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INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION

(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.

Conclusion of limited assurance

In accordance with article 49 of the Commercial Code, we have performed a limited verification engagement on the Consolidated Non-Financial Information Statement ("NFIS") for the year ended December 31, 2024, of TUBACEX, S.A. (the "Entity") and subsidiaries (the "Group"), which is part of the Group's Consolidated Management Report.

The content of the NFIS includes information in addition to that required by prevailing company law in respect of non-financial information, specifically the Sustainability Information prepared by the Group for the year ended December 31, 2024 (the "sustainability information") in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, as regards corporate sustainability reporting (the "CSRD"). The sustainability information was also subject to limited verification.

Based on the procedures applied and the evidence obtained, nothing has come to our attention that causes us to believe that:

- a) The Group's NFIS for the year ended December 31st, 2024 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria selected in European Sustainability Reporting Standards ("ESRS"), as well as other criteria described as explained for each subject matter in table: Annex I: Requirements under Law 11/2018 on Non-Financial Information (NFIS).
- b) The sustainability information, taken as a whole, has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the section IRO 2 - Disclosure requirements covered established in the NEIS, covered by the attached company's sustainability statement, including:
 - That the description of the process for identifying the sustainability information to be disclosed included in section 1.4 Management of material impacts, risks and opportunities is consistent with the process implemented and that it enables the identification of the material information to be disclosed in accordance with the requirements of ESRS.
 - Compliance with ESRS.
 - Compliance of the disclosure requirements included in section 5: Taxonomy, on the environment in the sustainability information with Article 8 of 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 investment.

Basis of conclusion

We have performed our limited verification engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Guidelines 47 (revised) and 56 issued by the Spanish Institute of Chartered Accountants on non-financial information assurance engagements and considering the contents of the note issued by the Spanish Accounting and Auditing Institute (ICAC) on December 18, 2024 (the "generally accepted professional standards").

The procedures performed in a limited verification engagement are less in extent than for a reasonable verification engagement. Consequently, the level of assurance obtained in a limited verification engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those regulations are further described in the *Practitioner's responsibilities* section of our report.

We have complied with the independence and other ethics requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) of the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires us to design, implement, and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the directors

The preparation of the NFIS included in the Group's consolidated management report is the responsibility of the directors of TUBACEX, S.A. The NFIS has been prepared in accordance with the content required by prevailing company law and the criteria selected in ESRS, as well as other criteria described as explained for each subject matter in table Annex I: Requirements under Law 11/2018 on Non-Financial Information (NFIS). of the NFIS.

This responsibility also includes the design, implementation, and maintenance of such internal control as considered necessary to ensure that the NFIS is free of material misstatement, whether due to fraud or error.

The directors of TUBACEX, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFIS is obtained.

In relation to the sustainability information, the entity's directors are responsible for developing and implementing a process for identifying the information to be included in the sustainability information in accordance with the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, and for disclosing information about this process in the sustainability information itself in section 1.4 Management of material impacts, risks and opportunities. This responsibility includes:

- ▶ Understanding the context in which the Group carries out its activities and business relationships, as well as its stakeholders, in relation to the Group's impact on people and the environment.
- ▶ Identifying the actual and potential impacts (both negative and positive), as well as risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium or long term.
- ▶ Assessing the materiality of the identified impacts, risks and opportunities.
- ▶ Making assumptions and estimates that are reasonable under the circumstances.

The directors are also responsible for the preparation of the sustainability information, which includes the information identified by the process, in accordance with the sustainability reporting framework used, including compliance with the CSRD, the ESRS, and compliance of the disclosure requirements included in section 5: Taxonomy, of the section on the environment in the sustainability information with Article 8 of 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 investment.

This responsibility includes:

- ▶ Designing, implementing and maintaining such internal control as the directors consider relevant to enable the preparation the sustainability information that is free from material misstatement, whether due to fraud or error.
- ▶ Selecting and applying appropriate methods for the presentation of sustainability information and the basis of assumptions and estimates that are reasonable, considering the circumstances, about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with ESRS, the entity's directors are required to prepare forward-looking information on the basis of assumptions and hypothetical assumptions, which must be included in the sustainability information, about potential future events and possible future actions, if any, that the Group could take. Actual results may differ significantly from estimated results, as the reference is to the future and future events frequently do not occur as expected.

In determining the disclosures in the sustainability information, the entity's directors interpret legal and other terms that are not clearly defined and that may be interpreted differently by others, including the legal conformity of such interpretations, and, accordingly, are subject to uncertainty.

Practitioner's responsibilities

Our objectives are to plan and perform the verification engagement to obtain limited assurance about whether the NFIS and sustainability information are free from material misstatement, whether due to fraud or error, and to issue a limited verification report that includes our conclusions. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this information.

As part of a limited verification engagement, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- ▶ Design and perform procedures to assess whether the process for identifying the disclosures to be included in the NFIS and sustainability information is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed as required in the ESRS.
- ▶ Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.
- ▶ Design and perform procedures responsive to disclosures in the NFIS and sustainability information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary from the work performed

A limited verification engagement involves performing procedures to obtain evidence as a basis for our conclusions. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and sustainability information.

Our work consisted of making inquiries of management and of the Group's various business units and components that participated in the preparation of the NFIS and sustainability information, reviewing the processes used for compiling and validating the information presented in the NFIS and sustainability information, and applying certain analytical procedures and performing tests of details on a sample basis as described below:

For verification of the NFIS:

- ▶ Holding meetings with Group personnel to obtain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
- ▶ Analyzing the scope, relevance and completeness of the content of the 2024 NFIS based on the materiality assessment performed by the Group and described in section/note XXX of the NFIS, considering the content required in prevailing company law.
- ▶ Analyzing the processes used to compile and validate the data presented in the 2024 NFIS.
- ▶ Reviewing the disclosures relating to the risks, policies and management approaches applied with respect to the material matters presented in the 2024 NFIS.
- ▶ Checking, through sample testing, the information underlying the content of the 2024 NFIS and whether it has been adequately compiled based on data provided by information sources.

For verification of the sustainability information:

- ▶ Making inquiries of Group personnel:
 - To understand the business model, the policies and management approaches applied and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
 - To know the source of the information used by management (e.g., interaction with stakeholders, business plans and documents on strategy) and review the Group's internal documentation on its process.
- ▶ Obtaining, through inquiries of Group personnel, insight into the entity's processes for gathering, validation, and presenting information relevant for the preparation of its sustainability information.

- ▶ Assessing whether the evidence obtained in our procedures on the process implemented by the Group for determining the disclosures to be included in the sustainability information is consistent with the description of the process included in that information, as well as assessing whether that process implemented by the Group enables identification of the material information to be disclosed in accordance with the requirements of the ESRS.
- ▶ Assessing whether all the information identified in the process implemented by the Group for determining the disclosures to be included in the sustainability information is effectively included.
- ▶ Evaluating whether the structure and presentation of the sustainability information is consistent with ESRS and the rest of the sustainability reporting framework applied by the Group.
- ▶ Performing inquiries of relevant personnel and analytical procedures on the disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.
- ▶ Performing, as appropriate, substantive procedures through sampling of selected disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.
- ▶ Obtaining, as appropriate, reports issued by accredited independent third parties accompanying the consolidated management report in response to the requirements of European regulations and, in relation to such information and in accordance with generally accepted professional standards, verification, exclusively, of the accreditation of the practitioner and that the scope of the report issued corresponds to that required by European regulations.
- ▶ Obtaining, as appropriate, the documents containing the information incorporated by reference, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verification, exclusively, that in the document to which the information incorporated by reference refers, the requirements described in ESRS for the incorporation by reference of information in the sustainability information are met.
- ▶ Obtaining a representation letter from the directors and management regarding the NFIS and sustainability information.

Other information

The persons in charge of the entity's governance are responsible for the other information. The other information comprises the consolidated financial statements and the rest of the information included in the consolidated management report, but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the sustainability information and attached to the consolidated management report.

Our verification report does not cover the other information and we do not express any form of verification conclusion on it.

Our responsibility in connection with our engagement to verify the sustainability information is to read the other information identified and consider whether it is materially inconsistent with the sustainability information or the knowledge we have obtained during the verification engagement that could indicate material misstatements in the sustainability information.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

February 27th, 2025

CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION

Fiscal Year 2024

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1. GENERAL INFORMATION

1.1 Basis for the preparation of the sustainability statement

1.1.1 BP-1 General basis for the preparation of the sustainability statement

Tubacex, S.A. (hereinafter referred to as “Tubacex” or the “Company”) presents this first sustainability report for the 2024 fiscal year, prepared using the guidelines of Directive (EU) 2022/2024 of the European Parliament and of the Council of 14 December 2022 on corporate sustainability reporting (hereinafter, CSRD), whose transposition into Spanish law is still pending. Additionally, it includes specific disclosures required by Law 11/2018 that are not explicitly addressed by the ESRS.

Both regulations establish stricter and more detailed requirements for the preparation and presentation of sustainability reports, aiming to increase transparency and corporate accountability, align companies with the goals of the European Green Deal, and promote a more sustainable and responsible economy.

This regulatory framework has necessitated the use of a new reference framework for sustainability reporting, the European Sustainability Reporting Standards (hereinafter, ESRS).

(DP 5 a and b) The information contained in this report covers all the companies included within the Tubacex consolidation perimeter. The scope of this report is consistent with that of the published financial statements, with no exceptions or exclusions of any Group subsidiaries.

(DP 5 c) In preparing this document, only the available qualitative and quantitative information on the value chain has been integrated, taking into account material impacts, risks, and opportunities related both to Tubacex's operations and its value chain, encompassing both direct and indirect business relationships in the upstream and downstream stages of said chain.

(DP 5 d) Tubacex has not deemed it necessary to omit any information due to intellectual property, know-how, or classified or sensitive information concerns. (DP 5 e) Similarly, no information has been withheld regarding imminent events or ongoing negotiations in accordance with Articles 29a and 29b of Directive 2013/34/EU.

The following section presents information related to specific circumstances considered in the preparation of this report:

1.1.2 BP-2 Information related to specific circumstances

1.1.2.1 Time horizons

(DP 9) The time horizons used throughout the document have been established according to section 6.4 of ESRS 1, and are defined as follows:

- Short term: up to 1 year.
- Medium term: between 1 and 5 years.
- Long term: more than 5 years.

For the assessment of climate-related risks and opportunities, the methodology distinguishes the following time horizons for physical and transition risks and opportunities:

Physical risks:

- Historical baseline (climate only): 2000–2019
- Short term: 2020–2039
- Medium term: 2040–2059
- Long term: 2080–2099
- Transition risks and opportunities:
- Short term: 2024–2030
- Medium term: 2031–2040
- Long term: 2041–2050

1.1.2.2 Value chain estimation

(DP 10) In line with the transitional provision concerning the value chain, Tubacex has not included quantitative parameters of the value chain in this report, due to the difficulty of obtaining such information with the necessary reliability and accuracy for use in this context.

Nevertheless, indirect greenhouse gas emissions (scope 3) have been included as a parameter. The methodology and estimates used are documented in section E1-6.

1.1.2.3 Sources of estimation and uncertainty

(DP 11 a) Regarding quantitative parameters and monetary amounts disclosed, the company reports that all measurements are real and based on verifiable records. However, some aspects are subject to a high degree of uncertainty due to the assumptions and approximations used in calculating certain impacts.

(DP 11 b) For example, in the event of a potential drought, the company estimates a financial impact by assuming a 10% reduction in water usage during summer months, which translates into a potential production loss. This estimate assumes that the drought will affect water use proportionally by that percentage.

Additionally, all projections related to future actions, as well as environmental impacts or future event-related amounts, are made under assumptions that involve significant uncertainty. Scope 3 emissions, for example, are subject to uncertainty due to factors such as emission factors, which can vary depending on information sources and methodologies used. Similarly, calculating distances traveled by plane or car includes uncertainty, as it is impossible to obtain exact measurements in all cases. Another example relates to water consumption, for which data from bills and/or meters were used. However, due to a meter malfunction at one plant, consumption was estimated. The assumptions used to measure these parameters are based on the company's experience and judgment, using accumulated knowledge and best available practices to make reasonable estimates. Nonetheless, the company acknowledges that, due to the nature of these estimates, a degree of uncertainty is always associated with the results.

1.1.2.4 Changes in sustainability information preparation

(DP 13) Since this is the first report prepared under the ESRS reference framework, the information presented—especially the metrics and parameters—may vary in terms of calculation methods and scope.

Whenever possible, revised comparative information will be provided, detailing differences between original and updated figures.

1.1.2.5 Information on prior period errors

(DP 14) Likewise, material errors from prior periods that have been identified are disclosed, detailing their nature, the correction applied, or, where applicable, the justification for the impossibility of correction, in Annex II of this Sustainability Report.

1.1.2.6 Information derived from other legislation or generally accepted sustainability reporting frameworks

(DP 15) In addition to the information required by Article 8 of Regulation (EU) 2020/852, there are other regulations requiring sustainability-related disclosures, including:

Law 11/2018, of December 28, which amends the Spanish Commercial Code, the revised text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 of July 2, and Audit Law 22/2015 of July 20, regarding non-financial and diversity information:

Although the CSRD covers the same topics as Law 11/2018, some parameters require a higher level of detail under this legislation. Examples include:

- Information on noise emissions and other forms of pollution impacting local communities.
- Data on local job creation and development in the areas where the company operates.
- Specific details on board diversity policies, including aspects such as age, gender, professional training, and experience of its members.
- Specific tax information, including profits by country, corporate taxes paid, and public subsidies received.

Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088:

This regulation requires identifying and classifying the company's economic activities according to their alignment with the environmental objectives of the Taxonomy, such as climate change mitigation and adaptation, sustainable use and protection of water and marine resources, among others.

1.1.2.7 Incorporation by reference

(DP 16) No information has been incorporated by reference in this report. Therefore, a list of disclosure requirements established in the ESRS, or specific data points included by such means, is not provided. All information is presented directly within this document.

1.2 Governance

1.2.1 GOV-1 Role of the administrative, management, and supervisory bodies

(DP 21. A., DP 21.e) The Board of Directors of Tubacex is composed of ten members, noted for its diversity and balance: six are independent, one is executive, one is proprietary, and two are other external members.

(DP 22 a.)

Board of Directors



The number of Directors set forth in the bylaws will be 5 as minimum and 12 as maximum. Composition of the Board of Directors:

Name	Position	Class	Date of first appointment	Date of last appointment	Commissions
MANUEL MOREU MUNAIZ	CHAIRMAN	External Independent	2015-05-27	2022-05-26	Appointments and Remunerations/Audit & Compliance
IGNACIO MATAIX ENTERO	VICE PRESIDENT	Independent	2024-06-27	2024-06-27	
JOSU IMAZ MURGUIONDO	CEO	Executive	2025-03-27	2025-03-27	
ANTONIO M ^a PRADERA JAUREGUI	BOARD MEMBER	Independent	2015-05-27	2023-05-24	Audit & Compliance /Sustainability and Good Governance
NURIA LÓPEZ DE GUEREÑU ANSOLA	BOARD MEMBER	Independent	2015-05-27	2023-05-24	
ISABEL LÓPEZ PAÑOS (1)	BOARD MEMBER	Proprietary	2018-02-23	2022-05-26	
JORGE SENDAGORTA GOMENDIO	BOARD MEMBER	Independent	2018-05-23	2022-05-26	Appointments and Remunerations /Sustainability and Good Governance
IVÁN MARTÉN ULARTE	BOARD MEMBER	Independent	2018-05-23	2022-05-26	Sustainability and Good Governance
JOSÉ TORIBIO GONZÁLEZ	BOARD MEMBER	Other Externals	2021-09-23	2022-05-26	Audit & Compliance
GRACIA LÓPEZ GRANADOS	BOARD MEMBER	Other Externals	2022-06-29	2023-05-24	Sustainability and Good Governance
ELENA GUEDE VAZQUEZ	BOARD MEMBER	Independent	2025-02-27	2025-02-27	Sustainability and Good Governance
MAIDER CUADRA ETXEBARRENA	SECRETARY NON MEMBER	-	2013-02-22		-

(DP 21. b.) Tubacex prioritizes fostering an inclusive and participatory work environment, aligned with local regulations and cultural traditions in each region where it operates. It recognizes the importance of employee representation as a pillar for building strong labor relations and ensuring open and constructive dialogue.

In European plants, in compliance with established labor regulations, representation mechanisms have been implemented to ensure continuous and effective interaction between employees and management. This approach allows for agile responses to team concerns and needs, reinforcing the commitment to labor rights. In the United States, where labor representation is optional in many sectors, a flexible approach has been adopted that respects the characteristics of each business unit. Currently, one of the two plants has a formal representation system, reflecting Tubacex's commitment to adapt to local expectations and dynamics. In Asia and the Middle East, operations take place in a different cultural and regulatory context, where formal employee representation is not common practice. However, the Group works to foster open communication channels and ensure that all employees have a voice in matters related to their workplace well-being, always respecting the traditions and regulatory frameworks of those regions.

Through this diverse and adaptive approach, Tubacex reaffirms its commitment to social sustainability, ensuring that its labor practices respect both international standards and the unique characteristics of each operating environment.

(DP 21 c.) The Tubacex Board of Directors is composed of seasoned professionals from various business sectors related to the company's activities, with particular emphasis on sectors such as engineering, energy, and transportation (naval, air, and automotive). Most directors have been part of the Board for an extended period, enabling them to gain a comprehensive and in-depth understanding of the sectors, products, and markets in which Tubacex operates globally.

This consolidated experience and specific knowledge of strategic geographic locations ensure management capabilities aligned with business challenges and opportunities. The commitment and vision of these leaders contribute to strengthening corporate strategy, driving sustainable growth, and ensuring compliance with the highest corporate governance standards.

(DP 21 d.) The current ratio of women on the Board is 0.43, with the 30% threshold achieved. (DP 21 e.) The proportion of independent directors is 60%, as established in the Board Regulations.

(DP 22 b.) As part of the strategic reflection process, Tubacex updates the corporate risk map to identify and assess the risks to which the organization is exposed, provide an analytical view of underlying causal relationships, and deliver a comprehensive perspective of the organization's overall exposure. Risk identification is carried out through questionnaires and personal interviews with leaders of various business units and relevant corporate areas, mainly members of the management committee. Once identified, the risks are evaluated based on their likelihood of occurrence and impact on strategic objectives. Projects defined by Management within its strategic plan mitigate identified risks and allow for continuous monitoring. This Risk Management System is accredited in accordance with the UNE – ISO 31000:2018 Standard.

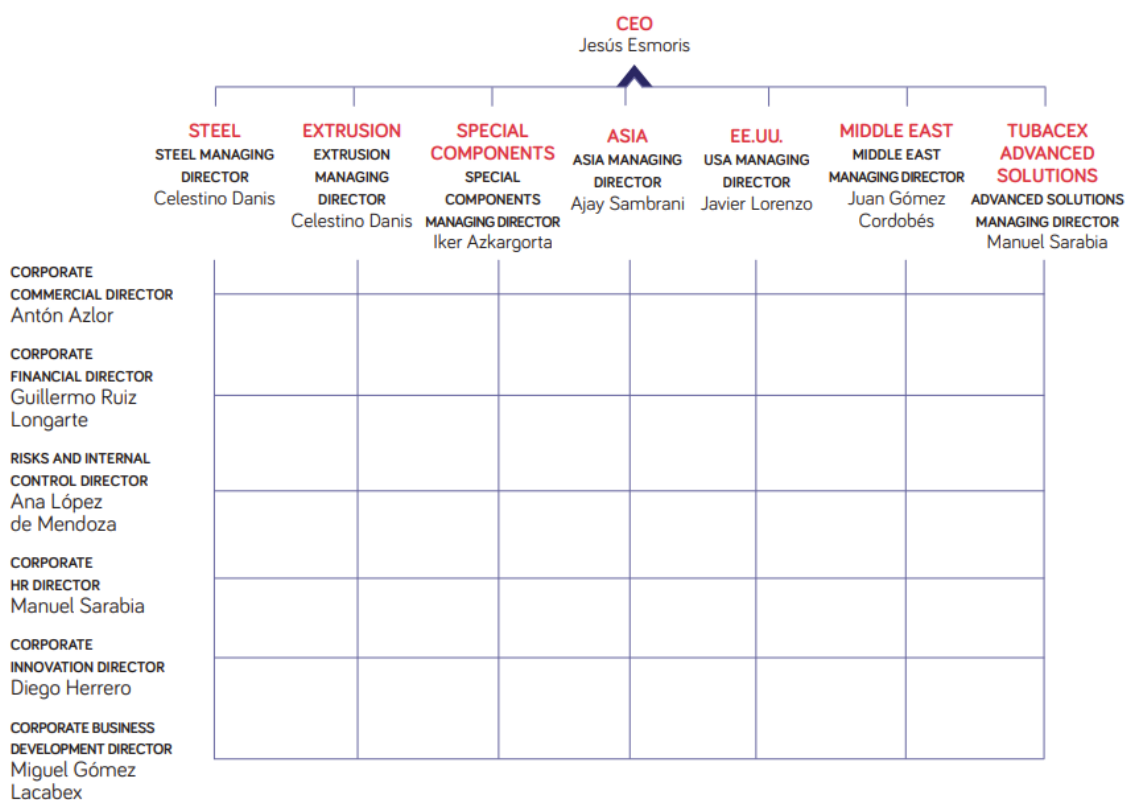
(DP 22 c.) The risk map is included on the Board's agenda twice a year. The first instance coincides with the annual review of the Strategic Plan. The Board of Directors has a non-delegable responsibility to supervise risks, supported by the Audit and Compliance Committee. In turn, this committee relies on two key components: the Internal Audit and Compliance units.

The General Policy for Risk Control and Management and its core principles are implemented through a comprehensive risk control and management system, based on a clear definition and assignment of functions and responsibilities at operational and supervisory levels, and on suitable procedures, methodologies, support tools, and information systems for each stage and activity of the system.

The system is structured into three lines of defense to address and manage significant risks:

- The Audit and Compliance Committee periodically reviews internal control and risk management systems, including tax risks, to identify, analyze, and adequately report major risks. Specifically regarding ESG matters, this role is carried out in coordination with the Sustainability and Good Governance Committee, as established in the Company's Board Regulations.
- The Internal Audit Department informs, advises, and reports to the Audit and Compliance Committee on risks and functional business areas, identifying, measuring, and controlling them.
- The Management Committee is responsible for implementing risk management and control integrated into business processes and decision-making.

The Management Committee is composed of an executive team representing the various units and functional areas. As of the end of 2024, its composition is as follows:



(DP 22 d.) During the 2023 fiscal year, the Risk and Control function was formalized at the Management Committee level at Tubacex. This function will assume, among others, the following responsibilities concerning risks:

- Ensure appropriate control and monitoring of risk management, so that risks are managed within acceptable levels.
- Ensure proper reporting on risk management to the Management Committee, the Audit and Compliance Committee, and the Board of Directors.

Regarding sustainability, the Sustainability and Good Governance Committee actively supervises the impacts, risks, and opportunities.

(DP 23) The Board of Directors of Tubacex includes profiles with strong professional backgrounds and experience in sectors related to sustainability, energy, and governance. Several board members have participated in projects connected to energy transition, carbon footprint offsetting, and sustainable development.

Ms. Nuria López de Gereñu is heavily focused on the social sustainability field, promoting projects for clean energy access in Sub-Saharan African communities; she is a member of the governing council of Unesco-Etxea and collaborates with various business and equality forums. Previously, she held representative roles in the Basque Parliament and management roles in the Provincial Council of Gipuzkoa (rural development and natural environment management) and the Basque Government (transport and public works, responsible for executing railway and port projects, logistics, and meteorology).

Mr. Iván Martén Uliarte has more than 30 years of experience in the energy and environmental sector, having advised governments and regulators on sustainable development matters.

Likewise, Mr. Jorge Sendagorta Gomendio is recognized for his career in engineering and participation in forums related to sustainability and energy.

This diversity of profiles brings together knowledge and experience that not only strengthens the Board's capacity to strategically guide the company on sustainability matters, ESG challenges (environmental, social, and governance), and the transition toward a more sustainable economy, but also provides a comprehensive and analytical vision in determining material IROs.

1.2.2 GOV-2 Information provided to the administrative, management, and supervisory bodies regarding sustainability issues and how these are addressed

(DP 26 a.) The Sustainability Department reports at least once a year on the identification and analysis of material impacts, risks, and opportunities. Additionally, twice a year, the general risk map, which includes sustainability issues, is presented to the Board of Directors. Furthermore, the Sustainability and Good

Governance Committee is informed quarterly about the progress of the sustainability plan, including the effectiveness of policies, actions, indicators, and goals adopted in the area of sustainability, as well as the definition and progress in the implementation of due diligence processes.

(DP 26 b.) These impacts, risks, and opportunities are considered to adapt and transform the strategy and processes to meet the needs and requirements of the environment and stakeholders. This involves periodic environmental analyses, proactive risk response plans, and identifying growth areas aligned with emerging opportunities. Notably, a specific area has been created to promote the "Low Carbon" segment, responding to a diversification opportunity. This approach not only addresses global trends toward sustainability and decarbonization but also mitigates the inherent risks of business models based on more polluting energy sources.

(DP 26 c.) The material impacts, risks, and opportunities addressed by the administrative, management, and supervisory bodies are those mentioned in section 1.2.2 SBM-3 "Material impacts, risks, and opportunities and their interaction with the strategy and business model."

1.2.3 GOV-3 Integration of sustainability performance in incentive systems

(DP 29 a.) Tubacex has an incentive plan for members of the management committee, including the CEO and a series of key executives, called the "2024–2026 Long-Term Incentive Plan," which allows beneficiaries to receive, after a specific period, an incentive payable in Tubacex shares, provided certain multi-year strategic objectives are met.

(DP 29 b., c., d.) The calculation of the long-term incentive is based on achieving objectives that promote sustainable value creation for the company and its shareholders. This incentive scheme is distributed as follows:

- Shareholder value creation: 50%
- EBITDA (operating result): 40%
- ESG objectives (environmental, social, and governance): 10%

Within the ESG objectives, two key parameters have been established:

- Low Carbon product sales (5%)
- Promotion of equality (5%)

These criteria reinforce our commitment to sustainability, equality, and the transition to a more responsible and low-carbon economic model.

(DP 29 e.) Although the Plan is valid for 3 years, its terms and conditions may be adjusted if necessary to preserve its equivalence and purpose, adapting it to prevailing internal or external circumstances. It is approved by the General Shareholders' Meeting.

In addition to this incentive plan, Tubacex has implemented a variable remuneration system (see [E1, ESRS 2 GOV-3 \(DP 13\)](#)) linked to sustainability objectives (Environmental, Social, and Governance) for middle management and directors (approximately 300 people). This represents 5% of the total variable remuneration. For the year 2024, three indicators were established to comprise the total 5%: Scope 1 and 2 emissions: 2%; Accident frequency: 2% and uppliers evaluated for sustainability: 1%.

1.2.4 GOV-4 Due diligence statement

(DP 30; 32)

DUE DILIGENCE ELEMENTS	SECTIONS OF THE SUSTAINABILITY STATEMENT
a) Integration of due diligence in governance, strategy, and business model	NEIS 2 GOV-2 NEIS 2 GOV-3 NEIS 2 SBM-3
b) Stakeholder engagement at all key due diligence stages	NEIS 2 GOV-2 NEIS 2 SBM-2 NEIS 2 IRO-1 NEIS 2 MDR-P NEIS S1 S1-2 NEIS S2 S2-2 NEIS S3 S3-2
c) Identification and assessment of adverse impacts	NEIS 2 IRO-1 (incluidos los requisitos de aplicación relacionados con cuestiones de sostenibilidad específicas establecidas en las NEIS correspondientes) NEIS SBM-3
d) Measures adopted to address adverse impacts	NEIS 2 MDR-A NEIS E1 E1-1, E1-2, E1-3 NEIS E2 E2-1, E2-2 NEIS E3 E3-1, E3-2 NEIS E5 E5-1, E5-2 NEIS S1 S1-1, s1-4 NEIS S2 S2-1, s2-4 NEIS S3 S3-1, s3-4
e) Monitoring effectiveness and communication	NEIS 2 MDR-M NEIS MDR-T NEIS E1 E1-4 NEIS E2 E2-3 NEIS E3 E3-3 NEIS E5 E5-3 NEIS S1 S1-5 NEIS S2 S2-5 NEIS S3 S3-5

1.2.5 GOV-5 Risk management and internal controls over sustainability reporting

(DP 36 a, b, c, d, e) As of the date of this sustainability report, the Tubacex Group has a corporate risk management system, a compliance system, and an internal control system over financial reporting (SCIIF), which ensure appropriate control and supervision of risks in their respective areas. Additionally, a specific internal control system for sustainability reporting is planned for development during the 2025 fiscal year, aiming to strengthen the monitoring and management of sustainability-related aspects.

Before its implementation, it is necessary to identify the material IROs—a task carried out during 2024—to fully comply with the guidelines set out in ESRS 2, and to have a stable regulatory framework that ensures the correct implementation and alignment of sustainability policies with applicable regulations.

1.3 Strategy, business model and value chain

1.3.1 SBM-1 Strategy, business model and value chain

Tubacex is a company specialized in the design, manufacturing, and installation of advanced industrial products and high value-added services for the energy and mobility sectors. (DP 40. a. i.) Among its key products are:

- Stainless steel bars and billets
- Seamless stainless steel tubes
- Fittings and special components
- Premium connections
- High-precision machining
- Distribution stock (TSS)
- Ceramic coatings

As for its key services, the following stand out:

- Design and simulation
- Value-added services
- Logistics
- Repair and maintenance

During the fiscal year, Tubacex has increased the diversification of its products with innovative solutions, such as its premium connection Sentinel® Prime introduced in 2024, or customized solutions with high technological value. No products or services have been removed from the global offering.

(DP 40. a. ii.) It operates across a broad range of global markets, with presence in key sectors such as energy, mobility, and aerospace. The geographical markets with operational presence include: Spain, Austria, Italy, USA, India, Thailand, Saudi Arabia, Dubai, Norway, Canada, Singapore, Guyana, and Kazakhstan.

The Group has consolidated its presence in emerging markets, particularly in sectors linked to the energy transition and renewable energies. No significant markets have been discontinued.

(DP 40. a. iii.) The number of employees by geographic area is detailed below:

	Number of Employees
<i>Spain</i>	818
<i>Austria</i>	445
<i>Italy</i>	172
<i>India</i>	245
<i>United Arab Emirates</i>	256
<i>United States</i>	369
<i>Saudi Arabia</i>	189
<i>Thailand</i>	89
<i>Norway</i>	57
<i>France</i>	10
<i>China</i>	6
<i>Brazil</i>	23
<i>Germany</i>	2
<i>Netherlands</i>	4
<i>Singapore</i>	19
<i>South Korea</i>	1
<i>Canada</i>	46
<i>Guyana</i>	15
Total	2,766.00

(DP 40. a. iv.) Tubacex products are not banned in any market.

(DP 40. b.) The 2024 fiscal year closed with sales of €767.5 million.

(DP 40. c.) The company is currently focused on the Energy and Mobility sectors. These include oil and gas exploration and extraction, the refining industry, and various chemical and petrochemical industries, as well as low-emission energies, with the development of innovative solutions for energy generation, storage, and transport in emerging markets such as hydrogen and CCS (Carbon Capture and Storage).

Likewise, its products and services meet the needs of various sectors including chemical and petrochemical industries, aerospace, food, water desalination, industrial equipment and electronics, and new technologies. (DP 40. d iii, 40 d iv).

(DP 40. e.) In its sustainability strategy, Tubacex outlines an ambitious roadmap toward a sustainable future, establishing key strategic objectives focused on decarbonization and circularity of its business; the development of innovative solutions that facilitate the energy transition; care for people and local communities; and a strong culture of transparency and integrity.

This commitment to sustainability is embedded within the company's global strategy and is cross-cutting across all business areas. At the operational level, it guides the evolution of all products and services offered, promoting the development of stainless steel solutions through more energy- and emission-efficient processes, applying strategies that minimize environmental impact and actively contribute to the decarbonization of clients.

The main strategic axes are:

- Advance toward neutrality and promote circularity in the business. Reduce our environmental footprint, acting as a proactive agent in decarbonization, efficiency, and circularity.
 - Advance decarbonization and energy efficiency.
 - Boost business circularity.
 - Promote a sustainable supply chain.
- Contribute to the development of innovative solutions for the energy transition. Participate in leading initiatives that drive the energy transition and place our technological capabilities at the service of our customers and business diversification.
 - Participate in leading energy transition initiatives.
 - Facilitate the industrialization of high-impact innovative technological solutions, advancing business diversification.
 - Collaborate with customers in developing innovative solutions to support their transition.

- Care for our people and surrounding environment. Develop a safe, inclusive, and fair environment, contributing to social development wherever we operate.
 - Promote a preventive and wellness culture.
 - Strengthen employee engagement with the business project.
 - Foster an inclusive, diverse, and equitable culture.
 - Promote social development and respect for human rights.
- Do the right thing and promote transparency. Foster a culture of transparency and integrity, based on ethical and compliance principles, incorporating best governance practices.
 - Respect the highest standards of ethics and compliance.
 - Strengthen information governance, ESG management, and sustainable finance.
 - Promote an active risk management culture.
 - Develop an internal and external communication model.

These objectives are deeply integrated into the company's internal processes, reflected in products and services designed to generate a positive and sustainable impact.

In addition to the sustainability strategy, the Group's strategy is oriented toward diversification into new products and sectors. This has enabled Tubacex to expand its offering, strengthen its presence in global markets, and grow its business centered around the energy transition. The company has evolved toward integrated services covering everything from design to after-sales, offering complete and customized solutions that respond to today's technological challenges. Furthermore, with the aim of reducing its dependence on traditional energy sources such as oil and gas, Tubacex seeks to reduce this segment to represent less than one-third of its total activity.

Another key pillar of its strategic plan is business stability. To mitigate market cyclicality, the company diversifies its product mix with premium solutions, expands its geographical presence, and optimizes its commodity and energy hedging strategies. It has also strengthened competitiveness through strict control of operating costs, efficient management of raw materials and scrap, and operational excellence supported by digitization.

(DP 40. f.) To ensure the monitoring and fulfillment of these commitments, Tubacex has implemented a system of indicators to measure and evaluate the adopted strategic actions, enabling continuous improvement toward a more responsible and innovative business model.

(DP 40. g.) Simultaneously, Tubacex continues advancing its NT2 Strategic Plan (New Tubacex in the Next Transition), aimed at consolidating its position as a supplier of advanced industrial products and high value-added services for the energy and mobility sectors. This plan, based on previously mentioned pillars of sustainability, profitability, and competitiveness, reinforces the company's commercial position in a recovering market.

Presented in November 2023, the plan extends the validity of the original plan to 2027 and marks a new cycle focused on accelerating the energy transition and corporate transformation, aligning with emerging trends in sustainability and innovation.

The NT2 plan is structured around four key areas:

1. Sustainability and Energy Transition. Prioritizes the development of solutions for carbon capture, storage, and utilization (CCS) and hydrogen, promoting a balanced coexistence between conventional and renewable energies.
2. Financial Objectives. Targets EBITDA above €200 million by 2027, with estimated sales growth between €1.2 and €1.4 billion, maintaining a net debt to EBITDA ratio below 2x.
3. Diversification and Reduction of Oil & Gas Sector Dependence. Aims to reduce Oil & Gas exposure to less than one-third of total activity while increasing diversification into strategic sectors such as aerospace and renewable energy.
4. Competitiveness and Stability. Focuses on enhancing competitiveness through operational efficiency, debt reduction, and strengthening long-term relationships with key clients.

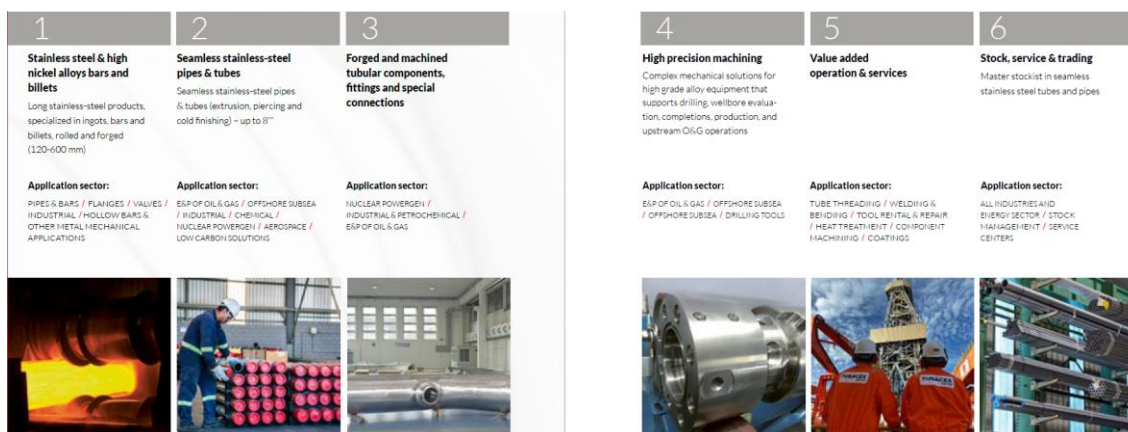


This plan reflects Tubacex's strong commitment to sustainable growth, promoting innovation and adapting to global challenges with a clear future orientation.

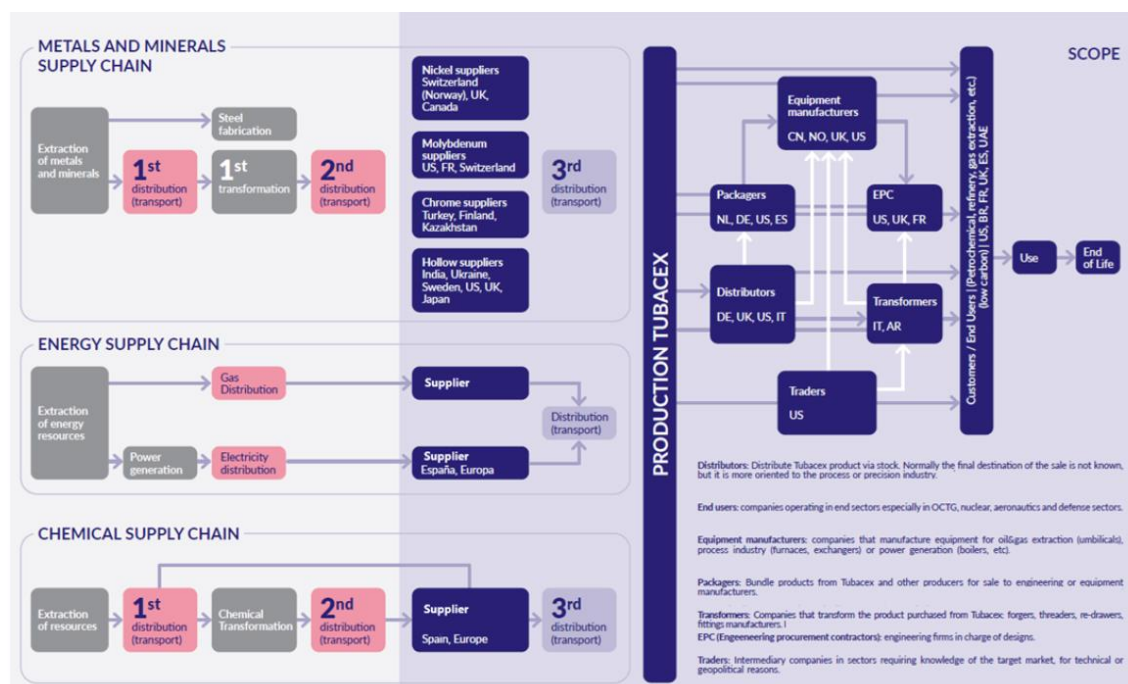
(DP 42. a.) Tubacex primarily sources high-quality metal and mineral raw materials, energy, and chemical products essential for its manufacturing processes. These inputs are acquired through a globally selected network of suppliers who meet high quality and sustainability standards. Tubacex works closely with key suppliers to ensure a stable supply of these materials and to guarantee traceability and quality at every stage of the production process. Furthermore, the company places high value on sustainability in its supply chain, seeking suppliers who are also committed to energy efficiency, emission reduction, and compliance with environmental regulations.

(DP 42. b.) The main benefit for customers lies in the reliability, high strength, and superior performance of Tubacex products, which are essential in critical applications where quality and safety are priorities. For investors, Tubacex offers a solid and growth-oriented business model, with a strategic focus on sustainable value creation, diversification, and profitability. As the company advances in its energy transition and reduces its dependence on the Oil & Gas sector, projected benefits include greater financial stability and a stronger position in key sectors such as renewable energy, hydrogen, and aerospace. (DP 42 c.)

Offer of products and services



Tubacex Value Chain



1.3.2 SBM-2 Stakeholder interests and opinions

(DP. 45. a. i.) Tubacex recognizes that the company's long-term success depends on building and maintaining strong relationships with its various stakeholder groups. To this end, the company has identified five main stakeholder groups: shareholders and the financial community, employees, customers, suppliers, and society, which constitute the first level of interaction. From these, more than 50 stakeholder subgroups have been defined, each with its own specific characteristics and needs.

(DP. 45. a. ii.) To ensure consistent and effective communication, periodic interaction channels have been established with these groups. These mechanisms allow the company to understand stakeholder expectations and interests and to design tailored action plans for each of them.

Classification of interest groups and sources of information

Shareholders and Financial Community			People		
Majority and minority shareholders Analysts and investors Financial entities Regulatory bodies			Own workers Third-party workers Students		
Shareholders' General Meeting Meetings Shareholders' channel			Satisfaction EFQM Suggestions Key Forums Training		
Suppliers and partners		End-users	Affected communities		
Suppliers of raw materials Technology and service providers Associations and clusters		Distributors Engineering firms Equipment manufacturing	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		

(DP. 45. a. iii., 45. a. v., 45. c. i., 45. d.) Stakeholder needs and expectations are integrated into Tubacex's strategic reflection process, which involves the management team and members of the Management Committee. This requires constant adjustment and adaptation of the business model, as reflected in the Group's strategic plans described earlier.

(DP. 45. c. ii., 45. c. iii.) The Group has not planned any additional measures to address stakeholder interests and opinions. Furthermore, these interactions are essential for identifying key elements of the materiality analysis, the development of which is detailed later in the report (IRO-1).

(DP. 45. a. iv.) The purpose of these relationships goes beyond meeting immediate expectations: they aim to engage local communities in creating sustainable and shared value. (DP. 45. b.) Relationships with stakeholders are based on the principles of transparency and trust. Shareholders and the financial community.

- Shareholders support Tubacex's business project, and their trust is key. Meeting their interests and generating trust through long-term, stable relationships is Tubacex's top priority with this group. Additionally, the financial team maintains ongoing, transparent, and stable relationships with other stakeholders such as banks, investors, and analysts, who represent access to funding sources for clients.
- Customers. Tubacex's strategy is based on offering comprehensive value propositions tailored to customer needs. Its strategy is designed to understand and deliver complete solutions that meet the highest quality standards. Thus, all departments, each from its respective role, are fully customer-oriented.
- Suppliers. They are a critical part of Tubacex's business success. Tubacex works with a stable, sustainable, and ethical panel of suppliers, which it evaluates to assess potential risk during procurement processes.
- Employees. This group includes, first and foremost, the people who drive the business project in all categories, as well as their representatives, families, and other related communities. They are a strategic asset, contributing their work and talent to the creation of sustainable value. Tubacex has a multicultural team of professionals with diverse affinities but a shared purpose: growing the company and meeting the needs of customers, shareholders, and society at large.
- Affected communities. This includes regulatory bodies, educational institutions, and civil society. It is a key group in consultation processes, both in the routine operations of plants and especially in new development centers.

1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

(DP. 48. b., 48. c. ii., 48. c. iv.) The analysis of material impacts, risks, and opportunities has identified significant current and expected effects on the business model, value chain, strategy, and decision-making processes of the Tubacex Group. These issues largely stem from the Group's own activities—focused on the design, manufacturing, and commercialization of stainless steel and high-performance alloy tubular solutions, and related services for strategic sectors such as energy, mobility, and industrial processes—as well as from its relationship with the value chain. They directly affect key operational areas, driving the need to adapt strategies and business models to ensure long-term competitiveness and sustainability. While these adaptations are being integrated into the Group's various strategic plans, efforts are already underway to align them with identified priorities.

The most relevant impacts identified are concentrated in key areas such as climate change, occupational health and safety, supply chain management, human rights, and corporate governance. As an industrial company, Tubacex faces the challenge of reducing its environmental footprint to comply with increasingly strict regulations, while also protecting the health and safety of workers, given the operational risks inherent to its activities, including melting, rolling, forming, heat treatment, machining, and finishing of tubular components.

In addition, responsible supply chain management is a critical factor, ensuring that suppliers comply with ethical and environmental standards and minimizing their impact on local communities. Corporate governance, based on transparency, business ethics, and regulatory compliance, is essential to building stakeholder trust and ensuring sustainable development.

To address these challenges and opportunities, Tubacex has developed a Sustainability Plan that integrates various strategic axes and specific projects, aligned with commitments adopted in different corporate policies. This plan establishes clear objectives, internally defined goals, and concrete actions communicated

to stakeholders. Through this strategy, the company not only seeks to mitigate the risks associated with these significant effects but also to seize opportunities for responsible growth, consolidating long-term competitiveness and sustainability.

(DP 48. f.) The company does not currently conduct an analysis of the resilience of its strategy and business model in relation to their ability to address material risks and impacts and to capitalize on material opportunities. However, the company does prepare an annual corporate risk map update (see DP 22 b.).

(DP 48. c. i.) All identified impacts have been assessed from a comprehensive perspective, considering both their positive and negative effects on the environment and on people. Special attention has also been paid to how these impacts affect the health and well-being of communities, as well as ecosystems and natural resources.

In the social sphere, employee development and motivation represent a key opportunity to enhance well-being and job satisfaction. Fostering growth within the organization not only improves performance but also strengthens commitment to the company's strategic challenges, generating a more productive work environment aligned with corporate values.

In the environmental sphere, water resource depletion poses a significant risk for both people and the environment. Water is essential for life, ecosystems, and economic activity; its scarcity can lead to critical consequences such as reduced access to potable water, declining water quality, impacts on food security, and increased social conflicts. Ensuring efficient and sustainable management of this resource is essential to mitigate these risks and help preserve environmental and social balance. (DP 48. c. iii.) In terms of time horizons, current material issues are expected to have short-term tangible effects. Potential high-probability incidents are projected in the medium term, while those with lower probability are contemplated over a long-term horizon. This analysis allows strategic actions to be prioritized, aligning with Tubacex Group's sustainability goals. (DP 48. a., 48. h.) The vast majority of identified IROs are covered by the ESRS, reflecting strong alignment with key company issues. However, two additional subtopics not specifically addressed in the ESRS were identified as critical to the company's sustainability and evolution: Cybersecurity, essential in a constantly evolving digital environment. R&D&I, a key pillar to promote innovation and develop solutions that drive long-term competitiveness and sustainability. The table below summarizes the material IROs (Impacts, Risks, and Opportunities) identified by NEIS topic and their relation to the value chain:

ESRS ENVIRONMENTAL

ESRS	Topic	Subtopic	Sub-subtopic	Material IROs	Relation to Value Chain
E1	Climate Change	Climate change mitigation	-	(I) Direct and indirect GHG emissions generation	Entire value chain
			-	(I) Lower energy and resource consumption	Entire value chain
			-	(I) Specific reduction measures and other GHG mechanisms	Entire value chain
			-	(R) Extreme weather events	Entire value chain
		Climate change adaptation	-	(I) Environmental protection	Entire value chain
			-	(I) Impact on human health	Entire value chain
		Energy	-	(I) Depletion of energy, natural resources and other fuels	Entire value chain
			-	(I) Use of renewable energies	Entire value chain
			-	(I) Implementation of self-consumption renewable energy systems	Entire value chain
			-	(R) Rising energy costs	Entire value chain
			-	(R) Energy market volatility	Entire value chain
			-	(R) High dependence on fossil-fuel-based energy	Entire value chain
E2	Pollution	Air pollution	-	(I) Deterioration of air quality	Entire value chain
			-	(I) Noise pollution	Entire value chain
		Water pollution	-	(I) Deterioration of water quality due to pollutant emissions	Entire value chain
		Soil pollution	-	(I) Soil quality degradation without affecting human health	Entire value chain
E3	Water and Marine Resources	Water	General	O) Improved water management, reuse, and recycling in the process	

			Water consumption	(I) Depletion of water resources	Entire value chain
			Water extraction	(R) Legal disputes over water rights and access	Entire value chain
			Water discharges	(I) Water resource quality degradation	Entire value chain
				(R) Legal claims for environmental damage and penalties	Entire value chain
E4	Circular Economy	Resource inputs	-	(I) Depletion of material resources	Entire value chain
			-	(I) Depletion of material resources	Entire value chain
			-	(I) Depletion of material resources	Entire value chain
		Resource outputs and waste	-	(I) Alteration of soil quality due to improper storage of hazardous waste.	Entire value chain
			-	(I) Land use change due to waste generation	Entire value chain
			-	(I) Reduction of landfill disposal operations	Entire value chain

ESRS SOCIAL

ESRS	Topic	Subtopic	Sub-subtopic	Material IROs	Relation to Value Chain
S1	Own Workforce	General	-	(R) Union pressure and labor conflicts	Tubacex
		Working conditions	-	(I) Economic stability and financial security of workers	Tubacex
				(I) Job satisfaction of workers	Tubacex
				(I) Health and well-being of workers	Tubacex
			Occupational H&S	(I) Accidents, injuries, and work-related illnesses	Tubacex
				(I) Decline in physical and mental health	Tubacex

ESRS	Topic	Subtopic	Sub-subtopic	Material IROs	Relation to Value Chain
				(R) Work absenteeism	Tubacex
				(R) Increase in insurance premiums	Tubacex
		Equal treatment & opportunities	General	(I) Economic inequality	Tubacex
				(I) Discrimination, exclusion, and inequality due to gender, race or other personal conditions	Tubacex
			Training and development	(I) Professional development, motivation, and fulfillment	Tubacex
		Other labor rights	General	(I) Violation of human rights	Tubacex
				(I) Impact on education	Tubacex
				(I) Impact on dignity and well-being	Tubacex
			Privacy	(I) Violation of individual rights	Tubacex
				(I) Data breach or leak and resulting consequences	Tubacex
S2	Value Chain Workers	Working conditions	Work-life balance	(I) Economic stability and financial security of workers	Entire value chain
				(I) Job satisfaction of workers	Entire value chain
				(I) Health and well-being (work-life balance, flexibility, representation, protection, work climate, etc.)	Entire value chain
			Occupational H&S	(I) Accidents, injuries, and work-related illnesses	Entire value chain
				(I) Decline in physical and mental health	Entire value chain
		Equal treatment & opportunities	Gender equality and pay	(I) Economic inequality	Entire value chain
				(I) Discrimination, exclusion, and inequality due to gender, race or other personal conditions	Entire value chain

ESRS	Topic	Subtopic	Sub-subtopic	Material IROs	Relation to Value Chain
			Training and skills development	(I) Professional development, motivation, and fulfillment	Entire value chain
			Employment and inclusion of persons with disabilities	(I) Economic inequality	Entire value chain
				(I) Discrimination, exclusion, and inequality	Entire value chain
			Measures against violence and harassment	(I) Economic inequality	Entire value chain
				(I) Discrimination, exclusion, and inequality	Entire value chain
				(I) Presence of violence and harassment cases	Entire value chain
				(I) Health and well-being of workers	Entire value chain
			Diversity	(I) Economic inequality	Entire value chain
				(I) Discrimination, exclusion, and inequality	Entire value chain
S3	Affected Communities	General	General	(R) Risk of loss of investors and shareholders	Entire value chain
		Economic, social and cultural rights	General	(I) Impact on health and well-being	Entire value chain
			Safety-related issues	(I) Injuries and human losses	Entire value chain
		Civil and political rights	Freedom of expression	(I) Rights abuses or violations	Entire value chain
			Freedom of assembly	(I) Rights abuses or violations	Entire value chain

ESRS GOVERNANCE

ESRS	Topic	Subtopic	Sub-subtopic	Material IROs	Relation to Value Chain
G1	Business conduct	General	-	(R) Reputational and brand risk harming public perception	Tubacex

ESRS	Topic	Subtopic	Sub-subtopic	Material IROs	Relation to Value Chain
				R) Risk of reduced ability to attract investment and financing under favorable conditions	Tubacex
		Corporate culture	-	(I) Better sustainability performance (environmental, social, governance, ethics, integrity)	Tubacex
				(I) Implementation of good governance practices: policies, training, etc.	Tubacex
		Whistleblower protection	-	(I) Professional or personal retaliation	Tubacex
		Supplier relations and payment practices	-	(I) Contribution to sustainable development through value chain engagement, reduction of negative impacts	Tubacex
			-	(I) Impact on supply chain, interruptions	Tubacex
		Corruption and bribery	Cases	(I) Unjustified pursuits, misunderstandings, or unfounded suspicions affecting individuals' reputations	Tubacex
				(I) Abuse of power	Tubacex

GROUP-SPECIFIC ADDITIONAL INFORMATION

Subtopic	Material IROs	Relation to Value Chain	
R&D&I	Development of new technologies to reduce environmental impact (energy efficiency, circular economy); diversification into new businesses	Entire value chain	
Cybersecurity	Impact on business continuity, material resource loss	Entire value chain	

(DP 48 d.) Tubacex, ensuring the traceability of the results in relation to the financial statements, plans to carry out during fiscal year 2025 specific calculations on (i) the current significant financial effects derived from material risks and opportunities that impact the financial position, financial performance, or cash flows of the Tubacex Group and (ii) the current significant financial effects derived from these factors that may impact the financial position, financial performance, or cash flows of the company; identifying events that may result in material adjustments to the amounts of assets and liabilities recorded in the financial statements during the next annual reporting period.

(DP 48 g.) There are no changes in the material IROs.

1.4 Management of impacts, risks and opportunities (IRO)

1.4.1 IRO 1 – Description of the process to determine and assess material IROs

(DP 59) Tubacex has carried out a comprehensive materiality analysis during fiscal year 2024 with the objective of identifying incidents, risks, and opportunities of significant relevance (hereinafter, material impacts, risks, and opportunities) on which to disclose information in this sustainability report.

This new analysis replaces the conclusions obtained from the materiality analysis conducted during fiscal year 2023, as the methodology has been refined in order to fully comply with the guidelines established in NEIS 2, as well as the recommendations included in the Materiality Assessment Implementation Guidance published by EFRAG. In addition, a proprietary methodological procedure has been developed based on these guidelines, ensuring the implementation of all proposed steps and criteria. This procedure was approved by the company's top management and subsequently presented to the Sustainability and Good Governance Committee of the Board of Directors. This exercise will be reviewed annually, incorporating best practices.

The materiality assessment process and its results will be reviewed annually in order to ensure their validity and full relevance.

(DP 53. a) This relative importance or materiality has been addressed from a dual perspective, to facilitate the understanding of:

- Material impacts or consequences of the company on people and the environment (impact materiality).
- Material effects of sustainability matters on the company's performance and position (financial materiality).

