JULY MILESTONES

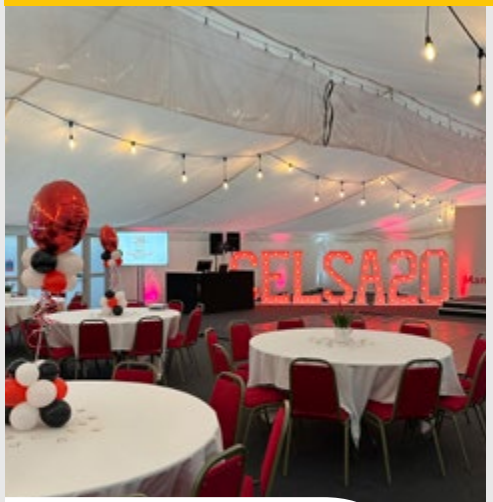
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Collaboration with Michelin

Through its Global Steel Wire company, CELSA has signed a collaboration agreement with Michelin – one of the leading sustainable mobility companies – to foster the circularity and sustainability of the steel products that Global Steel Wire supplies to it. Through this collaboration agreement, Global Steel Wire will help meet Michelin's demand to make increasingly sustainable materials, improving the recycled raw material and facilitating the circularity of end-of-life tyres.

AUGUST MILESTONES



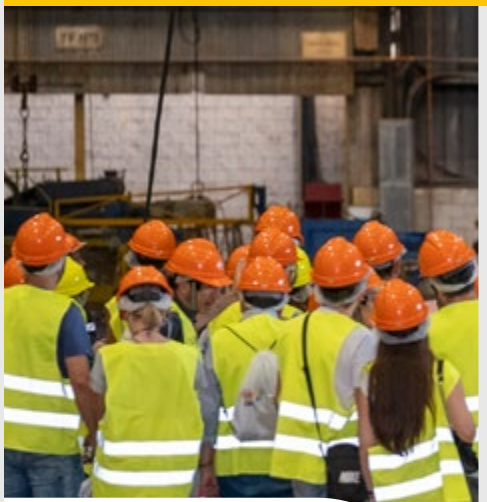
8 DECENT WORK AND ECONOMIC GROWTH

20th anniversary of Celsa UK
20 years ago we acquired a UK company (in Cardiff), marking the start of progressive development up to today's consolidated position. Celsa Steel UK is now the largest producer of low-emissions corrugated steel in the company, and the leading scrap recycling firm in the United Kingdom.

4 QUALITY EDUCATION

RACE (*Raw and Circular Economy Expedition*) 2023
Our CELSA *Head of Sustainability*, Maria Salamero, was involved as a jury member at the presentation of the RACE finalist projects, the first talent development initiative linking up-and-coming professionals and leaders in the sector.

SEPTEMBER MILESTONES



8 DECENT WORK AND ECONOMIC GROWTH

150 years of Trefilerías Quijano
Our subsidiary Trefilerías Quijano celebrated its 150th birthday, which we chose to celebrate by staging a *#FamilyDay* at the Los Corrales de Buelna plant in Cantabria.

4 QUALITY EDUCATION

Engihack 160
Anna Domènech, our CELSA *Head* of Innovation, was a member of the jury at the Engihack 160 event, organised by the Professional Association of Industrial Engineers of Catalonia. CELSA plays an active role in the initiative as a corporate sponsor of the Engihack day, in line with our desire to promote young talent.

OCTOBER MILESTONES

13 CLIMATE ACTION

Replacement of oil with natural gas at Celsa Nordic
By using natural gas in our processes, we can reduce our scope 1 emissions by up to 35%.
This takes us a step further towards our goal of minimising the use of fossil fuels by 2050.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

GSW collaborates in the destruction of weaponry
Global Steel Wire collaborated with the Spanish Civil Guard in Cantabria to destroy 3,000 weapons.

NOVEMBER MILESTONES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

Steelmaking Aggregate and Slag Use Day
José Larrañeta, our corporate director of co-products and by-products, headed the round table discussion at the second edition of the National Steelmaking Aggregate Day, organised by UNESID together with CEDEX and PLATEA.

DECEMBER MILESTONES

Asociación de Cargadores de España

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CELSA remains president of ACE
Carlos Castán, our corporate director of External Logistics, was re-elected as president of ACE (the Association of Freight Loaders of Spain) for a further two-year term.

Identity and purpose

03

Passion for circularity

At CELSA we have gradually built a **robust business culture** over the course of more than 50 years of history, a culture which has remained consistent since the outset, but which we have nonetheless progressively adapted in line with the changes and demands of the economy and society. In 2023 we therefore **reformulated** the company's **purpose,** presented together with its **mission, vision and values**:

Purpose

Our purpose is to give
infinite lives to finite natural resources.

Vision

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

Mission

We are a leading company in the production of recycled, low carbon-emissions steel in Europe.

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

Values

Honesty

We show consistency between what we say and what we do.

Innovative focus

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

Creative perseverance

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

Humility

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

Teamwork

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

Passion

We take delight in what we do and how we do it.

A little history

CELSA was founded in **1967** in **Castellbisbal, in the province of Barcelona**, setting up its first rolling line. Ten years later, the company marked a turning point when it launched its first electric arc furnace, allowing it to achieve greater competitiveness.

The group is now made up of Celsa Spain (Spain), Celsa France (France), Celsa UK (United Kingdom and Ireland), Celsa Nordic (Norway, Sweden, Finland and Denmark), Celsa Poland (Poland), Celsa Global Circularity (Spain) and Celsa Global Support (Spain).

1980s and 90s

In the late 1980s and during the 90s, we began to establish ourselves at CELSA as a leading national player, with the acquisitions of THC, Siderúrgica Besós, GSW and Nervacero. The integration of three major Spanish wire-drawing companies (**Tycsa PSC and Trefilerías Moreda** in 1991, and **Riviere** in 1999) likewise made us one of the most diversified groups in the sector.

2003

First step towards internationalisation. Over the course of the year, CELSA acquired **CELSA Steel UK** in the United Kingdom and **CELSA Huta Ostrowiec**, in Poland.

2006 and 2007

The success of both acquisitions prompted us to continue our globalisation process, and were followed in 2006 by **CELSA Nordic and** in 2007 **CELSA France** and **CELSA Atlantic**.

2008

We extended CELSA's presence in the United Kingdom and Ireland through the integration of **BRC, ROM Group and Express Reinforcements within the organisation**.

Our history has been defined by a pioneering spirit, sustainability and internationalisation

2014

Following our same approach of expansion and diversification, CELSA acquired **Tammet Oy Mesh** in Finland, an operation allowing us to offer a much more flexible service and a much more complete product range in the region.

We set up CELSA **Steel Services Spain**, offering client companies the most advanced optimisations and solutions for concrete reinforcement, combining design propositions, product handling, services and digital support.

2019-2022

As part of our firm commitment to the circular economy and sustainable development, CELSA invested in **two new recycling points** in the **Basque Country** and in **Valencia**. These new additions serve to make the group one of the leading players in ferrous scrap recovery in Spain, with a strategic distribution of **13 points**.

We also launched **Global Bright Bars**, a new division dedicated exclusively to producing high-quality calibrated bars for the automotive industry.

2023

Change in ownership of the company and concentration of the group at the controlling company Inversiones Pico Espadas, S.A..

CELSA around the world

CELSA SPAIN	
3	Steelworks
0	*Circularity hubs*
5	Rolling lines
0	Forges
12	Transformation and processing companies

CELSA FRANCE	
1	Steelworks
0	*Circularity hubs*
2	Rolling lines
0	Forges
0	Transformation and processing companies

CELSA UK	
1	Steelworks
6	*Circularity hubs*
2	Rolling lines
0	Forges
55	Transformation and processing companies

CELSA NORDIC	
1	Steelworks
4	*Circularity hubs*
1	Rolling line
0	Forges
15	Transformation and processing companies

CELSA POLAND	
1	Steelworks
20	*Circularity hubs*
2	Rolling lines
1	Forge
1	Transformation and processing company

CELSA GLOBAL CIRCULARITY	
0	Steelworks
18	*Circularity hubs*
0	Rolling lines
0	Forges
0	Transformation and processing companies

7
STEELWORKS

48
CIRCULARITY HUBS

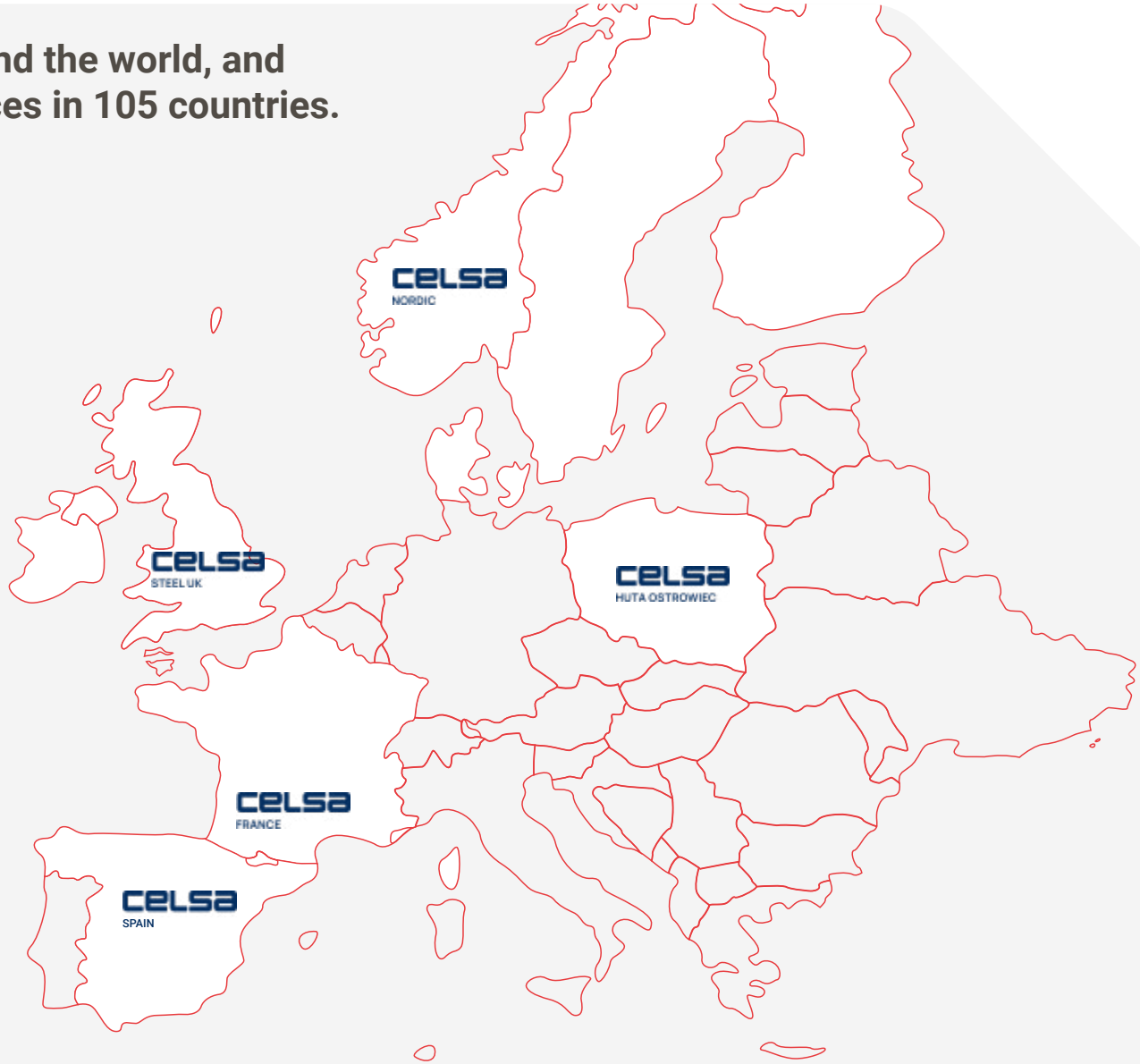
12
ROLLING LINES

1
FORGE

83
TRANSFOR-MATION AND PROCESSING COMPANIES

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

We have 120 CELSA sites around the world, and market our products and services in 105 countries.



Main CELSA plants

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

Celsa France
- Celsa France, S.A.S.
- Celsa Atlantic, S.L.

Celsa UK
- Celsa UK Manufacturing

Celsa Nordic
- Celsa Armeringsstål

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

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

Key figures

At CELSA we lead with a long-term vision and firm commitment to the socio-economic development of the countries where we operate.

Main figures in 2023

We are a leading European group in the production of low-emissions circular steel.

6
BUSINESS GROUPS

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

€4,765 M
TURNOVER
Sectors where we have the greatest presence: construction, automotive, agriculture, oil, gas and energy

10,178
EMPLOYEES AT 31/12/23
- Own employees: **7,958**
- Subcontracted employees: **2,220**

5.6 Mt
OF STEEL PRODUCTION

48
*CIRCULARITY HUBS**

7
STEELWORKS

12
ROLLING LINES

120
WORKPLACES

73%
OF SALES, IN THE EUROPEAN UNION

36.3%
UPSTREAM
% vertical integration

22.6%
DOWNSTREAM
% vertical integration

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

Commitment to climate

We are working towards becoming a *Net Positive* company by 2050

Using the electric arc furnace (EAF) process, carbon steel production at the CELSA steelworks generates **CO_2** emissions (scopes 1 and 2, location-based) **that are 35.9% lower than the average for the sector in the European Union**.

Our EAF steelmaking process **allows us to avoid the consumption of 4.15 million tonnes of coal**, a similar figure to a thermal power plant generating electricity for the whole city of Barcelona.

By using electric arc furnace technology, we each year **avoid 11 million tonnes of atmospheric CO_2** emissions, equivalent to the amount that would be generated by 2.38 million cars in a year.

CELSA's main plants saw a 2% increase in their absolute location-based scope 1 and 2 emissions, according to the RCDE calculation methodology.

6,043,168 MWh
ENERGY CONSUMPTION

634,471 t CO_2-eq
SCOPE 1 EMISSIONS FROM MAIN PLANTS

1,258,451 t CO_2-eq
SCOPE 2 EMISSIONS FROM MAIN PLANTS MARKET-BASED

1,812,922 t CO_2-eq
SCOPE 1 AND 2 EMISSIONS FROM MAIN PLANTS

1,684,749 t CO_2-eq
SCOPE 3 EMISSIONS FROM MAIN PLANTS*

3,577,670 t CO_2-eq
TOTAL SCOPE 1, 2 AND 3 EMISSIONS OF THE GROUP

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

Commitment to circularity

We are Europe's leading producer of circular and low CO_2-emissions steel

97.4% of the end product is made with recycled steel.

Our **circular steel** is **100% recyclable**.

We recover 94.1% of waste from steel production.

Manufacturing **steel with scrap** rather than virgin ore **reduces** the input of raw materials by approximately **90%, and water consumption by 40%**.

Circular consumption of scrap as a raw material allows CELSA **to avoid the consumption of 11 million m³ of natural resources, an amount equivalent** to the volume of practically **11 Empire State Buildings.**

By using the EAF process, **we achieve savings of 14 million m³ of water** at the group's main plants, equivalent to the annual consumption of a city of 285,000 people.

5,238,592 m³
WATER CONSUMPTION

0.94 m³/kg OF BILLET
SPECIFIC WATER CONSUMPTION

18%
REUSED WATER

5,894,990 t
RECYCLED SCRAP METAL

92,511 t
NON-FERROUS SCRAP RECOVERED AND SOLD TO THIRD PARTIES

698 t
PLASTICS RECOVERED AND SOLD TO THIRD PARTIES

1,408,325 t
CO-PRODUCTS REUSED *

*high-value secondary products generated during the manufacturing process together with the main product

Commitment to the talent, health and safety of the team

Our priority is health and safety

Our first priority is to become a zero accident company.

The staff rotation rate is 10.95% in the case of women, and 9.95% in the case of men.

The **absence rate** stands at **7.20%**, placing us **below the sector average** (of **10.80%**).

In 2023, the average number of **hours of training per person trained was 48.02.**

6.38
FREQUENCY INDEX (FI) OF THE GROUP

0.79
SERIOUSNESS INDEX (SI) OF THE GROUP

2,719
EMPLOYEES WITH DEVELOPMENT PLANS

77%
EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS

94%
EMPLOYEES WITH A PERMANENT CONTRACT

€5.76 M
INVESTMENT IN TRAINING

323,291
TRAINING HOURS

Commitment to equality and diversity

We broaden horizons by fostering diverse perspectives at our organisation

We have had equality policies and action plans in force for many years so as to achieve progress in terms of equality.

Over the last five years we have increased the presence of women by 6.8%.

Areas as **essential** as the technical risk prevention team and financial team already have a **high percentage of women**.

11.79%
PROPORTION OF FEMALE EMPLOYEES (FTE)

57.44%
WOMEN AT SUPPORT DEPARTMENTS

83
EMPLOYEES WITH DISABILITIES

0
CASES OF DISCRIMINATION

0
CASES OF SEXUAL HARASSMENT

Commitment to the community

Our actions show profound respect for local cultures, and we are committed to social development

We make **donations**, mainly within our **closest surroundings**, and **sponsor initiatives** in the local community.

We **invested 0.56% of profits (EBITDA)** generated in the 2023 financial year **in community projects**. Compared with the previous year, we invested **10% more in this type of project**.

Through CELSA, we took part in the third edition of NATIVES, to promote sustainability principles in education.

Celsa UK began a line of biodiversity projects headed by the Environment team, together with students from the University of Cardiff.

€2.47 M

EXPENDITURE ON COMMUNITY PROJECTS

40

SURVEYS SENT OUT TO STAKEHOLDERS IN LOCAL COMMUNITIES TO ANALYSE THE GROUP'S MATERIALITY

Commitment to the value chain

We optimise our value chain for a sustainable future

We include social and environmental criteria in the process of contracting supplier companies.

In 2023, **83%** of our **purchases** were made from **local** supplier companies in those regions where we have a presence.

778 client company surveys collected at the Customer Portal.

The **percentage investment in R&D out of profits (EBITDA)** rose to a level of **4.44%**.

€4,771 M
TOTAL INVESTMENT (PURCHASES) AT SUPPLIER COMPANIES

€3,967 M
TOTAL INVESTMENT (PURCHASES) AT LOCAL SUPPLIERS

19,150
LOCAL SUPPLIERS

€19.58 M
R&D INVESTMENT

171
SURVEYS CONDUCTED OF CLIENT COMPANIES ACCORDING TO THE *NET PROMOTER SCORE*

Commitment to ethics and transparency

We promote ethics and transparency, which are essential for good corporate governance and responsible management, as essential cornerstones

We revised and published the **Code of Ethics and Professional Conduct**, a mandatory internal document for all members of the organisation (www.celsagroup.com/wp-content/uploads/2023/07/06-23_celsa_codigo-etico-2023_cast-eng.pdf).

We delivered a cybersecurity **awareness-raising programme and training initiative.**

We approved a **new policy for dialogue and communication with stakeholders**.

We worked on the "Sustainability" section of the corporate website, to promote the disclosure of information and data in this sphere (www.celsagroup.com/sostenibilidad/).

The *2022 Sustainability Report*, in two languages, was the **document with the greatest number of downloads**.

142,337
ENTRIES ON THE CORPORATE WEBSITE

2,509
ENTRIES IN THE SUSTAINABILITY SECTION OF THE CORPORATE WEBSITE

17
NEW CORPORATE POLICIES APPROVED IN 2023

834
EMPLOYEES RECEIVING CYBERSECURITY TRAINING

Our system of good governance

At CELSA we are firmly committed to good governance. In this regard, one of the topics seen as material by our stakeholders is business management and leadership (further information in section 5.4. Dialogue with stakeholders).

Organisational model

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

The **General Meeting of Shareholders** is the body representing the company's owners: the shareholders who own the equity. It functions in accordance with the corporate bylaws and an *ad hoc* regulation.

The **Board of Directors** is the main management and supervisory body at CELSA. It is responsible for defining strategy and corporate policy, and for overseeing management and the relationship with shareholders.

On 4 September 2023 the Judge of Companies Court 2 of Barcelona ruled to approve a capital restructuring Plan proposed by the company's creditors. As part of the implementation of this plan, on 23 November 2023 the creditors of the controlling company of the group capitalised part of their debt, namely 1.418 billion euros, underpinning the group's equity position, and becoming its sole shareholders. In addition, on 31 December 2023 there was a corporate restructuring to simplify and optimise the group's structure through the merger of certain companies and the creation of one single holding company consolidating all operations.

On 30 November of the same year, the new control structure was put in place at the company, with changes to the members of the organisational structure listed below.

The Board of Directors was at the stage of being formed, with the following appointments having taken place by the date when the non-financial report went to press (31 March 2024):

- **Rafael Villaseca** as **Chairman** of the Board of Directors of the company.
- **Daniel Alaminos**, as **Secretary** of the Board.
- **Jordi Cazorla** as **CEO**, formally taking up his post on 15 January 2024. This appointment serves to **separate the functions of Chair and CEO,** giving rise to a new organisational structure. Before taking on this role, Sergio Vélez was Managing Director, assisted by a team of professionals from FTI Consulting.
- The provisional appointments are Maria Esther Alfonso Evisa, Antonio Arenas Rodrigañez, Francisco Javier Díaz-Gálvez de la Cámara and Luis Aurelio Martín Bernardo.

System of corporate governance at CELSA

This consists of:

- Corporate policies, including environmental, social and governance policies
- Code of ethics and professional conduct
- The company's bylaws
- Purpose, vision, mission and values
- Regulatory compliance

Organisational structure

(at 10 June 2024)

Rafael Villaseca
Chairman
and Chair of the Board of Directors CELSA

Jordi Cazorla
CEO CELSA

Steering Committee

Marc Ayas
Chief People Officer

Carlos Día
Chief Commercial Officer

Mercedes Lara
Chief Legal Officer

Javier Echavarri
Chief Operating Bussines Officer

Franc Cardona
Head of Sustainability & Public Affairs

Borja García-Alarcón
Chief Financial Officer

CEOs of the BUs*

Xavier Cabré
Chief Circularity Officer

Utku Öner
CEO Celsa Nordic

Oriol Aguiló
CEO Celsa Poland

Josep Vilaseca
CEO Celsa Spain & France

Carles Rovira
CEO CELSA UK

Rafael Villaseca was appointed in December 2023 as the new president of CELSA, and Jordi Cazorla in January 2024 as managing director

* BUs: Business Units

Josep Vilaseca
CEO of Celsa Spain & France

Significant progress has been made in terms of sustainability

In 2023 we launched a plan to reduce scope 1 emissions, through initiatives such as improved hot loading, reduced consumption of anthracite and the introduction of sustainable polymers. In terms of governance, we deployed the Celsa Spain sustainability committees.

Carles Rovira
CEO of Celsa UK

We promote sustainable practices in all our operations

The sustainability achievements of CELSA Steel in 2023 include completion of our mandatory climate disclosure, improved governance, and establishment of risk management. At CELSA UK we developed a model of governance to integrate sustainability at various departments, guaranteeing a unified approach to our environmental goals.

Utku Öner
CEO of Celsa Nordic

It is essential to lead by example

Being part of the largest circular value chain in Europe entails responsibility. We aim to lead the market, not only in steel production, but also by taking responsibility throughout our value chain. Through transparency and openness we will build trust among our employees, owners, client and supplier companies, and stakeholders.

Franc Cardona
Head of Sustainability and Public Affairs

CELSA

Maria Salamero
Head of Sustainability

CELSA

Carlos Javier Abajo
Head of Environment

CELSA

Iolanda Baqués
Head of External Communications

CELSA

Francesco Surace
Public Affairs Specialist

CELSA

Gabriella Nizam
Head of Sustainability

CELSA STEEL UK

Sylwia Mucha
Head of Sustainability

CELSA HUTA OSTROWIEC

Susanne Naevermo-Sand
Head of Sustainability

CELSA NORDIC

Esther Ventura
Head of Sustainability

CELSA | FERMET

Patricia Acosta
Head of Sustainability CSS

CELSA SPAIN

Natacha Melquiot
Head of Environment, Sustainability & External Communications

CELSA FRANCE

David Fernández
Plant & Sustainability Manager

CELSA ATLANTIC

Javier Barrero
Manager of Environment & Sustainability

CELSA BARCELONA

Aintzane Pérez
Manager of Environment & Sustainability

CELSA NERVACERO

César Ruíz
Manager of Environment & Sustainability

CELSA GLOBAL STEELWIRE

Natacha Melquiot
Head of Sustainability & External Communications
of Celsa France

We aim to speed up the transition to *Net Zero*

If we want to speed up the transition towards net zero emissions, we need to focus on decarbonising our activities. As a circular plant, Celsa France facilitates the reuse of its by-products to manufacture agricultural fertiliser. This involves mixing refractory materials with white slag or lime, serving to improve the properties and yield of agricultural land.

Gabriella Nizam
Head of Sustainability and Strategy of Celsa UK

We have made progress in sustainability

In 2023 we fulfilled our mandatory climate disclosure and used the scenario analysis to understand and mitigate risks in the Celsa UK business model.

Susanne Naevermo-Sand
Head of Sustainability & Strategy of Celsa Nordic

Each employee internalises sustainability efforts

The staff at Celsa Nordic once again this year demonstrated the outstanding teamwork and transparency needed to be a sustainable and circular steel company. The greatest achievement is the way in which each professional internalises the sustainability efforts they are called on to make, and how they have implemented this attitude at each department.

Sylwia Mucha
Head of Sustainability and Strategy of Celsa Poland

Our company increasingly adopts socially and ecologically friendly practices

We understand that climate change has become one of the greatest challenges of our time. Which is why we make investments which will help our business unit to speed up the transition to Net Zero so as to fulfil climate targets. This is made possible by interdepartmental cooperation, teamwork and the enthusiasm of our people. Carbon monitoring and optimisation, ESG (Environmental, Social, Governance) KPIs, the fight against greenwashing, and sustainability as a value for stakeholders are the real future challenge.

Committees

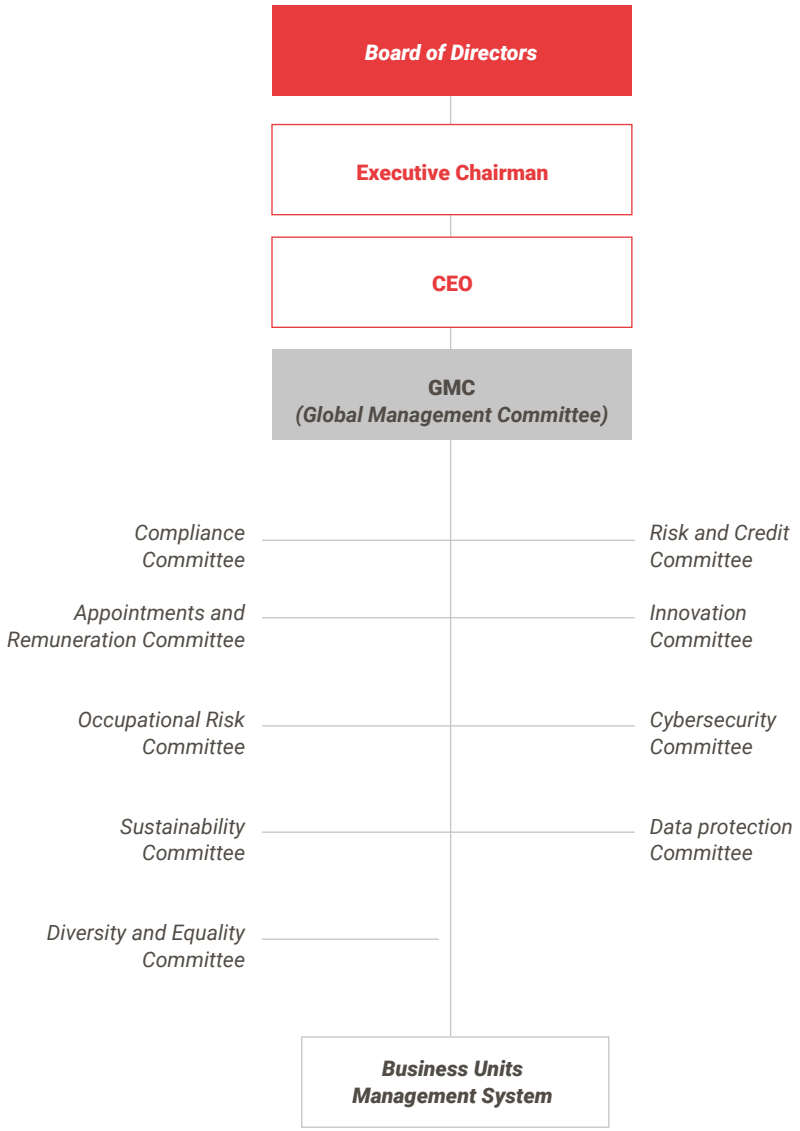
(at Desember 2023)

The organisational model of CELSA is supplemented by series of committees to ensure effective governance:

Steering Committee

Mission: develop the corporate and executive management of the Group, setting targets in line with a medium- and long-term vision, ensuring development of the six-year strategic business plan, and ensuring the availability of the required resources.

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



The *Global Management Committee* (GMC) has the following commissions and committees to guarantee proper governance of the key areas of the organisation:

Legal Compliance Committee

Mission: ensure compliance with the principles of the Code of Ethics and Professional Conduct, and prevent and avoid any conduct which could comprise a criminal offence.

Members: headed by the Director of Compliance and Ethics, and also comprising the Head of Compliance and the Head of the Legal Affairs Department.

Appointments and Remuneration Committee

Mission: powers regarding appointments, remuneration and the compensation and benefits policy.

Members: chaired by the CEO and made up of the COBO and CPO.

Sustainability Committee

Mission: design, direct and oversee fulfilment of the CELSA sustainability strategy to ensure that our operations are performed responsibly, and in turn generate value in the short, medium (2030) and long term (2050) for the company itself, and for society and the planet.

Members: headed by the *Head of Sustainability & Public Affairs* and comprising the Head of the Sustainability Department, along with the five Heads of Sustainability of the business units, of Ferimet, Processes, Energy, Logistics and Purchasing, and a representative of the Personnel Department.

Diversity and Equality Committee

Mission: supervise compliance with the equality plans of the group companies, drawn up with the participation of staff representatives.

Members: chaired by the CPO, with the Legal Adviser and Director of Tax Law also serving as members.

Risk and Credit Committee

Mission: control and decide as to the company's commercial risk.

Members: led by the COBO and comprising the COBO and CCO.

Data Protection Committee

Mission: advise and inform the group about the processing of personal data, serving as the point of reference in this sphere for all business units, while also collaborating with the supervisory authorities.

Members: chaired by the DPO *(Data Protection Officer)*.

Occupational Risk Committee

Mission: supervise improvements to health, safety and the culture of well-being, setting standards that go beyond the legal requirements, as well as process safety, with the general aim of achieving zero accidents throughout the group.

Members: headed by the CPO, with the Corporate Head of Health and Safety and the corresponding figures at the business units likewise present.

Innovation Committee

Mission: responsible for identifying, organising and prioritising the group's innovation, ecological transition and digital transition projects.

Members: headed by the Head of Business Innovation and European Union Funding, and comprising the Innovation directors of the business units.

Cybersecurity Committee

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

Members: made up of the CFO, the CPO, the CIO (*Chief Information Officer*), and the Heads of Safety and Compliance.

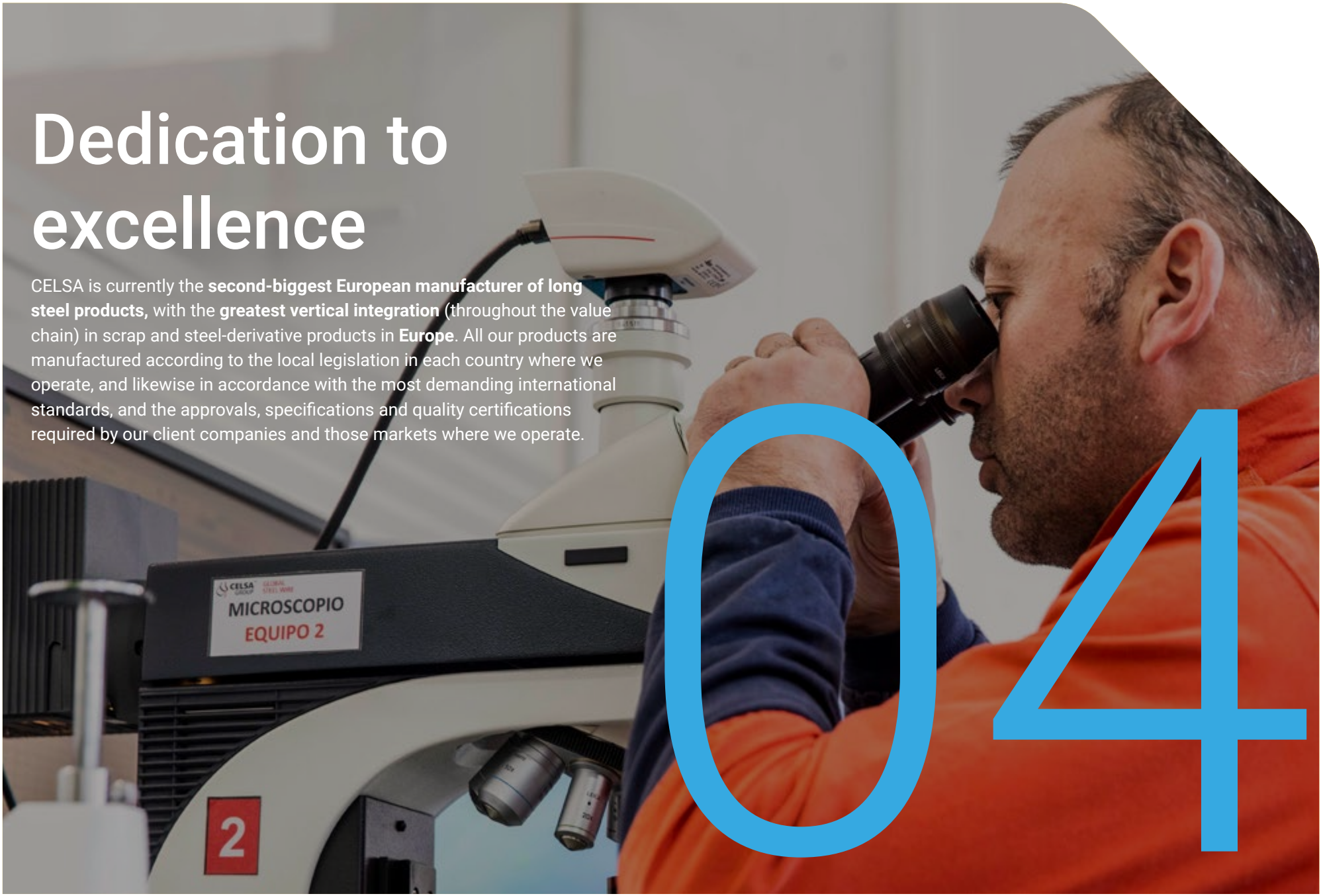
Management committees of each of the five business units

Mission: develop the executive management of each unit.

Members: comprising the managing directors and leading executives of each unit.

Dedication to excellence

CELSA is currently the **second-biggest European manufacturer of long steel products,** with the **greatest vertical integration** (throughout the value chain) in scrap and steel-derivative products in **Europe**. All our products are manufactured according to the local legislation in each country where we operate, and likewise in accordance with the most demanding international standards, and the approvals, specifications and quality certifications required by our client companies and those markets where we operate.



04

Responsible production and technology

We are **Europe's leading producer of circular and low CO_2-emissions steel**. We recycle ferrous scrap to produce steel.

We are the **largest recycling company in Spain and the second-biggest in Europe**. **Our steel is 100% recyclable** and can be **recycled an infinite number of times** without losing its properties, providing great value for society and the environment, by minimising the use of natural resources.

All CELSA furnaces are Electric Arc Furnaces (EAF), the most efficient and sustainable technology currently available on the market, allowing us to produce low CO_2-emissions steel. The technology of the electric arc furnaces we use positions our scope 1 and 2 CO_2 emissions (location-based) nine times lower than those generated by blast furnaces, while scope 1, 2 and 3 emissions are six times lower (according to World Steel Association methodology).

All our furnaces are electric arc models, the most efficient and environmentally friendly steelmaking process

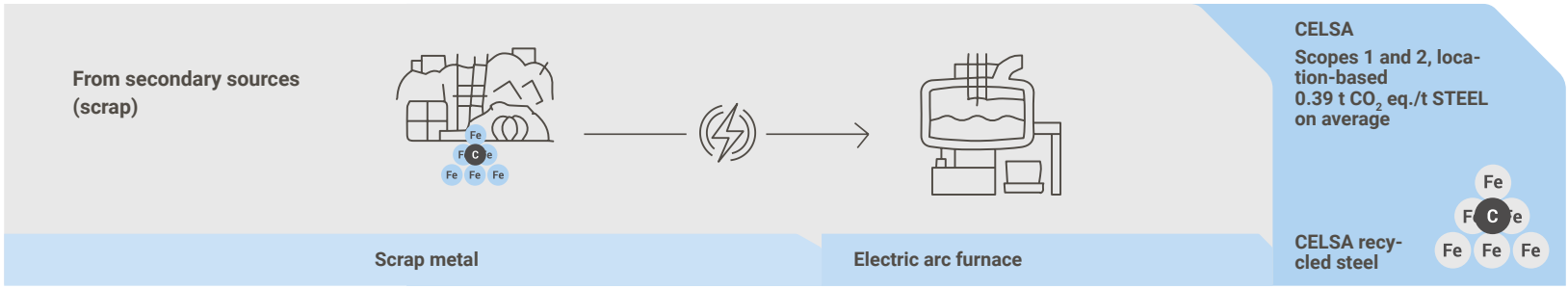
Óscar Cubiñá
Head of Processes of CELSA

“

Advancing towards more efficient production

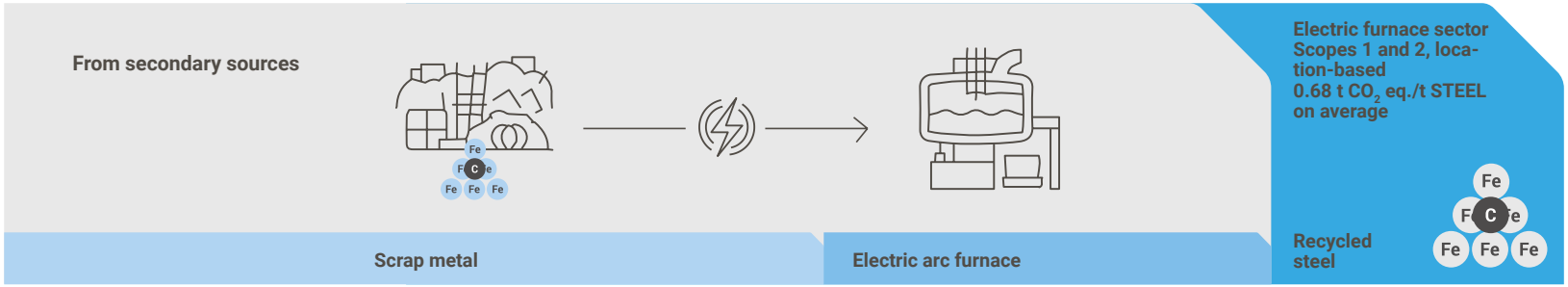
At the Process Department we have been working to reduce energy consumption. Examples include the optimisation of gas consumption in the electric arc furnace and the ladle heaters. In the case of rolling, we have implemented various improvements, such as the installation of heat insulation in the billet store to reduce the temperature gradient, and regulation of the rolling cylinder cooling water.

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



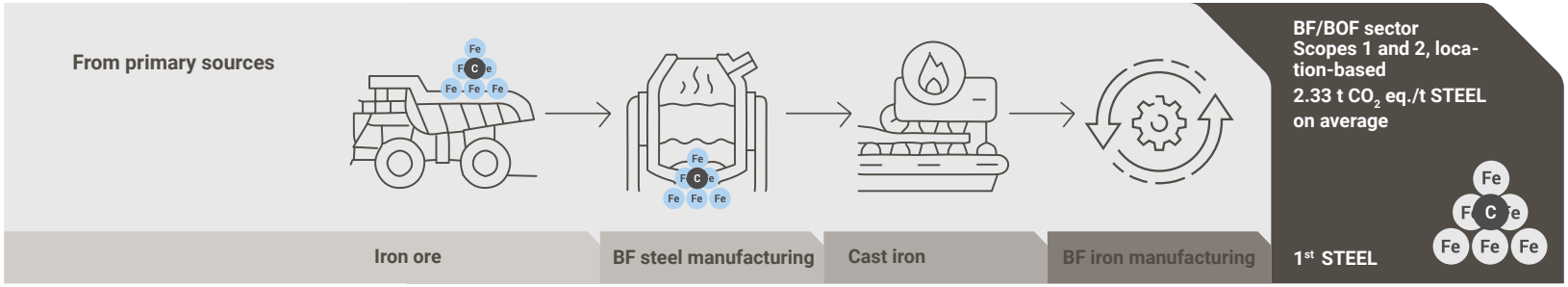
Original source of emissions figure: internal figure for the CELSA main plants, reported to the WSA, 2023.

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



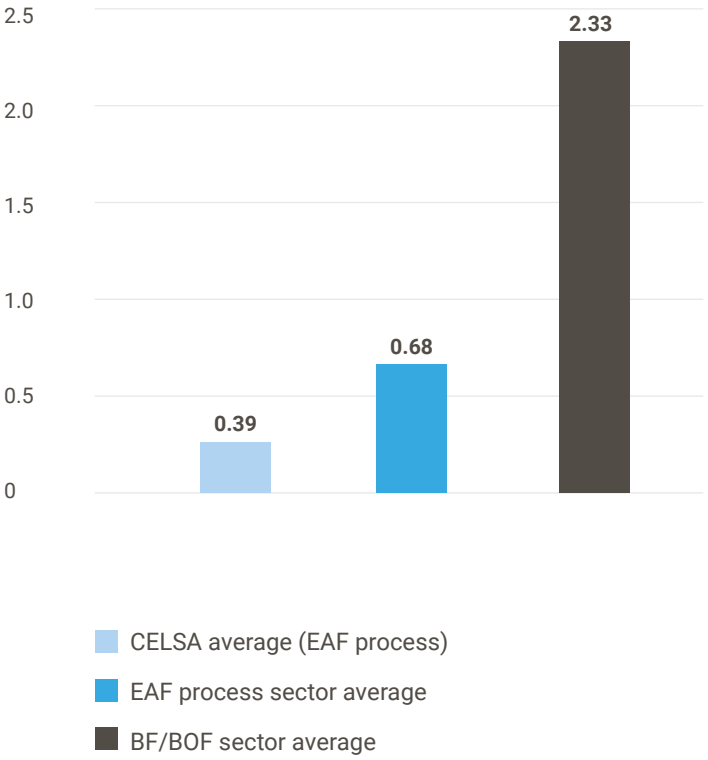
Original source of emissions figure: https://worldsteel.org/steel-topics/sustainability/sustainability-indicators-2023-report/#co2-emissions-and-energy-intensity.
Original source of production percentage figure: Fact sheet | Steel industry coproducts, WSA.

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



Data source: https://worldsteel.org/steel-topics/sustainability/sustainability-indicators-2023-report/#co2-emissions-and-energy-intensity.
Original source of production percentage figure: Fact sheet | Steel industry coproducts, WSA.

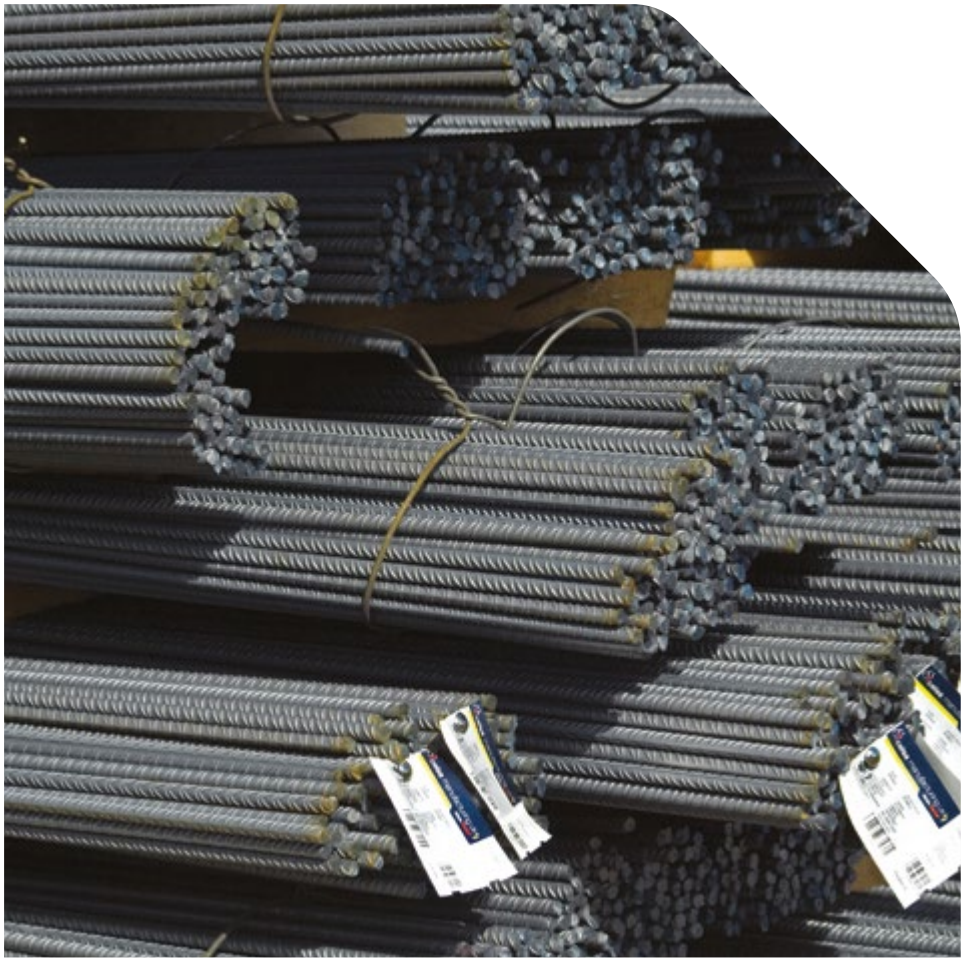
Scopes 1 and 2, location-based (t CO_2 eq./t steel) on average



CELSA emissions correspond to scopes 1 and 2 based on the location of our main plants: Celsa Barcelona, Nervacero, Global Steel Wire, Celsa France, Celsa Atlantic Largos, Celsa UK Manufacturing, Celsa Armeringsstål and Celsa Huta Ostrowiec.

Our products

All our products have the quality certifications, approvals and specifications required by our client companies and the markets where we operate, and under the terms of the most demanding national and international standards.



