



NON-FINANCIAL
INFORMATION
STATEMENT
2023

Statement from the Chairman and CEO

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This Sustainability Report is part of the TUBACEX management report. It includes information related to environmental, people, social, human rights, anti-bribery and corruption issues according to the results obtained in its materiality assessment and sustainability strategy. It deals with priority matters in relation to ESG, which sets forth basic action principles and corporate commitments.

The report complies with the requirements laid down in Act 11/2018 of December 28, as regards the disclosure of non-financial information. Likewise, pursuant to the above Act, the information provided in this report is subject to external audit. [GRI Disclosure 2-5]

On the other hand, it includes all significant impact from the reporting period, establishing priorities regarding material information based on the main references for the preparation of sustainability reports. These include the GRI (Global Reporting Initiative) standard, which is the most widely used internationally for this type of reporting, as well as the EFRAG (European Financial Reporting Advisory Group) guidelines. Likewise, the supervisory publications of the Non-Financial Reporting Statements disclosed by ESMA (European Securities and Markets Authority) and the CNMV (National Securities Market Commission) are also taken into account.

This non-financial information statement covers the period from January 1st to December 31st, 2023. The information relating to 2022 is presented for comparison purposes with that of 2023. It includes the entire Group, unless otherwise specified for certain indicators where the specific scope will be explained.

Statement from the Chairman and CEO

[GRI Disclosure 2-22]

We address you today within the framework of the presentation of our sustainability report in a year that has undoubtedly marked a before and after in the history of TUBACEX. This period has been characterized by a notable acceleration in our history, exceeding the recovery expectations we had set and moving forward in the fulfillment of the objectives of our strategic plan, particularly with regard to our sustainability performance.

The start of this year was driven by a dynamic energy market, both in terms of investment and visibility, which has confirmed our company's forecasts, thus consolidating the recovery of our results in all key indicators. This performance reinforces our positioning as a key player in the current energy transition scenario, a commitment of which we are proud and that undoubtedly defines us as an organization.

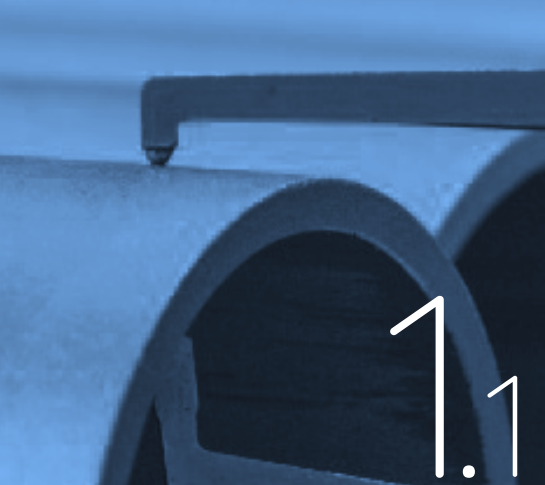
In line with our commitment to sustainability, we have continued to position ourselves as a sector benchmark, particularly through the significant growth of our Low Carbon unit. Through it, we have been developing innovative value proposals for new low-emission energy sources, such as hydrogen, as well as carbon capture and storage solutions. These initiatives reflect our firm commitment to decarbonization and sustainable growth, at a time when the world is calling for specific and decisive action to protect our planet.

The transformation of the power generation and mobility markets and the urgency of climate change policies have reinforced our determination to lead from the front, implementing our NT2 (New TUBACEX in the Next Transition) strategic plan. This strategic plan not only reflects our ambition to contribute to human progress through advanced industrial products and services, but also positions us as a key partner for our customers on their path to emissions neutrality, especially in key sectors, such as power generation and mobility.

This Sustainability Report is proof of our journey, our evolution and our commitment not only to the environment, but also to our people and communities. It is a declaration of our ambition to lead in the era of sustainability, to be a company that looks ahead without forgetting its roots and its responsibility to the present. Together, not only are we anticipating the future, but we are also building it.



1 ORGANIZATIONAL PROFILE



Organizational Profile

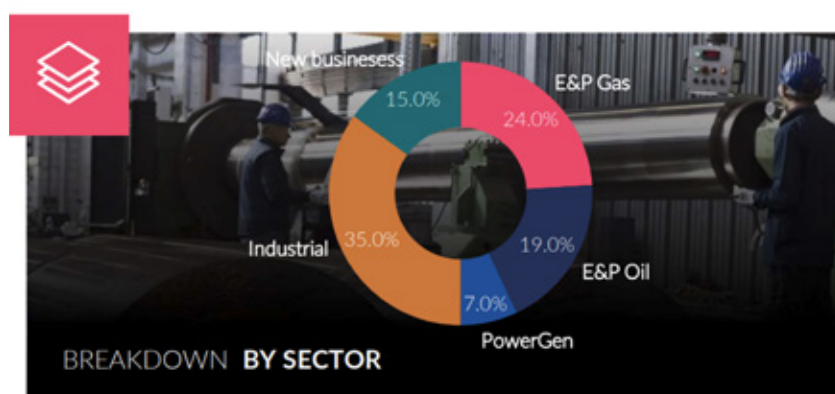
Group Presentation and Companies

[GRI Disclosure 2-1, GRI Disclosure 2-2, GRI Disclosure 2-6]

TUBACEX is the world leader in the design, manufacture and installation of sophisticated industrial products and high value-added services for the power generation and mobility sectors. TUBACEX delivers value to its customers thanks to its global presence, with production plants and service centers in Spain, Austria, Italy, USA, India, Thailand, Saudi Arabia, Dubai, Norway, Canada, Singapore, Guyana and Kazakhstan. Its sustainability and environmental policies are endorsed by leading ESG certification bodies, such as Science Based Targets (SBT) commitments to the reduction of emissions, and S&P sustainability standards. TUBACEX is a listed company on the Spanish Stock Market since 1970 as part of the Ibex Small Caps index.

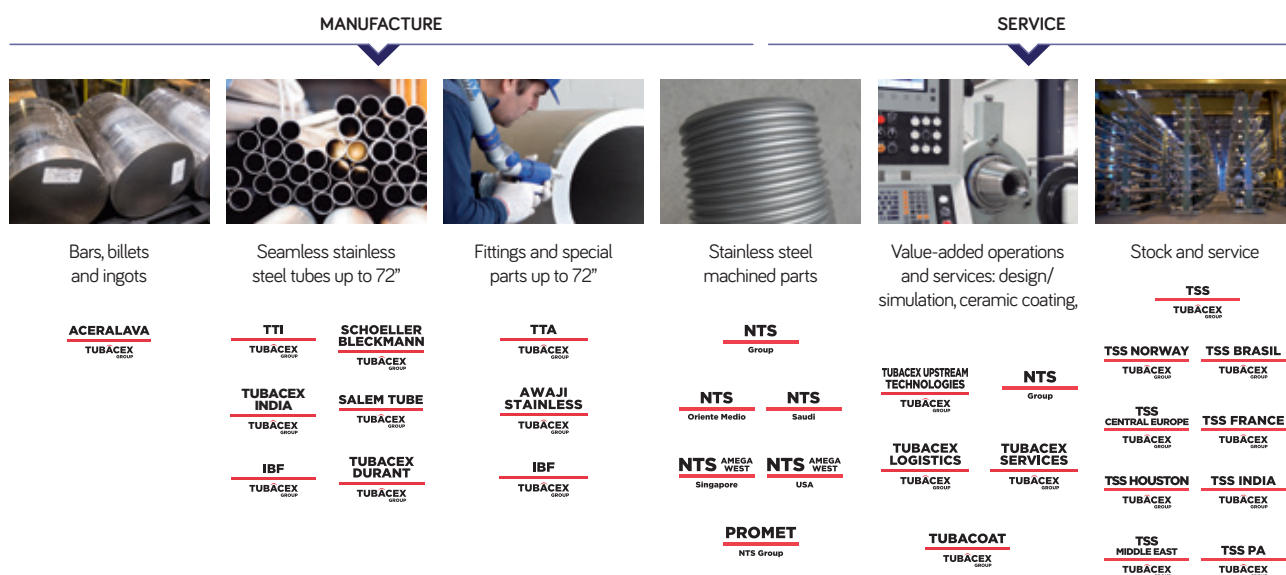
It has 24 manufacturing plants in Spain, Austria, Italy, USA, India, Thailand, Saudi Arabia, Dubai, Norway, Canada, Singapore, Guyana and Kazakhstan; with 14 service centers worldwide and a global commercial presence.

REVENUES BREAKDOWN





Companies that form part of the Tubacex Group



For detailed information on the companies included, please see the Annex to the 2023 Consolidated Financial Statements.



For further information,

See the website: www.tubacex.com

1.2

Organizational Profile

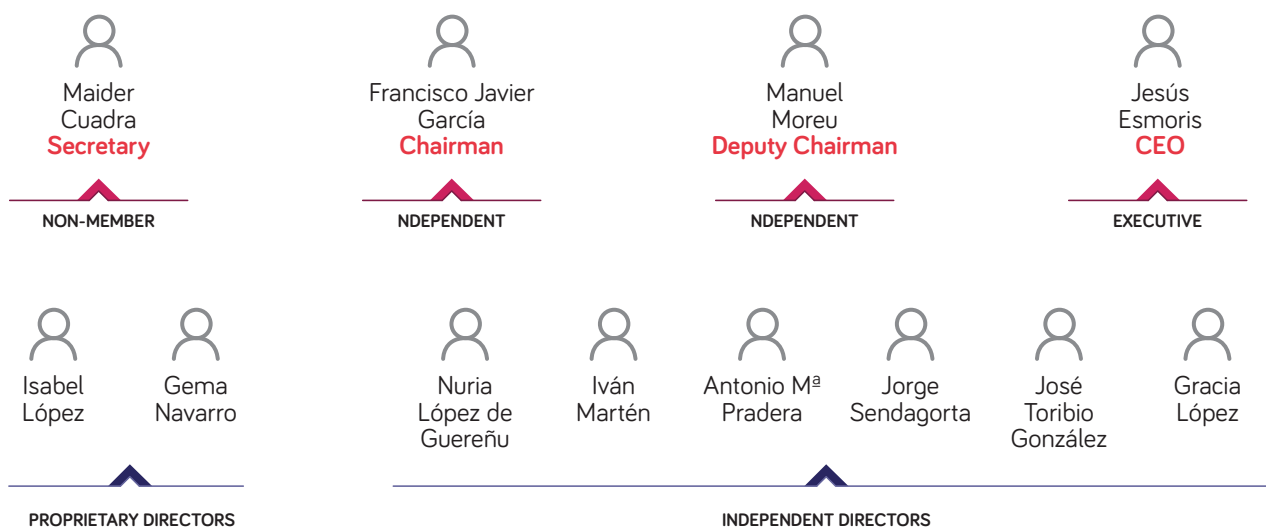
Corporate Governance

[GRI Disclosure 2-9]

1.2.1

Board of Directors

Composition of the Board of Directors
at 31st December 2023





1.2.1.1

Sustainability and Good Governance Committee

[GRI Disclosure 2-12, GRI Disclosure 2-14]

Sustainability and Good Governance Committee

[GRI Disclosure 2-12, GRI Disclosure 2-14]

With the aim of strengthening the TUBACEX Governance structure, and in line with existing recommendations and good practices, the TUBACEX Board of Directors approved the setting up of a new Sustainability and Good Governance Committee in 2021. This Committee's functions are set out in the "Regulations of the Sustainability and Good Governance Committee", approved by the Board of Directors at its meeting held on 16th December 2021. In this respect, the following basic duties have been identified:

1. Foster the Company's ESG policies in order to steer them towards the creation of value through sustainable conduct.
2. Guarantee that the Group's Strategic Plan integrates and develops the ESG policies.
3. Understand, oversee and assess relations with the different stakeholders.
4. Guarantee that ESG risks are properly integrated in the Group's risk management and control models.
5. Determine the guidelines, criteria and general principles that must prevail in the content of Non-Financial Information, as well as any other equivalent reporting system.
6. Work with the Tubacex Foundation in the identification of the elements of the Group's Strategy that may be implemented through specific ESG projects, so that it becomes an instrument of the sustainability policy.
7. Foster the Group's fulfillment of the 17 Sustainable Development Goals approved by the UN ("SDG").



At the date of issue of this report, the composition of this committee was:

POSITION		NAME		TYPE
Chairwoman		Ms. López de Guereñu		External Independent
Board Member		Mr. Martín Ms. López Paños Ms. López Granados		External Independent External Proprietary External Independent

1.2.1.2 Audit and Compliance Committee

As with the rest of the committees, the Board of Directors approved its own regulations for the Audit and Compliance Committee, which had until then been governed by the Regulations of the Board of Directors. These regulations incorporated all the responsibilities attributed to this delegated body by the Capital Companies Act and the good practices of listed companies and

the recommendations of the Good Governance Code of Listed Companies approved in the 2020 financial year. In this context, it is worth highlighting that the Audit and Compliance Committee assumes the function of overseeing the process of preparing and presenting not only financial information, but also non-financial information, as well as overseeing non-financial risks.

At the date of issue of this report, the composition of this committee was:

POSITION		NAME		TYPE
Chairwoman		Sra. López Granados		External Independent
Board Member		Ms. López de Guereñu Mr. Toribio Mr. Moreu		External Independent External Independent External Independent

1.2.1.3 Appointments and Remunerations Committee

[GRI Disclosure 2-10]

In line with the above, the Board of Directors approved the new Regulation for the Appointments and Remunerations Committee, including the content set out in the Corporations Act and in the CNMV Technical Guide.

By doing so, the Committee adopts the best practices in this area, reinforcing the role this Committee plays both before the Board and the executive team, for which it establishes its appointment, remuneration and termination policies. Similarly, it maintains a key role in the handling of conflicts of interest.

At the date of issue of this report, the composition of this committee was:

POSITION		NAME		TYPE
Chairman		Mr. Toribio		External Independent
Board Member		Ms. Navarro Mr. Sendagorta		External Proprietary External Independent

1.2.1.4 Comisión de Estrategia y Seguimiento

In 2022, the Board of Directors also approved the Strategy and Follow-up Committee's own Regulation, extracting and transferring this content from the

Regulations of the Board of Directors. This committee is chaired by the Chairman of the Board of Directors himself, as has been customary.

La composición de esta comisión a fecha de emisión de este informe es:

POSITION		NAME		TYPE
Chairman		Mr. García		External Independent
Board Member		Mr. Esmorís Ms. Navarro Mr. Marten Mr. Moreu Mr. Pradera Mr. Sendagorta		Executive External Proprietary External Independent External Independent External Independent

In all meetings of all committees, the Secretary of the Board of Directors acts as secretary to ensure the proper coordination required by the Board Regulations when the individual regulations of each body were formalized in 2022.

By the end of 2023, and following the Board's annual evaluation exercise, each and every one of the committees had planned its work for 2024 and defined its calendar for the whole year, in line with that of the Board of Directors. This annual evaluation has

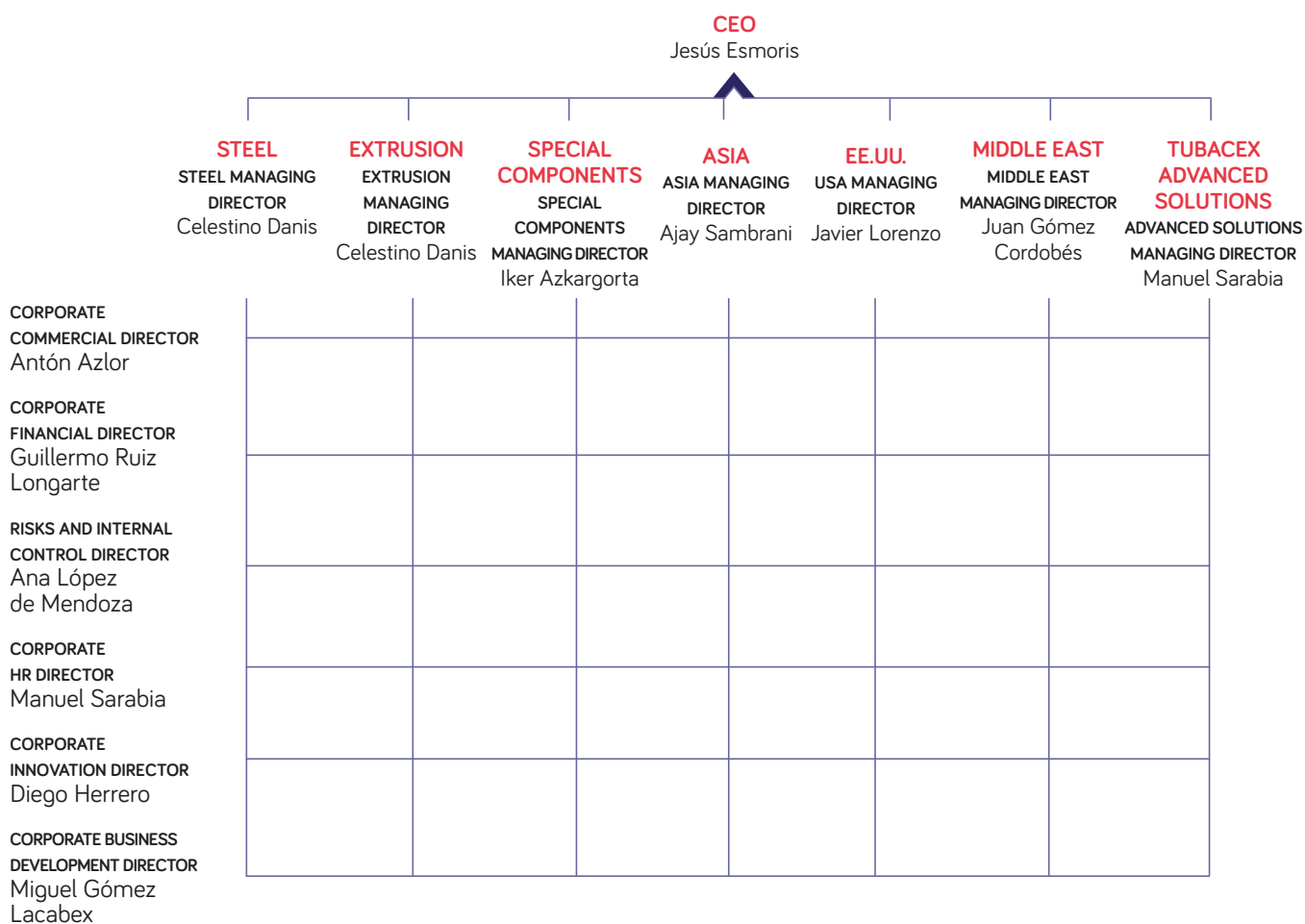
been carried out in the Administrative Body since 2022 for the continuous improvement of the functioning of the board and its delegate bodies and its main statutory roles, i.e. Chairman, CEO and Secretary of the Board. On the last occasion, the evaluation was carried out internally after having been performed externally the previous year, thus applying the best practices in corporate governance in the listed companies market.



1.2.2 Organizational Profile Management Committee

TUBACEX is made up of a set of companies, whose coordination is carried out at group level through the management team that represents the different units and functional areas.

Composition of the Management Committee
at 31st December 2023:



1.3

Organizational Profile Purpose, ESG Ambition, Mission, Vision and Values

[GRI Disclosure 2-23, GRI Disclosure 3-3]

Purpose

Face the new challenges for human progress, providing advanced industrial products and services.

ESG Ambition

Foster the decarbonization and circularity of our business and contribute to the development of innovative solutions for the transition, taking care of our people and environment and fostering a culture of transparency and integrity.

Mission

- We are an innovative, leading, multi-national industrial group in the global market of seamless stainless steel tubes.
- We seek customer satisfaction through a portfolio of products and services that are constantly being developed. We are a reliable company that fulfills its obligations with internal and external customers.
- We grow in a profitable and sustainable way.
- We undertake to effectively manage the return on all of our investments and to reward shareholders.
- We rigorously manage our processes and systematically apply continuous improvement in search of excellence.
- We undertake to constantly foster a safe and pleasant workplace, whilst respecting the environment.
- We seek to contribute to the development of society and our suppliers, training our professionals and people, through teamwork and constantly measuring our results.

Vision

To become a provider of sophisticated solutions for the power generation and mobility sectors.



Values

Leadership, Focus on achievement, Customer satisfaction, Continuous improvement, Creativity and innovation, Teamwork, Creation of value and profitability, Diversity and dignity in the workplace, Corporate ethics.

1.4

Organizational Profile Membership of Associations

[GRI Disclosure 2-28]

In 2023, TUBACEX collaborated with the following associations and work forums:

- European Steel Tube Association (ESTA).
- The Cluster Association of the Steel Industry (SIDEREX).
- The Spanish Association of Fluid Handling Equipment Exporters (FLUIDEX).
- International Umbilical Manufacturer's Federation (UMF).
- Innobasque.
- Basque Energy Cluster.
- API (American Petroleum Institute).
- The Steel Manufacturers Association (UNESID).
- International Energy Forum IEF.
- International Gas Union IGU.
- Stainless Steel Tube Trade Advancement Committee SSTTAC.
- Asociación de Emisores Españoles.
- SEA Empresas Alavesas.
- H2IT- Italian Association of Hydrogen and Fuel Cells.
- Spanish-Norwegian Chamber of Commerce.
- Institute of Internal Auditors.
- Basque Business Circle.
- APD.
- AERCE.
- AMODIL.
- Basque Hydrogen Corridor.
- SHYNE (Spanish Hydrogen Network).

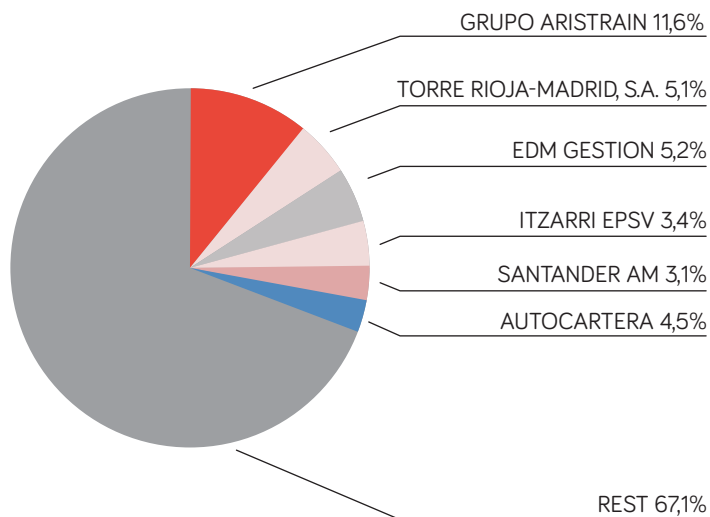


1.5

Organizational Profile TUBACEX Key Figures

[GRI Disclosure 2-6]

- Sales: €852.4 million
- EBITDA: €125.2 million
- Net profit or loss: €36.3 million
- Number of plants: 24
- Number of warehouses: 14
- Number of employees as of December 2023: 2,604 people
- Shareholding as of December 2023 (source Spanish Securities Exchange Commission):





2 OUR ENVIRONMENT



Our Environment

TUBACEX has defined the set of internal and external elements carried out in its own environment and that affect the development of its activity, taking into account political, social, environmental, technological, legal and economic aspects, as well as the mega trends of the global environment in which the organization operates.

Understanding these aspects enables the organization's current context to be appreciated and to be better prepared to manage change.

2.1

Our Environment Factors and Trends

2.1.1

Market Recovery

In 2023, the volume of projects awarded in the industries and sectors in which TUBACEX is present has maintained the good trend started in 2022 after two years (2020 and 2021) marked by the COVID-19 epidemic. Those for the oil and gas extraction market are particularly noteworthy. The prices of raw materials and the situation of the power generation market, as well as the development of specific niches, have been positive for investment levels. This is without detriment to the tendency for decarbonization and migration to cleaner energy sources, the validity of which is clear in the medium and long term. Other sectors, like the aeronautical sector, have benefited from specific factors such as growth in air transport. These trends have enabled levels to be consolidated to those prior to the COVID-19 pandemic crisis. This positive trend is expected to continue in 2024, even if forecasts of an economic slowdown are confirmed due to rising interest rates or if geopolitical tensions in relation to global energy supply evolve unfavorably.

The recovery has been clearly led by the Oil & Gas exploration and production sector (Upstream). A barrel of oil has stabilized at values of around \$80 - \$90 per barrel, doubling the \$40 level at which it stood in 2020. There are growing concerns of recession, but apart from the price fluctuations, caused in many cases by the economic and geopolitical situation, energy companies are in a good financial situation, with ambitious public expansion plans after years of reduced investment volumes, and with solid medium and long-term viability prospects in the projects presented. This has led to a major increase in the OCTG and umbilicals backlog in 2023, further supported by long-term supply contracts.