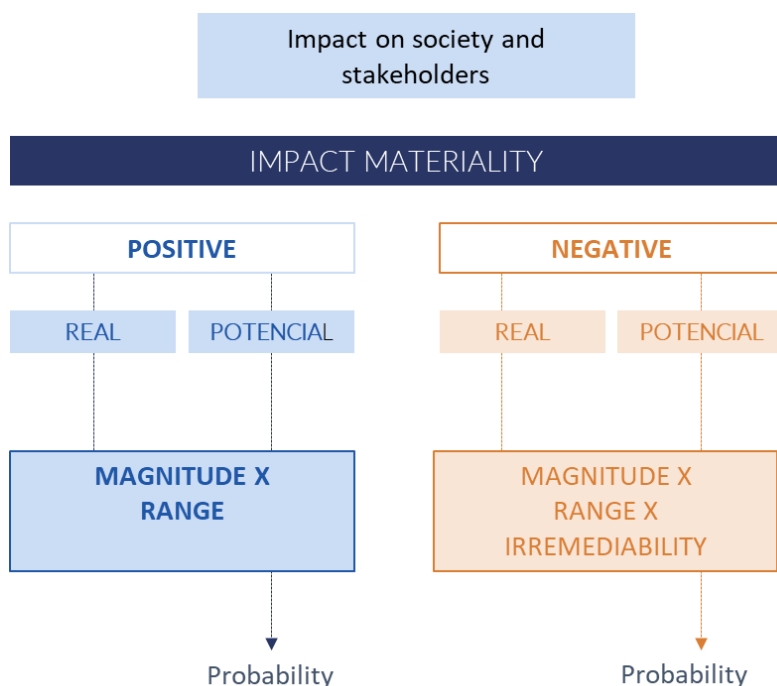
To carry out this analysis, a comprehensive study of the organization's context has been conducted, including a market analysis, Tubacex's relationship with sustainability, and the identification of key stakeholders. This process considers the entire value chain, allowing for a comprehensive perspective on the impacts that the organization's activities may have on stakeholders and on the business.

To determine materiality across the value chain, materiality analyses published in the sustainability reports of its main clients and suppliers and comparable companies have been consulted, as well as other relevant resources such as the standards of the Sustainability Accounting Standards Board (SASB) and MSCI materiality analysis tools for different sectors.

1.4.1.1 Impact Materiality

(DP 53. b i, b ii, b iii, b iv) The objective of impact materiality is to identify the most significant consequences of Tubacex's operations on the environment and people. To carry out this analysis, the results and conclusions obtained from the identification and assessment of environmental and climate risks developed for Tubacex have been taken into account. This analysis has been carried out in several stages:

- **Identification of impacts:** (DP 53 g) Through an internal reflection process and using other sources and internal reports from other projects and sectoral reports, a list of impacts associated with the different sustainability matters has been prepared. These impacts are also classified as actual or potential and positive or negative, depending on their nature. Additionally, their presence across the value chain is identified, as well as the activities or geographical areas where Tubacex operates and which may determine the most significant negative impacts.
- **Determination of their relative importance or impact materiality:** The identified impacts are evaluated by internal representatives of the company's main stakeholder groups, as well as by independent experts. The criteria used are severity and likelihood of occurrence. Severity is in turn assessed using the average of three sub-criteria: **Scale** (seriousness of the incident), **Scope** (extent of the incident), and **Irremediability** (difficulty of reversing the impact). All criteria are evaluated on a scale from 1 to 5.



Criteria Used for Impact Materiality

IMPACT MATERIALITY					
Gravity of impact		Gravity of impact		Gravity of impact	
Scale		Range		Irremediability	
5	Absolute	5	Global Total	5	Irremediable / irreversible
4	High	4	Generalized	4	Very difficult to remedy / long term
3	Medium	3	Medium	3	Difficult to remedy / medium term
2	Minimum	2	Concentrated	2	Remediable with effort (time and money)
1	None	1	Limited	1	Relatively easy to remedy
		0	None	0	Very difficult to remedy
Probability of occurrence					
5	Real				
4	Very High				
3	High				
2	Medium				
1	Low				

Scoring Scales Used for Impact Materiality

1.4.1.2 Financial Materiality

(DP 53. c i, c ii, c iii, 53 g) To determine financial materiality, Tubacex has implemented a comprehensive process that allows for the identification and assessment of risks and opportunities related to sustainability matters included in the NEIS that affect Tubacex's financial position. This includes their impact on financial performance, cash flows, access to financing, and cost of capital in the short, medium, and long term. To carry out this analysis, the results and conclusions obtained from Tubacex's risk management model have been taken into account.

Sustainability-related risks have a direct and long-term impact both on the organization's performance and on the well-being of the communities and environments in which it operates. For this reason, an integrated approach has been implemented that allows for the evaluation of these specific risks and thus addresses them effectively. The most significant risks also become part of the corporate risk map and undergo an additional evaluation and monitoring process.

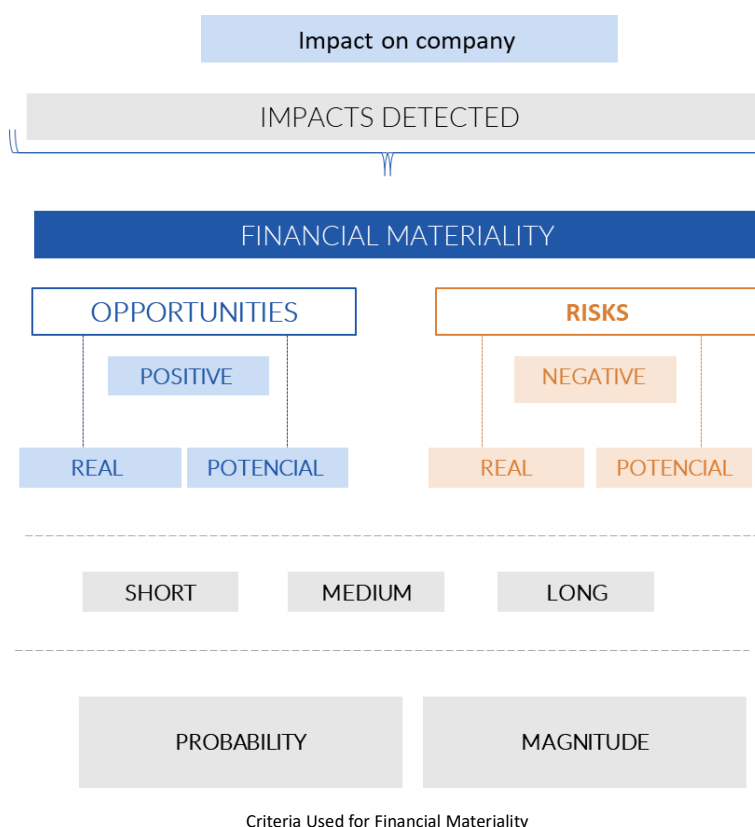
This analysis has been carried out in several stages:

- **Identification of Risks and Opportunities:** Their identification takes into account the impacts associated with the various sustainability matters identified in the Impact Materiality process, as well as the risks and opportunities derived from dependencies on natural and social resources.

During the process, it is determined whether these dependencies constitute risks (potential negative deviations in cash flows) or opportunities (potential positive deviations in cash flows).

- **Determination of their relative importance or financial materiality:** The criteria used to assess the identified risks and opportunities are based on the probability of occurrence and the potential magnitude of their financial effects, applying thresholds specifically defined for this purpose. To establish these thresholds, the methodologies recommended in financial auditing—documented in the Practice Guidelines of entities such as the ICJC and the REA—have been used as a reference and adapted to the specific requirements established by the CSRD.

The determination of both the probability and the magnitude of the potential financial effects has been carried out through estimates backed by the Group's accumulated experience, complemented by a thorough analysis of relevant information. This analysis includes the consideration of hypothetical scenarios in which the risks and opportunities could materialize, allowing for a more accurate and well-founded evaluation.



FINANCIAL MATERIALITY					
Probability of occurrence			Magnitude of potential financial effects		
5	Real	80-100%	5	>10.000.000€	
4	Very High	61-80%	4	5.000.000 – 10.000.000€	
3	High	31-60%	3	2.500.000 – 5.000.000€	
2	Medium	11-30%	2	1.000.000 – 2.500.000€	
1	Low	<10%	1	<1.000.000€	

Scoring Scales Used for Financial Materiality

Finally, these risks are presented to the Sustainability and Good Governance Committee with the purpose of ensuring their proper integration into the Group's risk management and control models. Likewise, the Audit and Compliance Committee is responsible for overseeing the process of preparation and presentation of both information and ESG risks. This approach ensures that, like other risks identified in other strategic areas, they are managed in a consistent manner and aligned with sustainability principles and best practices in corporate governance, thereby strengthening the Group's ability to anticipate and adapt to potential challenges. (DP 53 d) The Group is currently defining a project for the implementation of a Sustainability Information Internal Control System (SCIIS), the design of which is expected to be completed by the end of 2025.

1.4.1.3 Double Materiality and Materiality Matrix

For the final assessment of the impacts, risks, and opportunities, the intersection of the criteria of magnitude/severity and probability is used, as shown in the table below:

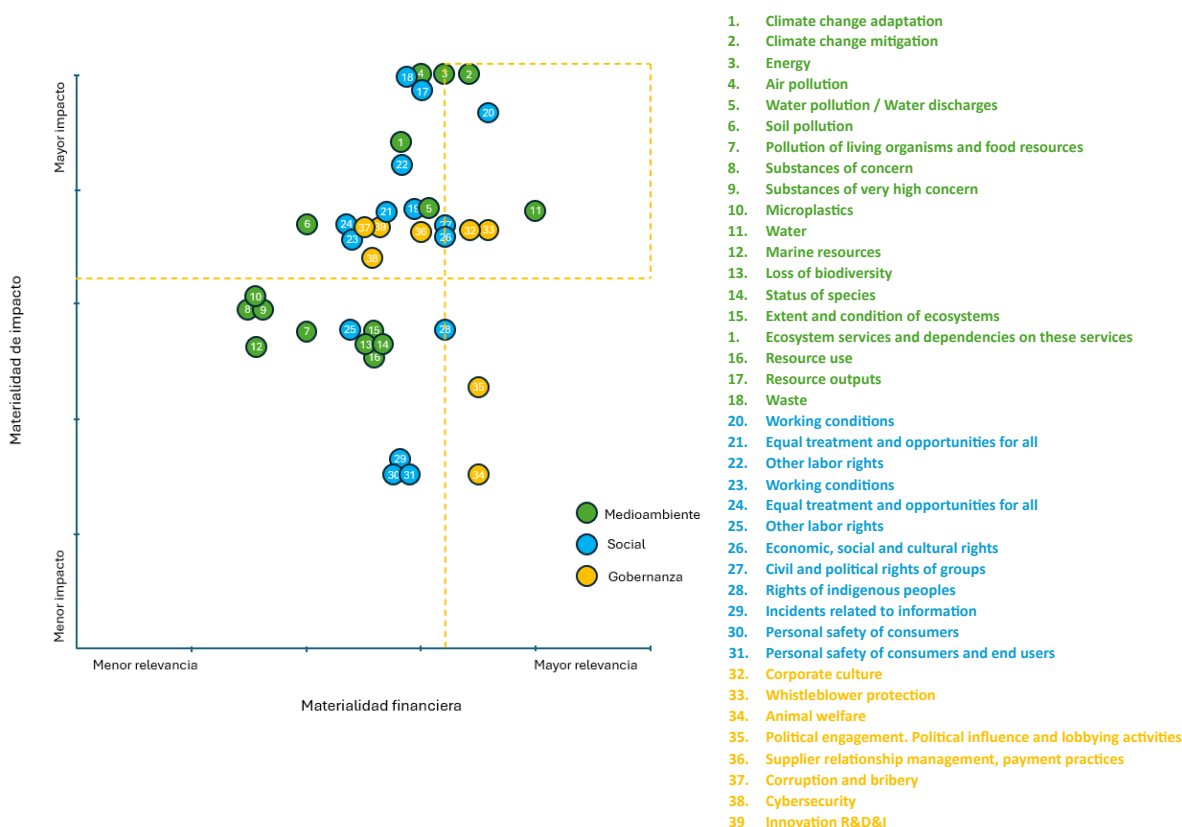
		Severity of impact / Magnitude of financial effects				
		Very low 1	Low 2	Medium 3	High 4	Very high 5
Probability	Very high / Real 5					
	High 4					
	Medium 3					
	Low 2					
	Very low 1					

No material
 No material
 Material

A topic, sub-topic, or sub-sub-topic is considered material when at least one of its impacts, risks, or opportunities has been deemed material from either of the two perspectives.

The matrix resulting from the combination of the outcomes from both perspectives allows for a clearer visualization of the topics that are a priority both for the sustainability of Tubacex's business and for the impacts generated on the environment and society.

Sustainability topic



The result of the entire process is reviewed and approved by representatives of Tubacex's highest governance body. Additionally, in 2024, this materiality exercise was reviewed with financial officers with the aim of standardizing, as far as possible, the financial materiality aspects for the purposes of external assurance.

(DP 53. e, 53. f, 53. h) The materiality analysis has been consolidated as a key tool for identifying the most relevant risks and opportunities from a sustainability standpoint. Through this process, the most impactful social and environmental topics have been identified both for the company and its stakeholders, allowing not only the strengthening of sustainable management practices but also a more effective response to stakeholder expectations.

For the preparation of this Sustainability Report, a specific methodology has been developed for determining material matters. This process has been designed with the understanding that the identification, evaluation, and management of corporate incidents, risks, and opportunities (IROs) are carried out under different frameworks, depending on the nature of each IRO. Nevertheless, the results obtained in this exercise are enriched by parallel evaluations of IROs, ensuring consistency in the conclusions and reinforcing strategic decision-making. In 2024, the methodology has evolved significantly compared to 2023, aligning with the recommendations of EFRAG and following the guidelines for implementing a double materiality approach. This advancement has made it possible to prioritize strategies aimed at energy efficiency, sustainable resource management, carbon footprint reduction, and improved working conditions, among other key aspects.

In addition to the materiality analysis, social and environmental assessment exercises have been carried out in order to deepen the understanding of the most relevant risks and opportunities. These assessments have included mapping areas for improvement both in the company's operations and in its supply chain, identifying opportunities to apply more sustainable and responsible approaches. It is important to note that, although this sustainability opportunity analysis is essential to the company's strategy, it is not currently integrated directly into the corporate risk management model, since this is designed exclusively for the identification, assessment, and mitigation of risks that may have a negative impact on the company, such as financial, operational (including environmental), and reputational risks. Nonetheless, those risks with significant impact may be incorporated into the corporate risk map and managed according to the company's general risk control and management procedure, thereby ensuring an integrated approach aligned with sustainability and good corporate governance. It is important to note that, although this sustainability opportunity analysis is essential to the company's strategy, it is not currently integrated directly into the corporate risk management model, since this is designed exclusively for the identification, assessment, and mitigation of risks that may have a negative impact on the company, such as financial, operational, and reputational risks. Nonetheless, those risks with significant impact may be incorporated into the corporate risk map and managed according to the company's general risk control and management procedure, thereby ensuring an integrated approach aligned with sustainability and good corporate governance.

1.4.2 IRO 2 Disclosure requirements covered as established in the NEIS, covered by the company's sustainability statement

(DP 56) As a result of the assessment of the relative importance or materiality of the different sustainability matters, the inventory of disclosure requirements

included in this document is presented below, as well as those that have been omitted for not being considered material.

The different data points (hereinafter "DP" or datapoints) that make up the disclosure requirements will be indicated throughout the text in each section by a shortened reference in parentheses. This reference will be placed at the beginning or end of the paragraph containing the most relevant information, depending on the context in each case.

ENVIRONMENTAL NEIS

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
E1	Climate change	Climate change mitigation	-	ESRS 2.GOV-3	2.1.1
			-	ESRS 2.SBM3	2.1.3
			-	ESRS 2.IRO-1	2.1.4
			-	E1-1	2.1.2
			-	E1-2	2.1.5
			-	E1-3	2.1.6
			-	E1-4	2.1.7
			-	E1-5	2.1.8
			-	E1-6	2.1.9
			-	E1-7	2.1.10
			-	E1-8	2.1.11
			-	E1-9	2.1.12
		Climate change adaptation	-	ESRS 2.SBM3	2.1.3
			-	ESRS 2.IRO-1	2.1.4
			-	E1-2	2.1.5
			-	E1-3	2.1.6
			-	E1-4	2.1.7
			-	E1-9	2.1.12
		Energy	-	ESRS 2.SBM3	2.1.3
			-	ESRS 2.IRO-1	2.1.4
			-	E1-2	2.1.5
			-	E1-3	2.1.6
			-	E1-4	2.1.7
			-	E1-5	2.1.8
			-	E1-9	2.1.12
E2	Pollution	Water, air and soil pollution	All except soil pollution (not covered as it is not material)	ESRS 2.IRO-1	2.2.1
				E2-1	2.2.2
				E2-2	2.2.3
				E2-3	2.2.4
				E2-4	2.2.5
				E2-6	2.2.6
		Pollution of living organisms and food resources	-	ESRS 2.IRO-1	Not covered as it is not material
			-	E2-1	
			-	E2-2	
			-	E2-3	
			-	E2-6	
		Substances of concern and substances of very high concern	-	ESRS 2.IRO-1	Not covered as it is not material
			-	E2-1	
			-	E2-2	

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
			-	E2-3	
			-	E2-5	
			-	E2-6	
		Microplastics	-	ESRS 2.IRO-1	Not covered as it is not material
			-	E2-1	
			-	E2-2	
			-	E2-3	
			-	E2-4	
			-	E2-6	
E3	Water and marine resources	Water	Water consumption, water withdrawals, and discharges	ESRS 2.IRO-1	2.3.1
				E3-1	2.3.2
				E3-2	2.3.3
				E3-3	2.3.4
				E3-4	2.3.5
				E3-5	2.3.6
		Marine resources	Discharges into oceans and/or extraction and use of marine resources	ESRS 2.IRO-1	Not covered as it is not material
				E3-1	
				E3-2	
				E3-3	
				E3-5	
E4	Biodiversity	All	-	ESRS 2.SBM3	Not covered as it is not material
			-	ESRS 2.IRO-1	
			-	E4-1	
			-	E4-2	
			-	E4-3	
			-	E4-4	
			-	E4-5	
			-	E4-6	
E5	Circular economy	Resource inputs, including resource use	-	ESRS 2.IRO-1	2.5.1
			-	E5-1	2.5.2
			-	E5-2	2.5.3
			-	E5-3	2.5.4
			-	E5-4	2.5.5
			-	E5-6	2.5.7
		Resource outputs related to products and services	-	ESRS 2.IRO-1	2.5.1
			-	E5-1	2.5.2
			-	E5-2	2.5.3
			-	E5-3	2.5.4
			-	E5-5	2.5.6
			-	E5-6	2.5.7
		Waste	-	ESRS 2.IRO-1	2.5.1
			-	E5-1	2.5.2
			-	E5-2	2.5.3
			-	E5-3	2.5.4

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
			-	E5-5	2.5.6
			-	E5-6	2.5.7

SOCIAL NEIS

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
S1	Own workforce	Working conditions	Secure employment	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-6	3.1.7
				S1-7	3.1.8
				S1-11	3.1.12
				S1-17	3.1.18
			Working time	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-6	3.1.7
				S1-7	3.1.8
				S1-17	3.1.18
			Adequate wages	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-6	3.1.7
				S1-7	3.1.8
				S1-10	3.1.11
				S1-17	3.1.18
			Social dialogue	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-6	3.1.7
				S1-7	3.1.8
				S1-8	3.1.9
				S1-17	3.1.18
			Freedom of association	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
				S1-4	3.1.5
				S1-5	3.1.6
				S1-6	3.1.7
				S1-7	3.1.8
				S1-8	3.1.9
				S1-17	3.1.18
			Collective bargaining	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-6	3.1.7
				S1-7	3.1.8
				S1-8	3.1.9
				S1-17	3.1.18
			Work-life balance	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-6	3.1.7
				S1-7	3.1.8
				S1-15	3.1.16
				S1-17	3.1.18
			Work-life balance	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-6	3.1.7
				S1-7	3.1.8
				S1-14	3.1.15
				S1-17	3.1.18
		Equal treatment and opportunities for all	Gender equality	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-16	3.1.17
			Training and development	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
				S1-13	3.1.14
			Employment and inclusion	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-12	3.1.13
			Diversity	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
				S1-9	3.1.10
		Other labor rights	Child labor	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
			Forced labor	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
			Adequate housing	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6
			Privacy	S1-1	3.1.2
				S1-2	3.1.3
				S1-3	3.1.4
				S1-4	3.1.5
				S1-5	3.1.6

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
S2	Value chain workers	All	All, except other labor rights (not covered as it is not material)	S2-1	3.2.2
				S2-2	3.2.3
				S2-3	3.2.4
				S2-4	3.2.5
				S2-5	3.2.6
S3	Affected groups	All	All, except rights of Indigenous peoples (not covered as it is not material)	S3-1	3.3.2
				S3-2	3.3.3
				S3-3	3.3.4

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
				S3-4	3.3.5
				S3-5	3.3.6
S4	Consumers and end users	All	All	S4-1	Not covered as it is not material
				S4-2	
				S4-3	
				S4-4	
				S4-5	

GOVERNANCE NEIS

NEIS	Topic	Sub-topic	Sub-sub-topic	DR	Section of the report
G1	Business conduct	Corporate culture	-	G1-1	4.1.2
		Whistleblower protection	-	G1-1	4.1.2
		Animal welfare	-	G1-1	Not covered as it is not material
		Political engagement and lobbying activities	-	G1-1	Not covered as it is not material
			-	G1-5	
		Management of supplier relationships, including payment practices	-	G1-1	4.1.2
			-	G1-2	4.1.3
			-	G1-6	4.1.7
		Corruption and bribery	All	G1-1	4.1.2
				G1-3	4.1.4
				G1-4	4.1.5

(DP 58 and 59) Topics, sub-topics, or sub-sub-topics that are not of relative importance are not covered in the content of this report. This conclusion has been reached based on the materiality analysis conducted in accordance with section 1.1.2 IRO-1 of this document, which outlines the criteria and thresholds used for making such determination. The issues that were not deemed material are due to the fact that no relevant IRO (impact, risk, or opportunity) was identified, either due to its magnitude or severity, or due to its probability of occurrence.

1.4.3 MDR-P Policies adopted to manage sustainability matters of relative importance

(DP 60, 61, 63) This document includes an inventory of all policies approved by Tubacex that are related to material sustainability issues, as well as the body that approves each one. These policies are included in each of the chapters where they are applicable.

Additionally, through its stakeholder engagement framework, Tubacex maintains a close and ongoing relationship with all its stakeholders to consider their needs and expectations as part of the strategic reflection process that accompanies the materiality analysis for identifying relevant impacts, risks, and opportunities. Tubacex will develop commitments in its policies, as well as objectives, targets, and actions within its strategic plan based on these findings. (DP 65 e)

All policies are made available to Tubacex's stakeholders through publication on the corporate website. (DP 65 f)

1.4.4 MDR-A, MDR-M, MDR-T Actions and resources, indicators, and monitoring of the effectiveness of policies and actions related to sustainability matters of relative importance

As part of its Sustainability Plan, Tubacex has defined 50 key projects aimed at promoting the achievement of the objectives set in its four priority areas of action. These actions are aligned with the United Nations Sustainable Development Goals (SDGs), as well as with the principles of the United Nations Global Compact, to which Tubacex has been a signatory since 2004.

Each project has a leader or person responsible for implementing the corresponding actions, with results subject to periodic monitoring by the sustainability management team. In addition, specific targets have been set for the medium term (2025) and long term (2030).

To ensure the proper execution of these projects and the fulfillment of the established objectives, a project office has been created. This unit is responsible for coordinating and supervising the initiatives, ensuring that they are developed in line with the goals outlined in the sustainability plan. These projects are presented as objectives and actions in the relevant chapters of this sustainability report.

All current financial resource items are reflected in the annual accounts and have been properly incorporated into different accounting sections according to their nature. However, it is important to note that the scope presented in this report is more limited, as it does not include the total investments or expenditures reported in the corresponding financial account items. (DP 69 b)

The main actions, targets, and indicators included in the Sustainability Plan are presented in each of the chapters where they are relevant. It is important to indicate that, if a monetary value is required for an indicator, it will be expressed in euros. (DP 77 d) Furthermore, no conclusive scientific evidence related to environmental matters has been considered in the defined targets or indicators, as it was determined not to be applicable. (DP 80 g) The definition of targets, actions, and indicators has followed an internal approach, considering organizational perspectives, without a specific process of direct consultation with stakeholders. (DP 80 h) Regarding changes to targets, since this is the first year of disclosure, it has been considered not applicable. (DP 80 i).

(DP 79) The governance of Tubacex's ESG Plan is designed to ensure the strategic integration of sustainability at all levels of the organization. This approach includes the following key roles:

- **Role of the Sustainability Committee:** Tubacex has created a Sustainability Committee that leads the definition, implementation, and monitoring of the sustainability plan. This committee is composed of senior management members, ensuring a direct link between ESG objectives and business operations.
- **Sustainability and Good Governance Committee:** A delegated committee of the Board of Directors that oversees, approves, and monitors the ESG plan.
- **Board of Directors:** The Sustainability Plan was approved by the Board of Directors at the end of 2022.
- **Collaboration and communication with stakeholders:** The main indicators and objectives of the Plan are communicated through Tubacex's corporate website and the published sustainability reports.

2 ENVIRONMENTAL INFORMATION

2.1 Climate change (E1)

2.1.1 Integration of sustainability-related performance into incentive systems (NEIS 2 GOV-3).

(DP 13) At Tubacex, a management model has been implemented through which, at the beginning of each year, the key performance indicators (KPI) are defined for each functional area. Among these indicators, sustainability metrics linked to climate change and energy transition are included.

These indicators are closely linked to the performance evaluations of managers, covering all levels, from middle management to senior management. The approach used for target setting is top-down, while the performance measurement process is carried out bottom-up. More than 300 key employees are part of this measurement and evaluation system.

As for variable remuneration, the objective related to ESG aspects (Environmental, Social and Governance) has a weight of 5% of the total. This 5% is integrated within the objectives of variable remuneration, which in turn are distributed among economic, area and personal objectives, adding up to 100%. In 2023, ESG objectives were based on 21 indicators, of which environmental aspects represented 34% of the total. The total impact of these objectives on variable remuneration was 1.7%.

For the year 2024, the measurement system was simplified, being reduced to three key indicators that represent 5% of variable remuneration. Among these indicators is the monitoring of Scope 1 and 2 emissions, which continue to be a fundamental part of the ESG panel, the percentage of suppliers evaluated in ESG, and the frequency of work accidents.

In addition to this model, in 2024 the Board of Directors of Tubacex approved a long-term incentive plan (2024–2026) aimed at the Chief Executive Officer and other senior managers of the company, which includes the delivery of shares in the Company. This plan allows its beneficiaries to receive an incentive payable in Tubacex shares, provided that certain multi-year strategic objectives are met and the relationship of the beneficiary with the Company is maintained. The determination of the long-term incentive will be based on the following objectives, which are fundamentally associated with value creation for shareholders:

- Weight: 50%; Objective: Total Shareholder Return
- Weight: 40%; Objective: Group consolidated EBITDA for fiscal year 2026
- Weight: 10%; ESG Objective: Sales in "low-carbon" segments, and targets linked to gender diversity.

References in (DP 29 a) (DP 29 b) (DP 29 c) (DP 29 d)

2.1.2 Transition plan for climate change mitigation (E1-1).

The Transition Plan for Climate Change Mitigation aims to significantly reduce the organization's carbon footprint, aligning with the global goals of the Paris Agreement and contributing to the transition towards a low-carbon economy. The key objectives of the Plan have been defined and validated according to the Science Based Targets initiative (SBTi), demonstrating that these targets contribute to limiting the global temperature increase to 1.5°C. The company is currently committed to reducing the carbon footprint in all its activities, working to achieve climate neutrality by 2050. (DP 16 a and g, 34 e)

As part of our commitment to sustainability, the monitoring of the Transition Plan has involved the implementation of various strategic actions aimed at improving our processes and reducing environmental impact. These actions have required a capital investment (CAPEX) of €546,916, allocated to infrastructure, technology, and operational improvements aligned with our sustainability objectives. Likewise, the operating costs (OPEX) associated with the implementation and maintenance of these initiatives have amounted to €82,600. (DP 16 c)

Likewise, this Transition Plan approved by the Board of Directors of Tubacex (DP 16 i) is aligned with the company's strategic plan, mainly through one of the pillars on which it is based, which is sustainability and energy transition. (DP 16 h)

The strategy of the Transition Plan is based on three key levers: efficiency in processes through technological innovations, shift towards renewable energy sources, and promotion of circularity of waste. This plan was presented and approved by the Board of Directors in 2022, as part of the company's Sustainability Plan and is fully integrated into its strategy. Thus, the group's strategy is based on five pillars, the first of which is its Sustainability Plan; a plan that is present transversally across all its axes.

The key objectives of the Transition Plan are: (DP 16 b)

- Reduce CO₂eq emissions (Scope 1 and 2) by 64.32% in absolute terms by 2030, compared to 2019 levels; and Scope 3 emissions by 55.40% in financial intensity terms (based on Gross Value Added, GVA). Both targets validated by SBTi in April 2024.
- Achieve Net-Zero carbon target by 2050.
- Promote the development of innovative and sustainable solutions across all operations, products and services.
- Optimize the use of resources, reducing waste and increasing operational efficiency.
- Promote sustainability throughout the value chain, from production to final product disposal.

To achieve these objectives, the plan will focus on three fundamental strategic axes: technological innovation, renewable energy and circular economy. (DP 16 c)

A. Process efficiency through technological innovations

1. Initiative: Adopt advanced technologies that optimize production processes, reduce resource consumption, and minimize GHG emissions. This includes the use of automation, artificial intelligence, big data, and smart monitoring systems, as well as the development of technologies that improve energy consumption efficiency; especially seeking viable alternatives to natural gas.
 - a. Key actions:
 - i. Implement energy optimization technologies in industrial processes.
 - ii. Introduce advanced control systems to monitor and reduce the consumption of water, energy, and materials.
 - b. Target: Improve energy efficiency by 25% by 2030 through the adoption of innovative technologies.
2. Initiative: Promote innovation in products to design more sustainable solutions, using fewer resources and generating less environmental impact throughout their life cycle.
 - a. Key actions:
 - i. Encourage the design of products with lower environmental impact.
 - ii. Promote Tubacex's presence in segments with lower environmental impact.
 - b. Target: Allocate 80% of innovation efforts to products for the energy transition.

2.1.2.1 B. Shift toward renewable energy sources

1. Initiative: Implement an energy transition plan to reduce dependency on fossil energy sources and increase the use of renewable energy across all operations.
 - a. Key actions:
 - i. Purchase renewable energy through power purchase agreements (PPAs) with clean energy providers.
 - ii. Explore the implementation of renewable energies at facilities with the greatest potential.
 - b. Target: Reach 40% renewable energy in total energy consumption by 2030, representing 100% of electricity from renewable sources.

2.1.2.2 C. Promotion of waste circularity

1. Initiative: Implement a sustainable waste management system promoting recycling and reuse instead of landfill disposal.
 - a. Key actions:
 - i. Promote slag recycling. Encourage the search for alternatives to landfill for major waste. An example of this is the recycling of slag, the main waste from Aeralava, through a specialized manager who recovers part of the mineral that returns to the production process and uses the unrecoverable waste as material for road asphalt production.
 - ii. iRedesign production processes to minimize generated waste and maximize material reuse within the company. Establish waste recycling systems within facilities and collaborate with different stakeholders to promote recycling.
 - iii. iPromote services aimed at repair and extension of product life (NTS/AMEGA Group).
 - b. Target: Increase the percentage of recovered and recycled products to 95% by 2030.

2.1.2.3 D. Value chain traction

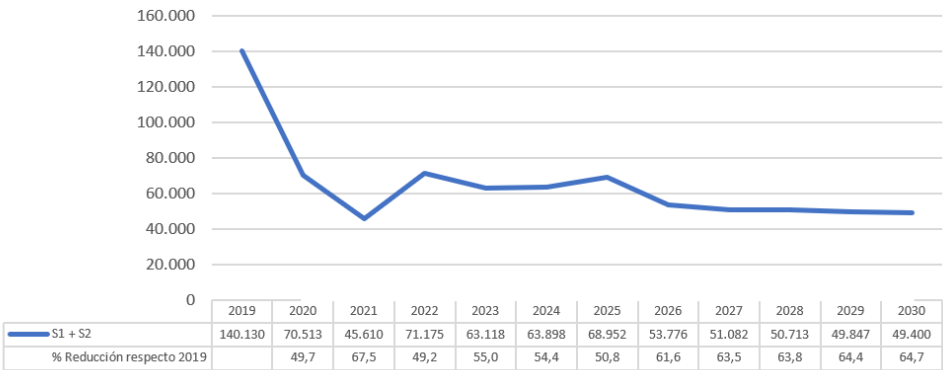
2. Initiative: Implement a supplier approval system that incorporates sustainability criteria in the purchasing process, through close collaboration with value chain stakeholders.
 - a. Key actions:
 - i. Evaluation of suppliers in terms of sustainability and closer engagement with their social, environmental, and governance management.
 - b. Target: Reach 95% of suppliers evaluated in ESG by 2030.

The final result of this plan is reflected in the achievement of the emissions reduction targets validated by SBTi with a trajectory that is updated annually, based on the actions carried out and planned by the production plants. (DP 16 a)

The following trajectories reflect the update of the decarbonization plan as of December 2024. (DP 16 j). This plan is periodically updated by incorporating the measures implemented and planned by the plants. In both cases (Scope 1+2 trajectory and Scope 3 trajectory), the steelworks represents the greatest potential for emissions reduction, as it is the facility where the highest gas consumption occurs, on the one hand, and where the purchase of materials required for the manufacturing process is concentrated (Scope 3.1; being the one with the greatest impact on total Scope 3). For this reason, this plant incorporates a significant portion of the investments planned for the coming years in new technologies. (DP 16 e) which will have an impact on the criteria established in Commission Delegated Regulation (EU) 2021/2139, as the activity of the steelworks is listed in section 3.9 “Manufacture of Iron and Steel” (Reference to the Taxonomy section).

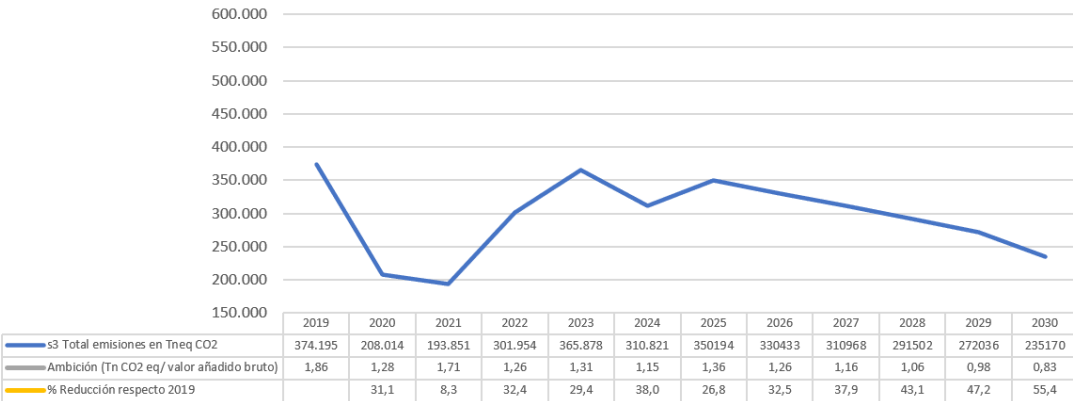
(DP 16.e)

Senda reducción de emisiones Alcance 1 + 2 (Tons CO2 equiv)



(Based on the reduction of CO2 tonnes in absolute values to achieve a reduction percentage of 64.4%) (DP 29b).

Senda reducción de emisiones Alcance 3 (Tons CO2 equiv)



(Based on the reduction of CO2 tonnage intensity over Gross Value Added to achieve a 55.4% reduction target) (DP 29b).

(DP 16 d) Locked-in emissions refer to greenhouse gas emissions that are tied to existing infrastructure and cannot be easily eliminated due to their prolonged lifespan or the lack of viable alternative technologies. In the case of Tubacex, the gas furnaces in the steelworks generate significant emissions due to the need to reach very high temperatures in the steel manufacturing process, which prevents their electrification with current technologies. Although work is being done on the transition to renewable energies, such as hydrogen and biomethane, there are currently no mature technological solutions on the market that allow for the complete substitution of gas consumption in these high-temperature processes, meaning that the emissions derived from these furnaces will remain a challenge for a certain period of time.

2.1.3 Material impacts, risks and opportunities and their interaction with the strategy and business model (NEIS 2 SBM-3).

Tubacex manages and identifies its climate change-related risks and classifies them according to their nature, following the guidelines of the TCFD, the CSRD, and the EU Green Taxonomy (DP 18):

- Climate risks
 - Transition risks: These arise from the process of transitioning to a low-carbon economy. They include the following types of risks:
 - Political and legal: (current and emerging regulations), including changes in regulations, carbon taxes, or litigation related to climate change.
 - Technological: Disruptive innovations or technologies that may render certain processes obsolete.
 - Market: Changes in supply and demand due to consumer preferences.

- Reputational: Impact on public and stakeholder perception.
 - Physical risks: These are events directly related to climate change and are classified according to the EU Green Taxonomy as:
 - Acute physical risks: Extreme events (short duration) related to temperature, such as extreme fire conditions; water, such as hail, heavy rainfall and flooding; wind, such as tropical cyclones and extreme wind; and solid matter, such as landslides and sinkholes.
 - Chronic physical risks: Gradual changes such as heat stress and water scarcity.
- Climate opportunities

These represent potential benefits from addressing climate change, including:

 - Resource efficiency: Improved energy and resource productivity.
 - Renewable energy: Use and production of low-carbon energy sources.
 - Products and services: Development of new low-carbon markets or products.
 - Resilient markets: Adaptation to new climate contexts and diversification of the offering.
 - Access to sustainable financing: Reduced cost of capital by meeting environmental targets.

(DP 19 a) Tubacex has considered for this analysis the physical locations of the company's sites/facilities and activities and their relationship to the possible effects of climate change (physical risks) as well as consideration of all business-specific characteristics and their interrelation with different types of transition risks and opportunities. It also considers climate scenarios and different time horizons that are part of a methodology specifically developed for the company.

Selection of climate scenarios

Physical risks:

The selection of scenarios for assessing physical risks related to climate change is based on the most recent climate projections within the existing range of IPCC scenarios. Specifically, the Sixth Assessment Report (AR6) on climate change is taken as a reference, which introduces the Shared Socioeconomic Pathways (SSPs), which form the basis of the scenarios used in this analysis. The scenarios analyzed are detailed below:

- SSP1 - 2.6: A sustainability and climate neutrality scenario
- SSP2 - 4.5: The reference (baseline) scenario
- SSP3 - 7.0: An intermediate scenario between the baseline and worst-case
- SSP5 - 8.5: A scenario with high dependence on fossil fuels and, therefore, greater impact from physical risks

Once the projections of the 4 scenarios described have been analyzed, the assessment of physical risks is carried out based on the worst-case scenario identified, following the precautionary principle recommendations (Opinion C/2023/267 of the European Commission).

Transition risks and opportunities:

The selection of scenarios for assessing transition risks and opportunities derived from climate change is based on the following elements:

- Scenarios from the International Energy Agency (IEA)
- Regional policies, plans, and strategies (European Union), such as the European Green Deal, the targets defined in Fit for 55, REPowerEU, or those under the EU ETS (European Union Emissions Trading System)
- National policies, plans, and strategies, such as Spain's PNIEC 2021–2030, Law 7/2021 on climate change and energy transition, and the Spanish National Adaptation Plan to Climate Change (PNACC 2021–2023)

Market trends, technological developments, and changing preferences of consumers and other stakeholders toward low-GHG emission products and services have also been considered. Therefore, the assessment is based on the sustainability and climate neutrality scenario, under the premise of compliance with the Paris Agreement targets and achieving net zero by 2050. For Tubacex, the scope of this analysis is crucial to identify critical vulnerabilities in its business model.

For example, a production plant in a flood-prone area needs a detailed plan to ensure operational continuity. Without this analysis, the risk of prolonged disruptions could jeopardize the company's competitiveness and reputation.

At the financial level, the analysis may identify risks such as rising insurance costs or asset losses due to obsolescence in a stricter regulatory scenario. However, this exercise also opens important opportunities. A detailed assessment can enable the company to prioritize investments in resilient infrastructure, identify more sustainable technological innovations, and adjust its strategy toward new markets less exposed to climate risks. Moreover, demonstrating strong preparedness for future climate scenarios strengthens trust from investors, clients, and other stakeholders, positioning the company as a sustainability leader. (DP 19 b)

This assessment of climate-related risks and opportunities was developed during the first half of 2024 with a comprehensive approach aligned with the recommendations of the TCFD, the EU Green Taxonomy, and the IPCC management framework. The main objective is to ensure the resilience of its strategy and business model in the face of challenges associated with climate change. This analysis includes physical and transition risks, as well as climate opportunities, considering their financial and operational impact.

Methodology and Approach

The analysis is based on a semi-quantitative approach for physical risks and a qualitative one for transition risks and climate opportunities. After identifying all the risks and opportunities, those with a very high priority are selected for subsequent financial impact quantification.

- Physical Risks: Assessed using the IPCC formula: Climate Threat × Exposure × Vulnerability. This generates a prioritization across four levels: low, medium, high, and very high.
- Transition Risks and Opportunities: Assessed using the formulas: Transition Risks: Probability of Occurrence × Impact. Opportunities: Ability to Exploit × Opportunity Effectiveness. They are also classified into four priority levels: low, medium, high, and very high.

Sources of Information for Climate Threat and Scenarios

The data have been modeled based on the fifth and sixth phases of the Coupled Model Inter-comparison Project (CMIP), supervised by the World Climate Research Programme. This CMIP serves as the database for the IPCC assessment reports. In this regard, data from Global Climate Models (GCMs) and Earth System Models (ESMs) are downscaled to a resolution between 3 and 25 km² through the Climate Scale platform, using a quantile mapping approach. The use of this platform allows for the identification of the level of climate threat at the georeferenced level of Tubacex sites.

It is important to clarify that, although projections of climate threats under various emission scenarios have been considered, the World Meteorological Organization published a report highlighting a 66% probability that the planet's average annual temperature between 2023 and 2027 would exceed pre-industrial levels by more than 1.5°C for at least one year. In line with the precautionary principle, experts have recommended using the RCP8.5 (SSP5–8.5) pathway for the assessment of climate vulnerabilities and risks. Therefore, Tubacex's physical risk analysis has focused on the projections of this scenario across different time horizons.

Information sources used to define Exposure:

The indicators chosen to quantify the degree of exposure to risk are:

- Parameter 1. Number of employees. Quantitative indicator, calculated based on the proportion of employees at each facility.
- Parameter 2. Revenue volume. Quantitative indicator, calculated based on the proportion of revenue volume of each facility.
- Parameter 3. Production. Quantitative indicator, calculated based on the proportion of production (tons) of each facility.
- Parameter 4. Energy consumption. Quantitative indicator, calculated based on the proportion of energy consumption (MWh) at each facility.
- Parameter 5. Water consumption. Quantitative indicator, calculated based on the proportion of water consumption (m³) at each facility.

Information sources used to define Vulnerability:

The degree of sensitivity is quantified based on a single indicator:

- Process sensitivity: Qualitative indicator, whose score has been assigned based on expert judgment, taking into account the climate threat and the type of activities.

The degree of adaptive capacity is assessed based on a single indicator:

- Adaptive capacity: Qualitative indicator, whose score is assigned based on expert judgment, using available information from Tubacex (documents, plans, and organizational strategies), considering the measures implemented and planned within the organization.

Information sources used to assess the components of transition risks and opportunities:

Various information sources are reviewed, such as:

- Tubacex's Non-Financial Information Statement (EINF).
- Information published by sector leaders in their sustainability reports, annual reports, and responses to the Carbon Disclosure Project (CDP) climate change questionnaire, as well as climate change strategies and decarbonization plans.
- National sources such as the Nationally Determined Contribution (NDC).
- National Communications to the United Nations Framework Convention on Climate Change (UNFCCC).
- The European Green Deal (2019) (climate-focused initiatives).
- Fit for 55 package: program to reduce CO₂ eq emissions by 55% by 2030 compared to 1990.
- REPowerEU: program to accelerate the transition to renewable energy systems.
- Instruments related to the European Union's climate policy, such as Directive 2003/87/EC European Union Emissions Trading System (EU ETS).
- Spain's National Climate Change Adaptation Plan (PNACC) and its strategic lines.
- Spain's National Integrated Energy and Climate Plan (PNIEC).

Climate-related risks have already been previously considered within the organization. The first exercise was conducted in 2022, and the analysis has been updated and deepened in 2024 with a change in methodology. Tubacex is actively monitoring risks and adapting to changes in the climate and regulatory environment. Frequent updates to the resilience analysis can serve as a strategic exercise to identify areas for continuous improvement and new opportunities for innovation.

(DP AR 7b) Tubacex has used different time horizons for the analysis of climate-related risks and opportunities within the methodology specifically developed for this purpose. As previously mentioned, this methodology is based on physical locations and distinguishes different time horizons for physical risks, and for transition risks and opportunities:

Physical risks:

- Historical baseline: 2000 – 2019
- Short term: 2020– 2039
- Medium term: 2040 – 2059
- Long term: 2080 – 2099

The time horizons for physical risks are longer compared to transition risks and opportunities, as they are based on information from climate viewers and considering that, according to the IPCC, changes will be more evident towards the end of the century.

Transition risks and opportunities:

- Short term: 2024 – 2030
- Medium term: 2031 – 2040
- Long term: 2041 – 2050

The short term aligns with Tubacex's Sustainability Strategy, which includes a catalog of sustainability actions. The medium term aligns with the 2030 Agenda and intermediate decarbonization targets leading to climate neutrality (2030), while the long term corresponds to the horizon in which climate neutrality ambitions have been set (2050).

For Tubacex, considering specific time horizons in resilience analysis is crucial for strategic planning. Physical climate risks (such as heatwaves or floods) may have immediate impacts in the short term, whereas transition risks, such as regulatory or technological changes, could intensify in the medium term. On the other hand, the long term requires evaluating scenarios with greater uncertainty, such as the impact of complete economic decarbonization. Failing to include these horizons in the analysis could expose the company to short-term decision-making that may compromise its long-term sustainability.

From an opportunity perspective, resilience analysis across time horizons enables the identification of specific windows to implement innovations and strengthen competitiveness. In the short term, this may involve adapting to the growing demand for more sustainable products; in the long term, it means preparing for the transition toward a carbon-neutral business model. (DP 19 c) Tubacex has evaluated various climate scenarios, time horizons, and the specific characteristics of each business area. Just as a “high emissions development” scenario has been selected for physical risks, the evolution of policies and objectives based on a “sustainability and climate neutrality” scenario has been considered for transition risks and opportunities.

As a result of this analysis, the following priority risks have been identified, detailed in the next chapter NEIS 2 – IRO 1:

Physical risk:

- Decrease in water availability for industrial processes.

Transition risk (Market-related):

- Tightening of carbon pricing mechanisms.
- High dependence on electricity generated from fossil fuels.
- Cost transmission across the value chain due to the introduction of a new emissions trading scheme (EU ETS II).
- Increase in import requirements for materials due to the CBAM (Carbon Border Adjustment Mechanism).

Opportunities:

- Improvement in waste management.
- Energy efficiency in processes.
- Use of less polluting energy sources.

Based on the analysis of climate-related risks and opportunities, Tubacex has identified adaptation and mitigation measures within its strategy and operations, such as:

- **Water efficiency measures** at the affected facilities (Álava Steelworks, TTI Amurrio, and TTI Llodio). Some of these are described below:
 - o Use of closed water circuits for certain processes, depending on the specific characteristics of each plant.
 - o Recovery of cooling water.
 - o Improvement of data collection for water consumption analysis (e.g., installation of new meters in pipelines).
 - o Recovery of wastewater: reuse of rinse water from degreasing and acid rinsing tanks. Other options are also under evaluation, such as DAF (Dissolved Air Flotation).
 - o Other measures aimed at reuse within various production processes.
- **Decarbonization measures** already implemented by Álava Steelworks (ACVA) to reduce its Scope 1 emissions include:
 - o Installation of variable frequency drives on the combustion motors of the PIT furnaces.
 - o Installation of a pressure control system for the quenching furnace.
 - o Other planned measures at ACVA (initiative start years 2024 and 2025) include heat recovery (PIT furnaces), smoke analyzers, oxygen lance, and replacement of the furnace heat exchanger.
 - o Additionally, by the end of April 2024, the Group obtained approval of its GHG reduction targets by the SBTi, with several decarbonization levers considered to achieve these goals. These include the purchase of green energy for all plants starting in 2025; energy efficiency actions in the plants, including initiatives proposed for the Basque Government's decarbonization aid and PERTEs [resolved in January 2025]; and improvements in scrap contribution at the steelworks.
- **Energy efficiency measures** are described below:
 - o In 2023 and 2024, the IBF PIACENZA and IBF VITTUONE facilities implemented long-term Power Purchase Agreements (PPAs) with renewable energy producers to secure access to green energy at competitive costs. At the Group level, in 2023, green electricity accounted for 82.5% of the electricity consumed. However, the percentage of green energy in IBF Vittuone and Piacenza was 19.17%.
 - o For 2025, the continuation of PPAs is planned, which would reduce exposure to the anticipated cost increases under EU ETS II. Additionally, to reduce the Scope 2 footprint, the installation of LED lamps and replacement of higher-emission devices is planned.

Currently, no specific measures have been determined to manage the risk related to the transmission of value chain costs under EU ETS II.

Finally, as an importer of materials from a sector affected by the CBAM, Tubacex has developed an adaptation project to address the first phase—the transitional period—of this regulation, and to report quarterly on the emissions generated by its imports. For this transitional period, which began in October 2023, Tubacex has been submitting reports on the embedded emissions of its imported goods and holds certain estimates, considering the limited availability of carbon footprint data from some suppliers. (DP AR8b) As previously noted, Tubacex has adopted a proactive approach to environmental risk management, analyzing how climate change may impact both its operations and supply chain, including the identification of vulnerabilities such as resource scarcity, extreme weather events, or regulatory changes related to sustainability.

Likewise, it has launched a transition plan aimed at reducing its carbon footprint, which focuses on more efficient technologies, the adoption of renewable energy sources, and waste circularity, among other measures, with the goal of lowering its overall emissions. On the other hand, Tubacex has also promoted a climate change adaptation strategy, which includes business diversification as one of its strategic pillars, supporting its presence in sectors aligned with the energy transition, while also accompanying traditional sectors in their decarbonization processes.

Lastly, its business model is aligned with public policies and emerging regulations related to climate change.

Taken together, Tubacex's climate resilience strategy not only protects its business model from the uncertainties of climate change but also strengthens its leadership in the transition toward a more sustainable future.

2.1.4 Description of the processes to identify and assess material climate-related impacts, risks, and opportunities (NEIS 2 IRO-1)

(DP 20a) As determined in Chapter 1.4 of this document, Tubacex has carried out a process to identify and assess material impacts, risks, and opportunities (IROs).

Specifically, the climate-related IROs have included the following:

- (DP 20a) Greenhouse Gas (GHG) emissions
- Physical and transition risks related to climate across both the company's own operations and its value chain, considering a high-emissions climate scenario, as well as the assessment of exposure to such risks and the opportunities in the short, medium, and long term. (DP 20b and c; DP 21)

The process and methodology for the specific identification and evaluation of these are described below.

(DP 20a, AR9) For Tubacex, the impact on climate change—mainly through its GHG emissions—is a crucial aspect both for environmental sustainability and business sustainability. In this regard, it annually calculates and reports direct and indirect greenhouse gas emissions (Scopes 1, 2, and 3). The emission factors and global warming potential (GWP) rates used in the calculation are based on the GHG Protocol reference standard, and the atmospheric warming potentials of each GHG and the emission factors are sourced from official databases (Spanish Office for Climate Change – MITERD, DEFRA, or Ecoinvent). Likewise, Tubacex is committed to reducing absolute Scope 1 and 2 GHG emissions by 64.32% by 2030, taking 2019 as the base year; as well as reducing Scope 3 GHG emissions by 55.40% per EUR of value added over the same period. In May 2024, the Science Based Targets initiative (SBTi) officially approved these reduction targets. This validation confirms that they are aligned with what climate science deems necessary to meet the goals of the Paris Agreement, specifically limiting global warming to 1.5°C.

Tubacex recognizes the importance of climate risk and opportunity analysis, and thus having clear and effective processes in place to manage climate impacts provides opportunities such as strengthening stakeholder relationships, opening access to sustainable finance, environmental certifications, and competitive advantages in more demanding markets, as well as improving process efficiency. Therefore, Tubacex takes into account the results of the climate risk and opportunity analysis in both strategic and operational decision-making. In addition, it continuously monitors critical risks and defines adaptation and mitigation measures based on KPIs related to identified risks such as water consumption, CO₂ emissions reduction, etc.

(DP 20 b) Physical risks related to climate change can have a significant impact on operational continuity and costs, which is why Tubacex periodically analyzes physical risks at the plants considered material. Therefore, the process established to identify, assess, and manage these risks in its operations is detailed below. This analysis has focused exclusively on Tubacex's own assets and activities. In future exercises, the aim is to adopt an approach that also includes the identification and assessment of physical risks in the value chain.

The methodology for evaluating physical and transition risks, as well as opportunities, is detailed in DP 19b.

(DP AR11 a) For Tubacex, identifying climate hazards across different time horizons is critical for risk management and ensuring operational sustainability. In this regard, Tubacex has considered the projected variation (anomaly) of climate threats over the time horizons (ref. DP AR 7b) according to the latest available models. Therefore, both acute and chronic climate hazards are analyzed over the different time horizons to assess their increase or reduction over the years, considering various extreme weather events that could cause risks such as operational disruption, harm and injury to personnel, damage to infrastructure and equipment, leading to significant economic losses, or other gradual changes such as water stress that may jeopardize the viability of facilities and generate significant adaptation costs.

The climate hazards considered in the analysis are: extreme thermal stress (human), extreme precipitation (floods), extreme fire conditions, extreme wind, landslides, subsidence, hail, water scarcity (hydrological), and tropical cyclones.

Failure to consider these time horizons could expose the company to strategic and operational surprises, limiting its ability to respond adequately to regulatory or market changes. However, addressing this requirement also presents key opportunities. By anticipating these risks, the company can diversify its supplier network, invest in more resilient infrastructure, and explore markets less vulnerable to climate impacts. This analysis will be updated annually based on the most current information available from climate models, Tubacex's material locations, and other factors.

Tubacex analyzes its climate risks and opportunities by applying a methodology based on climate scenarios and time horizons (short, medium, and long term), differentiating the procedure for physical risks from that used for transition risks and opportunities.