Long products

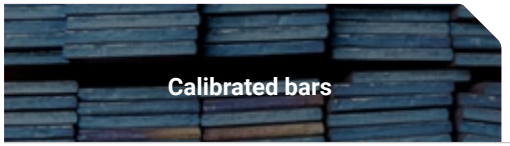
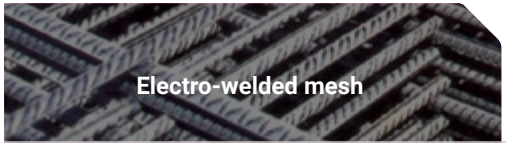
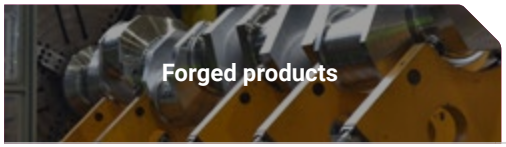
This designation covers the main product families of **corrugated rolls and bars, steel profiles, commercial bars and wire rods.** At CELSA we produce the **first four families**, with substantial market shares in each.

At CELSA we produce corrugated bars and rolls, steel profiles, commercial bars and wire rods, with substantial market shares in each of these families

Product name	Description	Main uses
	Semi-finished steel product, generally with a square cross-section, used to manufacture finished steel products by means of rolling and forging processes.	Used to manufacture finished steel products by means of rolling and forging processes.
	Wide range of structural profiles up to 600 mm in height and lengths of up to 24 metres.	Construction: metal structures such as industrial buildings.
	Range of solid steel bars with different cross-sections.	Used in such varied sectors as shipbuilding, automotive, forging, calibration, construction, agriculture and energy.
	We have an extensive range of qualities and diameters manufactured to international standards. In terms of composition and characteristics, wire rod is available in low-, medium- and high-carbon steels (between 0.05 and 0.86%) and with different degrees of alloy (Al, B, Cr, Mn, Mo, P, Si, S, etc.).	It is used in the automotive, construction, energy, railway and household appliance sectors, as well as others.
	This is used in combination with concrete to create reinforced concrete, the most commonly employed construction system. CELSA is a pioneering company in the introduction of high-ductility corrugated steel, specifically designed for seismic or dynamic loads.	Residential and non-residential civil engineering. CELSA can cut and fold the bars, and even install them on site.

Related products

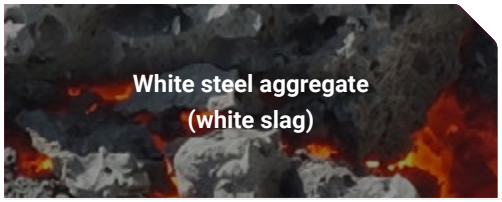
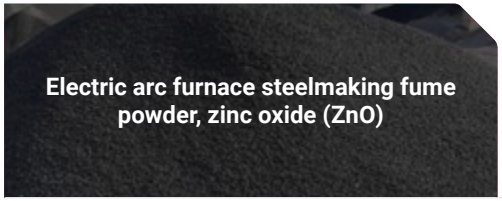
This designation groups together the supply of steel products derived from steelmaking products, with substantial "downstream" integration.

Product name	Description
 Basic electro-welded reinforcement lattice	It is used mainly to manufacture semi-joists and other prefabricated concrete elements, separators for solid top slabs, bridge decks, prefabricated building skin panels, galleries, etc.
 Wire	Our wire drawing plants offer wire in different roll formats and with a wide range of thermal and surface treatments, wire for cold stamping, high- and medium-carbon wire, wires and rods with high strength and low relaxation for pre- and post-stressing.
 Calibrated bars	We have a division focused solely on producing high-quality calibrated bars for the automotive industry (Global Bright Bars).
 Electro-welded mesh	This is corrugated steel mesh, both standard and special, used for concrete reinforcement. The use of such special mesh allows the reinforcement process to be industrialised and optimised on site.
 Tube	We manufacture steel tubes for pipelines with different finishing processes (galvanised, smooth or threaded), used for applications such as gas, sanitary water, heating, mining and other uses.
 Enclosures	Full range of enclosures suitable for residential, industrial and infrastructure sectors (progressive welded mesh). We are one of the leading names for enclosures in Europe, thanks to our large production volume.
 Forged products	We offer a wide variety of forged products with thermal and mechanical treatment, in the most commonly requested types of steel. The most typical applications are for components and spare parts.

Our wire drawing plants offer wire in different roll formats and with a wide variety of thermal and surface treatments

Co-products

At CELSA we generate a number of **recycled by-products** with a **low carbon footprint** which are suitable for manufacturing negative-carbon cements, more sustainable clinker, concrete, counterweights, ferrous alloys and pigments. They are as follows:

Product name	Description
	This is derived from the processing of black slag generated during the process of manufacturing steel in the electric arc furnace. It is used mainly as a raw material for the manufacture of surfacing, base and bed layers for roads.
	This is produced in the ladle furnace during the steel refinement process. Mainly as a result of its high content in calcium oxide (CaO), it can be used as a fertiliser, a soil pH correction agent and a raw material for cement factories.
	Steelmaking powder is collected from the sleeve filters in the systems used to treat the gases generated by melting and refining furnaces. This powder contains metal oxides, in particular zinc oxide, which has high commercial value.
	Produced mainly in the hot rolling process. This material is derived from the surface oxidation of the hot steel, and essentially comprises iron oxides. Its chemical composition allows it to be used in other industrial processes requiring an input of iron, such as primary steel manufacturing, cement and ferrous alloys.
	The main refractory materials used in the steel manufacturing process are masses of magnesium oxide (MgO), dolomite bricks and high-alumina bricks. Once they have worn out, most of these materials are reused in the steelmaking process itself, or as recycled raw materials to manufacture new refractory materials.

Sectors

The steel we produce at CELSA is **strategic for the economy**, since it has become one of the **most commonly used materials around the world**. Steel is in fact a presence in the daily life of most societies. It is therefore essential that it be manufactured in a sustainable manner, ensuring that the products sold are **low in carbon emissions**, designed to **last longer**, easier to reuse, repair and recycle, and include as much **recycled** material as possible, rather than finite natural resources. Our steel can be found in many of what are seen as strategic sectors of the economy:

CONSTRUCTION

Thanks to its **hardness, malleability and durability,** steel has become one of the most commonly used structural materials in infrastructure and building construction. This sector is today the **largest consumer of steel products worldwide**.

AUTOMOTIVE

There is considerable demand for this product from automotive manufacturers, given its benefits in terms of vehicle weight, safety, cost reduction and reduced environmental impact.

AGRICULTURE

It is used to make machinery, tools and equipment, among other elements.

OIL, GAS AND ENERGY

Steel plays an essential role in **energy supply worldwide**, whether thermal, nuclear or renewable. Within the current context, it is likewise a vital material for the transition to a low-carbon economy. **Without more sustainable steel it will be impossible to fulfil the Paris Agreement targets**. All greenhouse gas mitigation technologies need steel, including **thermal and renewable generation**, mass transport and **hydrogen** technology.

Markets

During 2023, CELSA made **sales in 105 countries**. Sales in **Europe** accounted for **73%** of the total, rising to 88% if we include sales in the United Kingdom. During this period we produced **5.61 million tonnes of steel** (billets and ingots), an increase of 1.65% compared with the previous year.

Products sold

145,907 t
OF BILLET

1,894 t
OF INGOTS

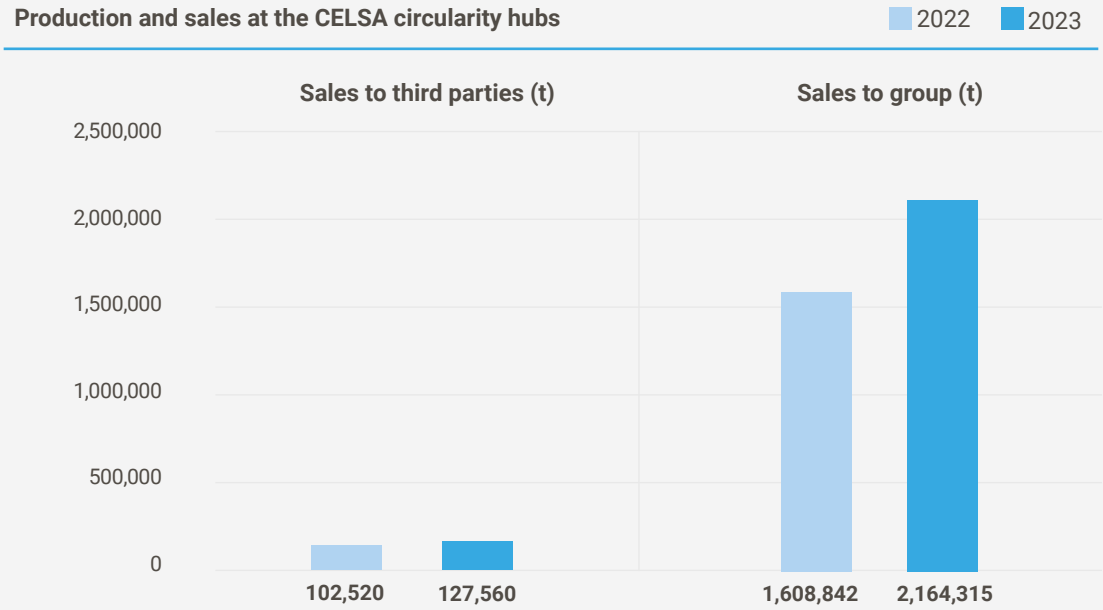
3.97 Mt
OF ROLLED PRODUCT

1.21 Mt
OF TRANSFORMED PRODUCT

4,767 t
OF FORGED PRODUCT

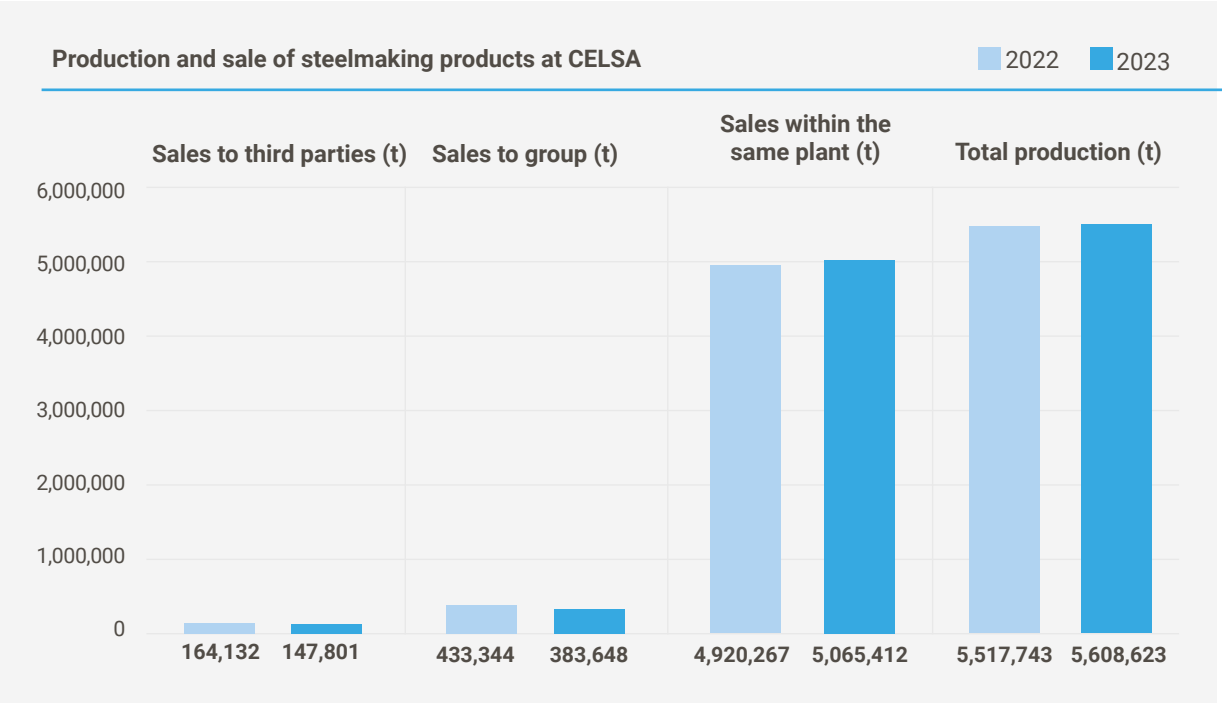
TOTAL: 5.33 Mt
(5.46 Mt IF INCLUDING SCRAP SOLD AT THE *CIRCULARITY HUBS*)

Steel is one of the most commonly used materials around the world



Tonnes (t)	Celsa Global Circularity*		Celsa UK		Celsa Nordic		Celsa Poland	
Sales	to third parties	to group	to third parties	to group	to third parties	to group	to third parties	to group
Ferrous scrap	22,409	906,773	6,242	286,689	2,892	184,092	2,808	786,761
Non-ferrous scrap	78,498	0	2,354	0	0	0	11,659	0
Plastics	698	0	0	0	0	0	0	0
Total	**101,605**	**906,773**	**8,596**	**286,689**	**2,892**	**184,092**	**14,467**	**786,761**

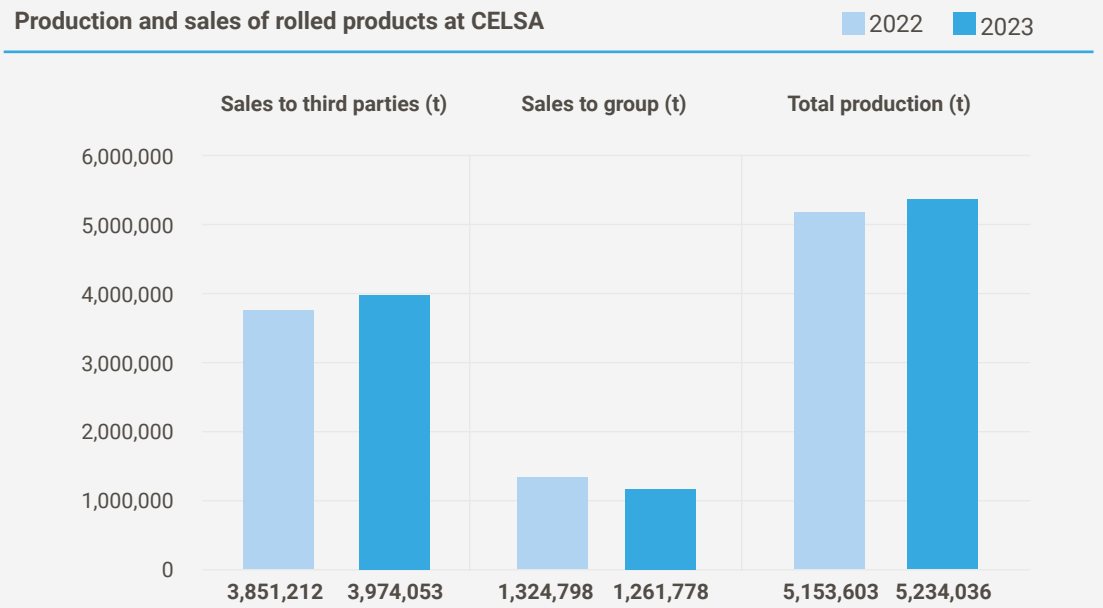
*Celsa Global Circularity performs all circularity hub purchases and sales.



Tonnes (t)	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland
	Total production				
Billet	2,607,115	548,838	813,667	683,219	943,432
Ingots	N/A	N/A	N/A	N/A	12,352
Total	**2,607,115**	**548,838**	**813,667**	**683,219**	**955,784**

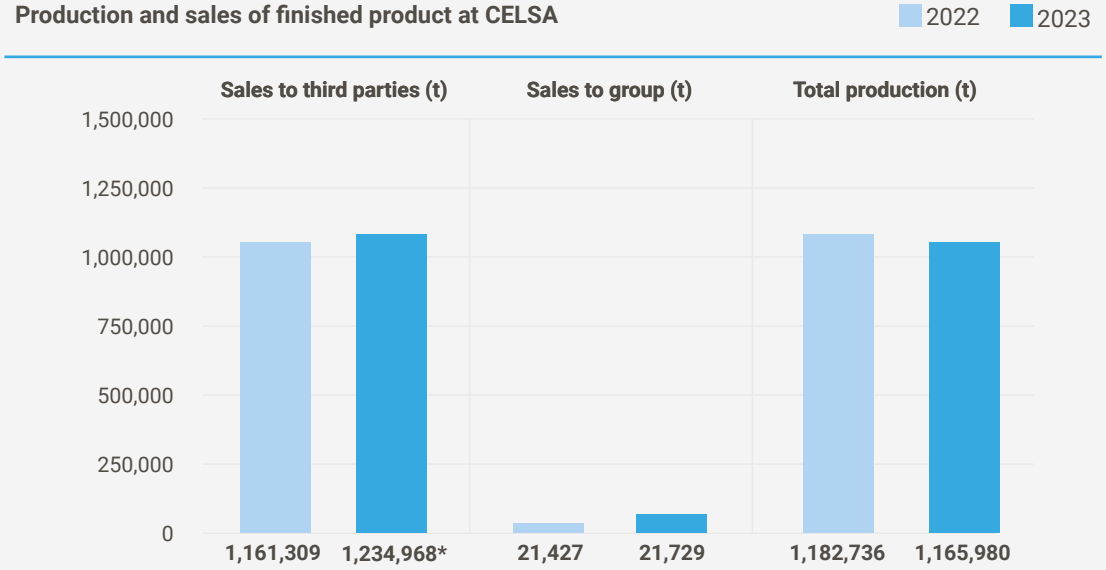
Tonnes (t)	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland		
Sales	to third parties	to group	within the same plant	to third parties	to group	within the same plant	to third parties	to group	within the same plant	to third parties	to group	within the same plant	to third parties	to group	within the same plant
Billet	21,589	0	2,585,526	71,097	264,580	213,162	1,426	0	812,241	32,765	119,068	519,562	19,030	0	924,463
Ingots	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,894	0	10,458
Total	**21,589**	**0**	**2,585,526**	**71,097**	**264,580**	**213,162**	**1,426**	**0**	**812,241**	**32,765**	**119,068**	**519,562**	**20,924**	**0**	**934,921**

The total production is obtained by adding together the different sales plus the stocks.
Only Celsa Poland has ingot production in place.



Tonnes (t)	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland		
	sales to third parties	sales to group	total production	sales to third parties	sales to group	total production	sales to third parties	sales to group	total production	sales to third parties	sales to group	total production	sales to third parties	sales to group	total production
Corrugated	317,732	82,036	568,195	130,943	19,574	180,139	188,220	218,953	412,035	168,736	250,723	407,250	362,924	62,295	393,334
Wire rod	540,655	410,905	815,912	332,655	53,536	347,723	49,208	96,111	139,308	24,803	59,228	96,288	0	0	0
Commercial profiles	170,060	959	160,953	0	0	0	5,651	46	3,699	0	0	0	151,686	67	155,016
Structural profiles	963,637	1,926	974,640	0	0	0	225,986	5,388	231,253	0	0	0	341,157	31	348,291
Total	**1,992,084**	**495,826**	**2,519,700**	**463,598**	**73,110**	**527,862**	**469,065**	**320,498**	**786,295**	**193,539**	**309,951**	**503,538**	**855,767**	**62,393**	**896,641**

In the case of the Celsa Global Circularity and Celsa Support Services business units, all values are N/A, as they do not perform rolling processes.

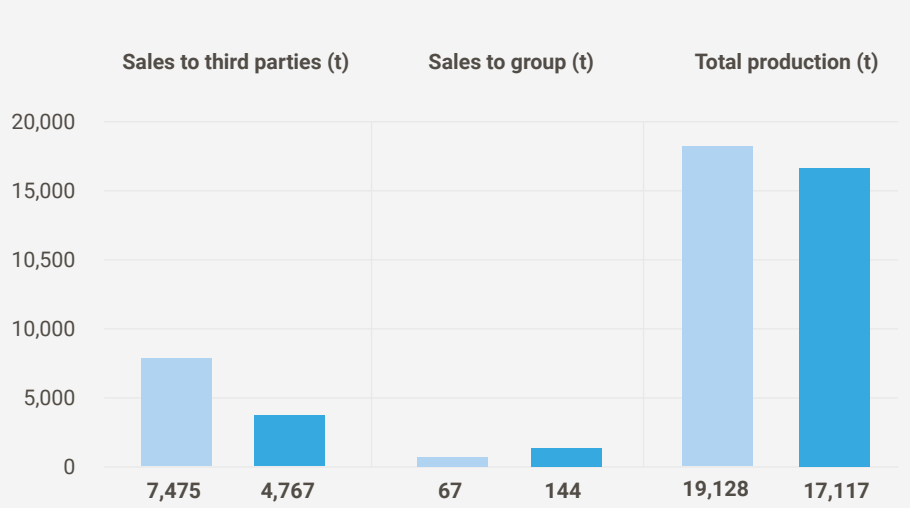


*Consolidation adjustments have been applied to the data for sales of finishing products to third parties in comparison with the 2023 NFRS document.

Tonnes (t)	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland		
	sales to third parties	sales to group	total production	sales to third parties	sales to group	total production	sales to third parties	sales to group	total production	sales to third parties	sales to group	total production	sales to third parties	sales to group	total production
Total	**578,896**	**1,373**	**540,973**	N/A	N/A	N/A	**337,336**	**0**	**337,336**	**235,087**	**18,717**	**225,202**	**83,649**	**1,639**	**62,469**

In the case of the Celsa Global Circularity and Celsa Support Services business units, all values are N/A, as they do not perform finishing processes.

Production and sales of forged and mechanically treated finished product at CELSA



Total end products in the forging and mechanical treatment lines. Celsa Poland is the only business unit at the group with forging and mechanical treatment processes.

Total production registers the products obtained in each of the forging process phases: pressing, thermal treatment and mechanical treatment. Meanwhile, sales correspond in the main to mechanical treatment products, the final phase of the process.

The start of 2023 was marked by the continuation of the conflict between Ukraine and Russia, and the outbreak of war in the Middle East. The former continues to affect the availability of raw materials worldwide, an aspect which has served to drive up inflation, as well as leading to a drop in demand.

Against this economic backdrop, the steelmaking sector revealed notable resilience, with output by the end of the year amounting to 145.5 million tonnes, according to the World Steel Association, growth of 3.3% compared with 2022. The European Union also registered a slight increase, which may be seen as the start of a progressive recovery following the challenging situation of economic slowdown we had seen, substantial competition and an increasingly demanding environmental regulatory framework. The industry is responding to the demand for sustainable infrastructure, in combination with the ongoing technological revolution to define the future of steel production.

Given the consequences derived from measures against steel imports adopted by the United States since July 2018, the European Union has safeguards in place to counter steel product imports. In June 2021, these safeguards were extended up until 30 June 2024.

The quality of our products and services

Our main CELSA industrial facilities hold certification under **ISO 9001** for quality, **ISO 14001** for environmental management, and **ISO 45001** for occupational health and safety. Specifically at the companies Compañía Española de Laminación S.A. (Celsa Barcelona), Nervacero, S.A., Global Steel Wire, S.A., Celsa France, S.A.S., Celsa Atlantic, S.L., Ferimet, S.L. and Global Special Steel Products, S.A.U. we hold ISO 9001 certification at our strategic plants. Global Steel Wire is also certified under **IATF 16949:2016** for Quality Management in the Automotive Sector.

All this is made possible by the ***Celsa Management System*** **(CMS)**, based on standardisation and continuous improvement of processes, facilitating aspects which include the logging of complaints and claims, and follow-up of their resolution.

Our group companies also have steel sustainability management systems in place, making us **European leaders** in our sector for **environmental excellence**. Given their small size, and as they have no production operations, it was not seen necessary to implement this certification at some of the subsidiaries of CELSA Spain and CELSA Nordic.

At CELSA we are aware of our responsibility not only towards the people who make up the organisation, but also the community and surrounding context within which we operate.

To ensure that our products do not constitute any risk to the health and safety of consumers, the substances used in the manufacturing process are set out in a safety data sheet in accordance with EU regulations, such as **EU 453/2010**, **EU 1907/2006** and others, and likewise in accordance with CELSA quality standards.

José Ángel Rey
Commercial Head of BSG, Construction & Cross Selling of CELSA

“

Celsa Circular Steel is committed to steel circularity

During 2023 we launched the Celsa Circular Steel programme, to provide the framework and context for all our actions over the coming years to provide our client companies with more sustainable steels with a very small carbon footprint. CELSA represents the largest industrial circular supply chain in Europe, with our steels combining sustainability and circularity.

Satisfied customers

At CELSA we are committed to creating long-term value and leading a truly sustainable model. The loyalty of our client companies is born out of a fundamental added value: their **trust in the quality** of our products and services. Over the years, we have forged ever-closer links to these companies, consolidating **lasting alliances** with them. They define our **flexibility, dynamism, efficiency and approachability**.

Satisfaction

At CELSA we have various mechanisms in place to measure the level of satisfaction of our client companies and ascertain their opinions, confirm compliance with our quality standards in our customer service and sales channels, and furthermore implement suggested improvements.

Each year we analyse the satisfaction of these companies through surveys conducted by the different CELSA firms, in line with the specific features of their markets.

Emma Ringström
VP of Environment and Health and Safety of Bulten Group

At CELSA they really understand our needs.

CELSA is an important partner in helping us to reduce our scope 3 emissions, as well as the footprint of our products. This is essential, since it ultimately helps us offer our clients a low-impact product option. CELSA has been working with Bulten for a long time now. They understand our operations and are familiar with our mission: to create more innovative and sustainable attachment solutions.

Alejandro Gala Villares
Acciona Purchasing Department

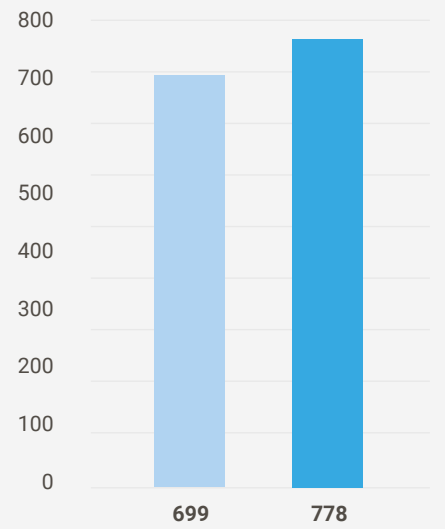
CELSA listens to client companies

I see CELSA as a pioneer in its response to its client companies' demands. Some years ago, we asked them for low-emissions steel. A short while later, CELSA introduced Clean Energy and Carbon Neutral. It really spurs us on to see that the challenges we set CELSA resulted in the emergence of the first green steels in Spain.

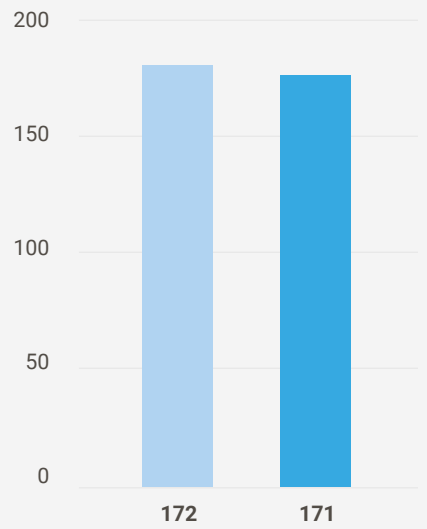
We also send a survey out twice per year to client companies on the main markets to calculate the **NPS** (Net Promoter Score), rating the extent to which these companies would recommend our products and services. This index stands out in the facets of customer service and product usage. The survey applies to the following countries: Spain, Portugal, France and Italy, maintaining the same scope as used in 2022.

The figures obtained in 2023 were very similar to previous financial years. Particular mention should nonetheless be made of the significant improvement in Italy, registering better results with more responses. Meanwhile, a good logistics service was made available last year with regard to road transportation. We likewise registered improvements in terms of reducing the time taken to handle any complaints received. The **CELSA NPS score was 41.5** (the NPS range runs from -100 to 100).

Number of surveys of client companies collected via the *Customer Portal*



Number of NPS surveys conducted of client companies



11.30%

INCREASE IN SURVEYS CONDUCTED OF COMPANIES

NPS value

	2022				2023			
	Spain	France	Portugal	Italy	Spain	France	Portugal	Italy
NPS	54.3	37.5	14,3	7.1	43.0	28.1	22,2	60.9

The same scope of application of the NPS is maintained only at BarnaSteel SA as for the group. Surveys are gathered for the following countries: Spain, France, Portugal and Italy.

Claims and complaints

At CELSA we have a **robust claims and complaints management system** in place, allowing us efficiently and continuously to feed our client companies' opinions into our processes.

All CELSA companies have the required channels to allow these firms to contact the organisation directly and pass on their concerns, claims or complaints regarding any aspect of the commercial relationship. The following channels have been set up for this purpose:

- Commercial Department telephone line
- Customer Service Department email address: sales@gCelsa.com
- claims and complaints section of the Customer Portal: https://cp.gCelsa.com/

Meanwhile, claims and complaints each have their own **monthly monitoring committees** which analyse and monitor the number of incidents received. If these incidents are seen as repeats or of significance for the company or the client, they are categorised and corrective measures and action plans are deployed.

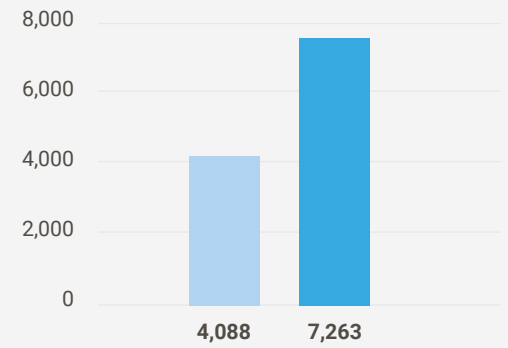
Claims and complaints received by business units in 2023

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circular-ity	Celsa Global Support
Client company claims	2,461	54	646	814	238	779	N/A
Client company complaints	282	1	1,763	225	0	0	N/A
Total	**2,743**	**55**	**2,409**	**1,039**	**238**	**779**	**N/A**

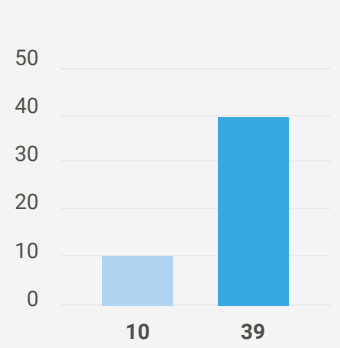
During 2023, CELSA received a total of 7,263 claims and complaints from client companies, 78% higher than in 2022. This significant rise was the result of the extension of the information reporting ratio in 2023, to cover all the group's plants: steelmaking, rolling, forge and mechanical treatment divisions, and all finishing processes (wire drawing, mesh, rebar, etc.).

With regard to claims concerning labelling or service entailing a penalty, 39 were registered in 2023.

Claims and complaints received at CELSA



Number of incidents of non-compliance with voluntary codes or regulations concerning product information and labelling by CELSA



Celsa Spain	38
Celsa France	0
Celsa UK	1
Celsa Nordic	0
Celsa Poland	0

All CELSA products are evaluated to ensure compliance with the organisation's procedures in accordance with information and proper labelling.

Innovation and digital transformation

CELSA uses innovation to develop and integrate new solutions, allowing the company to achieve our Net Positive vision. **R&D at the group is thus based on four cornerstones:**

- **Energy and emissions**
- **Circularity**
- **Digitalisation and robotics**
- **People**

Carmen Martínez
IT BP Sustainability & App. Maint. Manager of CELSA

IT keeps the wheels turning at CELSA

Close collaboration with the Sustainability Department has served to develop various projects, such as the *Net Positive Platform*, a digital platform developed to report sustainability data in the ESG (environmental, social and governance) areas, Celsa Circular Steel and *Energy Management System* (EMS), an application allowing us to integrate energy consumption analysis within the production process. The information provided helps us to save on electricity and gas consumption.

Anna Domènech
Head of Innovation of CELSA

Innovation and sustainability go hand-in-hand

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

Our capacity to work with wide-ranging partners in developing innovative solutions reflects our leadership in the steel industry and our willingness to promote positive change throughout the value chain.

Energy and emissions

The various lines of research in this sphere cover such aspects as increased energy efficiency, decarbonisation of operations by using renewable raw materials, the integration of renewable energies on the market, or the generation and use of alternative fuels, such as hydrogen (hydrogen burners for the electric arc furnaces and hydrogen combustion in the reheating furnace), and biochar. These are just some of the energy and emissions projects being undertaken:

Gasification of plastic and rubber waste

Production of new alternative fuels

2021-2023 **Celsa Huta Ostrowiec**

HYMET

New technologies applicable to the steelmaking industry for the recovery of by-products from the process itself and decarbonisation of operations through the use of renewable raw materials, such as hydrogen

2021-2023 **Celsa Barcelona and GSW**

DevH2forEAF

New hydrogen burners for the electric arc furnaces (CAF)

2021-2024 **Celsa Barcelona**

SlagCO$_2$

New accelerated white slag carbonation processes

2021-2023 **Celsa Barcelona**

Chemical package

New chemical package and new gas ramp to improve EAF efficiency

2021-2023 **Celsa Barcelona**

Biofluff

Reduction in the pollutant load and leachates from the by-products of the circularity hubs, through the microorganisms present in the waste

2022-2024 **Ferimet**

MEVO

Transformation of **black slag** for **cement production**

2022-2023 **Celsa UK**

Cement 2 Zero

Generation of cement clinker from EAF waste

2022-2024 **Celsa UK**

Rolling Mill Furnance H2

Hydrogen combustion in the reheating furnace

2022-2023 **Celsa UK**

ZteelCOp

Exploration of **hydrogen** as a reducing and foaming agent in key metalworking processes for steel and copper production

2022-2025 **Barna Steel**

Biochar

Generation of carbon credits through *biochar* production from waste ligneous biomass, with a sustainable production model

2023-2024 **Barna Steel**

REBIOEAF

Transformation of waste timber into a new product with similar physical-chemical characteristics to anthracite, and reduction in the CO_2 produced in the anthracite combustion process by 5-7%

2022-2024 **Ferimet**

Green Plan

Reduction in unnecessary deliveries of recycled construction materials and CO_2 emissions using artificial intelligence, allowing risk management and data analysis in real time, to achieve more sustainable construction

2022-2023 **Celsa Steel Service**

Circularity

The different circularity projects aim to improve scrap metal management and generate new circular steel businesses and other materials and by-products (use of the lightweight fraction of waste from car crushing to create concrete structures, or recovery of steelwork slag by means of large-scale 3D printing processes). These are just some of our current circularity projects:

CEC (vehicle crushing waste)

Development of new processes allowing CEC to be incorporated in the electric arc furnace at steelworks as a catalyst for the scrap melting reaction, to replace coal

2020-2023 **Celsa Barcelona and GSW**

Heat harvesting

Use of the calorific energy from the exhaust gases of rolling lines and melting shops to heat the buildings themselves and supply hot water, and for sale to the Huta Ostrowiec municipal thermal power plant in Poland

2021-2023 **Celsa Huta Ostrowiec**

LASR-FORM

Industrialised production and use of the lightweight fraction of car crushing waste to create concrete structures

2022-2024 **Ferimet**

CaLby2030

Development of a new closed calcium system serving to combine the calcination and carbonation processes to withdrawal CO_2 emissions

2022-2025 **Celsa Nordic**

Nanoscale

Use of iron oxide to obtain magnetic nanoparticles capable of improving the sensitivity of electro-chemical sensors and facilitating use in decentralised diagnostic applications, where the progress of an illness can be monitored without the need for large-scale equipment

2021-2023 **Celsa Barcelona**

PROBONO

Development of new materials for the different layers that make up the roadbed, through the reuse of materials

2022-2026 **Celsa Barcelona**

Seaslag

Development of a new, sustainable material to create a marine regeneration structure allowing the growth of marine biodiversity in coastal and port areas

2022-2025 **Celsa Barcelona**

Recupera 3-D

Recovery of steelworks's lag through large-scale 3D printing processes

2023-2026 **Barna Steel**

GREENSENSOR

Non-invasive monitoring of lactate with miniaturised sensors, enhanced through the incorporation of magnetic nanoparticles from the recovery of a steelmaking by-product

2022-2025 **Barna Steel**

Valorauto

Reuse through chemical recycling of waste from car fragmentation which is currently sent to landfill

2022-2025 **Ferimet**

$MgCO_2$

Reuse of waste from the demolition of furnaces, to be transformed into value-added compounds for other sectors of the economy, such as construction, preventing them from building up landfill sites, and reducing the use of new materials

2022-2024 **Celsa Barcelona**

PLAFIMAG

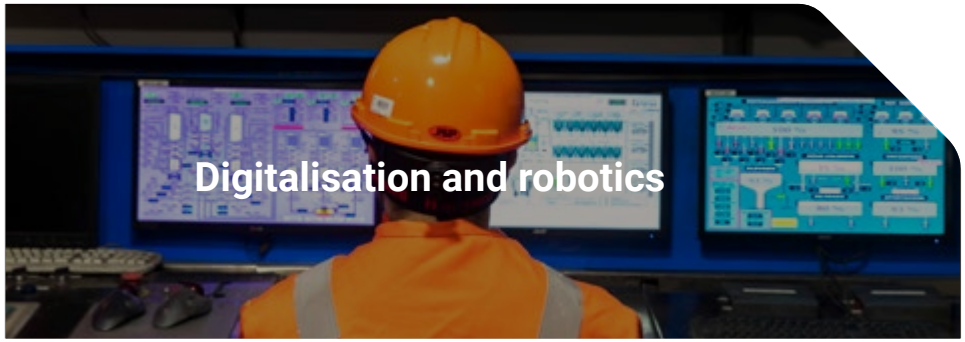
Use of iron oxides to obtain magnetic nanoparticles with an optimised surface/volume ratio, allowing the withdrawal of pollutant materials

2022-2025 **Barna Steel**

ECOSWAP

Support for the adoption of electric scooters through the implementation of a battery swapping ecosystem allowing new commercial models. The group is working with SEAT MO on this project to analyse the recyclability of electric scooter batteries

2023 **Celsa Huta Ostrowiec**



Digitalisation and robotics

CELSA is working on the development of projects involving **artificial intelligence** (development of a high-performance computing (HPC) platform and the use of a volumetric drone system by means of an Artificial Intelligence (AI) algorithm), and advanced simulation for process optimisation, traceability or digital product passports, among other aspects. These are just some of the innovation projects being developed in the sphere of digitalisation and robotics:

Thermographic cameras

Installation of thermographic cameras and integration of data with the mathematical model of the rolling reheating furnace to optimise furnace heating parameters for the different steels. This would serve to improve natural gas consumption and furnace energy efficiency

2022-2024 **GSW**

Power EAF

Design and implementation of a data model with advanced Machine Learning algorithms, with the aim of reducing the electricity consumed by the furnace in the scrap melting process. This development would serve to optimise electric furnace operation and energy consumption, and improve the control of deviations.

2021-2024 **Celsa Barcelona**

3DStore

3D printing of solid state batteries for application in industrial IoT

2022-2025 **Celsa Barcelona**

Interface

Development of a high-performance computing (HPC) platform for high-fidelity simulation and small order model generation based on AI using Digital Twin, and sensor instrumentation at the Barcelona plate metal plant

2022-2024 **Celsa Barcelona**

Drones_iScrap

Development of an assisted system to quantify the materials deposited at open-air scrapyards through the use of a volumetric drone system using an artificial intelligence algorithm

2022-2023 **Celsa Barcelona**

Quantum Resistant (QCDI)

Development of a **digital twin** to optimise the intermediate stock generated by the wire drawing plants and consumed by the welding machines to avoid stock interruptions, through the use of a simulator capable of exploiting a large volume of data generated at the plants by means of quantum computing

2022-2025 **Barna Steel**

Flex4fact

Aggregate online platform for electricity consumption at CELSA Barcelona, allowing production to be planned in accordance with the Spanish electricity market.

2022-2024 **Ferimet**

Portwaste FII

Blockchain platform to improve port waste management

2023-2024 **Barna Steel**

Digiwaste

Digital technology used to develop a picking and traceability system for vehicle electrical and electronic materials and connected infrastructure at the end of their useful life

2022-2025 **Ferimet**

ALCHIMIA

Optimisation of the load mix to reduce energy consumption, emissions and waste, while at the same time obtaining high-quality products. Project co-funded by the EU

2022-2025 **Celsa France - Celsa Atlantic**

MEYE24

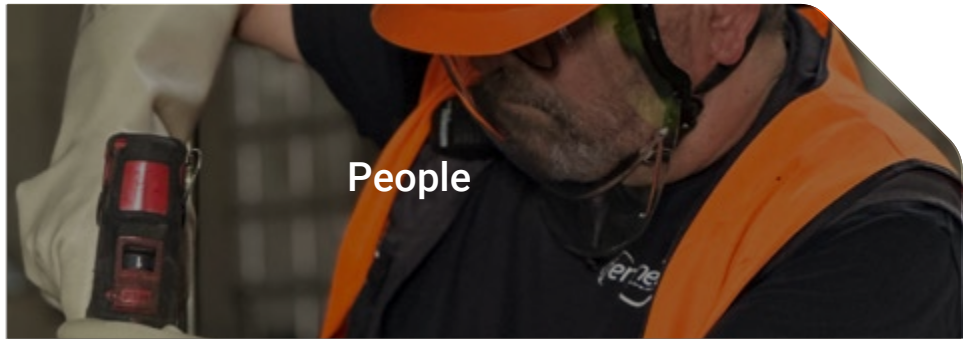
Advanced maintenance platform to detect equipment functioning outside its normal range, optimising preventive maintenance of facilities and avoiding potential breakdowns

2022-2023 **Nervacero**

SmartFab

Development of a predictive and prescriptive maintenance system for the rolling line, using big data with the incorporation of two crucial IoT sensors to validate the proper functioning of the different items of equipment that make up the plant

2022-2023 **Celsa Atlantic**



People

We are absolutely committed to people and society. We believe in equal opportunities, the diversity of our people and the integration of everyone wishing to form part of our group. We feel proud to be able to draw on the talents of people from different places, ethnicities, ideologies, nationalities, religions and abilities. People are at the heart of every CELSA initiative, and we therefore also innovate in this sphere:

ESSA

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

- The ESSA project brings together more than 30 partners, including sectoral associations, leading companies, technology platforms and knowledge centres.
- CELSA is involved in the operational strands aiming to boost professional talent in the future by fostering skills and abilities.

2019-2023

Commitment to IoT for data management

We have integrated **MIIMETIQ** at CELSA, a piece of software developed by the Barcelona-based company **Nexiona**, capable of standardising all the data obtained and developing applications for different uses.

Data extraction is based either on the most basic computer fitted to all machines, known as a **PLC**, which will provide information about any process being performed, or otherwise Internet of Things (IoT) sensors are fitted at production points where relevant data can be gathered.

MIIMETIQ has been used to develop solutions ranging from the **monitoring** of a few signals on a production line, to receiving **millions of daily readings** from field devices.

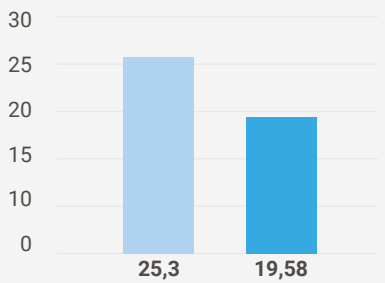
At Celsa Global Support, 2023 was a year very much shaped by the change in company shareholder.

CELSA's R&D investment fell by 22.61% in 2023, mainly as a result of the drop in investment in this sphere at the business units Celsa Global Support and Celsa Poland.

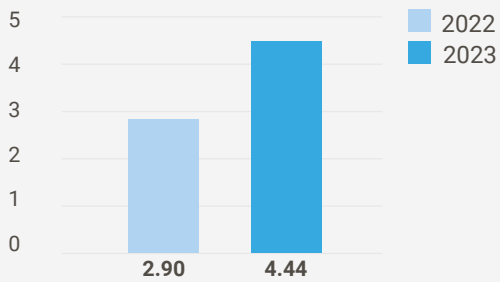
Nonetheless, the percentage investment in R&D out of profits climbed to 4.44%, as the group's profits stood at 441 million euros.

At Celsa Poland, R&D investments saw a slowdown in 2023 because of the complexity involved in achieving material results.

Investment in R&D by the group (€M)



Percentage investment in R&D out of group profits (%)



Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support
10.94	0.42	5.70	1.99	0.00	0.53	0.00

We believe in a sustainable future

05

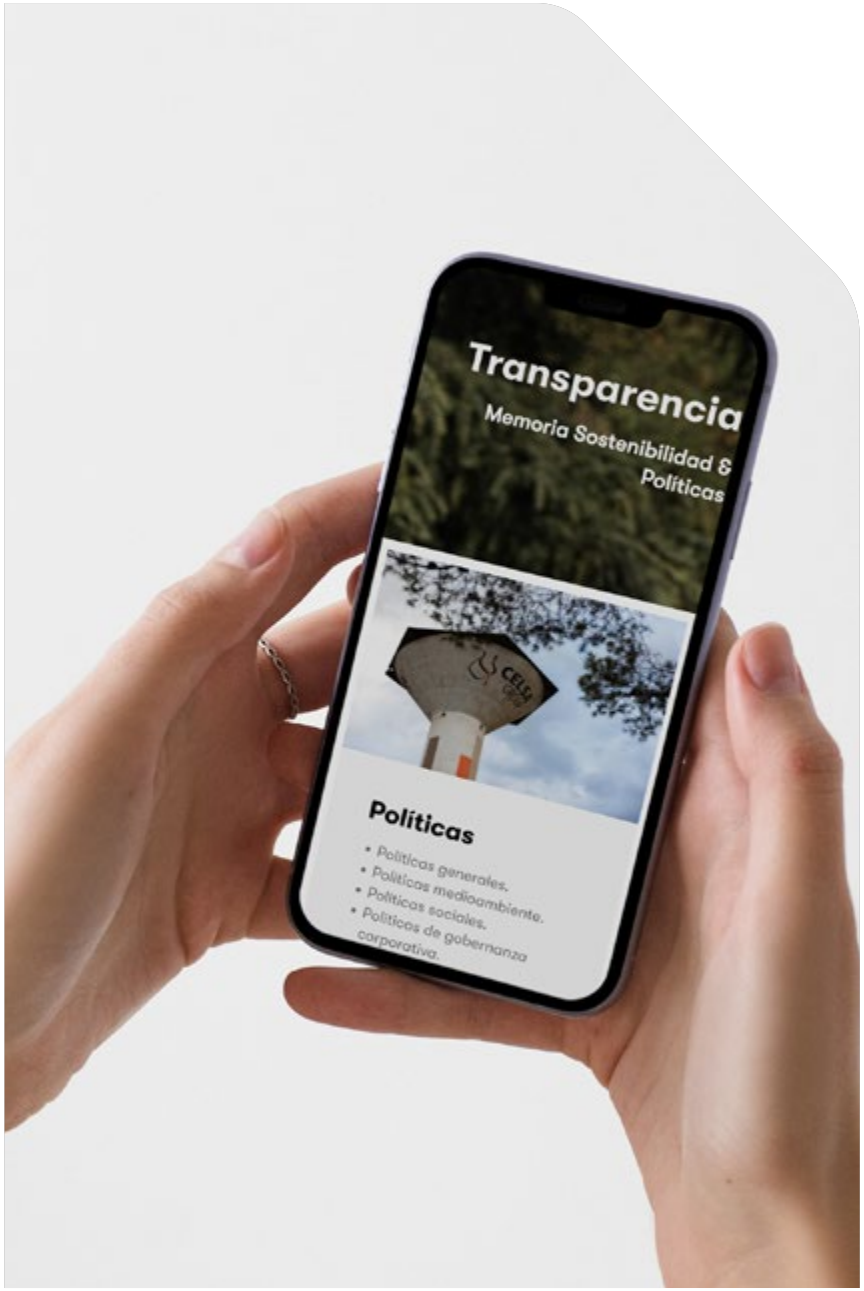
Ethics and transparency

Given our understanding of the importance of our operations, we have established a firm commitment to ethics and transparency in our national and international dealings. We are thus governed by principles of integrity and the transparent disclosure of information, going beyond compliance with the applicable laws and regulations.