TUBACEX sales experienced strong growth in 2023 of approximately 19% compared to 2022, which is particularly relevant after having doubled that year those obtained in 2021, and with increasing levels of profitability. This trend intensified in the second half of the year, with the acceleration of investment projects in the power generation market, offsetting a certain cooling in the tube market for distributors. This improvement in the market and the product mix, along with the strategic positioning of TUBACEX, focusing on value and end-users, has enabled it to close the year with an order backlog of around €1,600 million, which will be reflected in the results for the coming quarters. This high volume is the result of a strategy of getting closer to the end-user with long-term supply contracts to ensure greater





stability in the cycle and avoid the ups and downs of the value chain in such a complex and capital-intensive sector as the power generation sector.


With respect to the situation by region, in 2023, it is worth highlighting once again the good performance of the American market, where the consolidation of our production capacity (Salem Tube, Tubacex Durant and NTS Amega West, as well as the service center aimed at coordinating the inspection and logistics activities of the material destined for Petrobras' offshore activity) stands out. In Europe, Northern Europe, in particular Norway, stands out, and the development of long-term contracts with umbilical manufacturers and large offshore projects through our Norwegian subsidiary. Kazakhstan, where the group has consolidated its direct commercial presence after substantially increasing its business volume, and the Middle East, where the group is developing a similar strategy with a focus on the United Arab Emirates market and the future development of additional production capacity, are also noteworthy.

2.1.2

Fight against climate change

As one of the priorities on the European Commission agenda due to its implications not only in the environmental, but also in the social and economic fields, TUBACEX has fostered a decarbonization plan to achieve its emission reduction objectives and to establish a roadmap for decarbonized activity. Beyond its environmental performance, its role in key sectors for the energy transition is also important. An example of this is the nuclear industry, which has experienced a record volume in turnover in 2023; or the Carbon Capture market (for which OCTG tubes are used) which is experiencing very high growth, obtaining several orders in 2023. It maintains positive order intake for products with a high technological content (setting a new record in orders for the aerospace and defense industry in the last financial year) and in new solutions, such as hydrogen, where the company is present both commercially and in new initiatives for the industrial use of this energy source. Despite the fact that a significant volume of its business is focused on the more conventional power generation sectors, the company is also accompanying its customers in their decarbonization processes and positioning itself in low-emission sectors.





2.1.3

Regulation

[GRI 2-27]

2.1.3.1

Tariffs in the USA: European Exemption Article 232

As for the legal and customs scenario currently in place in the USA, the review of Section 232 and its replacement with a system of quotas, are beneficial for the Tubacex Group. At the same time, the European Commission also has an import safeguard system that benefits our production centers in Europe and which has been extended for another year in June 2023. In addition, the tariff measures against Chinese pipes are in the process of being renewed with a possible sanction at the beginning of 2024. In all these high level legal and customs issues, TUBACEX maintains institutional communication channels open through sectoral, national, European and international associations, to gain clear and early knowledge and be able to influence the measures applied or their impact as much as possible, to ultimately implement specific strategies to improve the Company's positioning on the affected markets.

2.1.3.2

CBAM: Carbon Border Adjustment Mechanism

Regulation 2023/956 of May 10, 2023 establishes the Carbon Border Adjustment Mechanism, CBAM, a carbon border adjustment mechanism that, when fully implemented will oblige importers of EU goods to purchase certificates equivalent to the carbon price they should have paid if the goods had been produced under EU carbon pricing rules. As an affected sector, TUBACEX has developed an adaptation project in response to the first phase of this regulation, the transition period, and to report quarterly on the emissions generated in its imports.



2.13.3

Taxonomy

In 2021, TUBACEX carried out an analysis of the NACE codes under which each of the companies operate, classifying each of these activities as eligible or ineligible, depending on its inclusion in Annex I of Regulation (EU) 2020/852. Therefore, companies dedicated to steel manufacturing and, by extension, all those dedicated to tube manufacturing were included in the eligibility analysis. However, considering the implications of the description of the activity (3.9 iron and steel manufacturing) for determining eligibility, TUBACEX recalculated these figures in 2022, considering steel manufacturing activities (ACERÁLAVA) as eligible, excluding the process of manufacturing tubes and other tubular products included in the 2021 analysis, hence responding to a more precise interpretation of the Directive. In 2023, TUBACEX analyzed the implications of extending eligibility to the remaining environmental targets for subsequent inclusion in this report.

2.13.4

CSRD: Corporate Sustainability Reporting Directive

With the entry into force of the new Corporate Sustainability Reporting Directive (CSRD) and its application in TUBACEX as of 2025, the company has conducted an analysis for the 2024 financial year to determine the gap between existing management and the new Reporting requirements. This GAP, along with the materiality analysis, has enabled it to establish a roadmap to adapt to the new reporting requirements.



2.1.4 Raw materials

The trading price of the main raw materials used by the Tubacex Group (Nickel, Chrome, Molybdenum and scrap) followed a trend of stabilization and a slight downward adjustment in 2023, after the significant growth in the previous year due to geopolitical tensions. The sales segment for the distribution of standard products, managed through the Tubacex Service Solutions subgroup, has performed well in this environment, with a high volume of sales, albeit stronger in the first half of the year than in the second half. In any case, the slight fall in portfolio volumes in this segment has been healthy and has been more than offset by an increase in the portfolio for the project market.

In conclusion, although 2023 presented many economic uncertainties, the Tubacex Group has clearly improved its backlog, sales, margins and overall market positioning.



3 OUR STRATEGY



Strategic Plan

In 2022, TUBACEX presented its new strategic plan which focuses on driving its vision of becoming a supplier of sophisticated industrial products and high value-added services for the power generation and mobility sectors. During the previous two years, the company worked hard to strengthen its competitiveness, ensure its liquidity and solvency, and improve its commercial position. All this was done with the aim of starting from a solid position in a recovering market.

This strategic plan, which covers the period 2022-2025, is based on three essential pillars: sustainability, profitability and competitiveness. It was presented during the General Shareholders' Meeting held on May 26, 2022.

On November 21, 2023, TUBACEX held its Capital Markets Day in Madrid, where it unveiled a significant update to its plan, extending its term to 2027.

This new cycle, called NT2 (new TUBACEX in the next transition), is based on a two-year anticipation of the fulfillment of the objectives of the previous plan, focusing on energy transition and corporate transformation.

3.1.1

Key Aspects of the NT² Plan

- 1. Sustainability and Energy Transition:** The Low Carbon business unit emerges as a focal point, developing solutions for carbon and hydrogen capture, storage and utilization (CCS) technologies. This approach addresses emerging trends and the need for a balanced coexistence between conventional and renewable energies.
- 2. Financial Objectives:** EBITDA is projected to exceed €200 million by 2027, with sales estimated at between €12 billion and €14 billion. Furthermore, keeping the Net Financial Debt (NFD) / EBITDA ratio below 2 times is the objective, reflecting a continued trend towards financial deleveraging and increasing cash flow.





3. **Reduction of dependence on Oil & Gas:** The plan contemplates reducing exposure to the Oil & Gas sector to less than one third of total activity, reaffirming the commitment to sustainability.
4. **Shareholder Remuneration Policy:** An attractive remuneration policy will be maintained with a pay-out of 30 to 40%.
5. **Vision for the Future:** The aim is to position TUBACEX as a world leader in advanced solutions for power generation and mobility, with all businesses contributing significantly to the Group's growth.

3.1.2

Strategy and Growth Levers

The NT2 plan maintains the five strategic axes of the previous plan, focusing on leadership in sustainability, revenue stability, debt reduction, increased competitiveness and diversification.

As a result, TUBACEX has achieved revenue stability, supported by a solid order book and a transformation in line with market trends.

The updating of the TUBACEX strategic plan reflects a firm commitment to innovation and the transition to a more sustainable future, establishing a solid foundation for growth and adaptation in a dynamic business environment. The creation of the Low Carbon business unit and the diversification strategy underline this commitment, aligning TUBACEX with the global objectives of sustainable development and energy transition.





3.2

Main Lines of the NT² Plan

1. Sustainability Plan

Fostering an environmentally friendly company committed to people and society, and extending its commitment to the supply chain, with an action plan aligned with the UN Sustainability Development Goals.

2. Stability of the Current Business

Positioning focused on achieving more stable results, supported by the improved product mix, the commitment to premium products with positive prospects in the short and medium term, and commercial positioning with the award of long-term contracts.

- Focus on long-term relationships with key customers in premium segments, guaranteeing volumes.
- Major efforts in operational stability to improve efficiency and delivery times.

As for the different businesses, stability of the current business has several implications: in the OCTG business segment, long-term agreements have been negotiated with various companies for the coming years in addition to the existing ones. In the umbilical business, agreements have been established with the main strategic customers of umbilical tubes.

In the subsea business, several framework agreements have been signed with strategic customers following the recent acquisition. In aerospace, two Framework Agreements with two leading companies have been renewed. In special services, agreements have been signed with important petrochemical groups, and in the H&I (Hydrogen and Industry) business, framework agreements have been signed with the main end users in the H&I market for segments outside the Oil & Gas sector.



3. Diversification

Acceleration of the diversification plan in line with decarbonization requirements.

In spite of its good positioning in other industries, such as aeronautics or instrumentation, TUBACEX is pushing its diversification strategy in order to achieve a more balanced business mix, on one hand, focusing on gas, which facilitates the transition to green energy and is an alternative to coal, and on the other hand, deploying low carbon solutions in its business unit, as a key lever in this balance.

4. Reduction of Net Debt

Net debt can be reduced by taking advantage of the positive cycle in the sector and focusing on generating results and cash flow, while continuing to work on ways to reduce working capital needs, by maintaining optimal inventory levels for each plant based on its business.

Dedication to cash generation through:

- Optimization of working capital requirements.
- Obtaining optimal inventory levels per plant.
- Analysis of possible divestments in non-strategic businesses.
- Discipline and rigor in capital investment (CAPEX).
- Cash Pooling Strategy.
- Maintaining a net debt to EBITDA ratio of 2-3 times.



5. Competitiveness

To achieve this debt reduction and maintain the traditional business stability, it is necessary to be competitive. In 2020 and 2021, the company restructured in order to be ready for this strategic plan and adapted to the new market situation. The focus is on maximizing competitiveness through clear diligence in operating costs, management of raw materials and scrap, and operating excellence, based on digitalization.

Some of the actions deployed in this area are:

Lean Manufacturing:

- Focus on operational efficiency supported by digital capabilities.
- Continuous improvement through the TxPS system.
- Maintaining workforce flexibility and achieving cost reductions. The objective for 2025 is to achieve an EFQM assessment of 500 and to keep direct personnel costs below 20% of sales in the Group.



3.3

Implementation Phases

TUBACEX's business strategy is developed in three key phases during this Strategic Plan.

In the first phase, it will boost its presence in terms of its traditional products, focusing on accompanying existing customers in their decarbonization processes through products and services that minimize their environmental impact and increase efficiency. In parallel, the company will continue to consolidate its position as a leader in highly profitable segments.

The second phase, which coexists with the first, focuses on low-emission energies. Here, TUBACEX works on the development of innovative solutions for the generation, storage and transportation of energy in emerging markets, such as hydrogen and CCS (Carbon Capture and Storage). This stage responds to the growing importance of clean energy in the transition to a more sustainable future.

Finally, the third phase focuses on diversification and growth. During this stage, the company will analyze organic and inorganic expansion opportunities in the power generation and mobility sectors, with an emphasis on driving new businesses.

Thus, the business portfolio, aligned with the strategic pillar of diversification, is divided into three blocks:

- 1. Core Business:** It includes businesses such as Oil & Gas E&P, aerospace and nuclear energy, supporting the decarbonization processes of customers.
- 2. Low Carbon Business:** TUBACEX is already present in this large block, having developed specific materials and alloys that are transferred into advanced industrial products for power generation and storage, as well as in projects related to the capture, storage and utilization of CO₂, hydrogen, circular economy and renewable energies.
- 3. New Business:** Activity focused on the analysis of growth opportunities in the power generation and mobility sectors through organic or inorganic M&A operations.



4 RISK MANAGEMENT

4

Risk Management

[GRI Disclosure 2-25, GRI Disclosure 3-3]

During the 2023 financial year, the Board of Directors of TUBACEX, S.A. has updated the General Risk Control and Management Policy, which is duly published on the company's website. This policy includes the basic principles and general framework of action for the control and management of all types of risks faced by the Tubacex Group.

The Policy and the basic principles underpinning it are implemented by means of a comprehensive risk control and management system, supported by the proper definition and assignment of functions and responsibilities at the operating level and on appropriate procedures, methodologies, support tools and information systems for the different stages and activities of the system.

The system is structured into three levels of protection and defense to face and manage significant risks:

- The Audit and Compliance Committee regularly reviews the internal risk control and management systems, including the fiscal systems, to properly identify, analyze and report the main risks. In particular, with regard to ESG, this function is carried out in coordination with the Sustainability and Good Governance Committee as established in the Regulations of the Company's Board of Directors.
- The Internal Audit Department informs, advises and reports to the Committee on the risks and the functional activity areas with the existing identification, measurement and control thereof.
- The Management Committee is responsible for undertaking the integrated risk control and management in the business and decision-making processes.





Additionally, the policy identifies the risk factors, indicating that they could vary according to the conditions and evolution of the business, mentioning:

- a) Business Risks.
- b) Market Risks.
- c) Operational, Technological, Environmental, Social and Legal Risks.
- d) Corporate Governance, Ethics and Compliance Risks.
- e) Credit Risks.
- f) Strategy and Innovation Risks.
- g) Regulatory and Political Risks.
- h) Reputational Risk.

Within the framework of the strategic reflection process, the corporate risk map is updated annually to identify and measure any risks the Company may be exposed to, providing an analytical view of the underlying causality and offering a wide view of the Company's global exposure.

Risks are identified through questionnaires and face-to-face interviews with the heads of the different business units and relevant corporate areas (mainly members of the Management Committee). Once the risks have been identified, they are evaluated based on the likelihood of them occurring and impact on the strategic objectives. The projects defined by Management within the framework of the Strategic Plan mitigate the risks identified and enable them to be monitored.





During the 2023 financial year, the Risk and Control function has been formalized at the Management Committee level of TUBACEX, S.A. This function will assume the following functions in terms of risk:

- Coordinate the process of risk identification, evaluation and quantification for the subsequent preparation/updating of the Risk Map.
- Ensure adequate control and monitoring of risk management, so that risks are managed within the established acceptable risk levels.
- Ensure adequate risk management reporting to the Management Committee, Audit and Compliance Committee and Board of Directors.

On December 27 2023, AENOR issued for the first time the certificate accrediting that TUBACEX, S.A. has a Risk Management System in accordance with UNE - ISO 31000:2018 Standard, thus fulfilling an internal milestone and reinforcing the organization's commitment to risk management. The audit for the purpose of obtaining the aforementioned certification corresponded to the corporate processes, during which activities associated with risk management were reviewed, such as:

- Activities associated with the determination of the context and stakeholders.
- Processes related to communication and consultation.
- Activities related to risk identification.
- Processes related to risk assessment.
- Activities related to risk treatment plans.
- Activities associated with risk monitoring and measurement.
- Activities related to recording and reporting.
- Risk management in the activities associated with the certification scope.





Along with the corporate risk map, progress was made in 2022 in the preparation of a specific risk map for ESG, which has been reinforced in 2023, taking the dual materiality analysis, prepared in accordance with EFRAG recommendations, as a source for identifying risks and opportunities. This analysis has enabled the (positive and negative) impacts related to sustainability to be identified and their economic impact in the event of materialization to be measured (See Materiality Analysis section of this document).

Table. Main sustainability aspects identified in the double materiality analysis by impact and financial materiality.

SUSTAINABILITY ITEM	IMPACT MATERIALITY	FINANCIAL MATERIALITY
Data privacy	Critical	Critical
Cybersecurity	Critical	Critical
Energy Transition	Critical	Critical
Mitigating and adapting to climate change	Critical	-
Sustainable management of suppliers	Critical	Significant
Waste Management	Significant	Critical
Sustainable water management	Significant	Significant



5 SUSTAINABILITY

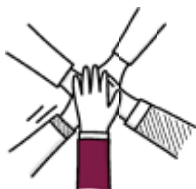
5.1

Sustainability Sustainability Strategy

ESG Ambition Foster the decarbonization and circularity of our business and contribute to the development of innovative solutions for the transition, taking care of our people and environment and fostering a culture of transparency and integrity.

STRATEGIC ASPECTS AND LINES:

- **Move towards neutrality and foster business circularity:** Reduce our environmental footprint, acting as an active agent in decarbonization, efficiency and circularity.
 - Move forward in decarbonization and energy efficiency.
 - Foster business circularity.
 - Promote a sustainable supply chain.
- **Contribute to the development of innovative solutions for the energy transition:** Participate in innovative initiatives that lead the energy transition and offer our technological capability to our customers and to business diversification.
 - Participate in leading initiatives for the transition.
 - Facilitate the industrialization of high impact, innovative technological solutions, moving towards business diversification.
 - Collaborate with our customers on the development of innovative solutions that facilitate their transition.





- **Take care of our people and the immediate environment:** Develop a safe, inclusive and equitable environment, contributing to social development wherever we operate.
 - Foster a preventive culture and wellbeing
 - Strengthen the link between our people and the business project
 - Promote an inclusive, diverse and equitable culture
 - Foster social development and respect for human rights
- **Do the right thing and encourage transparency:** Foster a culture of transparency and integrity, based on ethical principles and fulfillment, by incorporating the best good governance practices.
 - Respect the highest ethical and compliance standards.
 - Strengthen information governance, ESG management and sustainable financing.
 - Foster an active risk management culture.
 - Develop an internal and external communication model.



5.2

Sustainability Materiality Assessment

5.2.1

Relationship with Interest Groups

[GRI Disclosure 2-26, GRI Disclosure 3-1, GRI Disclosure 3-2]

TUBACEX has defined five primary interest groups (shareholders and the financial community, employees, customers, suppliers and society); which are deployed to a second and third level leading to more than 50 interest sub-groups in total. The different representatives establish regular communication channels to find out their expectations and interests and to draw up specific action plans.

Classification of interest groups and sources of information

<div> <div></div> </div>		
Shareholders and Financial Community Majority and minority shareholders Analysts and investors Financial entities Regulatory bodies		People Own workers Third-party workers Students
Shareholders' General Meeting Meetings Shareholders' channel		Satisfaction EFQM Suggestions Key Forums Training
Suppliers and partners Suppliers of raw materials Technology and service providers Associations and clusters	End-users Distributors Engineering firms Equipment manufacturing	Affected communities Regulatory bodies NGOs Educational centers Employment entities The media
Meetings Presence in Forums Alliances	Satisfaction Surveys Sales KPIs Visits Presence in Forums Trade Fairs Customers' Day Market Research	Key Forums Training Meetings Board of Trustees Alliances Key Projects:



- **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.
- **People.** First of all, this group represents the people who drive the business project in all categories, as well as their representatives, and is extended to 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.
- **Affected communities.** 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.

The company is currently updating and analyzing the interest sub-groups included in its analysis, in order to incorporate them into a matrix where the level of influence and interest is analyzed, and thus boost its management and relationship processes.



Sustainability Materiality Assessment

[GRI Disclosure 2-29, GRI Disclosure 3-1, GRI Disclosure 3-2]

Generating value for the interest groups

At TUBACEX, we consider a key aspect to be that which may have a positive or negative impact on its capacity to create value for its interest groups and/or that which may have a positive or negative impact on the business.

Through the materiality assessment, we identify material aspects to be reported based on their level of economic, environmental and social impact on the Group's strategy. To this end, a benchmarking analysis with other companies has been used as a reference, along with an analysis of the most relevant aspects within the framework of the 2030 agenda, as well as the SASB standards of the International Sustainability Standards Board (ISSB), which have been considered for the first time.

For the preparation of its materiality analysis, TUBACEX takes the methodology described by EFRAG in its dual materiality analysis as a starting point.

1. Analysis of impact materiality, with the Identification of the main impact on governance, people, society and the environment. Such impact may be positive or negative; potential or real. Each impact is analyzed and evaluated considering its severity and remediability (the latter only in the case of negative impact); the probability (for potential impact).

A sustainability issue from an impact perspective includes impact caused or contributed to by the company and impact directly related to the company's operations, products and services, as well as derived from its business relationships.

2. Analysis of financial materiality. According to the ESRS, a sustainability issue is material from a financial perspective if it triggers or is likely to trigger significant financial impact for the company. For the analysis of financial materiality, the probability of occurrence and the magnitude of the possible financial effects are assessed in line with the size and volume of the company.



Once each parameter is assessed, the results are analyzed separately and the materiality of each of the elements is assessed according to the following scales.

MATERIALIDAD DE IMPACTO	
≥12	Critical
[10 - 12]	Significant
[8 - 10]	Important
[5 - 8]	Important
<5	Minimum

MATERIALIDAD FINANCIERA	
[8 - 10]	Critical
[6 - 8]	Significant
[3 - 6]	Important
[1 - 3]	Important
0	Minimum





SUSTAINABILITY ITEM	IMPACT MATERIALITY	FINANCIAL MATERIALITY
Data privacy	Critical	Critical
Cybersecurity	Critical	Critical
Energy transition	Critical	Critical
Mitigating and adapting to climate change	Critical	-
Sustainable management of suppliers	Critical	Significant
Waste management	Significant	Critical
Sustainable water management	Significant	Significativa
Fiscal transparency	Critical	Minimum
Respect for labor rights	Critical	Minimum
Equality and diversity	Critical	Minimum
Occupational health and safety	Critical	Important
Quality of the products and services supplied	Critical	-
Ethics and compliance	Critical	-
Risk management	Critical	-
Environmental management	Critical	-
Compliance with environmental regulation	Critical	-
Customer satisfaction	Critical	-
Talent attraction and retention	Critical	-
Customer health & safety	Critical	-
Development of local communities	Critical	-
Employee training	-	Critical
Circular economy	-	Significant
Sustainable energy management	-	Significant
Sustainability performance	-	Significant
Sustainable innovation	-	Significant

5.3

Sustainability

Moving towards neutrality and fostering business circularity



5.3.1

Environment

5.3.1.1

Explanation of the Material Topic and its Boundary

[GRI Disclosure 3-3]

TUBACEX is aware of the nature of its activity and the associated environmental impact, mainly in the field of emissions and waste generation. For this reason, it has devised a roadmap that enables it to mitigate its environmental impact with actions that directly result in more efficient and responsible management. It is a public commitment, aligned with the Paris Agreement, with the aim of becoming carbon neutral by 2050.

Throughout 2023, TUBACEX continued its efforts to reduce its environmental impact with actions aimed at reducing its carbon footprint, improving water resources, increasing efficiency in waste management and supply chain traction, among others.

5.3.1.2

Main material aspects

Mitigation and adaptation to climate change, through operational improvements and fostering sustainable purchases; development of new materials or diversification towards clean energy sectors. It must be highlighted that 80% of TUBACEX's innovation efforts will be focused on the development of solutions that reduce its customers' emissions, promote the circular economy or improve their environmental performance, by 2030.



5.3.1.3

Management Approach and Components

[GRI]

In 2023, TUBACEX pursued its energy transition and climate change strategy as one of its main priorities, establishing a work plan for each of the lines defined in the road map.

In terms of reporting, TUBACEX has launched an ESG information consolidation tool, the first phase of which, focusing on environmental indicators, was completed in the 2023 financial year.

Indicator	Unit	2019	2023	Target 2030
Energy intensity	Mwh/ VAB	2,85	1,40	2.13
Intensity of emissions in scope 1 and 2	tonCO2/GVA	0,70	0,22	0.28
% renewable energy	% of total energy	0%	33,7%	400%
Waste recycled	% Total waste generated	60,5%	82,26%	95.0%

Decarbonization

In 2023, TUBACEX continued with its decarbonization plans to improve its climate performance. The Álava steel plant in particular has been the main recipient of investment plans for this purpose, due to its nature and high energy consumption.

This decarbonization plan forms part of the 2030 climate roadmap to reduce our GHG emissions (Scopes 1 and 2) by 60% by 2030 and reach “net zero emissions” by 2050.



Circularity

In 2023, TUBACEX continued to foster the recovery of all scrap generated at the steel mill, extending the recovery project to other Group plants. It has also continued with the process of revalorization of slag, the main waste from the steel mill, at a European recovery plant that is specialized in the treatment of products from the stainless steel industry. This initiative avoids sending around 15,000 tons per year to landfill, recovering the minerals that return to the manufacturing process and using the final residue in the production of asphalt products for roads. These projects join those already in place for the use of recycled materials and others for improving waste management or diagnosing water consumption.

Responsible supply chain

TUBACEX has continued extending its assessment process to the supply chain, whereby 829 suppliers have been assessed in ESG through its pilot supplier risk management tool. In this regard, the review of its management processes to drive its supply chain within the framework of its sustainability commitments can be highlighted.

