

An aerial photograph showing a large industrial facility with multiple buildings and smokestacks, situated in a valley. The facility is surrounded by lush green forests and a winding river. In the background, there are rolling hills and a large body of water under a cloudy sky.

Embracing a sustainable future

CELSA NORDIC
SUSTAINABILITY REPORT 2022

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with the Chairman

CEL
SA
GROUP

...sions about steel

cycle more
million
of scrap
year

01

A conversation with the Chairman

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

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

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

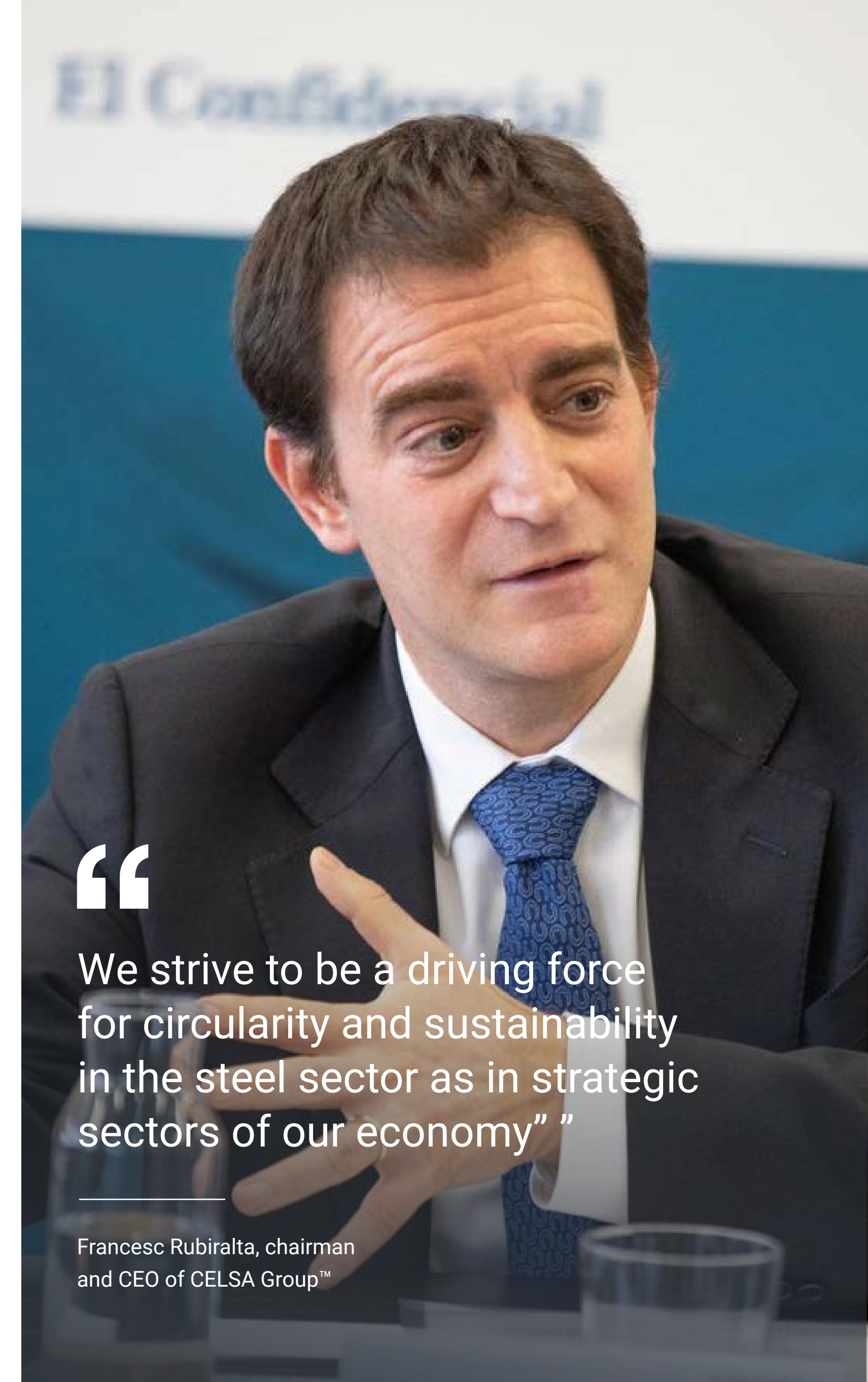
All of this demonstrates the success of the company's current strategic plan, highly focused on achieving two major objectives: on the one hand, to reduce Scope 1 and 2 emissions by 50% and achieve 98% circularity by 2030; and, on the other hand, to complete circularity by 100% and become a Net Positive company by 2050. From the point of view of specific advances in sustainability,

we should highlight the achievement of the "AENOR's Sustainable N Mark" certification for all steel mills in Spain, which, for the first time, is awarded to companies in the steel sector. Additionally, another noteworthy accomplishment has been the inclusion in the World Steel Sustainability Charter, an initiative by the World Steel Association for producers active in the pursuit of sustainability objectives.

Regarding progress in health and safety, we improved our accident rate by 0.9 points in 2022 compared to 2021.

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

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



“

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

Francesc Rubiralta, chairman and CEO of CELSA Group™



In what has been a challenging year, CELSA Group™ has achieved a new turnover record of €6,109 million”.

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

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

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

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

CELSA Group™ continues to play a significant role as a company aimed at recovering ferrous scrap and other materials. In 2022, our company recovered 80,260 tonnes of non-ferrous metals, 432 tonnes of plastics, and ensured the recovery of over 1,373,242 million tonnes of co-products. Recovered waste amounts to 95.1% for the production processes, excluding Circular HUBs (and 89.2% considering Circular HUBs processes).

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

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

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

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

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

What are the main future challenges of CELSA Group™?

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

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

As stated before, we also have the challenge of being a driving force for the circular economy and continue to be leaders in the implementation of our production model based on scrap and electric arc furnaces, with which we have been producing steel for more than 50 years. I am aware that we are paving the way for the sustainable production model that Europe needs. My appointment as chairman of Eurofer last November, the international association representing European steel companies, has highlighted this, positioning us as a driving entity for decarbonisation in the European steel sector.



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

Francesc Rubiralta, chairman
and CEO of CELSA Group™



1.2

A conversation with the CEO CELSA Nordic

2022 was a year filled with records, both in terms of production and turnover. This makes us equipped to prepare for the future where we both invest and prepare the ground for new, innovative technology, new government requirements and new goals.

The most important thing first. Safety!
CELSA Nordic is nothing without our professionals. We are privileged to have their competence, knowledge, power of innovation, adaptability and the professional and friendly collegium. Our employees are important to the company, and they are important to each other. At CELSA Nordic we look after each other. Therefore, the safety of our colleagues is our highest priority.

We have a zero vision for accidents. Unfortunately, we had a few accidents that resulted in colleagues suffering injuries. One injury or one accident is one too many. Safety was our top priority in 2022, and we have to do even better in 2023.

Our vision is being a leader in the generation of circular production chains to contribute to the transition towards a positive impact in society. To achieve this vision, it is not enough just to control one's

own value chains. We must cooperate with customers and suppliers, help each other and create expectations for each other, if we are to succeed in becoming a net positive company by 2050. In 2022, we therefore established the concept Circular collaboration for a circular future, with our customers and suppliers. This obliges us to reduce emissions in all stages of our circular value chain. For the good of future generations.

We have already committed ourselves to cooperation with several partners. Many of these collaborations are direct research collaborations, which we believe, can result in new production processes.

We are leaving behind a year with a very good financial result. This equips us to further developing of CELSA Nordic for the future. CELSA Armeringsstål AS received support from ENOVA of NOK 121 million for the development and construction of a new furnace in the rolling mill that will be able to run on up to 100 percent hydrogen. Such a furnace does not exist in the world today. When we succeed in this, it can change the steel industry, not only in the Nordics, but also throughout the world.

CELSA Steel Service has supplied steel and reinforcement solutions for large and important projects throughout the Nordics. In Norway, we have opened a new factory in Trondheim, which makes us equipped to triple the capacity at Bamtech in Norway.



“

We have already committed ourselves to cooperation with several partners. Many of these collaborations are direct research collaborations, which we believe, can result in new production processes.”

Utku Öner, CEO of CELSA Nordic



In what has been a challenging year, CELSA Nordic has achieved a new turnover record."

In Sweden, we delivered 260 prefabricated concrete columns and concrete beams, in close cooperation with our partners. We see a clear trend on the construction sites. More prefabricated solutions are in demand, as this saves considerable time and labor on the construction site.

In Denmark, in March 2022 we started the delivery of large quantities of reinforcing steel for the new terminal extension at Copenhagen airport. A delivery that will take until November 2023.

In Finland, in 2022 they experienced a great demand for waterproof cemflex products. The market wants more smart solutions, and CELSA Steel Service has the expertise to both develop and give advice already in the planning phase. We must ensure that the market is aware of this competence.

During 2022, CELSA Nordic Recycling has experienced enormous growth. The business has expanded at a high pace, and succeeds in making customers feel a social and environmental responsibility for the scrap they deliver. We work in a circular value chain, and we succeed in getting more and more customers and suppliers on this journey.

In Norway, the new Transparency Act entered into force in July 2022. The Transparency Act highlights a key area and creates new responsibilities for large Norwegian companies. The Act should ensure a more sustainable approach to human rights and decent working conditions throughout the companies' supply chain.

Many of the companies subject to the Act have supply chains with international catchment areas in an economy that is becoming constantly more globalized and interwoven. If many Norwegian companies systematize the work on uncovering risk and preventing human rights violations and indecent working conditions, the combined effect can be positive on international value chains. CELSA Nordic welcomes the Transparency Act.

We consider taking actions to implement it as a standard procedure in all of our companies. This is a development that is gaining momentum, and which we believe we will see more of in the future, in several countries in Europe.

Sustainability is part of the company's DNA. Both the economic, environmental and social aspects. It should be at the core of everything we do.

Scope 1 emissions from steelmaking processes at CELSA Nordic are 47% below the European Union sector average.

Personally, I am proud and grateful to have the opportunity to take over the leadership of a growing company, and look forward to embark all the good projects that will take us forward.

Utku Öner,
CEO of CELSA Nordic



02

2022 Milestones
and relevant events



2022

Milestones and relevant events

01

02

FEBRUARY ANNUAL MEETING

Celebrating annual meeting.

03

04

APRIL UTILIZING SLAG

We participate in several initiatives to increase our valorization of our by product. One of these initiatives is the utilization of white slag in ground pillars.



05

MAY

Celsa Nordic was speaker and opened the Hydrogen conference.



06

JUNE ENOVA FINANCIAL SUPPORT

CELSA's application to Enova for funding our hydrogen project was approved. This is an important milestone in our commitment to steel production without emissions in the future.

07

JULY APPRENTICES

We have 13 new apprentices at CELSA Armeringsstål. They will complete the training course with us and contribute to CELSA Nordic being able to produce renewable steel for its customers throughout the Nordics. CELSA Armeringsstål has between 25 and 30 apprentices in the company at any given time. We have had apprentices for the last 20 years.

CELSA Nordic is an important contributor to educating more professionals in the industry.

08

AUGUST INCREASED PRODUCTION

In the first half of 2022, the steel mill produced in four shifts. From 1 August 2022, we have changed to five shifts. As a result, the available hours per week increased by 24, which gives a production gain of 2,500t of steel per week.



09

SEPTEMBER

CELSA Nordic is a proud partner of the Industry Conference 2022. The industry conference is an annual event that brings together the national industry for updates, inspiration and networking. The topic was, among other things, industrial financing of Norwegian climate change mitigation. Enova highlighted CELSA Nordic and our new, hydrogen-based billet furnace as an investment in technology development. Our plant manager Utku Öner was on stage in the big industrial leaders' meeting with Elkem ASA, Alcoa Norway ANS and Hydro Aluminium.

In one year, Celca Recycling has opened two production facilities for receiving scrap that is part of CELSA Nordic's circular value chain. We already have a presence in Sölvesborg, Olofström and Oxelösund. Today we opened our new production facility located in Västerås, next door to our sister company CELSA Steel Service Sweden.

10

OCTOBER

CELSA Steel Service AS has opened a new factory in Trondheim. The new factory will be a hub for our customers in Trøndelag, Møre & Romsdal and Northern Norway, and will, among other things, contain a new Bamtec machine that will enable us to produce more roll reinforcement steel, a completely new welding department, a large warehouse for accessory products and solar cells on the ceiling.

CELSA Nordic was at Finnbuild. FinnBuild is the largest and the most significant event in construction and building services industries in the Baltic Sea region and was held from 4 to 6 October 2022 at Helsinki Expo and Convention Centre, Finland.



DECEMBER

Launching of the new product Celsaform U.

11

NOVEMBER

We congratulate our very own Francesc Rubiralta Rubio as new EUROFER president.

As a step on the road to more climate-neutral, reinforcing steel manufacturing, Prevas has been entrusted with supplying the latest generation of optimization software FOCS G7 to CELSA Armeringsstål AS.

Opening of a new pilot project of carbon capture. A collaboration between Mo Industripark AS, Sintef, Elkem, Alcoa Norge, CELSA Nordic, Ferroglobe, SMA Mineral, Norcem, NorFraKalk AS, ACT – Arctic Cluster Team and Aker Carbon Capture. The project estimates that it could potentially reduce emissions by 1.5 million tonnes of CO₂.

We signed an LOI / Partnership Agreement with Skanska to reduce our joint CO₂ footprint. According to this agreement, Skanska will be the first customer of our Hydrogen Steel.

CELSA IS
CIRCULAR

03

Passion for circularity

3.1

CELSA Nordic Purpose

In CELSA Nordic, in line with CELSA Group, we recently reformulated our company purpose, which is presented alongside our Mission, Vision and Values:



Purpose

We give infinite lives to finite resources.

Vision

To be a leader in the generation of circular production chains to contribute to the transition towards a positive impact economy.

Mission

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

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

Values

Honesty

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

Nonconformism

We challenge the status quo, and we believe that the impossible presents opportunities to lead change.

Creative perseverance

We never give up; there is always another move.

Humility

We commit to learning, including from our mistakes, and continuously improving.

Teamwork

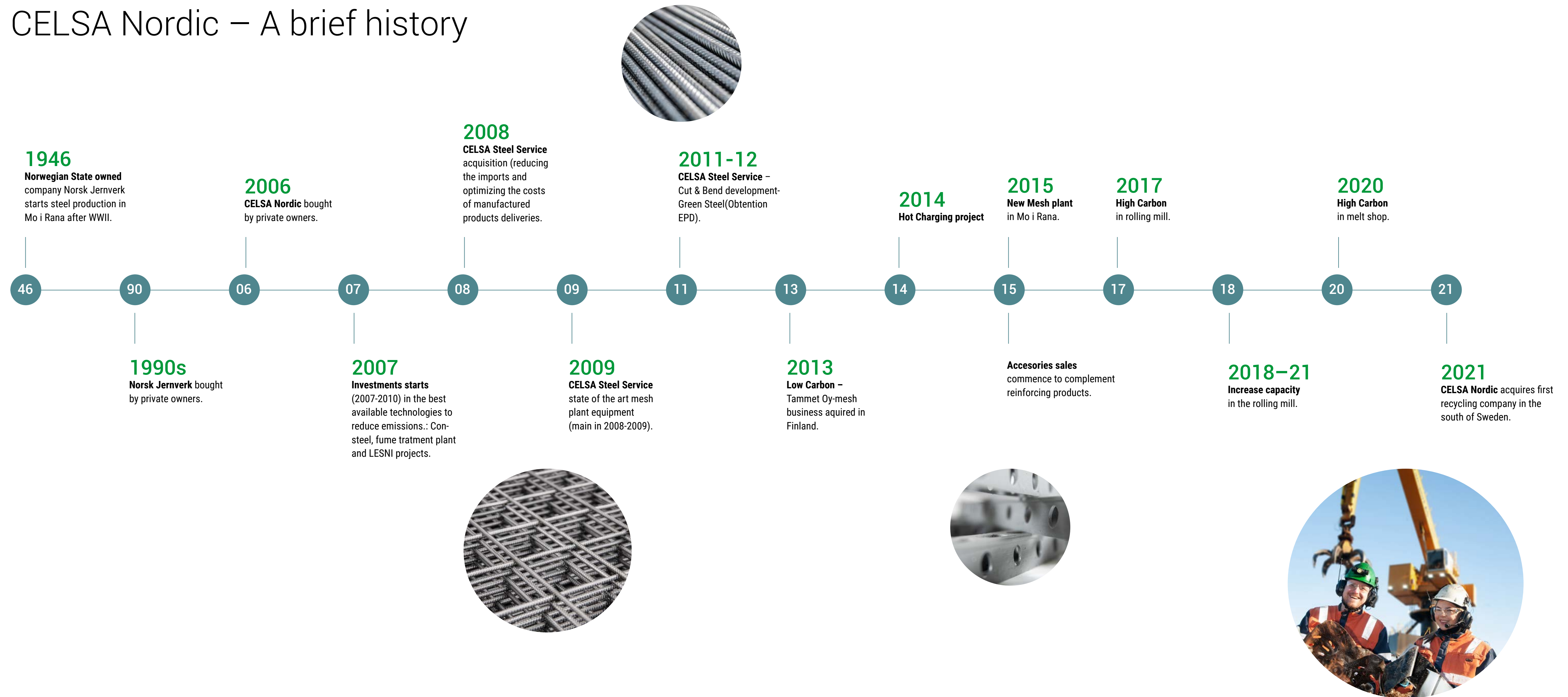
We believe in respect, trust, constructive conflict, dedication and responsibility to achieve team goals.

Passion

We are passionate about what we do and how we do it.

3.2

CELSA Nordic – A brief history



3.3

CELSA in the world

CELSA NORDIC

- 1 Steel mill
- 2 Circular Hubs
- 1 Rolling mill
- 0 Forge
- 15 Transformation and processing companies

CELSA UK

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

CELSA POLAND

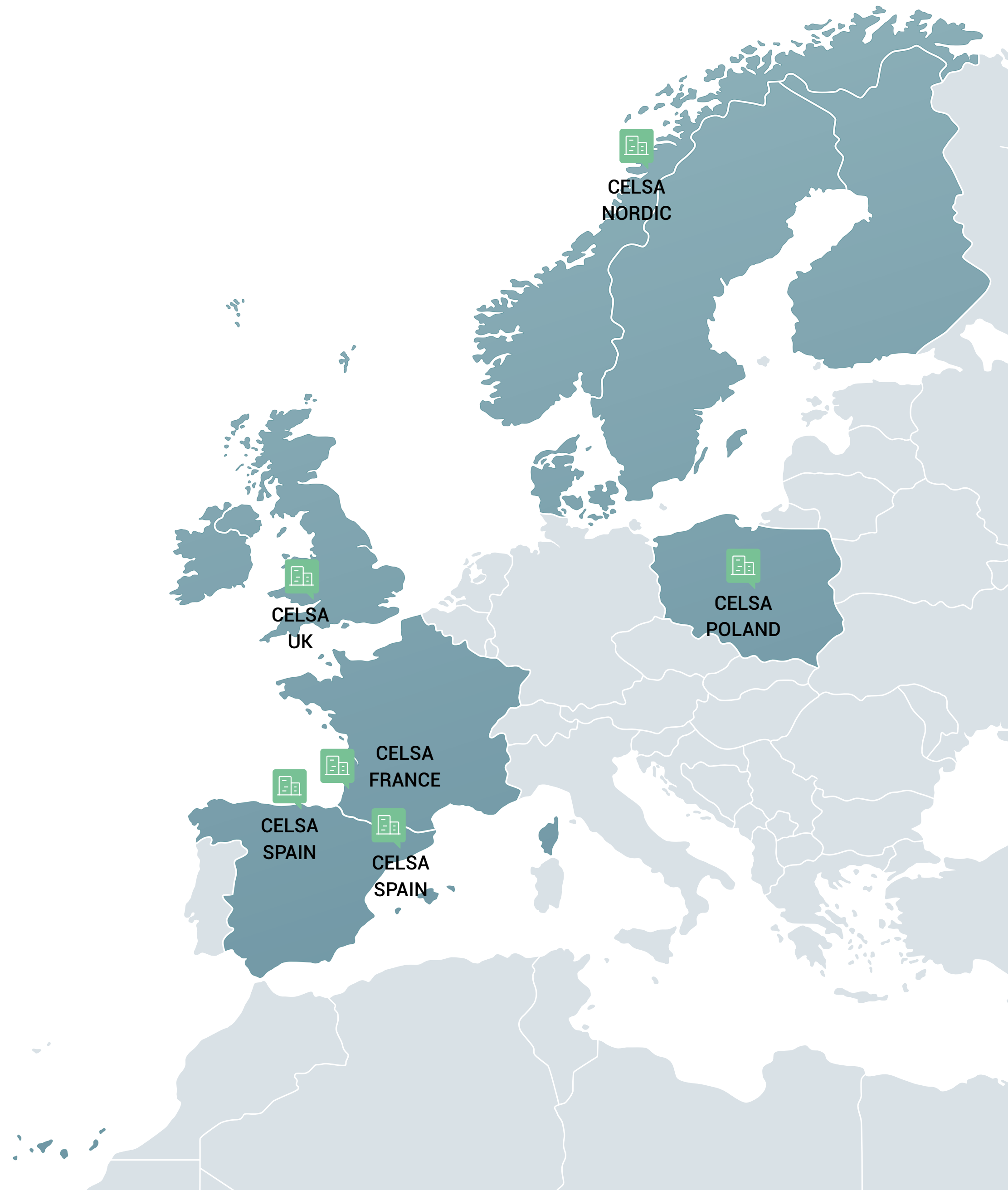
- 1 Steel mill
- 20 Circular Hubs
- 2 Rolling mills
- 1 Forge
- 2 Transformation and processing companies

CELSA FRANCE

- 1 Steel mill
- 0 Circular Hubs
- 1 Rolling mill
- 0 Forge
- 0 Transformation and processing companies

CELSA SPAIN

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



7
Steel mills



48
Circular HUBs



12
Rolling mills



1
Forge



83
Transformation and processing companies



5
Commercial offices in Countries: USA, France, Portugal, Germany and China

3.4

CELSA Nordic key figures

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

2022 key figures

We are a leading family-owned company in the production of lowemission circular steel.



1
Company group



703 626 t
Steel production



813 M€
Turnover



Number of countries with industrial presence
4
Norway Sweden, Finland and Denmark.



6
Circular HUBs



Greater presence in the sectors (construction, agriculture, oil, gas and energy)



22
workplaces



1
Steel mill



7
EU sales (European Union)



Staff
1398
workers
1,005 workforce employees
393 subcontracted employees



1
Rolling mills



% Vertical integration
10.1% Upstream integration
50.7% Downstream integration

Commitment to climate

We work to be a Net Positive company by 2050.

- The activity carried out in our steel mill in Norway would be included in the EU Taxonomy on Climate Change Mitigation for steel manufacturing.*
- The production of carbon steel in CELSA Nordic steel mill, using the Electric Arc Furnace (EAF) process, generates CO₂ emissions (Scope 1 and 2 location-based emissions) that are 38% below the sector average in the European Union.



554 928.25

Energy consumption (MWh)



98 605.78

CO₂ emissions,
Scope 1 (t CO₂ eq.)*



12 851.57

CO₂ emissions, location-based
Scope 2 (t CO₂ eq.)*



165 826.72

CO₂ emissions, market-based
Scope 2 (t CO₂ eq.)*



102 923.27

CO₂ emissions, location-based
Scope 1 and 2 (t CO₂ eq.)*



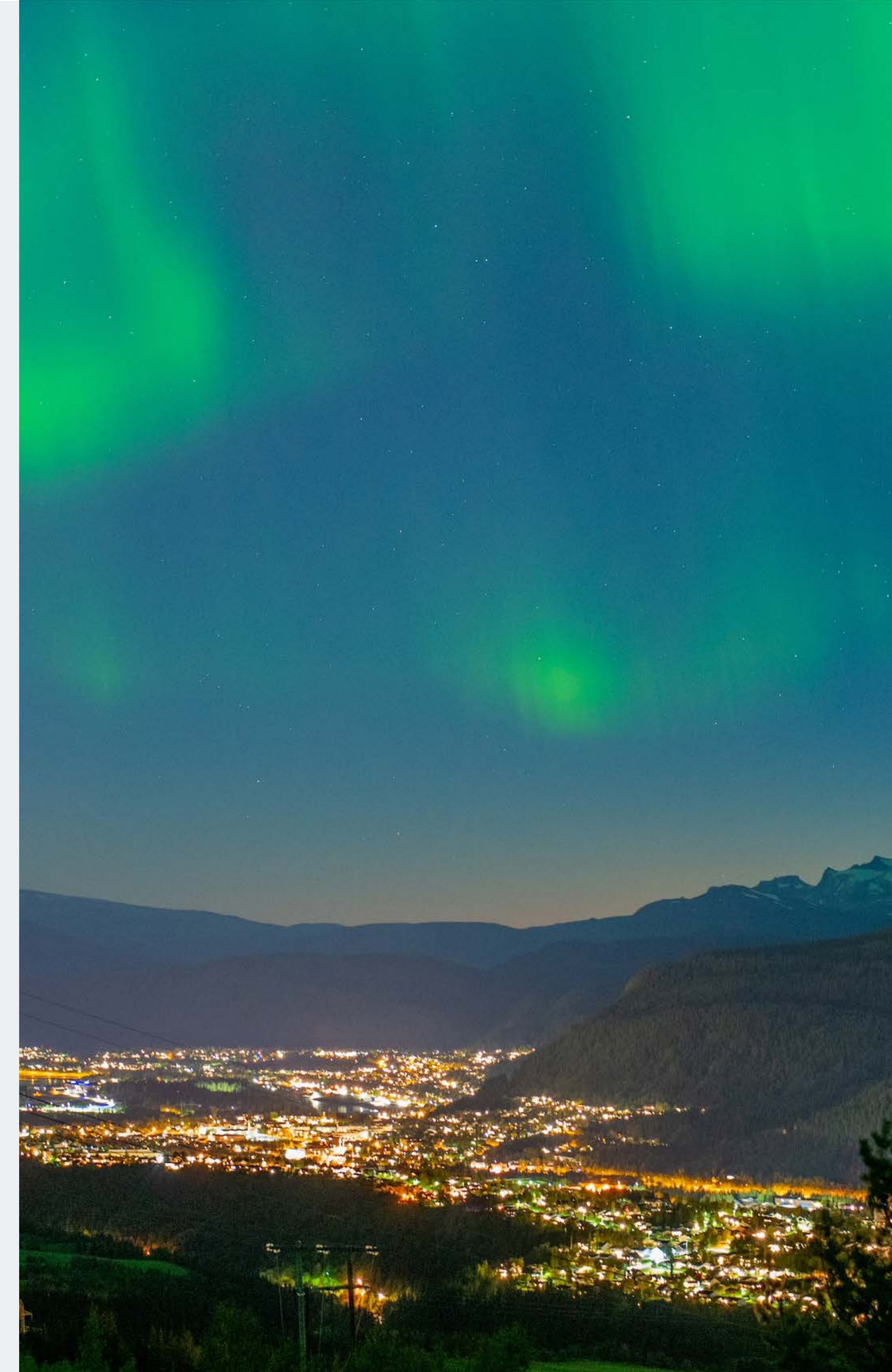
266 498.69

CO₂ emissions, market-based
Scope 1 and 2 (t CO₂ eq.)*

* Emission data calculated by GHG Protocol

^1 Calculation of Scope 2 location-based emissions; based on location, region.

^2 Calculation of Scope 2 market-based emissions; based on the market, on marketers.



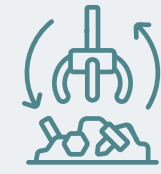
Commitment to circularity

CELSA Nordic is part of Europe's first circular supply chain.

- Our raw material is 100% recovered steel scrap.
- All products manufactured by CELSA Nordic are fully recyclable.
- By manufacturing steel with scrap instead of iron ore, we reduce water consumption by around 40%, and 14x less CO₂ emissions* and no consumption of virgin materials.**.