This responsibility is based not only on our obligation to comply with the regulations in force in the most demanding national and international frameworks, but is also an essential element of our corporate identity, laying the foundations for our vision of sustainability, which incorporates environmental, social and governance aspects, as well as the development of ethical and transparent commercial practices.

CELSA has in fact since 2012 had a **Code of Ethics and Professional Conduct** in place, the **most recent review** and publication taking place in 2023 (https://www.celsagroup.com/wp-content/uploads/2023/07/06-23_celsa_codigo-etico-2023_cast-eng.pdf).

This document, which is **mandatory** for all members of the organisation, sets out the **principles, criteria and standards** steering our operations towards excellence.



At Celsa, the ethics and transparency of our activity is one of our seven key commitments

It likewise details the main risks in terms of the **prevention of corruption** and **bribery** in connection with our activities, reasserting our companies' commitment to do business in accordance with the **applicable laws** and the **highest standards of business ethics**.

As set out in the Code, we are aware at CELSA that we must as companies not only pursue economic profits, but also drive **sustainability** and the protection of **human rights** in our operations, calling on all staff to act in accordance with these principles.

Anti-corruption and anti-bribery measures

The CELSA Code of Ethics and Professional Conduct establishes the following specific measures to combat corruption and bribery:

Workers must under no circumstances accept **any type of bribe**.

They must not directly or indirectly make or offer any payment in cash, in kind or through any other benefits to people in the service of public or private organisations, with the aim of **unlawfully obtaining or maintaining business or other advantages**.

All employees must strive to act ethically in the name of CELSA with client, supplier and competitor companies, and with all other employees. No one must obtain an unfair advantage by manipulating, concealing or misusing **inside information,** manipulating facts or any other improper practice.

The professional team must undertake their responsibilities in a manner that does not jeopardise their reputation, as a result of unethical conduct. Examples of fraudulent or deceitful conduct would include theft, fraud or misappropriation of funds, false or inflated invoices, or giving or receiving bribes.

The Code includes specific measures to combat **money laundering** and provides information as to the existing laws to **protect competition**.

Nacho Alonso
Head of HR CSS of Celsa Nordic

“

We have an ambitious social roadmap

In 2023, our department engaged in a participatory process to draw up the group's Social Plan. It comprises four strands, 20 sub-strands, and 100 actions/KPIs. The four strands are Safety, People, Culture and Communities. This process served to give us an **ambitious roadmap** to prioritise our efforts on the social side of our strategy. We are now clear about where we are and what we can do.

We have a **whistleblowing channel** allowing stakeholders to submit both queries and complaints as to acts that are in breach of the code or the legislation in force.

CELSA also has its **Anti-corruption and Anti-fraud Policy**, which was **updated in 2023**. Its goals are to maintain an internal control system in all spheres and activities intended to prevent any corrupt conduct, ensure compliance with the principles established in the Code of Ethics and Professional Conduct, and to convey to all employees and third parties our commitment to combat corruption and fraud, and our firm determination to eradicate any such behaviour.

We are in this regard members of the **Association of Certified Fraud Examiners (ACFE)** and the **Association of Corporate Investigators**, both of which focus on combating corruption and fraud.

The group's **Expenses Policy** was likewise **updated in 2023** and published on the **Employee Portal**. This policy prohibits any expense connected with corruption and bribery, **funding of political parties,** offences against public health, intellectual property, or prostitution practices. We likewise have in place a criminal prevention body headed by the Chief Compliance Officer, whose main task is to promote ethical conduct throughout the organisation and to provide advice as to any possible conflicts which could arise in the pursuit of corporate activities. This is the most senior figure responsible for the adoption of corporate reputation and ethical conduct policies, overseeing the application of the principles and values that govern our business.

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

At CELSA we are committed to continuous learning to avoid any risks which could affect our professionals at either the individual or the corporate level. During 2023 we in fact continued training in the sphere of anti-corruption and risk management for the staff of the organisation, delivering training in **cybersecurity** and the protocol in response to a **cyberattack** throughout the group. We likewise staged three training initiatives to address **risk management**.

Number of people attending training in anti-corruption and risk management

2023 2022

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support	CELSA 2023	CELSA 2022
Code of Ethics	1,640	0	0	0	0	138	392	2,170	38
Cybersecurity awareness	363	35	124	52	56	36	204	870	2,995
Risk management training	0	0	0	0	0	0	3	3	0
Cybersecurity training	561	0	0	0	0	59	214	834	0
Prevention of financial cyberfraud	0	0	0	2	4	3	48	57	64
Protocol for response to a cyberattack	4	0	1	3	5	1	4	18	48
Use of Information Systems Regulation ('RUSI')	29	0	1	1	5	105	271	412	1,054
Legal training in the HR area	0	0	0	0	0	0	0	0	41

Investigations, trials and penalties received

2023 2022

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Glob-al Support*	CELSA 2023	CELSA 2022
Information investigations	0	2	0	0	0	0	N/A	2	N/A
Non-monetary penalty proceedings	0	0	0	0	0	0	N/A	0	N/A
Monetary penalty proceedings	0	0	0	0	2	1	N/A	3	N/A
Number of trials	5	2	0	0	0	1	N/A	8	N/A

*Data not available for Celsa Global Support. During 2023, three monetary penalty proceedings were registered at CELSA, with an insignificant economic impact.

In 2023 we delivered training in cybersecurity and a protocol in response to a cyberattack

Our corporate policies

At CELSA we have implemented policies throughout our business, along with basic policies to fulfil the principles of good corporate governance.

Sustainability has been extended beyond the environmental sphere to include social and governance matters. We therefore provide the public with a series of policies covering the whole spectrum of ESG topics. During 2023, CELSA updated and approve the corresponding policies within the context of good corporate governance.

Judit Ferrer
Corporate Security Internal Audit
of CELSA

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Our culture places people at its heart

In 2023, 17 key corporate policies were approved, covering the three ESG strands. In the social and governance sphere, we would highlight, among others, the policies for health and safety, respect for human rights, talent management, anti-corruption and anti-fraud, and personal data protection. These policies are vital in order to build a corporate culture placing people at its heart, fostering transparency, ethics and regulatory compliance.

General policies

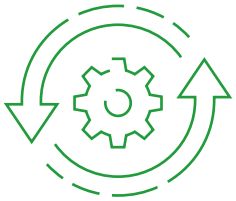
- Sustainability Policy and Framework
- Supply Chain Policy
- Innovation Policy

Environmental policies

- Climate Action Policy
- Environment and Resource Management Policy

Social policies

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



Corporate governance policies

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

Our corporate policies may be consulted in the "Transparency" section of our website (https://www.celsagroup.com/sostenibilidad/politicas-celsa-group/) and on the Employee Portal.

Management systems

People and their talent lie at the heart of our **Celsa *Management System* (CMS)**, made up of four talent pillars: attract, hire, engage and develop. Each of these **pillars has its own system** –STAS, RSIS, PDIS and LGMS– and is supported by the relationship and reward pillars.

Our cornerstones:

STAS

ATTRACT

PDIS

ENGAGE

RSIS

HIRE

LGMS

DEVELOP

New learning and development programmes were created in 2023, with the aim of offering a response to specific needs. Each of them has its own systems and processes, supplemented by the other two cornerstones: compensation and benefits, and legal and relations.

We have our own CELSA Management System (CMS), which is the key to ensuring our continuous improvement and excellence in management.

Elements of the CMS:

PEOPLE

The aim is to ensure that our whole team achieve their maximum potential. We do so by involving people from every level and function through an organisational structure in which employees are members of teams that lead and participate in continuous improvement and management of their daily work.

We base this process on our four talent cornerstones (attract, develop, hire and engage) and two supporting cornerstones (relationship and reward).

CONTINUOUS IMPROVEMENT

We base our continuous improvement on two components: first of all, directing improvement via a strategic reflection process through which we define the main strategies, objectives and projects for improvement, which are progressively deployed by management at each business unit and integrated throughout the organisation in the form of Fundamental Improvement Objectives, while furthermore systematically applying such improvement by means of the PDCA (Plan, Do, Check, Act) cycle.

PROCESS STANDARDISATION

This involves applying the SDCA (Standardise, Do, Check, Act) cycle to the process systematically. This allows us to guarantee quality and safety, and also to minimise waste, helping us to achieve the satisfaction of our client companies (internal and external).

INNOVATION

Generate value for the company and for our client companies, addressing known opportunities through unexpected means and unexplored opportunities through the available solutions.

Dialogue with stakeholders

We are aware that the efforts that we make in our management will have greater value if we undertake them together with the stakeholders we interact with daily.

Our stakeholders shape an extensive network of actors with whom we maintain a transparent, daily relationship, serving to build our strategy and our brand. We engage in **open, constant and honest dialogue** with all groups and audiences directly or indirectly linked to the group.

At CELSA we are aware that provided we achieve the engagement of our stakeholders, this will result in two-way benefits; and our success as a company will to a great extent be achieved if stakeholders feel that their opinions are given importance in the company's decision-making. We therefore cultivate **strong ties** with our stakeholders and provide information about those aspects requested by shareholders, client and supplier companies, public authorities and others.

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

During this period we likewise strengthened transparency and commitment with all stakeholders through their participation in the **materiality analysis,** the results of which are being incorporated into the sustainability plan and the respective action plans of the areas affected.

Francesc Cardona
Head of Public Affairs & Sustainability
of CELSA

“

We value alliances.

As one of the main producers of circular and low-emissions steel in Europe, at Celsa we value alliances and play an active part in associations at the local, national and international level, allowing us to strengthen our industry and progress towards our goal of completing our circularity and becoming a *Net Positive* company by 2050.

One of those topics seen as material on the part of our stakeholders is specifically the company's reputation and image.

With regard to the staff of our organisation, we have different internal communication channels at CELSA, such as the Employee Portal, corporate Communications, weekly and monthly newsletters and Annual Meetings. The group also maintains direct, constant and personal communication with the supplier and client companies, and trade unions, as a result of its busy association schedule, maintaining a fluid relationship with other stakeholders and other companies in the sector.

As for communities, we fully respect local development and culture in the countries and territories where we operate.

In 2023 we approved the new Stakeholder dialogue and communication policy

Relationship groups

Good practice for dialogue with relationship groups on the part of subsidiaries

17 PARTNERSHIPS FOR THE GOALS

CELSA SPAIN

- Celsa Spain materiality analysis.

CELSA NERVACERO

- Collaboration with associations: CEBEK, FVEM and Siderex.
- Collaboration with training institutions: UPV/EHU, Deusto University, Mondragon University, Somorrostro Centre, Bilbao Chamber of Commerce.

CELSA GLOBAL STEELWIRE

- Celebration of the 150th anniversary of Trefilerías Quijano.
- Agreements with client companies in the automotive sector (Michelin).

CELSA ATLANTIC **CELSA FRANCE**

- Seminar at the Agra de Leboris High School in Laracha, Galicia, on Women's Day, to explain about the plant and the existing jobs, work performed by women, etc.

CELSA NORDIC

- Vitensenter Nordland: science centre for children (Mo i Rana).
- Sponsor of various sporting and cultural events for children, such as Ytteren Sports facility, Fageråsbakkene, Stålhallen and others.
- Cooperation with the local university (Helgeland Campus) and presentation of the opportunities available for the development of female talent.

CELSA STEEL UK

- Occupational inclusion opportunity with a local university in Cardiff.
- Participation in programmes such as "Competitiveness in Manufacturing" of the IESE Business School, among other institutions.
- Celsa UK double materiality analysis.

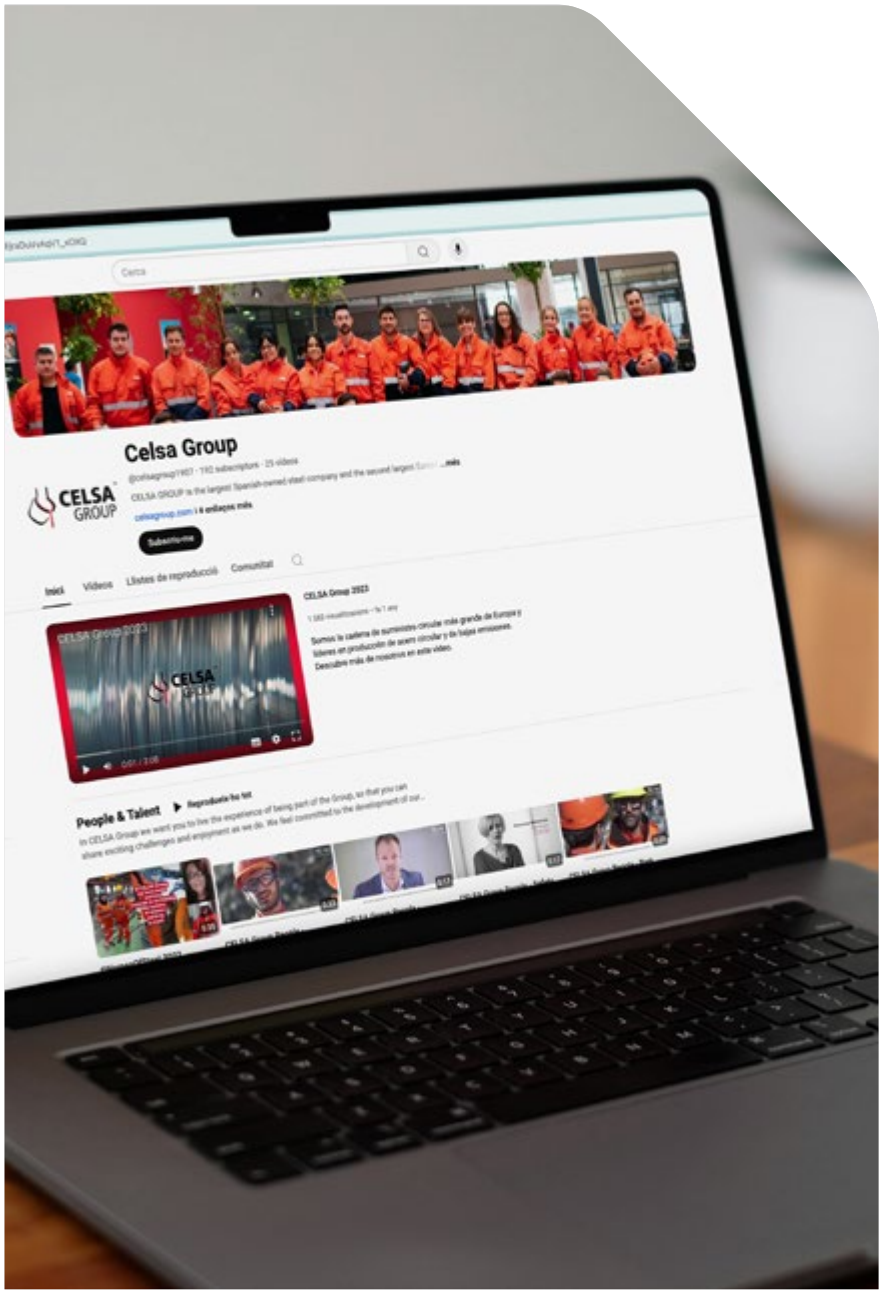
Internal communication

CELSA sees internal communication as a strategic component of its management style, helping to achieve objectives and add value to the business.

Internal communication includes all aspects of communication messages and actions addressing group staff. It likewise pursues the collaboration and participation of employees through surveys, suggestions for improvement and idea exchange forums.

Sustainability plays a central role, since the messages conveyed to the (internal and also external) audience are connected with circularity and the sustainable and environmentally friendly production model.

CELSA has the following channels of communication:
Portal, email, digital and physical noticeboards, meetings and events.



In 2023 our CELSA Portal was acknowledged as the "Best Human Resources Innovation Project" by SAP Success Factors

Details are given below of how the different
CELSA communication channels convey concepts connected with sustainability.

CELSA Portal

The Portal, a key internal communication channel of the group, acts as a repository for information, reducing both paper consumption and the sending of unnecessary emails. It was a pioneering venture in Spain in the integration of the use of SAP functions and other technologies.

Implementation of the Portal led to CELSA receiving the "Best HR Innovation Project" award from SAP Success Factors (link).

Home – news

During 2023, more than 40 news items were published with sustainability as the underlying topic. Notable headlines include:

- Our plans receive AENOR N Sustainable certification
- We take part in presenting the first Sustainable Finance toolkit
- We take part at the ABB circular economy leadership Forum
- We promote Nactiva, a platform to regenerate the Mediterranean
- *NATIVES*, our commitment to sustainability in the educational community
- We take part at the UN Global Compact General Assembly for Spain
- We install charging points for electric vehicles in L'Arboç!
- We launch the new CELSA policies
- 2022 Sustainability Report
- Award-winners at the 4.0 Excellence Forum (Spain)
- We take part at COP28
- We launch the *Net Positive Platform*

The company's internal communication also celebrates days connected with protecting the planet and sustainability. These dates mark opportunities to underpin messages and set out figures confirming our commitment to caring for the environment in various ways: recycling of electronic equipment, sustainable mobility, etc.

"Sustainability" tab

In 2023, following the publication of substantial content referring to the different spheres of sustainability, we decided to set up a specific area for such topics on the Portal.

The Sustainability page allows all CELSA staff to consult the sustainability report drawn up over recent years, along with such other documents as the Celsa Circular Steel Programme, infographics and guides to save water or reduce the carbon footprint, etc.

Celsa *Academy* - visibility and accessibility of sustainability development programmes

Through this space dedicated to development and learning topics, all staff can consult the training available in Sustainability-related areas.

During 2023, two development programmes were launched in this regard: sustainability training for the group's commercial and marketing team, and another initiative focusing on diversity, equality and inclusion (DEI). The CELSA *Academy* tab on the Portal helps to make training content visible and accessible in an agile and straightforward manner.

Collaborative communities

Another of the Portal's functionalities is to create themed working areas or groups, serving to unite different groupings of employees, fostering collaboration and bottom-up communication.

Of all the groups currently in existence on the platform, we would highlight #MujeresDeAcero (#WomenOfSteel), bringing together the women at the group in Spain, and serving to share relevant information about the position of women in the sector, new trends, events dealing with female talent, initiatives undertaken at the company to improve the role of women, etc.

Another of the collaborative communities coexisting within the Portal corresponds to the group ambassadors, 70 employees from different areas and business units who help with communication content outreach, internally and externally. They receive supporting material, such as a number of books connected with sustainability, explaining concepts such as *Net Positive*, and helping to raise awareness as to the importance of stopping climate change and achieving a socially fair transition.

Meanwhile, in 2023 the ambassadors took part in the materiality analysis undertaken at the company by means of a survey. In some cases they played a more active role in the form of in-depth materiality interviews.

Annual Meetings

During these gatherings, the different business units took stock of 2022 and were presented with the action plan for 2023, in order to keep everyone aligned with the targets set by our company

Events and campaigns

Annual Meetings

These are events held at the different group headquarters with the following missions:

- Provide information as to the position of CELSA and the business units.
- Explain the objectives to be attained during the year.
- Align our people with the annual objectives and involve them in achieving these goals.
- Hand out the Recognition Programme awards.

The 2023 annual meetings, held between February and March, stressed the importance of sustainability objectives at
the company.

CELSA Update (information sessions for managers)

These are meetings at which the Chairman of CELSA addresses different topics of relevance, analysing the current situation and identifying points for improvement.

The topics addressed are as follows: *Health & Safety, People, Planet, Market Overview* and *Business Performance*.

The planet subsection analyses the energy savings ratios and different topics of interest connected with sustainability and the environment.

Celsa Circular Steel (CCS) programme

The month of May saw the launch of a campaign focused on the Celsa Circular Steel product brand, which stands out for its very low CO_2 emissions levels, and a greater content of recycled material, which may even be as high as 100%. Following on from the launch of the new CCS programme, and with the aim of consolidating the company's recently established new purpose, an internal communication campaign was conducted over a period of two months.

The campaign also served to publicise the different cornerstones of the programme: new products, investments, certifications, innovation and associations. A fun approach was also promoted to engage all staff, reminding them of CELSA's commitments in terms of sustainability and circularity.

Recycling Week

A campaign was launched in mid-May involving a number of actions intended to raise awareness as to the climate emergency and decarbonisation. The aim was to make all our professionals more aware of the need to adopt habits and routines with the ultimate goal of protecting the environment.

A number of projects were shared to this end, such as the WEEE collection campaign, the remodelling of Mallorca airport with 7 million tonnes of corrugated steel derived from the reuse of material from the demolition of the former terminal, and the "inclusive recycling" initiative to lend greater status to the task of collecting materials out on the street.

***STOPAPER* and *STOPLASTICS* campaigns**

We should lastly make mention of two campaigns that were launched in previous years but continued at the company, and the habits acquired during 2023. These campaigns call for a reduction in paper (*STOPAPER*) and plastic (*STOPLASTICS*), promoting the use of more environmentally friendly materials.

These guidelines are applied at the company as a general rule in the events organised, and merchandising articles are even produced to help give Celsa employees sustainable options (for example: steel and glass water bottles, which can be filled at the water fountains installed at the various sites).

Culture of recognition

At CELSA, we see it as essential to reward our people's efforts so as to motivate them and ensure they are in tune with the group's culture and values. Which is why we believe it is vital to recognise each individual's ideas, effort and results.

The 2023 *Excellence Awards*, which have the aim of recognising those projects which have had a positive impact at the organisation, saw a number of project presentations connected with sustainability and protecting the environment, above all with regard to reduced water and gas consumption and waste reduction.

The following projects were presented in connection with sustainability:

- *Sustainability Learning Programme for Commercial & Marketing Team*
- Reduced Industrial Water Consumption in Steelmaking (GSW SD)
- *Sections Mill Green Hydrogen Furnace Feasibility Study* (UK)
- *Gas Reduction* (UK)
- Circularity Project: White Steelworks Aggregate (GSW SD)
- *Celsa Nordic Recycling*
- Reduction in DRI and HBI Consumption at GSW in HG steel families in 4Q2023 (GSW SD)

There is another recognition programme closely tied to CELSA's commitment to the environment: the Child Safety & Environment Awards.

This initiative calls on the children of our staff members to send in a drawing showing the initiatives they undertake to reduce their impact on the environment.

One new feature this year was to give the children the option of presenting their drawing on a fabric bag made from recycled material. The definitive design was produced following collaboration with La Casa de Carlota, a studio whose team includes creatives with intellectual disability.

We listen to our employees

***Management Engagement Survey* 2023**

CELSA's own survey programme serves to elicit all the opinions needed to identify our areas for improvement requiring further effort. The surveys allow us to analyse the degree of satisfaction of all staff, providing reliable and anonymous information.

During 2023, CELSA launched the *Management Engagement Survey*, a questionnaire to ascertain the level of commitment of executives and managers at CELSA.

In 2023 CELSA launched the *Management Engagement Survey*

INTERNAL CHANNELS	2023 ACTIONS
CELSA Portal This acts as an information repository, reducing paper consumption and the sending of unnecessary emails. The portal was a pioneering venture in Spain in the integration of the use of SAP functions and other technologies. As demonstrated by the fact that in 2023 it received the SAP Success Factors "Best Human Resources Innovation Project" award.	• Publication of more than 40 sustainability news items. • Creation of a page on the Portal for ESG matters (environmental, social and governance). • One of the most notable collaborative communities on the Portal is #MujeresDeAcero (#WomenOfSteel), and the 70 designated ambassadors who help with communication content outreach, and who in 2023 took part in the materiality analysis.
Net Positive Newsletter	• This monthly newsletter is sent out to all members of the *Sustainability Executive Committees* (SEC). The 2023 edition shared key ESG trends and current news in each area. • Annual meetings to emphasise the importance of sustainability objectives in the company.
Campaigns and events *	The CELSA Updates are information sessions for directors at which the chairman of the group addresses different topics of relevance. Recycling Week covers various actions intended to raise awareness as to the climate emergency and decarbonisation. *STOPAPER* and *STOPLASTICS* campaigns to promote paper and plastic reduction, respectively.

*In all the stated initiatives we request feedback to improve our approach and genuinely cover the needs of the people who make up our organisation.

External reporting

During 2023 we worked on the development of the "Sustainability" section of the corporate website in order to promote the sharing of information and data about this sphere (https://www.celsagroup.com/sostenibilidad/). In fact, the "Transparency" section of this part of the website contains our ***Sustainability Report,*** as well as the documents published for the last five years.

We also updated the content and design of most of the group websites: CELSA (www.celsagroup.com), Celsa Barcelona, Compañía Española de Laminación, S.A. (www.celsabarcelona.com), Nervacero, S.A. (www.nervacero.com), Ferimet, S.L. (www.ferimet.com), Moreda Rivière, S.A. (www.moreda.com), Celsa UK (www.celsauk.com), Celsa Nordic (www.celsanordic.com) and Celsa Steel Service Nordic (www.celsa-steelservice.com).

In 2023 we sent out **60 press releases** to the media, allowing us to increase our media presence in our related topics by some **300%** compared with 2022. In total, **4,600 impacts** connected with the Group were registered: on 3,101 occasions the company was the main focus of the news story, and in 1,538 was mentioned.

At CELSA we also have a presence on various social media platforms, such as **LinkedIn**, **Instagram**, **X** and **Facebook**, where we post news and other content. We would point out that in 2023 we reached a figure of **100,000 followers on LinkedIn**.

During the financial year, CELSA likewise took part in forums and round table debates, mainly at seminars and with the media.

During 2023, CELSA reached a figure of 100,000 followers on LinkedIn

Partnerships for a sustainable future

The UN indicates, in **SDG 17**, that in order to achieve the Sustainable Development Goals, it is essential to establish **partnerships** among the different actors around the world (governments, private sector and civil society), and to place the new development agenda at the heart of all their policies and actions. Such partnerships must be built on the same principles and values, and have shared objectives, with each actor providing their experience and knowledge to make joint contributions to achieving the new agenda. Similarly, the challenges facing the **steelmaking sector** demand a collective response based on collaboration and joining forces in the same direction.

CELSA therefore plays an active role in associations and platforms to build closer ties with our stakeholders and progress towards the sustainability goals we have set ourselves.

Alliances and certifications in the sphere of global sustainability

PARTNERSHIPS

United Nations (UN) Global Compact

We have since 2021 been signatories of the Global Compact, committed to its 10 principles.

World Steel Sustainability Charter 2023

We have signed up to the World Steel Association Sustainability Charter, with 9 principles and 20 criteria covering the environmental, social, economic and governance areas, compliance with which is mandatory.

Institute of Sustainable Leadership (IESE)

In 2023 the Institute of Sustainable Leadership (ISL) was founded at the IESE Business School, of which we are one of the founding companies.

European Raw Materials Alliance

This alliance has the aim of making Europe economically more resilient by diversifying its supply chains, creating jobs and attracting investments in the raw materials value chain, fostering innovation, training young talent and contributing to the best possible facilitation framework for raw materials and the circular economy worldwide.

Certifications and alliances in the sphere of global sustainability

CERTIFICATIONS

Carbon Disclosure Project (CDP)

This is a global organisation working with shareholders and corporations to disclose major companies' performance with regard to their greenhouse gas emissions. At CELSA we maintained the same score as in 2022: **grade B** (corresponding to management level***) for our performance in terms of climate change.***

Science Based Target Initiatives (SBTi)

This is a global initiative intended to help establish science-based strategies to address climate change and reduce greenhouse gas emissions. In 2023 we presented our proposed decarbonisation objectives, using their sectoral guide for the steel sector and for the timeframe leading up to 2030. The SBTi validation process is expected to be performed in the first quarter of 2024. This validation will confirm that our level of ambition in terms of decarbonisation is sufficient to ensure that our activities contribute to achieving a rise in global temperature of no more than 1.5° C.

AENOR

Currently the main companies of Barna Steel, SA (within the Spain and France scope) hold a usage licence under the Sostenibilidad Siderúrgica steelmaking sustainability mark (www.sostenibilidadsiderurgica.com), based on UNE 36901, with AENOR verification. This standardised certification specifies the general requirements of a steelmaking sustainability management system, based on 23 social, economic and environmental aspects, and the indicators and parameters allowing them to be evaluated.

SustSteel

This is a European mark established and managed by EUROFER, which was created mainly for steel products for construction. Various CELSA companies hold the SustSteel mark (www.steel-sustainability.org), with their sustainability systems verified by Bureau Veritas.

GLOBAL ALLIANCES

WSA

We are involved in the **Climate Action programme** of the World Steel Association, of which we are members. The members of this association represent some 85% of global steel production.

GSCC

We are founding members of this international coalition, which has the mission of reducing greenhouse gases in steel production.

EUROFER

We are members of EUROFER, the European Steel Association, which researches and shares statistical studies and information of interest for its member organisations in the sector.

INDUSTRY ALLIANCES

SPAIN

UNESID

Association of Steel-Producing and First Steel Transformation Product Companies of Spain.

Waste cluster

We have since 2022 been one of almost 700 companies that make up the Waste Cluster of the Catalan Waste Agency, the main goal of which is to foster competitiveness, internationalisation and innovation at waste sector companies.

SIDEREX

Spanish Association of Steel Facilities and Product Exporters.

Empresa & Clima Foundation

We have since 2021 been trustees of the Empresa & Clima Foundation, a non-profit organisation working for a corporate commitment and leadership in combating climate change.

FORÉTICA
This is one of the leading Spanish organisations for sustainability and corporate social responsibility. Its mission is to integrate social, environmental and good governance aspects within the strategy and management of companies and organisations. It is currently made up of more than 200 members.

Rolling Cultural and Support Association
It performs cultural, recreational, charitable and social activities of all kinds with the aim of providing its beneficiaries with social or support services.

AFTA
Association of Manufacturers of Longitudinally Welded Steel Pipe and Threaded Malleable Cast Accessories for Piping.

Steel Sustainability Association in Spain
We are members of the **Steel Sustainability** association, whose members comprise the leading Spanish steel companies. The association created the Sostenibilidad Siderúrgica steel sustainability mark in response to social and institutional demands for CSR, through strict requirements allowing organisations' commitment to be evaluated. These requirements have been verified by **AENOR**.

FRANCE
A3M Ore Alliance
UIMM Union of Metal Industries and Trades
FFA French Steel Federation

UNITED KINGDOM
UK Steel Steel Association of the United Kingdom

SWEDEN
Swerim Innovation Metal Research Institute
Jernkontoret Swedish Association of Iron and Steel Producers

POLAND
HIPH Polish Steel Association
IGMNiR Economic Chamber of Non-Ferrous Metals and Recycling
ZPPH Association of Steel Industry Employers
IPHGZ Chamber of Industry and Trade for Scrap Processing
CPJS Steel Quality Promotion Centre

In 2023, CELSA played an active role in various associations and platforms to build closer ties with our stakeholder groups

Materiality assessment

According to the Global Reporting Initiative (GRI) standards, the materiality analysis process allows organisations to identify those topics deemed most relevant for their stakeholders. This promotes transparency and accountability, by providing information as to the material impacts of the organisation on economic, environmental and social aspects.

The materiality study also helps organisations to identify the most significant risks and opportunities they face with regard to their operations. By better understanding these aspects, organisations can develop more effective strategies to mitigate risks and capitalise on opportunities.

ESG criteria and materiality will help us to define our sustainability roadmap for the coming years. The challenges of today are thus integrated within today's agenda, helping us to anticipate the solutions to future difficulties.

In late 2023 - early 2024 we updated the materiality to increase its representativeness and scope. This readjustment involved first of all adding two new stakeholders (external vision): client companies in the automotive sector and the business community. We furthermore updated our strategic vision (internal vision) in line with the new company management.

We lastly also took into account companies within the innovation and sustainability ecosystem with which we have a relationship as part of the BCircular initiative.

In order to be able to determine material topics at CELSA, we made use of such various sources and tools as the company's internal documentation, and externally, business sustainability indices and standards (BCorp, GRI, etc.) as well as sectoral standards, and a market study of client and competitor companies. We likewise conducted online surveys and interviews with stakeholder representatives to ascertain their perception of CELSA in connection with the material topics.

Number of surveys sent and received for the materiality analysis

Stakeholders	Number of surveys sent	Number of surveys received
Executive Committee and Ownership	7	4
Professionals	70	65
Supplier companies	1,243	307
Client companies	810	115
Local communities	40	21

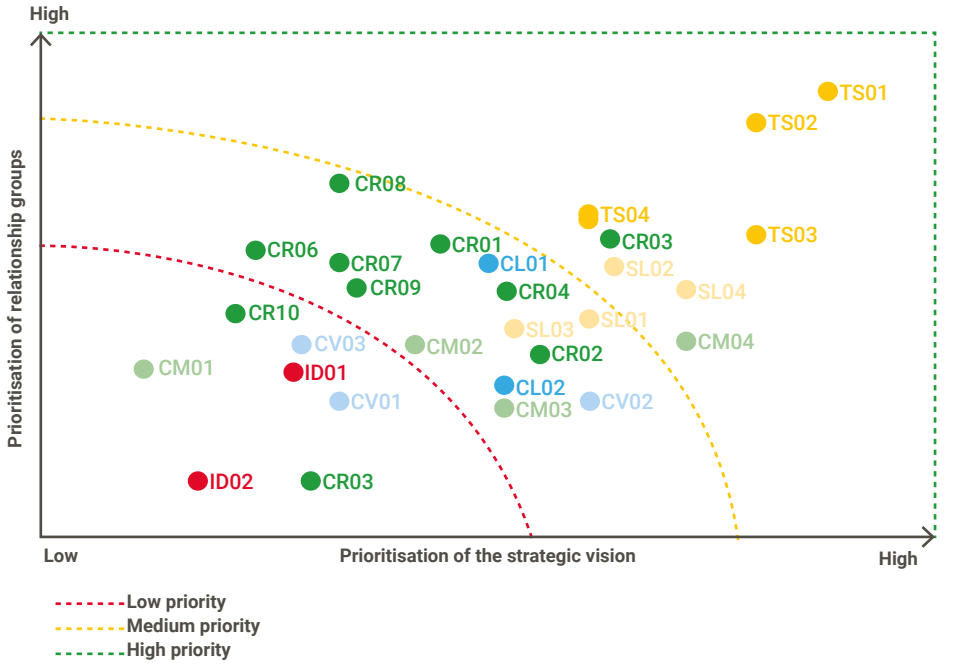
The results obtained served to draw up the following materiality matrix, in which one of the axes corresponds to prioritisation of the strategic vision (internal vision), while the other corresponds to the appraisal by stakeholders (external vision).

This matrix reflects the most significant topics for both groups, aligned with the organisation's commitments, thus allowing us to identify the areas that CELSA should prioritise, in order to fulfil the expectations of both groups.

CELSA Commitments

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

Materiality matrix by topic (2023)



Material topic prioritisation table

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

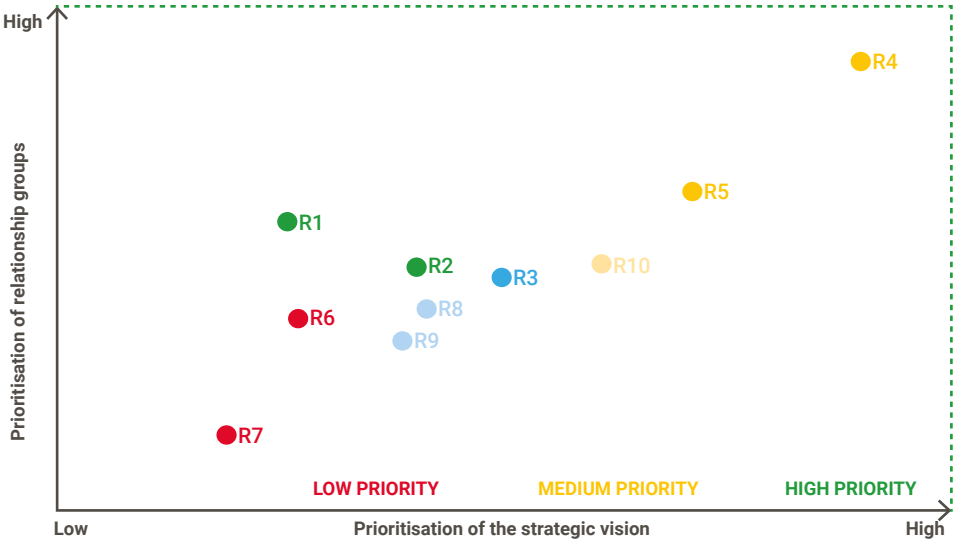
The high-priority topics derived from the materiality analysis are mainly connected with health and safety, talent attraction and retention, resource consumption, business leadership and reputation and image

Details are given below of the materiality matrix expressed in terms of the ten sustainability challenges identified by CELSA:

Prioritisation of challenges for CELSA

HIGH PRIORITY		MEDIUM PRIORITY		LOW PRIORITY	
R4	Health and safety	R3	Emissions reduction	R6	Equality
R5	Talent attraction and retention	R2	Circularity and reduced environmental impact	R7	Diversity
R10	Governance and leadership	R8	Engagement with the community		
		R1	Product and business		
		R9	Value chain		

Challenge materiality matrix



Maria Salamero

Head of Sustainability of CELSA

We must go further

During 2023 we consolidated the sustainability function of the different business units and created a transparency subsection on the public website.

We must go further at CELSA, by creating circular business models through the recovery of the by-products generated (SDG 12), by minimising the use of natural resources such as water (SDG 6), reducing GHG emissions (SDG 13) and replacing the use of fossil fuel (use of biochar, doping with O_2...) (SDG 7).

The different material topics defined in this materiality analysis are linked and grouped around the challenges raised within the context of the company's strategic plan.

The main changes, above all as a result of the updating of the strategic vision by the new executive management compared with the 2022 materiality, are the greater priority given to "Governance and leadership", "Talent attraction and retention" and "Engagement with the community". Meanwhile, less priority is now given to the aspect "Equality", followed by "Circularity and reduced environmental impact" and "Emissions reduction". The other challenges maintain a similar prioritisation status to the results obtained in 2022.

A sustainable strategy focused on the 2030 Agenda

Within the current context, with growing social and environmental concerns, it is more necessary than ever to develop a sustainability strategy.

At CELSA we are concerned with the responsible management of natural resources, risk mitigation, the resilience of the business in response to adverse impacts, and adaptation to regulatory changes.

We also believe that this strategy helps better to take advantage of business opportunities and respond to the growing demand on the part of our client companies to acquire sustainable products and services, and lastly as a response to stakeholder expectations.

At CELSA we have therefore identified seven commitments on which we base our sustainable development strategy.

Commitment to talent, health and safety of our team

Commitment to climate

Aware of the challenge that climate change represents for the planet, in 2023 CELSA approved our **Climate Action Policy,** which sets as its main objectives an improvement in **energy efficiency,** the promotion of **renewable energy** and reduced use of **fossil fuels**.

Different measures are thus applied to improve energy efficiency, as in the case of the installation of **variable speed drives** and greater control of consumption by means of analysers, meters and mathematical models.

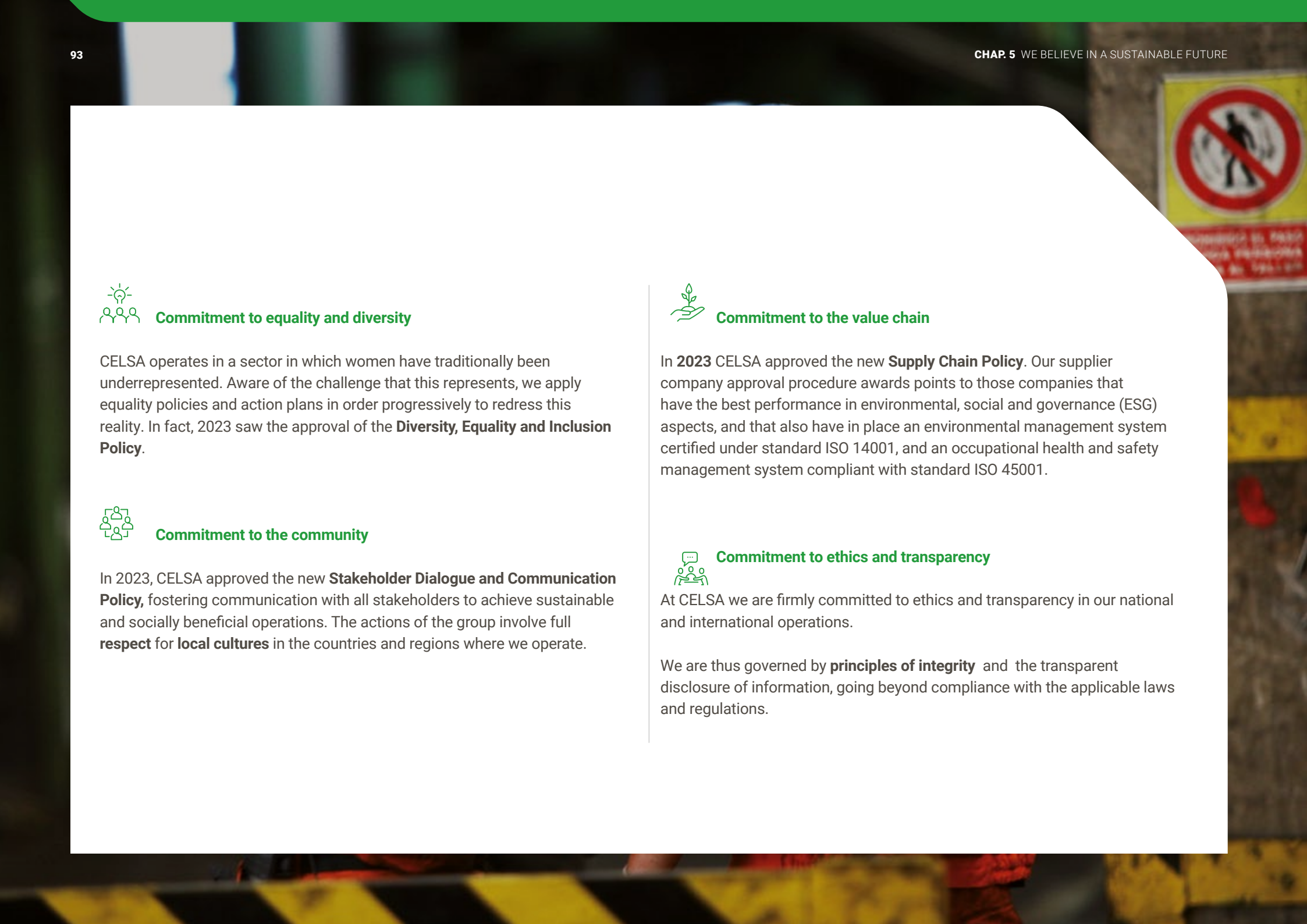
Various practices are implemented to reduce the use of fossil fuels, such as **oxygen doping** and **hot loading**, allowing the bars of steelmaking steel (billet) to be loaded directly when hot into the next phase of the production process (rolling furnace). Long-term energy purchase agreements are also being put in place, prioritising electricity contracts with **guarantees of renewable origin**.

Commitment to circularity

At CELSA we are firmly committed to the **recovery** of the waste generated during the steelmaking process to promote a **circular economy**. We invest to increase recovery percentages and so open up new business lines linked to **recycling** and the processing of **plastics** and other **non-ferrous** materials or **timber**, using pioneering techniques. In 2023 we in fact approved our **Innovation Policy**, the principles of which include sustainability criteria.

Commitment to talent, health and safety

The company's professional team is not only the engine which drives improvements in our operations, but also an essential part of CELSA's history and identity. People are an essential part of the present and future of a company. The main priorities and interests in terms of people are health, safety and well-being, talent attraction and development, commitment and alignment with the organisation's values, ethics and professional development. 2023 saw the approval and publication of the **Health and Safety at Work Policy**.



Commitment to equality and diversity

CELSA operates in a sector in which women have traditionally been underrepresented. Aware of the challenge that this represents, we apply equality policies and action plans in order progressively to redress this reality. In fact, 2023 saw the approval of the **Diversity, Equality and Inclusion Policy**.

Commitment to the community

In 2023, CELSA approved the new **Stakeholder Dialogue and Communication Policy,** fostering communication with all stakeholders to achieve sustainable and socially beneficial operations. The actions of the group involve full **respect** for **local cultures** in the countries and regions where we operate.

Commitment to the value chain

In **2023** CELSA approved the new **Supply Chain Policy**. Our supplier company approval procedure awards points to those companies that have the best performance in environmental, social and governance (ESG) aspects, and that also have in place an environmental management system certified under standard ISO 14001, and an occupational health and safety management system compliant with standard ISO 45001.

Commitment to ethics and transparency

At CELSA we are firmly committed to ethics and transparency in our national and international operations.

We are thus governed by **principles of integrity** and the transparent disclosure of information, going beyond compliance with the applicable laws and regulations.

Environmental objectives

For 2030

50%

Reduced **CO_2 emissions** (**scopes 1 and 2**) by 50% compared to 2021.

25%

Reduce scope 3 CO_2 emissions by 25% compared with 2021.

98%

Achieve circularity of **98%**.

For 2050

0%

Be **emissions-neutral** for CO_2 within scopes 1, 2 and 3.

100%

Achieve **100% circularity**.

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

Social goals

For 2025

2.5*

Reduce the **overall frequency index** (FI) to 2.5, and the **index of potentially serious or fatal injuries** (IPSFI) to 0.25.

*Under review

For 2030

30%*

Have a **30% female** workforce.

Governance goals

- Incorporate environmental, social and governance criteria (ESG) within the people development tools.
- Develop a supplier company portal to guarantee compliance with due diligence in the future.
- Develop a risk map which can be aligned with sustainability challenges.