Available policies and manuals:

- **Integrated Environmental Policy.** Approved in December 2023 by the Chief Executive Officer with the aim of extending environmental management commitments to climate, water, pollution, circularity and biodiversity.
- **Sustainability Policy.** The Sustainability Policy was approved by the Board of Directors in December 2023, and establishes respect for the environment.



- Thus, environmental impact is an important part of the overall objective of this policy management. More specifically, this policy incorporates the commitment to minimize environmental impact derived from TUBACEX's activity, aligning it with international initiatives linked to the promotion of the circular economy and encouraging practices for energy transition and climate neutrality through the reduction and offsetting of greenhouse gas emissions. Supplier traction is also incorporated into its commitments.
- Code of Conduct. TUBACEX expresses respect and concern for environmental protection and sustainable development and embraces a commitment to carry out our activity using resources required to protect the environment.

Climate risks:

TUBACEX has incorporated climate and transition risks into its global risk model. Risks are assessed in accordance with the Task Force on Climate Related Financial Disclosures (TCFD) recommendations, evaluating the physical risks (acute and chronic) as a result of the effects of climate change on the activity and the transition risks, arising from the impact of a transition towards a low carbon economy.

The risks were analyzed on three different horizons: short-term (2025), medium-term (2030) and long-term (2050). For each type of risk, their potential sources were identified, evaluating the probability of their occurrence in a RCP 4.5 and 8.5 scenario, the possible impact on the business and the time frame for their occurrence.



Handling of physical risks:

- **Acute Risks.** Risks arising from increased severity of extreme weather events could affect our direct operations by damaging our facilities or harming our people or disrupting the transport of goods and products throughout our supply chain. Meteorological risks form part of our risk management program.
- **Chronic Risks.** Chronic physical risks are driven by long-term changes in weather patterns, such as rising sea levels and increased average temperatures. When considering these risks, it is important to take into account the non-linear nature of the risks and the cascade effect. Long-term changes in climate may be manifested as hazards in any of these categories: rainfall patterns, droughts, heat waves, wildfires, storms and cyclones, or river and coastal flooding.

Handling of transition risks:

- **Policies and regulations:** policy developments that seek to limit actions that contribute to the adverse effects of climate change or policy developments that seek to promote adaptation to climate change.
- **Technology:** all risks associated with technological improvements or innovations that support the transition to a lower carbon and more energy efficient economic system.
- **Market:** all changes in supply and demand for specific commodities, products and services.
- **Reputation:** all risks linked to changing customer or community perceptions of an organization's contribution to the transition to a lower carbon-emission economy or its detraction.



Handling of market risks:

In the case of transition risks, IEA scenarios (APS, STEPS, SDS and NZE) as well as own models and estimates were used as a reference for the evolution of non-energy sectors, and in the case of physical risks.

- **IEA announced policy scenario (APS):** a scenario that assumes that all commitments made by governments worldwide, including those determined at a national level, contributions and longer-term net zero targets will be met in full and on time.
- **IEA Stated Policies Scenario (STEPS):** a scenario that reflects the existing policy configuration in a sector-by-sector assessment of the specific policies that are in place, as well as those that have been announced by governments worldwide.
- **IEA Sustainable Development Scenario (SDS):** an integrated scenario that specifies a path in order to: ensure universal access to affordable, reliable, sustainable and modern energy services by 2030 (SDG 7); substantially reduce air pollution (SDG 3.9); and take effective action to combat climate change (SDG 13).
- **Net Zero Emissions Scenario (NZE):** A scenario that sets out a tight but achievable path for the global energy sector to reach net zero CO₂ emissions by 2050. It is not based on emission reductions from outside the energy sector to achieve its objectives.

For each scenario, three horizons are considered: short term (until 2030), medium term (2031-2040) and long term (2041-2050) and logic based on sales, investment figures and sales evolution, or projected GDP.



Handling of opportunities:

- **Resource efficiency:** related to improving resource efficiency in production and distribution processes, buildings, machinery/appliances and transportation/mobility.
- **Energy source:** related to the change in energy use towards low-emission energy sources.
- **Products and services:** related to innovation and the development of new low-emission and climate-adaptive products and services.
- **Market:** opportunities in new markets or types of assets that may help the organization diversify its activities and better position itself for the transition to a lower carbon-emission economy.
- **Resilience:** related to the development of adaptive capacity to respond to climate change.

Response to risks:

The response to these risks is structured around 3 of the Company's 5 strategic pillars approved by the Board and shared with our stakeholders.

1. **Innovation in the new technologies required by new energy sources**, positioning the Group as a key partner to enable the energy transition. Supporting our customers in their decarbonization processes (new materials, improved processes).
 - Customized solutions and materials for hydrogen applications.
 - Projects focusing on energy storage and transportation.
 - CC (Carbon Capture) and CCS (Carbon Capture and Storage) solutions.



- 2. Sustainability strategy to decarbonize our operations,** reduce our emissions and increase circularity. TUBACEX recognized the importance of reducing its emissions footprint and joined the Science-Based Targets (SBTi) initiative in 2020 with the aim of reducing its direct and indirect emissions by 2030 to contribute to limiting global warming to less than 1.5°C. With a target of 59% of Scope 1+2 emissions intensity by 2030 and 30% for Scope 3 in relation to 2019, TUBACEX is also pursuing the initiatives mentioned throughout the document to increase the use of renewable materials in production, reduce water and waste intensity and monitor our impact on biodiversity.
- 3. Diversification:** Identification and search for new opportunities in energy and mobility unrelated to fossil fuel energy, through organic or inorganic growth.



Evolution of the analysis model in 2023

In 2023, the company has revised the approach applied in previous years to incorporate new risks and opportunities to those previously identified, with an approach that incorporates the TCFD recommendations.

Ref	TCFD category	Risk	Affected region	Importance of the risk (1-5)	Period	Quantified financial impact
1	Physical acute	Severity of extreme weather events	Global	3	Medium term (5-10 years)	Yes
2	Physical chronic	Hazards in any of these categories: rainfall patterns, drought, heat waves, forest fires, storms and cyclones, or river and coastal flooding.	Global	2	Medium term (5-10 years)	No
3	Policy and legislation	Scope 1: EU Emissions Trading Scheme (EU ETS) Scope 2: Electricity supply to non-carbon emitting sources Scope 3: Suppliers passing costs to TUBACEX Waste: Shortage of landfill space.	Global	4	Short term (1-5 years)	Yes
4	Market	Products and services in various sectors that could be affected by the energy transition to non-fossil fuels, such as oil and gas, in the initial, intermediate and final phases.	Global	4	Medium term (5-10 years)	Yes
5	Reputation	Our response to the climate challenge affects the ratings we receive from investors and customers in annual ESG surveys.	Global	4	Short term (1-5 years)	No



Ref	TCFD category	Opportunity	Affected region	Importance of opportunity	Period	Quantified financial impact
1	Market	New market for existing or improved product lines. Increased demand for products and services.	Global	5	Short term (1-5 years)	Yes
2	Energy source	Use of cleaner energy sources	Global	5	Short term (1-5 years)	Yes
3	Energy source	Recycling use		5	Short term (1-5 years)	Yes
4	Energy source	Use of more efficient production and distribution processes	Global	5	Short term (1-5 years)	Yes
5	Products and services	Low-carbon product development and expansion	Global	5	Short term (1-5 years)	Yes
6	Technology	Technological improvements or innovations that favor the transition to a lower carbon and more energy efficient economy.	Global	5	Short term (1-5 years)	Yes



5.3.1.4

Environmental Assessment or Certification Procedures

[GRI Disclosure 3-3]

TUBACEX has implemented an ISO 14001 certified system in its main production plants, with its Durant plant being the latest to obtain this certification, and TTA, Awaji Thailand and some NTS Group plants being out of certification. In spite of this, they have a voluntary ISO 14001 system, aimed at controlling processes to prevent and minimize the environmental impact caused by our activity. Thus, virtually the entire company production process is endorsed by an accredited environmental management body.

No disciplinary procedures were filed in 2023 within the integrated environmental authorization certification process and proactive fluid communications are ongoing with the competent administration.

Moreover, due to the nature of the activities carried out by TTI-ACERALAVA, the Integrated Pollution Prevention and Control Directive (known as IPPC Directive) transposed into the Spanish Royal Legislative Decree 1/2016 of December 16, is applicable. Therefore, the Company has obtained Integrated Environmental Authorizations implying the control of all environmental aspects of the activity through surveillance plans and periodical reporting to the Administration in a relationship based on transparency.

5.3.1.5

Resources devoted to the prevention of environmental risks and application of the precautionary principle

[GRI Disclosure 2-12, GRI Disclosure 2-23]

All plants with ISO 14001 certification have a quality and environmental manager, responsible for ensuring environmental management processes are implemented. These Directors guarantee activities conducted by the Company are followed up and controlled from an environmental perspective, ensuring regulatory compliance and the search for improvement opportunities.

In the financial year ending 31st December, 2023, the Group held net investments in excess of €1,757 K (€1,319 K in 2022), along with environmental expenses amounting to over €3,202 K (€1,637 K in 2022).



5.3.1.6

Provisions and Guarantees for Environmental Risks

[307-1]

In 2023, the Group recorded a provision of EUR 1,355 thousand (EUR 1,393 million in 2022) under “Non-Current Provisions” in the consolidated balance sheet relating to one of the subsidiaries registered in the United States of America and one of the companies in Alava.

In 2023 and 2022, the company has not received any sanctions or fines for environmental reasons.

Since 2000, TUBACEX has had an environmental liability insurance policy that comprehensively covers the possible risks of the industrial activity carried out at all of its plants, with coverage of up to €12 million.

* amount valued by an independent expert and registered as a “non-current provision” in the Consolidated Balance Sheet.

5.3.1.7

Pollution

5.3.1.7.1

Measures to prevent, reduce or mitigate carbon emissions severely damaging the environment as well as other forms of waste recovery and disposal

TUBACEX has implemented different measures for more sustainable waste management, ranging from efficient management of hazardous waste to more specific measures associated with the different plants.



Plants in the Basque Country (TTI and ACERÁLAVA) are equipped with purification and/or process control systems for all sources of atmospheric emissions, to ensure processes are subject to environmental control. Furthermore, regular inspections are conducted by official bodies as required by the corresponding IEA. On the other hand, regular checks are carried out to ensure that noise levels are within regulatory levels. The plants have also been implementing more efficient systems and energy-saving lamps to reduce light pollution, and have made the corresponding measurements within the scope of their activity.

	2023	2022
NOx emissions (t)	123,98	130,95

*100% of the Group's companies are included.

5.3.1.8

Sustainable Use of Resources

5.3.1.8.1

Consumption of raw materials and measures adopted to improve the efficiency of their use

[301-1]

GROUP'S FLAGSHIP: STEEL MANUFACTURING

	2023	2022
3011. Materials used (t)	77.348	86.579
3011b. Recycled input material used (%)	69,41%	66,42%
3011a. Renewable materials used (tons)	53.690	57.510



TUBACEX GROUP: CONSOLIDATED INFORMATION

	2023	2022
3011. Materials used (t)	101,857	114,363
3011b. Recycled input material used (%)	52,71%	50,29%
3011a. Renewable materials used (tons)	53,690	57,510

*100% of the Group's companies are included.

Data representing raw material consumption at the Group plants (raw material input excluding internal flows).

The term "raw material" refers to different types of products according to the Group plant. These types of products can be mainly classified as ferroalloy (Ni, FeMo, FeCr...), stainless steel billets and bars, auxiliary gases (O₂, N₂, Ar), fats and oils, as well as other additives.

5.3.1.8.2

Energy: Direct and indirect consumption; measures implemented to improve energy efficiency, use of renewable energies

[GRI Disclosure 3-3, GRI Disclosure 302-1, GRI Disclosure 302-3]

	2023	2022
Energy use (MWh)	390,806*	408,173
Added Value	278,527	239,151
Energy Intensity (MWh/GVA)	1,40	1,71

(*Diesel: 239 MWh; Natural Gas: 229,589 MWh; Electricity: 160,272 MWh; Propane: 706 MWh)

*100% of the Group's companies are included.



The reduction in energy intensity with respect to 2022 is due to a Premium products specialization strategy, which is general to the Group, and is particularly evident in business units where turnover has increased significantly.

	2023	2022
Energy use from non-fossil fuel sources (%)	33,7%	33,3%

*100% of the Group's companies are included.

5.3.18.3

Water consumption and water supply according to local limitations

[GRI Disclosure 3-3, GRI Disclosure 303-5]

Water is a necessary natural resource for TUBACEX's manufacturing process. For example, the steel processing process requires cooling, inspection or cleaning operations which use water. Minimizing its consumption has become a global objective with measures aimed at its reuse in the different production processes. In 2023, the Group carried out several initiatives for more efficient use of water resources. They included the installation of a retake reading network in its plants in Alava, the reuse of water used in the process for cleaning or purification of process water so that it can be reused (IBF, Italy), the reuse of rainwater (NTS), etc. stand out. In the case of projects focusing on reuse, quantitative information on these projects is not consolidated at present.

The company also completed a project to determine the degree of maturity in the management of its plants worldwide, which also identified the regions with the highest water risk.



	2023	2022
Water used. Municipal (103 m ³)	185,33	198,89
Water used. Surface water (103 m ³)	89,58	86,71
Water used. TOTAL (103 m ³)	274,91	285,60
Water intensity (103 m ³ /GVA)	0,99	1,19

*100% of the Group's companies are included.

The calculation of this indicator is based on consumption from the local supply network and river catchment, whereby groundwater is not included as there is no catchment.



5.3.1.9

Circular economy and waste prevention and management

5.3.1.9.1

Effluents and waste. Measures to prevent, recycle, reuse, recover and eliminate waste

[GRI Disclosure 306-2, GRI Disclosure 306-4, GRI Disclosure 306-5]

	2023	2022
Waste by type (tons)		
Hazardous²	7,829	22,450
Non-hazardous	64,701	64,140
Waste by type (tons). TOTAL	72,530⁽¹⁾	86,591⁽¹⁾
Waste by disposal method (tons)		
Landfill	12,931	16,171
Treatment	-	-
Reuse	4,305	19,829
Recycling	55,294	50,591
Waste by disposal method (tons). TOTAL	72,530	86,591
Waste by disposal method (%)		
Landfill and treatment	17,8	18,7
Recycling and reuse	82,2	81,3

*100% of the Group's companies are included.

⁽¹⁾The sum of total waste by type (tons) incorporates the rounding of decimals not included in the figures for hazardous and non-hazardous waste.

²The definition of hazardous waste will follow the local regulations where the business unit reports from.

* Food waste was not considered material in the Group.

Data calculated by adding official waste management records at each plant. The waste disposal method has been determined by local regulations applicable to each plant and nature of waste generated.

The most ambitious waste management and valorization project is the one developed at the steel mill for its main non-hazardous waste: slag. Launched in 2022 and continued in 2023, this project avoided sending 14,487 tn of slag to landfills in 2023 and 10,714 tn of slag in 2022.



5.3.1.10

Climate change

5.3.1.10.1

Greenhouse gas (GHG) emissions

[305-1, 305-2, 305-3, 305-4]

	2023	2022
Direct emissions (t COe)	48,432	54,811
Indirect emissions (t COe)	14,731	16,361
Other indirect emissions (t COe)	365,098,87	286,682
TOTAL	428,262	357,854
Emission intensity (t COe/VAB)⁶		
Direct emissions	0,17	0,23
Indirect emissions	0,05	0,07
Other indirect emissions	1,31	1,20
TOTAL	1,53	1,50

*100% of the Group's companies are included.

The data for 2022 corresponding to other indirect emissions have been recalculated as the elements that make up the indicator have been partially contemplated. See Annex I.

On the other hand, the increase in other indirect emissions in 2023 is mainly due to investments to support the growth project in the Middle East (Scope 3.2).

The reduction of direct and indirect emissions is mainly due to the promotion of energy efficiency measures in the plants. A milestone during 2023 was obtaining ISO50001 certification at the Indian plant, a voluntary international standard that provides the requirements to manage and improve energy aspects as a result of its activity.

The methodology applied in 2023 follows that established in the model revised in 2020 for the calculation of emissions in all of the Group's companies, including the three scopes, using real activity data in all cases:



1. Direct emissions

- Electricity, heating, cooling and steam generation: emissions are the result of fuel combustion in stationary sources such as boilers, furnaces and turbines, as well as other combustion processes, including flame burning.
- Physical or chemical processing: most of these emissions are the result of the manufacturing or processing of ferro-alloys at the steelworks.

2. Indirect energy emissions

- CO₂ emissions from purchased or acquired electricity generation, heating, cooling and steam used.

3. Indirect upstream emissions of the following categories

- Acquired products and services.
- Investments in products and services (Capex).
- Activities related to fuel and energy (not included in Scope 1 and Scope 2).
- Upstream distribution and transport.
- Downstream distribution and transport.
- Waste related
- Business trips.

Emission factors and Global Warming Potential (GWP) rates used to calculate greenhouse gas emissions are based on the carbon footprint methodology, defined with the technical support of an external adviser for the preparation of all calculations. The reference standard used as a methodological reference was the GHG Protocol, and the global warming potentials for each GHG and the emission factors were taken from official databases published by the Spanish Climate Change Office (MITERD), DEFRA or Ecoinvent.



5.3.110.2

Measures adopted to adapt to the consequences of Climate Change

[GRI Disclosure 3-3]

TUBACEX has defined emission reduction measures that enable it to adapt to the consequences of climate change. On the one hand, the company is promoting the diversification of its business towards low-emission sectors, while on the other, it is promoting the decarbonization of its processes in order to reduce the footprint of its products. In the first area, it is worth mentioning the collaborative projects aimed at non-conventional energies, such as the H2SALT project, launched by a consortium of companies, including TUBACEX, with the aim of developing an integrated management system for hydrogen storage in salt caverns. With respect to process efficiencies, there are several innovation projects aimed at reducing gas consumption with the gradual incorporation of alternative energy sources.

Those plants with the highest impact on the business and the environment have climate change adaptation plans that contemplate measures focused on temperature increases, water shortages or extreme winds, among others. Along the same line, in 2023, we identified the need to launch a corporate project to adapt to the consequences of climate change at a global level, which will start in 2024.

5.3.110.3

Reduction goals established voluntarily in the medium and long term to reduce GHG emissions and means implemented for that purpose

[GRI Disclosure 3-3]

In December 2020, TUBACEX signed the Science Based Targets Initiative (SBTi) commitment letter with an ambition level of 1.5° and a Net Zero commitment by 2050. In 2020, the emission intensity reduction targets for 2030 (60% in Scope 1 and 2 with respect to 2019 and 30% in Scope 3) were set and validated by SBTi. This milestone was followed by a change of approach in 2023 to address TUBACEX's request for value in higher value-added products. The sectoral approach that considered emissions per ton of product was considered insufficient so it was necessary to reformulate the approach from a cross-sectoral perspective.



Having filed the update request with the SBTi, the company is pending validation. This new scenario would lead to a reduction of Scope 1 and Scope 2 emissions of 64% in absolute terms, with respect to the 2019 base year; and a Scope 3 reduction of 55% in intensity over gross added value.

Chart 1. Evolution of emissions based on GVA intensity.

Item	Emissions 2019 (tCO ₂ e)	Emissions 2020 (tCO ₂ e)	Emissions 2021 (tCO ₂ e)	Emissions 2022 (tCO ₂ e)	Emissions 2023 (tCO ₂ e)	SBT 2030 (%)
Scope 1+Scope 2 (tCO ₂ e/GVA)	0.70	0.44	0.41	0.30	0.22	-59%
Scope 3 (tCO ₂ e/GVA)	1,757	1,1	1,5	1,2	1,3	-30%

Chart 2. Evolution of emissions based on Tons intensity.

Concepto	Emisiones 2019 (tCO ₂ e)	Emisiones 2020 (tCO ₂ e)	Emisiones 2021 (tCO ₂ e)	Emisiones 2022 (tCO ₂ e)	Emisiones 2023 (tCO ₂ e)	SBT 2030 (%)
Scope 1+Scope 2 (tCO ₂ e/ton)	123	0.95	1.29	0.83	0.76	-59%
Scope 3 (tCO ₂ e/ton)	3.09	2.42	4.75	3.35	4.37	-30%

By supporting these initiatives along with its environmental sustainability plan, TUBACEX demonstrates its commitment to the environment and fight against climate change.



5.3.1.11

Biodiversity

[GRI Disclosure 3-3, GRI Disclosure 304-1, GRI Disclosure 304-2]

TUBACEX plants are not located in any protected areas, reserves or natural parks, nor have they been involved in any controversies with serious or very serious negative repercussions for the environment. In 2023, the Company conducted an analysis to determine the degree of biodiversity management at the different plants. The plants that formed part of this analysis carry out environmental impact assessments or an equivalent environmental risk analysis that include an assessment of biodiversity and ecosystems.

TUBACEX is aware of the impact of its activity on the biodiversity from a more global perspective, encouraging it to be respected through more responsible environmental management, especially in the area of climate change and promoting the circularity of waste.

Regarding the supply chain, suppliers must comply with the environmental requirements established by Tubacex Group for official approval, confirming they have not had any significant impact on diversity.



5.3.2 Supply Chain

5.3.2.1 Explanation of the Material Topic and its Boundary

[GRI Disclosure 3-3]

TUBACEX contemplates integral supply chain management, covering all purchase-- sale relationships undertaken in the Company, focusing its efforts on improving supply and supplier development in terms of quality, service, corporate social responsibility and costs. Sustainable supplier management has been identified as a material aspect in the analysis of material topics carried out in 2023. TUBACEX not only selects suppliers who prove the desired combination of quality, commercial competitiveness and innovation, but also, and even more importantly, they must do so by linking their activity to their efforts in terms of sustainability.

All Tubacex Group suppliers are committed to the Purchasing Policy from the moment in which they receive an order or a framework agreement. Thus, the corporate function and the suppliers are aware of this policy and the principles included. If a supplier is deemed to have breached any of the applicable laws, TUBACEX will terminate commercial activity with the supplier as soon as possible. The TUBACEX Group proactively manages compliance with the purchasing policy by constantly monitoring suppliers using active risk monitoring tools, as well as through audits. It also proactively manages its supply chains to avoid disruptions in the short, medium and long term. The latter represents a risk included in the risk map as supply problems related to time and form may lead to the risk of being unable to meet deliveries agreed with the customers in terms of deadline or quality.



5.3.2.2

Management Approach and Components

[GRI Disclosure 3-3]

TUBACEX has a specific management process for its supply chain, which is currently under review in order to incorporate the expectations of interest groups in terms of sustainability performance and to increase the TUBACEX Group's leverage on its supply chain in terms of sustainability. In this way, suppliers with the highest turnover or the criticality level in terms of social, environmental or governance performance will be evaluated and audited using criteria adapted to their sector and type of company to identify their performance in this area, along with their level of risk. This process will be complemented by a closed loop of improvement proposals and feedback to suppliers, which will increase the group's pulling effect on its supply chain in terms of sustainability. This process will be integrated into existing supplier management tools, such as the supplier portal, which has provided greater insight into the sustainability status of supplier companies since 2019, prioritizing those with the best performance. In 2023, supplier companies representing 85.5% of the purchasing volume signed the TUBACEX Supplier Code of Conduct, making it their own and committing themselves to its compliance. No breach of the TUBACEX Code of Conduct has been reported until now.

Indicator	Unit	2019	2023	Target 2030
% of suppliers evaluated based on ESG factors	%	00%	85,5%	99,0%



Available policies and manuals:

- **General Purchasing Terms and Conditions.** Contractual relationships with TUBACEX are defined in the “General Purchasing Terms and Conditions”, document which governs the relations between the Company and teams of professionals with the suppliers, and also included in the Purchasing process of its process map. These general purchasing terms and conditions have been subject to a review process in order to consider sustainability commitments and a participatory position in terms of transparency of information related to its social, environmental and governance performance, like in the previous case.
- **Purchasing Policy.** This policy is currently being revised to emphasize the company's commitment to sustainability issues, such as environmental protection, employee health and safety conditions and respect for human rights, among others.
- **Supplier Quality Manual.** Moreover, Tubacex Group collaborates with suppliers in the development of their capacities and continuous improvement in order to guarantee that the products manufactured for their customers comply with the technical and competitiveness requirements demanded by the market and regulating the relationship through the Supplier Quality Manual.
- **Code of Conduct.** Finally, this commitment is also extended through TUBACEX Code of Conduct which guarantees that TUBACEX relationships with suppliers and customers are conducted according to its guidelines.



- **Code of Conduct for Suppliers.** In addition to implementing the corporate Code of Conduct to extend TUBACEX's commitment to all Stakeholders, the Group has defined the minimum ethics and responsible behavior compliance standards, aligned with TUBACEX culture and values and related to human and labor rights. This Supplier Code of Conduct was approved in 2019 by the Corporate Purchasing Director.
- **Code of Conduct for Buyers.** The Code covers TUBACEX's commitment to maintain the highest levels of integrity in all business relations. These requirements are set out in the document. It was approved in 2019 by the Corporate Purchasing Director.

