

# STATEMENT OF NON-FINANCIAL AND SUSTAINABILITY INFORMATION

# 2024



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# MOVING FORWARDS TO TRANSFORM TOMORROW

**Josu Calvo**, TUBOS REUNIDOS Chairman

This 2024 Sustainability Report reflects the strong commitment of everybody at TUBOS REUNIDOS to sustainability.

Every step we take is aligned with our **Strategic Plan**, which guides us in our goal of being key players in the energy transition, backed by our solid track record. This year, we approved the Sustainability Master Plan, thus completing our strategic framework.

We are clear about our direction and the actions needed to achieve it. First, we are strengthening our sales teams to get closer to our customers and facilitate the joint development of personalised solutions. Second, we are focused on offering high value-added products that meet the growing demands of the energy transition and create higher business margins. Third, we are strengthening our capabilities in key markets such as the United States, adapting to the development of the oil and gas sector, which is currently reducing its carbon footprint. Finally, we are committed to developing the low-emission economy by focusing on two main areas: the development of sustainable and innovative solutions – of which we are setting out an excellent example in this report – and progress in emerging sectors such as carbon capture and hydrogen storage.

To achieve the ambitious objectives we have set for ourselves, we are carrying out a profound digital transformation within the Group, prioritising operational efficiency and cybersecurity. We have a highly qualified and motivated team at all levels. Furthermore, our financial management has enabled a significant reduction in leverage, which will strengthen TUBOS REUNIDOS' autonomy and stability in the future.

Being an active part of this transformation poses enormous challenges, but also great opportunities for sustainable and responsible growth, as part of a future that will certainly be marked by the transition to a new energy model.

In this first Sustainability Report prepared in accordance with the criteria of the new European Corporate Reporting Directive, I would like to reiterate our firm commitment to building a decarbonised world that is better for everybody.

Finally, I would like to take this opportunity to express my sincere thanks to everybody who makes up TUBOS REUNIDOS for their dedication and effort in achieving these goals.



**Josu Calvo**

TUBOS REUNIDOS Chairman

# PATH TOWARDS DECARBONISATION

**Carlos López de las Heras**, TUBOS REUNIDOS CEO

“2024 was the warmest year on record. Against a backdrop of immense uncertainty, the need to accelerate the energy transition to a low-carbon economy seems more pressing than ever. TUBOS REUNIDOS has continued to move forwards on our path towards decarbonisation. This path will enable us to take advantage of the opportunities that the energy transition offers for sustainable growth and to consolidate ourselves as a key benchmark for the transformation of the sector”.

In 2024, we once again demonstrated our capacity to adapt and resilience. At a global level, the persistence of geostrategic conflicts and their effects on an economy in transition towards climate neutrality, together with the imbalances in world trade, generated market volatility that directly affects all sectors, and ours is no exception.

And in our sector, competition is rife in the steel industry, especially in Europe, with the mass arrival of low-cost products, increasing instability and impact on European manufacturers' share and margins. Between 2023 and 2024, based on year-end data, imports of seamless steel pipes in the EU grew by 6%, while consumption decreased. In 2024, other factors also affected us, such as maintaining a very high inventory globally, both in the distribution chain and in end-users.

Despite this, thanks to the efforts of our teams, a strategy focused on optimising costs, improving efficiency and flexibility to adapt to the needs of our customers and intense business activity, we ended the year in a stronger position than in December 2023, reinforcing our position in key markets such as the United States and India. I would particularly like to highlight the increase in the high-value-added premium seamless steel pipe business. Some 32% of our turnover has come from products in this forward-looking segment.



The intense commercial activity carried out by TUBOS REUNIDOS has allowed us to end the year with an order backlog 44% higher than the figure in December 2023.

### Two important milestones

This year we approved our **2024–2028 Sustainability Master Plan**, which forms part of the Strategic Plan. This plan will guide our sustainable transformation, with progressive environmental and social goals over time, under sound governance and supported by digitisation, innovation and workforce safety.

One of our proudest achievements in 2024 was the launch of **the first seamless steel pipe campaign with low CO<sub>2</sub> emissions**. This milestone will undoubtedly mark the future of TUBOS REUNIDOS.

O-Next™ is the first step in driving our growth by positioning ourselves at the forefront of sustainable innovation, the centre of our strategy. With this solution, we are responding to our customers' growing demand for products that reduce their environmental footprint.

This progress has been made possible thanks to efforts in recent years to accelerate our decarbonisation process. A variety of actions, small and large, have contributed to this progress. They include the consolidation of **the Group's steel mill**, a reality since the beginning of 2024, where we have been working to progressively reduce emissions according to the targets set, and the creation of an **innovation committee** to study innovative solutions with the latest R&D+i technology. This is a demanding road map for us to achieve an advantage in the market; however, more than 130 years of history and the entire organisation's commitment to the environment drive and support us.

At a social level, we are developing **a new talent management model** that places people at the centre of our future strategy. We also continue to achieve significant improvements in major safety indexes, reflecting the positive impact that our programmes have when integrating the “zero accidents” culture throughout the organisation.



We also continue to take steps towards a more robust and transparent governance system. This year, we formalised our commitment to **the United Nations Global Compact**, which provides a global dimension to our sustainability commitment. We have also approved new corporate policies and implemented our **new Protocol for Preventing and Responding to Harassment in All Its Forms**. This incorporates the requirements imposed by the recent Law 2/2023, which governs the protection of persons reporting regulatory breaches and the fight against corruption, to ensure a working environment that is respectful of everybody's rights.

O-Next™: our first seamless steel pipe made from recycled raw materials and clean energies.

### Financial strengthening

In both 2023 and 2024, we successfully managed an improvement in the financial structure and debt level. Thus, at the start of this year, we achieved a net reduction in debt of €66.5 million as part of a discounted repurchase operation. This was in addition to the reorganisation of our non-productive assets in Pamplona and Sestao. These actions not only strengthen our financial position, but also show our commitment to generating value for our shareholders and ensuring a solid basis for our strategic projects.

### Digital transformation and efficiency

2024 has also been a year of significant progress in digitisation and operational efficiency. In addition to the aforementioned unification of the two steel mills, we have continued to work on improving processes and the integration of systems and cybersecurity. In short, TUBOS REUNIDOS is more efficient, boasts a broader product range and is a stronger company, prepared to meet the challenges we face.

None of this would be possible without the dedication of everybody who makes up this Group. That is why I would like once again to thank you for your hard work and commitment.

Looking ahead, we know that the road to decarbonisation is full of challenges and opportunities. And, although much remains to be done, we are determined to lead the change. We have the talent, vision and determination to continue to generate value for all our stakeholders and to build a more sustainable future.

We encourage you to explore this **Sustainability Report**. Thank you for joining us on this path.



**Carlos López de las Heras**

TUBOS REUNIDOS CEO

# 01

## ABOUT THE REPORT

## 1. ABOUT THE REPORT

### Bases for preparing the Statement of Non-Financial and Sustainability Information, hereinafter the Sustainability Report

Sustainability is one of the fundamental pillars of the strategy at the **Tubos Reunidos Group** (a group consisting of Tubos Reunidos S.A. and its subsidiaries, hereinafter **TUBOS REUNIDOS** or **the Group**), not only because of its environmental and social importance, but also because of new regulations that demand greater transparency and accountability. These include the EU's **Corporate Sustainability Reporting Directive (hereinafter the CSRD or Directive)**, with which the Group must comply.

This Directive is an essential tool in reporting performance in this area. In addition to promoting greater transparency, it reinforces our responsibility and commitment towards stakeholders, comprehensively analysing the context in which our activity is framed and designing strategies that help to implement a sustainable culture.

During the year, the European Directive was due to be transposed into the Spanish legal system. However, because this transposition had not occurred as at 31 December 2024, the current legislation for sustainability reporting is Law 11/2018 of 28 December, pursuant to which we have been preparing our Statement of Non-Financial Information since 2018.

During November and December, the Spanish National Securities and Exchange Commission (the CNMV), the Spanish Institute of Accounting and Auditing (ICAC) and the Spanish Institute of Sworn Accounting Auditors published a series of documents in which they considered the non-transposition and set out recommendations for companies affected by the new regulations in 2024.

TUBOS REUNIDOS has chosen to report in compliance with all the requirements of the Directive and European Sustainability Reporting Standards (ESRS) since 2024. In addition, we have included an appendix to the report containing the necessary indicators that are listed in Law 11/2018 and that are not specifically covered by the ESRS (ESRS 2 BP-2 15).

This Sustainability Report reflects on the Group's performance during this financial year, resulting from our solid track record in the sector (described in Chapter 3) and the implementation of the Sustainability Master Plan integrated into the Strategic Plan.

### Coverage of the Report

The quantitative information and data presented here cover the period from 1 January to 31 December 2024 and relate to the same companies included within the scope of consolidation of the financial information of TUBOS REUNIDOS S.A. and subsidiaries (ESRS 2 BP1-5a) (ESRS 2 BP1-5b1).

The double materiality analysis (ESRS 2 IRO-1, 53a), described in Chapter 4 of the report, covers all phases of the value chain, precisely associating material IRO (impacts, risks and

opportunities) with each corresponding stage. Their disclosure, as reflected in the following chapters, demonstrates this relationship (ESRS 2 BP1-5c).

In preparing this Sustainability Report, TUBOS REUNIDOS has not used the option to omit specific information on intellectual property, technical knowledge or innovation results (ESRS 2 BP1-5d). Furthermore, in accordance with Article 19(3) and Article 29(3) of Directive 2013/34/EU, establishing the exemption from the disclosure of imminent events or matters under negotiation, we have not applied this exemption (ESRS 2 BP1-5e).

### Disclosures in relation to specific circumstances

This Sustainability Report complies with the definitions of time horizons included in section 6.3. of ESRS 1. *Definition of short-, medium- and long-term for reporting purposes* (ESRS 2 BP2-9). The application of these definitions is reflected in the methodology employed as part of the double materiality analysis.

We have also established the assessment parameters of each material IRO in relation to its position in the value chain (ESRS 2 BP2-10a). In disclosing the information relating to each material ESRS and IRO, we provide details of compliance with the requirements established in the data requirements and data points, and highlight any difficulty in obtaining the data, depending on the phase and the agents involved, the efforts made and the action plans to improve the receipt of information in years after 2024. Data from upstream in the value chain is obtained directly from suppliers and services, calculating directly on the data and making conversions with official factors. Energy providers deliver data on their invoices, then the calculation parameters use the actual consumption values. Downstream, transport, waste management and other values are calculated with real data and estimates, while at the same time using official conversion factors and explaining the calculation method in each case. (ESRS 2 BP2-10b-c-d).

In addition, pursuant to ESRS 1, section 7.2. *Sources of estimation and outcome uncertainty* we present (ESRS 2 BP2-11a) the quantitative parameters and their relationship with the financial parameters for each material standard and their corresponding IRO. We also explain the degree of accuracy or uncertainty in the calculation of this data (ESRS 2 BP2-11bi-ii).

In relation to changes in the preparation and presentation of sustainability information compared to previous periods, it is our understanding that this does not apply because 2024 is the first financial year reported under the new Directive. Because the GRI standards have previously applied, the figures may vary with the new metrics. As part of the disclosure of each material IRO, we set out the result, taking into account previous reports to ensure traceability and monitoring of sustainability KPIs (ESRS 2 BP2-13a-b-c).

An error detected in the publication of the Statement of Non-Financial Information for 2023 has been corrected. This error concerned the transcription of internal staff tables, where quantitative values for males and females were mixed up (ESRS-2 BP2-14a-b-c). The corrected data is attached **in Appendix 1. Indicators of Law 11/2018 not covered in the ESRS.**

Finally, this report includes accurate references to any legislation requiring the disclosure of sustainability information or standards and frameworks for information in this area (ESRS 2 BP2-15). Of particular note is **Law 11/2018** of 28 December, on the drafting of non-financial information statements and the **Taxonomy Regulation (EU)**, which establishes a system that classifies economic activities as sustainable based on their contribution to six objectives related to different environmental aspects: climate change, pollution, the circular economy, water and marine resources and biodiversity. Furthermore, all the references necessary to properly understand and relate each disclosure requirement (ESRS 2 BP2-16) are clearly indicated. The tables with their corresponding references are included in **Appendix 2. CSRD disclosure requirements**.