Framework Sustainability Policy

The Framework Sustainability Policy constitutes the formal framework for handling ESG matters at CELSA. **Updated in 2023,** it establishes the general principles and objectives comprising the strategy in this field, with the aim of developing all activities by promoting long-term value creation both for society and for stakeholders. This policy has the following general principles:

- Comply with legal obligations and recommendations, guidelines and best practice established by the different instruments recognised worldwide.
- Align the CELSA corporate governance model with international and national good governance recommendations.
- Guarantee fulfilment of the purpose, mission, values and vision, the Code of Ethics and Professional Conduct of CELSA, and their alignment with the principles of sustainability.
- Help to establish the Group's reputation as a sustainable and continuously improving company.
- Develop CELSA activity by maximising the creation of value and competitiveness in a sustainable, innovative, efficient and long-term manner.
- Drive the circular economy and consumption.
- Promote diversity, equality and work-life balance among our team.
- Minimise negative impacts in those environments and communities where CELSA performs its operations.
- Promote all policies developing the different aspects of sustainability, and the updating, supervision and effective oversight of compliance.
- Establish and maintain the relevant systems and procedures for appropriate management and implementation of this policy.

Sustainability bodies

The bodies of governance for sustainability play a fundamental role in the effective management and integration of sustainability at a company. They help to ensure that sustainability forms an integral part of corporate culture, and contribute to the long-term success of the company in a world increasingly concerned with environmental and social problems.

We have a specific organisational sustainability structure in place at CELSA. A **new governance model** was launched in 2023, in response to the need to put the global sustainability strategy into practice at all business units. This allowed us to organise the specific reporting and monitoring indicators, standardisation in report preparation, risk analysis and monitoring of initiatives, with the aim of eliminating or minimising such risks.

The three main bodies of governance in sustainability matters are:

***Sustainability Executive Committees* (SEC)**

These group sustainability committees involve all the corporate and business unit sustainability directors, as well as the directors of the main cross-functional areas with an impact on sustainability: processes, purchases, logistics, energy, circularity, people and organisation. They deal with relevant sustainability matters and present global indicators, along with initiatives and projects with an impact on this sphere. **Eight sessions** were held during 2023.

***Sustainability Executive Committees* (BU SEC) at the business units**

Each business unit has its own SEC. Their task is to conduct focused monitoring of sustainability issues (with the emphasis on the environment), to analyse the main risks and seek out solutions. The committees are made up of the CEO, the Sustainability directors, the head of Environment, the plant manager and the person responsible for institutional relations, if any such figure exists. In 2023, approximately **three sessions** were held at each business unit.

SEC strategic reflection meeting

A face-to-face strategic reflection takes place each year to evaluate and sketch out the approach to sustainability at CELSA.

In 2023 a new governance model was launched in response to the need to put the overall sustainability strategy into practice at all business units

Sustainable Development Goals

The 17 Sustainable Development Goals (**SDGs**) approved by the UN in 2015 looking ahead to 2030, address the **greatest challenges facing humanity**. The main difference between the SDGs and the previous Millennium Goals is that they are intended not only for governments, but also companies and civil society.

CELSA has in fact since 2021 been a signatory of the **United Nations Global Compact**, the largest sustainability initiative in the world, requiring fulfilment of its 10 principles concerning human rights, labour laws, the environment and anti-corruption, and a contribution to the SDGs.

We prioritise **six** of the 17 **SDGs**, those to which we make a direct contribution.

These are the six SDGs to which CELSA directly contributes:

Sustainable value chain

At CELSA, purchases of raw materials such as scrap and other supplies and services are covered by the guidelines of the **Supply Chain Policy,** the Code of Ethics and Professional Conduct, and the Sustainability Framework Policy.In 2023 we in fact approved a **new version** of the **Supply Chain Policy**, establishing the following internal principles:

- Inform our supply chain about **sustainability** and **Corporate Social Responsibility** at CELSA, providing precise and transparent information as to our procurement requirements.
- Demand that the products, services and projects supplied comply strictly with the **legislation in force** in each of the countries where they take place, and are **socially responsible**. In particular, purchasing processes must ensure quality of service in the best possible conditions (technically speaking and in terms of pricing, delivery time, level of service, financing conditions, etc.), with the least possible environmental impact, and with employees' health and safety in mind.
- Apply **quality, service and price criteria** in the selection of supplier companies, along with principles of **competition, objectivity, professionalism, transparency and equal opportunities.**
- Apply **health, safety and sustainability** criteria, and prioritise those supplier companies that are more developed in these spheres.
- Make further efforts to include **environmental, social and corporate governance criteria** in our procedures for **contract negotiations, commercial agreements or purchase orders** with the value chain.

Carlos Javier Castán
Head of External Logistics
of CELSA

“

We will evaluate more than 400 supplier companies

Our Logistics Department has embarked on a project to evaluate our supplier companies in accordance with sustainability criteria, covering environmental, social and governance aspects. We have begun to develop the platform and evaluation method, which we will launch in 2024.

Our aim is to evaluate more than 400 transport companies, representing over 80% of our cost in this sphere. We have also been involved in the development of the Responsible Shipper Certification accreditation scheme for good logistical practice by shipping companies in the sphere of transport and logistics, to demonstrate their ethical and responsible behaviour.

- Take into account whether our supplier companies have an **environmental management system** in place, including objectives to **reduce their carbon footprint** and **water footprint**, and covering projects such as **energy efficiency and circularity plans**.

- Ensure that each of our supplier companies respects the CELSA values set out in the Code of Ethics and Professional Conduct, our sustainability policies, good governance, and regulatory compliance.

- Make certain that the general conditions of contracts clearly set out the commitment on the part of supplier companies to respect and act in accordance with the principles of the **Global Compact** with regard to human and employment rights, the environment and anti-corruption, as well as the **Guiding Human Rights Principles** of the United Nations.

- Promote collaborative innovation through **alliances** with our supplier companies, develop technological solutions to help consolidate our sustainable strategy.

- Foster **long-term actions** with supplier companies, ensuring compliance with the commitments given by the contractual parties, and allowing traceability of the purchase process.

- Incentivise continuous improvement in the actions of our supplier companies.

- Ensure **legal and ethical compliance** in commercial practices involving the use of **conflict minerals** such as **coltan, gold, cassiterite, wolframite** and their derivatives, extending this commitment to our supplier companies so as to ensure the traceability of these materials.

According to this Policy, we take a positive view of our partner companies having an environmental management system in place in accordance with standard **ISO 14001** and an occupational health and safety management system compliant with standard **ISO 45001**, as set out in the **Supplier Company Approval Procedure**.

Félix Pedroso
Managing Director of ADEC Global

“

CELSA contributes distinctive value

The distinctive value contributed by CELSA in the interests of sustainability lies in its commitment to the circular economy. One example of this would be the case of slag from melting and refining furnaces. In collaboration with ADEC Global, Celsa Barcelona turns this slag into artificial black and white aggregate, used as high-performance material for civil engineering and as a raw material for cement manufacturers in producing low-emissions clinker.

Evaluation of new suppliers

At CELSA we conduct a twice-yearly **supplier company evaluation** based on quality, delivery and safety faults. If any deviations, incidents or complaints that lie outside the established standard are detected, and where this is seen as necessary, an **on-site audit** will then be conducted.

As for the aspects of sustainability, late 2022 saw the launch of a project involving dialogue with each area of the spheres of sustainability, general purchasing, logistics, scrap purchasing and IT, to develop a **sustainable procurement chain** and measure **scope 3 emissions** (purchased goods, upstream and downstream transportation and distribution, oil and electricity production, waste disposal, capital goods, employee commuting and business travel). All of which is aligned with the future **due diligence directive** with regard to sustainability, requiring that companies apply due diligence measures to identify, eliminate, prevent, mitigate and report any negative repercussions that their actions might have for human rights and the environment within the supply chain.

During 2023, an **ESG questionnaire** was drawn up, with the following characteristics:

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

In 2023 we approved a new version of the Supply Chain Policy

This questionnaire has already been added to the **supplier company portal** and is scheduled for launch with an initial block of these companies in **April 2024**. In parallel, work is continuing on the development of the supplier company website to engage them in such matters, through information and training to help them meet the targets set.

Classification of supplier companies

CELSA prioritises supplier companies in accordance with their impact on our supply chain, likewise taking into account the type of supply:

- **General purchases**. The Krajklik method is followed, allowing for a smarter working approach with existing supplier companies, ascertaining the impact of each product or service to be purchased in terms of our results, and in turn evaluating the third-party risk. This model functions by mapping a product's impact on profits on one axis, and the trust in the company supplying the product on the other.

- **Purchase of raw materials** (scrap and other metals). The ESG approval process now includes the most critical supplier companies with the greatest impact on turnover and on the volume of material supplied.

- **Logistics**. This refers mainly to the aspects of mileage, turnover and CO_2 emissions.

In 2023 we developed an ESG questionnaire which has been added to the supplier company portal. It is scheduled for launch with an initial block of these companies in April 2024

Local purchases

At CELSA we support local companies, since **zero-mileage** purchases offer advantages both for the **community** and for the **environment**. This helps to reduce the environmental footprint in various ways: there is a smaller carbon footprint from transportation, while less packaging waste is generated, since there is no need for such large quantities of packaging.

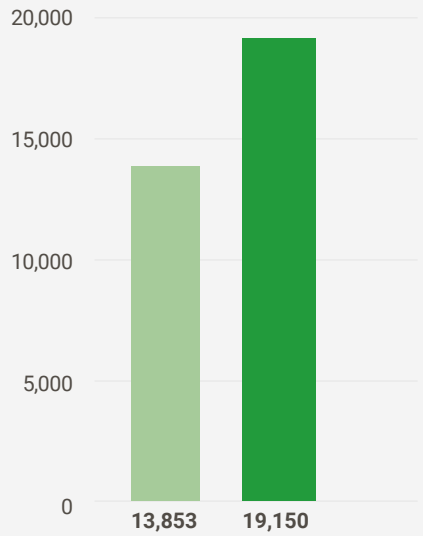
We also believe that buying locally helps to generate an ecosystem which facilitates more stable value relationships. Meanwhile, working with nearby partners helps us to understand at first hand the way they function and the working system they employ.

Number of local supplier companies (2023)*

Celsa Spain	Celsa France	Celsa Global Support	Celsa Global Circularity	Celsa UK	Celsa Nordic	Celsa Poland
	6,584		3,736	1,832	2,929	4,069

*The investment in general purchases and internal and external logistics is recorded as an aggregate figure for those business units geographically located in Spain and France. The investment in scrap purchases for the Spain region was reported by the Celsa Global Circularity business unit.

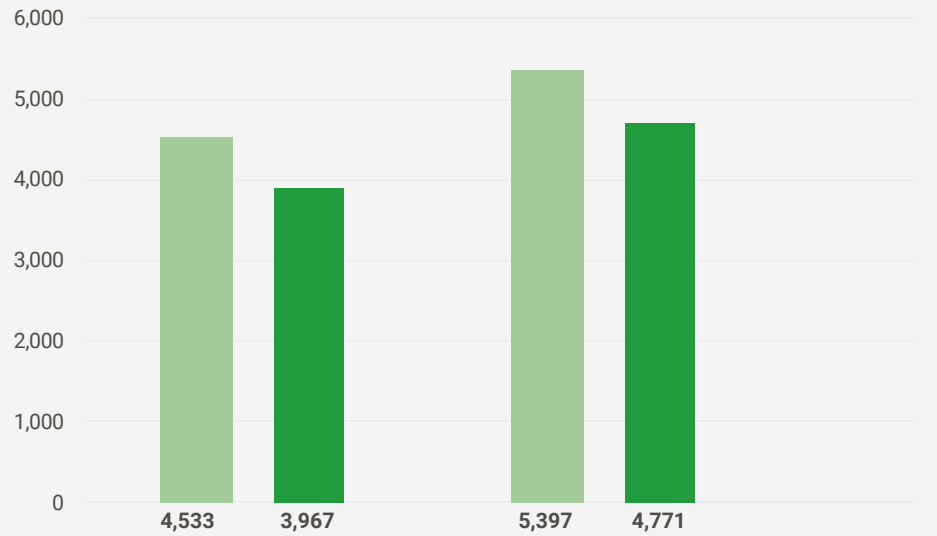
Number of local supplier companies*

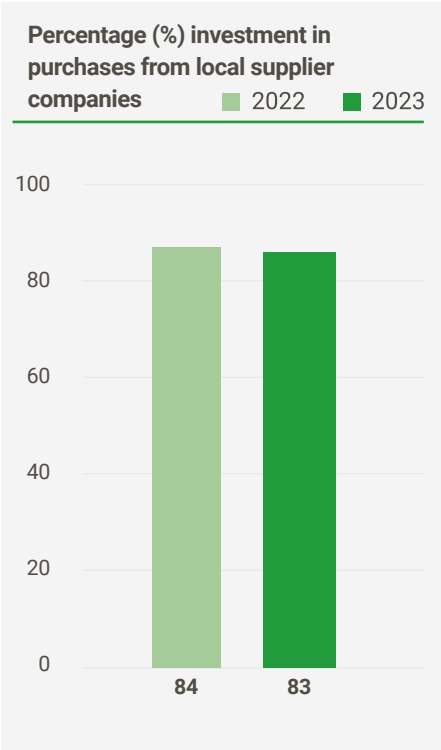


*Supplier companies and general purchases, internal logistics, external logistics and scrap. The increase in the number of local supplier companies is the result of the scope of this report being extended. In 2022 the figure did not include the scrap supplier companies of Barna Steel, S.A.

Total investment in purchases from local supplier companies (€M)

Total investment in purchases (€M)





The percentage purchases from local supplier companies remain practically the same as in 2022, demonstrating CELSA's commitment to the local economy. Meanwhile, there was a drop in the overall volume of purchases, and hence of local purchases. In specific terms, the decline was 12.50% for purchases from local companies, and 11.60% for purchases from companies overall. The reason lies in the lower volume of sales and the drop in the price of scrap over the course of 2023.

Number of local supplier companies (€M)

	2023						
	Celsa Spain	**Celsa Global Support**	**Celsa Global Circularity**	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**
Total investment in purchases from local supplier companies	2,112.63			262.56	578.46	409.48	603.63
Total investment in purchases	2,427.04			328.63	645.75	655.98	713.45
Percentage investment in purchases from local supplier companies	87.05%			79.89%	89.58%	62.42%	84.61%

Figures are reported jointly for the business units Celsa Spain, Celsa Global Support and Celsa Global Circularity (Spanish jurisdiction).

CELSA's proportion of purchases from local companies is 83%

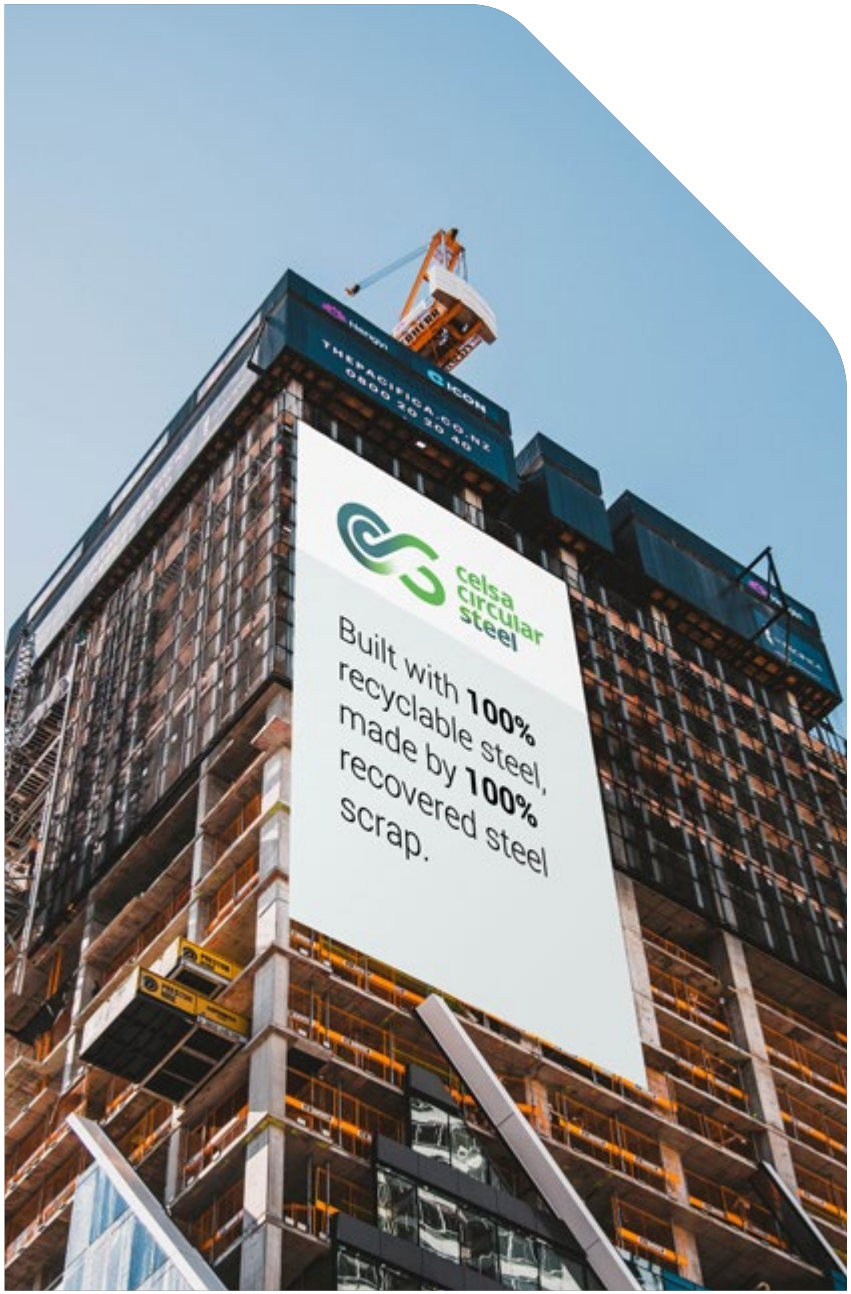
Celsa Circular Steel

Our **CELSA Circular Steel** brand reflects the way we are speeding up the **transition** towards **fully circular steel**. This is consistent with our tradition as a steel company which has maintained **sustainable methods** for more than 50 years.

The expectation is that global annual demand for natural resources will exceed the planet's capacity by 175%. Steel is a vital element for our world and its future. This is why the steel industry must evolve by 2030 in line with EU climate action plans and targets, the aim being to limit global warming to 1.5 degrees.

The fact is that many industries will not achieve sustainability without sustainable steel. CELSA Circular Steel is a programme driving a positive impact that goes far beyond our group, since it aims to involve the entire steel value chain to lead the process of speeding up towards a **circular transition.**

This project fosters our commitment towards our employees, client companies and stakeholders. That is why we have prioritised the five cornerstones that will shape a more circular future throughout our group, and for everyone who depends on it.



Certifications

The CELSA Circular Steel Programme will progressively bring in more certifications to provide our client companies with the right composition of our steel products, and hence their end products or projects.

Clear and consistent traceability is essential in the steel sector.
By certifying what we supply, we provide our client companies with a guarantee that every article fulfils their raw materials supply commitments.

Research and development

CELSA R&D is guided by our sustainability strategy, based on the fundamental cornerstones of circularity, digitalisation and collaboration. EU funding for our sector represents a unique scenario given the synergies between two public financial cornerstones: the Horizon Europe (HEU) programme and the Research Fund for Coal and Steel (RFCS), and the private steel sector. The combined budgets of HEU and RFCS amount to 700 million euros over the period 2021-2027, at least matched by the steel sector, which is expected to provide 1 billion euros.

Beyond specific projects, at CELSA we also play an active role in various industrial associations, such as A.SPIRE, which has the aim of increasing sustainability in the European process industry, the European Clean Hydrogen Partnership, and the European Raw Materials Alliance.

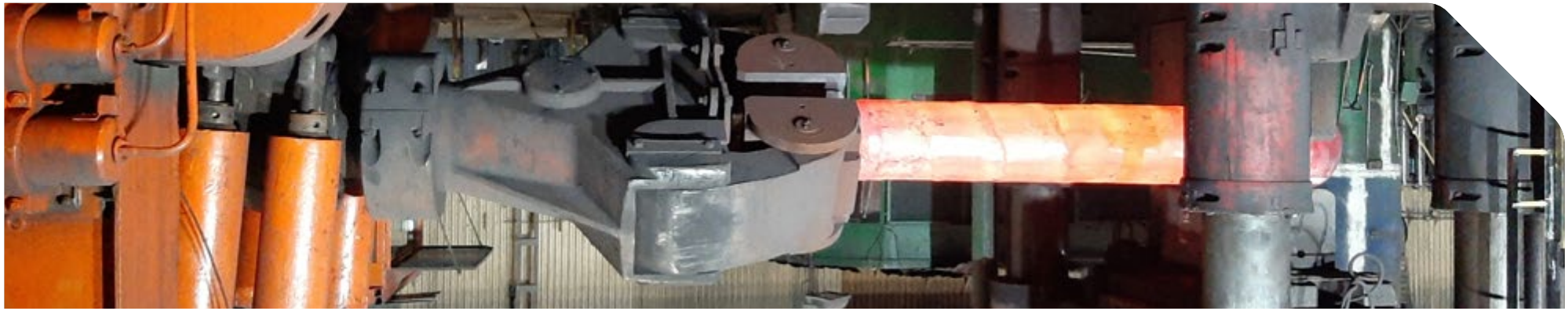
Investments

At CELSA we will maintain our belief in improved production methods, steering future investments so as to speed up our circular journey.

Partnerships

Alliances with our supplier companies allow both parties to implement strategies to combat climate change and natural resource depletion, guaranteeing traceability throughout our supply chain, and our position within the **largest circular supply chain in Europe**.

Meanwhile, our client companies will receive **products with a smaller carbon footprint**, with complete transparency and traceability, allowing them to mitigate their scope 3 emissions.



CERTIFICATION
Ambitious innovation lies at the heart of all we do, delivering the technologies and processes of the future.

NEW PRODUCT OFFERING
New products guaranteeing our longer-term circular ambitions.

RESEARCH AND DEVELOPMENT
Establishing stricter rules for the sector, providing Celsa and our partners with independent, rigorous validation.

INVESTMENTS
Belief in improved methods and a circular approach.

ASSOCIATIONS
Collaboration between the sector and communities to promote the circular journey and work towards our collective goals.

Celsa Circular Steel solutions

At CELSA we work with carbon-neutral steel

CLEAN ENERGY

Use of renewable electricity in steel production processes, through Power Purchase Agreements (PPA) or certified Guarantees of Origin (GoO). At CELSA we facilitate CO_2 reductions through a **20% cut in the carbon footprint** of the sustainable long steel products sold by Celsa Circular Steel. Meanwhile, to achieve carbon neutrality we also plan, in a second (medium-term) phase, to bring in other renewable energy solutions, including **green hydrogen** to replace natural gas.

CARBON NEUTRAL

At CELSA we work with **carbon-neutral steel** through certified projects to offset those unavoidable emissions that at present the Group cannot yet reduce. Client companies receive CO_2 emissions-neutral steel, verified by a trusted outside third party.

RECYCLED PLUS

At CELSA we personalise our product by increasing the content of **recycled material** (as much as 100%) in the steel production process, taking advantage of **upstream vertical integration** (selection of raw materials, scrap management, local supply, etc.). We furthermore offer detailed information allowing client companies to set more ambitious circularity targets and challenges, such as closed-loop processes.

Generating value for society

At CELSA we contribute to the **development** of local economies in the regions where we operate through direct and indirect **employment contracts**, **purchases** of products and services, transport and sponsorships.

Our actions **fully respect** the **local cultures** of those countries and communities where we have a presence.Within the context of our commitment to the community, we likewise firmly believe in promoting **training** projects with an impact on **personal and professional development**.

We undertake initiatives to increase our **positive impact on society** and our surroundings through social action. In line with the group's commitments, we make **donations** aligned with business activities, and **sponsor** local community initiatives. We likewise play an active role in associations, both in our own sector and in the sphere of sustainability, thereby increasing the value we contribute to our social context.

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

During this period, CELSA donated **1,936,308** euros to associations, **273,039 euros** to local sponsorships, **239,610 euros** to **non-profit organisations** (Act 49/2002) and **23,586 euros** to **foreign organisations**.

Both the donations and association and sponsorship initiatives referred to above strictly complied with the applicable anti-corruption and anti-bribery regulations.

Group expenditure on community projects and programmes (€M)

Millions of euros	2023
Donations to non-profit entities	0.24
Donations to foreign organisations	0.02
Local sponsorships	0.27
Contributions to associations	1.94

Expenditure on community projects and programmes by business unit (€k)

	2023						
	Celsa Spain	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**
Donations to non-profit entities	163.90	1.47	N/A	5.23	N/A	N/A	69.01
Donations to foreign organisations	N/A	4.85	N/A	N/A	N/A	N/A	18.74
Local sponsorships	N/A	N/A	N/A	132.89	140.15	N/A	N/A
Contributions to associations	618.23	106.20	N/A	399.47	548.92	45.90	217.60
Total expenditure on local community development projects or programmes	**782,13**	**112,52**	**N/A**	**537,59**	**689,07**	**45,90**	**305,35**

Company tax and financial information

The company's financial and tax details are set out below. It should be emphasised that all tax and financial details include the company Celsa Atlantic, SL within the Celsa Spain business unit, as it lies within Spanish jurisdiction. Nonetheless, in operational terms the Celsa Atlantic Largos rolling plant (one of the two plants consolidated at Celsa Atlantic, SL) belongs to the Celsa France business unit.

The tax information refers to the 2023 financial year, and is broken down into four blocks: economic value generated, distributed and retained; profits earned; taxes, and lastly, financial aid received from the Government.

Economic value generated, distributed and retained at the group and by business unit (€M)*

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support	Consolidation adjustments	2022	2023
Turnover	2,636.52	363.61	760.04	542.14	754.25	*	*	-291.59	6,108.99	4,764.97
Operating costs	2,174.90	329.38	619.96	412.82	633.22	*	*	-300.34	4,786.62	3,869.94
Staff salaries and benefits	245.81	19.78	85.40	75.24	41.88	*	*	8.41	466.23	476.52
Payments to capital-providing companies	69.56	4.65	11.94	9.06	20.84	*	*	N/A	110.10	116.05
Payments to the Government	130.20	15.70	30.03	53.37	25.32	*	*	N/A	193.78	254.62
Cost of Investment in community projects and/or programs	0.78	0.11	0.00	0.54	0.69	0.05	0.30	N/A	N/A**	2.47
Direct economic value generated minus economic value distributed	16	-6	12	-9	32	*	*	N/A	552	45

*This adds together all BUs located in Spain, namely Celsa Global Circularity and Celsa Global Support. The column 'Consolidation adjustments' includes the figures for the portfolio companies.

**In the 2022 financial year the value of investments in community development projects and/or programmes was not taken into account to calculate the direct economic value generated minus the economic value distributed.

Profits obtained by the group and by business unit (€M)*

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support	Consolidation adjustments	2022	2023
Pre-tax result	-325.92	0.52	-1.86	18.77	42.38	*	*	452.33	694.72	186.22
Result after tax	-292.36	0.38	-0.11	12.73	32.92	*	*	448.45	584.95	202.01

*This adds together all BUs located in Spain, namely Celsa Global Circularity and Celsa Global Support. The column 'Consolidation adjustments' includes the figures for the portfolio companies.

Taxes paid by the group and by business unit (€M)*

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support	Consolidation adjustments	2022	2023
Corporation tax accruing on profits and losses	-33.56	0.14	-1.75	6.04	9.45	*	*	3.88	109.77	-15.80
Profits tax	17.77	5.97	4.76	24.83	-0.23	*	*	*	N/A	53.10
Profits tax corresponding to the last financial year, paid in the current year	8.14	5.07	1.24	24.83	-1.56	*	*	*	N/A	37.72
Interim profits tax instalment payments for the current year, paid in the same year	2.53	0.90	3.52	0.00	1.33	*	*	*	N/A	8.28
Withholdings borne	7.10	0.00	0.00	0.00	0.00	*	*	*	N/A	7.10

*This adds together all BUs located in Spain, namely Celsa Global Circularity and Celsa Global Support. Similarly, the Luxembourg jurisdiction was included within the Celsa Spain business unit. Luxembourg presents a value of just €5.99k payments on account for corporation tax in 2022, settled in 2023. The column 'Consolidation adjustments' includes the figures for the portfolio companies.

Financial aid received from the Government by group business unit and by business unit (€M)*

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support	2022	2023
Public subsidies received	3,063.64	14,311.27	0.00	9,826.22	24,861.10	0.00	0.00	13.00	52.06
Public subsidies received	8,572.49	2,597.13	4,644.43	635.56	53.25	38.78	735.04	N/A	17.28
Tax deductions	235.81	36.49	0.00	0.00	0.00	7.70	0.00	N/A	0.28

*This adds together all BUs located in Spain, namely Celsa Global Circularity and Celsa Global Support.
The column 'Consolidation adjustments' includes the figures for the portfolio companies.

Good social action practice on the part of subsidiaries

10 REDUCED INEQUALITIES

CELSA SPAIN

CELSA NERVACERO

- Collaboration with organisations such as the Spanish Cancer Association (AECC), Red Cross and DYA.
- Sponsorship of the EDURO-BOTIC team made up of young people from Portugalete who competed in the National Final of the *First Lego League*, claiming second place in the innovation category.
- Sponsorship of the Cuencas Mineras Women's Football Tournament in Meatzaldea (Bizkaia).
- Sponsorship of the San Nicolás Rowing Club in Portugalete.

CELSA GLOBAL STEELWIRE

- School equipment collection campaign for the Red Cross (GSSP).
- Sponsorship of the Corrales Grassroots Basketball Club (Trefilería Quijano) and Laredo Horseriding Centre (GSSP).

CELSA ATLANTIC

- Collection of food within the Cáritas Christmas campaign.

CELSA NORDIC

- Celsastafetten.
- CELSA *Family Day*.
- Celsa Armeringstål BIL.
- Celsa Aften.

CELSA STEEL UK

- Ty Hafan 1 million step challenge.
- Cardiff Trussel Trust food bank collection.
- Steel donated to No Fit Circus.
- Ty Hafan cake sale.
- Ty Hafan five-a-side football.
- SM donation for the Willows wagon.

Responsible towards our people

06

The people at our organisation

Our team are essential for the present and future of CELSA. This is why our priorities as a company focus on ensuring their safety, promoting their development and enhancing their commitment to the company's culture and value proposition.

We continue to actively listen to our in-company staff through a range of tools, including above all our own **survey programme**, which gauges their opinions to identify areas for improvement. This also allows us to measure the **degree of satisfaction** of our team, sourcing reliable and anonymous information.

Management Engagement Survey

In April 2023 we launched the ***Management Engagement Survey***. This survey aims to ascertain the level of commitment of our executives and team managers, obtaining an 84% participation rate and a result of **3.94 out of 5**, equivalent to "engaged" level, an increase of 0.02 points compared with 2022. This is one of the highest scores in recent years, confirming the high level of commitment on the part of the organisation's management team.

One change made to this year's survey, which was presented at the 2023 Annual Meetings, was the inclusion of a question about the CELSA purpose. This generated an average score of **4.28 out of 5** with regard to **familiarity with the purpose**, and **4.02** as to whether it makes **people feel that their work is important**.

James Ellis
Head of People and Organisation Development (POD) of Celsa UK

“

Leadership drives commitment

For too long we focused on technical skills as the main indicator of professional progress and the generation of results. Although technical skills remain extremely valuable, it is leadership which drives commitment, and commitment which drives results. The main challenge has been to encourage managers to delegate, increasing their trust in the capacity of their team.

Average scores for the new questions asked in the Management Engagement Survey
(ranging from 1 to 5)

	I am familiar with the CELSA purpose	The CELSA purpose makes me feel that my work is important
Celsa Spain	4.32	3.95
Celsa France	3.94	3.94
Celsa UK	4.23	3.75
Celsa Nordic	4.33	4.10
Celsa Poland	4.29	4.10
Celsa Global Support	4.52	4.37
CELSA	**4.28**	**4.02**

A new edition of the **Global Climate Survey** is scheduled for launch in April 2024. This process takes place every three years, and serves to measure the overall level of satisfaction among the staff.

Similarly, the Management Engagement Survey takes place three times a year to periodically measure the engagement of our executives and team managers.

The information regarding staff and the average number of contracts provided in this section is calculated according to the full-time equivalent (FTE).

We launched our CELSA *Management Engagement Survey,* with a result of 3.94 out of 5, equivalent to "engaged" level. This is one of the highest scores in recent years

Culture of recognition

Recognition forms part of the CELSA culture, and is represented in our values. It is part of our philosophy to believe in the people who make up the company.

Recognition provides an opportunity to **showcase initiatives and actions** which make the group a better place, serving to acknowledge the effort made by individuals, and appreciate those ideas that have had a direct impact and have helped the company to cross. The awards handed out also serve to **highlight the more human factor of the team** and to emphasise those actions best identified with our values.

We also see it as essential to acknowledge the involvement of the families of all our staff, and CELSA therefore organises activities to promote their participation, along with the associated awards, so as to consolidate the #CELSAfamily.

Discover our team

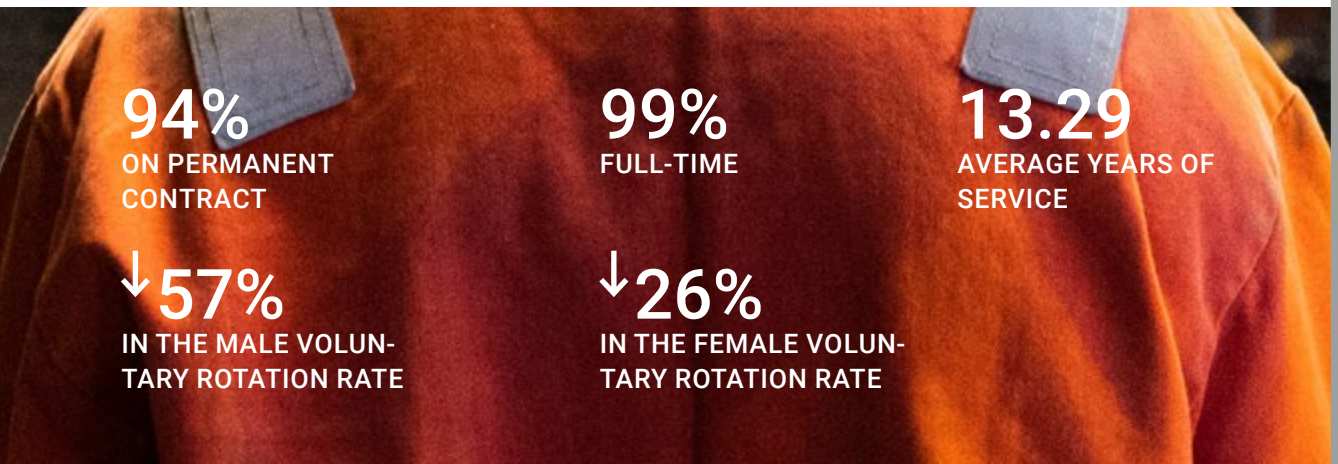
At CELSA, our team forms an essential part of our history and identity. This is why we care for our staff and ensure that they take on board the group's values.

In December 2023, CELSA registered a total staff of **7,958 employees**. Given our binding commitment to our people, we champion the creation of stable employment. In 2023, in fact, **94%** of staff had a **permanent contract**, and **99%** worked **full-time**.

At the close of 2023, our team had an **average of 13.29 years of service**, demonstrating the occupational stability and long-term professional development of those who join the company, most of them after completing their studies.

Meanwhile, in 2023 the **voluntary rotation** rate stood at 6.55% in the case of women and 4.95% in the case of men, representing a **drop of 26% among women and 57% for men** compared with the previous year.

The total number of hours of absence, understood as any absence from work, amounted to 1,105,013 hours during 2023. The absence rate stood at 7.20% during this period



Rosa Castrillo
Head of People and Organization Development (POD) of Global Steel Wire

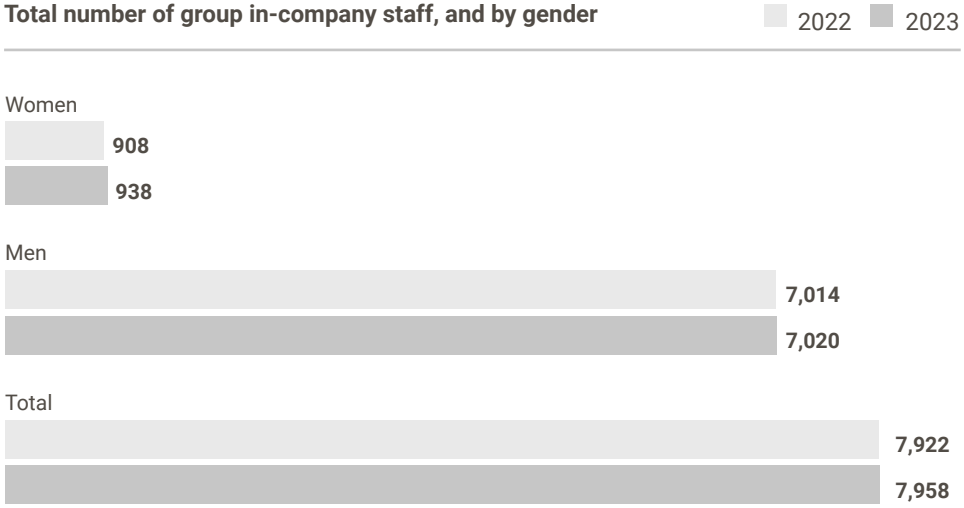
“

We want our staff to feel valued

In 2023 we made considerable efforts in the field of safety at GSW, as demonstrated in a frequency index four times lower than in 2022. A particularly notable contribution was made by the rolling area, with more than 250 workers, which had 0 accidents throughout 2023. Meanwhile, the number of hours of training received by staff at GSW amounted during the year to more than 14,000 (30% higher than in 2022).

CELSA staff as at 31/12/2023

Total number of group in-company staff, and by gender



Total number of in-company staff, by gender and by business unit

W: women | M: men

Celsa Spain		Celsa France		Celsa UK		Celsa Nordic		Celsa Poland		Celsa Global Circularity		Celsa Global Support	
W	M	W	M	W	M	W	M	W	M	W	M	W	M
226	2,478	38	385	178	1,594	103	895	108	1,262	65	243	220	163
2,704		**423**		**1,772**		**998**		**1,370**		**308**		**383**	

Total number of group subcontracted staff

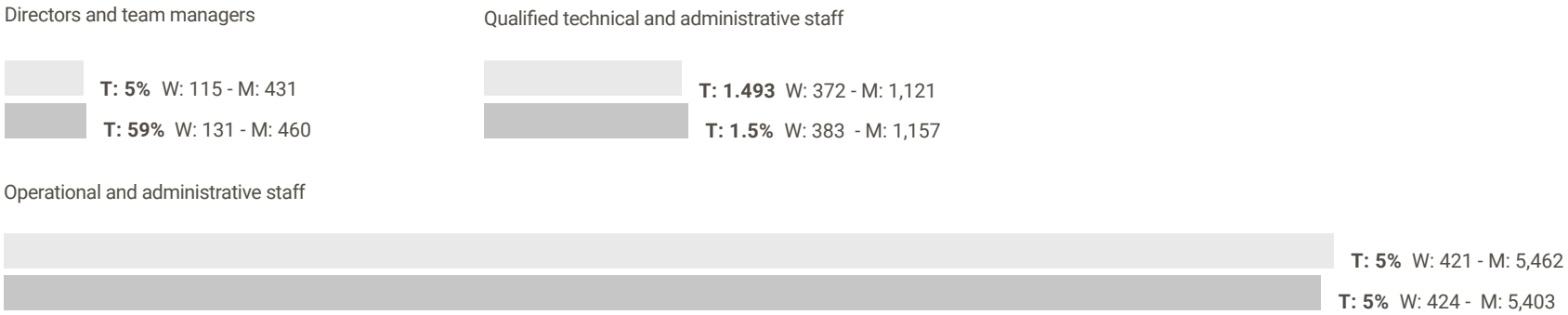
Total number of subcontracted staff by business unit

Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support
1,153	50	144	214	566	38	55

Total distribution of group in-company staff by gender and professional classification

2022 2023

T: total | W: women | M: men



Total distribution of in-company staff by gender and professional qualification, by business unit

M: women | M: men

2023

	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland			Celsa Global Circularity			Celsa Global Support		
	W	M	Total	W	M	Total	W	M	Total	W	M	Total	W	M	Total	W	M	Total	W	M	Total
Directors (GO 0 and 1)	5	22	27	0	7	7	2	14	16	1	17	18	2	17	19	0	11	11	9	30	39
Team managers (GO 2)	30	111	141	3	17	20	14	68	82	9	42	51	8	48	56	2	14	16	46	43	89
Qualified technical and administrative staff (GO 3)	93	404	497	8	42	50	49	249	298	45	136	181	64	209	273	16	45	61	108	72	181
Operational and administrative staff (GO 4 and 5)	98	1,941	2,039	27	319	346	113	1,263	1,376	48	700	748	34	988	1,022	47	173	220	57	18	75
Total	**226**	**2,478**	**2,704**	**38**	**385**	**423**	**178**	**1,594**	**1,772**	**103**	**895**	**998**	**108**	**1,262**	**1,370**	**65**	**243**	**308**	**220**	**163**	**383**

Total distribution of group in-company staff by gender and age

2022 2023

T: total | W: women | M: Men

<= 35 years

T: 1,832% W: 308 - M: 1,524

T: 1,798% W: 313 - M: 1,485

36 to 50 years

T: 3,624% W: 414 - M: 3,210

T: 3,583% W: 427 - M: 3,156

<= 51 years

T: 2,466% W: 186% - M

T: 2,577% W: 198 - M: 2,379

Total distribution of in-company staff by gender and age, by business unit

M: women | M: men

2023

Age groups	Celsa Spain		Celsa France		Celsa UK		Celsa Nordic		Celsa Poland		Celsa Global Circularity		Celsa Global Support	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M
<= 35	69	288	10	80	81	551	40	282	19	208	29	38	66	39
30 to 50	114	1,363	19	199	51	473	37	300	61	645	30	105	115	71
>= 51	43	827	9	106	46	570	26	313	28	409	6	100	39	53
Total	**226**	**2,478**	**38**	**385**	**178**	**1,594**	**103**	**895**	**108**	**1,262**	**65**	**243**	**220**	**163**

Average distribution of group in-company staff contracts by gender

2022 2023

T: total | W: women | M: men

Permanent full-time contract

T: 7,336% W: 813 - M: 6,523

T: 7,538% W: 869 - M: 6,637

Part-time permanent contract

T: 96% W: 25 - M: 71

T: 18% W: 4 - M: 14

Full-time temporary contract

T: 421% W: 56 - M: 365

T: 446% W: 57 - M: 389

Part-time temporary contract

T: 25% W: 2 - M: 23

T: 24% W: 1 - M: 23

Average distribution of in-company staff contracts by gender and business unit

2023

M: women | M: men

Forms of contract		Celsa Spain		Celsa France		Celsa UK		Celsa Nordic		Celsa Poland		Celsa Global Circularity		Celsa Global Support	
		W	M	W	M	W	M	W	M	W	M	W	M	W	M
Permanent contract	**Full-time**	204.82	2,316.36	36.16	377.27	166.34	1,544.82	97.81	875.38	95.74	1,157.38	59.47	241.49	211.65	152.98
	Part-time	0	11.26	0	0.25	0	0	0	0	0	0	2.45	0	1.97	2.17
Temporary contract	**Full-time**	21.47	155.58	0	0.29	9.58	64.66	5.16	19.65	15.40	143.32	0	1.33	5.11	4.52
	Part-time	0.26	22.24	0	0.20	0	0	0	0	0	0	0	0.09	0.80	0.70
Total		**226,55**	**2,505.44**	**36.16**	**378.01**	**175,92**	**1,609.48**	**102,97**	**895,03**	**111,14**	**1,300.70**	**61,92**	**242,91**	**219,53**	**160,37**

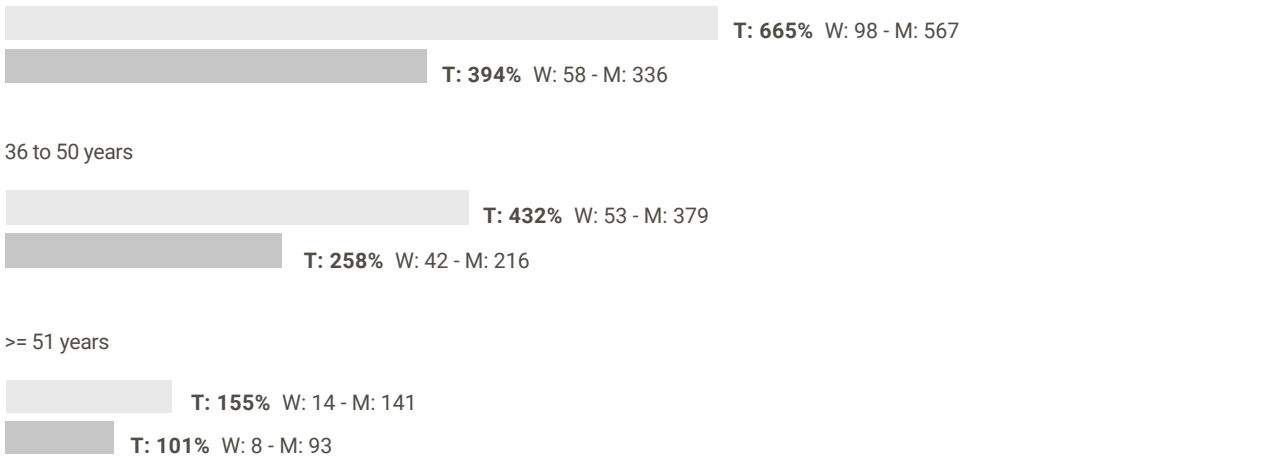
New hirings

This includes new temporary hirings of workers to substitute for those off sick or absent and with entitlement to maintain their position (because of illness, leave of absence, holiday, etc.) or production spikes.

