CELSA GROUP CIRCULARITY AND SUSTAINABILITY REPORT

2021

CELSA™ GROUP

INDEX

LETTER FROM THE CHAIRMAN

As President of the CELSA Group™, I am pleased to present the CELSA Group's™ Circularity and Sustainability Report 2021, which details our social and environmental performance, in accordance with the guidelines of the Global Reporting Initiative (GRI) and those of the Global Compact.

For Celsa Group™, the year 2021 was marked by the recovery and by obtaining growth in the wake of the COVID 19 pandemic, which then allowed us to record a historical turnover of nearly 5.3 billion euros. This has all been possible thanks to the benefits of our strategic plan, which has proven to be effective in a context of recovery.

We are the largest circular supply chain in Europe and the second largest European producer of recycled steel. As a driving economic force, we lead with a long-term vision and a solid commitment to the socio-economic development in the European countries where we operate. Beyond financial figures, we believe in people, in our employees and their safety, talent and dedication. Thanks to our team, Celsa Group™ is helping to transform the sector and getting stronger every day.

Our sustainable production model produces steel via electric arc furnaces fuelled by scrap, which also contributes to reduce the impact of the steel sector's generation of CO_2 emissions - as opposed to the steel produced in blast furnaces-. This material is highly valued in the global current scenario increasingly marked by decarbonisation goals in Europe and worldwide, as well as for our customers, who are also seeking to reduce their carbon footprint by purchasing sustainable, recyclable, circular and durable steel.

Today we can say that Celsa Group™ steel is essential for the European Green New Deal goals fulfillment, as it represents a crucial material to produce a majority of the renewable energy installations required to meet these sustainability objectives.

Since our foundation, Celsa Group™ has been working to become part of the solution to the major systemic risks of our planet. On one hand, by contributing to the mitigation of both climate change and the depletion of natural resources through our circularity, and on the other, by becoming a Net Positive company, this being one of our strategic objectives as set out in the new plan already rolled out across the entire Group. By 2030, we have set ourselves the goal of reaching 98% circularity and reducing our scope 1 and 2 CO_2 emissions by 50%, and we aspire to become a Net Positive company by 2050, thus making a positive contribution to our planet.

To support these objectives, at the end of 2021 we launched a new organisational structure bringing into the company's executive committee a Chief Circular Officer, responsible for defining and

executing the Group's circularity strategy, and the Chief Strategy and Sustainability Officer, whose mission is to define and drive forward the Group's sustainability strategy.

I would also like to highlight the progress we are making in innovation, aimed at supporting these sustainability objectives. In addition, our company is increasingly focused on strategic projects through partnerships with third party companies and leading players to move forward in introducing renewable energies such as green hydrogen into our processes, in addition to promoting collaboration with customers and suppliers to complete our circularity.

Our efforts are clear. We are placing our resources and expertise at the service of sustainable and responsible growth. Our leadership in the sector extends beyond our sales to 115 countries and our international industrial presence, currently operating in nine countries. We want to become a benchmark for sustainability in the European steel sector. As our record of accomplishments shows, we have been circular for years and we will continue on this path, contributing to transforming the sector and to overcoming the great challenge of making our planet a better place for everyone.

Let's lead together the circular transformation; I am counting on all of you!

Francesc Rubiralta,
PRESIDENT AND CEO
OF CELSA Group™

01. ACTIVITY SUMMARY 2021

01 ACTIVITY SUMMARY 2021

For CELSA Group™, European leading producer of low-CO_2 emission circular steel, 2021 was marked by the recovery of results after having left behind the COVID-19 pandemic that conditioned the activity of the company and the entire sector in 2020. Once this episode has been overcome, the company, supported by a new strategic plan, has been able to capture significant growth in the steel sector, registering a record turnover of 5,283 million euros. In addition, the group contributed to the creation of 230 new direct jobs to reach a total figure of 11,929 professionals (own and subcontractors employees), in part, thanks to the start-up of new facilities and the development of new products.

During fiscal year 2021, CELSA Group™ recycled more than 7.01 million tonnes of ferrous scrap in order to produce 6.6 million tonnes of long steel products. Furthermore, the group recovered 73 thousand tonnes of non-ferrous metals, 860 tonnes of plastics and valorized more than 2.6 million tonnes of coproducts by recovering a 94 % of the total waste generated in the production processes. This recycling and recovering rates makes CELSA Group™ the First Recycler in Spain and Second in Europe.

Among the milestones of the year, stand out three major investments that will diversify the business activity and will generate sustainable growth and value for the group.

First, the investment of 65 million euros in the new Celsa France rolling mill, that finalized the installation in 2021 and started production in 2022, with a capacity of 0.55 million tonnes of rolled steel products per year. This investment will generate around 140 new direct jobs and 420 indirect jobs, between France and Spain.

Second, the 34 million euros investment in the expansion of the structural sections rolling mill at the CELSA Barcelona facilities in Castellbisbal. This investment will allow to produce H600-type beams, one of the largest on the market that are required for large-sized structures and large-scale civil works. With this installation, CELSA Group™ has become the only manufacturer of this product in Spain and one of only five in Europe.

Third, the Group has invested nearly 10 million euros in the melt shop of Global Steel Wire (Santander) in a state-of-the-art continuous casting equipment, in line with the strategy of providing high quality steel products and having the latest technological advances to improve quality and optimize productive flexibility.

In CELSA Group™, we also promote innovation to develop new cutting-edge technologies and projects in order to lead the decarbonisation of the steel sector, complete the circular supply chain and digitise our systems and equipment to become more competitive and energy efficient. In this sense, we invested this year 23.5 million euros in Research and Development.

At CELSA Group™, we have a strong commitment to decarbonisation and circular economy. We want to be part of the solution of the two main risks derived from the lack of natural resources and climate change. Compared to 2015 values, we already achieved a reduction of 23% in Scope 1+2, corresponding to decrease of 76 kg CO_2 /t steel. Our average CO_2 emissions from our production plants (Scope 1+2) stands at 263 kg CO_2 /t steel, a 36.8% below the average of the steel sector with in the European Union.

As a family business group, our teams are our priority. We work intensively to achieve the well-being and growth of our professionals, in line with the Sustainable Development Goals in terms of Decent Work and Economic Growth, Gender Equality and Health and Well-being.

CELSA Group™ will continue to put the focus on health and safety until we achieve the goal of Zero Accidents, and become an interdependent group, where we all believe in the value of our safety and that of our colleagues.

Likewise, the company continued to increase the presence of women in its professional workforce with 885 more women by the end of 2021, an increase of 6% compared to 2020 and an increase of 17% during the last 5 years.

We believe in our people and therefore we generate a stable and secure job over time. In 2021, we maintained a 93.6% of staff with permanent contracts.

Finally, it is remarkable that CELSA Group™ received in 2021 the III National Connected Industry Award 4.0 recognition, promoted by the Ministry of Industry, Trade and Tourism of the Government of Spain, which recognises the commitment and effort of Spanish Industrial companies to improve the digitalisation of their production processes.

MAGNITUDES, IMPACT AND CONTRIBUTION OF THE COMPANY

Second manufacturer of long steel products in Europe and the most diversified and vertically integrated European producer

TURNOVER	**5,283** M€
STEEL PRODUCTION	**6.6** Mt
TOTAL NUMBER OF PROFESSIONALS*	**11,929**
% VERTICAL INTEGRATION	Upstream Integration: **35%** / downstream Integration: **19%**
Nº COUNTRIES WITH INDUSTRIAL PRESENCE	**9** countries (Denmark, Spain, Finland, France, Norway, Poland, Ireland, Sweden and United Kingdom)
INVESTMENT IN R&D	**23.5** M€
TOTAL INVESTMENT IN LOCAL SUPPLIERS	**3,758** M€
GREATER PRESENCE IN THE SECTORS	Construction, Automotive, Agriculture, Oil&Gas and Energy

* Own and subcontractors employees.

CIRCULAR ECONOMY: WE ARE CIRCULAR

We are Europe's first circular supply chain

96.5% of the final product is made of recycled steel

All products manufactured by CELSA Group™ are fully recyclable

94% of the total waste at CELSA Group™ has been recovered

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

RECYCLED SCRAP	**7.01** Mt
VALUED COPRODUCTS	**2.6** Mt
RECOVERED NON-FERROUS METALS	**73** Thousand t
RECOVERED PLASTICS	**860** t
WATER CONSUMPTION	**5.9** M m^3
REUSED WATER (%)	**19%**

COMMITTED TO CLIMATE

We work to be a Net Positive Company by 2050

The activity carried out in our steel mills in Spain, France, Poland, and Norway would be included in the activities included in the EU Taxonomy of Climate Change Mitigation for steelmaking.

The manufacture of carbon steel in CELSA Group™ steel mills generate CO_2 emissions (of Scope 1 and 2) 36.8% below the average of the sector in the European Union.

The electric furnace technology used by CELSA Group™ places its CO_2 emissions (Scope 1 and 2), 9 times lower than those generated by blast furnaces.

We have positioned ourselves as a benchmark in climate change mitigation, achieving a reduction of 22% with respect to the value of Scope 1 and 2 emissions in 2015, which corresponds to a reduction of 74 kg CO_2/t steel.

ENERGY CONSUMPTION	**7,278,805** MWh
CO_2 EMISSIONS (SCOPE 1+2)	**263** Kg CO_2 eq / t steel produced
CO_2 EMISSIONS SCOPE 1: SCOPE 2:	 **785,311** t of CO_2 eq **1,022,703** t of CO_2 eq

COMMITTED TO PEOPLE AND LOCAL COMMUNITY

Our priority is the safety and health of our professionals

Our first priority is to become a zero accidents company

During 2021 there have been no cases of discrimination.

Our voluntary turnover rate is 5.5% and is well below the industry average.

We have increased the presence of women in CELSA Group™ by 17% in the last five years.

In 2021, 75.4% of our purchases are made from local suppliers in the territories where we have a presence.

FREQUENCY RATE FOR OCCUPATIONAL ACCIDENTS (OWN AND SUBCONTRACTORS)	**6.71**
PROFESSIONALS WITH INDEFINITE CONTRACTS	**93.6%**
DIFFERENTLY-ABLED PROFESSIONALS	**83**
WOMEN ON STAFF	**11.4%**
INVESTMENT IN TRAINING	**2.83** M€
LOCAL SUPPLIERS IN 2021	**15,729**

02. WHO WE ARE

02 WHO WE ARE

The CELSA Group™ brand brings together a number of leading global long steel product companies, to create the largest circular supply chain in Europe and the second largest recycled steel producer in Europe. Its origins lie in a family business based in Barcelona which is now 55 years old.

CELSA Group™ is also the most vertically integrated manufacturer of long steel products, upstream through our recycling hubs spread across Europe to recover scrap and other materials, and downstream through our steel transformation companies. Our integration in the entire steel value chain makes us a benchmark in Circulay Economy.

Throughout the CELSA Group™ we only manufacture steel from recycling scrap in electric arc furnaces, the most energy and environmentally efficient steelmaking process, which enables us to produce steel with low CO_2 emissions. Our Scope 1 and 2 is up to 9 times lower than those generated by the blast furnace system, the traditional production method.

Our steel is 100% recyclable an infinite number of times without losing its properties, which brings great value to society, without having to resort to natural resources.

Each year, CELSA Group™ recycles around seven million tonnes of ferrous waste, as well as non-ferrous metals and plastics, making it the largest recycler in Spain and the second largest in Europe.

With a firm commitment to Circular Economy, we return the waste to the economic cycle by recovering 94% of the waste generated in the steel manufacturing, aiming to achieve 98% circularity by 2030. The innovation required to achieve this has enabled us to position ourselves as leaders in the circular industry and in the decarbonisation of the sector.

Aware as we are of the climate and social emergency, we believe in sustainable development to strengthen our position and growth at domestic and European level in an increasingly complex and competitive global economic environment.

ACTIVITY

CELSA Group™ recycles ferrous waste and produces a wide range of long steel products using the electric arc furnace technology it markets worldwide. It operates in several countries and has 7 melt shops, 10 rolling mills, 45 recycling plants, as well as transformation plants, distribution and service companies, so that the production process is highly integrated across the entire steel value chain.

The company has 120 centres around the world and a presence in Denmark, Spain, Finland, France, Norway, Poland, Ireland, Sweden and the United Kingdom, so that each location allows it to operate with a strong strategic and competitive advantage to supply customers anywhere in the world. It also has an extensive and excellent worldwide sales network to service all its customers.

ORIGINS AND EVOLUTION OF CELSA Group™

CELSA Group's™ origins date back to the 1960s, at the height of the expansion of the steel sector. Francesc and Josep Maria Rubiralta Vilaseca (1939-2010) created Compañía Española de Laminación S.A., CELSA Group™, in Castellbisbal, to manufacture rebar for the construction industry.

Innovation and sustainable development has been a constant feature of CELSA Group™. Thus, in 1977, the first electric melting furnace was inaugurated in Sant Andreu de la Barca, at that moment the company began to manufacture steel autonomously and with the most sustainable and environmentally and energy efficient technology of the time. Over the years, CELSA Group™ became a national benchmark in the steel industry and grew by acquiring companies in the sector (Torras Herrería y Construcciones, Altos Hornos de Cataluña, Nueva Montaña Quijano, and others). With the beginning of the new millennium, the Group's international expansion began with the creation of CELSA Steel UK in Cardiff (United Kingdom) and CELSA Huta in Ostroweic (Poland). The success of both operations was the trigger for a globalisation process that began to take shape and consolidate with the acquisition of CELSA Nordic and CELSA France.

Today, CELSA Group™ comprises Barna Steel (including CELSA Spain and CELSA France), CELSA UK (United Kingdom and Ireland), CELSA Nordic (Norway, Sweden, Finland and Denmark) and CELSA Huta Ostrowiec (Poland). They are all vertically integrated, so are present throughout the value chain and are engaged both in the tasks of recovering, collecting and treating scrap, and in increasing the added value of the final product through the transformation into steel wire and high quality calibrated bars for sectors of the highest technological level, and the transformation of reinforcing steel and the provision of a comprehensive service in the supply and assembly of steel for the construction of new infrastructures.

CELSA Group™ has a Strategic Plan based on six basic planks, such as: geographical and product diversification, vertical integration, investments in production technology made in recent years, competitive production costs, size and leadership in the main lines of long steel products in Europe, and a highly qualified team. The strategic plan is also focused on achieving the highest sustainability objectives, such as achieving 98% circularity by 2030 and becoming a Net Positive company by 2050, even ahead of the objectives of the European Green New Deal.

02.01. GOVERNANCE STRUCTURE AND MANAGEMENT

At present, the CELSA Group's™ governing bodies are:

- **The Shareholders' General Meeting**: this is the sovereign body in which all the Company's shareholders participate and in which decisions are made on matters within their competence.

- **The Board of Directors**: this is the highest decision-making body. Its main functions are to elaborate the company's strategy and general policies, oversee their execution and exercise such other powers as are attributed to it by law and the Company's Bylaws. It comprises a total of five members, three of whom are executive directors, i.e., they perform management functions in the Company; and two directors are independent and appointed on the basis of their personal and professional qualifications, in accordance with the policy for the selection, appointment and re-election of directors.

All board members, regardless of their qualifications, must perform their duties with the Vision, Mission and Values in mind and, in particular, with the Company's corporate interest in mind.

- **Chief Executive Officer:** the Board of Directors has delegated the execution of its functions, except those that cannot be delegated by law, to the Chief Executive Officer, a position held by Francesc Rubiralta.

The CELSA Group's™ Corporate Governance System comprises the following rules:

- The Company's Bylaws
- Vision, Mission and Values
- The Code of Ethics and Professional Conduct
- Corporate Policies, which include environmental, social and corporate governance policies
- Regulatory compliance

MANAGEMENT STRUCTURE

In order to enhance circularity and sustainability in CELSA Group™, in November 2021, a new organisational structure was implemented which came into force with 6 regional and 6 functional divisions. Its main functions are to carry out the corporate and executive management of the Group, ensuring the professionalisation of the operational management of the business. With this new structure, the roles of the **CSSO** (Chief Strategy & Sustainability Officer) and the **CCO (Chief Circular Officer)** were created. The **CSSO's** mission is to create, define and drive the Group's Sustainability Strategy, design optimal systems to improve environmental management at the Group's plants and highlight to the various stakeholders how a family-owned company can contribute to the circular economy and decarbonisation. For its part, the CCO is responsible for defining and executing the procurement policy for ferrous scrap and critical raw materials on a group basis and for developing the expansion in Europe of the recovery sites in order to advance in integrating ferrous and non-ferrous scrap within the group.

The Executive Committee is made up of six business units CEO's: CELSA Barcelona, CELSA UK, CELSA Global Steel Wire, CELSA France, CELSA Nordic and CELSA Poland; and by six cross-functional units: People, Financial, Operational, Circular, Strategy & Sustainability and Commercial & Marketing.

The Executive Committee today is made up of:

CEO and President, Francesc Rubiralta.

CEO of Celsa UK Group, Carles Rovira.

CEO of GSW Group, Carlos Día.

CEO of Celsa Nordic, Ignacio Pérez.

CEO of Celsa Poland Group, Juan Antonio Veristáin.

CEO of Celsa France, José Vilaseca.

CEO of Celsa BCN Group, Victor Martínez.

Chief Operations Officer (COO) CELSA Group™, Francesc Mesegué.

Chief Financial Officer (CFO) CELSA Group™, Javier Echávarri.

Chief of Strategy and Sustainability Officer (CSSO) CELSA Group™, Juan Carlos Orozco.

Chief Circular Officer (CCO) CELSA Group™, Xavier Cabré.

Chief People and Organisation Officer (CPOO)

Chief of People and Organisation Officer CELSA Group™, Pere Oteo.

Chief Commercial and Marketing Officer (CCMO) CELSA Group™, Luis Sanz.

The Executive Committee has the following **commissions or committees** to ensure adequate governance of the organisation's key areas.

1. Compliance Body (Crime prevention), led by the Chief Compliance & Ethics Officer, Head of Compliance, and Head of Legal POD, its mission is to ensure compliance with the principles of the Code of Ethics and Professional Conduct and to monitor potentially unlawful conduct from a criminal perspective.

2. Appointments and Remuneration Committee , led by the CPOO, COO and CFO, with competencies in appointments, remuneration and benefits policy.

3. The Occupational Risk Committee, led by the CCEO and the Head of Safety, oversees the improvement of the Group's Safety, Health and Wellbeing culture, establishing standards that exceed legal requirements, as well as process safety, with an overall Group-wide objective of ZERO accidents.

4. The Sustainability Committee, led by the CSSO, in which the CCO also plays a prominent role, has the mission of continuing to develop the circular economy model, an intrinsic feature of the CELSA Group's™ business model, and to ensure the adoption of common environmental policies.

5. Diversity and Equality Committee, headed by the Chief People and Organisation Officer, whose purpose is to oversee compliance with the equality plans of the Group companies, drawn up with the participation of employee representatives.

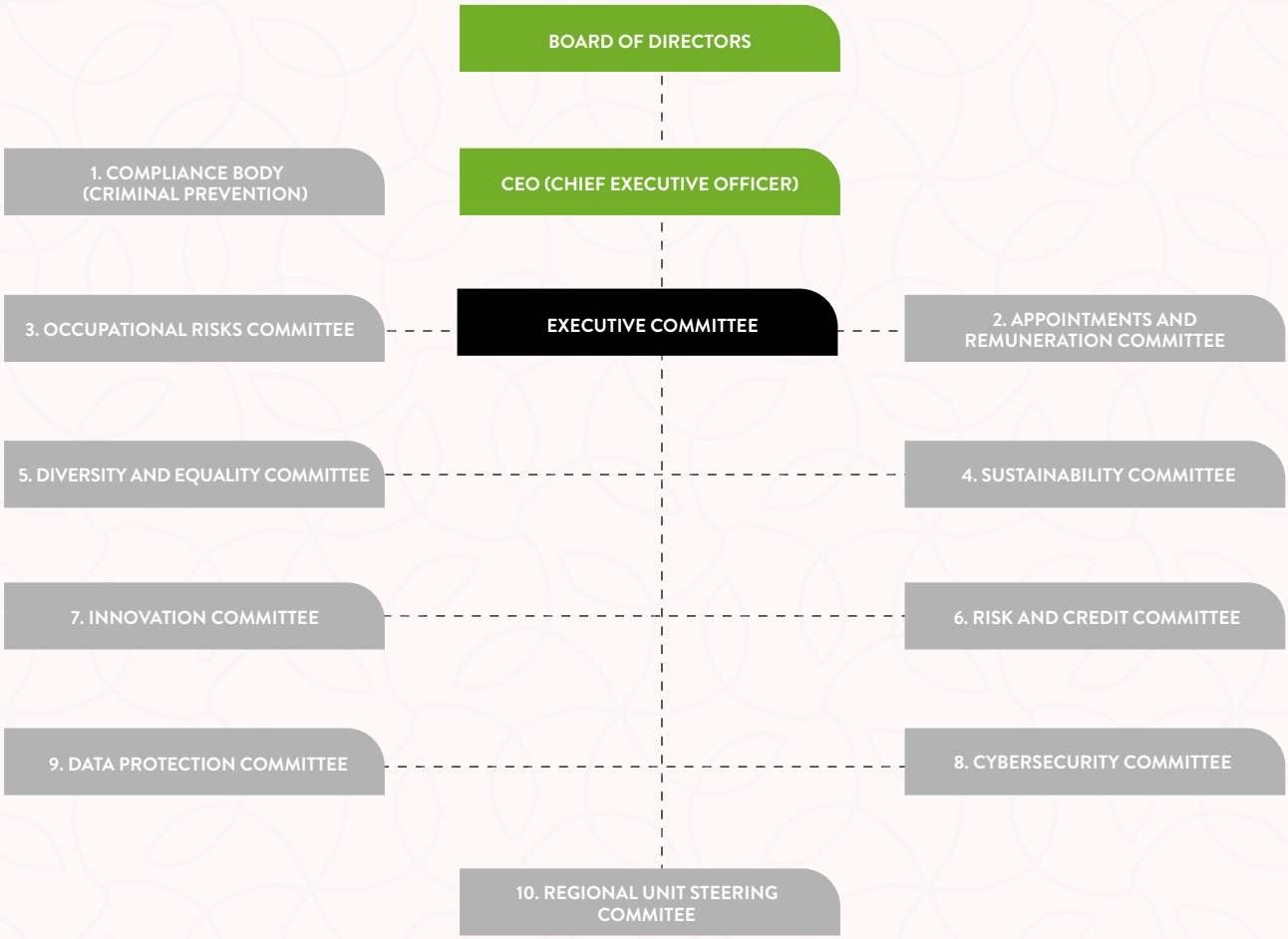
6. Risk and Credit Committee, led by the Chief Commercial Officer and the Chief Financial Officer, whose role is to control and decide on the commercial risk borne by the company.

7. The Innovation Committee, led by the Head of Corporate Innovation & EU funding, is responsible for identifying, organising and prioritising the Group's innovation, ecological transition and digital transition projects.

8. The Cybersecurity Committee, led by the CFO, CPO, CIO (Chief Information Officer) and the Head of Compliance & Security, has the mission of ensuring proper development and implementation of cybersecurity strategies in order to equip the organisation with the best possible information security systems.

9. Data Protection Commitee, led by the Data Protection Officer, whose mission is to advise and inform the Group on the processing of personal data, to be the point of reference for all the Group's Business Units and to collaborate with the Supervisory Authorities.

10. Management committees of each of the six regional units, composed in each case of the unit's CEO and the main executives of each company.