# 02

O-NEXT™:

A DECISIVE STEP FORWARDS FOR  
THE PLANET



## 2. O-NEXT™: A DECISIVE STEP FORWARDS FOR THE PLANET

(ESRS 2 SBM 1 -40e-f)

### Our first seamless steel pipe manufactured with low CO<sub>2</sub> emissions

(ESRS 2 SBM 1 -40F) (ESRS 2 SBM2-43)

TUBOS REUNIDOS is committed to the decarbonisation of the steel industry, developing innovative solutions that drive and facilitate its transformation towards a more sustainable and environmentally friendly model. That's why, the design and marketing of low-emission products is central to our overall sustainability strategy and, by association, our business strategy.

In 2024, we took an important step in this respect with the launch of O-Next™, **a line of seamless steel pipes manufactured from recycled raw materials and clean energies, resulting in low CO<sub>2</sub> emissions.** This new generation of pipes leads the way towards a smaller carbon footprint for our customers, and in general, a sector where demand for sustainable solutions is increasing.

The O-Next™ range was officially unveiled in April 2024 at the **Tube fair** in Düsseldorf, Germany, the industry's most important international event, and has been very well received by the market (ESRS 2 SBM 1 -40e).

### Innovation with a positive impact

O-Next™ is a milestone that positions us where we want to be, as relevant players in energy transition through innovation and a firm commitment to sustainability to build a better future.

Our goal is to support our customers in their transformation to more efficient and environmentally responsible business models by providing them with a substantial reduction in their final CO<sub>2</sub> emissions rate.

We received our first orders during the year, which had been manufactured by the end of the year and are **in a review phase with Certinalia**, a leader in applied research and technological development in Spain and Europe, and a member of the Basque Research and Technology Alliance.

### A product of continuous improvement

Achieving **net zero** is part of a **continuous improvement strategy covering the entire organisation**, through which we are seeking to advance our decarbonisation objectives through energy efficiency, the circular economy and the reduction of our environmental footprint. These are some of **the most notable initiatives**:

- **Consolidation of the Group's steel** mill in Amurrio (Álava).
- Reorganisation of the project to **install one of the largest solar plants installed on rooftops** in Spain in the industrial sphere
- Start of project to replace existing lorries **with biofuel-powered trucks**.
- **Digitisation** of the steel sector.
- **Improvement in production processes** such as furnace heat recovery and 100% of our refractory waste, ladle preheating and oxygen enrichment, among other actions.
- Study for the adaptation of our steel installations to **use hydrogen (Hazitek H-Acero project)**.

### Transparent

The environmental footprint of our O-Next™ pipes is based on direct reductions of emissions at each stage of the production process, reflecting **a real and tangible approach to sustainability**.

***“With O-Next™, we respond to the growing demand for more sustainable solutions for the industry and position ourselves where we want to be, as relevant players in the energy transition”.***

Jagoba Hernández, Supply Chain Director

# 03

## TUBOS REUNIDOS, STEP BY STEP

### 3. TUBOS REUNIDOS, STEP BY STEP

Our aim: driving the energy transition

#### 3.1. WE ARE PART OF THE CHANGE

##### More than 130 years revolutionising the steel industry

We always look to the future with innovation, prioritising excellence in service and proximity, adapting flexibly to the challenges of an ever-changing and demanding environment.

This approach has allowed us to develop and consolidate ourselves as a global benchmark in the steel industry, with the capacity to lead the transition towards a low-carbon economy and as strategic partners of the world's main energy companies and industries.

Below are some of the most significant milestones in our history:

##### 1892 | Origin

Foundation of **Tubos Forjados S.A.**, the company that would go on to be **TUBOS REUNIDOS S.A.**, dedicated to the manufacture of pipes for boilers and steam pipes, as well as pipes for water, gas and other purposes.

##### 1946 | New orientation

Production begins on seamless piping manufacturing using a hot push bench.

##### 1950–1970 | Expansion

Successive expansions were made to increase production capacity, through our cold-drawing facilities, for instance, and diversify products.

##### 1968 | TUBOS REUNIDOS is born

The merger of **Tubos Forjados S.A.** and part of the **Babcock & Wilcox Española S.A. plants**, specialising in seamless piping and welded piping, led to the creation of **TUBOS REUNIDOS S.A.**

##### 1977 | First casting in Amurrio

Production of the first cast steel in the steel furnace at the Amurrio plant (Álava).

### 1984 | Technology innovation

Implementation of an innovative heating and drilling system at Amurrio plant's push bench, a global milestone in pipe technology. This year also saw the start up of the special finishing facilities for the oil and gas industry.

### 1998 | Diversification

Acquisition of **Productos Tubulares, S.A.**, incorporating a wide range of pipes of large dimensions and thickness into our portfolio, including special, alloy and stainless pipes.

### 2002 | New plant

Inauguration of the new cold-drawing plant in Amurrio.

### 2005 | Financial impulse

Floating of **TUBOS REUNIDOS S.A.** on the continuous market of the Spanish Stock Exchange.

### 2012–2019 | Transformation Plan

Investment of €179 million in developing high value-added products and improving competitiveness.

### 2014 | International partnership

Agreement with **Marubeni-Itochu Steel Inc.** to manufacture premium connections for piping in the oil and gas sector in Iruña de Oca (Álava), under the brand **TUBOS REUNIDOS PREMIUM THREADS**.

### 2016 | Expansion into the USA

Acquisition of the business assets of **Rotary Drilling Tools Inc. (RDT)** in Texas, strengthening our production presence and bringing us closer to the end-user.

### 2021 | Strategic steps

Incorporation into the Basque Hydrogen Corridor (BH<sub>2</sub>C) and the first geothermal project.

Recognition by SEPI (*Sociedad Estatal de Participaciones Industriales* – State Company for Industrial Investments) as a strategic company and access to financing offered by the support fund for companies affected by the pandemic.

## 2023 | Integration and sustainability

Unification of the Group's two steel mills at the Amurrio plant, improving efficiency and sustainability, and committing to innovation in components for technologies related to the energy transition by joining the Energy Intelligence Centre (EIC), located on the Abanto Campus of the Basque Technology Parks Network.

## 2024 | Disruptive innovation

Launch of O-Next™, our first low-emission seamless steel pipe.

### Our mission

Our Group is committed to innovation and sustainability, with a view to accelerating the transition to a decarbonised economy. A global team of more than 1,400 working towards one common purpose:

**Boosting the energy transition through innovative and sustainable piping solutions, creating value for shareholders and other stakeholders to join our commitment to sustainability (ESRS 2 SMB-1-40e).**

### Our vision

We have an excellent understanding of energy industries around the world and are adapting flexibly in a way aligned to their needs, having been their partners for more than 130 years.

Our vision is clear: (ESRS 2 SMB-1-40e)

**Being the most agile, efficient and trusted brand for our customers by offering them our industrial experience, know-how, quality and innovation through products and services valued and referenced on the market.**

The Group is committed to leading the energy transition through innovative, sustainable piping solutions. This purpose guides our business and defines the values that are the essence of our corporate culture.

### Companies

The **Tubos Reunidos Group** comprises Tubos Reunidos S.A. and its subsidiaries. These are:

COMPANY	COMPANY DOMICILE	ACTIVITY	% HOLDING	HOLDING COMPANY
Tubos Reunidos Group S.L.U. (TRG)	Amurrio (Álava)	Industrial	100%	Tubos Reunidos S.A.
Tubos Reunidos Premium Threads S.L. (TRPT)	Iruña de Oca (Álava)	Industrial	51%	Tubos Reunidos S.A.
Tubos Reunidos América Inc. (TRAME)	Houston (Texas)	Marketing	100%	Tubos Reunidos S.A.
RDT Inc.	Beasley (Texas)	Industrial	100%	Aplicaciones Tubulares S.L.U.
Tubos Reunidos Services S.L.U. (TRS)	Amurrio (Álava)	Industrial/Real estate operation	100%	Tubos Reunidos S.A.
Clima S.A.U.	Bilbao (Vizcaya)	Holding company	100%	Tubos Reunidos S.A.
Aplicaciones Tubulares S.L.U. (ATUCA)	Bilbao (Vizcaya)	Holding	100%	Tubos Reunidos S.A.
Tubos Reunidos GmbH	Düsseldorf (Germany)	Marketing	100%	Tubos Reunidos Group S.L.U.

### 3.2. WE ARE READY

#### Production centres

##### TUBOS MILL

The Tubos mill, our Amurrio plant in Álava, manufactures seamless alloy and carbon steel pipes using hot rolling and cold-drawing processes. These products, with a chromium content of up to 13%, are destined for the oil and gas, chemical and petrochemical, power generation, heat transfer, automotive, mechanical and construction industries.

Since January 2024, we have operated with a single steel mill for the entire Group, operating in a more efficient and integrated way, from selecting raw materials and steel production to delivering pipes, ensuring the best quality and service.



## PRODUCTOS MILL

The Productos mill, our Trápaga plant in Vizcaya, produces seamless stainless steel, alloy and carbon piping and large, hot-rolled pipes from ingots.

All of the carbon and alloy steel ingots used as raw materials at this plant come from the Group's steel mill, located at the Tubos mill. Stainless steel ingots and high nickel alloys are sourced from top-quality certified external suppliers.

### RDT Inc.

RDT Inc., the Beasley plant in Texas, is geared towards the design and production of innovative, competitive solutions with semi-premium and premium connection threading for the operation and production of oil and gas. Tubos Reunidos America Inc. is the company responsible for distributing these products in the United States.

### TUBOS REUNIDOS PREMIUM THREADS S.L. (TRPT)

TRPT, the Iruña de Oca plant in Álava, specialises in the processing of pipes from the Tubos mill, with added specific premium connections for drilling operations.

## A global network to serve our customers in more than 50 countries



Figure 1 Global distribution of the Group

Our international presence, backed by a network of technical and commercial support, and coupled with our commitment to excellence, enables us to remain close to the needs of every customer, offering customised, high-quality solutions.

We have **three R&D+i centres**, located at our US plants and at the Amurrio and Trápaga production centres.

### Worldwide implementation:

We have **6 trade offices**, one each in Germany, Italy, Korea, China, Dubai and the United States, as well as **commercial agents in 14 countries**, from which we cover the world's major markets.

## Markets

***“We want to be a fundamental support for our customers in their own transformation process and act as a driving agent in the industry to build a better future”.***

Pedro Rodriguez, Sales Director

(ESRS 2 SMB-1-40a-ii-42)

## Energy industry

### UPSTREAM

We have decades of experience in global oil and gas applications in the upstream market. We develop product solutions for well drilling in projects related to carbon capture, use and storage (CCUS), geothermal energy and mining, reinforcing our commitment to innovation and sustainability.

We supply coating pipes, drilling pipes, production and fittings to customers worldwide that meet the highest standards of quality and service, capable of meeting any demand. To this end, we have API certifications and other specific accreditations, in line with customer and market requirements.

Our products are made from specialised materials, such as high-quality steels and advanced alloys, including high chromium content, designed to withstand the toughest environments (intense pressures, extreme temperatures and corrosion).

## MIDSTREAM

Midstream, we provide special pipes for the land and sea transport of oil, natural gas, hydrogen etc., as well as for its storage and transformation in processing plants.

We optimise our products using chemical compositions and specific heat treatments, ensuring outstanding performance in the most challenging conditions.

With a wide range of grades and dimensions, our transport pipes play a key role in the energy transition by meeting the needs of the growing demand for natural gas, hydrogen and other applications such as carbon storage and renewable energy.

## DOWNSTREAM

Our extensive track record in global downstream market projects has made us one of the main producers of dedicated piping for oil and gas refining and processing facilities, degassing plants, desalination and urea, and other applications with high temperature and environmental demands.

In the field of energy generation, our pipes are used in ultra super critical (USC) and combined cycle (HRSG) plants, bioenergy, solar thermal, photovoltaic and geothermal plants. We also continue to develop solutions to contribute to the expansion of clean energy, with a particular focus on renewable energy and nuclear power plants.