New hirings of group in-company staff by gender and age

2022 2023

T: total | W: women | M: men



New hirings of in-company staff by gender, age, and business unit

M: women | M: men

2023														
Age groups	Celsa Spain		Celsa France		Celsa UK		Celsa Nordic		Celsa Poland		Celsa Global Circularity		Celsa Global Support	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M
<= 35	7	42	2	38	19	177	8	41	3	16	7	7	12	15
30 to 50	8	32	5	26	10	89	7	27	5	24	3	16	4	2
>= 51	1	14	1	1	5	57	1	14	0	2	0	3	0	2
Total	**16**	**88**	**8**	**65**	**34**	**323**	**16**	**82**	**8**	**42**	**10**	**26**	**16**	**19**

Group in-company staff contracts ended, by gender and age

2022 2023

T: total | W: women | M: men

<= 35 years

T: 347% W: 55 - M: 292

T: 368% W: 57 - M: 311

36 to 50 years

T: 301% W: 33 - M: 268

T: 298% W: 39 - M: 259

>= 51 years

T: 276% W: 29 - M: 247

T: 139% W: 6 - M: 133

In-company staff contracts ended by gender, age, and business unit

M: women | M: men

2023

Age groups	Celsa Spain		Celsa France		Celsa UK		Celsa Nordic		Celsa Poland		Celsa Global Circularity		Celsa Global Support	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M
<= 35	24	102	1	17	13	142	5	25	1	15	0	2	13	8
30 to 50	16	101	1	12	10	86	5	25	1	26	0	6	6	3
>= 51	1	9	0	3	2	72	1	23	1	20	0	5	1	1
Total	**41**	**212**	**2**	**32**	**25**	**300**	**11**	**73**	**3**	**61**	**0**	**13**	**20**	**12**

Group in-company staff contracts ended by mutual agreement, by gender and age

2022 2023

T: total | W: women | M: men

< 35 years

T: 202 W: 39 - M: 163

T: 171% W: 32 - M: 139

From 35 to 50 years

T: 176% W: 25 - M: 151

T: 147% W: 24 - M: 123

>= 51 years

T: 107% W: 16 - M: 91

T: 93% W: 5 - M: 88

Total number of contracts ended by mutual agreement and by the employee, by gender, age and business unit

W: women | M: men

2023

Age groups	Celsa Spain		Celsa France		Celsa UK		Celsa Nordic		Celsa Poland		Celsa Global Circularity		Celsa Global Support	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M
<= 35	5	10	0	6	13	94	5	16	0	9	0	1	9	3
30 to 50	7	18	0	5	10	67	3	9	0	17	0	6	4	1
>= 51	0	5	0	0	2	63	1	9	1	6	0	4	1	1
Total	**12**	**33**	**0**	**11**	**25**	**224**	**9**	**34**	**1**	**32**	**0**	**11**	**14**	**5**

Dismissals

Dismissals of in-company staff, by gender, age and business unit

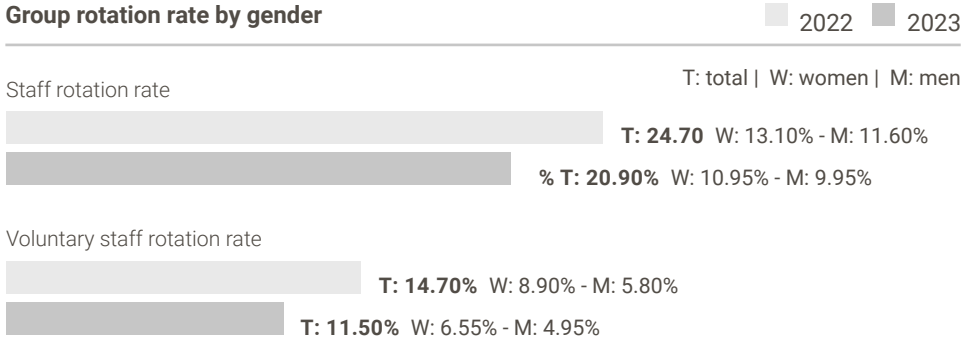
W: women | M: men

	2023															
Age groups	**Celsa Spain**		**Celsa France**		**Celsa UK**		**Celsa Nordic**		**Celsa Poland**		**Celsa Global Circularity**		**Celsa Global Support**		**CELSA**	
	W	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**
<= 35	0	0	1	3	0	46	0	2	0	5	0	0	0	0	**1**	**56**
30 to 50	0	0	0	1	0	19	1	7	1	4	0	0	0	0	**2**	**31**
>= 51	0	0	0	1	0	9	0	8	0	14	0	0	0	0	**0**	**32**
Total	**0**	**0**	**1**	**5**	**0**	**74**	**1**	**17**	**1**	**23**	**0**	**0**	**0**	**0**	**3**	**119**

Rotation rates

The staff rotation rates include the departures of temporary staff hired on several occasions during the year as substitutes for staff off sick or absent with entitlement to maintain their position (because of illness, leave, holiday, etc.) or production spikes.

Group rotation rate by gender



In-company staff rotation rate, by gender, age and business unit

W: women | M: men

2023																	
Age groups	Celsa Spain		Celsa France		Celsa UK		Celsa Nordic		Celsa Poland		Celsa Global Circularity		Celsa Global Support		CELSA	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M
<= 35	34.60%	36.48%	9.76%	22.75%	16.88%	26.32%	12.86%	8.88%	5.66%	7.40%	0.00%	5.73%	20.44%	22.26%	**18.81%**	**21.47%**
30 to 50	13.94%	7.34%	6.01%	6.12%	19.55%	18.11%	13.34%	8.47%	1.75%	4.10%	0.00%	5.88%	5.21%	4.25%	**9.25%**	**8.23%**
>= 51	2.36%	1.06%	0.00%	2.80%	4.19%	12.10%	3.76%	7.23%	2.99%	4.59%	0.00%	4.72%	2.45%	1.86%	**2.90%**	**5.39%**
Total	**18.10%**	**8.46%**	**5.53%**	**8.47%**	**14.21%**	**18.64%**	**10.68%**	**8.16%**	**2.77%**	**4.79%**	**0.00%**	**5.35%**	**9.11%**	**7.48%**	**10.95%**	**9.95%**

In-company voluntary staff rotation rate, by gender, age and business unit

W: women | M: men

2023																	
Age groups	Celsa Spain		Celsa France		Celsa UK		Celsa Nordic		Celsa Poland		Celsa Global Circularity		Celsa Global Support		CELSA	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M
<= 35	7.21%	3.58%	0.00%	8.03%	16.88%	17.42%	12.86%	5.68%	0.00%	4.44%	0.00%	2.87%	14.15%	8.35%	**10.56%**	**9.59%**
30 to 50	6.10%	1.31%	0.00%	2.55%	19.55%	14.11%	8.00%	3.05%	0.00%	2.68%	0.00%	5.88%	3.47%	1.42%	**5.70%**	**3.91%**
>= 51	0.00%	0.59%	0.00%	0.00%	4.19%	10.59%	3.76%	2.83%	2.99%	1.38%	0.00%	3.77%	2.45%	1.86%	**2.42%**	**3.57%**
Total	**5.30%**	**1.32%**	**0.00%**	**2.91%**	**14.21%**	**13.92%**	**8.74%**	**3.80%**	**0.92%**	**2.51%**	**0.00%**	**4.53%**	**6.38%**	**3.12%**	**6.55%**	**4.95%**

Absence

The percentage absence is calculated on the basis of the hours of absence registered in our internal systems out of the total theoretical number of hours of work in the year 2023. All theoretical hours of work within the Barna Steel scope were reported via the SAP platform. To calculate the remaining business units of the group, an approximate calculation of the theoretical hours of work was performed, assuming 40 hours of work per week for full-time temporary and permanent contracts, and 20 hours of work per week for part-time temporary and permanent contracts.

Percentage and total number of hours of absence at the group

2022 2023

T: total | W: women | M: men

6.32%

T: 7.20% W: 6.03% | M: 7.35%

1,008,411 hours

T: 1,105,013 hours | W: 110,618 h | M: 994,395 h

Percentage and total number of hours of absence by business unit

	2023						
	Celsa Spain	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**
Hours of absence	463,602	54,048	154,176	266,588	90,714	53,947	21,938
% Absence	9, 18%	7.19%	4.41%	13.63%	3.28%	9.27%	2.93%

Other group corporate figures

2022 2023

Average years of service

Number of staff in the Global Mobility Programme

CELSA staff have an average of 13.29 years of service at the company.

Other corporate figures for the group and business units

2023

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support	CELSA
Average length of service (years)	15.54	12.83	9.66	10.68	15.02	10.44	12.95	**13,29**
Number of professionals on the Global Mobility Programme	1	7	10	3	6	N/A	5	**32**
'ETT' number*	176	9	N/A	75	7	107	191	**565**

*Temporary Employment Agency ('ETT') workers

Labour relations

At CELSA we respect the fundamental conventions of the International Labour Organization with regard to respect for the freedom of association and the right to collective bargaining of in-company and subcontracted staff engaged in activities on company premises. In 2023, the proportion of those covered by a collective bargaining agreement stood at 77%. In Spain, the applicable collective bargaining agreements number eight at the company level, two the provincial sectoral level, two regional sectoral and two nationwide sectoral agreements. Meanwhile, in those matters reserved for negotiation at the nationwide level, the 4th Nationwide Metal Sector Collective Bargaining Agreement applies. In France, two nationwide collective bargaining agreements apply according to whether the staff belong to the management or operational groups, while in the Nordic countries, 5 sectoral agreements are adopted, one at the regional level and the other for nationwide.

Only the business units of Celsa Spain (including Celsa Global Circularity and Celsa Global Support, all of which lie within the same legal scope of Spain), Celsa France and Celsa Nordic have furlough scheme agreements in place.

Percentage staff covered by collective bargaining agreements

Percentage of staff covered by a collective bargaining agreement, by business unit

	2023						
	Celsa Spain	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**
% staff covered by collective bargaining agreements	83%	85%	73%	69%	97%	70%	12%

Furlough schemes by group business unit and corporate group

	2023							
	Celsa Spain	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**	**CELSA**
Staff potentially affected	2,438	131	N/A	130	N/A	*	*	**2,699**
% furlough hours out of theoretical working hours	2.24%	0.00%	N/A	7.70%	N/A	*	*	**2.41%**

*Celsa Spain records the staff potentially affected and the calculation of the percentage of furlough hours at the business units of Celsa Global Circularity and Celsa Global Support. Reported for each country.

Remuneration and salary gap

At CELSA we ensure that our salary levels are consistent with the level and responsibility of the position held by each employee within a system of salary grades and bands, taking into account their levels of performance, fulfilment of objectives, potential, commitment and training. This is achieved by means of objective job descriptions and an organisational method based on recognised methodologies.

To calculate remuneration, the professional category "Team manager" is divided between "Functional and general managers", covering organisational groups 0 and 1, and "Team managers", in group 2.

The figures include fixed remuneration, variable remuneration and the bonuses received in 2023. The average remuneration data are based on those who at 31 December had been working for the complete year.

Average remuneration by professional classification and gender at the group (€)

	2023		
	W	M	CELSA
Functional and managing directors	141,818	187,897	**180,684**
Team managers	69,157	78,876	**76,442**
Technical and qualified administrative staff	40,747	49,500	**47,440**
Operational and administrative staff	33,583	41,139	**40,575**
Total	**42,990**	**46,832**	**46,346**

W: women | M: men

Average remuneration by age at the group (€)

2023	
Age groups	**CELSA**
<= 35	**40,294**
30 to 50	**46,926**
>= 51	**52,262**
Total	**47,267**

Salary gap by professional classification at the group (%)

2023	
	CELSA
Functional and managing directors	**25%**
Team managers	**12%**
Technical and qualified administrative staff	**18%**
Operational and administrative staff	**18%**
Total	**8%**

The average remuneration values were obtained by extrapolating the average remuneration figures for each company comprising the Group. This calculation method gives rise to a difference, of less than 2%, between the total average value reported in the table subdivided by professional category, and the table subdivided by age group.

Remuneration corresponding to directors on the payroll at 31 December 2023.

Occupational health and safety

At CELSA, our main priority is to achieve a healthy and safe working environment for all our staff. In fact, two of the **topics** seen as **material** by our stakeholders are **worker health** and **industrial safety and well-being** (further information in section 5.4. Dialogue with stakeholders).

This commitment extends to supplier and contractor companies. We therefore have a **Health, Safety and Well-being Policy** in place, approved in **2023**.

The group's ambition is to be an organisation where members believe in the value of safety, working as a team, capable of issuing and receiving comments and observations.

Likewise, as an active member of the World Steel Association, CELSA has established our principles with regard to health and safety, concerning awareness-raising, training of supervisors, proactive learning on the part of staff and the creation of an internal process model based on the organisation's successes and strengths.

In the sphere of occupational risk prevention, we undertake a **risk assessment** and the corresponding planning of **mitigation measures**, information and **training** with regard to health and safety, emergency response planning, **accident investigation**, **health monitoring**, the management of personal protective equipment and the coordination of company activities, among other matters.

Carles Nicolau
Head of Health & Safety of CELSA

“

We improve the working environment

In 2023 we continued to strengthen relations among the Safety teams throughout the group, facilitating communication and learning from events occurring at the different business units. We have also reviewed and updated our corporate standards, creating a shared corporate tool for all our plants, to promote implementation and improvement. All of which helps to improve the working environment of all those employed at CELSA.

In 2023 we approved the Health, Safety and Well-being Policy

Beyond the regulatory framework, CELSA has developed corporate programmes and standards allowing us to progress towards the goal of zero accidents These include in particular the following:

- Notification and investigation of accidents and incidents
- Risk correction cards
- Preventive safety observations
- "Think before you act" principle
- Second-party audits

In addition, safety training and safety audits periodically take place at our production sites, in accordance with the local legislation where we operate, and the terms established in the corporate standards.

CELSA holds **ISO 45001 health and safety at work** certification at our main industrial sites, and many of the sites forming part of the value chain. This standard provides accreditation of the adoption of staff consultation and participation processes, continuous identification of hazards, risk assessment for health and safety at work, identification of opportunities within the management system, identification of applicable legal requirements, internal and external communication in this regard, elimination of hazards and risk reduction, change management, integration of purchasing, emergency response preparation, monitoring, measurement and analysis, evaluation of compliance, and lastly, incident management and implementation of corrective actions.

The following group companies have a health and safety management system (ISO 45001) in place: Ferimet, SLU, Compañía Española de Laminación, SL (Celsa Barcelona), Nervacero, SA, Global Steel Wire, SA, Moreda Rivière Trefilerías, SA, Global Special Steel Products, SAU, Celsa Atlantic, SL, Celsa France, SAS, BRC Reinforcement, ROM-Tech Ltd., RFA-Tech Ltd., Express Reinforcements, ROM Mesh, ROM Limited, BRC Manufacturing, Celsa Manufacturing (UK), Celsa Armeringsstål AS, Celsa Huta Ostrowiec, S.P. Z.O.O. and Stal-Service, S.P. Z.O.O.

Meanwhile, a **Corporate Well-being Model** was defined in 2022, implemented in 2023 and following shared guidelines at all business units of the group. The initiatives undertaken include in particular **awareness-raising workshops** addressing matters connected with the three cornerstones of this model: **physical, mental and social well-being**.

Our corporate **Just Culture and Safety School** standard, developed in 2022, has the aim of underpinning safety culture by improving key forms of conduct at the organisation through leadership in terms of safety from the management level.

Shared safety principles

1. All professional accidents and illnesses can and must be prevented.
2. Managers are responsible for this aspect, and accountable for health and safety performance.
3. Staff commitment and training are essential.
4. Safe working is a condition of employment, promotion and career development.
5. Health and safety excellence will bring about excellent business results.
6. Health and safety are integrated into every business management process.

Despite all the efforts made in the field of safety during the year, as may be seen in the following table, we regret to report the death of two members of staff at our premises. This led to a particularly close inspection of all operational staff, processes and protocols as a regular and ongoing monitoring process, specifically in order to avoid such accidents.

At CELSA we hold ISO 45001 health and safety at work certification at our main industrial sites.

Illnesses

Number of occupational illnesses and deaths of in-company group staff

2022 2023

Occupational illnesses

5

8

Deaths of staff by illness

0

0

In-company staff include both the company's employees and those of temporary employment agencies.
External staff correspond to subcontractors.

Illnesses and deaths of in-company staff through occupational illness, by gender and business unit

W: women | M: men

	2023																				
	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland			Celsa Global Circularity			Celsa Global Support		
	W	M	Total	W	M	Total	W	M	Total	W	M	Total	W	M	Total	W	M	Total	W	M	Total
Occupational illnesses (in-company staff)	0	1	1	0	1	1	0	1	1	0	1	1	0	0	0	0	4	4	0	0	0
Death by occupational illness (in-company staff)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Accidents

Type of occupational illness of group in-company and subcontracted staff

2022 2023

T: total O: own employees- SC: subcontracted employees

Occupational accident fatalities

T: 0 O: 0 - SC: 0

T: 2 O: 1 - SC: 1

Occupational accidents registered

T: 843 O: 644 - SC: 199

T:789 O: 605 - SC: 184

Accidents with serious consequences (excluding fatalities)

T: 18 O: 12 - SC: 6

T: 12 O: 6 - SC: 6

Occupational accidents with time off

T: 123 O: 94 - SC: 29

T:136 O: 94 - SC: 42

Our own workforce is understood as our own staff and temp agency staff.
The external workforce is understood as subcontracted staff.

Type of accident suffered by own and subcontracted staff, by business group, and subcontracted staff, by business group

2023

	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland			Celsa Global Circularity			Celsa Global Support		
	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total
Occupational accident fatalities	0	1	**1**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	1	0	**1**	0	0	**0**
Accidents with serious consequences (excluding fatalities)	1	2	**3**	1	3	**4**	2	0	**2**	0	0	**0**	0	1	**1**	2	0	**2**	0	0	**0**
Recordable occupational accidents	263	100	**363**	113	18	**131**	128	28	**156**	43	5	**48**	16	14	**30**	41	19	**60**	1	0	**1**
Occupational accidents with time off	34	17	**51**	20	9	**29**	11	2	**13**	16	0	**16**	6	8	**14**	7	6	**13**	0	0	**0**

Hours and days lost through occupational accidents of own and subcontracted staff at the group

2022 2023

T: total O: own workforce - SC: subcontracted workforce

Total working hours

T: 20,759,510 O: 14,028,515 - SC: 6,730,995

T: 21,301,938 O: 14,212,909 - SC: 7,089,029

Days lost through occupational accidents

T: 9,589 O: 8,920 - SC: 699

T: 16,798 O: 9,376 - SC: 7,422

Our own workforce is understood as our own staff and temp agency staff.
The external workforce is understood as subcontracted staff.

Hours and days lost through occupational accidents of own and subcontracted staff, by business unit

2023

	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland			Celsa Global Circularity			Celsa Global Support		
	Own work-force	Subcon-tracted work-force	**Total**	Own work-force	Subcon-tracted work-force	**Total**	Own work-force	Subcon-tracted work-force	**Total**	Own work-force	Subcon-tracted work-force	**Total**	Own work-force	Subcon-tracted work-force	**Total**	Own work-force	Subcon-tracted work-force	**Total**	Own work-force	Subcon-tracted work-force	**Total**
Total working hours	4,540,404	3,722,044	**8,312,448**	707,612	310,927	**1,018,539**	3,839,758	471,437	**4,331,195**	1,660,343	388,041	**2,048,384**	2,328,222	1,805,700	**4,133,922**	545,275	160,486	**705,761**	591,296	180,394	**771,690**
Days lost through occupational accidents	1,090	6,347	**7,437**	770	155	**925**	142	252	**394**	408	0	**408**	866	668	**1,534**	6,100	0	**6,100**	0	0	**0**

Rates and indices

2022 2023 **T: total** | O: own workforce | SC: subcontracted workforce

Rate of death and accident index of group's own and subcontracted staff

Rate of death through occupational accident

T: 0 O: 0 - SC: 0

T: 0.09 O: 0.07 - SC: 0.14

Seriousness index (SI)

T: 0.46 O: 0.64 - SC: 0.10

T: 0.79 O: 0.66 - SC: 1.05

Major consequences frequency index

T: N/D O: 0.86 - SC: 0.89

T: 0.56 O: 0.42 - SC: 0.85

Hazardousness index (HI)

T: 40.61 O: 45.91 - SC: 29.56

T: 37.04 O: 42.57 - SC: 25.96

Frequency index (FI)

T: 5.92 O: 6.70 - SC: 4.31

T: 6.38 O: 6.61 - SC: 5.92

Rate of deaths through occupational accident = (Number of fatal accidents / Hours worked) x 1,000,000
Frequency index of major consequences (FI major consequences, excluding death) = Number of accidents with major consequences, excluding death / Total hours worked) x 1,000,000
Frequency index (FI) = (Number of accidents with absence / Total hours worked) x 1,000,000
Seriousness index (SI) = (Days lost / Total hours worked) x 1,000
Hazardousness index = (Number of accidents / Total hours worked) x 1,000,000
*Verified figures are available for 2022 only for Spain (including Celsa Global Support, Celsa Global Circularity, Celsa Spain & Celsa Atlantic Largos (Laracha) and France (Celsa France - Bayonne and MRT France). No verified figures are available for Barna Steel, S.A.

Rate of deaths and accident indices for own and subcontracted staff, by business unit

	2023																			
	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland			Celsa Global Circularity			Celsa Global Support		
	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total	Own work-force	Subcon-tracted work-force	Total
Rate of death through occupation-al accident	0	0.27	**0.12**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**	1.83	0	**1.42**	0	0	**0**
Major consequences frequency index	0.22	0.53	**0.36**	1.41	9.65	**3.93**	0.52	0	**0.46**	0	0	**0**	0	0.55	**0.24**	3.67	0	**1,96**	0	0	**0**
Frequency index (IF)	7.49	4.51	**6.14**	28.26	28.95	**28.47**	2.86	4.24	**3.02**	9.64	0	**7.81**	2.58	4.43	**3.39**	12.84	37.39	**18.42**	0	0	**0**
Seriousness index (SI)	0.24	1.68	**0.89**	1.09	0.50	**0.91**	0.04	0.53	**0.09**	0.25	0	**0.20**	0.37	0.37	**0.37**	0.18	37.39	**8.64**	0	0	**0**
Hazardousness index (HI)	57.92	26.51	**43,67**	159.69	57.89	**128.62**	33.34	59.39	**36.18**	25.90	12.89	**23.43**	6.87	7.75	**7.26**	75.19	118.39	**85.01**	1.69	0	**1.30**

Professionals covered by a group occupational health and safety system

2022 2023

With a health and safety management system (ISO 45001)

Percentage employees covered by a health and safety management system (ISO 45001)

Good occupational health and safety practices by subsidiaries

3 GOOD HEALTH AND WELL-BEING

CELSA

- Communication and dissemination of healthy habits and well-being platforms.
- Blood donation and flu vaccination campaigns.

CELSA SPAIN / campesa mallacero

- On 12 June 2023 the L'Arboç plant staged an event to congratulate all workers on having achieved a major milestone of **500 days without any accidents causing absence**.

CELSA SPAIN / CELSA NERVACERO

- Internal traffic accident campaign to mark World Safety Day on 28 April.
- Installation of an anti-traffic collision system at the scrapyard and people detection system at the rolling crane.
- Evaluation of psychosocial risks.

CELSA NORDIC

- Safety days and campaign.
- Leader awareness.
- Company sports club.
- Gym card for staff.

CELSA HUTA OSTROWIEC

Actions within the ***WELLBEING*** programme:

- Cardiovascular disease prevention in partnership with cardiologists, nutritionists and the Regional Occupational Health Centre (WOMP).
- Cancer prevention in women in partnership with the Regional Cancer Centre in Kielce.
- Musculoskeletal disease prevention for employees in partnership with a physiotherapist.
- Eye disease prevention programme.

Our way of managing and developing talent

In 2023, the CELSA Board of Directors approved the new **Talent Management Policy**, based on four cornerstones: *Attract, Hire, Develop and Engage*. They are all underpinned by a further two supporting cornerstones: **Compensation and Benefits**, and Legal and Relations. These supporting cornerstones apply across all business units, supported by the **SAP Success Factors** platform, providing integrated, standardised and digitalised management throughout the group.

Beth Canals
Head of Internal Communications & Talent of CELSA

We promote professional development in line with the company's purpose

During 2023 we standardised the Job Descriptions of the sustainability area functions in order to identify and raise the profile of CELSA's priorities in the sphere of ESG.
Within the context of our **L&D strategy**, we implemented **two development programmes,** first covering environmental sustainability for the sales and marketing team, and meanwhile DEI for all group staff.
Another major milestone demonstrating Celsa's commitment to a sustainable growth model is the incorporation of the CO_2 emissions reduction target within the **Total Goal Management** (TGM–PDIS).
We use internal communication to tell the organisation's story and convey its value proposition, intrinsically linked to sustainability. We believe that staff **training and awareness-raising** is vital, and so share recommendations and good practices based both on the protection of the environment and the generation of diverse and inclusive spaces. The results obtained in questionnaires such as the ***Management Engagement Survey*** (Gallup) demonstrate that we are heading in the right direction.

attract

STAS

Talent profile and value proposition
Communicate and participate
Professional advocacy
External recognition and measurement

hire

RSIS

Job application and information session
Candidate recruitment
Candidate selection
Welcome and onboarding

The 4 cornerstones of the talent management system

develop

LGMS

Job profile
Skills evaluation
Learning - acquired practice
Personal development plan

engage

PDIS

Total Goal Management
Performance Management
Career plan management
Talent and succession

ATTRACT (STAS)

The organisation's future needs, identified in the strategic reflection process, are then translated into the design of the organisational structure and the job descriptions. Each job description is linked with abilities or skills.
We develop our Employer Branding strategy to attract the very best potential talent within the context of the skills we require, in line with our culture and our employee value proposition.
Our aspiration is to become one of the companies arousing the greatest interest on the labour market, to ensure that the most talented professionals want to work at our company.

HIRE (RSIS)

To identify possible candidates we follow a recruitment and selection process. Once this is successfully completed, the final candidate is ready to immerse themselves in the CELSA culture.
The selected individual begins their career at our organisation by means of an Onboarding process, during which they receive training in values, management standards, safety, key skills and process standards, allowing them to work safely and autonomously in their new position.

DEVELOP (LGMS)

We have different programmes in place at CELSA to **develop talent** internally and externally. We know that a well-skilled team provides us with the greatest guarantees in addressing any challenge or demand. To this end we have high-level development plans in place, and serve as the launchpad for many professional careers, both nationally and internationally. Because we firmly believe that if people grow, then the Group grows.
Employees have an individual development plan through which, on the basis of learning and teaching, and following the 'CAS' skills appraisal, they receive continuous training and advice to improve their skills (including teamwork and leadership) and competences (personal, management and technical)

ENGAGE (PDIS)

In order to offer our team the very best preparation, the group has implemented its **Professional Development Integration System** (PDIS), a tool intended to administer individual talent.
Continuous bottom-up feedback is used to manage performance so as to evaluate and develop the necessary skills. Each person is in charge of their own professional development.
In order to become our best selves, goals are set, performance is appraised with regard to these goals, and the team review result is presented to ascertain our greatest strengths and areas open to improvement. At the same time, everyone can share their professional aspirations with their superiors and receive advice as to how to achieve them. These occupational aspirations will also serve better to address talent and succession needs at the company.
The PDIS also includes management systems for performance, professional careers, talent, succession plans and goals.

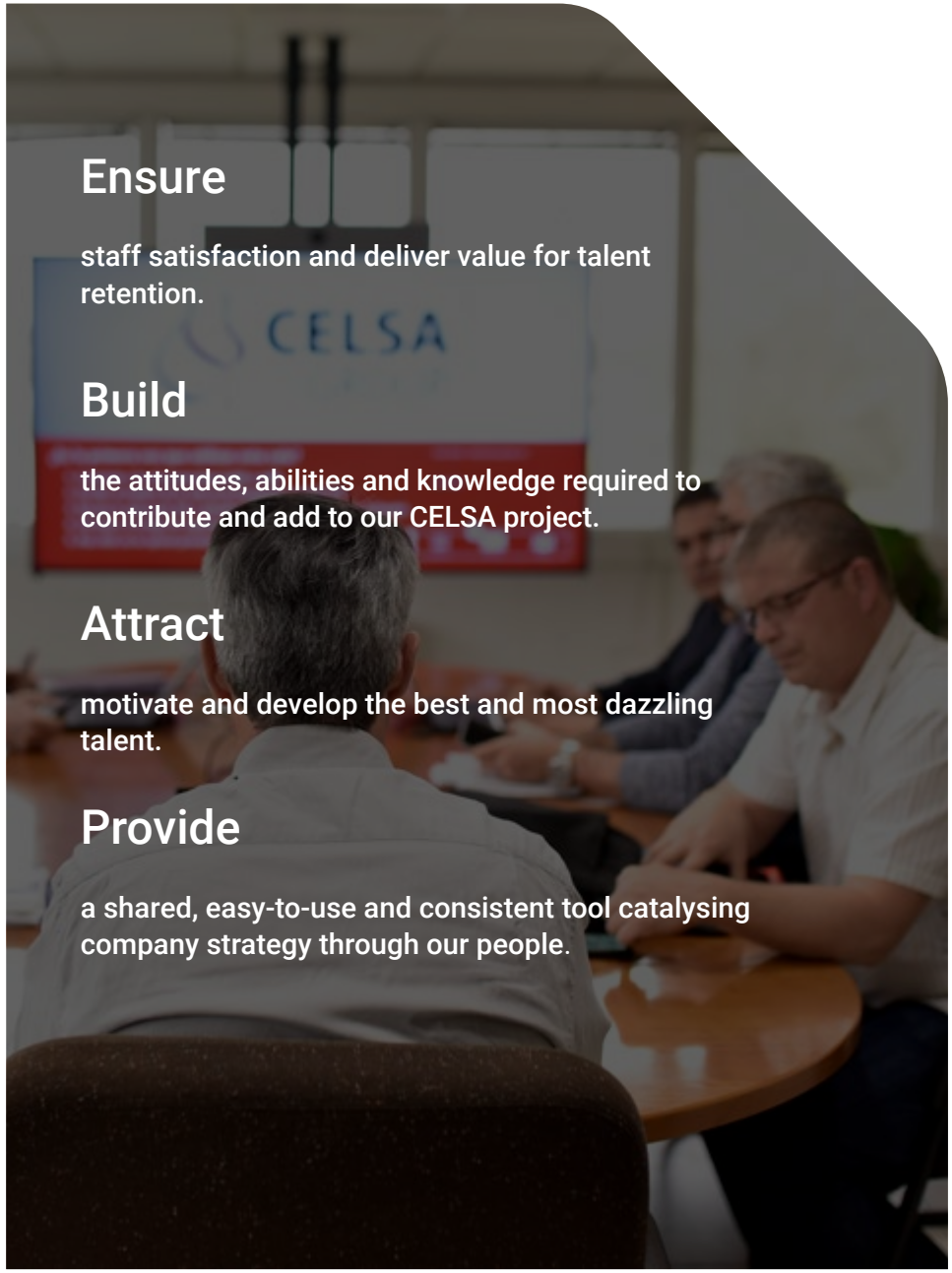
Our commitment to talent and professionalism involves ensuring **levels of pay** in line with the importance of the jobs performed by our staff, and their levels of engagement and training. To this end, we employ objective **job assessment and description** systems in accordance with such leading international standards as the Korn Ferry Hay Method.

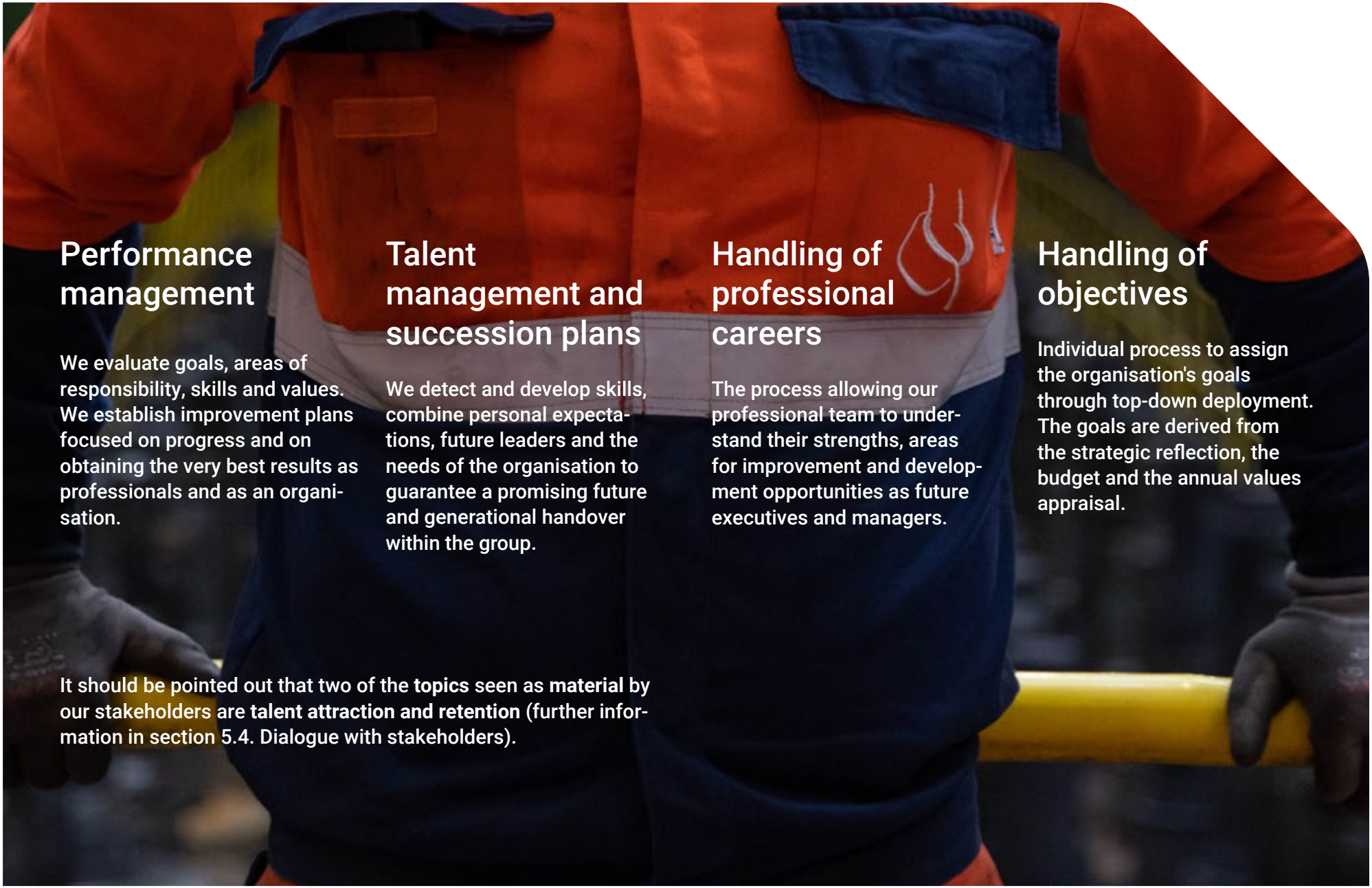
Our **recruitment and selection** process (RSIS) also uses this classification system to pre-select internal and external candidates, thereby guaranteeing equal opportunities and non-discrimination. Each year, the salary terms of our staff are revised in accordance with the terms agreed with employee representatives and within the context of the objective performance assessment.

We make particular efforts to maintain our remuneration and pay equality policies. To this end we have our **Appointments and Remunerations Committee** in place, guaranteeing that the whole system functions properly, and is reviewed and updated periodically.

Meanwhile, in order to provide our team with the very best training, we have implemented our CELSA **Professional Development Integration System** (PDIS), a tool intended to manage individual talent. We use the PDIS to identify qualities and plan the career best suited to each profile. This system has been developed at all business units with the following aims:

In 2023 the CELSA Board of Directors approved the new Talent Management Policy





Performance management

We evaluate goals, areas of responsibility, skills and values. We establish improvement plans focused on progress and on obtaining the very best results as professionals and as an organisation.

Talent management and succession plans

We detect and develop skills, combine personal expectations, future leaders and the needs of the organisation to guarantee a promising future and generational handover within the group.

Handling of professional careers

The process allowing our professional team to understand their strengths, areas for improvement and development opportunities as future executives and managers.

Handling of objectives

Individual process to assign the organisation's goals through top-down deployment. The goals are derived from the strategic reflection, the budget and the annual values appraisal.

It should be pointed out that two of the **topics** seen as **material** by our stakeholders are **talent attraction and retention** (further information in section 5.4. Dialogue with stakeholders).

Jobs filled internally at the group, as at 31/12/2023

2022 2023

T: total | D: directors and team managers | TA: qualified technical and administrative staff | OA: operational and administrative staff

T: 535 D: 58 TA: 124 OA: 353

T: 404 D: 32 TA: 100 OA: 272

Number of jobs filled internally by professional category and business unit

2023

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support
Directors	2	0	3	0	1	0	4
Team managers	2	3	9	0	2	0	6
Technical and qualified administrative staff	35	1	31	2	12	0	19
Operational and administrative staff	109	25	109	3	24	0	2

Jobs filled internally at the group, expressed as a percentage (31/12/2023)

2022 2023

T: total | D: directors and team managers | TA: qualified technical and administrative staff | OA: operational and administrative staff

T: 32.44% D: 65.17% TA: 40.39% OA: 28.17%

T: 34.92% D: 76.92% (directors) and 48.89% (team managers) TA: 41.67% OA: 31.66%

Jobs filled internally, expressed as a percentage, by professional category and business unit

2023

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support
Directors	50.00%	0.00%	100.00%	0.00%	100.00%	0.00%	80.00%
Team managers	28.57%	50.00%	60.00%	0.00%	100.00%	0.00%	100.00%
Technical and qualified administrative staff	53.03%	16.67%	46.27%	7.41%	42.86%	0.00%	46.34%
Operational and administrative staff	62.29%	27.78%	25.71%	4.35%	41.38%	0.00%	14.29%
Total	**58.73%**	**28.43%**	**29.86%**	**4.85%**	**43.82%**	**0.00%**	**46.97%**

% Jobs filled internally = Number of jobs filled internally / (Number of jobs filled internally + Staff recruitments).

T: total | W: women | M: qualified technical and administrative staff | OA: operational and administrative staff

Group staff with development plans by professional category

2022 2023

T: total | W: women | M: men

Directors and team managers

T: 529 W: 113 M: 416

T directors 143 W: 19 M: 124 **T team managers: 416** W: 308 M: 108

Technical and qualified administrative staff

T: 911 W: 273 M: 638

T: 903 W: 259 M: 644

Operational and administrative staff

T: 601 W: 114 M: 487

T: 1,257 W: 144 M: 1,113

Professionals with development plans by business unit

M: women | M: men

2023

Occupational Group	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland			Celsa Global Circularity			Celsa Global Support		
	W	**M**	**T**	**W**	**M**	**T**	**W**	**M**	**T**	**W**	**M**	**T**	**W**	**M**	**T**	**W**	**M**	**T**	**W**	**M**	**T**
Functional and managing directors	4	21	**25**	0	7	**7**	2	18	**20**	1	17	**18**	2	17	**19**	0	11	**11**	10	33	**43**
Team managers	29	112	**141**	3	15	**18**	14	65	**79**	7	18	**25**	5	35	**40**	2	17	**19**	48	46	**94**
Technical and qualified administrative staff	80	350	**430**	9	18	**27**	32	143	**175**	1	3	**4**	10	14	**24**	14	39	**53**	113	77	**190**
Operational and administrative staff	61	1,022	**1,083**	1	7	**8**	16	53	**69**	0	1	**1**	1	8	**9**	7	7	**14**	58	15	**73**
TOTAL	**174**	**1,505**	**1,679**	**13**	**47**	**60**	**64**	**279**	**343**	**9**	**39**	**48**	**18**	**74**	**92**	**23**	**74**	**97**	**229**	**229**	**400**

Good talent attraction and retention practices on the part of subsidiaries

8 DECENT WORK AND ECONOMIC GROWTH

CELSA

The third **Welcome Day** was held at head office in Castellbisbal (Barcelona). A number of company staff members set out a presentation about CELSA and its values for those joining the company.

CELSA SPAIN CELSA NERVACERO

- The **Erronka** Industry project, organised by the FVEM (Metal Company Federation of Biscay), allowed us to present our processes, products and jobs to young students, with the aim of stimulating an interest in technological careers, via both vocational education and university degree programmes, as well as encouraging women to choose a STEM career.
- Presentation of **Room4Steel Company** Classroom projects at the UPV/EHU School of Engineering. At Nervacero we offer students four projects to undertake their Degree Dissertation or Master's Dissertation projects, attending training sessions and visiting plants in the steel sector.
- **Room4Steel Award** given to the best final dissertation at the UPV/EHU related to the steel sector, in partnership with SIDEREX - Cluster Association of the Steel Industry. The award-winning student received a cheque for 1,500 euros.

CELSA SPAIN CELSA GLOBAL STEELWIRE

- We take part at job fairs (GSSP).
- We take part at Start Innova with high schools to encourage entrepreneurship (Trefilerías Quijano).

CELSA STEEL UK

- We aim to bring in 22 apprentices.
- We develop relationships with universities for up-and-coming talent.
- We improve internal communications through Workzone.
- We improve the onboarding process for new employees.
- We incorporate the Investors in People Gold standard.

CELSA NORDIC

- Interaction with the internal talent integration and planning – career planning system.
- Internal recruitment process.

CELSA HUTA OSTROWIEC

- This fosters the growth of internal talent and strengthens internal promotion through the organisation of certified, specialist skills among our professional staff. Measures are adopted in the following fields to attract talent: student internships, apprenticeships and the Elektrostart programme focused on young electricians and professionals.

Training

At CELSA we are committed to the development of our people, and so offer them the **training required** for their personal and professional growth and development.

We believe that a well-skilled team provides us with the surest guarantees in addressing any challenge or demand. We therefore have personal development plans in place, which aim to serve as a launchpad for many **professional careers**, both nationally and internationally.

Our entire professional team has access to an individual **development plan**, employing a **skills assessment** process to provide them with a continuous training and advice to enhance their abilities (including teamwork and leadership), as well as their personal, technical and management skills. During 2023, **new learning and development programmes** were in fact set up in response to specific needs, including self-development, since the aim is for each individual to lead their own professional growth.

We have in particular launched a **specific sustainability training programme** for our commercial and marketing team, in order to provide them with knowledge and skills in this sphere. Along similar lines, the technical sustainability skills required of professionals were identified, grouped into four thematic categories: corporate sustainability, environment, social and governance.

We have also launched our **Diversity, Equality and Inclusion (DEI) training programme** to raise awareness as to the added value offered by diversity, to underpin teamwork, minimise unconscious bias and encourage the use of inclusive language of the organisation. This programme comprises three modules: basic diversity concepts, inclusive leadership, and inclusive selection processes.

We have also begun work on a **cybersecurity programme** to prevent **cyberattacks and fraud** online, which could seriously harm the private data of our professionals, as well as company interests.

Meanwhile, in 2023 we provided our staff in Spain with access to our CEOE '**Working Digitally**' courses, and continue to work with **LinkedIn Learning**, a tool containing 20,000 virtual training modules across a range of topics, delivered by experts in their field.

Significant improvements have also been identified in the courses on offer via **SteelUniversity (WorldSteel)**, which has implemented a visual and interactive **digital platform** providing professionals with an enhanced experience, allowing them to search for training content addressing a range of topics connected with the steel industry.

In 2023 we set up a number of training programmes covering such topics as sustainability, cybersecurity, diversity, equality and inclusion

Hours of training, professionals trained and average hours of training by professional category at the group

2022 2023

HT: hours of training | PT: professionals trained | AHT: average hours of training

Functional and general managers and team managers

HT: 12,065 PT: 613 AHT: 19.68

HT: 29,122 PT: 599 AHT: 48.62

Technical and qualified administrative staff

HT: 32,992 PT: 1,238 AHT: 26.65

HT: 78,768 PT: 1,511 AHT: 52.13

Operational and administrative staff

HT: 97,131 PT: 3,321 AHT: 29.25

HT: 215,401 PT: 4,622 AHT: 46.60

Total staff

HT: 142,188 PT: 5,172 AHT: 27.49

HT: 323,291 PT: 6,732 AHT: 48.02

In 2023, the hours spent on training increased by 127% compared with 2022, up to a total of 323,291, while the number of professionals trained increased by 30%, to 6,732 people.

Average hours of training per employee and by business unit

	2023						
Professional category	**Celsa Spain**	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**
Functional and managing directors	41.52	36.00	49.41	21.50	32.27	19.27	27.42
Team managers	77.74	46.35	48.18	18.41	32.40	37.75	51.18
Technical and qualified administrative staff	73.17	35.65	48.79	7.94	22.99	66.25	68.63
Operational and administrative staff	46.83	31.43	89.37	11.47	15.99	47.56	43.70
Total	**53,45**	**32,75**	**77,17**	**11,30**	**18,82**	**49,45**	**55,23**

Hours of training by business unit

	2023						
Occupational Group	**Celsa Spain**	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**
Functional and managing directors	1,038	180	840	301	484	212	1,234
Team managers	11,817	927	3,806	847	1,717	755	4,964
Technical and qualified administrative staff	38,855	1,818	13,075	1,238	5,402	4,174	14,206
Operational and administrative staff	97,960	10,372	75,960	3,647	10,763	12,414	4,283
Total	**149,670**	**13,298**	**93,683**	**6,033**	**18,366**	**17,555**	**24,686**

Number of employees trained, by business unit

	2023						
Professional category	**Celsa Spain**	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**
Functional and managing directors	25	5	17	14	15	11	45
Team managers	152	20	79	46	53	20	97
Technical and qualified administrative staff	531	51	268	156	235	63	207
Operational and administrative staff	2,092	330	850	318	673	261	98
Total	**2,800**	**406**	**1,214**	**534**	**976**	**355**	**447**

Hours of training by gender at the group

2022 2023

T: total | W: women | M: men

T: 142,189 W: 13,119 M: 129,070

T: 323,291 W: 42,140 M: 281,151

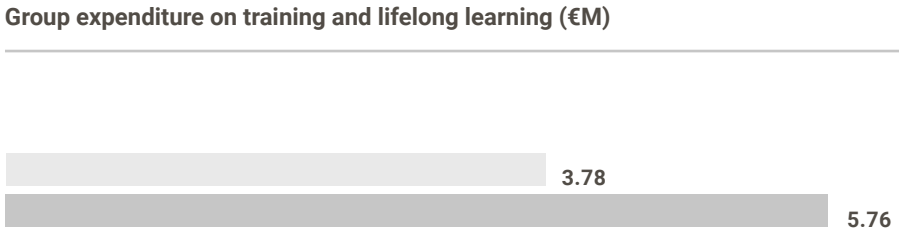
Hours of training, people trained and average hours of training, by gender and by business unit

M: women | M: men

2023

Professional category	Celsa Spain			Celsa France			Celsa UK			Celsa Nordic			Celsa Poland			Celsa Global Circularity			Celsa Global Support		
	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T
Training hours	18,192	131,478	**149,670**	1,057	12,241	**13,298**	5,328	88,354	**93,683**	820	5,213	**6,033**	2,211	16,155	**18,366**	1,982	15,573	**17,555**	12,549	12,137	**24,686**
People trained	247	2,553	**2,800**	40	366	**406**	175	1,039	**1,214**	79	455	**534**	95	881	**976**	75	280	**355**	255	192	**447**
Average hours of training	73.65	51.50	**53.45**	26.43	33.45	**32.75**	30.45	85.04	**77.17**	10.38	11.46	**11.30**	23.27	18.34	**18.82**	26.43	55.62	**49.45**	49.21	63.21	**55.23**

Group expenditure on training and lifelong learning (€M)



*Training expenditure has increased by 52% due to increased centralisation of information and continuity of training provided

Expenditure on training and lifelong learning by business unit

	2023						
	Celsa Spain	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**
Millions of euros (€M)	1.88	0.30	1.23	0.56	0.56	0.20	1.03

Diversity, equality and inclusion

At CELSA we respect the **principle of non-discrimination** on the basis of gender, race, age, ideology, nationality, religion, sexual orientation or any other condition, both from the perspective of access and recruitment to the organisation, and from the perspective of equal opportunities. This is set out in our Code of Ethics and Professional Conduct and in our **Diversity, Equality and Inclusion Policy,** approved by the Board of Directors in 2023.