* See chapter 4.1

** 'Action Plan for a competitive and sustainable steel industry in Europe' - European Commission.



749 638

Recycled scrap (t)



157 836

Recovered co-products (t)



1 353

Recovered non-ferrous metals (t)



0

Recovered plastics (t)



7 231

Water consumption (m³)



0.03%

Water reused (%)



Commitment to team talent, safety and health

Our priority is the health and safety of our workforce.

- Our first priority is to become a zero-accident company.
- Our voluntary turnover rate is 8,8%, which is well below the industry average.



9.95

Accident frequency rate (directly employed workers and subcontracted employees)



97.3

% of employees with permanent contracts (FTE)



0.26

Investment in training (M€)

Commitment to the community

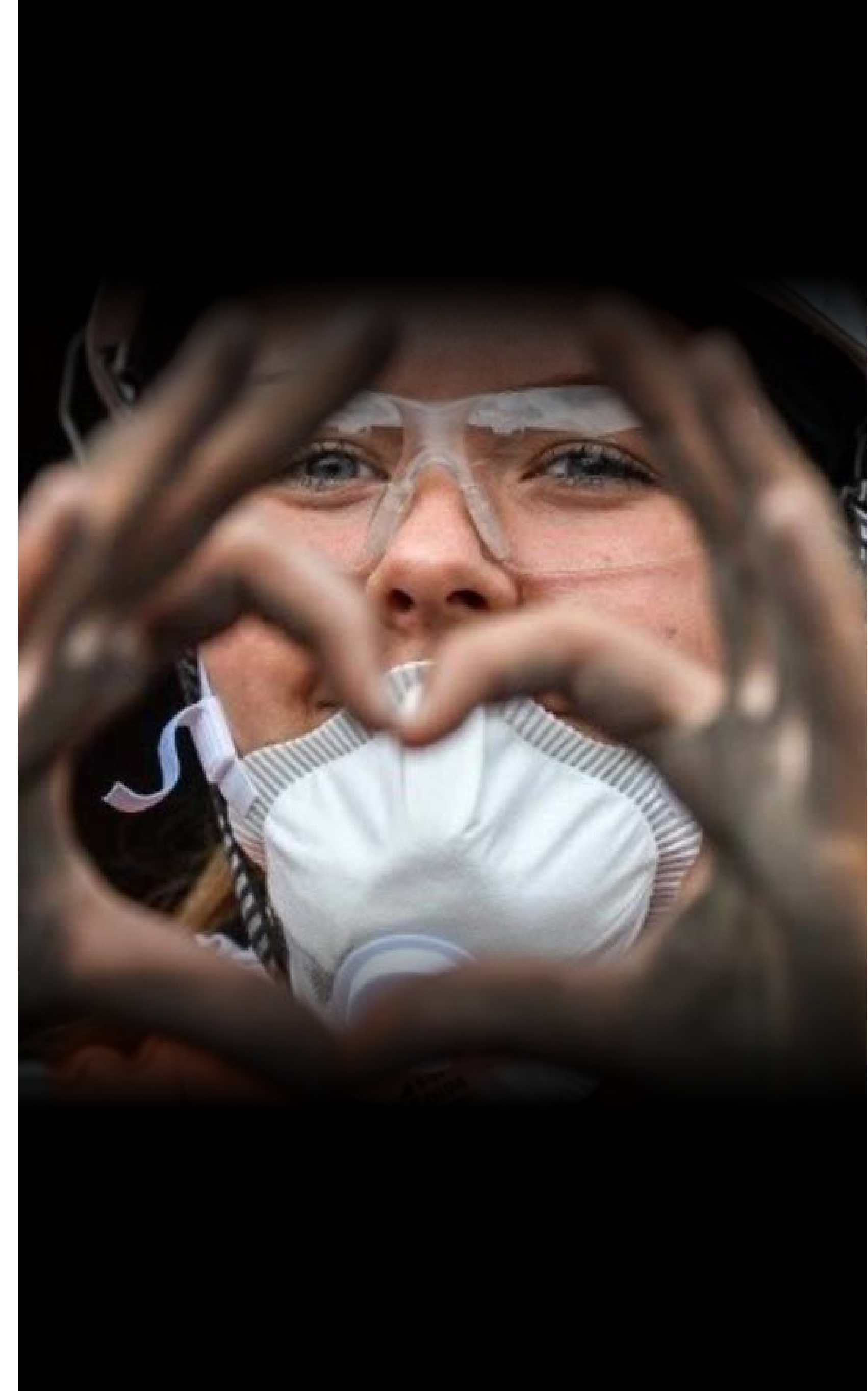
We act with utmost respect for local cultures and are committed to social development.

- Donations are made primarily in the immediate environment and sponsorships of local community initiatives.
- We have increased our investment in community projects by 16% compared to 2021.
- We have invested 0.04% in community projects compared to the CELSA Group's benefits obtained for 2022.



381 601.89

Expenditure on community projects (€)



Commitment to equality and diversity

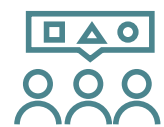
At CELSA Nordic, we have had equality policies and action plans for many years to gradually reverse this trend.

- We have increased the representation of women in CELSA Nordic by 25,9% in the past five years.
- Critical areas such as the prevention technicians' team and the financial team already have a high percentage of women.



10.27%

Proportion of women in the workforce (FTE)



1

Employees with disabilities



0

Discrimination cases

Commitment to the value chain

CELSA Nordic includes social and environmental criteria in the procurement processes of supplier

- In 2022, 58% of our purchases are made from local suppliers in the territories where we are present. This represents a 2,95% increase compared to 2021.



587.13

Total investment (purchases) in suppliers (M€)



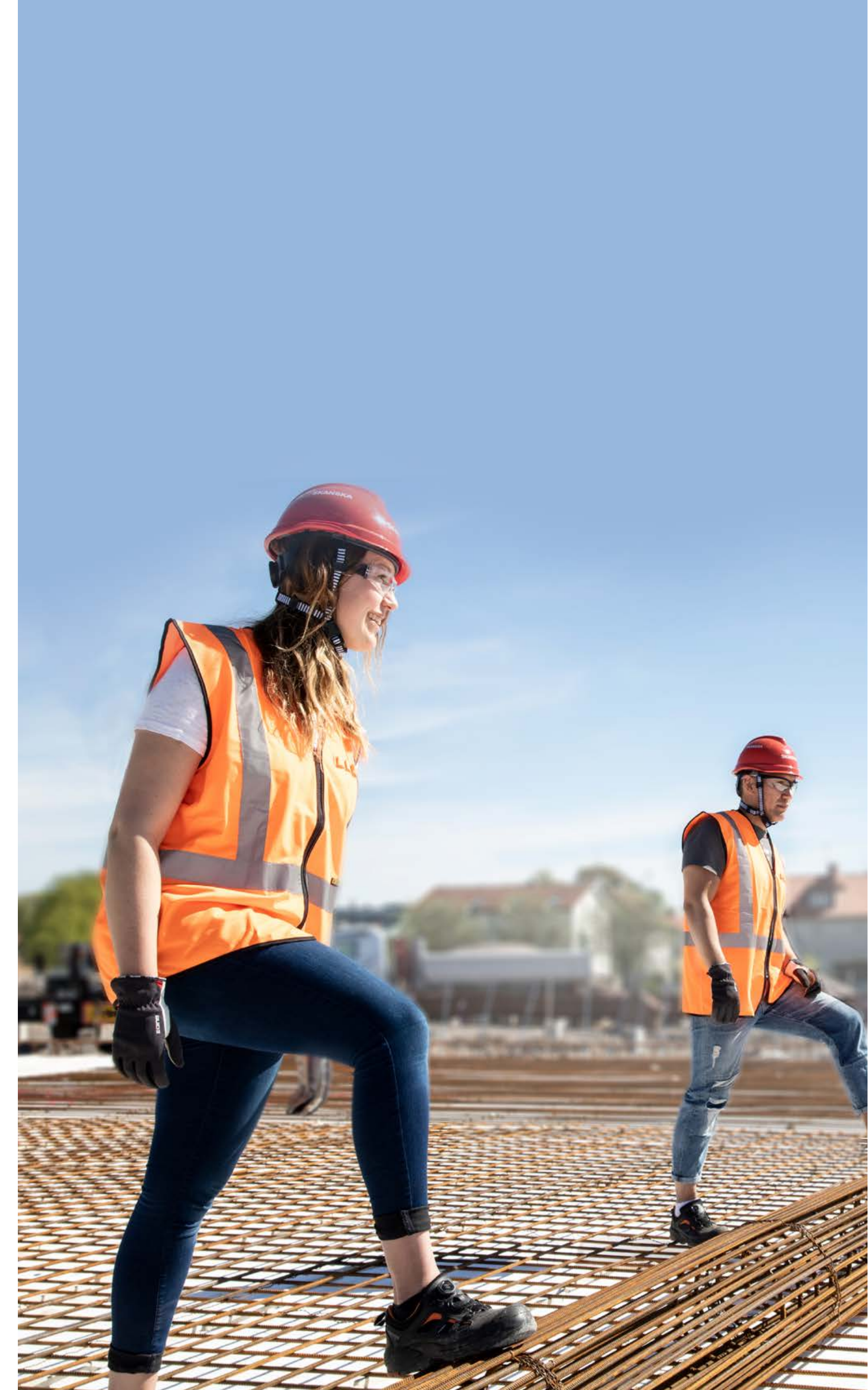
339.10

Total investment (purchases) in local suppliers (M€)



1849

Local suppliers



Commitment to our legacy

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

- In 2022, the investment in R&D&i represents 0.27% of CELSA Group profits.



2.30

Investment in R&D (M€)



3.5

Our internal governance

At CELSA Nordic, we are committed to good governance. In fact, one of our material topics, according to our stakeholders, is **transparent governance with a sustainable DNA** (more information in section "5.4. Stakeholder Engagement").

Currently, the governance bodies of CELSA Group™ are:

- **General shareholders' meeting:** This is the sovereign body where all shareholders participate, and which is appointed by the Board of Directors.
- **Board of directors:** This is the highest decision-making body. Its main functions are to draw up the company's strategy and policies, oversee their execution, and exercise other powers conferred upon it by law and the Group's Articles of Association. It comprises a total of five members, three of whom are senior directors, i.e., they perform management functions in the company; and two are independent directors appointed based on their professional and personal qualifications, in accordance with the selection and appointment policy. All board members, regardless of their qualifications, must perform their duties in line with the Group's purpose, vision, mission and values and, in particular, considering the interests of the company.
- **Chairman and CEO:** the Board of Directors has delegated the exercise of its functions, except those that are legally non-delegable, to the Chairman and CEO, a position held by Francesc Rubiralta Rubió.

The Corporate Governance System of CELSA Nordic, encompasses the following items:

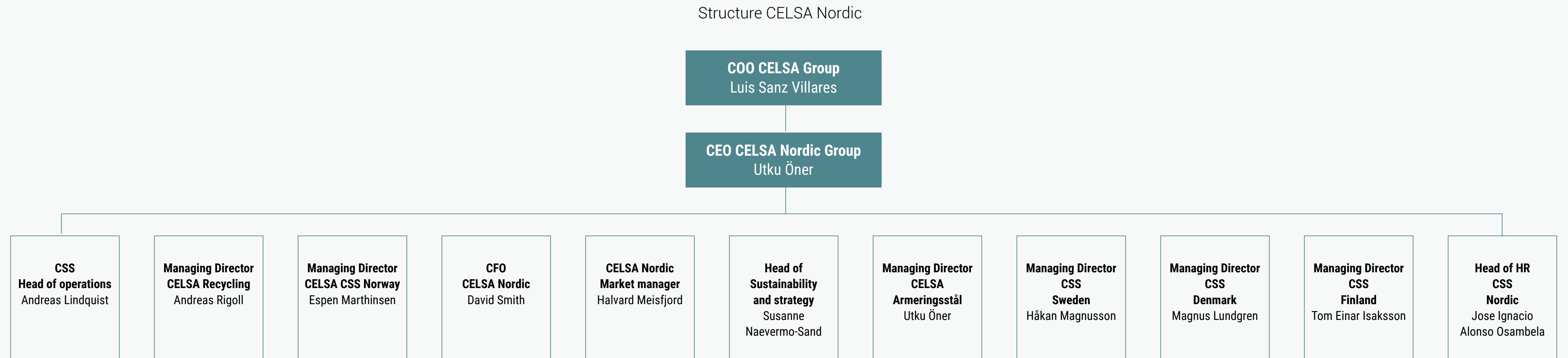
- Corporate policies, including environmental, social and corporate governance policies.
- Code of Ethics and Professional Conduct.
- The company's Articles of Association.
- Purpose, Vision, Mission and Values.
- Compliance.



3.5.1

Management structure

The management structure of CELSA Nordic, is as follows:



3.5.2

Committees and commissions

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

The General Management Committee (GMC):

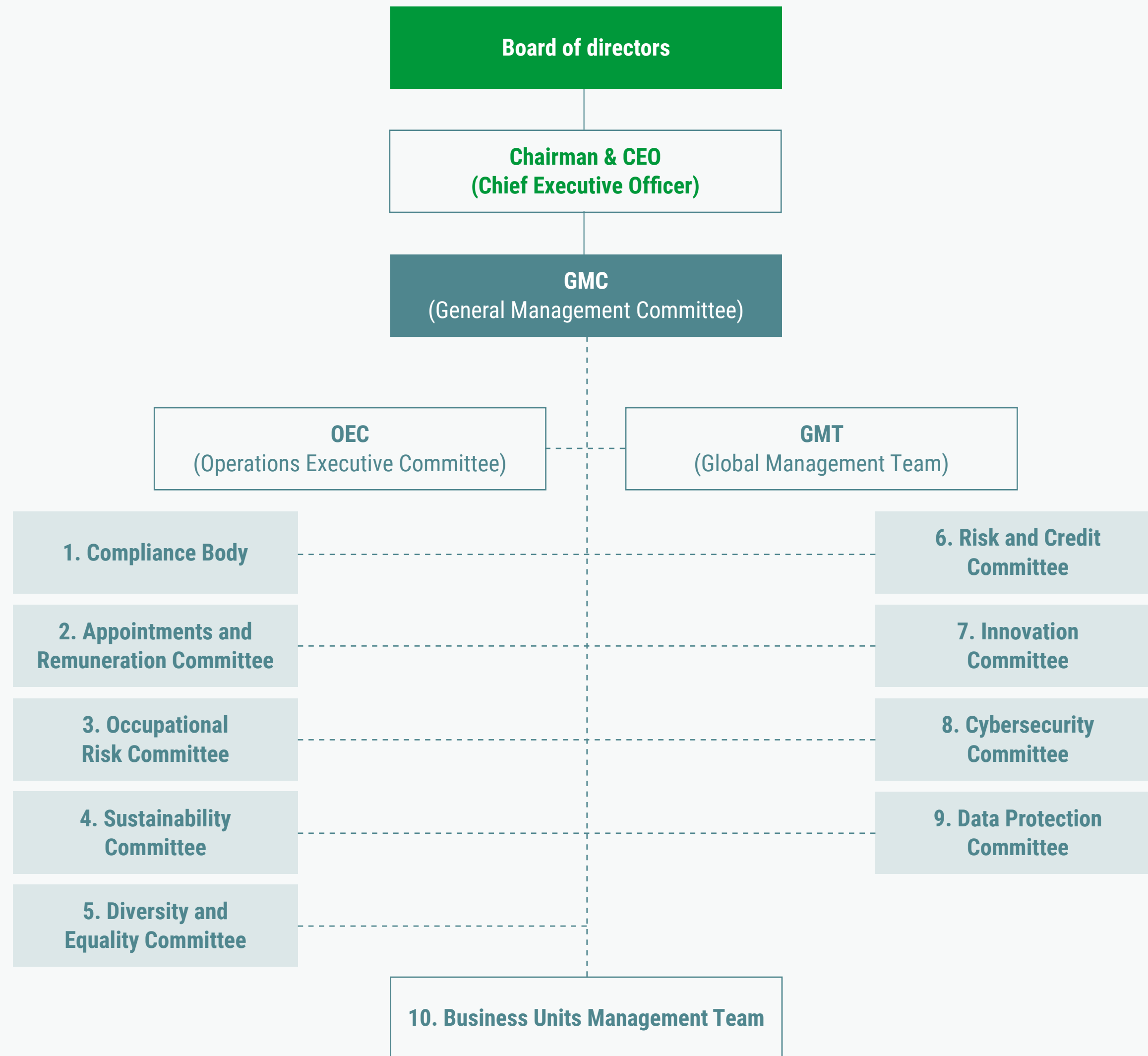
- **Mission:** develop the Group's corporate and executive management, set objectives with a medium to long-term vision, ensure the development of the six-year Strategic Plan, and ensure the availability of necessary resources.
- **Members:** led by the CEO and made up of the Group Vice-Chairman, COO, CFO, CSSO, CPOO and the Head of Public Affairs.

The Operational Executive Committee (OEC):

- **Mission:** manage the Group with a more operational and short-term focus, ensuring the achievement of annual organisational objectives.
- **Members:** led by the COO and made up of the CEOs of five business units: CELSA Spain, CELSA France, CELSA UK, CELSA Nordic and CELSA Poland; and by four functional units: Circularity, Commercial and Marketing, Supply Chain and Procurement.

The Global Management Team (GMT):

- **Mission:** participate in long-term strategic reflections, with annual meetings.
- **Members:** led by the Chairman & CEO, it includes members from the GMC, OEC and other group directors.



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

1. Compliance Body (Crime prevention)

- **Mission:** ensure compliance with the principles of the Code of Ethics and Professional Conduct and monitor potentially unlawful conduct from a criminal perspective.
- **Members:** led by the Chief Compliance and Ethics Officer, Head of Compliance and Head of the Legal Affairs Department.

3. Occupational Health and Safety Committee

- **Mission:** oversee the improvement of safety, health and well-being culture, establish standards that exceed legal requirements, and ensure process safety with the overall objective of zero accidents throughout the Group.
- **Members:** led by the CPOO, Head of Safety and the Heads of Safety Heads from the business units.

5. Diversity and Equality Committee:

- **Mission:** oversee compliance with the equality plans of the Group companies, drawn up with the participation of employee representatives.
- **Members:** chaired by the CPOO, accompanied by the POD Legal Advisor and Tax&Lawyer Manager.

2. Appointments and Remuneration Committee

- **Mission:** responsible for appointments, remuneration, and compensation and benefits policies.
- **Members:** chaired by the Chairman & CEO, and made up of the Vice-Chairman, COO, CPOO, and CEO of CELSA Poland.

4. Sustainability Committee

- **Mission:** continue developing the circular economy model, an intrinsic feature of the CELSA Group™ business model and ensure the adoption of common environmental policies.
- **Members:** led by the CSSO and made up of the Head of Sustainability, Head of Environment, five Heads of Sustainability from the business units, Head of Sustainability of Ferimet, Head of Logistics, Head of Procurement and Head of POD of CSS Nordic

6. Risk and Credit Committee

- **Mission:** control and make decisions regarding the company's commercial risk.
- **Members:** led by the COO and CFO, including the Head of Commercial & Marketing.

The commissions and committees have members working together from CELSA Group's business units all over Europe, including CELSA Nordic.

7. Innovation Committee

- **Mission:** identify, organise and prioritise the Group's innovation, green transition and digital transition projects.
- **Members:** chaired by the Vice-Chairman and led by the Head of Corporate Innovation and EU Funding and includes the innovation managers from the business units.

9. Data Protection Committee

- **Mission:** advise and inform the Group on the processing of personal data, serve as the point of reference for all business units, and collaborate with supervisory authorities.
- **Members:** chaired by the Data Protection Officer.

8. Cybersecurity Committee

- **Mission:** ensure the proper development and implementation of cybersecurity strategies to equip the organisation with the best possible information security systems.
- **Resources:** there is a specialized IT team, a protocol team to prevent cyberattacks and team to act in the event of an attack.

10. Management committees for each of the five business units:

- **Mission:** develop the executive management of each business unit.
- **Members:** made up, in each case, of the unit's senior management and the key executives from each company.





Sustainability Executive Committee (SEC)

In addition to the creation of the new sustainability organisational structure, in 2022, a new governance model has been implemented to address the main challenges and opportunities of CELSA Group™ regarding sustainability.

In this regard, in 2022, a new governance body has been created: the Sustainability Executive Committee (SEC). Its objective is to monitor sustainability indicators to detect risks and propose possible solutions.

Every year, at CELSA Group™, we hold a face-to-face strategic reflection to assess and draw up sustainability guidelines. These have been the conclusions reached during the meeting held in 2022:



Complete the Environmental, Social, and Governance (ESG) roadmap of CELSA Group™, including improvements in natural capital management.



Promote efforts in institutional relations to gain value in response to the growing regulatory dynamics in sustainability matters.



Enhance internal collaboration to improve efficiency in all areas with ESG impact.



Facilitate collaboration with the Finance Department for the identification and acquisition of green financing.



Execute a corporate communication strategy aligned with the Group's sustainability objectives and results.



Implement a data control and management system for sustainability, defining monitoring indicators and a common language for managing ESG-related issues.

04

Vocation for excellence



4.1

Responsible production and technology

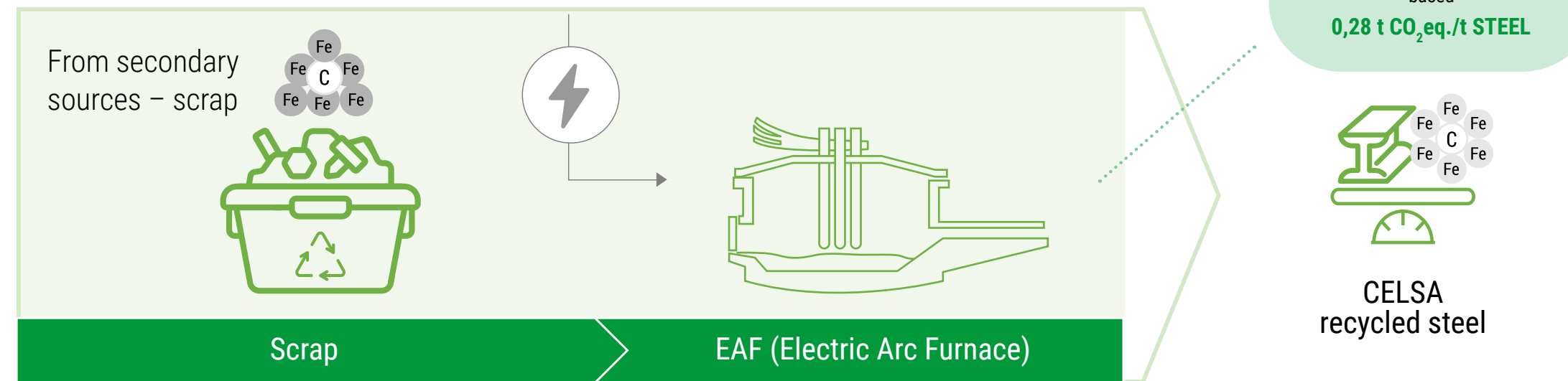
CELSA Group™ is Europe's first low-emission circular steel producer. We recycle ferrous scrap to produce steel in electric arc furnaces, using the most sustainable technology.

CELSA Group is the second largest recycling company in Europe, and CELSA Nordic is the largest recycling company in Norway. Our steel is 100% recyclable countless times without losing its properties, bringing great value to society and the environment by minimising the use of natural resources.

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

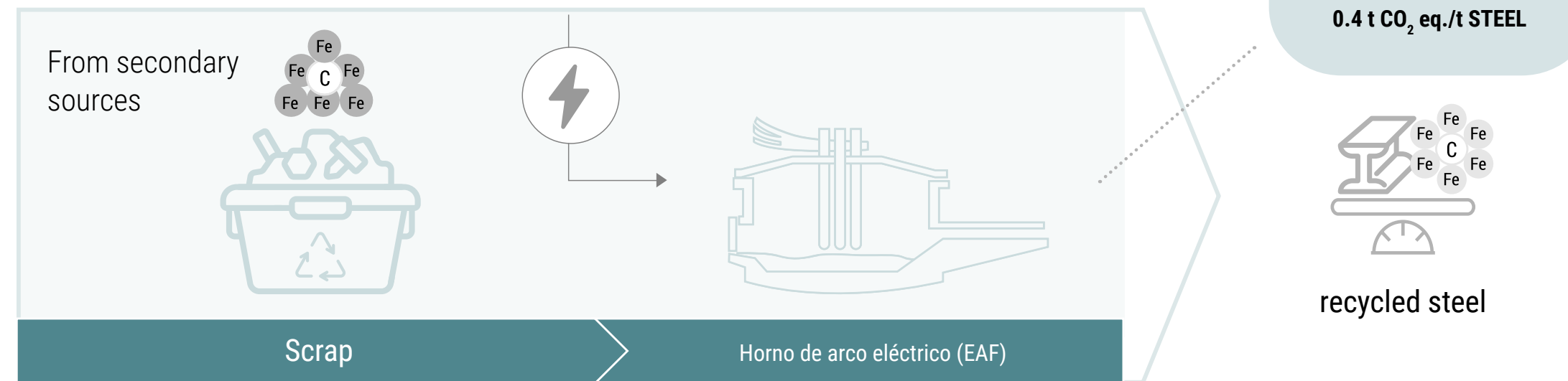


CELSA GROUP™:
Electric Arc Furnace (EAF)
 route
 Route used by CELSA GROUP™:



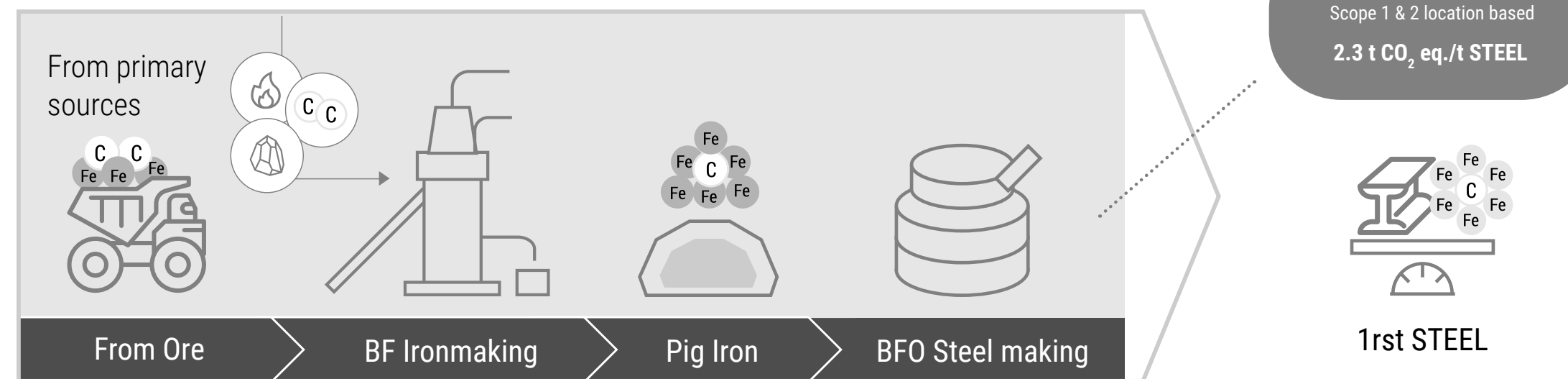
Source of emissions data: internal data from the Minimills of CELSA Group, reported to the WSA, for 2022.
 Source of production percentage data: Fact sheet | Steel Industry co-products, WSA.