Thanks to our wide range of dimensions and quality grades (from stainless steel to carbon grades and high alloy), and specialities such as striated tubing, we have positioned ourselves as a strategic supplier for the sector.

## OFFSHORE WIND ENERGY AND SOLAR THERMAL ENERGY

Over the years, we have consolidated our experience in manufacturing pipes for large-scale offshore wind turbine structures (offshore), always ensuring their high performance and reliability even in the most extreme conditions. This journey and know-how has enabled us to participate in numerous international projects for solar thermal plants, contributing to the progress of key infrastructure for a cleaner and more efficient future.

## Mechanical industry

We manufacture special steels and pipes adapted to the needs of the mechanical industry across a wide range of customised sizes and thicknesses, using different types and grades of steel.

## Downstream: pressure parts

We are specialists in the manufacture of high-performance pipes for pressure equipment used primarily in electricity generation, refining and petrochemical plants.

## Mobility

We have international IATF 16949:2016 certification for quality management systems in the automotive sector, strengthening our position as a reliable partner in this industry.

## Construction

Thanks to our extensive experience in metallurgy and our own steel mill, we can develop and manufacture pipes designed for unique applications in civil works and mechanical structures. We are particularly focused on constructions that demand high-performance materials and low weight.

## Net income by significant sector

(IFRS 8 ESRS SBM1 40b)

The table below shows the Group's turnover by business segment:

	2024	2023
Downstream	75,839	106,313
Midstream	67,277	108,248
Upstream	103,719	197,732
Mechanical/Industrial	61,693	93,126
Other	15,433	27,437
<b>Total</b>	<b>323,961</b>	<b>532,856</b>

Table 1. Turnover in 2024. Commercial segments ESRS 2 SBM1 40 b AR12-13

## 3.3. OUR SOLUTIONS

(ESRS 2 SMB 1: 40ai-40aii-42b)

**We create value for our customers through customised comprehensive solutions and premium products.**

## Integrated production process. Value chain

(ESRS 2 SBM1 42)

The production of our pipe solutions begins with our end-to-end steel mill at the Amurrio plant, where we melt recycled raw materials (mainly scrap steel) in an EAF electric arc furnace. Once fused, the material goes through a refining and degassing process and the resulting steel is cast into continuous casting for processing into a billet, or poured into moulds for the production of ingots. These ingots are transported to the Trápaga plant, located approximately 40 kilometres away, to be transformed into the particular piping solutions produced at this factory, while the billet continues its transformation process at the Amurrio plant.

At both the Tubos and Productos mills, we have two lamination and finishing lines to obtain the qualities and dimensions required by customers to meet their needs. The Tubos mill also has a cold-drawing facility.

Both plants are the core of our value chain along with the activities performed at RDT and TRPT. This core is fed by a highly specialised supply chain, with raw materials suppliers guaranteeing the supply of steel scrap and ferroalloys in the required quality. The supply area has a supplier control system to ensure business continuity (ESRS G1-2). In addition, its Energy division manages contracts for the supply of electricity, natural gas and other essential fuels to run our facilities. To further strengthen the system, another division of the area manages and supervises all contracts with service providers necessary for our business. The auxiliary services, together with the staff from across the value chain (ESRS S2) and in-house staff (ESRS S1), guarantee the operation of our plants everywhere we operate (ESRS 2 SBM 1 42a).

We continue to work to inform our stakeholders of the conduct policies and control systems that we apply in our processes and procedures so that the entire value chain is aligned with the needs and expectations identified in the Group context analysis (see Chapter 4 Double Materiality (ESRS 2 IRO 1 and IRO 2)). This analysis includes the consultations performed through value chain surveys, with the aim of integrating their responses into the assessment of the IRO. The materiality of these IRO, actions and objectives, is reflected in our Sustainability Master Plan, which is incorporated into the Strategic Plan (ESRS 2 SBM 2 45av; 45b; c).

It is important to note that the interrelationship between the different stages of the value chain is strengthened by a solid business model (ESRS SBM 1-SMB 2 and SMB 3) and sustainable governance (ESRS 2 GOV 1:5), supplemented by our corporate governance model (ESRS G).

TUBOS REUNIDOS has a communication model with our customers, as defined in Chapter 8 (T-MRD P/A/T), which describes the processes for the correct management of our product distribution channels and satisfaction guarantees in relation to delivery and service. The distribution channels (lorry and ship, primarily) are adapted to the products, markets and customer requirements, taking into consideration the different destination countries (ESRS 2 SBM 1 42c).

Our stakeholders downstream of the value chain have also participated in the double materiality analysis and their concerns and needs have facilitated the assessment of the related IRO to determine their materiality. Chapter 8 also describes the net promoter score (NPS) customer survey systems used to assess the degree of service satisfaction and to review the customer relationship model. We also provides details of the new claims management system that reinforces our proximity to the customer, allowing better communication and attention to their needs.

In addition to customers, the downstream includes stakeholders linked to environmental ESRS, mainly those related to the circular economy, pollution and water resources. All these environmental vectors that make up the ESRS, with their corresponding IRO, are described and developed in Chapter 5. It is important to note that the Sustainability Master Plan at TUBOS REUNIDOS responds to the needs of the entire value chain and defines the actions, objectives and targets identified to reduce or enhance material IRO.

## Main products and solutions

(ESRS 2 SMB-1 40ai)

We develop and manufacture piping solutions with **special and complex requirements**, designed and customised according to the specific needs of each customer.

Our pipes are renowned for their high quality, as reflected in the results obtained in the satisfaction surveys performed amongst customers in 2024 and previous years (see Chapter 8).

We are **committed to excellence**, complying with and even exceeding all of the processes and requirements of the sectors in which we operate, mainly the energy sector.

Driven by our commitment to progress and continuous improvement, we are committed to **the research and development of new processes and products, such as our O-Next™ range**. This revolutionary progress allows our customers to be more efficient and sustainable, and redefines the future of the pipe industry.

***“Our high-value-added products deliver superior performance in extreme conditions”.***

Jon Bikandi, Industrial Director at the Products Mill and Innovation

### 3.4. OUR APPROACH

#### Relations and collaboration with our stakeholders

(ESRS 2 SBM2-43)

**We build stable, robust and lasting relationships** with the different groups and entities that, directly or indirectly, influence or are affected by the activity of the Group's companies, to meet their needs and expectations.

We believe that **two-way communication and continuous dialogue** are essential to building trust, strengthening ties and involving all our stakeholders in this unique business project. This is why taking care with communication is a priority.

Our approach is defined by a number of key fundamentals:

- **Active listening: We promote direct, fluid, constructive and intercultural dialogue.**
- **Responsibility: We establish relationships based on ethics, integrity, sustainable development and respect for human rights.**
- **Trust: We strive to build and strengthen mutual trust with our interactions.**
- **Collaboration: We encourage collaboration with our stakeholders to move forwards in fulfilling the Group's mission and vision.**
- **Anticipation: We anticipate the needs and expectations of the different groups with whom we interact.**
- **Transparency: We aim to ensure clarity in relationships by providing truthful, relevant, clear and complete information.**

To achieve all of this, we continue to strengthen our avenues for relationships, ensuring that they are accessible and effective.

The Communication and Marketing Division manages both internal and external information flows. In terms of the government, sector associations and regulatory bodies, amongst others, communications are governed by a structured procedure that depends on each of the divisions that interact with these stakeholders. The integrated management system sets out the method of action in these cases.

During 2024, we worked on the design of the **Strategic Communication Plan** (ESRS SBM 2 45 aiii), which will be launched in 2025, after submission to the Board of Directors (ESRS SBM 2 45 av). The aim of this plan is to coordinate and align the information and communication actions



of the different areas of the Group with the knowledge needs demanded by our different stakeholders (ESRS 2 SBM2-45aiv).

In this way, although each division is responsible for leading the communication actions and relations with stakeholders within its sphere (interviews, surveys, meetings or other activities), we ensure that they are all coordinated and aligned. In addition, the internal processes of each area make it possible for the information gathered in these activities to be channelled to managers or directors, ensuring that the management and supervisory bodies are aware of the most relevant messages, needs and information to be incorporated into the TUBOS REUNIDOS Strategic Plan (ESRS 2 SBM2-45-d).

The table below identifies our main stakeholders and the communication channels that we have enabled to interact with them (ESRS 2 SBM-2-42-43-45).

STAKEHOLDERS	COMMUNICATION CHANNELS	
IN-HOUSE EMPLOYEES IN THE VALUE CHAIN	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Tubos Reunidos Group intranet</li> <li>• Physical post boxes</li> <li>• Regular meetings with direct supervisors</li> </ul>	<ul style="list-style-type: none"> <li>• Physical notice boards</li> <li>• Ethics channel</li> <li>• Tubos Reunidos Group newsletter</li> <li>• <i>Strategy day</i></li> </ul>
SHAREHOLDERS AND INVESTORS	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Information published by the CNMV</li> </ul>	<ul style="list-style-type: none"> <li>• General Shareholders' Meeting</li> </ul>
FUNDERS	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Periodic information</li> </ul>	<ul style="list-style-type: none"> <li>• Briefings on Group progress</li> </ul>
CUSTOMERS	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Trade fairs</li> <li>• Participation in associations</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfaction surveys</li> <li>• Regular visits</li> <li>• Individual meetings</li> </ul>
SUPPLIERS	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Supplier portal</li> </ul>	<ul style="list-style-type: none"> <li>• Trade fairs</li> <li>• Participation in associations</li> </ul>
REGULATORY BODIES AND PUBLIC ADMINISTRATIONS	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Online portal for reporting</li> <li>• Environmental information (IKS) and health and safety information</li> </ul>	<ul style="list-style-type: none"> <li>• Platforms for the environmental and health and safety monitoring</li> <li>• Regulatory body questionnaires</li> <li>• Regular meetings</li> </ul>
LOCAL COMMUNITIES	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Social encounters</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in associations</li> </ul>

## Taxonomy – SDG

### We adhere to the United Nations Global Compact.

Since the adoption of the United Nations 2030 Agenda in 2015, TUBOS REUNIDOS has been working to integrate its objectives into our business strategy, guided by our values, aware of the economic, social and environmental impact of the activities we carry out.

In 2024, we formally signed up to the **Global Compact**, the UN initiative that pursues the **Sustainable Development Goals (SDGs)**, thus joining the global movement of companies and organisations seeking to build a better world. Because, as mentioned in the pact, global problems require global agreements and solutions. To be part of this partnership, we have been subject to an assessment, which will be repeated each year, to evaluate issues such as the promotion and application of universal principles and compliance with ethical business practices, the contribution to the SDGs and demonstrating transparency and responsibility.

As members of the Global Compact, we align our strategy and operations with the **Ten Universal Principles** and commit ourselves to respecting human rights and labour standards, preserving the environment and acting transparently in our activities. By doing so, we reaffirm our willingness to incorporate these principles into our culture and into our daily lives to continue to positively impact people and the planet.

### Commitment to the SDGs

TUBOS REUNIDOS promotes initiatives that contribute to the achievement of the SDGs, with a particular focus on **SDG 7 (Affordable and Clean Energy)**, ensuring access to sustainable energy; **SDG 13 (Climate Action)**, ongoing efforts to mitigate climate change and adapt to its effects; **SDG 8 (Decent Work and Economic Growth)**, committing to inclusive and sustainable economic growth; **SDG 6 (Clean water and sanitation)**, promoting responsible water management; **SDG 9 (Industry, innovation and infrastructure)**, committing to technological innovation; **SDG 12 (Responsible consumption and production)**, optimising our processes to minimise the environmental impact on our environment; and **SDG 17 (Partnerships to achieve the goals)**, strengthening collaboration with our stakeholders and actively participating in business associations to promote alliances that benefit society.

Our progress in each of these objectives, with their respective goals, is reflected in the annual report to the Global Compact.

***“This commitment reflects our global commitment to sustainability”.***

Antón Pipaón, Director of Sustainability and Business Development

### 3.5. 2024 SUMMARY

Below we summarise the main features of our business during the financial year, in line with the steps of our strategic plan.