We belong to a traditionally male-dominated sector. Nonetheless, considerable efforts have been made over recent years to redress this trend. The Social Impact Plan has set the ***Women* 30/30** target, which involves achieving **30% female representation by 2030***. To this end we focus on **attracting female talent**, raising the profile of the women on our team, and increasing their presence in strategic and managerial functions/positions.

*Target subject to review.

The following initiatives are currently being undertaken in this regard:

- Since 2020, the group has been contributing to the ***Empowering Women's Talent*** **and** ***Diversity Leading Company*** programmes of Equipos&Talento, to promote the development of female talent at companies. We also take part each year at *STEM Women Congress* in Barcelona to encourage women to take up careers in STEM (Science, Technology, Engineering and Mathematics).

- To mark International Women's Day, held on 8 March 2023, and as part of the ***#WomenofSteel*** campaign, we organised a series of focus groups with women from different business units and the company's senior management, with the aim of opening up channels of dialogue to increase and enhance the role of women at our group. These gatherings gave rise to action plans and proposals in different spheres, such as attracting and developing female talent, adapting facilities and resources for women, as well as other aspects. One of the most notable actions was the creation of an **inclusive language guide** to be used in our different forms of communication, above all internally.

- We have developed specific training to cover diversity, equality and inclusion so as to raise awareness of the value offered by diversity, and to detect unconscious bias which often arises within the occupational environment, and prevents progress towards full equality.

We likewise have a whistleblowing channel and specific protocols to take action to address **sexual harassment**. Over the period 2020-2023 no complaints or claims concerning this matter were received.

Susana Ocio
Human Resources (HR) Manager
of Global Steel Wire

We are working to significantly increase the presence ofwomen by 2030

We encourage the pursuit of gender equality at our plants, as one of our key ESG targets. As exemplified by plants such as Celsa France, which over the last two years has seen an increase in the number of female staff recruited to the rolling line, the scrap yard and at the Quality Control Department. Although the steel industry still has a long way to go, there can be no doubt that this has proved a highly successful step.

Number of staff members with disability at the group

2022 2023

Celsa UK is not legally obliged to record this type of information, and so there is no figure for the number of people with disability at this business unit.

Number of staff members with disability by business unit

2023						
Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	Celsa Global Support
50	4	N/A	0	21	7	1

In 2023 we approved the new Diversity, equality and inclusion policy

Good equality and diversity practices on the part of subsidiaries

5 GENDER EQUALITY

CELSA

- Eighth edition of the **Celsa Talks** in partnership with the **ADECCO Foundation**, a non-profit organisation which helps people who face difficulties in accessing the job market. To mark International Women's Day (8 March), we organised a talk with Carmen Giménez, a Paralympic athlete and ambassador of the Adecco Foundation.

CELSA BARCELONA

- Annual participation at the **STEM Women Congress** in Barcelona to encourage STEM (Science, Technology, Engineering and Mathematics) careers among women.
- Inclusive volunteering and presentation of values for the Sant Jordi celebration in Catalonia. The activity was undertaken at the **ADECCO Foundation**.

CELSA NERVACERO

- Involvement in the Erronka Industry project, presenting our processes, products and jobs to young students, with the aim of arousing an interest in technological careers, via both vocational training and university studies, as well as encouraging more women to choose a STEM career.

CELSA STEEL UK

- Support for the recruitment of foreign female candidates in the United Kingdom.
- Decoding gender bias in recruitment.
- Attracting female talent.
- Management coaching and training.

CELSA NORDIC

- Mixed workforce in terms of ethnic diversity.
- Increase in the focus on female professionals at all levels of the company (at CSS Swe, 22% of white-collar employees are women).

- Mo i Rana launched *'Besity* - beyond diversity', a local initiative to promote greater diversity.

CELSA HUTA OSTROWIEC

- Application of the CELSA Diversity and Equality Policy and of the Code of Ethics so as successfully to increase female employment and internal promotion.

- Celebration of Women's Day

Work-life balance

At CELSA we promote work-life balance for all our staff, strengthening policies to facilitate greater compatibility between the family and occupational responsibilities of our staff.

We in fact have our own **Work-Life Balance and Digital Disconnection Policy**. Efforts will continue in 2023 to draw up a digital disconnection protocol. As for measures to encourage **joint responsibility in caring for young children** on the part of both parents, we implement the provisions set out in the different **collective bargaining agreements** in force at the different business units, furthermore enhancing the provisions with regard to **paid leave**, to go beyond the requirements established in the Workers' Statute.

In addition, the group also has a **remote working policy and standard** for certain functions, with the aim of facilitating work-life balance, while also guaranteeing application of the right acknowledged in Article 34.8 of the Workers' Statute.

Meanwhile, efforts will continue in 2024 to draw up the **Digital Disconnection Protocol**. It should be borne in mind that the great majority of staff at the group work at production sites where work is shift-based, which inevitably has a significant impact in facilitating digital disconnection.

The most notable work-life balance measures and social benefit initiatives include company open days for families, the programme of educational grants for employees' children, and inclusion of the sphere of work-life balance within the equality plans.

Number of staff at the group taking advantage of work-life balance measures

	2023							
	Celsa Spain	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**	**Celsa Global Support**	**CELSA**
Remote working	71	0	0	66	0	0	394	**531**
Reduced working hours	23	1	30	24	2	2	40	**122**
Flexible working hours	260	47	0	231	0	0	415	**953**
Parental leave	105	16	37	75	38	14	13	**298**

Fulfilment of human rights

At CELSA we respect, promote and demand respect for internationally recognised human rights, in accordance with our **Human Rights Policy**, which was updated in 2023, and our Code of Ethics and Conduct. This policy sets out our commitment to the main international and European rights standards:

In 2023 we updated our Human Rights Policy

1. **International Charter of Human Rights of the United Nations** (UN), comprising the Universal Declaration of Human Rights (UN, 1948), the International Covenant on Economic, Social and Cultural Rights (UN, 1966) and the International Covenant of Civil and Political Rights (UN, 1966).

2. **European Convention on Human Rights.**

3. United Nations Convention on **Rights of the Child**.

4. 1926 International Convention on **Slavery**, its mechanisms and protocols.

5. Convention on the **Rights of Persons with Disabilities** (UN, 2006).

6. **European Union Charter of Fundamental Rights** (2000).

7. Resolution 48/13, of 8 October 2021, of the Human Rights Council of the United Nations, acknowledging the human right to a clean, healthy and sustainable environment.

8. National constitutions and laws that acknowledge or apply human rights.

9. Social **Accountability SA 8000 Standard.**

Pedro Oteo
Legal Advisor of CELSA

We are aligned with the Global Compact

We have non-discrimination policies, equality plans and salary audits systems in place. CELSA companies have likewise signed up to international instruments regarding social, environmental, human rights and sustainability responsibilities, in particular the 10 Principles of the Global Compact, as essential values derived from the various UN declarations regarding human rights, employment standards, environment and anti-corruption, complying with the resultant requirements.

With regard to the elimination of **forced or compulsory labour** and the abolition of **child labour**, CELSA mainly operates in countries that have ratified the main human rights conventions of the International Labour Organization (ILO). Given the low risk in such countries, no due diligence processes have to date been implemented with regard to human rights, nor any other supplementary measures. However, given the imminent approval of a European Directive in this regard, the organisation is analysing new procedures in order to align itself with these provisions.

The main CELSA companies subscribe to such international certification instruments as **Sostenibilidad Siderúrgica** and **SustSteel**, with regard to social, environmental, human rights and sustainability responsibilities.

During 2023, CELSA received no human rights complaint via the compliance channels and function. Similarly, no internal discrimination complaints were received.

In 2023 there were 0 cases of sexual harassment at CELSA

CELSA human policy principles

- Respect for **personal freedom and dignity**, and the principle of non-discrimination on the basis of race, gender, ideology, nationality, religion, sexual orientation, age or any other condition.
- Respect for the applicable national or international regulations, and the **Guiding Principles of the United Nations on Business and Human Rights**.
- Rejection of **forced or child labour**, physical or psychological **harassment** or bullying, or any other conduct in breach of the rights of individuals.
- Guaranteed **decent pay** in accordance with the provisions established by law or **collective bargaining**, as applicable in each territory.
- Promotion of **training and awareness-raising** initiatives among our stakeholders with regard to human rights.
- Incentives for supplier companies to give a commitment to comply with this policy.
- **Assessment of risks** and impacts in the sphere of human rights, preventing, mitigating and, where necessary, redressing any negative consequences that may have been caused.

In 2023 there were zero cases of breaches of human rights at CELSA

Belief in ecological transition

Sound environmental performance is important not only for the environment itself, but also for the long-term viability and reputation of companies, in a world which is increasingly sensitive towards environmental matters.

07

At CELSA we foster environmental excellence in the activities we undertake. Our commitment is structured by means of the following operational strands:

- **Promote initiatives to improve the environment**, continuously enhance environmental performance and prevent pollution in the sphere of recycling, energy savings and reduced consumption, emissions, noise and waste. Promotion of these initiatives is intended to obtain levels of performance equivalent to the application of the best available techniques affordable for the company.

- Comply with **legal obligations, commitments** and voluntary agreements to which we have subscribed, and take into account future regulatory changes.

- Have in place a proven and certified **environmental management system** in line with nature of operations.It is the mandatory responsibility of the entire organisation, and any individuals or companies acting in the name of CELSA, to comply with the provisions of the environmental management system so as to ensure care and respect for the environment.

- **Report and act transparently** towards public authorities. Consider the needs and expectations of stakeholders.

- Integrate management in daily operations and provide **information, training and resources** to continuously improve environmental conditions and performance.

- Determine **risks and opportunities** to prevent or reduce undesired effects on the environment, considering both company processes and the surrounding context.

- Promote a **participatory attitude** in environmental management at all levels of the organisation.

- Select and evaluate **subcontractor and supplier companies,** taking into account environmental protection criteria. Promote environmentally responsible actions.

- Consider stakeholder needs and expectations. Sign up to **voluntary commitments and agreements with those communities** closest to our projects in terms of environmental improvement and environmental outreach and training on the part of the CELSA team and local residents.

- Apply **continuous improvement in all processes** and develop and invest in new technologies serving to prevent and minimise atmospheric emissions, waste generation and inefficient use of resources. Consider the product life-cycle to determine environmental aspects and impacts.

- **Promote recovery, recycling and reuse** of products, and work with client companies to raise awareness of the steel life-cycle. Participate in initiatives promoting the use of environmentally responsible products.

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

In 2023 we approved the Climate Action Policy, and the Environment and Resource Management Policy

Environmental certifications and accreditations

The integration of environmental aspects within our decision-making can clearly be seen in the numerous environmental certifications that we hold.
This is the case with **ISO 14001** for Environmental Management Systems, in place at all the CELSA main companies. We likewise hold **UNE ISO 36901** certification for Iron and Steel Sustainability Management Systems, **ISO 50001** for Energy Management Systems, and **EMAS** (Eco-Management and Audit Scheme) and **BES 600**1 (BRE Environment and Sustainability Standard) at some of our main companies.

Environmental certifications and accreditations of the group's main companies

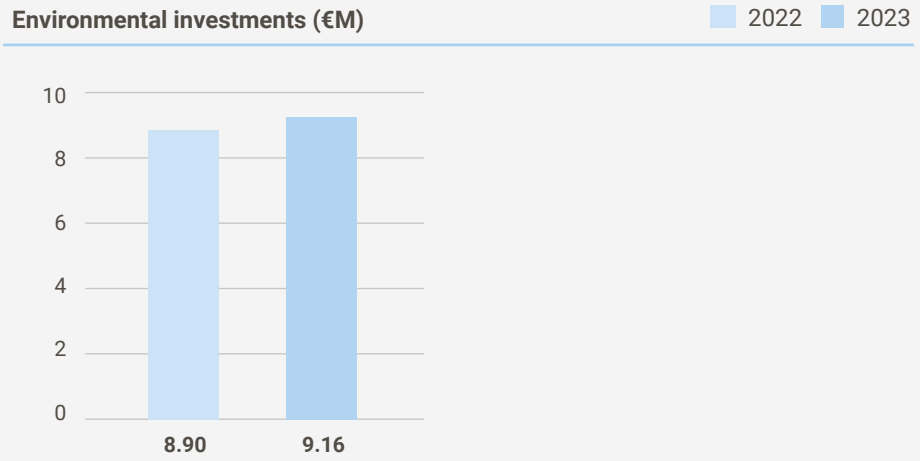
	CELSA BARCELONA	CELSA NERVACERO	CELSA GLOBAL STEELWIRE	CELSA FRANCE	CELSA ATLANTIC	CELSA STEEL UK	CELSA NORDIC	CELSA HUTA OSTROWIEC
ISO 14001: Environmental Management Systems	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNE 36901: Iron and Steel Sustainability Management Systems	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A
ISO 50001: Energy Management Systems	Yes	Yes	Yes	Yes	Yes	No	Yes	In progress
EMAS: Eco-Management and Audit Scheme	Yes	No	Yes	No	No	N/A	No	No
BES 6001: Environment and Sustainability Standard (BRE)	Yes	No	No	No	No	Yes	No	No
SustSteel	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes

Accreditations and certifications of the CELSA divisions in the sphere of sustainability.

Economic resources allocated to the environment

Minimisation of environmental impacts by a company requires substantial human and also economic efforts. During 2023, CELSA thus made a number of investments in the environmental sphere.

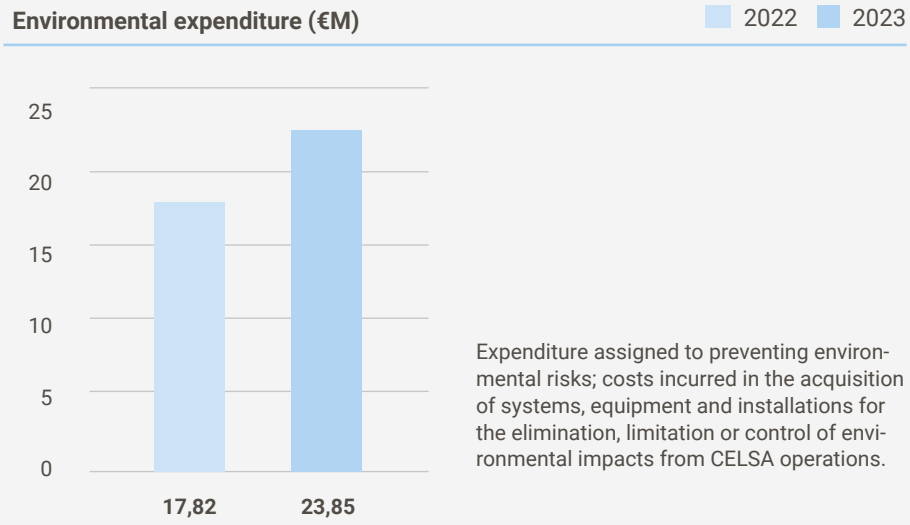
Environmental investments (€M)



Celsa Spain	Celsa France	CELSA UK	CELSA Nordic	CELSA Poland	Celsa Global Circularity
4.80	0	1.67	0.99	1.45	0.19

Investments assigned to environmental risk prevention; costs incurred in the acquisition of systems, equipment and installations for the elimination, limitation or control of environmental impacts from operations. Data not available for Celsa Global Support.

Environmental expenditure (€M)



Expenditure assigned to preventing environmental risks; costs incurred in the acquisition of systems, equipment and installations for the elimination, limitation or control of environmental impacts from CELSA operations.

Celsa Spain	Celsa France	CELSA UK	CELSA Nordic	CELSA Poland	Celsa Global Circularity	Celsa Global Support
13.82	4.59	0.82	3.78	0.22	0.48	0.14

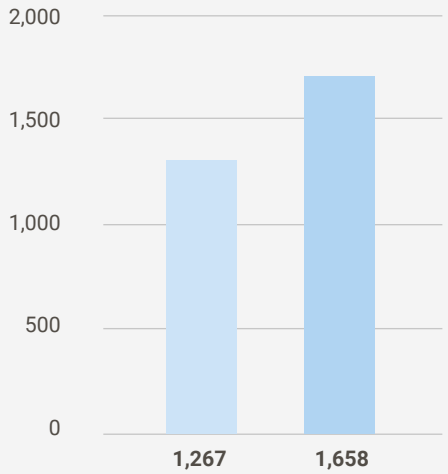
Expenditure assigned to preventing environmental risks.

CELSA has financial guarantees in place with regard to waste management and exports and the environmental responsibility law.

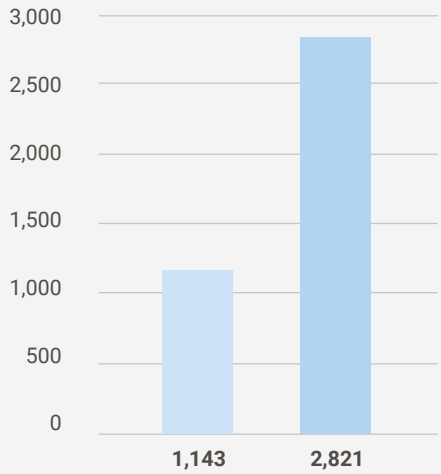
Financial environmental guarantees (€k)

2022 2023

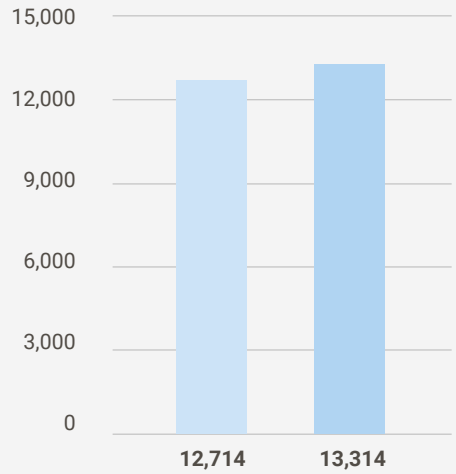
Financial guarantee connected with waste management



Financial guarantee connected with waste exports*



Financial guarantee connected with Environmental Responsibility Law



*A significant increase is apparent in the financial guarantee connected with waste exports compared with 2022, mainly as a result of the creation of a new financial guarantee connected with waste exports from the business units Celsa Nordic in Celsa UK.

Financial environmental guarantees by business unit (€k)

	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	CELSA Poland	Celsa Global Circularity
Financial guarantee connected with waste management	656	15	0	0	153	834
Financial guarantee connected with waste exports	869	259	1,171	480	42	0
Financial guarantee connected with Environmental Responsibility Law	1,160	154	0	0	0	12,000

Aligning ourselves with the EU Taxonomy

The **European Taxonomy** (Regulation (EU) 2020/852) is a classification system using standard terminology for investors and companies, with a clear definition of what is and is not considered sustainable. The aim is to help investors understand if an economic activity is environmentally sustainable, and under what circumstances, so as to drive investment towards more sustainable technologies and companies.

Under this classification, activities are considered environmentally sustainable if they contribute to at least one of the six environmental objectives:

- Climate change mitigation.
- Adaptation to climate change.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy.
- Pollution prevention and control.
- Protection and restoration of biodiversity and ecosystems.

Although CELSA is not obliged to comply with the EU Taxonomy Regulation until 2025, in 2022 we undertook this Taxonomy exercise at the company Barna Steel S.A. (Spain and France). The plan for 2024 is to begin planning tasks so as to report all the group's business units in 2025.

The analysis undertaken identifies the following activities as eligible:

- 3.9. Iron and steel manufacturing
- 5.5. Collection and transportation of non-hazardous waste in separate streams
- 5.9. Recovery of non-hazardous waste materials
- 6.6. Goods transport services by road

A summary is set out below of the eligibility results for CELSA activities, in accordance with the European Taxonomy:

Turnover	**Volume in 2022 (€)**	**Proportion of the 2022 volume (%)**
Activities eligible under the taxonomy	3,480,230.46	99.50%
Activities not eligible under the taxonomy	17,613.07	0.50%
CapEx	**Absolute CapEx (2022 (€)**	**Proportion of CapEx in 2022 (%)**
Activities eligible under the taxonomy	105,478.90	89.93%
Activities not eligible under the taxonomy	11,815.78	10.07%
OpEx	**Absolute OpEx (2022 (€)**	**Proportion of OpEx in 2022 (%)**
Activities eligible under the taxonomy	75,132.78	87.04%
Activities not eligible under the taxonomy	11,183.69	12.96%

Leaders in circularity and recycling

CELSA is Europe's biggest producer of low-emissions recycled steel **97.4%** of our end product comprises **recycled steel**, **100%** of the **steel** in the products we manufacture are **recyclable**, while **recovered waste** amounts to **94.14%** at the steel division. This prevents waste and building up in landfill sites, while generating new steel products of considerable value for society, without the need to deplete natural resources.

We thus offer a response to one of the demands of our stakeholders, who see resource consumption and responsible use of materials as a material topic (further information in section 5.4. Dialogue with stakeholders).

Thanks to our circular model, we produce **5.61 million tonnes** of steel, avoiding the extraction of more than **11 million m³ of natural resources,** an amount equivalent to the volume taken up by practically 11 Empire State Buildings.

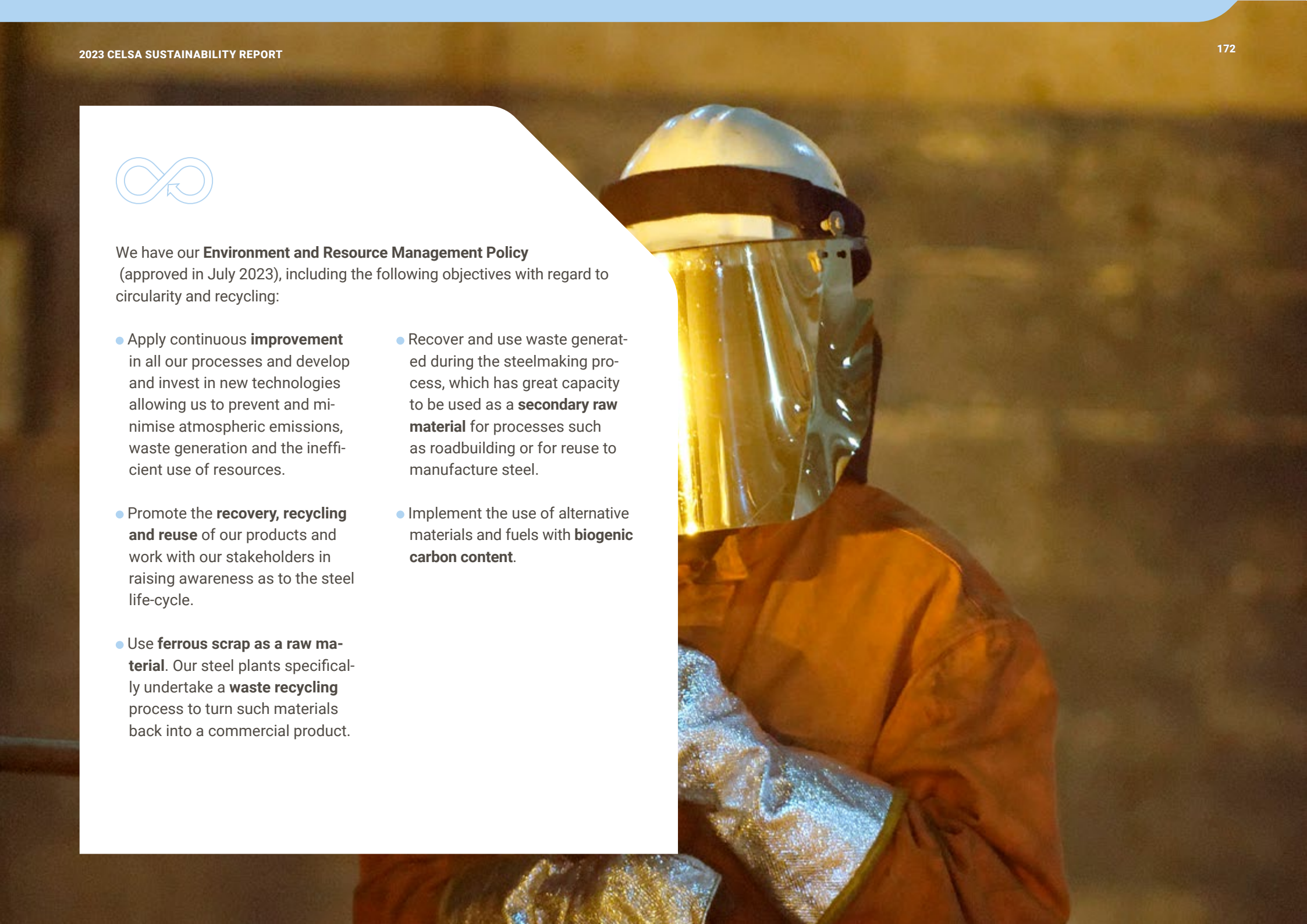
Our organisation is firmly committed to the recovery and reuse of waste generated during the steelmaking process. These materials have great capacity to be used as secondary raw materials in processes such as roadbuilding or for reuse within the steel production process itself.

Esther Ventura
Head of Sustainability at Ferimet

“

We aim for maximum waste recyclability

At Ferimet we aim for maximum recyclability of the waste arriving on our premises, exploring new ways of reusing materials and improving company processes, to prevent any waste that could be reused from ending up at a landfill site. We also work together with other companies on closed-loop projects intended to preserve resources and eliminate waste throughout the value chain.



We have our **Environment and Resource Management Policy** (approved in July 2023), including the following objectives with regard to circularity and recycling:

- Apply continuous **improvement** in all our processes and develop and invest in new technologies allowing us to prevent and minimise atmospheric emissions, waste generation and the inefficient use of resources.
- Promote the **recovery, recycling and reuse** of our products and work with our stakeholders in raising awareness as to the steel life-cycle.
- Use **ferrous scrap as a raw material**. Our steel plants specifically undertake a **waste recycling** process to turn such materials back into a commercial product.
- Recover and use waste generated during the steelmaking process, which has great capacity to be used as a **secondary raw material** for processes such as roadbuilding or for reuse to manufacture steel.
- Implement the use of alternative materials and fuels with **biogenic carbon content**.

This policy reflects the company's purpose: "We give infinite lives to finite resources", and includes a series of general principles associated with circularity and recycling:

- Integrate **the preservation of resources** and natural capital as a key element in CELSA decision-making, in the corporate strategy and in the pursuit of our activities, setting targets to guarantee responsible management by our organisation.
- Undertake our operations in accordance with an environmentally friendly production system, following a **circular economy** model which respects the legal obligations and voluntary agreements and commitments signed up to by CELSA regarding environmental matters.
- Make effective and responsible use of **natural resources,** including water and energy, prioritising reduced consumption and the use of **renewable or recycled resources**, wherever possible.
- Consider and evaluate negative impacts from our activity, establishing indicators, targets and processes serving to monitor and continuously evaluate the management of natural capital within our surrounding context, along with the periodic review of environmental goals and targets.
- Minimise and promote the offsetting of impacts from our activity on the environment and biodiversity in those areas where we undertake our business, both our own equipment and facilities and the products we manufacture, through the use of the best available technologies affordable for the company.
- Apply continuous improvement in all processes and develop and invest in new technologies serving to prevent and minimise atmospheric emissions, waste generation and inefficient use of resources. Consider the product life cycle to determine environmental aspects and impacts.
- Promote innovation, efficiency and continuous improvement in all our processes and activities and the development of new products, services and solutions in the sphere of steel, helping to generate economic value, sustainable development and the efficient use of our natural capital, all from a **life-cycle analysis** perspective.
- **Improve the management of the waste generated**, by applying appropriate measures for reduction, recovery and recycling, ensuring the proper disposal of non-recoverable waste.

Our circularity, in figures

Steel recycling processes

86.78%
of recycled material content used in the steel manufacturing process

97.37%
of **recycled material** in the composition of the **steel produced**

100%
of **steel** in our products is **recyclable**

11.12 Mm^3
of natural resources avoided, equivalent to the volume of nearly **11** Empire State Buildings

Recovery of generated waste

28.27%
of **waste recovered** at the scrap division

94.14%
of **waste recovered** at the steel division

86.83%
waste recovered in total

Recycling and recovery

At CELSA we are firmly committed to the **recovery** and use of the waste generated during the steelmaking process to promote the **circular economy**.
Recycling and recovery, including reuse, are waste treatment processes allowing us to ensure that such materials are used to replace others as energy or raw materials in other processes, thus representing a cornerstone of our operations.

Recycling of material

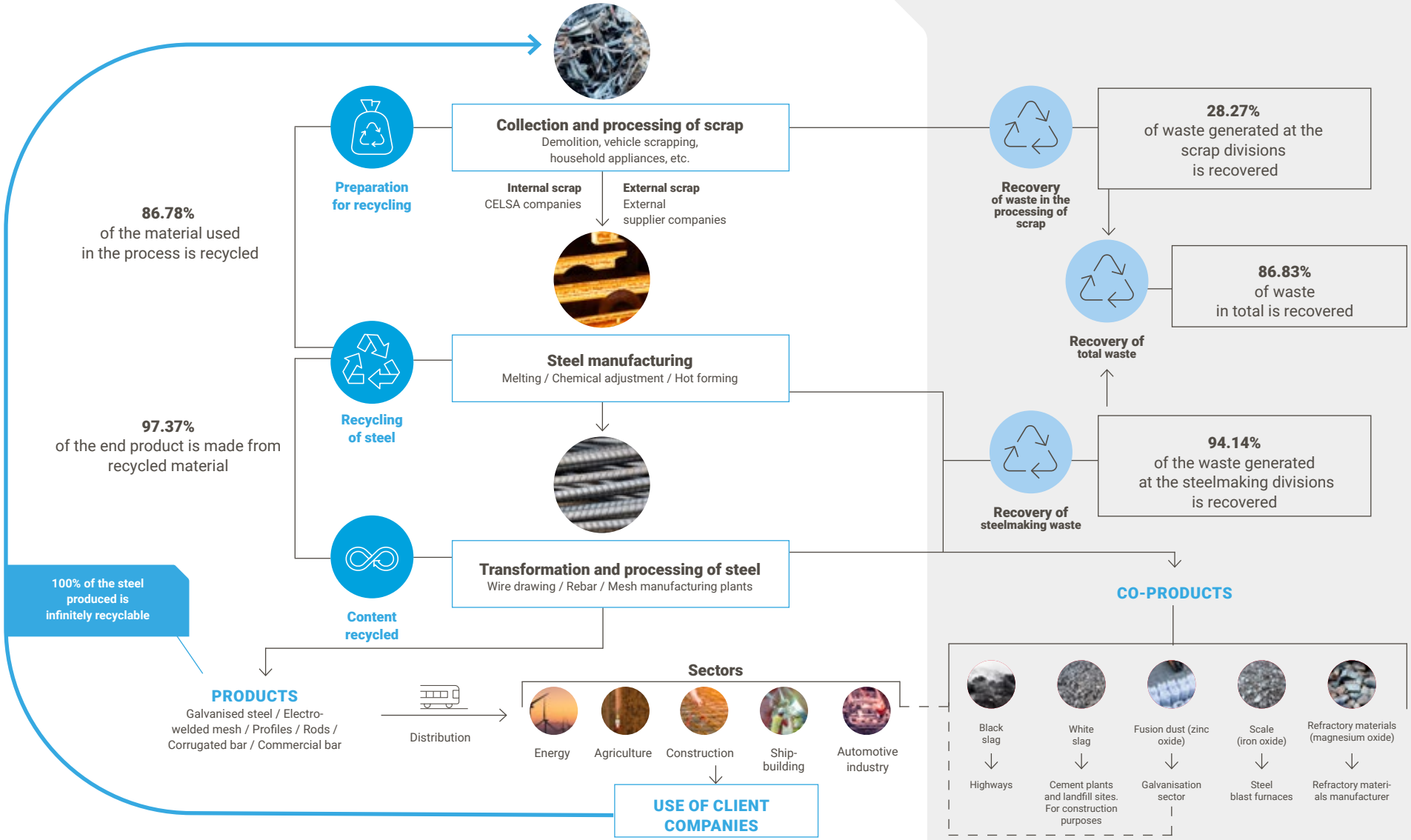
Any recovery operation through which the waste is again transformed into products, materials or substances to fulfil the same purpose or any other.

This includes the transformation of organic matter, but not energy recovery or transformation into materials that will be used as fuel or for backfill operations.

Waste recovery

Any operation the main result of which is that a form of waste replaces other materials or is prepared to fulfil a particular function at the facility or in the wider economy.

Our circular economy model



Steel recycling processes

Waste recovery

Raw materials

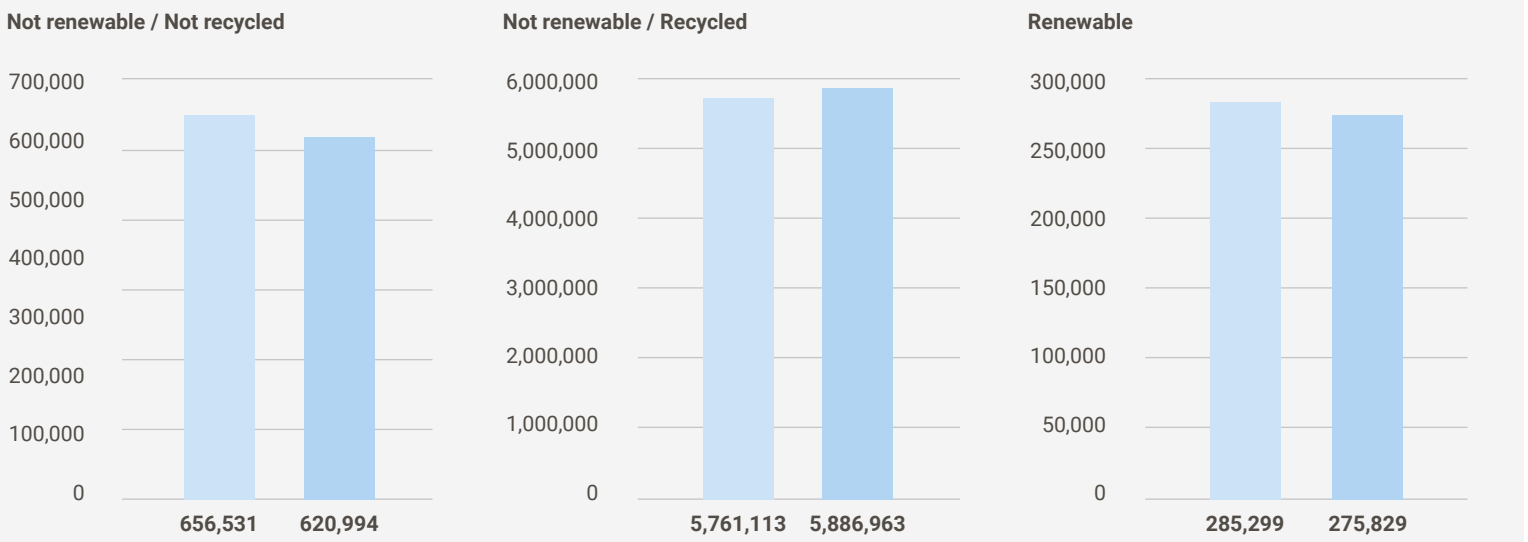
At CELSA our activity helps to support the environment in two ways: by avoiding the build-up of waste disposed of at landfill sites, and by obtaining new steel products without the need to consume natural resources.

Obtaining steel by **melting down scrap** in **electric arc furnaces** is one of the most efficient manufacturing processes in terms of raw materials savings, among other environmental benefits. According to the European Commission, a ton of recycled scrap can serve to save more than **1,200 kg of iron ore, 7 kg of coal and 51 kg of limestone**.

Manufacturing steel from steel scrap rather than ore serves to save approximately **90% of the input of raw materials**. Manufacturing from scrap also reduces **mining waste by 97%**. We thereby avoid the extraction of **11.12 million m³** of natural resources, equivalent to the volume of nearly **11 Empire State Buildings**.

Manufacturing steel from steel scrap rather than ore serves to save approximately 90% of the input of raw materials

Group consumption of raw materials (t)



Tonnes (t)	2022			2023		
Activities within the group	Non-renewable used material		Renewable used material	Non-renewable used material		Renewable used material
	Not recycled	Recycled		Not recycled	Recycled	
Processing of scrap*	0	1,403,030	0	64	2,256,826	1
Steelworks	538,452	4,215,105	275,323	593,261	3,612,598	272,025
Rolling	1,105	0	0	2,122	1,002	1,919
Finishing processes	39,759	141,994	7,231	25,547	16,537	1,884
General	77,215	984	2,745	N/A	N/A	N/A
Total	**656,531**	**5,761,113**	**285,299**	**620,994**	**5,886,963**	**275,829**

Inflow of raw materials at production sites in 2022 and 2023. These figures do not consider movements within the group.
*Change in reporting criterion by including the tonnes of scrap provided to the group's steelmaking plants through trading actions without processing at the scrapyards.

Consumption of raw materials by business unit

Tonnes (t)	Celsa Spain			Celsa France			Celsa UK		
Activities within the group	**Non-renewable used material**		**Renewable used material**	**Non-renewable used material**		**Renewable used material**	**Non-renewable used material**		**Renewable used material**
	Not recycled	**Recycling**		**Not recycled**	**Recycling**		**Not recycled**	**Recycling**	
Processing of scrap	N/A	N/A	N/A	N/A	N/A	N/A	0	289,043	0
Steelworks	355,133	1,673,757	136,953	55,452	584,381	23,697	57,180	593,272	39,399
Rolling	1,438	0	0	66	0	0	350	0	0
Finishing processes	23,246	2,200	463	N/A	N/A	N/A	46	6	89
Total	**379,817**	**1,675,957**	**137,416**	**55,518**	**584,381**	**23,697**	**57,576**	**882,321**	**39,487**

Tonnes (t)	Celsa Nordic			Celsa Poland			Celsa Global Circularity		
Activities within the group	**Non-renewable used material**		**Renewable used material**	**Non-renewable used material**		**Renewable used material**	**Non-renewable used material**		**Renewable used material**
	Not recycled	**Recycling**		**Not recycled**	**Recycling**		**Not recycled**	**Recycling**	
Processing of scrap	0	184,092	0	13	798,420	0	51	985,271	0
Steelworks	68,839	541,099	26,965	56,657	220,089	45,011	N/A	N/A	N/A
Rolling	61	218	333	207	784	1,586	N/A	N/A	N/A
Finishing processes	2,222	189	1,328	33	14,142	4	N/A	N/A	N/A
Total	**71,122**	**725,598**	**28,626**	**56,910**	**1,033,435**	**46,601**	**51**	**985,271**	**0**

Waste management

At CELSA, the circular economy and waste management have a strategic component. The group has set targets which involve achieving 98% recovery of waste generated by **2030**, and **100% by 2050**.

At CELSA we produce steel using electric arc furnaces. Both the steel manufacturing processes and scrap adaptation processes are considered to be **waste recovery** activities according to the **European Framework Waste Directive**, with operations undertaken to recycle or recover both metals and metal compounds. Specifically, the steel manufacturing processes involve metals recycling or recovery operations. Meanwhile, the processing plants perform classification, adaptation and preparation of ferrous scrap for recycling.

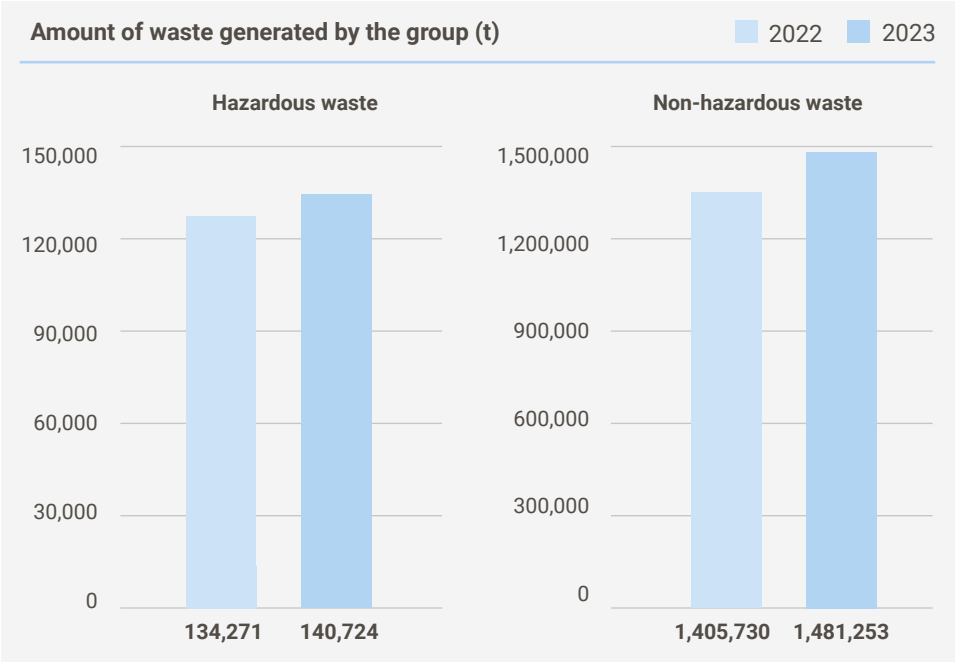
At CELSA we are likewise committed to the **recovery** and use of the **waste** generated during our steelmaking process to underpin the circular economy.

We have circularity targets at CELSA which involve achieving 98% reuse of waste generated in 2030 and 100% in 2050

The main waste streams generated by each process during operations to obtain steel products are as follows:

- Scrap processing: waste from **scrap crushing** and non-metallic materials present in the scrap.
- Steel manufacturing: **metal oxides** (fume powder) and **steelmaking slag**.
- Hot rolling: **iron oxide (scale)** detached during the forming process.
- Finishing processes: **spent acids**, **wire drawing soap** and **zinc spelter**.

The waste associated with the process of melting down scrap and obtaining steel has a high level of recyclability. As for the waste obtained in scrap processing (screening, crushing, etc.), this reveals lower recyclability given its diverse chemical nature, derived from plastics, earth, timber, etc.



Tonnes (t)	2022		2023	
Type of waste produced	**Hazardous waste**	**Non-hazard-ous waste**	**Hazardous waste**	**Non-hazard-ous waste**
Processing of scrap*	162	187,766	527	179,573
Steel manufacturing	104,383	1,018,281	128,343	1,047,009
Rolling	26,480	173,709	565	211,704
Finishing processes	3,246	25,974	11,289	42,967
Total	**134,271**	**1,405,730**	**140,724**	**1,481,253**

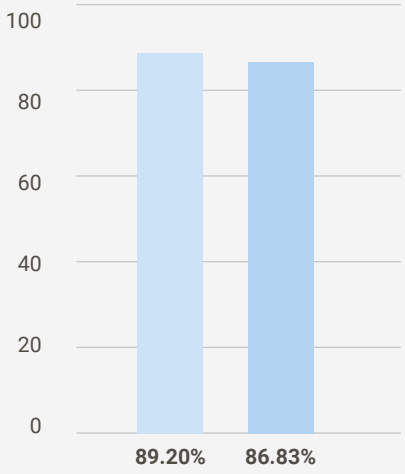
*A considerable increase may be seen in the hazardous waste generated in scrap processing activities as there was no reporting in 2022 of the tonnes of WEEE (waste electrical and electronic equipment) handled by the circularity hubs in the UK.

Quantity of waste generated by business unit (t)*

Tonnes (t)	Celsa Spain Group		Celsa France Group		Celsa UK Group		Celsa Nordic Group		Celsa Poland Group		Celsa Global Circularity	
Type of waste	Hazardous	Non-hazard-ous	Hazardous	Non-hazard-ous	Hazardous	Non-hazard-ous	Hazardous	Non-hazard-ous	Hazardous	Non-hazard-ous	Hazardous	Non-hazard-ous
Scrap processing waste	N/A	N/A	N/A	N/A	375	0	6	0	12	41,322	0	138,251
Steel manufacturing waste	50,209	514,287	9,645	124,084	20,462	110,219	31,041	132,410	16,986	166,009	N/A	N/A
Rolling waste	151	93,967	28	17,305	198	30,131	112	15,877	76	54,424	N/A	N/A
Finishing process waste	11,126	16,841	N/A	N/A	22	8,883	60	4,604	81	12,639	N/A	N/A
Total	**61,486**	**625,095**	**9,673**	**141,389**	**21,191**	**149,233**	**31,219**	**152,891**	**17,155**	**274,394**	**0**	**138,251**

*Data not available for Celsa Global Support.

Waste recovery at the group (%)



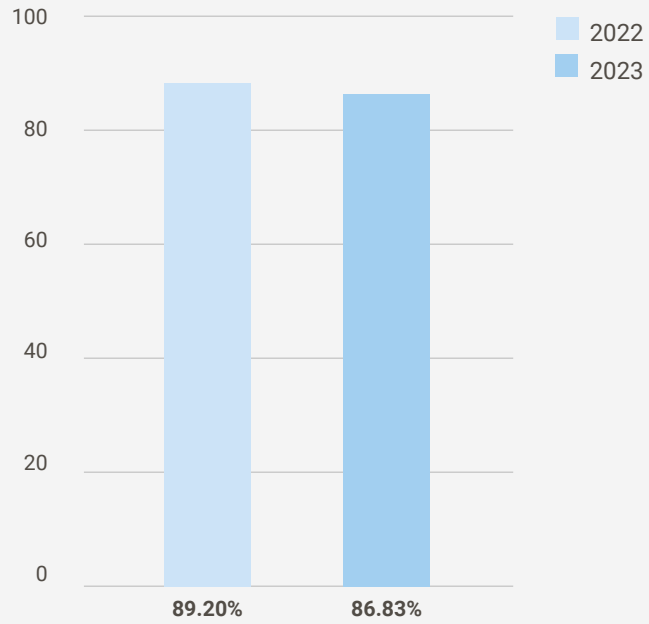
Percentage (%)	2022	2023
Waste recovery at the steel division	95.10%	94.14%
Waste recovery at the scrap division	43.20%	28.27%
Total	**89.20%**	**86.83%**

Waste recovery by business unit

Percentage (%)	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group	Celsa Global Circularity
Waste recovery at the steel division	92.80%	83.52%	95.72%	98.48%	99.99%	N/A
Waste recovery at the scrap division	N/A	N/A	0.00%	75.55%	33.22%	26.89%
Total	**92.80%**	**83.52%**	**95.43%**	**98.48%**	**90.52%**	**26.89%**

Data not available for Celsa Global Support.