Electric Arc Furnace (EAF)
 route
30% of worldwide steel is produced
 by Electric Arc Furnaces (EAF)



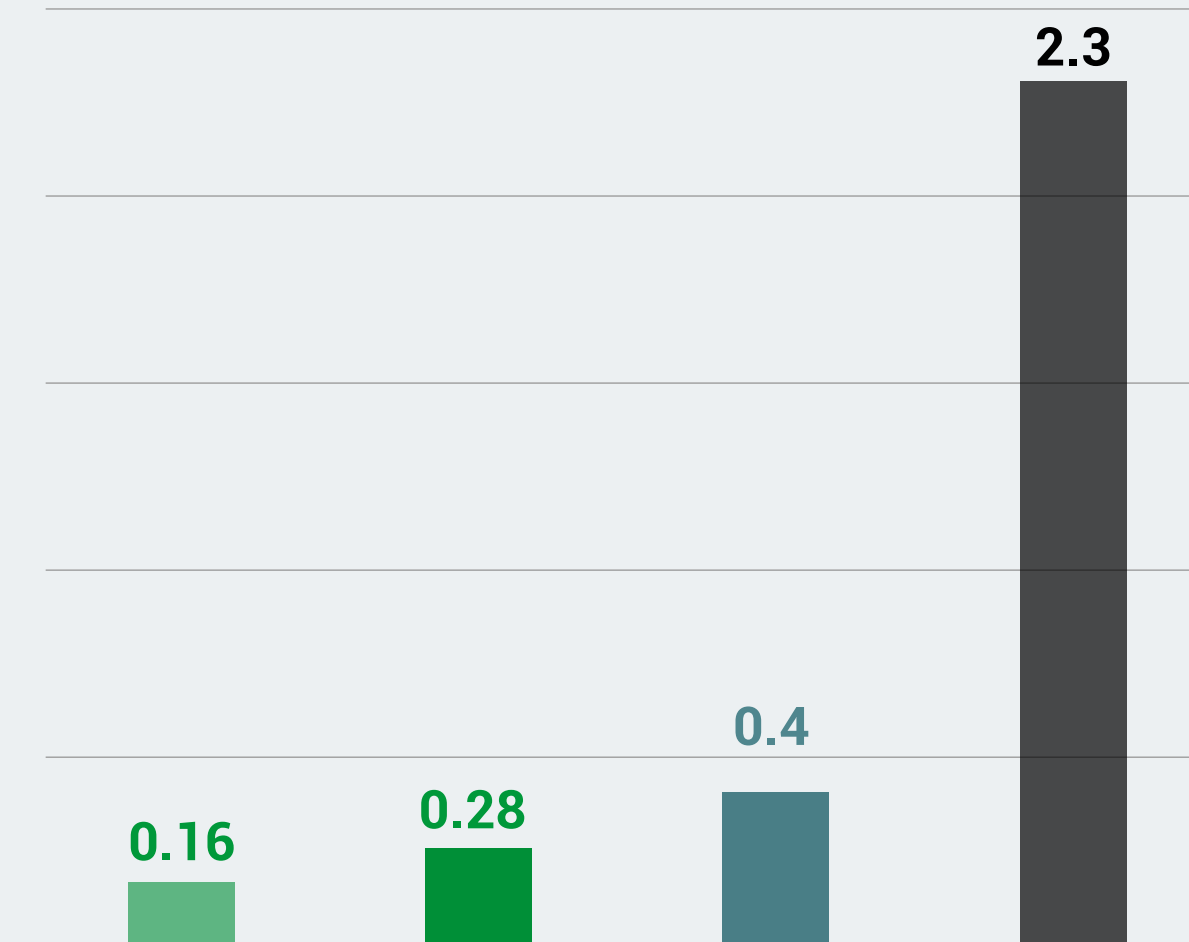
Source of emission data: Material Economics (2018), The Circular Economy, a powerful force for climate mitigation.
 Source of production percentage data: Fact sheet | Steel industry co-products, WSA.

**Blast Furnace-Basic Oxygen
 Furnace (BF-BOF) route**
 El **70%** of worldwide steel is produced
 by Blast Furnace (BF-BOF route)



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

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



- CELSA Nordic (EAF process) average*
- CELSA Group™ (EAF process) average
- EAF process sector average
- BF/BOF sector average

Calculation of scope 1 - RCDE (Emission Rights Trading Regime) for all CELSA Group™ Headends** and calculation of scope 2 location based

* More information chapter 7.2
 ** CELSA Barcelona, Nervacero, Global Steel Wire (GSW), CELSA France, CELSA Atlantic Largos, CELSA Huta Ostrowiec (CHO, CELSA Poland), CELSA Armeringsstål (CAR, CELSA Nordic), CELSA UK Manufacturing (CELSA UK).



Billet

Semi-finished steel product, with a square cross section, used in the manufacturing of finished steel products through rolling and forging processes.

Used in the manufacturing of finished steel products through rolling and forging processes.



Wire rod

Based on its composition and characteristics, wire rod is available in low, medium, and high carbon steels (ranging from 0.05% to 0.86%), with varying degrees of alloying elements (V, B, Cr, Mn, Mo, P, Si, S, etc.).

Used in the construction sectors, as well as in automotive, energy, railway or white goods industries, among others.



Rebar

Together with concrete, it forms the most used system in construction: reinforced concrete. Currently, CELSA Nordic is a leader in reinforcing steel and deliver to civil works and residential projects in the Nordic countries.

Our products

All our products are manufactured in accordance with the most demanding national and international standards, and with the quality certifications, approvals and specifications required by our customer companies and markets where we operate.

Long Products

In addition to semi-finished products, billets, the main product families included in the category of long steel products are rebar and wire rod.

At CELSA Nordic, we have cut and bend units in Norway, Sweden, Finland and Denmark, and even provide on-site placement of the reinforced steel bars in construction projects, along with different accessories.



Construction and building

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



Oil, gas and energy

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



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

Sectors

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

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

Markets

Markets In 2022, in CELSA Nordic, we have made sales in 9 countries. 68% of total sales have been made within the European Union. During 2022, we have produced 703 626 tonnes of steel. Below are the sales and production data for CELSA Nordic for the financial year 2022:

CELSA Nordic			
tonnes (t)		Third-party sales	Intra-group sales
Circular HUBs	Ferrous scrap	2 316	17 776
	Non-ferrous scrap	1 353	0
	Total scrap products	3 669	17 776

CELSA Nordic					
tonnes (t)		Third-party sales	Intra-group sales	Destination within the same plant	Total production
Steel Mill	Billets	31 227	105 493	566 906	703 626

CELSA Nordic				
tonnes (t)		Third-party sales	Intra-group sales	Total production
Rolling	Wire rod	26 718	158 744	
	Rebar	168 390	179 837	545 319
	Total Rolling products	195 108	338 581	545 319
Finishing processes	Total Finished products	326 020	21 427	347 447

Due to the consequences of the measures against steel imports adopted by the United States, since July 2018, the European Union has implemented safeguards against steel imports. In June 2021, the safeguards were extended until 30 June 2024.

4.2

The quality of our products and services

The main industrial facilities of CELSA Nordic have the following certifications: ISO 9001, Quality management systems, ISO 14001, Environmental management systems, and ISO 45001, Occupational health and safety management systems.

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

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

We also have steel sustainability management systems, positioning us as leaders in environmental excellence in our sector.

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



4.3

Satisfied customers

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

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

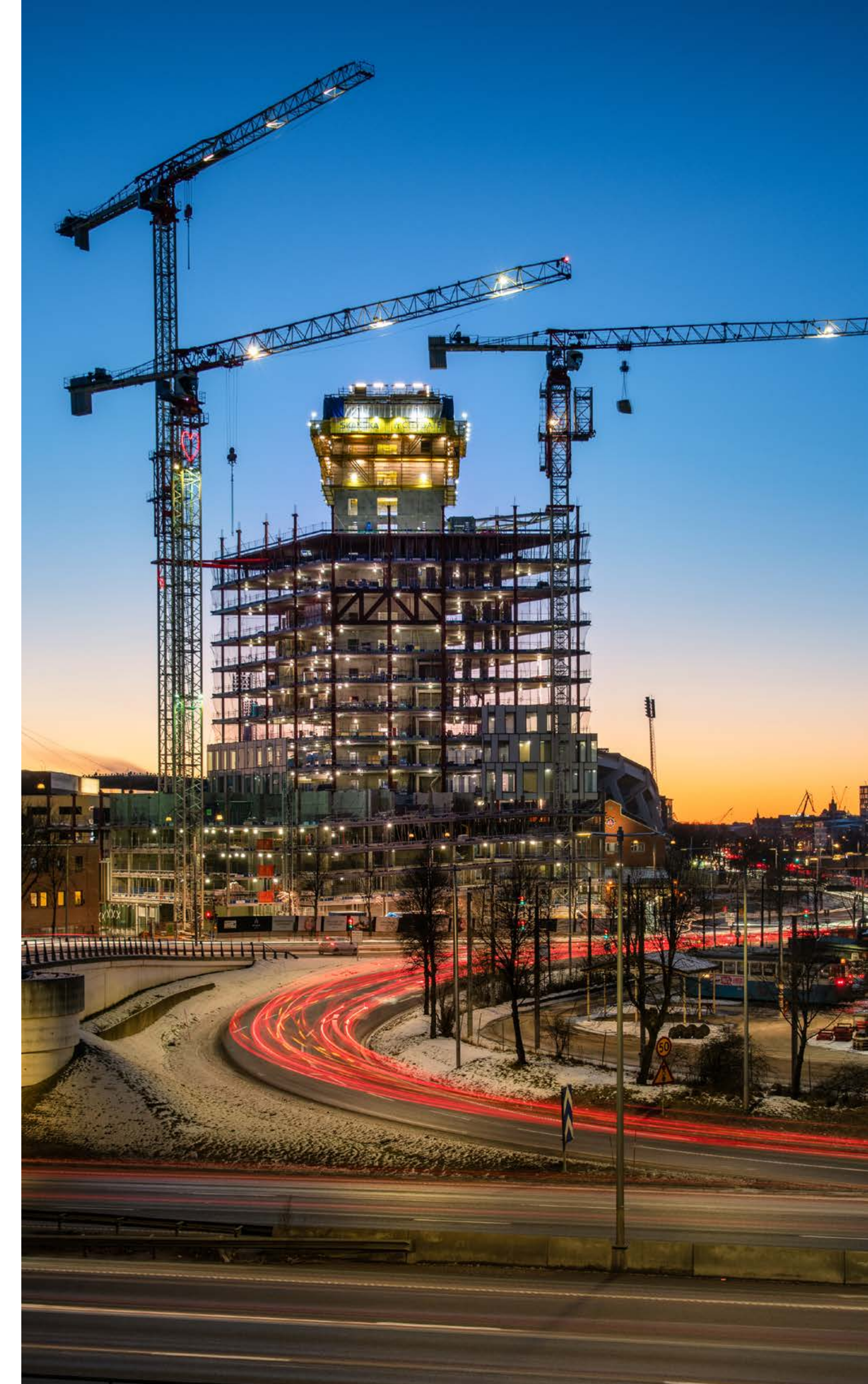
We hold the most relevant certifications in the industry to ensure a management system that complies with the best practices, thus achieving a higher-level excellence in health and safety, sustainability, quality and the environment.

Satisfaction

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

Every year, we monitor the satisfaction of our customer companies through surveys, tailored to the specific characteristics of the market.

	2021	2022
	CELSA Nordic	CELSA Nordic
Number of customer surveys conducted	4	4



Complaints and claims

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

CELSA Nordic has the necessary channels for customer companies to directly contact the company and raise their concerns, complaints or claims related to any aspect of the business relationship.

The enabled channels include:

- The phone number to the sales agent or sales department.
- E-mail to the sales agent or sales department.

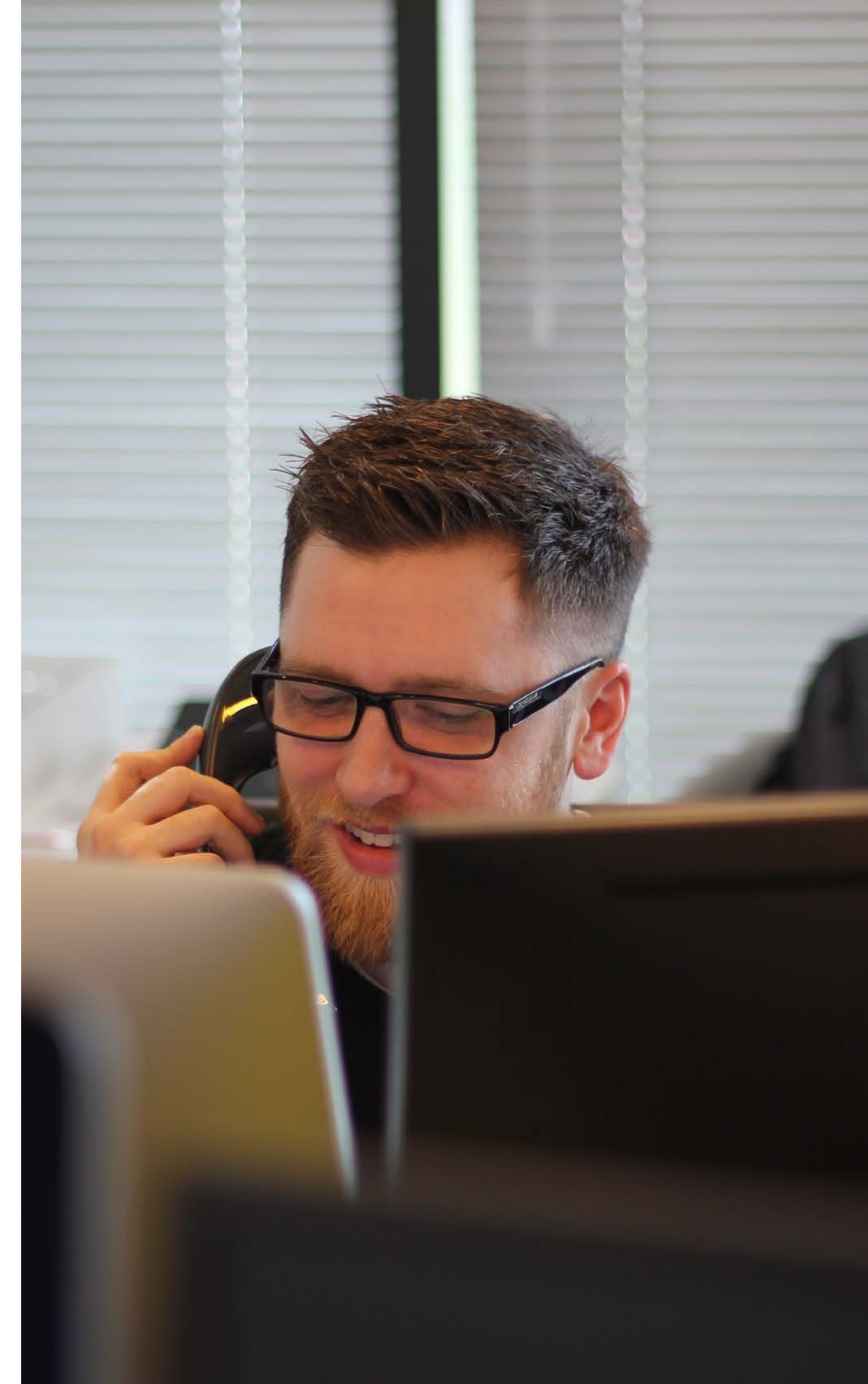
In addition, both claims and complaints have dedicated monthly monitoring committees where the number of incidents received is analysed and controlled. If repetitive or significant incidents are identified, they are categorised, and corrective measures and action plans are implemented for the benefit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

During 2022, CELSA Nordic received 957 customer complaints

	2022
	CELSA Nordic
Customer complaints and claims	957

Product information and labelling

	CELSA Nordic
Number of incidents of non-compliance with regulations and/or voluntary codes related to product information and labelling.	0
% of significant product categories covered by and assessed to verify compliance with the organisation's procedures for product information and labelling.	100



4.4

Innovation and digital transformation

At CELSA Nordic, innovation drives the development and integration of new solutions that enable the company to achieve our Net Positive vision. In fact, our stakeholders consider innovation for sustainability as a material topic (more information in section "5.4 Stakeholder engagement").

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

Energy and emissions

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



Hydrogen

- Investments over 300 mill NOK.
- Funding support from the State/Enova on 121 mill NOK.
- Ground-breaking technology which has not been invented yet.
- Partnerships for extreme innovation.
- Reducing carbon emission with up to 60%.
- Electricity from waterpower gives us the possibility to produce products with lower CO₂ emissions.



Thermo Box

With the Thermo Boxes we save energy when we transfer the billets from the steel mill to the rolling mill.



LNG

We have started the conversion to introduce LNG in our roller furnace. The use of LNG is a step in our decarbonisation strategy to reduce our emissions and introduce fossil free energy sources.



CaLby2030

Development of a closed calcium system that combines the calcination process with the carbonation process to capture carbon dioxide emissions.

(Period: 2022-2025)



Circularity

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

CaLby2030

Development of a closed calcium system that combines the calcination process with the carbonation process to capture carbon dioxide emissions.

Period: 2022-2025



Digitisation

We work on developing projects that apply artificial intelligence and advanced simulation for process optimisation, traceability, digital product passports, etc.

FerroLab

Implementing and testing factory optimization software that is powering the next wave of industrial manufacturing.



People

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

ESSA

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

Period: 2019-2023

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

Good practices for R&D benchmark projects of subsidiaries

HighInHeat

This project spans a time period between 2023 and 2026. The aim is to develop hydrogen technologies for the decarbonisation of industrial heating processes. This involves the design of a safe and efficient H₂ and O₂ infrastructure and an H₂/O₂ combustion system to preheat the ladle. This includes gas storage, handling and regulation, burners and auxiliary equipment. With us in the project we have Swerim, Linde, Rwth Aachen University, Bsc, Rhi Magnesita and NTNU.

The project has a total investment framework of 24 million euros.

CaLby2030

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

GreenHeat EAF

This project kicked off on 1 January 2023 and will last until 2025. GreenHeatEAF is about a gradual integration of renewable carbon and alternative fossil-free energy sources, and modular HEATING technologies in the steel furnace to reduce CO₂. One must therefore integrate non-fossil gas flows into steel furnace processes in order to reduce greenhouse gases and facilitate a transition to green steel production. The background for the project is that the steel industry in Europe wants to reduce emissions of greenhouse gases, a need to become self-sufficient in energy, and to achieve the ambition to become climate neutral by 2050.

The project is carried out in collaboration with, among others, Swerim, Cementa, Linde, Sidenor, Höganäs, Ssab, Deutsche Edelstahlwerke and BFI.

The project has a total investment framework of 3.5 million euros.

In 2022, CELSA Nordic has invested a total of 2.3 M€ in R&D&I projects

	2022
	CELSA Nordic
Investment in R&D (M€)	2.30



05

Because we believe in a sustainable future



5.1

Our corporate policies

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

CELSA GROUP™ POLICIES



GENERAL POLICIES

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



ENVIRONMENTAL POLICIES

- Climate Action Policy
-
- Environmental and Resource Management Policy



SOCIAL POLICIES

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



CORPORATE GOVERNANCE POLICIES

- Anti-Corruption and Anti-Fraud Policy
-
- Conflict of Interest Policy
-
- Competition Compliance Policy
-
- Crime Prevention
-
- Stakeholder Engagement Policy
-
- Personal Data Protection Policy
-
- Information Systems Use Policy
-
- Whistleblower Protection Policy

5.2

Ethics and transparency

Our stakeholders consider ethical governance as one of our material topics.

(More information in the section “5.4. Stakeholder engagement”).

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

This document includes the following general principles:

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

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

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

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

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

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

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

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

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

Received actions, inquiries, judgements and monetary value of sanctions during 2022	2022
Monetary disciplinary actions	0
Total monetary value of monetary sanctions (€)	0
Non-monetary disciplinary actions	0
Number of judgements	0
Inquiries	0

5.3

Management systems

At CELSA Nordic, we use the Group`s own management system, the CELSA Management System (CMS), which is key to ensuring our ongoing improvement and excellence in management.

The CMS consists of four pillars:



PEOPLE:

the goal is to make the whole team reach their full potential. We achieve this by involving people of all levels and functions through an organisational structure, where all professionals are members of teams that lead and participate in the ongoing improvement and management of their daily activity.



PROCESS STANDARDISATION:

by applying the SDCA cycle (Standardise, Do, Check and Act) to the process systematically. This allows us to ensure quality and safety, while minimising waste, thus helping us to achieve internal and external customer satisfaction.



CONTINUOUS IMPROVEMENT:

we base our continuous improvement on two components. Firstly, we direct the improvement process through a strategic reflection process, in which we establish the main strategies, objectives and improvement projects. These are gradually deployed in each business unit by the senior management, and are integrated throughout the organisation in the form of Fundamental Improvement Objectives. Secondly, we apply this improvement through the PDCA cycle (Plan, Do, Check, Act) systematically.



INNOVATION:

generates value for the company and for our customers, addressing opportunities known by unexpected means and unexplored opportunities through available solutions.

5.4

Stakeholder engagement

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

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

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

Regarding our staff, at CELSA Nordic, we have several internal communication channels such as the Employee Portal, corporate communications, weekly newsletters and annual meetings. Other notable actions include the Recycling Week, the #CELSAfamily and #WomenOfSteel campaigns, sports events, and webinars on topics of interest such as Health and Safety, People and Talent, Sustainability and Innovation.

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

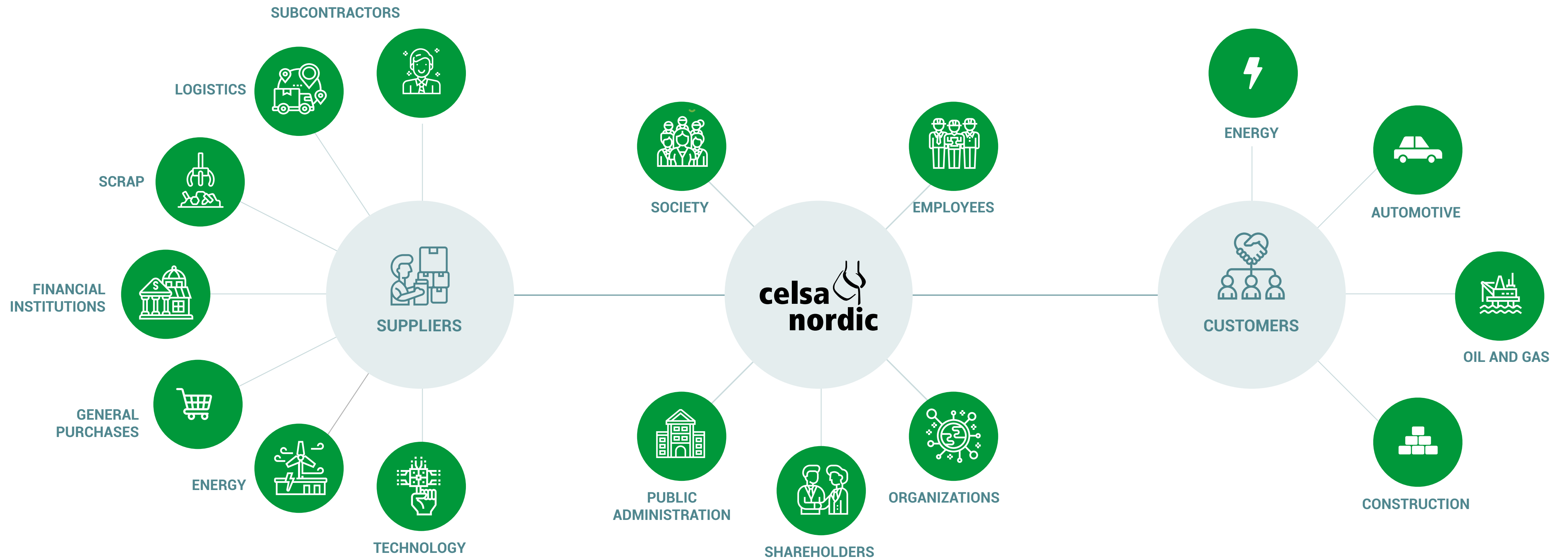
In 2022, some of the company's directors have participated in conferences and round tables to share the company's breakthroughs and maintain a good level of business networking.

Circular collaboration for a circular future

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



Stakeholders, general procurement



Good practices for stakeholder engagement by subsidiaries

Circular collaboration for a circular future

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



Internal communication

Sustainability and circularity play a key role in the internal onboarding program, development and daily work in CELSA Nordic. Here are some examples from 2022:

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

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

Onboarding information program.

Internal news.

World days related to caring for the planet and sustainability.

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

New Portal

One of the main initiatives promoted by the internal communication division has been the creation of the CELSA Group™ Portal, a digital communication channel that acts as an information repository and reduces both paper consumption and unnecessary email sending in every business unit, including CELSA Nordic.



External communication

We have a specific section on sustainability on the CELSA Nordic, website: celsanordic.com. Here you can access and download the Sustainability Report, its executive summary and several infographics. By the end of 2021/2022, the page had been viewed 497 times.

Regarding social networks, at the CELSA Nordic in 2022 we gathered all Nordic activity on one, common profile on three corporate social channels (Twitter, Facebook and LinkedIn).

For 2023, our goals are to strengthen CELSA Nordic's positioning in the digital environment and continue to increase communities.



Materiality assessment

During 2022, CELSA Group™, on behalf of all business units, including CELSA Nordic, conducted a new materiality assessment (the previous one was conducted in 2019), providing greater representativeness and scope by including the perspective of new external stakeholders.