BOARD OF DIRECTORS
1. COMPLIANCE BODY (CRIMINAL PREVENTION)
CEO (CHIEF EXECUTIVE OFFICER)
3. OCCUPATIONAL RISKS COMMITTEE
EXECUTIVE COMMITTEE
2. APPOINTMENTS AND REMUNERATION COMMITTEE
5. DIVERSITY AND EQUALITY COMMITTEE
4. SUSTAINABILITY COMMITTEE
7. INNOVATION COMMITTEE
6. RISK AND CREDIT COMMITTEE
9. DATA PROTECTION COMMITTEE
8. CYBERSECURITY COMMITTEE
10. REGIONAL UNIT STEERING COMMITEE

02.02. OUR TEAM

Our team is fundamental for us and for the future of CELSA Group™ and represents an essential part of our history and identity. As a Family Group, we take care of our professionals and we make sure that our teams are the correct fit with the values that identify us as a company.

As of December 2021, CELSA Group™ has a total of 11,929 professionals, with 7,777 own employees and 4,152 subcontractor employees. We believe in our people and therefore we generate a stable and secure job over time. In 2021 we have maintained 93.6% of staff with a permanent contract.

IN 2021, 93.6% OF OUR WORKFORCE HAD AN INDEFINITE CONTRACT

The number of employees by country, professional category, age, sex and type of contract is detailed as follow:

TOTAL NUMBER OF OWN EMPLOYEES BY COUNTRY AS OF 31/12/2021*

	SPAIN	FRANCE	POLAND	UK	SWEEDEN	NORWAY	FINLAND	DENMARK	CELSA INTERNA-CIONAL**	TOTAL
TOTAL NUMBER OF EMPLOYEES TO 31/12/2021	3,544	220	1,477	1,573	216	488	165	88	6	7,777

*In Ireland there are no own employees as this is a minority stake.

** CELSA International are other countries with commercial activity, mainly US and Germany.

TOTAL NUMBER OF EMPLOYEES BY PROFESSIONAL CATEGORY AND SEX AS OF 31/12/2021

SEX	PROFESSIONAL CATEGORY	TOTAL NUMBER OF EMPLOYEES
♀	Team Managers	103
	Qualified Technical and Administrative Staff	376
	Operational and Administrative Staff	406
♂	Team Managers	431
	Qualified Technical and Administrative Staff	1,110
	Operational and Administrative Staff	5,351
TOTAL		7,777

TOTAL NUMBER OF EMPLOYEES BY AGE AND SEX AS OF 31/12/2021

SEX	AGE	TOTAL NUMBER OF EMPLOYEES
♀	Under 35 years	278
	Between 36 and 50	410
	More than 50	197
♂	Under 35 years	1,337
	Between 36 and 50	3,178
	More than 50	2,377
TOTAL		7,777

TOTAL NUMBER OF SUBCONTRACTOR EMPLOYEES AS OF 12/31/2021

TOTAL NUMBER OF SUBCONTRACTOR EMPLOYEES AS OF 12/31/2021	4,152

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT (INDEFINITE/TEMPORARY AND PART-TIME/FULL-TIME) (FTE)

	INDEFINITE			TEMPORARY			TOTAL	
SEX	FULL TIME	PART TIME	INDEFINITE TOTAL	FULL TIME	PART TIME	TEMPORARY TOTAL	FULL TIME	PART TIME
♀	754	25	779	60	2	62	814	27
♂	6,208	67	6,275	398	23	421	6,606	90
TOTAL	6,962	92	7,054	458	25	483	7,420	117

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT (INDEFINITE/TEMPORARY) BY COUNTRY (FTE)

COUNTRY	INDEFINITE	TEMPORARY
SPAIN	3,152	262
FRANCE	210	0
POLAND	1,353	137
UK	1,436	41
SWEDEN	206	3
NORWAY	470	12
FINLAND	147	17
DENMARK	72	11
CELSA INTERNATIONAL	8	0.0
TOTAL	7,054	483

02.03. PRODUCTS, SERVICES AND MARKETS

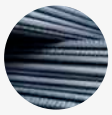
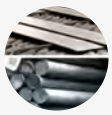
CELSA Group™ is the second European manufacturer of long steel products, with the greatest vertical integration in scrap and steel products in the world.

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

MAIN PRODUCTS

Within the denomination of long steel products, the five main product families are: rebar, sections, merchant bars, wire rod and rails. The CELSA Group™ produces the first four families, being the only European group that is among the top three manufacturers in Europe in each of the four families in which we operate.

MAIN PRODUCTS CELSA Group ™: LONG STEEL

	PRODUCT DESCRIPTION	EXAMPLES OF END-USE OF THE PRODUCT	
 REBAR	Used in combination with concrete to create reinforced concrete, the most used construction system in Europe.	·Construction (civil works and residential) ·Cut & Bends are dedicated to cutting and bending the rebar and even taking them and placing them in the construction works.	
 SECTIONS	Steel profiles with different cross sections. Composed of profiles type UPN, IPN, IPE, HEA, HEB according to European Regulations and W-type wide-flange profiles according to American regulations.	·Construction (metal structures such as: industrial buildings) ·Other applications such as manufacture of cranes, railing supports or traffic sign posts.	
 MERCHANT BARS	Solid steel bars with different hot-rolled sections: flat bars, square bars, round bars and angles. Variety of products depending on the quality of the steel, diameter, length or thickness	·Applications in very diverse sectors (construction, automotive, shipbuilding, agriculture, mining, carpentry, forging, stamping , among others)	
 WIRE ROD	Round or hexagonal cross-section product wound up in coils and with a wide variety of heat and surface treatments. Used in manufacturing processes such us fastening elements, drawn wires, wire mesh or bright bars.	·Main applications are in the automotive sector (fasteners, springs, shock absorbers, tyre reinforcement...), construction sector (wire mesh, nails, cables...) as well as other relevant sectors such as energy, rail or white goods.	

These long steel products are made from Billet, a semi-finished steel product, with a square section, mainly used for the manufacture of finished steel products through rolling and forging processes.

TRANSFORMED PRODUCTS

CELSA Group™ is a leading supplier of steel solutions and products derived from the main products, strongly downstream integrated its main processes and products.

DRAWN WIRE

We have wire works companies racks that offer wire in different roll formats and with a wide variety of heat and surface treatments: wire for cold stamping, high and medium carbon wire, wires and cords of high resistance for pre- and post-stressed.

BASIC ELECTROWELDED LATTICE GIRDER

Formed by three longitudinal bars, two lower and one upper, joined together by a welded lattice. It is mainly used for the manufacture of semi-joists and other prefabricated concrete elements for the formation of unidirectional slabs.

CALIBRATED BARS

We have a division dedicated exclusively to the production of high-quality calibrated bars for the automotive industry (Global Bright Bars). It focuses on drawing, calibrating, and turning round diameters between 10 and 42 mm, which guarantees optimal surface quality requirements for our products.

FENCING

We have a complete range adapted to the residential, industrial and agricultural sectors and infrastructure (progressive welded mesh). By volume of production, we are one of the main references of fences in Europe.

ELECTROWELDED MESH

These are corrugated steel meshes, both standard and special, for the reinforcement of concrete. The use of special electro-welded meshes allows to industrialise and optimise the cut & bend in the construction site, with advantages such as simple placement and speed of execution, and greater safety and control of the work.

TUBE

We manufacture steel tubes for conduction with different finishing processes (galvanised, smooth, or threaded), used in applications such as gas, heating and mining, among others. Also, we manufacture precision steel pipes, which are used for construction, the manufacture of light and heavy machinery, scaffolding, among others.

FORGED PRODUCTS

We manufacture a wide range of heat treated and machined forging products in the most requested steel grades. Our products, subjected to a process of forming by plastic deformation of metals, have numerous applications, the most common are components and spare parts for sectors such as energy, shipbuilding, machinery, mining, or cement.

STEEL AGGREGATE

It comes from the treatment of slag generated during the steelmaking process in our electric arc furnace steel mills. It is mainly used as an aggregate for structural and non-structural concrete, pavements, bituminous mixtures in rolling layers, among other constructive functions.

SERVICES

RECYCLING

With 8 million ferrous scraps melted annually in our steel mills, we are the largest recycler of ferrous scrap in Spain and the second largest recycler in Europe. In our firm commitment to the circular economy, we give an opportunity for ferrous waste from different sources to be reincorporated back into the economic cycle, thus forming an integral part of the new products that are created in the production system.

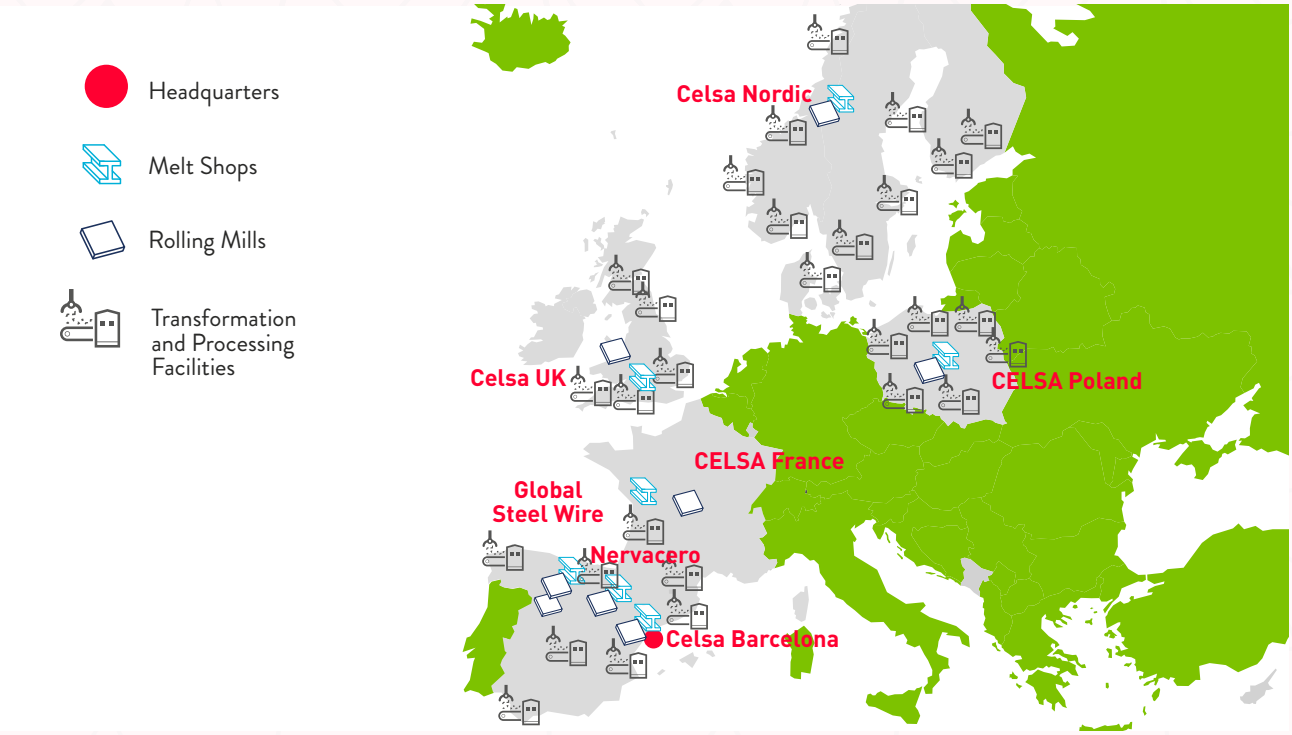
CELSA Group™ performs a whole series of services as part of the steel production value chain from the recycling and treatment of ferrous waste from different sources.

The most relevant services of the group are the collection and treatment of ferrous scrap, collection and removal of vehicles, collection and treatment of non-ferrous materials and demolition.

CUT & BEND

CELSA Group™ is one of the largest steel cut & bend services for concrete in Spain and Europe by volume of tons processed. Celsa Steel Service, one of its subsidiaries, offers advanced solutions for the reinforcement of concrete with design proposals, optimization studies, product handling, services, and digital support. Among the services, the detail design, optimization studies, BIM services, QR project manager and the assembly on site stand out.

CELSA GROUP IN THE WORLD



MARKETS

CELSA Group sales are mainly destined for Europe and represented 86% of the company's total revenue during 2021. In total, the Group sold all its product portfolio to 115 countries around the world. In addition, all our products are manufactured according to national and international specifications and standards (UNE, EN, etc.) of reference in the sector.

The main sectors where the group produces and sell its products are the following:

CONSTRUCTION

Due to its hardness, ductility and durability, steel has become one of the most used structural materials in infrastructure construction and building, making this sector today the largest consumer of steel products worldwide. Steel reinforced concrete and metal structures are the main structural typologies used globally. We are firmly committed to a sustainable, circular, and efficient construction that provides future generations with a better and respectful future with the environment.

AUTOMOTIVE

A vehicle contains on average about 750 kg of steel, of which about 20% are long steel products. Thus, the automotive sector is another major consumer of steel and, in particular, of our long steel and recycled steel products.

From CELSA Group™ we supply an extensive range of steels for high quality products such as torsion bars, ball joints, springs, shock absorbers, tire reinforcement or production of screws for safety systems, steering or powertrain to the world's largest automotive manufacturers.

AGRICULTURE

Our steel products are present throughout the agricultural and livestock infrastructure, and enclosures used for the construction of warehouses, sheds and other constructions and also in wires, cords, thorns and meshes specifically designed for agricultural, poultry and livestock use.

OIL & GAS

We supply steel products for the Oil & Gas sector, both for surface and submarine production. Additionally, our reinforcement steels, structural profiles and commercial bars are used in the construction of structures, structural elements, and civil works in the Oil & Gas sector.

ENERGY

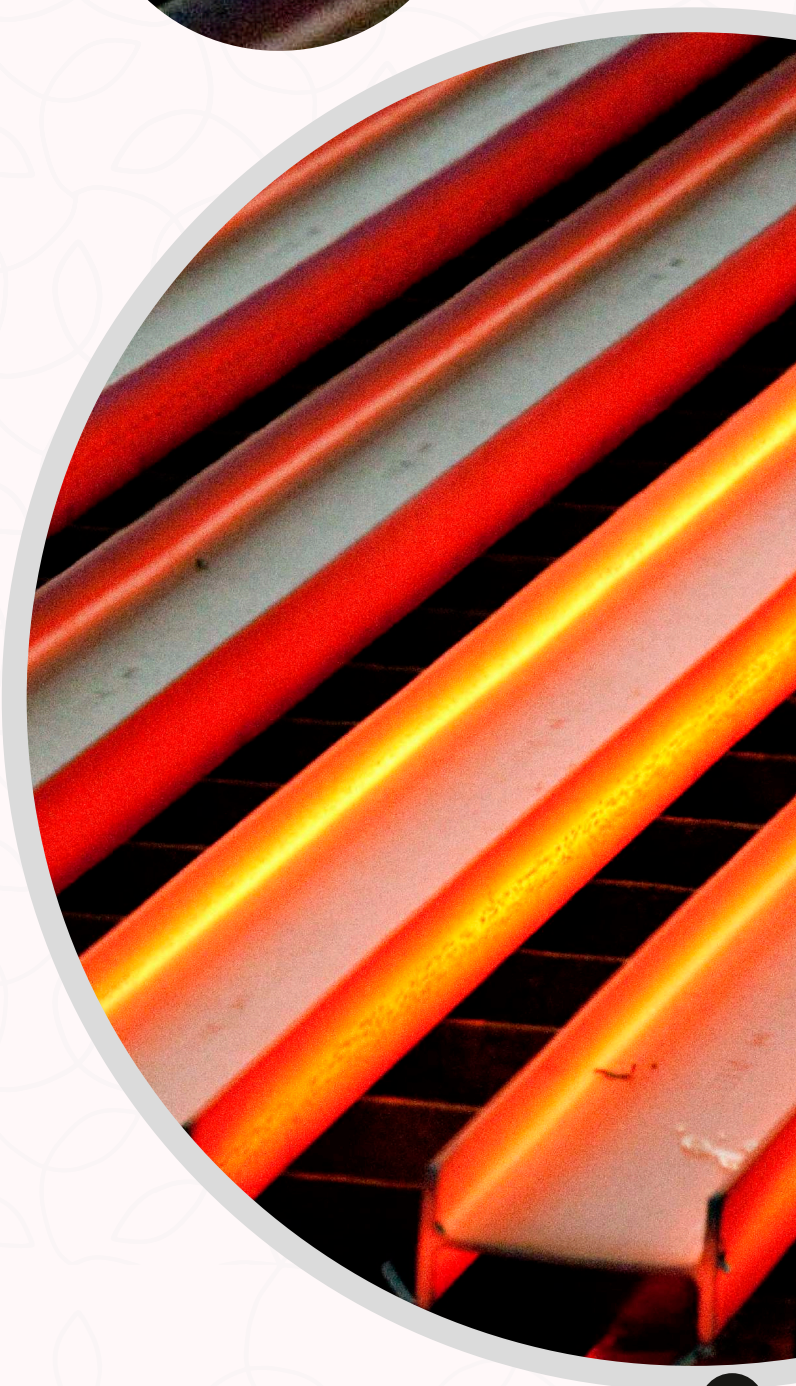
We manufacture wire rod and forged parts for a wide variety of applications in power generation, whether wind, hydroelectric or gas. We manufacture shafts for turbines and generators for customers around the world.

SHIPBUILDING

At our CELSA Huta Ostrowiec plant we develop and manufacture forgings for the construction of medium-speed vessels and diesel engines such as crankshafts, propeller shafts and other axles, steering pipes and other forged steel components.

CELSA GROUP™ PRODUCTS HAVE BEEN USED IN 2021 IN CONSTRUCTION WORKS AS EMBLEMATIC AS:

Nuclear plant of Hinkley Point C (UK); the remodeling of the football stadium Santiago Bernabéu, Madrid (Spain); Facebook London's Headquarter (UK); The tower building (Andorra), Highway D4R7 Bratislava (Slovakia), A-54 Highway Meliede, Lugo (Spain); link between the A-2 Motorway and the AP-7 Motorway, Barcelona (Spain); Grand Tortue Ahmeyin (Senegal & Mauritanie); Concordia, Barajas (Madrid); rehabilitation of The Guadiana International, Ayamonte (Spain); San Ignacio Bridge, Bilbao (Spain); Nkrumah, Dar Es Salaam (Tanzania); The Porto Metro, yellow line (Portugal); Fécam Offshore Wind Farm; Gecama wind farma, Cuenca (Spain); and Buseco wind farm, Asturias (Spain).



02.04. OUR PRODUCTION TECHNOLOGY

CELSA Group™ produces steel in the most sustainable way possible today, through the melting process in electric arc furnaces, or EAF (Electric Arc Furnace) route, as opposed to the traditional way, in blast furnaces or BF-BOF (Blast Furnace-Basic Oxygen Furnace) which is a much more polluting steelmaking process.

The manufacture of steel using electric arc furnaces, developed in the 1950's, is based on manufacturing steel from the recycling of ferrous scrap. It is the most sustainable technology and the most environmentally and energy efficient process, allowing to take advantage of all the potential associated with the recyclability and circularity of steel, an infinite number of times.

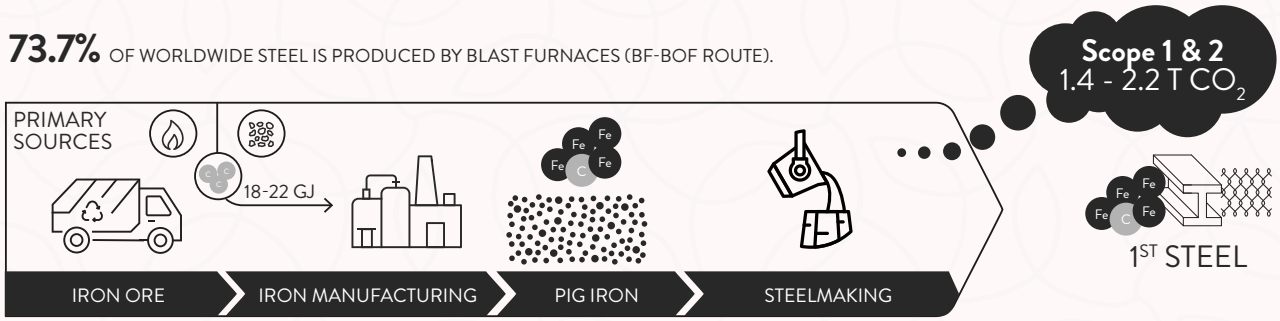
Manufacturing circular steel using electric arc furnaces, instead of from iron ore, means up to 9 times less CO_2 emissions (scope 1 and 2) and up to 6 times less if we talk about scope 1, 2 and 3 emissions.

The EAF production system reduces energy consumption by around 75% and saves approximately 90% of the input of raw materials. In addition, it reduces air pollution (around 86%), water consumption (40%), water pollution (76%) and mining waste (97%).

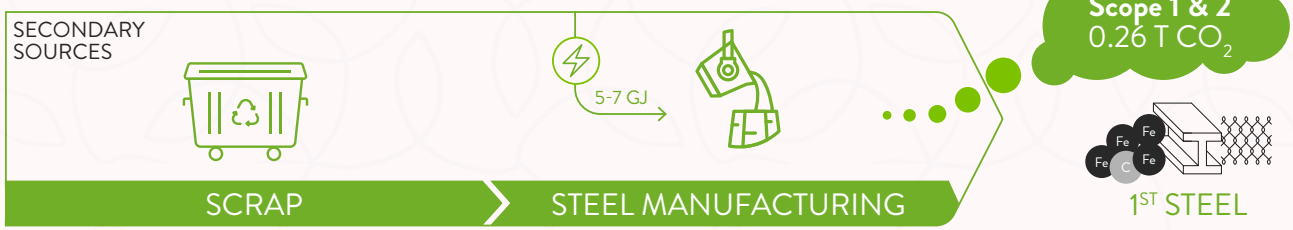
In this way, the manufacture of steel by electric arc furnace favours a circular economy by reducing the consumption of natural resources and, at the same time, reduces the environmental impact by emitting less CO_2 emissions compared to the BOF process.

PROCESS PRODUCTION FIGURES

73.7% OF WORLDWIDE STEEL IS PRODUCED BY BLAST FURNACES (BF-BOF ROUTE).