Group waste recovery and disposal channels (%)



Percentage (%)	2022	2023
Internal recovery at the plant itself	6.67%	15.93%
Internal recovery within the group	7.16%	7.78%
External recovery	75.34%	63.12%
Subtotal of waste recovered	**89.17%**	**86.83%**
Incineration with energy recovery	0.08%	1.27%
Incineration without energy recovery	0.03%	0.03%
Sent to landfill	10.48%	11.63%
Other elimination operations	0.24%	0.25%
Subtotal of waste not recovered*	**10.83%**	**13.17%**

*The slight increase is mainly at the capture and scrap processing divisions

Good circular economy and recycling practices on the part of subsidiaries

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CELSA SPAIN

CELSA BARCELONA

- **Reduction** in *by-products* sent to **landfill**, dropping from 4.20% in 2022 to **3.69%** in 2023.

CELSA NERVACERO

- Maximisation of internal re-use and external recovery of **white slag** for cement plants, through improvements in internal waste segregation in steelmaking pits.

CELSA STEEL UK

- Significant reduction in gas consumption at the Celsa UK Manufacturing steel plant through the conversion of the gas oxygen pre-heater and chemical optimisation of the electric arc furnace.

CELSA NORDIC

- Celsa Recycling handled the former **Lidingöbron bridge** in Sweden. It was sent to Celsa Armeringsstål at Mo i Rana, where the steel **scrap** was given a **new life** as reinforcement steel, now being used in other Nordic construction projects.

- Reconstruction of the steelworks in order to allow it potentially to replace oil with natural gas in the ladle dryers, reducing our need for oil.

- Energy Efficiency System **ISO 5001**.

- SaltX and SMA Mineral have formed a partnership with Celsa Armeringsstål AS: plans to produce **climate-neutral lime** at Mo i Rana in the north of Norway.

CELSA HUTA OSTROWIEC

- Water usage optimisation by means of:
  - Design and construction of a new industrial water supply pipeline.
  - Installation of water filters at a pumping station and filter chamber to improve industrial water quality.
  - Modernisation of the cooling tower.

- Environmental product declarations for hot rolled products, specifying environmental information as to the product life-cycle.

- Sustainability management and KPI system audited and certified in accordance with SustSteel for hot rolled and cast products.

Total waste recovery at CELSA, including the steel and scrap divisions, stands at 86.8%

Our route towards decarbonisation

During 2023, CELSA approved the Climate Action Policy, the main aims of which are to improve energy efficiency, promote renewable energies and reduce the use of fossil fuels.

- **Comply** with the applicable **legislation** to combat climate change, along with national and international recommendations in this regard.
- Help to **mitigate climate change** and to **decarbonise** the business model.
- **Reduce climate vulnerability** and promote the adaptation of activities in line with different climate scenarios.
- Adopt **energy savings and efficiency measures**.
- Encourage the use of **renewable energies**.
- Implement the use of **alternative materials and fuels** with **biogenic carbon content**.
- Promote and support projects focused on **climate change mitigation and adaptation**
- Foster **training and awareness-raising** initiatives among stakeholders regarding the fight against climate change.
- Integrate the climate change variable into internal decision-making processes, along with the analysis and management of long-term risks.
- Voluntarily sign up to initiatives and agreements allowing us to take on commitments and define actions to reduce emissions.
- Encourage partners and materials and service supply companies to adopt policies consistent with this climate change policy.

Carlos Javier Abajo
Head of Environment of CELSA

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The organisation remains committed to its decarbonisation pathway

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

With regard to associations and sectoral collaboration, we have, together with the Global Steel Climate Council (GSCC) promoted the creation of an international standard to measure and report carbon emissions from steel, in order to ensure the sector's effective transition towards decarbonisation.

At CELSA, our main production sites are subject to **greenhouse gas emissions authorisations**, including all relevant environmental aspects for the control of pollution, consistent with the European greenhouse gas emissions rights trading system (EU-ETS), the cornerstone of EU policy to combat climate change.

In terms of climate change mitigation, during 2023 we continued to develop our goals to reduce greenhouse gas emissions at CELSA in the medium and long term. To this end we are working on a **strategy of replacing fossil fuels**, mainly coal, with other alternative sources such as **green hydrogen**, **biomethane** and other **renewable energies**. Meanwhile, intense efforts are also being made to increase process efficiency and minimise the consumption of natural gas and electricity.

Our strategy also includes the Decarbonisation Plan. It sets the following targets for 2030 and 2050, under review and pending SBTi validation, among other aspects:

2030

50%

Reduce **scope 1 and 2 CO_2 emissions** by **50%** compared with 2021, and with regard to the intensity of CO_2 emissions.

25%

Reduce **scope 3* CO_2** by **25%** compared with 2021.

2050

0%

Become a ***Net Zero*** company under scopes 1, 2 and 3.

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

All the improvements achieved in energy efficiency furthermore involve reducing greenhouse gas (GHG) emissions, since energy consumption is the main source of such emissions.

- Promotion of hot loading of the rolling lines.
- Installation of **variable speed drives** on major motors used intermittently on the rolling lines.
- Replacement of old rolling furnace heat recovery devices with other more efficient equipment on the round steel rolling line at Celsa Barcelona.
- **Heat insulation** of the load table area on the round steel rolling line in Barcelona.
- Partial incorporation of **oxy-combustion** technology in the reheating furnaces and on the rolling lines at Celsa Barcelona.
- Installation of O_2 lances on the plate line of Celsa Barcelona, serving to reduce natural gas consumption in the furnace.

In order to reduce scope 1 in the carbon footprint of our main activities, in 2023 we took a series of actions connected with improving **energy efficiency**, focused on reducing natural gas consumption:

- Installation of a **thermographic camera** inside the furnace to improve output temperature reliability on the Global Steel Wire rolling line.
- Installation of heat insulation on the billet piles and rolling lines at Celsa Barcelona.
- Transformation of the melting furnace at the Nervacero steel plant to eliminate the shaft hopper so as to reduce carbon dioxide emissions associated with the required consumption of natural gas in purifying the gases generated in this hopper. This modification serves to reduce plant emissions by 7%.
- Significant reduction in gas consumption at the Celsa UK Manufacturing steel plant through the conversion of the gas oxygen pre-heater and chemical optimisation of the electric arc furnace.

1) Emissions rights trading system (ETS) at the main CELSA plants

Our emissions:

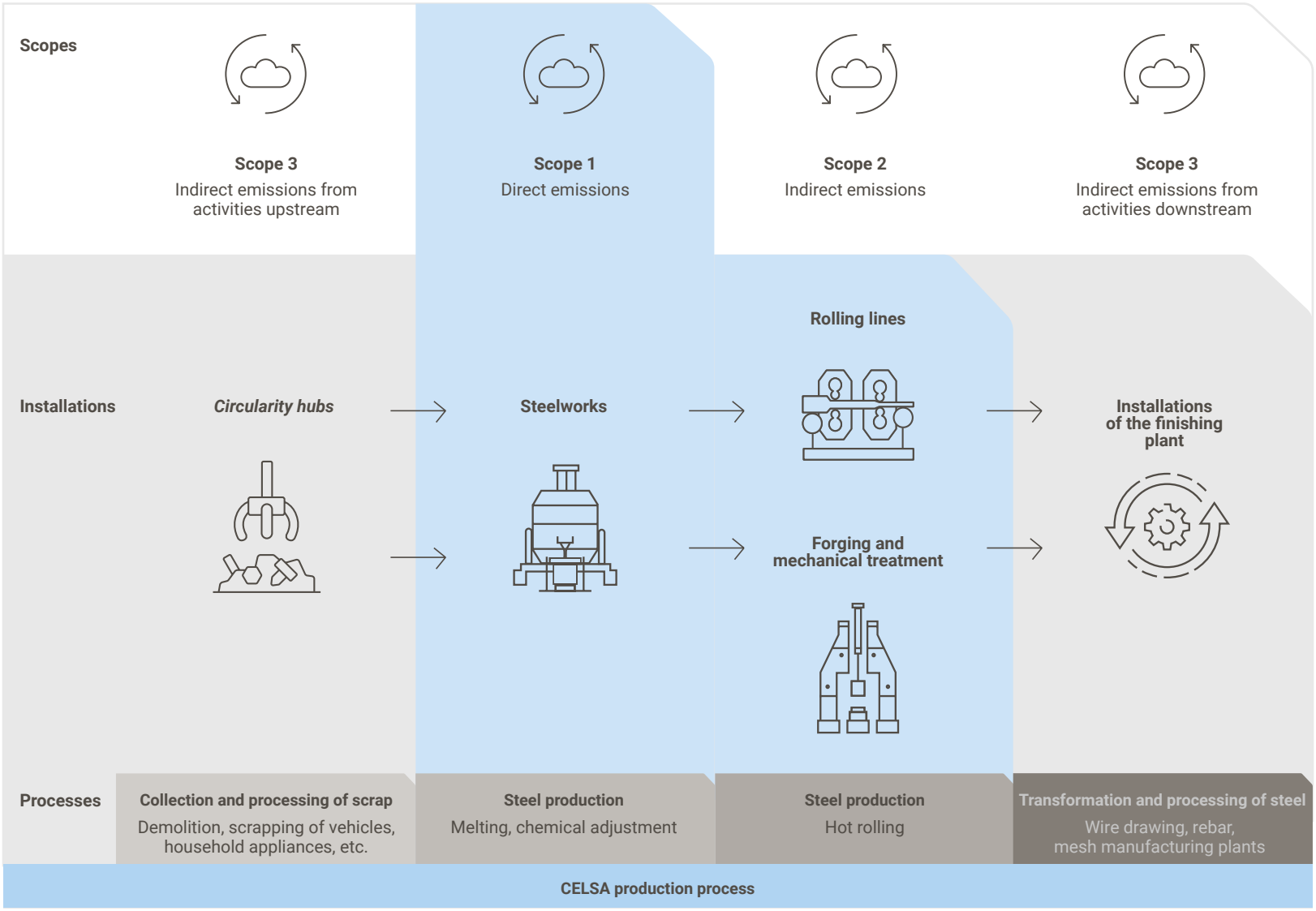
Scope 1 emissions ETS in absolute values

627,904 t CO_2 eq.

Scope 1 emissions ETS in specific values

112 kg CO_2 eq./t steel

European emissions trading system (EU-ETS) at CELSA



Since 2005, all activities associated with steelmaking and rolling have been covered by the EU Emissions Trading System (ETS). These emissions are always verified by an external agent.

The ETS is a market which rewards reductions in emissions and penalises any pollution in excess of a stipulated maximum level. Emissions rights are traded like an asset: a right grants the holder the entitlement to emit one tonne of CO_2 or the equivalent of another greenhouse gas. If an organisation needs fewer rights than those assigned, it can sell them. If it needs more than those assigned, it must by them on the market.

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

ETS emissions of the main plants by business unit, in absolute values

t CO_2-eq	Celsa Barcelona	Nervacero	Global Steel Wire	Celsa France	Celsa Atlantic	Celsa Steel UK	Celsa Nordic	Celsa Huta Ostrowiec
	160,999	41,394	78,783	34,342	22,456	88,499	88,994	112,436

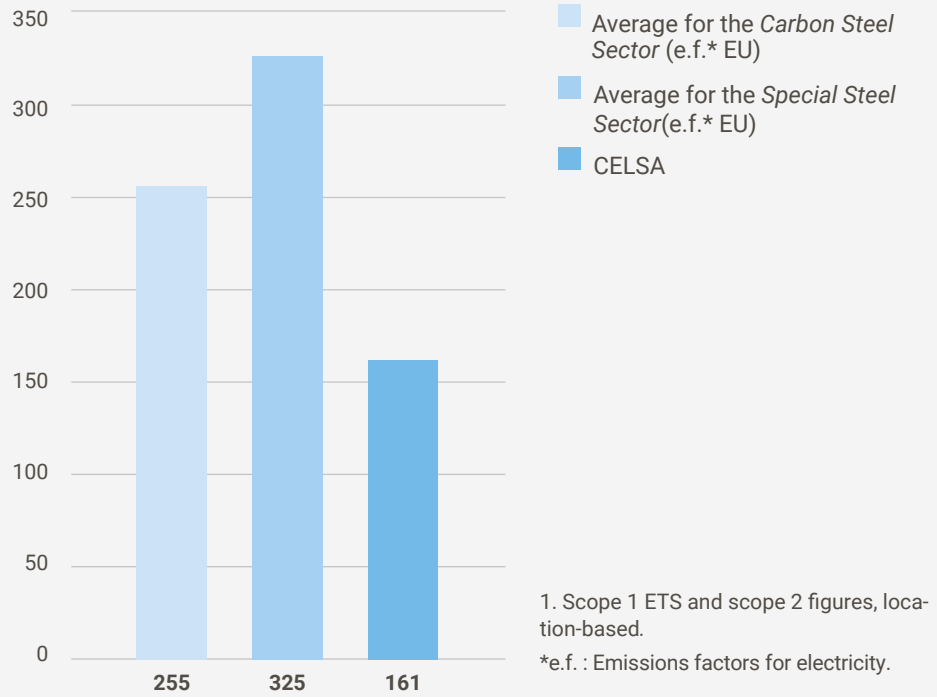
EST emissions of the main plants by business unit, in specific values*

kg CO_2-eq/ t steel	Celsa Barcelona	Nervacero	Global Steel Wire	Celsa France	Celsa Atlantic	Celsa Steel UK	Celsa Nordic	Celsa Huta Ostrowiec
	103	107	119	103	103	125	130	118

*The specific values emissions of Celsa France and Celsa Atlantic are combined, since Atlantic Largos has no steelmaking facility, and much of the steel consumed in rolling comes from France.

The EST contains sectoral data for the facilities used to melt down scrap in electric furnaces, allowing our emissions to be compared against the sectoral average The sectoral average counts the scope 1 ETS emissions of steel plants, plus the estimation of scope 2 emissions, based on location.

Figure for emissions from steel plants [1] (kg CO_2-eq/t steel)



1. Scope 1 ETS and scope 2 figures, location-based.

*e.f. : Emissions factors for electricity.

Scope 1 ETS emissions for steel plants and scope 2, location-based, by business unit

kg CO_2-eq/t steel)	Celsa Barcelona	Nervacero	Global Steel Wire	Celsa France	Celsa Steel UK	Celsa Nordic	Celsa Huta Ostrowiec
Carbon steel	84	109	0	59	151	62	465
Special steel	0	0	136	0	0	0	0

Carbon footprint of the group's main plants

Although we are a low emissions company, CELSA has always aimed to go the extra mile, setting ourselves the target of **reducing market-based scope 1 and 2 emissions** at our main plants by 50% by **2030**, and becoming a Net Positive company by **2050** (targets under review).

We calculate greenhouse gas (GHG) emissions from our main plants to monitor how they evolve, detect areas for improvement and study the application of measures helping to reduce the emissions generated.

To calculate our carbon footprint, we use the **Greenhouse Gas Protocol** (GHG PI) standard, providing a standardised quantification of the amounts of the main types of greenhouse gas: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and others), generated directly and indirectly, expressed in tonnes of CO_2 equivalent (t CO_2-eq).

Our carbon footprint is **verified** by an independent, accredited body, giving the results obtained greater reliability. We have in particular analysed the following scopes: scope 1, scope 2 and the most relevant categories of scope 3.

The scope 1 emissions values (direct emissions) have been reported and verified under the EU Emissions Trading System (EU-ETS). Scope 2 (indirect emissions) is calculated by means of two methodologies:

- One method based on location, which reflects the average intensity of emissions in the grids within which energy is consumed, mainly based on the average grid emissions factor data.
- One method based on the market, which registers electricity emissions in accordance with contractual instruments for the purchase and sale of energy, considering attributes regarding energy generation or specific attribute claims.

We have furthermore calculated scope 3 emissions, derived from sources not owned by the company, but which are generated because of our activity. The scope 3 categories considered include the following parameters:

- Goods acquired
- Capital goods
- Production of fuel and electricity
- Transportation and distribution in the supply chain upstream
- Waste management
- Business trips
- Transportation of staff
- Transportation and distribution in the supply chain downstream

The emissions factors are obtained from various databases, such as DEFRA, Eco-invent 3.10 and the OCCC (Catalan Climate Change Office), among others.

2) Carbon footprint of the main CELSA plants

Our emissions:

Scope 1, 2 and 3 emissions in absolute values

3,057,812
(t CO_2 eq. based on location)

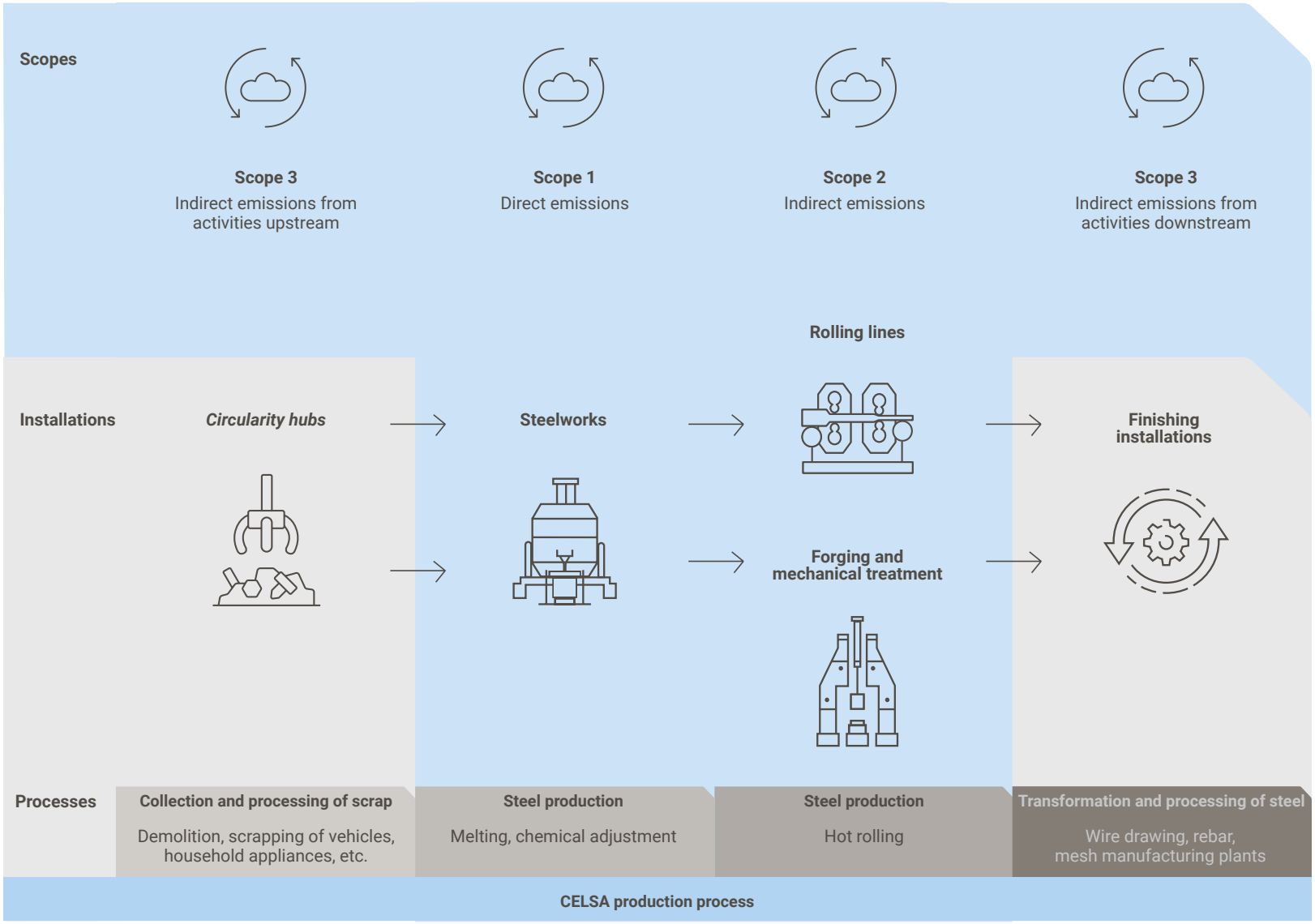
3,577,670
(t CO_2 eq. based on the market)

Scope 1, 2 and 3 emissions in specific values

545.20
(kg CO_2 eq./t steel based on location)

637.89
(kg CO_2 eq./t steel based on the market)

Carbon footprint of steel manufacturing and rolling activities at CELSA (scopes 1, 2 and 3)



At CELSA we reassert our commitment to sustainability and climate change matters, working to measure and mitigate emissions from our activities. As part of our commitment, we set out below our 2023 carbon footprint.

CELSA Scope 1: direct emissions

386,096 t CO_2-eq
Natural gas consumption
64.20%

268,653 t CO_2-eq
Process emissions, from stationary sources of fuel and internal transportation.

2,611 t CO_2-eq
Consumption of refrigerant gas
0.41%

CELSA Scope 2: indirect emissions based on location or based on the market

738,592 t CO_2-eq
Based on location
100%

1,258,451 t CO_2-eq
Based on the market
100%

CELSA Scope 3: other indirect emissions

1,025,087 t CO_2-eq
Goods purchased
60.85%

240,702 t CO_2-eq
Transportation and distribution upstream and downstream
14.29%

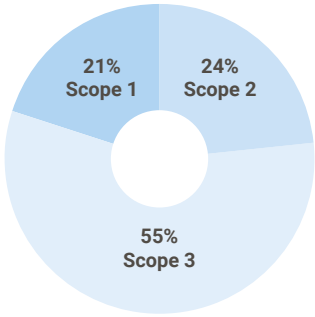
306,956 t CO_2-eq
Production of oil and electricity
18.22%

6,019 t CO_2-eq
Disposal of waste
0.36%

34,144 t CO_2-eq
Capital goods
2.03 %

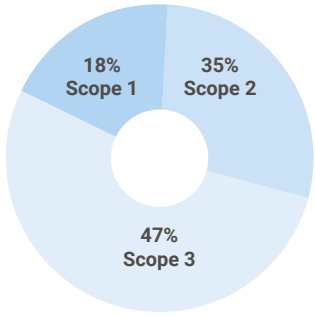
11,252 t CO_2-eq
Staff commutes and business trips
0.67 %

GHG emissions by scope, 2023
(location-based)



100%
3,057,812
t CO_2 eq.

GHG emissions by scope, 2023
(based on the market)



100%
3,577,670
t CO_2 eq.

The carbon footprint is the impact of our activities on the climate change, expressed in tonnes of CO_2 equivalent. This is calculated on the basis of the greenhouse gas (GHG) emissions generated. Calculation of the carbon footprint employed the GHG Protocol Corporate Standard methodology.

3) Carbon footprint throughout the CELSA organisation

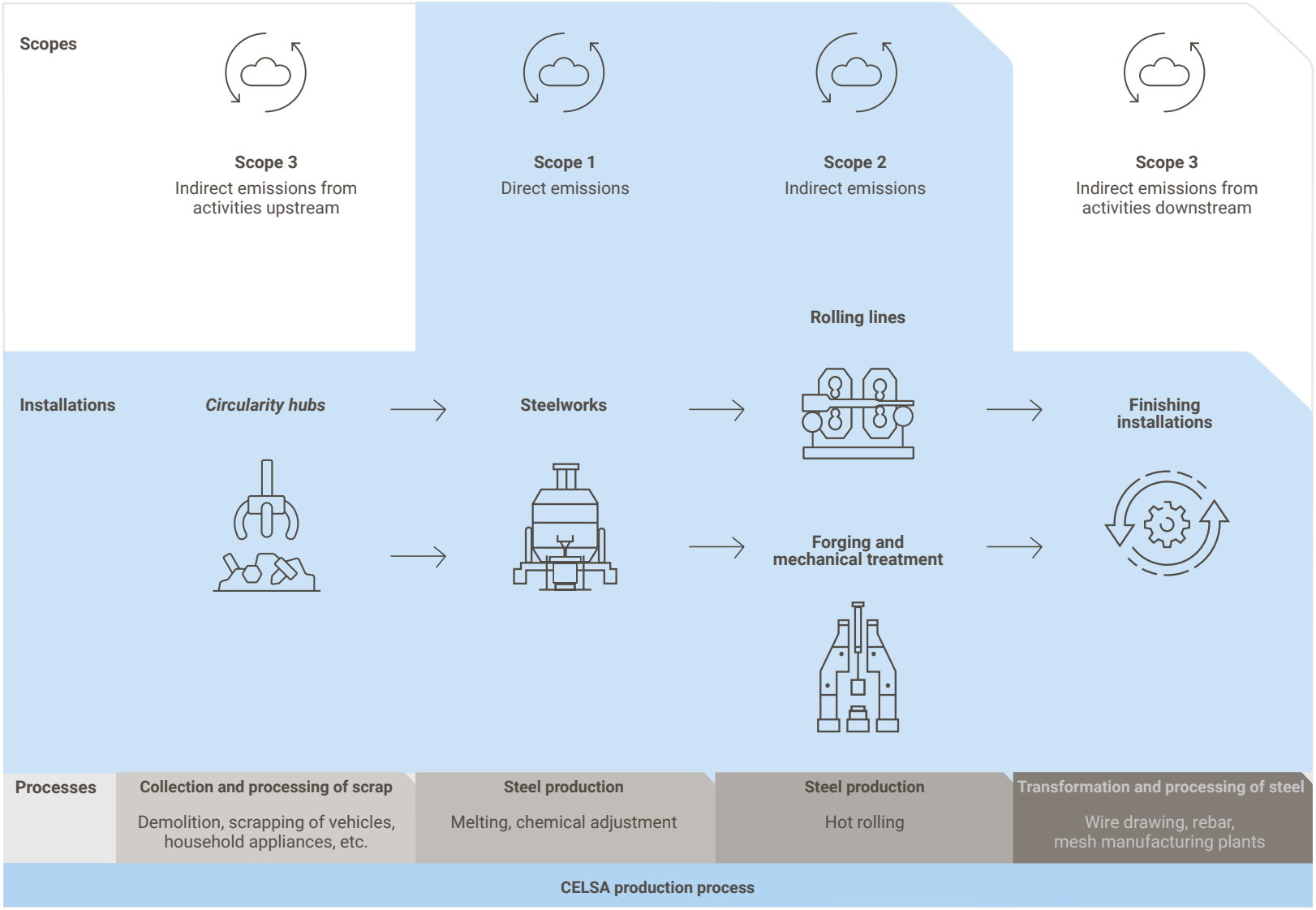
Our emissions:

Scope 1 and 2 emissions in absolute values

1,602,106
(t CO_2 eq. based on location)

1,719,407
(t CO_2 eq. based on the market)

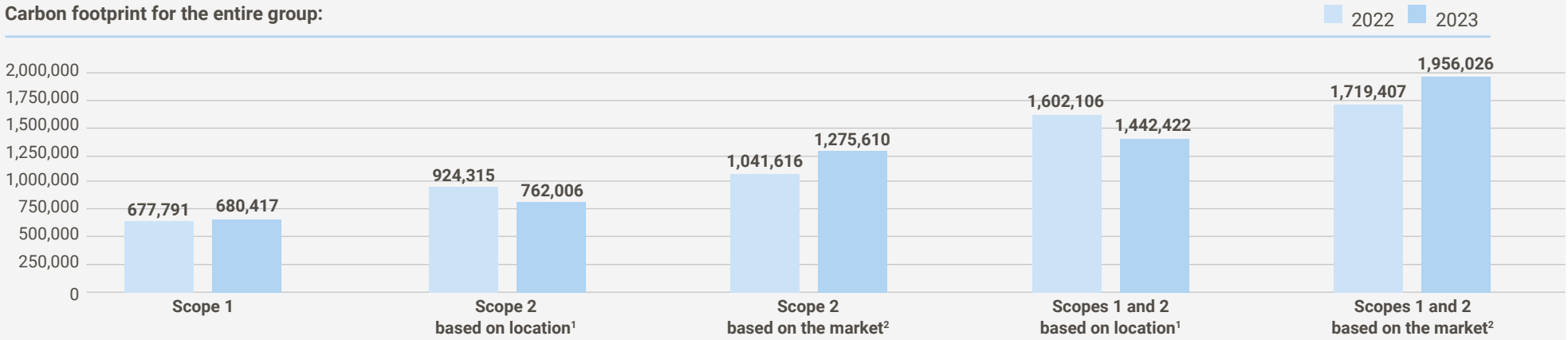
Carbon footprint throughout the CELSA organisation (scopes 1 and 2)



We lastly calculated the approximate carbon footprint for all our activities, including the integration of all group production processes (circularity hubs, steelworks, rolling, forging and finishing processes) in scopes 1 and 2, based on location and market.

It should be stated that in 2023 our overall scope 1 emissions remained stable (+0.39%). As for scope 2, the figure fell by 17.6% based on location, while the figure based on the market rose by 22.5%.

Carbon footprint for the entire group:



[1]*Based on location* (based on location by region). [2]*Based on the market* (based on the market).

Carbon footprint by business unit*

	2023					
Business Unit	**Celsa Spain**	**Celsa France**	**Celsa UK**	**Celsa Nordic**	**Celsa Poland**	**Celsa Global Circularity**
Scope 1	303,548	60,347	90,268	101,439	118,152	6,662
Scope 2, location-based[1]	215,685	15,701	101,518	526	426,833	1,742
Scope 2, market-based[2]	441,432	25,754	203,887	250,778	350,062	3,697
Scopes 1 and 2, location-based[1]	519,233	76,048	191,786	101,965	544,985	8,404
Scopes 1 and 2, market-based[2]	744,981	86,101	294,155	352,217	468,214	10,359

*Celsa Global Support is not included as it is not a productive business unit.

Good emissions reduction practices on the part of subsidiaries

13 CLIMATE ACTION

CELSA BARCELONA

- Reduction in specific consumption of natural gas of 17.77 kWh/t, entailing a **reduction** of **41.95%** of direct **CO_2** emissions from the steel plant. This achievement came about thanks to the implementation of numerous energy efficiency projects.

CELSA NERVACERO

- Modification of the **ladle dryers** from air-gas combustion to **oxy-gas** to reduce natural gas consumption and direct CO_2 emissions.

CELSA NORDIC

Hydrogen project

- Celsa Nordic is partner to various **EU projects** to reduce emissions.
- Natural gas was used as the fuel in the furnace in question to replace oil (serving to reduce CO_2 emissions).
- Celsa Nordic holds its first "Nordic Sustainability Day", making managers more aware of the impact of CO_2 emissions and identifying actions to reduce them, among other aspects.

CELSA HUTA OSTROWIEC

14% reduction in CO_2 emissions (scopes 1 and 2) compared with 2022.

Main actions in 2023:

General infrastructure

- Improved energy efficiency by modernising the compressor station.

Melting plant

- Gas reduction in the melting process.
- Reduced electricity consumption in the furnace.

Rollers

- Installation of combustion air fan inverters in Rolling 1.
- Installation of inverters for the Rolling 1 support fan chambers.

Other emissions and pollution

Prevention of atmospheric pollution

Although CO_2 is the main greenhouse gas responsible for climate change, there are other atmospheric pollutants which also have harmful effects on the environment. For example, nitrogen oxides (NO_x) and sulphur oxides (SO_x) can cause acid rain, harming forests, soils and bodies of water, while particles may be deposited in the soil and water, affecting plants and animals.

CELSA has therefore set a target of reducing atmospheric emissions of any type of pollutant not only to comply with the emissions threshold values, but also to minimise our impact on the environment.

Most of our activities are subject to the **European Industrial Emissions Directive,** and we have therefore implemented the best available techniques defined for the sector in which we operate. For those sources so requiring, we have treatment systems in place to comply with the required emissions levels.

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

The main CELSA production sites also operate in accordance with integrated environmental authorisations covering all environmental aspects

.

Alex Lafuente
Sustainability and Environment Engineer
of CELSA

“

The organisation is committed to air quality

Guaranteeing air and water quality is a fundamental priority at CELSA. To achieve this, we have implemented treatment systems that minimise environmental impact and prevent the pollution associated with pollutant emissions into the atmosphere and water. These systems are considered the best available techniques in our sector, allowing us to comply with the European Industrial Emissions Directive.

These are the main atmospheric pollutants by process:

Steel manufacturing	Particles, organic compounds and metals generated during the melting down of scrap
Hot rolling	Combustion gases, mainly nitrogen oxides (NO_x)
Finishing processes	Acidic gases, mainly hydrochloric acid (HCl).

Aside from channelled emissions, there are also **diffuse emissions** generated in the movement and classification of scrap and in the handling of dusty material, such as slag. In the specific case of slag, the material is confined within closed buildings to avoid dispersal. More generally, the plants have sweeping and road-way watering systems in place to minimise the generation of diffuse emissions.

Group atmospheric pollutants (kg/year)

General categories	Subcategories	2022	2023
Particles	PM	60,713	79,163
	PM_{10}	N/A	26,078
	$PM_{2.5}$	N/A	2,368
Organic compounds	VOC (volatile organic compounds)	N/A	170,573
	POP (persistent organic pollutants, dioxins and others)*	0.70	1.86
	PAC (polycyclic aromatic compound)	N/A	452
Combustion gases	CO	5,032,218	6,352,766
	NO_x	699,255	966,340
	SO_x	341,880	435,748
Inorganic gases	HCl	N/A	22,146
	Other	N/A	6,177
Metals	Hg	101	380
	Pb	N/A	2,588
	Zn	N/A	4,150
	Other	N/A	20,593

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

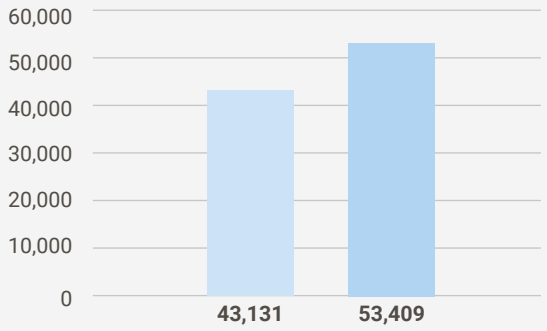
**The figure reported is based on individual measurements extrapolated to the whole year, and some values may therefore be unrepresentative and affect the final figure, leading to significant variations.

Atmospheric pollutants by business unit

(kg/year)		Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland
Particles	PM	37,524	3,633	29,297	2,641	6,068
	PM_{10}	23,933	777	0	0	1,368
	$PM_{2.5}$	2,073	295	0	0	0
Organic compounds	VOC (volatile organic compounds)	82,257	10,494	69,077	0	8,745
	POP (persistent organic pollutants, dioxins and others)*	0.66	0.01	0.69	0	0.50
	PAC (polycyclic aromatic compound)	450	1	0	0	1
Combustion gases	CO	2,784,847	552,401	1,919,518	0	1,096,000
	NO_x	494,002	108,241	162,475	75,409	126,213
	SO_x	181,915	75,464	81,167	0	97,202
Inorganic gases	HCl	22,146	0	0	0	0
	Other	24	0	0	0	6,153
Metals	Hg	67	6	22	5	280
	Pb	2,438	13	0	79	58
	Zn	2,090	0	0	1,465	595
	Other	0	0	20,516	0	77

*POP measured in grammes/year

Fugitive atmospheric emissions of particles of the group (mass load)* (kg)



*We are currently working to standardise methods to measure diffuse emissions, allowing us to conduct robust comparative studies. Specific measures have been adopted in situations which might not be representative of normal process conditions.

Fugitive emissions by business unit (2023)*

Kilogrammes (kg)	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group	Celsa Global Circularity
Emission of fugitive particles	N/A	9,125.90	N/A	22,550.00	21,733.00	N/A

*Data not available for Celsa Global Support.

Prevention of noise pollution

Given the production process which we undertake at CELSA, there are certain **sources of noise emissions**, the most significant being the **movement of scrap**, the **melting furnaces** and the **cutting saws** on the rolling lines.

We therefore adopt measures to prevent noise pollution, ensuring that there are no noise emissions beyond the permitted levels outside the plants. In this regard, we conduct **noise impact studies and produce noise maps**, serving to define the actions and investments required to reduce and, as the case may be, screen, encapsulate and absorb the noise associated with industrial activity wherever necessary. Such measures have over recent years allowed us to reduce the noise level at our plants.

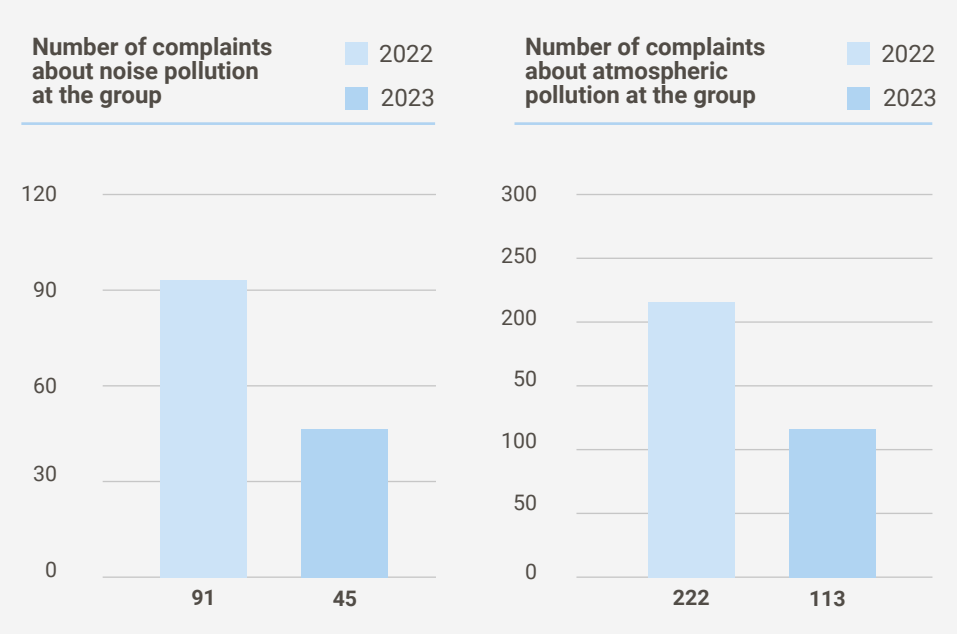
Whenever we receive a noise pollution complaint, we analyse data concerning plant operating conditions, and if the site has devices in place for continuous noise measurement, an analysis of the levels during the complaint is drawn up. The result typically complies with the regulations, but if the thresholds are surpassed, an investigation is conducted and an improvement plan implemented, with noise levels once again being measured following its application. Irrespective of the result obtained in the analysis, CELSA proceeds to inform the complainant of the outcome.

It should be stated that in most cases our sites are located in industrial areas where there are few sensitive receivers.

In 2023, CELSA reduced the number of noise pollution complaints by 51%, and the number of atmospheric pollution complaints by 45%.

Handling of claims and complaints

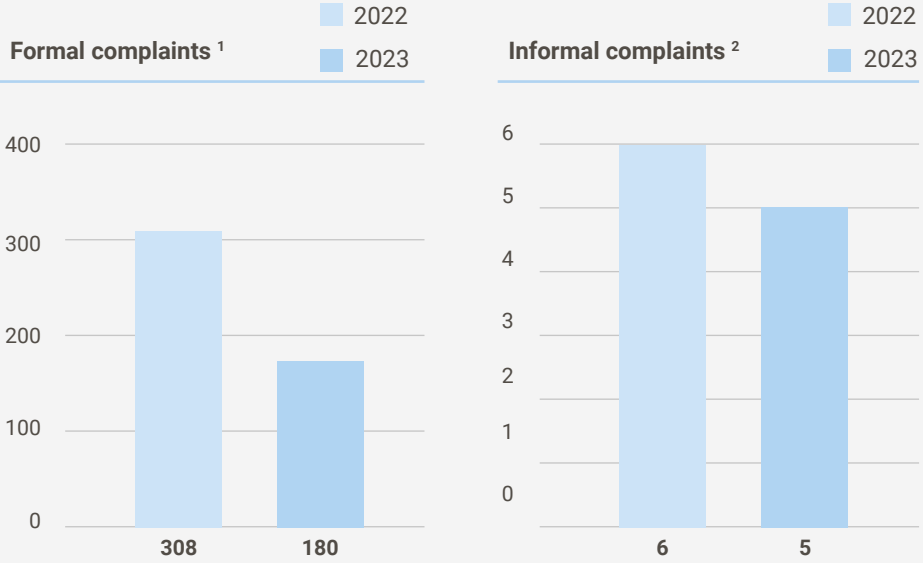
The area of atmospheric and noise pollution accounts for most claims and complaints from the community. Details are given below of both claims and complaints (formal and informal).



	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group	Celsa Global Circularity
Complaints concerning noise pollution	0	43	0	0	2	0
Complaints concerning atmospheric pollution (emissions)	0	122	0	1	0	0

Data not available for Celsa Global Support.

We registered the following formal and informal complaints during 2023:



1. Documented complaints (written complaints by local residents, notification by local council, etc.).
2. Non-documented complaints (comments on social media, phone calls, etc.).

Formal and informal complaints by business unit (2023)

	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group	Celsa Global Circularity
Formal complaints	1	165	12	0	2	0
Informal complaints	2	0	1	1	0	1

Data not available for Celsa Global Support.

We saw a reduction of almost 42% in formal complaints and 17% in informal complaints

Efficient energy use and consumption

Improved energy efficiency as a fundamental aspect in achieving carbon neutrality. This furthermore serves to reduce the demand for natural resources and represents a form of responsible consumption. CELSA therefore dedicates considerable efforts to update our equipment and machinery according to energy efficiency criteria.

Our environment and resource management policy likewise includes a series of objectives and principles linked to efficient energy consumption.

Alex Ballabriga
Head of Energy of CELSA

“

We believe in renewable energy.

By taking part in voluntary carbon offset projects and likewise ensuring the appropriate purchase of renewable energy, we have managed to bring to market two new product ranges: Clean Energy and Carbon Neutral. We are furthermore involved in the 'SRAD' Active Demand Response Service, a flexible and efficient tool used within the Spanish electricity grid to adjust energy demand during times of peak need, guaranteeing electricity supply security, reducing the cost and integrating renewable energies.

Objectives

- Apply continuous improvement in all our processes and develop and invest in new technologies allowing us to prevent and minimise atmospheric emissions, waste generation and the **inefficient use of resources**.
- Adopt measures for **energy savings and efficiency** in conducting CELSA operations.
- Encourage the use of **renewable energies**.
- Implement the use of **alternative materials and fuels** with biogenic carbon content.

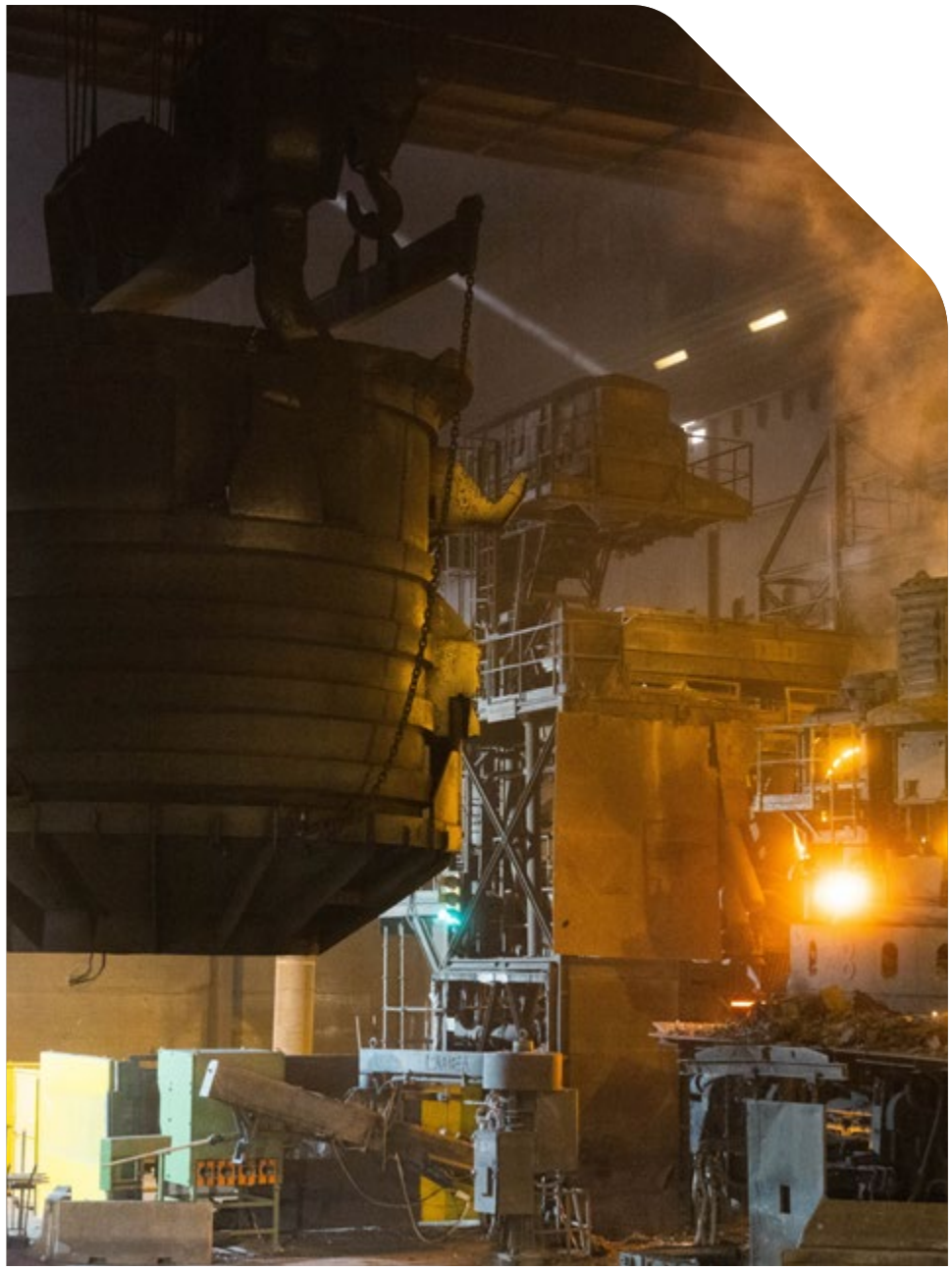
Principles

- Integrate **the preservation of resources** and natural capital as key elements of CELSA decision-making, in the corporate strategy and in the pursuit of our activities, setting targets to guarantee responsible management by our organisation.
- Make effective and responsible use of natural resources, including water and **energy**, prioritising **reduced consumption** and the use of **renewable** or recycled resources, wherever possible.
- Promote innovation, **efficiency** and continuous improvement in all our processes and activities and the development of new products, services and solutions in the sphere of steel, helping to generate economic value, sustainable development and the efficient use of our natural capital, all from a life-cycle analysis perspective.
- Support the acquisition of **energy-efficient and environmentally friendly products and services**, along with design to improve CELSA's **energy and environmental performance**.

CELSA has committed to the most efficient technology in the sector: **Electric Arc Furnaces** (EAF), which consume 75% less energy than blast furnaces. This allows us to avoid the consumption of **13,800 GWh** of electricity per year, a very similar figure to the annual electricity consumption of Berlin.

Manufacturing steel by means of an electric arc furnace is an electricity-intensive activity. Efficient energy management is therefore a significant factor at our sites, and we set improvement targets each year linked to energy efficiency. Many of them are supported by the innovation programmes we have developed, based on the optimisation of industrial processes, monitoring of physical process variables (**Industry 4.0**) and the application of the concept of machine learning.