#### A year of intense commercial activity

2024 was marked by a number of challenges that affected our sales and production capabilities. The most significant factors include the maintenance of very high inventories in customers, both in distribution and final terms, competitive pressure from low-cost non-EU manufacturers, geopolitical tensions, and the uncertainty generated by the impact of the elections in the United States.

Despite this instability, the intense commercial activity developed allowed us to end 2024 with a **44% increase in portfolio volume** compared to the start of the year, accompanied by positive prospects, primarily in the United States and India.

#### We are moving forwards in our sustainable transformation

(ESRS 2 SMB1 40aii)

Two of our most important milestones this year were the **launch of the Sustainability Master Plan**, which we look at in more detail in the section below, and the **launch of our first low-emission O-Next™ pipe**, (ESRS 2 SBM 1 -40F), which is the result of the work we have been performing in recent years to speed up the decarbonisation process, supported by a determined commitment to the fight against climate change.

In addition, we continue to add key actions (ESRS 2 SMB1 40g):

- **Consolidation of the new steel mill:** We have completed a strategic milestone with the manufacture of ingots at the Amurrio plant.

After successfully completing the test runs in 2023, in January 2024 we launched the production of ingots for large pipes in Amurrio, which had previously been carried out at the Sestao plant. This more efficient installation expands our capacity to develop a greater variety of steels and meet our customers' needs more quickly and efficiently.

- **First environmental statements for our products (DAP-EPD):** We have prepared and verified the first DAPs at the Tubos and Productos mills, confirming that the environmental footprint of our products is comparatively lower than the industry average. In addition, in collaboration with the BIND 3.0 open innovation platform, driven by the Basque Government and the SPRI Group, we have developed **a tool to calculate the carbon footprint** of the organisation in all its categories, which was verified in the first quarter of 2025.

Our ambition is to be a driving force for the transformation of the entire value chain, supporting our customers and suppliers in their transition to a low-carbon economy.

- **Europe's first biogas engine forklift:** Continuing our environmental impact reduction efforts, we have acquired a high-tonnage forklift equipped with a biogas engine, marking the path for sustainable innovation in the sector.

## Financial stability

**“We continue to make progress with the steps defined in our Strategic Plan to build a stronger and more competitive Group”.**

Ignacio Barón, Chief Financial Officer

- **Debt reduction:** Supported by the cash generated by the excellent results of previous financial years, we have achieved a significant boost in our stability and financial recovery by repurchasing convertible debt through a discounted reverse auction. As a result of this operation, we reduced our gross financial debt by €107 million by paying down €27.5 million. After discounting the accounting impacts and operating expenses, this operation led to a reduction in net financial debt and a positive effect on the income statement before tax of €66.5 million.

This operation was authorised by all the affected financial creditors, including financial institutions, bondholders and the Fund to Support the Solvency of Strategic Companies (FASEE).

- **Reorganisation of non-productive assets:** sale of the land, ships and facilities in Pamplona and Sestao. The concentration of the cold-drawing unit at the Tubos mill, as well as the transfer of the ingot production activity to the Group steel mill in Amurrio, has allowed us to complete these operations, representing a significant step forwards

in improving our competitiveness. As a result, we have achieved **80% of the planned actions** in this area within the Strategic Plan.

### Growth in added value

We continue to see growth in high added value piping solutions for all sectors (upstream, midstream, downstream and mechanical), in line with our strategic commitment. In 2024, premium products, which traditionally provide the Group with the greatest margin, **accounted for 23.5% of our turnover in tonnes and 32% in value.**

We continue to innovate with new developments, including:

- Production of pipes with 13% chromium.
- Progress with stainless steel (TP347H, Duplex) and new grades: P110 CYS (MS2 without NACE) and T95 grade at the Amurrio plant.
- Increased size and thickness at the Trápaga plant, to 711 x 40 mm, in addition to the preparation of the Amurrio steel mill for even greater dimensions and lengths to meet market demand and expand our benchmarks.
- Development of a 6-inch pipe per reducer at the Amurrio plant.
- In RDT, innovation in licensing the premium TLW connection and SP GBCD, increasing its torque by 81%, and developing solutions at BTX HT and RDT BTX U-HT, thereby responding rapidly to the requirements of our upstream customers in the United States.
- In TRPT, development of a new semi-premium Panther connection, licensed from Marubeni-Itochu Steel, Inc. Launch of the feasibility study of other solutions for access to new markets and/or applications.

In line with our mission to deliver innovative solutions with the latest R&D+i technology, we have set up an **innovation committee** that reinforces our commitment to this core pillar of our DNA, driving growth and continuous improvement to keep us at the forefront of the industry.

## Stronger in OCTG solutions in the USA

The US market and OCTG solutions are strategic to TUBOS REUNIDOS. In 2024, we **doubled the threading capacity and increased our heat treatment capacity by 20%**, key aspects in this country.

These advances strengthen our position and allow us to continue to quickly and effectively meet the growing demand for high value-added pipes, as recognised by our customers.

## Improvements in efficiency

The concentration of billet and ingot production at the Tubos mill allows us to improve the use ratios of the steel mill and consequently reduce energy consumption. In addition, many other actions optimise our processes, integrate systems and reinforce digitisation for us to become a more efficient and robust group:

- **We have optimised the energy management of the steel mill** based on the production schedule.
- **We have implemented a new management system in the steel mill.** This is the AC3.0 system, automating processes and eliminating the risk of obsolescence.
- **We have upgraded key facilities**, critical equipment such as CARTA<sup>®</sup>neo, IMS and the Becker milling machine, allowing us to further develop our products.
- **We have acquired a hot diameter and thickness control system (IMS)** at the Trápaga plant and a **rotary straightener** for larger pipes, surpassing our current capacity and better positioning ourselves in this segment. We continue to invest in equipment that facilitates our flexibility and improves the quality of our products.
- **We have commissioned the synthetic natural gas plants using butane** at the Tubos and Productos mills. This ensures the operation of factories in the event of natural gas restrictions, and provides us with a competitive, low-cost energy supply.
- **We have implemented the S&OP methodology**, gaining efficiency and improving our service by aligning demand forecasts with the plants' capabilities, increasing our flexibility.

- **We have improved the integrated processes management systems** in areas like prevention, environment, quality and energy.
- **We have made progress with the implementation of the 5 “S” method** by focusing the organisation of work efficiently and safely and transferring it to the unification of steel mill processes.
- **We have improved the control of scrap metal.** The digitisation of the entire scrap entry and control process has allowed us to obtain real-time information that is integrated into the new steel mill management system, translating into improved steel quality.
- **Brand definition and management programme.** At the Tubos mill, we have started the process that will see us monitor our products pipe by pipe in future.
- **We have incorporated AI into the Salem furnace** at the Productos mill, which will help us optimise consumption, material and programming time.
- **We have harnessed data mining** to optimise processes and capture savings.
- **We have approved the cybersecurity policy.** As part of its development, we have based ourselves on the ISO 27001 Information Security Management standard, clearing the way to obtain this certification.

### Successful implementation of the preventive culture

We continue to strengthen the preventive culture at our organisation, prioritising the safety of our employees and ensuring a safe working environment with the goal of achieving zero accidents. The four-year “**Safety Excellence**” programme has now been integrated into our processes. In 2024, **we managed to reduce the accident frequency rate by almost 35%** at the Tubos and Productos mills.

***“In RDT, we ended 2024 having achieved 519 days with no accidents. An example of the success of the “See something, say something, do something” programme***

Francesc Ribas, Director of Tubos Reunidos America

### We drive talent

During 2024, we have worked on a new people management model, **Empowering Talent**, which ranges from attracting talent to professional development, focusing on three key areas: **communication, teamwork and digitisation**. We place talent at the



heart of our strategy and strengthen it through essential pillars such as our **values, culture, skills and digital transformation**.

We are committed to **quarry engineering** as a development model to train our future leaders, a proof of our commitment to people. Within this framework, the activities planned at the Human Resources division include the implementation of **training and coaching plans** designed specifically to boost young talent at our production plants.

### Social aspect

Thanks to the efforts of the people who form part of the Group, we have ended the year in a more favourable position, achieving a significant reduction in furloughs over the past three months. The objective is to maintain this positive trend, relying on an increase in our order backlog.

### More committed

- **New corporate policies.** During the year, we approved several key policies that develop the Group's commitments, aligned with the most demanding international standards: the **Human Rights Policy, Anti-Corruption and Fraud Policy, Environmental Policy** and **Climate Change Policy**.

We have also updated **the Protocol for the Prevention and Response to Harassment** pursuant to Law 2/2023, which is mandatory for all persons at the organisation and staff related to TUBOS REUNIDOS. This strengthens our commitment to ensuring a workplace that respects personal dignity and freedom, taking action against harassment in all its forms and manifestations.

- **Accession to the UN Global Compact.** As mentioned above, we signed up to the United Nations Global Compact in 2024.

## 3.6. SUSTAINABILITY MASTER PLAN

(ESRS 2 SBM-1 40e-48)

### Fundamental pillar of the TUBOS REUNIDOS strategy

The steel industry is strategic to the global economy and a major supplier of components for the energy transition. It contributes 8% of the planet's greenhouse gas emissions, which makes our sector particularly responsible in the fight against climate change. TUBOS REUNIDOS has taken on this challenge and is committed to being a benchmark. An example of this is our O-Next™ low-emission pipe.

In the second half of 2023, we began to define the general guidelines of a Sustainability Master Plan (SMP) that would drive our actions to make progress in this area. Throughout

2024, we analysed the trends and best practices in the sector, keeping in mind the current regulatory framework and possible future developments. We have also assessed the context in which we operate, the geopolitical situation, and the needs and expectations of our staff and our value chain (suppliers and customers). We also conducted a maturity analysis, examining our impact on the environment and how external risks and opportunities can impact our business. All of this, combined with the prioritisation of the conclusions obtained, is the basis on which we have built our sustainability roadmap.

This plan has been designed and agreed with all our areas, adopted by the Steering Committee and approved by the Board of Directors at TUBOS REUNIDOS in September 2024. From that moment on, we started rolling it out throughout the organisation.

### Keys of our roadmap

The SMP addresses all key aspects of Group sustainability and reflects on the ESG challenges in line with the Strategic Plan, of which it is a fundamental part. It is structured around **four key pillars**: The basic pillars (environmental, social and governance) **plus a fourth transversal pillar**, which includes digitisation, cybersecurity, innovation and customer relations, topics not addressed in the Directive's ESRS.

In addition, the plan is supported by **three strategic positioning levers** that act as guides to help us with this process:

- **Design and market low-emission solutions** that facilitate the decarbonisation of the sector and our customers (**O-Next™**).
- **Integrate ESG culture** into the Group's DNA.
- **Join the UN Global Compact** as a driving force to strengthen our position in terms of sustainability at a global level.

In relation to material aspects, the SMP identifies **eleven priority lines of action** that establish actions, objectives and goals consistent with those of the specific areas into which these actions are divided.

Finally, it establishes **qualitative and quantitative objectives**, with defined time horizons. For monitoring purposes, we have designed a tool that will allow us to continuously and accurately measure the progress of the results of each objective.

We aim to generate sustainable opportunities over time by building a culture rooted in caring for the environment, our people, our customers, the communities where we operate and, ultimately, all stakeholders with whom we reciprocally provide value.

### Part of our DNA

We aim for the Group's commitments to become an essential part of our DNA. To this end, the **ESG Committee**, in which all areas of the organisation are represented, establishes working groups specialising in the improvement of production plants. They are known as **ESG Groups** and have a view to developing and implementing the lines of action defined in the plan. These groups, which work closely with the energy efficiency teams, report to **the**

**Sustainability division**, which is responsible for consolidating the results and presenting them back to the ESG Committee for approval and follow-up. Social and governance actions are managed directly through their divisions and report to the Committee.

In short, the SMP is a fundamental pillar of our strategy that will enable us to make decisive and meaningful progress in our sustainable transformation, guided by environmental and social objectives, under strong governance, and supported by digitisation, innovation and the security of our processes. None of this could be achieved without the dedication of everyone at TUBOS REUNIDOS, who are real stars of this change.