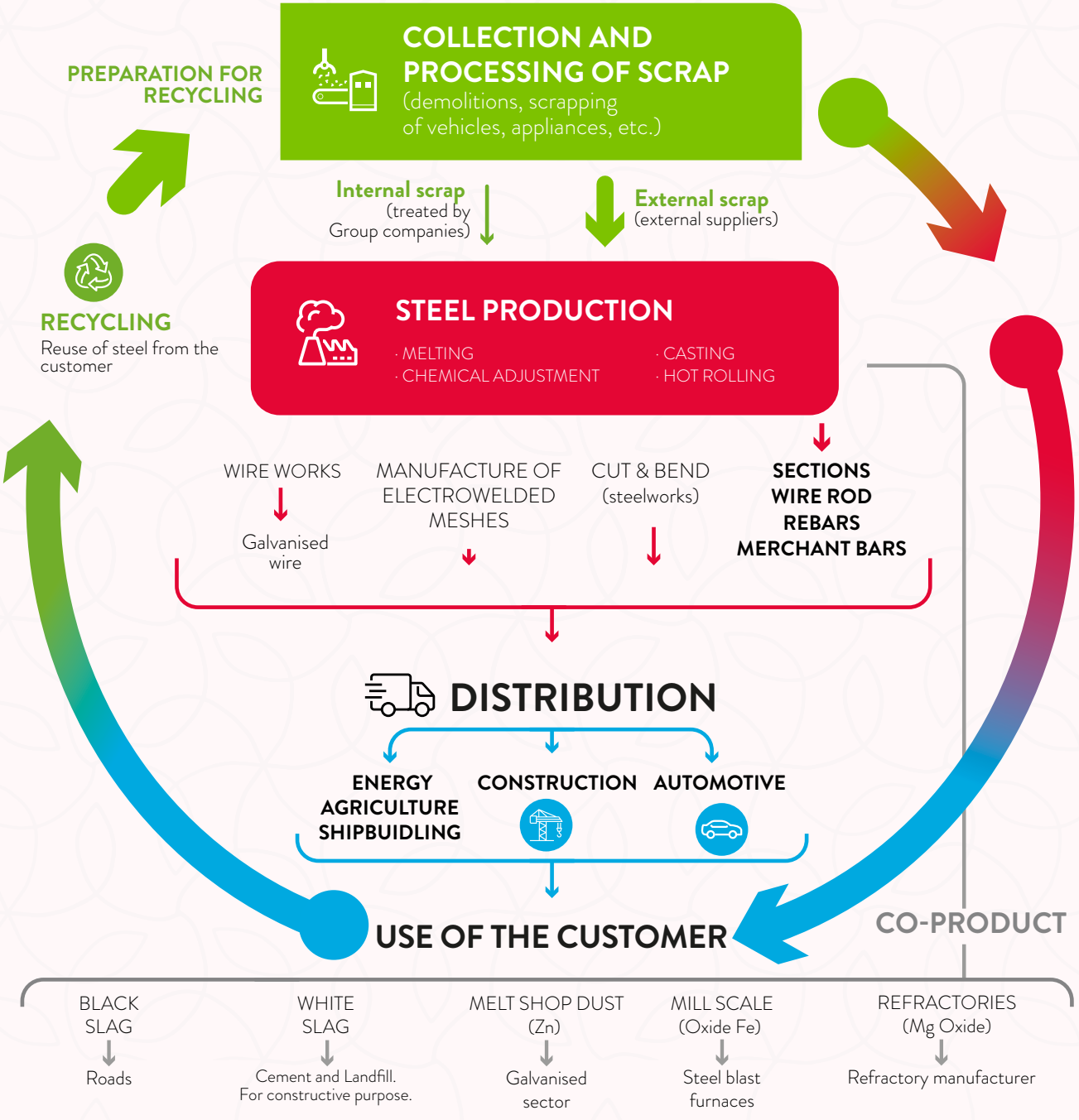


26.3% OF STEEL IS PRODUCED BY ELECTRIC ARC FURNACES (EAF ROUTE). **ROUTE USED BY CELSA Group™**



02.05. THE CIRCULAR SUPPLY CHAIN

CELSA Group™ is integrated along the entire steel recycling chain, that is, along the entire circular supply chain, with companies dedicated to the recovery and treatment of ferrous scrap and other materials for further recycling, with steel mills for the melting process, chemical adjustment and rolling of steel; and with other subsidiaries responsible for the transformation of steel into more specific products such as galvanised wire or electro-welded meshes.



03. OUR VALUES

03 OUR VALUES

Our corporate philosophy leads us towards achieving a global commitment to our customers, our suppliers, people, society and all stakeholders. We believe in our people -safety, effort, talent and commitment-, innovation and continuous improvement and ethical, environmentally friendly, and socially responsible direction and management.

03.01. VISION, MISSION, AND VALUES

Good Corporate Governance practices are aimed at guaranteeing the proper company manageement, maximizing the sustainable CELSA Group™ value, under its vision, mission and values.

VISION

To be leaders in providing solutions for our clients around steel.

MISSION

To be an organisation that is interdependent in safety, focused on the customer, profitable, innovative, and excellent in operations management.

VALUES

These are our values:

Honesty

- We always tell the truth.
- We show consistency between what we say and what we do.
- We do not hide the problems; we speak about them without reservation.
- We express our opinions directly, respecting others.
- We protect the assets of the organisation.

Nonconformism

- Nothing is impossible; the impossible are simple mental barriers.
- We think big: we want to change the rules of the game.
- We take risks, exploiting new ways of doing things.
- We want to lead change, keeping an open mind and being proactive.

Teamwork

- We respect others.
- We never deliberately let another team member fail.
- We are active team members and challenge our teams to achieve the best.
- We are committed to team decisions, even when they differ from our personal point of view.

Creative perseverance

- We never give up; there is always another movement.
- We fight with determination. We make obstacles fall flat.

Humility

- We are hungry to constantly learn and improve.
- We assume we may not have all the answers.
- We ask for advice or help when we need it.
- We can learn from everyone.
- We recognise our own mistakes and learn from them.

Passion

- We are passionate about what we do.
- We are 100% committed and excited about new opportunities.
- We transmit our positive energy to others.
- We are proud of our team's achievements.

OUR SPIRIT

For CELSA Group™, the priority is people. We believe in them and look after their health and safety. Since our origins we have been firmly committed to all the professionals who work in the company's facilities. Taking care of them is part of our strategy as a Group. To people we owe our history, growth, and evolution. Without a doubt, they are our main asset.

1. Moving forward on security

People are the most important thing for us, and we work for the well-being of our human team. We provide them with protection and comply with the most demanding protocols.

2. We overcome the passage of time

Where others see a waste, we see an opportunity. Steel is one of the most robust, recyclable, and sustainable materials in existence. With the recycling of scrap, we contribute to the protection of the environment and to preserve natural resources.

3. Lowering the world's thermometer

We are aware of our responsibility towards the community and the environment in which we work. Having recycling as the starting point of our activity is important for the preservation of the environment. We are committed to creating long-term value and leading a truly sustainable model.

4. Passion for steel

Because the enthusiasm, passion and commitment of people make their organisations great.

5. Steel: a brilliant industry

The steel industry is dynamic and innovative. The challenge of constant innovation allows us to go further and further, experiment with new materials

and shapes, manufacture the raw material to satisfy the most demanding customer and remain among the most important steel companies in the world.

6. Building trust

Over the years we have created strong bonds with our customers and suppliers and forged lasting partnerships. All this based on the loyalty of our products and services.

7. Local commitment; Over the years we have created strong bonds with our customers and suppliers and forged lasting partnerships. All this based on the loyalty of our products and services.

8. We set trends

The strength of our steel underpins the latest major projects that currently identify the main European cities.

03.02. ETHICS AND TRANSPARENCY

We have a Code of Ethics and Professional Conduct that is mandatory throughout CELSA Group™ and that covers the main risks in terms of prevention of corruption and bribery associated with our activity. It also contains specific measures against money re-entry and money laundering. This Code reaffirms our commitment to conducting business in accordance with applicable laws and the highest standards of business ethics. It also reflects the need to integrate the promotion and protection of human rights and sustainability. The Code establishes the following specific anti-corruption and anti-bribery measures for all CELSA Group™ companies:

1. People working for the Group may in no case accept any kind of bribe.

2. The persons of the Group may not make or offer, directly or indirectly, any payment in cash, in kind or through any other benefit, to any person at the service of any entity, public or private, with the intention of obtaining or maintaining, illicitly business or other advantages.

3. Every professional should strive to act ethically with customers, suppliers, competitors and other professionals. No professional should take an unfair advantage through manipulation, concealment, insider trading, misrepresentation of facts, or any other unfair practice. Professionals must carry out their responsibilities in such a way that the Group is not affected by its reputation derived from unethical conduct.

IN 2021, ONCE AGAIN, NO COMPLAINT HAS BEEN RECEIVED REGARDING THE VIOLATION OF HUMAN RIGHTS AND NO CASE OF CORRUPTION HAS BEEN DETECTED

During 2021, Human Rights and Code of Conduct trainings were scheduled for 3,771 of our professionals. Out of the scheduled trainings, 60.5% were performed.

ETHICAL PERFORMANCE OF OUR SUPPLIERS

CELSA Group™ has the Purchasing Policy to guide professionals in their actions. This policy applies to all CELSA Group™.

Our Purchasing Policy establishes that the general conditions of the contracts must clearly reflect the commitment of suppliers to respect and act in accordance with our Code of Ethics and the principles of the Global Compact, in terms of human rights, labor, environment and anti-corruption.

Likewise, the Purchasing Policy places special emphasis on the need to minimise environmental impact, apply sustainability criteria, preserve safety and health, and proposes to prioritize suppliers.

The supplier approval procedure values positively the suppliers who have a better performance in these aspects and who, at the same time, have an ISO 14001 Environmental Management System and an ISO 45001 Occupational Health and Safety Management System.

In our Quality Management System, we have defined a unique and integrated Supplier Integration System among all companies. It is based on four pillars: homologation, technical specifications, control in the reception and evaluation of suppliers.

During 2021, progress has continued with the supplier evaluation process, which allows us to obtain an evaluation of all suppliers semi-annually in an automated way and by plants. In no case was a serious breach in environmental or occupational health and safety matters detected in the approved supplier companies.

In 2021, 54 relevant new suppliers have been certified for CELSA Group™. During this year, 389 suppliers from CELSA Group™ had an occupational health and safety management system and/or a certified environmental management system*. In no case a serious non-compliance have been detected in the approved suppliers with regard to the environment or occupational health and safety.

03.03. OUR MANAGEMENT SYSTEM

At CELSA Group™ we have our own management system, the Celsa Management System (hereinafter CMS), which is key to ensuring our continuous improvement and management excellence.

The CMS is based on 4 elements:

- **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, who lead and participate in the continuous

* Data from Poland and France not included

improvement and management of their daily activity.

• **The Standardisation of processes.** It refers to applying the SDCA (Standardise, Do, Check and Act) cycle to the process in a systematic way.

It allows us to guarantee quality and safety, as well as minimize waste, so it helps us achieve internal and external customer satisfaction.

• **Continuous improvement.** We base our continuous improvement on two components: directing improvement through a process of strategic reflection with which we define the main strategies, objectives, and improvement projects that from above are gradually deployed in each business unit and will be integrated throughout the organisation in the form of Fundamental Improvement Objectives; and 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.

03.04. GROUP POLICIES

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

POLICIES AT CELSA GROUP	
AREA	
GENERAL POLICIES	Sustainability framework policy
ENVIRONMENTAL POLICIES	Environmental policy and energy management Climate change policy Biodiversity policy Water policy Supply Chain Policy
SOCIAL POLICIES	Human Rights policiy Equality, diversity, and inclusion policy Talent Management policy Innovation policy Occupational safety and health policy
CORPORATE GOVERNMENT POLICIES	Stakeholder Relations Policy Personal data protection policy Conflict of Interest Policy Economic-Financial and Non-Financial Information Policy Anti-Corruption policy and Relations with public officials and authorities Regulatory compliance policy in matters of Competition Defense

03.05. QUALITY MANAGEMENT

ISO 9001, ISO 14001 AND ISO 45001 CERTIFIED MANAGEMENT SYSTEMS ENSURE THE QUALITY OF OUR PRODUCTS, THE RESPECT FOR THE ENVIRONMENT AND THE SAFETY OF OUR PEOPLE

Regarding the quality of its Management System, CELSA Group™ has in its main industrial facilities the ISO 9001 quality management, ISO 14001 environmental management and ISO 45001 occupational health and safety management certifications. In addition, some of CELSA Group's™ companies in Spain such as Global Steel Wire, Celsa Atlantic, and Celsa Barcelona (which reached it already in 2022) have the European EMAS registration. In fact, in Europe there are almost 100 companies in the steel production sector, of which only 20% have this certification.

Among these are the aforementioned Group companies Celsa Armeringsstål (Norway), and CELSA Manufacturing UK (from the United Kingdom, which was registered until the entry into force of Brexit).

The Companies of the Group also have the management systems of Sustainability Steel. This milestone positions us as leaders in excellence in the environmental management of our sector in Europe.

Some of the holding companies of CELSA Spain and CELSA Nordic, because they are very small or do not have productive operations, have not considered it necessary to implement these certifications.

To ensure that our products do not represent any risk in terms of health and safety, the substances used in the manufacturing process have a safety data sheet in accordance with the Community Regulations, such as EU 453 /2010 or EU 1907/2006 among others, and in accordance with CELSA Group's quality standards.

03.06. COMMITTED TO OUR CUSTOMERS

The loyalty of our customers is born from the added value they find when they collaborate with us: confidence in the quality of our products and services. Over the years we have created strong ties with our customers and suppliers, and forged lasting partnerships.

Our main objective is to guarantee the satisfaction of our customers. Our commitment to innovation, research and training provides us with cutting-edge technologies and a vision of the future that has allowed us to offer our customers a wide range of products and services of the highest quality and highly competitive, and thus meet their demands.

We differentiate ourselves from our competitors by building strong ties with our customers and suppliers, based on mutual trust and shared interests. We have been able to forge lasting alliances that have survived in times of recession and have been strengthened in times of growth. We are flexible, dynamic and efficient, and always remain close to the end customer.

CUSTOMER SATISFACTION

To assess the quality of our service, we annually monitor the satisfaction of our customers through surveys launched and managed by the different CELSA Group™ companies, adapted to the specific characteristics of their markets. We also collect information about the labeling of our products.

	2021
NUMBER OF CUSTOMER SURVEYS CONDUCTED IN 2021	552
NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND/OR VOLUNTARY CODES CONCERNING TO PRODUCT INFORMATION AND LABELLING	2
% OF SIGNIFICANT PRODUCT CATEGORIES COVERED BY AND ASSESSED FOR COMPLIANCE WITH THE ORGANISATION'S PROCEDURES FOR PRODUCT INFORMATION AND LABELLING	100

"OUR CUSTOMERS, OUR REASON FOR BEING"

CLAIMS MANAGEMENT

The Group has a robust complaints and claims management system that allows us to transfer, in an efficient way, the voice of the customer in the continuous improvement of our processes. During 2021, the Group has received and properly handled 1,173 complaints and 3,663 customer claims.

03.07. ALLIANCES AND RELATIONSHIPS

Aware of our social impact, we have always understood that collaboration and alliance with associations and organisations is one of the strategic pillars of circular businesses like ours. To do this, we forge alliances and actively collaborate with national and international organisations in our sector and other sectors that are important to us, such as energy or transport. This intensive collaboration helps us to promote sustainable and circular policies in Europe for our sector and for other sectors adjacent to ours and in which we have a relevant role such as recycling, energy, transport, among others.

STEEL SECTOR

We are part of the World Steel Association worldwide, EUROFER at European level, and in Spain, UNESID.

• **World Steel Association.** It is one of the largest and most dynamic industry associations in the world, with members from all major steel producing countries. It represents both producers, national and regional industry associations, and major steel research institutes. Members account for about 85% of world production.

• **EUROFER.** The European Steel Association (EUROFER) represents all steel producers in the European Union. Its members are the main European steel companies and national steel federations.

• **Unión de Empresas Siderúrgicas (UNESID).** The Unión de empresas siderúrgicas (UNESID) is the Association of Companies Producing Steel and Products of First Steel Transformation of Spain. It brings together all manufacturers of flat and long products, both non-alloy steel and alloy steel, including stainless steel.

Other Associations and organisations in:

• **Spain**
Asociación de Trefiladores del Acero (ATA), Centro de Estudios y Asesoramiento Metalúrgico (CEAM), Centro Metalúrgico de Sabadell.

• **UK**
UK Steel Association, UK Manufacturers Organisation *(Make Up)*, Renewable UK.

• **Germany**
German Association of Iron Wire and Steel Wire (Eisendraht-Und Stahldraht-Vereinigung).

• **Poland**
Polish Chamber of Industry and Commerce of Scrap Economy, Polish Forging Association, Polish Union of Steel Distributors.

• **Norway**
Norsk Stålforbund (Norway Steel Association).

• **Sweden**
Jernkontoret (Swedish Steel Association).

• **France**
Fédération Française de l'Acier, Union des Industries et métiers de la métallurgie (French Steel Associations).

We also actively participate in associations and representative entities of the main sectors related to our activity: recycling sector, energy sector -*Association of Companies with Large Energy Consumption (AEGE).*, transport sector, among others.

BUSINESS ORGANISATIONS

We are active and we take part of local, national and international organisations that play a relevant role for the business sector. Proof of this is our role in the different Chambers of Commerce, or organisations such as the CEOE (Spanish Confederation of Business Organisations), Foment del Treball or the Círculo de Economía (a Think Tank), in Spain, wherewhere we actively participate.

04.
COMMITTED TO SUSTAINABILITY AND INNOVATION

04 COMMITTED TO SUSTAINABILITY AND INNOVATION

The risk of depletion of natural resources and the risk derived from climate change, although they have existed for many years, are now presented as very serious and systemic problems because they affect the entire planet, the entire human population and, consequently, CELSA Group™ and all its stakeholders.

CELSA Group™, European leading producer of low-CO_2 emission circular steel, works to be part of the solution to these endemic problems through its clear commitment to circularity as well as to accelerate the complete decarbonisation of its production process, all thanks in large part to innovation.

We believe that all kinds of progress, whether environmental, social, or economic, must go hand in hand to achieve the global goals proposed by international organisations. Our current economy is only 8,6% circular, and we would need to close the gap and reach a 17% in the next decade in order to get us on a path to a well below 2-degree world, meeting the global worming targets. This increase in circular economy would reduce global GHG emissions by 39% and cut virgin resources use by 28%*. Since we are a benchmark in the sector, we believe that society expect more from us, so our commitment is even greater. We work to become market leaders with sustainable growth.

04.01. THE SUSTAINABLE DEVELOPMENT GOALS AND CELSA Group ™

The Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda set the international intentions in relation to sustainable development and urge the participation of companies in achieving them to promote innovation and create jobs and economic development for all.

During the 2020 financial year, CELSA Group™ committed to the **United Nations Global Compact**, as a partner at the Participant level both nationally and internationally. With this new step, the Group has reinforced its commitment to lead and manage its business in an ethical, environmentally friendly, and socially responsible manner, explicitly supporting the ten principles of the Global Compact regarding Human Rights, Labour Rights, the Environment, and the fight against corruption.
The SDGs propose a viable new model for long-term growth. The integration of the SDGs into business plans strengthens the identification and management of material risks, opportunities and costs, the creation and access to new markets, and innovation in business models. In short, it allows to align the business strategy and its expectations with employees, consumers, suppliers, investors, and the communities where it operates. CELSA Group™ already identified six SDGs on which we can contribute, and defined our sustainability strategy, embodied in the ***Sustainability Roadmap 2021-2050***, fully integrated into the business strategy.

* According to the Circular Gap Report 2021, Circle Economy.

ACTIONS IN OUR ORGANISATION

SDG 3. Ensure healthy lives and promote well-being for all at all ages.

Corporate Sports Team at Celsa Nordic.

Celsa Armeringsstål BIL, originates from several corporate sports teams that were established throughout the history of AS Norsk Jernverk, includes today the employees at Celsa Armeringsstål, as well as operators and functionaries at Celsa Steel Service Mo i Rana. The corporate sports team focuses on low-threshold activity and wishes to engage as many of the employees as possible, regardless of physical fitness, and there are around 160 registered members. The company offers daily activities within running and relay, mountain hikes, football, cycling, bowling, and golf, and has good agreements with gyms for its members and disposes in addition a car workshop that members can use.

Preventive employees' examinations to prevent cancer at Celsa Huta Ostrowiec.

In 2021 Celsa Huta Ostrowiec carried out an action to promote preventive examinations to prevent head and neck cancers for employees. The program was carried out in cooperation with the Oncology Center in Kielce. In previous years, a similar campaign to counteract breast cancer was carried out for women, and the campaign relates to preventing cardiovascular diseases.

Selective collection of solidarity caps at CELSA Barcelona.

CELSA Barcelona and Hipofam have a certificate of collaboration for the collection of plastic caps in favor of this association. Through the collection of plastic plugs the company collaborates in the research of a rare disease of genetic origin, Familial Hypomagnesemia. CELSA Barcelona is also responsible for the logistics operations involving the collection of caps and their removal to the facilities of a waste management company. The waste management company pays for the caps delivered and the economic amount collected is donated for the benefit of Hipofam. The outputs of the year 2021 amounted to more than 300 Kg of plastic.

SDG 5. Achieve gender equality and empower all women and girls.

Women and Talent Association at Global Steel Wire.

Global Steel Wire collaborates with the Women and Talent Association, with the aim of carrying out cooperation and promotion activities around the development of Women's Talent.
The projects of this Association are intended to stimulate, attract, and develop, through high-impact programs, the talent of girls, young people and women for their empowerment, growth, and role in social transformation towards real equality.

SDG 7. Ensure access to affordable and clean energy for all.

ISO 50001 certification at Celsa Barcelona and Celsa France.

The objective of the certification ISO 50001 is to enable organisations to establish systems and processes to continuously improve energy performance, including energy efficiency, energy use and energy consumption. This requires an energy management system to be in place that includes an energy policy, targets, and promotes the design and procurement of energy efficient equipment and facilities. An optimised energy system in place also improves CO_2 emissions. CELSA Barcelona and CELSA France have already implemented this certification to optimise their installations, while the rest of the CELSA Group™ plants are in the process to be certified during 2022.

SDG 8. Promote sustained economic growth and decent work for all.

Apprenticeship scheme at Celsa Nordic.

The apprenticeship scheme is the main source for recruitment in the subjects electrical engineering, automation, process and chemistry, production engineering and the mechanics subject at Celsa Armeringsstål. The company always has approximately 25 apprentices deployed in the company and most of them are offered a job in the company after graduating. Many of the apprentices choose to continue in the educational race after a couple of years. In recent years, CELSA Group™ has held several trainee positions within various disciplines. All candidates have been offered a job after the end of the trainee period. The trainees gain increased knowledge about management as well as the opportunity to form networks with other young talents who participate in the scheme.

SDG 12. Ensure sustainable consumption and production.

Sustainable Paper Management at Global Steel Wire.

Global Steel Wire manages all paper used in its facilities in a complete sustainable manner. The process includes the supply of recycled paper, the collection, transport, and management of waste in an authorized manner, the destruction of confidential paper and its registration and quantification. Additionally, paper management is carried out by people with a vulnerable profile at risk of social exclusion and difficulty for accessing the labour market. With this initiative in collaboration with the social integration company Plis Servicios, CELSA Group™ promotes environmental sustainability and provides decent work and equal opportunities for the community.

SDG 13. Take urgent action to combat climate change and its impacts.

Hot Charging at CELSA Group™.

In normal practice, the billets generated in the continuous casting machine are cooled to ambient temperature. After cooling, it is sent to an intermediate storage or directly to the rolling mill. Before rolling, the billet is fed into the reheating

furnace, where it is heated again to about 1,100 °C. Hot charging aims to maximize the energy efficiency by avoiding the intermediate cooling of the billets as much as possible, sending the billet directly from the continuous casting machine to the reheating furnace in the rolling mill.