5.3.2.3

Assessment Procedures

[GRI Disclosure 3-3, GRI Disclosure 414-1, GRI Disclosure 414-2]

TUBACEX's suppliers are subject to different assessment procedures starting from the moment when they register as suppliers via the suppliers' platform and throughout the business relationship between the parties.

When they register with the Company, 100% of suppliers are asked to complete a questionnaire divided into the following sections: general information; financial information; quality management of products or services; management of relationships with suppliers; ESG (the environment, H&S, work conditions and human rights); compliance (control of exports, financial control, data protection, business integrity, intellectual property, commitment to suppliers and contractual obligation, reporting, monitoring and sanctions to suppliers); sales information; R&D and Innovation; adherence to corporate policies; codes of conduct and general terms.



Answers to the questionnaire are analyzed and classified into different compliance levels with TUBACEX requirements. In the event of a supplier being identified providing improper answers to critical questions, an email asking for correction and a general review of the questionnaire will be sent. The email will inform the supplier that unless a modification / justification of the original answer is provided, TUBACEX will be forced to discontinue the business relationship.

Once the supplier registration process is completed, an official approval work flow is deployed by the business units of the purchasing and quality departments according to supply criticality. Approval from both departments is required to validate the supplier's registration.

Any amendment to the supplier data sheet details, either in the questionnaire or the quality certificate repository, will activate the review and approval flow and notification will be sent to the managers of each business unit. This ensures assessment and checking not only at the time of registration but also throughout the business relationship with each supplier.

In line with the suppliers' risk assessment based on their registration in the platform, The TUBACEX Group has implemented a continuous and active system to monitor suppliers' risks, which enables early detection of any risk in the supply chain. The application is deployed to integrate with the suppliers' platform, adding value to the suppliers' management and assessment process.

On the other hand, and from the dimension of supplier delivery compliance, OTIF (On Time In Full: the basic concept is the delivery of the correct product on time) reports have been drawn up in the TUBACEX ERP, which provides information on 100% supplier compliance in terms of deliveries on time and quantity. This indicator facilitates classification of suppliers according to deliveries, with a negative impact on the supply chain and TUBACEX operating system.



5.3.2.4

Indicators Percentage of suppliers assessed according to environmental criteria

[GRI Disclosure 308-1, GRI Disclosure 308-1]

TUBACEX focuses on developing long-term relationships and collaboration with its suppliers, which was endorsed by a volume of recurring suppliers of 64% in 2023, accounting for more than 99% of purchases.

As a group with an eminently international character, TUBACEX maintains its commitment to the business sector in the Basque Country, where it focuses approximately 50% of its expenditure. This figure is slightly lower than in previous years (58% in 2022 and 60% in 2021) but is justified by the Group's increased international presence. In 2023, 829 suppliers were registered and evaluated on the purchasing platform (801 in 2022 and 774 in 2021), representing on aggregate 90% of TUBACEX's expenditure.

100% of those suppliers completed the questionnaire with questions related to their environmental management model, which was used to create a specific rating. Thanks to this, supplier assessment parameters were extended to include sustainability aspects (environmental, human rights, child labor, health and safety, etc.), making them aware of the importance of their development in this area. This questionnaire enables alerts to be sent in those cases in which a critical question has received an inadequate response, ensuring that all the suppliers on the panel to have ESG standards in accordance with the company's needs.

TUBACEX considers raw material suppliers are those with the most significant environmental impact since they contribute most to TUBACEX environmental impact results. These suppliers must submit proof of their environmental management model and are subject to audit plans. The supply environmental impact assessment model is mainly defined by two analysis variables: the management system implemented by the supplier, and proximity to the source of provisioning. Suppliers with the highest scores are defined as less harmful in terms of supply chain sustainability.

5.4

Contributing to the development of innovative solutions for the energy transition



5.4.1

Customer

5.4.1.1

Explanation of the Material Topic and its Boundary

[GRI Disclosure 3-3]

The TUBACEX strategy is based on offering comprehensive value propositions which are adapted to customers' needs. Full customer orientation means that the key material aspects in this area are:

- **Development of innovative solutions for the energy transition.** Within the framework of the energy transition and the need to contribute to the decarbonization objectives of its customers, TUBACEX has incorporated a line of action in its sustainability strategy with this in mind.
- **Customer satisfaction.** TUBACEX has focused its sales organization on meeting the needs of its customers with different specialized profiles at the product, region or key customer level. At management level, TUBACEX has a Customer Satisfaction process, which enables it to measure customer satisfaction, analyze results and launch the relevant action plans to facilitate achieving the targets set in this field. One of the tools used is the satisfaction survey, which obtained a rating of 7.6 out of 10 in 2023, compared to 7.1 in 2022.

In addition to the satisfaction questionnaires, the Company has other sources of information, such as: claims, complaints and suggestions, records of visits to customers or meetings with customers regarding the lessons learned. In 2022, the standardized handling of complaints by our business units in the corporate CRM system was defined, which has been implemented in some business units.

- **Data privacy.** The protection of data privacy is a priority for TUBACEX and was incorporated in its 2023 dual materiality analysis.



Potential risks identified and included in the risk map are:

- **Strategic (competitive) market positioning.** There are sub-risks associated with market positioning other than the one defined in the Group strategy. Those risks include: failing to understand customers' needs, being unable to offer them value proposals tailored to their needs, failing to offer competitive prices or delivery deadlines, or to foster satisfactory relations. The introduction of the direct supply of parts and maintenance services to end users in the value chain was an additional milestone in the Tubacex Group strategy.
- **Quality.** TUBACEX is dedicated to offering product and services with the highest quality standards. To achieve this, production systems based on operational excellence have been implemented at all plants. This system with key performance indicators and improvement projects is based on the participation of individuals dedicated to customer satisfaction in terms of quality and delivery deadlines. In 2020 the main focus has been placed on companies recently incorporated to the Group.

5.4.1.2

Management Approach and Components

[GRI Disclosure 3-3]

TUBACEX has two specific processes to manage customer relationships and satisfaction (Marketing and Sales Process 3 and Customer Satisfaction Process 8). When TUBACEX expanded its geographical scope and range of products and services offered, it restructured its sales network and established an internal classification of customers to gear management towards their needs, based on an organizational model called KATS (Key Account Tubacex System). As part of the sales re-organization, the following figures were defined:

- Key Account Manager (KAM) who knows customers and their needs best as he/she is closest to the customer and knows the purchasing decision process.



- Strategic Key Account Manager for a specific selection of 40 customers who fulfill the condition of having a global presence and with whom regional coordination is essential.
- Industry Manager (IM) who has the best knowledge of products, market opportunities, competitors or market prices among other matters.
- Business Unit Sales Director, who optimizes the margins and remains in constant contact with the sales network due to his/her knowledge of the plants.

On the other hand, it has a process for the Innovation and Development of new processes, products or technologies. The Innovation area also actively promotes one of the four pillars of the Group's sustainability plan by promoting the following strategic lines:

- Participation in leading transition initiatives, being a key player in the hydrogen industry.
- Facilitate the industrialization of high impact, innovative technological solutions, moving towards business diversification.
- Work with customers to develop solutions capable of improving the performance of materials in segments of activity related to new energy sources.

Finally, the company has a Security Master Plan, consisting of a set of procedures, policies and projects that affect the cybersecurity of its information system (see section 5.4.1.4.5).



Policies, manuals and systems available:

- **Code of Conduct.** The TUBACEX Code of Conduct defines the good practices of the sales department. It was distributed to our main customers in 2023.
- **Sustainability Policy.** One of its commitments is to maintain a close relationship with suppliers and customers in order to promote sustainable practices and extend TUBACEX's sustainability commitments to them, and to constantly seek customer satisfaction by prioritizing innovation, strategic intelligence and continuous improvement processes, evaluating and minimizing impacts on the environment and people.
- **Commercial Policy.** Tubacex Group's Commercial Policy includes the action guidelines to be followed in the commercial structure by the Marketing and Sales team in relation to the products supplied, sales channels, prices, promotion, contributions and legal matters.
- **Management Processes.** TUBACEX's process map is oriented to meet our customers' needs. Thus, two in five key processes are managed by the Marketing and Sales departments: the Corporate Sales Process and the Customer Satisfaction Process. The first one sets forth the department operation: from data collection to define product and market strategy, to the sales process closure. It also includes instructions for the corporate process deployment.



- **Special IT systems for the sales department.** Based on standard CRM software, the Company has developed Salesforce, a solution so that the entire sales network is spread out regionally and can manage and follow market opportunities with diverse responsibilities. It has also developed a specific portal for TSS customers, which started to be shared in 2020 as part of a gradual roll-out. Since 2022, all of the commercial information from the different business units is structured in a unified database which is exploited through a common analytical tool.

5.4.1.3

Assessment Procedures

[GRI Disclosure 3-3]

For customer information collection, there is a sales department divided into customer, products and regional knowledge levels, incorporated to the strategic reflection process with each manager's input. The most effective communication tools are meetings enabling acquisition of greater knowledge of the market generating more robust and longer relationships. Furthermore, an analysis of the main competitors is carried out to ascertain their sales evolution. In addition, the sales department analyzes satisfaction indicators through the global survey distributed annually among customers in all business units.

Based on the documentation submitted, an analysis to understand external indicators which affect or may affect the Group evolution, as well as economic, market and social trends is conducted.



In this context, TUBACEX regularly carries out learning activities with other companies (iron and steel industry, engineering and innovation, competitors, etc.) thanks to its participation in associations and different national and international work forums (UNSESID, NACE, Confebask (the Association of Basque Entrepreneurs), SEA, API, Basque Energy Cluster, ESTA, IEF, etc.). This market analysis is completed thanks to different tools and sector reports, whereby there is a specific Business Intelligence department, which is supported on an Intranet. Finally, more operational forums with a specific commercial focus are used with other Basque companies offering products supplementary to Tubacex Group products.

An internal analysis is carried out to understand current and potential capabilities in terms of technology, product development or professional category. Such analysis accompanies the strategy to foresee and address future needs earlier and provide the best answer. New products and technologies are directly presented to customers during visits to the facilities, or more generally through direct presentations at fairs and exhibitions or specific communication campaigns (direct or specialized journals).



5.4.14

Indicators

[GRI Disclosure 416-1, GRI Disclosure 417-1]

5.4.14.1

Channels to report concerns regarding unethical behavior

The Company's global sales network is close to the customers and serves as a primary communication channel for any sales or corporate issue. Furthermore, by means of surveys, the customer satisfaction procedure guarantees alternative communication channels in which customers may express their concerns regarding different issues, including relations with unethical behavior. Finally, TUBACEX facilitates a claim channel for its collaborators to channel any potential non-compliance.

The TUBACEX Code of Conduct defines the good practices of the sales department. It was distributed to our main customers in 2023.

5.4.14.2

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Given the growing specialization of Tubacex Group in products aimed at the energy field, certification to the main international standards (ASTM, ASME, Norsok, etc.) guarantees the high quality standards of our products. All of the products are manufactured in accordance with international standards, and production is specifically monitored by external inspectors in those cases in which customers so require it and directly by end users in an increasing volume.



5.4.14.3

Non-compliance cases related to health and safety impacts of the products and services categories

All plants are subject to audit according to the standards and official approvals described above. The Company has not only renewed official approvals obtained but also increased the volume of certifications year after year.

5.4.14.4

Requirements for product and service information and labeling

All products manufactured by TUBACEX are certified to international standards and include complete information on chemical composition. Regarding use, social and environmental impact, it should be taken into account that these products are aimed at very variable equipment, installations and systems, and therefore, impact is determined by the specific equipment use by the operators of these devices and facilities. From this point of view, TUBACEX certification procedures are oriented to the correct and responsible use of these products (i.e.: the use of a tube in a nuclear device demands nuclear certification, etc.) by intermediaries or users.

As part of the Marketing and Sales Process, TUBACEX offers a value proposal for its products and services which is best suited to meet the needs of the customer, including providing advice on the responsible use of products and services. TUBACEX's Premium product segment is oriented to high responsibility applications such as gas and oil extraction or power generation industries. As a result, the selection of materials and the solution design are key aspects to know the product limitations and make responsible use of them.



5.4.14.5

Number of complaints related to breaches of clients' privacy and loss of clients' data received

[GRI Disclosure 418-1]

TUBACEX has a Security Master Plan, consisting of a set of procedures, policies and projects that affect the cybersecurity of its information system. This plan is reviewed annually and updated with the actions and projects implemented each year. As a result, no complaints related to breaches of customers' privacy and loss of data have been lodged.

The cybersecurity system implemented at TUBACEX has several levels:

1. Computer security incident response team (CSIRT)

- Security operations center and SIEM platform.
- We have a 24x7 security operations center to act in the event of a cybersecurity attack/incident in any of the Group's business units.
- SIEM (Security Information and Event Management) platform that receives alerts and events from the defensive, preventive and predictive layers, and is connected to international cybersecurity intelligence sources, which automatically detects and mitigates attacks and threats.

2. Defensive

- Intrusion detection probes, to detect attack patterns by analyzing internal network traffic.
- Foster the segmentation of IT/OT networks in factories to prevent free lateral movement after an attacker's raid.



3. Preventive

- Perimeter security system formed by a set of FWs that organize an SDwan and apply common policies.
- Common corporate policies that restrict Internet browsing and interconnection between sites.
- Advanced security tool for the protection of servers and workstations.
- Advanced e-mail threat detection software.
- Corporate backup solution with dual backup (local and cloud).
- Vulnerability scanning system for system software and applications.
- Control and traceability tool for confidential documentation.
- DNS browsing control for all servers.
- Two-factor authentication for network access, MS365 collaboration systems and VPN access.
- Training and awareness:
- Social engineering campaigns.
- Training sessions on cybersecurity issues.

4. Predictive

- Annual penetration testing by different ethical hacking teams.
- Cyber intelligence services, analysis of the presence of information related to our main Internet domains on the darkweb and other forums.

5.5

Sustainability

Take care of our people and the immediate environment



5.5.1

People

5.5.1.1

Explanation of the Material Topic and its Boundary

[GRI Disclosure 3-3]

TUBACEX is a global group that promotes the welfare and protection of its workers, due to their fundamental role in driving business project and the fulfillment of strategic objectives. Offering safe and pleasant work places and having the best talent and developing it are the priority lines in the management of the area, fostering the principles of equality and respect for diversity.

Health & safety at work

Occupational Health and Safety is an absolute priority for TUBACEX and represents a strategic line of work in the field of management. The company performs its activities in a safe and responsible manner, always placing the value of human life before any other consideration. TUBACEX has implemented a series of measures and tools to ensure continuous improvement in safety performance and promote occupational health and an adequate and effective deployment of commitments.

Talent attraction and retention

The active search for the best professionals and maintaining their commitment to the business project has become a key aspect for TUBACEX. TUBACEX is a flexible company that adapts to and anticipates new tendencies in terms of talent attraction and retention. Thus, it encourages professional development, communication and participation, which affects the satisfaction level and commitment to the business project.

Equality and Diversity

TUBACEX is committed to the promotion of equal opportunities and diversity. Its multi-national and multi-cultural nature represents a rewarding aspect that is preserved and promoted in the units. Therefore, the Company creates and promotes diverse and inclusive work environments that contribute to fulfilling its corporate and business objectives, avoiding situations of labor and remuneration discrimination.



5.5.1.2

Management Approach and Components

[GRI Disclosure 3-3]

The Company has fostered a more efficient people management model, with a smaller corporation that offers services to plants, promotes strategic projects at a global level and consolidates the reports; and plants where the management processes are deployed, but with autonomy in their implementation.

There are specific management processes in the People area, which were redefined in 2023 to incorporate aspects that result in management that is more focused on current trends. Therefore, sustainability plays a fundamental and transversal role during the process, acting as a source of information input in each of the area's sub-processes.

Indicator	Unit	2019	2023	Target 2030
Pay gap	ratio	115%	10,58%	10.1%
Training delivered per employee*	Hours/fte	13,7	14,4	15
Accident frequency rate (evolution)	Base 2019	1000 (25,7)	36,7 (9,42)	250 (6,45)
Severity rate (evolution)	Base 2019	1000 (0,64)	76,6 (0,49)	250 (0,16)

In the case of the evolution of the accident frequency and severity rate, an evolution of the indicators is shown based on 100, taking 2019 as the reference year. The current indicator of Frequency rate of accidents with sick leave (9.42) and severity rate (0.49) represents an improvement of 63.3% and 23.4% with respect to the 2019 figures.



- **Equality, Diversity and Equity Policy.** Approved in 2023 by the Chief Executive Officer to further its commitment to full equality in terms of relations between people within the company itself, as well as in relations between the company's employees and other people, entities and/or companies. In this sense, we intend to embrace and integrate the following commitments in terms of equality and inclusion:
 - Integrate the gender perspective in all areas of the organization.
 - Prevent sexual and gender-based harassment in the workplace, as well as any form of gender-based violence.
 - Prevent any form of harassment.
 - Promote diversity and eliminate any type of discrimination, including prejudices, predefined roles and stereotypes based on gender, race, nationality, age, sexual orientation, gender identity, etc.
 - Provide the necessary means to adapt the facilities to people with functional diversity
 - Use inclusive language and corporate images.
- **Training And Professional Development Policy.** Approved in December 2023 by the Chief Executive Officer, the aim of this policy is to provide a framework for staff to develop their knowledge and acquire new skills in a competitive environment. As a result, the company undertakes the following:
 - Make the material and intellectual resources available to the people who make up the company to ensure they acquire the knowledge and skills necessary to perform their role successfully, as well as promote their personal and professional development.



- Continue developing programs to improve employee aptitudes, as well as their social and environmental awareness in order to pursue the ESG goals set out in the Corporate Sustainability Policy.
- Provide an orderly organizational structure with correct allocation of roles and responsibilities to facilitate the development of professional careers in a clear and transparent way,
- Ensure professional development within the company is carried out in strict compliance with the principles of diversity, equality and non-discrimination,
- Maintain an open dialog with employees and/or their representatives to ensure training needs identified by them are covered.
- Promote training and raise awareness of all employees on sustainability issues.
- Guarantee strict compliance with regulations related to training in areas such as Occupational Health & Safety and any other area that may be applicable.
- **Occupational Health and Safety Policy:** The CEO approved a new policy in December 2023 to drive the company's commitment to:
 - Providing any material, economic and/or technical means necessary to create safe work environments
 - Maintaining an organizational structure with clearly defined roles and responsibilities.
 - Fostering consultation and participation of employees and/or their representatives in decision-making processes on any issue related to this matter.
 - Developing and promoting a safety culture in which each person understands his or her responsibility in preventing accidents and injuries.



- Maintaining open channels of communication on safety issues and encouraging risk identification and reporting.
- Investigating all occupational incidents and accidents to understand the causes and prevent recurrence, using this information to improve operations, processes and safety practices in place.
- Seeking people's well-being and promoting health through wellness programs that promote their physical and mental health.
- **Code of Conduct.** In its latest version, it establishes the company's obligations to:
 - Provide an environment in which equal opportunity applies to all of us.
 - Ensure the absence of any kind of discrimination.
 - Strive for a work environment that promotes dignity and respect, rejecting any form of violence, abuse of authority and intimidation, and with particular awareness regarding the least represented or most vulnerable groups.
 - Gender Equality Plan. Equality plans are promoted at plant level. At the Basque Country plants, TTI and ACVA, a new equality plan was approved in 2023. At other plants where such plans do not exist, there are action protocols against psychological or sexual harassment or on grounds of gender and/or physical violence (TSS), specific manuals with specific sections focusing on non-discrimination (NTS Group), specific non-discrimination policies (Tubacex India), or it is the federal and state laws that uphold the prevention of any type of discrimination (USA, Saudi Arabia, Singapore, etc.).



The main risks identified in this area are:

- **Occupational Safety.** The Company is aware of the mature of its activity and the risk involved, so its efforts are aimed at promoting a preventive culture on one hand, and reducing any operational risk at its facilities through investment in new technologies and fostering the digitalization of production processes.
- **Talent Management and Recruitment.** The lack of key personnel represents a risk for project implementation and the fulfillment of the strategic objectives. For this reason, efforts are focused on attracting and retaining key talent, as well as developing the profiles with the highest impact in the roll-out of the plan.
- **Diversity, Equality and Inclusion.** Incorporated into the risk map in 2022 in recognition of the opportunity presented by the drive for diverse and inclusive talent and the internal drive for full integration. In 2023, it has remained as one of the highlights in the dual materiality analysis.
- **Human Rights.** Incorporated into the risk map in 2022 to ensure full respect for human rights in all regions in which we operate. This is a priority management issue for the plants, all of which share this corporate commitment. It has also been included in the materiality analysis in its 2023 revision.



5.5.1.3

Assessment Procedures

[GRI Disclosure 3-3]

TUBACEX annually conducts an EFQM (European Foundation for Quality Management) feedback survey to assess the efficiency of its management approach. The survey was carried out again in 2023, obtaining a score of 559/1000, which represents a level of management of an agile organization that is prepared for the future.

Management recognition in the new EFQM model has six seals of excellence or recognition: Seal 200, Seal 300, Seal 400, Seal 500, Seal 600 and Seal 700. This score would be in line with the 2022 score of 507/1000.

On the other hand, as part of TUBACEX's objective to strengthen people's commitment to the business project, the company carried out its first employee experience survey in 2023, the results of which were published in January 2024, obtaining an overall rating of 3.65 out of 5.



5.5.14

Employment

[GRI Disclosure 401-1, GRI Disclosure 401-2, GRI Disclosure 401-3]

AVERAGE WORKFORCE BY COMPANY

	2023	2022
Acería de Álava	205,48	198
Tubacex Tubos Inoxidables	422,59	409
Schoeller Bleckmann	362,14	364
Schoeller Bleckmann Technisches Service	41,77	43
Tubacex Taylor Accesories	26,00	27
Salem Tube	100,17	97
Tubacex Service Solutions	81,49	64
Tubos Mecánicos	0	0
Tubacex S.A. Tubacex Servicios de Gestión.	40,10	42
Tubacex Innovación	15,20	15
Oficinas Comerciales	41,16	38
Perímetro anterior	1336,1	1297
IBF	168,51	183
Tubacex Tubes and Pipes	215,66	199
Tubacex Services	13,42	11
Tubacoat	2,00	3
Tubacex Logistics	3,00	2
Tubacex Awaji Thailand	98,75	91
Tubacex Upstream Technologies	10,00	8
Grupo NTS	338,09	290
TOTAL	2.185,53	2.084
Tubacex Durant	88,17	94
Amega West	212,36	167
TSS Norway	17,79	15
TOTAL	2.503,85	2.360

*100% of the Group's companies are included.



Evolution of the Group by company, taking the average workforces of all the TUBACEX companies in 2023 and 2022 as a reference. This information is not subject to external verification as it is not compulsory to report on. It is used at Management level of the Tubacex Group to measure the impact of the Company's different perimeters on the volume as the Strategic Plan is implemented. It compares the company's evolution since the 2012 strategic reorganization, determining the evolution by strategic cycles.

5.5.15

Total number and distribution of employees by gender, age, country and professional qualification

[GRI Disclosure 2-6, GRI Disclosure 2-7, GRI Disclosure 3-3]

EMPLOYEES BY AGE AND GENDER

	2022			2021		
	Men	Women	Total	Men	Women	Total
Under 30	281,06	59,74	340,80	264	48	312
Between 30 and 50	1.376,84	252,84	1.629,68	1.333	229	1.562
Over 50	473,59	59,78	533,37	433	53	486
TOTAL	2.131,49	372,36	2.503,85	2.030	330	2.360

*100% of the Group's companies are included.

The workforce information shown in these tables include the average workforces reported, taking into account all people who have or have had a labor relationship with the company during the financial year averaged to their period of service. Employees affected by temporary lay-offs (Cazza Integrazione in the Italian IBF subsidiary in the first four months of the year) have been averaged according to the actual length of service rendered.



EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	2023			2022		
	Men	Women	Total	Men	Women	Total
Top management	172,22	42,93	215,15	161	42	203
Middle management and supervisors	169,54	25,27	194,81	157	12	168
Technicians and professionals	253,89	180,93	434,82	246	160	406
Operations staff	1.535,84	123,23	1.659,07	1.466	117	1.583
TOTAL	2.131,49	372,36	2.503,85	2.030	330	2.360

*100% of the Group's companies are included.

The Group's workforce is classified in different business units into four categories for standardization purposes:

- Operations staff: any position related to production (operators, maintenance technicians and production support staff).
- Technicians and professionals: work positions with technical or management duties (Engineering, Finance, Purchasing, Human Resources, etc.).
- Middle management and supervisors: management employees at their different levels at production centers; and heads of teams or technical areas.
- Top management: heads of areas or functions, management teams of the plants and business units, including Senior Management.