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

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

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

Colour code and initials

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

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

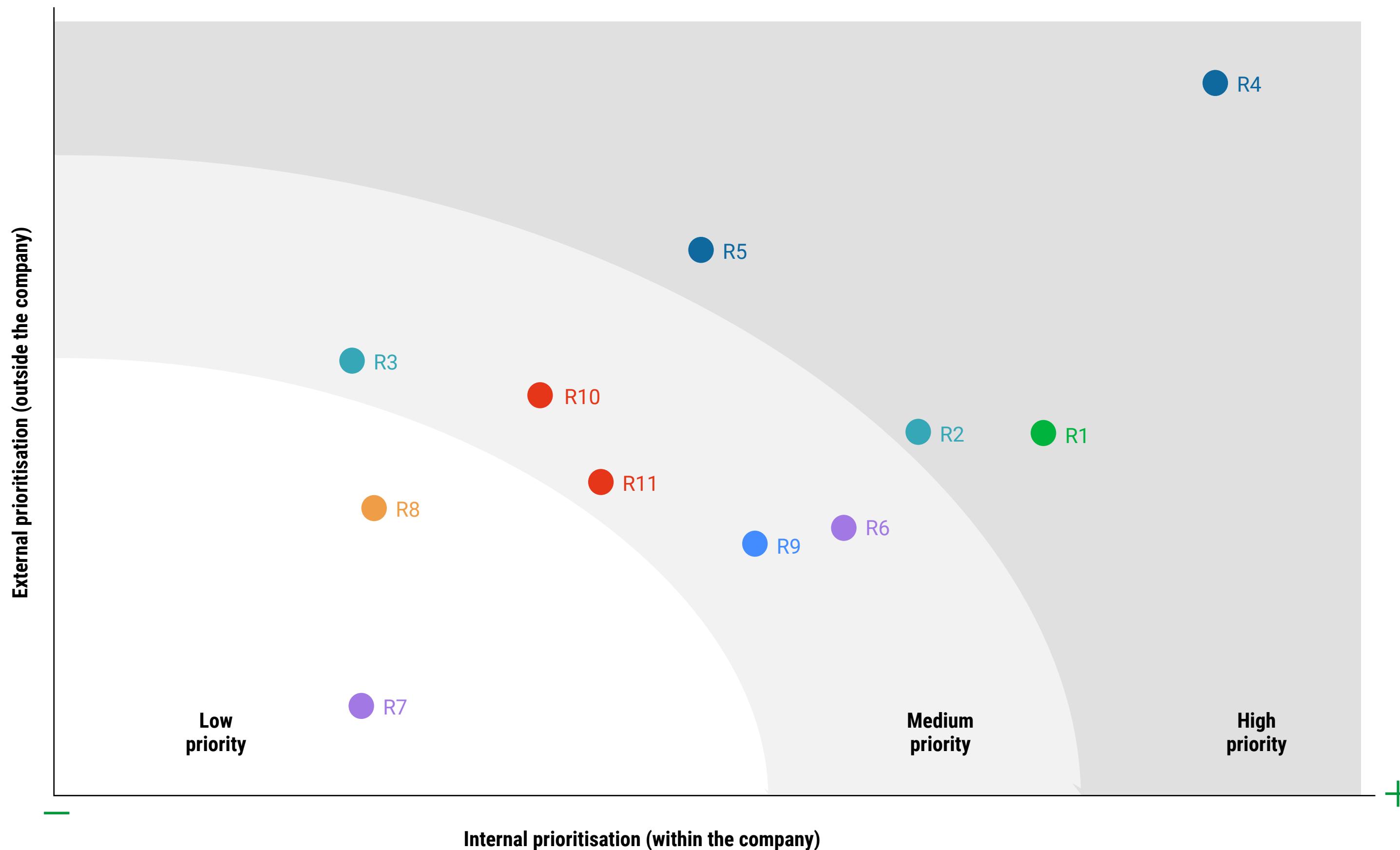


HIGH PRIORITY		MEDIUM PRIORITY		LOW PRIORITY	
TS02	Health of workers	TS03	Talent recruitment	CL02	Sustainable transport
TS01	Industrial security and well-being	CR03	Resource consumption and responsible material use	CM04	Group reputation and image
CL01	Carbon emissions and clean energy	CV03	Working conditions for recycling employees	CM02	Commitment to local communities
CR06	Innovation for sustainability	SL03	Organisational culture	CV02	Support for suppliers
CR04	Responsible water consumption and management	ID01	Recruitment of female talent, internal promotion and representation in governance bodies	SL05	Family-owned business
CR01	Responsible environmental management	SL04	Business management and leadership	CR09	Production optimisation and sales capacity
CR02	Circularity with customer companies and other economic agents	CR10	Investment in innovation and digitisation	SL02	Data protection and privacy
TS04	Talent retention	CM03	Social action	ID02	Diversity and social inclusion
SL01	Transparent, ethical governance with sustainable DNA	CR07	Customer service and reliability	CR05	Biodiversity and renaturation
CR08	Product quality	CV01	Value chain with selection criteria, strong and long-term	CM01	Local economic development

WHERE TO FIND THE MATERIAL TOPICS IN THIS REPORT		
CODE	HIGH PRIORITY	REPORT SECTION
TS02	Health of workers	6.5. We work to create a safe and healthy environment
TS01	Health of workers	6.5. We work to create a safe and healthy environmen
CL01	Carbon emissions and clean energy	7.2. Our roadmap towards decarbonisation 7.4. Efficient use and consumption of energy
CR06	Innovation for sustainability	4.4. Innovation and digital transformation
CR04	Responsible water consumption and management	7.5. Responsible water management
CR01	Responsible environmental management	4.2. The quality of our products and services
CR02	Circularity with customer companies and other economic agents	7.1. Why we are leaders in circularity and recycling
TS04	Talent retention	6.3. Our talent management and development
SL01	Transparent, ethical governance with sustainable DNA	5. Our internal governance 5.1. Ethics and transparency 5.4. Stakeholder engagement
CR08	Product quality	4.2 The quality of our products and services

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

Materiality matrix ranked by challenges



HIGH PRIORITY CHALLENGES

R4	Health and safety
R5	Talent attraction and retention
R1	Emission reduction
R2	Circularity and environmental impact reduction

MEDIUM PRIORITY CHALLENGES

R6	Equality
R9	Value chain
R3	Product and business
R10	Governance
R11	Leadership

LOW PRIORITY CHALLENGES

R8	Community involvement
R7	Diversity

WHERE TO FIND THE HIGH PRIORITY CHALLENGES

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

5.5

A sustainable strategy with a focus on the 2030 Agenda

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



1. Commitment to the climate

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

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

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



2. Commitment to circularity

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



3. Commitment to team talent, safety and health

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

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



4. Commitment to equality and diversity

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



5. Commitment to the community

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



6. Commitment to the value chain

Our supplier approval procedure positively assesses those companies with a better sustainability performance and who also possess an ISO 14001, Environmental Management System, or ISO 45001, Occupational Health and Safety Management System.



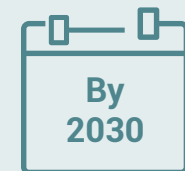
7. Commitment to our legacy

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

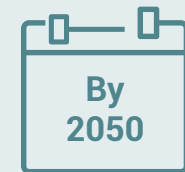
OUR GOALS FOR 2030 AND 2050



ENVIRONMENTAL GOALS



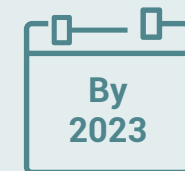
- Reduce Scope 1-3 CO₂ emissions by 50%, compared to 2021.
- Achieve 100% valorisation.



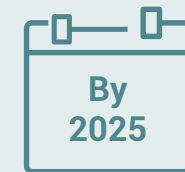
- Achieve carbon neutrality in Scope 1, 2 and 3 CO₂ emissions.
- Zero-waste: achieve 100% circularity.



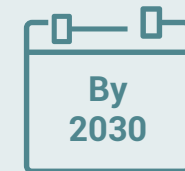
SOCIAL GOALS



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



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



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



GOVERNANCE GOALS

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

Sustainability Framework Policy

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

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



This policy is guided by the following general principles:

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

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

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

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

- **Human rights:** respect, promote and demand the recognition of internationally recognised Human Rights, in accordance with our Human Rights Policy.
- **Occupational safety and health:** consider safety and health as our top priority and foster a safe and healthy working environment for employees working in our facilities, promoting their overall well-being.
- **Corporate governance and compliance:** act at all times in accordance with our Code of Ethics and Professional Conduct and comply with the legislation in force in the countries and territories where we operate, adopting best practices in corporate governance.
- **Quality:** ensure the safety and quality of the products and services we offer, as well as ensuring that the supply chain complies with the principles established in our Code of Ethics and Professional Conduct, in line with our Supply Chain Policy.
- **Environment:** promote environmental protection and responsible and efficient use of natural resources, encourage the increased use of renewable energy sources, and implement sustainable water management, all within the framework of the Environmental and Resource Management Policy; and develop a climate action strategy as part of the Climate Action Policy.

- **Recycling and waste management:** promote the implementation of the waste hierarchy, favouring the following waste management processes: prevention, minimisation, reuse, recovery, recycling and energy recovery, leaving landfill disposal as a residual management route.
- **Diversity and inclusion:** promote a culture of respect for diversity and labour inclusion, fostering a diverse and inclusive work environment, combating discrimination and inequality in all its forms.
- **Innovation:** embrace innovation as a fundamental and strategic pillar to achieve the economic, social and environmental sustainability of CELSA Nordic and its value chain, in accordance with the Innovation Policy.

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



Sustainable Development Goals (SDGs)

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

At CELSA Nordic we prioritise six of the seventeen SDGs, those to which we contribute directly. Therefore, we have reflected our commitment to these six SDGs in Sustainability Roadmap 2021-2050, fully integrated into our business strategy. This strategy includes clear and ambitious environmental, social and governance objectives.

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

CELSA Nordic has prioritised six SDGs to which it directly contributes:



SDG 3:
Good health and well-being.



SDG 8:
Decent work and economic growth.



SDG 5:
Gender equality



SDG 12:
Responsible consumption and production.



SDG 7:
Affordable and clean energy.



SDG 13:
Climate action.



Significant initiatives for each priority SDG goal:



SDG 3:
Good health and well-being.

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

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



SDG 5:
Gender equality

Achieve gender equality and empower all women and girls

Project to increase the number of women at CELSA. We already have a high amount of women working in production, but we can always get better.



SDG 7:
Affordable and clean energy.

Ensure access to clean and affordable energy for all.

Through the large-scale implementation of the CO₂ capture project, we can capture 1.5 million tonnes of CO₂ from combined emissions.

Access to hydro power.



SDG 8:
Decent work and economic growth.

Promote sustained economic growth, and decent work for all.

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



SDG 12:
Responsible consumption and production.

Ensure sustainable consumption and production.

We have launched our new traceability label, an ISO 14020 certification for our circular steel, so partners and customer companies can use it.



SDG 13:
Climate action.

Take urgent action to combat climate change and its impacts.

Hydrogen project: During the last 4 years, we have been developing a complete value chain for green hydrogen for industrial use, by building an oven in the rolling mill that can be heated by using up to 100% Hydrogen. If we succeed, the spread effect will be unique by developing the burner technology, development of the burner technology, spread of burner and oven technology in other value chains, use of green hydrogen, use of hydrogen is the value chain of CELSA and achieve a unique knowledge about the technology within the steel industry.

5.6

Key partnerships for a sustainable future

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

In the field of sustainability:



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



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



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



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



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



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



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

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

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

In the sectoral context:



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



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



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



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



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

Norway:

Norwegian Steel Association
Næringslivets Hovedorganisasjon
Norsk Industri
Norsk Returmetallforening
Shipping & Offshore Network

Sweden:

Swerim
IndustriEl
Jernkontoret
Svenska Järn
Nordis Trådteknisk Förening

The Nordic:

Concrete accociastion
(Denmark, Sweden, Norway and Finland)
Nordisk Trådteknisk Förening

5.7

We care about developing a sustainable value chain

CELSA Nordic is a supplier of steel products. To be able to supply them, it is necessary to acquire raw materials, such as scrap. These operations are carried out in accordance with the guidelines of the Supply Chain Policy, which represents a comprehensive approach to responsible supply chain management, including our commitments set forth in the Code of Ethics and Professional Conduct, and the Sustainability Framework Policy.



The Supply Chain Policy sets forth the following internal principles:

- Extend the Sustainability and Corporate Social Responsibility principles of CELSA Nordic to our supply chain by providing accurate and transparent information about our procurement requirements.
- Demand that the products, services and projects supplied strictly comply with the current legislation in each of the countries where they are carried out and that they adhere to socially responsible practices. In particular, ensure that procurement processes guarantee the service's quality under the best conditions (technical, price, delivery time, level of service, financing conditions, etc.) and with the minimal environmental impact, while preserving the safety and health of workers.
- In the selection of suppliers, we apply the following criteria: quality, service and price, as well as competitiveness, objectivity, professionalism, transparency and equal opportunities. Similarly, we also take into account the following criteria: safety, health and sustainability, prioritising suppliers that have a stronger performance in these areas.
- Advance in the inclusion of environmental, social and corporate governance criteria in the procedures for negotiating contracts, commercial agreements or purchase orders within the value chain.
- We value our suppliers having an Environmental Management System that includes objectives for reducing carbon footprint and water footprint, and that includes projects such as energy efficiency and circularity plans.
- Ensure that our relationships with all of our suppliers abide by CELSA Nordic's values outlined in the Code of Ethics and Professional Conduct, our Sustainability policies, good governance and compliance.
- We ensure that the general conditions of contracts clearly include the commitment of suppliers to respect and act in accordance with the principles of the Global Compact regarding Human Rights, labour, environment and anti-corruption, as well as the United Nations Guiding Principles on Human Rights.
- Promote collaborative innovation through partnerships with our suppliers to develop technological solutions that help consolidate our sustainable strategy.
- Foster long-term actions with suppliers, ensuring that the commitments made by the contracting parties are met, allowing the traceability of the procurement process.
- Encourage ongoing improvement in the performance of our suppliers.
- Ensure legal and ethical compliance in commercial practices involving the use of conflict minerals such as coltan, gold, cassiterite, wolframite or their derivatives, extending this commitment to our suppliers to ensure the traceability of these materials.

The Policy also includes a set of principles that it requires from its supply chain:



Principles regarding Human Rights and labour rights:

CELSA Nordic demands strict compliance with Human Rights from its entire supply chain, requiring its suppliers to comply with international regulations on labour rights and major international conventions and instruments. Therefore, we:

- Rejects any form of exploitation, abuse and violation of Human Rights, such as human trafficking, child labour, or forced labour.
- Demands prevention of any violation of basic rights of sub-contracted employees.
- Promotes the establishment of contractual conditions for fair payment and delivery deadlines that enable our suppliers to comply with basic labour standards, monitor compliance with local laws on minimum wage, and reduce excessive working hours.
- Promotes equality, diversity, inclusion and non-discrimination, identifying and assessing the performance of suppliers in these areas to prevent any non-compliance and acknowledge best practices.
- Promotes the supply chain to support the principles of freedom of association and the right to collective bargaining.
- Asks its suppliers to take the necessary measures to avoid occupational health and safety risks.



Principles regarding social matters:

CELSA Nordic promotes within its supply chain:

- Taking measures to support local, social and economic development, establishing channels of dialogue and communication with local communities.
- Supporting the hiring of local workers, businesses or suppliers, whenever possible.
- Reducing social impacts related to project closures, openings and restructuring.



Principles regarding environmental matters:

CELSA Nordic requests that suppliers with environmental impact implement active policies for environmental protection, including:

- Efficient use of natural resources, such as energy and water.
- Reduction of gas emissions into the atmosphere, both greenhouse gases and other pollutants.
- Transition to purchasing more environmentally friendly products.
- Promotion of the use of recycled or recovered resources, materials and products, which can also be reused or recycled at the end of their useful life.
- Preservation of biodiversity and application of the mitigation hierarchy (avoidance, minimisation, restoration and offsets).
- Management of waste in accordance with the current legislation of each country, always using authorised waste management companies and ensuring proper treatment.
- Implementation of an environmental management system that ensures effective planning, action and control of the most relevant environmental aspects of their activity, as well as its certification by a third party.



Principles regarding compliance:

In compliance with the principles established in the Competition Compliance Policy and in Anti-Corruption and Anti-Fraud Policy, CELSA Nordic demands that its supply chain:

- Acts with integrity, ethics and in compliance with applicable laws, whether international, national or local.
- Particularly adheres to anti-corruption regulations, with zero tolerance for any form of corruption or practices resulting in conflicts of interest.
- Forbids anti-competitive conduct by our suppliers that could pose a risk to free competition.

According to this Policy, we positively regard that collaborating companies have an ISO 14001, Environmental Management System, and an ISO 45001, Occupational Health and Safety Management System, as stated in the supplier approval procedure.

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

Local procurement

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

By doing so, we contribute to reducing the environmental footprint for several reasons: smaller transport footprint and smaller packaging waste generation, as there is no need for excessive packaging. We also consider that buying locally helps create an ecosystem that fosters more stable and valuable relationships. Moreover, working with nearby partners allows us to have firsthand knowledge of their operations and working systems.

Local procurement (M€)		CELSA Nordic
Total budget for purchases from local suppliers (M€)	2021	252.47
	2022	339.10
% of budget for purchases from local suppliers (M€)	2021	56%
	2022	58%

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

Number of local suppliers 2022

1849



5.8

CELSA Circular Steel

CELSA Circular Steel Programme, leading circularity

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

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

The global annual demand will likely exceed the planet's natural resource capacity by 175%. Steel is key for our world and its future. That is why the steel industry must evolve within this decade in line with the EU's climate action plans and goals, striving to limit global warming to 1.5 degrees.

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

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



Certifications

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

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

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

Investments

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

In CELSA Nordic we are planning a significant investment in building a new hydrogen based oven in our rolling mill.

Research and development

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

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

Partnerships

CELSA Group™ seeks every opportunity to collaborate with its customers, suppliers, and other stakeholders to reduce the environmental impact of its value chain.

CELSA Nordic has signed letter of intent with Skanska promising hydrogen based reinforcing steel deliveries.

SaltX and SMA Mineral have signed a partnership with CELSA Armeringsstål AS - planning for a climate neutral lime production in Mo i Rana.

New products

At CELSA Nordic, we continuously improve and develop our production processes and technologies year after year to offer our customers new products. Hydrogen based reinforcing steel will be one of our new products.



5.9

How we create value in our community

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

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

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

Social contribution

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

In 2022, CELSA Nordic has made donations to non-profit entities.

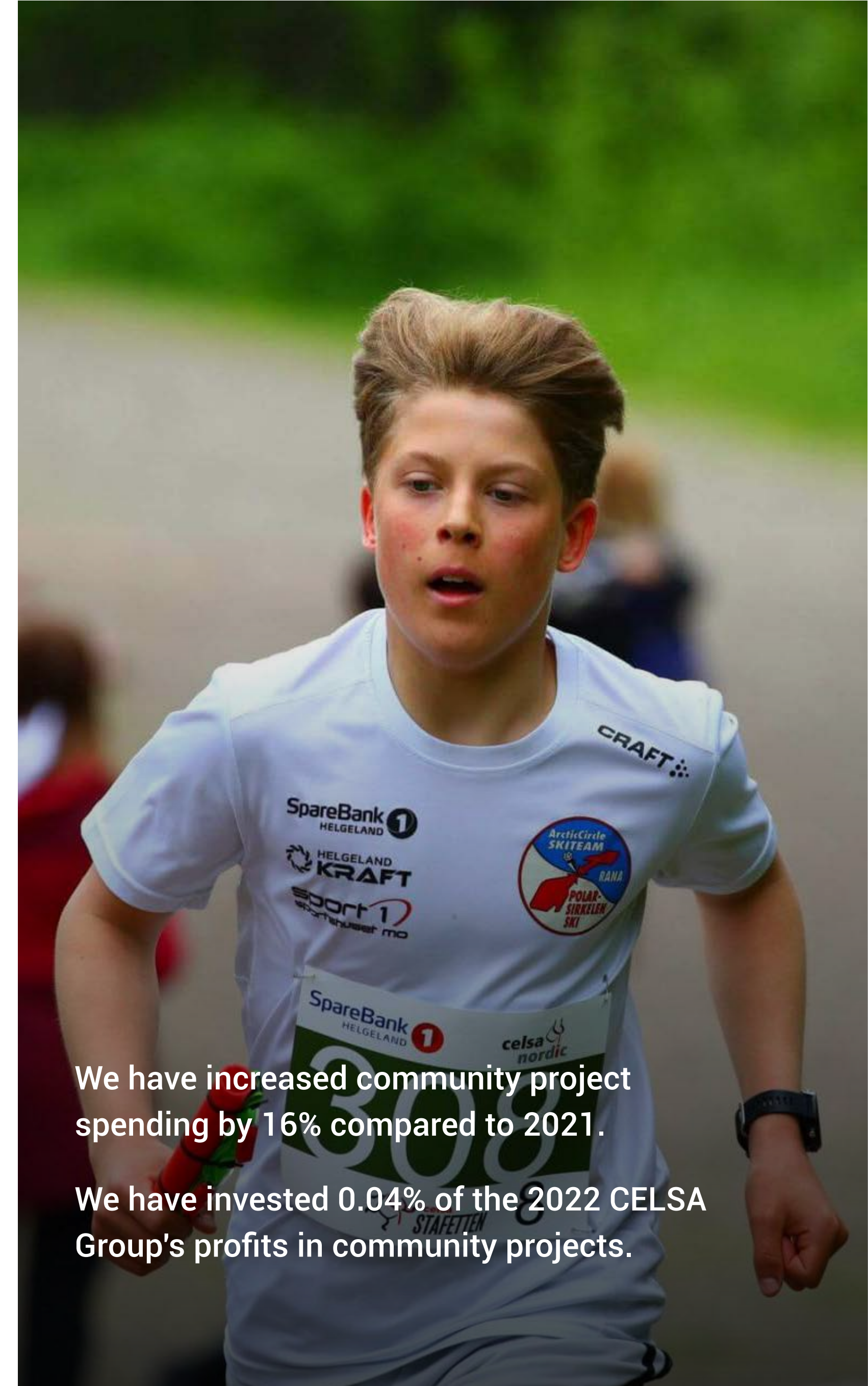
Furthermore, in 2022, CELSA Group™ has engaged in partnership and sponsorship initiatives, including participation in organisations such as the World Steel Association, Eurofer, Unesid, Sostenibilidad Siderúrgica, CEOE, Forética, Global Compact and Fundación Empresa y Clima.

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

	CELSA Nordic
Spending on projects or programmes for local community development based on the needs of local communities (M€)	2022
	0.38

Taking care of our family

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



We have increased community project spending by 16% compared to 2021.

We have invested 0.04% of the 2022 CELSA Group's profits in community projects.

5.10

Direct economic value generated

During 2022, CELSA Nordic has continued to generate shared value for society.

Direct economic value generated

Turnover (M€)		
	CELSA Nordic	CELSA Group
2021	559.30	5 268.05
2022	813.27	6 108.99

Economic value distributed

Operating costs (M€)		
	CELSA Nordic	CELSA Group
2021	398.73	4 178.80
2022	577.10	4 786.62

Employee wages and benefits (M€)		
	CELSA Nordic	CELSA Group
2021	75.66	424.98
2022	80.58	466.23

Payments to providers of capital (M€)		
	CELSA Nordic	CELSA Group
2021	7.33	112.60
2022	6.67	110.10

Payments to government (M€)	
	CELSA Nordic
2021	30.09
2022	31.11

Economic value retained

'Direct economic value generated' less 'economic value distributed' (M€)	
	CELSA Nordic
2021	48
2022	117

Income tax paid

Payments to providers of capital (M€)			
		CELSA Nordic	CELSA Group
Profit/loss before tax	2021	106.65	296.78
	2022	207.38	685.04
Corporate income tax paid on a cash basis	2021	0.001	23.23
	2022	7.05	39.99
Corporate income tax accrued on profit and loss	2021	7.59	2.00
	2022	25.84	32.14

Government grants

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

Government grants received (M€)		
	CELSA Nordic	CELSA Group
2021		12.27
2022	0.45	13.00

06

People, reason for being



6.1

People in our organisation

Our commitment to people and society is key. At CELSA Nordic, we believe in equal opportunities, the diversity of our people, and the integration of all individuals who want to be part of the company.

We are proud to have people from different backgrounds, races, ideologies, nationalities, religions and abilities. Additionally, we promote work-life balance policies and fully respect the personal and family life of all our staff.

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

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

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

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

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



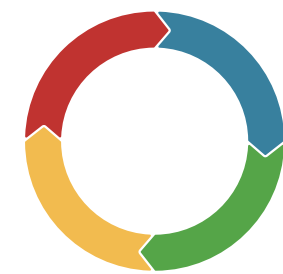


THE 4 PILLARS OF THE TALENT MANAGEMENT SYSTEM



ATTRACT
STAS

- Talent profile & Value proposition
- Communicate & Engage
- Professional advocacy
- External recognition & Measuring



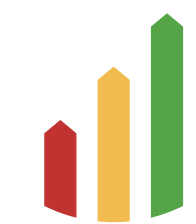
ENGAGE
PDIS

- Total goal
- Management performance
- Career plan management
- Talent & Succession



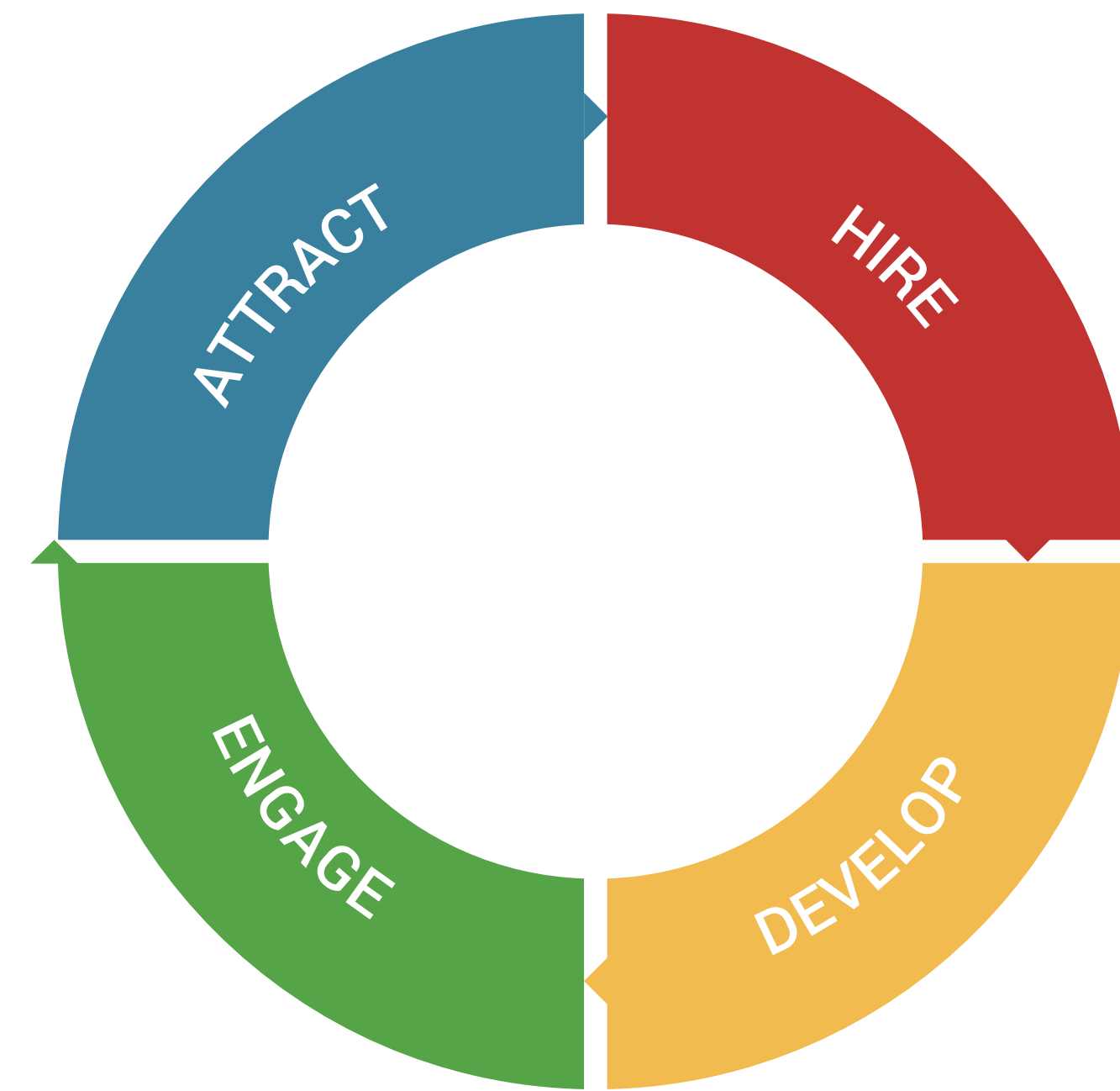
HIRE
RSIS

- Job request & briefing
- Candidates recruitment
- Candidates selection
- Welcome & induction



DEVELOP
LGMS

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





ATTRACT (STAS)

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

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

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



HIRE (RSIS)

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

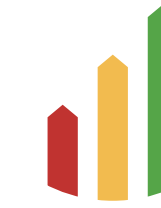
The selected person begins their career in the organisation with an Onboarding process, during which they receive training on values, management standards, safety, key competencies and process standards to ensure that they will work safely and autonomously in their new position.



DEVELOP (LGMS)

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

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



ENGAGE (PDIS)

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

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

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

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

Recognition Culture of CELSA Nordic

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

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

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



Types of Group Recognition Programmes

Linked to results:



CELSA Nordic Safety Awards:

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



Francisco Rubiralta Awards:

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



The winning plants of the Safety Awards 2022 have been:

CELSA Nordic

CSS Nordic AB Västerås, Sweden (CELSA NORDIC RECYCLING AB)

CSS Nordic Drammen, Norway (CELSA STEEL SERVICE A/S)



The winning projects in 2022 have been:

CELSA Nordic

"Improved quality of use of checklist and e-check".

Not linked to results:



Values Awards:

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



In 2022, the awarded workers have been:

CELSA Nordic

- **Honesty:** account assistant Maibritt Rasmussen.
- **Modesty:** safety supervisor Øystein Aslaksen/ itc-manager Andreas Engblom/ sales manager Jim Brun.
- **Creative Perseverance:** process engineer Bettina Kim Schmidt / production engineer Casper Alm / production worker Orjan Johan Grane.
- **Innovative Approach:** production engineer Sampsa Stigell / technical development manager Jan Malyszko / maintenance manager Anders Jönsson / Education/Safety –Coordinator Tore Aasen.
- **Teamwork:** customer service manager Marianne Jakobsen / production planner Mattias Loskin / sales responsible Trude Bernas / quality supervisor Asbjorn Myrvoll / sales engineer Patrick Persson.
- **Passion:** production supervisor Henrik Gronhoj / production supervisor Aki Korhikoski / sales manager Richard Buskum / logistics manager Madeleine Hallner / project technician Tim Ivan Bredesen.

Not linked to results:



Child Safety & Environment Awards:

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



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

CELSA Nordic

- HR manager CSS Finland, Petra Karell-Lindholm

Length of Service Awards:

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

Apprenticeship Awards:

Recognise workers who are committed to continuous learning and development.