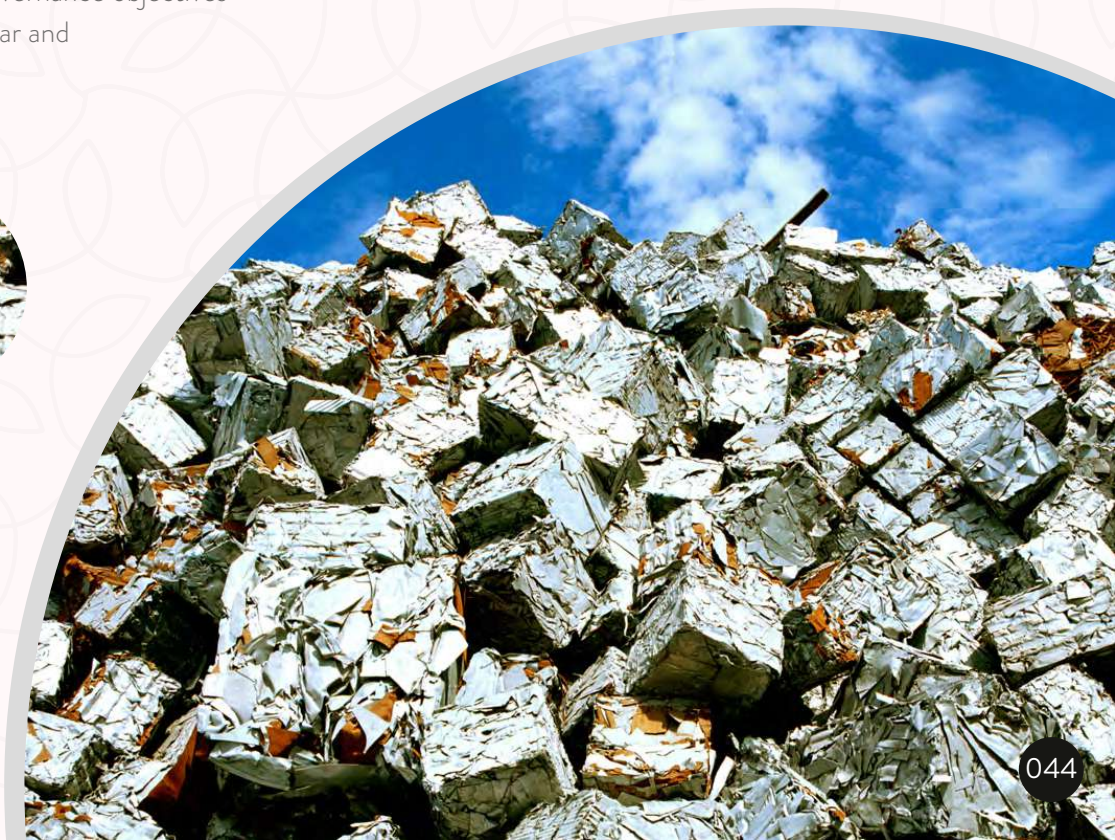
This initiative is implemented and optimized across all plants of CELSA Group™, resulting in energy savings and relevant improvements in CO_2 emissions.

04.02. SUSTAINABILITY STRATEGY

"WE ASPIRE TO BE A NET POSITIVE COMPANY BY 2050, THAT IS, ZERO EMISSIONS, ZERO WASTE AND ZERO ACCIDENTS WITH A NET POSITIVE IMPACT ON OUR PLANET"

CELSA Group™ Sustainability Roadmap 2021-2050 is a long-term strategy, with environmental, social and governance objectives along the Roadmap, with clear and ambitious targets.

The strategy, in line with the relevant SDGs of CELSA Group™ and the 10 Principles of the United Nations Global Compact, has been developed considering the results of the materiality analysis (see section "Key materiality issues"), a benchmarking analysis of companies in the steel sector and other related sectors, an internal survey and the compilation of ongoing projects and initiatives linked to the SDGs.



ENVIRONMENTAL SUSTAINABILITY ROADMAP

OUR DECARBONISATION PATH REFLECTS THAT WE ARE AN EUROPEAN LEADING PRODUCER OF LOW-CO_2 EMISSION CIRCULAR STEEL.

WE WANT TO BE NET POSITIVE BY 2050.

2030

Reduce CO_2 emissions by **50% (Scope 1+2)** vs 2021.

2050

Net Positive

Compensation of CO_2 remnants to be **carbon neutral.**

For the execution and monitoring of the sustainability strategy, the CELSA Group™ Sustainability Committee was created in 2021, with the corresponding Chief of Strategy and Sustainability Officer (CSSO) of the Group, who has all the responsibilities in terms of sustainability, such as driving the strategy, communication, institutional relations, the reputation of the company, among others.

This person in charge is integrated into the Executive Committee of the company, so sustainability becomes very important.

Likewise, in 2021 was has created the figure of the Chief Circular Officer (CCO), in charge, among other functions, of implementing the Group's circularity strategy, through the growth of the recycling business, internally linked to the sustainability of the CELSA Group™ business model.

The sustainability strategy revolves around **four main axes:**

DECARBONISATION

Aware of the challenge that climate change poses to society and industry, we manufacture steel using electric arc furnaces, a cutting-edge technology characterized by its reduced carbon emissions compared to other methods. Our main objectives are the reduction of greenhouse gas emissions, the development of renewable energies and energy efficiency. We want to introduce other more sustainable forms of energy, such as green hydrogen, biogas, or solar energy, and improve the efficiency of all our processes.

CIRCULAR ECONOMY

This philosophy has governed the company's business since our origins. The properties of steel make it an especially optimal material for reuse and recyclability: it is easily recoverable and can be melted and reused without losing properties.
Our goal is to promote the circularity of products and by-products. With the application of sustainability strategies, we intend to maximize the amount of steel products that we recycle at the end of their life cycle and recycle them as many times as possible, avoiding the generation of waste that goes to landfill.

PEOPLE AND SOCIETY

We are committed to creating a safe and healthy work environment. We believe in the development of people, equal opportunities, diversity, integration and the balance of work and family life. We act with full respect for the local cultures of the countries and communities where we operate, betting on responsible supply chains and encouraging communication with all stakeholders. We thus contribute to the development of the communities where we operate to have a beneficial impact on society.

GOVERNANCE

CELSA Group™ is a family group that ensures the benefits of all its stakeholders: customers, suppliers, employees, etc., for which it has the rules, policies, and controls necessary to develop its operations in a coherent and efficient way.

KEY MATERIALITY ISSUES

In our latest materiality analysis, we identified the different topics and sub-themes significant to our sector and our operations, which aggregated into 12 categories key material issues of CELSA Group™. These are relevant aspects in health and safety, the attraction and retention of talent, commitment and alignment with values, ethics and professional development, atmospheric emissions, energy consumption, water consumption and waste generation. All of them have been considered during the definition of the sustainability strategy.
The 12 key issues identified with influence on CELSA Group's™ stakeholders and operations are as follows:

1. Pollution prevention

2. Circular economy (circular management of waste and raw materials)

3. Compliance with environmental legislation

4. Energy efficiency

5. Compliance framework, corruption prevention and transparency

6. Business risk and reputation management

7. Commitment to stakeholders

8. Equal opportunities

9. Occupational Health and Safety

10. Product quality and customer satisfaction

11. Long-term economic viability

12. Innovation in the product and processes

The process and details of the latest Materiality Analysis carried out by the group is further explained in the Annex 11.01.

04.03. RELATIONSHIP WITH STAKEHOLDERS

It is the aim of CELSA Group™ to establish relationships with its stakeholders and provide information on those aspects that may be of additional interest to shareholders, customers, suppliers, public administrations, among others. In this sense, stands out the edition of the Economic and Social Contribution Report, the dissemination of updated information on the group's activity on the corporate website, publications on social networks (Twitter, Facebook, LinkedIn, and Instagram), press releases and attention to the media.

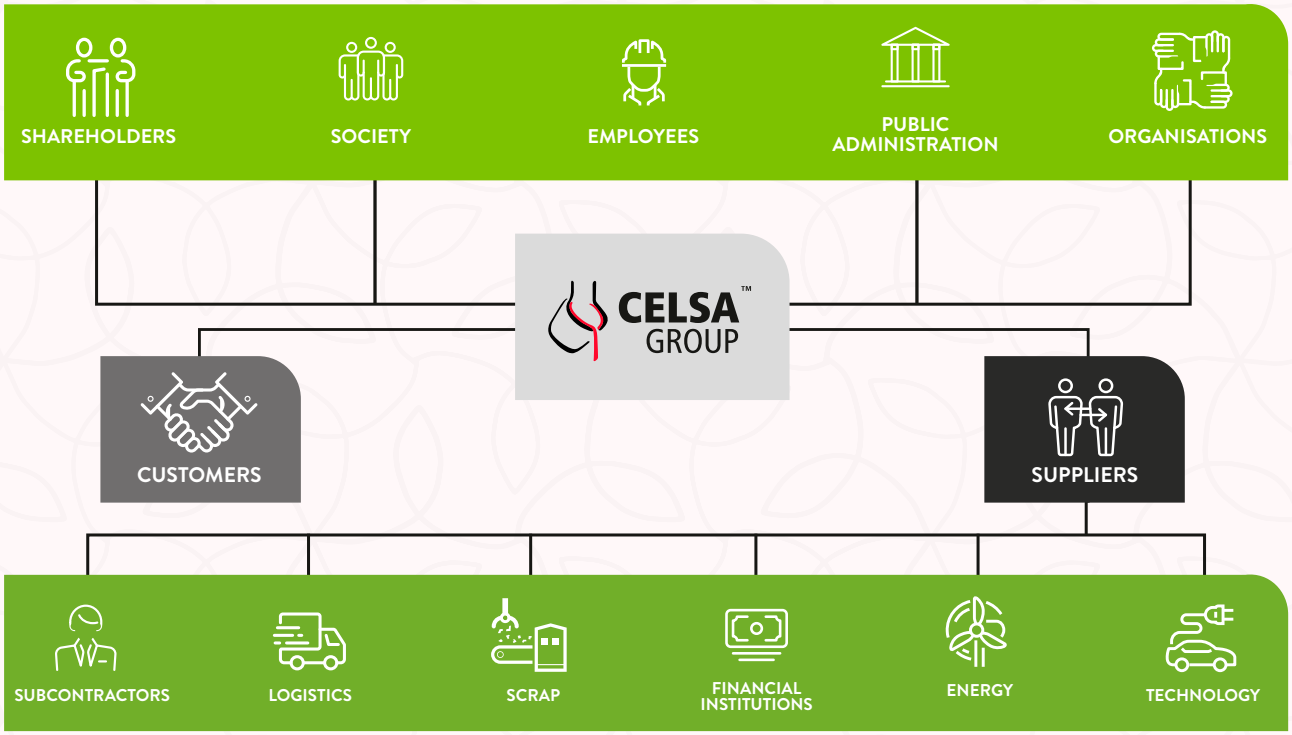
In 2021, the own channels of dissemination of external communication were strengthened by carrying out a review of the contents of the CELSA Group™ website and increasing the frequency of publication of content in the group's profiles on social networks that allowed to improve organic engagement in all channels, especially during the last quarter of the year. Proactive communications to the media also intensified from the second half of the year onwards.

CELSA Group™ is also very active in internal communication with its professionals. Internal communication, together with leadership, is the discipline that allows professionals to align with the company's project, generate ownership, strengthen the values of the group, encourage recognition and internal participation.

Therefore, and considering the diversity of the group, CELSA Group™ has different internal channels such as the Employee Portal, corporate communications, weekly newsletters and Annual Meetings (7 events held in virtual format). Other actions such as Recycling Week, campaigns #Celsafamily and #WomenOfSteel, sport events and webinars on topics of interest such as Health & Safety, People & Talent, Sustainability & Innovation also stand out.

The group also carried out a more direct, constant, and personalised communication with suppliers, customers, and unions, and through its intense associative activity maintains a fluid relationship with other audiences of its interest and with other companies in the sector.

In 2021, once the critical moments of the pandemic were overcome, the events were reactivated in general. The with which the company was able to participate in person in some round tables, and conferences with executives as spokespersons and maintain an adequate business networking.



04.04. PARTNERSHIPS FOR SUSTAINABILITY

Since 2020 CELSA Group™ has adhered to **the United Nations Global Compact**, which provides a practical framework for business sustainability and makes available to the group resources and management tools that help implement a business model and sustainable development.

Likewise, CELSA Barcelona, Nervacero, CELSA France, Global Steel Wire, CELSA Poland and CELSA UK have the license to use the **SustSteel Brand** (www.steel-sustainability.org) of recognition and reference at European level in sustainability for the manufacture of steel products for construction and that has the verification of the Sustainability System by Bureau Veritas.

Among our alliances to improve sustainability, the one we maintain with the **Asociación de Sostenibilidad Siderúrgica** (Steel Sustainability Association) stands out. It is an entity of an associative and non-profit nature, whose members are the main Spanish steel companies, and which aims to promote in a coordinated way Corporate Social Responsibility (CSR) strategies among all associated companies.

The Association has created the brand Sostenibilidad Siderúrgica (Steel Sustainability) to respond to the social and institutional demand for CSR through demanding requirements that allow evaluating the commitment of organisations and

that grant value, prestige, and social recognition. These requirements have been verified by AENOR.

Throughout 2021 CELSA Group™ worked to achieve in 2022 the AENOR N Sustainable Brand certification for its 4 steel mills in Spain, in what has been the first time that AENOR grants this sustainability certification to companies in the steel sector. Finally, it has also worked to be included in 2022 in the Worldsteel Sustainability Charter, an indicator that reflects the steel industry's growing focus on sustainability and its level of responsibility in driving higher standards in its sustainability performance.

04.05. INNOVATION AND DIGITAL TRANSFORMATION

The excellent positioning of CELSA Group™ is based on the quality and diversification of its products, which is possible thanks to its clear vocation for innovation, which includes digitalisation, artificial intelligence, and robotics.

To this end, it has an Innovation and Technology Committee, permanently supported by the rest of the areas of the group, and with a Global Innovation Department for all the holding companies that is responsible for defining and promoting all the key lines of innovation.

"IN 2021, CELSA GROUP HAS INVESTED 23.5 MILLION EUROS IN R&D PROJECTS"

With innovation, CELSA Group™ aims to:

1. Technologically update the facilities and continuously develop projects with acceptable financial returns.

2. Lead the decarbonisation of the steel sector and promote the circular economy through technological solutions.

3. Focus on increasing resilience in strategic assets.

4. Digitise analog systems in critical installations.

5. Improve traceability along the entire value chain.

6. Develop new solutions around steel, focusing on services and non-ferrous materials.

7. Strategically enhance our positioning in the market.

With this model, three fundamental objectives are pursued:

1. Turn innovation into the strategic lever **that differentiates the offer.**

2. Focus innovation on responding to **customer needs.**

3. Capitalise on **internal talent** to generate **differential and innovative initiatives.**

04.06. FEATURED PROJECTS

The following explains the main innovation projects that CELSA Group™ has carried out in 2021.

1. HyHubMo: Sustainable steel in the construction sector

At CELSA Nordic, together with consortium partners Statkraft and Mo Industrial Park, we wish to create a complete value chain for green hydrogen for industrial use. The collaborative project is called Hydrogen Hub Mo (HyHubMo). The final product will be sustainable reinforcing steel for use in the construction sector. In this project CELSA Nordic will apply hydrogen as the sole combustion fuel in the rolling mill creating green reinforcing steel for the Nordic market. To this end, the necessary improvements will be made to the rolling mill furnace so as to use hydrogen as the primary fuel in the production process, thus substituting CO_2 emitting energy sources. The project seeks to eliminate 58,000 tons of CO_2 per year from the rolling mill based on the current energy mix.

2. POWER EAF: Optimisation of Energy Consumption in EAF Furnaces

POWER EAF, developed at CELSA Barcelona, sees a successful end to 2021, after 2 years, with the participation of IThink from the Polytechnic University of Catalonia and financed by Activa Funding. The project is intended to be a process innovation consisting of the processing of data obtained in the scrap melting process with the aim of reducing the consumption of the electric arc furnace. This new development will enable to make appropriate decisions in the operation of the furnace, optimize the energy consumption of the furnace and monitor deviations for continuous improvement.

3. PROCESS PARTNER: Optimisation of the rolling process

At CELSA Global Steel Wire and CELSA Nordic, with the participation of iThink from the Polytechnic University of Catalonia and Aquiles Solutions, we have successfully developed an online application of the rolling process that enables us to anticipate and reduce production problems by means of an intelligent monitoring application. This application collects the averaged data of the different process variables for each rolled billet and once the model is trained, it generates a normality score for each process section that allows us to classify each billet and detect any process anomalies. In addition, the application allows the process to be standardised and continuously adjusted to seek out the optimal values. With this application, it is possible to reduce defects, process wastage and optimise energy consumption.

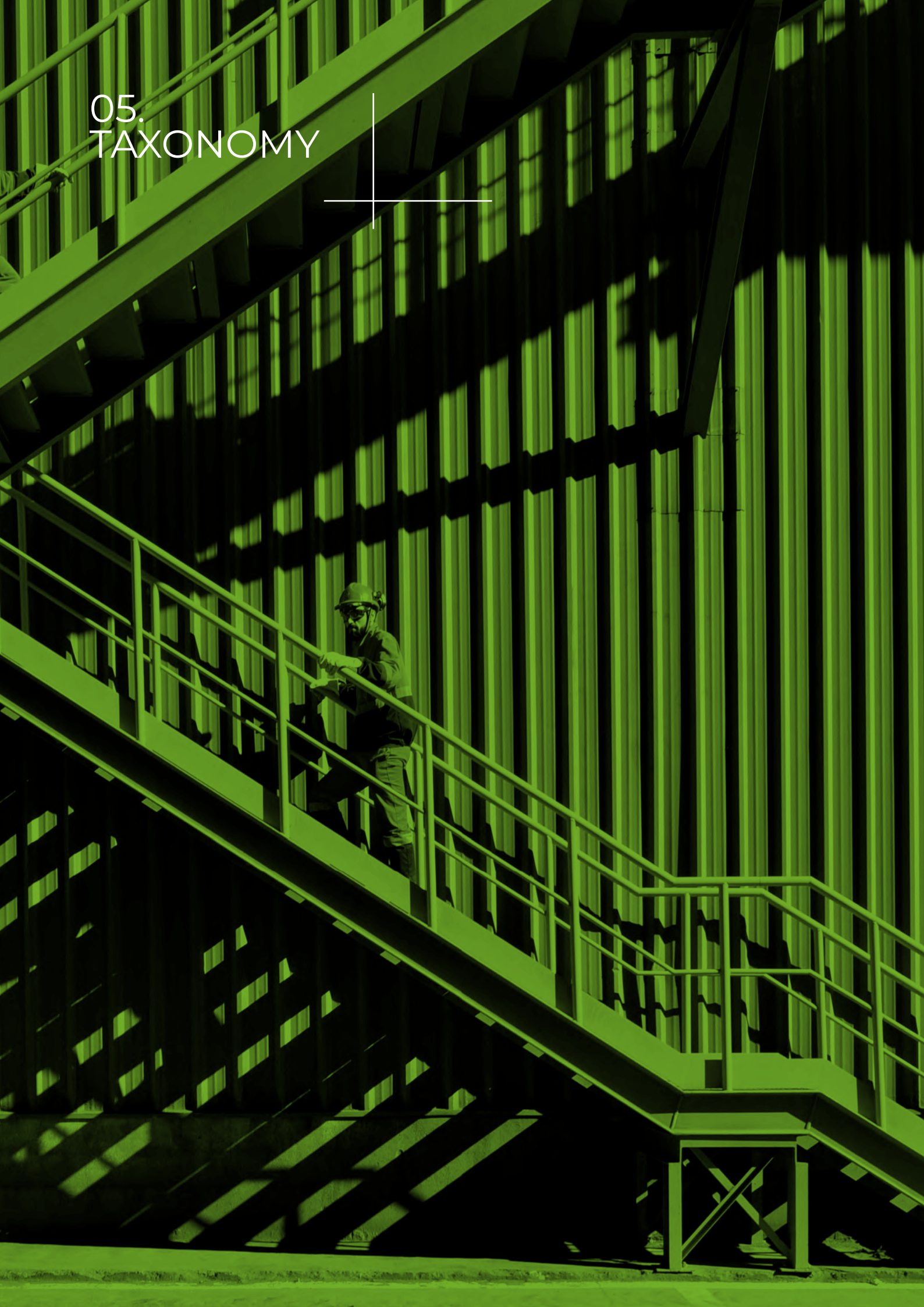
4. Mathematical Model of the Rolling Mill Furnace

The mathematical model is an application that allows the real temperature of each of the billets inside the furnace in each of its positions to be calculated. This application performs calculations based on the heating strategy and temperature evolution curves to define the best heating parameters of the furnace, and thus optimize the heating temperatures. Thanks to this application, natural gas consumption has been reduced, contributing to the energy efficiency of the group's plants. This Mathematical Model has been implemented with excellent results in several of the Group's furnaces in the CELSA Barcelona, CELSA Poland, CELSA Nordic and CELSA GSW plants.

5. PLAZA CINEMA: Circular Steel Pilot Project

At CELSA UK, in collaboration with the construction firm BAM, worked in the reconstruction of the Plaza Cinema, an emblematic building that is already part of the history of Port Talbot, Wales, and that will be converted into a Community Center. The demolition phase produced 25 tonnes of scrap. Celsa UK collected the waste material, processed it through the electric arc furnace and returned it to the Plaza Project as new steel for construction.

05. TAXONOMY



05 TAXONOMY

CELSA Group's ™ STEELMAKING ACTIVITY IS ELIGIBLE AS AN ACTIVITY INCLUDED IN THE EUROPEAN UNION'S CLIMATE CHANGE MITIGATION TAXONOMY

In 2018, the European Union created the "Action Plan: Financing sustainable development" for the 2018-2023 period, which aims to promote the financing of sustainable economic activities and thus move towards a circular and low-carbon economy.

To establish what sustainable activities are, the European Union developed the Taxonomy (EU Regulation 2020/852 framework to facilitate sustainable investments), a classification system that establishes the technical criteria that define which activities are considered environmentally sustainable because they contribute to at least one of the following six environmental goals:

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.**

In addition, compliance with one or more of these environmental goals must "not cause significant harm" (DNSH) to the other goals and must not generate significant social impacts.

So far, the European Union has only published the Taxonomy of Goals 1 and 2 on Climate Change Mitigation and Adaptation, respectively.

In accordance with the technical selection criteria of the Climate Change Mitigation Taxonomy, the manufacture of carbon steel and high alloy steel in electric arc furnaces, such as the ones CELSA Group™ uses in each of its steelworks, could be considered an environmentally sustainable activity provided that the input of steel scrap with respect to production is not less than:

- 70 % of the production of high alloy steel
- 90 % of the production of carbon steel

In addition, to be environmentally sustainable according to the Taxonomy, DNSH criteria must be met in the other environmental goals. Since the CELSA Group™ steelworks activities are included in the scope of the Industrial Emissions Directive due to their potential environmental impact, the most relevant DNSH criteria would be that relating to goal 5 of Pollution Prevention and Control.

This translates, according to the Taxonomy, into whether the CELSA Group™ steelworks follow the best available techniques (BATs) on the market and the air emission limits, as defined by Commission Implementing Decision 2012/135/EU of 28 February 2012 establishing the best available techniques (BATs) conclusions in steel production.

Likewise, to comply with DNSH criteria, steelworks must comply with the requirements on water

discharge and biodiversity established by the Integrated Environmental Authorisations granted by the Environmental Authorities.
To establish where CELSA Group™ is situated in relation to the Climate Change Mitigation Taxonomy, the following are the percentages of steel scrap input with respect to final production in each of CELSA Group's™ steel mills in 2021:

STEEL SCRAP INPUT WITH RESPECT TO FINAL PRODUCTION

	TYPE OF STEEL PRODUCED	SCRAP VS PRODUCTION (%)*
CELSA BARCELONA	Carbon steel	109.6 %
NERVACERO	Carbon steel	109.9 %
GLOBAL STEEL WIRE (GSW)	High alloy steel	74.9 %
CELSA FRANCE	Carbon steel	109.7 %
CELSA HUTA OSTROWIEC (POLAND)	Carbon steel	109.5 %
CELSA NORDIC	Carbon steel	109.9 %

* In some cases, the percentage of scrap can be higher than 100% due to reuse of scrap in the process.

Furthermore, with regard to the DNSH criteria, each of CELSA Group's™ steel mills has Integrated Environmental Authorizations granted by environmental authorities in accordance with the European legislation on industrial emissions. These authorisations have set air emission limits in accordance with BATs as defined by Implementing Decision 2012/135/EU for steel production.

In addition, in accordance with current environmental regulations, each of the steel mills are working to prove compliance with the periodic controls that correspond to them. In terms of biodiversity, to receive the Integrated Environmental Authorisation, each facility carried out an environmental impact assessment (EIA).