EMPLOYEES BY COUNTRY AND GENDER

	2023			2022		
	Hombres	Mujeres	Total	Hombres	Mujeres	Total
Spain	633,74	134,46	768,20	612	130	742
Austria	364,36	45,46	409,82	368	44	412
Italy	153,69	17,82	171,51	169	17	186
India	219,89	10,22	230,11	202	10	212
United Arab Emirates	146,43	24,49	170,92	136	22	158
United States	289,03	56,91	345,94	267	51	317
Saudi Arabia	117,58	23,58	141,16	98	9	106
Thailand	73,92	24,83	98,75	70	21	91
Norway	42,67	8,79	51,46	40	8	47
France	7,75	1,83	9,58	7	1	8
China	3,33	3,00	6,33	3	3	6
Brazil	17,83	5,00	22,83	9	2	11
Germany	1,00	-	1,00	1	0	1
Netherlands	3,00	1,25	4,25	3	2	5
Singapore	24,67	7,16	31,83	19	6	25
Korea	1,00	-	1,00	1	0	1
Canada	31,60	7,56	39,16	26	6	31
Total	2.131,49	372,36	2.503,85	2030	330	2360

*100% of the Group's companies are included.

Employees of the Tubacex Group are spread around the seventeen countries where the Group is present.



Overall, there has been an increase in the effective workforce compared to last year. In Europe, employment has stabilized. Italy has maintained the number of people employed despite temporarily adjusting its activity in the first four months of the year through a temporary adjustment plan (Cassa Integrazione). Asia experienced significant growth with an 8% increase in India and a 28% increase in Singapore. The number of employees in the Middle East also increased by 8% in the United Arab Emirates and 33% in Saudi Arabia. The Americas also experienced growth, with a 100% increase in the number of people employed in Brazil, 9% in the USA and 29% in Canada.

5.5.1.6

Total number and distribution of employment contract types

[GRI Disclosure 2-7]

	2023	2022
Permanent contracts	2,459	2,451
Temporary contracts	45	37
TOTAL contract type	2,504	2,488

*100% of the Group's companies are included.

This distribution reflects the total labor contracts at the end of the year (December 2023). Temporary contracts represent around 2% of the Company's total employment at the close of the year.



5.5.1.7

Annual average permanent, temporary and part-time contracts by gender, age and professional category

[GRI Disclosure 2-7]

CONTRACT TYPES BY GENDER

	2023			2022		
	Hombres	Mujeres	Total	Hombres	Mujeres	Total
Permanent contracts	2,093,42	365,61	2,459,03	2,015	321	2,336
Temporary contracts	38,07	6,75	44,82	15	9	24
Total by type of contract	2,131,49	372,36	2,503,85	2,030	330	2,360
Part-time	24,80	35,17	59,97	23	36	59

CONTRACT TYPES BY AGE

	2023				2022			
	< 30 años	30 - 50 años	> 50 años	Total	< 30 años	30 - 50 años	> 50 años	Total
Permanent contract	331,57	1,601,91	525,55	2,459,03	302	1,551	483	2,336
Temporary contracts	9,23	27,77	7,82	44,82	10	11	3	24
Total by type of contract	340,80	1,629,68	533,37	2,503,85	312	1,562	486	2,360
Part-time	1,44	40,03	18,50	59,97	2	39	18	59



CONTRACT TYPES ACCORDING TO PROFESSIONAL CATEGORY

	2023					2022				
	Top management	Mid management and supervisors	Technicians and professionals	Operat. staff	Total	Top management	Mid management and supervisors	Technicians and professionals	Operat. staff	Total
Permanent contracts	213,77	193,39	427,14	1624,73	2.459,03	201	167	397	1571	2336
Temporary contracts	1,38	1,42	7,67	34,35	44,82	2	1	9	12	24
TOTAL by contract type	215,15	194,81	434,81	1.659,08	2.503,85	203	168	406	1583	2360
Part-time labor schedule	4,17	1,02	19,44	35,34	59,97	4	2	19	34	59

*100% of the Group's companies are included.

5.5.1.8

Number of dismissals by gender, age, country and professional category

NUMBER OF DISMISSALS BY GENDER

	2023	2022
Men	88	102
Women	31	19
TOTAL	119	121



NUMBER OF DISMISSALS BY AGE

	2023	2022
	▼	▼
Under 30	23	43
30 - 50	78	64
Over 50	18	14
TOTAL	119	121

NUMBER OF DISMISSALS BY PROFESSIONAL CATEGORY

	2023	2022
	▼	▼
Top management	6	3
Middle management and supervisors	4	5
Technicians and professionals	20	22
Operations staff	89	91
TOTAL	119	121

*100% of the Group's companies are included.

*This table only reflects non-voluntary contract terminations. It does not include termination of temporary contracts, voluntary leave, unpaid leave, retirement, etc.



5.5.19

Average compensation and evolution
breakdown by age and professional
category or equal value

AVERAGE REMUNERATION (EURO) BY PROFESSIONAL POSITION

	2023	2022
Top management	94.050	83.239
Middle management and supervisors	45.987	54.870
Technicians and professionals	45.310	39.926
Operations staff	38.939	39.227

AVERAGE REMUNERATION (EURO) BY AGE

	2023	2022
Under 30	26.975	27.666
30 - 50	45.340	44.429
Over 50	54.535	54.117

*100% of the Group's companies are included.



Average remuneration differed from the previous year as a result of different growth dynamics, integration of companies and restructuring of the Group itself.

The average salary of the Management group has increased considerably as a result of the incorporation of intermediate structures in this category for the integration of the company and the adaptation of management to an increasingly international environment with greater mobility. The fact that the year's results favored the payment of variable remuneration also backs up this increase.

As in the previous year, the intense incorporation of specialized profiles in high-paying environments in activities that are very different from those traditionally carried out has continued.

The incorporation of supervisory and middle management positions has also intensified, especially in the companies that have recently joined the Group, which translates into more people, locations with faster growth along with the rejuvenation of this level, resulting in a reduction in the average remuneration at this level.

On the other hand, the increase in activity has meant that temporary layoff measures have only been applied in one subsidiary (IBF in Italy) and only in the first four months of the year, with an impact of 0.03% in 2023 compared to 0.71% in 2022.

The Group's average total remuneration in 2023 was €44,926. It was €45,215 for men and €41,556 for women. (For details of the gap, see section 5.4.8)

Average remuneration is based on the gross remuneration received by Tubacex Group employees throughout the financial year, including all items. To calculate average remuneration and the pay gap for 2023, the Group information has been taken into account excluding Senior Management average remuneration which is specifically dealt with in section 5.4.9.



5.5.1.10

Pay Gap and Average Remuneration by Gender

[GRI Disclosure 405-2]

The annual gross remuneration has been taken into account to calculate the pay gap, without differentiating items such as overtime, extra payments, seniority. This criterion guarantees a homogenized figure based on all reporting units which is easy to audit in all cases. In addition, the pay gap was calculated as the difference between average remuneration for men and that for women; and excluding from the calculation those categories not occupied by both genders in each individual company.

The pay gap at TUBACEX stood at 10.58% in 2023 (12.04 % in 2022), with average adjusted remuneration amounting to €44,454. More specifically, it was €45,691 for men (€44,215 in 2022) and €40,855 for women (€39,971 in 2022).

This pay differential is the result of different factors, including the historically low presence of women in some of the areas of activity (industrial, maintenance and repairs, etc.), which also determines their presence in positions of responsibility in these areas.

The still incipient but gradual incorporation of women in these areas, along with the steady increase of women in positions of responsibility in functions without this underrepresentation have contributed to this slight improvement in the gap. However, from the analysis of presence by gender in the different functions and levels of the organization, the evolution of the salary gap will have to be observed in relation to the incorporation of women.

The applicable collective agreements regulate the average remuneration for TUBACEX's employees, according to equality criteria among similar work positions regardless of gender. In this respect, both the remuneration of personnel whose remuneration is regulated by collective bargaining agreements and by other systems are established in an equitable manner, based on the job position without gender discrimination.

The Company is currently developing the necessary systems to obtain a more detailed breakdown that will facilitate the analysis of the evolution of this gap according to different criteria (increased segregation by categories, functions, etc.).



5.5.1.11

Average compensation of Directors and Management

As of December 31, 2023 the Board of Directors consists of seven men and four women. The average remuneration for Board members in 2023 was €172,900 and €89,200, for men and women respectively, compared with €178,400 for men and €72,700 for women in 2022. This difference is due to statutory roles held by men, including the Chairman and CEO, which have different remuneration supplements or due to a higher amount than other Board members, in order to pay for their representation and executive roles, respectively (1). For further details regarding Directors' remuneration, individual details and breakdown, see the Annual Report on Board Members' Remuneration (available on the CNMW webpage).

The average remuneration of the Management Committee (2), composed of 10 men and 1 woman, is €324,700 (3) for the 2023 financial year compared to €281,000 in 2022.

⁽¹⁾ Multi-year variable compensation items associated exclusively with the executives have been excluded for the calculation of average remuneration.

⁽²⁾ For the calculation of the average remuneration of the Management Committee, the fixed and variable remuneration accrued for the year 2023 have been considered, excluding other types of long-term incentives that apply individually according to the date of incorporation.

⁽³⁾ Remuneration is not broken down by gender to ensure confidentiality of information.

5.5.1.12

Implementation of right-to-disconnect measures

TUBACEX is aware of the importance of adapting timetables to strike a balance between professional and private life. Respecting rest times, avoiding sending communication out of hours as far as possible or in the event of different time zones, endeavoring to make contact during the overlap of working hours are some of the measures in use in the Company.



5.5.1.13

Employees with disabilities

TUBACEX is committed to integrating people with Diverse Talent in the Group. All of the plants comply with the prevailing legislation in each country in terms of disability (hiring, alternative measures and/or accessibility). In the case of the Spanish plants, they comply with the General Disability Act through alternative measures based on the contracting of products and services from Special Employment Centers, although they are working actively to promote their commitment to labor integration. Plants, such as those in the USA and Italy, also have legal requirements regarding the hiring of people with disabilities. At other companies, such as NTS, there is a social responsibility program with priority treatment for people with disabilities, although it is not legally regulated. The total number of employees with disabilities in the Group amounted to 19 people (compared to 20 people with disabilities in 2022).

5.5.1.14

Working time organization

Tubacex Group complies with the stops and breaks set forth by law and by the applicable collective agreements. Thus, in those cases when employees are not covered by an agreement, the Group also guarantees the appropriate flexibility for each job. Working hours are calculated annually for all employees so that any employee regardless of the specificities of the job carried out will have the same annual hours allocated to work and enjoy the same stops and breaks.



5.5.1.15

Number of hours lost to absenteeism

[GRI Disclosure 403-9]

HOURS LOST

	2023	2022
Hours lost due to accident	20,530	15,014
Hours lost due to illness	197,952	181,074
Hours lost, other ^[1]	48,207	77,154
Total number of hours	266,689	273,242
% of absenteeism ^[2]	5,26%	5,82%

^[1] Mainly including paid leave and union hours.

^[2] Total number of hours lost out of theoretical hours worked.

*100% of the Group's companies are included.

The main causes of absenteeism in the Group are common illnesses and authorized paid leave.

The calculation of this index takes into account the number of hours lost due to accidents at work, hours not worked due to common illness, statutory paid leave and hours spent by trade union representatives in their representative functions.



5.5.1.16

Measures designed to facilitate the enjoyment of work/life balance and encourage joint responsibility of these by both parents

[GRI Disclosure 3-3, GRI Disclosure 403-6]

TUBACEX ensures work/life balance rights and allowances can be exercised by all employees regardless of their gender and facilitates their enjoyment wherever they work. Reconciliation measures, based mainly on extending the age to access parent leave to look after children or flexible reduction of working hours, have been implemented at productions plants. On the other hand, a flexible start and finish timetable is in place at offices to allow personnel to successfully meet their work, personal and family responsibilities.

Some of the Group's collective bargaining agreements expressly include measures that facilitate joint responsibility and there are some Equality Plans in accordance with legal requirements (in Spain: TTI and ACERÁLAVA). Beyond the collective agreements that govern each plant, TUBACEX analyzes each case so as to provide the flexibility required to favor conciliation for those employees who so require it.

5.5.1.17

Health and Safety

[GRI Disclosure 3-3, GRI Disclosure 403-1, GRI Disclosure 403-2]

TUBACEX's Mission includes promoting a safe and pleasant work environment at all times, and sets health and quality of living at work as a priority. An example of this is the Group Quality, Safety and Environment Policy and CSR Policy, detailed in Section 5.4.2.

Under the coordination of business activities, any accident related to subcontractors' employees is internally monitored, and the corresponding actions taken and recorded are being progressively implemented. 11 accidents were investigated in 2023, of which 3 led to minor sick leave.



5.5.1.18

Health & Safety at work

TUBACEX has added to its management processes, a specific Occupational Risk Prevention which establishes the drafting of an annual plan to comply with the current regulations, as well as an occupational risk assessment. TUBACEX fully complies with all the applicable Health & Safety legal regulations, with the utmost commitment from the Management, which translate into major investments dedicated to improving installations and processes to minimize any risk related to our production activity.

The main production business units in Tubacex Group are certified to ISO 45001, one of the most demanding in terms of health and safety.

Plants with ISO 45001 certification:

- ACERALAVA
- TTI
- IBF
- SALEM TUBE
- TSS
- TTP
- Tubacex Services
- SBER
- TSS NORWAY
- NTS ME



5.5.1.19

Work accidents (frequency and severity) broken down by gender

[GRI Disclosure 403-9]

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	2023			2022		
	Men	Women	Total	Men	Women	Total
Accidents with sick leave	41	9	50	51	2	53
Accidents without sick leave	69	15	84	78	4	82
Total number of accidents	110	24	134	129	6	135
Frequency ⁽¹⁾	9,03	11,78	9,42	11,99	3,27	10,89
Severity ⁽²⁾	0,43	0,84	0,49	0,34	0,17	0,32

*100% of the Group's companies are included.

⁽¹⁾ Number of accidents with sick leave per million hours.

⁽²⁾ Number of days lost per accident with sick leave divided by number of hours worked per thousand.

Of the total number of accidents occurred in 2023, 89% involved men, corresponding mainly to plant personnel; while 11% involved women. There was a slight increase in the number of accidents among women compared to previous years. This is due to the increase in women in operational positions, along with the fact that the number of hours worked is lower in this group. This means that the same fact has a greater impact when compared with a lower volume of hours worked in the case of women, with the result that the indicators of Frequency and Severity are significantly worse in this group.

The gradual reduction of the Frequency and Severity rates was consolidated as a result of the intense health and safety management and the different prevention culture integration projects carried out in the different plants.



5.5.1.20

Occupational diseases

[GRI Disclosure 403-10]

The Company is working hard to foster a preventative culture in terms of occupational risks, providing the employees with the necessary means and measures to prevent any possible negative impact on their health. Two work-related illnesses were detected in 2023 compared with 11 detected in 2022. In the breakdown of occupational diseases by gender, both cases occurred in men.

5.5.1.21

Social relations

TUBACEX guarantees all collaborators will enjoy the rights pursuant to the legislation of those countries where the Company is present, including those related to freedom of association and the right to collective bargaining. Everything related to Union representation of the employees is regulated by their collective agreements. This chapter describes everything related to management of Trade Unions' activity, existing Works Committees and their competences as well as workers' rights and protections.

The Collective Bargaining Agreement text was agreed in good faith by the parties in relation to the matters included therein and specific agreements regarding them, with both parties being aware of the regulations in force at the time the agreement was signed as well as of the need to improve competitiveness.

For other employees at Tubacex Group, legal provisions are observed and exceeded in all work centers, adapting their conditions related to working hours, remuneration and organization in the environments where it operates.

TUBACEX is also present in regions where the labor system does not envisage labor adjustment plans, such as the United Arab Emirates and Saudi Arabia, and where labor issues are strictly observed and guaranteed above the minimum legal requirements.



Company	Type of collective bargaining agreement
TTI	Own bargaining agreement
ACERÁLAVA	Own bargaining agreement
TTA	Own bargaining agreement
TSS	Metal Álava
TX SERVICES	Siderometalúrgica de Cantabria
TUBACOAT	Collective bargaining agreement for the chemical industry
TUBACEX SERVICIOS DE GESTIÓN	Collective bargaining agreement for Bizkaia office employees
TUBACEX, S.A.	Collective bargaining agreement for Bizkaia office employees
TUBACEX INNOVACIÓN, IAE	Collective bargaining agreement for the chemical industry
TAT (THAILAND)	Own bargaining agreement
IBF (ITALY)	Sector Bargaining Agreement (metal-mechanical industry)
SBER (AUSTRIA)	Sector Bargaining Agreement (Industry)
PROMET (NORWAY)	Sector Bargaining Agreement (Industry)
SALEM TUBE (UNITED STATES)	Own bargaining agreement



5.5.1.22

Organization of social dialog, including procedures for informing and consulting staff and negotiating with them

[GRI Disclosure 2-29]

TUBACEX is in constant communication with union representatives, meeting and exceeding legal requirements in all Group companies. The collective bargaining agreements and work interactions include general and specific follow-up committees regarding different social matters (equality, health & safety, etc.). Furthermore, communication and negotiation procedures and deadlines for change or modifications affecting the work organization of the employees are also described.



5.5.1.23

Percentage of employees covered by collective bargaining agreements by country

% OF WORKERS COVERED BY COLLECTIVE AGREEMENT BY COUNTRY

Total number of employees December	2023	2022
	% Employees subject to Collective Bargaining Agreement	% Employees subject to Collective Bargaining
Spain	100%	100%
Austria	100%	100%
Italy	100%	100%
India	0%	0%
United Arab Emirates	0%	0%
United States	20%	21%
Saudi Arabia	0%	0%
Thailand	100%	100%
Norway	100%	65%
France	78%	82%
China	0%	0%
Brazil	16%	60%
Germany	0%	0%
The Netherlands	0%	0%
Singapore	0%	0%
Korea	0%	0%
Canada	0%	0%
Total	63%	64%

*100% of the Group's companies are included.



Labor relationships in the Group companies are determined by the different environments where it operates.

63% of the workforce is regulated by their own, sector or geographical bargaining agreements. These agreements are standard in Europe, where companies with more employees have their own Agreement.

Other Group companies, due to their size or activity, are subject to sector or geographical agreements guaranteeing the terms and conditions specified in all cases, and exceeding them in almost all companies.

Although bargaining agreements are not used in some geographical areas where the Group operates, remuneration and social policies exceed the minimum legal requirements and improve on their reference environments in all cases without exception.

5.5.1.24

Balance of collective agreements, particularly in the field of health and safety at work

Regarding collective bargaining agreements and in particular, in the field of occupational health and safety, a Safety Committee composed by a representation of the Works Council, is in place at each Spanish plant. Some collective bargaining agreements cover specific health & safety issues in their clauses. Regarding the rest of the Group, there are no Safety Committees in any other country. Collective bargaining agreements (almost all local) regulate labor relationship aspects as a result of local collective bargaining. They delve into all issues related to the employee-company relationship. Pursuant to the corresponding legislation, Health & Safety Committees allow TUBACEX employees to seek advice and participate in them.



Training:

In 2023, there was a high level of training actions. The activity developed in the area of Health and Safety was particularly intense. The volume of training hours in the development and updating of technical skills (especially in growing and diversifying companies), as well as the promotion of digital training, are worth highlighting. A significant number of training actions related to delving into aspects related to the product area, region or sales positioning were also carried out.

5.5.1.25

Policies implemented in the field of training

[GRI Disclosure 3-3, GRI Disclosure 404-1, GRI Disclosure 404-2]

Training at TUBACEX is part of the growth lever for those who are part of the organization and with them, of the Company itself. Therefore, the people management process incorporates a specific training and development line, which fosters the development of professional skills amongst employees. In December 2023, its training and development policy was approved to provide a framework for staff to develop their knowledge and acquire new skills in a competitive environment.

The type of training scheme planned every year is associated with vertical competences to ensure people's technical skills match the position requirements; horizontal competences to ensure skills necessary to face the process of change; and competences at management level to develop the Directors' leadership style.



In the 2023 financial year, a high level of training was carried out and 36,125 training hours were provided compared to 33,722 in 2022.

- Occupational Health and Safety.
- Quality and Environment.
- Maintenance.
- Operations.
- Digitalization and Systems.

5.5.1.26

Total amount of training hours by professional category

Training hours are detailed below according to professional category in 2023:

TRAINING HOURS

	2023	2022
Top management	3241	1718
Middle management and supervisors	2.728	1.522
Technicians and professionals	7.008	4.455
Operations staff	23.148	26.027
Total amount of training hours	36.125	33.722
Average number of training hours per employee	14,4	14,3

*100% of the Group's companies are included.



Following the reduction in training activity in 2020 and 2021 due to the COVID crisis, the level of intensity of training activities has resumed. Training actions are designed and carried out in the different companies of the group according to the needs identified.

In the case of the USA (specifically in the Durant (Oklahoma) plant), as in the previous year, there was significant training, especially for new incorporations with a focus on Operations, Health and Safety and Maintenance.

During the year, internal on-line training continued. Under the "Training Pills" format, training sessions are held on: products, applications, materials, market strategies and diversification; provided by in-house experts and aimed mostly at technical and sales teams, as well as area managers.

5.5.1.27

Measures implemented to promote equal treatment and opportunities between men and women

[GRI Disclosure 3-3, GRI Disclosure 405-1]

Regarding the promotion of equal opportunities, TUBACEX seeks diverse talent, promoting equal opportunities.

Due to the industrial nature of the plants, women make up 15% of the Company's workforce. Despite this, the gradual incorporation of female professionals has reached a representation level of 41% in Professionals and Technicians and 20% in Top Management.

In its people management policy, the organization has a specific position on equality. Selection and recruitment processes for TUBACEX's personnel are based on the suitability of candidates' professional and technical skills for the positions to be covered, endeavoring at all times to attract the best candidates, while retaining talent in an objective way.

In 2023 and 2022, no claims related to breaches of this policy and the principle of equality were registered through the ethical channel, made available to employees for such a purpose.



5.5.1.28

Equality Plan

[GRI Disclosure 3-3]

TUBACEX promotes policies to encourage equal treatment and opportunities for men and women, with the preparation of gender equality plans in the most representative plants, where aims, strategies and best practices to be implemented are defined. Plants in the Basque Country approved their equality plan in 2023. This Equality Plan has an Equality Committee, made up of the Company and the employees' representatives, who are responsible for the implementation, monitoring and assessment of the Plan.

1. Intensifying awareness and communication regarding equality.
2. Incorporating women into positions where they are under-represented.
3. Guaranteeing training and promotion for men and women.
4. Improving the work/family/personal balance.
5. Setting up a scheme to monitor and assess the Equality Plan.

At other plants where such plans do not exist, there are action protocols against psychological or sexual harassment or on grounds of gender and/or physical violence (TSS), specific manuals with specific sections focusing on non-discrimination (NTS Group), specific non-discrimination policies (Tubacex India), or it is the federal and state laws that uphold the prevention of any type of discrimination (USA, Saudi Arabia, Singapore, etc.).

At the corporate level, the company is developing a roadmap to drive gender equality in the workforce for the period 2024-2027.



5.5.1.29

Measures implemented to promote employment

[GRI Disclosure 3-3]

In 2023, the level of employment stabilized following the global restructuring processes carried out in 2020 and 2021 in order to adjust the company's size to the new market and strategic positioning. In this way, TUBACEX consolidates its employment level and consolidates itself as a Group with development and career opportunities.

5.5.1.30

Protocols against sexual and gender-based harassment

[GRI Disclosure 3-3]

In its Code of Conduct, TUBACEX establishes an action framework under the fundamental principles of the International Labor Organization, rejecting any form of physical, psychological or moral harassment or the abuse of authority. TUBACEX's collaborators shall treat everyone within the work environment with respect - regardless of their position - fostering a pleasant, healthy and safe work environment.

In 2023, two investigations were opened and resolved in compliance with the Prevention Protocols (none in 2022). Raising awareness of harassment among all members of the company helps to foresee and correct behaviors, preventing situations of harassment. TUBACEX's collaborators shall treat everyone within the work environment with respect - regardless of their position - fostering a pleasant, healthy and safe work environment. In addition to this code, which must be followed by all of the Group companies, local legislation or the action plans at the different plants incorporate protocols against sexual harassment or on grounds of gender.

Its diversity, equality and inclusion policy expressly mentions the company's commitment to preventing any form of harassment, such as workplace, sexual and gender-based harassment, as well as any manifestation of gender-based violence.



5.5.1.31

Integration and universal accessibility for people with disabilities

[GRI Disclosure 3-3]

It must be pointed out that the plants that form part of the Tubacex Group comply with the different legislation related to the hiring of people with disabilities, although it is fulfilled through alternative measures in Spain. The commitment to diverse talent forms part of one of the main lines of action of the Tubacex Foundation, which has been in regular contact with a wide range of organizations that work to promote the social and labor integration of groups with disabilities in recent years in order to assess different forms of collaboration and analyze job opportunities.