To identify Tubacex's material sites, an analysis was conducted of the physical locations and specific sites where activities with a significant impact on the organization's sustainability take place. A total of 43 sites were included, covering the steel plant, production plants, distribution centers, warehouses, and corporate offices where the company has significant operations. Within the scope of the study, sites considered material for the climate change axis were included. To determine materiality, total revenue, raw material consumption, production, waste generation, and water consumption were considered per site. Generally, two sites were identified as concentrating 80% of the analyzed impact. However, the following were established as material sites: Acería De Álava and Tubacex Tubos Inoxidables in Llodio and Amurrio (Spain), Schoeller Bleckmann Edelstahlrohr in Ternitz (Austria), Tubacex Tubes And Pipes in Umbarger (India), IBF in Piacenza and Vittuone (Italy), Salem Tube and Tubacex Durant in the USA.

(DP 11 b) Tubacex establishes different time horizons for its analysis of risks and opportunities (ref. DP AR 7b), which are part of a methodology specifically developed for the company. Based on physical locations, the methodology distinguishes time horizons for physical risks, and separately for transition risks and opportunities. For Tubacex, defining specific time horizons is a crucial step in effectively anticipating and managing climate risks. The lack of definition of these horizons can lead to poorly informed decisions and an underestimation of climate risks.

(DP AR11c) Likewise, assessing the degree of exposure and sensitivity of its assets and activities to climate risks is essential for managing risks and ensuring business continuity. In addition, the sensitivity of business activities, such as the dependence on suppliers located in vulnerable regions, could lead to supply chain disruptions and economic losses.

First, Tubacex's material sites were determined by analyzing the physical locations and specific sites where activities with a significant impact on the organization's sustainability are carried out. Their relative importance was evaluated based on variables such as total revenue, raw material consumption, production, waste generation, and consumption of groundwater and non-groundwater sources.

To quantify the degree of exposure of Tubacex's key sites to climate threats, the following parameters were evaluated:

- Number of employees
- Revenue volume

- Revenue volume
- Production
- Energy consumption
- Water consumption

Once the scores were assigned, they were averaged to obtain the exposure value. The sensitivity of the assets and activities at the material sites was assessed by considering process sensitivity, a qualitative indicator, whose score was assigned based on expert judgment, considering the climate threat and the type of activities.

In this regard, a high degree of sensitivity is considered when the activity, means used, assets, infrastructure, and/or personnel can be fully affected (potentially causing activity stoppages for certain periods). Conversely, sensitivity is considered low if the activity, means used, assets, infrastructure, and/or personnel are not affected, allowing operations to continue normally or with negligible impacts.

(DP AR11 d) For Tubacex, incorporating high-emission scenarios in the identification of climate risks is key to preparing for the most critical impacts. These scenarios highlight extreme vulnerabilities, such as production interruptions due to severe weather events or irreparable damage to critical infrastructure. They also reveal how global supply chains could be severely affected, especially if they depend on regions exposed to such risks. Without this assessment, the company risks underestimating the magnitude of potential climate impacts, which could result in inadequate decisions and significant economic losses. On the other hand, using these scenarios for planning enables the development of more robust mitigation and adaptation strategies.

In this regard, an analysis of climate hazards that may affect Tubacex has been carried out based on the following climate scenarios:

- **SSP1-2.6:** A scenario of sustainability and climate neutrality.
- **SSP2-4.5:** The reference (baseline) scenario.
- **SSP3-7.0:** An intermediate scenario between the baseline and the worst-case scenario.
- **SSP5-8.5:** A scenario with greater reliance on fossil fuels and therefore a higher impact from physical risks.

The selection of scenarios for assessing physical risks from climate change is carried out taking into account the most recent climate projections within the existing range of IPCC scenarios. Specifically, the Sixth Assessment Report (AR6) on climate change is used as a reference, which introduces the Shared Socioeconomic Pathways (SSPs) that form the basis of the scenarios used in this analysis. After analyzing the projections from the four described scenarios, the assessment of physical risks is conducted based on the worst-case scenario identified.

Once the degree of threat is obtained from climate data viewers, it is cross-referenced with the exposure and sensitivity variables of Tubacex's sites, considering their specific characteristics and gathering a set of indicators related to the presence of assets in the geographical area (exposure) and the likelihood that their activities, resources used, assets, infrastructure and/or personnel could be affected (sensitivity). This provides the prioritization of the risks evaluated. (DP 21) The analysis of climate-related physical risks was conducted considering the evolution of climate hazards—such as thermal stress, heatwaves, heavy rainfall and flooding, extreme winds, water stress, and wildfires—across the different climate scenarios (SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5) and time horizons (ref. DP AR 7b).

Once the evolution of the climate scenarios was analyzed, and based on the precautionary principle (Opinion C/2023/267 of the European Commission), data from the worst-case climate scenario (SSP5-8.5) were used, and a cross-analysis of Threat x Exposure x Vulnerability was conducted. In this way, Tubacex can make informed decisions considering the worst-case scenario (SSP5-8.5) and the evolution of the threat across different time horizons.

(DP 20 c, 21) The analysis of transition risks and opportunities in operations and across the value chain is carried out considering the implications identified by scenarios from the International Energy Agency (IEA), as well as regional policies, plans, and strategies (European Union), such as the European Green Deal, the targets set under Fit for 55, REPowerEU, or those defined within the EU ETS (European Union Emissions Trading System). National frameworks are also considered, such as Spain's PNIEC 2021–2030, Law 7/2021 on Climate Change and Energy Transition, and the National Plan for Adaptation to Climate Change (PNACC 2021–2023). Market trends, technological developments, and changes in consumer and stakeholder preferences toward low-GHG-emission products and services are also taken into account. Therefore, the evaluation is based on the sustainability and climate neutrality scenario, under the premise of fulfilling the goals of the Paris Agreement and achieving net zero by 2050.

Based on this scenario, various transition risks and opportunities are identified both in Tubacex's own operations and its value chain over the defined time horizons. The assessment of transition risks is conducted using a cross-analysis of the probability of occurrence and the impact it could have on Tubacex, using a qualitative scale. The probability score is assigned based on whether the identified risk has already materialized in the past or could imminently materialize in the coming years. The impact score considers potential economic, organizational, reputational, and environmental impacts on Tubacex.

The assessment of opportunities is conducted by cross-referencing the variables of potential to leverage the opportunity and the effectiveness of the opportunity.

The score for potential to leverage the opportunity is assigned qualitatively based on the potential to integrate the opportunity within a specific timeframe. For example, if there is potential to integrate or leverage the opportunity in the current fiscal year, or it is already being leveraged, it will receive a very high rating. On the contrary, if there is very low or no capacity to integrate/leverage the opportunity, the score will be very low. The effectiveness score is assigned based on the possible positive impact the opportunity may have on business operations, efficiency, business strategy resilience, income statement, market positioning, reputation, etc. The impact can be rated as very low, low, medium, high, or very high.

(DP AR 12 a) Tubacex identifies transition risks and opportunities across different time horizons in its analysis (ref. DP AR 7b).

This analysis allows the company to prepare a strategy that minimizes risks and leverages opportunities in a changing economic environment. In this way, it avoids the lack of identification and planning in the face of such events, which could leave the company vulnerable to unforeseen costs, loss of competitiveness, and regulatory penalties. It enables the company to quickly adapt to new regulations or customer demands, while in the medium and long term, it facilitates investment planning in infrastructure and technologies that ensure future viability. Tubacex has examined risks stemming from regulatory changes (such as new carbon taxes or legal restrictions), market shifts (changes in product demand), technological developments (adoption of low-carbon technologies), and reputational concerns (growing stakeholder expectations around sustainability). The evaluation has identified critical sites within the organization that are exposed to these types of risks, from production processes to the supply and distribution chain. For example, the most critical risks include the tightening of the Emissions Trading System (EU ETS) and the Carbon Border Adjustment Mechanism (CBAM), which affect not only Tubacex's supply chain but also the Group's production activities in third countries (outside the European Union, such as India). This analysis is essential to ensure that the company can anticipate the challenges of the climate transition and develop strategies to mitigate them or capitalize on the opportunities that arise. By assessing exposure to these events, the company can anticipate market and regulatory trends. This enables the design of proactive strategies, such as diversification into sustainable products, improving energy efficiency in operations, and adopting new technologies ahead of competitors.

(DP AR 12 b) Tubacex evaluates its assets and activities that could be exposed and are sensitive to transition events, allowing it to anticipate and manage associated risks. To do this, it considers indicators related to the impact that transition risks may have on the organization—economically, organizationally, and reputationally—identifying the most sensitive and exposed assets and activities depending on the risk being assessed.

For example, in the case of the risk related to the tightening of the Emissions Trading System (EU ETS), the most sensitive and exposed assets and activities are those plants that, due to their emissions, are subject to this regime, such as the Acería de Álava. Or, in the case of high dependence on electricity generated from fossil fuels, the IBF Vittuone and Piacenza plants are identified, as they are considered the most sensitive and exposed to this risk due to not having 100% of their electricity sourced from renewable energy within Europe.

(DP AR12 c) For Tubacex, the use of climate scenario analysis in identifying transition events is essential for understanding and managing risks. Regarding transition risks and opportunities, the evolution of decarbonization policies and targets is considered under a “sustainability and climate neutrality” scenario, based on the IEA Net Zero Emissions by 2050 scenario (NZE). This scenario includes stricter regulations, such as higher carbon taxes, aligned with the goals of the Paris Agreement and achieving carbon neutrality by 2050. Similarly, market trends, technological developments, and changes in preferences of consumers and other stakeholders toward low-GHG-emission products and services are taken into account. These decarbonization efforts and technological evolution could render certain assets or production methods obsolete, or present opportunities to prioritize strategic investments in clean technologies or resilient infrastructure, position sustainable products in emerging markets, and strengthen the company’s reputation as a responsible actor in the climate transition.

(DP AR12 d) Tubacex identifies its assets and activities that are incompatible with or require additional efforts to align with the transition toward a carbon-neutral economy.

In the case of the Acería de Álava (ACERALAVA), being carbon-intensive and highly dependent on fossil fuels, it will require greater efforts for decarbonization, especially concerning the risk associated with the tightening of the Emissions Trading System (EU ETS). In the short term, ACERALAVA is expected to face increasing costs for purchasing allowances due to the reduction of free allocations with the implementation of the Carbon Border Adjustment Mechanism (CBAM) between 2026 and 2030. For estimating the expected short-term impact (through 2030), it is assumed there will be a deficit balance in the steel plant’s Scope 1 emissions compared to the minimum preliminary free allocations it would receive during this period. Projections indicate that in 2026, ACERALAVA’s Scope 1 emissions will be approximately 28,266 tCO₂e; the total free allocations for this facility would be around 17,705 tCO₂e, resulting in a deficit balance of -10,561 tCO₂e, requiring the purchase of EU ETS allowances, in addition to greater investment in technology to reduce CO₂ emissions. On the other hand, the IBF Vittuone and IBF Piacenza plants will require additional efforts to reduce their dependence on electricity generated from fossil fuels, either through the purchase of Guarantees of Origin (GOs) and Power Purchase Agreements (PPAs), or by investing in the self-generation of renewable energy.

(DP AR 15) For Tubacex, aligning the climate scenarios used in strategic analyses with the assumptions reflected in financial statements is essential to economically quantify potential climate risks and opportunities, enabling informed decision-making. Therefore, financial estimates were made for climate risks and opportunities deemed highly critical in the short term. Based on this, a set of hypotheses and assumptions were established to quantify the impact of critical risks and opportunities.

Physical Risk:

(1) **Reduced availability of water for industrial processes.**

Risk factor: Water stress and droughts – Water stress and drought can reduce water availability levels, leading to possible usage restrictions in the industry. The steel industry consumes a large volume of water due to its cooling systems, potentially impacting production.

The main associated impacts are:

- Reduced production capacity of the plants due to lack of water for their processes and/or water use restrictions applicable to the industry.
- High investment costs in new water recirculation and saving technologies.
- Impact on the client portfolio due to the low availability of products.

Transition Risk (Market-related):

- (1) **Tightening of carbon pricing mechanisms:** Carbon pricing mechanisms can have significant impacts on Tubacex’s operations. For example, the European Union Emissions Trading System (EU ETS), which already affected one of Tubacex’s sites, has undergone several changes since late 2023. Between 2024 and 2027, the total number of emission allowances issued in the EU will be gradually reduced (by 4.3% per year, and from 2028 by 4.4% per year). Regarding Scope 1 emissions, under Phase IV (2026–2030), free allocations are expected to decrease due to lower benchmark values. If the currently affected site (Acería de Álava) continues with similar emission levels and ends up with a deficit (more emissions than allocated), its production costs could increase.

In addition, the gradual elimination of free allowances under the EU ETS for sectors covered by the Carbon Border Adjustment Mechanism (CBAM) will take place alongside the phased introduction of CBAM between 2026 and 2034. This reduction will be progressive: free allocation will decrease to 97.5% in 2026, 95% in 2027, 90% in 2028, 77.5% in 2029, 51.5% in 2030, 39% in 2031, 26.5% in 2032, and 14% in 2033. From 2034 onwards, EU ETS installations in sectors affected by CBAM will no longer receive free allocations.

- (2) **High dependence on electricity generated from fossil fuels:** Tubacex began switching to green electricity sources in 2020, with the goal of reaching 100% by 2025. At the Group level, in 2023, green electricity accounted for 82.5% of electricity consumed, and during the first half of 2024, it reached 84%. Each facility has a specific share of contracted green electricity. In 2023, some facilities had 100% green electricity, while others (such as the IBF plants in Italy) had relatively low shares (19.2%). At Group level, green electricity represented 33.6% of total energy consumption in 2023 and 32.7% in the first half of 2024. In other words, a significant part of the Group’s energy consumption still comes from emission-generating sources (diesel, propane, natural gas).

This contributes to its Scope 2 GHG emissions. Carbon pricing mechanisms may impact the cost of electricity consumed by Tubacex. For energy sourced from fossil fuels, an increase in CO₂ costs under the EU ETS II (or similar systems in other regions) would result in higher electricity prices, due to the marginal pricing model used in most markets.

- (3) **Cost pass-through in the value chain due to the introduction of a new emissions trading system (EU ETS II):** In 2023, a parallel emissions trading system, EU ETS II, was introduced and will be fully implemented from 2027. This system will regulate CO₂ emissions from fuel consumption in buildings, road transport, and other sectors. It could have an indirect impact on freight transport costs for facilities in Europe, such as those in Austria, Italy, and Spain.
- (4) **Increased import requirements due to CBAM and limited information from suppliers:** The EU Carbon Border Adjustment Mechanism (CBAM) is a carbon pricing system applied to energy-intensive goods imported into the EU. This mechanism will significantly impact steel tube producers

importing to the EU, including Tubacex. Once fully in force (2026), EU importers will be required to purchase certificates equivalent to the carbon price they would have paid if the goods had been produced under EU carbon pricing rules. That means, from 2026, Tubacex will need to buy CBAM certificates for its imports from third countries (outside the EU), potentially increasing operating costs. During the transition period (October 2023 – December 2025), Tubacex, as an importer of goods affected by CBAM, must report the embedded emissions of its imported goods quarterly. The main challenge currently lies in the limited availability of emissions data from its suppliers, some of whom do not usually measure their carbon footprint.

Opportunities:

- (1) **Improved waste management:** By-products generated by the stainless steel industry, such as slag, contain high-value elements in the form of oxides or metals. Some of these elements can be environmentally problematic if not disposed of correctly. Stainless steel slag is the main type of non-hazardous waste currently generated by the Group. Therefore, any approach toward circular economy solutions for the treatment, recovery, and valorization of this type of waste would have significant economic and environmental impacts.
- (2) **Energy efficiency in processes:** Improving energy efficiency in processes directly reduces emissions and lowers the operational (OPEX) costs of Tubacex's activities. Therefore, implementing energy-efficient technologies represents a valuable opportunity for the company. This includes the use of more efficient furnaces, optimization of manufacturing processes through the implementation of energy management systems and advanced automation, as well as recovery and reuse of residual heat in the production process.
- (3) **Use of less polluting energy sources:** Tubacex's production processes are energy-intensive and currently rely heavily on natural gas. To reduce CO₂ emissions, Tubacex could integrate renewable energy sources into its production process, such as using green hydrogen produced with on-site electrolyzers powered by renewable electricity, whether self-generated or acquired through Power Purchase Agreements (PPAs). This strategy would not only help reduce the company's carbon footprint but also ensure the supply of clean electricity, contribute to long-term energy cost reductions, and reduce its dependency on fossil fuels.

Further information on the expected financial effects of material physical and transition risks and potential opportunities related to climate change can be found in section E1-9.

A summary of the material climate-related impacts, risks, and opportunities resulting from the above analysis is identified in the next section, where they are linked to various commitments included in Tubacex's integrated environmental policy. This aims to minimize impacts and exposure to risks, as well as to capitalize on the identified opportunities.

2.1.5 Policies Related to Climate Change Mitigation and Adaptation (E1-2)

Aligned with the commitments established in Tubacex's Strategic Sustainability Framework, the company has an Integrated Environmental Policy that outlines the commitments associated with the main environmental challenges and opportunities, including climate action and the energy transition. [\(DP 24\)](#)

The policies that include climate change-related commitments are the **General Sustainability Policy** and the **Integrated Environmental Policy**. The General Sustainability Policy is approved by the Board of Directors of Tubacex, while the Integrated Environmental Policy is approved by the Chief Executive Officer. [\(ESRS 2 DP 65 c\)](#) Both are aligned with the 2030 Agenda and the Sustainable Development Goals as a reference framework for action. [\(ESRS 2 DP 65 d\)](#) These policies apply to all subsidiaries, affiliates, facilities, and commercial offices that make up the Group. [\(ESRS 2 DP 65 b\)](#)

Below is an explanation of the core content of each policy, as well as their main objectives. [\(ESRS 2 DP 65 a\)](#)

1. General Sustainability Policy

This policy sets out Tubacex's commitment to sustainability as a key pillar of its business strategy. It is based on principles of responsible governance, transparency, respect for human rights, sustainable supplier practices, innovation, occupational safety, equal opportunity, and reduction of environmental impacts. It is also aligned with international frameworks such as the Sustainable Development Goals (SDGs) and the United Nations Framework Convention on Climate Change.

General objectives:

- Integrate sustainability into the Group's business strategy.
- Ensure ethical and responsible practices across all operations.
- Promote the circular economy and energy transition.
- Foster the well-being of employees and communities.
- Ensure compliance with international sustainability regulations and standards.

2. Integrated Environmental Policy

This policy details Tubacex's environmental commitments and focuses on the energy transition, carbon footprint reduction, environmental protection, circular economy, responsible consumption of natural resources, and biodiversity conservation. It also establishes legal compliance measures, efficiency in industrial processes, environmental management transparency, and awareness within the organization and its value chain.

General objectives:

- Achieve climate neutrality by 2050.
- Improve energy efficiency and promote the use of renewable energy.
- Reduce pollution in water, soil, and air.
- Promote the circular economy through waste reduction and reuse.

- Protect biodiversity and minimize the environmental impact of operations.

These policies apply to all subsidiaries, affiliates, facilities, and commercial offices within the Group. They do not include commitments with other stakeholders or with upstream and downstream phases of the value chain. [\(ESRS 2 DP 65 b\)](#)

In this regard, the following commitments are established, associated with the identified material impacts, risks, and opportunities (IROs): [\(DP 25\)](#)

Material IRO	Associated Commitment
<ul style="list-style-type: none"> • Direct and indirect generation of GHGs. • Lower direct or indirect GHG generation through the implementation of specific reduction measures and other mechanisms (CBAM, EU ETS II, internal carbon pricing, etc.). • Impact on human health (harm, injuries, and other adverse effects) due to consequences of climate change, such as heat stress, extreme fire conditions, etc. • Risk of extreme climate events (floods, storms...), damaging production facilities, interrupting the supply chain or distribution of products. 	<ul style="list-style-type: none"> • Progress toward climate neutrality by 2050, focusing efforts on measuring and reducing its Carbon Footprint.
<ul style="list-style-type: none"> • Lower energy and resource consumption. Implementation of energy efficiency measures. • Consumption of energy resources. Depletion of natural resources and other fuels. • Procurement of 100% renewable energy to avoid fossil energy consumption. • Implementation of renewable energy self-consumption systems. • Risk of rising energy costs, which could reduce the company's profitability, especially if mitigation measures are not taken. • Risk of energy market volatility, susceptible to supply and demand, geopolitics, and government changes. • Risk of high dependence on electricity generated from fossil fuels, increasing production and/or regulatory costs. 	<ul style="list-style-type: none"> • Continuous improvement of energy performance, prioritizing innovation, management, and efficient energy use in all processes, seeking actions that allow process optimization, equipment renewal, and the implementation of advanced technologies. • Promote the use of renewable energy and the decarbonization of energy sources used in the Group's operations.
<ul style="list-style-type: none"> • Contribute to environmental protection for adaptation to the consequences of climate change. 	<p>Collaborate in leading initiatives in the field of energy transition, actively contributing to the search for the best alternatives that promote this transition and are applicable to the nature of its business.</p>

2.1.6 Actions and resources related to climate change policies (E1-3)

Tubacex's production model is based on the existence of a steel mill that supplies raw material (stainless steel and high-alloy bars) for the tube manufacturing process in later stages. The characteristics of the steelmaking process and the high gas consumption required to melt scrap and ferroalloys make it the focal point of decarbonization efforts. The most notable initiatives with an impact in 2024 and those planned for the future are detailed below:

Actions carried out:

- Acería de Álava (2021–2023) (ESRS 2 DP 68 b and c): Improvements in the consumption of low-carbon energy and energy efficiency in production processes, including the installation of variable frequency drives in furnace motors and a pressure control system in the quenching furnace.
- IBF Piacenza (2023): Purchase of green electricity to reduce environmental impact.
- IBF Vittuone (2023): Replacement of the heating system in production and use of green electricity to improve energy efficiency in the building.
- NTS Odessa (2023): Optimization of energy consumption through the upgrade of heaters at the plant and improvements in the pressure washing system.
- Promet, AS (2023): Use of green electricity to reduce carbon emissions.
- Salem (2021–2022): Implementation of green electricity and improved lighting through LED technology to reduce energy consumption.
- SBER (2022–2023): Adoption of 100% green electricity and transition from natural gas hot water supply to district heating using biomass.
- SBT (2022): Implementation of green electricity to reduce the carbon footprint.
- TTI – Amurrio and TTI – Llodio (2022): Use of green electricity to reduce carbon emissions.
- TTP – India (2019–2022): Installation of an acid fume extraction system, a wastewater treatment plant, and motor upgrades through the replacement of drives and thyristor systems.
- Tubacex Services (2022): Implementation of green electricity to reduce environmental impact.
- Tubacex Taylor Accessories (2022): Use of green electricity to reduce carbon emissions.

These actions have resulted in a reduction of 161 tCO₂eq. [\(DP 29 b\)](#)

The decarbonization levers planned to achieve the company's targets are set out in the following actions and upcoming projects: [\(DP 34 f\)](#)

Planned future actions:

- Acería de Álava (2023–2025): Implementation of multiple energy efficiency improvements, including heat recovery in furnaces, replacement of burners with self-recuperative models, installation of flue gas analyzers and variable frequency drives, upgrading of air compressors, and automation of fan and bag filter control. Additionally, the refining process will be optimized with a ladle furnace, and a STATCOM system will be installed to optimize electricity consumption.

- IBF Piacenza and IBF Vittuone (2024): Implementation of an energy consumption monitoring system in heat treatment furnaces.
- NTS Odessa (2024): Implementation of a paper recycling program to improve material circularity.
- Salem (2025–2028): Installation of an intelligent energy management system in the building and use of residual heat from furnaces for winter heating.
- SBER (2024): Implementation of a digital energy control system to improve efficiency in production processes.
- SBT (2024–2028): Heat recovery for integration into the hot water network, installation of a digital energy control system, and modernization of air compressors with more efficient models.
- TDI-Durant (2025–2028): Installation of rooftop solar panels to cover 69% of electricity consumption, implementation of an intelligent energy management system, and use of furnace residual heat for winter heating.
- TTI Amurrio (2025): Improvement of the quenching furnace cooling system.
- TTI Llodio (2025): Modernization of the cooling, compressors, and hydraulic system of the extruder to improve energy efficiency.

These actions could result in a total reduction of 7,265 tCO₂eq. (DP 29 b)

The described actions contribute to achieving the goals and objectives of Tubacex's climate change policies in the following ways: (ESRS 2 DP 68 a)

- Actions related to the use of low-carbon energy are directly linked to the energy transition commitment outlined in the General Sustainability Policy. They also contribute to the Integrated Environmental Policy's commitments regarding climate neutrality and the promotion of renewable energy.
- Actions focused on improving energy efficiency in production processes and facilities are aligned with the energy transition commitment of the General Sustainability Policy. They also reinforce the Integrated Environmental Policy's commitment to energy efficiency.
- Initiatives aimed at optimizing wastewater treatment are directly related to the Integrated Environmental Policy's commitment to reduce air, water, and soil pollution, while also contributing to energy efficiency.
- Actions aimed at waste reduction and promotion of material circularity are aligned with the General Sustainability Policy's commitment to promoting the circular economy. They also relate to the Integrated Environmental Policy's objective to reduce and reuse waste. No actions have been carried out to establish corrective measures for people affected by material actual incidents. (ESRS 2 DP 68 d) The financial resources (ESRS 2 DP 69 a) allocated to the actions described above are shown in the table below:

	Item	Implemented 2024 (ESRS 2 DP 69 b)	To be implemented (2025) (ESRS 2 DP 69 c)
E1. Climate change	CAPEX	€546,916	€12,041,253
	OPEX	€82,600	€1,910,673

The ability to execute the defined action plan depends on the availability and appropriate allocation of human, financial, material, and technological resources. Their availability and correct allocation are essential conditions to ensure that the actions are carried out efficiently, enabling the achievement of the established objectives effectively and within the expected timeframes. (DP AR 21)

(DP AR 22) There are differences between the significant operating and capital expenditures disclosed under ESRS E1 and the key performance indicators disclosed under Commission Delegated Regulation (EU) 2021/2178. After analyzing Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021, which supplements Regulation (EU) 2020/852 of the European Parliament and the Council, the eligibility analysis criteria established in 2022 have been maintained. This analysis considers activity 3.9 "Manufacture of Iron and Steel," carried out at ACERALAVA, listed in Annex I of the regulation, as a transitional activity in accordance with Article 10, paragraph 2 of Regulation (EU) 2020/852.

(DP AR 20).

SALES: (DP 40 d i)

TOTAL (in thousands of euros)	€767,540.8
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CAPEX: (DP 16c)

TOTAL (in thousands of euros)	€63,113
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OPEX: (DP 16c)

The OPEX figure includes the following items from the annual accounts:

- Environmental management expenses
- Repair and maintenance expenses
- Research and development expenses
- Lease and royalty expenses

TOTAL (in thousands of euros)	€26,636
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2.1.7 Climate Change Mitigation and Adaptation Targets (E1-4)

As part of Tubacex's ESG Plan, the company has set ambitious targets to advance decarbonization and energy efficiency, reaffirming its commitment to sustainability, the mitigation of physical and transition risks, and adaptation to climate change. These targets are aligned with the standards of the Science Based Targets initiative (SBTi) [\(DP 33\)](#). Below are the projects developed by Tubacex related to climate change. The projects, targets, and associated actions are presented.

The targets and parameters are checked annually to verify if they remain relevant. In 2024, there has been no significant change in the company's performance toward achieving any target. (DP 80 j)

EJE 1: Circularity and Neutrality

Project	Target to be achieved and its relation to the policies(, DP 80 a, DP 80b):	Scope of the action (b, DP 80 c) (coverage in relation to the value chain, geographic areas, etc.):	Reference value (DP 80 d)	Base year (DP 80 d)	Time Horizon/ deadline (DP 68c, DP 80 e):	Main actions carried out and qualitative and quantitative information on their progress	Parameter to be measured; Definition and labeling of the parameter (DP 73, DP 75, DP 76, DP 77c)	Methodologies and substantiated significant assumptions (DP 77 a, DP 80 f)	Validation of the parameter measurement (DP 77 b)	Performance with respect to the disclosed targets (DP 80 j)
Energy efficiency	Reduce energy intensity by 25% (MWh/€M GVA). Achieve a ratio of 2.13 MWh/€M GVA (Target relative to the base year)	Group	2.85 Mwh/VAB	2019	2030	Energy efficiency improvements implemented in the steel mill focused on PIT furnaces.	Intensidad energética (MWh/M€VAB)	Total MWh consumed (data obtained from the energy distributor) / Millions of euros of Gross Value Added	Validated by supplier	Significant progress has been made, reaching 1.50 MWh/GVA, which represents a 47% reduction compared to the reference value, surpassing the initial target. Progress is ahead of the originally estimated schedule, as the objective has been achieved before the end of its time horizon.
ISO 50001	Reduce energy intensity by 25% (MWh/€M GVA). Achieve a ratio of 2.13 MWh/€M GVA. Reduce Scope 1 and 2 emissions by 64% (Target relative to the base year).	Group	2.85 Mwh/VAB 140.617 tn CO2	2019	2030	The requirement has been incorporated into the sustainability process and its implementation guide. TTP India already certified.	Intensidad energética (MWh/M€VAB) y Emisiones de alcance 1 y 2 (tn CO2 totales)	Total MWh consumed (data obtained from the energy distributor) / Millions of euros of Gross Value Added; Emissions calculated using the GHG Protocol methodology	Validated by supplier	Objective 1: See previous project. Objective 2: In 2024, CO ₂ emissions amounted to 63,898 tons (Scopes 1 and 2), representing a 54.4% reduction compared to the reference value, consistently

										progressing toward the 64% target. This trend is close to what was expected.
Green Electricity	40% green energy Green electricity purchase agreements to cover the Group's demand. (Absolute target)	Group	0% green energy / total MWh consumed	2019	2030	Spanish plants under renewable electricity PPA. Austria with a similar contract, Italy partially purchases green electricity, and in the U.S., electricity comes from non-fossil sources.	% of green energy over the total	MWh from green energy (data obtained from the energy distributor) / Total MWh consumed (data obtained from the energy distributor)	Validated by suppliers	Progress has been remarkable, reaching 32.96% of green energy used, indicating consistent advancement toward the 40% target. This trend is greater than expected, achieving target performance close to the objective in 2024.
Suppliers assessment	Ensure that suppliers accounting for 99% of the purchase volume are evaluated on ESG criteria (Absolute target)	Suppliers	0% of suppliers evaluated on ESG criteria	2019	2030	Three-year purchasing management plan defined. Development of a new supplier approval process with risk and sustainability assessments integrated into purchasing decisions.	% of suppliers evaluated on ESG criteria	Evaluated suppliers / Total suppliers	Validated by Tubacex	With 87.7% of suppliers evaluated, significant progress has been made toward the 99% target, reflecting a positive trend, faster than originally anticipated.

These goals are aligned with the commitments outlined in the Integrated Environmental Policy and the Sustainability Policy, and are primarily focused on (*DP MDR-T 80a*):

- Measuring and reducing the carbon footprint across all activities, working towards achieving climate neutrality by 2050.
- Improving energy performance, especially through innovation, and the efficient management and use of energy.
- Promoting the use of renewable energy and the decarbonization of energy sources.
- Conserving and responsibly using available natural resources, especially water consumption.
- Stakeholder collaboration: working closely with suppliers and customers to promote sustainable practices and extend these commitments throughout the entire value chain.
- Driving the value chain to foster environmentally respectful behavior and the protection of Human Rights.

In particular, a more detailed breakdown is provided regarding the emission reduction targets:

Year	S1 Total emissions in Tneq CO2	S2Total emissions in Tneq CO2	S1+S2 Total emissions in Tneq CO2	Compliance ambition: % reduction of CO ₂ equivalent tons in absolute terms compared to the 2019 base year	S3 Total emissions in Tneq CO2	Ambition: (tCO ₂ eq / gross value added)	Compliance ambition: % reduction of CO ₂ equivalent tons in intensity compared to the 2019 base year	S1+S2+S3 Total emissions in en Tneq CO2	Ambition: (tCO ₂ eq / gross value added)	Compliance ambition: % reduction of CO ₂ equivalent tons in intensity compared to the 2019 base year
2019	67,340	72,790	140,130		374,195	1.86		514,325	2.56	
2020	49,123	21,390	70,513	49.7	208,014	1.28	31.1	278,527	1.72	33.0
2021	28,084	17,526	45,610	67.5	193,851	1.71	8.3	239,461	2.11	17.7
2022	54,813	16,361	71,175	49.2	301,954	1.26	32.4	373,129	1.55	39.3
2023	48,612	14,506	63,118	55.0	365,878	1.31	29.4	428,996	1.54	39.8
2024	49,327	14,571	63,898	54.4	310,821	1.15	38.0	374,719	1.39	45.7
2025	68,952	0	68,952	50.8	350,194	1.36	26.8	419,146	1.63	36.3
2026	53,776	0	53,776	61.6	330,433	1.26	32.5	384,209	1.46	43.0
2027	51,082	0	51,082	63.5	310,968	1.16	37.9	362,050	1.35	47.5
2028	50,713	0	50,713	63.8	291,502	1.06	43.1	342,215	1.24	51.5
2029	49,847	0	49,847	64.4	272,036	0.98	47.2	321,883	1.16	54.6
2030	49,400	0	49,400	64.7	235,170	0.83	55.4	284,570	1.00	60.8

(Emission reduction pathway for Scope 1, 2, and 3, considering the commitments adopted under the SBTi)

These efforts are aligned with the ultimate goal of achieving carbon neutrality (Net Zero) by 2050. (DP 34 d)

All these targets are referenced to the selected base year, which corresponds to 2019, as it is considered the last year with normalized results, prior to the COVID-19 pandemic in 2020 and the exceptional prolonged strike the company faced in 2021 that affected its main sites. (DP 34 c AR 25 b)

The emission reduction targets set by Tubacex are science-based and approved by the Science Based Targets initiative (SBTi). They are therefore aligned with what climate science indicates is necessary to avoid the most severe impacts of climate change. These targets aim to help companies contribute to global efforts to keep the increase in global temperature below 1.5°C or 2°C above pre-industrial levels, as established in the Paris Agreement. Thus, the scenario considered by Tubacex's SBTi-approved emission reduction targets is the 1.5°C scenario. This is the most ambitious pathway and reflects the global objective of limiting the temperature increase to 1.5°C compared to pre-industrial levels. Companies adopting this scenario must commit to achieving net-zero emissions as soon as possible, typically by 2050 or earlier. This implies reducing direct greenhouse gas (GHG) emissions in their operations, as well as decreasing emissions throughout the value chain (Scope 3).

(DP 32) These targets are directly linked to the previously described policies, specifically those relating to decarbonization. The scope of the established goals applies exclusively to Tubacex's own operations, excluding upstream and downstream activities within the value chain. Since Tubacex holds environmental certifications under ISO 14001 at its facilities, the definition of its targets follows a consolidated methodology. This process is based on the assessment of relevant environmental aspects and the company's strategic objectives, particularly those related to energy transition and climate change mitigation. Within this framework, the company develops short-, medium-, and long-term targets. For long-term objectives, a complementary short-term goal is established to enable continuous performance tracking and ensure the issue receives prioritized attention. (AR 30 c)

These targets are aligned with the company's ambition to achieve a 64.32% reduction in Scope 1 + 2 emissions and a 55.40% reduction in Scope 3 emissions, as validated by the Science Based Targets initiative, following a 1.5°C global warming limitation pathway.

2.1.8 Energy Consumption and Mix (E1-5).

Energy Consumption and Mix (DP 35)	2023	2024
1) Fuel consumption from coal and its derivatives (MWh) (DP 38 a)	0	0
2) Fuel consumption from crude oil and petroleum products (MWh) (DP 38 b)	2,414	1,474
3) Fuel consumption from natural gas (MWh) (DP 38 c)	230,280	240,606
4) Fuel consumption from other fossil sources (MWh) (DP 38 d)	706	1,087
5) Purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh) (DP 38 e)	28,077	27,589
6) Total fossil energy consumption (MWh) (DP 37 a)	261,477	270,756
Share of fossil sources in total energy consumption (%) (DP AR 34)	66%	67%
7) Fuel consumption from nuclear sources (MWh) (DP 37 b)	3,975	4,113
Share of nuclear sources in total energy consumption (%) (DP AR 34)	1%	1%
8) Fuel consumption from renewable sources, such as biomass (which also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh) (DP 37 c i)	0	0
9) Purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh) (DP 37 c ii)	128,295	128,996
10) Self-generated renewable energy consumption not used as fuel (MWh) (DP 37 c iii)	0	0
11) Total renewable energy consumption (DP 37 c)	128,295	128,996
Share of renewable sources in total energy consumption (%) (DP AR 34)	33%	32%
Total energy consumption (MWh)	393,747	403,865
Gross Value Added (K€)	278,527	269,641
Energy intensity (Mwh/K€) (DP 40, 41)	1,41	1,50

(DP 39) Tubacex does not carry out renewable or non-renewable energy generation activities.

(DP 41, 42, 43) Tubacex carries out all its activities within the steel sector, which is recognized as a high climate impact sector and is the only one considered for the calculation of energy intensity. Since 100% of its revenue comes from this sector, it is the one taken into account for determining energy intensity.

2.1.9 Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions (E1-6).

Carbon Footprint	2023	2024
Natural gas consumption [tCO ₂ e]	41,956	43,837
Own fleet diesel consumption [tCO ₂ e]	609	383
Process emissions [tCO ₂ e]	6,047	5,107
Fugitive emissions from refrigerant gases [tCO ₂ e]	-	-
TOTAL SCOPE 1 [tCO₂e] (DP 48 a)	48,612	49,327
Purchased Electricity GHG Emissions (Market Based)	14,506	14,571
Purchased Electricity GHG Emissions (Location Based)	42,645	42,765
TOTAL SCOPE 2 Market Based[tCO₂e] (DP 49 b)	14,506	14,571
TOTAL SCOPE 2 Location Based [tCO₂e] (DP 49 a)	42,645	42,765

Tubacex does not generate Scope 1 GHG emissions from regulated emission trading schemes. (DP 48 b)

SCOPE 3 – Other GHG emissions	2023	2024
Scope 3.1	296,390	246,945
Scope 3.2	32,378	25,412
Scope 3.3	26,957	27,592
Scope 3.4	6,748	7,212
Scope 3.5	95	92
Scope 3.6	311	490
Scope 3.9	-	-
Scope 3.10	3,000	3,078
TOTAL SCOPE 3 [tCO₂e]	36,878	310,821
Scope 1 + Scope 2 Market Based + Scope 3 [tCO ₂ e] (DP 52 b)	428,996	374,719
Gross Value Added [K€] (DP AR 55)	278,527	269,641
ENERGY INTENSITY Market Based [tCO₂e/m€] (DP 53, 54)	1.54	1.39
Scope 1 + Scope 2 Location Based + Scope 3 [tCO ₂ e] (DP 52 a)	457,135	402,913
ENERGY INTENSITY [tCO₂e/k€] Location Based [tCO₂e/k€] (DP 53, 54)	1.64	1.49

(DP AR 45 d) Tubacex's plants in Spain use electricity with Guarantees of Origin (GdO) certified by the CNMC, ensuring that it comes from 100% renewable sources or high-efficiency cogeneration. This contributes to reducing Scope 2 CO₂ emissions and strengthens the company's commitment to sustainability.

(DP AR 46 g i) In 2024, 60% of emissions in Scope 3.1 have been calculated using primary data obtained directly from suppliers and other partners in our value chain. In global terms, this means that 46.6% of Scope 3 emissions have been calculated using primary data, reinforcing our commitment to transparency and accuracy in measuring our carbon footprint.

(DP AR 46 h iii) The emissions listed in the table correspond to the Tubacex Group. There are no associated companies, joint ventures, unconsolidated subsidiaries, or joint arrangements over which the company does not have operational control.

(DP AR 45 i) Tubacex is expanding its emissions analysis to its supply chain and other relevant indirect activities, such as:

- Purchased goods and services: Emissions related to materials required for production processes, such as steel and other key inputs.
- Investments in products and services (CAPEX): Emissions associated with investments in equipment and infrastructure necessary for business growth.
- Fuel- and energy-related activities not included in Scopes 1 and 2: These include activities such as the extraction and transportation of fuels used in facilities.

- Transportation and distribution: Includes both upstream transportation (raw materials and intermediate products) and downstream distribution (delivery of products to end customers).
- Waste management: Emissions associated with the treatment and disposal of waste generated during operations.
- Business travel: Impact derived from travel required for commercial and management activities.
- Processing of sold products: Additional processing of intermediate products sold.

2.1.9.1 Tubacex excludes from its Scope 3 emissions analysis those emissions arising from employee commuting to the workplace. This exclusion has been made as such emissions are not material for the organization.

To ensure the consistency and comparability of results, Tubacex uses emission factors and global warming potential rates based on officially recognized sources. These include:

- The Spanish Office for Climate Change (MITERD).
- DEFRA (Department for Environment, Food & Rural Affairs, United Kingdom).
- Ecoinvent, a globally recognized database for life cycle assessment (LCA).

Emission factors are regularly updated to reflect changes in energy generation and other environmental dynamics, thereby ensuring the validity of the calculations

2.1.9.2 Reference Methodology and Tools Used:

(DP AR 46h) The GHG Protocol has been selected as the reference methodology due to its robustness and broad international acceptance. This standard provides a detailed framework for the quantification and management of greenhouse gas (GHG) emissions, enabling Tubacex to ensure transparency and comparability in its sustainability reports.

To carry out the calculations, the company uses advanced tools developed with the technical support of an external consultant specialized in carbon footprint analysis. These tools integrate actual activity data from all facilities and use parameterized algorithms to quantify emissions. In addition, specific spreadsheets and analysis software compatible with the GHG Protocol guidelines have been implemented.

Scope 3 GHG Category	Calculation Method
1: Purchased goods and services.	Hybrid approach based on actual consumption data (weight or volume) and standard factors (ecoinvent).
2: Capital goods.	Spending-based approach.
4: Upstream transportation and distribution.	Transported volumes and estimated distances were recorded, combined with emission factors specific to each mode of transport, to calculate the emissions generated and reduce environmental impact.
5: Waste generated in operations.	Tons of waste generated multiplied by emission factors (ecoinvent).
7: Employee commuting.	Not assessed. It is estimated to represent less than 0.1% of the total.
8: Upstream leased assets.	Not applicable to Tubacex operations.
9: Downstream transportation and distribution.	Volumes and transport distances were recorded, applying emission factors specific to each mode of transport to calculate the emissions generated.
10: Processing of sold products.	Emission factors from the most significant factories were used as a reference.
11: Use of sold products.	Not applicable to Tubacex operations.
12: End-of-life treatment of sold products.	Key sales markets and reverse supply chains were modeled to reuse the products as scrap in the steel mill.
13: Downstream leased assets.	Not applicable to Tubacex operations.
14: Franchises	Not applicable to Tubacex operations.
15: Investments.	Not applicable to Tubacex operations.
Other (Upstream)	Not applicable to Tubacex operations.

Reasons for Methodological Choice and Benefits

The selection of the GHG Protocol and official databases is based on the following criteria:

- **Relevance:** These tools and methodologies are aligned with international best practices, ensuring that the calculations reflect the actual impact of the Group's activities.
- **Accuracy:** The use of actual activity data and official databases allows for a more precise assessment of emissions.
- **Transparency:** It facilitates data traceability and validation, providing confidence to stakeholders.

No significant changes have occurred in the definition of what constitutes Tubacex, nor in the upstream and downstream phases of the value chain. [\(DP 47\)](#)

[\(DP AR 39b\)](#) The methodology applied in 2024 is consistent with the corporate model established in 2020 for calculating emissions across all Group companies. It includes all three scopes and is based entirely on actual activity data:

1. Direct Emissions

- Generation of electricity, heating, cooling, and steam: These emissions result from fuel combustion in stationary sources such as boilers, furnaces, and turbines, as well as other combustion processes like flaring.
- Physical or chemical processing: Most of these emissions result from the manufacturing or processing of ferroalloys in the steel mill.

2. Indirect Energy Emissions

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

3. Upstream Indirect Emissions from the Following Categories

- Purchased goods and services
- Capital goods (CAPEX investments in products and services)
- Fuel- and energy-related activities (not included in Scope 1 and Scope 2)
- Upstream transportation and distribution
- Downstream transportation and distribution
- Waste generated in operations
- Business travel
- Processing of sold products

The emission factors and global warming potential (GWP) values used in the calculation of greenhouse gas emissions are based on the carbon footprint methodology defined with the technical support of an external advisor for the preparation of all calculations. The GHG Protocol has been used as the methodological reference standard. The GWPs for each GHG and the emission factors come from official databases published by the Spanish Office for Climate Change (MITERD), the UK Department for Environment, Food & Rural Affairs (DEFRA); and Ecoinvent, to calculate GHG intensity based on net revenue, Gross Value Added (GVA) is used as the denominator. [\(DP 55\)](#)

2.1.10GHG Removals and GHG Mitigation Projects Financed through Carbon Credits (E1-7).

Tubacex measures direct (Scope 1) and indirect (Scope 2 and 3) emissions resulting from its operations in accordance with the GHG Protocol.

The methodology applied in 2024 follows the model revised in 2020 for calculating emissions across all companies in the group, always using actual activity data. During the validation process of its emission reduction targets by the Science Based Targets initiative (SBTi), Tubacex has made progress in defining its model by incorporating best practices and recommendations into the analysis process.

On the other hand, carbon credits are financial instruments that incentivize emission reduction or removal projects, and are aligned with the nature-based solutions approach. To date, Tubacex has not implemented greenhouse gas (GHG) mitigation projects financed through carbon credits, as these have not been a priority in the initial phases of the sustainability strategy. The current ESG plan has focused primarily on maximizing the reduction of Scope 1 and 2 GHG emissions, prioritizing actions that directly lower our operational carbon footprint. However, Tubacex acknowledges the need to address future residual emission offsetting projects in order to reach the Net Zero goal by 2050, which will be addressed in the next ESG plan throughout 2025.. [\(DP 56, 58, 59, 60, 61, AR60, AR61 Y AR62\)](#)

2.1.11Internal Carbon Pricing System (E1-8).

Tubacex has implemented an internal carbon pricing mechanism based on an internal rate (shadow price) that enables the integration of carbon impact into its strategic and operational decision-making processes [\(DP 63.a\)](#).

Main Objectives of the Mechanism:

- **Conduct cost-benefit analyses:**
Incorporating the carbon price allows for a more accurate assessment of the profitability of projects and investments, taking into account their environmental implications.
- **Promote energy efficiency:**
Assigning a cost to carbon incentivizes the adoption of technologies and practices that reduce energy consumption and associated emissions.
- **Encourage the consideration of climate risks:**
This approach fosters the integration of climate change-related issues into corporate risk assessment processes.
- **Influence strategy and financial planning:**
The inclusion of an internal carbon price ensures that strategic and financial decisions are better aligned with the company's sustainability objectives.

- **Reduce upstream value chain emissions:**
Through this mechanism, Tubacex encourages sustainable practices among its suppliers, thereby reducing emissions associated with upstream supply chain activities.

Scope of Application and Covered Emissions [\(DP 63.b\):](#)

The internal carbon price is used as a key tool in the following processes:

- **Capital expenditure (CAPEX):**
Factoring carbon costs into investment project evaluations helps prioritize more sustainable, lower-impact options. Use of the internal carbon price is mandatory in certain business decision-making processes, particularly in capital allocation. This ensures that investments align with the company's emission reduction and sustainability targets.
- **Risk management:**
Including the carbon price in risk management helps identify and mitigate potential exposures related to regulatory changes or climate-related risks.

This mechanism covers a wide range of emissions, including:

- **Scope 1:** Direct emissions from sources controlled by the company.
- **Scope 2:** Indirect emissions from purchased electricity.
- **Scope 3:** Specific and most relevant categories, such as:
 - *Category 1:* Purchased goods and services.
 - *Category 2:* Capital goods.

Factors Considered in Setting the Price:

The internal carbon price is aligned with the emission allowance prices set under the **EU Emissions Trading Scheme (EU ETS)**. This approach ensures the price reflects the real costs associated with carbon emissions in the regulated market.

The price is calculated based on the **average ETS allowance value from the previous year**, along with **forecasted price evolution through 2030**. This method provides a representative and up-to-date value, allowing carbon-related decisions to be consistent with market trends and regulatory policies.

Although the regulated market currently affects only the **Álava Steel Plant**, Tubacex considers it necessary to explore the **voluntary carbon market** as an alternative, with the goal of incorporating it into the Group's Net Zero strategy. Currently, the company does **not engage in offsetting activities** (neither through direct carbon credit purchases nor by promoting credit-generating projects), but it monitors credit purchase prices in both the national and international markets to inform its medium- and long-term decarbonization strategy.

Price Ranges Used [\(DP AR65 / DP 63.c\):](#)

Tubacex has used a minimum internal price of €65 per metric ton of CO₂e and a maximum price of €135 per metric ton of CO₂e. In the regulated market, prices can vary between €5–50, depending on the country or nature of the project. These values reflect both base costs and potential scenarios involving greater regulatory pressure or climate impact.

Emissions Coverage [\(DP 63.d\):](#)

The internal carbon pricing mechanism implemented by Tubacex covered 93% of the total reported emissions during the year across the aforementioned scopes.

Monitoring and Evaluation:

The internal carbon pricing approach is monitored and evaluated annually to ensure it meets its intended goals. At the end of each year, a comprehensive review is conducted to assess the impact of the carbon price on CAPEX-related decisions. This analysis allows Tubacex to:

- Verify whether the carbon price has influenced the prioritization of more sustainable investments.
- Adjust the system or internal carbon price values if necessary, to maximize effectiveness in future planning cycles.

This continuous monitoring process ensures that the mechanism remains an effective tool for advancing Tubacex's strategic goals in sustainability and emissions reduction.

2.1.12 Expected Financial Effects of Material Physical and Transition Risks and Potential Opportunities Related to Climate Change (E1-9).

[\(DP 66\)](#) Tubacex's plants are not located in geographical areas that present significant physical risks from extreme weather events or short-, medium-, or long-term environmental changes. As a result, the monetary amount and percentage of net revenues derived from business activities with material physical risk is **0%**.

[\(DP 67 a\)](#) Tubacex's methodology for both physical and transition risks considers two stages of risk: Inherent risk, which does not take into account mitigation and adaptation measures; and Residual risk, which is assessed after identifying those measures.

Based on this framework, an estimate of critical risks has been made without considering mitigation and adaptation actions:

Transition Risks:

Three critical risks were identified under a climate neutrality and sustainability scenario with a short-term time horizon:

- 1 **Tightening of carbon pricing mechanisms:**
The estimated annual economic impact ranges from €540,000 (best-case scenario) to €2.1 million (worst-case scenario). It's important to note that this cost estimate does not take into account any potential carbon allowance surplus for the year. Furthermore, both ACVA's annual emissions and the price of EUAs may fluctuate due to technological or market-related factors, so this estimate should be updated regularly.
- 2 **Cost pass-through across the value chain due to the introduction of a new emissions trading system (EU ETS II):**
The economic impact is estimated at €127,000 under the rapid electrification scenario and €265,000 under the slow electrification scenario (cumulative for 2027–2030), in addition to existing fuel costs.
- 3 **High dependency on electricity generated from fossil fuels:**
The estimated economic impact under the rapid electrification scenario is approximately €66,000, while under the slow electrification scenario it is approximately €131,000 (cumulative for 2027–2030).

The percentage of assets exposed was calculated based on the total number of evaluated sites (43). Assets with high criticality risks related to reduced water availability for industrial processes, tightening carbon pricing mechanisms, and high dependency on fossil fuel electricity were identified at the **ACERALAVA plant (Álava Steelworks), IBF Vittuone, and IBF Piacenza**, corresponding to **7%** of the total sites (assets).

(DP 67 b) Although only **7%** of Tubacex's active sites are exposed to **very high transition risk**, **100%** of the evaluated active sites have implemented adaptation measures. These include: Adoption of low-carbon technologies, Improvements in energy efficiency, Transition to renewable energy sources, and Redesign of operational processes to reduce dependence on fossil fuels.

(DP 72 a, AR 72 b, AR 73 a) Tubacex emphasizes the alignment of climate scenarios used in strategic analyses with assumptions reflected in its financial statements, as a fundamental step in **quantifying potential climate-related risks and opportunities** to enable informed decision-making. As a result, **financial estimates of very high criticality short-term climate risks and opportunities** were carried out. A set of hypotheses and assumptions was established to quantify the impact of these critical risks and opportunities.

Physical Risks:

- (1) (DP 69 b) **Reduced water availability for industrial processes at ACERALAVA, TTI AMURRIO, and TTI LLODIO facilities, considering the worst-case scenario (SSP5-8.5) over the short term.**
In this scenario, increasing droughts are expected, which could lead to water use restrictions in the industry. The estimated financial impact is calculated under a hypothetical scenario of a 10% reduction in water consumption flow during summer months (3 months). This would result in a proportional loss in production, as the plants would be forced to reduce their output, consequently affecting revenues during the restricted period.
The estimated financial impact ranges from €4.8 million to €14.5 million.

Transition Risks

Three critical risks were identified considering the sustainability and climate neutrality scenario and a short-term time horizon:

- (1) **Tightening of Carbon Pricing Mechanisms:**
In the short term, ACERALAVA may face increasing costs for purchasing carbon allowances due to the reduction of free allocations with the entry into force of the Carbon Border Adjustment Mechanism (CBAM) (2026–2030). To estimate the short-term financial impact (up to 2030), it is assumed that ACVA will have a deficit balance of Scope 1 emissions relative to the minimum preliminary free allowances expected for that period.
ACVA's projected emissions for 2026–2030 and preliminary free allocations were calculated, factoring in CBAM reduction coefficients and the average EUA price per year based on expert forecasts.
As a result, the estimated annual economic impact ranges from €540,000 (best year) to €2.1 million (worst year). Notably, the potential carryover of allowances for this year has not been factored into the cost estimate. Additionally, both ACERALAVA's annual emissions and EUA prices may fluctuate due to technological or market factors, meaning this estimate should be reviewed periodically.
- (2) **Cost Pass-Through from the Value Chain due to the Introduction of a New Emissions Trading Scheme (EU ETS II):**
Starting in 2027, emission allowance obligations are expected to come into effect. The financial impact from that period has been calculated assuming diesel suppliers (used by Tubacex Logistics trucks) will pass 100% of the cost increase to consumers (i.e., Tubacex). Two EUA2 (emissions under EU ETS II) price scenarios were considered: A rapid electrification scenario, where EUA2 prices are contained (~€50), and A slower electrification scenario than projected in Fit for 55, where EUA2 prices rise (~€100). This could result in approximate fuel price increases of €0.12/liter and €0.25/liter, respectively. Using projected fossil fuel consumption volumes and applying these price increases yields an estimated additional cost of: €127,000 under the rapid electrification scenario and €265,000 under the slow electrification scenario. These figures are cumulative for 2027–2030, in addition to current fuel costs.
- (3) **High Dependence on Electricity Generated from Fossil Fuels.** Starting in 2027, an indirect financial impact is expected due to rising electricity costs in Tubacex facilities that do not yet use 100% renewable electricity (specifically, IBF Vittuone and Piacenza). The implementation of EU ETS II will impact companies supplying fossil fuels (regulated entities). As these suppliers are required to pay for their carbon emissions, they are likely to pass these costs to electricity marketers, and ultimately to consumers. There is still uncertainty regarding the magnitude of this impact, as it depends on market

dynamics. It is assumed that between 2027 and 2030, the affected facilities will only be able to procure 50% renewable electricity (a conservative estimate; if they achieve 100%, the risk would be dismissed). Using this assumption, the projected impact was calculated based on two EUA2 price scenarios: €50/MWh under a rapid electrification scenario, and €100/MWh under a slower electrification scenario. These costs translate into increases of approximately €10/MWh and €20/MWh, respectively. Multiplied by non-renewable electricity consumption reference values, this results in an estimated impact of: €66,000 under the rapid electrification scenario and €131,000 under the slow electrification scenario (Cumulative for 2027–2030).

