



Materiality Assessment

Stakeholders

TUBACEX has defined five primary stakeholders which include shareholders and the financial community, employees, customers and society; and over 50 secondary stakeholders which are more indirectly involved.

The different representatives establish regular communication channels to find out their expectations and interests and to draw up specific action plans.

Such needs and expectations are considered throughout the year: on the one hand, forming part of the strategic reflection process through the heads and members of the Management Committee; and on the other hand, they have been key to identifying the components of the materiality assessment that is shown below.

Stakeholder relations aim to continue promoting their engagement with the business project, involving the communities where they operate in the creation of sustainable and shared value. Likewise, these relations are based on transparency and trust, as stated in its Communication Policy. The most relevant specific objectives include:

- Shareholders and Financial Community. Shareholders support TUBACEX's business project and their trust is key. Addressing their interests and generating trust through long-lasting and stable relations is TUBACEX's priority within this group. Furthermore, the financial team maintains ongoing, transparent and stable relations with other groups such as banks, investors and analysts who provide access to sources of financing.
- Customers. The TUBACEX strategy is based on offering comprehensive value propositions which are adapted to customers' needs. Its strategy is defined to understand and be able to deliver a complete solution with the highest quality standards. All areas, according to their respective activity, are fully customer oriented.
- Suppliers. Suppliers are part of TUBACEX's business success. TUBACEX has a panel of stable, sustainable and ethical suppliers, which are monitored by the company to identify any potential risk during the purchasing process.
- Employees. This group primarily represents employees in all categories, as well as their representatives, and includes their families and other groups. They are a strategic asset, who contribute their work and talent to create sustainable value. TUBACEX has a multicultural team of professionals with very different affinities, but with a common goal: make the company grow and satisfy the needs of our customers, shareholders and society as a whole.

- Society. This group includes regulatory bodies, educational institutions and civil society. This is a key group in consultation processes as well as in the day-to-day operation of plants, and especially, new development centers.

Community consultation framework

TUBACEX has regular relations with stakeholders involved in the operation and development of its plants. Plants can be classed as those with a long-standing presence in society, such as ACERALAVA, TTI, SBER, IBF, Salem Tube, the NTS Group plants, TTPI, Awaji Thailand and TTA, on the one hand. These plants maintain regular relations with regulatory bodies, local authorities, suppliers, training centers, etc., as part of their corporate operations.

And on the other hand, plants that have arisen from new development projects, such as Tubacex Services in Spain or Durant in Oklahoma; as well as those plants or centers that have started operating in areas where there was previous activity. In the first group, consultation processes are more demanding in particular and include:

- Identification of stakeholders involved in the plant operation;
- Definition of a communication plan and/or guidelines for effective and stable communication;
- Access to all the information necessary to perform the activity;
- Access to corporate channels to have their concerns heard, as well as contact channels at all locations;
- Consideration of any issues affecting communities in their operations; and
- Regular reporting on the company's current affairs, as well as any other matter of interest.

IG	Communication channels
Shareholders and Financial Community	Shareholders' General Meeting Meetings Shareholders' channel
Customers	Satisfaction Surveys Sales KPIs Visits Presence in Forums Trade Fairs Customers' Day Market Research
Suppliers	Meetings Presence in Forums Alliances
Employees	Satisfaction EFQM Suggestions Key Forums Training Key Forums Training Meetings Board of Trustees Alliances Key Projects:
Society (including training centers, young people and public institutions).	

Materiality Assessment

At TUBACEX, we define a material aspect as a factor that can have a positive or negative impact on our ability to create value for our stakeholders. Through our materiality assessment we identify material aspects to be reported based on their level of economic, environmental and social impact on the Group's strategy. In this way, we align our strategy with the expectations of our stakeholders, who are actively involved in this identification process.

Our materiality assessments are based on the guidelines for determining material topics in the consolidated GRI Standards, the application of principles of stakeholder engagement, sustainability context and completeness, and the integration of the concept of double materiality.

The following steps were taken during the process:

- Identification of relevant issues that may affect the Company's ability to create value, or influence stakeholders' expectations. For the identification of material aspects, a benchmark analysis with other companies as a reference and an analysis of the most relevant aspects within the framework of the 2030 agenda have been used; as well as

SASB standards of the International Sustainability Standards Board (ISSB) which have been implemented for the first time.

- The importance (priority) of relevant issues taking into account their impact on the business and on each stakeholder has been assessed. This phase led to the definition of the materiality matrix. To encourage stakeholder participation, a consultation process was launched through surveys to enable representatives from each group (suppliers, society, employees, customers and the financial community) to assess the impact of each factor. This process means a step forward in the company's effort to promote participatory listening models.
- Validation of results. In addition to the Stakeholders' assessment, the company has reviewed different impacts through the assessment of management team members, whose responses have been validated by the most senior executive and by the sustainability management. This validation ensures a balance of relevant issues based on their scope is guaranteed.
- Analysis of SDG compliance. As in previous years, relation and interdependence with SDGs was analyzed and reflected throughout the document, including a final summary on "Contribution to SDGs". This year, this interaction exercise is also reflected in the materiality matrix itself.