5.5.1.32

Policy against all types of discrimination and, where appropriate, management of diversity

[GRI Disclosure 3-3]

TUBACEX is aware of existing cultural differences and different standards applicable to each country. Employment conditions should meet the individual profile to perform the job but never personal characteristics or beliefs. Thus, TUBACEX will not discriminate in recruitment processes, remuneration and benefits, promotion, disciplinary procedures and contract termination, due to race, religion, gender, marital status, age, political affinity, place of birth, sexual orientation or any other status forbidden by law. More specifically, social policies, such as Diversity, Equality and Inclusion promote diversity and eliminate any type of discrimination, including prejudices, predefined roles and stereotypes based on gender, race, nationality, age, sexual orientation, gender identity, etc.



5.5.2

Human Rights

5.5.2.1

Explanation of the Material Topic and its Boundary

[GRI Disclosure 3-3]

Introduction

TUBACEX is fully committed to the protection of Human Rights, guided by the fundamental principles that are set out in the Universal Declaration of Human Rights, as expressed in its Code of Conduct, which are the basis of the legislation applicable to all the business units in which each business unit carries out its activity.

It recognizes its role and that of the stakeholders that form part of its ecosystem in the protection of people's rights and freedoms, respecting the international regulatory framework in all cases.

5.5.2.2

Management Approach and Components

[GRI Disclosure 3-3]

To endorse its commitment to the defense of Human Rights, the TUBACEX Board of Directors approved its Human Rights Policy in 2023, which represents the organization's commitment to developing a culture that implements a policy of support for internationally recognized human rights and seeks to avoid complicity in human rights violations.

Human rights are understood as all those set out in international standards, including, but not limited to the Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.



More specifically, the company upholds the following commitments:

- The abolition of child labor, complying with all laws regulating the minimum working age. If applicable, the Group's standards will prevail over local legislation regarding the minimum working age, as long as they are beneficial to and guarantee better compliance with this commitment.
- Prohibit the use of forced labor and exploitative working conditions
- Avoid causing or contributing to an adverse impact on human rights through its own activities.
- Address any impact on human rights and fundamental freedoms of individuals should they occur.
- Prevent or mitigate any adverse impact on human rights, related directly or indirectly to its operations, products, services or activities.
- Eliminate discrimination in recruitment and employment and promote occupational health and safety in accordance with the commitments assumed in the Diversity, Equality and Inclusion Policy and in the Occupational Health and Safety Policy, respectively.
- Guarantee the right to equal pay for work of equal value, also set out in the Diversity, Equality and Inclusion Policy.
- Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Guarantee the elimination of inhuman or degrading treatment and harassment.



To fulfill these commitments, the company will continue with internal assessment processes to detect, mitigate and remedy any situation that may pose a risk in terms of Human Rights, for the gradual implementation of a due diligence system in 2024, which is in line with the directives established in this area.

In addition to its Human Rights policy, the new code of conduct launched in 2023, based on internationally accepted conventions on the defense of Human Rights, particularly the United Nations Global Compact. This commitment to act in accordance with the principles of compliance with applicable human rights laws extends to suppliers, contractors, and collaborators.

Available policies and manuals:

- **Human Rights Policy** This policy represents TUBACEX's commitment to developing an organizational culture that implements a policy supporting internationally recognized human rights and avoiding any involvement in potential human rights violations.
- **Sustainability Policy** Among its commitments, it incorporates the fulfillment of Human Rights. To do so, the Company will rely on international instruments to identify, monitor, prevent, mitigate, remedy or eliminate any potential impact that its activity or related activities may have in this field.
- **Code of Conduct.** The code establishes that TUBACEX's Collaborators must always abide by the fundamental principles of the Universal Declaration of Human Rights.
- **Compliance Plan.** The annual Compliance Plan verifies and standardizes the local compliance requirements enforced by the applicable local law in the places where TUBACEX carries out production and/or commercial activity.



- **General Purchasing Terms and Conditions.** Tubacex Group's general purchasing terms and conditions establish that suppliers undertake to comply with any regulation applicable related to eliminating forced or compulsory labor, child labor, as well as any duress, threat, physical and psychological abuse and violence in the work environment, and discrimination and inequality on grounds of race, color, gender, religion, political opinion, nationality, illness or any other physical or social condition.

5.5.2.3

Assessment Procedures

[GRI Disclosure 3-3]

Identification, Prevention and Mitigation

Human rights are incorporated in our corporate risk map and materiality analysis which has been considered as a potential negative impact in the 2023 edition. The main human rights affecting TUBACEX and related to economic rights have also been extracted and analyzed individually in order to identify the opportunities and impact related to the following aspects, which have also been incorporated into the materiality analysis.

- Job creation
- Respect for labor rights
- Building responsible and transparent labor relationships
- Occupational Health and Safety
- Talent attraction and retention
- Employee training
- Equality and Diversity



- Child labor
- Rights of indigenous people
- Development of local communities.

In its internal assessment processes, the Company carries out an assessment of the human rights in which it may have a stake. These rights are of a civil, political, economic and social nature, among others, and are related to its business activity.

In the evaluation process, a risk assessment has been carried out based on the location of its operations, considering different sources of consultation on human rights.

As a result of this analysis, the regions with the highest risk of human rights violations have been identified, analyzing how the management systems in place prevent any associated risks from occurring. In this respect, the Company has a management approach that incorporates the necessary tools for full compliance with these rights.

	Global Peace Index (!)	Freedom House	Human rights Index
SPAIN	165 / 5	90/100	Low
AUSTRIA	132 / 5	93/100	very low
ITALY	166 / 5	90/100	very low
USA	2.45 / 5	83/100	Medium
INDIA	2.31 / 5	66/100	High
THAILAND	2.06 / 5	30/100	Medium
CANADA	1.35 / 5	98/100	very low
FRANCE	1.934 / 5	89/100	Low
GUYANA	2.134 / 5	73/100	Medium
KAZAJSTAN	1.98 / 5	23/100	Medium
NORWAY	1.55 / 5	100/100	very low
UAE	1.98 / 5	18/100	Medium
SAUDI	2.26 / 5	8/100	High
SINGAPORE	1.33 / 5	47/100	Low



None of the regions identified have received any sanctions for human rights violations, whereby they proactively conduct assessments of potential impact and associated risks, ensuring that local management and regulatory systems cover the rights set out in corporate policy. This analysis has also been extended to the rest of the Group's plants.

As far as relations with third parties are concerned, TUBACEX has a supplier assessment model that incorporates ESG aspects and establishes regular meetings and contact with critical suppliers. The assessment process was launched in 2020 and incorporates the validation of more than 100 ESG assessment points and adherence to the Corporate Code of Conduct. Recognizing the nature of critical suppliers has led to a process of continuous monitoring of their risks, watching out for any compliance, ESG or reputational breaches through an active surveillance tool (Go Supply). This monitoring system is scheduled to be extended with the development of specific reporting channels and on-site audits of a selection of critical suppliers. In the two years in which this assessment system has been in operation, no deviations or critical risks have been identified.

5.5.2.4

Reporting. Claims on cases of violation of human rights

[GRI Disclosure 2-26, GRI Disclosure 3-3]

TUBACEX provides collaborators with a whistleblowing channel to report any suspicious or possible conflicts of interest requiring analysis to the Compliance Manager. In 2022 and 2023 there were no claims related to possible violations of the Code of Conduct in this respect. Furthermore, no claim was filed by third parties or to suppliers. Similarly, no complaint or report has been received through any channel related to the breach of any rights in this area in the past two years. The main entry channels for this type of complaints or claims are, beyond the Ethical Code, are: management department (mainly human resources team), customer complaints channels, internal supervision tools (supplier monitoring tools), among others.



5.5.2.5

Promotion and Compliance with fundamental IOL conventions related to the human rights of freedom of association and collective bargaining

[GRI Disclosure 407-1]

TUBACEX Code of Conduct guarantees respect for labor rights of all collaborators as laid out by international bodies such as ILO as well as the laws of each country where the Company is present, which consider freedom of association a fundamental right. Likewise, TUBACEX extends this right to its suppliers through the Code of Conduct for suppliers whereby employees are guaranteed their right of association, union membership and collective bargaining, as well as an open collaborative attitude towards union activity.

5.5.2.6

Elimination of forced or compulsory labor

[GRI Disclosure 409-1]

TUBACEX guarantees its workforce will be guaranteed the rights foreseen in the applicable law. In countries where collective agreements are recognized, its employment standards and rules will be applicable notwithstanding the applicable law (working hours, salaries, work/family life balance, corporate benefits, among others). In addition, TUBACEX guarantees that the quality of acquired products and services complies not only with technical, health and safety and environmental requirements, but also in relation to human and labor rights. The Code of Conduct for Suppliers establishes the prohibition of any form of forced or compulsory work in the Group suppliers. Finally, by signing the purchasing terms and conditions, the Supplier undertakes to comply with any applicable regulation in terms of forced labor, child labor and physical and psychological duress, threat, abuse and violence at the work place, and discrimination and inequality on grounds of race, color, gender, religion, political opinion, nationality, illness or any other physical or social condition.



5.5.2.7

Effective abolition of child labor

[GRI Disclosure 408-1]

TUBACEX Code of Conduct establishes strict compliance with the applicable law. As a result, the Group's actions are guided by the principles of the Universal Declaration of Human Rights and fundamental principles of the ILO (International Labor Organization), and local law applicable in countries where it is present. In this context, although the ILO sets the minimum age for entering the labor market at 15, TUBACEX has extended the minimum age established by Spanish law at all its plants.



5.5.3

Society

5.5.3.1

Explanation of the Material Topic and its Boundary

[GRI Disclosure 3-3]

In February 2016, TUBACEX set up its own Foundation; an entity closely related to the business strategy and the UN 2030 Agenda, which has become the main vehicle for promoting projects in the three most relevant areas of action: quality training, corporate diversity and social action. Through its Foundation, it has defined society support programs and established common lines of work for the rest of the Group's business units, aligned with the material aspects identified:

- **Quality Training.** Talent attraction and retention. Fostering talent whilst promoting youth employment and employability. The Foundation drives action plans to invest in future generations and professionals.
- **Corporate Diversity.** Equality and diversity. In addition to promoting gender equality through different plans and policies, Tubacex Group fosters social-labor integration of persons with diverse talent through its Foundation. Thus, the Company keeps a space open for collaboration with specialized bodies for the hiring of persons with disabilities.
- **Development of local communities.** Supporting the development of communities where TUBACEX is present through direct and indirect employment or the promotion of collaboration projects with NGOs are part of its commitment to local communities.



In 2023, the training and corporate diversity areas were reactivated, which in the two previous years had been affected by the situation of the plants with the largest number of students. Support was also maintained for social action programs in developing countries, as well as the program to help Ukrainian refugee families, which began in 2022 as a result of Russia's invasion of Ukraine.

Potential risks identified in this area include: Very serious and/or systematic breach of basic social rights (child labor, social discrimination, working conditions, etc.) in the supply chain and/or in the communities where the company is present; and Incorporation of talent in the workforce and youth unemployment, with the need to train young people to promote their employability on the market and therefore promote their access to the labor market. On the other hand, access to the labor market through TUBACEX would facilitate access to qualified personnel.

5.5.3.2

Management Approach and Components

[GRI Disclosure 3-3]

Fundación TUBACEX prepares an action plan based on the lines of work defined by the Executive Committee and Foundation Board of Trustees, chaired by TUBACEX CEO.



5.5.3.3

Available policies and manuals

- **Sustainability Policy.** This Policy represents a general framework, establishing the company's basic principles of action and commitments to manage and integrate sustainable practices within the company's activities and business strategy.
- **Social Action Policy.** Approved by the Chief Executive Officer in 2023, the main aim of this policy is to foster social action by the Tubacex Group to promote the generation of positive impact. This policy is based on the principles of sustainability, collaboration, solidarity and social commitment.
- **Code of Conduct.** TUBACEX's Code of Conduct is a tool aimed at contributing to the implementation of ethical behavior and conduct standards as defined and developed by the organization. The Code provides a reference framework which should be used as a benchmark to measure the activity of any person in relation to the performance of TUBACEX business activity. Regarding the Group's customers, this Code reflects TUBACEX's continuous improvement vocation, seeking industrial and commercial excellence to supply quality products and services to our customers and always guaranteeing safety and innovation.

5.5.3.4

Activities carried out in 2023

[GRI Disclosure 203-1, GRI Disclosure 204-1]

Social action. Tubacex Group has continued to support Colabora Birmania in Thailand, fostering the education of Burmese child refugees and illegal immigrants in Thailand. This is a partnership program focusing on promoting education through all stages of child development : orphanages, nursery, schools and support in finding work on reaching adulthood. In 2023, support for educational centers was maintained and the construction of a new school on the site of an existing one was proposed in order to accommodate secondary school children, which is expected to be reactivated in 2024.



Heavenly Home Orphanage

- 59 children studying in Thai schools.
- 19 children studying in the “Migrant Learning Centers” (financed by NGOs).
- 5 children with mental disabilities studying in special centers.
- 4 carers.
- 7 volunteers.

KM 42 School

- 225 children.
- 12 teachers.
- Proposed construction of a building to house secondary education stopped due to the death of the owner of the land and current negotiations with heirs.
- There are currently 25 children studying in secondary school at this center’s facilities.

Chicken School

- 123 children.
- 5 teachers.
- Primary education with the same curriculum as KM42 School.
- 26 students participate in the non-formal primary education program.
- Education system regulated by Myanmar (intention of their families to return to their country of origin).



Training. In the field of training, the international scholarships promoted in collaboration with the Basque Government were particularly noteworthy in 2023. In the 2022/2023 edition, 5 engineers applied for vacancies in Austria, Thailand and the USA, of which two remained on staff after their fellowship period. In the 2023/2024 edition, vacancies have been offered in Thailand, Italy, the USA and Austria, which are pending resolution. Another program in this line of action is the dual programs that combine sandwich courses between the educational center and the workplace. In Austria, these programs are carried out at a dedicated center (FutureZone), which trained 18 apprentices in 2023. In Spain, 8 students participated in this training program. As an extension and new feature in this area, an international talent attraction program was activated in 2023, which has served to adjust the candidacy proposal for 2023/2024, although it did not result in the incorporation of talent.

Emergency Aid SOS UKRAINE. In the context of a humanitarian crisis as a result of the Russian invasion of Ukraine, in 2022 TUBACEX launched an aid program aimed primarily at workers and families of a collaborating company, which is located in a war-torn region and has a close commercial relationship with TUBACEX.

A total of five families, women and children were taken from the border with Ukraine into Hungary and then to the Basque Country. Thanks to the support and collaboration of SOS Ukraine, the Ukrainian families were placed with host families who supported them during their stay in the Basque Country. The Tubacex Foundation has kept up its close support to facilitate the integration of these families and ensure their wellbeing. In 2023, and after the end of the transition period with host families, 4 families returned to regions close to the border in Ukraine or other destinations, with 1 family remaining in the Basque Country and a second family joining them later. Both families are housed in rented apartments financed by the Tubacex Foundation and are integrated into Basque society.

This is added to other actions developed in 2023 to promote culture and art, supporting projects underway in the Guggenheim and Artium museums.



5.5.3.5

Assessment Procedures

[GRI Disclosure 3-3]

Regular meetings are held with the members of the Board of Trustees and Executive Committee to measure the efficiency of the actions deployed, proving the plan evolution, areas for improvement and strengths, establishing priorities in the short and long term.

5.5.3.6

Internal participation in social action programs (% employees)

The Foundation's various initiatives have fostered the collection of donations from employees since 2017. In 2023, and within the framework of the Colabora Birmania program, internal funds were obtained, through voluntary payroll deductions, equivalent to 9.2% of the total funding for the project.

5.6

Sustainability Do the right thing and encourage transparency



5.6.1

Ethics and Integrity

5.6.1.1

Explanation of the Material Topic and its Boundary

[GRI Disclosure 2-23, GRI Disclosure 2-26, GRI Disclosure 3-3]

Ethics and integrity are two pillars on which TUBACEX bases its actions with its interest groups, taking the highest professional standards as a basis for application in order to guide the way it relates to the environment in which it operates.

5.6.1.2

Management Approach and Components

- **Sustainability Policy.** This Policy represents a general framework, establishing the basic principles of action and commitments for the company to manage and integrate sustainable practices within the company's activities and business strategy. It is sustained by the following pillar, among others: promote and maintain a governance model for a responsible business, which fosters and promotes mechanisms to support good practices in governance, legal compliance, ethics, and prevention of corruption and bribery, seeking the strictest compliance with national and international legislation in all markets and places in which it operates.
- **Code of Conduct.** TUBACEX has its own Code of Conduct, which was reviewed and updated by the Board of Directors in 2023. This Code of Conduct contains a set of principles and guidelines to steer the company's actions and behavior in accordance with its corporate ethics, as well as with local, national and international laws and regulations.



It therefore contains the set of principles and rules that govern the way to act within the company and in relation to our partners, customers, suppliers and society as a whole.

This Code of Conduct is based on internationally accepted conventions on the defense of Human Rights, particularly the United Nations Global Compact. The fight against corruption is one of the central elements defining our principles. In this regard, we are committed to the United Nations Convention against Corruption (UNCAC). Our professional activity, accompanied by the attitude contained in this Code of Conduct, will contribute to improving the quality of life and the creation of well-being through the development of our products and the launch of new activities and the promotion of economic and social development relying on our distribution channels.

The basic principles on which this Code is based are:

- We comply with the law.
- We respect each other.
- We act responsibly.
- We are diligent and responsible in management and supervision.
- We act based on trust with business partners and third parties.
 - We compete fairly and comply with anti-trust laws.
 - We fight against corruption.
 - Gifts and invitations.
 - Agreements with business partners.
 - Political contributions, charitable donations and sponsorships.



- We do not facilitate money laundering.
- We control exports and customs.
- We work with our suppliers.
- We act with transparency in conflicts of interest.
- We use the company's assets appropriately.
- Data processing.
- Financial reporting and insider trading rules.
- Data protection and information security.
- Quality, safety and environmental protection.
- Relationship with the tax authorities and administration.
- Relations with workers' representatives.

Ethical Channel:

With the entry into force of the new Law 2/2023 on whistleblower protection, transposition in Spain of Directive (EU) 2019/1937, TUBACEX has updated and adapted its whistleblower channel to the new requirements with the aim of strengthening the reporting culture as a mechanism to prevent and detect threats to public interest and to provide adequate protection against retaliation that may be suffered by individuals who report possible infringements.

This mandatory and confidential whistleblowing and investigation channel connects with the organization's criminal compliance model and applies whistleblower protection measures.



Through this channel, TUBACEX offers the opportunity to report suspected irregularities or make any queries. An independent company is in charge of the technical support of the platform, which is hosted on secure external servers beyond the company. TUBACEX exclusively assumes the analysis of the content of the communications with specialized external advisors if necessary.

System Manager:

The TUBACEX S.A. Board of Directors has appointed its Compliance Officer as the sole person responsible for the Group's internal information system, who is in charge of ensuring its proper operation and management. The System Manager shall act autonomously and independently of any other TUBACEX bodies, committees or commissions and shall ensure the diligent handling of the notifications received. He/She may not receive any instructions on how to handle them, and shall be provided with all of the human and material resources required to carry them out.

Scope:

In accordance with this Policy, both TUBACEX Employees and Collaborators have a duty to report any knowledge or suspicion of conduct that may constitute a serious or very serious criminal or administrative offense. In any case, and for these purposes, the following situations are understood to be included within the material scope of the System:

- Serious or very serious breaches of the TUBACEX criminal risk prevention and compliance model.
- Non-compliance with the "Code of Conduct" and the "Code of Conduct in the Securities Market" and any other TUBACEX internal regulations.
- Events or conduct that could have criminal implications.
- Serious or very serious administrative offenses, including non-compliance and fraud against the Public Treasury and Social Security.



- Breaches of labor law in terms of occupational health and safety.
- Breaches of European Union law included in the material scope of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23rd October 2019 on the protection of persons who report breaches of Union law, and the Spanish transposition law.

5.6.2.2

Management Approach and Components

[GRI Disclosure 3-3, GRI Disclosure 205-2]

The same management systems described in the previous paragraph are also applicable. The Audit and Compliance Committee has the express competence to monitor compliance before the Board of Directors and supervise any matters related to business ethics.



Available policies and manuals:

- **Code of Conduct.** Each and every one of TUBACEX's collaborators and, by extension, suppliers and customers, are subject to the guidelines set out in its Code of Conduct. In this regard, it is worth mentioning:
 - a. Gifts and invitations. At TUBACEX, we do not offer attention, favors or compensation, gifts or retribution of any kind to public officials. We must never accept, offer or promise a gift or invitation that, for any reason, is prohibited by law or by prevailing or generally accepted business practices, or that may cause the appearance of bad faith or immorality, or that may influence or be construed as an attempt to influence the decision-making process.
 - b. Agreements with business partners. Those who are responsible for hiring consultants, agents, distributors, joint venture partners or similar parties must ensure, among other things, that these third parties understand and comply with our anti-corruption and crime prevention policy.
 - c. Political contributions, charitable donations and sponsorships. Our relationship with public institutions must be guided by institutional respect, communication, transparency and legality. We do not make political contributions (donations to politicians, political parties or political organizations). As a responsible member of society TUBACEX may make, where appropriate, monetary or product donations for educational and scientific, artistic and cultural purposes, and for social and humanitarian projects.
 - d. "We do not facilitate money laundering" We must comply with applicable money laundering laws and TUBACEX procedures designed to detect and reject suspicious forms of payment from our customers or other transactions that may involve money laundering.



- **Compliance Plan.** The annual Compliance Plan verifies and standardizes the compliance requirements enforced by the applicable local law in the places where TUBACEX carries out production and/or commercial activity.
- **Compliance Function Statute.** At the end of 2018, the Board of Directors approved the Compliance Function Statute, which governs the internal relationships between this independent figure with the governing bodies, as well as with the rest of the organization. One of the main pillars supporting the annual compliance plan is the verification and standardization of local compliance requirements enforced by law in those countries where TUBACEX carries out production and/or commercial activities.
- **General Purchasing Terms and Conditions.** Through the Group's general purchasing terms and conditions, TUBACEX sets forth that suppliers must guarantee that they have plans or measures related to prevention and regulatory compliance in terms of money laundering and corruption between private individuals or in their relations with any public administration. In addition, the supplier should guarantee that no gift or commission has been paid, and no commission is paid, promised or will be promised to any employee or Customer's representative or agent when orders are placed. If the supplier, or anyone acting on its behalf, is in breach of the provisions set out in this paragraph, the Customer may terminate all Contracts with the supplier or its group companies.



5.6.2.3

Assessment Procedures

[GRI Disclosure 3-3]

The Audit and Compliance Committee has the express competence to monitor compliance with the applicable legislation and self-imposed regulations before the Board of Directors and supervise any matters related to business ethics within the Group. To do so, there is a Code of Conduct used by the Compliance Director to receive and manage any claim or query regarding suspicious or questionable actions related to its contents. During 2022 and 2023, no claim was made through this channel or by any other means. Furthermore, no claim was filed by third parties or to suppliers.

5.6.2.4

Contributions to foundations and non-profit organizations

Figures represent contributions made to foundations and non-for-profit organizations in 2022 and 2023.

	2022	2023
Organization /Foundation		
Colabora Birmania	51.000€	51.000€
Iniciativa Ucrania*	69.808€	35.186€

*As a result of the Russian invasion of Ukraine, TUBACEX set up an aid program for refugees. (See Company block)





















5.7

Sustainability Contribution to the 2030 Agenda

Since 2004, TUBACEX has been a signatory of the United Nations Global Compact, the world's largest voluntary initiative on human rights, labor, environment and anti-corruption. By signing the Compact, TUBACEX joins in the support for the basic pillars to overcome major challenges to sustainable development, promoting the 10 universal principles and reporting annually on progress made in these areas. It also materializes its commitment to the promotion of the major challenges of sustainable development, channeled through the 2030 Agenda and its Sustainable Development Goals (SDGs), from which the rest of the proposals, policies and strategies of international frameworks for sustainability derive.

The SDGs corresponding to the materiality assessment performed are detailed below.