Opportunities:

(1) **Improvement in Waste Management:**

To evaluate the financial impact of optimizing waste management at Tubacex, the current cost associated with managing its main non-hazardous waste—stainless steel slag—was analyzed.

This waste undergoes R4 treatment for the recovery of metals and metallic compounds. Currently, the recovery process is carried out at a specialized plant in Europe focused on stainless steel industry products, representing an operational cost of €1.4 million for Tubacex. To improve efficiency and reduce management and transportation costs, Tubacex conducted a market study to identify valorization plants in Spain that would allow for local waste management.

This could result in significant short-term operational savings of approximately €700,000, with an estimated variation of ±10%.

(2) **Process Energy Efficiency:**

To evaluate the financial impact of this opportunity, Tubacex considered the reduction in operational expenditures (OPEX) derived from lower energy consumption, thanks to various energy efficiency projects and initiatives either implemented or planned across its facilities. These initiatives include the installation of digital systems for energy measurement and control, the adoption of specialized technologies, and the implementation of process-related efficiency measures. The figure reported in the reference year (€717,000) reflects the savings generated by all energy efficiency projects already implemented at different Tubacex sites. The projected financial impact includes the estimated OPEX reduction from short-term projects and initiatives, totaling €4.5 million, with an estimated variation of ±10%.

(3) **Use of Cleaner Energy Sources:**

To assess the financial impact of this opportunity, the reduction in OPEX from lower gas consumption due to the use of cleaner energy sources was considered. This estimate is based on a study by Tubacex projecting a 60% reduction in gas consumption by 2030, using 2019 consumption as a baseline (326,423 MWh/year). A projected reduction of 60% results in an annual gas consumption decrease of 198,853.80 MWh/year. This figure was multiplied by the average gas price in Spain between 2019 and 2023, as Spain is where Tubacex concentrates most of its energy consumption. The resulting estimated savings amount to €12 million, with a variation of ±10%.

(DP AR73 a) On the other hand, Tubacex is fully aware of the importance of calculating and disclosing the value of potentially stranded assets in order to effectively manage the financial and strategic risks associated with the transition to a low-carbon economy.

In the risk and opportunity analysis conducted, no assets have been identified as potentially stranded. However, the need has been identified to implement upgrades and modernizations in certain equipment and machinery to prevent them from becoming obsolete and stranded, optimizing their efficiency through the application of the following measures:

- Installation of variable frequency drives (VFDs) on combustion motors of the PIT furnaces
- Installation of a pressure control system on the Hypertrempe furnace

In addition to other planned mitigation measures such as:

- Heat recovery unit (PIT furnaces)
- Flue gas analyzers
- Oxygen lance
- Replacement of furnace heat recovery unit

These measures, together with the actions identified in the E1 initiative, represent a CAPEX investment of €12,788,482 for 2025.

(DP 67 d) For Tubacex, identifying liabilities related to climate transition risks is essential to avoid financial impacts and to ensure long-term sustainability. For example, the tightening of carbon emissions regulations could lead to significant financial obligations, such as increased costs for acquiring emission allowances and technology adaptation costs. Currently, Acería de Álava (ACVA) is subject to the EU ETS. For the reference year (2023), despite having a deficit balance, it was not necessary to purchase emission allowances because ACVA had an allowance surplus. Therefore, the financial impact for the reference year is €0. However, in the short term, ACVA is expected to face increasing costs for purchasing allowances due to the reduction of free allocations with the entry into force of CBAM (2026–2030). For the estimated short-term impact (up to 2030), it is assumed that there will be a deficit in ACVA's Scope 1 emissions relative to the minimum preliminary free allocations expected for that period. The costs of purchasing emission allowances have been estimated based on projected emissions at ACVA for the period (2026–2030), preliminary free allocations accounting for CBAM reduction factors, and the estimated average EUA price for the same period. As a result, it is estimated that the financial impact will range between €542,000 and €2,110,000 in the short term. With regard to the potential cost pass-through from the value chain due to the introduction of a new emissions trading regime (EU ETS II), allowance surrender obligations are expected to begin in 2027. Consequently, the financial effect from that period was calculated assuming that diesel suppliers (the fuel used by Tubacex Logistics trucks) will pass 100% of the cost increase to the consumer (Tubacex). Two EUA2 price scenarios (emissions allowances under EU ETS II) were considered: a scenario of rapid transport electrification, in which EUA2 prices are contained (around €50), and another scenario of slower-than-expected electrification under Fit for 55, in which EUA2 prices would be higher (€100). This could result in an approximate increase of €0.12/liter and €0.25/liter, respectively. Based on this, fossil fuel transportation consumption was calculated and multiplied by both price increases, resulting in an impact of €127,000 for the rapid electrification scenario and €265,000 for the slow electrification scenario (cumulative 2027–2030), in addition to current fuel costs. Finally, the high dependency on electricity generated from fossil fuels may lead to an indirect impact resulting from an increase in electricity costs at Tubacex facilities that do not yet have 100% renewable electricity (IBF Vittuone and IBF Piacenza). The entry into force of EU ETS II will impact companies supplying fossil fuels (regulated entities). As they will need to pay for their carbon emissions, these companies may face additional costs, which in many cases will be passed on to electricity marketers and, ultimately, to consumers. However, there is still uncertainty about the magnitude of this impact, as it depends on market developments. It is assumed that during the 2027–2030 period, both affected facilities will achieve only 50% renewable electricity (a conservative estimate; if they reach 100%, the risk would be dismissed).

Based on this assumption, the projected impact is calculated using two EUA2 price scenarios: a rapid transport electrification scenario, in which EUA2 prices are contained (around €50), and a slower-than-expected electrification scenario under Fit for 55, in which EUA2 prices would be higher (€100). This could lead to an approximate increase of €10/MWh and €20/MWh, respectively. This figure was multiplied by the reference value of non-renewable electricity consumption, resulting in an impact of approximately €66,000 for the rapid electrification scenario and approximately €131,000 for the slow electrification scenario (cumulative 2027–2030).

Identifying and managing these obligations also presents strategic opportunities. For example, early planning to address potential liabilities can help prioritize investments in clean technologies and strengthen the company's competitive position in emerging low-carbon markets.

2.2. Pollution (E2)

2.2.1 Description of the processes for identifying and assessing material impacts, risks, and opportunities related to pollution (NEIS 2 IRO-1).

(DP 11 a) Physical risks in the context of pollution arise when the environment and human health are compromised. They are identified in accordance with AR 7 of the European Sustainability Reporting Standard for Pollution (ESRS E2), where they are defined as pollution cases that may cause or have caused contamination, generating negative effects on the environment and society.

In 2024, Tubacex carried out an analysis of the current management of purchasing processes and the supply chain, with a focus on sustainability. This analysis allowed for the identification of the main areas for improvement and the proposal of specific initiatives to address them, thus establishing a roadmap toward more sustainable purchasing and supply chain management. This includes the selection of the main purchasing categories and geographies, followed by the identification and analysis of **ESG risks** (environmental, social, and governance). A detailed analysis was also conducted on the main supply chains, focusing on the inherent ESG risks associated with each category and geographic region.

Methodology

Risks and opportunities associated with pollution prevention and control were assessed following the LEAP methodology and the COSO Enterprise Risk Management (ERM) Framework. The methodology is based on the analysis of environmental impacts generated during Tubacex's industrial activities. The scope of physical risk identification and subsequent assessment includes the facilities selected based on the previously conducted materiality analysis. Their materiality was assessed using variables such as total revenue, raw material consumption, production, waste generation, and groundwater and non-groundwater water consumption. The most significant environmental aspects of each location were then identified—those that could lead to impacts, risks, or opportunities (**IROs**) related to pollution. This analysis of **IROs** focused exclusively on Tubacex's own assets and activities. However, due to the limited information available from actors in the value chain, the identification and assessment of physical risks within that chain were not included. This approach is expected to be addressed in future cycles.

Assumptions and Sources of Information

The identification and assessment of pollution-related **IROs** were carried out using technical documentation provided by the plants, as well as other secondary information sources for the steel industry, such as:

- Non-Financial Information Statements (NFIS) and technical documentation – environmental management systems of the plants
- Best Available Techniques (BAT) Reference Document for the Ferrous Metals Processing Industry (2022)
- Best Available Techniques (BAT) Reference Document for Iron and Steel Production (2013)
- Best Available Techniques (BAT) Reference Document for Surface Treatment of Metals and Plastics (2006)
- Kick-off meeting report for the review of the Best Available Techniques (BAT) Reference Document for the Surface Treatment of Metals and Plastics (2022)

For Tubacex, having robust methodologies to assess the impacts, risks, and opportunities related to pollution is essential for mitigating its negative effects as well as for leveraging strategic opportunities. The use of these tools and methodologies enables the prioritization of corrective and improvement actions.

(DP 11 b) Tubacex conducted the **IROs** analysis in this reporting cycle with environmental experts, through the engagement of an external consulting firm.

However, Tubacex is aware that effective consultations on pollution prevention are key to mitigating social, regulatory, and operational risks. In future reporting cycles, these types of actions will be included. Through these consultations, the company aims to ensure an inclusive and transparent approach to pollution risk management, promoting stakeholder collaboration and engagement in identifying and mitigating environmental impacts (AR 9). For Tubacex, disclosing the results of the materiality assessment in terms of pollution is essential to demonstrate a strategic approach to sustainability. Identifying material aspects, such as atmospheric emissions, wastewater discharges, or hazardous waste management, helps the organization prioritize efforts and resources where they are most needed.

Tubacex's material sites were identified by analyzing physical locations and specific sites where activities with a significant sustainability impact are carried out. Their materiality was assessed using variables such as total revenue, raw material consumption, production, waste generation, and groundwater and non-groundwater water consumption. The company's own operations were also taken into account.

The most relevant pollution aspects for Tubacex have been identified through the review of technical documentation from material sites and the TNFD sectoral guidance for the metals and mining industry. Additionally, parameters such as the geographic location of the plants and their proximity to protected areas (such as the NATURA 2000 Network) and/or urban centers that could be negatively affected have been considered.

Below are the highest-priority risks and opportunities identified for Tubacex:

Physical Risks

- Noise pollution. Risk factor: Noise disturbance

Industrial activities carried out at Tubacex plants may potentially cause external noise impact, primarily attributable to equipment operation and the physical-mechanical treatment processes of steel. Inadequate noise and vibration reduction measures in the equipment could lead to noise disturbances in the areas surrounding the facilities, as well as exceeding the limits established by current regulations.

- Pollution from discharges into water systems. Risk factor: Treatment system failure

The steel industry generates wastewater during normal operation of its industrial processes. These industrial waters typically contain acidic contaminants, solids, and various oils. The wastewater is treated to comply with discharge conditions established in each plant's discharge permits, generally through mechanical treatment for solid separation and physicochemical treatment for neutralization and removal of acidic waters. A malfunction in these treatment systems could lead to the discharge of polluted water into bodies of water, causing contamination issues.

The Tubacex plants assessed as having the highest exposure to physical pollution risks are TTI (Llodio) and TTP (India). This exposure is mainly due to their proximity to urban centers and the discharge of water into rivers at both sites. These factors increase the vulnerability of the plants to potential environmental and regulatory impacts related to pollution, requiring the company to take measures to mitigate such risks and ensure compliance with environmental regulations.

Transition Risks

- Increased stakeholder concern over pollution and its prevention and control. Type of risk: Reputational

The EU Action Plan "Towards a Zero Pollution for Air, Water and Soil" and other pollution prevention and control initiatives are raising stakeholder awareness of environmental issues. Stakeholders increasingly prefer products and services from companies that demonstrate sustainable and responsible practices regarding pollution prevention and control. If Tubacex fails to adequately manage its environmental impacts, it could face serious consequences in terms of stakeholder trust, product demand, investment, and community relations.

Opportunities

- Greater demand for more sustainable products and services. Type of opportunity: Products and services

Growing environmental awareness and concern among consumers, businesses, and regulators is driving demand for more sustainable products and services. This trend presents a significant opportunity for companies that can innovate and develop offerings that minimize environmental impact. In this context, Tubacex has a major opportunity to expand its customer base, strengthen its competitive position, and solidify its image as a company committed to pollution prevention. This could be achieved by incorporating more efficient processes that use raw materials with lower impact on health and the environment, and by reducing pollutant emissions, thereby lowering its environmental footprint. This opportunity could also yield reputational, sales, and operational efficiency benefits.

- Implementation of new BAT (Best Available Techniques) to reduce environmental impact. Type of opportunity: Resource efficiency

The Best Available Techniques (BAT), both for the ferrous metals processing industry and for the surface treatment of metals and plastics, represent the most advanced and effective technologies for establishing emission limits and conditions to minimize environmental impact. These are published under the framework of the Industrial Emissions Directive through Implementing Decisions. Facilities subject to their application are given four years from the publication date to comply with the new conditions and requirements set by the BAT conclusions. In November 2022, the BAT conclusions for the ferrous metals processing industry were published. Meanwhile, the process for drafting a new BREF (BAT Reference Document) for surface treatment of metals and plastics is ongoing. On July 28, 2022, the draft kick-off meeting report was published, and the new BREF is expected in the coming years. Several Tubacex facilities fall under the scope of these BAT conclusions. In this regard, Tubacex has the opportunity to implement advanced technologies and optimized operating practices to reduce emissions of pollutants into the air, water, and soil, thereby minimizing the environmental impact of these facilities. Moreover, the company may achieve significant operational benefits through improved energy efficiency and reduced resource consumption, comply with environmental regulations, enhance its sustainability, and strengthen its competitive position in the market.

- Increased transparency of environmental practices and policies as a result of CSRD disclosure obligations. Type of opportunity: Reputational

The EU Corporate Sustainability Reporting Directive (CSRD) imposes new disclosure requirements regarding companies' environmental practices and policies, dedicating one of its key areas to pollution. These disclosure obligations offer a valuable opportunity to enhance corporate reputation by increasing transparency and strengthening relationships with stakeholders. By adopting a proactive and transparent approach and demonstrating its commitment to pollution prevention and control, Tubacex can improve stakeholder relationships, generating greater trust and credibility. This approach not only ensures regulatory compliance but also provides significant long-term benefits in terms of brand image, customer loyalty, and competitiveness.

2.2.2 Policies Related to Pollution (E2-1).

Tubacex recognizes the importance of managing and mitigating the environmental impacts arising from its industrial activities and those of its value chain, as well as its responsibility to protect the environment and prevent pollution. Therefore, it specifically addresses the following commitments in its integrated environmental policy, associated with the various material impacts, risks, and opportunities (IROs) identified on this topic. (DP 15)

The policies that include commitments related to pollution are the General Sustainability Policy and the Integrated Environmental Policy. These policies are described in greater detail, including their core contents and objectives, in Chapter 2.1 E1: Climate Change, specifically in Section 2.1.4: Policies Related to Climate Change Mitigation and Adaptation.

Material IRO	Associated Commitment
<ul style="list-style-type: none"> • Alteration of air quality with negative consequences for human health, as well as for ecosystems and living beings • Noise pollution. • Alteration of water quality due to the emission of polluting substances in discharges, with negative consequences for human health and other living beings (aquatic ecosystems). 	<ul style="list-style-type: none"> • Commitment to avoid, mitigate, or remedy the impacts resulting from any activity that generates pollutants to air, water, and soil, including ensuring the minimization of hazardous substance use and the implementation of necessary procedures and measures to prevent environmental impacts under both normal and emergency operating conditions. • Implementation of best available technologies related to wastewater treatment and atmospheric emissions systems in order to meet and exceed local environmental standards, thereby preventing significant harm to public water resources and the atmosphere.

The Integrated Environmental Policy does not include commitments related to the minimization and substitution of substances of concern or the progressive elimination of substances of very high concern, as these are not considered material for the organization. (DP 15 b) Regarding emergency situations, there are no specific commitments outlined in the policy, but the company has established procedures to prevent and avoid incidents and emergency situations, as well as protocols to respond if they occur. (DP 15 c)

In conclusion, these commitments aim to reflect Tubacex's determination to contribute to environmental preservation, promoting a greater balance between economic development and respect for the environment in which it operates.

2.2.3 Actions and Resources Related to Pollution (E2-2).

(DP 18) Through the analysis of technical documentation from Tubacex plants (e.g., environmental management systems, life cycle assessments, and environmental impact assessments), actions were identified to manage potential IROs related to pollution. All the actions presented in this section contribute to the achievement of the objective "**Reduce air, water, and soil pollution**" set out in the integrated environmental policy. In this regard, Tubacex plants have implemented the following measures, which have already been put in place at various facilities (ESRS 2 DP 68 a) and are actions previously implemented but still maintained in 2024 (ESRS 2 DP 68 c).

Environmental Management:

- The facilities have an environmental management system that facilitates periodic monitoring and maintenance of equipment (scrubbers, filters, treatment systems, among others) and the monitoring of environmental parameters (effluents, gas emissions, noise levels). This ensures compliance with authorized limits and minimizes risks associated with pollution and emissions. This action falls under the mitigation hierarchy level: avoid pollution. It is mainly implemented in European plants. (ESRS 2 DP 68 b)

Preventive Infrastructure:

- Impermeable flooring and pavement: Impermeable materials are used in storage areas and paved surfaces to prevent the infiltration of pollutants into soil or groundwater. This action falls under the avoid pollution hierarchy level. Implemented in all plants. (ESRS 2 DP 68 b)
- Closed-loop systems: In industrial processes (such as cooling), closed circuits are used to optimize resource use and prevent discharges. This action falls under the avoid pollution hierarchy level. Implemented in all plants. (ESRS 2 DP 68 b)

Emission Control:

- Leak and spill prevention: Implementation of plans and equipment (sealed trays, tanks with resistant coatings) to contain potential pollutants in critical areas. This action falls under the avoid pollution hierarchy level. Implemented in all plants. (ESRS 2 DP 68 b)
- Extraction and monitoring systems: Control of gaseous emissions and tracking of emitted tons to ensure compliance with environmental regulations. This action falls under the reduce pollution hierarchy level. Mainly implemented in European plants. (ESRS 2 DP 68 b)

Noise Impact Reduction:

- Use of acoustic insulation in machinery, buildings, and processes, as well as layout design and operational measures (e.g., avoiding noisy activities at night) to minimize noise and vibrations. This action falls under the reduce pollution hierarchy level. Mainly implemented in European plants. (ESRS 2 DP 68 b)

Best Available Techniques (BAT):

- Incorporation of advanced practices such as proper storage of hazardous substances, controlled waste management, and efficient facility design to reduce environmental impacts. This action falls under the avoid pollution hierarchy level. Mainly implemented in European plants. (ESRS 2 DP 68 b)

Disclosing these actions and resources related to pollution is essential to demonstrate a proactive approach to sustainability and environmental risk management. Tubacex acknowledges that failing to act or not allocating sufficient resources to address pollution risks can result in regulatory sanctions, conflicts with local communities, and reputational damage. On the other hand, strategically allocating resources to these areas can create significant opportunities, such as improved operational efficiency and a stronger market position. (DP 19) On the contrary, classifying actions according to the mitigation hierarchy allows for the prioritization of those with the greatest positive impact on pollution management. Tubacex sites operate under environmental management systems that incorporate a structured approach to managing environmental impacts, prioritizing the following stages: avoid, minimize, restore, and offset. This means determining whether an action is designed to prevent pollution, reduce its intensity, restore affected areas, or offset residual impacts.

The financial resources (ESRS 2 DP 69 a) dedicated to the aforementioned actions are presented in the table below:

	Financial resources	Implemented 2024 (ESRS 2 DP 69 b)	To be implemented (2025) (ESRS 2 DP 69 c)
E2. Pollution	CAPEX	101,295 €	142,405 €

2.2.4 Pollution Related targets (E2-3).

Under its current ESG Plan, Tubacex has not yet defined specific corporate targets related to minimizing impacts, risks, or opportunities associated with pollution through emissions to water, soil, or air pollutants, nor does it monitor the effectiveness of its policies and actions in relation to these impacts, risks, and opportunities (ESRS 2 DP 81 b), as the plan has primarily focused on other issues deemed more critical for the company in the field of sustainability. (DP 22 and 23)

(DP 25) However, Tubacex does have mandatory specific targets associated with regulatory requirements applicable to the different plants and locations where the company operates. These targets are related to not exceeding certain legal thresholds for parameters associated with air pollution from potentially polluting activities (such as emission sources at the steelworks and other auxiliary processes), as well as water pollution thresholds, whether for discharges into public water bodies or wastewater collection systems. In relation to these targets, it is worth noting that at Tubacex's plants in the Basque Country (TTI and ACERALAVA), all emission sources are equipped with treatment and/or process control systems to ensure compliance with established environmental standards.

In addition, accredited entities carry out periodic verifications in accordance with the requirements of the applicable Integrated Environmental Authorizations (IEAs). Regular monitoring is also conducted to ensure that noise levels remain within regulatory limits. Regarding light pollution, the plants have implemented more efficient systems and low-consumption lighting, complemented by periodic measurements to ensure proper management in this area. In upcoming ESG plans, Tubacex will evaluate the possibility of establishing specific targets and goals in this area, aligned with the evolution of its operations and business, local needs, and stakeholder expectations, reaffirming the company's commitment to this matter.

2.2.5 Air, Water and Soil pollution (E2-4).

The following table shows the amounts of pollutants emitted into the atmosphere and water, expressed in kilograms per year:

Air pollutants (tn/año) (DP 28 a)	European Plants		Plants out of Europe	
Year	2023	2024	2023	2024
Methane (CH ₄)	810.87	779.78	193.07	178.93
Carbon Monoxide (CO)	37,228.48	35,801.15	5,243.79	5,588.07
Carbon Dioxide (CO ₂)	40,270.88	40,967.14	10,143.42	94,400.19
Nitrous Oxide (N ₂ O)	579.20	556.99	137.91	127.80
Non-Methane Volatile Organic Compounds (NMVOCs)	27,849.42	26,781.68	6,631.11	6,145.24
Nitrogen Oxides (NO _x /NO ₂)	77,486.85	74,516.02	19,474.47	17,937.34
Sulfur Oxides (SO _x /SO ₂)	415.29	399.37	98.88	91.64
Arsenic and Compounds (as As)	2.59	2.49	0.62	0.57
Cadmium and Compounds (as Cd)	2.59	2.49	0.62	0.57
Chromium and Compounds (as Cr)	53.42	51.37	7.52	7.61
Copper and Compounds (as Cu)	11.86	11.41	2.83	2.62
Mercury and Compounds (as Hg)	0.96	0.93	0.23	0.21
Nickel and Compounds (as Ni)	47.49	45.67	11.31	10.48
Lead and Compounds (as Pb)	5.93	5.71	1.41	1.31
Zinc and Compounds (as Zn)	5.84	5.61	1.39	1.29
PCDD + PCDF (Dioxins + Furans) (as Teq)	0.00	0.00	0.00	0.00
Total Organic Carbon (TOC) (as total carbon or COD/3)	5,636.20	5,420.11	1,342.01	1,243.68
Chlorine and Inorganic Compounds (as HCl)	772.54	742.93	183.95	170.47
Fluorine and Inorganic Compounds (as HF)	166.11	159.74	110.07	94.42
Particulate Matter (PM10)	6,762.47	6,503.20	1,050.19	1,033.48

Air pollutants (tn/año) (DP 28 a)	European Plants		Plants out of Europe	
Year	2023	2024	2023	2024

Ammonia (NH ₃)	5.08	5.88	0.65	0.80
Nitrogen Oxides (NO _x /NO ₂)	821.26	26.67	105.43	3.61
Total Nitrogen	1,145.41	147.45	147.04	19.96
Total Phosphorus	47,117.51	45,766.91	106.90	20.53
Chromium and Compounds (as Cr) (8)	609.18	157.56	2.81	3.43
Nickel and Compounds (as Ni) (8)	655.77	645.08	7.02	8.58
Halogenated Organic Compounds (as AOX) (9)	32.83	31.76	4.21	4.30
Total Organic Carbon (TOC) (as total carbon or COD/3)	8,139.84	7,281.98	69.43	79.86
Trichloroethylene	0.00	0.00	2,226.00	1,153.00
Fluorides (as Total F)	5,475.00	6,343.09	702.83	858.86

The previously mentioned pollutants have been identified through direct measurements. In the case of relevant plants for which no data was available, estimates were made based on measurements from the previous year. This is due to the fact that, under current legislation, there is no obligation to measure certain parameters, or the results of annual measurements are not yet available. As a result, it was decided to estimate values that could not be obtained directly (DP 31).

With regard to pollutants affecting soil as a receiving environment, the analysis of material IROs limited the scope to the Álava steelworks, due to the nature of its operations. According to the Resolution of March 8, 2016, issued by the Deputy Minister for the Environment, which revises, modifies, and enforces the Integrated Environmental Authorization (IEA) for the steelworks activity, this facility must comply with the stipulated conditions and requirements—particularly the implementation of an Environmental Monitoring Program (PVA). This PVA specifically includes controls for atmospheric emissions, discharged water quality, activity indicators, and noise levels. In addition to what is specified in the program, it also includes periodic monitoring of groundwater (every 5 years) and soil (every 10 years), as stipulated in Article 10 of Royal Decree 815/2013, when a new intervention is carried out. Regarding the most recent report available (2022) on groundwater and soil monitoring—which included the sampling of both media—it should be noted that there has not yet been any breach of the applicable periodicity requirements. In this respect, and according to the resolution, “controls with a frequency longer than one year shall be submitted only as part of the program corresponding to the year in which the control is performed.”

As for PRTR (Pollutant Release and Transfer Register) procedures, direct emissions to soil are neither recorded nor reported, as this is not required under the European Regulation (Regulation EC No 166/2006 of the European Parliament and of the Council). The regulation only requires reporting of data related to soil pollutants for two specific waste disposal operations: land treatment (biodegradation of waste in land) and/or deep injection. It is important to emphasize that this exclusion does not imply non-compliance with the requirements applicable to the steelworks, as outlined in the Integrated Environmental Authorization (IEA). Compliance evidence is submitted annually to the Basque Government through the corresponding Environmental Monitoring Program report.

(DP 30 b and c) At Tubacex, comprehensive policies and processes are implemented to identify and classify potential water pollutants, in alignment with the ISO 14001 environmental management standard. Initial assessments focus on detecting substances that could negatively affect water bodies and ecosystems, such as heavy metals and chemical residues.

As part of its environmental management policy, the company prioritizes a thorough analysis of all materials used in production, considering their chemical properties and potential environmental risks. In addition, continuous monitoring of wastewater composition has been carried out to ensure compliance with legal requirements and to effectively manage risks to aquatic ecosystems and human health. In our Integrated Environmental Authorizations (IEAs), the pollutants that must be measured in each discharge stream are specified—whether discharged into a river (as in TTI Amurrio and Aceralava) or into a collector (as in Llodio)—as well as the frequency at which samples must be collected for analysis. Subsequently, an external accredited control body (OCA) collects the samples according to the required frequency and analyzes the specified components. To identify the pollutants, we use key metrics such as the concentration of heavy metals (e.g., nickel and chromium) and essential parameters such as pH, biochemical oxygen demand (BOD), and chemical oxygen demand (COD). These measurements allow us to evaluate compliance with regulations and to guide corrective actions when necessary. Our performance is measured by monitoring compliance with legal limits, tracking potential non-compliance, and analyzing results obtained by accredited external entities that conduct periodic assessments. This approach allows us to anticipate risks and mitigate their impact before they affect the environment.

(DP 31) The measurement methodology used is direct, which means that no estimations or additional uncertainties are included—except those inherent to the measuring instruments themselves. To comply with applicable legislation, both Tubacex and the OCAs responsible for monitoring use direct measurements.

2.2.6 Expected Financial Effects of Pollution-Related Incidents, Risks, and Opportunities (E2-6).

In accordance with the transitional provisions established in Requirement 10.4 of ESRS 1 and Appendix C, Tubacex has chosen to omit the information required in this section, as this is the first year of publication of its Sustainability Report aligned with the CSRD directive and the ESRS guidelines

2.3. Water Resources (E3)

2.3.1. Description of the Processes to Identify and Assess Material Impacts, Risks, and Opportunities Related to Water and Marine Resources (NEIS 2 IRO-1).

(DP 8 a) Tubacex considers that conducting and disclosing assessments related to water and marine resources is essential for identifying and mitigating operational, regulatory, and reputational risks. It should be noted that marine resources are not considered material for the company; therefore, this section will focus exclusively on water resources. The analysis of the effects of the company's activities on these resources presents cross-cutting characteristics closely related to the themes of climate, pollution, and biodiversity. For example, impacts on water bodies can result in impacts on nature and biodiversity, as well as in climate changes resulting from alterations to water systems. Furthermore, certain pollution events may also affect water bodies. A thorough analysis was carried out using technical documentation from Tubacex's material sites, in combination with technical insights on the

TNFD framework for the metals industry, publicly available data, and other relevant secondary sources in the steel sector. The objective of this study was to identify sites whose activity and relationship with water resources make them significant within the water resources theme. Below is a summary of the methodology and assumptions used:

1. Selection of Material Sites

To identify material sites, 43 key locations were assessed, including steel plants, production sites, distribution centers, warehouses, and corporate offices where Tubacex conducts significant operations. The variables analyzed included: revenue, raw material consumption, production, waste generation, and water consumption. Following the Pareto Principle, it was determined that 80% of the impact across each criterion is concentrated in the following key sites: Acería de Álava, Schoeller Bleckmann Edelstahlrohr, Tubacex Tubos Inoxidables in Spain (Llodio and Amurrio), Tubacex Tubes and Pipes in Umbarger, IBF Piacenza, IBF Vittuone, Salem Tube, and Tubacex Durant.

2. Identification and Assessment of Physical Risks Related to Water Resources

Impact and risk identification at Tubacex was based on the IPCC formula: Hazard × Exposure × Vulnerability, where vulnerability includes both sensitivity and adaptive capacity. This methodology ensures consistent analysis across environmental themes and includes the following specific variables for the water axis:

- **Hazard (Impact driver):** External factors identified using the TNFD, ENCORE, and Aqueduct Water Risk tools. Drivers include water use and pollution, surface and groundwater degradation, water scarcity, and treatment system failures.
- **Exposure:** Parameters such as drought and flood risk, water quality, condition of ecosystem services (assessed with the WWF Water Risk Filter), and the strategic importance of the site, help contextualize each site's situation in relation to water resources.
- **Vulnerability:** Sensitivity is defined by the likelihood of disruption to aquatic ecosystems and the site's dependency on water, while also considering adaptation measures already implemented by Tubacex.

Cross-analysis of these variables identified impacts such as: water pollution, degradation of water quality and habitats, species loss, discharge to water bodies, water shortages, droughts, and reduced availability for industrial processes. These were classified into five levels: very low, low, medium, high, or very high.

3. Identification and Assessment of Transition Risks and Opportunities Related to Water Resources

Transition risk assessment was based on the intersection between the likelihood of occurrence and the potential impact on Tubacex, using a qualitative scale. Likelihood scores were assigned by considering whether a risk has occurred in the past or could do so in the near future. Impact scores assessed potential economic, organizational, reputational, and environmental effects on the company.

Opportunities were evaluated based on the intersection between the potential to capitalize on the opportunity and its effectiveness. Potential was scored qualitatively depending on how easily and quickly the opportunity could be integrated. For instance, if the opportunity could be capitalized on during the current fiscal year or is already in progress, the score was "very high." If integration capacity is low or nonexistent, the score was "very low." Effectiveness was scored based on the opportunity's positive impact on business operations, efficiency, corporate strategy, profitability, market positioning, and reputation—ranging from very low to very high.

(DP 8 b) he analysis of **impacts, risks, and opportunities** was conducted by external experts. However, Tubacex recognizes the importance of **effective consultations on water resources** to mitigate social, regulatory, and operational risks. In addition, disclosing how these consultations are conducted helps strengthen the company's **trust and reputation**, showing a commitment to sustainability and transparency. For this reason, such actions will be taken into account in future assessments (DP AR 1). The **water resources theme is highly cross-cutting**, given its strong interconnection with the themes of **climate, pollution, and biodiversity**. The water resource analysis was carried out using the **LEAP approach** proposed by TNFD, analyzing material site context, impacts, dependencies, risks, and opportunities related to water use.

Physical Risks:

- Ecosystem degradation and species loss due to intensive water use

Risk factor: Water stress, drought, and degradation of water quality. Water stress and drought caused by high water consumption may negatively impact surrounding ecosystems and the species that rely on those water bodies for survival.

Transition Risks:

- Changes in public or stakeholder perception due to competition for natural resources

Type of risk: Reputational. Global competition for scarce natural resources such as water, minerals, and land is increasing. This competition can lead to changes in social or stakeholder perceptions toward companies that rely on these resources, like Tubacex. Negative perceptions may arise from concerns about biodiversity impacts associated with resource extraction and use—especially if the company is seen as not managing resources sustainably—potentially increasing reputational risk.

Opportunities:

- Water consumption optimization

Type of opportunity: Resource efficiency. With increasingly frequent and severe droughts due to climate change, improving water management and optimizing consumption is critical—especially in regions more vulnerable to water scarcity. In this context, Tubacex can implement strategies to reduce water use, including real-time monitoring systems to track usage and detect leaks or waste.

- Improved Rating

Type of opportunity: Reputational. Tubacex currently holds a rating that could be improved in relation to the CDP Water Security questionnaire. This rating could increase if the company optimizes water use, management, and treatment processes, thereby enhancing its reputation among investors and suppliers.

Failing to address this indicator may result in significant risks, such as regulatory sanctions, conflicts with local communities, or reputational damage that undermines investor and customer trust. From an opportunity perspective, identifying material aspects enables the company to develop more effective strategies to mitigate negative impacts, capitalize on technological innovations, and explore new markets related to sustainable water and marine resource management.

2.3.2. Policies Related to Water Resources (E3-1).

As part of its environmental policy, Tubacex commits to conserving and responsibly using natural resources, with special focus on sustainable water management. (DP 11)

The policies that contain the commitments related to water use are the General Sustainability Policy and the Integrated Environmental Policy. These policies are described in greater detail, including their core contents and objectives, in Chapter 2.1 E1: Climate Change, specifically in Section 2.1.4: Policies Related to Climate Change Mitigation and Adaptation.

In this regard, the company sets forth the following commitments associated with the material impacts, risks, and opportunities (IROs) identified: (DP 12)

Material IRO	Associated commitment
<ul style="list-style-type: none"> • Depletion of water resources • Deterioration of water quality (surface or groundwater) • Opportunity to improve water management, including reuse and recycling of water in the process • Risks of water scarcity and supply restrictions, including rising costs due to scarcity, affecting the company's ability to operate efficiently and increasing production costs • Risk of legal disputes over water rights and access to water resources if the company were to over-extract water, impacting the availability of water in the region where it operates • Risk of litigation for environmental damage and fines or penalties for non-compliance with regulations 	<ul style="list-style-type: none"> • Implement measures aimed at optimizing water consumption, promoting efficient and responsible use of this essential resource across all operations, regardless of whether they are located in areas of high water stress or not. • Commitment to avoid, mitigate, or remedy the impacts caused by any activity that generates pollutants to air, water, and soil, ensuring the minimization of hazardous substance use and the implementation of necessary procedures and measures to prevent environmental impacts under both normal and emergency operating conditions. • Implementation of best available technologies associated with wastewater treatment and atmospheric emission systems to meet and exceed local environmental standards, thereby preventing significant harm to public water resources and the atmosphere. • Compliance with legal and other voluntary requirements: Tubacex ensures strict compliance with all applicable laws and regulations, as well as with any voluntary commitments adopted in the regions where it operates, including going beyond such standards whenever possible.

The policy commitments are reflected in specific actions detailed in their respective sections. However, it is important to highlight actions focused on improving water consumption and supply, such as the reuse of wastewater and the implementation of closed-loop cooling systems. (DP 12 a i) Likewise, the commitment to water quality is demonstrated through the monitoring of wastewater and the control of discharges. (DP 12 a ii)

Tubacex has not included specific commitments related to the design of products and services aimed at addressing water-related issues or conserving marine resources. (DP 12 b). Tubacex has also not included in its policy specific commitments related to reducing material water consumption in high water-stress areas, neither in its own operations nor throughout the upstream and downstream phases of its value chain. However, these aspects are addressed through specific projects and actions, which will be presented later in the document. (DP 12 c). This commitment is not explicitly included in the policy because the established commitments apply to all group facilities, without focusing solely on those located in high water-stress zones. Instead of being treated as a standalone issue, they are integrated within the group's overall commitments. (DP 13)

Through these commitments, the company aims not only to mitigate negative impacts and risks, but also to leverage opportunities related to the implementation of innovative technologies for water recycling and reuse, and the improvement of water efficiency in production processes.

Tubacex has not included specific commitments related to the sustainable use of oceans and seas, as these have not been considered material in the company's materiality assessment (DP 14)

2.3.3. Actions and Resources Related to Water Resources (E3-2).

(DP 17 Y 19) Tubacex has certified environmental management systems and is working to strengthen governance and systematize data collection for reporting purposes, in order to comply with new sustainability reporting regulations following the TCFD and TNFD LEAP methodologies.

At plants located in water-stressed areas, actions are not primarily focused on minimizing consumption or improving water efficiency, but rather on ensuring water quality. To this end, water sample monitoring and periodic control of wastewater discharges are carried out. Below are Tubacex's most representative measures, specifically referring to the Acería Álava, TTI Amurrio, and Llodio plants (ESRS 2 DP 68 b) for the period 2023 to 2025 (ESRS 2 DP 68 c):

- Use of closed-loop water systems for certain processes, depending on the specific characteristics of each plant.
- Reuse of cooling water.
- Improved water consumption data collection, e.g., through the installation of new meters in pipelines.
- Water recovery from waste: Reuse of water from degreasing rinse tanks and acid rinse tanks. Other options are also being evaluated, such as DAF (Dissolved Air Flotation).
- Additional measures focused on water reuse in various production processes.

In addition, there is a project related to water use optimization, which is detailed in the following section, where the target is linked to the actions taken.

The actions described contribute to achieving the targets and objectives of relevant water-related policies (ESRS 2 DP 68 a), as they are directly aligned with the commitments of the Integrated Environmental Policy, particularly regarding the responsible use of resources and the reduction of water pollution.

No actions have been carried out to establish remediation measures for individuals affected by material real incidents. (ESRS 2 DP 68 d)

The financial resources (ESRS 2 DP 69 a) allocated to the actions described above are presented in the table below:

:

	<i>Financial resources</i>	<i>Implemented 2024 (ESRS 2 DP 69 b)</i>	<i>To be implemented (2025) (ESRS 2 DP 69 c)</i>
<i>E3. Water</i>	<i>CAPEX</i>	223,656 €	585,824 €
	<i>OPEX</i>	-	-

2.3.4. Water-Related Targets (E3-3).

(DP 20, 21, 22 y 23) Under its current ESG Plan, Tubacex has defined a specific target to reduce water consumption, aiming to optimize its intensity in relation to financial value (Gross Value Added - GVA), both in industrial processes and in irrigation use. For this plan, measures and targets have been defined internally, incorporating expert input and recognizing the importance of this issue for stakeholders. This target does not focus on plants located in water-stressed areas, but rather seeks to achieve a group-wide reduction in water intensity. Therefore, this objective is not directly related to the management of material incidents, risks, or opportunities in water-stressed areas. This goal is directly linked to water consumption, as water intensity is defined as the ratio between water use and Gross Value Added (GVA). Thus, reducing consumption while maintaining the same GVA, or increasing GVA without increasing water use, results in more efficient resource usage, which has a direct impact on consumption.

(DP 25) Although current regulations do not require mandatory targets in this area, sustainable water management remains a key pillar of Tubacex's environmental policy. Therefore, various operational measures have been implemented to optimize water use and minimize associated impacts, as documented in Section 2.3.3 above.

The targets and their associated projects can be found in the table further below.

In 2025, Tubacex plans to further evaluate and manage its water consumption by calculating its water footprint, following the guidelines of the ISO 14046 standard. This analysis will help identify more precisely the impacts associated with water use across Tubacex's operations, including issues such as scarcity and resource quality in the regions where the company operates. Based on these results, the company will be able to set more specific targets and strategies to optimize water use and reinforce its commitment to sustainability in the management of water resources.

Project	Target to be achieved and its relation to the policies(, DP 80 a , DP 80b):	Scope of the action (b, DP 80 c) (coverage in relation to the value chain, geographic areas, etc.):	Reference value (DP 80 d)	Base year (DP 80 d)	Time Horizon/ deadline (DP 68c , DP 80 e):	Main actions carried out and qualitative and quantitative information on their progress	Parameter to be measured; Definition and labeling of the parameter (DP 73 , DP 75 , DP 76 , DP 77c)	Methodologies and substantiated significant assumptions (DP 77 a , DP 80 f)	Validation of the parameter measurement (DP 77 b)	Performance with respect to the disclosed targets (DP 80 j)
Water improvement diagnosis	Reduce water use intensity by 20% (from 2.3 10e3m3/GVA to 1.8 10e3m3/GVA). Promote a strategy for efficient water use, water risks, and adaptation plans. (Target relative to the base year)	Group	2,3 Water consumption intensity	2019	2030	An IROS analysis on water resources was carried out in 2024, identifying the plants with the highest level of water stress.	Water consumption intensity (m3/GVA)	m3 used (data obtained from the water supplier) / gross value added (GVA)	Validated by supplier	Current measure: 0.90 10e3 m3/GVA The target performance is 100% as the imposed objective has been achieved.

This target is reviewed annually by calculating the water intensity parameter for the current year and observing the trend in comparison to previous years. The current trend is positive, as the objective has been achieved, and reductions continue to be made, showing a 10% decrease compared to 2023. There have been no significant changes in the company's performance affecting the achievement of the target.

2.3.5. Water consumption (E3-4).

WATER CONSUMPTION	2023	2024
Consumption of water supplied by the municipal network (m3)	185,331	172,653
Consumption of surface water (m3)	89,582	67,984
Consumption of groundwater (m3)	1,241,023	1,490,984
Consumption of recycled or reused water (m3) (DP 28 c)	0	0
Total amount of stored water (m3) (DP 28 d)	0	0
Changes in water storage (m3) (DP 28 d)	0	0
Total water consumption (m3) (DP 28 a)	1,515,936	1,731,621
Gross Value Added (GVA) [K€]	278,527	269,641
Water intensity (m3/K€) (DP 29)	5.44	6.42
Total water consumption excluding groundwater (m3) (DP 28 a)	274,913	240,637
Water intensity excluding groundwater ((m3/K€) (DP 29)	0.99	0.89

Water consumption has shown an increase compared to 2023, which is due to greater accuracy in reported data, as a SBER Group plant was included in the 2024 report. However, upon closer analysis, there is a decrease in water consumption from both municipal sources and surface water compared to 2023.

As part of our commitment to sustainability and the responsible management of natural resources, we have conducted a comprehensive analysis of the impacts, dependencies, risks, and opportunities associated with water scarcity in our operations. This study, which considered variables such as sales volume, production in tons, water consumption, and the geographic location of each facility, was developed using the Climate Scale tool. This tool is based on historical data related to drought events linked to climate phenomena, allowing us to accurately assess physical risks resulting from climate change.

The results show that our plants in Italy (IBF Piacenza) and Oklahoma (Tubacex Durant) are located in areas of water risk and high water stress according to Climate Scale indicators. These indicators, which consider both the number of droughts and their average duration, confirm that these locations face significant water risk. In contrast, our plants in Spain and Austria (ACERALAVA, TTI, and SBER), as well as the Vittuone plant (IBF), have been classified as having “medium” water scarcity.

This analysis covers all Tubacex Group plants and provides a detailed assessment of water stress, also considering factors such as exposure, sensitivity, and the adaptive capacity of our facilities. With this comprehensive approach, we reaffirm our commitment to sustainable water management, ensuring the resilience of our operations in the face of climate change challenges and contributing to the preservation of this essential resource. Details on the mentioned water-stressed areas are included in the table below:

WATER CONSUMPTION	2023	2024
Water consumption in water-stressed areas, including high water stress areas without groundwater (m3) (DP 28 b)	3,096	4,848
Total water consumption in water-stressed areas, including high water stress areas (m3) (DP 28 b)	34,087	52,018

(DP 28 e) Tubacex has conducted an ecological context analysis of its locations using various bibliographic sources and visualization tools (WWF based on Aqueeduct data). This has allowed the company to identify regions and production plants that may have the greatest impact in relation to physical water-related risks. As part of this exercise, the plants with the highest dependence on water resources were evaluated, along with drought indexes to determine the most sensitive operations.

In this regard, and concerning water quality, it has been identified that in Amurrio (where the steelworks and tube extrusion plants are located), water quality is rated as highly polluted (WWF score 4). The Nervión River, which supplies water for operations, presents a concerning status. In Austria, where there is high dependence on water resources for industrial processes, a closed-loop water circuit is used with water extracted from aquifers, and the drought index is low (WWF score 1.5). In India, there is also high dependence on water consumption from aquifers, with a low drought risk at the location (WWF score 2.3). In Italy, aquifer and surface water quality is generally considered good; however, the water quality risk score is very high (WWF score 5 in Piacenza and 4 in Vittuone). Sites located in Saudi Arabia and Dubai show high water quality risk scores (WWF score 4) and are located in drought-prone areas. However, no material volume of water is used in operations at these sites. It is important to note that plants located in areas of high-water stress, where water withdrawal could pose a significant challenge, are developing plans to mitigate the impact of this risk.

Regarding water consumption data, it is entirely based on actual measurements from meters and/or invoices, with the exception of the Álava plants, where estimates were made over a four-month period due to meter reading errors. These consumption figures include only the inflow of water needed for production processes; outflow or discharge data has not been considered in this first phase. This will be incorporated starting in 2025.

In addition, water quality greatly depends on the location of each plant. For example, water extracted from the Trebia River in the Piacenza area is of very good quality (WWF score 5), while extractions from the Nervión River in Amurrio are lower rated (WWF score 4). Groundwater extractions are generally considered to be of good quality.

Regarding water availability in basins, it is important to note that some plants are located in high water stress areas, where water withdrawal could represent a significant challenge—particularly in the Nervión River region.

Water consumption data is calculated in full, not based on assumptions or estimates. However, when calculating water intensity, groundwater extractions are excluded, as the water is returned entirely to the basin after use. No modeling is carried out; data is obtained through direct measurements.

2.3.6. Expected financial effects of incidents, risks, and opportunities related to water resources (E3-5).

In accordance with the transitional provisions established in Requirement 10.4 of ESRS 1 and Appendix C, Tubacex has opted to omit the information required in this section, as this is the first year of publication of its Sustainability Report aligned with the CSRD directive and the ESRS standards.

2.4. Resource Use and Circular Economy (E5)

2.4.1. Description of the Processes to Identify and Assess Material Impacts, Risks, and Opportunities Related to Resource Use and the Circular Economy (NEIS 2 IRO-1).

(DP 11 a) The IROs (Impacts, Risks, and Opportunities) were identified in accordance with the European Sustainability Reporting Standard on resource use and the circular economy (ESRS E5). The LEAP methodology referenced in ESRS 2 IRO -1 of the CSRD was followed. This IRO analysis focused exclusively on Tubacex's own assets and activities. However, due to limited information available from value chain actors, the identification and evaluation of physical risks in the value chain was not included. This approach is expected to be addressed in future exercises.

Methodology

The methodology used for analyzing physical risks under the Resource Use and Circular Economy theme is based on the organization's mass flow—that is, input resources and output resources (waste and products). The scope of risk identification and subsequent evaluation includes facilities selected based on a previously conducted materiality assessment. Their relative importance was assessed using variables such as total revenue, raw material consumption, production, waste generation, and water consumption from both underground and surface sources. The following describes how the priority of risks and opportunities is determined:

- Risks (physical and transition): Risk assessment is based on the formula $\text{Probability of occurrence} \times \text{Impact}$. *Probability* is categorized based on past and future occurrences. *Impact* is characterized considering economic, organizational, reputational, and environmental effects. As a result of crossing these variables, risks are prioritized and classified into four levels: low, medium, high, and very high. Risk evaluation is carried out both for inherent risk (without considering mitigation measures) and residual risk (considering mitigation measures that have been implemented or are planned).
- Opportunities: These are assessed using the formula $\text{Potential to leverage the opportunity} \times \text{Effectiveness of the opportunity}$, and then classified into four levels of prioritization: low, medium, high, and very high.

Assumptions and Sources of Information

To identify and evaluate physical risks, various sources were reviewed, including:

- Tubacex's Non-Financial Information Statement (EINF)
- Specific plan regarding improvements in scrap contribution management by Tubacex
- Ecoinvent 3.10 database (Environmental Prices European), using the ReCiPe 2016 (H) evaluation method in SimaPro 9.6
- Statista (2023): Global mine production of chromium and molybdenum from 2010 to 2023
- U.S. Geological Survey (2024): *Mineral Commodity Summaries 2024: Molybdenum*, U.S. Department of the Interior
- Nickel Institute: General information on nickel, its applications, and life cycle management
- Ihobe: *Kriteus II – Ecoinnovation project for improved scrap and waste management*

(DP 11 b) While Tubacex did not conduct consultations with local communities and regulators in this reporting cycle, the IRO analysis was carried out with environmental experts through an external consultancy.

However, Tubacex recognizes that effective stakeholder engagement on resource use and the circular economy is important to enhance transparency and ensure that resource and circularity management is conducted collaboratively and inclusively. Therefore, such actions will be incorporated in future exercises.

2.4.2. Policies related to the use of resources and circular economy (E5-1).

Tubacex, within the framework of its Integrated Environmental Policy, is committed to promoting a circular economy model that optimizes resource use and minimizes waste generation throughout its entire production process and value chain (DP 14).

The policies that contain the commitments related to resource use and the circular economy are the General Sustainability Policy and the Integrated Environmental Policy. These policies are described in greater detail, including their key contents and objectives, in Chapter 2.1 E1: Climate Change, specifically in Section 2.1.4: Policies Related to Climate Change Mitigation and Adaptation. In this regard, it establishes the following commitments associated with the identified material impacts, risks, and opportunities: (DP 15 a, 16)

Material IRO	Associated Commitment
<ul style="list-style-type: none"> • Depletion of material resources • Minimization of resource use by promoting the use of recycled materials • Impact on the supply chain through the incorporation of efficiency and material recyclability criteria • Promotion of recovery and recycling operations (e.g., slag, refractories, etc.) 	<ul style="list-style-type: none"> • Promote circularity by increasing the use of recycled materials wherever possible, as well as through reuse, recovery, and recycling of waste at all stages of the value chain. This approach helps to reduce dependence on virgin resources, promoting the use of secondary materials whenever feasible. • Adopt necessary measures to improve the efficiency in the use of raw and auxiliary materials, as well as to conserve available natural resources..
<ul style="list-style-type: none"> • Soil quality degradation resulting from the improper storage of hazardous waste • Land use change due to space occupation caused by waste generation (e.g., landfills) • Reduction of landfill disposal and/or waste elimination operations • Promotion of recovery and recycling operations (e.g., slag, refractories, etc.) 	<ul style="list-style-type: none"> • Minimize waste generation by implementing measures that prevent waste from being produced at the source • Apply protection and prevention measures against soil contamination through the proper management of hazardous products and waste

In its Integrated Environmental Policy, Tubacex commits to promoting the use of renewable energy and the decarbonization of the energy sources it uses. Furthermore, both this policy and the Sustainability Policy aim to drive supplier engagement, extending Tubacex's environmental and social commitments throughout the value chain. (DP 15 b)

In conclusion, these commitments undertaken by Tubacex reflect its proactive approach to transitioning toward a more efficient and circular economic model, based on the principles of reduce, reuse, and recycle.

2.4.3. Actions and Resources Related to Resource Use and the Circular Economy (E5-2).

(DP 19) For Tubacex, mitigating risks associated with access to and rising costs of raw materials, as well as complying with stricter waste management and sustainability regulations, is essential. The company has defined concrete actions and objectives for material recovery, and currently uses approximately 82% scrap materials. Additionally, Tubacex's strategic plan (ESRS 2 DP 68 b), covering 2022–2025 (ESRS 2 DP 68 c), positions sustainability, profitability, and competitiveness as core drivers.

Within this framework, the following actions are noteworthy (ESRS 2 DP 68 a):

- Waste reduction efforts: Since 2022, efforts have been made to reduce waste, particularly through a European recovery plant specialized in processing stainless steel industry products, with the aim of treating and recovering approximately 25,000 tons/year of slag and refractories, thereby avoiding landfill disposal.
- Improvement in scrap and waste management – KRITEUS II Project: This initiative evaluated the economic impact of improving waste handling. Tests using DIGIMET technology for steel mill dust recovery (in the KRITEUS project) achieved preliminary recovery rates of 74–80% for chromium and 69–84% for nickel. However, it was concluded that the process was not sufficiently cost-effective to justify investment.
- Planning of solar panel and acid regeneration processes: Currently, 21% of waste is recovered during the production process. The input of Round Bars comes 100% from secondary/recycled raw materials.

The actions described above are directly related to the commitment to integrating sustainability into the group's business strategy, as set out in the General Sustainability Policy. They are also aligned with the Integrated Environmental Policy's commitment to promoting a circular economy through waste reduction and reuse.

In the following section, related to circular economy targets, the projects carried out in this area will be listed, and their actions detailed by project.