6.2

Get to know our team

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

As of December 2022, CELSA Nordic had a total of 1005 employees. We believe in our people and that's why we provide stable and secure employment. In fact, in 2022, 97,3% of the staff had permanent contracts.

By the end of 2022, our team had an average seniority of, approximately, 10 years, demonstrating the job stability and longterm professional development of the workers, who predominantly join the company after completing their studies.

The total number of absenteeism hours, including any work absences, during 2022, has been 166024 hours. The absenteeism rate was 8,82% in 2022.

COMMITMENT TO LABOUR STABILITY IN CELSA NORDIC



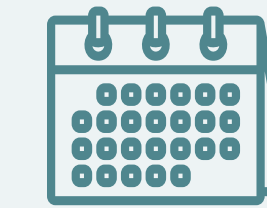
97.3%
of staff with permanent contracts.

Total number of employees of CELSA Nordic as of 31/12/2022*

CELSA Nordic	CELSA Group
1 005	7.922

Staff by occupation and gender as of 31/12/2022

	2022	
	Women	Men
Gender		
Team managers	8	49
Qualified Technical and Administrative Staff	38	129
Operational and Administrative Staff	56	725
TOTAL	102	903



10 years
Average of 10 years of seniority.

Staff by age and gender as of 31/12/2022

	2022	
	Women	Men
Gender		
Up to 35	41	303
From 36 to 50	34	299
Over 50	27	301
TOTAL	102	903

Contract modalities*			
		2022	
Gender		Women	Men
Permanent contract	Full-time	92	844
	Part-time	5	18
Temporary contract	Full-time	4	21
	Part-time	–	2
TOTAL		101	885

*Average 2022

Staff by contract modality in CELSA Nordic		
Business Unit	Permanent contract	Temporary contract
Celsa Nordic	959	27

*Average 2022

Total number of terminated contracts*			
		2022*	
Gender		Women	Men
Up to 35		8	25
From 36 to 50		4	25
Over 50		6	24
TOTAL		13	74

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

Number of terminated contracts by mutual consent or by the employee			
		2022*	
Gender		Women	Men
Up to 35		2	23
From 36 to 50		4	17
Over 50		5	13
TOTAL		11	53

Total number of new hires**			
		2022*	
Gender		Women	Men
Up to 35		5	73
From 36 to 50		10	24
Over 50		1	22
TOTAL		16	119

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

New hires and employee turnover by gender and age			
	Employee turnover rate*	Voluntary employee turnover	New hires rate**
Gender	2022	2022	2022
Women	12.84%	10.86%	15.80%
Men	8.37%	5.99%	13.46%
TOTAL	8.83%	6.49%	13.70%

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

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

CELSA Nordic	2022
Number of subcontracted employees as of 31/12/22	393

Absenteeism	2022
Number of theoretical working hours	1 882 833
Number of absenteeism hours	166 024
% absenteeism	8.82%

At CELSA Nordic, we respect the fundamental conventions of the International Labour Organization related to freedom of association and the right to collective bargaining of both directly employed and subcontracted employees working at the company's facilities.

	2022
% of employees covered by collective bargaining agreement	71%

*Average 2022



6.3

We work to create a safe and healthy environment

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

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

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

Beyond compliance with legal requirements in occupational risk prevention, CELSA Nordic has introduced several measures such as Corporate Health and Safety Standards, Accident and Incident Communication and Investigation, Preventive Safety Observations, and Safety and Health System Certification. Additionally, the production centres periodically carry out training on safety, safety audits and emergency drills.

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

Furthermore, in 2022, the corporate standard for Just Culture and Safety School has been developed, with the aim of strengthening a safety culture by improving key behaviours within the organisation. Beyond compliance with legal requirements in occupational risk prevention, CELSA Nordic has continuously integrated a range of programmes into our Occupational Health and Safety Management System that allow us to move towards our goal of Zero Accidents.



OPS Programme: Preventive Security Observations

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

TCR Programme: Risk Correction Cards

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

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

PSAP (Personal Safety Action Plan) Programme

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

OOL Programme: Organisation, Order and Cleanliness (5s)

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

Audit Programme: internal, cross and external audits

We maintain an ongoing audit programme at different levels to ensure the proper implementation of our own and corporate standards. Internal audits allow us to review the correct functioning of the systems established for safety improvement at each plant.

Cross audits not only identify areas where the system does not align with internal plant procedures or corporate procedures, but also identify the best practices in the Group's plants that can be subsequently shared with other units through the creation or modification of corporate standards. External audits ensure that our safety management systems comply with the strictest current regulations, thereby ensuring continuous improvement.

Programme 10: The 10 Safety Rules that Save Lives (10 LSR Program)

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

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

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

IAI Programme: Accident and Incident Investigation

We investigate and analyse each and every accident and incident that takes place, identifying the root causes with the primary goal of implementing action plans to prevent their repetition. We pay attention not only to those situations in which people get hurt, but also to incidents in which risk situations are detected that must be corrected and avoided, even if there have been no injuries.

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

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



SHARED SAFETY PRINCIPLES

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



HEALTH AND SAFETY IN 2022

Frequency rate of recordable occupational accidents in directly employed workers:

10,31 points

Frequency rate of recordable occupational accidents in subcontracted workers:

8,33 points

Severity rate of recordable occupational accidents in subcontracted workers:

0,02 points

Staff under an occupational health and safety management system	
	2022
Group companies certified with an occupational health and safety management system (OHSAS 18.001 or ISO 45.001)	30%
Percentage of employees under an occupational health and safety management system (OHSAS 18.001 or ISO 45.001)	40%

Diseases and deaths

	2022
Occupational diseases (directly employed workers)	0
Deaths due to illness or occupational disease (directly employed workers)	0

Accident rate		
	Directly employed workers	Subcontracted workers
	2022	2022
Number of deaths due to occupational accidents	0	0
Number of occupational accidents with serious consequences (excluding deaths)	4	1
Number of recordable occupational accidents	17	3
Occupational accident death rate	0	0
Frequency rate of occupational accidents with serious consequences (excluding deaths)	2.43	2.78
Frequency rate of recordable occupational accidents	10.31	8.33
Severity rate of recordable occupational accident	0.31	0.02
Occupational diseases (directly employed workers)	0	0
Deaths due to illness or occupational disease (directly employed workers)	0	0

Good practices for occupational health and safety of each subsidiary

Health insurance

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

Additional examination by a medical specialist could be operations, X-ray, MRI, CT, hospitalization, "Second opinion" for life-threatening illness/injury, psychologist, psychological First Aid / Crisis Assistance in Serious Incidents, up to 6 treatments by a physiotherapist, manual therapist, chiropractor and naprapat and substance abuse treatment. Additional; health care by phone, online video doctor, mental self-help, crisis assistance, health "guide".

6.4

Our talent management and development

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

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

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

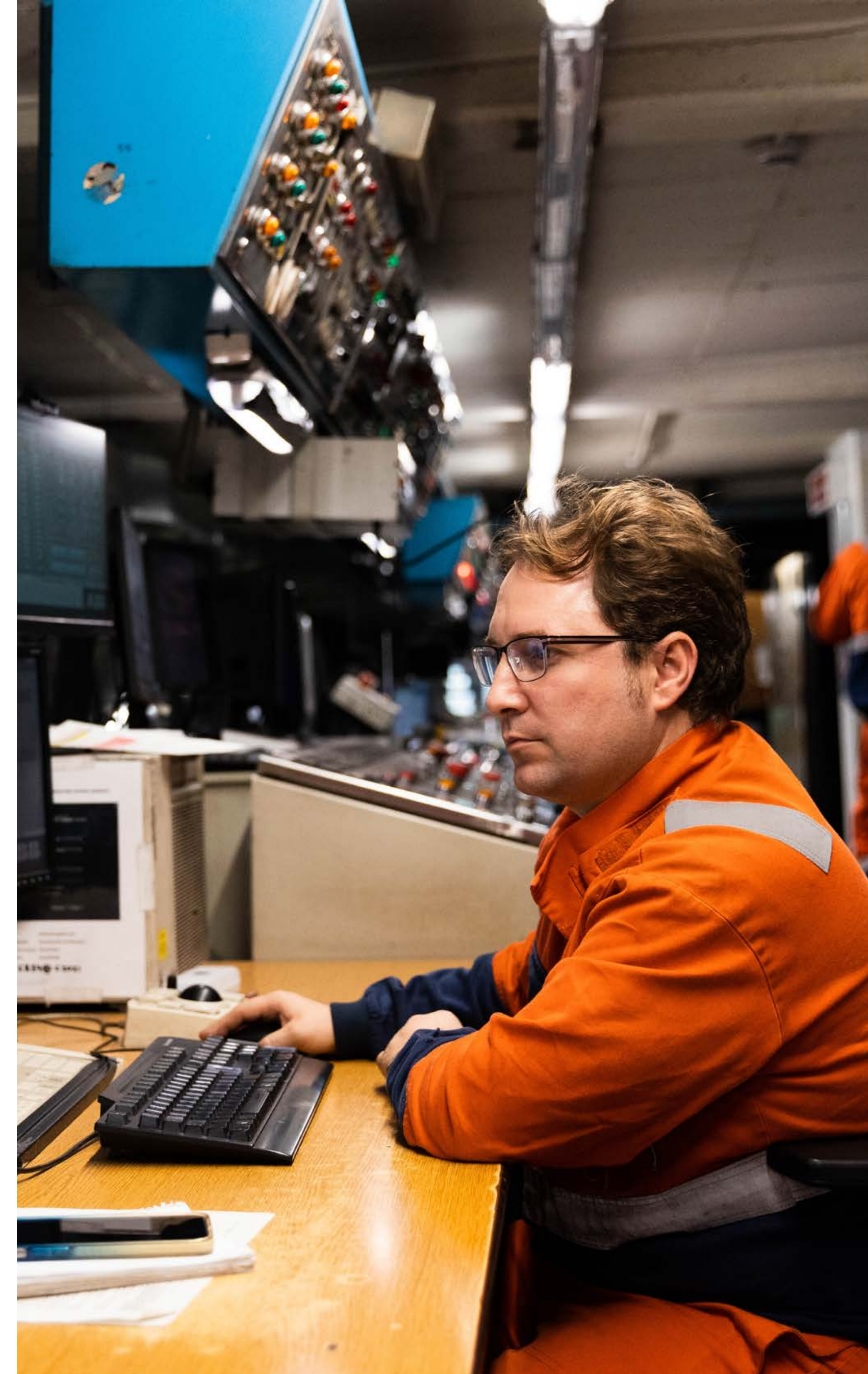
Furthermore, to provide our team the broadest expertise, at CELSA Nordic, we have implemented the Integrated Professional Development System (PDIS), a tool designed to manage people's talent. According to this system, qualities are identified, and the career planning is tailored to everyone's profile.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

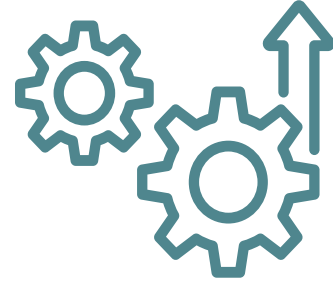
Ensuring the satisfaction of our employees and providing value for talent retention.

Building the attitudes, skills and knowledge necessary to contribute and add value to the CELSA Nordic project.

Attracting, motivating and developing the best and brightest talent.

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





Performance management

Objectives, areas of responsibility, competencies and values are assessed. Improvement plans are established to foster progress and achieve the best results as professionals and as an organisation.



Talent Management and Succession Planning

Skills are identified and developed, aligning personal expectations, future leaders and organisational needs to ensure a promising future and smooth generational transition within CELSA Nordic.



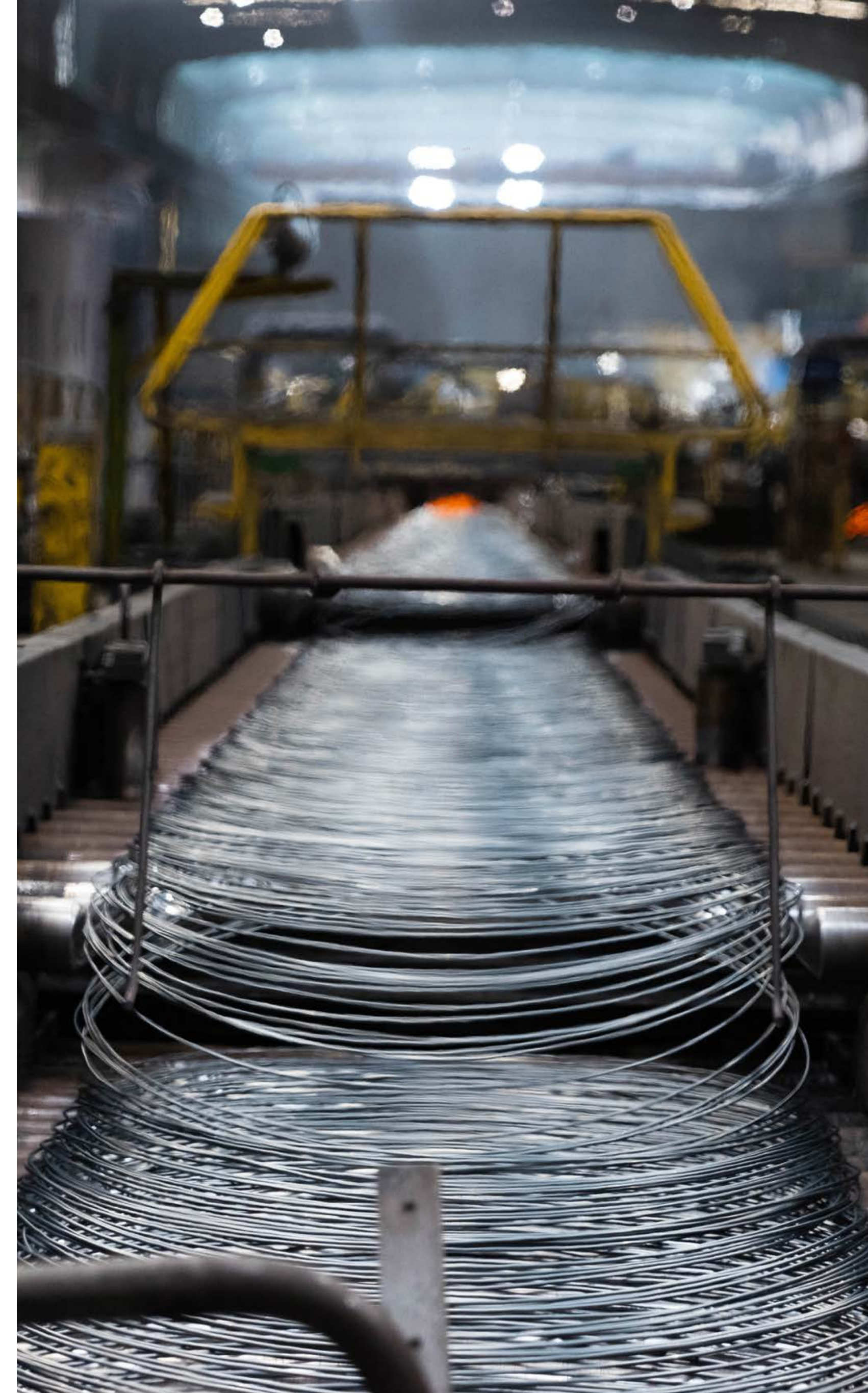
Career Management

Process through which people and professionals become aware of their strengths, areas for improvement and development possibilities as future managers and leaders.



Goal Management

Process of individually assigning the organisation's objectives through cascade deployment. The objectives stem from strategic reflection, budgeting and annual assessment of values.



Internally filled positions by occupation	
	2022
Team managers	33%
Qualified technical and administrative staff	29%
Operational and administrative staff	16%
TOTAL	20%

Training and continuous education expenses (M€)	
	2022
CELSA Nordic	0.26

Number of employees who received regular performance and career development reviews		
	2022	
	Women	Men
Team managers	7	38
Qualified Technical and Administrative Staff	1	4
Operational and Administrative Staff	0	2
TOTAL	8	44

Number of employees who received training	
	2022
Team managers	168
Qualified Technical and Administrative Staff	161
Operational and administrative Staff	104
TOTAL	433

Hours of training by gender		
	Women	Men
Team managers	398	2 499
Qualified Technical and Administrative Staff	730	2 492
Operational and Administrative Staff	123	1 574
TOTAL	1 251	6 565

Average training hours per employee	
	CELSA Nordic
Team managers	17.24
Qualified technical and administrative staff	20.01
Operational and administrative staff	16.32
TOTAL	18.05

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

Good practices for training in each subsidiary

CELSA Nordic Group Training new professionals

At CELSA Armeringsstål, we have about 30 apprentices each year with the aim of training new professionals. Additionally, we are part of the Kandidat Helgeland internship programme to recruit the best talents from the region. Through Kunnskapsparken Helgeland, Fagskolen i Viken facilitates CELSA Armeringsstål, which has had the most participants from a single company.

International mobility program

This programme is designed to provide our employees with the opportunity to access local or international positions in other Group's workplaces. It is aimed at people who want to develop themselves to access higher positions of responsibility in a different cultural environment, allowing them to continue growing professionally. Currently, approximately 4 employees from the CELSA Nordic are part of the Global Mobility Program.



6.5

Commitment to equality, diversity and inclusion

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

Over the last five years, there has been a 25,9% increase in the number of women within the company, while the total workforce has remained unchanged. Essential areas such as the occupational risk prevention technicians' team and the finance team already have a high percentage of female representation.

CELSA Nordic has a 10.1% representation of women. Internally, we work to give visibility to all the women who are part of CELSA Nordic through participative initiatives and actions. An example is the #WomenofSteel campaign, where global and local activities are organised, later transformed into positive campaigns where women take centre stage.

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

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

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

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

Number of employees with disabilities	2022
CELSA Nordic	1



Good practices for equality and diversity by our subsidiaries

CELSA Talks

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

Empowering Women's Talent (EWT)

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

STEM Women Congress

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

Work-life balance

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

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

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



6.6

We ensure compliance with Human Rights

At CELSA Nordic, we have a Human Rights Policy aimed at formalising the company's commitment to human rights in all countries where we operate.

It also defines the principles to ensure the respect for these rights, in accordance with the principles of the United Nations Global Compact, the International Labour Organization conventions, the Sustainable Development Goals (SDG) and our Code of Ethics and Professional Conduct.



Among the general principles included in this Policy are:

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

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

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

07

Our commitment to ecological transition

7

Our commitment to ecological transition

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

- Promote initiatives for environmental protection, continuous improvement of environmental performance and pollution prevention in recycling area, energy conservation and reduction of consumptions, emissions, noise and waste.
- Comply with legal obligations, commitments and voluntary agreements. Anticipate compliance with future regulatory changes.
- Have a certified and proven environmental management system adapted to the nature of our activities. The entire organisation and the individuals and/or companies acting on behalf of CELSA Nordic are responsible for complying with the provisions of the environmental management system, ensuring care and respect for the environment. In fact, our main industrial facilities have an ISO 14.001 environmental management certification. Inform and collaborate with authorities.
- Identify risks and opportunities to prevent or reduce adverse effects on the environment, considering both the processes and the context of the company.
- Promote a participatory attitude at all levels of the organisation towards environmental management.

- Select and assess subcontracted companies and suppliers in accordance with environmental protection criteria. Promote their environmentally responsible practices.
- Consider the needs and expectations of stakeholders. Support commitments and voluntary agreements with nearby communities in environmental improvement projects and promote environmental awareness and training among the employees of CELSA Nordic and the local community.
- Apply continuous improvement in all processes and invest in new technologies that prevent and minimise atmospheric emissions, waste generation, and inefficient use of resources. Consider the product lifecycle to determine environmental aspects and impacts.
- Promote resource recovery, recycling and reuse, and work with customer companies to raise awareness about the lifecycle of steel. Participate in initiatives that promote the use of environmentally responsible products.

	2022
	CELSA Nordic
Environmental expenses	€ 0.02

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

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

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

k€	2022
	CELSA Nordic
Financial guarantee related to waste management	0.0
Financial guarantee related to waste export	50.0
Financial guarantee related to the environmental liability law	0.0

7.1

Why we are leaders in circularity and recycling

CELSA Nordic is part of CELSA Group™ which is the largest European producer of recycled steel. 100% of our final product is composed of recycled steel, and 100% of the products we generate are recyclable.

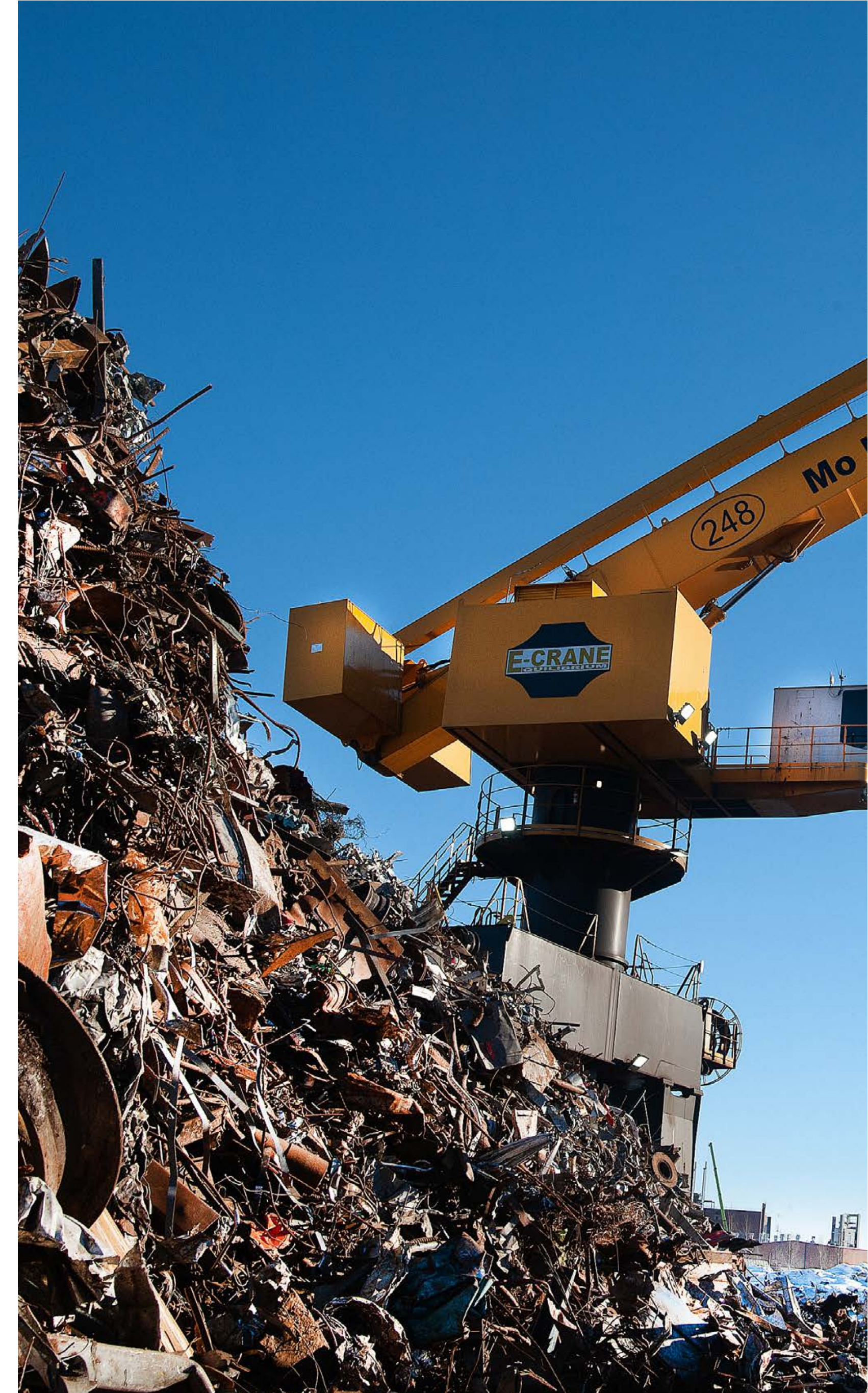
The recovered waste from CELSA Nordic amounts to 98.9% for the production processes, excluding Circularity HUBs (and 98.8% considering the processes of recovery and transformation of ferrous scrap and other materials). Additionally, 85.1% of the total materials we use in the production process are recycled.

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

CELSA Nordic contribute to the annual recycling of approximately 850 000 tonnes of materials, including ferrous scrap, waste from our own production processes, plastics and other non-ferrous metals. Out of this total, more than 760 000 tonnes of iron scrap are used in steel production of CELSA Nordic. This enables us to avoid waste accumulation in landfills and produce once again high-value steel products for society without depleting natural resources.

Thanks to our circular model, we produce more than 700 000 tonnes of steel.

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



Environmental and Resource Management Policy

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



Principles associated with our activity:

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

General principles with our professionals and value chain:

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

The Environmental and Resource Management Policy includes the following objectives:

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



Our circular economy model

Recycling and recovery

At CELSA Nordic, we strongly advocate for the recovery and use of waste generated during the steelmaking process to foster the circular economy. Recycling and recovery, which include reuse and recovery, are waste treatment processes through which we replace other materials or energy as raw materials in another process. These processes are, therefore, key pillars in our activity.



Material recycling

Any recovery operation by which waste is transformed back into products, materials or substances, whether for their original purpose or any other purpose. This includes the transformation of organic material but excludes energetic recovery and the transformation into materials to be used as fuels or backfilling operations.



Waste recovery

Any operation whose main result is that the waste serves a useful purpose by replacing other materials that would have otherwise been used to fulfil a specific function, or the waste is prepared to serve that function within the facility or the economy in general. This includes recovery through which we transform waste into new products.