1. CLIMATE NEUTRALITY AND CIRCULAR ECONOMY

Sustainability issue	Items / Material Aspect	Strategic Lines	SDG
Energy transition and climate change	Energy transition	Moving forward in decarbonization and energy efficiency and promoting sustainable financing	 
	Sustainable energy management		 
	Climate change mitigation and adaptation to it	Moving forward in decarbonization and energy efficiency	 
Regulatory compliance	Compliance with environmental regulation	Adhering to the highest ethical and compliance standards	 
Responsible Supply Chain	Sustainable management of suppliers	Sustainable supply chain	
Water consumption and water resources	Sustainable water management	Fostering business circularity	  
Circular Economy and waste management	Waste management	Fostering business circularity	 
	Circular economy	Fostering business circularity	 
Environmental management	Environmental management	Moving forward in decarbonization and energy efficiency	  
Biodiversity	Impact on biodiversity	Sustainable supply chain Working with our customers on the development of innovative solutions that facilitate their transition	



2. CONTRIBUTING TO THE DEVELOPMENT OF INNOVATIVE SOLUTIONS FOR THE ENERGY TRANSITION












Sustainability issue	Items / Material Aspect	Strategic Lines	SDG
Quality	Quality of the products and services supplied	Working with our customers on the development of innovative solutions that facilitate their transition	
Sustainability strategy	Sustainable Innovation	Participating in leading initiatives for transition Facilitating the industrialization of high-impact innovative technology solutions, moving towards business diversification	
	Sustainability performance	Working with our customers on the development of innovative solutions that facilitate their transition	
Energy transition and climate change	Sustainable energy management	Moving forward in decarbonization and energy efficiency and Fostering sustainable financing	

3. TAKING CARE OF OUR PEOPLE AND THE IMMEDIATE ENVIRONMENT

Sustainability issue	Items / Material Aspect	Strategic Lines	SDG
Stable and quality employment	Respect for labor rights	Fostering a culture of prevention and wellbeing	
Occupational Health and Safety	Occupational Health and Safety	Fostering a culture of prevention and wellbeing	
Talent Management	Talent attraction and retention	Strengthening the link between our team and the TUBACEX project	
	Employee Training	Fostering an inclusive, diverse and equitable culture	
Equality and diversity	Equality and diversity	Fostering an inclusive, diverse and equitable culture	
Protection of consumer safety and wellbeing	Customer Health and Safety	Fostering a culture of prevention and wellbeing	
	Customer Satisfaction	Fostering a culture of prevention and wellbeing	
Community	Development of local communities	Fostering social development and respect for human rights	



4. TRANSPARENCY AND GOOD GOVERNANCE

Sustainability issue	Items / Material Aspect	Strategic Lines	SDG
Good governance, ethics and integrity	Ethics and compliance	Adhering to the highest ethical and compliance standards	
	Human rights	Fostering social development and respect for human rights	
	Fiscal transparency	Developing an internal and external communication model	
Risk management	Risk management	Fostering an active risk management culture	     
Cybersecurity, privacy and confidentiality	Information privacy	Fostering information governance and ESG management	
	Cybersecurity	Fostering an active risk management culture	



6 FISCAL INFORMATION



Fiscal Information

[GRI Disclosure 3-3]

The Tubacex Group is firmly committed to complying with the **good corporate governance** policies it has adopted as part of its corporate social responsibility in order to make a voluntary and active contribution to the environment, society and the economy.

In this context, the Tubacex Group updated its Corporate Tax Policy in December 2023, with the aim of reflecting its **fiscal strategy** and thus guaranteeing control of financial and non-financial risks and compliance with good tax practices by the companies and professionals that form part of the Group.

In particular, this Corporate Tax Policy seeks the following **objectives**:

- Comply with good corporate governance policies
- Ensure proper compliance with tax regulations
- Strengthen good tax practices
- Facilitate risk management

The Tubacex Group's actions are guided by the following general principles:

- Appropriate and ongoing **compliance with the tax obligations** set out in the fiscal legislation applicable in each jurisdiction.
- **Follow the recommendations** of the codes of good tax practice implemented in the jurisdictions in which it operates, taking into account specific needs and circumstances.
- **Prevention and reduction of significant fiscal risks**, ensuring that taxes are appropriately related to the structure and location of activities, human and material resources and business risks.



Tubacex Group's good tax practices are:

- **Collaboration with the Tax Authority** in all of actions aimed at clarifying different interpretations of the fiscal regulations, as well as in the provision of documentation with tax implications arising from audits or inspections, all of which are carried out as quickly as possible.
- **Refrain from using artificial structures** unrelated to its own activities and from carrying out transactions with related entities for the sole purpose of eroding tax bases or transferring profits to low-tax territories.
- **Avoid the use of opaque structures** for tax purposes, understood as those designed to prevent the competent tax authorities from finding out who is ultimately responsible for the activities or the ultimate owner of the assets or rights involved.
- **Non-incorporation or acquisition of companies resident in countries or territories considered to be tax havens** or included on the European Union's blacklist of non-cooperative jurisdictions, with the sole exception of those cases in which the Group company in question is obliged to do so due to its operations in such countries or territories.
- **Availability of whistle blowing channels** to communicate conduct that could imply the commission of irregularities and the infringement of risk systems.

6.1

Sustainability

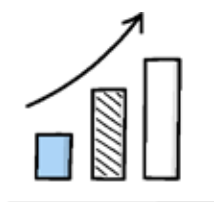
Profit obtained by country

[GRI Disclosure 207-4]

Significant information on profit obtained is presented below, grouped by the main locations in which it operates (in thousands of euros):

	2023	2022
AUSTRIA	1578	360
BRAZIL	- 627	87
UAE	1823	- 805
FRANCE	2036	2426
INDIA	7544	8492
ITALY	1310	1118
NORWAY	5545	1861
SPAIN	15777	- 1459
USA	17621	17883
Others	157	780
Consolidated Adjustments (IFRS 3)	- 3.184	- 3.876
TOTAL	49.580	26.868

The sum of "Others" corresponds to sales representation companies and others with less activity over total volume.



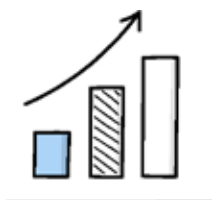
6.2

Sustainability Tax Paid on Profit

[GRI Disclosure 207-4]

The amounts paid as corporate tax in the 2023 financial year are included (in thousands of Euros)

	2023	2022
AUSTRIA	840	-6
BRAZIL	-	
UAE	-	
FRANCE	-	
INDIA	2.055	-213
ITALY	-	
NORWAY	322	
SPAIN	333	159
USA	1.809	
Others	457	
Consolidated Adjustments (IFRS 3)		
TOTAL	5.816	-60

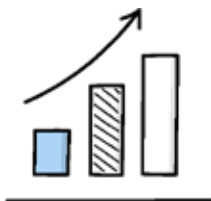


6.3

Sustainability Public Subsidies Received

[GRI Disclosure 207-4]

As indicated in “Other operating income” of the consolidated income statement, operating subsidies in 2023 amounted to €6,664 k (€5,952 k in 2022).



The background of the slide is a dark maroon color. It features a pattern of numerous overlapping circles of varying sizes, some of which are lighter shades of maroon, creating a textured, cellular effect. On the left side, there are several curved, concentric lines in a lighter maroon shade. A large, stylized number '7' is positioned on the left, partially overlapping the circular pattern. The word 'TAXONOMY' is written in a clean, white, sans-serif font to the right of the number.

7 TAXONOMY



7.1

Taxonomy

TUBACEX has conducted an analysis of Regulation (EU) 2020/852, establishing the framework to facilitate sustainable investments and setting out the requirements to classify an economic activity as environmentally sustainable (contributing substantially to one or more of the environmental objectives, not causing significant harm to any other environmental objective, being carried out in accordance with the minimum social safeguards and fulfilling the technical screening criteria).

This regulation is supplemented by various Delegated Regulations:

- Delegated Regulation (EU) 2021/2139 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation (Climate Delegated Regulation).
- Delegated Regulation (EU) 2021/2178, specifying the content and presentation of information to be disclosed by undertakings subject to this regulation. According to Article 8 of the Taxonomy Regulation, non-financial companies must disclose the eligibility and alignment percentage of their turnover, investments in fixed assets (CapEx) and operating expenses (OpEx), as well as contextual information detailing the calculation methodology.
- Delegated Regulation (EU) 2023/285, amending Delegated Regulation (EU) 2021/2139 establishing additional technical selection criteria to determine the conditions under which an economic activity is deemed to contribute substantially to climate change mitigation or adaptation, and to determine whether that economic activity does not cause significant harm to any of the other environmental objectives.





- Delegated Regulation (EU) 2023/2486, establishing the technical screening criteria for economic activities contributing substantially to non-climate environmental objectives: sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems (Environmental Delegated Regulation).

As a result, the new reporting obligations for the 2023 financial year are:

- Eligibility and alignment of those activities included in the Climate DR.
- Eligibility of the new activities included in the Environmental DR and in the amendments of the Climate DR.



³Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023, amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives (europa.eu).

⁴Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical selection criteria for determining under which conditions an economic activity shall be considered to make a substantial contribution to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems, and for determining whether such economic activity does not cause significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the disclosure of specific public information on those economic activities.



7.2

Taxonomy Eligibility criteria

Taxonomy-eligible activities

An economic activity eligible for Taxonomy is an economic activity described in the Delegated Act, regardless of whether this economic activity complies with any or all of the technical screening criteria.

Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council, establishing the technical screening criteria for determining the conditions under which an economic activity is deemed to contribute substantially to climate change mitigation or adaptation, has been analyzed to verify that this Regulation contemplates the activities carried out by TUBACEX.

With this definition, the criteria established in 2022 for the eligibility analysis has been maintained, considering steel manufacturing activities (ACERÁLAVA) and excluding from this matter the rest of the companies dedicated to the manufacturing of tubes and other tubular products, machined products or other complementary services added to the final product. 3.9 “Iron and Steel Manufacturing” in Annex I of the regulation, transitional activity according to Article 10 paragraph 2 of Regulation (EU) 2020/852.





TABLE 1. COMPANIES CONTEMPLATED IN THE ELIGIBILITY ANALYSIS:

Companies	Activity and NACE	Type of indications contemplated
ACERÁLAVA	NACE 24.10 – “Manufacture of basic iron and steel and of ferro-alloys”.	Sales to third parties
TSS	NACE 46.77 “Wholesale of waste and scrap”.	Sales of products from ACERÁLAVA

With the European Commission approval of the Environmental Delegated Regulation on June 13, 2023, defining the complementary activities under the four remaining environmental objectives (sustainable use and protection of water and marine resources; transition to a circular economy; prevention and control of pollution; and protection and recovery of biodiversity and ecosystems), TUBACEX has analyzed whether its activities are covered by this Delegated Regulation, whereby it is excluded as it does not adhere to the description of the incorporated activities.





7.3

Taxonomy Alignment criteria

Taxonomy-aligned activities

An economic activity aligned with Taxonomy is an economic activity that meets all of the requirements set out in the Taxonomy Regulation:

- Contribute substantially to one of the environmental objectives: climate change mitigation, climate change adaptation, protection of water and marine resources, transition to a circular economy; pollution prevention and control, and protection and restoration of the biodiversity and ecosystems.
- Do no significant harm (DNSH) analysis: The assessment aims to ensure that Taxonomy itself does not include economic activities that harm any of the other five environmental objectives.
- Comply with minimum social safeguards: OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights must be complied with.





In line with the criteria defined for the eligibility analysis, the scope of the alignment assessment focuses on the activity related to the manufacture of long stainless steel products developed by the Group's steelworks, ACERÁLAVA and the products originating from this plant and sold through TSS. Compliance in this case is due to the consumption of scrap in EAF furnaces, as it exceeds 70% of fine steel production* In line with the criteria defined for the eligibility analysis, the scope of the alignment assessment focuses on the activity related to the manufacture of long stainless steel products developed by the Group's steelworks, ACERÁLAVA and the products originating from this plant and sold through TSS. Compliance in this case is due to the consumption of scrap in EAF furnaces, as it exceeds 70% of fine steel production*.

*This indicator is calculated with the % of internal and external scrap of the final product manufactured (ingot).

Alignment with CC technical requirements:

CC MITIGATION	
CNAE5 code of the activity?	24.10
Scrap consumption ⁶ in EAF furnaces, greater than the following values?	
i) 70 % of the fine steel production	Yes



Do no significant harm:

CC ADAPTATION:		
The assessment (identification, classification and assessment) of the physical risks related to CC has been carried out, identifying and materializing the vulnerabilities, as well as the solutions for the adaptation of the activities under analysis to them.	Yes	<p>TUBACEX has conducted an analysis that determines the climate risks to which the company is exposed and its vulnerability to them.</p> <p>This analysis (detailed in Section 5.3.1 of this report) has resulted in an impact matrix that highlights:</p> <p>Climate risks:</p> <ul style="list-style-type: none">• A medium or low impact in the RCP 4.5 scenario in the short, medium and long term of the identified risks: thermal stress (human), storms, water scarcity (agriculture), water scarcity (hydrological).• Low and medium-low or medium impact in the RCP 8.5 scenario in the main elements of analysis: extreme fire conditions, water scarcity.• Medium-high impact on the RCP 8.5 scenario in the main elements of analysis: extreme rainfall (floods), in the short term (until 2039) and long term (2080-2099), and thermal stress (human) in the long term (2060-2099). <p>Impact on the business:</p> <p>An analysis of the impact on the business was carried out by assessing the impact on operations, on the one hand, and the impact on the management of human resources, on the other. The result of this analysis indicated a low or medium impact on the marketing units in the aspects analyzed (increase in temperature, heat waves, restrictions on water consumption, extreme rainfall, extreme winds); and a medium-low impact in the case of ACERÁLAVA in the aspects analyzed, with the exception of restrictions on water consumption, which was rated as medium-high (6/10). Considering the climate risk analysis, this is a risk that would be included in the short-term (2020-2039) and long-term (2060-2099) projections in an RCP 8.5 scenario.</p>
The risk assessment includes climate projections adapted to the characteristics of the activities under analysis.	Yes	<p>The aforementioned analysis includes climate projections. For this purpose, we have analyzed the location of 20 of our sites, representing more than 98% of our activity, to assess 18 different variables (temperature, wind, rainfall, etc.) and calculate climate risks for each site, under a range of different scenarios (RCP 4.5, RCP 8.5) and time horizons (short-term 2020-2039, medium-term 2040-2059 and long-term 2060-2099), with respect to an observed climate baseline (2000-2019). To visualize the impact of climate change on our operations, we have implemented a tool that includes detailed projections of 18 climate variables and indexes, for each site, with a granularity of 5x5Km, for different RCPs and time horizons, in a numerical, graphical and cartographic view.</p>
There is an implementation plan for the planned solutions.	Yes	<p>At the plants covered by this analysis, an assessment of the impact of these projections has been carried out, analyzing the risk assessment based on the aforementioned projections, on the one hand, and the impact on the business by assessing the impact on operations, on the one hand; as well as the impact on the management of human resources.</p> <ul style="list-style-type: none">• In the case of the material risks identified (extreme rainfall or water supply cuts), the solution plan involves more efficient management of resources (water recovery processes, etc.) and a culture of responsible consumption.• At storage centers, water does not represent a material asset as it is not part of the production process. However, potential damage caused by flooding due to extreme rainfall has been quantified and a series of mitigation actions have been identified, focusing on maintenance or investment in equipment. <p>In 2023, and in line with the GAP analysis conducted for compliance with the new reporting directive (CSRD), TUBACEX has defined a specific Climate Change Adaptation project, which will apply to all Group companies and is part of this updated risk analysis. The project will start in the first quarter of 2024.</p>



WATER AND MARINE RESOURCES

<p>An assessment of water risks has been carried out (both as a resource and as a recipient).</p>	<p>Yes</p>	<p>The plant under analysis has carried out the environmental impact assessments, including an assessment of water risks. ACERÁLAVA has Environmental Risk Analysis Reports (ARA). The methodology applied corresponds to that established in the UNE 150008:2008 Standard on Environmental Risk Analysis and Assessment, with regard to the performance of risk analyses, in accordance with the provisions of Royal Decree 2090/2008 on Environmental Responsibility.</p> <p>Furthermore, a complementary diagnosis of the maturity of water management has been carried out with a specialized consultancy firm to analyze the risks and opportunities and to foster a water sustainability strategy that favors the use of water resources. The following risks were analyzed: water scarcity, water quality, flood risk, reputational risk. The main conclusions drawn were:</p> <ul style="list-style-type: none"> • Risk of water scarcity - The medium-low risk rating for local basins reflects the fact that water resources are generally abundant throughout the region. • Risk to water quality - The basin risk rating is medium • Flood risk - The medium risk ratings reflect the fact that flooding occurs periodically in some areas, although TUBACEX sites are located in low risk areas. • Reputational risk - It does not represent a critical aspect due to the low or medium level of risk of the aspects previously analyzed. <p>In the case of TSS, water is not considered to be a material aspect of water management as no production process is carried out. However, as for ACERÁLAVA, an impact analysis has been carried out with the identification of adaptation measures for different scenarios.</p> <p>In 2023, and in line with the GAP analysis conducted for compliance with the new reporting directive (CSRD), TUBACEX has defined a specific Climate Change Adaptation project, which will apply to all Group companies. The project will start in the first quarter of 2024.</p>
<p>A management plan has been drawn up for water use and protection.</p>	<p>Yes</p>	<p>The Environmental Risk Analysis (ARA) report incorporates management plans for water use and protection, among other material aspects.</p>

INTEGRATED POLLUTION PREVENTION AND CONTROL

<p>Justification that the facility does not manufacture, market or use any of the substances listed in sections a-g of Appendix c of Annex I of the Delegated Regulation (EU) 2021/2139</p>	<p>Yes</p>	<p>ACERÁLAVA uses Nickel in its manufacturing process; a substance included in Annex XVII of Regulation (EC) No 1907/2006, complying with the requirements established for its use.</p> <p>The activity is carried out in accordance with the best available technologies (BAT) in steel production in accordance with Directive 2010/75/EU of the European Parliament and of the Council, on industrial emissions. More specifically, in accordance with the BATs related to the management of atmospheric emissions for steel manufacturing and casting processes in basic oxygen converters and/or electric arc furnace casting processes. Emissions are below the legal emission limits set by Directive (EU) 2015/2193 for the steel industry¹.</p>
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BIODIVERSITY AND ECOSYSTEMS

Environmental Impact Assessment (Directive 2011/92/EU)	Yes	ACERÁLAVA has carried out environmental impact assessments, including an assessment of the biodiversity and ecosystems. The methodology applied in the Environmental Risk Analysis corresponds to that established in the UNE 150008:2008 Standard on Environmental Risk Analysis and Assessment, with regard to the performance of risk analysis, in accordance with the provisions of Royal Decree 2090/2008 on Environmental Responsibility.
		In the case of warehouses that form part of TSS, there is no significant impact on the environment as a result of the activity developed. In the case of impact on the biodiversity, they are located in industrial areas that carry out their corresponding environmental impact analysis and are therefore, outside of any area considered protected. Although in the 2023 materiality analysis, biodiversity has not been considered a material aspect, TUBACEX has incorporated this element in its environmental risk analysis. Therefore, in 2023, and in line with the GAP analysis carried out in compliance with the new reporting directive (CSRD), TUBACEX has defined a specific Climate Change Adaptation project, which will apply to all Group companies. The project will start in the first quarter of 2024.

(1) Sources

- Commission Implementing Decision 2012/135/EU of 28 February 2012, establishing conclusions on the best available technology (BAT) for steel production under Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (OJ L 70, 8.3.2012, p. 63).
- Conclusions on Best Available Techniques (BAT) for the steel industry: https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/medio-ambiente-industrial/isbatconclusions_tcm30-191333.pdf
- Best Available Techniques (BAT) Reference Document for Iron and Steel Production: <https://prtr-es.es/Data/images/IronandSteelBREFDEI.pdf>

Compliance with social safeguards:

OCCUPATIONAL SAFETY

Regulatory framework	TUBACEX activity is based on the fundamental principles of the Universal Declaration of Human Rights, the International Labor Organization, the OECD Guidelines for Multinational Enterprises, and the United Nations Global Compact principles.
Management framework	<ul style="list-style-type: none">• In December 2023, the organization launched its new Occupational Health and Safety policy with its new commitments in this area.• It also has a Health and Safety management process and action plans to minimize the impact of its activity on human resources.• The plants under analysis have an Occupational Risk Prevention Program certified under Standard ISO 45001.
Reference in this document Section 5.4.17 Health and Safety	Section 5.4.17 Health and Safety



HUMAN RIGHTS

Regulatory framework

National and international regulatory frameworks. Therefore, as a participant in the UN Global Compact, TUBACEX supports the Ten Principles on Human, Labor, Environmental and Anti-Corruption standards; the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights; and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO). The Company strives to adhere to the principles established in these standards, aligned with those applicable to TUBACEX and to comply with all applicable laws, wherever it operates.

Management framework

- In December 2023, the organization launched its new Human Rights general policy, signed by the Board of Directors, with its new commitments in this area.
- It also has a process for internal (own locations) and external (suppliers) analysis of possible impact on this area, a governance system with direct responsibilities (Audit and Compliance Committees and Sustainability Committee), a prevention-oriented management system, and a whistle blowing channel to steer potential non-compliances in order to implement mitigation measures.

In 2023, and in line with the GAP analysis conducted for compliance with the new reporting Directive (CSRD), TUBACEX has defined a specific Due Diligence in Human Rights project, which will apply to all Group companies and key supplier selection as of 2024.

Reference in this document

Section 5.5.2 Human Rights

ANTI-CORRUPTION AND BRIBERY

Regulatory framework

TUBACEX carries out its activities in strict compliance with the applicable regulations to prevent and fight corruption. Its activities are based on the principles of legality and the fight against corruption in all its forms and, in particular, it rejects any practice that could be considered irregular in the development of its relations.

Management framework

- The company promotes the principles set out in its Code of Conduct and extends this commitment to all companies in the Group or any company it works with.
- As a mechanism to follow-up policies related to the fight against corruption and bribery, the Audit and Compliance Committee has the express power to monitor compliance with the applicable law as well as that required by the Board of Directors, and to supervise any matters related to business ethics in the Group.

Reference in this document

Section 5.6.2 Fighting corruption and bribery



TAXES

Regulatory framework	The Tubacex Group is firmly committed to complying with the good corporate governance policies it has adopted as part of its corporate social responsibility in order to make a voluntary and active contribution to the environment, society and the economy.
Management framework	<p>In this context, the Tubacex Group updated its Corporate Tax Policy in December 2023 in order to reflect its tax strategy and thus guarantee control of financial and non-financial risks and compliance with good tax practices by the companies and professionals that form part of the Group. In particular, the Corporate Tax Policy seeks the following objectives:</p> <ul style="list-style-type: none"> • Comply with good corporate governance policies. • Ensure proper compliance with tax regulations. • Strengthen good tax practices. <p>The Tubacex Group's actions are guided by the following general principles:</p> <ul style="list-style-type: none"> • Appropriate and ongoing compliance with the tax obligations set out in the fiscal legislation applicable in each jurisdiction. • Monitoring of the recommendations of the codes of good tax practice implemented in the jurisdictions in which it operates, taking into account specific needs and circumstances. • Prevention and reduction of significant tax risks, ensuring that taxes are appropriately related to the structure and location of activities, human and material resources and business risks.
Reference in this document	Section 6. Fiscal Information

FAIR COMPETITION

Regulatory framework	TUBACEX fosters a governance model for a responsible business, which encourages and promotes mechanisms to support good practices in governance, legal compliance, ethics, and corruption and bribery prevention, seeking the strictest compliance with national and international legislation in all markets and places in which it operates. The company adheres to the applicable legislation in the countries in which it carries out its activities, fully complying with its spirit and purpose.
Management framework	Established in its Code of Conduct, the company is committed to competing fairly in the markets. Behavior to be avoided by employees in this area is shared through this publicly available channel.
Reference in this document	Section Doing the Right Thing and Promoting Transparency

7.4

Taxonomy Key Performance Indicators

7.4.1

Calculation methodology

For the calculation of the indicators, ACERÁLAVA's sales to third parties will be considered eligible, as will sales of the steel trading companies (TSS) (eligible activity) in accordance with the aligned analysis carried out, as opposed to other products (non-eligible activity), having considered TSS sales "by origin of the material" (ACERÁLAVA) for this purpose. Items corresponding to ACERÁLAVA and the proportion of TSS used for the related activity are considered for CapEx and OpEx. In the case of denominators, the calculation will be carried out in accordance with the following criteria:

INDICATORS	DESCRIPTION
Sales	Ratio of revenue derived from eligible activities (numerator) over total company revenue (denominator), excluding inter-company sales
Opex	Ratio of eligible taxonomic OPEX (numerator) over total taxonomic OPEX (denominator). The latter incorporates the aggregation of non-capitalized direct costs related to activities and R&D, short-term leases, maintenance and repair costs, and environmental management expenses, required to guarantee the continued and efficient operation of the assets, which is why they are considered material, without considering their eligibility. Short-term leases are excluded as they are inter-company transactions.
Capex	Ratio of fixed assets invested in eligible economic activities (numerator) over total assets that have been acquired in the 2023 financial year (denominator). It incorporates the sum of all additions to tangible and intangible assets prior to depreciation, amortization and any revaluation, including those additions that are the result of business combinations, without considering the eligibility of the activities.