# 04

## SUSTAINABILITY MANAGEMENT

## 4. SUSTAINABILITY MANAGEMENT

### The pillar on which our actions rest

With a view to facilitating the Group's sustainable transformation, we have implemented a **governance model focused on the development and control of the sustainability strategy**. This model is materialised in the compliance of the SMP and is reflected in the TUBOS REUNIDOS Strategic Plan.

### 4.1 SUSTAINABLE GOVERNANCE MODEL

In 2022, we created the **Sustainability Division**, integrated into the Group's Steering Committee. A year later, its director set up the **ESG Committee**, consisting of members of the Steering Committee and key staff from different areas across the organisation: energy, environment, competitiveness, marketing and communication. As part of its usual functions, the ESG Committee meets regularly to design and monitor the SMP and sustainability information, and to coordinate the actions required to meet the needs of the various related areas.

In addition to leadership in the social sphere, the participation of the director of human resources on the ESG Committee represents a key bridge between staff and supervisory, management and administrative bodies. Communication with workers' representatives is embodied in the strategy of this area, the aim of which is to harmonise their needs with the Group's strategies, summing everyone's efforts for a common good.

Communication with the different areas is channelled through the **ESG Groups and the Industrial Committees**, which work together to plan and implement the SMP.

The SMP (see Chapter 3) addresses the three fundamental pillars: **environmental, social and governance**, along with a **transversal component** in which we include innovation, digitisation, cybersecurity and client relations. These 4 pillars are divided into 11 lines of work that, in turn, are broken down in lines of action per pillar, with their respective objectives, goals and indicators. The definition of the goals and their monitoring system is established by the Steering Committee and submitted to the Audit Committee, which subsequently reports to the Board of Directors. Progress with the SMP is periodically reviewed by the Committee, which reports to the Committee on a regular basis (ESRS 2 GOV1 22ci-ii-iii).

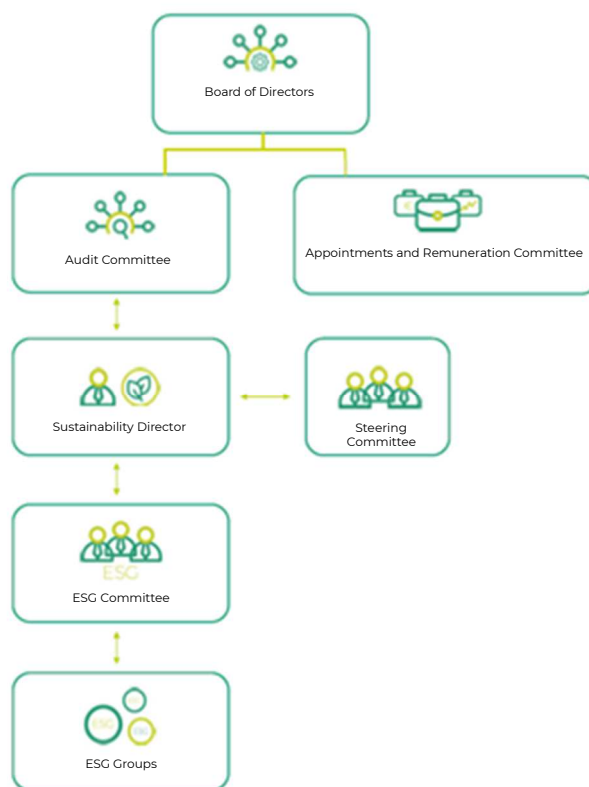


Figure 2 Sustainable Governance

The **Audit Committee** is an internal body constituted on a permanent basis and specialising in the provision of information and advice, without assuming executive functions. This committee has powers of oversight, information, consultancy and proposal within its remit. Specifically, it advises the Board of Directors, and provides supervision and control, among a range of functions, over the processes for preparing and presenting information on sustainability and the effectiveness of internal risk control and management systems. The sustainability director regularly reports to the Audit Committee on the progress made in the preparation of related information, the SMP and other relevant issues in this area. For more information on this committee, see Chapter 7 of this report.

The **functions of the Sustainability Audit Committee** are set out in the Audit Committee regulations<sup>1</sup>, approved by the Board of Directors at its meeting on 21 December 2023, and are as follows:

With regard to the **information and internal control systems**:

1. Monitoring and assessing the production process and integrity of economic and financial and non-financial information.
2. Constantly monitoring the effectiveness of Company and Group internal control systems, internal auditing, and financial and non-financial risk management systems (including tax and reputational risks, corruption and fraud, along with operational, technological, legal, social, environmental and politically related risks).
3. Analysing the effectiveness of the Group's internal controls.

In relation to **sustainability and corporate governance**:

1. Monitoring compliance with the Company's policies and rules on environmental, social and corporate governance matters.
2. Providing preliminary financial and non-financial or general information about the Company or its Group that will have external repercussions.
3. Evaluating and periodically reviewing the Company's corporate governance system and its environmental and social policy.
4. Supervising the Company's environmental and social practices to ensure that they conform to the strategy and policy set.

The Audit Committee reports to the Board of Directors on sustainability, the progress made with the SMP, the processes for preparing and presenting sustainability information and the effectiveness of the internal risk control and management systems.

The **functions of the Board of Directors in relation to sustainability** are defined in the regulations of the Board of Directors of TUBOS REUNIDOS S.A.<sup>2</sup>, approved unanimously by the Board of Directors at its meeting of 27 January 2022, and include but are not limited to:

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<sup>1</sup> For more information, see the Audit Committee regulations. Tubos Reunidos Group website.

<sup>2</sup> For more information, see the Board of Directors regulations. Tubos Reunidos Group website.

1. Approving the corporate policies being developed.
2. Approving the submission of financial, non-financial and corporate information that the Company must periodically make public given its status as a listed company on the stock exchange.
3. Preparing and publishing the Company's Annual Corporate Governance Report and the Statement of Non-Financial Information, as well as the Annual Directors' Remuneration Report.
4. Deciding on the proposals submitted by the chairman of the Board, the chief executive or the Board committees.

We also have **an Appointments and Remuneration Committee**, an internal body of the Board of Directors, constituted on a permanent basis and specialising in the provision of information and advice, without assuming executive functions. This committee has been assigned powers of oversight, information, consultancy and proposal within its scope of activities. Its primary mission is to contribute to the acquisition and retention of talent, which means ensuring that the Group has the best professionals on its governing bodies and in its senior management. In addition, it must ensure consistency between the selection and remuneration policies applicable to the Board, senior management and other employees, and the Company's strategy, including sustainability, diversity, long-term profitability and risk-taking. It notifies the Board if any inconsistencies are detected in this regard; as provided for in Article 6 of the Regulations of the Appointments and Remuneration Committee of the Board of Directors of TUBOS REUNIDOS S.A.<sup>3</sup>, approved unanimously by the Board of Directors at its meeting on 25 January 2023.

In 2024, the Group's Sustainability and Communication divisions designed a communication and information strategy that responds to the legislative requirements regarding reporting on sustainability and other applicable matters that should be transferred to all stakeholders, to the value chain, and to the administrative, management and supervisory bodies.

At all meetings of the Audit Committee, the Sustainability division reports on the progress of the SMP actions, relevant information during the period, needs and requirements identified, notwithstanding the need for any other communications. These meetings are held at least quarterly (ESRS 2 GOV2 26a). In turn, the Board, which meets once a month (ESRS 2 GOV2 26a), is informed by this committee. At the same time, the ESG Committee meets once a month (NEIS2 GOV2 26a) to address related aspects. The information related to impacts, risks

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<sup>3</sup> For more information, see the Appointments and Remuneration Committee regulations. Tubos Reunidos Group website.



and opportunities (IRO) is managed through the SMP, which is developed in the ESG and Steering Committees (ESRS 2 GOV 2 26b).

**Communication and the organisation of information campaigns** is essential when it comes to facilitating the proper performance of the functions and responsibilities of the different areas. These are **the main issues addressed** in the actions performed in 2024 to this end:

- **SMP:** development of the main actions, aims, goals and resources, as well as design of the strategy for climate change mitigation and sustainable water management as a vital resource.
- **Environmental Product Declarations (EPD):** drafting the procedure for calculating the environmental footprint of our products, thus ensuring transparency and environmental communication to our customers.
- **Organisational carbon footprint:** design of a carbon footprint calculation tool for the entire organisation, which provides us with detailed information on the emissions generated throughout the value chain, detecting opportunities for improvement and energy efficiency.
- **Sustainability report:** the requirements established, our current situation in relation to the report and the resources required to achieve the milestones defined by the European Union in its Directive and ESRS standards have been reported on.
- **Signing up to the UN Global Compact:** the scope of this initiative, commitments and obligations has been reported on.

In 2024, we delivered **training sessions for all the governing bodies** of the Group and key staff at the organisation. The aim of these sessions organised by the Sustainability division was to ensure that participants have the necessary knowledge and skills to perform the functions described above on sustainability.

The Board of Directors, the Steering Committee and those responsible for the key areas of the organisation have knowledge of the new CSRD Directive, the fundamental concepts in relation to sustainability, the double materiality analysis (the basis pillar of the report) and the interpretation of the results of this analysis and the associated disclosure requirements. They have participated in planning surveys for the double materiality process and the issues and sub-topics covered therein. Based on these issues and sub-themes of AR16 of ESRS 1, the impacts, risks and opportunities assumed by the Steering Committee and the Audit Committee, which reported the results to the Board of Directors, have been determined. With the capacities obtained, they approve the list of material IRO and the methodology used for their assessment (ESRS 2 GOV1 23-AR5, 23a). At the same time, they monitor the interrelation of the IRO (ESRS 2 GOV1 23b, GOV 2 26b), and the developmental actions and goals in the SMP, which is subsequently deployed in each area for execution. The establishment of these goals is supervised and approved by the Steering Committee and the Sustainability

division, whose director informs the Audit Committee about these goals, objectives and control KPIs, reporting to the Board of Directors for approval and inclusion in the TUBOS REUNIDOS Strategic Plan (ESRS 2 GOV 1 22d).

The Board, the Steering Committee and the heads of the key areas have received specific training in the new responsibilities they must assume, which has equipped them to acquire the necessary skills and competencies to carry out their environmental, social and governance functions. As a result, each body as a whole is trained to perform its sustainability roles (ESRS 2 GOV 1 23-AR5, 23a,23b).

The **double materiality analysis** represents the core of the Directive. The methodology applied in this process, in line with the guidelines published for understanding and applying them, reflects our knowledge of the steel sector, the sectors in which we operate, the global context and the geographical areas in which we operate. The analysis of all of these vectors has allowed us to precisely identify impacts, risks and opportunities, and to define the materiality of each of these outcomes (ESRS 2 GOV 1 26b). From there, we have defined the actions, goals and objectives for their management. This exercise, carried out from the highest representation of the Group, before being cascaded to the key team for further development and then the rest of staff, foment and reinforces the achievement of our SMP and the Strategic Plan.

On 26 September 2024, the Board of Directors approved the results of the Group's double materiality analysis, which identifies material sustainability issues as well as IRO (see the Appendix "List of IRO") (ESRS 2 GOV 2 26b-c) (ESRS 2 GOV 1 22d).

The General Shareholders' Meeting also approved the Non-Financial Information Statement for 2023 with 98.42% of the share capital in attendance voting in favour. The Sustainability Report is submitted for review and approval by the General Shareholders' Meeting, as required by Law 11/2018.

## 4.2 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE INTO INCENTIVE SYSTEMS

In 2024, we integrated the concept of sustainability into the variable remuneration of staff in key areas of the organisation, as well as members of the ESG Committee and the Steering Committee (ESRS 2 GOV 3 29-29a).

The TUBOS Reunidos S.A. Appointments and Remuneration Committee meeting, held on 27 February 2024, addressed the management team's objectives for the year, including measurable sustainability indicators focusing on commercial and premium product development, in line with the guidelines of the Strategic Plan (ESRS 2 GOV 3 29a; c;e).