No actions have been taken to establish remediation measures for individuals affected by material real incidents. (ESRS 2 DP 68 d)

The financial resources (ESRS 2 DP 69 a) allocated to the actions described above are presented in the table below:

	Financial resources	Implemented 2024 (ESRS 2 DP 69 b)	To be implemented (2025) (ESRS 2 DP 69 c)
E5. Circular Economy	CAPEX	2,000 €	19,000 €
	OPEX	1,658,900 €	1,658,900 €

2.4.4. Targets Related to Resource Use and the Circular Economy (E5-3).

As part of its ESG Plan, Tubacex has established ambitious targets to advance its contribution to the circular economy, committing to achieve over 85% waste circularity by 2030. To this end, Tubacex has planned the following actions and projects: [\(DP 23, 24, 25\)](#)

The targets and parameters are reviewed annually to verify whether they remain relevant. In 2024, there have been no significant changes in the company's performance affecting the achievement of any targets. [\(DP 80 j\)](#)

Pillar 1: Circularity and Neutrality

Project	Target to be achieved and its relation to the policies(, DP 80 a, DP 80b):	Scope of the action (b, DP 80 c) (coverage in relation to the value chain, geographic areas, etc.):	Reference value (DP 80 d)	Base year (DP 80 d)	Time Horizon/ deadline (DP 68c, DP 80 e):	Main actions carried out and qualitative and quantitative information on their progress	Parameter to be measured; Definition and labeling of the parameter (DP 73, DP 75, DP 76, DP 77c)	Methodologies and substantiated significant assumptions (DP 77 a, DP 80 f)	Validation of the parameter measurement (DP 77 b)	Performance with respect to the disclosed targets (DP 80 j)
Scrap recovery model	Achieve 75% use of recycled materials. (Absolute target)	Groups and external clients	58% recycled materials	2019	2030	Improvement of input mix	% materials recycled	Amount of recycled-origin materials / Total amount of materials used	Validated by supplier	In 2024, the percentage of recycled materials (not only scrap) was 62.5%, increasing by 4 points compared to the 2030 target. The trend is in line with expectations, and the goal is expected to be achieved within the established timeframe.
Recycling of slags and refractories	Promotion of a recovery and valorization model for the main steel mill wastes. Achieve 95% recycling of generated waste. (Absolute target)	Steel mill Group	60.5% of waste recycled/valorized	2019	2030	100% of the steel mill slag is valorized through a German waste manager: 2% of the recovered mineral is reused, the rest is used in road asphalt.	% waste recycled/valorized	Amount of waste sent for recovery or valorization / Total amount of waste generated	Validated by Tubacex	In 2024, the percentage of recycled or valorized waste reached 82.29%, reflecting a significant improvement and approaching the 95% target. The

										trend is as expected.
Increased scrap input at ACERÁLAVA	Achieve 75% use of recycled materials. (Absolute target)	Acerálava	58% recycled materials	2019	2030	Monthly monitoring of the percentage of recycled materials.	% materials recycled	Amount of recycled-origin materials / Total amount of materials used	Validated by Tubacex	See project "Scrap recovery model"
Corporate waste management model	Achieve 95% recycling of generated waste. (Absolute target)	Group	60.5% of waste recycled/valorized	2019	2030	Currently fully implemented in the Spanish plants.	% waste recycled	Amount of waste sent for recovery or valorization / Total amount of waste generated	Validated by Tubacex	See project "Recycling of slags and refractories"

These targets are aligned with the commitments set out in the Integrated Environmental Policy and the Sustainability Policy, and are mainly focused on [\(DP MDR-T 80a\)](#):

- Promoting circularity by increasing the use of recycled materials wherever possible and encouraging the reuse, recovery, and recycling of waste throughout the value chain
- Minimizing, as far as possible, the generation of all types of waste, by preventing their production at the source
- Collaboration with stakeholders: working closely with suppliers and customers to promote sustainable practices and extend these commitments throughout the entire value chain
- Engaging the value chain to promote environmentally respectful and human rights-protective practices

The targets are oriented toward Reducing waste outputs, and Increasing the share of recycled materials used in the manufacturing process (inputs). Both the waste target and the recycled materials target are stated in relative terms, aiming to reach 95% of recycled waste and a 75% increase in scrap contribution at the steel mill [\(DP 23, 24\)](#).

In this context, the most ambitious project for waste management and recovery is the one developed at the steelworks for its main non-hazardous waste: slag. Launched in 2022, this project diverts an average of 14,000 tons (13,926 in 2024) from landfills through a recycling and recovery process carried out by an external manager in Germany. Through this process, a mineral recovery rate of around 2% is achieved and reused in production, while the remaining material is used in road asphalt manufacturing, giving a second life to the waste. Beyond mineral recovery and recycling, this initiative significantly reduces the volume of waste sent to landfill, thereby mitigating landscape and ecosystem impacts.

[\(DP 26 and 27\)](#) In setting the targets mentioned above, no requirements from applicable regulations or local ecological thresholds have been considered, as neither applies to the type of resources or waste associated with these goals. Therefore, the targets established are voluntary. However, Tubacex does have other targets related to the minimization of hazardous waste and packaging waste, as required by applicable European legislation on waste and packaging. Still, because the volume of this type of waste is significantly smaller, its contribution to the circular economy is more limited compared to other categories of waste generated by the company, which are the focus of the more ambitious targets set under the ESG Plan as outlined above.

2.4.5. Resource Inputs (E5-4).

(DP 30) For the analysis of impacts, risks, and opportunities under the Resource Use and Circular Economy pillar, a mass flow list by site has been developed—identifying both input raw materials and output resources (secondary materials, waste, and products). To provide operational context, the most significant mass flows by location have been identified. Input resources include all products (including packaging) and materials used in the company's own operations. Information was gathered on the input resources, including material type, quantity, supplier, and supplier's geographical location, among other characteristics, to determine their importance in Tubacex's production.

For example, copper and nickel are part of the critical raw materials list, with strategic importance due to their essential role in the green and digital transition. For Tubacex, efficient management of material resource flows is critical to ensure operational continuity and mitigate risks related to dependence on scarce or unsustainable resources. Lack of supply source diversification may expose the company to supply disruptions, price volatility, and stricter environmental regulations.

(DP 32) Tubacex calculates waste inputs based on purchase records. Although this data does not directly correspond to manufacturing system inputs, it serves as an indicator of the company's overall resource entries. (DP AR 25) Since it is based on purchases, there is no overlap between the reused and recycled waste categories, thereby avoiding double counting.

(DP 31 a) During 2024, Tubacex did not use any technical or biological materials in its production processes. Similarly, the percentage of biological materials sourced sustainably was 0%, since the company does not use this type of material in its industrial activity. (DP 31 b)

In manufacturing products and services, Tubacex uses reused or recycled components and materials. The main reused material is scrap, which is used in steel production and constitutes the final product. In terms of packaging, materials such as wood, metal strapping, and plastics are reused or recycled.

In total, of the 166,438 tons of raw materials used, 95,211 tons were scrap, and 342.4 tons were reused packaging materials, representing 57.4% of the total raw material input. (DP 31 c)

2.4.6. Resource Outputs (E5-5).

(DP 36 a) The estimated durability of stainless steel products can vary depending on product type, intended use, and the conditions in which they are used. However, in general, the stainless steel industry follows certain guidelines that estimate the lifespan of stainless steel tubes between 15 and 50 years. It is important to note that at the end of their lifecycle, these products can re-enter the manufacturing process as 100% recyclable raw materials.

(DP 38 a) Relevant waste types for the sector include: Spent industrial liquids, Metallic materials, and Slag.

(DP 38 b) Among the spent industrial liquids are: Spent nitric acid, originating from cleaning and passivation processes, containing nitrate residues and degraded acidic compounds. Spent cutting fluid, a residual emulsion composed of mineral oils, water, and additives such as biocides and emulsifiers, generated in machining. Spent alkaline degreasing solution, containing hydroxides, surfactants, and dissolved contaminants from metal part cleaning.

On the other hand, ferrous metals represent the metallic waste generated during cutting, forming, and machining operations. These consist mainly of shavings, trimmings, and ferrous material scraps, which are largely recoverable through recycling. These materials require specific treatment to maximize reuse and minimize environmental impact.

Additionally, slag from melting and heat treatment processes contains various metal oxides and residual metallic compounds. Waste also includes slag and refractory materials used in melting and heat treatment processes, which contain mineral and metal compounds that can be either recovered or properly disposed of.

(DP 40) The calculation of waste generated is based on the aggregation of official waste management records at each plant, using direct measurement. This approach ensures that all waste streams generated across different facilities are accounted for. Furthermore, the waste disposal method is determined by the local regulations applicable to each plant and the specific nature of the waste, ensuring compliance with legal treatment and disposal protocols. This ensures proper and lawful management of all waste generated throughout the company's industrial processes.

	2024
TOTAL AMOUNT OF WASTE GENERATED (ton) (DP 37 a)	72,072.37
Total amount of hazardous waste generated (ton)	8,899
Total amount of hazardous waste valorized (ton) (DP 37 b)	2,976
Total amount of hazardous waste prepared for reuse (ton) (DP 37 b i)	-
Total amount of hazardous waste recycled (ton) (DP 37 b ii)	1,652
Total amount of hazardous waste sent to other recovery operations (ton) (DP 37 b iii)	1,324
Total amount of hazardous waste disposed of (ton) (DP 37 c)	5,923
Total amount of hazardous waste disposed of by incineration (ton) (DP 37 c i)	13
Total amount of hazardous waste disposed of in landfill (ton) (DP 37 c ii)	4,763
Total amount of hazardous waste sent to other disposal operations (ton) (DP 37 c iii)	1,147
Total amount of radioactive waste (ton) (DP 39)	-
Total amount of non-hazardous waste generated (ton)	63,173
Total amount of non-hazardous waste valorized (ton) (DP 37 b)	56,354
Total amount of non-hazardous waste prepared for reuse (ton) (DP 37 b i)	3,481
Total amount of non-hazardous waste recycled (ton) (DP 37 b ii)	52,872
Total amount of non-hazardous waste sent to other recovery operations (ton) (DP 37 b iii)	-
Total amount of non-hazardous waste disposed of (ton) (DP 37 c)	6,819
Total amount of non-hazardous waste disposed of by incineration (ton) (DP 37 c i)	78
Total amount of non-hazardous waste disposed of in landfill (ton) (DP 37 c ii)	1,709
Total amount of non-hazardous waste sent to other disposal operations (ton) (DP 37 c iii)	5,032
Total amount of non-recycled waste (ton) (DP 37 d)	12,742
Percentage of non-recycled waste (%) (DP 37 d)	17.7%

(DP 35) As a company dedicated to the manufacturing of seamless stainless steel and high-quality nickel alloy solutions, our products are designed with strict durability and resistance standards, particularly to meet the demands of industries operating under extreme conditions. Below are the main features that ensure their performance in environments of high pressure, severe corrosion, and elevated temperatures:

- **Corrosion resistance.** Stainless steel tubes and nickel alloys are specifically designed to withstand corrosion, even in the most aggressive environments. Nickel alloys are highly resistant to oxidation and corrosion in both acidic and alkaline media, making them ideal materials for applications in the chemical, petrochemical, and energy industries.
- **High pressure resistance.** Our tubes are engineered to endure extremely high pressures without compromising their structural integrity. Seamless manufacturing is a key factor, as it eliminates potential weld-related weaknesses, ensuring uniform resistance along the entire tube. Stainless steel tubes and nickel alloys are formulated with a combination of mechanical properties that allow them to resist stress and deformation, making them ideal for high-pressure piping systems in energy and mobility industries.
- **Resistance to extreme temperatures.** Both stainless steel and nickel alloys offer excellent resistance to high temperatures. Stainless steel maintains its mechanical strength and structural stability even at elevated temperatures. Nickel alloys can endure even higher temperatures without deforming or losing their mechanical properties.

(DP 36b) Stainless steel can be recycled indefinitely without losing its quality or properties. (DP 36c) When a stainless steel tube reaches the end of its service life, it can be melted down and reintegrated into the production process to manufacture new products. This closed-loop cycle reduces the need to extract additional natural resources, decreasing the environmental impact of mining and virgin material exploitation.

In addition to product circularity, Tubacex has a group of companies—NTS Omega—specializing in the design, manufacturing, and repair of products, particularly in the high engineering industry. Its product and service offering includes the repair of a variety of equipment and components, providing high-quality technical services to extend the useful life of products. Main repair services include:

1. **Repair of High-Tech Components:** NTS Omega specializes in repairing industrial parts and equipment such as valves, pumps, heat exchangers, and other critical components requiring advanced technical precision and expertise.
2. **Restoration of Industrial Equipment:** The company offers restoration of equipment that no longer functions efficiently or has deteriorated due to operational demands. This includes detailed inspections, diagnostics, and repairs to restore the equipment to optimal functionality.

3. **Repair of Special Alloys:** While the company focuses on products made of stainless steel and nickel alloys, it also provides repairs to these materials, restoring their ability to operate in high-temperature, pressure, and corrosion environments.
4. **Preventive Maintenance Services:** In addition to ad-hoc repairs, NTS Amega offers preventive maintenance services to avoid future failures and extend the life of equipment and systems, ensuring continuous performance in industries requiring high reliability.

Regarding packaging, in 2024 Tubacex used a total of 1,030.56 tons of packaging materials. Of this amount, 36.33 tons were recyclable plastic, representing 3.56%. However, 951.55 tons were reusable wooden packaging, accounting for 92.33% of all packaging used. (DP 36c)

(DP 38a) The stainless steel industry generates various types of waste, with metallic waste being the most significant—such as shavings, cuttings, grinding dust, and slags—all of which are highly recyclable. Hazardous waste is also produced, including used oils, wastewater treatment sludge, and solvents, which require special management to prevent environmental impact. Additionally, non-hazardous waste such as refractories, packaging, and wood are generated, along with liquid effluents that must be treated before discharge. The composition of waste generated at Tubacex is diverse due to the nature of its production processes. Key waste types include stainless steel scraps and metallic waste, which are recyclable and reincorporated into production. Used oils from machine maintenance and cutting fluids from machining—only generated during maintenance—are also noteworthy. Furthermore, pickling sludge (iron hydroxide) is produced. Non-hazardous waste includes contaminated empty metal and plastic containers, though in small amounts.

Another relevant waste category includes absorbents and contaminated materials, mainly from rags used in machining processes. Other waste such as plastics, wood, paper and cardboard, batteries, paint, and residual waste are properly managed to minimize environmental impact.

2.4.7. Expected Financial Effects of Incidents, Risks and Opportunities Related to Resource Use and the Circular Economy (E5-6).

In compliance with the transitional provisions established in Requirement 10.4 of NEIS 1 and Appendix C, Tubacex exercises its option to omit the required information in this section, as this is the first year of publication of its Sustainability Report aligned with the CSRD directive and NEIS.

(DP 43 b) The ability to identify and manage the effects of resource use and circular economy practices is crucial for Tubacex in mitigating environmental, regulatory, and reputational risks. The company acknowledges that failing to manage the negative impacts of waste generation can result in sanctions and loss of stakeholder trust.

For this reason, Tubacex has analyzed the mass flows of the organization (input and output resources) to determine the effects, incidents, and dependencies arising from material resource consumption, waste generation, and the implementation of circular practices. The risk characterization was conducted according to the following categories:

- **Resource Security:** Refers to the availability and access to the natural resources needed for production. In the context of the circular economy, this implies ensuring a sustainable and efficient supply of materials, minimizing the depletion of non-renewable resources.
- **Environmental Externalities of Waste Management:** Refers to the environmental effects on the ecosystem resulting from waste treatment, recovery, or disposal. In the context of circularity, it involves identifying and mitigating these impacts.
- **Cross-cutting Physical Risks:** Encompass possible physical effects that can affect business operations, such as access to water resources and climate change. In the circular economy, this requires adopting resilience and adaptation strategies to changing environmental and climatic conditions.

In terms of **transition risks**, aligned with the **ESRS E5 standard**, Tubacex has identified risks related to: **current and emerging legislation**, **technology improvements or innovations** supporting the transition, **changing market dynamics**, and **shifts in public and stakeholder perceptions** regarding the real or perceived impacts on nature due to resource use. These types of risks are expected to unfold over **decades or even centuries**, and their **main impacts are projected in the future**. Accordingly, Tubacex has harmonized its timeline with physical risks from climate change as follows: **Short-term:** 2020–2039 (or up to 2040 in certain sources); **Medium-term:** 2040–2059 (or up to 2060 in some cases); **Long-term:** 2080–2099 (or up to 2100 depending on the source)

A proactive approach to managing resource-related impacts offers significant strategic and financial opportunities: Cost savings through optimized material use and waste reuse, Market access for sustainable products, Enhanced competitiveness through improved stakeholder perception, Improved access to sustainable finance, and Strengthened customer and investor relationships through responsible practices.

3. SOCIAL INFORMATION

3.1. Own Workforce(S1)

3.1.1. Material impacts, risks and opportunities and their interaction with strategy and the business model (SMB-3)

Tubacex is a global group committed to the well-being and protection of its employees, who play a key role in achieving its strategic objectives and driving its business project. The company strives to create safe and pleasant working environments, attract and develop the best talent, and promote the principles of equality, equity, and inclusion. Recognizing its employees as a fundamental strategic asset, the Group values all professionals across categories, as well as their representatives, families, and associated groups. With a multicultural and diverse team, Tubacex operates under a common purpose: to grow the company and generate sustainable value. To meet employee expectations and ensure their satisfaction, the company maintains open and continuous communication through effective channels such as experience surveys, EFQM-based perception surveys, suggestion boxes, key forums, and ongoing training spaces. These mechanisms not only allow the company to gather employee opinions, identify improvement areas, and foster a culture of collaboration and mutual growth, but also support strategic operational adjustments to align with employee expectations (SBM-2 DP 12).

Based on this strategy, the Group has identified and prioritized several key aspects that also help address the risks associated with people management and operations:

Occupational Health and Safety

Occupational health and safety is an absolute priority for Tubacex and a fundamental strategic pillar of its management. The company operates safely and responsibly, always prioritizing human life above any other consideration.

However, the nature of industrial operations entails inherent risks. Therefore, Tubacex continuously works to promote a preventive culture and reduce operational risks through investments in advanced technology and the digitization of production processes. These actions not only ensure employee well-being but also reinforce the company's commitment to continuous improvement in this area.

Talent Attraction and Retention

The search for top professionals and maintaining their commitment to the business project have become key aspects for Tubacex. As a flexible and proactive organization, the company adapts to new trends in talent attraction and retention, promoting professional development, communication, and active employee participation. Aware that having key personnel is a significant challenge for the execution of projects and the achievement of strategic objectives, the Group focuses its efforts on attracting, retaining, and developing high-impact profiles essential to the deployment of the strategic plan. This mitigates risk and strengthens the company's ability to achieve its goals.

Equality and Diversity

Tubacex's commitment to equal opportunities and diversity is inherent to its multinational and multicultural nature. This approach enriches its operations and is actively promoted across all Group units. The company fosters inclusive and diverse work environments, ensuring there are no instances of labor or wage discrimination, and that corporate objectives are achieved while respecting these principles. In 2022, Tubacex included diversity, equity, and inclusion in its ESG risk map, recognizing the strategic opportunity represented by developing diverse talent. In 2023, this priority remained in the materiality analysis, driving the full integration of these values into operations, culminating in the approval of a specific policy. By promoting an inclusive and respectful environment, Tubacex ensures that all employees are valued and that their contributions are considered in strategic decision-making. This approach not only strengthens internal cohesion but also ensures sustainable development aligned with long-term corporate goals.

Human Rights

Tubacex is also deeply committed to the promotion and respect of human rights, protecting the dignity, equality, and freedom of its employees in all regions where it operates. This commitment, integrated into its sustainability risk map since 2022, was strengthened in 2023 through reviews and adjustments to ensure all plants share and apply these strategic values. In 2024, work continued by expanding the analysis of potential human rights impacts based on the type of activity and geography, as well as reviewing mitigation measures to address those potential impacts.

(DP 14 a.) The IROs related to Tubacex's own personnel are disclosed in section SMB-3 of this sustainability report. In this context, the impacts, risks, and opportunities related to working conditions, equal treatment and opportunities, as well as other labor rights, apply to all employees, both salaried and non-salaried (temporary agency workers).

These issues not only affect permanent staff but also agency workers performing functions within the production process.

(DP 14 b.) The negative incidents identified and analyzed in Tubacex's context regarding social and personnel-related issues mostly reflect widespread challenges stemming from the global environment and current labor market dynamics. These situations are not exclusive to the company but are part of a broader context affecting the industry and multinational operations.

Among these incidents are problems such as high staff turnover in certain regions, difficulty in attracting and retaining specialized talent, and challenges related to Occupational Health and Safety arising from inherent risks in industrial operations. Additionally, in some work centers, the use of subcontracted personnel through temporary employment agencies (such as in India – TTP – and Thailand – Awaji Thailand) responds to a need for operational flexibility. This practice aims to minimize the impact of high employee turnover by enabling a structured transition of workers into the permanent workforce once the employment relationship is consolidated.

To mitigate these incidents, Tubacex implements well-being policies, continuous training, and professional development programs, ensuring that all workers whether salaried or subcontracted—operate under principles of equality, safety, and respect. The company is committed to creating an inclusive and sustainable work environment aligned with the highest standards of social responsibility and business ethics.

(DP 14 d.) The risks and opportunities arising from these incidents are detailed in **ESRS 2, SMB-3**.

(DP 14 e.) No material incidents involving Tubacex's own personnel have been identified that could result from transition plans.

(DP 14 f i.) Throughout 2024, Tubacex has conducted a **systemic human rights risk analysis**, focusing on the activities and geographic contexts in which the Group operates. Given the diversity of its activities, the analysis considered the following activity clusters to gain a comprehensive global perspective:

- Foundry, refining, and molding
- Final product manufacturing – machining and treatments
- Transportation and storage
- Commercial activities
- Corporate activities, which include diverse areas (R&D&I, corporate management, administration, HR, etc.)

The analysis acknowledged that transport-related segments globally carry a higher potential risk of violating human rights, particularly with regard to human trafficking and labor exploitation, disproportionately affecting vulnerable groups such as women, children, and migrant workers. Although no specific risks were identified in the logistics companies that provide services to Tubacex, the Group remains committed to increasing monitoring in this area.

In the remaining activities, based on reference sources, **no systemic risks related to forced labor** have been identified.

(DP 14 f ii.) In addition to the previous findings, the analysis identifies **varying systemic risk levels** related to forced labor across the geographies where Tubacex operates. These levels are deeply rooted in local **socioeconomic, cultural, and regulatory** contexts:

- Europe: Moderate risk identified in Czech Republic and Poland
- Middle East: Very high risk in Saudi Arabia and the United Arab Emirates
- Central Asia: Very high risk in Kazakhstan
- Southeast Asia:
 - India: High risk
 - Thailand: Moderate risk
- South America: Moderate risk in Brazil and Guyana

In all other regions where Tubacex Group companies operate, low levels of risk associated with forced labor have been identified.

(DP 14.) All employees potentially significantly affected by the company's operations are **included in the scope of disclosure**.

(DP 14. g i.) As a result of the systemic human rights risk analysis related to operational activities, **human trafficking and forced labor risks** were identified in **transportation activities**, with a disproportionate impact on **vulnerable groups** such as **women, children, and migrant workers**.

In other analyzed activities, **no systemic risks associated with child labor** were identified based on reference sources.

(DP 14. g ii.) The analysis also identified **inherent risk levels related to child labor** across Tubacex's operational geographies. Key observations include:

- Moderate risk identified in Brazil
- No data provided by sources (e.g., UNEP-FI, UNICEF) for:
 - Guyana
 - Saudi Arabia
 - United Arab Emirates
 - Kazakhstan
 - India
 - Thailand
 - Singapore
 - China

However, general human rights indices used as benchmarks (e.g., SDG Index Score, Civil Rights Index, Labor Rights Index) indicate **high levels of vulnerability** in these regions, suggesting that **child labor should be a focal point for increased attention and monitoring**.

In other regions where Tubacex operates, **low levels of child labor risk** have been identified.

(DP 15) As mentioned, in 2024, Tubacex conducted a human rights analysis to identify and assess potential risks and opportunities in its operations, considering the specific geographic and activity-based contexts in each region.

This detailed approach has allowed the company to strengthen practices and ensure the protection and promotion of fundamental rights for all stakeholders. In line with this commitment, Tubacex is also conducting a gender diversity assessment to encourage the inclusion of women in leadership positions and reduce the existing gender pay gap. This process is essential to building a more inclusive and equitable organization, where diversity becomes a pillar of the company's culture.

In addition, Tubacex pays special attention to people with disabilities, showing enhanced sensitivity in hiring and integration processes. The company strives to ensure that all individuals, regardless of their abilities, find an inclusive and accessible environment that supports their professional development and full participation in business activities.

Through these initiatives, Tubacex reaffirms its commitment to responsible and sustainable management, respecting human rights and valuing diversity as a source of strength and enrichment for the organization.

(DP 16) There are no material risks or opportunities arising from incidents involving Tubacex's own personnel that relate specifically to any particular group of people.

3.1.2. Policies Related to Own Personnel (S1-1)

(DP 19.) Tubacex has implemented a range of policies related to the management and development of its own personnel. Below is a summary of these policies:

• Diversity, Equity, and Inclusion Policy

Approved in 2023 by the CEO (ESRS 2 DP 65 c), this policy reinforces the company's commitment to full equality in both internal relations among employees (ESRS 2 DP 65 b) and external interactions between employees and other individuals, entities, or companies (ESRS 2 DP 65 a). It aims to integrate the following commitments regarding equality and inclusion (DP 24a, 24b):

- Mainstream gender perspectives across all organizational areas.
- Prevent workplace harassment, including sexual harassment and gender-based violence.
- Prevent all other forms of harassment.
- Promote diversity and eliminate all types of discrimination, including biases and stereotypes based on gender, race, nationality, age, sexual orientation, gender identity, etc. (DP 24c).
- Ensure facilities are adapted to be accessible for people with functional diversity.
- Use inclusive language and imagery in corporate communications.

• Training and Development Policy

Approved in December 2023 by the CEO (ESRS 2 DP 65 c), this policy provides a framework for enabling employees (ESRS 2 DP 65 b) to grow their knowledge and gain new skills in a competitive environment (ESRS 2 DP 65 a). Commitments include:

- Provide employees with the intellectual and material resources necessary for acquiring the skills needed for their roles and for promoting their personal and professional development.
- Continue developing programs to enhance employee capabilities and raise awareness of social and environmental issues in line with the ESG objectives of the Corporate Sustainability Policy.
- Offer a structured organization with clearly defined roles and responsibilities to enable transparent professional development.
- Ensure professional growth occurs in accordance with the principles of equality, equity, and non-discrimination.
- Maintain open dialogue with employees and/or their representatives to address training needs.
- Promote sustainability training and awareness for all staff.
- Comply with training-related legal obligations, particularly in Occupational Health and Safety.

• Occupational Health and Safety Policy

Also approved in December 2023 by the CEO (ESRS 2 DP 65 c), and applicable to both direct employees and those under the company's supervision (ESRS 2 DP 65 b), this policy reinforces the company's commitment to (ESRS 2 DP 65 a) (DP 23):

- Provide the financial, technical, and material resources needed to create safe work environments.
- Maintain a well-defined organizational structure with clear responsibilities.
- Encourage consultation and participation of workers and/or their representatives in safety-related decision-making.
- Foster a safety culture where every employee understands their responsibility in preventing accidents and injuries.
- Maintain open communication channels and encourage risk identification and reporting.
- Investigate all incidents and accidents to determine causes and improve practices.
- Promote employee well-being through physical and mental health programs.

• Code of Conduct

In its latest revision, approved by the Board of Directors (ESRS 2 DP 65 c), the Code applies to the President, CEO, other board members (ESRS 2 DP 65 b), the non-board Secretary, and all Tubacex collaborators. It outlines the following commitments (ESRS 2 DP 65 a):

- Ensure equal opportunity for all.
- Prevent all forms of discrimination.
- Promote a respectful workplace that rejects violence, abuse of authority, and intimidation—particularly among underrepresented or disadvantaged groups.
- Adhere to the principles of the Universal Declaration of Human Rights.

• Human Rights Policy

This policy demonstrates Tubacex's and its employees' (ESRS 2 DP 65 b) commitment to fostering a culture that supports internationally recognized human rights and avoids complicity in violations. Approved by the Board of Directors (ESRS 2 DP 65 c), it aligns with national and international regulatory frameworks (ESRS 2 DP 65 a). Key commitments include (DP 22):

- Abolishing child labor and complying with minimum working age laws.
- Prohibiting forced labor and exploitative work conditions.
- Eliminating inhumane or degrading treatment and harassment.

• Sustainability Policy

This policy includes a commitment to upholding Human Rights. Tubacex relies on international instruments to identify, monitor, prevent, mitigate, remedy, or cease potential adverse human rights impacts stemming from its own or related activities. It is detailed further in section 2.1.4 on climate change mitigation and adaptation policies (E1-2).

The aforementioned policies are deployed across all business units, which assume responsibility for implementing the commitments within their own management systems. Additionally, the Sustainability Plan, which promotes these same commitments, is shared with business units who actively participate in achieving the plan's objectives (DP. 24 d.)

(DP. 20 a.) Tubacex recognizes the fundamental importance of respecting human rights—including labor rights—for all its workforce. This commitment is reflected in the **Human Rights Policy**, which explicitly aligns with: The Ten Principles of the UN Global Compact, The Universal Declaration of Human Rights, The International Covenant on Civil and Political Rights, ILO's Fundamental Principles and Rights at Work. Key focus areas include:

1. Non-discrimination and equal opportunities
2. Prohibition of forced labor and child labor
3. Elimination of inhumane or degrading treatment and harassment
4. Freedom of association and collective bargaining
5. Occupational health and safety
6. Respect for diversity and non-discrimination

Tubacex also commits to identifying, mitigating, and remedying any situation that poses a potential risk to human rights.

To ensure the effective implementation of its Human Rights Policy, Tubacex is working in 2024 on a project (currently ongoing) that will define and establish the necessary processes and mechanisms to ensure compliance. This project is aligned with: The UN Guiding Principles on Business and Human Rights; The OECD Guidelines for Multinational Enterprises; The ILO recommendations and The EU CSDDD (Corporate Sustainability Due Diligence Directive) approach

To deepen its commitments across specific areas, Tubacex has also developed:

- Occupational Health and Safety Policy
- Diversity, Equity, and Inclusion Policy
- Professional Training and Development Policy
- Social Action Policy

(DP. 20 b.) Tubacex's approach to communication and participation focuses on evaluation and active listening, enabling the company to guide its management practices and continuously improve the employee experience.

Between 2023 and 2024, Tubacex launched its Employee Experience Survey, currently covering 100% of its global workforce. This initiative provides comprehensive insights into employee perceptions across key areas, including:

- Performance and recognition
- Professional development opportunities
- Work-life balance
- Compensation and benefits
- Corporate culture
- Diversity and inclusion
- Engagement
- Personal and professional priorities
- Overall satisfaction with the company
- Open comments section for free expression of opinions and suggestions

The survey results are analyzed in depth to identify areas for improvement and define **concrete action plans**, translating feedback into tangible changes in company policies and practices.

Tubacex recognizes the need for an inclusive and global approach to workforce participation and consultation, ensuring that all employees—regardless of location or role—can participate in key processes such as:

- Development of corporate policies
- Risk and opportunity assessments
- Design and implementation of action plans
- Monitoring and evaluation of results
- Transparent, two-way communication
- Impact management and remediation measures

(DP. 20 c.) Tubacex's Human Rights Policy reflects a strong commitment to remediating any negative human rights impacts arising from its activities. The company is currently working to define formal remediation processes, while already having the capacity to act promptly if necessary.

Initial measures include a whistleblowing channel, enabling employees and stakeholders to report potential human rights violations confidentially and safely. Tubacex ensures the protection of whistleblowers and is committed to investigating all reports and implementing appropriate actions. (DP. 21) Tubacex's Human Rights Policy is based on key international instruments, including::

1. The Ten Principles of the UN Global Compact
2. The Universal Declaration of Human Rights
3. The International Covenant on Civil and Political Rights
4. The International Covenant on Economic, Social and Cultural Rights
5. The ILO Declaration on Fundamental Principles and Rights at Work

These frameworks form a robust foundation for protecting and promoting labor and human rights across Tubacex's workforce. The policy also emphasizes the development of detection, mitigation, and remedy processes, as well as effective communication and stakeholder engagement, aligning with the UN Guiding Principles on Business and Human Rights and other international standards.

As the company advances the definition and implementation of these processes—or as external conditions evolve—Tubacex will continuously review and improve its policies to reflect best international practices and ensure effective implementation across global operations.

3.1.3. Processes for Workforce Engagement and Incident Management (S1-2)

(DP 27.) Tubacex has identified the need to have a formally defined corporate employee engagement strategy that allows it to directly integrate the perspective of the different stakeholders throughout its value chain regarding the approach to actual and potential impacts, including the people who make up its workforce (with respect to the possible areas of impact, primarily Human and labor Rights).

Currently, various interaction practices are being developed with the people who make up the Group's workforce, both at the corporate and operational level. The initiatives are deployed and led by the People Department, either at the corporate level or at the business unit level (DP 27c). In this regard, the following stand out:

- **The Employee Experience Survey**, launched annually for groups of executives and middle managers in 2023 and extended to the entire workforce in 2024. Among its objectives is to provide the organization with a comprehensive view of employee perceptions in key areas such as performance and recognition, opportunities for professional development, work-life balance, compensation and benefits, corporate culture, diversity and inclusion, engagement, personal and professional priorities, and overall satisfaction with the company. Based on the survey, action plans will be defined aimed at improving the different areas considered. For the launch of this survey to 100% of the workforce, the company began a process of information gathering accompanied by meetings in the different units explaining the purpose of the survey and the importance of participation (DP 27b).
- **The operational experience model**, based on people's participation: this is a dynamic of participatory meetings in each work shift (DP 27b) aimed at improvement and productivity, where issues related specifically to workplace safety and working conditions are addressed.
- **Participation initiatives developed from local operations**, usually guided by compliance with the applicable local labor and safety regulations and with occupational health and safety standards (ISO 45001), which establish requirements regarding the participation of workers and/or their representatives in identifying and defining corrective and preventive measures related to occupational safety.

(DP 27d) Tubacex guarantees all its collaborators the rights established in the legislation of the countries where it operates, including those related to freedom of association and the right to collective bargaining. All matters concerning the union representation of workers are regulated by their collective agreements. This chapter defines everything related to the management of trade union activity, the existing Committees and their competences, as well as trade union guarantees.

The text of the Collective Agreement is the result of good faith negotiation between the parties on the matters it covers and the specific agreements on them, with both parties being aware of the regulations in force at the time of its signing and of the need to improve competitiveness.

Regarding companies that do not have their own collective agreement, the Tubacex Group respects and improves upon the legislation at all its workplaces, adapting conditions related to working hours, remuneration, and organization to the environments in which it operates. Tubacex is also present in environments where the labor system does not include this form of regulation, such as the United Arab Emirates and Saudi Arabia, where labor aspects are strictly respected and guaranteed beyond the legally established minimums.

(DP 28 y 29.) Currently, Tubacex is working to better understand the perspectives of people who may be particularly vulnerable when addressing actual or potential risks to their working conditions. The groups included in this analysis focus mainly on those with lower representation in the workforce: primarily women and people with functional diversity. Some of the efforts carried out so far are:

- Focus on gender equality issues in the employee experience survey conducted in 2023 and 2024, with the aim of strengthening the corporate diversity diagnosis. This is a key project in the corporate Sustainability Plan, which aims to promote the presence of women in key positions of responsibility.
- Workstreams aimed at integrating people with disabilities into the workforce. In Tubacex's plants in Llodio and Amurrio, for example, several meetings have been held with partner organizations with the objective of understanding the reality of these plants at the hiring level. This commitment extends throughout the organization and is a shared objective initially promoted by the Tubacex Foundation, the Sustainability Plan, and the management commitments of the Business Units.

3.1.4. Processes to remedy negative incidents and channels for own workers to express their concerns (S1-3)

(DP 32 a.) Tubacex has well-structured processes to address and remedy any incident affecting its own personnel. The Group adopts a systematic approach that includes impact detection through specific channels, a thorough analysis of the situation, the collection of additional information to fully understand the incident, and the development of an action plan aimed at mitigating and, when necessary, remedying the impact. Once the remediation process begins, there is continuous monitoring of the actions implemented, complemented by direct feedback from the affected personnel, in order to ensure the effectiveness of the process and the level of satisfaction with the adopted solutions. This comprehensive approach guarantees adequate remediation and facilitates continuous improvement in incident management.

(DP 32b.) To ensure that the needs of its personnel are heard and properly addressed, the Group provides its team with regular employee experience surveys, designed to assess the level of employee satisfaction and identify recurring concerns, ensuring these are effectively addressed and resolved.

Additionally, Tubacex has a confidential whistleblower channel that allows employees to express concerns or report situations in a safe and anonymous way. This channel is designed to be accessible and operational at any time, ensuring a swift process for receiving, investigating, and resolving the concerns raised.

(DP 32c.) Tubacex has established an Internal Information System, primarily consisting of a Whistleblower Channel, available and directed to all individuals who make up the group. It functions as a formal and secure mechanism for communication, consultation, and/or reporting of possible irregularities and non-compliances in areas that may have criminal and administrative significance, including matters covered by our Code of Conduct and aspects related to Labor Law on Health and Safety.

(DP 32d.) The corporate principles and guarantees that govern the Group's Internal Information System are outlined in the following points:

- **Legality and corporate ethics**, ensuring proper processing of communications received.
- **No retaliation**, protection for the Whistleblower and other persons involved or related.
- **Autonomy and independence** in management.
- **Transparency and accessibility** for all members of the workforce.
- **Traceability and security** of submitted information and documentation.
- **Confidentiality and anonymity** of the whistleblower, the communicated information, and the actions carried out in its management and processing.
- **Right to information**, right to defense, right to the presumption of innocence, and right to honor for the individuals reported.
- **Good faith**, adhering to principles of truthfulness, loyalty, and good faith in the information provided.

Within the framework of the Group's Information System, Tubacex has various communication mechanisms that promote and encourage a culture of open, fluid, and transparent communication. More specifically, the following channels of information, reporting, and communication are available to its Professionals and Collaborators:

- Online tool of the Whistleblower Channel, a multichannel digital platform accessible to all its Professionals and Collaborators. Through the employee portal, access to the online tool of the Whistleblower Channel is also available, particularly for submitting complaints or claims related to administrative and/or labor issues of the Professionals.
- The possibility is also offered to communicate any behavior verbally, by requesting a face-to-face meeting with the person Responsible for the Internal Information System or, if applicable, with the external managers that he or she may designate.

In line with the principle of **transparency and accessibility** of the system for all members of the workforce, training, awareness, and sensitization activities have been carried out for its Professionals and Collaborators, thus promoting the use and understanding of the Internal Information System:

- The possibility is also offered to communicate any behavior verbally, by requesting a face-to-face meeting with the person Responsible for the Internal Information System or, if applicable, with a **formal communication to all employees** about the whistleblower channel and accessibility of the tool.
- Inclusion of a specific section on this matter in the **Code of Conduct**, which all organization members must adhere to.

In addition, throughout 2024, work has been done on the development of **specific training on the whistleblower channel**, aimed at all members of the workforce, which will be deployed via an **online platform** throughout 2025.

The implemented Information System facilitates the collection and effective handling of issues raised by the Group's people and collaborators, ensuring its continued effectiveness. As described above, the System is governed by the principles of **Legality and corporate ethics, no retaliation, whistleblower protection, transparency, and accessibility**, which ensure that all communications will be handled fully, professionally, and safely for the persons involved.

(DP 32e.) To ensure proper management of the communications submitted by the people and collaborators of the group, the corporate policy of the Internal Information System includes the following aspects:

- The **Responsible Person for the Internal Information System** (Compliance Officer) is in charge of managing and processing the communications received (with the possibility of delegating management to Compliance Delegates of subsidiaries or obtaining support from third parties in complex cases).
- **Autonomy and independence** of the System's Responsible Person, who receives no instructions of any kind and has the necessary resources.

This comprehensive approach allows Tubacex to effectively address raised concerns, continuously improve its processes, and strengthen trust in its communication and grievance resolution mechanisms.

(DP 33.) In order to ensure the awareness and trust of Tubacex workers in the company's Information System:

- The Internal Information System, as well as the policies defined in this regard, are accessible and public for all Professionals and Collaborators through the Employee Portal and the corporate website, thus ensuring that information about communication channels is always available.
- Training, awareness, and sensitization activities are carried out for our Professionals and Collaborators regarding the purpose and functioning of the system, to promote the use and understanding of the Internal Information System. These actions allow us to ensure that people are informed about the system and, at the same time, to assess the level of understanding and trust in it.
- In line with the above, throughout 2024 work has been carried out to promote its knowledge through an e-learning platform currently under development, which at launch will include several courses on sustainability. The first of these will be related to the Code of Conduct, where the channels for raising concerns are set out. This course is currently in the final review phase and is scheduled for release in 2025 together with the training platform.
- The independence of the persons managing the communications, the assurance of anonymity and confidentiality, as well as the commitment to protect the whistleblower, promote trust in the use of the system.

As awareness of the Information System grows among Tubacex's workforce, appropriate evaluation measures will be proposed to gather data and insights that would help assess the level of knowledge and understanding of the system (for example, its effectiveness from the perspective of affected individuals).

The Information System strictly complies with the requirements of Law 2/2023 of February 20, regulating the protection of persons who report regulatory infractions and the fight against corruption, ensuring protection for individuals who use the Internal Information System—whether for complaints, including those made by employee representatives, or other communications.

The guarantee of whistleblower protection is explicitly stated in the Information System Policy: "No retaliation, protection of the Whistleblower or other persons involved or related to them: As long as communications are made in good faith and in accordance with the internal regulations of the Group,

Tubacex will ensure, respect, and uphold the commitment to protect the Whistleblower. This includes preventing any behavior aimed at applying retaliatory or harassing measures, as well as protecting their confidentiality."

Likewise, the commitment to adopt the necessary technical and organizational measures to preserve data and their confidentiality—including the identity of the whistleblower (if they choose to identify themselves)—is explicitly stated in the Privacy Policy of the Group's Internal Information System.

3.1.5. Adoption of measures related to material incidents concerning own personnel, approaches to mitigate material risks and seize material opportunities related to own personnel, and effectiveness of such actions (S1-4)

(DP. 37) Tubacex implements a structured and proactive approach to manage incidents, risks, and opportunities affecting its own personnel. To this end, it has methodologies for the identification and management of labor-related incidents, using specific reporting and feedback channels. Each incident is analyzed considering its impact and the context in which it occurs, allowing the creation of an action plan aimed at adequately mitigating and remedying the impact. In addition, ongoing monitoring of the implemented actions is carried out, based on periodic job satisfaction surveys and analysis of results.

Furthermore, measures are promoted to mitigate risks and seize opportunities, driving continuous improvement through training, gender equality promotion, work-life balance, employee well-being, and other initiatives.

(DP. 38 a) Actions to manage labor incidents include a set of specific measures addressing various key areas such as safety, work-life balance, equal treatment, and employee well-being (ESRS 2 DP 68 b). The main actions planned in the medium term are as follows (ESRS 2 DP 68 c):

Working conditions:

- Promotion of permanent contracts and social benefits. This action is directly related to the goals of the Training and Development Policy (ESRS 2 DP 68 a).
- Shift rotation according to organizational needs, with strict respect for rest periods.
- Salary negotiation within collective bargaining agreements and verification of decent wages. (Also linked to the Training and Development Policy). (ESRS 2 DP 68 a)
- Inclusion of sustainability issues in workplace discussions, such as equality, safety, and health. (Linked to the general Sustainability Policy). (ESRS 2 DP 68 a)
- Promotion of work-life balance through family leave and flexible work arrangements. (ESRS 2 DP 68 a)
- Implementation of health and safety plans in all plants, with ISO 45001 certification and awareness campaigns. (Linked to the Occupational Health and Safety Policy). (ESRS 2 DP 68 a)
- Increased training in health and safety, and improvement of work equipment. (ESRS 2 DP 68 a)

Equal treatment and opportunity for all. (These actions are directly related to the goals of the Diversity, Equity, and Inclusion Policy) (ESRS 2 DP 68 a):

- Gender diversity analysis and specific hiring and promotion measures for women.
- Physical and digital accessibility measures, especially in communication, to promote inclusion of people with disabilities.
- Regular skills assessments and launch of an e-learning platform to enhance employee development.
- Implementation and monitoring of the Equality Plan, ensuring the adoption of concrete measures for gender equity and diversity. Equality Plans are promoted at the plant level (ESRS 2 DP 65 b and c). In the Basque Country plants, TTI and ACVA, new Equality Plans were approved in 2023. In other plants without these plans, there are: Anti-harassment protocols (TSS), Specific manuals with non-discrimination sections (NTS Group), Specific non-discrimination policies (Tubacex India), Or federal/state laws promoting anti-discrimination (USA, Saudi Arabia, Singapore...) (ESRS 2 DP 65 a).

Other labor rights (Also linked to the Diversity, Equity, and Inclusion Policy) (ESRS 2 DP 68 a):

- Implementation of age control measures for recruitment.
- Promotion of training programs in local communities.

(DP. 38 b) If an incident is detected, the **remediation process** includes several defined steps: root cause analysis, implementation of corrective actions, and continuous monitoring to ensure effective mitigation. Actions may range from process adjustments to additional employee training, depending on the nature of the incident. As previously mentioned, the satisfaction of affected personnel is measured through periodic surveys to adjust ongoing solutions. (DP. 38 c) In addition to corrective actions, Tubacex is committed to generating **positive incidents**, such as implementing workplace wellness programs, strengthening gender equality, and promoting diversity and inclusion. These initiatives are continuously developed, promoting a more inclusive and equitable work environment for all employees.

(DP. 38 d) Monitoring and evaluation of implemented actions are conducted through **employee experience surveys** and direct feedback. This process allows the identification of improvement areas and the continuous adjustment of actions. Furthermore, the results of implemented measures are analyzed to ensure incidents are effectively resolved.

(DP. 39) As previously mentioned, Tubacex has a **direct communication channel** for employees to express concerns and incidents. Once an incident is reported, the resolution process follows a structured sequence::

1. **Identification and reception of the incident:** The first step consists of identifying the incident through the established communication channels, such as satisfaction surveys, safety reports, or direct comments from personnel. This allows the detection of any situation that requires immediate attention.
2. **Preliminary evaluation:** Next, those responsible for the communication channel, together with management and administration, carry out a preliminary assessment of the incident. The severity and potential impact that the incident could have on the operation or on the well-being of employees are evaluated.

3. **Analysis and selection of resolution options:** After the initial analysis, several possible resolution options are considered. These options are analyzed based on their feasibility, associated cost, and their ability to effectively resolve the incident. The channel managers, together with the management teams, deliberate on the available alternatives.
4. **Development of the action plan:** Once the best option is selected, a concrete action plan is drawn up. This plan may include measures such as additional staff training, adjustments in processes, or the implementation of new practices or corrective policies.
5. **Implementation and follow-up:** The decided measures are implemented as quickly as possible, ensuring that all those involved are informed and prepared. In addition, continuous follow-up is carried out to evaluate the effectiveness of the action. This follow-up is conducted through direct feedback from the affected personnel and periodic evaluation of the results.

In this way, Tubacex ensures that all negative incidents are addressed appropriately, with a systematic and participatory approach that seeks effective resolution and continuous improvement. (DP. 40 a) Tubacex has planned a series of measures to mitigate the risks that may arise in relation to its personnel. This includes the implementation of safety protocols in the plants, the review of working conditions, and the continuous improvement of work environments. Additionally, **inclusion and accessibility measures are being established** to reduce the risk of discrimination and promote diversity.

(DP. 40 b) The Group is also adopting measures to seize opportunities, such as the promotion of hiring of groups at risk of social exclusion (women, people with disabilities), as well as the promotion of development and training initiatives that allow employees to access new opportunities within the company.

(DP. 41) Tubacex ensures that its practices do not cause or contribute to the generation of negative incidents through a preventive approach based on compliance with labor regulations, equality and well-being policies, and health and safety measures. In addition, constant evaluation of internal processes is carried out, and an organizational culture that promotes ethics, inclusion, and respect for all employees is fostered. Experience surveys and continuous feedback allow for the rapid identification of any area for improvement, ensuring that negative incidents are minimized or eliminated. The Compliance Plan reinforces these principles, establishing clear guidelines for the management of ethical and regulatory risks, ensuring compliance with standards of integrity and corporate responsibility. One of the key pillars of the annual Compliance Plan is the verification and harmonization of the local compliance requirements enforceable in each piece of legislation at the local level where Tubacex has productive and/or commercial activity, ensuring that all its operations comply with the specific regulations of each country in which it operates.

(DP. 43.) Below are detailed the **financial resources** for the previously described actions. (ESRS 2 DP 69 a)

	Financial resources	Implemented 2024 (ESRS 2 DP 69 b)	To be implemented (2025) (ESRS 2 DP 69 c)
S1: Own workforce	OPEX	250,000 €	250,000 €

3.1.6. Goals related to the management of material incidents, the promotion of positive incidents, as well as risks and opportunities (S1-5)

(DP 46) For the year 2024, Tubacex has continued promoting medium-term goals in various key areas related to working conditions, equal treatment and opportunities, and other labor rights.

The goals and parameters are checked annually to verify whether they remain relevant. In 2024, there has been no significant change in the company's performance in reaching any goal. (DP 80 j)

AXIS 3: People and Communities

Project	Objective and Relationship to Policies (DP 80 a, DP 80b):	Scope of the action (DP 80 c) (coverage in relation to the value chain, geographical areas, etc.)	Reference value (DP 80 d)	Base year (DP 80 d)	Time Horizon / deadline (DP 68c, DP 80 e):	Main actions carried out and qualitative and quantitative information on their progress	Measurement Parameter, Definition, and Labeling (DP 73, DP 75, DP 76, DP 77c)	Methodology and Assumptions (DP 77 a, DP 80 f)	Parameter Validation (DP 77 b)	Performance Against Target (DP 80 j)
Health and Safety Projects by Plant	Reduce LTIFR and severity index by 75%. Promote projects by Business Unit to improve frequency and accident rates and consolidate existing projects. ISO 45001 certification: Reach 100% certification of plants.	Group-wide	LTIFR: 25.7	2019	2030	Public commitment issued; action plans deployed in plants.	Lost Time Injury Frequency Rate (LTIFR) and severity index. LTIFR = (No. of LTIs / Hours worked) * 1,000,000	Validated by Tubacex	Yes	LTIFR: 9.39

Standardization of HSE KPIs	Reduce LTIFR and severity index by 75%. Define and deploy HS monitoring indicators with shared guidelines.	Group-wide	LTIFR: 25.7	2019	2030	HSE integrated into consolidation tool; indicators based on GRI with qualitative reporting.	LTIFR and severity index. LTIFR = (No. of LTIs / Hours worked) * 1,000,000	Validated by Tubacex	Yes	LTIFR reached 9.39, 63.5% reduction, aligned with target.
Review of Internal Promotion Processes	Align people management processes with sustainability requirements, creating a new framework for the entire employee lifecycle.	Group-wide	N/A	2022	2030	New people process aligned with ESG trends developed along with new corporate social policies.	N/A	N/A	Validated by Tubacex	New ESG-integrated process defined in 2023–2024; full implementation planned in coming years.
Individual Development Plans	Promote personalized development with greater focus on competencies and employee interests.	Group-wide	N/A	2022	2030	HR process mapping reviewed and updated.	N/A	N/A	Validated by Tubacex	Diagnostic of individual development plans initiated in 2024.
ESG Training	Provide access to quality training via e-learning platform to promote ESG knowledge and awareness. 100% workforce trained by 2030.	Group-wide	N/A	2022	2030	Platform developed with ESG and cybersecurity courses; ESG courses under review for 2025.	% of workforce trained	Validated by Tubacex	Yes	Online training tool developed in 2024; goal expected to be achieved ahead of 2030.
Employee Engagement Assessment	Measure employee engagement with the business project and other parameters	Group-wide	0% evaluated	2022	2025	Company-wide survey launched in 2024 after pilot with management in 2023. Awaiting Q3 results.	% of workforce evaluated	Validated by Tubacex	Yes	100% of workforce evaluated in 2024, one year ahead of target.

	(strategy knowledge, satisfaction, etc.). 100% workforce evaluated.									
Diversity Monitoring and Targets by BU	Analyze reasons for gender disparity in job access and development to create an action plan.	Group-wide	N/A	2019	2025	Diversity questions added to engagement survey; quantitative data extracted for analysis.	N/A	N/A	Validated by Tubacex	Workforce parametrization progressed in 2024; plan of action to follow. Target considered met.
Gender Pay Gap Analysis and Action Plan	Achieve max 5% adjusted gender pay gap by company and category/level. Identify potential discriminatory compensation practices.	Group-wide	Absolute gap: 11.5%	2019	2027	Internal diagnosis conducted at group level.	Adjusted pay gap: Difference between men's and women's average compensation, excluding gender-unequal categories.	Validated by Tubacex	Yes	2024 absolute gap at 11.48%, consistent with baseline. Category-based system now operational.
Inclusion of Diversity Criteria in Recruitment	50% of job postings to include social criteria. Promote barrier-free talent acquisition and diversity.	Group-wide	N/A	2019	2030	Incorporated in processes and policies.	% of offers with social criteria = No. of offers with social criteria / Total offers	Validated by Tubacex	Partial	Diversity criteria not yet tracked per job posting; improvement needed.
Expansion of Disability Hiring Model by BU	Promote inclusion of people with disabilities. Reach 3% workforce with functional diversity.	Group-wide	2% with alternative measures; 0.96% direct hires	2019	2030	Integrated into HR processes and policies.	% of workforce with disability = No. of employees with disability / Total employees	Validated by Tubacex	No	As of 2024, rate is 0.76%, below baseline. Reinforced efforts underway to improve inclusion.

Improved Accessibility of Communication Materials	100% of essential communication materials adapted for accessibility (web, PDFs, etc.).	Group-wide	0%	2019	2025	WAI accessibility standard implemented on new website.	% of adapted essential materials = $\frac{\text{No. of adapted materials}}{\text{Total materials}}$	Validated by Tubacex	Partial	Website adapted for visual disabilities; video content in development; finalization pending for reading-accessible materials.
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These goals are aligned with the commitments established in the Diversity, Equity and Inclusion Policy, the Training and Professional Development Policy, the Health and Safety Policy, the Human Rights Policy, and the Social Action Policy, and are primarily focused on the following (DP MDR-T 80a):

- Promoting diversity and the elimination of all forms of discrimination, including biases, roles, and stereotypes based on gender, race, nationality, age, sexual orientation, gender identity, etc. Encouraging the professional development of individuals within the organization.
- Ensuring adequate working conditions to guarantee the prevention of injuries and the deterioration of workers' health, with a focus on the elimination of hazards and the control and reduction of identified occupational risks, always prioritizing the value of people's health and safety.

Working Conditions:

- **Increase in the percentage of staff with employment contracts, especially permanent ones:** Tubacex is committed to providing greater job stability by prioritizing permanent contracts, ensuring a more engaged workforce with long-term prospects.
- **Increase in flexible working arrangements:** The company aims to adapt work conditions to the personal needs and circumstances of employees, promoting a work-life balance through the implementation of flexible work options.
- **Ensure adequate compensation for all employees:** Tubacex is committed to ensuring that all employees receive fair remuneration aligned with their responsibilities, according to market standards and local labor conditions.
- **Consolidation of tools and systems for worker dialogue:** Tubacex will continue strengthening communication channels with its staff, enabling open and effective dialogue to resolve concerns and continuously improve labor relations.
- **Expansion of work-life balance measures to include a greater percentage of internal staff:** The company intends to broaden its focus on reconciliation, ensuring more employees benefit from policies that promote well-being and balance between work and personal life.
- **Reduction of injury rates and lost working time due to injuries:** Tubacex will implement stricter preventive and safety measures to minimize workplace accidents and downtime, always prioritizing the health and safety of its personnel.

Equal Treatment and Opportunities for All:

- **Increase in the percentage of women in staff and senior management:** Tubacex is committed to improving female representation at all levels, especially in senior management, to promote diversity and inclusive leadership.
- **Reduction of the gender pay gap:** The company will actively work to eliminate pay disparities between men and women, ensuring equal pay for equal work and responsibility.
- **Increase in training hours per employee:** Tubacex will invest in continuous training, providing more learning opportunities to help employees develop new skills and advance professionally.
- **Increase in the percentage of employees with disabilities:** Inclusive hiring policies will be implemented to promote the integration of people with disabilities and foster a more diverse workforce.
- **Greater communication about the whistleblower channel:** Tubacex will enhance the visibility and accessibility of its whistleblower system, ensuring all employees have a secure and confidential channel to report incidents related to harassment or discrimination.
- **Launch of corporate anti-harassment protocols:** The company will implement clear and effective protocols to prevent and address workplace harassment, ensuring a safe and respectful environment.
- **Increase in the number of women in the workforce, especially in senior positions:** Female recruitment and promotion will be encouraged, particularly in leadership roles, to improve gender parity and ensure equal opportunities.
- **Reduction of the pay gap in general and in senior roles:** Tubacex will continuously monitor and address pay gaps to ensure fair and equitable compensation for all, regardless of gender or position.