The percentages of eligibility and alignment in revenue, OpEx and CapEx for the climate change mitigation objective are detailed below, as no activity associated with the other environmental objectives has been identified.





7.4.2 Table of results

7.4.2.1 Main results

SALES:

2023		Sales (%)	Sales (k€)
Eligible	Aligned ⁽¹⁾	10,81	92,185
	Non-aligned ⁽²⁾		
Non-eligible ⁽³⁾		89,19	760,208
Total		100	852.392
2022		Sales (%)	Sales (k€)
Eligible	Aligned ⁽¹⁾	11,2	8,0195
	Non-aligned ⁽²⁾		
Non-eligible ⁽³⁾		88,8	634,520
Total		100	714.714



⁽¹⁾ Turnover of environmentally sustainable activities (taxonomy-aligned).

⁽²⁾ Turnover of taxonomy-eligible activities but not environmentally sustainable activities (not taxonomy-aligned activities).

⁽³⁾ Turnover associated with taxonomy non-eligible activities.



⁽¹⁾ Turnover of environmentally sustainable activities (taxonomy-aligned)

⁽²⁾ Turnover of taxonomy-eligible activities but not environmentally sustainable activities (not taxonomy-aligned activities).

⁽³⁾ Turnover associated with taxonomy non-eligible activities

The reduction in eligible CAPEX in 2023 compared to 2022 is due to the incorporation of the CAPEX corresponding to TUBACEX's growth project in the Middle East; and the higher weight that this represents in the Group as a whole, while in line with our eligibility criteria, the numerator takes into account ACERÁLAVA's steel manufacturing activities.

CAPEX:

2023		CAPEX (%)	CAPEX (€M)
Eligible	Aligned ⁽¹⁾	3,75	3.264
	Non-aligned ⁽²⁾		
	Non-eligible ⁽³⁾	96,25	83.706
Total		100	86.969,7
2022		OPEX (%)	OPEX (€M)
Eligible	Aligned ⁽¹⁾	10,7	2.902,2
	Non-aligned ⁽²⁾		
	Non-eligible ⁽³⁾	89,3	24.289,8
Total		100	27.192

OPEX:

2023		OPEX (%)	OPEX (€M)
Eligible	Aligned ⁽¹⁾	21,28	4.845,08
	Non-aligned ⁽²⁾		
	Non-eligible ⁽³⁾	78,72	17.920,82
Total		100	22.765,90
2022		OPEX (%)	OPEX (€M)
Eligible	Aligned ⁽¹⁾	23,10	5.156,44
	Non-aligned ⁽²⁾		
	Non-eligible ⁽³⁾	76,90	17.169,06
Total		100	22.325,50

⁽¹⁾ OPEX of environmentally sustainable activities (taxonomy-aligned).

⁽²⁾ OPEX of taxonomically eligible but not environmentally sustainable activities. (not taxonomy-aligned).

⁽³⁾ OPEX of taxonomy-non-eligible activities.

In the 2022 OPEX information recalculated in 2023, the item corresponding to leases has been excluded as these are inter-company transactions.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

Year 2023	Year			Substantial contribution criteria						DNSH ('Does Not Significantly Harm') Criteria									
Economic activities (1)	Codes (2)	Year	Turnover ratio, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Ratio of turnover aligned with Taxonomy (A.1) or eligible (A.2), 2022 (18)	Category (enabling activity) (19)	Category (transition activity) (20)
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	CCM 39*	92185	10,81%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	11,20%		T
Turnover of environmentally sustainable economic activities (taxonomy-aligned) (A.1)		92185	10,81%	10,81%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	11,20%		
Of which facilitators		0	0,00%	0,00%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0,00%	E	
Of which transitional		92185	100%	100%						Y	Y	Y	Y	Y	Y	Y	100%		T
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																			
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0,0%		
A. TURNOVER FROM ELIGIBLE ACTIVITIES (A.1+A.2)		92185	10,81%	10,81%	0%	0%	0%	0%	0%								11,20%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover associated with taxonomy non-eligible activities (B)		760207,9213	89,19%																
TOTAL		852392,5398	100%																

Ratio of Turnover/Total Turnover		
	Alignment with target taxonomy	Eligible for taxonomy by objective
Climate change mitigation and adaptation	10,81%	10,81%
Climate change adaptation	0%	10,81%
Water	0%*	0%
Circular Economy	0%*	0%
Pollution	0%*	0%
Biodiversity	0%*	0%

*Following the reporting obligations for the 2023 fiscal year, the alignment of the other four environmental objectives will be calculated next year.

*The activity is eligible for climate change mitigation and adaptation objectives because the description of the activity in the two annexes is the same and an adaptation solutions plan derived from our physical climate risk analysis is in place. However, it only contributes to its mitigation.

Proportion of CAPEX from products or services associated with Taxonomy-aligned economic activities – disclosure for 2023

Year 2023	Year			Substantial contribution criteria						DNSH ('Does Not Significantly Harm') Criteria									
Economic activities (1)	Codes (2)	Year	Turnover ratio, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Ratio of CAPEX aligned with Taxonomy (A.1) or eligible (A.2), 2022 (18)	Category (enabling activity) (19)	Category (transition activity) (20)
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	CCM 3.9*	3264	3,75%	S	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10,70%		T
CAPEX of environmentally sustainable economic activities (taxonomy-aligned) (A.1)		3264	3,75%	3,75%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	10,70%		
Of which facilitators		0	0,00%	0,00%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0,00%	E	
Of which transitional		3264	100%	100%						Y	Y	Y	Y	Y	Y	Y	100%		T
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																			
CAPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0,0%		
A. CAPEX FROM ELIGIBLE ACTIVITIES (A.1+A.2)		3264	3,75%	3,75%	0%	0%	0%	0%	0%								10,70%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CAPEX of taxonomy non-eligible activities (B)		83.706	96,25%																
TOTAL		86.969,7	100%																

Ratio of CAPEX / Total CAPEX		
	Alignment with target taxonomy	Eligible for taxonomy by objective
Climate change mitigation and adaptation	3,75%	3,75%
Climate change adaptation	0%	3,75%
Water	0%*	0%
Circular Economy	0%*	0%
Pollution	0%*	0%
Biodiversity	0%*	0%

*Following the reporting obligations for the 2023 fiscal year, the alignment of the other four environmental objectives will be calculated next year.

*The activity is eligible for climate change mitigation and adaptation objectives because the description of the activity in the two annexes is the same and an adaptation solutions plan derived from our physical climate risk analysis is in place. However, it only contributes to its mitigation.

Proportion of OPEX from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2023

Year 2023	Year			Substantial contribution criteria						DNSH ('Does Not Significantly Harm') Criteria									
Economic activities (1)	Codes (2)	Year	Turnover ratio, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Ratio of OPEX aligned with Taxonomy (A.1) or eligible (A.2), 2022 (18)	Category (enabling activity) (19)	Category (transition activity) (20)
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Manufacture of iron and steel	CCM 3.9*	4845	21,28%	S	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	23,10%		T
OPEX of environmentally sustainable economic activities (taxonomy-aligned) (A.1)		4845	21,28%	21,28%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	23,10%		
Of which facilitators		0	0,00%	0,00%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0,00%	E	
Of which transitional		4845	100%	100%						Y	Y	Y	Y	Y	Y	Y	100%		T
A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																			
OPEX of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0,0%		
A. OPEX FROM ELIGIBLE ACTIVITIES (A.1+A.2)		4845	21,28%	21,28%	0%	0%	0%	0%	0%								23,10%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OPEX of taxonomy non-eligible activities (B)		17921	78,72%																
TOTAL		22765,9	100%																

*The activity is eligible for climate change mitigation and adaptation objectives because the description of the activity in the two annexes is the same and an adaptation solutions plan derived from our physical climate risk analysis is in place. However, it only contributes to its mitigation.

Ratio of OPEX / Total OPEX		
	Alignment with target taxonomy	Eligible for taxonomy by objective
Climate change mitigation and adaptation	21,28%	21,28%
Climate change adaptation	0%	21,28%
Water	0%*	0%
Circular Economy	0%*	0%
Pollution	0%*	0%
Biodiversity	0%*	0%

*Following the reporting obligations for the 2023 fiscal year, the alignment of the other four environmental objectives will be calculated next year.

Annex I

Recalculated indicators

Indicators shown as follows were included in the non-financial information statement released in 2022, as well as information facilitated in 2023, also including data related to 2022 which have been reviewed.

5.3.1.10.1 Greenhouse Gas (GHG) Emissions

[305-1, 305-2, 305-3, 305-4]

	2022	Recalculated figure for 2022, presented in 2023
Direct emissions (t COe)	54.811	54.811
Indirect emissions (t COe)	16.361	16.361
Other indirect emissions (t COe)	261.470	286.682
TOTAL	332.642	357.854
Emission intensity (t COe/VAB) ⁶		
Direct emissions	0,23	0,23
Indirect emissions	0,07	0,07
Other indirect emissions	1,09	1,20
TOTAL	1,39	1,50

A correction has been made in Other indirect emissions as those corresponding to S3.3 have been partially considered.



6.1. Benefits obtained by country

[GRI Disclosure 207-4]

	2022	Recalculated figure for 2022 presented in 2023
	▼	▼
AUSTRIA	775	360
BRAZIL	87	87
CHINA	-	
UAE	4,298	805
FRANCE	2,426	2,426
INDIA	8,492	8,492
ITALY	320	1,118
NORWAY	1,861	1,861
SPAIN	1,459	1,459
USA	17,883	17,883
Others	780	780
Consolidated Adjustments (IFRS 3)	-	3,876
TOTAL	26.868	26.868





7.4.2.1. Main results

2022		OPEX (%)	OPEX (thousands of €)
Eligible	Aligned ⁽¹⁾	25,3	6.713,80
Non-aligned ⁽²⁾			
Non-eligible ⁽³⁾		74,7	19.826,20
Total		100	26.540

Recalculated figure for 2022, presented in 2023		OPEX (%)	OPEX (thousands of €)
Eligible	Aligned ⁽¹⁾	23,10	5.156.441,07
Non-aligned ⁽²⁾			
Non-eligible ⁽³⁾		76,90	17.169.060,99
Total		100	22.325.502

In the 2022 OPEX information recalculated in 2023, the item corresponding to leases has been excluded as these are inter-company transactions.

Annex II

Reference table of Law 11/2018 on Non-Financial Information requirements and Global GRI indicators

GENERAL ISSUES:

Fields		Universal GRI	Sections	Section reference
Business model	Business model description: Business environment, Organization and structure, Markets in which it operates, Objectives and strategies, Main factors and trends that may affect its future development.	GRI 2-1 Organizational Details	Organizational Profile	1.1.
		GRI Disclosure 2-2 Entities included in sustainability reporting	Organizational Profile	1.1.
		GRI Disclosure 2-6 Activities, value chain and other business relationships	Organizational Profile	1.1.
		GRI Disclosure 2-9 Governance structure and composition	Organizational Profile	1.2.
		GRI 2-23 Policy commitments	Organizational Profile	1.3.
Policies and their results	Description of the policies applied by the Group, along with the results of these policies, including the corresponding relevant non-financial key performance indicators.	GRI 2-23 Policy commitments	Organizational Profile	1.3. 5.2.
		GRI Disclosure 2-24 Embedding policy commitments	Organizational Profile	1.3.
Main risks and impact identified	Major risks related to these issues and to the Group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas.	GRI 3-3 Management of material topics	Organizational Profile	1.3.
		GRI Disclosure 2-12 Role of the highest governance body in overseeing the management of impact	Organizational Profile	4



ENVIRONMENT

	Fields	Reporting Framework	Sections	Section reference
Environmental management	Existing and foreseeable impact of the company's activities	GRI 3-3 Management of material topics	Environment	5.3.11
	Environmental assessment or certification procedures	GRI Disclosure 3-3 Management of material topics	Environment	5.3.13
	Resources allocated to environmental risk prevention	Internal standard/GRI Disclosure 201-1 Financial implications and other risks and opportunities due to climate change (accounting criterion)	Environment	5.3.13
	Application of the precautionary principle	GRI Disclosure 2-23 Policy Commitments	Environment	5.3.15
	Amount of provisions and guarantees for environmental risks	Law 26/2007 on Environmental Responsibility (if applicable)	Environment	5.3.16
Pollution	Measures to prevent, reduce or mitigate carbon emissions (including noise and light pollution)	GRI Disclosure 3-3 Management of material topics	Environment	5.3.17
Circular economy and waste prevention and management	Measures to prevent, recycle, reuse, recover and eliminate waste	GRI Disclosure 3-3 Management of material topics	Environment	5.3.19
		GRI Disclosure 6-3 (2020) Waste generated	Environment	5.3.19
	Actions to combat food waste	GRI Disclosure 3-3 Management of material topics	Environment	NA
Sustainable use of resources	Water consumption and water supply according to local limitations	GRI Disclosure 3-3 Management of material topics	Environment	5.3.18
		GRI Disclosure 303-3 Water extraction	Environment	5.3.18
	Consumption of raw materials	GRI Disclosure 3-3 Management of material topics	Environment	5.3.18
		GRI Disclosure 301-1 Materials used by weight or volume Environment	Environment	5.3.18
	Direct and indirect energy consumption	GRI Disclosure 302-1 Energy consumption within the organization	Environment	5.3.18.2
	Measures implemented to increase energy efficiency	GRI Disclosure 3-3 Management of material topics	Environment	5.3.18.2
	Use of renewable energy	GRI Disclosure 302-1 Energy consumption within the organization	Environment	5.3.18.2
	Climate change	Key elements of the greenhouse gas emissions generated	GRI Disclosure 305-1 Direct GHG emissions (Scope 1)	Environment
GRI Disclosure 305-2 Direct GHG emissions (Scope 2)			Environment	5.3.110.1
Si aplica: GRI 305-3 Otras emisiones indirectas de GEI (alcance 3)			Environment	5.3.110.1
Measures adopted to adapt to the consequences of climate change		GRI Disclosure 3-3 Management of material topics	Environment	5.3.110.2
Voluntary reduction targets		GRI Disclosure 3-3 Management of material topics	Environment	5.3.110.3
Protección de la biodiversidad	Measures taken to protect or restore biodiversity	GRI Disclosure 3-3 Management of material topics	Environment	5.3.111
	Impact caused by activities or operations in protected spaces		Environment	5.3.111



SOCIAL AND PERSONNEL ISSUES

	Fields	Reporting Framework	Sections	Section reference
Employment	Total number and distribution of employees by gender, age, country and professional category	GRI Disclosure 2-7 Employees	People	
		GRI Disclosure 405-1 Diversity of governance bodies and employees	People	5.5.15
	Total number and distribution of employment contract types	GRI 2-7 Employees	People	5.5.16
	Average annual number of permanent, temporary and part-time contracts by gender, age and professional category	GRI 2-7 Employees	People	5.5.17
	Number of dismissals by gender, age and professional category	GRI Disclosure 401-1 New employee hires and employee turnover	People	5.5.18
	Pay gap	Internal framework: the calculation has been made using the following formula: (Average Salary Women - Average Salary Men)/ Average Salary Men	People	5.5.110
	Average remuneration by gender, age and professional category	Internal framework: Average remuneration (including total remuneration for the year, fixed salary and all variable remuneration (food allowances, compensation, payment to long-term savings systems, etc.) obtained during the year	People	5.5.19
	Average remuneration of executive officers by gender	GRI 2-19 Remuneration Policies	People	5.5.111
	Average remuneration of directors by gender	GRI 2-20 Process to determine remuneration	People	5.5.111
	Implementation of employment disconnection policies	GRI 3-3 Management of material topics	People	5.5.112
Work organization	Employees with disabilities	GRI Disclosure 405-1 Diversity of governance bodies and employees	People	5.5.113
	Working time organization	GRI 3-3 Gestión de los temas materiales	People	5.5.114
	Number of hours lost due to absenteeism	Marco interno: tasa de absentismo	People	5.5.115
	Measures designed to facilitate the enjoyment of work/life balance and encourage joint responsibility of these by both parents	GRI Disclosure 3-3 Management of material topics	People	5.5.116
Health and Safety	Occupational health and safety conditions	GRI Disclosure 403- 1 Occupational health and safety management system	People	5.4.15
		GRI Disclosure 403-9 Work-related injuries	People	5.4.17
	Number of work-related accidents and diseases by gender, frequency rate and severity by gender	Frequency rate= No. of accidents with sick leave x 1,000,000/ No. of hours worked (excluding accidents en route to and from work)	People	5.4.17
		Severity rate = No. of days missed x 1,000,000/ No. of hours worked (excluding accidents en route to and from work)	People	5.4.17



SOCIAL AND PERSONNEL ISSUES

	Fields	Reporting Framework	Sections	Section reference
Social relations	Organization of social dialog	GRI 3-3 Management of material topics	People	54.19
	Percentage of employees covered by collective bargaining agreements by country	GRI 2-30 Collective bargaining agreements	People	55.121 55.122
	Balance of collective agreements, particularly in the field of occupational health and safety	GRI Disclosure 3-3 Management of material topics	People	55.124
	Mechanisms and procedures available to the company to boost worker involvement in the management of the company, in terms of information, consultation and participation.	GRI Disclosure 3-3 Management of material topics	People	55.13
Training	Policies implemented in the field of training	GRI Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	People	55.125
	Total amount of training hours by professional category	Internal Framework	People	55.126
Universal accessibility for people with disabilities		GRI 3-3 Management of material topics	People	55.127
Equality	Measures adopted to promote equality of opportunity for women and men	GRI 3-3 Management of material topics	People	55.128
	Equality plans measures adopted to boost employment, protocols against sexual and gender-based harassment	GRI Disclosure 3-3 Management of material topics	People	54.14
		GRI Disclosure 2-23 Policy commitments	People	55.129 55.130
				55.131
	Integration and universal accessibility for people with disabilities	GRI 3-3 Management of material topics	People	55.132
	Policy against all types of discrimination and, where appropriate, management of diversity	GRI Disclosure 3-3 Management of material topics	People	55.131
		GRI Disclosure 2-23 Policy commitments	People	55.132



HUMAN RIGHTS

Fields	Reporting Framework	Sections	Section reference
Human Rights	Application of due diligence procedures in the field of human rights	GRI Disclosure 2-26 Mechanisms for requesting advice and raising concerns	Human Rights 55.2.1
		GRI Disclosure 3-3 Management of material topics	Human Rights 55.2.1 55.2.2
		GRI Disclosure 3-3 Management of material topics	Human Rights 55.2.2 55.2.3
	Prevention of the risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses	GRI Disclosure 2-23 Policy commitments	Human Rights 55.2.4
		GRI Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Human Rights 55.2.3
	Claims on cases of violation of human rights	Internal framework: quantitative information on the number of claims	Human Rights 55.2.4
	Promotion of and compliance with the provisions of the fundamental conventions of the International Labor Organization (ILO) related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor	GRI Disclosure 3-3 Management of material topics	Human Rights 55.2.5 55.2.6 55.2.7
			55.2.2 55.2.5 55.2.6 55.2.7
		GRI Disclosure 2-23 Policy commitments	Human Rights 55.2.5 55.2.6 55.2.7

BRIBERY AND CORRUPTION

Fields	Reporting Framework	Sections	Section reference
Bribery and corruption		GRI Disclosure 2-25 Processes to remediate negative impacts	Fight against bribery and corruption 56.2.2 56.2.4
	Measures implemented to prevent corruption and bribery	GRI Disclosure 2-23 Policy commitments	Fight against bribery and corruption 56.2.1 56.2.2
		GRI Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Fight against bribery and corruption 56.1
		GRI Disclosure 2-25 Processes to remediate negative impacts	Fight against bribery and corruption 56.2.2
	Measures to combat money laundering	GRI 2-23 Policy commitments	Fight against bribery and corruption 56.2.2
		GRI Disclosure 2-26 Mechanisms for seeking advice and raising concerns	Fight against bribery and corruption 56.2.2 56.1
	Contributions to foundations and non-profit organizations	GRI Disclosure 201-1 Direct economic value generated and distributed	Fight against bribery and corruption 56.2.4



INFORMATION ABOUT THE COMPANY

	Fields	Reporting Framework	Sections	Section reference
Corporate commitment to sustainable development	Impact of the company's activity on local employment and development	GRI 3-3 Management of material topics	Society	5.5.3.1 5.5.3.2
	Impact of the company's activity on local populations and territory	GRI 3-3 Management of material topics	Society	5.7.4
	Relationships maintained with stakeholders of the local communities and modalities of dialog with them	GRI 3-3 Management of material topics	Society	5.5.3.4
	Partnership and sponsoring activities	GRI Disclosure 3-3 Management of material topics	Society	5.5.3.4
		GRI Disclosure 2-28 Membership of associations	Society	14 5.5.3.4
		Internal framework: description of association or sponsorship actions	Society	5.5.3.4 5.5.3.5 5.5.3.6
Subcontracting and suppliers	Inclusion in the purchasing policy of social, gender equality and environmental issues	GRI 3-3 Management of material topics	Supply chain	5.3.2.1
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	GRI Disclosure 2-6 Activities, value chain and other business relationships	Supply chain	5.3.2.2
		GRI Disclosure 2-24 Embedding policy commitments	Supply chain	5.3.2.2
	Supervision systems and audits and their results	GRI Disclosure 2-25 Processes to remediate negative impacts	Supply chain	5.3.2.3
Consumers	Measures for consumer health and safety	GRI 3-3 Management of material topics	Customers	5.4.1.1 5.4.1.2
		GRI Disclosure 2-16 Communication of critical concerns	Customers	5.4.1.3
	Claim systems	GRI Disclosure 2-25 Processes to remediate negative impacts	Customers	5.4.1.3
	Complaints received and their resolution	GRI Disclosure 2-25 Processes to remediate negative impacts	Customers	5.4.1.4.5
		Internal framework: information on complaints and opportunities for improvement	Customers	5.4.1.4.5
Fiscal Information	Profit obtained country-by-country	GRI Disclosure 207-4 Country-by-country reporting	Fiscal Information	6.1
	Taxes paid on profit	GRI Disclosure 207-4 Country-by-country reporting	Fiscal Information	6.2
	Public subsidies received	GRI Disclosure 201-4 Financial assistance received from government	Fiscal Information	6.3

EU TAXONOMY

	Fields	Sections	Section reference
Requirements of EU Taxonomy	Methodology	Taxonomy	7
	Indicators	Taxonomy	7



**Independent Limited Assurance Report of the Consolidated Non-
Financial Statement for the year ended December 31, 2023**

TUBACEX S.A. and SUBSIDIARIES

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

To the Shareholders of TUBACEX, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2023, of TUBACEX, S.A. and subsidiaries (hereinafter, the Group), which is part of the accompanying Consolidated Management Report of the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in Annex II "Reference table of Law 11/2018 on Non-Financial Information requirements and Global Reporting Initiative contents (GRI indicators)" of the accompanying NFS.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Management Report of TUBACEX, S.A. and its content is the responsibility of the Board of Directors of the Group. The NFS was prepared in accordance with the content required by current commercial regulation and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in Annex II "Reference table of Law 11/2018 on Non-Financial Information requirements and Global Reporting Initiative contents (GRI indicators)" from the accompanying NFS.

The Board of Directors are also responsible for the design, implementation, and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting, and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality, and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our review has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the 2023 NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meetings with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2023 based on the materiality analysis made by the Group and described in section "5.2 Materiality assessment", considering the content required by prevailing mercantile regulations.
- ▶ Analysis of the processes for gathering and validating the data included in the 2023 Non-Financial Statement.
- ▶ Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2023 NFS.
- ▶ Check, through tests, based on a selection of a sample, the information related to the content of the 2023 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

Emphasis paragraph

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, as well as the Delegated Acts enacted in accordance with the provisions of that Regulation, settle the obligation to disclose information on how and to what extent the company's activities are associated with eligible economic activities in relation to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems (other environmental objectives), and for certain new activities included in the climate change mitigation and adaptation objectives, for the first time for the financial year 2023, in addition to the information on eligible and aligned activities already required in the 2022 financial year in relation to the climate change mitigation and climate change adaptation objectives. As a result, no comparative information on eligibility has been included in the attached NFIS in relation to the other environmental objectives listed above or to the new activities included in the climate change mitigation and adaptation objectives. On the other hand, to the extent that the information relating to the financial year 2022 was not required with the same level of detail as in the financial year 2023, the disaggregated information in the attached NFIS is also not strictly comparable. In addition, it should be noted that the directors of TUBACEX, S.A. have incorporated information on criteria that, in their opinion, allow better compliance with the aforementioned obligations and that are defined in the section "7. Taxonomy" of the attached NFIS. Our conclusion has not been modified in relation to this matter.

Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended December 31, 2023 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in Annex II "Reference table of Law 11/2018 on Non-Financial Information requirements and Global Reporting Initiative contents (GRI indicators)" of the NFIS.

Use and distribution

This report has been prepared as required by current commercial regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

February 28th, 2024