The CEO of TUBOS REUNIDOS, following the instructions of the Appointments and Remuneration Committee and, as a result, of the Board of Directors (ESRS 2 GOV 3 29e), informed the Steering Committee of the adoption of a percentage (5%) (ESRS 2 GOV 3 29d) of the variable remuneration related to the reduction of greenhouse gas emissions resulting from our business, calculated as tonnes produced during the financial year (ESRS 2 GOV 3 29a;c;e). The

Steering Committee, in turn, relayed this commitment to its key staff, integrating sustainability into its personal development objectives.

### 4.3 DUE DILIGENCE

(ESRS 2 GOV-4 30:32)

We apply **due diligence** to sustainability and the associated information obligations. For the purposes of clarity, the following table sets out the **main aspects and phases of the due diligence process** covered in this sustainability report:

ESSENTIAL ELEMENTS OF DUE DILIGENCE	SECTIONS OF THE SUSTAINABILITY REPORT
A/ Integration of due diligence into the governance, strategy and business model.	ESRS 2 GOV 2 Chapter 4
B/ Collaboration with stakeholders at all key stages of due diligence.	ESRS 2 GOV 2; ESRS 2 SBM2; ESRS 2 IRO 1; ESRS 2 MDR-P Chapters 2, 3 and 4 and thematic ESRS
C/ Identification and assessment of adverse impacts	ESRS 2 IRO 1 ESRS 2-SBM3 Chapters 2, 3 and 4 and thematic ESRS
D/ Adoption of measures to address adverse impacts.	MDR -A EI-1 CTP Chapter 5 SMP Chapter 3 Chapters 3 and 5 and thematic ESRS
E/ Monitoring the effectiveness of these efforts and communication.	SMP MDR-M MDR-T Chapters 3 and 4 and thematic ESRS

## 4.4 CORPORATE POLICIES

(ESRS 2 MDR-P-66:69) (ESRS G1-1-7)

### We reinforce our social, environmental and governance commitments with new policies.

The policies of TUBOS REUNIDOS are approved by the Board of Directors and clearly reflect our **commitments and principles of action** applicable to all Group companies in economic, social, environmental and good governance matters.

These policies are available to the entire value chain and to our stakeholders on our corporate website **[www.tubosreunidosgroup.com](http://www.tubosreunidosgroup.com)**.

In 2024, we validated new policies that complement the existing policies and reinforce the governance system, involving the entire value chain:

- **Corporate policy of respect for human rights** (approved 25 July 2024): develops our unwavering commitment to the respect for and protection of human rights (see details in Chapter 7).
- **Corporate policy against corruption and fraud** (approved on 31 October 2024): aimed at developing a culture of zero tolerance and prevention of corruption and fraud (see details in Chapter 7).
- **Corporate policy on the environment** (approved 19 December 2024): strengthens our public commitment to care for and respect the environment (see details in Chapter 5 E2-3-5).
- **Corporate Climate Change Policy** (approved on 19 December 2024): focused on mitigation and adaptation objectives, this policy reaffirms our commitment to the fight against climate change (see details in Chapter 5 E1).

## 4.5 DOUBLE MATERIALITY

(ESRS 2 3.1 IRO-1-IRO-2)

The directive states that sustainability reports should be based on the principle of double materiality. This involves identifying the issues that are most relevant for TUBOS REUNIDOS from two perspectives: **impact materiality** (of our operations abroad) and **financial materiality** (the external impact on our operations). The analysis should consider both direct operations and the entire value chain, including upstream and downstream processes.

In 2023, we anticipated the requirements of the Directive and performed this analysis, taking into account existing guidelines. During the year, we updated and refined the analysis by applying our own procedure to perform an in-depth assessment of both the effects of the Group on society and the environment (impact materiality) and the potential financial implications (financial materiality).

This process included an analysis of the main ESG ratings and the alignment of sustainability issues with the progress made and future of our Strategic Plan.

As regards the double materiality analysis, we followed the instructions set out in ESRS 1-3, ESRS 2-3.1, as well as the optional guidelines established by the EFRAG: Materiality Assessment Implementation Guidance.

We have also been active in liaising with our stakeholders through surveys and direct conversations, with a view to raising awareness of the importance of their participation in this process (ESRS 2 SBM2 45 IRO-1-53biii).

## Methodology used

### Analysis of the sector context and the business model

(ESRS 2 IRO-1-53bi-53biii-53g)

As part of the first phase, we performed a **context analysis** that includes both the sector in which we operate (external analysis) and our business model (internal analysis). The results enabled us to accurately identify sustainability issues, which will be translated into potentially material topics and sub-topics. These will then be categorised as IRO.

As part of this context analysis, we used information from the following sources:

#### Internal sources:

- TUBOS REUNIDOS Statement of Non-Financial Information.
- Internal meetings with those responsible for the Group's most important business lines.

#### External sources:

- Global, sectoral and business model-specific trends, challenges and risks in terms of sustainability identified by studying sector-specific reports and other specialist sources.
- Regulatory framework and sustainability reporting frameworks.
- Benchmarking of materiality matrices at our main competitors in the sector.
- ESG analysts.

### Identification of topics and sub-topics. Segregation of impacts, risks and opportunities

**ESRS 1. General requirements**, section 3, sets out the need for a double materiality analysis. Additionally, section 8 states:

*“Thematic ESRS cover a sustainability issue and are structured into topics and sub-topics, and, if necessary, sub-sub-topics. Application requirement 16 (AR 16) of the CSRD provides an overview of the sustainability issues, sub-topics and sub-sub-topics (collectively, “**Sustainability Issues**”) covered in the thematic ESRS”.*

Based on the context analysis performed in the previous phase and considering the issues and suggestions proposed by the ESRS, we have defined the topics which, in addition to including those required pursuant to the regulatory framework, reflect the specific reality of the Group. These topics are divided into sub-topics and, in some cases, into sub-sub-topics, offering a greater level of detail to the analysis. This structure facilitates the discussion of sustainability issues in the IRO, complying with the requirement established for the double materiality process (ESRS 2 IRO 1-53b-53c).

As a result, we have thoroughly studied material topics, sub-topics and sub-sub-topics, connecting them to business-relevant issues such as the value chain, dependencies, trade relations and geographic sectors. We have therefore considered all study variables (ESRS 2 IRO 1-53b-53c).

We then looked at the most important topics and sub-topics, grouped into the three fundamental ESG pillars, together with a cross-cutting pillar for the specific aspects of TUBOS REUNIDOS (entity-specific). As indicated in Section 3.6. of the report, our SMP is structured around four main pillars, which allows us to perfectly connect the analysis of the topics and sub-topics to the strategic lines of the plan, providing solid support for integrating the results into the lines of work, goals and objectives we have designed to complement the Strategic Plan.

E (ENVIRONMENTAL)	S (SOCIAL)	G (GOVERNANCE)	T (TRANSVERSAL)
<p><b>ENERGY:</b></p> <p>Renewable and non-renewable energy consumption. Reduction of energy consumption.</p> <p><b>ADAPTATION TO CLIMATE CHANGE AND EMISSION REDUCTION:</b></p> <p>GHG emissions. Climate change adaptation.</p> <p><b>POLLUTION</b></p> <p>Air pollution Soil contamination.</p> <p><b>WATER MANAGEMENT:</b></p> <p>Management of contaminated water. Water consumption.</p> <p><b>RESOURCE USE, WASTE MANAGEMENT AND THE CIRCULAR ECONOMY</b></p> <p>Use of renewable and non-renewable resources. Circular business model. Waste management.</p> <p><b>BIODIVERSITY AND NATURAL CAPITAL:</b></p> <p>Environmental impact</p>	<p><b>TALENT MANAGEMENT AND WORKING CONDITIONS:</b></p> <p>Workforce well-being. Training and professional development. Attracting and retaining talent. Equality, diversity and inclusion.</p> <p><b>OCCUPATIONAL HEALTH AND SAFETY:</b></p> <p>Workforce health management. Reduction of work-related accidents</p> <p><b>VALUE CHAIN:</b></p> <p>Welfare of workers in the value chain. ESG criteria as part of the supplier approval and assessment process.</p> <p><b>CONTRIBUTION TO SOCIETY AND RELATIONSHIP WITH LOCAL COMMUNITIES:</b></p> <p>Dialogue and commitment to the community. Social action and corporate volunteering</p>	<p><b>BUSINESS ETHICS AND GOVERNANCE:</b></p> <p>Code of Ethics. Whistleblower channel. Promotion, protection and assurance of human rights, both in our own business and at third parties Structure, composition and functioning of governing bodies.</p> <p><b>BUSINESS RISK MANAGEMENT:</b></p> <p>ESG risk management.</p> <p><b>CORRUPTION, BRIBERY AND MONEY LAUNDERING:</b></p> <p>Prevention of money laundering and bribery. Tax transparency.</p> <p><b>VALUE CHAIN:</b></p> <p>ESG criteria as part of the supplier approval and assessment process.</p>	<p><b>CYBERSECURITY AND DATA PROCESSING:</b></p> <p>Privacy and security of stakeholder personal data. Cybersecurity on digital platforms.</p> <p><b>INNOVATION</b></p> <p>Innovation and digitisation of processes and services. Innovation applied to the design of new sustainable marketing systems and products.</p> <p><b>CUSTOMER RELATIONSHIPS:</b></p> <p>Quality of products and services. Claims management. Transparency in communications</p>

Table 2. Sustainability pillars ESG-T. Topics and sub-topics

## Reasoning for the non-selection of certain sustainability issues as part of the double materiality analysis

As part of the analysis performed on the topics and sub-topics of AR16-NEIS1, we detected sustainability issues that do not apply to the performance of the TUBOS REUNIDOS business. As a result, these issues have not been included in the deployment of the issues and sub-topics in IRO or in their evaluation and assessment.

## Relationships with stakeholders

(ESRS 2 IRO-1-53biii) (ESRS 2 SBM-2-43-45)

We have involved our main stakeholders as part of the double materiality analysis. Thus, as part of a survey and/or interview, the relevance of each topic/sub-topic was assessed, taking into account both the impact and financial perspectives. The quantitative value resulting from the surveys is referred to as the “scale”, a metric required for the subsequent assessment of materiality (ESRS 2 IRO-1-53iv). In this way, we integrate communication with stakeholders into the Group's strategy (ESRS 2 SBM-2-43-45).

The responses obtained were subsequently weighted based on the importance assigned to each stakeholder.

The following stakeholders took part in the surveys:

### Internal:

- Executives: CEO and Steering Committee
- Managers and supervisors

### External:

- Sector-specific associations
- Suppliers
- Customers

## Identification of IRO

(ESRS 2 IRO-1-53b)

**ESRS 2. Mandatory general disclosure** and the thematic ESRS set out, in sections **IRO-1**, the description of the process for determining and assessing material IRO.

Once we had identified the materiality issues, we split them into IRO. To identify these IRO, we used the information from the context analysis and conducted interviews with the different business areas. The impacts provide us with the perspective for impact materiality, while risks and opportunities offer us the perspective for financial materiality.



## Dependency

In human rights-related IRO, the materiality will only be expressed with the magnitude value.

Based on the criteria established by the EFRAG, which prioritises magnitude over probability by applying homogeneous calculation for all IRO, no materiality is evident. Therefore, the decision was made to use only the magnitude value.

## Climate-related risks and opportunities

We conducted an analysis to identify the exposure of TUBOS REUNIDOS to climate risks and opportunities. This study aims to be a starting point for improving the management of events that may pose a potential risk for the Group's activities at all its facilities.

This analysis was performed in **four phases**:

1. Selection of the analysis scenarios.
2. Characterisation of the value chain.
3. Definition of the Group's spread of climate risks and opportunities.
4. Climate risks and opportunities assessment.

The results achieved have been integrated into the IRO determined for the purposes of double materiality.

## Assessment of IRO

(ESRS 2 IRO-1-53bvi)

Once the final list of IRO was obtained, we assessed each one. The metrics used were those established by the new directive and the final assessment method was chosen based on the tested models.

The **metrics used** to assess the IRO are provided below:

- **Scale:** reflects the relevance assigned by stakeholders to each sub-topic. Obtained from surveys and consultations with customers, suppliers and industry associations. The scale ranges from 1 to 5, and is also weighted with the information obtained as part of the context analysis.