These objectives reflect Tubacex's commitment to the continuous improvement of labor conditions, inclusion, equal opportunity, and the promotion of a safe and fair workplace for all employees.

DP 47 (a) Tubacex has begun defining medium-term targets for its own personnel. While this process has not yet been conducted through formal collaboration, employees have the opportunity to propose improvements or raise issues through communication channels. For this reporting year, target setting has been led by management, based on recognized and valued sustainability standards.

DP 47 (b) To monitor progress against set targets, Tubacex uses employee satisfaction surveys and other feedback mechanisms. These tools provide valuable insight into implementation progress and the effectiveness of the actions taken.

DP 47 (c) As these goals are newly defined, no significant lessons or improvements have been derived from results yet. However, over time, results are expected to not only contribute to medium-term improvements but also offer valuable insights to refine goals moving forward.

3.1.7 Characteristics of the Company's Employees (S1-6)

(DP 50 a.) Below is the total number of employees and the breakdown by gender and by country at Tubacex for the 2024 fiscal year:

Gender	Number of Employees
Male	2,371.00
Female	395.00
Other*	-
Not reported	-
TOTAL	2,766.00

* Gender as specified by the employees themselves.

País	Número de asalariados
Spain	818.00
Austria	445.00
Italy	172.00
India	245.00
United Arab Emirates	256.00
United States	369.00
Saudi Arabia	189.00
Thailand	89.00
Norway	57.00
France	10.00
China	6.00
Brazil	23.00
Germany	2.00
Netherlands	4.00
Singapore	19.00
South Korea	1.00
Canada	46.00
Guyana	15.00
TOTAL	2,766.00

(DP 50 f.) The total number of employees reported in the two tables above is also reflected in section 24 "Personnel Expenses" of the Group's financial statements, ensuring consistency and traceability of the information presented in this report.

(DP 50 b.) (DP 50 d.) The following table presents the distribution of Tubacex staff in full-time equivalent (FTE), broken down by type of contract and gender.

2024	Female	Male	Other	Not reported	Total
Number of Employees	377.49	2,288.87	–	–	2,666.36
Number of Permanent Employees	364.05	2,117.23	–	–	2,481.28
Number of Temporary Employees	13.44	171.64	–	–	185.08
Number of Zero-Hour Employees	0.00	0.00	–	–	0.00

(DP 50 c.) Total number of employees who left the company and employee turnover rate:

	2024
Number of employees who left	487.00
Employee turnover rate	0.18

(DP 50 d) At Tubacex, we are committed to ensuring transparency and accuracy in collecting and reporting information about our workforce. In 2024, we implemented a significant improvement in our methodologies, transitioning from decentralized systems to a unified platform that enables the collection of consistent and up-to-date data.

In the 2023 reference period, data were collected by consolidating information from local databases in each plant. In 2024, an employee portal was implemented that centralizes all information in a single file, improving the accuracy and traceability of reported data, including breakdowns by gender and other variables in a more precise manner.

(DP 50 d i) For employees who did not work the entire year, a proportional criterion was applied, aligned with the Full-Time Equivalent (FTE) methodology. This approach allows for a more accurate reflection of each employee's effective contribution during the reference period, ensuring consistency and comparability of the data collected.

(DP 50 d ii) Depending on the specific requirements of each indicator, the data are reported either as a figure at a specific date (e.g., at the end of the period) or as an average calculated throughout the year.

(DP 50 e) In 2024, Tubacex experienced a net increase in its workforce. While some plants recorded a slight decrease in the number of employees, this adjustment was offset by increases in other locations, as well as the opening of a new plant in Abu Dhabi. This expansion generated more than fifty new hires, reflecting the dynamism of our organization and its commitment to global development.

3.1.8 Characteristics of Non-Salaried Workers in the Company's Own Workforce (S1-7)

(DP 55 a.), (DP 55 b.), (DP 56) The number of non-salaried workers at Tubacex in full-time equivalent (FTE), broken down by type of non-salaried worker, is presented below:

Type of Non-Salaried Employees	2024
Number of self-employed workers	0.8
Number of workers provided by third parties	36.51
Total non-salaried workforce	37.31

3.1.9 Collective Bargaining Coverage and Social Dialogue (S1-8)

(DP 60 a.) 64.43% of Tubacex's salaried employees are covered by collective bargaining agreements, thereby guaranteeing the protection of their labor rights and access to fair and regulated working conditions.

(DP 60 b.), (DP 60 c.) The following table presents quantitative information regarding collective bargaining coverage and social dialogue at Tubacex, distinguishing between the European Economic Area (EEA) and other regions where the company operates.

In the EEA, the existence of one or more collective bargaining agreements and the percentage of employees covered are detailed for each country where Tubacex has significant employment (at least 50 employees representing 10% or more of total employees). Outside the EEA, the percentage of employees covered by collective agreements is reported by region.

(DP 63 a.) Furthermore, with regard to social dialogue, Tubacex provides data on the percentage of employees represented by workers' representatives, with country-specific disclosure for each EEA country where the company has significant employment. (DP 63 b.) Tubacex does not currently have specific agreements in place for the representation of its employees through a European Works Council, an SE Works Council, or an SCE Works Council. Therefore, employee representation is conducted through existing national social dialogue mechanisms.

2024	Collective Bargaining		Social Dialogue
Coverage rate	Wage Earners – SEE (For countries with > 50 wage earners representing > 10% of total wage earners.)	Wage Earners – Non-SEE (Estimate for regions with > 50 wage earners representing > 10% of total wage earners.)	Workplace Representation (SEE only) (For countries with > 50 wage earners representing > 10% of total wage earners.)
0%-19%	-	Asia	-
20%-39%	-	America	-
40%-59%	-	-	-
60%-79%	-	-	-
80%-100%	Spain, Austria	-	Spain, Austria

3.1.10 Diversity Parameters (S1-9)

(AR 71.) At Tubacex, senior management consists of the members of the management committee, who report directly to the Chief Executive Officer. This group of leaders is responsible for strategic decision-making and the global management of the company.

(DP 66 a.) The composition of senior management is detailed below by gender, both in absolute numbers and in percentages.

Number of People Employed in Senior Management	2024
Men	10.00
Women	1.00
Other	–
Not reported	–
TOTAL	11.00

Number of People Employed in Senior Management	2024
Men	91%
Women	9%
Other	–
Not reported	–
TOTAL	100%

(DP 66 b.) The table below shows the average number of employees in full-time equivalent (FTE) terms, by age group:

Average Number of Wage Earners by Age Group	2024
Under 30 years	392.22
30 to 50 years	1,700.69
Over 50 years	573.46
TOTAL	2,666.36

3.1.11 Adequate Wages (S1-10)

(DP 69) The company ensures that all employees receive an adequate salary, in accordance with applicable reference standards. The collective bargaining agreements in effect at Tubacex regulate the average remuneration of workers, establishing equity criteria among different job positions without gender discrimination. Both remuneration governed by agreements and that governed by other systems are determined equitably, thereby ensuring fair pay and alignment with company policies and equality principles.

3.1.12 Social Protection (S1-11)

(DP 74.) All Tubacex employees are covered by social protection, either through public programs and/or through benefits provided by the company, in case of income loss due to illness, work accidents, acquired disability, parental leave, or retirement. The structure of this coverage varies depending on the legal framework of each country and the specific conditions of each company within the Group, adapting to local regulations and social protection systems in each jurisdiction.

3.1.13 People with Disabilities (S1-12)

(DP 79.) Tubacex discloses information about the presence of people with disabilities in its workforce, expressed as a percentage of total employees. This disclosure is carried out in compliance with current regulations and within the legal limits applicable to the collection of such data.

% of Employees with Disabilities	2024
Men	0.81%
Women	0.48%
Other	–
Not reported	–
TOTAL	0.76%

3.1.14 Training and Capacity Building Parameters (S1-13)

(DP 83 a.) Tubacex promotes continuous talent development through regular performance and career development evaluations. Below is the percentage of employees who participated in these processes, broken down by gender, allowing the company to assess equity in access to growth opportunities.

% of Employees Participating in Performance and Development Reviews	2024
Men	32.41%
Women	41.02%
TOTAL	33.63%

(DP 83 b.) Additionally, the table below presents the average number of training hours per employee, broken down by gender:

Average Training Hours per Employee	2024
Men	11.73
Women	15.84
TOTAL	12.31

3.1.15 Health and Safety Parameters (S1-14)

(DP 88.) Tubacex maintains a strong commitment to the safety and well-being of its personnel, ensuring working environments that minimize risks and guarantee the protection of all employees. Detailed information regarding health and safety management is presented below.

	2024
Percentage of own workforce covered by the company's health and safety management system	98.52%
Number of fatalities due to work-related injuries or illnesses	0
Number of recordable occupational accidents*	148
<i>(Includes total of lost-time injuries (54) and non-lost-time injuries (94))</i>	
Recordable occupational injury rate (LTIFR)	9.39
Number of recordable occupational disease cases	8
Number of days lost due to injuries, illnesses, and deaths from occupational incidents	1,505.18

3.1.16 Work-Life Balance (S1-15)

(DP 93 a.) Tubacex ensures equitable access to family-related leave for all its employees. Currently, 100% of the company's employees are entitled to this type of leave, thereby supporting work-life balance in compliance with applicable legal frameworks.

(DP 93 b.) Among all employees entitled to this leave, the percentage of those who made use of it during 2024, broken down by gender, is as follows:

	2024
Women	7.68%
Men	5.55%
TOTAL	5.85%

3.1.17 Remuneration Parameters (Pay Gap and Total Compensation) (S1-16)

(DP 97 c) At Tubacex, we are committed to transparency and pay equity across all our operations. To calculate the gender pay gap, we use both the adjusted methodology—considering only categories and positions where both genders are represented—and the absolute method, which includes the remuneration of all employees.

(DP 97 a.) The calculation of this indicator considers the total compensation received (base salary, seniority, bonuses, overtime, and performance bonuses) and integrates remuneration data from all employees across the various entities. The use of multiple metrics (absolute, adjusted, annual, and hourly) helps us track progress within each company in terms of both representation and pay equity.

The absolute gender pay gap for 2024 stands at 9.73%, compared to 8.67% in 2023. This increase is partly due to the Group's expansion in countries (UAE and Asia) where female representation in industrial environments is still very low. The adjusted pay gap in 2024 is 11.48%, compared to 10.58% in 2023. This difference is also affected by growth in areas where average compensation levels differ significantly from European or American averages, which influences comparisons even within the same job categories across countries.

A similar effect occurs in hourly wage comparisons. In this first year of calculating hourly remuneration, the gender pay gap is 6.11% when considering all hours worked by all employees, and -1.95% when comparing only categories where women are present.

The consolidated figure reflects highly diverse realities and compares companies that are very different from one another. Therefore, it does not accurately reflect the actual progress of each individual company in terms of integration and pay equity.

This disparity is primarily driven by the lower presence of women in operations overall, and especially in the countries where Tubacex is currently expanding (notably in the UAE and Asia). The effect is amplified by the higher number of regular and overtime hours worked in these regions and roles.

Other influencing factors beyond actual compensation include the uneven presence of women across entities and the differences in wage levels between countries.

As a result, gender pay equity is analyzed and managed at the individual company level, isolating the effects that consolidated data may have on the overall gap.

(DP 97 b) In terms of pay equity, the ratio between the annual total compensation of the highest-paid individual and the annual average total compensation of all employees at Tubacex is 7.86.

Looking ahead, the recent implementation of the employee portal will allow us to collect and manage information more precisely and uniformly, enabling even more detailed and representative gender pay gap analyses. This advancement underscores our ongoing commitment to transparency and equity within our organization.

3.1.18 Incidents, Complaints, and Serious Issues Related to Human Rights (S1-17)

(DP 103 a, b, c) During the reporting period, two complaints were filed through the Whistleblower Channel, both related to leadership style. These complaints were handled in accordance with established internal procedures, with notifications sent to the relevant responsible parties and recommendations provided regarding leadership style and ethical compliance. Neither of these complaints resulted in compensations, sanctions, or fines (DP 104 a).

No serious human rights incidents involving company personnel were identified. Such cases are identified through local channels, direct contact with the HR team, or other tools such as the National Contact Points for Multinational Enterprises of the OECD (Organisation for Economic Co-operation and Development). (DP 104 b) Consequently, no sanctions, fines, or compensations were incurred in relation to these matters during the reporting period.

3.2 Workers in the Value Chain (S2)

Tubacex is actively working to broaden its understanding of the entire value chain, with the objective of achieving a more complete and accurate view of the impacts, risks, and opportunities associated with all of its stages. Currently, the reported information focuses on suppliers, as this is the area where the company has structured data and specific evaluation mechanisms. Nevertheless, strategies and tools are being developed to improve traceability and understanding of other links in the value chain, allowing for the progressive integration of more detailed information in future sustainability assessments and reports.

3.2.1 Significant incidents, risks and opportunities and their interaction with strategy and business model (SBM-3)

Throughout 2024, a systemic risk analysis has been carried out aimed at identifying, understanding, and assessing the impacts related to the supply chain in the field of human rights. This analysis focused on the main product categories and supply chains in which the Tubacex Group operates, selecting the product categories with the highest purchase volume (the selected categories account for 70% of the total purchase volume). In addition, to enrich the analysis, the main countries of origin of direct suppliers were prioritized, selecting geographies/countries with the highest volume of operations and exposure to geographic risks.

Following the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and supported by indices and sources from leading international organizations, risks were identified and evaluated based on risk factors, resulting in a global view of the types of sustainability risks and in which supply chains they occur. This approach has allowed for prioritizing and focusing on suppliers and supply chains with higher risk. In order to continue progressing in this risk analysis, Tubacex commits to extending this work in 2025, by expanding the scope of the analysis and incorporating more detailed methodologies to deepen the risk assessment.

Regarding the downstream value chain, in 2024 Tubacex has initiated a first approach to its main clients to understand their sustainability practices and their level of risk regarding human rights violations. Clients with the highest billing volumes have been classified by customer type and geographical location to identify those who could have the greatest impact on the potential violation of social and environmental rights. The analysis has been complemented with a review of their management plans based on publicly available information, to define the inherent risk level and especially their environmental, social, and governance (ESG) commitments. This analysis will continue throughout 2025, incorporating new parameters and study methodologies.

It is worth noting that this year, the approach to certain customers has taken a more collaborative perspective, enabling the exchange of best practices in sustainability and verifying the alignment of objectives pursued by both parties. (S2.SMB-3_11).

Regarding the upstream value chain, complementing what was outlined in the previous point, the analysis conducted has encompassed Tubacex's main supply chains, considering activities from the extraction of raw materials to key stages of processing and manufacturing. The scope of the analysis has focused on the following categories and supply chains:

- Ferroalloys
- Steel
- Tube
- Scrap
- Energy
- Subcontracting
- Tooling / tools

Furthermore, for direct suppliers, a more exhaustive analysis has been carried out, considering the risks associated with the geography/country in which they operate. The analysis has considered the following geographies/countries:

- Spain
- Italy
- Austria
- Norway
- Canada
- USA
- Chile
- Kazakhstan
- India
- UAE

Regarding the downstream value chain, as mentioned in the previous point, the analysis conducted to date has focused on identifying risks associated with Tubacex's main clients, prioritizing those with higher billing volumes, as well as geographic locations and typologies that could have a significant impact on social and environmental rights.

In this regard, Tubacex recognizes that the analysis of labor risks and human rights throughout the value chain is fundamental to ensuring the respect of human rights and mitigating negative impacts. Therefore, Tubacex is working on mapping its entire value chain and extending its risk identification practices to all workers who may be materially affected by its activities. To effectively address these aspects, specific plans are being developed to deepen the analysis of the downstream value chain and ensure that the risks associated with the different types of workers present in Tubacex's value

chain are managed appropriately and sustainably. This includes workers who perform their work at the company's site but are not part of the company's own staff, that is, who are neither self-employed workers nor employees of external companies specialized in employment services. Likewise, it encompasses workers from entities belonging to earlier phases of the value chain. To effectively address these aspects, specific plans are being developed to deepen the analysis of the downstream value chain and ensure that the risks associated with the different types of workers present in Tubacex's value chain are managed appropriately and sustainably.

Additionally, these plans pay special attention to those workers with particular characteristics or in situations of greater vulnerability, such as migrant workers, women, and young workers, ensuring that the specific risks they face are identified and addressed through sustainable and responsible strategies. This approach is also extended to other groups within the value chain, whose exposure to labor and social risks requires differentiated and adapted management to their specific conditions. Among these groups are workers who perform their work at the company's sites but are not part of the company's own staff, that is, who are neither self-employed workers nor employees of external companies specialized in employment services (covered by NEIS S1). Workers operating in entities of earlier phases of the value chain are also considered, such as those involved in the extraction of metals or minerals, the utilization of raw materials, refining, manufacturing, or other forms of transformation. In the later phases of the value chain, workers participating in activities of logistics or distribution providers, franchisees, or retailers, whose activity is essential for the commercialization and delivery of the company's products, are included. Additionally, workers who carry out their work in joint ventures or in special purpose entities in which Tubacex has a presence are considered, ensuring that protection and risk management policies extend to all levels of its business ecosystem. (S2.SMB-3_11 a) As a result of the systemic risk analysis conducted, significant risks of child labor or forced labor have been identified in the following analyzed geographies/countries. Medium risk in Kazakhstan, India, and the United Arab Emirates. These countries present conditions where child labor or forced labor could be a relevant risk. In the rest of the geographies where our suppliers operate, low levels of risks associated with child labor and forced labor have been identified.

Regarding the analysis by categories, no high risks of human trafficking and forced labor have been identified in the mentioned supply chains.

As previously mentioned, throughout 2025, work will continue to gain a greater understanding of these risks throughout the value chain. (S2.SMB-3_11 b)

As described above, Tubacex has conducted an analysis of systemic risks present in its upstream value chain, considering product categories and key geographic areas (countries of the main suppliers).

The impacts identified in the analysis conducted are described below:

1. **Working conditions and labor rights:** Key aspects such as employment conditions, workers' quality of life (wages, social protection), freedom of association, the right to rest, and vacations have been evaluated.
 - Affected product categories: Ferroalloys present a very high risk due to working conditions in this industry.
 - Affected geographies and countries: The countries with the highest risk in this area are Kazakhstan, India, and the United Arab Emirates, where a medium risk associated with working conditions in the supply chains has been identified.
2. **Occupational health and safety:** This category considers risks related to occupational health and safety, as well as the general well-being of workers.
 - Affected product categories: Ferroalloys present a very high risk, while the steel sector has a high risk.
 - Affected geographies/countries: India has been identified as a region with high risk in terms of occupational health and safety, while Kazakhstan, the United Arab Emirates, and the United States have been classified with medium risk in this aspect.
3. **Impact on the local community:** The effect that actions, policies, or projects have on local communities has been considered, including changes in social, economic, and environmental conditions that influence general well-being and quality of life. Affected product categories: Ferroalloys present a very high risk in this category.
4. **Impact on the local community:** The effect that actions, policies, or projects have on local communities has been considered, including changes in social, economic, and environmental conditions that influence general well-being and a decent standard of living: The availability, accessibility, affordability, and equality of resources and services (food, energy, housing, education, information...) have been studied. Affected geographies/countries: Countries such as Spain, Italy, the USA, and Chile have shown a medium risk in this aspect, while India poses a high risk.
5. **Equality and non-discrimination:** Focuses on ensuring that all people have the same opportunities and receive fair treatment, focusing on aspects of discrimination based on gender, race/ethnicity, age, vulnerable groups... Affected geographies/countries: Countries such as Spain, Italy, the USA, and Chile have shown a medium risk in this aspect, while India poses a high risk.
6. **Freedom and well-being of people:** Focuses on the protection of personal freedoms and the right to life. Includes aspects such as having strong institutions (Rule of Law, civil liberties), fundamental rights (procedural guarantees for the accused, freedom of opinion and expression...), prohibition of torture, cruel treatment or punishment, modern slavery, or child labor.
 - Affected geographies/countries: Kazakhstan, India, and the UAE pose a medium risk in freedom and well-being of people.

In addition to the above, the materiality analysis has evaluated potential impacts on communities associated with forced displacement, exclusion, and marginalization, which could arise as a result of possible restructuring initiatives. In this regard, the results of this evaluation have resulted in a very low probability of occurrence. (S2.SMB-3_11 c)

In the analysis conducted, the risks associated with the main activities and upstream supply chains, as well as the geographies of direct suppliers (Tier 1), have been identified and evaluated. While this initial analysis has provided a solid foundation for managing risks in the value chain, Tubacex recognizes the importance of deepening the identification of specific risks that may affect workers with particular characteristics, such as those in situations of greater vulnerability due to their personal or work context. (DP 11 e.) No significant risks or opportunities have been identified arising from incidents affecting workers in the value chain and dependencies related to them.

The company is firmly committed to advancing in this direction in the coming years, developing a more detailed understanding of the working conditions that could negatively impact specific groups, such as migrant workers, home-based workers, women, and young workers, among others. This approach will allow Tubacex not only to identify and mitigate risks but also to implement measures that promote a safer, more equitable, and respectful work environment for human rights throughout its entire value chain. (S2.SMB-3_12)

The significant risks and opportunities arising from incidents affecting workers in the value chain and dependencies related to them refer to all workers in the value chain, without specifications or exclusions. (DP 13)

3.2.2 Policies related to value chain workers (S2-1)

Tubacex recognizes the fundamental importance of respecting Human Rights, including labor rights, of all people who are part of the value chain. In line with this commitment, Tubacex is working to expand the scope of its Human Rights Policy to the entire value chain, seeking to consolidate ethical and responsible management that protects the rights of workers throughout the value chain. The objective is to have a Human Rights Policy that covers all workers in the value chain.

Simultaneously, Tubacex has a Supplier Code of Conduct, where the minimum standards and commitments of ethical and responsible behavior that all Tubacex manufacturers and suppliers must comply with are defined (ESRS 2 DP 65 b), based on respect for Human and Labor Rights (ESRS 2 DP 65 a). This policy has been approved by the Purchasing Department (ESRS 2 DP 65 c). Tubacex is committed to allocating adequate resources so that suppliers know and understand the Code of Conduct and are able to ensure its compliance and to transfer the requirements in their upstream value chain.

Additionally, in 2024, Tubacex has initiated a review process of its Purchasing Policy to incorporate specific sustainability criteria, including the protection of Human Rights of workers in its upstream value chain. This policy has been approved by the Purchasing Department (ESRS 2 DP 65 c). This review aims to integrate measures that allow for effective management of impacts, risks, and material opportunities related to value chain workers. (ESRS 2 DP 65 a and b) The update of the Policy seeks not only the protection of human rights but also the development of responsible practices that guarantee respect for the labor rights of all involved workers, reinforcing sustainability in the company's business relationships. (S2.S2-1_16).

3.2.3 Processes to collaborate with value chain workers regarding incidents (S2-2)

As mentioned in the previous section, the Supplier Code of Conduct sets out fundamental principles to ensure respect for human rights throughout the supply chain. Among the key commitments required of its suppliers are:

- Act in accordance with applicable laws and international standards
- Prohibition of forced labor and child labor, in compliance with laws prohibiting them
- Non-discrimination in employment
- Respect for freedom of association and collective bargaining
- Ensure dignified and humane treatment for workers
- Safe and healthy working conditions
- Fair payment of wages, in accordance with local laws and regulations
- Reasonable and non-excessive working hours
- Regular employment
- Prohibit corruption

The Supplier Code of Conduct defines Tubacex's commitment to ensuring that its suppliers comply with these principles, contributing to responsible management throughout the supply chain. This year, Tubacex has started working actively on defining and implementing mechanisms and processes to monitor and ensure that its suppliers comply with commitments related to human rights. In addition, Tubacex is committed to defining measures to provide and/or enable remedy for human rights impacts. (S2-1_17 a, b, c)

As previously mentioned, the Supplier Code of Conduct explicitly addresses human trafficking, forced or compulsory labor, and child labor, establishing requirements and commitments that all Tubacex suppliers must meet.

Moreover, the Supplier Code of Conduct requires suppliers to communicate the Code's commitments to their employees and stakeholders involved in the supply chain, extending the commitments throughout Tubacex's upstream value chain. In addition, Tubacex has a formal procedure to require suppliers to accept the Code of Conduct during the supplier approval process. (S2-1_18) The Tubacex Supplier Code of Conduct reflects the company's commitment to human and labor rights throughout the entire supply chain, aligning with internationally recognized principles and Tubacex's Corporate Code of Conduct, based on the United Nations Global Compact. This approach ensures that our practices respect and promote the fundamental rights of workers in both our upstream and downstream value chains.

To strengthen this commitment, Tubacex is committed to carrying out a review and update of its Supplier Code of Conduct to ensure full alignment with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. This process will include the incorporation of specific commitments to reinforce the protection of labor rights, ensuring that all suppliers comply with established international standards. In parallel, during this year, Tubacex has initiated the definition of policies and procedures to manage cases in which suppliers fail to meet the sustainability requirements established by the organization (described in Tubacex's code of conduct and policies), enabling the reporting of non-compliance cases and thus allowing corrective actions to be taken effectively and proactively. Furthermore, Tubacex continues to strengthen its procedures to ensure that any incident is properly managed. (S2-1_19)

Currently, the company has implemented a supplier approval process led by the Purchasing team, which includes a specific assessment of aspects related to human rights and working conditions. This mechanism, consisting of a declarative questionnaire from the supplier and acceptance of the Code of Conduct, provides an initial view of the labor practices of direct suppliers, ensuring they meet the standards and minimum requirements demanded by Tubacex.

The commitment with suppliers is established from the project planning and execution phase, through the delivery of the Supplier Code of Conduct, which defines the foundations of the future contractual relationship and the commitments they must assume. This first contact is complemented by the supplier's assessment and subsequent interactions between assigned teams, ensuring continuous follow-up and progressive alignment with the company's sustainability principles and compliance. The supplier evaluation questionnaire, which incorporates sustainability aspects, must be updated mandatorily every two years. This process is automated, generating an alert for both the supplier and Tubacex when an update is required. Starting next year, this function will be outsourced, allowing the optimization of contractual relationship monitoring and improving the traceability of the commitments assumed by suppliers.

Additionally, in its General Purchasing Conditions, suppliers are required to comply with all applicable human and labor rights regulations. This includes the express prohibition of:

- Forced labor, child labor, and any form of physical or psychological coercion, threats, abuse, and workplace violence.
- Discrimination and inequality based on race, color, sex, religion, political ideology, nationality, illness, or any other personal, physical, or social condition.

Tubacex understands human rights in their broadest sense, in accordance with its Human Rights Policy and the principles enshrined in 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 ILO Declaration on Fundamental Principles and Rights at Work. With a view to continuing to advance in the management of Human and Labor Rights in the upstream value chain, Tubacex will work during 2025 on defining and implementing more robust and formalized processes to manage actual and potential impacts that may arise in its suppliers. This effort will include the development of specific mechanisms to prevent and mitigate adverse impacts in its value chain in accordance with the OECD Due Diligence Guidelines and the approach proposed by the CSDDD. This initial scope, focused on managing the adverse impacts of Tubacex's main suppliers, will establish a solid foundation to ensure the effectiveness of the measures, which will be progressively extended to the rest of the value chain, with a commitment to cover all relevant areas. [\(S2-2_22 to 24\)](#)

3.2.4 Processes to remedy negative incidents and channels for value chain workers to express their concerns (S2-3)

Tubacex has not detected any negative incidents related to human rights violations concerning value chain workers. It also emphasizes the importance of ensuring appropriate remedy is offered when such incidents are identified. In line with its commitment to human rights management, Tubacex will work during 2025 on developing and implementing specific policies and processes to remedy possible human rights impacts affecting suppliers (without prejudice to acting in the meantime, if necessary, to remedy any incident that may occur).

This initial scope, focused on remedying the adverse impacts of Tubacex's main suppliers, will establish a solid basis to ensure the effectiveness of the measures, which will be progressively extended to the rest of the value chain, with the commitment to cover all relevant areas. [\(S2-3_27 a\)](#)

Tubacex has a whistleblowing channel designed to address concerns related to regulatory compliance, in accordance with Spanish legislation. This internal channel is available to any natural or legal person who has had, currently has, or may have a working or professional relationship with the company, including external collaborators. The Corporate Policy on the Internal Reporting Channel promotes its use as an effective tool for communicating concerns about possible serious violations, ensuring the confidentiality and protection of the whistleblower.

To reinforce the commitment to human rights and sustainability, during 2025, work will be carried out to expand the scope of the whistleblowing channel to ensure that value chain workers, including those most vulnerable, can use it to raise their concerns directly and safely.

As progress is made in this line of work, appropriate measures may be proposed to increase knowledge and usage of the tool among the different stakeholders in our value chain. In addition, Tubacex will advance in the implementation of processes to track, monitor, and evaluate the issues raised through the whistleblowing channel, ensuring its effectiveness through stakeholder engagement. [\(S2-3_27 b, c, d\)](#) [\(S2-3_28 to 29\)](#)

3.2.5 Adoption of measures related to significant incidents involving value chain workers, approaches to manage significant risks and leverage significant opportunities related to value chain workers, and effectiveness of these actions (S2-4)

In order to address the impacts identified as material and with the aim of continuing to advance in the management of human and labor rights in the upstream value chain, Tubacex is committed to developing more robust and formalized processes to prevent, mitigate, and remedy actual and potential impacts on the workers of its supply chain. During 2025, work will be carried out to implement specific mechanisms that include, among others, risk identification, continuous evaluation, and the adoption of corrective measures based on the OECD Due Diligence Guidelines and the framework established by the CSDDD, prioritizing potential negative effects on the value chain and subsequently extending actions to enhance the positive impacts considered relevant. This initial approach will focus on key direct suppliers, who represent a critical part of Tubacex's value chain. Through this work, the foundations will be laid to ensure the effectiveness of the adopted measures, with the goal of progressively extending their scope to the rest of the value chain. This process will be supported by specific action plans and allocated resources, allowing coverage of all relevant areas and ensuring a sustained positive impact. [\(S2-4_31\)](#)

Currently, there are no actions in place that allow for the remediation of negative incidents, nor the generation of positive impacts. However, as part of its commitment to human rights management in the value chain, Tubacex will focus in 2025 on implementing specific mechanisms for the prevention, mitigation, and remediation of negative impacts, initially prioritizing its key suppliers, identified through the systemic risk analysis previously conducted. This approach will enable effectively addressing the most significant risks and lay the foundation for the progressive expansion of these initiatives throughout the entire value chain, ensuring broader and sustained positive impact. [\(S2-4_32\)](#)

Additionally, Tubacex will work on defining and implementing clear metrics and KPIs to evaluate the effectiveness of the actions adopted, ensuring that they achieve the intended outcomes for value chain workers. This constant monitoring will not only allow for real-time adjustments but also strengthen the company's continuous improvement framework for sustainability policies.

In this regard, Tubacex has a supplier evaluation model that incorporates ESG criteria and establishes meetings and periodic contact with critical suppliers. This process, launched in 2020, includes the validation of more than 100 ESG evaluation points, as well as adherence to the corporate code of conduct. Recognizing the strategic importance of these suppliers, the company has deployed a continuous monitoring system to supervise their risks, ensuring regulatory compliance in areas such as compliance, ESG, and reputation. Through the active monitoring tool Go Supply, comprehensive tracking has been carried out during 2024, with no human rights violations detected to date. This comprehensive approach allows Tubacex to maintain strict control over its value chain, reinforcing its commitment to human rights and sustainability across its entire supply network. [\(S2-SBM3_33 a, b, c and d\)](#) [\(S2-4_33 a, b and c\)](#)

Since the materiality analysis has not identified any significant risks or opportunities concerning value chain workers, no specific actions have been defined to mitigate risks or leverage opportunities in this area. Consequently, no concrete monitoring plans have been established to evaluate their effectiveness in practice.

However, Tubacex maintains a continuous improvement approach in the management of its value chain, proactively monitoring any developments in the operational and regulatory context that could lead to the identification of new risks or opportunities in the future. If incidents with material impact

are detected, the company will assess the necessary measures to manage them effectively and in line with its sustainability commitments. (S2-4_34 a and b) During the reference period, no problems or serious cases related to human rights have been reported regarding Tubacex's upstream or downstream value chain. (S2-4_35 a, 36)

As previously mentioned, during 2025, the resources needed for managing material impacts in the value chain will be evaluated and defined. This process will include the assignment of roles and responsibilities related to the management of sustainable supply chains. This team will be responsible for coordinating and supervising activities related to the management of these impacts. Progressively, profiles will be added for managing risks in the downstream value chain. To support the efficient management of material impacts, advanced technological tools will be considered, which will allow for detailed monitoring of suppliers and working conditions in the value chain.

Likewise, the possibility of collaborating with other companies, institutions, and/or specialized organizations will be explored to optimize resources and improve results.

Training and awareness-raising of employees and suppliers will also be key to ensuring that resources are used effectively. During 2025, training will be conducted in key areas to equip internal stakeholders with the practices and principles of sustainability, human rights, and risk management in the supply chain. (S2-4_38)

The following table details the financial resources for the aforementioned actions. (ESRS 2 DP 68 d)

	Item	Implemented 2024 (ESRS 2 DP 69 b)	To be implemented (2025) (ESRS 2 DP 69 c)
S2: Value Chain Workers	OPEX	€72,000	€72,000

3.2.6 Goals related to the management of material negative impacts, the promotion of positive impacts, and the management of material risks and opportunities (S2-5)

(ESRS 2 DP 81) For the downstream value chain, in 2025, Tubacex will focus on laying the foundations to manage risks related to human rights and sustainability in the downstream value chain through a detailed risk analysis. This analysis will identify the key areas of impact and the best ways to integrate the company's commitments with its clients. In 2026, practical mechanisms will be implemented to transfer these commitments to clients, aiming to ensure that a significant percentage of them are informed about Tubacex's commitments, thereby ensuring the company's alignment with sustainability principles and labor rights.

Additionally, a performance monitoring system will be implemented to continuously assess progress and results, learning from experiences and lessons to drive improvements over time and ensure the effectiveness of the established commitments.

In a second phase, starting in 2025, additional goals are planned to be established through a direct collaboration process with supply chain workers and their legitimate representatives, ensuring that their perspectives and needs are considered. This approach will ensure that future objectives are achievable and aligned with the expectations and realities of the communities impacted by the company's activities.

3.3 Affected Communities (S3)

3.3.1 Material impacts, risks, and opportunities and their interaction with strategy and the business model (SBM-3)

(DP 9 a) Throughout 2024, Tubacex conducted a systemic risk analysis aimed at identifying, understanding, and evaluating impacts on communities related to activities developed in the Group's own operations and value chain. The analysis focused on two main areas:

- Communities near Tubacex facilities and work centers: Systemic impacts on communities located near the Group's production plants and work centers were assessed, considering environmental and human rights-related risks and incidents associated with developed activities, including possible indigenous communities near our locations.
- Communities affected by Tubacex's supply chain: Identifying potential systemic impacts on communities directly affected by incidents related to activities throughout the different stages of the main supply chains.

The analysis used as inputs indices and sources from internationally recognized organizations, as well as the results of climate and nature risk analyses (TCFD and TNFD) carried out during 2024. This approach generally considered communities near the activity centers, without specifically focusing on communities with particular characteristics that may be at greater risk of harm, except for indigenous communities in own operations.

The analysis represents a first step in identifying and evaluating systemic risks to people, communities, and the environment associated with the company's own operations and activities developed in the upstream value chain. This allows Tubacex to lay the foundation to continue progressing in the coming years in the identification and management of real/potential MIOs (material impacts and opportunities) related to affected communities throughout the different stages of the upstream value chain, as well as in own operations.

As for communities affected by the downstream value chain, during 2024 Tubacex conducted a preliminary analysis in which it began gathering information on its main clients and their sustainable practices, including risks and potential effects on local communities. For 2025, Tubacex will continue this analysis to better understand the downstream value chain and the main impacts related to affected communities.

(DP 9 b) As a result of the analysis developed by the Company, potential aspects were identified as generally applicable impacts for this type of industry, regarding communities near own operations and the value chain; namely:

- In the case of own operations, possible non-systemic impacts were identified, related to people's health and well-being, derived from any activity that could generate pollutants for air, water, and soil—limited, residually for Tubacex, to plants located near urban centers (the majority of the Group's plants are located outside these). Nevertheless, as already mentioned in previous chapters, production plants have

implemented a series of measures in compliance with applicable regulations to prevent, avoid, mitigate, and, if necessary, remedy impacts derived from such industrial activities, ensuring Tubacex remains below the required limits. This implies, therefore, a minimization in the use of hazardous substances and the availability of necessary procedures and measures to prevent environmental impacts from normal or emergency operations.

- Regarding upstream value chain operations, potential systemic impacts were identified concerning the health and safety of communities and human rights violations associated with ferroalloy extraction activities. However, Tubacex has implemented a supplier management system that evaluates potential environmental, social, and governance sustainability impacts, as well as maintains active monitoring of possible violations in its supply chain to establish corrective actions or even consider termination of commercial relationships when necessary.

(DP 9 c) In the materiality analysis conducted, the topic of affected communities was addressed from a critical perspective, focusing on identifying potential negative impacts. As a result, no positive incidents—either potential or actual—were identified.

(DP 9 d) Complementing the above, in the case of communities affected by the transition to greener and more neutral operations, the materiality analysis considered impacts associated with forced displacement, exclusion, and marginalization. Although the MIOs related to this issue are considered of limited material relevance, they will continue to be monitored with the goal of understanding the potential impacts of the ecological transition.

(DP 10) Regarding communities near Tubacex facilities and those impacted by the supply chain, work is underway to consolidate a specific approach that allows for a comprehensive understanding of how the particular characteristics of these groups could increase their vulnerability to certain risks. This aspect is in an initial consideration phase, with the aim of progressing toward future actions that address these needs in greater detail.

(DP 11) The material risks and opportunities arising from incidents affecting affected groups and dependencies in relation to them refer to all identified affected groups to date.

3.3.2 Policies related to affected communities (S3-1)

(DP 14) Over the past few years, Tubacex has identified and considered various communities affected by its operations, including regulatory bodies, educational centers, and civil society. These groups are considered key stakeholders in its consultation processes, both in the daily operation of the plants and in the development of new production centers.

(DP 16 a, b, and c) Tubacex reflects its commitment to respecting and protecting the rights of communities affected by its operations (including indigenous populations) in its Sustainability and Human Rights Policies. In this regard, for the effective development of the commitments set out in its policies, the general sustainability policy is developed in detail in section 2.1.4 Policies related to climate change mitigation and adaptation (E1-2). Meanwhile, the Human Rights Policy is developed in section 3.1.2 Policies related to own personnel (S1-1). Tubacex recognizes the importance of developing and implementing mechanisms to monitor compliance with these commitments and measures to provide and/or enable redress of any situation that may pose a human rights risk (in line with the Protect, Respect, and Remedy framework proposed by the Guiding Principles and other reference frameworks). Initial measures have been implemented, including a whistleblowing channel that allows stakeholders to report potential human rights violations, ensuring confidentiality and protection of the whistleblower, as well as investigation of the case by the company and the commitment to take appropriate action as necessary. Furthermore, as developed later, the Tubacex Foundation carries out projects aimed at promoting education, diversity, and social action in communities.

(DP 17) Tubacex's Human Rights Policy is based on the following key international human rights instruments:

1. The Ten Principles of the Global Compact.
2. The Universal Declaration of Human Rights.
3. The International Covenant on Civil and Political Rights.
4. The International Covenant on Economic, Social and Cultural Rights.
5. The ILO Declaration on Fundamental Principles and Rights at Work.

In this regard, as the company progresses in defining and implementing these processes, or as changes in context may require, Tubacex will work to adjust and improve its defined policies to ensure they reflect best international practices in human and labor rights, pursuing their effective implementation across all global operations.

During 2024, no cases of violation of the guiding principles were reported.

3.3.3 Processes to collaborate with affected communities on incidents (S3-2)

(DP 21 a, b, c, and d.) Tubacex has initiated steps to analyze the effectiveness of its current listening channels and their ability to identify material impacts and, where appropriate, to carry out remediation measures. In this regard, various practices of interaction with local communities are currently being developed:

- The listening channels and projects developed by the Tubacex Foundation within the local communities where the company operates.
- The whistleblowing channel, through which the different stakeholders can report possible human rights-related impacts.

During 2024, collaboration processes have been promoted through the Tubacex Foundation, which, using various sources of information, has analyzed the context and needs of the target regions, and supported the implementation and maintenance of projects focused on the development of affected groups (mainly boys and girls in vulnerable regions). These are long-term collaboration projects aimed at laying the foundations of systems that promote

the protection and full development of these groups, carried out in collaboration with non-governmental organizations. In addition to these projects, there are also ad-hoc initiatives that have arisen indirectly, through collaboration requests sent directly to the Tubacex Foundation. In this regard, the president of the Foundation, a position currently held by the CEO of Tubacex, ensures that these collaborations take place, following the corresponding analysis by the Foundation's Board of Trustees. All projects have specific objectives that are monitored and evaluated periodically within the Board and by an executive committee responsible for the correct execution of the Foundation's funds.

With a view to continuing progress in the management of human rights and possible impacts on communities throughout the value chain, Tubacex recognizes the importance of developing a comprehensive approach to participation and consultation that promotes and facilitates the participation of communities and individuals in matters related to human rights. In 2025, they will study the most appropriate collaboration and engagement options to continue advancing in this area and best adapt to the different realities of the environments in which the group's companies operate, as well as to the group's decentralized management model and the value chain.

(DP 22) As previously mentioned, Tubacex is conducting an initial exercise to map and better understand all the actors in its value chain, so that:

- It allows the company to identify affected communities that may be particularly vulnerable to impacts. Thanks to this analysis, the company will have the necessary information to formulate appropriate measures aimed at better understanding the perspectives of the most vulnerable individuals within the local communities.
- In case the affected communities are indigenous peoples, their specific rights are considered and guaranteed.

In this regard, it is worth highlighting the path already taken by the Tubacex Foundation, focused on developing projects aimed at collaborating with the local communities in which the company operates. The Foundation seeks to better understand the reality and issues of the affected communities, helping in particular those who are in vulnerable situations.

3.3.4 Processes to remediate negative incidents and channels for affected communities to express their concerns (S3-3)

(DP 27 a, b, c, d, 28) The Human Rights Policy reflects Tubacex's firm commitment to remediating any negative impact on the rights of individuals and communities that may arise from the activities carried out. This policy is developed in section 3.1.2 Policies related to own personnel (S1-1).

In recent years, initial measures have been implemented aimed at facilitating affected communities in raising their concerns or needs, including the Information System and the whistleblowing channel.

The whistleblowing channel is available to all stakeholders and allows them to communicate to the company possible issues and complaints, ensuring the protection of the whistleblower and the appropriate handling of the case and the adoption of relevant corrective measures when applicable. The procedure for managing a complaint received through the channel consists, first, of assessing whether the complaint has sufficient grounds to be processed. If it is processed, an acknowledgment of receipt is issued to the complainant within seven days following the receipt of the complaint. At the same time, an internal investigation process is initiated to gather all necessary information to assess the reported matter and determine the appropriate corrective measures.

Any individual who may be affected by Tubacex's activities can convey their concerns through the tool.

With the commitment to ensuring the proper management of communications made by the various stakeholders, the corporate policy of the Internal Reporting System (detailed in section 4.1.2 Policies on business conduct and corporate culture (G1-1)) includes the following aspects:

- The Person Responsible for the Internal Reporting System (Compliance Officer) is in charge of managing and processing the communications received (with the possibility of delegating management to Compliance Delegates of subsidiaries or seeking support from external third parties in complex cases).
- Autonomy and independence of the Responsible Officer, who does not receive instructions of any kind and has the necessary resources.

This comprehensive approach enables Tubacex to effectively address the issues raised, continuously improve its processes, and strengthen trust in its communication and grievance mechanisms.

To ensure knowledge and trust in Tubacex's Information System by internal and external stakeholders:

- The Internal Reporting System is accessible and public through the corporate website, thereby ensuring that information about the communication channels is always available.
- Training, awareness, and sensitization activities are carried out for our Professionals and Collaborators regarding its purpose and functioning to encourage the use and knowledge of the Internal Reporting System, which allows us to ensure people's awareness of the system and, at the same time, assess the level of understanding and trust in the system. In line with the above, throughout 2024 efforts have been made to promote awareness through an E-learning platform that is under development and will launch with several courses on sustainability, the first of which will be related to the Code of Conduct, where the channels to raise concerns are established. This course is currently under review to be launched in 2025 along with the training platform.
- In line with the above, throughout 2024 efforts have been made to promote awareness through an E-learning platform that is currently under development and will, upon its launch, offer several courses on sustainability-related topics. The first of these will focus on the Code of Conduct, which outlines the channels available for raising concerns. This course is currently under review and is scheduled to be launched in 2025 together with the training platform.
- The principles of the Information System will be incorporated into agreements with direct suppliers.
- The independence of the people managing the communication, assurance of anonymity and confidentiality, as well as the commitment to protecting the informant, foster trust in the use of the system.

As knowledge and awareness of the Information System grow, appropriate evaluation measures will be considered to obtain information and data that will facilitate assessing the degree of awareness and understanding of the system (e.g., on the system's effectiveness from the perspective of affected individuals and communities).

Tubacex's Information System strictly complies with the requirements derived from "Law 2/2023, of February 20, regulating the protection of individuals who report regulatory infringements and the fight against corruption," ensuring the protection of people who use the Internal Reporting System, including complaints and communications made by affected communities or their representatives. In this regard, the guarantee of the informant's protection is explicitly stated in the Information System Policy:

"No retaliation, protection for the Whistleblower or other persons involved or related to them: As long as communications are made in good faith and in accordance with the internal regulations of the Group, Tubacex will ensure, respect, and uphold the commitment to the protection of the Whistleblower, which includes both avoiding any conduct intended to apply harassing or retaliatory measures and protecting their confidentiality."

Likewise, the commitment to adopt the necessary technical and organizational measures to preserve data and its confidentiality, including the identity of the whistleblower (if they decide to identify themselves), is stated in the Privacy Policy of the Group's Internal Information System, published on the website and available to all stakeholders.

Complementary to the above, Tubacex has open channels available for the communities where it operates through the Tubacex Foundation, so that they can express development needs and possible issues, proposing projects and possible lines of action in which Tubacex can contribute social value.

Although this is an area in which Tubacex has been working for years, participation and interaction with the communities where the company operates and those located along its value chain is an area identified as needing further progress. Therefore, the following lines of action are proposed for the upcoming years:

- Identification of affected communities along its value chain.
- Development of formal/proactive engagement and collaboration with affected communities.
- Expansion of the scope of the whistleblowing channel to stakeholders without commercial relationships and development of mechanisms to assess the level of knowledge and trust in the system.
- Definition of a formal remediation process, including participation of stakeholders and evaluation of the effectiveness of the actions carried out.

3.3.5 Adoption of measures related to material incidents affecting affected communities, approaches to manage material risks and seize material opportunities related to affected communities, and the effectiveness of such actions (S3-4)

(DP 31, 32, 33, 34, 35, 38) As previously stated, Tubacex is carrying out a process of identifying and understanding the different stakeholders throughout its value chain, including the affected local communities. This analysis will allow the company to assess material impacts, risks, and opportunities arising from the interaction between communities and the group's operations.

In 2024, the aforementioned actions were developed within the framework of the Tubacex Foundation, which since 2016 has been carrying out projects aimed at adding value and collaborating with the communities where the company operates, promoting various social action projects or those with societal impact in the communities where Tubacex is present (ESRS 2 DP 68 a and b):

- **Social Action:** The Foundation works on various development projects in vulnerable regions. Notable is the project in collaboration with the NGO "Colabora Birmania," which supports the educational integration of displaced Burmese children, as well as projects in Guyana and Suriname in collaboration with UNICEF, promoting childhood education by improving access to water, sanitation, and hygiene habits in schools. Additionally, in response to other types of emergencies, there are support channels in place, such as for damages caused by climate disasters, wars, or epidemics.
- **Impact from CO₂ emissions:** In 2024, this new focus area was introduced to promote initiatives that generate a positive social impact through environmental actions.
- In addition to the projects and initiatives promoted by the Tubacex Foundation, the plants have clear guidelines to promote social action in their respective regions.

The financial resources for these actions are included in section 3.1.5 Adoption of measures related to material incidents affecting own personnel, approaches to mitigate material risks and seize material opportunities related to own personnel, and the effectiveness of such actions (S1-4), where the investment data related to Axis 3: People and communities is reported.

However, following the relevant analysis, initiatives will be designed to both remedy possible negative incidents and promote the generation of positive impacts in a systematic and integrated way. Currently, the management models themselves, the commitments established in the various policies, and the guidance provided by the Code of Conduct (introduced in section 3.1.4 Processes to remedy negative incidents and channels for own workers to express their concerns (S1-3)) ensure that the organization does not generate negative impacts on local communities.

As a result of this process, Tubacex will be able to adapt and optimize its policies and strategies, allowing for the definition of appropriate measures to address possible impacts, risks, and opportunities that may be related to affected communities throughout its value chain.

Likewise, the company is currently working on defining formal processes for the remediation of potential human rights impacts (without prejudice to acting when necessary to remedy any incident that may occur), so that:

- Remediation plans can be defined appropriately for each case of negative impacts on communities, with the participation of affected stakeholders.
- Remediation mechanisms are available and accessible to the different stakeholders.
- Mechanisms are established to evaluate the effectiveness of the actions carried out.

Consistently, the company identifies that the integration of these commitments into its sustainability strategy requires the appropriate allocation of resources. Therefore, investments are being made both at the corporate level and in local operations to ensure the effective implementation of these plans and strategies. This includes training and raising awareness among employees and local collaborators, as well as collaboration with key partners to strengthen community development efforts.

These processes also drive the identification of opportunities, with an action plan established that includes the definition of active collaboration strategies, the establishment of communication/consultation channels and feedback collection, or the definition and development of training, capacity building, and awareness programs on human rights, promoting understanding of sustainability policies among all employees and managers, among other aspects.

(DP 36) During the year 2024, no serious human rights issues or cases related to affected communities were reported.

The financial resources for the actions previously described are detailed below. (ESRS 2 DP 69 a)

	<i>Item</i>	<i>Implemented 2024 (ESRS 2 DP 69 b)</i>	<i>To be implemented (2025) (ESRS 2 DP 69 c)</i>
S3: Affected communities	CAPEX	–	-
	OPEX	468,661 €	482,735 €

3.3.6 Goals Related to the Management of Material Negative Impacts, the Promotion of Positive Impacts, and the Management of Material Risks and Opportunities (S3-5)

(DP 41) (DP 42 a, b, and c.) The initiatives launched by the Foundation have specific objectives regarding funding, number of beneficiaries, and the involvement of company collaborators in the implementation of projects. These objectives are proposed by the collaborating non-governmental organizations, which assess the needs of stakeholders and propose specific projects in response.

In addition, Tubacex is committed to advancing in the management of material impacts, risks, and opportunities related to affected communities through the strengthening of its communication methodologies and the implementation of effective impact mitigation and management systems.

Based on the results of the analysis conducted on the value chain and its relationship with impacted communities, Tubacex aims to better understand the needs and concerns of affected groups, ensuring that objectives are achievable and relevant, aligned with local realities.

This approach will be materialized in a series of key actions within the ongoing action plan:

1. Development of Policies and Procedures:
 - Definition of internal policies governing interaction with communities and management of impacts derived from the company's operations.
 - Drafting of a Human Rights Due Diligence Policy across the value chain.
2. Definition of Processes and Control and Monitoring Elements:
 - Identification and adjustment of necessary procedures and controls to address all stages of the impact, risk, and opportunity management process.
3. Development of a corporate engagement strategy with various stakeholders, including potentially affected communities, ensuring their participation in different stages of the due diligence process (identification, evaluation, definition of mitigation and remediation actions and objectives, as well as the evaluation of their effectiveness).

The management approach will allow Tubacex to define, monitor, and evaluate actions and goals aimed at systematically addressing the IROs concerning affected communities and ensuring their participation at various stages of the process.

For 2024, Tubacex has continued to promote medium-term goals in key areas related to local communities, as shown below (AR 45–AR47). These initiatives arise from a process of identifying internal needs and aligning interests with local communities, sometimes through direct contact with non-governmental organizations that have conveyed the communities' needs to the organization (DP 80h).