THE CIRCULAR MODEL OF CELSA NORDIC

Content of recycled materials used in the steelmaking process:

85.11%

Recyclable products of CELSA Nordic:

100%

Content of recycled steel in the final product:

100%

Recovered waste in the steelmaking process amounts to:

98.90%

1.40 M m³

of natural resources avoided:
equivalent to the volume of

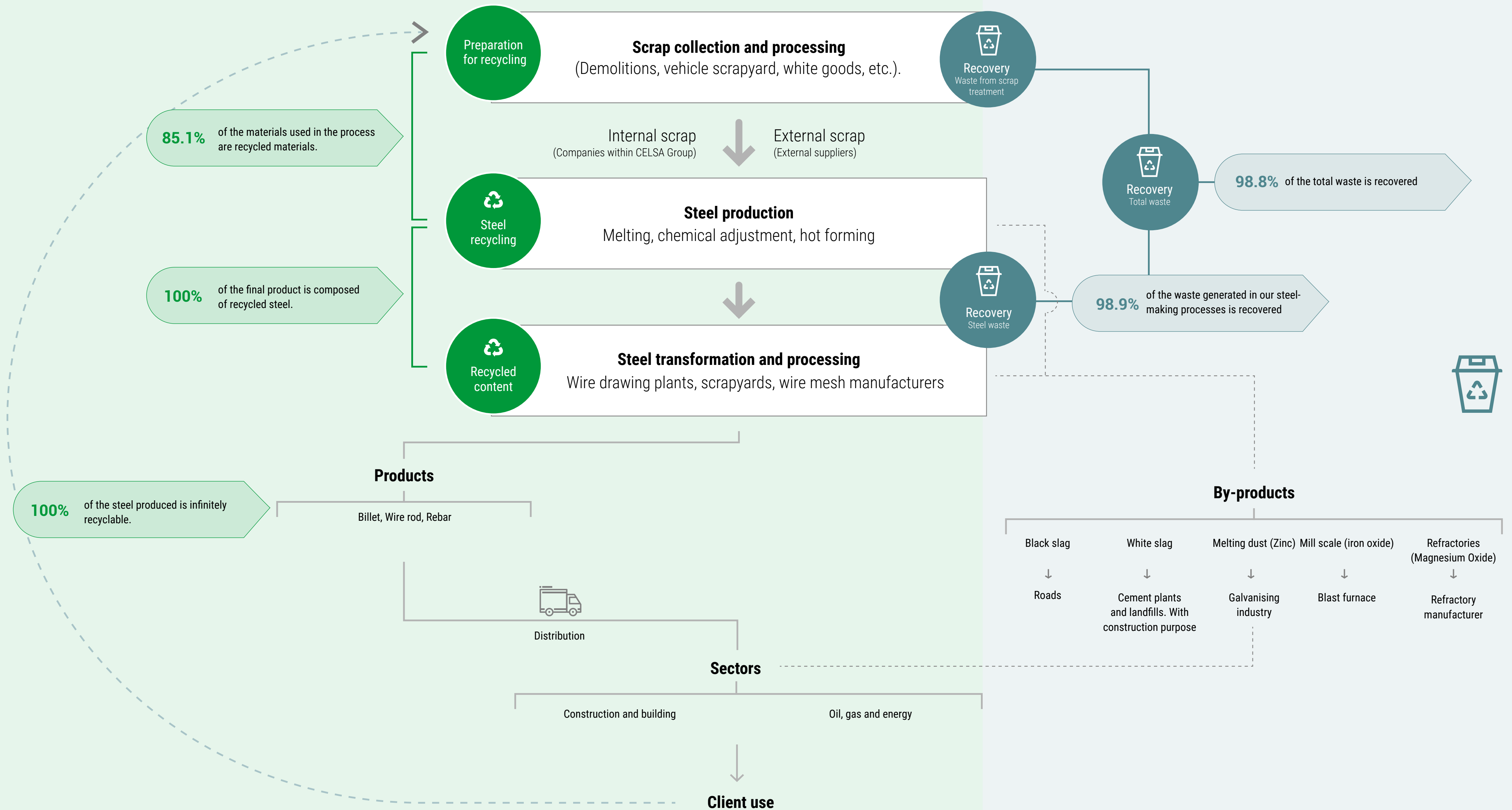


1.30

Empire State Buildings

Steel Recycling Process

Steel Recycling Process



Input materials for the steelmaking process

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

Typology of materials used in the activities of CELSA Nordic	2022	2022
	t	%
Recycled materials used in the process	847 993	85.11%
Renewable materials used in the process (gases: oxygen, nitrogen and argon)	27 293	2.74%
Linear materials used in the process (Non-renewable)	121 058	12.15%
Total input materials	996 344	100%

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

Total input materials in the activities of CELSA Nordic (t)	2022			
	Total input materials	Recycled materials	Renewable materials	(Non-renewable) Linear materials
Input Materials to Circularity HUBs	26 994	26 994	0	0
Input materials to steel mills	760 053	68 2621	26 970	50 462
Input materials to rolling mills	0	0	0	0
Input materials to finishing process companies	138 275	138 256	0	19
General input materials	71 022	122	323	70 576
Total input materials	996 344	847 993	27 293	121 058



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

During 2022, CELSA Nordic has generated approximately a total of 160,000 tonnes of waste as a result of steelmaking processes. Below is the amount of waste generated, broken down by production process and by waste type and hazardousness:



Type of waste generated (tonnes)	Hazardous waste	Non-hazardous waste
By-products from scrap processing	107.02	0
Shredder (light and heavy fraction)	0	0
Screening soil (fine and coarse fraction)	0	0
Others	107.02	0
By-products from steelmaking	8 771.30	141 798.54
Slag	0	129 278
Screening soil (fine and coarse fraction)	8 764	0
Scrap Melting Dust	0	9 424
Used refractories	0	1 127
Scale	0	1 966
Ferrous scrap	0	0
Others	7.3	3.54
By-products from rolling mills	53.50	4 888
Shredder (light and heavy fraction)	0	4 888
Screening soil (fine and coarse fraction)	0	0
Others	53.50	0
By-products from finishing processes	60.74	4 024.56
Total By-products Generated	8 992.56	150 711.09

Finished product circularity

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

Recycled content in the produced steel	t	%
Recycled scrap	749 637.69	100%
Other non-recycled iron contributions	0	0%
Total recycled materials	749 637.69	100%

% 100% of manufactured steel is produced from recycled scrap

Recovery

Routes and recovery percentage of the waste resulting from the production process

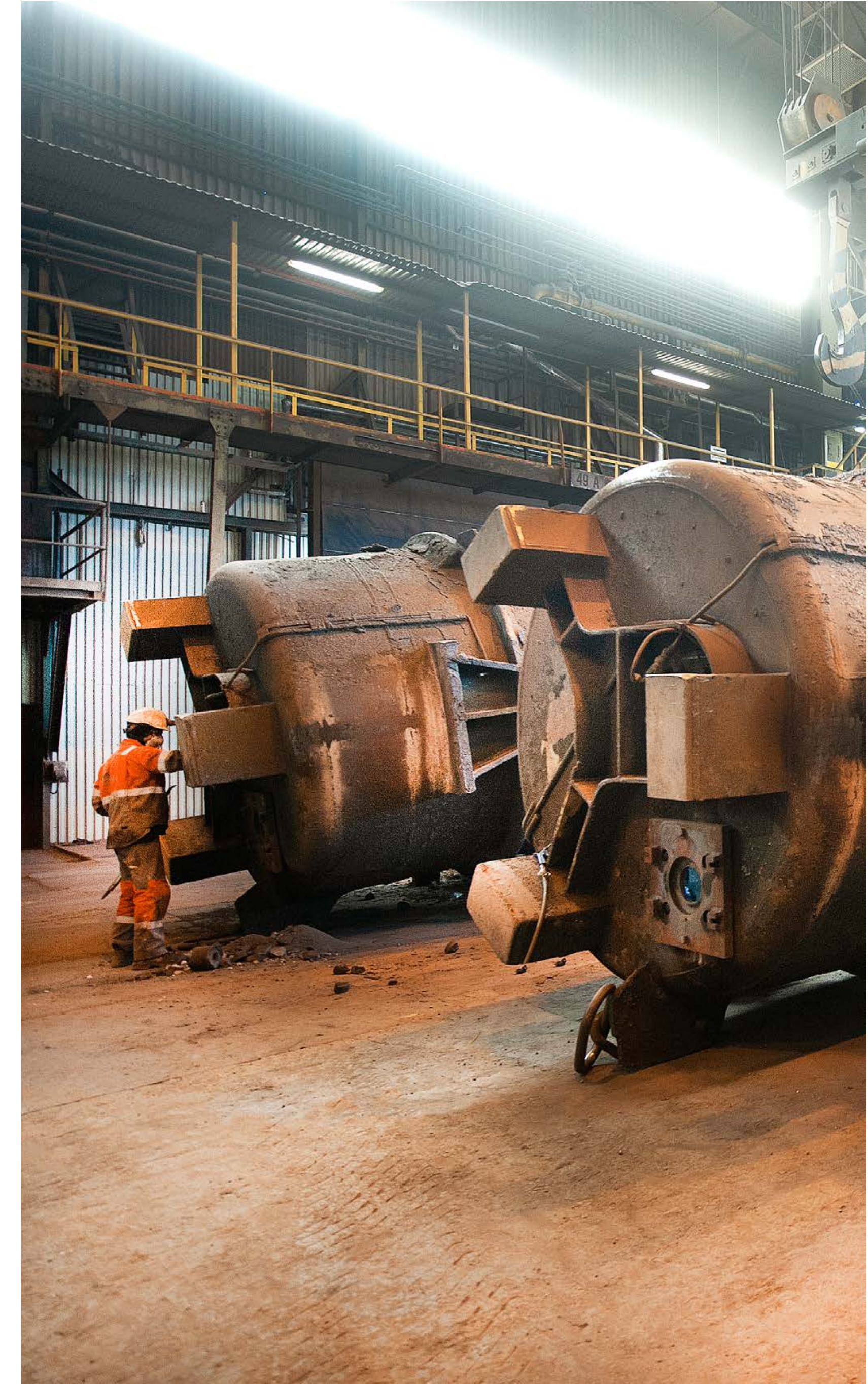
CELSA Nordic's commitment is to achieve 100% waste recovery by 2050, i.e., to send zero waste to landfill. The following table shows the percentage of the different treatment routes for waste generated in 2022:

Recovery and disposal routes	Percentage of total %
Internal reuse within the plant	0%
Internal recovery within the group	6.89%
External recovery	91.94%
Subtotal Recovered Waste	98.83%
Incineration with energy recovery	0.05%
Incineration without energy recovery	0.07%
Landfill disposal	0.91%
Other disposal operations	0.13%
Subtotal Non-Recovered Waste	1.17%

It is observed that, currently, the percentage of recovered waste in CELSA Nordic stands at 98,9% in steelmaking process (and 98,83% when considering Circular HUBs). The following table shows the percentage of recovery of the total waste generated, broken down by production process:

Production process	% waste recovery
Steelmaking division	98.9%
Scrap processing division	0%
Total waste recovery	98.9%

We recover 100% of the waste generated in our steelmaking processes.



Recycling of other materials



Steel slag aggregate (white slag and black slag)

From electric arc furnace (black slag): Steel slag aggregate comes from the treatment of black slag generated during the steelmaking process in the electric arc furnace. It is mainly used as a raw material in the manufacturing of asphalt, concrete, granular bases and subbases for road surfaces.

From secondary metallurgy (white slag): it is produced in ladle furnaces during the steel refining process. Due to its high content of CaO, it can be used as a fertiliser, soil pH regulator, and raw material in cement factories.



Electric arc furnace steel work fume dust (Zinc Oxide)

Steel dust is collected from the bag filters in the gas purification systems generated by the melting and refining furnaces. This dust contains metal oxides, especially zinc oxide, which has high commercial value.



Mill scale

Mill scale is a steel co-product that is mainly produced in the hot rolling process. This material originates from the surface oxidation of hot steel and is mainly composed of iron oxides (Fe₂O₃ y Fe₃O₄). This chemical composition allows it to be used in other industrial processes that require an input of iron, such as primary steel manufacturing, cement production, or ferroalloy production.



Used furnace refractories

The main refractory materials generated in the steelmaking process are masses of Magnesium Oxide (MgO) from the troughs and Magnesia-Carbon, Isostatic and High Alumina bricks. These materials are mostly recovered for reuse in the process and to obtain new raw materials for the manufacturing of refractory materials and steel.

CELSA Nordic, part of CELSA Group, joins the European Horizon 2020 Probono Circular Project

In 2022, CELSA Group™ has joined the Horizon 2020 PROBONO project, funded by the European Union, aiming to recover several by-products from the steel production process, either for road surfacing or use in sustainable urban developments, as part of the European initiative. As a participant in this project, which includes 46 partners from 15 countries, CELSA Group™ will conduct a pilot test on the use of the screening soil generated at its Circular HUBSs (collection centres for ferrous scrap and other waste recovered by the Group, and where materials are prepared for steel production) and the steel slag aggregate derived from the smelting process. The objective is to promote the recovery of all waste materials.

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





Good practices for circular economy and recycling of each subsidiary

CELSA Nordic – Circular partnerships

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

- Agreement with Skanska for purchasing the first Hydro steel.
- Agreement with SMA Mineral for CO₂ free dolomite and lime.
- Agreement with Stakraft for delivering hydrogen.

Other industry partner is in the process industry for supplying fossil free building materials in the Nordic building and construction industry.

The decarbonisation plan is based on two main axes:

01 The reduction of (Scope 1) direct emissions through:

- A.** Reduction of fossil fuel use: working on projects to develop and integrate new technologies to replace natural gas with biomethane, green hydrogen, electrification, etc., and developing projects to replace coals with alternative materials such as biochar, shredded used tires and polymers from waste.
- B.** Improvement in energy efficiency: implementing technologies and process enhancements to reduce consumption and increase efficiency in combustion processes, such as oxygen doping and hot charging to improve process efficiency.

02 The reduction of (Scope 2) indirect emissions from electricity:

- A.** Improving energy efficiency to reduce electricity consumption in processes through the installation of devices for optimising electricity consumption, such as variable-frequency drives, and by better monitoring energy consumption using analysers, meters, and mathematical models.
- B.** Replacing conventional energy sources for renewable energy sources through long-term Power Purchase Agreements with renewable energy developers and/or sourcing electricity covered by Guarantees of Origin.

7.2

Our roadmap towards decarbonisation

Our stakeholders consider carbon emissions as a material topic (more information in the section "5.4. Stakeholder engagement").

At CELSA Nordic, we have a Climate Action Policy that sets forth the general principles guiding the Group's actions regarding climate change.



General principles of the Climate Action Policy:

- Comply with applicable legislation regarding climate change and follow national and international recommendations in this matter.
- Contribute to climate change mitigation and the decarbonisation of the business model by reducing the intensity of greenhouse gas emissions in scopes 1, 2 and 3 by 50% by 2030 and achieving climate neutrality by 2050.
- Reduce climate vulnerability and promote adaptation of activities to different climate scenarios.
- Implement energy-saving and energy-efficient measures in our operations.
- Promote the use of renewable energy sources.
- Implement the use of alternative materials and fuels with biogenic carbon content.
- Promote and support projects aimed at climate change mitigation and adaptation.
- Promote training and awareness initiatives among our stakeholders, particularly among our employees, on climate change.
- Integrate climate change considerations into internal decision-making processes, and long-term risk analysis and management.
- Voluntarily join initiatives and agreements to assume commitments and define actions to reduce emissions.
- Encourage partners and material and service suppliers to adopt policies consistent with this Policy.

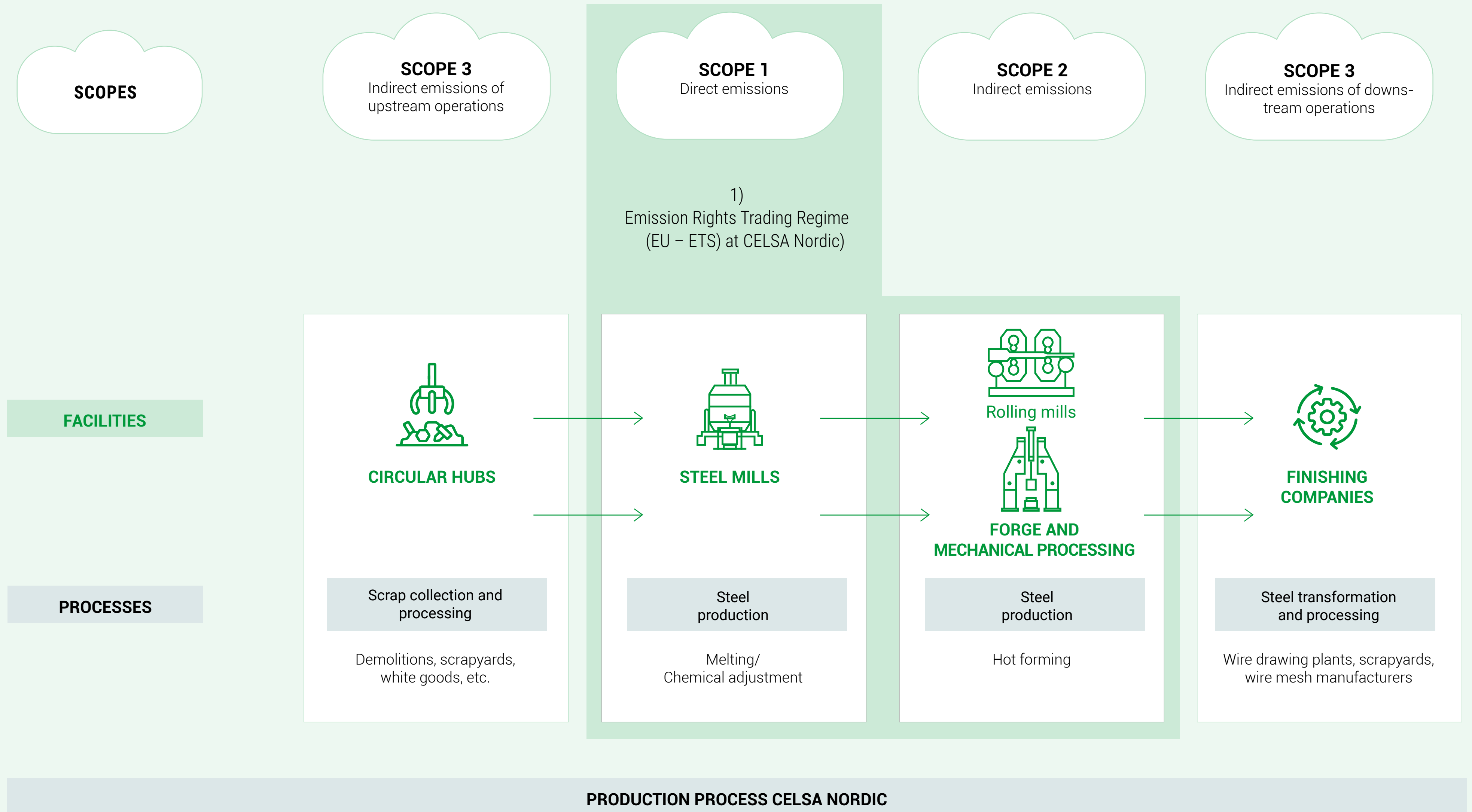
Our emissions

Scope 1 emissions in absolute values: valores absolutos:

98 106.87 (t CO₂ eq.)

Scope 1 emissions in specific values:

139 (kg CO₂ eq./ t steel)



Scope 1 emissions from steelmaking processes at CELSA Nordic are 47% below the European Union sector average.

All activities associated with steel mills and rolling mills are covered under the Emissions Trading System (ETS), since 2005. These emissions are always verified by an external agent.

Within the ETS, there are sectoral data available for scrap melting facilities in electric furnaces, which allows us to compare our emissions with the sector's average.

Comparison of (Scope 1 & 2) emissions from steelmaking with the industry (kg CO₂ eq./t steel)

2022

	Average of Carbon Steel Sector (e.g., EU)	Average Special Steel Sector (e.g., EU)	CELSA Nordic
Data on emissions from steel mills ¹	255	325	139

¹ Data on Scope 1 and Scope 2 location-based emissions
*Electricity emission factors



Our emissions

Scope 1, 2 and 3 emissions in absolute values:

270.026

t CO₂ eq. - location-based

423.001

t CO₂ eq. - market-based

Scope 1, 2 and 3 emissions in specific values:

383.8

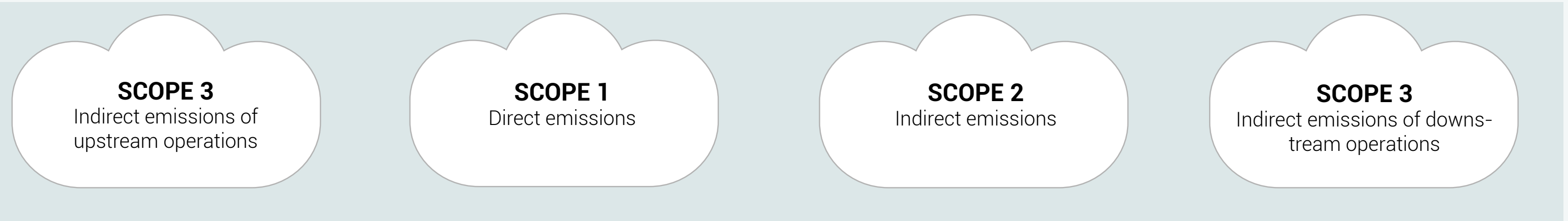
kg t CO₂ eq./ t steel – location-based¹

601.2

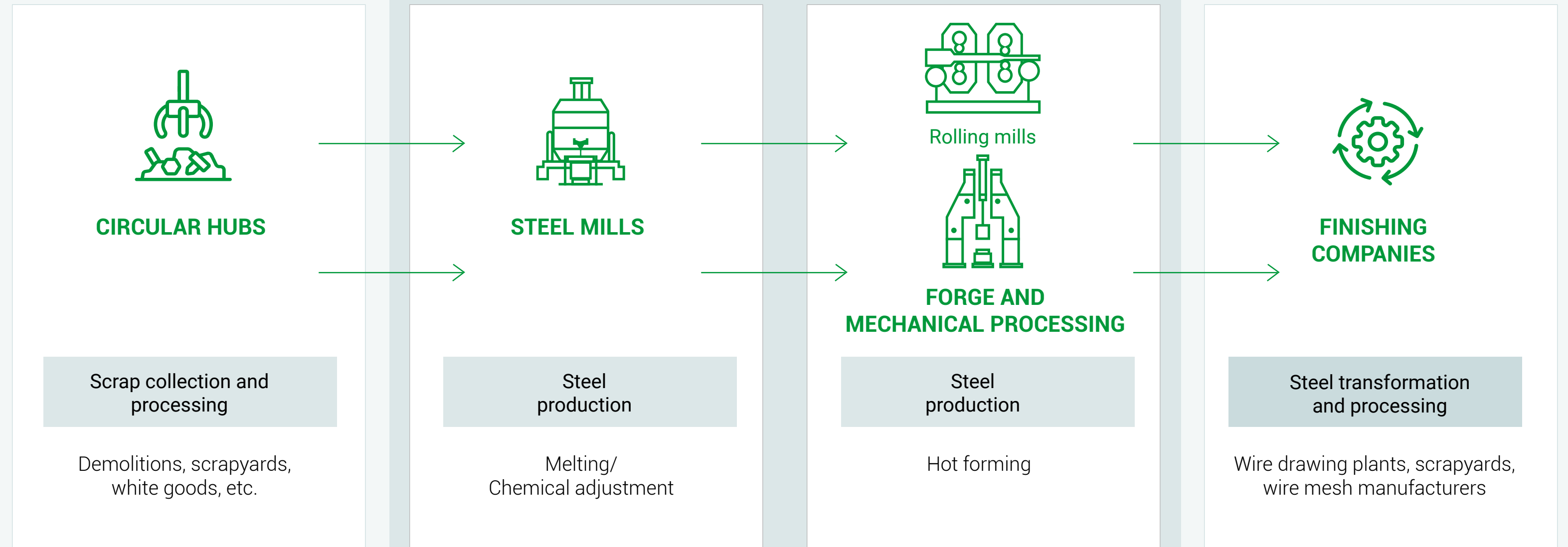
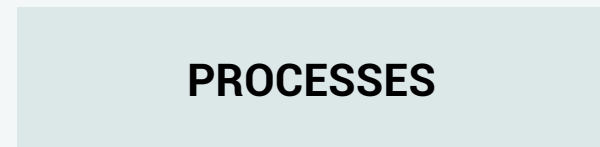
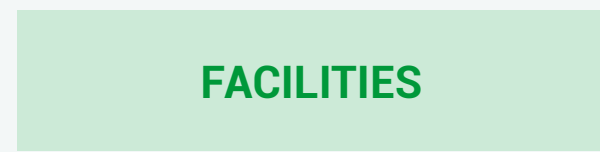
kg t CO₂ eq./ t steel – market based²

1. Calculations of Scope 2 location-based indirect emissions; based on location, region.

2. Calculations of Scope 2 market-based indirect emissions; based on the market, marketers.



2)
Carbon Footprint of the organization: from the steel manufacturing and rolling activities of CELSA Nordic (scopes 1, 2 and 3)



PRODUCTION PROCESS CELSA NORDIC

CELSA Nordic is already a low-emission company, and we have set the goal to reduce 1, 2 and 3 market-based emissions from the headquarters* by 50% by 2030 and become a Net Positive company by 2050.

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

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

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

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

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

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

The following Scope 3 categories have been considered:

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

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

Below are the Carbon Footprint data for 2021 and 2022, according to the location-based and market-based methodologies:

	2021	2022
Scope 1	87 130.34	98 106.87
(Location-based) Scope 2	6 103.81	12 851.57
Scope 3	169 201.94	159 067.12
TOTAL	262 436.08	270 025.56

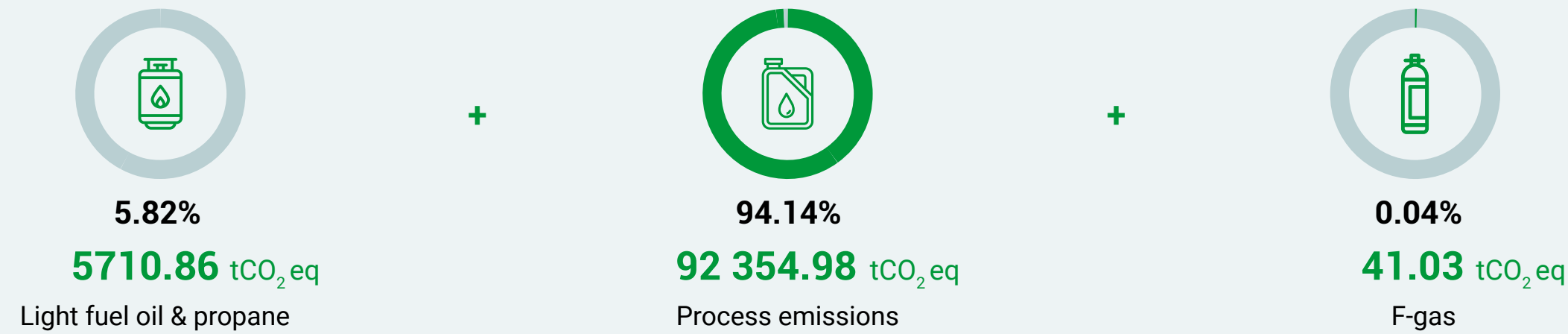
	2021	2022
Scope 1	87 130.34	98 106,87
(Market-based) Scope 2	167 862.24	165 826,72
Scope 3	169 201.94	159 067,12
TOTAL	424 194.52	423 000,71

Carbon Footprint 2022

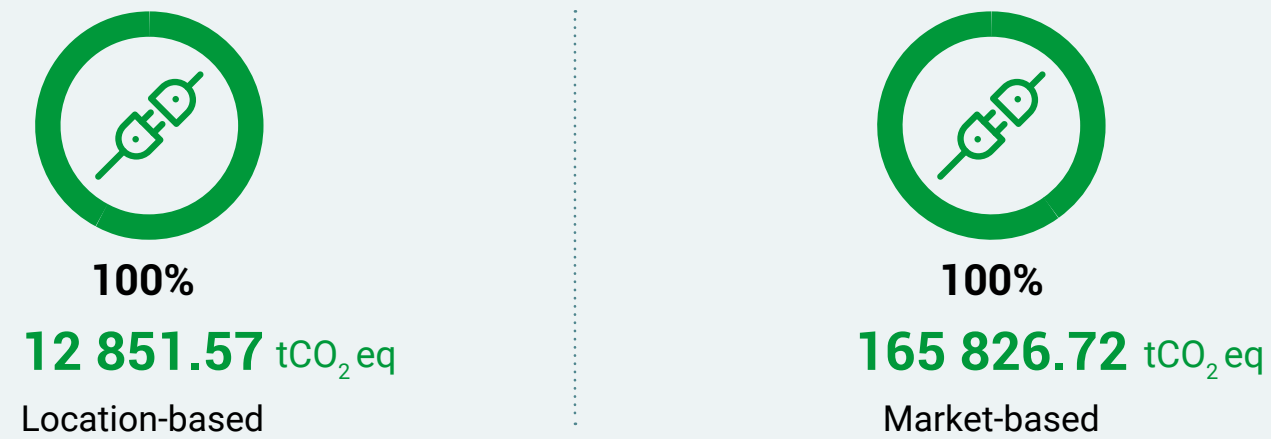
At CELSA Nordic we reaffirm our commitment to sustainability and climate change, and we work to measure and mitigate emissions of our activities. As part of our commitment, the 2022 carbon footprint is included below.

What emissions have we generated?