As defined in point 45 of ESRS S1: *"In the event of a potential negative impact on human rights, the severity of the incident prevails over its probability"*.

To ensure the materiality of these impacts with the homogeneous assessment criteria used for all IRO, we have established the criteria for using only the magnitude value for the materiality assessment.

- **Scope:** defines the physical space that affects each impact and is divided into:
  - Global: the effect on the population and geography is extensive.
  - Medium: the effect is more geographically specific.
  - Limited: the effect is local.
- **Probability:** determines the possibility of an IRO occurring (applicable only to potential impacts, risks, and opportunities).
- **Remediability:** sets the degree of difficulty, both economic and in terms of time, to reverse a negative impact and return to the previous situation.

We also provide each IRO assessment with a qualitative assessment that complements and adds additional information. We have divided this into key concepts such as governance, management, strategy and financial materiality.

TUBOS REUNIDOS considers the time horizons defined in ESRS 1 6-77.

Based on the quantitative data assigned to each IRO, we obtained its materiality value by applying a formula designed by TUBOS REUNIDOS for this activity, ensuring that it is consistent and homogeneous for all IRO identified. The materiality threshold is the same for the impact and financial materiality, and has been established as an unchanging fixed number to facilitate the comparison of sustainability issues in subsequent years (ESRS 2 IRO 2-59).

The risk analysis of the material issues and their result is integrated into the Group's risk analysis. (ESRS 2 IRO 1 53e).

## Validation of the results of the double materiality analysis by the Board of Directors

(ESRS 2 IRO-1-53d)

The process to validate results starts in the Sustainability area. The area manager informs the Audit Committee, which reviews and validates these results, confirming that the findings and conclusions adequately reflect the Group's situation and priorities.

Once these steps have been completed, the Committee informs the Board of Directors for ratification and approval. The results are subsequently integrated into the SMP and the management of targets and goals is shared with key areas to deal with each material topic.

Board approval is reported to the Steering Committee and the ESG Committee to align these results with the strategies of the different departments. Finally, they are relayed to the entire organisation, which assumes responsibility for integrating them into its management processes.

## Results of the double materiality analysis

The materiality results obtained after the assessment and evaluation of each topic, sub-topic and its corresponding IRO accurately reflect the reality of our business and our value chain.

To facilitate its interpretation, we have chosen to use a graphical representation in the form of a quadrant matrix that reflects financial materiality and impact at a topic level. Below is a brief description of the figure:

- **First quadrant (top right):** includes the topics with the biggest impact and financial materiality. The relevance of these issues is bidirectional, i.e. impacts on the environment and from the environment. These are the issues that should be considered as the highest priorities for analysing, minimising impacts and risks and enhancing opportunities for the business.
- **Second quadrant (upper left):** represents the topics with a low impact materiality and high financial materiality. In this case, the impact of the environment on activity is worth particular note, generating both risks and opportunities.
- **Third quadrant (lower left):** contains topics with a low financial and impact materiality. These issues may be non-material and are therefore not a priority in the Group's strategy.
- **Fourth quadrant (lower right):** features topics with high impact materiality and low financial materiality. These are issues that are not taken into account in the reporting standards but are topics that cut across the Group.

### TUBOS REUNIDOS GROUP DOUBLE MATERIALITY 2024

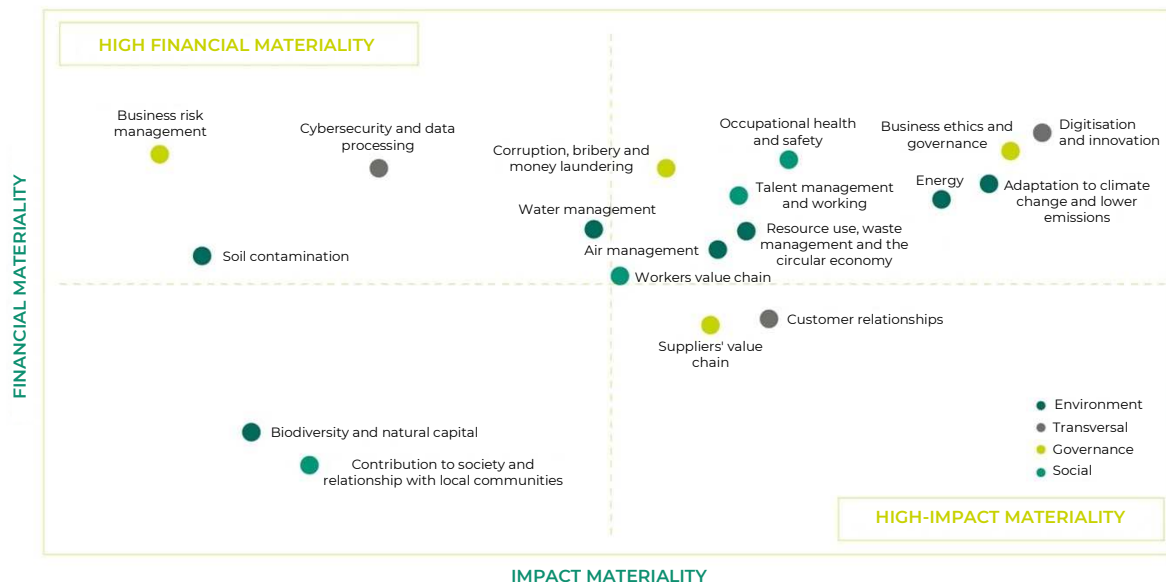


Figure 3 Double Materiality Matrix

According to this matrix, the most relevant **environmental issues** identified are adaptation to climate change, reduction of emissions, energy, the use of resources and the circular economy. In the case of **social issues**, the three main topics are health and safety at work, talent management and working conditions, as well as relations with customers. Finally, business ethics, digitisation and innovation stand out in relation to **governance issues**.

In addition, other issues that are particularly relevant to the business have been identified: water management, corruption, bribery and money laundering and air pollution.

In contrast, issues considered less significant include biodiversity, natural capital, contribution to society and the relationship with local communities (ESRS 2 SMB 3-48a).

To provide an overview of significant changes in sustainability issues, we have performed a comparison against previous years, observing an alignment with the results obtained in 2023. The methodology employed was similar, although more comprehensive and refined (ESRS 2 IRO 1-54h).

## Interaction of material IRO with the company's strategy and model

(ESRS 2 SBM 3 48) (ESRS 2 GOV 2 26c)

Once the methodology has been defined and the materiality results presented at a topic level, we disclosed the results for the year in greater detail.

Below, details are provided of the material IRO resulting from the double materiality analysis, providing a description of their position in the value chain, their potential, effects on strategy etc., and in the case of risks and opportunities, their dependence.

ESRS	IMPACT DESCRIPTION	Value chain	Positive/Negative Current/Potential	RELATIONSHIP TO THE TRG STRATEGY (ESRS 2 SBM3 48c)
E1	Intensive energy consumption from non-renewable sources for the operation of the factories.	U+C	Current Negative	TUBOS REUNIDOS is working to incorporate new energy technologies that minimise the consumption of non-renewable energy. It has also designed energy efficiency plans in all of its operations. Creation of specific working groups to develop new processes. Digitisation of processes. Actions, objectives and goals in the SMP. Climate transition plan (CTP).
E1	High GHG emissions due to the Group's business model.	C	Current Negative	
E1	Increasing GHG emissions due to the consumption of butane as an alternative source.	C	Potential Negative	
E2	Emission of polluting substances into the environment resulting from the burning of fossil fuels and from smelters.	C	Current Negative	
E1	High energy consumption caused by the use of obsolete and low energy-efficient machinery.	U+C	Current Negative	According to the description above and pursuant to the Strategic Plan, actions are being developed and planned to renew the plant's production structure with deadlines defined in the Group's investments and annual budgets.
E1	Reduction of energy consumption through the implementation of energy measures and strategies.	U+C	Potential positive	Result of the strategy applied to the business model. Investments have been made at our facilities to improve energy efficiency. Our energy transformation and sustainable transformation model is part of the SMP. CTP.
E1	Reduction of emissions caused by increased energy consumption from renewable sources.	C	Potential Negative	
E1	Reduction of emissions caused by increased energy efficiency measures.	C	Potential positive	
E2	Environmental harm due to failure in the treatment of water in production or emergency cutting systems.	C	Current Negative	These impacts are controlled within the sustainable water management system and within the water treatment procedures under the umbrella of the Environmental Management System implemented at production centres.
E2	Discharge of sanitary water with values higher than that allowed by the Integrated Environmental Authorisation ( <i>Autorización Ambiental Integrada</i> – AAI) to public waterways.	C	Current Negative	The SMP includes the performance of actions and objectives to maximise water use and strengthen treatment systems for greater efficiency.

ESRS	IMPACT DESCRIPTION	Value chain	Positive/Negative Current/Potential	RELATIONSHIP TO THE TRG STRATEGY (ESRS 2 SBM3 48c)
E5	Majority consumption of recycled materials for manufacturing piping.	U+C	Current Positive	The raw material used for our business, scrap, is around 96% recycled, driving the circular economy and minimising the consumption of natural resources. The main pillar of the sustainable transformation strategy is to reduce the consumption of natural sources and maximise all material recovery programmes. The Supply division, which is responsible for the management of these materials, advocates a solvent and robust supply guarantee project and quality guarantee to manufacture the steels in the TUBOS REUNIDOS portfolio.
E5	Lower energy consumption in the production of recycled metal compared to the use of virgin materials.	U+C	Current Positive	
S2	Generation of employment resulting from the purchase of scrap metal.	C	Current Positive	
S1	Employee dissatisfaction with the possibility of dismissal.	C	Current Negative	During 2023 and part of 2024, several furlough schemes were implemented at Spanish plants for production reasons related to the market situation.
S1	Greater workplace stability of employees due to the indefinite hiring model pursued by TUBOS REUNIDOS.	C	Current Positive	In 2024, the HR division presented its strategic project to the Group's management and staff, aligned with the time horizons of the SMP, as part of which fully defined lines of work are developed for the well-being of the company's staff and the value chain.
S1	Improvement in the living and economic conditions of the Group's employees.	C	Current Positive	
S1	Creation of specific opportunities for workers through the information garnered during interviews and specific training courses.	C	Current Positive	

ESRS	IMPACT DESCRIPTION	Value chain	Positive/Negative Current/Potential	RELATIONSHIP TO THE TRG STRATEGY (ESRS 2 SBM3 48c)
S1	Difficulty obtaining work improvements and developing the professional lives of employees.	C	Current Negative	<p>This impact is converted into a Current and Future Positive thanks to the application of HR's Strategic Plan for a time frame included in the SMP, which is also an ongoing plan and will gradually incorporate new needs-based actions.</p> <p>TUBOS REUNIDOS has been developing and deploying a safety excellence project since 2022. The diagnosis regarding plant health and safety and activities has made it possible to obtain a full picture of the situation and design a programme of actions taking place in all areas and at all plants, and, most importantly, involving each person. As a result, there is greater awareness of security at the Group. Significant investments have been made and safety plays a leading role within the SMP</p>
S1	High risk of accidents affecting workers due to the danger of the work performed.	C	Current Negative	
S1	Implementation of measures to improve employee health.	C	Current Positive	
S1	Campaigns to raise awareness, incorporate routines and reduce occupational stress.	C	Current Positive	
S1	Integration of the new OHS plan to reduce the accident rate among employees.	C	Current Positive	
E3-S1, 2	Inadequate decision-making that has a negative impact on the environment, such as environmental degradation or exploitation of the workforce.	U+C+D	Current Negative	
S2-G1	Improvement of the quality of life of external workers due to the implementation of stricter supplier approval measures. Implementation of reliable supplier approval systems.	U+C	Current Positive	<p>See ESRS G1-2</p> <p>We are developing procedures and communication systems with the entire value chain to integrate all external and internal stakeholders into a common work system and with the same objectives for improvement, professional development and compliance with all corporate governance policies.</p>
G1	Increasing and ensuring strong ESG practices amongst suppliers.	U+C	Current Positive	