The goals and parameters are checked annually to verify if they remain relevant. In 2024, there has been no significant change in company performance toward any goal. (DP 80 j)

AXIS 3: People and Communities

Project	Goal and its relation to policies (DP 80 a, DP 80b):	Scope of action (DP 80 c) (coverage in relation to the value chain, geographical areas, etc.)	Reference value (DP 80 d)	Base year (DP 80 d)	Time horizon / deadline (DP, 68c, DP 80 e):	Main actions carried out and qualitative and quantitative information on their progress	Parameter to measure; Definition and labeling of the parameter (DP 73, DP 75, DP 76, DP 77c)	Methodologies and significant grounded assumptions (DP 77 a, DP 80 f)	Validation of parameter measurement (DP 77 b)	Performance in relation to the disclosed targets (DP 80 j)
Human Rights Situation Diagnosis by Country/UN	Conduct a Human Rights situation diagnosis in line with regulatory requirements (DD) and OECD guidelines at all Tubacex locations to meet the commitments included in its Human Rights policy.	Group	N/A as this is a new project. Human rights assessments had been carried out previously, but this project aims to broaden the scope by establishing due diligence procedures and methodologies.	2024	2025	Ongoing project to identify a catalog of human risks in which Tubacex potentially has an impact due to the nature/type of companies, geography, and management.	Completed YES/NO	Analysis of the human rights situation by geography and region in own operations. Evaluate said analysis based on management level.	Validated by Tubacex	Human Rights situation diagnosis completed by region, type of activity, and management level. This analysis is the first phase of a project focused on establishing a due diligence process (phase 2 in 2025). It has been carried out within the established timeframe and properly presented in the corresponding management and oversight forums.
Promotion of local social action focused on education and employment with diversity	Increase value to society through local initiatives aligned with the Tubacex Foundation, responding to its social action policy (promoting social development to contribute to	Group	N/A. At the launch of this project, there were no established consultation systems to understand the social actions of	2022	2030	The indicator to promote social action per plant has been deployed in the PDCA and incorporated into corporate processes.	% of profits allocated to Social Action	Contribution to social initiatives in regions where we are present, linking societal impact to Tubacex's economic performance.	Validated by Tubacex	Monitoring in the business units of the projects carried out, which, together with those developed by the Tubacex Foundation, meet the defined goal. This indicator is

	generating a positive social impact). Reach 1% of total profits allocated to Social Action initiatives.		the various plants.							part of the sustainability indicators panel. In 2024, €482,735 was allocated to Social Action initiatives, exceeding the 1% profit goal originally set for 2030.
Quality Training	Promotion of youth employability and employment, aligned with the company's social action and training and professional development policy. This is a quantitative goal without specific targets as it depends largely on student interest and available offers. Qualitatively, this project aims to maintain the commitment to youth employment and employability.	Group	N/A. Reference values could correspond to the number of students in vocational training and international scholarship programs. However, in 2016 new programs were launched in an economic and social context (pandemic) that required program adjustments to company needs.	2016	2030	Dual training programs have been developed, along with the promotion of international scholarships through collaboration with public entities.	Number of young participants	Access to training programs	Validated by Tubacex	2 international scholarships, 36 apprentices in Austria, 6 students in dual degrees. These indicators do not respond to a specific target as there is a changing trend in the demand for this type of training. Results are presented to the Foundation Board, which evaluates them based on company needs.
Green Ideas Awards	Promote young talent related to sustainability, aligned with Tubacex's social action and training and development policies. No quantitative target	Spain	N/A as it is the first year and no prior reference values exist.	2024	2025	Launch of a competition for final-year university students to access a sustainability-linked scholarship at Tubacex.	N/A in 2024 as it was declared void.	Participants registered with a sustainability project.	Validated by Tubacex	The contest was declared void in 2024 due to lack of participation. The scope has been reconsidered and categories expanded.

	is defined as the quality of the projects is prioritized over the number.									Decision made by the Tubacex Foundation Board.
ESG Campus	Promotion of training in sustainability, in line with its social action and professional training and development policy. The goal is to have 100% of the workforce trained in sustainability courses by 2030.	Group and company	N/A as this is the first year of launch and there are no previous benchmark values available.	2024	2030	Launch of an E-learning platform to include courses on sustainability-related topics (diversity, SDGs, Net Zero, etc.).	100% of the workforce trained in Sustainability Number of courses developed	Development of in-house or external courses	Validated by the Tubacex Foundation	Development of the platform and five ESG courses prepared for launch in 2025. More information in section S1-5.
Colabora Birmania	Collaboration with the NGO Colabora Birmania to promote the education of Burmese refugee or displaced children in Mae Sot through a comprehensive assistance and education project (orphanage, early childhood education, primary education, and secondary education), in line with the Social Action Policy and the company's commitment to continue promoting social	Gorup	N/A as this is the first year of launch and there are no previous benchmark values available.	2024	This is a project with no fixed time horizon, and its renewal is approved annually after assessing local needs.	We continue to provide financial support to fund the organization's educational activities, ranging from orphanages to primary and secondary education.	Children supported and enrolled in school each year % of profits allocated to Social Action	Boys and girls enrolled in support programs (educational centers)	Validated by the Tubacex Foundation	520 children supported and enrolled in school each year, with continued financial support amounting to €51,000. This initiative is part of the project "Promoting Local Social Action with a Focus on Education and Employment with Diversity." In 2024, €482,735 was allocated to Social Action initiatives, surpassing the target of 1% of profits. The trend has exceeded

	action programs in the communities where it operates. Target: Allocate 1% of total profits to Social Action initiatives.									expectations, as the goal was achieved in 2024 instead of 2030.
SOS Ukraine	Promote the integration of Ukrainian refugee families in the Basque Country with employment ties to TPBC. Social action policy and continued promotion of social programs in communities.	Group	N/A (first year)	2024	Annual renewal based on displaced families' needs	7 families relocated (mothers and children). Phase 1: hosted by families via SOS Ukraine and other entities. Phase 2: housing rented after 6 months. 3 families progressed; 2 remain; others returned or relocated.	Number of families supported / % of profits allocated to social action	Number of families supported	Validated by Tubacex Foundation	2 families currently supported. Compliance in emergency projects is not quantifiable due to personal needs. Referenced in "Promotion of local social action focused on education and employment with diversity". In 2024, Social Action exceeded 1%.
UNICEF	Promote the education of children in Guyana and Suriname by strengthening the educational network and improving access to water, sanitation, and hygiene. Scope: 6,000 children in Guyana and 1,200 in Suriname. Social action policy and commitment to promote social programs in the	Group	N/A (first year)	2024	2027	3-year partnership agreement to improve water, sanitation, hygiene, and launch awareness campaigns in schools.	% of children reached in Guyana / % in Suriname / % of profits allocated to social action	Number of children enrolled in support programs (schools)	Validated by Tubacex Foundation	Guyana: 287 children reached (4.78% of the target). Suriname: 150 children reached (12.5%). Progress is expected to increase significantly in coming years. In 2024, €482,735 was allocated to Social Action, exceeding the 1% target six years ahead of 2030.

	communities where the company operates.									
Dale Candela	Provide financial support for ALS research. Social action policy.	Group	N/A (first year)	2024	2024	Specific support for a project consisting of crossing Death Valley (USA) on a tandem bike to raise ALS awareness.	% of profits allocated to social action / Amount of funds donated	Total financial contribution to the project	Validated by Tubacex Foundation	€10,000 donated. The goal is fully met as it is a one-time donation. In 2024, Tubacex exceeded its 1% profit goal for Social Action.
Emergency Aid	Provide financial support for major emergencies in Spain. Social action policy.	Spain	N/A (varied emergencies)	2016	No defined end date due to emergency nature	Economic aid provided in response to COVID-19 and DANA floods.	% of profits allocated to social action / Total donations via payroll	Volume of financial aid raised	Validated by Tubacex Foundation	€6,000 raised from employees + €42,000 donated by Tubacex Foundation. Performance not quantifiable due to specific and varied needs. In 2024, overall Social Action funding exceeded 1% of profits, reaching the goal ahead of 2030.

These goals are aligned with commitments incorporated into the Diversity, Equity and Inclusion Policy; Training and Professional Development Policy; Health and Safety Policy; Human Rights Policy; and Social Action Policy, focusing mainly on (DP MDR-T 80a):

- Implementing a policy supporting internationally recognized human rights and avoiding complicity in potential violations.
- Continuing the promotion of social action programs in communities where the company operates.

4. GOVERNANCE INFORMATION

4.1 Business Conduct (G1)

4.1.1 The Role of the Management, Executive, and Supervisory Bodies (NEIS 2 GOV -1)

The Board of Directors plays a key role in business conduct, overseeing and ensuring that the company operates ethically, legally, and responsibly. It is responsible for approving policies and guidelines that guide business decisions. (DP 5a)

It has experience in identifying, managing, and mitigating risks related to business conduct and is involved in approving sustainability strategies, overseeing the integration of sustainability objectives into the company's overall strategy. It also supervises corporate risks, including ethical ones such as conflicts of interest, corruption, or unfair labor practices. It has appropriate training and knowledge to address business conduct issues, including experts or directors with experience in business ethics, sustainability, or regulatory compliance. (DP 5b)

4.1.2 Business Conduct Policies and Corporate Culture (G1-1)

(DP 7) Tubacex has the following policies regarding business conduct issues:

- **Code of Conduct** (Detailed in section 3.1.4 Processes to remediate negative impacts and channels for employees to raise concerns (S1-3)): Approved to regulate the behavior of all Tubacex employees and, by extension, suppliers and customers with a business or contractual relationship with Tubacex, establishing clear limits on what is considered appropriate behavior. (DP 10b)
- **Corporate Policy on the Internal Information System (Whistleblowing Channel)**: Approved in 2023 by the Group's Board of Directors (ESRS 2 DP 65c) to implement an Internal Information System designed to cover the entire Group (ESRS 2 DP 65b), aimed at promoting a corporate culture based on honesty (ESRS 2 DP 65a), transparency, and open communication. This system establishes clear principles and guidelines for the use of the Whistleblowing Channel, facilitating the reporting of potential irregularities and ensuring the protection of whistleblowers. Beyond the procedures for following up on complaints, the company does not have specific procedures for investigating corruption and bribery cases. (DP 10c.i) The Whistleblowing Channel is managed by the Compliance Officer, appointed by the Board of Directors, who operates autonomously and independently in carrying out their duties. This officer has the necessary resources for their role and can delegate tasks to Compliance delegates in international subsidiaries or request external support when necessary. The Whistleblowing Channel not only reinforces the company's commitment to the highest ethical standards but also ensures that every member of the Group has a confidential and secure way to contribute to good governance and organizational integrity.
- **Privacy Policy** (DP 10c.ii): Approved in 2023 by the Board of Directors (ESRS 2 DP 65c), this policy sets out the principles and guidelines for the secure and confidential processing of personal data of whistleblowers and other involved individuals (ESRS 2 DP 65b). It ensures compliance with current data protection regulations, guaranteeing that the information provided is handled ethically, transparently, and responsibly. (ESRS 2 DP 65a) This policy protects privacy rights, ensures the confidentiality of whistleblowers' identities, and guarantees that their data is used only to investigate and resolve the reported complaints. It also establishes security measures to prevent unauthorized access and maintain information integrity, strengthening the Group's commitment to an ethical and safe working environment.
- **Sustainability Policy**: Approved in 2023, it explicitly includes the commitment to promote and maintain a governance model for responsible business, which drives and promotes mechanisms to ensure good governance practices, legal compliance, ethics, and the prevention of corruption and bribery, ensuring strict compliance with national and international legislation in all markets and locations where it operates. This policy is detailed in section 2.1.4 Policies related to climate change mitigation and adaptation (E1-2).
- **General Risk Control and Management Policy**: Approved in 2023, it sets the framework for identifying, assessing, managing, and controlling risks that may affect the organization. Its goal is to ensure good corporate governance, protect financial stability, and preserve the Group's reputation. (ESRS 2 DP 65a) Approved by the Group's Board of Directors (ESRS 2 DP 65c), the policy addresses a wide range of risks, including corporate governance, ethics, and compliance risks across the Group (ESRS 2 DP 65b). It defines general principles for integrating risk management into strategic decision-making and ensuring proactive and dynamic uncertainty management. The policy also establishes a comprehensive control system that includes continuous risk identification, periodic monitoring of deviations, and the implementation of contingency plans.
- **Social Action Policy**: Approved in 2023 by the CEO (ESRS 2 DP 65c), this policy defines the principles and commitments of the Tubacex Group in contributing to social development and creating value in the communities where it operates. Its purpose is to promote social action initiatives aligned with the values of sustainability, collaboration, solidarity, and social commitment. This policy establishes support programs for local communities and developing countries (ESRS 2 DP 65b) through technical, financial, and human resources. It also promotes collaboration with associations and charities, employee participation in socially impactful activities, and the development of awareness programs (ESRS 2 DP 65a). Tubacex also works with authorities, NGOs, and experts to foster community development and align its actions with global commitments such as the Sustainable Development Goals and the UN Global Compact. Transparency in these initiatives is ensured through the Group's Sustainability Report.

(DP 9) The development of corporate culture at Tubacex is supported by the implementation of ethical principles defined in the internal policies mentioned above, which guide the behavior of all employees and partners. It is also encouraged through the promotion of open communication and transparency, while evaluation is conducted through continuous monitoring of compliance and the identification of improvement opportunities to strengthen the commitment to integrity and sustainability. (DP 20) These policies are available to all relevant stakeholders through the Tubacex website.

(DP 10g) Although corruption-related topics have not been the subject of specific training, Tubacex acknowledges the growing importance of fostering an ethical and responsible organizational culture, especially in an increasingly demanding business environment. Thus, the company has identified the need to equip its entire workforce with the necessary tools to act according to the highest ethical standards. To this end, it is developing an online training platform accessible to all employees, where the first mandatory course is the Code of Conduct. This course aims to ensure that each member of the organization understands and applies the ethical principles guiding decisions and behavior within the company. This training is intended for the entire workforce, with a particular focus on raising awareness among senior management and specific areas with greater impact on decision-making, management of significant resources, or access to sensitive information.

(DP 10h) Within Tubacex, the positions most at risk of corruption and bribery are those that combine decision-making power, interaction with third parties, and access to economic or strategic resources. These include:

- Senior Executives and Managers
- Purchasing Department Staff
- Sales and Commercial Managers
- Finance Department
- Legal and Compliance Department

4.1.3 Supplier Relationship Management (G1-2)

(DP 14) Currently, Tubacex does not have a defined policy to avoid payment delays. However, according to Law 10/2015, Third Transitory Provision, companies are required to obtain information on the average payment period to suppliers.

(DP 15a, DP 15b) Tubacex has a stable supplier panel that it evaluates to understand potential risks during procurement processes. By year-end, 913 suppliers (representing 87.7% of purchase volume) had been evaluated on ESG matters. These suppliers must meet the social and environmental requirements demanded by the Tubacex Group for their approval, confirming that they have not caused any significant impact. In 2024, the company reviewed its management processes to align its supply chain with its sustainability commitments. It evaluated the impact of its suppliers by categories and regions (Tier 1) in social and environmental matters to propose an approval process that considers potential risks they may be impacting and the most appropriate way to assess and drive their sustainability performance.

4.1.4 Prevention and Detection of Corruption and Bribery (G1-3)

(DP 18a) Tubacex has established an Internal Information System, available and directed to the entire Group, mainly consisting of the so-called "Whistleblowing Channel." This channel is a formal and secure mechanism for communication, consultation, and/or reporting of potential irregularities, with the protection of the whistleblower as one of its guiding principles.

To this end, the Group offers various communication mechanisms to promote and encourage a culture of open, fluid, and transparent communication, forming the basis of the Group's Internal Information System. Specifically, the following channels are available to employees and collaborators:

- Online Whistleblowing Channel tool, as a multichannel IT platform accessible to all its employees and collaborators. It is available on the corporate website www.Tubacex.com and technically managed by an external third party. The tool is also accessible via the employee portal, particularly for complaints or claims related to administrative and/or labor issues. (DP 20)
- It is also possible to report any conduct verbally by requesting a face-to-face meeting with the Internal Information System Officer or with external managers designated by that person. Although communications, complaints, and/or claims can be submitted through any of the described channels, it is noted that only those communications related to conduct potentially constituting a serious or very serious criminal or administrative offense will be protected under the measures set out in Law 2/2023, of February 20. Additionally, questions or consultations regarding the system may also be submitted through the Internal Information System.

(DP 18b) The Board of Directors of Tubacex S.A. has appointed the Group's Compliance Officer as the sole person responsible for the Internal Information System, responsible for ensuring its proper functioning and management.

(DP 18c) In case of detecting any irregularity, this person is responsible for reporting the findings, gathering the necessary information, and preparing a detailed report to be presented to the Board of Directors in a private meeting. This report includes investigation findings, recommended corrective actions, and follow-up measures to ensure compliance with internal policies.

The System Manager will act with autonomy and independence from any other Tubacex bodies, committees, or commissions and will ensure diligent handling of the received communications. They will not receive any instructions in their duties and must have all the personal and material resources necessary to carry them out.

For the proper performance of their role and coordination with subsidiaries in third countries, the System Manager may delegate the investigation to Compliance Delegates of those subsidiaries if deemed appropriate. Depending on the nature, complexity, significance, or persons involved—especially in potential conflict of interest situations—the System Manager may also seek support from external third parties.

(DP 21) As mentioned in the section "Business Conduct Policies and Corporate Culture (G1-1)", the Group has not yet provided specific training on anti-corruption and bribery, although it is planned for 2025.

4.1.5 Corruption or Bribery Cases (G1-4)

(DP 24a, DP 24b) Tubacex has complied with anti-corruption and anti-bribery procedures and regulations and has therefore not received any convictions or fines in this area during 2024.

4.1.6 Political Influence and Lobbying Activities (G1-5)

(DP 29a) Currently, Tubacex does not have representatives within its management, executive, or supervisory bodies specifically responsible for overseeing political influence and/or lobbying activities, as no political or financial contributions—monetary or in kind—are made.

(DP 29c) Tubacex also does not engage in lobbying activities. Therefore, it does not prepare a summary of the main topics addressed in this area and consequently has no information on the company's positions regarding these activities or their interaction with the relevant impacts, risks, and opportunities identified in its NEIS 2 assessment.

(DP 29d) Tubacex is not registered in the EU Transparency Register or in any equivalent register of a member state.

(DP 30) No member of Tubacex's management, executive, or supervisory bodies has held similar positions in public administration.

4.1.7 Payment Practices (G1-6)

(DP 33 a.) The following details the information required by the Second Final Provision of Law 31/2014, of December 3, which has been prepared by applying the Resolution of the Institute of Accounting and Accounts Auditing dated January 29, 2016, adapting to the new requirements established by the aforementioned law for the first fiscal year closed after its entry into force. Accounts payable are initially measured at their fair value and subsequently measured at amortized cost using the effective interest rate.

	Fiscal Year 2024
Days	
Average supplier payment period	93
Ratio of operations paid	100
Ratio of operations pending payment	63
Thousands of euros	
Total payments made	€189,685
Total outstanding payments	€45,505
Number of invoices paid within the maximum period established by the late payment law	6,238
Percentage relative to the total number of invoices	34%
Amount of payments made within the maximum period (Thousands of euros)	€51,385
Percentage relative to the total monetary value of payments to suppliers	27%

(DP 33 d) The data presented in the above table on payments to suppliers made by the parent company and other Spanish subsidiaries refers to those who, by nature, are trade creditors for debts with suppliers of goods and services. Therefore, they include data related to the item "Trade creditors and other accounts payable – Suppliers" in the current liabilities section of the attached consolidated balance sheet.

The "average supplier payment period" shall be understood as the expression of the time taken to pay or the delay in paying trade debt. This "average supplier payment period" is calculated as the quotient formed by the sum of the ratio of paid operations multiplied by the total amount of payments made, plus the ratio of operations pending payment multiplied by the total amount of outstanding payments, divided by the total amount of payments made and payments pending. In this regard, payment terms are determined by each business unit rather than by purchasing category, and the Group is adapting different payment methods depending on local regulations. (DP 33 b)

The ratio of operations paid is calculated as the quotient formed by the sum of the products of the amounts paid multiplied by the number of days to payment (difference between the calendar days elapsed from the end of the legal maximum payment period to the actual payment date), divided by the total amount of payments made.

Likewise, the ratio of operations pending payment is calculated as the quotient formed by the sum of the products of the outstanding payment amounts multiplied by the number of days pending payment (difference between the calendar days from the end of the legal maximum payment period to the closing date of the annual accounts), divided by the total amount of outstanding payments.

The legal maximum payment period applicable to companies with registered offices in Spain, according to Law 11/2013 of July 26, which establishes measures to combat late payment in commercial transactions and in accordance with the transitional provisions established in Law 15/2010 of July 5, is 30 days (unless the conditions specified therein are met, which would allow this maximum payment period to be extended up to 60 days). The Tubacex Group has implemented measures to continue adjusting the average payment period to those established in the current legislation.

As of the end of December 2024, there are no ongoing legal proceedings for payment delays. (DP 33 c)

4.1.8 Cybersecurity

4.1.8.1 Policies Adopted to Manage Material Sustainability Matters (MDR-P)

Tubacex's Information Security Policy, approved by the Board of Directors (ESRS 2 DP 65 c), reflects the organization's firm commitment to defining and establishing clear guidelines, as well as providing the necessary support to manage information security. All of this is in compliance with internal requirements, legal regulations, and applicable laws, with the aim of improving the quality of services offered to its clients. Additionally, this policy seeks to safeguard the company's information assets and ensure the privacy of clients, partners, suppliers, and employees (ESRS 2 DP 65 b).

To this end, the following objectives are established (ESRS 2 DP 65 a):

- **Implement the necessary measures and procedures** to protect the three fundamental pillars of information security:
 - **Confidentiality:** Ensuring that only authorized users can access data and systems.
 - **Integrity:** Protecting the accuracy and reliability of information and systems against alterations, losses, or destruction, whether accidental or malicious.
 - **Availability:** Ensuring that information and systems are accessible and operational when needed.
- **Disseminate the rules established in this policy** to promote a culture of awareness and training in information security among all Tubacex employees. This will enable the adoption of appropriate practices in the performance of their duties.
- **Consider the Information Security Policy as the main instrument** to ensure effective protection, promoting and ensuring its compliance across all services of the organization.

4.1.8.2 MDR-A, MDR-M, MDR-T – Actions and Resources, Parameters, and Monitoring of the Effectiveness of Policies and Actions in Relation to Material Sustainability Matters

Below is a list of projects developed by Tubacex related to Cybersecurity. All of them have been completed and are currently operational.

The targets and parameters are verified annually to ensure they remain relevant. In 2024, there were no significant changes in the company's performance in achieving any target. (DP 80 j)

Proyecto	Meta a lograr y su relación con las políticas (DP 80 a, DP 80b):	Alcance de la actuación (DP 80 c) (cobertura en relación a la cadena de valor, zonas geográficas etc.):	Valor referencia (DP 80 d)	Año base (DP 80 d)	Horizonte temporal / deadline (DP 68c, DP 80 e):	Principales actuaciones realizadas e información cualitativa y cuantitativa del progreso de las mismas	Parámetro a medir; Definición y etiquetado del parámetro (DP 73, DP 75, DP 76, DP 77c)	Metodologías e hipótesis significativas fundamentadas (DP 77 a, DP 80 f)	Validación de la medición del parámetro (DP 77 b)	Rendimiento con respecto a las metas divulgadas (DP 80 j)
Ciberseguridad. Modelo dual de autenticación	Habilitar en el 100 % de las plantas una doble autenticación de acceso a los sistemas	Grupo	N/A	2022	2024	En funcionamiento	% de plantas en las que se ha implantado	Tubacex adoptó metodologías basadas en las mejores prácticas de la industria de la seguridad informática, así como en marcos regulatorios y estándares internacionales para garantizar un enfoque sólido y alineado con los objetivos corporativos.	Validado por Tubacex	Se ha implantado en el 100% de las plantas. La tendencia era la esperada y el objetivo se ha cumplido.
Ciberseguridad. Implementación de SIEM (security alert)	Implantación en el 100 % de las plantas de un SIEM que recibe alertas y eventos de seguridad de varias plataformas de seguridad.	Grupo	N/A	2022	2024	En funcionamiento	% de plantas en las que se ha implantado	Tubacex adoptó metodologías basadas en las mejores prácticas de la industria de la seguridad informática, así como en marcos regulatorios y estándares internacionales para garantizar un enfoque sólido y alineado con los objetivos corporativos.	Validado por Tubacex	Se ha implantado en el 100% de las plantas. La tendencia era la esperada y el objetivo se ha cumplido.
Ciberseguridad. Instalación de sensores de detección de atacantes	Implantación en el 100 % de las plantas de un sistema inteligente de detección de	Grupo	N/A	2022	2024	En funcionamiento	% de plantas en las que se ha implantado	Tubacex adoptó metodologías basadas en las mejores prácticas de la industria de la seguridad informática, así como en marcos	Validado por Tubacex	Se ha implantado en el 100% de las plantas. La tendencia era la esperada y el

	patrones de ataque.							regulatorios y estándares internacionales para garantizar un enfoque sólido y alineado con los objetivos corporativos.		objetivo se ha cumplido.
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These projects required the development of the following actions, all in relation to Tubacex's Information Security Policy (ESRS 2 DP 65 a), and all carried out between 2022 and 2024 (ESRS 2 DP 65 c), covering the needs of the entire Group ([ESRS 2 DP 65 b](#)):

- Implementation of dual authentication using a smartphone or a physical device connected to a computer to prevent credential theft.
- Implementation of a SIEM that centralizes receipt of alerts and security events from multiple platforms.
- Deployment of advanced sensors and intelligent systems to identify attack patterns and detect network threats.

4.1.9 Innovation

4.1.9.1 Policies Adopted to Manage Material Sustainability Matters (MDR-P)

Currently, no specific policies related to innovation have been adopted. This is because the company already includes innovation-related commitments within other policies. [\(ESRS 2 DP 62\)](#).

However, despite not having a dedicated policy, Tubacex develops a series of projects that promote innovation and seek innovative solutions. These projects, along with their targets and actions, are detailed in the following section.

4.1.9.2 MDR-A, MDR-M, MDR-T – Actions and Resources, Parameters, and Monitoring of the Effectiveness of Policies and Actions in Relation to Material Sustainability Matters

The most relevant actions carried out in the field of innovation that have been developed and are planned to be developed in the medium term are as follows:

- **Analysis of Circular Business Opportunities:** This action is directly related to the objective of “Integrating sustainability into the group’s business strategy” and “promoting the circular economy and energy transition” as stated in the sustainability policy (ESRS 2 DP 65 a). It affects the entire group (ESRS 2 DP 65 b) and has a timeline from 2022 to 2025 (ESRS 2 DP 65 c).
- **New Steel Plant Heating Concepts for New Electrolysis Technology:** This action is directly related to the objective of “promoting the energy transition” in the sustainability policy (ESRS 2 DP 65 a). It affects the group’s steel plants (ESRS 2 DP 65 b) and has a timeline from 2022 to 2030 (ESRS 2 DP 65 c).
- **Development of New Technologies for Hydrogen Generation for Self-Consumption:** This action is directly related to the objective of “Improving energy efficiency and promoting the use of renewable energy” in the sustainability policy (ESRS 2 DP 65 a). It affects the group’s steel plants (ESRS 2 DP 65 b) and has a timeline from 2022 to 2026 (ESRS 2 DP 65 c).

Below are the projects developed by Tubacex related to innovation. The projects and their objectives are:

AXIS 2: Innovative Solutions

Project	Goal and its relation to policies (DP 80 a, DP 80b):	Scope of action (DP 80 c) (coverage in relation to the value chain, geographical areas, etc.)	Reference value (DP 80 d)	Base year (DP 80 d)	Time horizon / deadline (DP, 68c, DP 80 e):	Main actions carried out and qualitative and quantitative information on their progress	Parameter to measure; Definition and labeling of the parameter (DP 73, DP 75, DP 76, DP 77c)	Methodologies and significant grounded assumptions (DP 77 a, DP 80 f)	Validation of parameter measurement (DP 77 b)
Circular Economy	Ensure that 80% of R&D efforts are devoted to energy transition. Grow new business activities, either by partnering with startups or developing new technologies.	Group	62% of innovation efforts on energy transition	2022	2025	% of R&D&I efforts dedicated to energy transition	(R&D&I resources for energy transition / Total R&D&I resources)	Validated by Tubacex	Currently, 31% of R&D efforts are dedicated to energy transition. Despite maintaining the 2023 trend, the increased investment in gas extraction solutions reduced the energy transition share. The trend is below expectations, with improvement expected in 2025.
H2 and Decarbonized Mobility: New Business – Coil Manufacturing for OEM Electrolyzers	Achieve 80% of efforts. Provide a comprehensive service (from co-design to logistics) in the manufacturing of components for electrolyzers with a lean 4.0 manufacturing approach.	Group	62% of innovation efforts on energy transition	2022	2025	% of R&D&I efforts dedicated to energy transition	(R&D&I resources for energy transition / Total R&D&I resources)	Validated by Tubacex	Currently, 31% of R&D efforts are dedicated to energy transition. The trend is below expectations and is expected to increase in 2025.
H2 and Decarbonized Mobility:	Ensure that 80% of R&D is allocated to energy transition. Explore new material	Group	62% of innovation efforts on energy transition	2022	2025	% of R&D&I efforts dedicated to energy transition	(R&D&I resources for energy transition / Total R&D&I resources)	Validated by Tubacex	Currently, 31% of R&D efforts are dedicated to energy transition. The trend is below

Materials for Electrolyzers	solutions for electrolyzers.								expectations and is expected to increase in 2025.
H2 and Decarbonized Mobility: Materials for Hydrogen Process and Transport	Ensure that 80% of R&D is allocated to energy transition. Industrialize and sell special materials for the hydrogen industry.	Group	62% of innovation efforts on energy transition	2022	2025	% of R&D&I efforts dedicated to energy transition	(R&D&I resources for energy transition / Total R&D&I resources)	Validated by Tubacex	Currently, 31% of R&D efforts are dedicated to energy transition. The trend is below expectations and is expected to increase in 2025.
Steel Industry Decarbonization (ACVA)	Reduce CO ₂ emissions by 30% by 2026. Reduce gas consumption by 60% by 2030.	Acerálava	62% of innovation efforts on energy transition	2023 (approved in 2025)	Target 1: 2026 – Target 2: 2030	Total emissions (tons of CO ₂)	Calculated based on GHG Protocol	Validated by Tubacex	Not started yet as the project was approved at the beginning of 2025.
CO ₂ Capture and Storage (CCS)	Achieve 80% of efforts. Create a specific and differentiated offering of products and services for CCS.	Acerálava	62% of innovation efforts on energy transition	2022	2025	% of R&D&I efforts dedicated to energy transition	(R&D&I resources for energy transition / Total R&D&I resources)	Validated by Tubacex	Currently, 31% of R&D efforts are dedicated to energy transition. The trend is below expectations and is expected to increase in 2025.
Green Ammonia/Urea	Increase sales of proprietary products to the fertilizer industry. Reach a sales figure of €75 million to Low Carbon segments.	Group	37% of sales to Low Carbon segments / total sales	2022	2026	Sales to fertilizer industries	Sales figures to Low Carbon segments over total	Validated by Tubacex	Currently, 31% of R&D efforts are dedicated to energy transition. The trend is below expectations and is expected to increase in 2025.
Biofuels/Synthetic Fuels/Bioplastics	Achieve 80% of efforts. Increase sales to new fuel/plastics projects.	Group	62% of innovation efforts on energy transition	2022	2025	% of R&D&I efforts dedicated to energy transition	(R&D&I resources for energy transition / Total R&D&I resources)	Validated by Tubacex	Currently, 31% of R&D efforts are dedicated to energy transition. The trend is below

									expectations and is expected to increase in 2025.
Nuclear	Achieve 80% of efforts. Technical collaboration with as many small modular reactor projects as possible.	Group	62% of innovation efforts on energy transition	2022	2025	% of R&D&I efforts dedicated to energy transition	(R&D&I resources for energy transition / Total R&D&I resources)	Validated by Tubacex	Currently, 31% of R&D efforts are dedicated to energy transition. The trend is below expectations and is expected to increase in 2025.

These targets are aligned with the commitments included in the Integrated Environmental Policy and focus mainly on (DP MDR-T 80a):

- Measuring and reducing the carbon footprint across all activities, aiming for climate neutrality by 2050.
- Improving energy performance, particularly through innovation and efficient energy use.
- Promoting the use of renewable energy and decarbonizing the energy sources used.
- Participating in cutting-edge initiatives to contribute to the energy transition.
- Fostering circularity by increasing the use of recycled materials and promoting reuse, recovery, and recycling of waste throughout the value chain.
- Minimizing waste generation as much as possible, avoiding it at the source whenever possible.

4.1.10 Business Conduct Goals

Although current regulations do not require the establishment of mandatory goals in this area, effective and responsible management remains a cornerstone of Tubacex's governance policy.

Governance-related goals and projects can be found in the table below.

AXIS 4: Ethics and Transparency

Project	Goal to be Achieved and its Relation to Policies (DP 80 a, DP 80b):	Scope of Action (DP 80 c) (coverage in relation to the value chain, geographic areas, etc.):	Reference Value (DP 80 d)	Base Year (DP 80 d)	Time Horizon / Deadline (DP 68c, DP 80 e):	Main Actions Taken and Qualitative and Quantitative Information on Their Progress	Parameter to Measure; Definition and Labeling of the Parameter (DP 73, DP 75, DP 76, DP 77c)	Significant Methodologies and Assumptions (DP 77 a, DP 80 f)	Validation of Parameter Measurement (DP 77 b)	Performance Against Disclosed Targets (DP 80 j)
New Code of Conduct and Acceptance Record	Update of the Code of Conduct and acceptance repository	Group	N/A	2022	2024	New corporate Code of Conduct developed. Approved by the Board of Directors in June 2023.	Completed YES/NO	N/A	Validated by Tubacex	The goal has been achieved, therefore performance reached 100%. The trend was as expected, with the project ending in 2024.
Policy Book	Preparation and communication of the Policy Book. Ensure compliance with corporate policies and promote a culture of compliance	Group	N/A	2022	2024	New sustainability policies developed (climate change, circular economy, pollution, biodiversity) and social policies (development, DEI, health and safety, social action, human rights). Review of current policies (procurement, travel, clients, HSE).	Completed YES/NO	N/A	Validated by Tubacex	The goal has been achieved, therefore performance reached 100%. The trend was as expected, with the project ending in 2024.
ESG M&A Procedure Definition	Incorporate ESG-related analysis aspects (human rights, environmental impact, and other practices) in relevant M&A processes.	Group	N/A	2022	2025	Analyzing ways to incorporate a new M&A procedure considering environmental and human rights criteria.	N/A	N/A	Validated by Tubacex	Currently in progress. No measurable target exists, as it is a one-time action. The trend is as expected and is expected to conclude in 2025.

ESG Key Performance Indicators	Improve data quality, traceability, and reliability, with a dedicated ESG consolidation system.	Group	N/A	2022	2025	ESG reporting has been consolidated by incorporating new tools.	Completed YES/NO	N/A	Validated by Tubacex	The goal has been achieved, therefore performance reached 100%. The trend was as expected, with the project ending in 2024.
ESG KPIs Definition and Deployment in PDPs	Link variable compensation to sustainability by selecting a system tied to achieving specific objectives	Group	N/A	2022	2027	ESG PDCA and weighting/tracking model defined for executives and middle managers (Emissions, accident reduction, and ESG-rated suppliers). Two ESG indicators also incorporated into long-term incentives for Executive Committee and key executives (Low Carbon Sales and Pay Gap Plan).	Completed YES/NO	N/A	Validated by Tubacex	The goal has been achieved, therefore performance reached 100%. The trend was as expected, with the project ending in 2024.
Sustainable Financing	Link financing to sustainability indicators or practices. Achieve 50% of financing linked to ESG objectives.	Group	0	2022	2024	Sustainable promissory notes launched linked to recycling and LTIFR indicators, plus a sustainable financing framework tied to emissions reduction.	% of total financing linked to sustainability / net financial debt	N/A	Validated by Tubacex	The indicator stands at 67.6%, surpassing the initial target. Progress has outpaced original estimates, achieving the goal ahead of schedule.
Climate Risk and Transition Risk Evaluation Model	Advance in evaluating climate and transition risks in line with TCFD guidelines and other European directives.	Group	N/A	2022	2024	In 2024, environmental IROs evaluated (climate, pollution, water, waste, biodiversity). Includes assessment of the financial impact of climate risks.	Completed YES/NO	N/A	Validated by Tubacex	The goal has been achieved, therefore performance reached 100%. The trend was as expected, with the project ending in 2024.

Corporate Risk and ESG Risk Model	Identify and incorporate sustainability-related risks into the corporate risk model	Group	N/A	2022	2024	Sustainability risks have been identified over the past two years, with some incorporated into our risk map and weighted by the management team.	Completed YES/NO	N/A	Validated by Tubacex	The goal has been achieved, therefore performance reached 100%. The trend was as expected, with the project ending in 2024.
Stakeholder Analysis	Define and consolidate Tubacex's stakeholder map	Group	N/A	2022	2025	New stakeholders added for assessment by responsible managers	Completed YES/NO	N/A	Validated by Tubacex	Currently in progress. No measurable target exists, as it is a one-time action. The trend is as expected and is expected to conclude in 2025.
Stakeholder Communication Plan	Promote communication with stakeholders by sharing sustainability commitments.	Group	N/A	2022	2025	Communication plan for stakeholders developed with a new Equity Story.	Completed YES/NO	N/A	Validated by Tubacex	Currently in progress. No measurable target exists, as it is a one-time action. The trend is as expected and is expected to conclude in 2025.
ESG Certifications and Rankings	Participation in ESG ratings (CDP and S&P) to improve performance and provide visibility of management	Group	N/A	2022						

These goals are aligned with the commitments embedded in the Sustainability Policy, and are mainly focused on (DP MDR-T 80a):

- Promoting and maintaining a governance model for responsible business, one that fosters and advances mechanisms to ensure best practices in governance, legal compliance, ethics, and the prevention of corruption and bribery.
- Maintaining a constant commitment to reliability and transparency.
- Establishing and executing compliance verification procedures.
- Maintaining close relationships with suppliers and customers to promote sustainable practices and extend Tubacex's sustainability commitments to them.

The financial resources allocated to the previously described actions under the G1 category are detailed below.. (ESRS 2 DP 68 d)

The financial resources (ESRS 2 DP 69 a) allocated to the previously described actions are shown in the table below:

	Item	Implemented 2024 (ESRS 2 DP 69 b)	To be implemented (2025) (ESRS 2 DP 69 c)
G1: TOTAL	CAPEX	3,577,973 €	4,121,280 €

	Item	Implemented 2024 (ESRS 2 DP 69 b)	To be implemented (2025) (ESRS 2 DP 69 c)
G1: TOTAL	OPEX	683,365 €	703,365 €

5 TAXONOMY

Tubacex has conducted an analysis of Regulation (EU) 2020/852 which establishes the framework to facilitate sustainable investments and sets the requirements for classifying an economic activity as environmentally sustainable (substantial contribution to one or more environmental objectives, do no significant harm to any other environmental objective, carry out activities in accordance with minimum social safeguards, and meet the technical screening criteria).

This regulation is supplemented by various Delegated Regulations:

- Delegated Regulation (EU) 2021/2139, which establishes the technical criteria to determine the conditions under which an economic activity contributes substantially to climate change mitigation and adaptation (Climate Delegated Regulation).
- Delegated Regulation (EU) 2021/2178, which specifies the content and presentation of the information that must be disclosed by companies subject to this regulation. According to Article 8 of the Taxonomy Regulation, non-financial companies must disclose the percentage of eligibility and alignment of their turnover, investments in fixed assets (CapEx), and operating expenses (OpEx), as well as the contextual information detailing the calculation methodology.
Delegated Regulation (EU) 2023/285, which amends Delegated Regulation (EU) 2021/2139, establishes additional technical screening criteria to determine the conditions under which an economic activity is considered to substantially contribute to climate change mitigation or adaptation, and to determine whether such economic activity does not cause significant harm to any of the other environmental objectives..
- Delegated Regulation (EU) 2021/2178, which specifies the content and presentation of the information that must be disclosed by companies subject to this regulation. According to Article 8 of the Taxonomy Regulation, non-financial companies must disclose Delegated Regulation (EU) 2023/2486, which establishes the taxonomy criteria for economic activities that substantially contribute to the 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 2024 financial year are: The eligibility and alignment of those activities included in the Climate Delegated Regulation. The eligibility of the new activities included in the Environmental Delegated Regulation and the amendments to the Climate Delegated Regulation.

5.1 Eligibility Criteria:

Taxonomically Eligible Activities:	A Taxonomy-eligible activity is one that is described in the Delegated Act, regardless of whether it meets some or all technical screening criteria.
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After analyzing Delegated Regulation (EU) 2021/2139 of the Commission (June 4, 2021), which completes Regulation (EU) 2020/852 and establishes technical screening criteria for determining whether an economic activity contributes substantially to climate change mitigation or adaptation, it was verified that the Regulation includes activities carried out by Tubacex.

With this definition, the criterion established in 2022 for the eligibility analysis has been maintained, considering the steel manufacturing activities (ACERÁLAVA) and excluding from this scope the rest of the companies dedicated to the production of tube and other tubular products, machined products, or other complementary services added to the final product. Section 3.9 "Manufacture of Iron and Steel" in Annex I of the regulation is classified as a transitional activity according to Article 10(2) of Regulation (EU) 2020/852.

Tabla 1. Compañías contempladas en el análisis de elegibilidad:

COMPANY	Activity and NACE Code	Type of Indicator Considered
ACERÁLAVA	NACE 24.10 – "Manufacture of basic iron, steel and ferroalloys"	Sales to third parties
TSS	NACE 46.77 – "Wholesale of waste and scrap"	Sales of ACERÁLAVA products

1Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023, amending Delegated Regulation (EU) 2021/2139, establishing additional technical Screening criteria to determine under which conditions an economic activity is considered to contribute substantially to climate change mitigation or adaptation, and to determine whether such activity does not cause significant harm to any of the other environmental objectives. (Source: europa.eu)

2Commission 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 screening criteria to determine under which conditions an economic activity is considered to substantially contribute to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems, and to determine whether such activity does not cause significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosure of such economic activities. (Source: europa.eu)

With the approval on June 13, 2023, by the European Commission, of the Environmental Delegated Regulation, which defines the complementary activities under the four remaining 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), Tubacex has analyzed whether its activities are covered by said Delegated Regulation, concluding that they are excluded as they do not align with the description of the included activities.

5.2 Alignment Criteria:

Taxonomically Aligned Activities:	<p>A Taxonomy-aligned activity is one that meets all the requirements set out in the Taxonomy Regulation:</p> <ul style="list-style-type: none"> 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, prevention and control of pollution, and protection and restoration of biodiversity and ecosystems. The “do no significant harm” (DNSH) assessment: The purpose of the evaluation is to ensure that the Taxonomy itself does not include economic activities that undermine any of the other five environmental objectives. Comply with minimum social safeguards: The OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights must be respected.
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In line with the eligibility criteria, the alignment evaluation focuses on the stainless steel long products manufactured by the group’s steel plant, ACERÁLAVA, and their distribution via TSS. Alignment is achieved due to the use of scrap metal in Electric Arc Furnaces (EAF), with scrap content exceeding 70% of fine steel production.

* This indicator is calculated based on the percentage of internal and external scrap used in the final product (ingot).

Alignment with Climate Change Mitigation Technical Requirements:

MITIGATION OF THE CC	
¿CNAE Code of the activity?	24.10
Scrap consumption in EAF furnaces – higher than the following values?	
i) 70% of fine steel production	yes

Do No Significant Harm:

Climate Change Adaptation:		
A risk assessment (identification, classification, and evaluation) of physical climate risks has been performed, identifying vulnerabilities and implementing adaptation solutions.	Yes	<p>Tubacex has conducted a climate risk analysis identifying exposure and vulnerabilities. Key results include:</p> <p>Climatic Risks:</p> <ul style="list-style-type: none"> Physical risks: The main risk identified in scenario SSP5-8.5 is water scarcity, which impacts production capacity, investment costs, and orders. Transition risks: Key risks are driven by regulatory factors, such as stricter import requirements under CBAM and carbon pricing mechanisms <p>Business impact analysis included:</p> <p>An analysis of the business impact was carried out, assessing, on the one hand, the lost revenue in scenarios involving water restrictions (one-month or three-month supply cuts), quantifying the volume of production that could be affected. On the other hand, regarding regulatory risks, an analysis was conducted on the impact of carbon pricing and its effect on production projections.</p>
The risk assessment includes climate projections adapted to the characteristics of the activities under analysis.	Yes	<p>Tubacex Group has incorporated climate and transition risks into its global risk model. During 2024, it updated its climate risk and opportunity assessment model, taking into account the IPCC recommendations and analyzing the impact on its activities under the following Shared Socioeconomic Pathways (SSPs): SSP2-4.5 (baseline scenario), SSP3-7.0 (high GHG emissions scenario), and SSP5-8.5 (very high GHG emissions scenario). The assessment was carried out by evaluating, on the one hand, physical risks (acute and chronic), resulting from the effects of climate change on business activities, and on the other hand, transition risks, resulting from the impacts of a transition towards a low-carbon economy. Physical risks were analyzed over three different time horizons – short term (2020–2039), medium term (2040–2059), and long term (2080–2099) – identifying potential sources and assessing the climate threat in accordance with climate projections for the SSP5-8.5 scenario across the different time frames. To this end, the analysis considered the most material locations with the highest degree of exposure to risk and their vulnerability, taking into account the sensitivity of the facilities and their activity, as well as their adaptive capacity to climate threats. For transition risks and opportunities, the assessment considered the “Paris Agreement Climate Neutrality Target” scenario, based on IPCC SSP1-2.6, and the IEA Net Zero Emissions by 2050 scenario across the short term (2024–2030), medium term (2031–2040), and long term (2041–2050), following the classification established by the Task Force on Climate-related Financial Disclosures (TCFD) and the Carbon Disclosure Project (CDP). Accordingly, transition risks include the following categories: current regulation, emerging regulation, technology, market, and reputational risks; while opportunities are based on: resource efficiency, energy source, products and services, market, and resilience. This analysis has been complemented by a financial impact assessment of the risks and opportunities identified as priorities for Tubacex in the short term and under the most critical scenarios.</p>

There is an implementation plan for the proposed solutions..	Yes	At the plants included in this analysis, an assessment of the impact of these projections has been carried out, analyzing, on the one hand, the risk evaluation based on the aforementioned projections, and on the other hand, the impact on the business, assessing the effect on operations. • In the case of the material risks identified (such as water supply interruptions), the solution plan involves more efficient resource management (e.g., water recovery processes) and a culture of responsible consumption. At storage facilities, water is not considered a material asset, as it is not part of the production process.
Water and Marine Resources:		
A water risk assessment (both as a resource and receptor) was conducted.	Yes	The plant subject to this analysis has carried out environmental impact assessments that include a water risk assessment. ACERÁLAVA has Environmental Risk Analysis (ERA) Reports. The methodology applied is in accordance with Standard UNE 150008:2008 on the Analysis and Assessment of Environmental Risk, specifically regarding the performance of risk analyses, as established in Royal Decree 2090/2008 on Environmental Liability. In addition, a complementary analysis of water-related risks and opportunities was carried out in 2024 (see more information in section E3). The risks analyzed were as follows: <ul style="list-style-type: none">• Water pollution• Degradation of water quality• Habitat degradation• Species loss• Risk of water supply shortages• Drought• Decreased availability of water for industrial processes• Pollution caused by discharges into water systems In the case of TSS, water is not considered a material aspect of management, as it does not carry out a production process.
A management plan for the use and protection of water has been developed.	Yes	The ARA report includes management plans for water use and protection, among other material aspects.
Pollution Prevention and Control:		
Justification that the installation does not produce, market, or use substances listed in Appendix C of Annex I of Delegated Regulation (EU) 2021/2139	Yes	ACERÁLAVA uses Nickel, listed in Annex XVII of Regulation (EC) No. 1907/2006, in compliance with usage requirements The activity is carried out in accordance with the Best Available Techniques (BATs) for steel production, as defined in Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions. Specifically, the BATs related to the management of air emissions in steel manufacturing processes and casting in basic oxygen converters and/or casting processes in electric arc furnaces. Emissions remain below the legal emission limits established by Directive (EU) 2015/2193 for the steel industry.
Biodiversity and Ecosystems:		
Environmental Impact Assessment (EIA) in accordance with Directive 2011/92/EU has been carried out	Yes	ACERÁLAVA has carried out environmental impact assessments that include an evaluation of biodiversity and ecosystems. The methodology applied in the Environmental Risk Analysis is in accordance with Standard UNE 150008:2008 on Environmental Risk Analysis and Assessment, specifically regarding the performance of risk analyses, as established in Royal Decree 2090/2008 on Environmental Liability. In the case of the warehouses that are part of the TSS unit, there is no significant environmental impact due to the nature of the activity carried out. Regarding biodiversity impact, these facilities are located in industrial areas that carry out their corresponding environmental impact assessments and are therefore outside any area considered protected. Although biodiversity was not identified as a material aspect in the 2024 materiality analysis, Tubacex has incorporated this element into its environmental risk analysis (more information in Annex I). Accordingly, in 2024, and in line with the GAP analysis conducted in 2023 to comply with the new Corporate Sustainability Reporting Directive (CSRD), Tubacex has included biodiversity and ecosystem impact within the scope of its analysis.

(1) Sources

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

Compliance with Social Safeguards

Occupational Health and Safety	
Regulatory Framework	Fundamental principles of the Universal Declaration of Human Rights, ILO conventions, OECD Guidelines for Multinational Enterprises, and the UN Global Compact.
Management Framework	<ul style="list-style-type: none"> • In December 2023, the organization launched its new Occupational Health and Safety Policy, outlining specific commitments.

	<ul style="list-style-type: none"> It maintains a management process focused on health and safety, along with action plans to minimize human resource impacts. The assessed plants have a certified Occupational Risk Prevention Program under ISO 45001
Reference in this document	Section 5.4.17 – Health & Safety
Human Rights	
Regulatory Framework	Includes national and international regulatory frameworks. As a UN Global Compact participant, Tubacex supports the Ten Principles on Human Rights, Labour, Environment, and Anti-Corruption; the Universal Declaration of Human Rights; the International Covenant on Civil and Political Rights; and the ILO's core conventions.
Management Framework	<ul style="list-style-type: none"> In December 2023, the organization launched its new General Human Rights Policy, signed with the Board of Directors, outlining its commitments in this area. It also has a process in place for both internal analysis (own locations — more information in section S1 of this report) and external analysis (suppliers — more information in section S2 of this report) of potential impacts in this area. This includes a governance system with clearly assigned responsibilities (Audit and Compliance Committees and the Sustainability and Good Governance Committee), a management system focused on prevention, and a whistleblower channel to report any potential breaches and initiate mitigation measures. <p>In 2024, and in line with the GAP analysis carried out in 2023 to ensure compliance with the new Corporate Sustainability Reporting Directive (CSRD), Tubacex launched a specific Human Rights Due Diligence project, involving all Group companies. This project has been extended to the supply chain, with the aim of redefining the supplier approval process by incorporating human rights risk criteria (such as supplier typology, geographic location, volume of purchases, etc.).</p> <p>As part of the materiality analysis, potential impacts on indigenous communities associated with both operations and the value chain were assessed. Although such impacts were considered to be of relatively low significance, Tubacex acknowledges the importance of protecting and respecting the rights of indigenous peoples as part of its commitment to collaborate with and bring value to the communities affected by its activities.</p> <p>Currently, Tubacex promotes positive impact actions for these communities through its Tubacex Foundation. One example is its collaboration in a project in Thailand, focused on the Karen people, who live on the border with Myanmar and have suffered forced displacement due to armed conflict.</p> <p>The organization Colabora Birmania works closely with local entities that are directly involved in defending the rights of the Karen and other indigenous groups, helping to improve their quality of life and promote autonomy and safety.</p> <p>This NGO also supports education and awareness on human rights, particularly in a context where the Karen people and other communities have long been victims of forced displacement, abuse, and human rights violations.</p> <p>Since 2019, the Tubacex Foundation has been collaborating with this NGO to support the Karen community. In 2024, it also launched a new project with UNICEF aimed at improving access to water and sanitation in schools in Guyana and Suriname, with the goal of promoting childhood education and development in these regions.</p>
References	Sections S1, S2, S3
ANTI-CORRUPTION & BRIBERY	
Regulatory Framework	Tubacex carries out its activities in strict compliance with applicable regulations on the prevention and fight against corruption. Its operations are based on the principles of legality and the fight against all forms of corruption, and in particular, the company rejects any practice that could be considered irregular in the development of its business relationships.
Management Framework	<ul style="list-style-type: none"> The company promotes the principles set out in its Code of Conduct and extends this commitment to all companies within the Group or with which it maintains business relationships. As a mechanism for monitoring anti-corruption and anti-bribery policies, the Audit and Compliance Committee is expressly entrusted with the responsibility of ensuring compliance with applicable legislation, as well as with the self-imposed commitments before the Board of Directors, and overseeing matters related to business ethics within the Group.
Reference in this document	Section G1
TAXES	
Regulatory Framework	Tubacex is firmly committed to good corporate governance policies, promoting voluntary contributions in environmental, social, and economic areas.
Management Framework	<p>In this context, the Tubacex Group updated its Corporate Tax Policy in December 2023, with the aim of setting out its tax strategy and thereby ensuring the control of financial and non-financial risks, as well as compliance with good tax practices by the companies and professionals within the Group.</p> <p>In particular, the Corporate Tax Policy pursues 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>Tubacex Group's actions are guided by the following general principles:</p>

	<ul style="list-style-type: none"> • The proper and consistent fulfillment of tax obligations as established in the applicable tax regulations of each jurisdiction. • The adoption of recommendations included in good tax practice codes implemented in the jurisdictions where the Group operates, taking into account specific needs and circumstances. • The prevention and mitigation of significant tax risks, ensuring that taxation is appropriately aligned with the structure and location of business activities, human and material resources, and business risks.
Reference in this document:	Annex I – Consolidated Non-Financial Information Statement
FAIR COMPETITION	
Regulatory Framework	Tubacex promotes a governance model for responsible business, aimed at driving and fostering mechanisms that ensure good practices in governance, legal compliance, ethics, and the prevention of corruption and bribery, ensuring the strictest compliance with national and international legislation in all markets and locations where it operates. The company acts within the legislative framework applicable to the countries in which it conducts its activities, fully complying with both the letter and the spirit of the law.
Management Framework	As established in its Code of Conduct, the company is committed to competing fairly in the markets. Behaviors that must be avoided by employees in this area are shared through this channel, which is publicly available.
Reference in this document:	Section G1

5.3 [Key Performance Indicators](#)

5.3.1 [Calculation Methodology:](#)

For the calculation of the indicators, sales from ACERÁLAVA to third parties will be considered eligible and, based on the analysis carried out, aligned, as well as the sales of the trading companies (TSS) related to steel (eligible activity) versus other products (non-eligible activity). For this purpose, TSS sales have been considered “by origin of the material” (ACERÁLAVA). For CapEx and OpEx, the corresponding items from the ACERÁLAVA entity and the proportion used by TSS for the related activity are taken into account. In the case of the denominators, the calculation will be performed according to the following criteria: i

Indicadores	Descripción.
Sales	Proportion of revenue derived from eligible activities (numerator) over the total company revenue (denominator), excluding intercompany sales
Opex	Proportion of eligible taxonomy OPEX (numerator) over total taxonomy OPEX (denominator). The latter includes the aggregation of non-capitalized direct costs related to the activities and to R&D, maintenance and repair expenses, and environmental management costs, which are necessary to ensure the continued and efficient operation of the assets, and are therefore considered material, regardless of the eligibility of the activities. It excludes short-term leases as these are intercompany transactions.
Capex	Proportion of fixed assets invested in eligible economic activities (numerator) with respect to the total assets acquired during the 2023 financial year (denominator). This includes the sum of all additions to tangible and intangible assets before depreciation, amortization, and any revaluation, including those additions resulting from business combinations, regardless of the eligibility of the activities.

Below are the percentages of eligibility and alignment in revenue, Opex, and Capex for the objective of climate change mitigation, as no activity has been identified as associated with the remaining environmental objectives.

5.3.2 [Results Tables](#)

5.3.2.1 [Main Results](#)

SALES: (DP 40 d i)

2024		Revenue (%)	Revenue (€ thousands)
Elegible	Aligned (1)	11.0	84,451.5
	Not aligned (2)		
Not eligible (3)		89.00	683,089.3
TOTAL		100	767,540.8

2023		Revenue (%)	Revenue (€ thousands)
Elegible	Aligned (1)	10.81	92,185
	Not aligned (2)		
Not eligible (3)		89.19	760,208
TOTAL		100	852,392

(1) Turnover from environmentally sustainable activities (aligned with the taxonomy)

(2) Turnover from taxonomy-eligible but not environmentally sustainable activities (activities not aligned with the taxonomy)

(3) Turnover from non-taxonomy-eligible activities

CAPEX: (DP 16c)

2024		CAPEX (%)	CAPEX (€ thousands)
Elegible	Aligned (1)	4.42	2,790
	Not aligned (2)		
Not eligible (3)		95.58	60,323
TOTAL		100	63,113

2023		CAPEX (%)	CAPEX (€ thousands)
Elegible	Aligned (1)	3.75	3,264
	Not aligned (2)		
Not eligible (3)		96.25	83,706
TOTAL		100	86,969.7

(1) CAPEX from environmentally sustainable activities (aligned with the taxonomy)

(2) CAPEX from taxonomy-eligible but not environmentally sustainable activities (activities not aligned with the taxonomy)

(3) CAPEX from non-taxonomy-eligible activities

OPEX: (DP 16c)

2024		OPEX (%)	OPEX (Miles de €)
Elegible	Alineada (1)	24.10	6,418
	No alineada (2)		
No eligible (3)		75.90	20,218
TOTAL		100	26,636

2023		OPEX (%)	OPEX (Miles de €)
Elegible	Alineada (1)	21.28	4,845.08
	No alineada (2)		
No eligible (3)		78.12	17,920.82
TOTAL		100	22,325.5

(1) OPEX from environmentally sustainable activities (aligned with the taxonomy)

(2) OPEX from taxonomy-eligible but not environmentally sustainable activities (activities not aligned with the taxonomy)

(3) OPEX from non-taxonomy-eligible activities

Tubacex is actively advancing its decarbonization plan for the steelworks, having defined a series of initiatives focused on improving energy efficiency, incorporating renewable energy sources to replace current gas consumption, continuing the purchase of green electricity, and implementing measures aimed at increasing the share of scrap used in its furnaces and sourcing materials with lower emission factors (DP 16e).