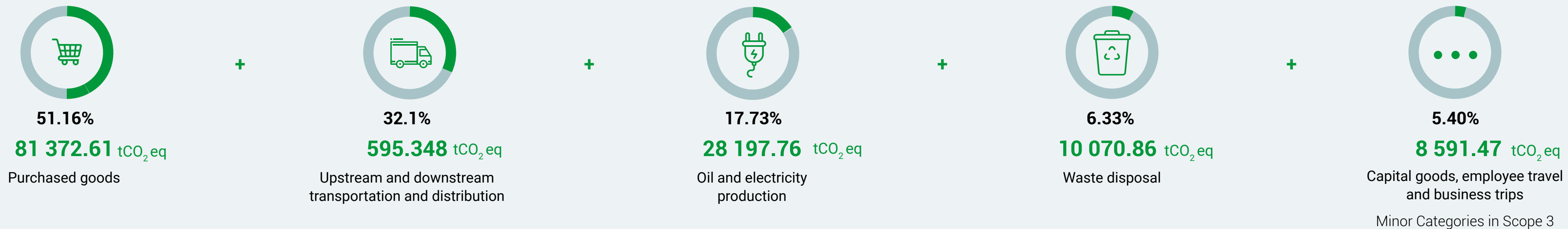
SCOPE 1: DIRECT EMISSIONS



SCOPE 2: INDIRECT EMISSIONS

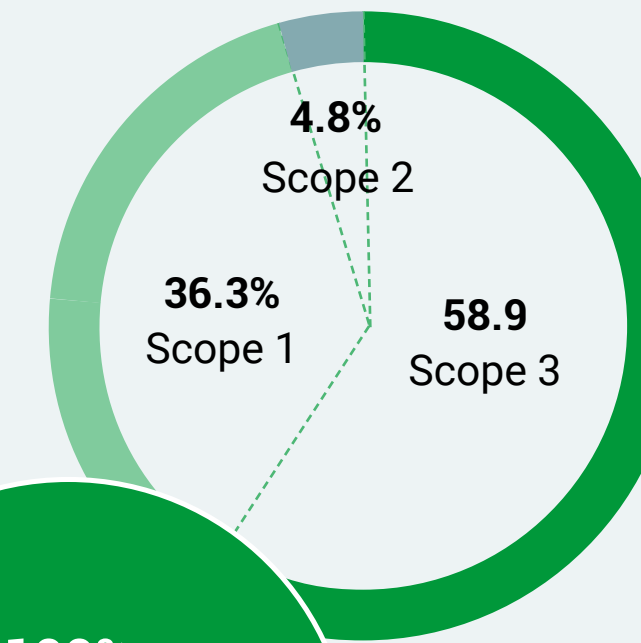


SCOPE 3: OTHER INDIRECT EMISSIONS



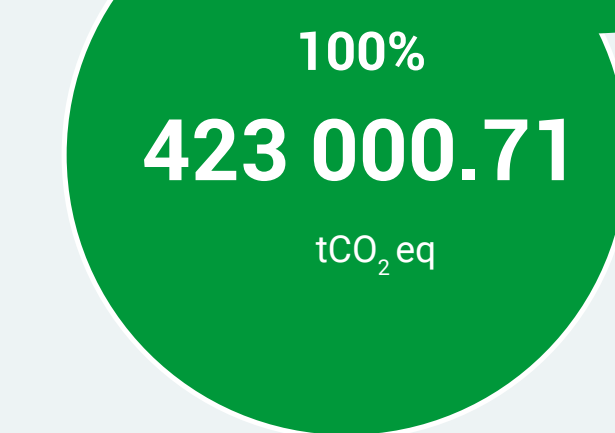
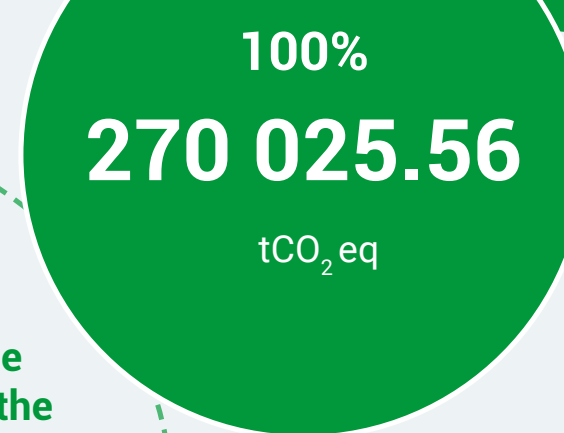
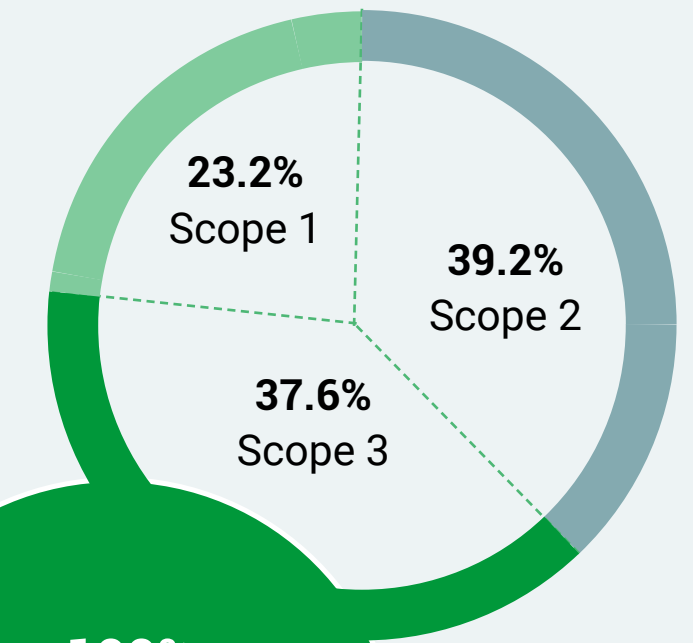
GHG EMISSIONS BY SCOPE 2022

(location-based)



GHG EMISSIONS BY SCOPE 2022

(market-based)



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

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

Compared to 2021, Scope 1 emissions have grown by 12,6%, mainly due to an increase of 13% in the steel production volumes of CELSA Nordic.

Regarding Scope 2 location-based emissions, our indirect emissions have increased by 110%, due to an increase in the emission factor of the countries where CELSA Nordic operates, and the rise of the steel production.

Regarding Scope 3 emissions, there is a reduction of 6% compared to the previous year. ar.

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

Emissions kg CO ₂ eq./ t billet	CELSA Nordic	
	2021	2022
Direct GHG emissions (Scope 1)	0.140	0.139
Indirect GHG emissions (location-based Scope 2)	0.010	0.018
Indirect GHG emissions (Scope 3)	0.272	0.226
Total emissions (location-based Scopes 1+2)	0.423	0.384

Emissions kg CO ₂ eq./ t billet	CELSA Nordic	
	2021	2022
Direct GHG emissions (Scope 1)	0.140	0.139
Indirect GHG emissions (market-based Scope 2)	0.270	0.236
Indirect GHG emissions (Scope 3)	0.272	0.226
Total emissions (market-based Scopes 1+2)	0,683	0.601

In 2021, we committed to the Science Based Targets initiative (SBTi). In accordance with this commitment, the baseline for the decarbonisation roadmap must be set in 2021.

Starting from this baseline, we have reduced the emissions intensity by 9,2%, meeting our short-term decarbonisation roadmap.

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

Our emissions

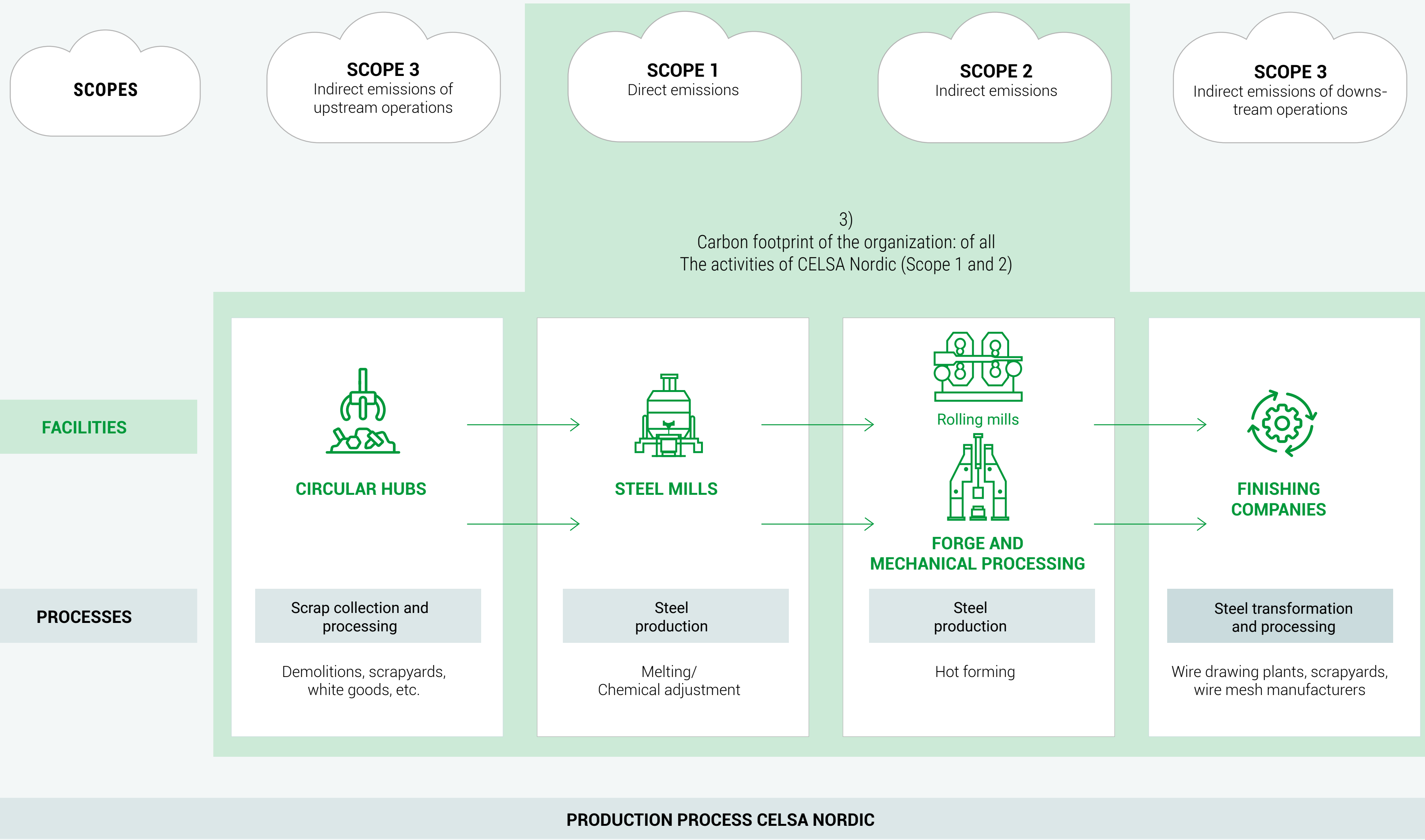
Scope 1 and 2 emissions
in absolute values:

102.923

t CO₂ eq. - location-based

266.499

t CO₂ eq. - market-based



Additionally, we have calculated the approximate Carbon Footprint for all activities of CELSA Nordic, including all the companies that make up the vertical integration of the group (Circular HUBs, steel mills, rolling mills, forges and finishing processes) in their Scope 1 and 2 location and market-based emissions.

In 2022, CELSA Nordic GHG emissions have been: 98,606 tCO₂eq. (Scope 1) and 4,317 t CO₂ eq. (location-based Scope 2). Scope 2 location-based emissions are obtained by applying the residual mixes from the annual report of Association of Issuing Bodies (AIB). Furthermore, the Scope 2 market-based emissions for 2022 have been 167,893 t CO₂eq.

It can be observed that the activities not related to steelmaking and rolling contribute less than 1% to the total emissions of the group (market-based Scope 1 and 2) and, therefore, are excluded from the decarbonisation target of CELSA Nordic

Greenhouse gas emissions (GHG) t CO₂eq.		
	2021	2022
Scope 1 emissions	87 959	98 606
Scope 2 location-based emissions* 1	1 976	4 317
Scope 2 market-based emissions* 2	178 186	167 893
Scopes 1+2 location-based emissions	89 935	102 923
Scopes 1+2 market-based emissions	266 145	266 499

* 1 location-based
* 2 market-based

Compared to 2021, there is an 11% reduction in the sum of Scope 1 and Scope 2 location-based emissions. This reduction is proportional to the decrease in productivity of CELSA Nordic in 2022. Additionally, a noteworthy 25% reduction is observed in the sum of Scope 1 and Scope 2 market-based emissions.

By producing 5.5 million tonnes of steel through CELSA Group`s manufacturing model, we avoid emitting 10 million tonnes of CO₂ into the atmosphere compared to the blast furnace manufacturing model. This is equivalent to the pollution produced by 2.2 million cars per year (running 24/7).

Good practices for emissions reduction of each subsidiary

CELSA Nordic – CO₂ capture

We promote the CO₂ capture project, which, with a large-scale implementation, could capture 1.5 million tonnes of CO₂. Additionally, we also collaborate in the Hydrogen project, aimed at developing a complete value chain for green hydrogen for industrial use.



7.3

Other emissions and pollution

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

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

In our commitment to air quality, steel mills of CELSA Nordic have treatment systems to minimise environmental impact and prevent pollution associated with emissions of pollutants into the atmosphere. At all plants, we monitor the channelled emissions, which are those emitted into the atmosphere through controlled flue or chimney. Below is the total mass load emitted during 2022 for different compounds:

Channelled emissions (mass load)	
	2022
Dust emission (kg)	3 396
Mercury emission [Hg] (kg)	1.31
NOx [Emission REF 02 3%] (kg)	64 472.38
CO [Emission REF 02 3%] (kg)	0.00
SOx [Emission REF 02 3%] (kg)	0.00
Dioxin emission (g)	0.00

^{^1} location-based ^{^2} market-based

Compared to 2021, a reduction in emissions of the main pollutants (CO and NOx) can be observed, due to the decrease in our production. On the other hand, an increase in sulphur dioxide (SOx) emissions is observed since, sometimes, a specific measure may be implemented under non-representative conditions of the normal process. Since the measurements for this compound are carried out annually, the representativeness of this data may not reflect the typical operating conditions of the plant.

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

Fugitive atmospheric emissions (mass charge)*	
	2022
Particle emission (kg)	25 900

Noise pollution prevention

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

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

Number of complaints		
	2021	2022
Noise complaints	1	1
Other complaints	0	0
Total complaints	1	1

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

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

Number of environmental complaints received formally and informally	
	2022
Formal complaints ¹	0
Informal complaints ²	1
Total complaints	1

1. Documented (complaints written by neighbours, notification to the town council, etc.)
 2. Undocumented (social media comments, calls, etc.)

7.4

Efficient use and consumption of energy

The first step towards carbon neutrality is to improve energy efficiency. Therefore, our facilities and processes are adapted to enhance energy efficiency.

In fact, our stakeholders consider clean energies as a material topic (more information in the section "5.4. Stakeholder engagement").

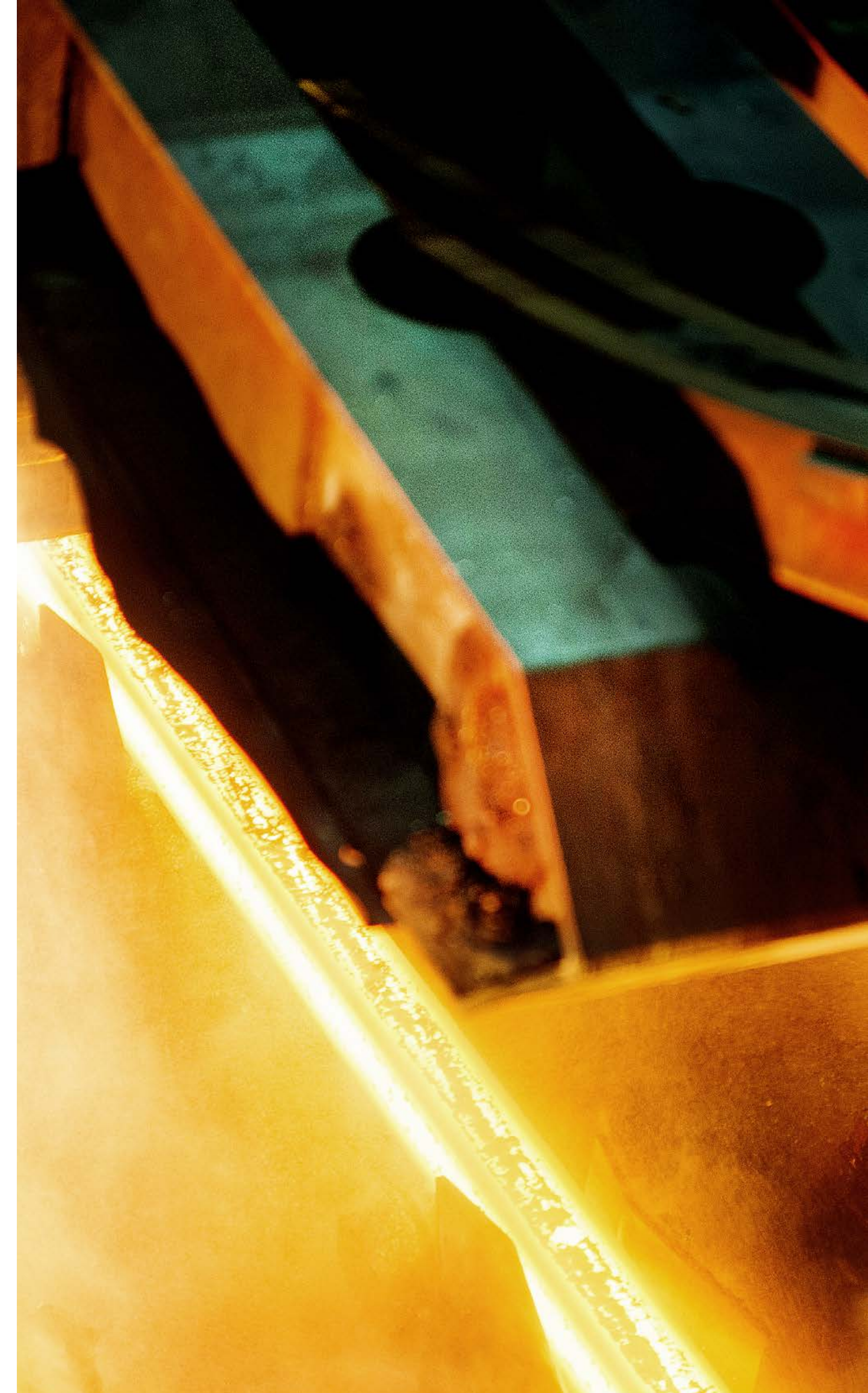
The Environmental and Resource Management Policy of CELSA Nordic includes among its objectives the efficient and responsible use of natural resources, including energy, prioritising the reduction of their consumption and the use of renewable or recycled resources, whenever possible. We also aim to train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

In this regard, at CELSA Nordic, we have opted for the most efficient technology in the sector; electric arc furnaces (EAF) require about 75% less energy consumption compared to blast furnaces.

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

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

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



In 2022, the total energy consumption in CELSA Nordic has been 554 928 MWh

In 2022, the total energy consumption in CELSA Nordic has been 554 928 MWh, decreasing 2,7% compared to the previous year (570 382 MWh in 2021).

Out of the total energy consumption, 414 626 MWh have corresponded to non-renewable electricity (74,7% of the total energy consumption of CELSA Nordic), and the total electricity consumption within the organisation from renewable sources in 2022 has been 17,227 MWh (3.1%). It is worth noting that in 2022, the consumption of electricity from renewable sources has increased more than 15 times through the purchase of Guarantees of Origin, while the consumption of non-renewable electricity has decreased by 5,5%.

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

118 663 MWh correspond to CELSA Nordic's total consumption of natural gas (21.4% of total consumption), 3 033 MWh correspond to heating consumption (0.55%), 1 379 MWh of petrol, diesel and diesel oil used in the organisation's production processes (0.25%).

Below are the data corresponding to the absolute values of energy consumption in CELSA Nordic:

Energy consumption (MWh)	2021	2022	Variation
Total consumption of fossil fuels	126 592	120 042	-5.2%
Natural gas and other combustion gases for thermal processes	125 998	118 663	-5.8%
Diesel & diesel oil	593	1 379	132.4%
Total consumption of renewable fuels	0	0	-
Biomethane	0	0	-
Biofuels	0	0	-
Total primary energy consumption	126 592	120 042	-5.2%
Electricity	440 063	431 854	-1.9%
Electricity of non-renewable sources	438 943	414 626	-5.5%
Electricity from renewable sources	1 120	17 227	1 428.8%
Heating	3 727	3 033	-18.6%
Cooling	0	0	-
Steam	0	0	-
Total secondary energy consumption	443 790	434 886	-2.0%
Total energy consumption	570 382	554 928	-2.7%

Additionally, the following data presents the specific consumption values for electricity and natural gas:

Specific energy consumption (KWH/T BILLET)		
	2021	2022
Electricity	709	614
Natural gas	203	169
Total	911	782

Good practices for energy efficiency of each subsidiary

CELSA Nordic **Upgrading of thermal-box barriers**

Billets lose temperature during transportation from the steel mill to the rolling mill. Therefore, their reheating is necessary to continue the production. To solve this problem, we have improved innovative thermal-box barriers, allowing them to maintain their temperature and saving significant amounts of energy.



7.5

Responsible water management

CELSA Nordic is committed to the efficient use of water. In fact, our Environmental and Resource Management Policy prioritises the efficient and responsible use of natural resources, including water.

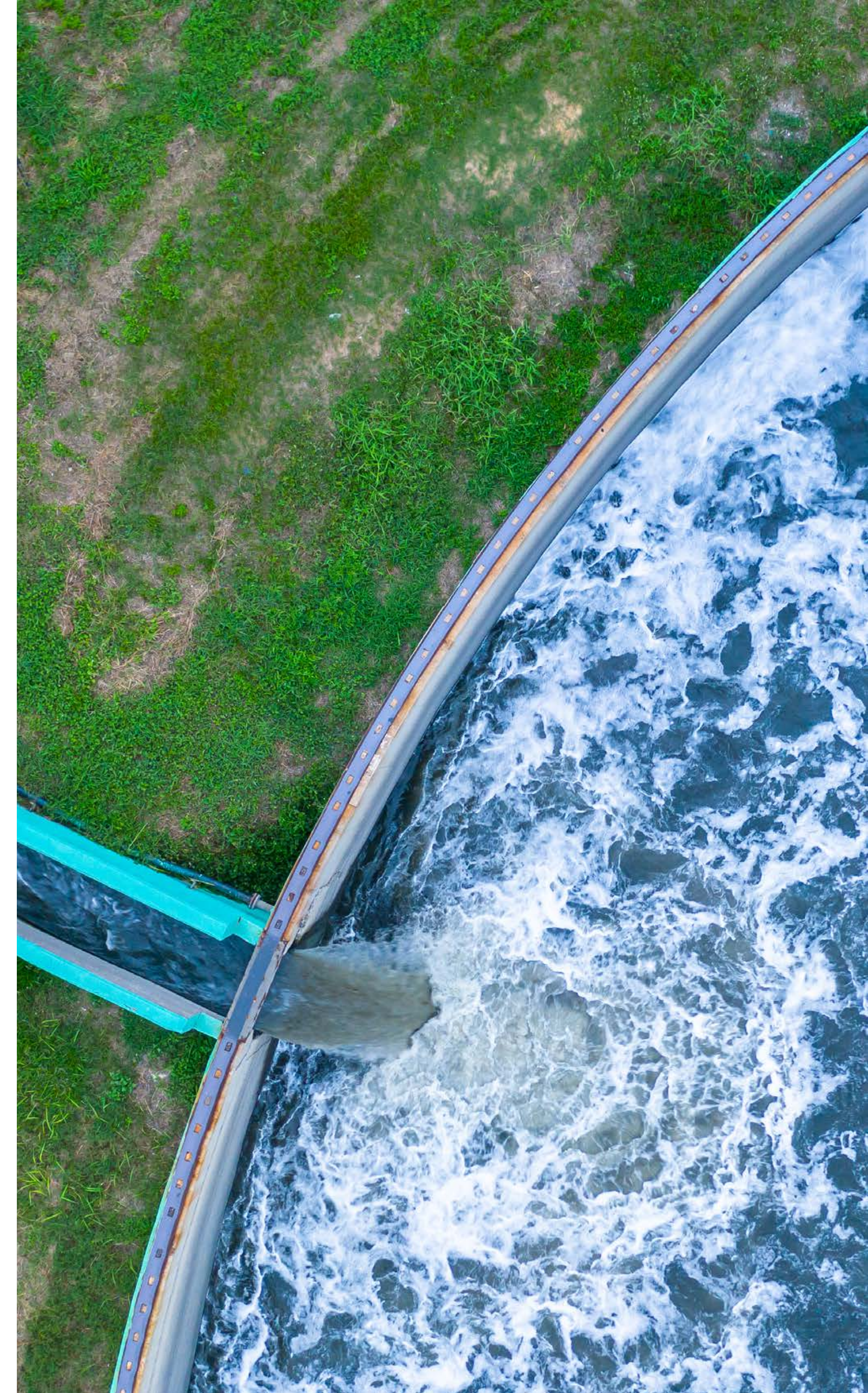
We also ensure that our employees, suppliers, contractors and partners are trained in responsible use of natural resources, including water.

Our electric arc furnaces reduce consumption by 40%, compared to steelmaking in an integrated plant.

It is important to note that the most relevant industrial processes are conducted at high temperatures. Therefore, we require the use of water to ensure the cooling of both the facilities and manufactured product, with a high-water consumption due to evaporation.

The specific water consumption values in our plants remain among the best in the industry, thanks to the implementation of various actions, such as:

- Use of semi-closed cooling circuits that allow for continuous reuse of a significant portion of the water in the process.
- Implementation of systems to collect and reuse rainwater.
- Ensuring the quality of reused water.
- Introduction of full closed cooling systems, where water circuit cooling is achieved through air coolers with no risk of evaporation losses.
- Commitment to quality and innovation.
- Respect for the environment.