IN THIS SENSE, WE CAN CONCLUDE THAT THE ECONOMIC ACTIVITY OF CELSA GROUP ™ CORRESPONDING TO THE MELTING OF FERROUS SCRAP IN ELECTRIC ARC FURNACES WOULD MEET THE TECHNICAL CRITERIA OF CONTRIBUTION TO THE OBJECTIVE OF MITIGATION OF CLIMATE CHANGE ESTABLISHED IN THE TAXONOMY

05.01. FINANCIAL INDICATORS

Although the CELSA Group™ is not obliged to comply with the Taxonomy Regulation, we have decided to publish the financial eligibility indicators of the EU Taxonomy as part of our firm commitment to sustainability.

SCOPE

In order to establish the financial indicators of eligibility in accordance with the EU Taxonomy, CELSA Group™ companies located in countries covered by this European regulation (countries of the European Union and Norway) have been considered. However, only the financial indicators of the eligible activities within the Barna Steel Consolidation perimeter (facilities located in Spain and France) have been externally verified, listed in the tables below.

To see the results of the plants outside the perimeter of Barna Steel, see Annex 11.2.

DESCRIPTION OF ELIGIBLE AND NON ELIGIBLE ACTIVITIES

The main activity of the group is the manufacture of basic products of iron, steel and ferroalloys, which corresponds to the NACE (Nomenclature of Economic Activities) 2410 code.

CALCULATION METHODOLOGY

To see the calculation methodology used to obtain the Turnover, Capex and Opex indicators, , see annex 11.1.

RESULTS

After carrying out the analysis of the 2021 financial year, high eligibility values have been achieved, all of them above 90%, due to the fact that our main activity is linked practically in its entirety to the same activity of the taxonomy (3.9 Manufacture of iron and steel).

BARNA STEEL'S ACTIVITY IS MORE THAN 90% ELIGIBLE IN ALL FINANCIAL INDICATORS ESTABLISHED BY EUROPEAN UNION TAXONOMY

BARNA STEEL FINANCIAL INDICATORS TABLE

	ABSOLUTE TURNOVER (€)	% OF TURNOVER
A. TAXONOMY ELIGIBLE ACTIVITIES		
STEELMAKING	3,043,830	94.8%
B. TAXONOMY NON ELIGIBLE ACTIVITIES		
OTHER ACTIVITIES	167,908	5.2%
TOTAL (A+B)	3,211,738	100%

	ABSOLUTE **CAPEX** (€)	**% OF CAPEX**
A. TAXONOMY ELIGIBLE ACTIVITIES		
STEELMAKING	212,124	95%
B. TAXONOMY NON ELIGIBLE ACTIVITIES		
OTHER ACTIVITIES	11,916	5%
TOTAL (A+B)	224,040	100%

	ABSOLUTE **OPEX** (€)	**% OF OPEX**
A. TAXONOMY ELIGIBLE ACTIVITIES		
STEELMAKING	61,380	90.1%
B. TAXONOMY NON ELIGIBLE ACTIVITIES		
OTHER ACTIVITIES	6,773	9.9%
TOTAL (A+B)	68,153	100%

06. CIRCULAR ECONOMY

06 CIRCULAR ECONOMY

WE ARE AN INTEGRATED GROUP WITH A COMPLETELY CIRCULAR INDUSTRIAL PROCESS

CELSA Group™ is the manufacturer of long steel products with the greatest vertical integration in scrap and steel products in Europe. Our vertical integration makes our circularity unique.

35% of the group's steel production is vertically integrated, upstream, in the recovery and treatment of scrap, and 19.2% downstream, in the transformation of steel products and services for our customers.

In addition to being able to ensure the supply and sales, being present throughout the steel value chain allows us to obtain synergies, be more efficient both environmentally and energy-wise and maintain an efficient circularity.

Downstream integration brings us closer to the end user and allows us to secure the maximum value of the circular steel chain, while allowing us to anticipate trend changes and respond effectively and efficiently, as well as produce new products, services and solutions for our current and potential customers.

CIRCULAR INDUSTRY: THE SOCIO-ECONOMIC MODEL OF THE FUTURE

The circular economy is the socio-economic model of the future, promoted internationally through SDG12 of the UN 2030 Agenda and in the European Union through the European Green Deal Programme.

At CELSA Group™ we support the shift towards a circular and resource-efficient economy. We are among the signatories of the Pact for a Circular Economy, promoted in 2017 by the Ministries of Agriculture and Fisheries, Food and Environment, Economy, Industry and Competitiveness, and we contribute significantly to the Spanish Circular Economy Strategy (EEEC) "Circular Spain 2030", approved on 2 June 2020, which has the goal of reducing waste generation and improving efficiency in the use of resources.

In our firm commitment to circular economy, we see waste management as a huge business opportunity. We make it easier for waste to return to the business cycle, thus forming an integral part of the new products that have a new life in the production system. In this sense, our latest investments have aimed to increase recovery percentages and open new lines of business linked to the recycling and treatment of plastics and other non-ferrous metals or woods by applying pioneering techniques in recovery and recycling.

06.01. FIRST RECYCLER IN SPAIN AND SECOND IN EUROPE

Steel is one of the most recyclable and recycled materials in the world. It can be recycled continuously without losing its essential properties. In addition, its magnetic characteristics make it easily separable. CELSA Group™ is the second largest European producer of recycled steel, using electric arc furnaces in the steelmaking process, the most energy and environmentally efficient technology. The volume of scrap that CELSA Group™ companies recycled in 2021 is 7.01 million tonnes, With this, we have generated 6.6 million tonnes of steel products.

ALL PRODUCTS MANUFACTURED BY CELSA Group™ ARE FULLY RECYCLABLE

USE OF RECYCLED MATERIALS

As the European Commission recognises, more than 1,200 Kg of iron ore, 7 Kg of coal and 51 Kg of limestone can be saved with one tonne of recycled scrap. By manufacturing steel from steel scrap instead of iron ore, we reduce energy consumption by around 75% and water consumption by 40%, save around 90% of raw material inputs, and greatly reduce air pollution (around 86%), water pollution (76%) and mining waste (97%). **On average our finished product is made of more than 96% of recycled steel.**

90% OF THE MATERIALS USED FOR PRODUCTION ARE RECYCLED

RECYCLED MATERIALS USED TO MANUFACTURE THE MAIN PRODUCTS AND SERVICES OF CELSA Group™ *

	UNITS	2021
TOTAL RECYCLED INPUT MATERIALS	t/year	7,635,680
TOTAL SUPPLIES USED	t/year	8,485,656
PERCENTAGE OF RECYCLED SUPPLIES USED	t/year	90%

* Materials considered in this table correspond to melt shop and rolling mill processes.

TYPE OF MATERIALS PURCHASED IN THE PRODUCTION PROCESS (RAW MATERIAL)		
	UNITS	2021
SCRAP PURCHASED FROM COMPANIES OUTSIDE THE CELSA Group™	t/year	4,276,999
SCRAP PURCHASED FROM COMPANIES BELONGING TO THE CELSA Group™	t/year	2,730,162
LAMINATED PRODUCT PURCHASED FROM COMPANIES OUTSIDE THE CELSA Group™ FOR FINISHING PROCESSES	t/year	27,449
DERIVATIVES OF IRON ORE	t/year	248,429
OTHER	t/year	495,170
TOTAL EXTERNAL INPUTS	t/year	7,778,209

TARGET, ZERO WASTE

At CELSA Group™ we have a clear goal to recover all the waste we generate during the steel process.

The Group is firmly committed to recovering and using the waste generated during the steel process, which is considered a co-product due to its high intrinsic value.

These materials have a high capacity to be used as secondary raw material for processes such as road construction or for their reuse in the steel production process itself.

Specifically, white slag has construction purposes in cement industries, black slag is reused on roads, mill scale is recovered for steel blast furnaces, steel dust is reused in the galvanised sector.

In 2021, a large proportion (94%) of the waste generated by CELSA Group™ during steel manufacturing and processing was recovered internally and through authorised managers.

A small part went to landfill. The recovery and disposal of waste is carried out in accordance with the applicable laws on waste management in the different European countries in which we operate.

IN 2021, 94% OF TOTAL WASTE WAS RECOVERED

MAIN WASTE GENERATED IN 2021 ACCORDING TO THE TYPE OF MANAGEMENT AND HAZARD

MANAGEMENT TYPE	HAZARD	TYPE OF WASTE	AMOUNT (TONNES)
INTERNAL REUSE	Non-hazardous	Ferrous scrap from Group companies	1,093,290
		White slag in Electric Furnace	18,627
		Other materials from wiredrawing and rebars	13,795
		Refractory (dolomite)	4,420
		Other materials from Steel Mills	3,877
		EAF refractory (MgC)	1,165
		Shredder heavy fraction	153
EXTERNAL RECOVERY	Non-hazardous	Electric Arc Furnace slag	745,020
		Mill scale	167,253
		Screening soil	146,798
		Ladle furnace slag	138,651
		Other scrap metal	69,601
		Shredder waste heavy fraction	29,192
		Refractory	19,757
		Other materials from Steel Mills	11,843
		Shredder waste light fraction	7,554
		Other materials from wiredrawing and cut&bend	6,691
	Hazardous	Electric Arc Furnace Dust	106,875
		Other materials from wiredrawing and cut&bend	9,736
		Other materials from Steel Mills	659
LANDFILL	Non-hazardous	Shredder waste light fraction	58,447
		Screening soil	41,934
		Other materials from Steel Mills	18,981
		Ladle furnace slag	15,450
		Shredder waste heavy fraction	15,199
		Refractory	14,151
		Other materials from wiredrawing and cut&bend	1,871
	Hazardous	Electric Arc Furnace Dust	9,893
		Other materials from wiredrawing and cut&bend	2,769
		Other materials from Steel Mills	112
INCINERATION	Non-hazardous	Other	15
	Hazardous	Other	88

ANNUAL SAVINGS ACHIEVED THANKS TO OUR CIRCULARITY

Compared to producing the same amount of steel (6.6 MT) as a blast furnace, with its low-emission, circular steelmaking production system, CELSA Group™ avoids every year:

The extraction and consumption of **13.1 million m³ of natural resources**

equivalent to the volume of 12.5 buildings such as the Empire State Building.

The consumption of **17 million m³ of water**

which is comparable to that of a city of 350,000 inhabitants in a year.

The consumption of **16,700 GWh/year** of electricity

the equivalent of the consumption of a city of 5.1 million inhabitants in a year.

The emission of **12 million tons of CO_2** into the atmosphere

comparable to those generated by 2.6 million cars running for a year (24/7).

MAIN PRODUCTS THAT WE VALORISE AT CELSA Group ™

STEEL AGGREGATE

From electric arc furnace (black slag)

Steel aggregate comes from the treatment of the black slag generated during the steelmaking process in the electric arc furnace. It is mainly used as an aggregate in the manufacture of asphalt, concrete, bases, and granular sub-bases of road surfaces.

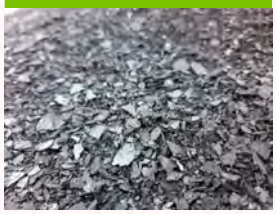
From secondary metallurgy (white slag)

It is produced in refineries or ladle furnaces. Due mainly to its high CaO content, it can be used as: fertiliser, soil improvement agent and raw material in cement factories.

EAF DUST

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

MILL SCALE



Mill scale is a steel co-product that mainly comes from the hot rolling process of steel, which originates on the surface oxidation of hot steel and is mostly formed by iron oxides (FeO and Fe_3O_4). It is mainly composed of iron oxides and can be used in other industrial processes that require an iron contribution such as integral steelmaking, cement manufacturing and to manufacture ferroalloys.

FURNACE AND LADLE FURNACE REFRACTORY

The main refractory materials that are 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 for the most part recovered in order to be reused in the process and to obtain new raw materials for the manufacture of refractory and steel materials.

RECYCLING OF OTHER MATERIALS

At CELSA Group™ we are integrated throughout the steel value chain. From the demolition of industrial complexes, buildings, as well as railway and port infrastructures, taking care of the transport and removal of all the resulting materials; to the placement of construction works for the products manufactured and processed in our modern and efficient facilities. This allows us to create synergies to close circles, thus leading to the inclusion of the circular economy in the steel sector.

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

- **Light shredder residue**

  Called fluff. It is composed mainly of foams, textiles, small plastics and a small amount of metals. We have been incorporating technological processes that have allowed us to recover part of the metallic materials that were dragged with the fluff.

- **Heavy residue without metals**

  In this category we would include CC (Carbon Concentrate), composed mainly of rubbers, plastics and other materials that are extracted from the current of the shredder as a result of the segregation carried out by the magnetic separators in the installation. Work is underway with group steel mills so that CC can be consumed in electric furnaces.

06.02. EFFICIENT WATER MANAGEMENT

Water is life: for human, animals and plants. In addition, it is crucial for the functioning of our production processes. We are fully committed to the efficient use of this valuable natural resource.

The most important industrial processes of CELSA Group™ are developed at high temperatures.

This means we have to use water to ensure the cooling of both the facilities and the manufactured product.

To avoid over-exploitation of water resources and significant wastewater discharges, water circuits are designed to ensure maximum recirculation, thereby making the most of the cooling capacity presented by the use of water.

We continuously implement improvement actions to reduce water consumption in our facilities and especially in production processes:

We have rainwater collection and reuse systems.

Our cooling circuits are semi-closed*, so the cooling of the water in the circuit is carried out by means of air-coolers. In 2021, the percentage of water reused including all **CELSA Group™** facilities was 19%. Generally speaking, water is used for cooling purposes and is not part of the final product. The differences between the water collected and the water discharged at the end are due to the necessary evaporation of a part of the water in each cycle to promote the cooling of the rest, so that it can be used again in the cooling circuits.

*Cooling circuits in Norway are not semi-closed due to the availability of water in that geographical area.

In addition, the Group companies systematically monitor the water consumption used to cool the facilities, carrying out internal benchmarking exercises to identify best practices.

In 2021, water consumption was 5,981,862 m3 (water consumption in areas with water stress was 4,825,594 m^3).

In relation to the origin of the water consumed, the majority comes from surface water (86.5%), followed by groundwater (9.2%), distribution network (3%), followed by rainwater (1.3%).

TOTAL WATER COLLECTION OF ALL AREAS IN Hm^3	
SURFACE WATER	27.71
GROUNDWATER	2.95
SEAWATER	-
PRODUCED WATER	-
WATER FROM THIRD PARTIES	0.97
RAINWATER	0.41
TOTAL	32.04

TOTAL WATER COLLECTION FROM ALL AREAS WITH WATER STRESS IN Hm^3	
SURFACE WATER	2.75
GROUNDWATER	2.52
SEAWATER	-
PRODUCED WATER	-
WATER FROM THIRD PARTIES	0.93
TOTAL	6.20

QUALITY OF THE WATER COLLECTED IN ALL AREAS IN Hm^3	
FRESH WATER (<1 G/L TOTAL DISSOLVED SOLIDS)	32.04
OTHER TYPE OF WATER (>1 G/L TOTAL DISSOLVED SOLIDS)	0
TOTAL	32.04

TOTAL WATER DISCHARGE FROM ALL AREAS IN Hm^3	
SURFACE WATER	24.76
GROUNDWATER	0.15
SEAWATER	-
PRODUCED WATER	-
WATER FROM THIRD PARTIES	1.15
TOTAL	26.06

DISCHARGES

In terms of discharges, our priority is to reduce the polluting load of discharged water. Therefore, we have treatments (decanters, hydrocarbon separators, etc.) and perform measurements to control the parameters of the effluents.

To the extent of the possibilities of each plant, the purified water is reused for uses that are not restrictive in relation to the quality of the water (irrigation of vials or to cool the slag).

Likewise, the discharges are preferably channelled to downstream sanitation networks, and in no case are direct discharges made to public channels.

These measures are particularly relevant in the context of water stress in which many of our facilities are located.

BREAKDOWN OF WATER DISCHARGE IN Hm^3	
FRESH WATER (≤1,000 mg/l TOTAL DISSOLVED SOLIDS)	1.69
OTHER WATER (>1,000 mg/l TOTAL DISSOLVED SOLIDS) SEAWATER	24.37
TOTAL	26.06

NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH THE DISCHARGE LIMITS	
TOTAL NUMBER	9

TOTAL DISCHARGE OF WATER TO ALL AREAS WITH WATER STRESS IN Hm^3	
FRESH WATER (≤1,000 mg/l TOTAL DISSOLVED SOLIDS)	1.38
OTHER WATER (>1,000 mg/l TOTAL DISSOLVED SOLIDS)	-
TOTAL	1.38

07. COMMITTED TO DECARBONISATION

07 COMMITTED TO DECARBONISATION

We are aware that, if we are to solve the climate crisis, we must transform the economy and change how we promote it. We are committed to the planet and are part of the solution.

WE ARE A LOW CO_2 EMITTER IN OUR SECTOR

Climate change has become one of the most important global threats, with negative effects on people, the economy and nature. The United Nations 2030 Agenda calls for action through its SDG 13 Climate Action and SDG 7 Affordable and Clean Energy, and the European Union has committed to becoming greenhouse gas (GHG) neutral by 2050. The steel sector is responsible for around 7% of global GHG emissions and is one of the sectors targeted by the Paris Agreement.

07.01. GREENHOUSE GAS EMISSIONS (GHG)

In December 2019, the Association of Steel Producers and First Transformation Steel Products of Spain (Unesid) published a declaration for climate neutrality, through which the Spanish steel industry commits to achieving climate neutrality before 2050.

It should be noted that, to achieve this goal, the Spanish steel industry needs to have 100% carbon neutral and competitive electricity generation for its production in electric furnaces as well as in integrated plants and in subsequent processing. In terms of the fight against climate change, the CELSA Group™ has been actively working to reduce our emissions since 2015.

Aware of the challenge posed by climate change for our planet, we have set ourselves the target date of 2030 to reduce our GHG emissions by 50% in Scope 1 and 2, and we aspire to be a Net Positive company by 2050.

GREENHOUSE GAS EMISSIONS (GHG)

	UNITS	2021
SCOPE 1 EMISSIONS	t CO_2 EQ	785,311
SCOPE 2 EMISSIONS (LOCATION-BASED)*	t CO_2 EQ	1,022,703
SCOPE 2 EMISSIONS (MARKET-BASED)**	t CO_2 EQ	1,415,696

*A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)

**A market-based method reflects emissions from electricity that companies have purposetully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

R&D&I TO REDUCE EMISSIONS

Through the R&D&I department, we are part of the steering committee of the European project Green Steel for Europe, whose objective is to ensure that the European steel sector is in a position to meet the European objectives for 2030 and 2050 in terms of Energy and Climate Change, by identifying technological solutions that allow the development of more sustainable production processes.

Although CELSA Group™ is well below the sector median in terms of GHG emissions, we are aware of our high energy dependence, so we will need to incorporate cutting-edge technology to reduce our emissions and be totally neutral.

We are currently studying various possibilities, such as substituting natural gas for biogas, using green hydrogen, improving energy efficiency and using solar energy, among others.

It should be noted that CELSA Group's™ steel mills would be comprised within the activities included by the European Commission through the delegated regulation of the Taxonomy, corresponding to the mitigation of climate change, specifically for the manufacture of iron and steel.

MEASURES AGAINST CLIMATE CHANGE

CELSA Group's™ main production facilities are subject to integrated environmental authorizations, which include all environmental aspects relevant to Integrated Pollution Prevention and Control, as well as to the European greenhouse gas emission allowance trading scheme (EU ETS), the cornerstone of EU policy to combat climate change.

We have been working since 2015 to reduce our CO_2 emissions in accordance with our obligations under the EU ETS. We have positioned ourselves as a benchmark in climate change mitigation.

WE ACHIEVED A REDUCTION OF 22% WITH RESPECT TO THE VALUE OF SCOPE 1 AND 2 EMISSIONS IN 2015, WHICH CORRESPONDS TO A REDUCTION OF 74 Kg CO_2/T STEEL

In 2021, CELSA Group™ GHG emissions were: 785,311 t CO_2 eq (Scope 1) and 1,022,703 t CO_2 eq (Scope 2 location-based). These emissions, although high, are well below the European and world average when compared to the steel production produced.

Kg CO_2 EQ / T STEEL PRODUCED

	CELSA Group™	EXTERNAL REFERENCE
SCOPE 1, 2 AND 3*	374	1,890
SCOPE 1 AND 2**	167	255

Scope 1, 2 and 3 (*) Emissions corresponding to the steel mill and hot rolling mill processes obtained using the CO_2 calculation methodology established by the World Stell Association. Reference values relative to the 2020 world average of the blast furnace route (BF/BOF) and electric furnace route (EAF).

Scope 1 and 2 (**) Emissions corresponding to the steelmaking process. Scope 1 emissions calculated in accordance with the official EU-ETS methodology and Scope 2 calculated using the average emission of national generation. As a reference value at European level the one published in the document "Update of benchmark values for the years 2021 - 2025 of phase 4 of the EU ETS, Final version issued on 15 June 2021" for the EAF carbon steel sector.

CELSA Group's ™ CO_2 EMISSIONS OF SCOPE 1 AND 2 ARE 9 TIMES LOWER THAN THOSE PRODUCED IN BLAST FURNACES

It is interesting to keep in mind that steel is currently manufactured by two completely different processes: the integral (or blast furnace) route, which makes steel from virgin iron ore and coal extracted from mines; and the recycling route, which melts scrap in electric arc furnaces. CELSA Group™, since its origins, has promoted and manufactured steel exclusively from scrap in electric arc furnaces.

CARBON STEEL MANUFACTURING AT CELSA Group's ™ STEEL MILLS GENERATES SCOPE 1 AND 2 CO_2 EMISSIONS 36.8% BELOW THE EU INDUSTRY AVERAGE

The steel mills of Celsa Barcelona, Nervacero, Global Steel Wire, CELSA France, CELSA UK, CELSA Huta Ostroweic (Poland) and CELSA Nordic are in a position close to the benchmark values published in June 2021 by the European Commission specifically for the manufacture of steel by electric arc furnaces, with deviations from the benchmark of 1.9%, 7.5%, 13.9%, 4.9%, 9.2%, 8.4% and 20.1% (+7.3% average), respectively for the period 2013-2020; and well below the average intensity in the European Union for this technology, with values 59.5%, 54.2%, 51.8%, 75.5%, 37.2%, 66% and 75.3 % below the average, respectively.

In CELSA Group™, facilities subject to the EU ETS during 2021, the intensity, understood as the ratio between greenhouse gas emissions subject to such regulation and turnover, was 0.144 Kg CO_2 /euro.

In 2021, the relative intensity of indirect greenhouse gas emissions was 0.193 Kg CO_2/euro(location-based).

FeXI PROJECT

The FeXI project, launched in 2020, is aimed at the progressive decarbonisation of the steel sector and the creation of innovative industrial value chains in Spain in the period from 2026 to 2050.

It is the cornerstone of application in the electro- and gas-intensive industry as regards the objectives set in the National Integrated Energy and Climate Plan (PNIEC) and in the Hydrogen Roadmap, published by the Ministry for Ecological Transition and the Demographic Challenge of Spain.

It provides for the generation and use of energy from renewable sources with a capacity of 570 MW and 300 MW wind and photovoltaic, respectively, and from renewable hydrogen with a capacity of 135 MW of electrolysis, as the main vectors. The project represents an opportunity for the development of new techno-industrial capabilities and positions Spain as a driving force for these technologies and their integration into a decarbonised economy.

The required investment amounts to approximately EUR 990 million and the project is expected to involve the Next Generation Funds, the European Recovery Fund, the European Investment Bank, the Innovation Fund, Horizon Europe and the Research Fund for Coal and Steel (RFCS).

07.02. ENERGY EFFICIENCY

The first step towards carbon neutrality is to improve energy efficiency. Energy consumption is the main source of greenhouse gas emissions and, at CELSA Group™, we are already working to reduce this consumption.