Meanwhile, all our main plants have **energy audits** in place, conducted in accordance with **Directive (EU) 2023/1791** with regard to energy efficiency, or have otherwise implemented an energy management system based on **standard ISO 50001**, including energy reviews.



Energy consumption

With regard to primary energy consumption, in 2023 we managed to achieve a 2.3% reduction in our consumption of natural gas and other fuels used to provide thermal energy for our processes. This is thanks to various factors, including the refurbishment of the electric melting furnace at Nervacero, by eliminating the shaft hopper used to preheat the scrap. This did away with the need for post-combustion of the resulting gases to control the emission of persistent organic compounds.

We likewise managed to reduce natural gas consumption at our steel plants during the scrap melting process (energy supplementing the input of electricity). Lastly, the gradual incorporation of **partial oxy-combustion** processes in our billet reheating furnaces has likewise served to reduce natural gas consumption. Overall, consumption of fuels was cut by **1.92%** in 2023, with primary energy consumption down by **1.91%.**

Within the sphere of secondary energy, the value associated with steam consumption is a negative figure, as the steelworks in Poland generate and sell steam to a third-party industrial facility located on the same site.

Meanwhile, our electricity consumption rose by 4% compared with 2022, mainly as a result of the increase in electricity demand for the Nervacero electrical furnace, following the dismantling of the previous scrap pre-heating system. Another aspect influencing this upturn is the **continuous production shutdowns,** requiring certain auxiliary electrical energy-consuming installations to remain operational, without the associated output.

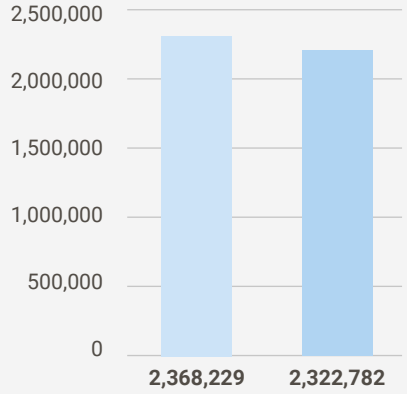
Renewable electricity increased from 185,555 MWh in 2022 to 9,485 MWh in 2023, as a result of a change in strategy at the Polish plant, which no longer dedicates resources to the purchase of renewable energy, instead investing in energy efficiency actions.

Diesel consumption increased by 8% compared with 2022, as a result of the expansion of the reporting scope, in particular at the Group's finishing plants.

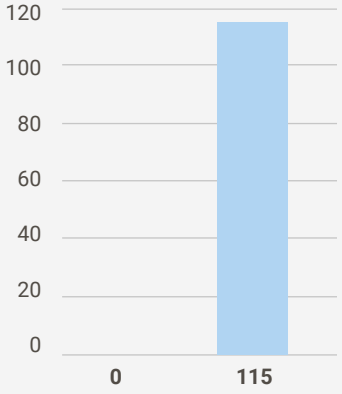
Total primary energy consumption at the Group (MWh)

2022 2023

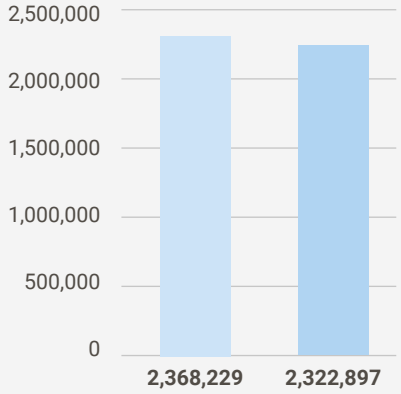
Total consumption of fossil fuels



Total consumption of renewable fuels

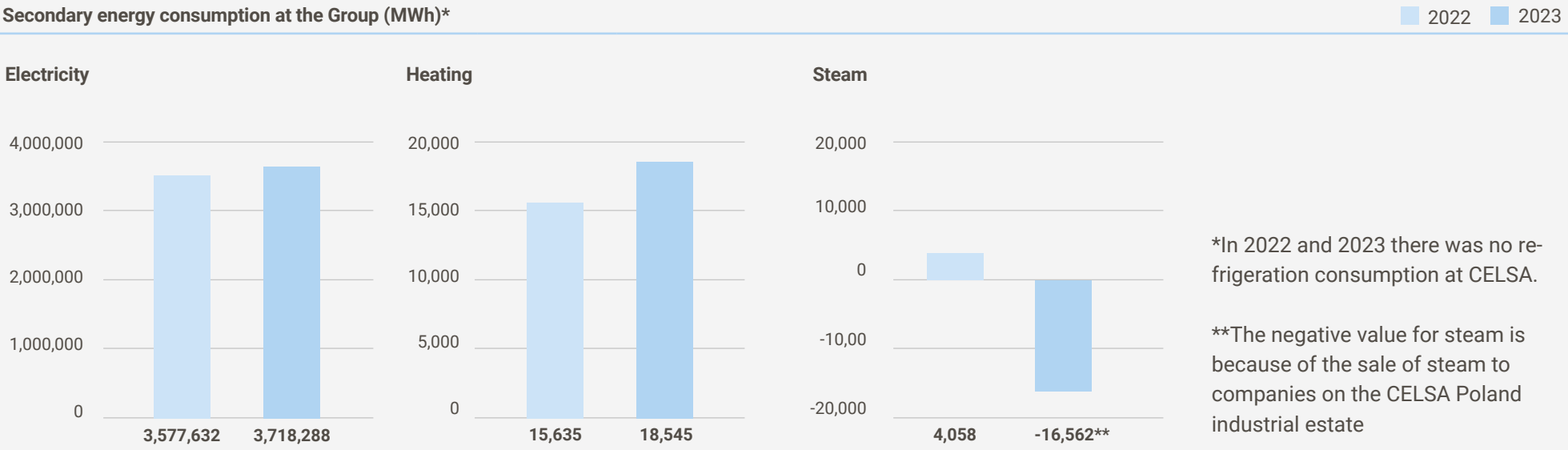


Total primary energy consumption



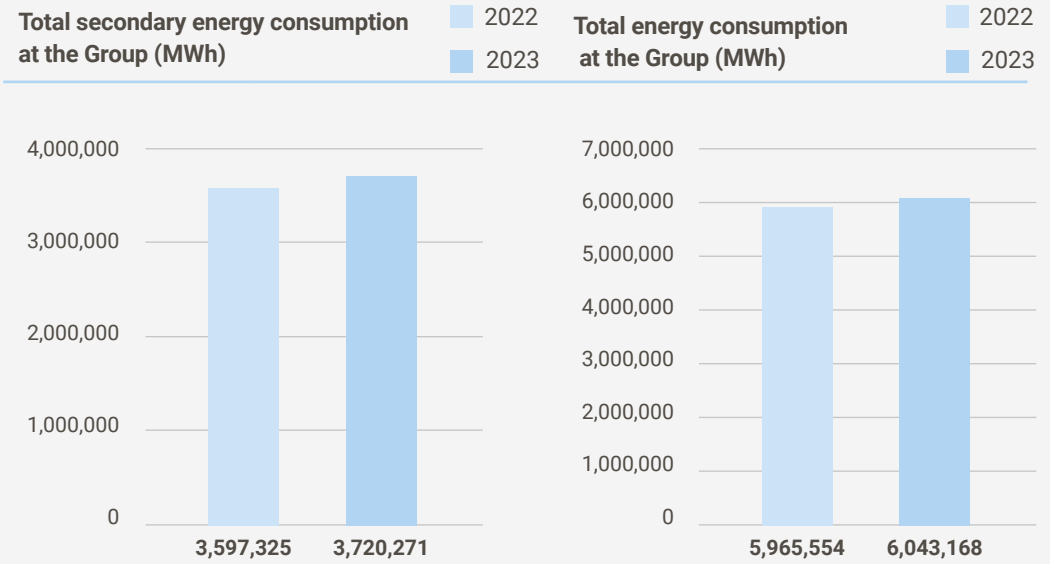
Natural gas and other combustion gases for thermal processes	**2,300,133**	**2,247,441**
Diesel	**68,096**	**73,932**
Gasoline	**N/A**	**771**
Propane	**N/A**	**638**
Biomethane	**0**	**0**
Biofuels	**0**	**115**
Total consumption of renewable fuels	**0**	**115**
Electricity without renewable origin attribution	**3,392,077**	**3,708,392**
Electricity of renewable origin	**185,555**	**9,896**

Secondary energy consumption at the Group (MWh)*



*In 2022 and 2023 there was no refrigeration consumption at CELSA.

**The negative value for steam is because of the sale of steam to companies on the CELSA Poland industrial estate



Energy consumption by business unit (2023)*

Megawatt-hour (MWh)	Celsa Spain	Celsa France	Celsa UK	Celsa Nordic	Celsa Poland	Celsa Global Circularity	2022	2023
Natural gas and other fuel gases for thermal processes	1,132,673	240,111	331,121	114,439	429,097	0	2,300,133	2,247,441
Diesel	13,131	4,378	7,163	1,511	23,323	24,426	68,096	73,932
Gasoline	0	0	0	0	771	0	N/A	771
Propane	0	11	193	418	16	0	N/A	638
Total consumption of fossil fuels	1,145,804	244,500	338,477	116,368	453,207	24,426	2,368,229	2,322,782
Biomethane	0	0	0	0	0	0	0	0
Biofuels	0	0	1	114	0	0	0	115
Total consumption of renewable fuels	0	0	1	114	0	0	0	115
Total primary energy consumption	**1,145,804**	**244,500**	**338,478**	**116,482**	**453,207**	**24,426**	**2,368,229**	**2,322,897**
Electricity without renewable origin attribution	1,729,683	375,990	524,940	425,179	638,380	14,220	3,392,077	3,708,392
Electricity of renewable origin	5,908	0	0	3,988	0	0	185,555	9,896
Electricity	1,735,591	375,990	524,940	429,167	638,380	14,220	3,577,632	3,718,288
Heating	15,635	0	0	4,193	14,352	0	15,635	18,545
Cooling	0	0	0	0	0	0	0	0
Steam	4,058	0	0	0	-16,562	0	4,058	-16,562
Total secondary energy consumption	**1,735,591**	**375,990**	**524,940**	**433,360**	**636,170**	**14,220**	**3,597,325**	**3,720,271**
Total energy consumption	**2,881,395**	**620,490**	**863,418**	**549,842**	**1,089,377**	**38,646**	**5,965,554**	**6,043,168**

*Data not available for Celsa Global Support.

Good energy efficiency practices on the part of subsidiaries

7 AFFORDABLE AND CLEAN ENERGY

CELSA NERVACERO

- The strategic objective of the **H-ACERO** project is to help decarbonise the steel sector, using **hydrogen** as an alternative source of energy at various points of the steel production process. To achieve this, the consortium proposes the development of advanced technologies and new materials compatible with steel industry production processes, so as to achieve sustainable steel production based on hydrogen (H_2).

CELSA HUTA OSTROWIEC

- Celsa Poland implements the ISO 50001 Energy Management System. The next step will be certification by an external body. It also obtains Clean Energy certification on the part of BV and Celsa Circular Steel. In 2023, 1,285.85 tonnes of green steel were sold. It also holds ESG declarations for products manufactured from renewable energy sources.

CELSA NORDIC

- The decision is taken to install **solar panels** at Celsa Steel Service Sweden.

Natural gas consumption at CELSA fell by 2.3% in 2023, fossil fuels by 1.92% and primary energy by 1.91%.

Responsible water management

Water is fundamental not only for the survival of human beings, but also to guarantee sustainable development in the socio-economic and industrial spheres. Half of the world's population currently suffers serious water shortage for at least one month of the year. This lack is in fact expected to increase because of rising temperatures caused by climate change.

At CELSA, our main processes take place at high temperature, requiring the use of water to ensure the cooling of both our installations and the manufactured product. Aware of the critical situation of this resource, we are therefore committed to protecting and making efficient use of water. It should be pointed out that the specific water consumption values at our plants are among the best in the sector, thanks to the continuous implementation of such reduction initiatives as:

- Use of **semi-closed cooling circuits,** allowing continuous reuse of most water within the process.
- Implementation of **rainwater collection and re-use systems**.
- Assurance of reused water quality.
- Launch of **completely closed cooling systems** in which the water within the circuit is cooled by means of air-source coolers with no possible evaporation loss.

The objectives of our **Environment and Resource Management Policy** include **effective and responsible use** of natural resources such as **water,** and training for our staff, supplier companies, contractors and partners in responsible water usage.

Javier Barrero
Sustainability & Environmental Manager
of CELSA Barcelona

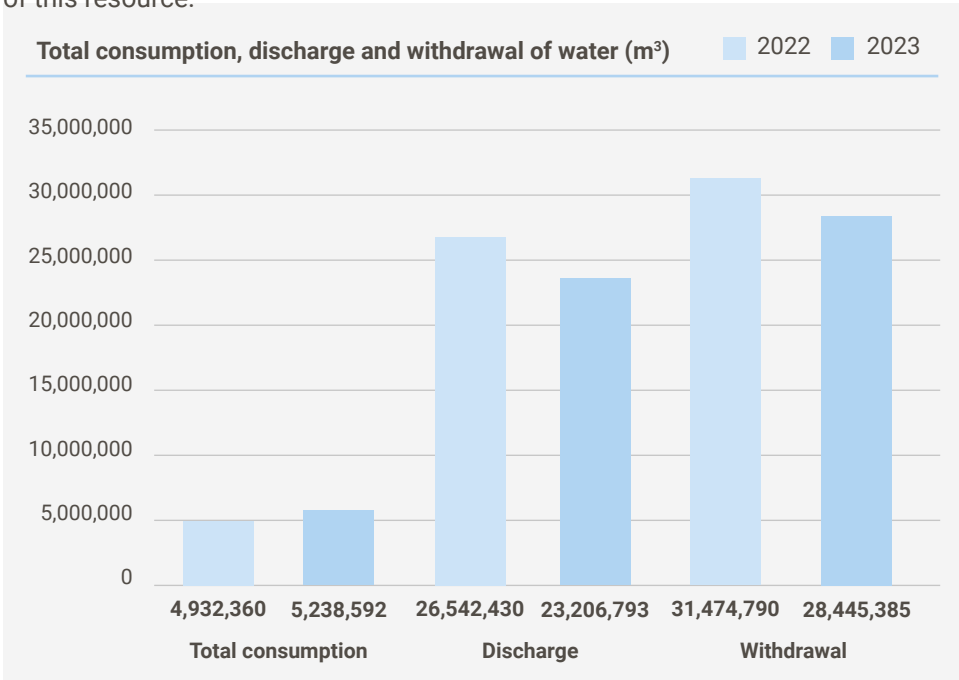
“

We have devised a Water Savings Plan

2023 was a year marked by drought in Catalonia. When the state of drought was announced, industrial users had a 15% water consumption restriction imposed, rising to 25% during the state of emergency. In response to this situation, Celsa Barcelona drew up and presented a Water Savings Plan, providing evidence of consolidated savings and proposals for new initiatives. The ACA (Catalan Water Agency) issued a favourable ruling, with a significant reduction to the generic limits, allowing us to continue normal operations.

Consumption, withdrawal and discharge of water

As defined in GRI-303: Water and effluents 2018, water consumption corresponds to the difference between total withdrawal (extraction) of water from the natural environment and total discharges of water (page 214). Below we set out the absolute and specific values for withdrawal, discharge and total consumption of this resource.



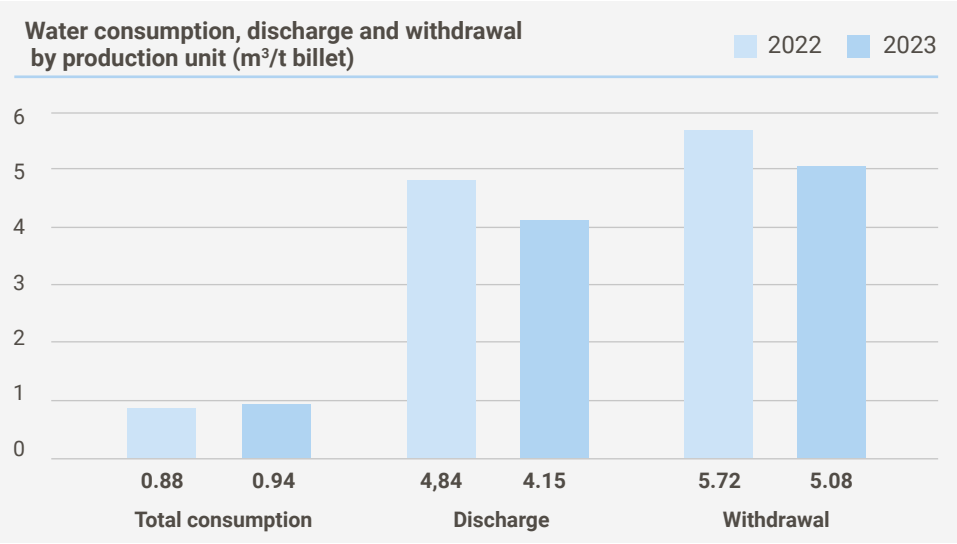
	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group	Celsa Global Circularity
Total water withdrawal	3,787,494	626,198	784,866	21,867,412	1,354,629	24,786
Total discharge of water	1,101,558	22,522	20,648	21,847,267	214,798	0
Total consumption	2,685,936	603,676	764,218	20,145	1,139,831	24,786

Data not available for Celsa Global Support.

Katarzyna Pawlik-Kutera
Environmental Manager of CELSA Huta Ostrowiec

We optimise water consumption

At CELSA we undertake a series of projects which have a positive impact on water management, and are consistent with the SDGs. In 2023, Celsa Poland undertook a series of initiatives to optimise consumption of the resource, serving to reduce the quantity of waste water discharged into the river after being processed at our waste water treatment plant.

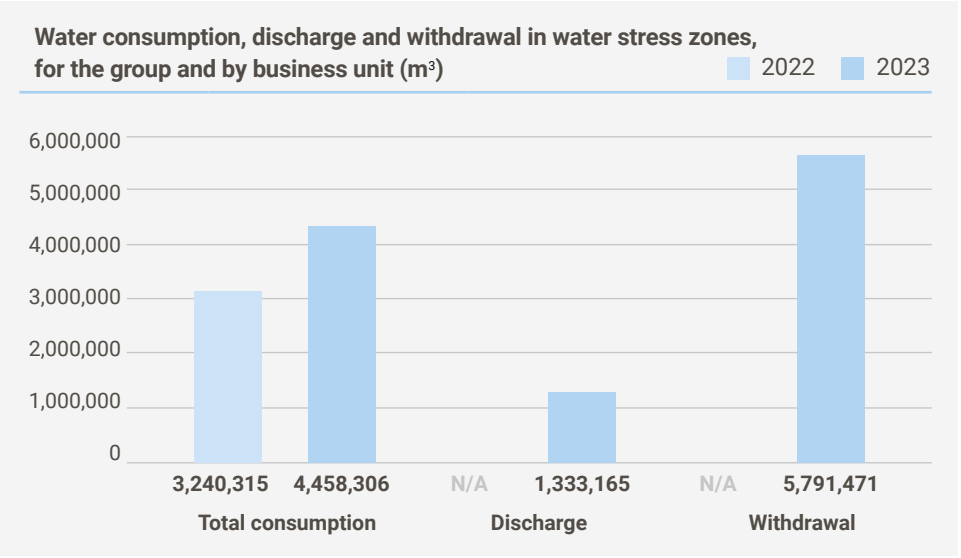


	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group
Total water withdrawal	1.45	1.14	0.97	32.01	1.44
Total discharge of water	0.42	0.04	0.03	31.98	0.23
Total consumption	1.03	1.10	0.94	0.03	1.21

Celsa Global Circularity and Celsa Global Support data not available.

Water stress

Water stress is one of the main environmental problems currently faced by humanity. It should be emphasised that five of the seven main CELSA plants are located within water stress zones. We have classified these in accordance with the geographical location of each plant, assuming that the water required for production is captured close to the corresponding site. Water stress zones are all those above the low (0-1) range on the scale established by the *Water Risk Atlas* (https://www.wri.org/applications/aqueduct/water-risk-atlas/).



	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group	Celsa Global Circularity
Total water withdrawal	3,786,269	3,786,269	N/A	N/A	1,354,218	24,786
Total discharge of water	1,100,733	22,522	N/A	N/A	209,910	N/A
Total consumption	2,685,536	603,676	N/A	N/A	1,144,308	24,786

We have therefore adopted a series of measures to minimise this risk:

- **Systematic monitoring** of water consumption to cool installations, and internal benchmarking exercises to identify and implement best practices.

- Guaranteed water resilience in our processes, avoiding discharges and harm to the natural environment, with three major aims: reduce the use of water from natural watercourses, make more efficient use of the water consumed in our processes, and minimise discharges or improve discharge quality. This measure was activated in late 2023 and is considered a fundamental improvement objective.

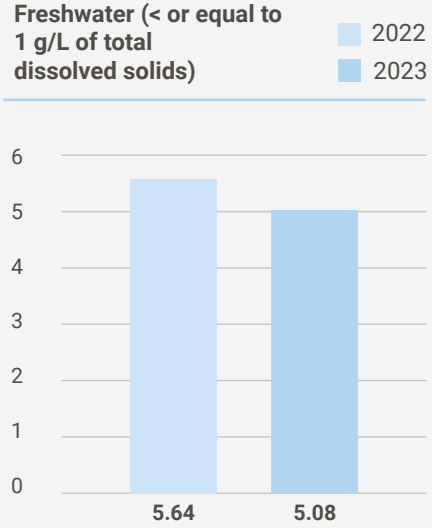
Our Castellbisbal plant (Celsa Barcelona) represents a specific case. It currently lies within the regulatory parameter of the **ACA (Catalan Water Agency)**, which applies the **Special Drought Plan** in Catalonia. A situation of alert was in place during 2023, leading to the imposition of a 15% reduction on total water consumption. By the point at which this report went to press, the ACA had declared a situation of emergency, entailing a 25% reduction in water consumption. CELSA has obtained a **favourable technical report** from the ACA, having presented a water savings plan, causing the restriction to be reduced to a level allowing normal production to continue.

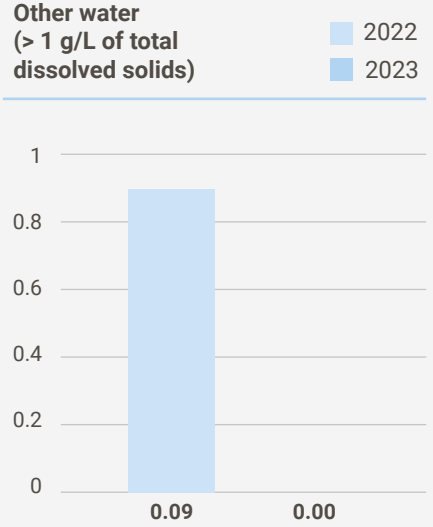
The plant presented its **Water Savings Plan** to the ACA in order to reduce water consumption to a minimum as a structural measure, allowing it to continue production without these restrictions. Efforts were furthermore made during 2023 to reduce water consumption, with levels down by 12% at the plants, 30-50% on the rolling lines, and 5% for steelmaking.

In 2023, CELSA reduced water withdrawal by 11% and water discharge by 14%, while increasing rainwater withdrawal by 60%

The quality of the water discharged may affect the functioning of the ecosystem in many different ways. Direct impacts on a receiver basin could lead to a substantial impact on the quality of life in a region, as well as having social and economic consequences for local communities. At CELSA we therefore measure the quality of the water captured, as well as water discharges. The specific values are set out below:

Quality of water captured (m^3/t billet)*





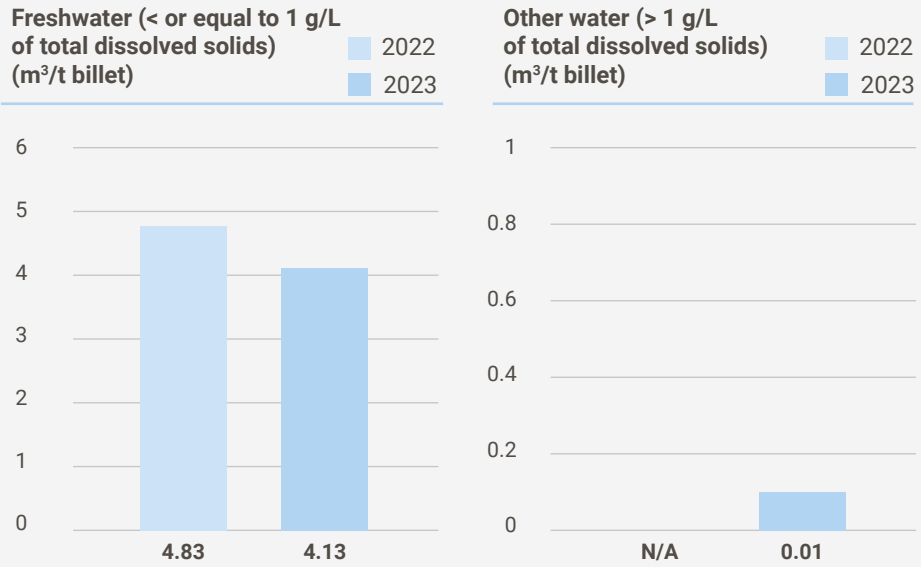
	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group
Freshwater (< or equal to 1 g/L of total dissolved solids)	3,787,494	626,198	784,866	21,867,412	1,354,629
Other water (> 1 g/L of total dissolved solids)	1,101,558	22,522	20,648	21,847,267	214,798

*Celsa Global Circularity and Celsa Global Support data not available.

With regard to discharges, our priority is to reduce the pollutant load in the water discharged. We have water treatment systems in place (settlers, hydrocarbon separators, etc.) to improve water quality, and take measurements to control effluent parameters. To the extent possible at each plant, treated water is reused for less restrictive uses in terms of quality, such as to water roadways or to cool slag. Discharges are likewise preferably channelled into drainage networks, avoiding direct discharge into public waterways. These measures are significant within the context of water stress facing many of our sites.

As for internal monitoring indicators, it is important to have access to and awareness of environmental aspects of water discharges in terms of specific values, in other words according to manufactured steel output. Total billet output is specifically defined as the denominator. In late 2022 we began to record these data monthly so as to determine and systematically analyse the discharges and discharged water quality of all the company's main plants.

Water discharged by quality (m^3/t billet)* 2023



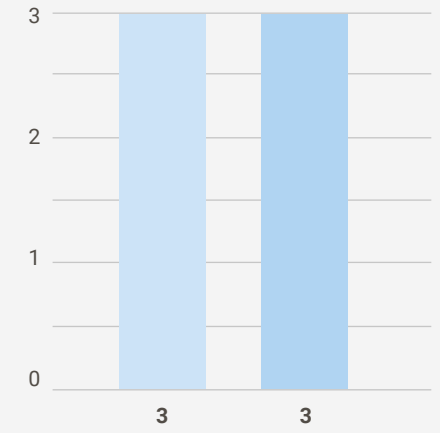
Water discharged by quality, by Business Unit (m^3/t billet)* 2023

m^3/billet	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group
Freshwater (< or equal to 1 g/L of total dissolved solids)	0.40	0.04	0.03	31.97	0.23
Other water (> 1 g/L of total dissolved solids)	0.03	0.00	0.00	0.00	0.00

*Celsa Global Circularity and Celsa Global Support data not available.

Legal limits

Number of legal discharge breaches / water quality (m^3/t billet)* 2023



	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group
Freshwater (< or equal to 1 mg/L of total dissolved solids)	1	0	2	0	0

*Celsa Global Circularity and Celsa Global Support data not available.

Detailed water data

The water withdrawal and discharge data are detailed below.

Detail of water management by CELSA and by business unit (m^3)

	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group	Celsa Global Circularity	CELSA 2023	CELSA 2022
Withdrawal, surface water	1,426,289	22,579	70,296	21,846,720	564,741	0	**23,930,625**	**27,101,685**
Withdrawal, groundwater	1,675,837	400,453	30,899	946	430,690	17,357	**2,556,182**	**2,553,566**
Withdrawal, distribution mains	685,368	99,836	683,671	19,746	6,388	7,429	**1,502,438**	**1,549,806**
Withdrawal, rainwater	0	11	193	418	16	0	**456,140**	**269,733**
Total water withdrawal	**3,787,494**	**626,198**	**784,866**	**21,867,412**	**1,354,629**	**24,786**	**28,445,385**	**31,474,790**
Surface water	84,322	21,030	0	21,844,865	80,308	0	**22,030,525**	**25,243,537**
Groundwater	409	0	0	0	0	0	**409**	**463,433**
Sea water	0	0	0	0	1,850	0	**1,850**	N/A
Third-party water	947,060	1,492	20,648	2,402	132,640	0	**1,104,242**	**835,460**
Industrial symbiosis	69,767	0	0	0	0	0	**69,767**	N/A
Total discharge of water	**1,101,558**	**22,522**	**20,648**	**21,847,267**	**214,798**	**0**	**23,206,793**	**26,542,430**
Total consumption	**2,685,936**	**603,676**	**764,218**	**20,145**	**1,139,831**	**24,786**	**5,238,592**	**4,932,360**

Data not available for Celsa Global Support.

Detail of water management, in specific values, for CELSA and by business unit (m^3/billet)*

	Celsa Spain Group	Celsa France Group	Celsa UK Group	Celsa Nordic Group	Celsa Poland Group	CELSA 2023	CELSA 2022
Withdrawal, surface water	0.55	0.04	0.09	31.98	0.60	**4,28**	**4.93**
Withdrawal, groundwater	0.64	0.73	0.04	0.001	0.46	**0.46**	**0.46**
Withdrawal, distribution mains	0.26	0.18	0.84	0.03	0.01	**0.27**	**0.28**
Withdrawal, rainwater	0	0.19	0	0	0.37	**0.08**	**0.05**
Total water withdrawal	**1,45**	**1.14**	**0.97**	**32,01**	**1.44**	**5,09**	**5.72**
Surface water	0.03	0.038	0	31.97	0.08	**3.93**	**4,61**
Groundwater	0	0	0	0	0	**0**	**0.08**
Sea water	0	0	0	0	0.002	**0,0003**	**0**
Third-party water	0.36	0.003	0.03	0.004	0.14	**0.20**	**0.15**
Industrial symbiosis	0.03	0	0	0	0	**0.01**	**0**
Total discharge of water	**0.42**	**0.04**	**0.03**	**31,98**	**0.23**	**4.15**	**4,84**
Total consumption	**1.03**	**1.10**	**0.94**	**0.03**	**1.21**	**0.94**	**0,88**

*Figures are not available for de Celsa Global Circularity or Celsa Global Support (neither of which discharges water).

Protecting biodiversity

According to the UN Convention on Biological Diversity, the conservation of biodiversity is an interest shared by all humanity, and is of critical importance in fulfilling basic needs.

The objectives of the EU Biodiversity Strategy up until 2030 include the legal protection of at least 30% of the land area and 30% of the marine area of the EU, along with the inclusion of ecological corridors within the Trans-European Nature Network. Cross-border cooperation between Member States is encouraged for this purpose.

The current position of biodiversity is truly worrying. According to the Red List of Threatened Species published by the International Union for Conservation of Nature (IUCN) in late 2023, **more than 44,000 species** are **at risk of extinction**, some 2,000 more than the previous year. The report reflects the way in which climate change is aggravating the planetary biodiversity crisis, speeding up the rapid decline in the number of plants and animals on Earth.

None of our sites is located in a specially protected natural area, and there is therefore no significant risk of a direct impact on protected habitats. This explains the fact that we currently do not have a biodiversity strategy in place.

Paula Ferrer
Sustainability and Environmental Strategy Technician of CELSA

“

Biodiversity and conservation is a crucial issue for our future

We are currently working on various biodiversity projects, such as the SEASLAG project to produce sustainable materials that simulate artificial reefs to restore marine biodiversity along the coast of Catalonia. Meanwhile, Celsa Steel UK has a project in operation to promote the biodiversity of birdlife and bats in Cardiff.

CELSA is likewise a founding member of the Nactiva project, based in Barcelona, with the goal of identifying, selecting, designing, accelerating, raising funds and supporting the implementation of business projects that regenerate the region’s natural capital.

SEASLAG

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

Innovation project based on the development of new materials for Marine bio-regeneration structures using by-products from the steel industry, such as white slag, in order to address the loss of marine biodiversity around the world.

This project presents a solution focused on a sustainable and circular economy, fostering environmentally friendly social and economic development and promoting the conservation of natural resources.

The *SEASLAG* project specifically proposes the research and development of a new, sustainable material to create marine regeneration structures allowing biodiversity to expand in our seas and oceans.

The base material to generate *SEASLAG* structures, acting as an artificial reef, is one of our by-products: secondary steel slag aggregate.

Secondary steel slag aggregate, more commonly known as white slag, is generated in the refining furnace and has one particularly special characteristic: its composition. More than 50% of its content is calcium oxide, a very similar composition to that of natural reefs. This serves to increase efficiency in production of the material, since the materials no longer need to undergo a calcification process, which can take up to four months.

Anna Lloveras
Chief Science Officer and co-founder of Ocean Ecostructures

“

Waste reduction and reuse is one of the challenges facing major industries. Investment in research to resolve this challenge is one of the factors that makes companies like CELSA stand out. Research normally focuses on feeding such waste or by-products back into the value chain, but **the aim of the SEASLAG project is to use by-products from the steelmaking industry to create structures for marine regeneration.**

In this case, a new formulation has been developed for use in additive printing, with the aim of building structures designed specifically to be installed on maritime infrastructure (taking advantage of areas that have already received impacts during the construction of this infrastructure itself), modifying their role to make them proactive agents in marine regeneration. We are currently working on various biodiversity projects, such as the SEASLAG project to produce sustainable materials that simulate artificial reefs to restore marine biodiversity along the coast of Catalonia.

BIODIVERSITY PROJECT AT CELSA UK

The Celsa UK biodiversity project successfully fulfilled all its objectives by the scheduled deadline. In specific terms, more than 150 m² of wild flower seeds were scattered throughout the site. 54 different species of pollinator flowers were planted, significantly improving the local ecosystem. Bird boxes were distributed throughout the area by a primary school class, capable of housing as many as 23 different species of local birdlife. The monitoring assessments revealed a significant rise in pollinator activity in the presence of various insects and birds around the new habitats, confirming the project's positive impact on local biodiversity.

We embarked on a biodiversity project to transform waste materials into thriving ecosystems, providing shelter, nesting spots and food for our local birds and insects.

The main aim of the Celsa UK biodiversity project was to improve the biodiversity of the facilities, by incorporating sustainable practices and at the same time underpinning our commitment to the community. This objective aimed to reduce our environmental footprint, improve operational efficiency, and forge stronger ties with our local stakeholders.

We organised a Dog's Trust donation at all sites, and requested all the articles on their wish list to attract stakeholders to the project. As one of our closest stakeholders, two members of the environment team approached Dog's Trust and debated and planned future projects in which staff would take part.

In terms of operational efficiency, the project succeeded in diverting a significant number of old tyres from landfill, in accordance with our zero waste objectives. The reuse of materials represented a cost saving in terms of waste disposal and the acquisition of new materials.

Hannah Powell
Environmental Manager at Celsa Steel UK

We have improved the local ecosystem

At CELSA Steel UK we successfully undertook a biodiversity project at our manufacturing plants in Cardiff, in collaboration with the University of Cardiff. The planting of wild flower and pollinator flower seeds, and the installation of bird boxes and insect hotels, not only improved the local ecosystem, but also strengthened our community relationship with schools, charitable organisations and local companies.

One unforeseen benefit of the project was the way it strengthened the relationship among the different Celsa Steel departments and operational sites. This partnership improved communication and teamwork, giving rise to a more cohesive organisational culture. Furthermore, the success of this project has triggered plans for other phases intended to promote biodiversity at Celsa UK. Another health and safety advantage of the project is that the spatial arrangement of the tyres around the melting workshop forces staff to follow the established pathway.

About this report

08

Scope of the report

This *Sustainability Report* covers the period from 1 January to 31 December 2023. The scope of the information corresponds to the activities of the 33 companies that make up CELSA, located in Spain, France, Norway, Sweden, Denmark, Finland, United Kingdom, Ireland and Poland. A list is set out below of all the companies operating under the CELSA brand.

Since Pico Espadas, S.A. represents all the CELSA business units, this latter term will be used from this point onwards.

SPAIN

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

FRANCE

Celsa France
- Celsa France, S.A.S.
- Celsa Atlantic, S.L.
  (Celsa Atlantic Largos, Laracha)

STEEL UK

Celsa UK
- Celsa Manufacturing (UK)
- BRC Reinforcement
- ROM-Tech Ltd.
- RFA-Tech Ltd.
- Express Reinforcements
- ROM Mesh
- ROM Limited
- BRC Manufacturing
- Celsa Steel (UK) Ltd.
- Celsa (Wales) Ltd.
- Celsa Steel Service Ltd.

NORDIC

Celsa Nordic
- Celsa Nordic Recycling A.B.
- Celsa Armeringsstal A.S.
- Celsa Steel Service A.B. Sweden
- Celsa Steel Service A.S. Denmark
- Celsa Steel Service A.S. Norway
- Celsa Steel Service Oy Finland
- Raudoituslijke Haaki Oy Finland

HUTA OSTROWIEC

Celsa Poland
- Celsa Huta Ostrowiec S.P. Z. O.O.
- Celsa Huta Ostrowiec Holding S.P. Z. O.O.
- Stal-Service S.P. Z. O.O.

FERIMET

Celsa Global Circularity
- Ferimet, S.L.

GLOBAL SUPPORT SERVICES

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

Inversiones **Pico Espadas, S.A.** is the parent company of the companies operating under the name of CELSA. Since CELSA is the trading name, this term has been maintained throughout the report.

On 30 November 2023, Pico Espadas took over the following companies: Inversiones Pico Aneto, S.A. and Inversiones Pico Anayet, S.A.. As a consequence of this merger, Pico Espadas, S.A. añadió, added to its shareholdings in Celsa UK, Celsa Nordic and Celsa Poland, the shares of Barna Steel, S.A. and Inversiones Pico Espadas, S.A. (IPO), as detailed below:

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

- Celsa UK
- Celsa Nordic
- Celsa Poland

Barna Steel, SA comprises:

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

Pico Espadas, S.A., from 1 December 2023 it comprises:

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

Preparing the report

In preparing this report we received direct contributions from key individuals at the different CELSA management areas, who provided information concerning the various aspects covered. It is therefore the result of teamwork in which all those involved added their own knowledge and experience.

Consideration was given to the following standards:

- **GRI Standards** (2021 update) under “the reference” reporting option
- **AA1000SES** responsibility standard for the materiality analysis

This report complies with the sustainability reporting principles set out in standard GRI 1:

ACCURACY	BALANCE	CLARITY	COMPARABILITY	COMPLETENESS	SUSTAINABILITY CONTEXT	TIMELINESS	VERIFIABILITY
Present information that is correct and sufficiently detailed to allow an assessment of the organisation's impacts.	Present information in an unbiased way and provide a fair representation of the organisation's negative and positive impacts.	Present information in a way that is accessible and understandable.	Enable an analysis of changes in the organisation's impact over time and an analysis of these impacts relative to those of other organisations.	Provide sufficient information to enable an assessment of the organisation's impacts during the reporting period.	Present information about its impact on the wider context of sustainable development.	Present information on a regular schedule and make it available in time for information users to make decisions.	Gather, record, compile and analyse information in such a way that it can be examined to establish its quality.

Annexes

09

Protocols and Standards

General Safety

- Access to gantry cranes and tracks
- Harnesses and lifelines
- Safety markings
- Effective communication by issuer
- 'DECAP' – de-energise, tag, lock, secure and test
- Entry to confined spaces
- Ladders
- Guards on equipment with moving parts
- Inspection of handrails, steps and platforms
- Handling of grabber cranes and grab crane trucks
- Handling and safe use of scaffolding
- Crane operations
- Permit to work
- Aerial work platforms
- Prevention of slipping, tripping and falling
- Health and safety audit protocol
- General safety rules
- Work at height
- Hot work
- Work on roofs
- Solo work
- Use of lifting equipment

Rolling Safety

- Safe removal of coils

Electrical

- Levels of energy
- Permit to work on high-voltage installations
- Basic safety requirements for high-voltage installations

Mechanical - Contractor safety

- Contractor safety management tools

Mechanical - Logistics

- Forklifts
- Unloading of trucks via tipping

Environmental, health and safety management

- Task risk assessment
- Communication, reporting and classification of accidents and incidents.
- Investigation of accidents, occupational diseases and incidents.
- Preventive safety observations.
- Global Safety Performance Index (GSPI)
- Corporate EHS (Environmental, Health & Safety) audits
- Identification, selection, application, use and control of PPE
- Procedures for critical tasks
- Approval flow for REACH substances (registration, evaluation, authorisation and restriction of chemicals)
- *Just culture*
- Think first
- Develop well-being plan
- *Safety School*

Process Safety

- Change management

Health

Industrial health

- Work at high temperature

Health surveillance

- Health surveillance protocol for work at height
- Health surveillance protocol for work in confined spaces

GRI and SDG content table

Statement of use

CELSA (Inversiones Pico Espadas, S.A.) presents the information referred to in this GRI content index for the period between 1 January and 31 December 2023, based on the GRI Standards.

GRI 1 USED	GRI 1 Foundation 2021

Contents		**Material topics: high priority**	**Correlation with the SDGs**	**Correlation with the Global Compact**	**Corresponding pages**
GRI 2: General Disclosures 2021					
2-1 Organizational details					15, 17, 18
2-2 Entities included in the organization's sustainability reporting					220, 221
2-6 Activities, value chain and other business relationships		Business management and leadership	SDG 8		38-50, 98, 99
2-7 Employees			SDG 8	Principle 6	119-123
2-9 Governance structure and composition		Business management and leadership	SDG 16		27-36
2-23 Policy commitments		Business management and leadership	SDG 16	Principle 10	67-68
2-25 Processes to remediate negative impacts			SDG 16	Principle 10	654, 168, 169
2-26 Mechanisms for seeking advice and raising concerns	38		SDG 16	Principle 10	54, 65, 200, 201
2-27 Compliance with laws and regulations	2,995	Group reputation and image	SDG 16		66
2-28 Membership associations	0	Group reputation and image	SDG 17		83-86
2-29 Approach to stakeholder engagement	0	Group reputation and image	SDG 17		71-74, 87-91
2-30 Collective bargaining agreements	64		SDG 8	Principle 3	131

Contents		Material topics: high priority	Correlation with the SDGs	Correlation with the Global Compact	Corresponding pages
GRI 3: Material Topics 2021					
3-1 Process to determine material topics			SDG 17		87-88
3-2 List of material topics			SDG 17		89
3-3 Management of material topics		Business management and leadership	SDG 17		91
GRI 201: Economic performance					
201-1 Direct economic value generated and distributed	SL04	Business management and leadership	SDG 8		110-112
GRI 203: Indirect economic impacts 2016					
203-1 Infrastructure investments and services supported	SL04	Business management and leadership	SDG 8		104-107
GRI 204: Supply Practices 2016					
204-1 Proportion of spending on local suppliers			SDG 12		102-103
GRI 205: Anti-corruption 2016					
205-1 Operations assessed for risks related to corruption	SL04	Business management and leadership		Principle 10	62, 63
205-2 Communication and training about anti-corruption policies and procedures	SL04	Business management and leadership		Principle 10	65-66
GRI 301: Materials 2016					
301-1 Materials used by weight or volume	CR03	Consumption of resources and responsibility in the use of materials	SDG 12		178, 179
301-2 Recycled input materials	CR03	Consumption of resources and responsibility in the use of materials	SDG 12	Principles 8 and 9	177-179
GRI 302: Energy 2016					
302-1 Energy consumption within the organisation	CR03	Consumption of resources and responsibility in the use of materials	SDG 7		205-207

Contents		Material topics: high priority	Correlation with the SDGs	Correlation with the Global Compact	Corresponding pages
GRI 303: Water and effluents 2018					
303-1 Interaction with water as a shared resource	CR03	Consumption of resources and responsibility in the use of materials	SDG 6		209
303-3 Water withdrawal	CR03	Consumption of resources and responsibility in the use of materials	SDG 6		210-211
303-4 Water discharge	CR03	Consumption of resources and responsibility in the use of materials	SDG 6		210-211
303-5 Water consumption	CR03	Consumption of resources and responsibility in the use of materials	SDG 6		210-211
GRI 305: Emissions 2016					
305-1 Direct GHG emissions (scope 1)			SDG 13		188, 192, 193, 194, 195
305-2 Indirect GHG emissions from power generation (scope 2)			SDG 13		192, 193, 195
305-3 Other indirect GHG emissions (scope 3)			SDG 13		20, 193
305-5 Reduction of GHG emissions			SDG 13	Principles 8 and 9	195
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant atmospheric emissions			SDG 13		198, 199
GRI 306: Waste 2020					
306-2 Management of significant waste-related impacts	CR03	Consumption of resources and responsibility in the use of materials	SDG 12	Principle 7	171-176, 180
306-3 Waste generated	CR03	Consumption of resources and responsibility in the use of materials	SDG 12		181, 182
306-4 Waste diverted from disposal	CR03	Consumption of resources and responsibility in the use of materials	SDG 12		182, 183
306-5 Waste directed to disposal	CR03	Consumption of resources and responsibility in the use of materials	SDG 12		182, 183

Contents		Material topics: high priority	Correlation with the SDGs	Correlation with the Global Compact	Corresponding pages
GRI 307: Environmental compliance 2016					
307-1 Non-compliance with environmental laws and regulations					66
GRI 308: Supplier environmental assessment 2016					
308-1 New suppliers that were screened using environmental criteria	SL04	Business management and leadership	SDG 12	Principle 7	98, 100, 101
404-1 Average hours of training per employee per year					
404-1 Average hours of training per employee per year	TS04	Talent retention	SDG 4		152
404-2 Programmes to improve employee skills and transition support programmes	TS04	Talent retention	SDG 4 and SDG 10	Principles 8 and 9	151
GRI 405: Diversity and equal opportunities 2016					
405-1 Diversity of governance bodies and employees	TS04	Talent retention	SDG 4 and SDG 10	Principle 6	156-159
GRI 406: Non-discrimination 2016					
406-1 Incidents of discrimination and corrective actions taken			SDG 5 and SDG 10	Principle 6	23, 163, 164
GRI 413: Local communities					
413-1 Operations involving the local community, impact assessments and development programmes	CM4	Group reputation and image	SDG 10	Principle 6	108, 109
GRI 414: Supplier social assessment 2016					
414-1 New suppliers that were screened using social criteria	SL04	Business management and leadership	SDG 12	Principles 1, 4 and 5	98, 100, 101

Contents		Material topics: high priority	Correlation with the SDGs	Correlation with the Global Compact	Corresponding pages
GRI 418: Customer privacy 2016					
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data					54
2016 Taxonomy Regulation requirements					
Eligible activities and indicators (Regulation (EU) 2020/852)					170


CELSA