In order to comply with Annex III of Delegated Regulation (EU) 2022/1214, the following table is introduced, detailing the activities related to nuclear energy:

ANEXO XII

Template 1 – Activities Related to Nuclear and Fossil Gas Energy

Activities related to nuclear energy		
Row		
1.	The company carries out, finances, or has exposures to the research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal fuel cycle waste..	NO
2.	The company carries out, finances, or has exposures to the construction and safe operation of new nuclear facilities to produce electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as to safety improvements, using the best available technologies.	NO
3.	The company carries out, finances, or has exposures to the safe operation of existing nuclear facilities that produce electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as to their safety improvements.	NO

Activities related to fossil gas		
4.	The company carries out, finances, or has exposures to the construction or operation of electricity generation facilities that produce electricity from fossil gaseous fuels.	NO
5.	The company carries out, finances, or has exposures to the construction, renovation, and operation of combined heat/cooling and power generation facilities that use fossil gaseous fuels.	NO
6.	The company carries out, finances, or has exposures to the construction, renovation, and operation of heat generation facilities that produce heat/cooling from fossil gaseous fuels..	NO

Proportion of Turnover Derived from Products or Services Associated with Taxonomy-Aligned Economic Activities – Disclosure for the Year 2024

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')										Proportion of turnover/Total turnover		
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2024 (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 Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year 2023(18)	Category enabling activity (19)	Category transitional activity (20)	Taxonomy-aligned per objective	Taxonomy-eligible per objective	
Text		Currency	%	Y; N; NIEL	Y; N; NIEL	Y; N; NIEL	Y; N; NIEL	Y; N; NIEL	Y; N; NIEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T			
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Manufacture of Iron and Steel	CCM 3.9*	84451,5	11,00%	S	N	NIEL	NIEL	NIEL	NIEL	S	S	S	S	S	S	S	10,81%			T		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		84451,5	11,00%	11,00%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	10,81%					
Of which Enabling		0	0,00%	0,00%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0,00%	F				
Of which Transitional		84451	100%	100%						S	S	S	S	S	S	S	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 of Taxonomy eligible activities (A.1+A.2)		84451	11,00%	11,00%	0%	0%	0%	0%	0%								10,81%					
B. TAXONOMY-NON-ELIGIBLE																						
Turnover of Taxonomy non-eligible activities		683089	89,00%																			
Total		767540,8	100%																			

Proportion of turnover/Total turnover		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	11,00%	11,00%
CCA	0%	11,00%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BID	0%*	0%

*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 climate change mitigation.

Proportion of CAPEX from products or services associated with economic activities aligned with the taxonomy – disclosure for the year 2024

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly")						Proportion of Taxonomy aligned (A.1) or eligible (A.2) CAPEX, year 2023(18)	Category enabling activity (19)	Category transitional activity (20)	
Economic Activities (1)	Code (2)	CAPEX (3)	Proportion of CAPEX, year 2024 (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 Safeguards (17)
Text		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	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Fabricación de Hierro y acero		CCM 3.9*	2790	4.42%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	3.75%		T
CAPEX of environmentally sustainable activities (Taxonomy-aligned)			2790	4.42%	4.42%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	3.75%		
Of which Enabling			0	0.00%	0.00%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	0.00%	F	
Of which Transitional			2790	100%	100%							S	S	S	S	S	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 of Taxonomy			2790	4.42%	4.42%	0%	0%	0%	0%	0%							3.75%		
B. TAXONOMY-NON-ELIGIBLE																			
CAPEX of Taxonomy non-eligible activities			60323	95.58%															
Total			63113	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 climate change mitigation.

Proportion of CAPEX/Total CAPEX		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	4.42%	4.42%
CCA	0%	4.42%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%

Proportion of OPEX from products or services associated with economic activities aligned with the taxonomy – disclosure for the year 2024

Financial year 2024	Year		Substantial Contribution Criteria							DNSH criteria ("Does Not Significantly")							Proportion of Taxonomy aligned (A.1) or eligible (A.2) OPEX, year 2023(18)	Category enabling activity (19)	Category transitional activity (20)
Economic Activities (1)	Code (2)	OPEX (3)	Proportion of OPEX, year 2024 (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 Safeguards (17)			
Text		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	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Fabricación de hierro y acero	CCM 3.9*	6418	24,10%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	21,28%		T
OPEX of environmentally sustainable activities (Taxonomy-aligned)		6418	24,10%	24,10%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	21,28%		
Of which Enabling		0	0,00%	0,00%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0,00%	F	
Of which Transitional		6418	24,10%	100%						S	S	S	S	S	S	S	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 of Taxonomy		6418	24,10%	24,10%	0%	0%	0%	0%	0%								21,28%		
B. TAXONOMY-NON-ELIGIBLE																			
OPEX of Taxonomy non-eligible activities		20218	75,90%																
Total		26636,0	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 climate change mitigation.

Proportion of OPEX/Total OPEX		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	24,10%	24,10%
CCA	0%	24,10%
WTR	0%*	0%
CE	0%*	0%
PPC	0%*	0%
BIO	0%*	0%

ANNEX I: Requirements of Law 11/2018 – Non-Financial Information Statement (NFIS)

General	Reporting framework	ESRS 2	BP-1
Management approach	Description of applicable policies	E1 / G1 / S1 / S4	E1-2, S1-1, G1-1, S4-1, ESRS 2 MDR-P
	Results of the policies	ESRS2 / E1 / G1 / S1 / S4	E1-3, G1-2 a 4, S1-2 a 16, S4-2 a 4, ESRS 2 MDR-A, ESRS 2 MDR-M
	Key risks related to these matters and linked to group activities	ESRS 2	SBM-3
Business Model			
Description of the group's business model	Description of the group's business model	ESRS 2	SBM-1
	Geographic presence	ESRS 2	SBM-1
	Objectives and strategies	ESRS 2	SBM-1
	Key factors and trends affecting future performance	ESRS 1	SBM-1
Environmental Matters			
General	Current and foreseeable effects of the company's activities on the environment, and where applicable, on health and safety	ESRS 2	IRO-1
	Environmental evaluation or certification procedures.	-	-
	Resources dedicated to preventing environmental risks	ESRS 2	MDR-A
	Application of the precautionary principle	-	-
	Amount of provisions and guarantees for environmental risks	-	-
Pollution	Measures to prevent, reduce or repair carbon emissions severely affecting the environment; considering any form of activity-specific atmospheric pollution, including noise and light pollution	E1 / ESRS 2	E1-2 / E1-3 / IRO-1
Circular Economy and Waste Prevention and Management	Measures for waste prevention, recycling, reuse, other recovery and disposal forms	E5	E5-2
	Actions to combat food waste	-	-
	Water consumption and supply in accordance with local constraints	E3	E3-4 (28a; 28b)
Sustainable Use of Resources	Raw material consumption and measures to improve usage efficiency	E5	E5-2 / E5-4 (31a)
	Direct and indirect energy consumption, measures to improve energy efficiency and the use of renewable energy	E1	E1-2 / E1-5 (37)
Climate Change	Greenhouse gas emissions (GHG) generated as a result of the company's activities, including from the use of goods and services it produces	E1	E1-6
	Measures adopted to adapt to the consequences of climate change	E1	E1-2
	Voluntary medium- and long-term GHG reduction targets and implementation measures	E1	E1-4
Biodiversity Protection	Measures adopted to preserve or restore biodiversity	-	-
	Impacts caused by activities or operations in protected areas	E4	E4-5
Social and Employee-Related Matters			
Employment	Total number and breakdown of employees by gender, age, country, and professional category	S1	S1-6, S1-9
	Total number and distribution of types of employment contracts	S1	S1-6
	Annual average of permanent, temporary, and part-time contracts by gender, age, and category	S1	S1-6
	Number of dismissals by gender, age, and category	-	-

	Average remuneration and its evolution by gender, age, and category or equivalent value	-	-
	Gender pay gap	S1	S1-16 (97a)
	Equal pay for equal jobs or company average	-	-
	Average remuneration of directors and executives, including variable pay, allowances, compensation, long-term savings systems, and other components, by gender	-	-
	Implementation of right-to-disconnect policies	S1	S1-1 (18; 19) / S1-15
	Employees with disabilities	-	-
	Work time organization	S1	S1-1 (18; 19) / S1-4
Work Organization	Number of hours of absenteeism	-	-
	Measures to facilitate work-life balance and shared parental responsibility	-	-
	Health and safety conditions at work	S1	S1-1 (DP. 23)
Health and Safety	Work-related accidents, especially frequency and severity, broken down by gender	S1	S1-14
	Occupational diseases, broken down by gender	S1	S1-14
	Social dialogue organization, including procedures to inform, consult, and negotiate with employees	S1	S1-2 / S1-3
Social Dialogue	Percentage of employees covered by collective agreements by country	S1	S1-8
	Overview of collective agreements, particularly on health and safety	-	-
	Training policies implemented	-	-
Training	Total training hours by professional categories	-	-
Accessibility	Universal accessibility for persons with disabilities.	-	-
	Measures to promote equal treatment and opportunities between men and women	-	-
Equality	Equality plans	-	-
	Measures to promote employment	-	-
	Sexual and gender-based harassment protocols	ESRS 1	S1-1 (24a; 24b)
	Inclusion and universal accessibility of persons with disabilities	-	-
	Anti-discrimination policy and diversity management	ESRS 1	S1-1 (24)
Respect for Human Rights information			
	Application of human rights due diligence procedures	ESRS 2	GOV-4
Human Rights	Prevention of human rights violations and, where applicable, mitigation, management, and remediation measures	ESRS 2 / S1	S1-1 (20 c.) / S2-1 (17 c.) / S3-1 (17 c.) / S4-1 (16 c.)
	Complaints regarding human rights violations	S1	S1-17 / S2-4 (36) / S3-4 (36) / S4-4 (35)

Promotion and compliance with ILO fundamental conventions (freedom of association, collective bargaining, non-discrimination, abolition of forced and child labour)

S1

S1-1 (20; 21; 22) / S2-1 (17; 18; 19) / S3-1 (17; 18; 19) / S4-1 (16; 17)

Anti-Corruption and Anti-Bribery information			
Anti-Corruption and Anti-Bribery	Measures to prevent corruption and bribery	G1	G1-3
	Measures to combat money laundering	-	-
	Contributions to foundations and non-profit entities	-	-
Societal Impact			
The company's commitments to sustainable development	Impact of company activities on employment and local development	-	-
	Impact on local populations and territories	-	-
	Relations with local community stakeholders and engagement mechanisms	ESRS 2	SBM-2
	Sponsorship and partnership actions	-	S3
	Inclusion of social, gender equality and environmental aspects in purchasing policy	G1	G1-2 (15 b.)
Subcontracting and Suppliers	Consideration of social and environmental responsibility in supplier relationships	G1	G1-2 (15 a.)
	Monitoring systems and audits, and their results	-	-
Consumers	Measures for consumer health and safety	-	-
	Complaints mechanisms, complaints received and resolution	-	-
Tax Information	Profits obtained on a country-by-country basis	-	-
	Income taxes paid	-	-
	Public subsidies received	-	-
European Union Taxonomy	Disclosure related to Regulation (EU) 2020/852 on the EU Taxonomy	-	-

Environmental Information

Environmental Evaluation or Certification Procedures (GRI 3-3)

Tubacex has implemented an ISO 14001 certified environmental management system in its main production plants. The Durant plant was the most recent to receive this certification, while TTA, Awaji Thailand, and some NTS Group facilities remain outside this certification scope. Nonetheless, these facilities operate under a voluntary system aimed at controlling processes to prevent and minimize environmental impacts. As a result, virtually the entire production process is endorsed by an accredited environmental management body.

During 2024, no sanctioning procedures were initiated under the integrated environmental authorization process, and proactive, transparent communication with the relevant authorities has been maintained.

Additionally, due to the nature of TTI-ACERALAVA's activities, which fall under the IPPC Directive (implemented in Spain through Royal Legislative Decree 1/2016 of December 16), they possess Integrated Environmental Authorizations. These require comprehensive control of all environmental aspects through monitoring plans and periodic reporting to the Administration in a transparent manner.

Resources Allocated to Environmental Risk Prevention [GRI 2-12] and Precautionary Principle Application [GRI 2-23]

In all ISO 14001 certified facilities, there is an appointed quality and environmental manager responsible for ensuring the implementation of environmental management processes. These professionals oversee the company's activities from an environmental standpoint, ensuring regulatory compliance and identifying opportunities for improvement.

As of December 31, 2024, Tubacex Group maintained net investments of approximately €1.755 million (€1.757 million in 2023) and incurred €2.909 million in environmental expenses (€3.202 million in 2023).

Provisions and Guarantees for Environmental Risks [GRI 307-1]

In 2024, the Group maintains a provision of €1.424 million (€1.355 million in 2023), reported under "Non-current Provisions" in the consolidated balance sheet. This corresponds to a U.S.-based subsidiary and a Spanish (Álava) subsidiary.

No environmental fines or penalties were received during 2023 or 2024.

Since 2000, Tubacex has maintained environmental liability insurance covering industrial risks across all its plants, with a coverage of up to €12 million.

* Amount valued by an independent expert and recorded under "non-current provisions" in the consolidated balance sheet.

Environmental Indicators

Air Emissions (NOx)

	2024	2023
NOx Emissions (tons)	129.93	124.35

Raw Material Consumption and Efficiency Measures [GRI 301-1]

Group Headquarters – Steel Manufacturing

	2024	2023
301.1. Materials used (t)	78,113	88,612
301.1b. Recycled input (%)	62.5	60.6
301.1a. Renewable materials (t)	78,805	53,686

Tubacex Group – Consolidated

	2024	2023
301.1. Materials used (t)	165,307	127,888
301.1b. Recycled input (%)	57.6	53.5
301.1a. Renewable materials (t)	95,211	68,454

*In 2024, SALEM, TAT, NTS Amega Atlantic, and TTA began reporting renewable material usage

Energy: Direct and Indirect Consumption; Energy Efficiency Measures; Renewable Energy Use [GRI 3-3, 302-1, 302-3]

	2024	2023
<i>Total Energy Use (MWh)</i>	403,865	393,747
<i>Value Added</i>	269,641	278,527
<i>Energy Intensity (MWh/VA)</i>	1.50	1.41

(*Breakdown: Diesel – 1,474 MWh; Natural Gas – 240,606 MWh; Electricity – 160,698 MWh; Propane – 1,087 MWh)

	2024	2023
<i>Energy from non-fossil sources (%)</i>	32.96	33.59

*Includes 100% of Group companies.

Water Consumption and Supply in Line with Local Constraints [GRI 301, GRI 303-5]

	2024	2023
<i>Water used – Municipal (10³ m³)</i>	172.65	185.33
<i>Water used – Surface (10³ m³)</i>	67.98	89.58
<i>Total Water Used (10³ m³)</i>	240.63	274.91
<i>Water Intensity (10³m³/VA)</i>	0.89	0.99

*100% of Group companies included. Groundwater excluded due to no extraction.

The calculation of this indicator is based on consumption from the local supply network and river water intake; groundwater is not included as there is no extraction

Effluents and Waste – Prevention, Recycling, Reuse, Recovery and Disposal [GRI 306-2, 306-4, 306-5]

	2024	2023
<i>Waste by Type (tons)</i>		
Hazardous [1]	8,899	7,817
Non-hazardous	63,173	64,687
<i>Total (Tons)</i>	72,072	72,504
<i>Waste by Disposal Method (tons)</i>		
Landfill	12,743	13,082
Treated	-	-
Reuse	4,805	4,305
Recycling	54,524	55,117
Total	72,072	72,504

	2024	2023
<i>Waste by disposal method (%)</i>		
<i>Landfill + Treated (%)</i>	17.68	18.04
<i>Reuse + Recycling (%)</i>	82.32	81.96

*100% of Group companies included.

(1) The total waste by type (tonnes) includes rounding adjustments from decimals not reflected in the figures for hazardous and non-hazardous waste.

The data is calculated by aggregating the official waste management records from each plant.

The waste disposal method has been determined based on the local regulations applicable to each plant and the nature of the waste generated.

The most ambitious project in terms of waste management and recovery is the one developed at the steelworks for its main non-hazardous waste: slag. Launched in 2022, this project has prevented 13,926 tonnes of slag from being sent to landfill in 2024 and 14,487 tonnes in 2023.

Food waste has not been considered material for the Group.

[1] The definition of hazardous waste is established according to the local legislation of the reporting business unit.

Emissiones de Gases de Efecto Invernadero [305-1, 305-2, 305-3, 305-4]

	2024	2023
<i>Direct emissions (t CO₂e)</i>	49,327	48,612
<i>Indirect emissions (t CO₂e)</i>	14,571	14,506
<i>Other indirect emissions (t CO₂e)</i>	310,821	365,878
Total Emissions	374,719	365,878
<i>Emission Intensity (t CO₂e / Value Added)</i>		
<i>Direct emissions</i>	0.18	0.17
<i>Indirect emissions</i>	0.05	0.05
<i>Other Indirect emissions</i>	1.19	1.31
<i>Total emissions</i>	1.39	1.54

*100% of Group companies included

* Decrease in other indirect GHG emissions in 2024 driven by lower acquisition of FeCr, stainless steel products, and carbon steel scrap.

Biodiversity

Tubacex is aware of the impact of its activities on biodiversity. Accordingly, in 2024 it conducted a biodiversity-related risk analysis, classifying risks according to their nature and following the guidelines set out by the IPCC, the recommendations of the TCFD and TNFD, and the COSO Enterprise Risk Management (ERM) Framework.

The methodology used for analyzing physical risks to biodiversity employs a specific procedure based on the particular location of the sites under review. In addition, biodiversity risks arise from the company's impacts on natural resources due to its specific industrial activities, as well as from its degree of dependency on natural assets or flows of ecosystem services. The scope of the biodiversity physical risk study includes facilities selected based on the previously conducted materiality assessment, along with two additional identified locations: NTS – DUBAI and NTS – DAMMAM.

- Climate-related risks
 - Transition risks: These arise from the process of transitioning to a low-carbon economy and include the following types:
 - Political and legal: current and emerging regulations, such as changes in legislation, carbon taxes, or climate-related litigation.
 - Technological: disruptive innovations or technologies that could render certain processes obsolete.
 - Market: shifts in supply and demand due to consumer preferences.
 - Reputational: impact on public and stakeholder perception.
 - Liability: risks arising directly or indirectly from legal claims.
 - Physical risks: These are events directly related to climate change and are classified according to the EU Green Taxonomy into:
 - Acute physical risks: short-duration extreme events related to temperature (e.g. wildfire conditions), water (e.g. hail, heavy rainfall, flooding), wind (e.g. tropical cyclones, extreme wind), and solid matter (e.g. landslides, subsidence).
 - Chronic physical risks: gradual changes such as heat stress and hydrological water scarcity.
- Climate-related opportunities: These represent potential benefits from addressing climate change. Transition risks are classified according to the TCFD recommendations, Law 7/2021 on climate change and energy transition, the Taskforce on Nature-related Financial Disclosures (TNFD), and the Corporate Sustainability Reporting Directive (CSRD), as shown in the table below:
 - Resource efficiency: improvement in energy and resource productivity.
 - Products and services: development of new low-carbon markets or products.
 - Markets: adaptation to new climate contexts and diversification of offerings.
 - Access to sustainable financing: reduction in cost of capital by meeting environmental goals.

Results from the analysis:

Physical risks:

- Water scarcity. Ecosystem degradation and species loss due to water pollution.
- Climate change. Species loss due to greenhouse gas emissions.

Transition risks:

- Reputational: changes in perception by society and stakeholders due to competition for natural resources.
- Market: reduction in ESG ratings.

Opportunities:

- Resource efficiency: improved energy efficiency in processes.
- Reputational: improved ESG ratings for the company.

To assess the criticality or materiality of physical risks, the IPCC's formula is used as a reference:

Physical risk = hazard × exposure × vulnerability. Based on this formula, inherent and residual risks are calculated.

- Hazard: To determine physical risks, the specific impacts and dependencies of each plant are first analyzed. This requires identifying the activities carried out by the company, as these define the impact drivers and dependencies.
- Exposure: To assess biodiversity exposure, both the materiality of the site and the ecosystem context surrounding each plant are considered. Indicators are drawn from the WWF Biodiversity Risk Filter and WWF Water Risk Filter.
- Sensitivity: In the biodiversity context, the sensitivity criterion is defined to reflect the likelihood that the ecosystem in which the site is located may be altered by the company's impact activities and by Tubacex's level of dependence on natural assets and ecosystem service flows.

Aligned with the commitments set forth in the Tubacex Strategic Sustainability Framework, the company has an Integrated Environmental Policy in which it specifies its commitments to the main environmental challenges and opportunities, including biodiversity. In doing so, it commits to protecting and preserving biodiversity and ecosystems through the implementation of measures that minimize the impact of industrial activity. It also commits to transmitting these protection requirements throughout its value chain, especially for any area of biodiversity significance.

This Integrated Environmental Policy was approved in December 2023 by the Chief Executive Officer.

Información sobre temas sociales y personal

Social and Workforce Information

Employment

Average Workforce by Company

Company	2024	2023
Acería de Álava	153.65	205
Tubacex Tubos Inoxidables	489.75	423
Schoeller Bleckmann	389.91	362
Schoeller Bleckmann Technisches Service	37.88	42
Tubacex Taylor Accesories	25.44	26
Salem Tube	111.82	100
Tubacex Service Solutions	70.88	82
Tubos Mecánicos	0.00	0
Tubacex S.A. Tubacex Servicios de Gestión.	44.43	40
Tubacex Innovación	16.80	15
Commercial Offices (includes TAI)	38.52	41
Previous Perimeter	1,379.08	1,336
IBF	170.46	169
Tubacex Tubes and Pipes	230.75	216
Tubacex Services	17.71	13
Tubacoat	1.33	2
Tubacex Logistics	2.00	3
Tubacex Awaji Thailand	86.51	99
Tubacex Upstream Technologies	7.75	10
Grupo NTS	386.58	338
TOTAL	2,282.17	2,186
Tubacex Durant	67.08	88
Amega West	243.02	212
TSS Norway	16.63	18
TOTAL	2,608.90	2,504
TXUT ME, TXUT Brazil	55.71	-
New companies	1.75	-
TOTAL	2,666.36	-

Total Number and Distribution of Employees by Gender, Age, Country, and Job Classification

Age Group		2024			2023		
		Men	Women	Total	Men	Women	Total
Under 30 years		335.07	57.39	392.46	281.06	59.74	340.80
Between 30–50 years		1,451.60	248.84	1,700.44	1,376.84	252.84	1,629.68
Over 50 years		502.2	71.26	573.46	473.59	59.78	533.37
TOTAL		2,288.87	377.49	2,666.36	2,131.49	372.36	2,503.85

Employees by Professional Classification and Gender	2024			2023		
	Men	Women	Total	Men	Women	Total
Senior Management	177.94	48.70	226.64	172.22	42.93	215.15
Middle Management and Supervisors	216.28	17.17	233.45	169.54	25.27	194.81
Technicians and Professionals / Administration and Support	298.69	198.12	496.81	253.89	180.93	434.82
Operations Personnel	1,595.96	11350	1,709.46	1,535.84	123.23	1,659.07
TOTAL	2,288.87	377.49	2,666.36	2,131.49	372.36	2,503.85

This table classifies under "Senior Management" all individuals performing executive functions across the Group. In the job category structure used in the financial reporting, the "Executive Management" category includes the members of the Management Committee, whereas "Middle Management and Supervisors" includes individuals who carry out managerial functions but are not part of the Management Committee, as well as team supervisors.

Employees by Country and Gender	2024			2023		
	Men	Women	Total	Men	Women	Total
España	657.82	135.57	793.39	633.74	134.46	768.20
Austria	383.13	50.66	433.79	364.36	45.46	409.82
Italia	154.28	19.18	173.46	153.69	17.82	171.51
India	240.97	9.04	250.01	219.89	10.22	230.11
Emiratos Árabes Unidos	186.95	24.29	211.24	146.43	24.49	170.92
Estados Unidos	313.81	49.16	362.97	289.03	56.91	345.94
Arabia Saudí	149.39	29.57	178.96	117.58	23.58	141.16
Tailandia	59.29	27.22	86.51	73.92	24.83	98.75
Noruega	42.96	7.69	50.65	42.67	8.79	51.46
Francia	8.00	1.65	9.65	7.75	1.83	9.58
China	3.00	3.00	6.00	3.33	3.00	6.33
Brasil	17.65	5.60	23.25	17.83	5.00	22.83
Alemania	1.99	-	1.99	1.00	-	1.00
Holanda	3.00	0.80	3.80	3.00	1.25	4.25
Singapur	15.67	3.06	18.73	24.67	7.16	31.83
Corea	1.00	-	1.00	1.00	-	1.00
Canadá	39.17	7.00	46.17	31.60	7.56	39.16
Guyana	10.79	4.00	14.79			
Total	2,288.87	377.49	2,666.36	2,131.49	372.36	2,503.85

Total Number and Distribution of Employment Contract Types

Contract Type	2024	2023
Permanent contracts	2,578	2,459
Temporary contracts	188	45

Total	2,766	2,504
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Annual Average of Permanent, Temporary, and Part-Time Contracts by Gender, Age, and Professional Classification

Contract Types by Gender	2024			2023		
	Men	Women	Total	Men		Total
Permanent contracts	2,117.23	364.04	2,481.27	2,093.42	365.61	2,459.03
Temporary contracts	171.64	13.45	185.09	38.07	6.75	44.,82
Total by contract type	2,288.87	377.49	2,666.36	2,131.49	372.36	2,503.85
Part-time contracts	4.93	8.88	13.81	24.80	35.17	59.97

Contract Types by Age	2024				2023			
	Under 30	30–50	Over 50	Total	Under 30	30–50	Over 50	Total
Permanent contracts	348.77	1,580.63	551.87	2,481.27	331.57	1,601.91	525.55	2,459.03
Temporary contracts	43.69	119.81	21.59	185.09	9.23	27.77	7.82	44.82
Total by contract type	392.46	1,700.44	573.46	2,666.36	362.00	1,629.68	485.55	2,503.85
Part-time contracts	0.56	5.93	7.32	13.81	144	40.03	18.50	59.97

	2024					2023				
Annual Average of Contract Types by Professional Classification	Senior Management	Middle Management & Supervisors	Technicians & Professionals	Operations Staff	Total (2024)	Senior Management	Middle Management & Supervisors	Technicians & Professionals	Operations Staff	Total (2024)
Permanent contracts	218.37	228.52	471.24	1,563.14	2,481.27	213.77	193.39	427.14	1,624.73	2,459.03
Temporary contracts	8.27	4.93	25.57	146.32	185.09	1.38	1.42	7.67	34.35	44.82
Total by contract type	226.64	233.45	496.81	1,709.46	2,666.36	215.15	194.81	434.81	1,659.08	2,503.85
Part-time contracts	0.34	0.76	5.43	7.28	13.81	4.17	1.02	19.44	35.34	59.97

Number of Dismissals

Number of Dismissals by Gender	2024	2023
Men	112	88
Women	25	31
TOTAL	137	119

Number of Dismissals by Age Group	2024	2023
Under 30 years	31	23
Between 30 and 50 years	71	78
Over 50 years	35	18
TOTAL	137	119

Number of Dismissals by Professional Classification	2024	2023
Senior Management	11	6
Middle Management and Supervisors	3	4
Technicians and Professionals	27	20
Operations Staff	96	89
TOTAL	137	119

*100% of the Group's companies are included

* This table exclusively reflects involuntary terminations. It does not include fixed-term contract expirations, voluntary resignations, leaves of absence, retirements, etc.

Average Remuneration and Its Evolution

Average Remuneration (€) by Professional Category	2023	2024
<i>Senior Management</i>	94,050	101,376
<i>Middle Management and Supervisors</i>	45,987	53,443
<i>Technicians and Professionals</i>	45,310	49,113
<i>Operations Personnel</i>	38,939	39,902

As seen in the workforce growth tables, the largest increase occurred in countries where the average remuneration is lower. Remuneration increased across all categories, with the most moderate increase observed in the operations personnel category, due to growth in regions with lower average pay for this job group.

Average Remuneration (€) by Age Group	2023	2024
<i>Under 30 years</i>	26,975	28,523
<i>Between 30 and 50 years</i>	45,340	45,895
<i>Over 50 years</i>	54,535	63,406

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

Average remuneration shows variations compared to the previous year as a result of different growth dynamics, company integrations, and restructuring within the Group.

The average salary for the Management group has increased significantly due to the incorporation of intermediate structures into this category, aimed at supporting the integration of the company and adapting management to an increasingly international environment with greater mobility. The fact that the year's results allowed for the payment of variable remuneration has further reinforced this increase.

As in the previous year, there has been a strong incorporation of specialized profiles in environments with high salary levels and in activities that differ greatly from those traditionally performed.

There has also been a notable increase in the incorporation of supervisory and middle-management positions, especially in newly integrated companies within the Group. This has resulted in a larger workforce in the fastest-growing locations, and together with the generational renewal of the workforce, has led to a reduction in the average remuneration for this group.

Average remuneration is calculated based on the gross compensation received by Tubacex Group employees during the fiscal year, including all components. For the calculation of average remuneration and the pay gap for the 2023 fiscal year, information from the entire Group has been considered, excluding Senior Management, whose average remuneration is reported separately (see section on Senior Management remuneration).

Gender Pay Gap and Average Remuneration by Gender [GRI 405-2] To calculate the gender pay gap, gross annual remuneration was used as the reference, without excluding components such as overtime, bonuses, or seniority. This criterion ensures that a consistent and auditable figure is obtained across all reporting units. Additionally, the pay gap has been calculated as the difference between the average remuneration of men and the average remuneration of women, relative to the average remuneration of men, in order to calculate the absolute gap. An adjusted gap is also reported, which excludes categories not held by both genders within each individual company. In both cases, the pay gap is presented in annual and hourly terms.

The adjusted annual gender pay gap for TUBACEX is 11.48% in fiscal year 2024 (compared to 10.58% in 2023), with an average remuneration of €50,921.71 (€44,789 in 2023). For men: €51,924.05 (€45,691 in 2023) and For women: €45,962.89 (€40,855 in 2023) Por otro lado, la brecha salarial anual absoluta de TUBACEX se sitúa en un 9,76% siendo la remuneración media de 47.650,53 euros (44.926 euros en 2023). En el caso de los hombres: de 48.324,00 (45.513 euros); y la de mujeres: 43.609,70 euros (41.566 euros en 2023).

Tubacex's adjusted hourly gender pay gap stands at 6.11%, with an average remuneration of €25.28. For men, the average is €25.52; for women, it is €23.96.

The absolute hourly gender pay gap at Tubacex stands at -1.95%, with an average remuneration of €23.47. For men, the average is €23.42; for women, it is €23.87.

This pay differential is the result of various factors, including the historically low presence of women in certain areas of activity (such as industrial operations, maintenance, and repair), which also influences their presence in leadership roles within these areas.

The still nascent but steadily increasing incorporation of women into these fields, along with the growing number of women in leadership positions in functions without underrepresentation, has contributed to a slight improvement in the pay gap. Nevertheless, gender representation analyses across the different functions and levels of the organization indicate that the evolution of the gender pay gap should be monitored in relation to the inclusion of women. The applicable collective agreements regulate average employee compensation at Tubacex, establishing equity criteria between job positions without gender discrimination. In this respect, the compensation for personnel—whether governed by collective agreements or by other systems—is set equitably, based on the role and without gender bias. The company continues to develop the necessary systems to obtain a more detailed breakdown that will facilitate the analysis of how this pay differential evolves under various criteria (such as increased segregation by job category, function, etc.). The still nascent but steadily increasing incorporation of women into these fields, along with the growing number of women in leadership positions in functions without underrepresentation, has contributed to this. The applicable collective agreements regulate average employee compensation at Tubacex, establishing equity criteria between job positions without gender discrimination. In this respect, so does personnel remuneration.

Average Remuneration of Board Members and Executives

As of December 31, 2024, the Board of Directors is composed of seven men and three women. The average remuneration in fiscal year 2024 for male board members was €177.6 thousand, and for female board members €96.31 thousand, compared to €172.9 thousand and €89.2 thousand respectively in 2023. The difference is due to the fact that among the male members are those holding statutory roles of Chairman and CEO, positions that include additional or higher remuneration components than those of other board members, to compensate for their representative and executive responsibilities (1). For more detailed information on board members' remuneration, including a breakdown by individual, please refer to the Annual Report on Directors' Remuneration, available on the CNMV website. Regarding the average remuneration of the Management Committee (2), which consists of 10 men and 1 woman, the figure for fiscal year 2024 is €332.3 thousand, compared to €324.7 thousand in 2023.

1. For the calculation of the average remuneration, variable compensation exclusively associated with the executive role has been excluded.
2. To calculate the average remuneration of the Executive Management, fixed remuneration and the variable accrued for the 2024 fiscal year were considered, excluding other types of long-term incentives applied individually depending on the date of appointment.

Employees with Disabilities

Tubacex is committed to integrating talent from diverse groups within the organization. All plants comply with the legislation in each country regarding disability (employment, alternative measures, and/or accessibility). In the case of Spanish plants, they comply with the General Disability Law through alternative measures based on the procurement of products and services from Special Employment Centers, although they are actively working to strengthen their commitment to labor inclusion. Plants in the United States or Italy also have legal requirements for the employment of people with disabilities. In other companies, such as NTS, although not legally mandated, they maintain a social responsibility program that gives priority to individuals with disabilities. The total average number of employees with disabilities in the Group was 20.33 (compared to 19 in 2023).

Work Time Organization

The Tubacex Group respects break times and rest periods as defined by legislation and applicable collective agreements. In cases where employees are not covered by any agreement, the Group offers flexibility appropriate to each job role. The annual working hours are standardized for all employees within each company, meaning that each employee, regardless of the particularities of their position, works the same annual hours and enjoys the same breaks and rest periods.

Number of absenteeism hours [GRI 403-9]

Lost hours	2024	2023
Hours lost due to accidents	13,578	20,530
Hours lost due to illness	202,577	194,934
Hours lost for other reasons[1]	51,025	48,390
Total hours lost	267,180	263,854
Absenteeism rate[2]	4.87%	5.22%

[1] Mainly includes paid leave and union hours

[2] Total number of lost hours divided by theoretical working hours

100% of the Group's companies are included.

The main causes of absenteeism within the Group are common illness and employees' paid leave. The calculation of this index takes into account the number of hours lost due to occupational accidents, hours not worked due to common illness, legally mandated paid leave, and hours used by union representatives to perform their representative duties.

Measures aimed at facilitating work-life balance and promoting the shared use of such rights by both parents [GRI 3-3, GRI 403-6]

Tubacex facilitates the exercise of work-life balance rights and leave for all its employees without gender distinction, promoting their use in the context in which employees carry out their duties. In production plants, reconciliation measures are mainly based on extending the age limit for accessing parental leave, reduced working hours, or flexible schedules. On the other hand, office staff benefit from flexible entry and exit times, allowing employees to satisfactorily manage their professional, personal, and family responsibilities.

Some collective agreements explicitly include measures that promote co-responsibility, and Equality Plans are in place in accordance with legal requirements (in Spain: TTI and ACERÁLAVA). Beyond the collective agreements applicable to each plant, Tubacex assesses individual cases to provide employees with the flexibility needed to promote work-life balance.

Work-related injuries (frequency and severity) disaggregated by gender (GRI 403-9)

Employees by professional classification and gender	2024			2023		
	Men	Women	Total	Men	Women	Total
Lost-time accidents	47	7	54	41	9	50
	84	10	94	69	15	84
Non-lost-time accidents	131	17	148	110	24	134
	9.34	9.10	9.39	9.03	11.78	9.42
Total number of accidents	0.23	0.44	0.26	0.43	0.84	0.49

100% of the Group's companies are included.

(1) Number of lost-time accidents per million hours worked

(2) Number of days lost due to lost-time accidents per thousand hours worked

Occupational Diseases [GRI 403-10]

The company is firmly committed to a preventive culture in occupational risk management, providing its workers with the necessary measures to avoid any potential negative impact on their health. In 2024, eight occupational diseases were detected, compared to two in 2023. Of these, seven cases involved men and one involved a woman.

Social Relations

Tubacex guarantees all its employees the rights provided by the laws of the countries where it operates, including the rights to freedom of association and collective bargaining. Everything related to trade union representation is governed by collective bargaining agreements. This section outlines everything concerning the management of trade union activities, existing Committees and their responsibilities, as well as trade union guarantees.

Company	Type of Collective Agreement
TTI	Company-Specific Agreement
ACERÁLAVA	Company-Specific Agreement
TTA	Company-Specific Agreement
TSS	Metal Industry of Álava
TX SERVICES	Iron and Steel Industry of Cantabria
TUBACOAT	General Collective Agreement for the Chemical Industry
Tubacex Servicios de Gestión	Offices and Services of Bizkaia
Tubacex, S.A.	Offices and Services of Bizkaia
Tubacex Innovación, IAE	General Collective Agreement for the Chemical Industry
TAT (Tailandia)	Company-Specific Agreement
IBF (Italia)	Sectoral Agreement (Metalworking)
SBER (Austria)	Sectoral Agreement (Industry)
PROMET (Norway)	Sectoral Agreement (Industry)
SALEM TUBE (Estados Unidos)	Company-Specific Agreement

The text of the Collective Agreement is the result of good faith negotiations between the parties on the matters it covers and the specific agreements reached on them, with both parties being aware of the current regulations at the time of its signing and the need to improve competitiveness.

With regard to the rest of the workforce, the Tubacex Group complies with and exceeds legal requirements at all of its workplaces, adapting its conditions related to working hours, compensation, and organization to the environments in which it operates.

Tubacex is also present in regions where the labor system does not include this type of regulatory framework, such as the United Arab Emirates and Saudi Arabia, where labor-related aspects are strictly respected and guaranteed well above the legally established minimums.

Organization of social dialogue, including procedures for informing and consulting personnel and negotiating with them [GRI 2-29]

Tubacex maintains constant dialogue with employee representatives, significantly exceeding legal requirements in all Group companies. Its collective bargaining agreements and workplace practices include general and specific committees for working and monitoring different social aspects (equality, health and safety, etc.). They also define procedures and timelines for communication and negotiation regarding any changes or modifications that affect the organization of employees' work.

Percentage of employees covered by collective bargaining agreements by country"

Total number of employees in December	2023	2024
	% of Employees Covered by a Collective Agreement"	% of Employees Covered by a Collective Agreement"
España	100%	100%
Austria	100%	100%
Italia	100%	100%
India	0%	0%
Emiratos Árabes Unidos	0%	0%
Estados Unidos	20%	38%
Arabia Saudí	0%	0%
Tailandia	100%	100%
Noruega	100%	96%
Francia	78%	100%
China	0%	0%
Brasil	16%	100%
Alemania	0%	100%
Holanda	0%	0%
Singapur	0%	0%
Corea	0%	0%
Canadá	0%	0%
Guyana		0%
Total	63%	63%

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

Overview of Collective Agreements, Particularly in the Field of Occupational Health and Safety

With regard to collective agreements, and in particular in the field of occupational health and safety, there is a Safety Committee in each of the Spanish plants composed of representatives from the Works Council. Some of these agreements include specific health and safety provisions in their clauses. As for the rest of the Group, there are no Safety Committees in other countries. The collective agreements (almost entirely local in nature) regulate all aspects of labor relations through local collective bargaining. These agreements cover all aspects of the employer-employee relationship. As established by the applicable legislation, the Health and Safety Committees have the necessary consultation and participation mechanisms for Tubacex employees.

Total Number of Training Hours by Professional Categories

Below is a breakdown of the training hours by professional category for the year 2024:

Training hours	2023	2024
Executive Management	3,241	2,401
Middle Management and Supervisors	2,728	3,620
Technicians and Professionals	7,008	4,933
Operations Personnel	23,148	21,882
Total Training hours	36,125	32,836
Average Number of Training hours per Employee	14.4	12.3

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

Universal Accessibility for Persons with Disabilities [GRI 3-3]

Tubacex complies with accessibility regulations in every country in which it operates. Accordingly, all of Tubacex's owned facilities are fully adapted to accommodate individuals with disabilities.

Measures Taken to Promote Equal Treatment and Opportunities Between Men and Women [GRI 3-3, GRI 405-1]

In terms of promoting equal opportunities, Tubacex is committed to diverse talent and actively fosters equality of opportunity. The company, rooted in its industrial origins, has 14.16% women in its workforce. Nevertheless, with the gradual incorporation of professionals, it has reached a representation level of 39.88% among Professionals and Technicians, and 21.49% in the Management category.

In its Human Resources policy, the organization has a specific stance on equality. Recruitment and hiring processes at Tubacex are based on matching technical and professional competencies with job requirements, always striving to attract top talent **and retain it objectively**.

Equality Plans [GRI 3-3]

Tubacex has implemented policies to promote equal treatment and opportunities between men and women, including the development of equality plans in its most representative facilities. These plans define objectives, strategies, and practices to be adopted. Plants in the Basque Country approved their Equality Plan in 2023. This plan includes an Equality Committee comprised of both company representatives and worker representatives, responsible for the plan's implementation, monitoring, and evaluation.

In other facilities where such plans do not exist, there are protocols in place to address psychological, sexual, or gender-based harassment and/or physical violence (TSS), specific manuals with dedicated sections on non-discrimination (NTS Group), specific non-discrimination policies (Tubacex India), or applicable federal and state laws that promote the prevention of any form of discrimination (e.g., USA, Saudi Arabia, Singapore).

Measures Taken to Promote Employment [GRI 3-3]

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

Protocols Against Sexual and Gender-Based Harassment [GRI 3-3]

Tubacex, in its Code of Conduct, sets a framework of action based on the fundamental principles of the International Labour Organization, rejecting any form of physical, psychological, moral harassment, or abuse of authority. Tubacex employees shall treat everyone in their work environment with

During 2024 and 2023, no complaints were received regarding breaches of these principles. In addition to the Code—mandatory for all Group companies—local legislation or action plans at various plants include specific protocols against sexual and gender-based harassment. Tubacex's Diversity, Equality, and Inclusion Policy explicitly states the company's commitment to preventing any form of harassment, whether workplace-related, sexual, or gender-based, as well as any manifestation of gender-based violence.

Inclusion and Universal Accessibility for Persons with Disabilities [GRI 3-3]

It is worth highlighting that the plants comprising the Tubacex Group comply with the respective legislation on the employment of people with disabilities. In Spain, compliance is ensured through alternative measures. The commitment to diverse talent is one of the key action areas of the Tubacex Foundation, which in recent years has maintained regular contact with a wide range of organizations working toward the social and professional integration of people with disabilities, in order to assess different forms of collaboration and explore employment opportunities.

Information on the Fight Against Corruption and Bribery

Measures to Combat Money Laundering

Tubacex has established various mechanisms to combat money laundering. It begins with its Code of Conduct, which explicitly states: "We do not facilitate money laundering." We must comply with applicable money laundering laws and Tubacex procedures designed to detect and reject suspicious payment methods from our clients or other transactions that could involve money laundering. Additionally, the company's position on the following points is noteworthy:

- Gifts and Invitations: At Tubacex, we do not offer courtesies, favors or compensations, gifts, or any form of remuneration 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 could create an appearance of bad faith or immorality, or that might influence or be interpreted as an attempt to influence decision-making processes. Agreements with Business Partners: Those responsible for hiring consultants, agents, distributors, joint venture partners, or similar must ensure, among other things, that these third parties understand and comply with our anti-corruption and crime prevention policy. 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, where appropriate, make monetary donations or donate its products for educational, scientific, artistic, and cultural purposes, and for social and humanitarian projects. In addition to the Code of Conduct, Tubacex has a Compliance Plan that ensures adherence to the compliance requirements applicable under the local legislation in each country where Tubacex operates either industrially or commercially. At the end of 2018, the Compliance Function Statute was approved by the Board of Directors, regulating the internal relationships of this independent function with governing bodies and the rest of the organization. One of the main focuses of the annual compliance plan is the verification and standardization of local compliance requirements applicable in every jurisdiction where Tubacex has production and/or commercial activity. Finally, through its General Terms of Purchase, Tubacex requires its suppliers to guarantee the existence of plans or measures for regulatory compliance and prevention of money laundering and corruption—whether between individuals or in dealings with any public administration. Moreover, the supplier guarantees that no gift or commission has been delivered in obtaining contracts, nor has it agreed to, or will agree to, pay any commission to any employee, agent, or representative of the Client. If the supplier, or those acting on its behalf, breach the provisions of this paragraph, the Client may terminate all contracts with the supplier or its group companies.

Contributions to Foundations and Non-Profit Organizations

These were the contributions made to foundations and non-profit organizations during the 2024 and 2023 financial years:

Entity / Foundation	2023	2024
Colabora Birmania	51,000€	51,000€
Iniciativa Ucrania*	35,186€	27,053€
Unicef		75,000€
Dale Candela		10,000€
Cruz Roja		42,000
Fundación Etorkintza		15,000
UNICEF		42,000€

Additionally, and within the framework of the Tubacex Foundation, the company has allocated €468,661 to the aforementioned initiatives, as well as others in the fields of training and functional diversity, channeled through the Tubacex Foundation.





















Information about the company

Company commitments to sustainable development














Tubacex has been a signatory of the United Nations Global Compact since 2004, which is the most important voluntary initiative in the fields of human rights, labor, environment, and anti-corruption. Through its signature of the Compact, Tubacex commits to advancing the core pillars necessary to address the major challenges of sustainable development, promoting the 10 universal principles and reporting annually on its progress in this commitment. Likewise, it materializes its commitment to advancing 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 sustainability frameworks are derived.

Below are the SDGs that the organization promotes within its sustainability plan.

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	 
	Sustainable energy management	Moving forward in decarbonization and energy efficiency	 
	Climate change mitigation and adaptation to it		 
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. CONTRIBUTE 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. TAKE CARE OF OUR PEOPLE AND 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	

Outsourcing and Suppliers

Monitoring Systems, Audits, and Their Results

In 2024, a total of 913 suppliers were evaluated in terms of sustainability (829 in 2023, 801 in 2022, and 774 in 2021), representing 87.75% of Tubacex's total expenditure. All of these suppliers completed a questionnaire covering their environmental management models, which was used to generate a specific rating. Thanks to this assessment, supplier evaluation parameters have been expanded to include aspects related to sustainability (environmental, human rights, child labor, health and safety, etc.), engaging them in the importance of development in this area. The questionnaire includes an alert system to flag inadequate responses to critical questions, ensuring that all suppliers in the panel meet ESG standards aligned with the company's needs.

Tubacex identifies raw material suppliers as those with the most significant environmental impact, as they contribute most substantially to Tubacex's environmental results. These suppliers must provide evidence of their environmental management models and are subject to an audit plan. The model for evaluating the environmental impact of suppliers is based primarily on two variables: the management system implemented by the supplier and proximity to the sourcing location. Suppliers with the highest scores are considered the least harmful in terms of supply chain sustainability.

Consumers

Measures for Consumer Health and Safety

Given Tubacex Group's increasing specialization in products for the energy sector, the company complies with major international accreditations (ASTM, ASME, Norsok...), ensuring high product quality standards. All products are manufactured in accordance with international standards, and production is specifically monitored by external inspectors when required by customers, and increasingly by end users.

All facilities are audited according to the aforementioned standards and certifications. The company not only renews the certifications it holds but also increases their number and scope each year.

Complaint Systems, Received Claims, and Their Resolutions

Tubacex has a Master Security Plan, comprising a set of procedures, policies, and projects related to the cybersecurity of its information systems. This plan is reviewed annually and updated with actions and projects carried out each year. As a result, no complaints have been received regarding customer privacy breaches or data loss.

Tax Information

[GRI 3-3]

The Tubacex Group is firmly committed to complying with the corporate governance policies it has adopted as part of its corporate social responsibility framework, with the aim of voluntarily and actively contributing to the areas of the environment, society, and the economy.

In this context, the Tubacex Group updated its Corporate Tax Policy in December 2023, with the purpose of defining its tax strategy and thereby ensuring control over financial and non-financial risks, as well as compliance with good tax practices by the companies and professionals that make up the Group.

In particular, the **Corporate Tax Policy** pursues the following objectives:

- To comply with corporate governance policies.
- To ensure proper compliance with tax regulations.
- To strengthen good tax practices.
- To facilitate risk management.

The actions of the Tubacex Group are guided by the following general principles of conduct:

- Proper and consistent compliance with the tax obligations established by the applicable tax legislation in each jurisdiction.
- Adherence to the recommendations of tax good practice codes implemented in the jurisdictions in which it operates, taking into account the specific needs and circumstances.
- Prevention and reduction of significant tax risks, ensuring that taxation maintains an appropriate relationship with the structure and location of activities, human and material resources, and business risks.

Below are the good tax practices of the Tubacex Group:

- **Collaboration with the tax authorities** in all actions aimed at clarifying different interpretations of tax regulations, as well as in providing tax-relevant documentation derived from review or inspection procedures, all as promptly as possible.
- **Abstaining from the use of artificial structures** unrelated to the Group's own activities, as well as from conducting transactions with related parties solely for the purpose of base erosion or profit shifting to low-tax jurisdictions.
- **Avoidance of opaque structures** for tax purposes, understood as those intended to prevent the competent Tax Administrations from identifying the ultimate responsible party for the activities or the final owner of the assets or rights involved.
- **Not establishing or acquiring companies resident in countries or territories considered tax havens** or listed as non-cooperative jurisdictions by the European Union, except in cases where a Group company is obligated to do so due to operations in such countries or territories.
- **Establishing whistleblower channels** that allow the communication of behaviors that could involve irregularities or violations of the risk management systems.

Profits Earned by Country [GRI 207-4]

Below is the significant information regarding the profits earned, grouped by the main locations where the company operates (in thousands of euros):

	2024	2023
AUSTRIA	2,157	1,578
BRASIL	- 177	- 627
UAE	959	1,823
FRANCE	894	2,036
INDIA	4,284	7,544
ITALY	4,673	1,310
NORWAY	7,469	5,545
SPAIN	6,897	15,777
USA	5,859	17,621
Otros	162	157
Consolidation Adjustments (IFRS 3)	- 3,177	- 3,184
TOTAL	30,001	49,580

The amount under "Others" corresponds to commercial representation entities and others with lower activity relative to the total volume.

Taxes on Profits Paid [GRI 207-4]

This includes amounts paid in corporate income tax for fiscal years 2024 and 2023 (in thousands of euros).

	2024	2023
AUSTRIA		840
BRASIL		-
UAE		-
FRANCE		-
INDIA	1,691	2,055
ITALY		-
NORWAY	970	322
SPAIN	1,099	333
USA	1,107	1,809
THAILAND	342	
CANADA	3,790	
Otros		457
Consolidation Adjustments (IFRS 3)		
TOTAL	8,987	5,816

Public Grants Received [GRI 201-4]

As indicated in the breakdown of the “Other operating income” item in the consolidated income statement, operating grants in fiscal year 2024 amounted to €5,046 thousand (€6,664 thousand in 2023).

7 ANNEX II: Recalculated Indicators

Below are the indicators provided in this sustainability and non-financial information report corresponding to the year 2023, as well as the information provided in 2024 that also includes data from 2023 which has been re-evaluated.

Air emissions (NOx)

	2023	2023 data recalculated and presented in 2024
<i>Emissions NOx (tn)</i>	123.98	124.35

Consumption of raw materials and measures adopted to improve the efficiency of their use [301-1]

Group Headquarters: Steel Manufacturing

	2023	2023 data recalculated and presented in 2024
<i>301.1. Materials used (tons)</i>	77,348	88,612
<i>301.1b. Percentage of recycled input materials used (%)</i>	69.41	60.6
<i>301.1a. Renewable materials used (tons)</i>	53,690	53,686

Tubacex Group: Consolidated Information

	2023	2023 data recalculated and presented in 2024
<i>301.1. Materials used (tons)</i>	101,857	127,888
<i>301.1b. Percentage of recycled input materials used (%)</i>	52.71	53.53
<i>301.1a. Renewable materials used (tons)</i>	53,690	68,454

* In the recalculation of the data carried out in 2024, more materials used have been included than those considered in 2023.

Energy: Consumption, direct and indirect; Measures taken to improve energy efficiency; Use of renewable energies [GRI 3-3, 302-1, 302-3]

	2023	2023 data recalculated and presented in 2024
<i>Energy use (MWh)</i>	390,806	393,747
<i>Value added</i>	278,527	278,527
<i>Energy intensity (MWh/VAB)</i>	1.40	1.41

2023: *Diesel: 239 MWh; Natural Gas; 229.589 MWh; Electricity: 160.272 MWh; Propane: 706 MWh)

2023 data recalculated and presented in 2024: *Diesel: 2412 MWh; Natural Gas; 230.280 MWh; Electricity: 160.347 MWh; Propane: 706 MWh)

	2023	2023 data recalculated and presented in 2024
<i>Non-fossil Energy Use (%)</i>	33,70	33,59

Effluents and Waste: Prevention, Recycling, Reuse, Other Forms of Recovery, and Waste Disposal Measures. [GRI 306-2, GRI 306-4, GRI 306-5]

	2023	2023 data recalculated and presented in 2024
Waste by Type (tons)		
<i>Hazardous [1]</i>	7,829	7,817
<i>Non-hazardous</i>	64,701	64,687
<i>Total Waste by Type (tons)</i>	72,530	72,504
Waste by Disposal Method (tons)		
<i>Landfill</i>	12,931	13,082
<i>Treated</i>	-	-
<i>Reuse</i>	4,305	4,305
<i>Recycling</i>	55,294	55,117
<i>Total Waste by Disposal Method (tons)</i>	72,530	72,504

Greenhouse Gas Emissions [305-1, 305-2, 305-3, 305-4]

	2023	2023 data recalculated and presented in 2024
<i>Direct emissions (t CO₂e)</i>	48,432	48,612
<i>Indirect emissions (t CO₂e)</i>	14,731	14,506
<i>Other indirect emissions (t CO₂e)</i>	361,041	365,878
TOTAL	424,204	428,996
<i>Emissions intensity (t CO₂e / value added)</i>		
<i>Direct emissions</i>	0.17	0.17
<i>Indirect emissions</i>	0.05	0.05
<i>Other indirect emissions</i>	1.3	1.31
TOTAL	1.2	1.54

* In the recalculation of Scope 3 indirect emissions:

- FeNi material has been incorporated into Scope 3.1.
- The emission factor related to capital investments in Scope 3.2 has been reviewed and adjusted.
- Emissions associated with the Well-to-Tank (WTT) approach have been added under Scope 3.4.
- Scope 3.10, related to sold products, has been included in line with SBTi recommendations.