Obtaining steel by melting scrap in electric arc furnaces instead of iron ore is one of the most energy and environmentally efficient manufacturing processes, with a reduction of around 75% in energy consumption. Even so, steel production is still very intensive in the use of electrical energy. CELSA Group™ is the third largest consumer of electricity in Spain.

Efficient energy management is therefore very important to us. At the plants, we closely monitor process variables and carry out energy audits that help us establish energy efficiency improvement objectives. These are consumption reduction projects based on the optimisation of industrial processes, adaptation to best practices and technologies, and the application of the machine learning concept.

Among the energy efficiency initiatives carried out in 2021, the adaptation of the heating furnace of CELSA Nordic rolling mill partially use of oxygen as a combustion agent stands out. In this project, 15 of the 25 burners have been adapted to be able to inject oxygen into the combustion zone, thus partially replacing the use of combustion air. After studying the dynamics of the furnace, it has been concluded that oxygen can be used to account for 40-50% of the air used in the combustion, thereby increasing the efficiency of the process and reducing both NOx and CO_2. The forecast is to achieve savings of between 10 to 15% in fuel consumption or, instead, an increase in furnace productivity.

In addition to the previous project, it is worth mentioning the implementation of the Hot Charging project in CELSA Barcelona and the replacement of all the lights with LED screens in all their work centers, which has allowed energy savings of approximately 5,000,000 kWh per year. Also worth mentioning the installation of thermographic cameras in the reheating furnace of CELSA Atlantic rolling mill, optimising billet re-heating process and reducing gas consumption.

In relation to the consumption of energy from renewable sources, the electricity supply contracts of the Group's companies are typically indexed to the hourly spot price of the wholesale market. Accordingly, the renewable share of these supplies is publicly defined by each country's regulator every year.

In compliance with Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency and the relative transpositions in each country, all the Group's steel plants are located in the European Union, Norway and UK, and have as indicated in the applicable legislation.

In 2021, total energy consumption in CELSA Group™ was 7,278,805 MWh, of which 4,324,166 MWh of electrical energy (59.4%), and 2,841,890 MWh of natural gas (39.0%), 16,735 MWh of heating consumption (0.2%),

71,685 MWh of diesel (1%) and 4,325 MWh in steam consumption (0.1%). Total electricity consumption within the organisation from renewable sources in 2021 is 19,586 MWh. (0.3%).

The reduction in energy consumption achieved as a direct result of specific energy reduction and efficiency programs and their monitoring is 8,239,723 MWh.

On the other hand, in the facilities of Poland and Celsa Armeringsstál (Norway) in 2021 it has been possible to recover a total of 73,307 MWh of heat derived from steelmaking processes.

ENERGY CONSUMPTION 2021

		MWh
TOTAL ENERGY CONSUMPTION		7,278,805
ELECTRICITY CONSUMPTION		4,324,166
CONSUMPTION OF HEAT GENERATED BY A THIRD PARTY		16,735
CONSUMPTION OF COOLING GENERATED BY A THIRD PARTY		-
CONSUMPTION OF STEAM GENERATED BY A THIRD PARTY		4,325
TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES		2,913,576
NATURAL GAS CONSUMPTION		2,841,890
DIESEL CONSUMPTION		71,685
CONSUMPTION FROM OTHER SOURCES		-
TOTAL FUEL CONSUMPTION WITHIN THE ORGANISATION FROM RENEWABLE SOURCES		418
% OF FUEL CONSUMPTION WITHIN THE ORGANISATION FROM RENEWABLE SOURCES		0.67%
RENEWABLE ELECTRICITY FROM SUPPLEMENTARY SYSTEMS	GUARANTEES OF ORIGIN (GO)	19,586

08. OTHER EMISSIONS

08 OTHER EMISSIONS

Within the commitment of CELSA Group™ companies to the preservation of the environment in which we operate, air quality is one of the most relevant aspects. Steel mills have the treatment systems required by environmental authorizations in order to minimise the environmental impact, prevent and control pollution associated with the atmospheric emission of pollutants.

The large facilities, regulated through an Integrated Environmental Authorization, comply with the Best Available Techniques for the prevention, treatment and control of pollution and based on these the environmental authorities have defined the atmospheric emission limits. In addition, we carry out periodic control measures to supervise and control its correct functioning and compliance with our limit values, which has so far been satisfactory.

MASS CHARGING

	UNITS	2021
DUST EMISSION *	Kg	69,205
MERCURY EMISSION Hg	Kg	224
NOx [EMISSION REF O_2 3%]	Kg	1,272,948
CO [EMISSION REF O_2 3%]	Kg	6,831,204
SOx [EMISSION REF O_2 3%]	Kg	7,916
DIOXIN EMISSION	g	3

* Dust (particulate matter) emitted by contamination sources at the end of the pipe.

TOTAL

	MASS CHARGING IN 2021 (Kg)
MEASUREMENT OF DUST FROM DIFFUSE EMISSIONS	636,000

09. COMMITTED TO PEOPLE AND SOCIETY

09 COMMITTED TO PEOPLE AND SOCIETY

Our team is fundamental to our sustainability. Our commitment to people and society is total. Human quality, enthusiasm for undertaking new projects, passion for what we do, perseverance and nonconformity set out our path. We respect the culture of the countries and territories where we operate.

Our professionals are not only the driving force that keeps us alive, but an essential part of our history and identity. We know that a good working environment is essential for the future of a company. We are committed to providing a safe and healthy work environment for everyone who works with us. The main priorities and concerns of CELSA Group™ in relation to people are safety and health, talent attraction and retention, commitment and alignment with values, ethics and professional development. We are proud to say that our people are committed to what they do, and respect others and their environment.

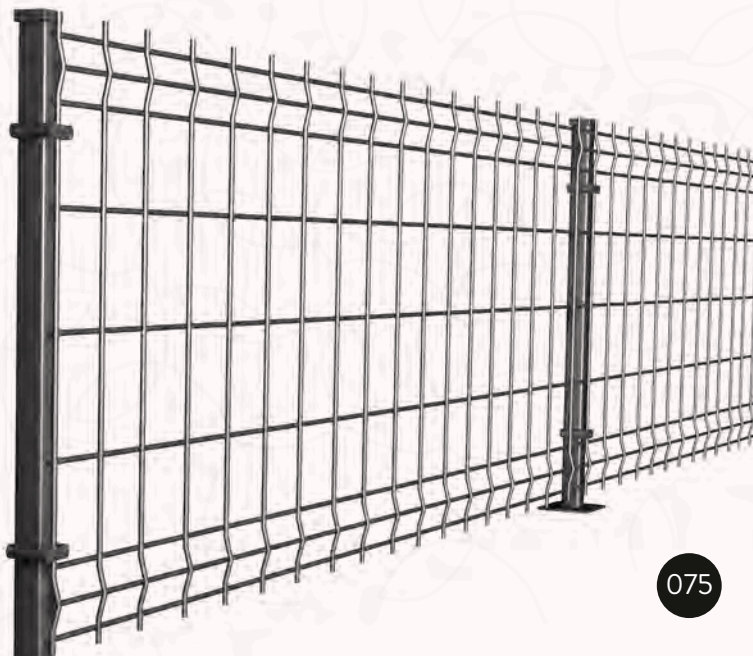
We act with full respect for the local cultures of the countries and territories where we operate. We are committed to responsible supply chains and encourage communication with all stakeholders to achieve a sustainable and beneficial activity for society.

Diversity is an inseparable part of our corporate culture. We do not discriminate on the basis of sex, race, ideology, nationality, religion or sexual orientation, or any other personal, physical or social condition, as set out in the Group's Code of Ethics and Professional Conduct. We believe in people, in their capabilities and in their values.

Our Social Policies reflect the company's commitment to safety and health, talent and diversity, especially around our employees and other stakeholders with whom we interact directly or indirectly. The implementation of our Social Policies has enabled us to develop different management systems certified by independent third parties in health and safety-related matters. Chief among these policies are those related to diversity and the prevention of harassment in the workplace.

Our main production plants are ISO 45001 certified. These are the reference standards that establish the requirements of excellence to be met by Occupational Health and Safety management systems in companies. Introducing them makes it possible to prevent risks, identify hazards and implement the necessary control measures in the workplace to try to avoid accidents. Regular audits allow for continuous monitoring and improvement of safety and health performance in the workplace, ensuring a process of continuous improvement in the organisation.

We respect the fundamental conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining for our own employees and subcontracted employees performing activities at the company's facilities. In 2021, the percentage of employees covered by collective bargaining agreements was 75%.



09.01. HEALTH AND SAFETY

The health and safety of all those who work at our facilities is our first priority.

We focus all our efforts on integrating safety and health as an essential part of our daily management.

One of CELSA Group's™ main commitments is to create a safe and healthy working environment for all our employees.

This commitment extends to all those people who do not form part of the organisation, such as: suppliers, contractors, customers, visitors or the community of neighbours who live in our surroundings.

We work based on the Shared Safety Principles:

- All occupational accidents and diseases can and should be prevented.
- Managers are responsible and accountable for safety and health performance.
- Employee engagement and training is essential.
- Excellence in safety and health will lead to excellent business results.
- Health and safety are integrated into all business management processes.

We have a **Health and Safety Policy** and are an active member of the World Steel Association and, as such, have adopted its health and safety principles.

Over recent years, we have made great efforts to implement, maintain and improve programs aimed at achieving a safe and healthy working environment for all our employees, both internal and external. During the year 2021, we have had 142 occupational accidents of our own employees and subcontractors, with a frequency with leave rate of 6.71. CELSA Group™ will continue to put the main focus on health and safety until we achieve the goal of Zero Accidents, and become an interdependent group, where we all believe in the value of our safety and that of our colleagues

OUR GOAL IS TO ACHIEVE ZERO ACCIDENTS

HEALTH & SAFETY AND OCCUPATIONAL PROGRAMMES

The legal requirements for occupational risk prevention include risk assessment and the corresponding planning of measures, health and safety information and training, emergency response planning, accident investigation, health surveillance, and the management of personal protective equipment, among others.
CELSA Group™ has combined its Occupational Health and Safety Management System with a series of programs to advance towards the goal of Zero Accidents, including the following:

- **Felt leadership**
  In addition to training to lead by example, all managers keep their Personal Safety Action Plan up to date and visible.

- **Corporate Health and Safety Standards.**
  Our standards are the cornerstone of the model. These include work at heights, operations with cranes and auxiliary equipment, DECAP (De-energise, Tag, Lock, Secure and Test), forklifts and lifting platforms, work involving electrical risk, and entry into confined spaces, among others.

- **Safe and healthy work standardisation (SOP - Standard Operations Procedures)**
  To operate the facilities in the safest possible way, as well as the standards describing the specific health and safety measures to be applied during the work.

- **Reporting and investigation of accidents and incidents**
  Both those related to our own personnel as well as the personnel of contracted companies, identifying the causes in order to implement action plans to avoid their repetition. In 2021, 11,056 incidents were reported internally.

- **Risk Correction Cards**
  Based on detecting situations that may endanger safety or health and the reporting to trigger corrective actions. In 2021, 22.019 potentially risky situations were reported.

- **Preventive Safety Observations**
  These actions are aimed at reinforcing positive behaviours and correcting unsafe acts and conditions through dialogue with people. All levels of professionals and managers and the staff of collaborating companies participate. **During 2021, 33,599 Preventive Safety Observations were carried out in the normal course of work, a figure that represents an increase of 30% over to those carried out in 2020, thanks to the momentum of this program across the entire group.**

- **5s Programme**
  In terms of housekeeping, we involve everyone in keeping the workplace in optimal conditions of order and cleanliness to increase efficiency and achieve a safer and healthier environment.

- **Work permits**
  Before a contracting company is authorised to begin assigned work, health and safety conditions are verified and general work permits or specific permits are issued for crane operations, use of elevating platforms, work on high-voltage installations and access to confined spaces.

- **Take 5**
  This is an awareness programme for all personnel involved in industrial operations, which emphasises the importance of taking a few minutes to think before starting on those key aspects that must be kept under control when performing a new task in a safe and healthy manner.

- **Second Party Audits**
  Cross corporate audits are regularly carried out between the different plants to verify that the industrial facility and health and safety management systems are in place, are effective in preventing accidents and incidents at work and comply with legal requirements and CELSA Group™ policies.

EMPLOYEES UNDER AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	
PERCENTAGE OF CELSA Group™ COMPANIES CERTIFIED WITH A HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSAS 18001 OR ISO 45001)	73%
PERCENTAGE OF EMPLOYEES UNDER A HEALTH AND SAFETY MANAGEMENT SYSTEM. (OHSAS 18001 OR ISO 45001)	88%

Some of our facilities, because they are very small or do not have productive operations, have not considered it necessary to implement an occupational health and safety management system. However, the vast majority of our employees are covered by this certification. To evaluate the performance of our occupational health and safety

improvement programmes and actions, we monitor the following indicators. In addition, work centres that for years have been free of lost-time accidents are monitored and internally recognised.

ACCIDENT RATE

	OWN EMPLOYEES	SUBCONTRACTED WORKERS
NUMBER OF DEATHS RESULTING FROM AN OCCUPATIONAL ACCIDENT INJURY	0	0
NUMBER OF OCCUPATIONAL ACCIDENTS WITH MAJOR CONSEQUENCES (EXCLUDING FATALITIES)	1	1
NUMBER OF RECORDABLE OCCUPATIONAL ACCIDENTS	94	48
RATE OF DEATHS RESULTING FROM AN OCCUPATIONAL ACCIDENT	0	0
FREQUENCY RATE FOR OCCUPATIONAL ACCIDENTS WITH MAJOR CONSEQUENCES (EXCLUDING FATALITIES)	0,07	0,014
FREQUENCY RATE FOR RECORDABLE OCCUPATIONAL ACCIDENTS	6,79	6,57
SEVERITY RATE FOR RECORDABLE OCCUPATIONAL ACCIDENTS	0,29	0,28

CASES OF OCCUPATIONAL DISEASES AND ILLNESSES OF OWN EMPLOYEES

NUMBER OF DEATHS RESULTING FROM OCCUPATIONAL ILLNESS OR DISEASE	0
NUMBER OF CASES OF RECORDABLE OCCUPATIONAL ILLNESSES AND DISEASES	5

CASES OF OCCUPATIONAL DISEASES AND ILLNESSES OF SUBCONTRACTED EMPLOYEES

NUMBER OF DEATHS RESULTING FROM OCCUPATIONAL ILLNESS OR DISEASE	0
NUMBER OF CASES OF RECORDABLE OCCUPATIONAL ILLNESSES AND DISEASES*	0

*Recordable data in Spain and France.

09.02. WE CARE ABOUT OUR PEOPLE

WE ARE COMMITTED TO OUR TEAM

Having overcome the most difficult period brought about by the COVID-19 pandemic, which forced the CELSA Group™ to apply extraordinary preventative and protective measures for its employees at its centres and affected labour and employment stability around the world, in 2021 the Group focused its efforts on recovery and attending to its internal stakeholders in order to return to normal activity.

Nevertheless, the labour flexibility measures stipulated by the respective national legislations and agreed to with the participation and consensus of trade union representatives remained in force, in all cases avoiding judicial or administrative claims. The aim was to enable the temporary adjustment of activity in accordance with the evolving health and economic situation, while also addressing the changes in legislation established by the governments to safeguard employment. These measures were put in place to prioritise the preservation of employment over the termination of contracts and to prevent dismissals or definitive contract terminations, opting instead for the suspension or reduction of activity.

STABLE AND QUALITY EMPLOYMENT

At the end of 2021, CELSA Group™ professionals had an average length of service of around 12 years, which proves the job stability and long-term career development of professionals who join the company mostly at the end of their studies. Meanwhile, voluntary turnover rates in 2021 stood at 5.5%.

The total number of absenteeism hours, understood as any absence from work during 2021, was 795,749. The absenteeism rate, expressed as a percentage of absenteeism hours, was 5.72% in 2021.

GENDER	AGE	TOTAL NUMBER OF EMPLOYMENT CONTRACTS TERMINATED*	NUMBER OF EMPLOYMENT CONTRACTS TERMINATED BY MUTUAL AGREEMENT OR BY THE EMPLOYEE	TOTAL NUMBER OF NEW EMPLOYEE RECRUITMENTS**
♀	Under 35 years	92	37	125
	Between 36 and 50 years	79	28	97
	Over 50 years	22	11	18
♂	Under 35 years	533	139	711
	Between 36 and 50 years	438	129	518
	Over 50 years	207	87	129
TOTAL		1,371	431	1,598

*Includes terminations of temporary staff who were hired on several occasions during the year as replacements due to the sick leave or absenteeism of professionals with the right to reserve their jobs (illness, leave, holidays, etc.) or due to production peaks.
**Includes temporary new recruitments who were hired as replacements due to the sick leave or absenteeism of professionals with the right to reserve their jobs (illness, leave, holidays, etc.) or due to production peaks.

NEW HIRES OF EMPLOYEES AND PERSONNEL ROTATION BY GENDER AND AGE

GENDER	STAFF TURNOVER RATE*	VOLUNTARY STAFF TURNOVER RATE	NEW EMPLOYEE RECRUITMENT RATE**
♀	21.8%	8.6%	27.1%
♂	17.1%	5.2%	19.7%
TOTAL	17.6%	5.5%	20.5%

At the CELSA Group™, we are committed to our employees. Their opinion is one of the key tools to identifying areas for improvement within the Group, thereby improving the satisfaction and commitment of our professionals.

The good working environment and level of commitment are measured in an Engagement Survey that evaluates 14 critical aspects.

This survey is conducted each year, except for the years in which the Global Climate Survey is performed.

In its last edition (2020), the Engagement Survey resulted in a score of 3.94 out of 5, which means that the professionals are working in harmony with the business plan, feel a deep connection to the company and are keenly focused on innovation and the future.

During 2021, we have been working to improve the engagement of our professionals, though a detailed action plan which has been implemented in a 90%.

In 2021, we conducted the Global Climate Survey, which is usually run once every three years. This survey gives us an idea of the degree of employee satisfaction, allows us to listen to our teams and hence continue to develop a and high-quality work environment. With a participation rate of 67%, the survey results show an overall improvement in comparison with the previous edition (2018). The result of this survey was a score of 3.6 out of 5.

The CELSA Group™ commitment to talent and professionalism involves guaranteeing salary levels that are consistent with the importance of the positions held by our professionals and their

levels of commitment and training. To this end, we use objective job description and assessment systems that comply with highly regarded international guidelines, such as the Korn Ferry Hay Method.

The Recruitment and Selection process (RISES) also uses this classification system for the pre-selection of internal and external candidates, thus guaranteeing equal opportunity and non-discrimination. Each year, the salary terms of our employees are reviewed in accordance with union-agreed terms in accordance with the objective performance assessment and goal achievement criteria.

We are particularly vigilant about upholding our equal pay and remuneration policies. For this reason, we have an Appointments and Compensation Committee that works to guarantee the smooth operation of the entire system and its periodic review and updating.

PROFESSIONAL GROWTH AND TRAINING

CELSA Group™ takes care of its professionals and promotes their personal and professional development.

With this goal, we are currently drafting a Training Policy to formalise this commitment.

More than half of the growth vacancies are filled through internal recruitment, being the team manager positions above 80% of the vacances filled with internal promotions.

INTERNAL PROMOTION IS A KEY ELEMENT FOR CELSA Group™

This does not prevent us, when it comes to recruiting external talent, from hiring professionals who can be trained within the Group and grow professionally with us.

JOBS FILLED INTERNALLY BY CATEGORY	
TEAM MANAGERS	82%
QUALIFIED TECHNICAL AND ADMINISTRATIVE STAFF	46%
OPERATIONAL AND ADMINISTRATIVE STAFF	30%
TOTAL	35%

We value very positively the work and initiatives of our people and we do so through different internal recognitions such as the **Innova Awards or the Francisco Rubiralta Awards.**

TRAINING IS ONE OF OUR FUNDAMENTAL PILLARS

Aware that a well-trained team allows us to face all challenges and demands with maximum guarantees, CELSA Group™ has a wide range of high-level plans for the professional development of its employees.

CELSA Group™ prepares its professionals to have management autonomy and lead their own professional development, identifying and strengthening individual competencies.

In this sense, we have implemented the Professional Development Integrated System (PDIS), a tool designed to manage people's talent, and the Learning Management System (LMS), to continuously train the professionals through self-development and the development of others, to ensure the growth of future leaders. The four processes that make up the People Development Integrated System (PDIS) are:

- **Performance Management**
- **Career Management**
- **Talent Management and Succession Planning**
- **Total Goal Management**

For additional information regarding our talent management system see Annex 11.04.

PERCENTAGE OF EMPLOYEES THAT RECEIVED PERIODIC EVALUATIONS OF THEIR PERFORMANCE AND PROFESSIONAL DEVELOPMENT IN 2021 / AVERAGE TRAINING HOURS PER EMPLOYEE

GENDER	PROFESSIONAL CATEGORY	NUMBER OF EMPLOYEES THAT RECEIVED PERIODIC EVALUATIONS OF THEIR PERFORMANCE AND PROFESSIONAL DEVELOPMENT	AVERAGE TRAINING HOURS PER EMPLOYEE*
♀	Team Managers	98	30.57
	Qualified technical and administrative personnel	248	34.18
	Operational and Administrative Staff	146	35.34
♂	Team Managers	393	26.55
	Qualified technical and administrative personnel	615	36.14
	Operational and Administrative Staff	1,370	32.87
TOTAL		2,870	33.15

TRAINING AND CONTINUING EDUCATION ACTIVITIES IN 2021

NUMBER OF EMPLOYEES WHO HAVE PARTICIPATED IN TRAINING AND CONTINUING EDUCATION ACTIVITIES IN 2021*	5,157
% OF EMPLOYEES WHO HAVE PARTICIPATED IN TRAINING AND CONTINUING EDUCATION ACTIVITIES*	66%

* Denmark and Sweden not included.

* Average training hours per employee obtained dividing the total number of training hours by the total number of professionals that did the training.

SPENDING ON TRAINING AND CONTINUING EDUCATION IN 2021	
SPENDING ON TRAINING AND CONTINUING EDUCATION (EUROS)	2,831,833

In financial year 2021, the average number of training hours recorded through the Learning Management System was 33.15 hours per employee. Other training, in the health and safety area, for example, is also provided, particularly for technical, operational and administrative staff, and is not yet recorded by this system.

DIVERSITY AND EQUALITY

CELSA Group™ operates in a sector in which women have traditionally been underrepresented. We have been implementing equality policies and action plans for many years, so this trend is reversing and the percentage of women in the company has been growing steadily.

Over the past five years, in the period from 2017 to 2021, there has been a 17% increase in the number of women in the company, while the total workforce has only increased by 7%. Areas as essential as the team of prevention technicians and the financial team already have a high percentage of women.

In global terms, CELSA Group™ has 11.4% women although in the support departments represent more than 50%. Specifically, in 2021, and in the support departments that provides global services to each of the operating units of the workforce, the average was 38% of the staff.

The target for the 2020-2030 period is to achieve a male/female ratio of 30% of the general workforce. In addition, growth objectives have been established for the different professional categories, considering the low turnover existing in the Group and the development and internal promotion policies for its professionals: Team Managers, 40%; Qualified Technical and Administrative Staff, 40%; Operational Staff, 25%; and General Staff, 30%.

THERE HAVE BEEN NO CASES OF DISCRIMINATION AT CELSA Group™ DURING 2021

CELSA Group™ has a reporting channel and specific action protocols against sexual harassment. During 2021, no human rights complaints were received, nor has any action been taken in relation to two potential cases of harassment in the work environment, which were completely ruled out once the investigations were completed.

ACCESSIBILITY FOR DIFFERENTLY-ABLED PEOPLE

The office facilities are designed to the needs of accessibility and use by people with disabilities. They are properly signposted and have access control rules and procedures in place.

Due to their nature, iron and steel production plants are not accessible to people with certain disabilities, which could significantly increase the risk of accidents.