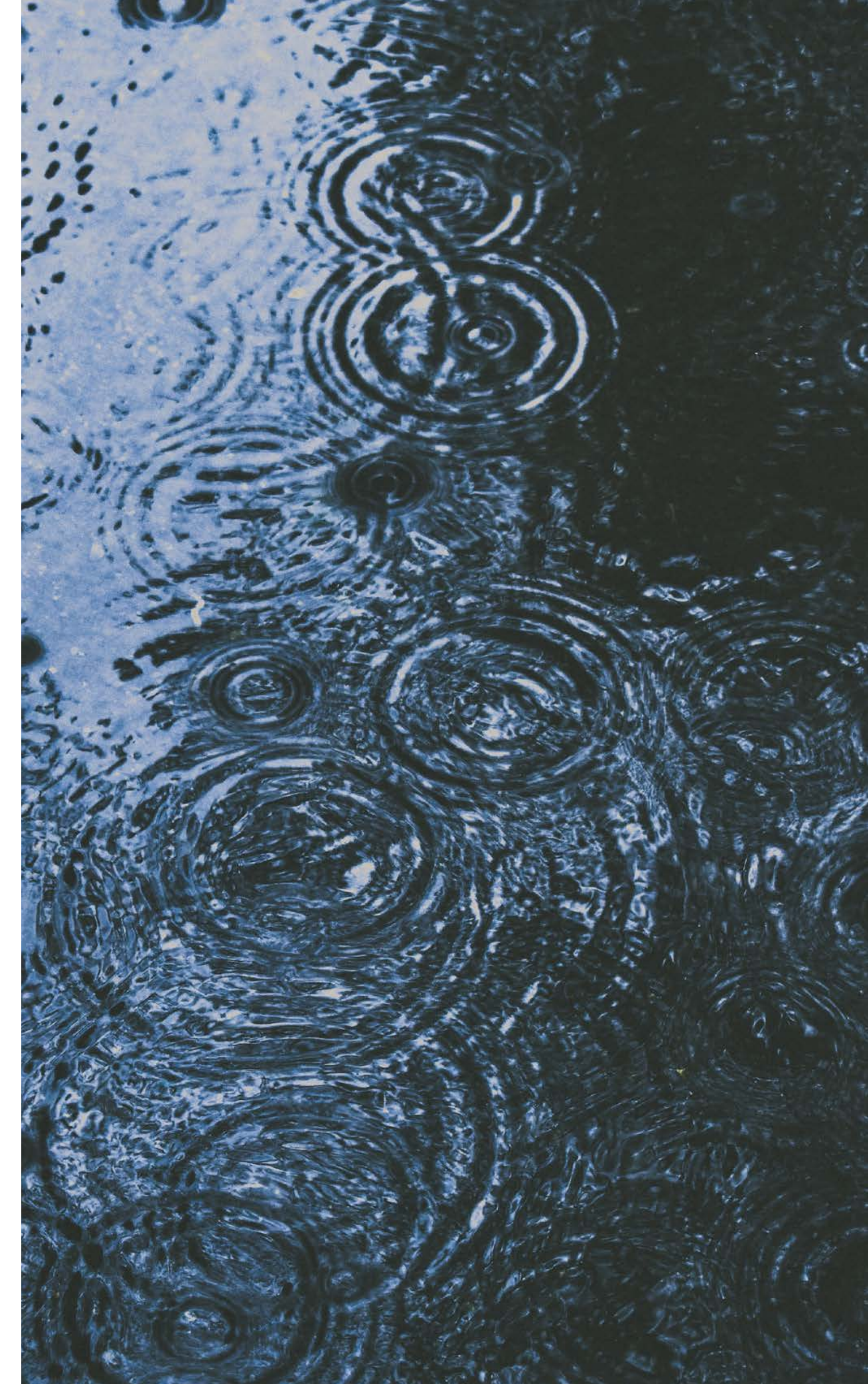
Total water withdrawal of CELSA Nordic:

Total water withdrawn in all areas (HM³)		
	2021	2022
Surface water withdrawal	24.37	25.10
Groundwater withdrawal	0.00	0.001
Seawater withdrawal	n.a.*	n.a.*
Produced water withdrawal	n.a.*	n.a.*
Third-party water withdrawal	0.00	0.004
Rainwater withdrawal	0.00	0.0
Total water withdrawal	24.37	25.10

*Not applicable

Quality of water withdrawn in all areas (HM³)		
	2021	2022
Fresh water (≤ 1 g/l total dissolved solids)	24.37	25.10
Other types of water (> 1 g/l total dissolved solids)	0.00	0.00
Total	24.37	25.10

Quality of water withdrawn in all areas (M³/ T BILLET)		
	2021	2022
Fresh water (< 1 g/l total dissolved solids)	39.24	35.67
Other types of water (> 1 g/l total dissolved solids)	0.00	0.00
Total	39.24	35.67



Discharge of water used in CELSA Nordic activities

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

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

Total water discharge from all areas (HM³)

	2021	2022
Surface water withdrawal	24.37	25.09
Groundwater withdrawal	0.00	0.00
Seawater withdrawal	n.a.*	n.a.*
Produced water withdrawal	n.a.*	n.a.*
Third-party water withdrawal	0.00	0.00
Total	24.37	25.09

*Not applicable

Water discharge quality (HM³)

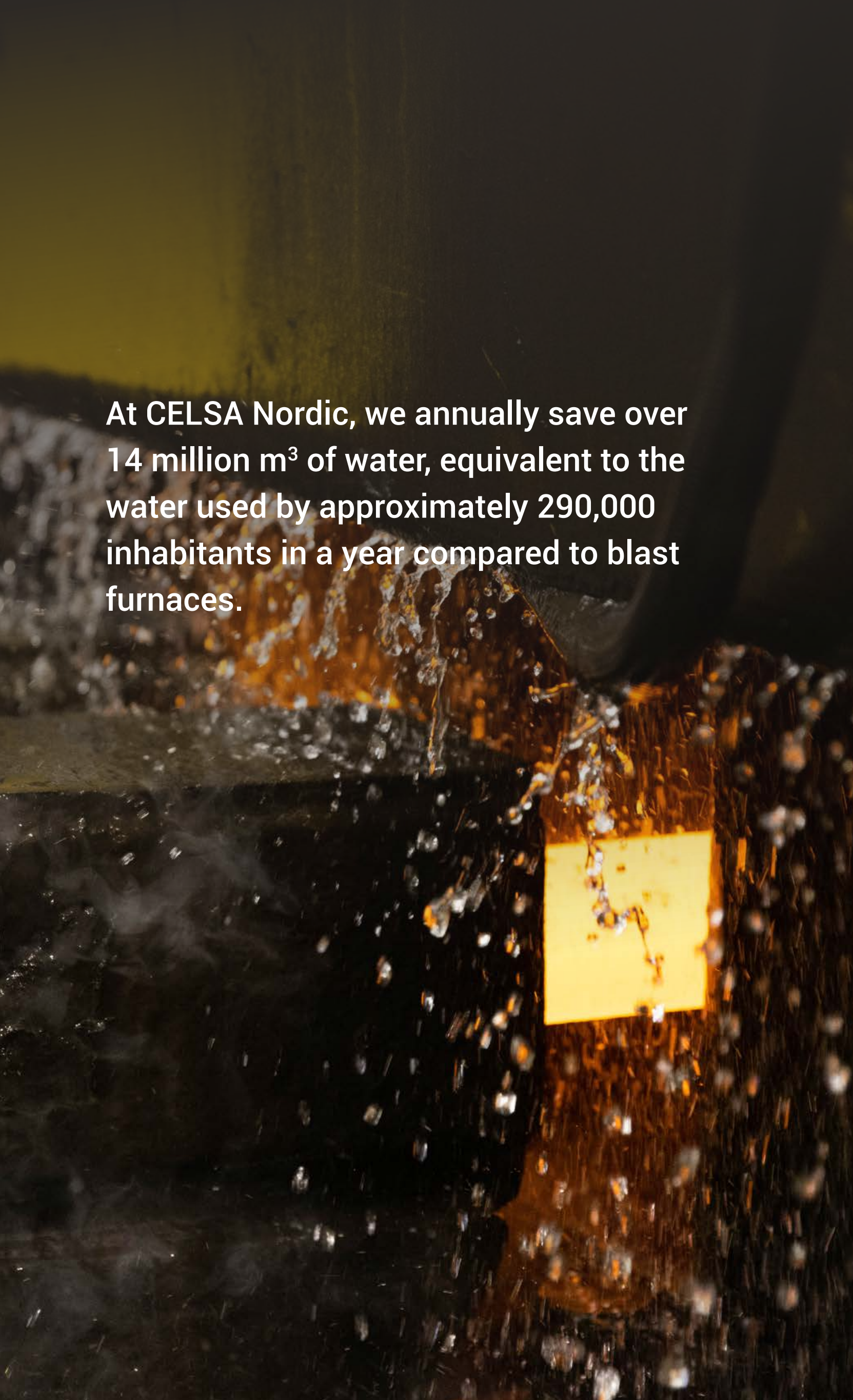
	2021	2022
Fresh water ($\leq 1,000$ mg/l total dissolved solids)	24.37	25.09
Other type of water ($> 1,000$ mg/l total dissolved solids)	0.00	0.00
Total	24.37	25.09

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

Water consumption

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

In 2022, the water consumption of CELSA Nordic has been 7,231 m³.



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

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

Specific consumption (M³/T BILLET)	
	2022
Withdrawal, surface water	35.67
Withdrawal, groundwater	0.00
Withdrawal, water distribution system	0.00
Withdrawal, rainwater	0.00
Withdrawal, seawater	n.a.
Total water withdrawal	35.67
Withdrawal, surface water	0.00
Withdrawal, groundwater	0.00
Withdrawal, water distribution system	0.00
Water discharge	35.66
Total consumption	0.01

Number of water-related incidents

Number of incidents of non-compliance with discharge limits	
2021	2022
n.a.	0

7.6

Commitment to biodiversity

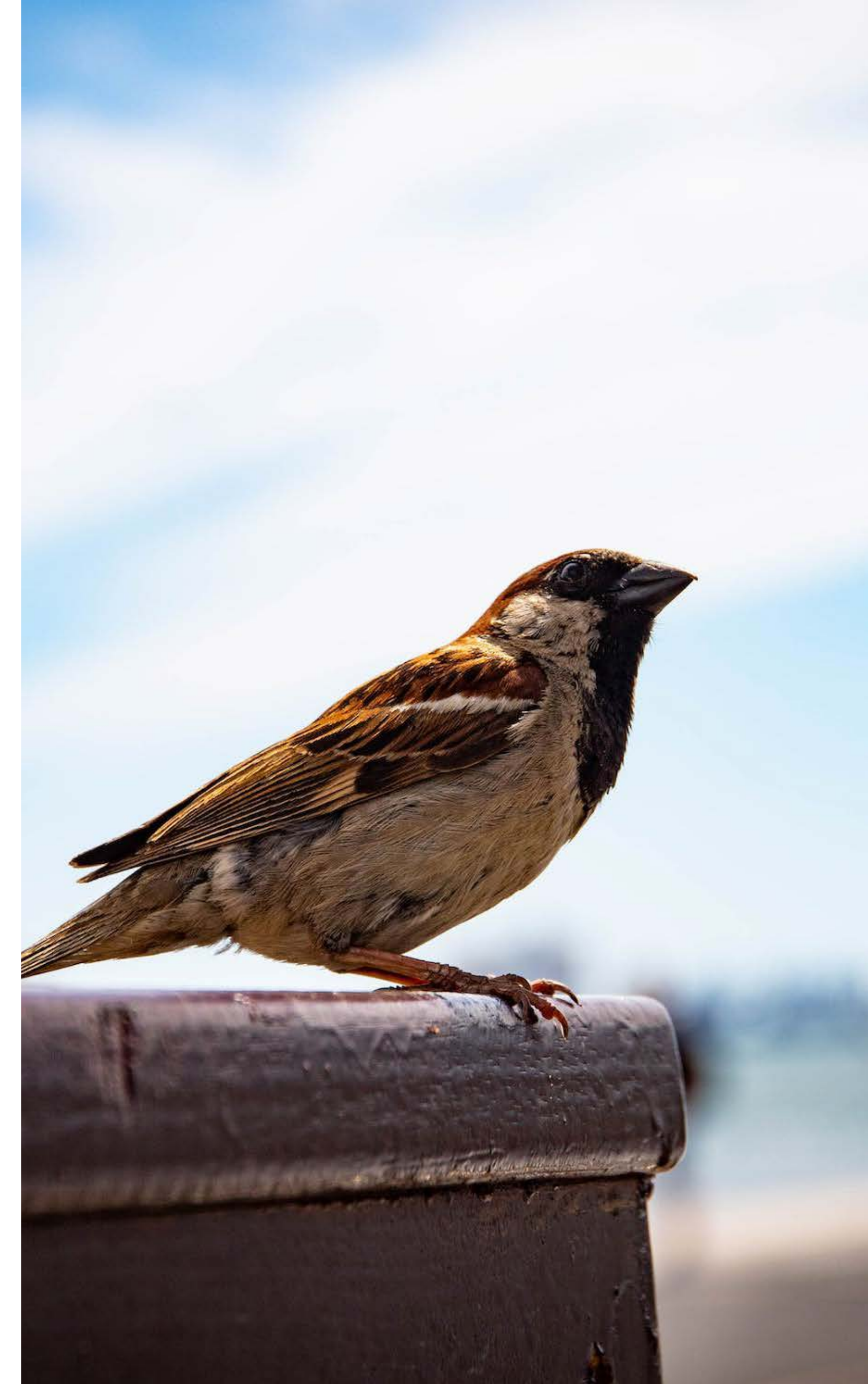
At CELSA Nordic, we are aware of the high importance of biodiversity. That is why we recognise the need to work on and invest resources in projects related to biological diversity and our relationships with the environment.

As pointed out during the COP27 in Sharm El-Sheikh: 'For many years, the climate crisis and the biodiversity crisis have been treated as separate issues, but the reality is that there is no viable path to limit global warming to 1.5 °C without urgently protecting and restoring nature' - UN News <https://news.un.org/en/story/2022/11/1130677>.

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

CELSA Nordic aims to establish several agreements linked to biodiversity protection and the conservation of natural resources, aligned with the fulfilment of the Sustainable Development Goals (SDG). Additionally, as part of our ongoing duties, we are focusing on actions associated with biodiversity in the territory. For example, one of the Group's innovation projects that began in 2022 involves research and development of a new sustainable material to create structures for environmental regeneration, promoting the growth of marine biodiversity. This project uses by-products as raw materials, specifically, the white slag generated in our steelmaking processes.

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



7.7

Aligning with the EU Taxonomy

To comply with the 2030 Agenda, and make the objectives of the European Green Deal a reality, it is key to invest in sustainable projects and activities.

The European Union's Sustainable Finance Action Plan has as one of its main objectives to redirect capital flows towards sustainable investments.

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

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

- 1. Climate change mitigation.
- 2. Climate change adaptation.
- 3. Sustainable use and protection of water and marine resources.
- 4. Transition to a circular economy.
- 5. Pollution prevention and control.
- 6. Protection and restoration of biodiversity and ecosystems.



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

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

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

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

Eligibility

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

Turnover:

99.50%

CapEx:

89.57%

OpEx:

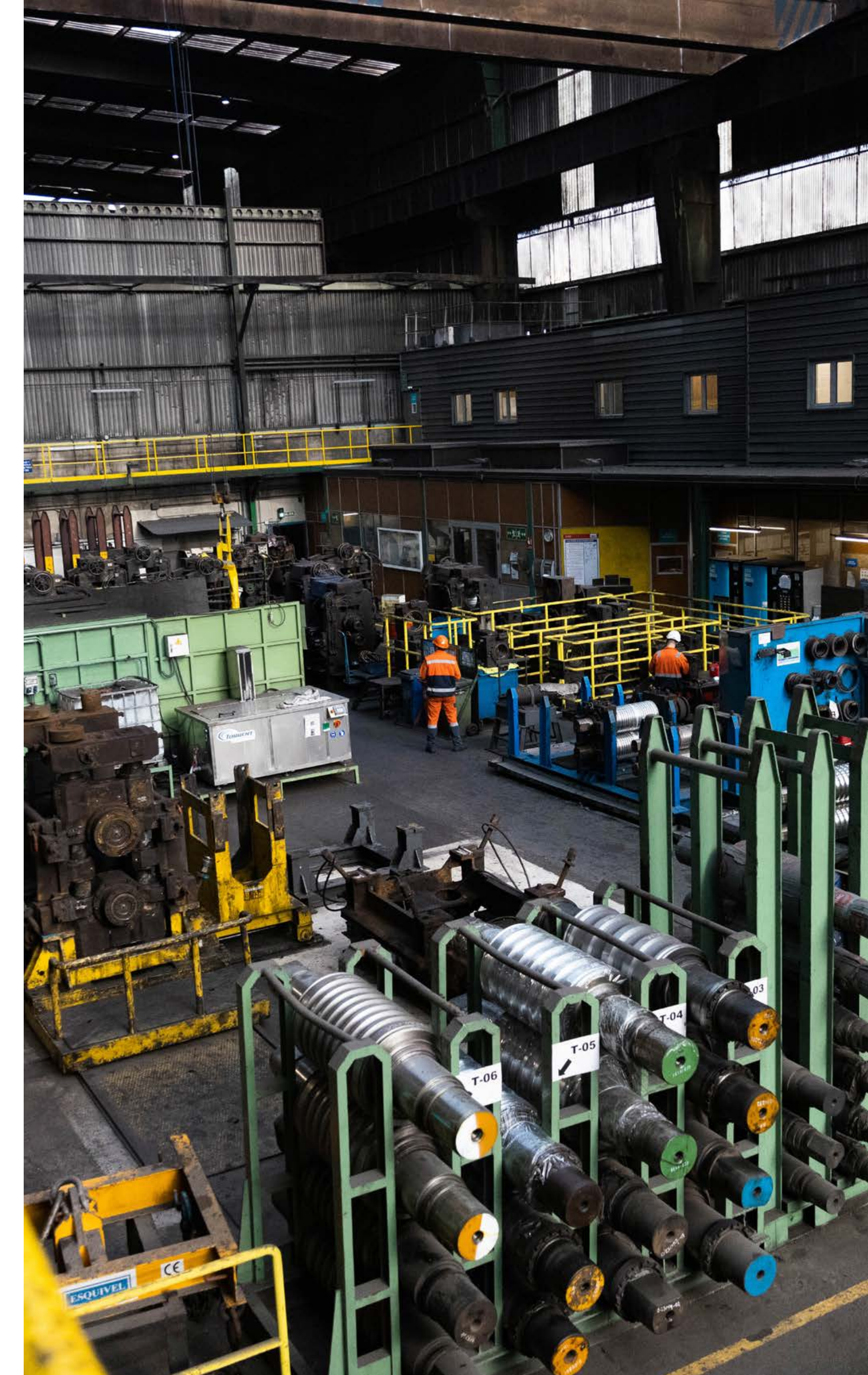
87.04%

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

1. Identification of all economic activities of CELSA Group™ and calculation of their percentage in turnover, OpEx and CapEx.
2. Linking these activities to NACE codes (Statistical Classification of Economic Activities).
3. In-depth understanding of the activities carried out by CELSA to verify the correlation with the description of activities published in Annex I of the Taxonomy, and previously linked.

From the analysis conducted, according to the climate change mitigation (Annex I), the following activities are identified as eligible:

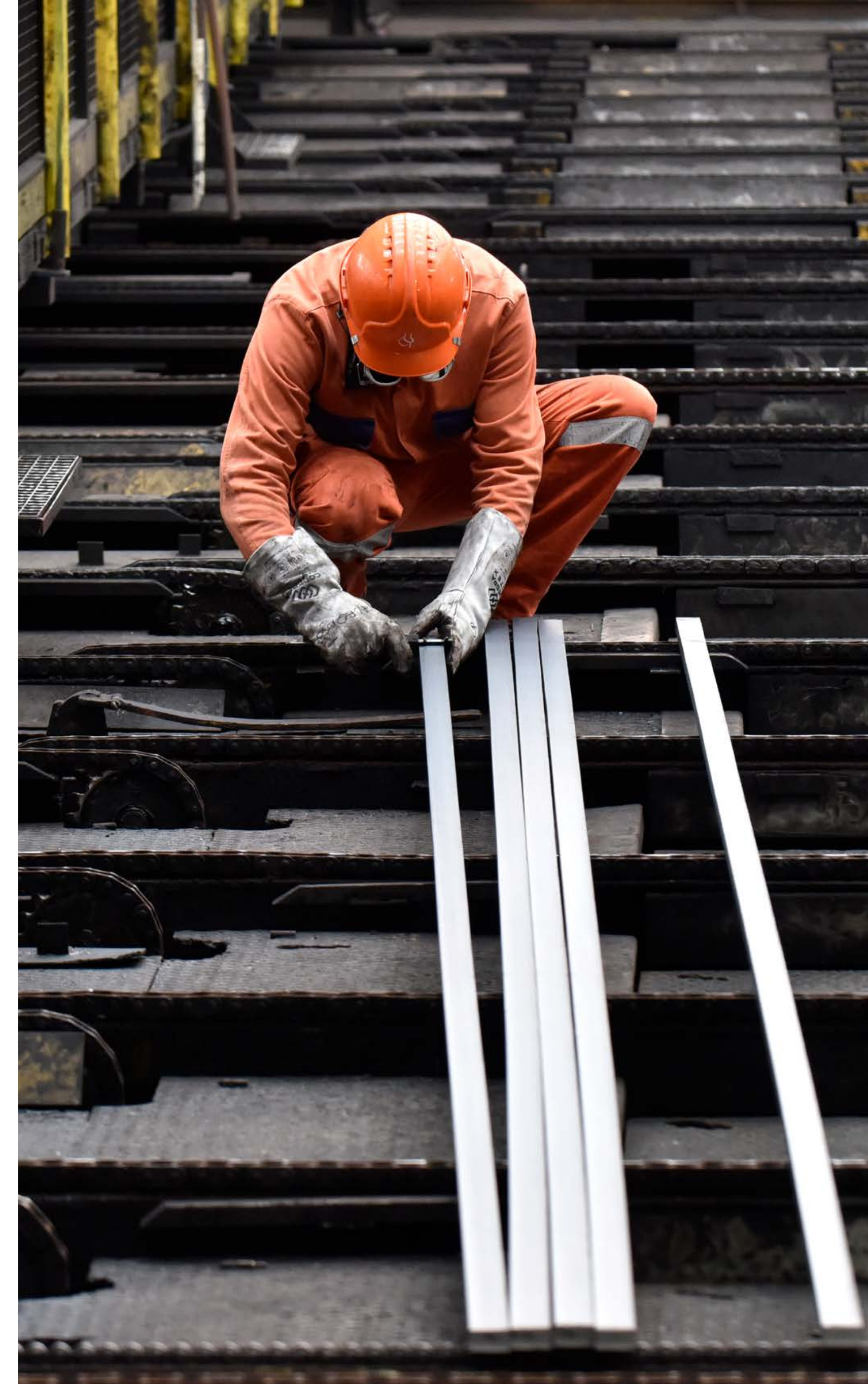
	Description of activity	Activities of CELSA Group
3.9. Manufacture of iron and steel	Manufacture of iron and steel.	The main activity of the group is steel product manufacture.
5.5. Collection and transport of non-hazardous waste in source segregated fractions	Separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling.	Barna Steel relies on the entity Ferimet, which purchases, collects, processes and transports materials to the very Ferimet's plant or sells them to third parties. In both cases, the product is reused or recycled at destination.
5.9. Material recovery from non-hazardous waste	Construction and operation of facilities for the sorting and processing of separately collected non-hazardous waste streams into secondary raw materials involving mechanical reprocessing, except for backfilling purposes.	During the manufacturing process of steel products, the recovery of materials such as blast metal powders, slag and scale takes place. Specific processes are also carried out for scrap reuse.
6.6. Freight transport services by road (only eligible for Taxonomy-OpEx)	Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 (240) or N3 (241) falling under the scope of EURO VI, step E or its successor, for freight transport services by road	Barna Steel has a fleet of vehicles that transports goods by road.



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

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

1. For the calculation of turnover, all accounts derived from the Group's revenue are adjusted, thereby eliminating all intercompany accounts that may have occurred during the year. Other sales accounts that do not correspond to the ordinary income of the company's economic activity are not part of this calculation and are not included in the KPI.
2. For the calculation of CapEx, we have covered the Group's tangible assets additions, broken down by projects. The CapEx figure is calculated as the difference between the balances of the aforementioned accounts for the current year compared to the previous year, adjusted for depreciation, provisions, and exchange rates. In other words, the net investments made during the year.
3. For the calculation of OpEx, we included direct non-capitalised costs related to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of tangible fixed assets by the undertaking or third party to whom the activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.
4. Once the accounts that make up the taxonomic turnover/CapEx/OpEx are defined, each account in the denominator is assigned the option "Eligible" or "Non-eligible", so that eligible accounts are selected to determine the numerator of the KPI.



A. Turnover				Substantial contribution criteria						DNSH Criteria (Does Not Significantly Harm)						Category				
Codes	Absolute turnover	Proportion of turnover		Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Recursos hídricos y marinos	Economía circular	Contaminación	Biodiversidad y ecosistemas	Garantías mínimas	Taxonomy-aligned proportion of turnover, year N-1	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity or)	Category (transitional activity)
	€	%		%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Economic activities																				
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)*																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0%																	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
3.9. Manufacture of iron and steel		CCM 3.9	3 312.691.18	94.71%																
5.9. Material recovery from non-hazardous waste		CCM 5.9	162 666.49	4.65%																
5.5. Collection and transport of non-hazardous waste in source segregated fractions		CCM 5.5	4 872.80	0.14%																
Turnover of Taxonomy - eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)			3 480 230.46	99.50%													99.50%	94.80%		
Total (A.1. + A.2.)			3 480 230.46	99.50%													99.50%	94.80%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)			17.613,07	0.50%																
Total (A+B)			3 497 843.54	100.00%																

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

B. CapEx				Substantial contribution criteria						DNSH Criteria (Does Not Significantly Harm)						Category			
Codes	Absolute CapEx	Proportion of CapEx		Climate change mitigation Proportion of CapEx	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year N/CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity or)	Category (transitional activity)	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity or)	Category (transitional activity)
	€	%		%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Economic activities																			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)*																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	0	0%																	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
3.9. Manufacture of iron and steel	CCM 3.9	94 018.22	80.16%																
5.5. Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.9	11 040.03	9.41%																
5.9. Material recovery from non-hazardous waste	CCM 5.5	420.65	0.36%																
CapEx of Taxonomy - eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)	105 478.90	89.93%														89.93%	95.00%		
Total (A.1. + A.2.)	105 478.90	89.93%														89.93%	95.00%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)	11 815.78	10.07%																	
Total (A + B)	117 294.68	100%																	

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

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

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

Contribution to climate change mitigation

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

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



08

About this report



8.1

Scope of the Report

This Sustainability Report of CELSA Nordic is based on the Sustainability Report of CELSA Group™ and covers the period from 1 January to 31 December 2022. The scope of the information in the report corresponds to the activity of CELSA Nordic.

- CELSA NORDIC AS
- CELSA NORDIC REINFORCING AS
- CELSA STEEL SERVICE AS
- CELSA ARMERINGSTAL AS
- CELSA STEEL SERVICE AB
- CELSA NORDIC RECYCLING AB
- CELSA STEEL SERVICE A/S
- CELSA STEEL SERVICE OY

8.2

Report elaboration

For the preparation of this report, we have had the direct participation of key people from different management areas of CELSA Nordic, who have provided information related to the different aspects included in it. Thus, this is the result of teamwork, in which each of those involved has contributed their knowledge and experience.

The following standards have been considered during the preparation of this report:

- GRI Standards (2021 update) in the reporting option of reference.
- Accountability AA1000SES standard for materiality assessment.
- Sustainability Accounting Standards Board (SASB).

The Circularity and Sustainability Report 2022 of CELSA Nordic complies with the principles for the preparation of sustainability reports included in the GRI 1 standard:

- **Accuracy:** report information that is correct and sufficiently detailed to allow an assessment of the organisation's impacts.
- **Balance:** report information in an unbiased way and provide a fair representation of the organisation's negative and positive impacts.
- **Clarity:** present information in a way that is accessible and understandable.

- **Comparability:** select, compile, and report information consistently to enable an analysis of changes in the organisation's impacts over time and an analysis of these impacts relative to those of other organisations.
- **Completeness:** provide sufficient information to enable an assessment of the organisation's impacts during the reporting period.
- **Sustainability context:** report information about its impacts in the wider context of sustainable development.
- **Timeliness:** report information on a regular schedule and make it available in time for information users to make decisions.
- **Verifiability:** gather, record, compile, and analyse information in such a way that the information can be examined to establish its quality.

009

Appendix



9.1

Taxonomy KPIs

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

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

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

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

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

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

9.2

Protocols and standards

Corporate standards and procedures in occupational health and safety

Health and Safety Management:

- Risk assessments.
- Communication, reporting, accident and incident classification.
- Accident, occupational disease and incident investigations.
- Preventive Safety Observations and EHS corporate audits.
- Identification, selection, application, use and control of Personal Protective Equipment (PPE).
- Procedures for critical tasks.
- Active Substance Approval.
- "Think First".

Safe Storage:

- Water in electric arc furnace + EHS-MSS-02 for preventing explosions in closed containers.
- General safety.
- General safety rules.
- Safety beaconing.
- Work at heights.
- Safe Assembly and use of scaffolding.
- Portable ladders.
- Prevention of slips, trips and falls.
- Harnesses and lifelines.
- People lifting platforms.
- Use of lifting devices.
- Crane operations.
- Decap-depower, label, lock, secure, and testing.
- Work permit.
- Equipment guards with moving parts.
- Entry to confined spaces.
- Handling of grab cranes and trucks with grab cranes.
- Health and safety audit protocol.
- Work on rooftops.
- Inspection of railings, stairs and platforms.

Secure Rolling Mill:

- Safe removal of cobbles.

Electricity:

- Basic electrical safety standards.
- Energy levels.
- Work permit for high-voltage installations.
- Basic safety requirements for working in high-voltage installations.
- Contractor Safety Management Tool.

Logistics:

- Truck unloading.
- Goods Lift.

Process safety:

- Change management.

Health surveillance:

- Health surveillance protocol for working at heights.
- Health surveillance protocol for working in confined spaces.

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An aerial photograph showing a large industrial facility, likely a steel mill, situated in a valley. The plant has several large buildings and smokestacks. In the foreground, there is a lush green forest with a winding river. In the background, there are rolling hills and a large body of water under a cloudy sky.

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