With regard to employees with some type of disability, we comply with the provisions of Article 42 of Legislative Royal Decree 1/2013 of November 29, on job reservations for workers with disabilities. We do this through direct hiring or through collaboration with the Adecco Foundation for the integration into the labour market of people with disabilities in cases where there has been a declaration of exceptionality to the RD Legislative 1/2013. In 2021, we had 83 differently-abled employees in all the group*.

WORK-LIFE BALANCE AND DIGITAL DISCONNECTION

We respect the personal and family life of all employees and promote work-life balance policies that facilitate a better balance between family and work responsibilities for our professionals.

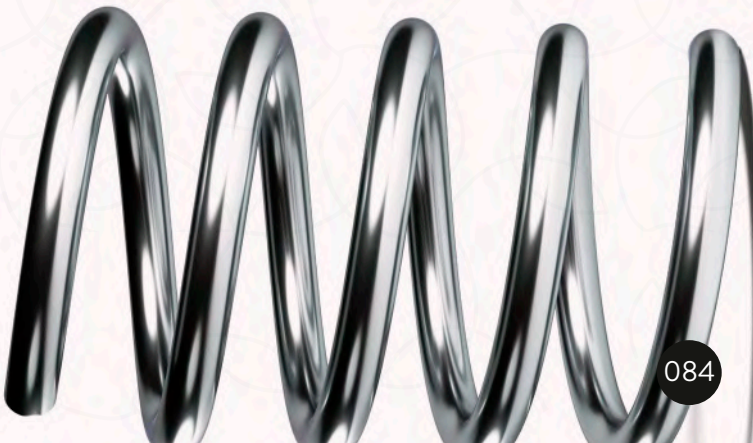
With respect to measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of this by both parents, the provisions on this matter contained in the different collective bargaining agreements are applicable, which also include improvements with respect to those established in the Workers' Statute.

In this regard, initiatives such as open days for families, the Child Safety Awards, the financial aid program for children's education and the inclusion of the work-life balance area in equality plans stand out.

In 2019 the Group began to establish policies on digital disconnection, for which it should be taken into account that the vast majority of the Group's professionals work in manufacturing facilities with shift work organisation that significantly, and naturally, facilitates digital disconnection.

INTERNATIONAL MOBILITY PROGRAMS

This is a program aimed at facilitating the opportunity for CELSA Group™ professionals to access local or international positions in other work centres of the Group. It is aimed at those who want to develop themselves to access positions of greater responsibility in a different cultural environment that allows them to continue growing professionally. Currently, around 50 Group professionals are part of the Global Mobility Program.



* Not included UK and Sweden professionals

RECOGNITION PROGRAMMES

For CELSA Group™, recognition is a fundamental aspect and an opportunity to value all those initiatives and behaviours that make the Group a better place. The awards allow us to recognised the efforts of people and value those ideas that have had a direct impact on the Group and have helped us grow in our day-to-day activities.

VALUES Awards by CELSA GROUP™ 2021

CELSA Group™ VALUES AWARDS

Recognise those professionals who stand out on a daily basis in the application of the Group values.

Francisco Rubiralta Awards by CELSA GROUP™ 2021

FRANCISCO RUBIRALTA AWARDS

In commemoration of the founder's name, the Francisco Rubiralta Awards recognise those professionals and teams who, through their extraordinary efforts, have implemented a project or initiative that has been decisive for the Group's results.

Child Safety & Environment Awards by CELSA GROUP™ 2021

CHILD SAFETY AWARDS

Awards that promote the idea that in CELSA Group nothing is more important than people's safety . The childreon of our professionals draw a picture of how their parents should protect themselves in their daily lives.

IN SAFETY OUR GOAL IS ZERO by CELSA GROUP ™

CELSA Group™ SAFETY AWARDS

Reward good work practices and efforts to maintain a safe and incident-free environment.

LENGTH OF SERVICE AWARDS

An initiative that rewards the loyalty of professionals based on their permanence in the company.

09.03. COMMITTED TO THE COMMUNITY

The business activity of CELSA Group™ -through direct and indirect hiring of people-, the purchase of products and transportation, as well as sponsorships, promotes the local economies of the territories where it is present and operates.

WE CARE ABOUT THE COMMUNITY OF PEOPLE WHO LIVE WHERE WE WORK. OUR ROOTS NURTURE OUR GROWTH BY KEEPING US FAITHFUL TO OUR ORIGINS

CELSA Group™ acts with full respect for the local cultures of the countries and communities where it operates, contributing to their development in order to achieve a sustainable and beneficial activity for society.

It is firmly committed to promoting training projects that result in the personal and professional development, not only of the people who make up the organisation but also of the students who aspire to be part of it in the future.

NUMBER OF LOCAL COMMUNITY DEVELOPMENT PROGRAMMES BASED ON THE NEEDS OF LOCAL COMMUNITIES	53
SPENDING ON LOCAL COMMUNITY DEVELOPMENT PROJECTS OR PROGRAMS BASED ON THE NEEDS OF LOCAL COMMUNITIES (EUROS)	428,306

PREVENTION OF POSSIBLE SOIL AND GROUNDWATER CONTAMINATION

CELSA Group™ carries out actions to prevent the possible contamination of soil and groundwater derived from its operations, such as ground sealing by paving and maintenance of the areas where industrial activity is carried out in all its plants. In addition, all locations have adequate storage facilities for both waste and chemical products to ensure safe handling for workers and prevent soil contamination - waterproofed and covered surfaces, leak collection systems, retention basins, etc. - and many of them have a network of wells and piezometers to monitor the state of the groundwater and ensure the absence of soil contamination.

PREVENTION OF NOISE POLLUTION

The group takes precautions to ensure that its activity does not generate discomfort in the neighbouring communities where it operates, ensuring that it does not emit noise above technically feasible levels outside its plants. It performs acoustic impact studies and noise maps that serve to define the actions and investments necessary to shield and absorb the noise associated with industrial activity wherever it is required.

Thanks to these measures CELSA Group™ has managed to reduce the noise level in the plants in recent years.

NUMBER OF COMPLAINTS IN 2021	
NOISE COMPLAINTS	226
OTHER COMPLAINTS	456
TOTAL COMPLAINTS 2021	682

SIGNIFICANT FINES AND NON-MONETARY PENALTIES FOR NONCOMPLIANCE WITH ENVIRONMENTAL LAWS AND/OR REGULATIONS IN 2021	
TOTAL MONETARY VALUE OF SIGNIFICANT FINES (EUROS)	30,855
TOTAL NUMBER OF NON-MONETARY SANCTIONS	0
CASES SUBJECT TO DISPUTE RESOLUTION MECHANISMS	0

OUR SUPPLIERS

CELSA Group™ is a driver of the local economy in the communities where it does business. It mostly (75%) buys from local suppliers. In 2021 CELSA Group™ made purchases worth 3,758 million euros from local suppliers in various sectors to carry on its business.

Over the years, the long-term relationship between CELSA Group™ and its network of suppliers has made it possible to overcome complex situations such as the one caused by the COVID-19 pandemic in 2020.

Below is the data on purchases from local suppliers in 2021 for each country, with local being understood as those suppliers that are located in the same country:

	SPAIN	FRANCE	NORWAY	SWEDEN	FINLAND	DENMARK	UK	POLAND
TOTAL BUDGET OF ACQUISITIONS INVESTED IN LOCAL SUPPLIERS (EUROS)	1,895,386,987	265,881,794	262,519,515	37,134,683	13,685,421	5,774,600	658,832,207	618,759,609
% OF BUDGET OF ACQUISITIONS INVESTED IN LOCAL SUPPLIERS	69%	72%	75%	87%	76%	81%	91%	86%

FINANCIAL DATA

2021 TAX INFORMATION BY COUNTRY - FINANCIAL DATA (THOUSANDS OF EUROS)

	SPAIN	FRANCE	NORWAY	SWEDEN	FINLAND	DENMARK	UK	POLAND	OTHER EU COUNTRIES
PROFIT/ LOSS BEFORE TAX	57,602,527	130,788	94,249,611	6,079,974	4,044,520	2,480,232	26,740,616	99,862,516	5,786,530
CORPORATE INCOME TAX PAID ON A CASH BASIS	4,661,566	-	-	780	-	-	2,100,846	15,028,009	1,439,691
CORPORATE INCOME TAX ACCRUED ON PROFIT/LOSS	-8,728,412	-	5,435,798	1,382,984	668,739	102,872	213,955	2,891,731	32,637

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

	SPAIN	FRANCE	NORWAY	SWEDEN	FINLAND	DENMARK	UK	IRELAND	POLAND
DIRECT ECONOMIC VALUE GENERATED									
REVENUES	3.143.197	496.301	520.418	148.457	110.322	41.557	788.55	-	839.246
ECONOMIC VALUE DISTRIBUTED									
OPERATING COSTS	2.570.869	474.423	402.297	121.971	93.264	42.655	664.152	-	629.189
EMPLOYEE WAGES AND BENEFITS	229.556	14.249	44.153	15.119	9.812	6.581	66.240	-	39.270
PAYMENTS TO PROVIDERS OF CAPITAL	69.696	3.947	6.743	-	4.192	-	7.900	-	20.119
PAYMENTS TO GOVERNMENT	93.259	7.546	16.228	7.413	3.054	2.255	22.555	61	18.067
ECONOMIC VALUE RETAINED									
'DIRECT ECONOMIC VALUE GENERATED' LESS 'ECONOMIC VALUE DISTRIBUTED'	179.817	-3.864	50.998	3.953	3.054	-9.935	27.708	-61	132.601

10. ABOUT THE REPORT

10 ABOUT THE REPORT

10.01. SCOPE OF THE REPORT

This CELSA Group™ Sustainability Report covers the period from January 1 to December 31, 2021. The scope of the information in the report corresponds to the activity of the forty-five companies that make up the CELSA Group™, located in Spain, France, Norway, Sweden, Denmark, Finland, the United Kingdom, Ireland, and Poland. Below is a list of all the companies that operate under the CELSA Group™ brand:

BARNA STEEL, S.A.	CELSA (WALES) LTD
COMPAÑÍA ESPAÑOLA DE LAMINACIÓN, S.L.U.	CELSA STEEL SERVICE (UK) LTD
FERIMET, S.L.U.	BRC (UK) LTD
ACEROS PARA LA CONSTRUCCIÓN, S.A.U.	EXPRESS REINFORCEMENTS LTD.
NERVACERO, S.A.	BRC MCMAHON REINFORCEMENTS LTD.
CELSA ATLANTIC, S.L.	WIRE MESH LTD.
GLOBAL STEEL WIRE, S.A.	BAT METALWORK LTD.
MOREDA RIVIERE TREFILERÍAS, S.A.	HIGH MAPPLE LTD.
GLOBAL SPECIAL STEL PRODUCTS S.A.	GALTEE VALLEY ENTERPRISE PARK LTD.
PROTEK PLUS S.A.	ROM GROUP LTD.
CORCATINSER, S.L.U.	ROM LTD.
EUROPEAN SUPPLY CHAIN SERVICES, S.L.U	ROMTECH LTD.
CELSA FRANCE SAS	RFA-TECH LTD.
CELSA NORDIC AS	RFA (PENISTONSE) LIMITED
CELSA NORDIC REINFORCING AS	RFA SYSTEMS LTD.
CELSA ARMERINGSTAL AS	RFA MANUFACTURING LTD.
CELSA STEEL SERVICE AS	CELSA POLSKA HOLDING SP. Z O.O.
CELSA STEEL SERVICE AB	CELSA HUTA OSTROWIEC HOLDING SP. Z O.O.
CELSA NORDIC RECYCLING AB	STAL SERVICE SP. Z O.O.
CELSA STEEL SERVICE A/S	CELSA HUTA OSTROWIEC SP. Z O.O.
CELSA STEEL SERVICE OY	
RAUDOITUSLIIKE RISTO HAAKI OY	
CELSA (UK) HOLDINGS LTD	
CELSA MANUFACTURING (UK) LTD	
CELSA STEEL (UK) LTD	

10.02. REPORT ELABORATION PRINCIPLES

For the preparation of this report, we have had the direct participation of key people from different management areas of CELSA Group™ who have provided information related to the different aspects included in it. Thus, it 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 the report:

- **Global Reporting Initiative Standards Guide (GRI Standards) in the essential compliance option.**
- **Accountability AA1000SES standard for materiality analysis.**
- **Sustainability Accounting Standards Board (SASB).**

The CELSA Group™ Circularity and Sustainability Report 2021 complies with the following principles for determining the content of this type of document, as defined in the GRI standards:

- **Participation of stakeholders**

For the preparation of the Sustainability Report, 14 internal stakeholders and 4 external stakeholders were analysed as part of the materiality analysis. Internal stakeholders were represented by members of the various CELSA Group™companies in charge of management and members of the Works Council. External agents were part of other stakeholder groups, such as suppliers, the public administration, and representatives of society.

- **Sustainability context**

In identifying the different sustainability issues relevant to our organisation, we have taken into account the benchmarking developed for this purpose, as well as the perspective of the SDGs. During this process, companies in the sector and international sustainability initiatives were analysed to learn about the sustainability context of our company and take it into account in the preparation of this document.

- **Materiality**

The materiality analysis, in accordance with GRI standards and considering the AccountAbility's AA1000SES standard, has been considered in the preparation of this report.

- **Completeness**

Within the framework of the management systems implemented in terms of quality (ISO 9001), the environment (ISO 14001), energy management (ISO 50001) and health and safety (ISO 45001), CELSA Group™ has defined a series of indicators monitoring, both absolute and relative, in order to track how their organisations behaviour has evolved over time and analyse the effect of the actions implemented, as well as to compare this information with other companies in the sector. In addition, employee data and indicators have been taken into account and are also monitored.

On the other hand, the data provided are accurate, have been externally verified and are used to monitor the management of the various sustainability issues relevant to the CELSA Group™, which are reflected in the report. Likewise, in some aspects we have presented the information in such a way that it is possible to compare the data with the rest of the sector, choosing specific indicators for this purpose.

11. ANNEXES

11 ANNEXES

11.01. MATERIALITY ANALYSIS

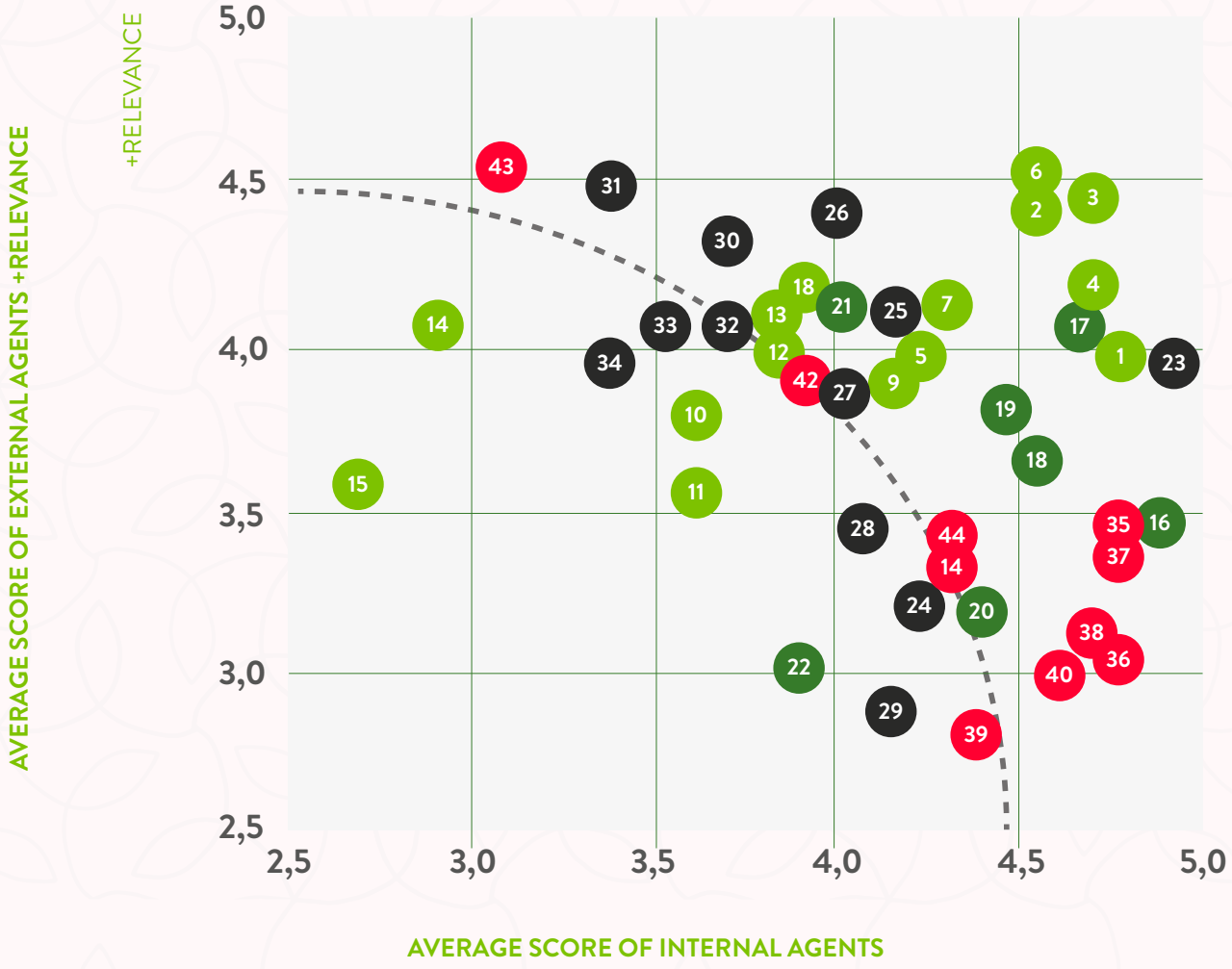
Our sustainability strategy and the improvements we have implemented so far concerning environmental, social, and economic sustainability stem from our materiality analysis, in which we identify the most relevant aspects for the CELSA Group™ and our stakeholders.

For this analysis, a list of potentially relevant topics for the group's activity was drawn up based on documents and other issues considered to be of significance to the organisation, plus an analysis of the sector and a review of developments from different media.

These aspects were prioritised, taking into consideration the stakeholder perspective (external) and the corporate perspective (internal), which assign a score to the sustainability issues identified in accordance with their respective degree of importance.

Based on the results presented, 44 material factors were selected.

MATERIALITY FACTOR MATRIX



MATERIAL FACTORS

1 Energy efficiency
2 Fostering circular economy
3 Recycling, recovery and proper waste management
4 Management and reduction of air emission
5 Consumption of resources and responsibility in using materials
6 Environmental compliance
7 Prevention and management of environmental incidents
8 Noise management
9 Land use and contamination
12 Responsible use of water
13 Innovation for sustainability
16 Fraud prevention
17 Compliance with the regulations
18 Risk management
19 Business Ethics/ Code of Conduct
20 Group's reputation and image
21 Corporate Governance and transparency
23 Occupational health and safety
25 Commitment to gender equality
26 Communication with social partners
27 Commitment to equal opportunity
30 Alignment with stakeholders
31 Engagement with local communities
32 Work-life balance
35 Creation of economic value
36 Product quality
37 Production optimization
38 Business management
40 Sales capacity
41 Application of Best Available Techniques (BAT)
42 Investment in innovation
43 Development of the local economy
44 Customer care and satisfaction

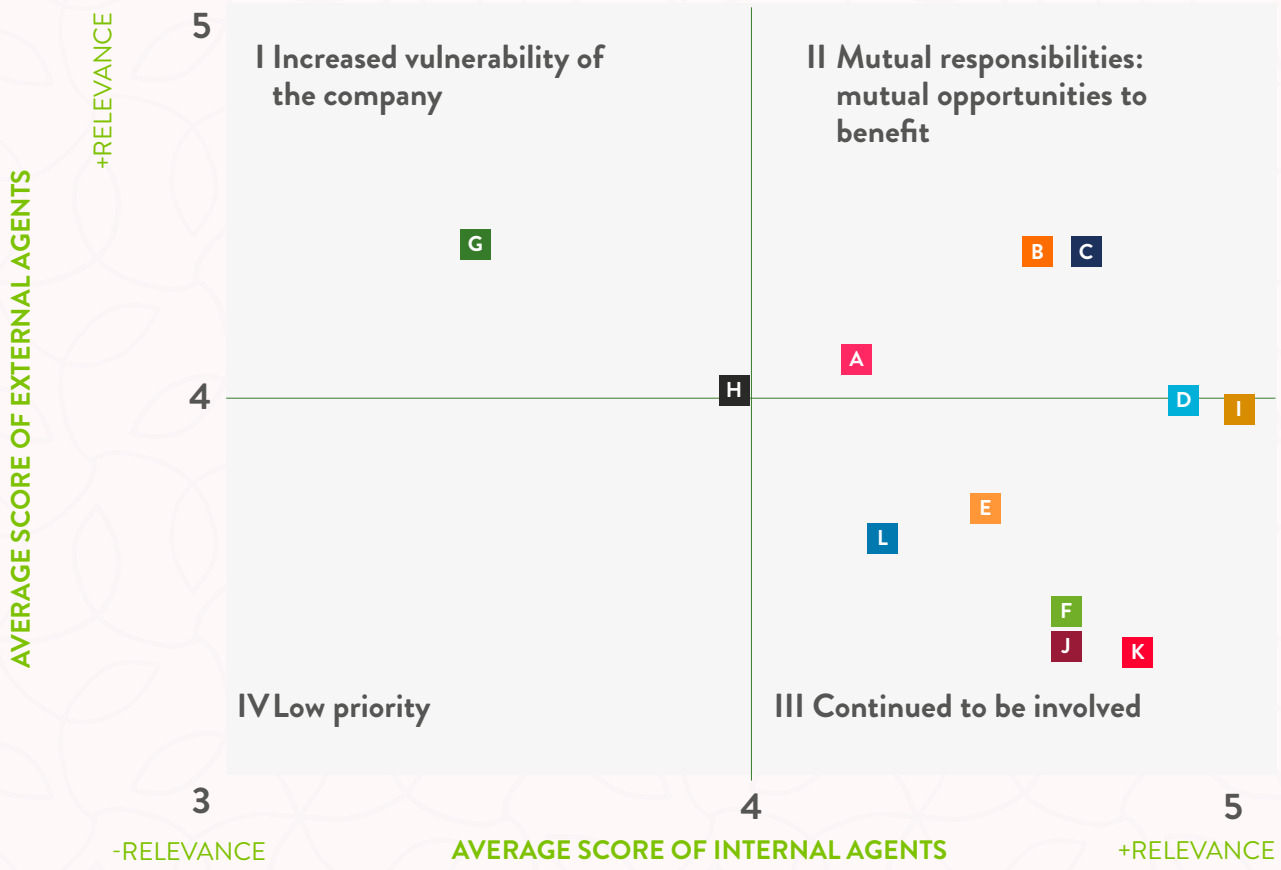
This matrix is built based on two axis planks which distribute the importance afforded by internal and external agents, the latter weighted in accordance with its level of importance.

Topics with a medium and/or high priority in both areas were considered relevant, i.e. material.

The results obtained underwent a validation phase with the company's management team.

The 44 material factors were aggregated into 12 different impact categories for the group, thus forming the key materiality issues of the CELSA Group™.

MATRIX OF KEY MATERIALITY ISSUES



KEY MATERIALITY ISSUES

		FACTORS
A	Environmental externalities	4 7 8 9 12
B	Waste and materials management	2 3 5
C	Reliability	6 17
D	Energy Efficiency	1
E	Ethics, transparency and fraud prevention	16 19 21
F	Reputation, business and risk management	18 20 38
G	Relationship with the environment	26 30 31 43
H	Work-life balance and equal opportunities	25 27 32
I	Occupational health and safety	23
J	Product quality and customer satisfaction	36 44
K	Creation of economic value and sales capacity	35 40
L	Product and process innovation	13 37 41 42

11.02 TAXONOMY INDICATORS

INDICATOR DESCRIPTION

- **TURNOVER**

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

Specifically, in the case of CELSA Group™, the denominator corresponds to the net amount of the turnover of the accounts for the 2021 financial year. The numerator corresponds to the net amount of the turnover of the activities that we have considered as eligible in the Taxonomy.

- **CAPEX**

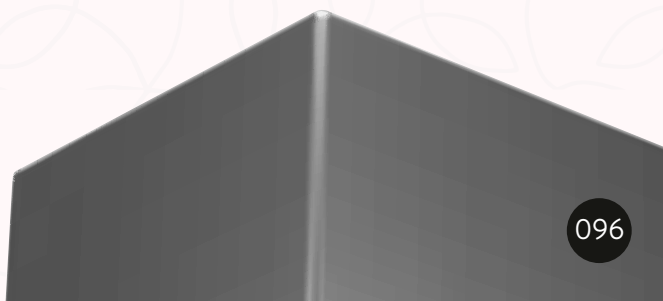
The proportion of Capex referred to in Article 8 (2) (b) of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator; the denominator being the additions to tangible and intangible assets during the financial year considered before depreciation, amortisation, and any new valuations, including those resulting from revaluations and impairments, for the relevant financial year, excluding changes in fair value. The denominator shall also include additions to tangible and intangible assets resulting from business combinations.

Specifically, in the case of CELSA Group™, the denominator corresponds to all the additions in cost in the 2021 financial year of tangible and intangible fixed assets, reflected in the fixed assets statements in the annual accounts. The numerator corresponds to the amount of the additions in cost in tangible fixed assets and intangible fixed assets of the activities that we have considered eligible in the Taxonomy.

- **OPEX**

The proportion of OpEx referred to in Article 8 (2) (b) of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator, including the non-capitalised direct costs related to research and development, building renovation action, short-term leases, maintenance and repairs, as well as other direct costs related to the daily maintenance of tangible fixed assets, by the company or a third party to whom activities are outsourced, and which are necessary to ensure the continued and effective functioning of those assets.

Specifically, in the case of CELSA Group™, the denominator corresponds to the operating expense accounts for the 2021 financial year 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.



INDICATORS OUTSIDE THE BARNA STEEL PERIMETER

CELSA NORDIC GROUP

	TURNOVER %	CAPEX %	OPEX %
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY			
STEEL MANUFACTURING	73.47%	74.65%	45.01%
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY			
OTHER ACTIVITIES	26.53%	25.35%	54.99%
TOTAL (A+B)	100.00%	100.00%	100.00%

CELSA POLAND GROUP

	TURNOVER %	CAPEX %	OPEX %
A. ELIGIBLE ACTIVITIES ACCORDING TO THE TAXONOMY			
STEEL MANUFACTURING	98.72%	99.04%	97.05%
B. ACTIVITIES NOT ELIGIBLE ACCORDING TO THE TAXONOMY			
OTHER ACTIVITIES	1.28%	0.96%	2.95%
TOTAL (A+B)	100.00%	100.00%	100.00%

NOTE: CELSA UK not evaluated since it is outside the EU.

NOTE: Information in this page not externally verified.

11.03. PROTOCOLS AND STANDARDS

CORPORATE STANDARDS AND PROCEDURES IN OCCUPATIONAL HEALTH AND SAFETY

ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT
RISK ASSESSMENTS
COMMUNICATION, REPORTING, CLASSIFICATION OF ACCIDENTS AND INCIDENTS
INVESTIGATION OF ACCIDENTS, OCCUPATIONAL DISEASES AND INCIDENTS
PREVENTIVE SAFETY OBSERVATIONS
EHS CORPORATE AUDITS
IDENTIFICATION, CHOICE, IMPLEMENTATION, USE AND CONTROL OF PERSONAL PROTECTIVE EQUIPMENT (PPE)
PROCEDURES FOR CRITICAL TASKS
APPROVAL FLOW FOR REACH SUBSTANCES
THINK FIRST

SECURE STORAGE
WATER IN ELECTRIC ARC FURNACE + EHS-MSS-02
PREVENTION OF EXPLOSIONS IN CLOSED CONTAINERS

GENERAL SAFETY
GENERAL SAFETY RULES
SAFETY BEACONING
WORK AT HEIGHT
SAFE ASSEMBLY AND USE OF SCAFFOLDING
PORTABLE LADDERS
PREVENTION OF SLIPS, TRIPS AND FALLS
HARNESSES AND LIFELINES
PEOPLE LIFTING PLATFORMS
USE OF LIFTING ELEMENTS
CRANE OPERATIONS
DECAP – DEPOWER, LABEL, LOCK, SECURE AND TEST
WORK PERMIT
EQUIPMENT GUARDS WITH MOVING PARTS
ENTRANCE TO CONFINED SPACES
HANDLING OF OCTOPUS CRANES AND TRUCKS WITH OCTOPUS CRANE
HEALTH AND SAFETY AUDIT PROTOCOL
WORK ON DECKS
INSPECTION OF RAILINGS, STAIRS, AND PLATFORMS

SAFE ROLLING MILL
SAFE REMOVAL OF COBBLES

ELECTRICITY
BASIC ELECTRICAL SAFETY STANDARDS
ENERGY LEVELS
WORK PERMIT IN HIGH VOLTAGE INSTALLATIONS
BASIC SAFETY REQUIREMENTS FOR WORK IN HIGH VOLTAGE INSTALLATIONS

CONTRACTOR SAFETY
CONTRACTOR SAFETY MANAGEMENT TOOL

LOGISTICS
UNLOADING OF TRUCKS
FORKLIFTS

PROCESS SAFETY
CHANGE MANAGEMENT

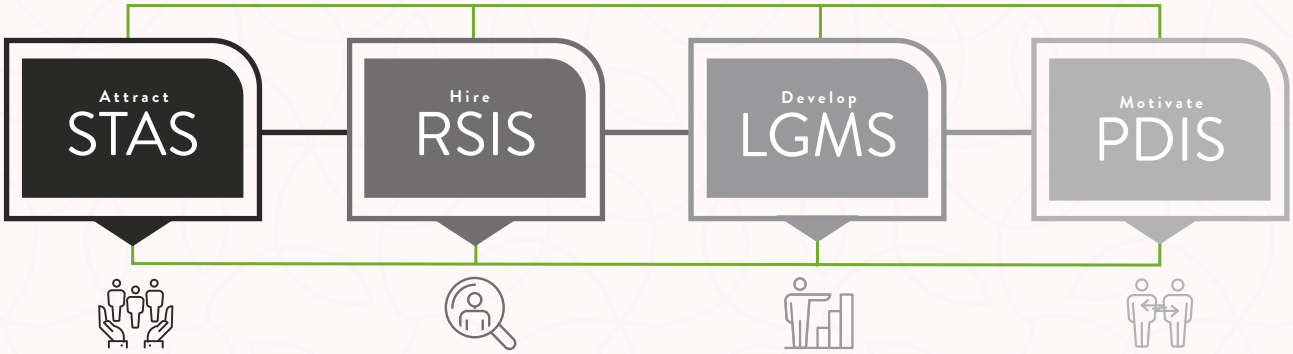
HEALTH SURVEILLANCE
HEALTH SURVEILLANCE PROTOCOL FOR WORK AT HEIGHT
HEALTH SURVEILLANCE PROTOCOL FOR WORK IN CONFINED SPACES

11.04. TALENT MANAGEMENT

CELSA Group™ has been building and improving the talent management model, based on recognising people as the main asset of the organisation and on values established from the beginning by our founder Francisco Rubiralta Vilaseca.

Talent management is fundamental, both for the development and personal satisfaction of our professionals, as well as to face present and future challenges. More than 1,500 professionals are university graduates, and more than 300 of them have a master's degree or doctorate.
Our talent management system is built on four key pillars: **Attract, Select, Engage and Develop**. There are also two support pillars, Compensate and Relate, which are applied uniformly in all work centres and are supported by the SAP-SuccessFactors IT platform, which enables comprehensive, standardised, and digitised management throughout the Group.

INTEGRATED PEOPLE DEVELOPMENT SYSTEM



- **ATTRACT**

The future needs of the organisation, identified in the Strategic Reflection process, are translated into the organisation's design and job descriptions. Each job description is associated with a position with specific skills or competencies. Within the scope of a given culture, the **company's brand** strategy is developed to attract the best potential talent with these skills, both internal and external, compatible with our culture.

- **HIRE**

In order to identify potential candidates, a recruitment and selection process is followed, after which the final candidate is ready to join CELSA's Culture. The selected person begins their career in the organisation with an onboarding process, during which they receive training on values, management rules, safety, key competencies and process standards to ensure that they will work safely and autonomously in their new role.

- **DEVELOP**

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).

- **MOTIVATE**

Bottom-up **feedback** is the performance management method for coaching and developing the necessary competencies. Each one is responsible for their own **professional development.** So that each professional can become their best version, goals are set, and performance based on these goals is evaluated as a group. Professionals receive feedback to learn more about their strengths and areas for improvement. At the same time, everyone can share their career aspirations with their manager and get advice on how to achieve them. These job aspirations will also better target the company's talent and succession needs.

12.
GRI TABLE OF CONTENTS

12 GRI TABLE OF CONTENTS

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 102 GENERAL DISCLOSURES 2016				
ORGANISATION PROFILE				
102-1	Name of the Organisation	CELSA Group		
102-2	Activities, brands, products, and services	22-27		
102-3	Location of headquarters	25		
102-4	Location of operations	25		
102-5	Ownership and legal form	16-19		
102-6	Markets served	26-27		
102-7	Scale of the organisation	20-22		
102-8	Information on employees and other workers	20-22	Principle 6	SGD 8
102-9	Supply chain	29		
102-10	Significant changes in the organisation and its supply chain	17-19		
102-11	Precautionary principle or approach	41-46		
102-12	External incentives	39		
102-13	Membership of associations	39		
STRATEGY				
102-14	Statement from senior decision-maker	4-5		
102-15	Key impacts, risks and opportunities	44-46		
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behavior	31-34, 36	Principle 10	
102-17	Mechanisms for advice and concerns about ethics	33-34	Principle 10	

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 102 GENERAL DISCLOSURES 2016				
GOVERNANCE				
102-18	Governance structure	16-19		
102-20	Executive-level responsability for economic, environmental and social topics	16-19		
102-21	Consulting stakeholders on economic, environmental and social topics	46-49, 93-95		
102-22	Composition of the highest governance body and its committees	16-19		
102-23	Chair of the higest governance body	4-5		
102-26	Role of the highest governance body in setting purpose, values and strategy	16-19		
STAKEHOLDER PARTICIPATION				
102-40	List of stakeholders groups	39, 47-49		
102-41	Collective bargaining agreements	75	Principle 3	SGD 8
102-42	Identifying and selecting stakeholders	46-48		
102-43	Approach to stakeholders engagement	39, 47-49		
102-44	Key topics and concerns raised	46, 93-95		
PRACTICES FOR REPORT DRAFTING				
102-45	Entities included in the consolidated financial statements	90		
102-46	Defining report content and topic boundaries	91		
102-47	List of material topics	46, 93-95		

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 102 GENERAL DISCLOSURES 2016				
PRACTICES FOR REPORT DRAFTING				
102-48	Restatement of information	91 This is the first Sustainability Report of CELSA Group™, therefore, there is no restatement of information with respect to previous Reports.		
102-49	Changes in reporting	91		
102-50	Reporting period	2021		
102-51	Date of most recent report	N/A		
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the report	www.celsagroup.com/contacta/		
102-54	Claims of reporting in accordance with the GRI standards	91		
102-55	GRI content index	102-112		
102-56	External assurance	113-114		
GRI 200 ECONOMIC ISSUES				
GRI 201: ECONOMIC PERFORMANCE 2016				
103-1	Explanation of the material topic and its Boundary	22-29		
103-2	The Management approach and components	22-29		
201-1	Direct economic value generated and distributed	88		SGD 8

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 200 ECONOMIC ISSUES				
GRI 203: INDIRECT ECONOMIC IMPACTS 2016				
103-1	Explanation of the material topic and its Boundary	14		
103-2	The management approach and its components	14		
203-2	Significant indirect economic impact	14		SGD 12
GRI 204: ACQUISITION PRACTICES 2016				
103-1	Explanation of the material topic and its Boundary	87		
103-2	The management approach and its components	87		
204-1	Proportion of spending on local suppliers	87		SGD 12
GRI 205: FIGHT AGAINST CORRUPTION 2016				
103-1	Explanation of the material topic and its Boundary	33, 34		
103-2	The Management approach and components	33, 34		
205-1	Operations assessed for risks related to corruption	33, 34	Principle 10	
205-2	Communication and training on anti-corruption policies and procedures	33, 34	Principle 10	
205-3	Confirmed incidents of corruption and actions taken	No corruption incidents identified in 2021	Principle 10	
GRI 207: TAXATION 2019				
207-4	Country-by-country reporting	88		

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 300 ENVIRONMENTAL ISSUES				
GRI 301: MATERIALS 2016				
103-1	Explanation of the material topic and its Boundary	57, 58		
103-2	The management approach and its components	57, 58		SDG 12, SDG 13
301-1	Materials used by weight or volume	59	Principles 7 and 8	SDG 12
301-2	Recycled input materials used	58	Principles 7 and 8	SDG 12
GRI 302: ENERGY 2016				
103-1	Explanation of the material topic and its Boundary	70, 71		
103-2	The management approach and its components	70, 71		
302-1	Energy consumption within the organisation	70, 71	Principles 7 and 8	
302-4	Reduction of energy consumption	70, 71	Principles 7 and 8	
GRI 303: WATER AND EFFLUENTS 2018				
103-1	Explanation of the material topic and its Boundary	64, 65		
103-2	The management approach and its components	64, 65		
303-2	Management of water discharge-related impacts	64, 65	Principle 8	
303-3	Water withdrawal	64, 65	Principle 7	
303-4	Water discharges	64, 65	Principle 8	
303-5	Water consumption	64, 65		
GRI 305: EMISSIONS 2016				
103-1	Explanation of the material topic and its Boundary	67-69, 73		
103-2	The management approach and its components	67-69, 73		SDG 7, SDG 13

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 300 ENVIRONMENTAL ISSUES				
GRI 305: EMISSIONS 2016				
305-1	Direct GHG emissions (scope 1)	67, 68, 11	Principles 7 and 8	SDG 13
305-2	Indirect GHG emissions (Scope 2)	67, 68, 11	Principles 7 and 8	SDG 13
305-3	Other indirect GHG emissions (scope 3)	67, 68, 11	Principles 7 and 8	SDG 13
305-4	GHG emissions intensity	69	Principles 7 and 8	SDG 13
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	73	Principles 7 and 8	SDG 13
GRI 306: WASTE 2020				
103-1	Explanation of the material topic and its Boundary	59, 60		
103-2	The management approach and its components	59, 60		SDG 12
306-1	Waste generation and significant waste-related impacts	59-61		SDG 12
306-2	Management of significant waste-related impacts	59, 60	Principle 8	SDG 12
306-3	Waste generated	61	Principle 8	SDG 12
306-4	Waste diverted from disposal	61		SDG 12
306-5	Waste directed to disposal	61		
GRI 307: ENVIRONMENTAL COMPLIANCE 2016				
103-1	Explanation of the material topic and its Boundary	86, 87		
103-2	The management approach and its components	86, 87		

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GRI 300 ENVIRONMENTAL ISSUES				
GRI 307: ENVIRONMENTAL COMPLIANCE 2016				
307-1	Non-compliance with environmental laws and regulations	87 In 2021 there was a significant fine. Outside of this, there have been no other significant fines or monetary penalties for non-compliance with environmental legislation or regulations because they are relevant to any of our stakeholders.		
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016				
103-1	Explanation of the material topic and its Boundary	34		
103-2	The management approach and its components	34		
308-2	Negative environmental impact in the supply chain and actions taken	34	Principle 8	
GRI 400 SOCIAL ISSUES				
GRI 401: EMPLOYMENT 2016				
103-1	Explanation of the material topic and its Boundary	75, 79-85		
103-2	The Management approach and components	75, 79-85		SDG 5
401-1	New employee hires and employee turnover	80	Principle 6	
GRI 403: OCCUPATIONAL HEALTH & SAFETY 2018				
103-1	Explanation of the material topic and its Boundary	76-78		
103-2	The management approach and its components	76-78		SDG 3

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 400 SOCIAL ISSUES				
GRI 403: OCCUPATIONAL HEALTH & SAFETY 2018				
403-1	Occupational health and safety management system	76-78		SDG 3
403-2	Hazard identification, risk assessment, and incident investigation	76-78		SDG 3
403-3	Occupational health services	76-78		SDG 3
403-6	Promotion of worker health	76-78		SDG 3
403-8	Workers covered by an occupational health and safety management system	77		SDG 3
403-9	Work-related injuries	78		SDG 3
403-10	Work-related ill health	78		SDG 3
GRI 404: TRAINING AND EDUCATION 2016				
103-1	Explanation of the material topic and its Boundary	81-83		
103-2	The management approach and its components	81-83		
404-1	Average hours of training per year per employee	82	Principle 6	
404-3	Percentage of employees receiving regular performance and career development reviews	82	Principle 6	SDG 8, SDG 12
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016				
103-1	Explanation of the material topic and its Boundary	83		
103-2	The management approach and its components	83		SDG 5
405-1	Diversity of governance bodies and employees	12, 20, 21, 83	Principle 6	

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 400 SOCIAL ISSUES				
GRI 406: NON-DISCRIMINATION 2016				
103-1	Explanation of the material topic and its Boundary	83		
103-2	The management approach and its components	83		
406-1	Incidents of discrimination and corrective action taken	83	Principle 6	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016				
103-1	Explanation of the material issue and its Boundary	75		
103-2	The management approach and its components	75		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	34	Principle 3	
GRI 408: CHILD LABOUR 2016				
103-1	Explanation of the material topic and its Boundary	33, 34		
103-2	The management approach and its components	33, 34		
408-1	Operations and suppliers at significant risk for incidents of child labor	87 Given that the vast majority of suppliers are either local or located in the European Union and countries in the European trading environment, the risk in terms of human rights, and in particular in, terms of child labour, is considered to be low.	Principle 5	

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 400 SOCIAL ISSUES				
GRI 409: FORCED OR COMPULSORY LABOUR 2016				
103-1	Explanation of the material topic and its Boundary	33, 34		
103-2	The management approach and its components	33, 34		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	87 Given that the vast majority of suppliers are local or located in the European Union and countries in the European trading environment, the risk in terms of human rights, and in particular in terms of forced labour, is considered to be low.	Principle 4	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016				
103-1	Explanation of the material topic and its Boundary	33, 34		
103-2	The management approach and its components	33, 34		
412-1	Operations that have been subjected to human rights reviews or impact assessments	33, 34	Principle 1	
GRI 413: LOCAL COMMUNITIES 2016				
103-1	Explanation of the material topic and its Boundary	86, 87		
103-2	The management approach and its components	86, 87		
413-1	Operations with local community engagement, impact assessments, and development programmes	86		
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016				
103-1	Explanation of the material topic and its Boundary	34		
103-2	The management approach and its components	34		

GRI STANDARD	CONTENTS	PAGE NUMBER OR DIRECT ANSWER	CORRELATION WITH THE GLOBAL COMPACT	CORRELATION WITH THE SDGS
GRI 400 SOCIAL ISSUES				
SUPPLIER SOCIAL ASSESSMENT 2016				
414-2	Negative social impacts in the supply chain and actions taken	34	Principle 2	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016				
103-1	Explanation of the material topic and its Boundary	37, 38		
103-2	The management approach and its components	37, 38		SDG 3
416-1	Assessment of the health and safety impacts of product and service categories	38		SDG 3
GRI 417: MARKETING AND LABELLING 2016				
103-1	Explanation of the material topic and its Boundary	37, 38		
103-2	The management approach and its components	37, 38		
417-1	Requirement for product and service information and labeling	38		
417-2	Incidents of non-compliance concerning product and service information and labeling	38		
GRI 419: SOCIO-ECONOMIC COMPLIANCE 2016				
419-1	Non-compliance of laws and regulations in the social and economic area	In 2021 there were no significant fines resulting from non-compliance with the regulations in relation to the social or economic sphere, or that are significant because they are relevant to any of our stakeholders.		

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INDEPENDENT REVIEW REPORT ON THE CELSA GROUP CIRCULARITY AND SUSTAINABILITY REPORT 2021

To the Management of CELSA Group:

Scope of work

As commissioned by the Management of CELSA Group, we have completed our review of the sustainability information contained in the Circularity and Sustainability Report of CELSA Group for the year ended December 31, 2021 (hereinafter, the Report) and the GRI Table of Contents of the attached Report. This Report was prepared in accordance with the conditions contained in *GRI Sustainability Reporting Standards* (*GRI standards*).

The limits set by CELSA Group for the preparation of this Report are defined in section "About this report" of the attached Report.

The preparation of the attached Report and its contents are the responsibility of the Management of CELSA Group, which is also responsible for defining, adapting and maintaining those internal management and monitoring systems whereby the information is obtained. It is our responsibility to issue an independent report based on the procedures applied in our review.

Criteria

We have performed our review in accordance with:

- The Guidelines for the review of Corporate Responsibility Reports issued by the Spanish Institute of Chartered Accountants (ICJCE).
- Standard ISAE 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), with a limited assurance scope.

Procedures performed

Our review consisted in asking questions to the various Departments of CELSA Group that participated in the preparation of the attached Report and in the application of certain analytical procedures and review tests on a sample basis as described below:

- Interviews with personnel responsible for the preparation of sustainability information in order to obtain an appreciation of how sustainability objectives and policies are evaluated, placed in practice and integrated into CELSA Group's global strategy.
- Analysis of the processes for collecting and validating the sustainability information contained in the attached Report.
- Verification of the processes whereby CELSA Group determines what its material aspects are, as well as the participation of stakeholders in them.
- Review of the suitability of the structure and contents of the sustainability information in accordance with the Guide for the preparation of sustainability reports under Global Reporting Initiative (GRI) Standards according to the "Core" option.

- Verification through review testing based on sample selections of the quantitative and qualitative information in the contents included in the "GRI Table of Contents" of the attached Report and its satisfactory compilation based on the data provided by the informational sources. The review tests have been defined for the purposes of providing the indicated level of assurance.
- With regard to the quantitative information in the "GRI Table of Contents" of the accompanying Report, interviews were conducted with the staff responsible for management and for the reporting systems of this information. This procedure also included the understanding of the internal control system on this information, risk assessment regarding possible material errors in it, tests and evaluations on the contents, and the performance of any other procedures we considered necessary.

These procedures have been applied to the sustainability information contained in the attached Report and in the "GRI Table of Contents", with the extent and scope indicated above.

The scope of our review is substantially less than that of a reasonable assurance review. Therefore, the assurance provided is also lower.

This Report is not in any way to be considered an audit report.

Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a comprehensive quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the applicable legal and regulatory provisions.

This assignment has been performed by a team of specialists in sustainability with extensive experience in the review of this sort of information.

Conclusions

As a result of our review, nothing has come to our attention that leads us to believe that the contents included in the "GRI Table of Contents" of the Circularity and Sustainability Report 2021, have not been prepared in all its material aspects in accordance with the Guide for the preparation of sustainability reports under *Global Reporting Initiative (GRI) Standards*, including reliability of data, suitability of the information presented and the absence of significant deviations and omissions.

This Report has been prepared exclusively in the interest of CELSA Group, in accordance with the terms of our engagement letter.

ERNST & YOUNG, S.L.

Antonio Capella Elizalde

November 4, 2022


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