ESRS	IMPACT DESCRIPTION	Value chain	Positive/Negative Current/Potential	RELATIONSHIP TO THE TRG STRATEGY (ESRS 2 SBM3 48c)
G1	Human rights violations due to poor supervision of the working conditions of workers in the value chain.	U+C+D	Current Negative	This impact is considered a negative as a result of the application of the EFRAG recommendations on human rights. TUBOS REUNIDOS has a strong corporate governance model that prevents and minimises any negative action in this respect throughout the value chain.
G1	Improvement of working conditions for internal workers and workers in the value chain.	U+C+D	Current Positive	The entire value chain is part of the SMP strategy where improvement actions are prioritised, especially for both internal and external workers.
G1	Promotion of ethics and transparency benefiting the environment and society.	U+C+D	Current Positive	Corporate governance at TUBOS REUNIDOS (see Chapters 4 and 7 of this Sustainability Report) pursues strict compliance with the ethical and conduct standards approved by the Board of Directors that are disseminated throughout the value chain.
G1	Economic and social development of local communities as a result of strict compliance with tax obligations.	U+C+D	Current Positive	
T	Customer satisfaction as the products purchased meet their expectations.	D	Current Positive	<p>The main line of the TUBOS REUNIDOS Strategic Plan is commercial transformation, the fostering of closer relations with customers and their complete satisfaction in receiving the services provided.</p> <p>The sales area has been developing a new strategic plan since 2023 to strengthen communication with the customer. Digitisation projects have been developed to improve market access to our products, order management and the claim handling process</p> <p>We also launched the O-Next™ product range on the market in 2024, which, thanks to its low emissions, allows our customers to adapt their climate transition plans towards decarbonisation.</p>
T	Full and accurate knowledge of customers about the features of the products and services offered, promoting the use of responsible advertising.	D	Current Positive	
T	Increased customer satisfaction for improved order management in terms of time and access to information.	U+C+D	Current Positive	
T	Assistance/acceleration in the decarbonisation of the economy by manufacturing more sustainable solutions.	U+C+D	Current Positive	

Notes: Value chain: U – Upstream, C – Core and D – Downstream

Table 3. Material impacts

ESRS	RISK DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
E1	Economic losses due to rising electricity and fuel prices as a result of the current geopolitical situation or growing demand.	U+C	D	<p>High or very high impact on energy prices. Possibility of impacts on the Group's financial results, adversely affecting development and growth plans.</p> <p>Financial planning in anticipation of an increase in emission rights prices.</p>	<p>Price variations can be traced to the current geopolitical situation and the limited availability of fossil fuels. Not expected in the near future, although there may be a change in prices as conflicts advance or political agreements are reached. We keep this situation in mind and it is assessed annually in the Strategic Plan to incorporate the possible measures required to continue with our business. The entire supply chain is monitored by the Supply division in constant contact with the Group's management to assess any events that arise.</p> <p>The strategy is also reflected in the SMP.</p> <p>This risk is assessed in the short and medium term. In the long term, upcoming double materiality exercises may need to adapt the strategy to possible changes.</p>
E1	Economic losses and slowness implementing improvements due to difficulties in managing and implementing new energy measures.	U+C			<p>Implementing new effective improvements to reduce energy consumption requires large capital investments. These investments are planned as part of the TUBOS REUNIDOS Strategic Plan and will be undertaken based on the Group's investment possibilities.</p> <p>The SMP and the CTP are implementing the necessary actions to address this risk.</p>
E1	Financial losses due to the delay in the implementation of energy efficiency and digitisation measures compared to other competitors in the sector.	U+C			<p>The SMP has lines of action for implementing energy efficiency and digitisation measures, making it unlikely that there will be economic losses associated with delays in the implementation of these measures.</p>
E1	Increasing the cost of emission allowances, which can render production unprofitable.	C	D		<p>Due to the rising prices of these rights, this risk is likely to materialise. It will grow in the medium and long term due to the demand for rights and the reduction of availability, as well as the reduction of these rights free of charge.</p>

ESRS	RISK DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
E3	Economic sanctions due to a discharge of wastewater into the environment.	C	D	The financial materiality resulting from an environmental spill is dependent on the environmental impact; therefore, no specific monetary figures are provided. The necessary physical safeguards are assessed in the budget plan and in the investment plan.	The management system under ISO 14001 has specific procedures to control all environmental parameters. Facilities are subject to permanent control and the necessary safety measures are in place to avoid any spillage into the environment.
E3	Increased operational costs resulting from excessive water consumption.	C		Line of annual budgets for the operation of the plants and planning investments for water treatment, supply and piping facilities.	As part of the SMP, a line of action known as the Sustainable Water Management Plan has been developed to study consumption, supply needs, and the possibility of managing treated water for use at the plant and minimisation of circuit losses. The operations, maintenance, environment and sustainability divisions are working on finding optimal solutions for the proper functioning of treatment facilities.
E5	Increase in the price of scrap due to the increase in demand.	U+C		Financial control with the Supply division that manages the procurement of raw materials and production planning.	The Supply division, together with Sales and Finance divisions, is permanently monitoring the purchase of raw material and the market situation based on production demand at the Amurrio steel mill, which serves all the plants. As part of the Group's strategy, coordinating operational management across the divisions is crucial to harness market supply.
S1	Loss of reputation and possible downtime in production caused by employee insecurity at work.	C		Development of the financial strategy. As part of the actions published in 2024, the situation regarding stakeholders improved, minimising debt and, therefore, improving the Group's financial situation.	The furlough situation in recent months has demonstrated that workers have lost a sense of security. Constant communication between the workers' committees and HR has led to an atmosphere of understanding to keep the workplace stable. Commitment to creating stable and safe employment. Strategic Social Plan.

ESRS	RISK DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
S1	Employee dissatisfaction due to the difficulty of being promoted to other positions.	C		Budgetary provision to undertake the HR division's Strategic Plan.	When a risk is detected, it is included in the HR Strategic Plan. At the same time, the development of lines of work for the promotion of talent has been included in the SMP.
S1	Difficulty recruiting qualified staff due to the specialist nature of positions.	C	D		Along the same lines as above, actions are developed in the plan to attract talent to the plants.
S1	Low production efficiency resulting from a high rate of absenteeism at work.	C	D		Actions were also undertaken as part of the HR Strategic Plan to identify the causes of absenteeism and minimise their impact on the business.
S1	Reputational loss arising from a high accident rate.	C		A specific plan to minimise risks caused by accidents has been included in the plants' annual budget.	Following the Excellence in Safety project launched in 2022, the plants have undertaken annual actions to improve the safety of facilities.
S1	Low efficiency due to an increase in time off work resulting from poor OHS management.	C			
G1	Legal sanctions due to the failure to comply with the Code of Ethics.	U+C+D	D	This risk has not materialised during the year.	The Code of Ethics has been deployed in all areas of the organisation and throughout its value chain. This deployment is combined with a strong culture of respect and coexistence demonstrated by all stakeholders.
G1	Loss of reputation and economic sanctions due to human rights violations.	U+C+D			
T	Loss of customers due to the high price of products compared to foreign companies. Possible loss of competitiveness.	C+D	D	Within the Group's risk map, the Business Development division has detected the line of defence against the competition.	The entry of competing products from other markets is a factor that is constantly monitored by the Sales division and the Business Development division. We participate in forums, industry meetings and meetings with industry associations at both national and international levels to protect markets and borders.
T	Loss of customers due to the improper handling of claims received.	D		Budget allocation for the development of a digital claims management tool. Budget allocation to compensate or resolve financial claims.	A new complaint management tool has been rolled out to improve claim handling and speed of resolution. In the Sales division's Strategic Plan, a system of consultations with our customers has been developed, revealing that their relationship with TUBOS REUNIDOS is positive, placing an emphasis on our quality and service.

Table 4. Material risks.

Notes: Value chain: U – Upstream, C – Core, D – Downstream  
DEP – Dependency:

ESRS	OPPORTUNITY DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
E1	Cost reduction through the implementation of energy efficiency measures.	U+C		Improved reputation and improved financial position of the Group drives relationships with investors, banks and customers, strengthening the business and viability of the Group's Strategic Plan. This provides continuity to the plants and the future of manufacturing, guaranteeing employment and a contribution to society.	As a result of the series of actions developed in the Sustainability Master Plan and the Climate Transition Plan, we are highlighting all the great opportunities detected to contribute to mitigating and adapting to climate change. The energy efficiency of our facilities minimises the risks exposed above, improving plant productivity and making us more competitive.
E1	Reduction in the cost of emission rights through the reduction of GHG.	C			
E1	Reputational improvement thanks to a reduction in emissions.	C			
E1	Greater resilience to climate-related regulatory and political changes resulting from the early adoption of energy efficiency and emission reduction measures.	C			
T	Lower costs due to the optimisation of manufacturing processes.	U+C+D			
T	Customer loyalty and engagement, offering a more sustainable and less polluting product range.	U+C+D			This improvement in competitiveness is a determining factor as regards our position in the market and with our customers. The launch of products with lower CO <sub>2</sub> emissions during the manufacturing process makes a contribution across the entire value chain.
T	Stand out from the competition by offering high-quality, more sustainable products.	D			
E2	Reputational improvement as a result of the implementation of measures that go beyond legislative requirements on polluting emissions.	C			Respect for the environment, which is one of the pillars of the sustainability strategy. Minimising the use of hazardous substances is a long-standing project at our plants and the divisions are working together to achieve the proposed objectives in this regard.
E2	Reputational improvement due to the correct use of hazardous substances and to avoid environmental disasters.	C			

ESRS	OPPORTUNITY DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
E2	Enhance reputation and avoid economic sanctions thanks to the renewal and improvement of the Group's water treatment plant.	C		Investment plan for improving our facilities.	As part of the Sustainable Water Management Plan, the actions needed to improve wastewater treatment and contribute to the optimisation of the treatment plant, and therefore all circuits, are being developed.
E2	Cost reduction by implementing water consumption reduction measures.	C	D		
E5	Cost reduction by using recycled metals during production.	U+C		Budget control plan for the purchase of recycled material. Control of supply and market demand depending on production.	We use approximately 95% recycled material in the steel manufacturing process. This ensures that the use of natural resources is kept to a minimum; therefore, we drive the circular economy while protecting natural capital.
E5	Reduction of costs in the purchase of raw materials.	U+C	D		
S1	Contribution to work-life balance through policies for employees.	C		HR Strategic Plan. Budget allocation for its implementation.	The HR Strategic Plan develops actions to improve the situation of the Group's staff, supporting working conditions that improve their professional and personal situation. Actions such as development plans, training plans, talent promotion and management, digitisation of HR to improve its routine practices, with resources being dedicated to communication and working with personnel, are some of the measures that generate value and care for our team.
S1	Improved reputation and increased productivity due to the implementation of the training plan.	C			
S1	Increased benefits by attracting and retaining qualified staff	C	D		
S1	Obtaining certifications and being more attractive compared to the competition as a result of good occupational health practices.	C		Occupational Health and Safety and Prevention Plan. Budget allocation for its implementation.	We have a strong work plan for improving safety, working conditions in terms of prevention and all areas work together to implement them. Health and safety culture and awareness-raising has increased significantly amongst all Group employees.
S1	Obtaining certifications and being more attractive than the competition as a result of good OHS practices.	C			

ESRS	OPPORTUNITY DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
G1	Promoting an ethical business culture and a stronger commitment to the company on the basis of a good code of ethics.	U+C+D		Corporate management is fully coordinated with the Finance division.	The code of ethics has been deployed in all areas of the Group and throughout its value chain. This deployment is combined with a strong culture of respect and coexistence demonstrated by all stakeholders.
G1	Cost savings due to the prevention of problems caused by the correct functioning of the whistleblower channel.	U+C+D			
G1	Minimisation of risks and improved relationship with stakeholders due to the promotion of human rights.	U+C+D			
G1	Increased investor and stakeholder confidence through a sound governance structure.	U+C+D			
G1	Promotion of innovation in products, services and operations arising from the need to anticipate possible identified risks.	U+C+D	D	Budgetary planning of investments needed for innovation and development of new manufacturing products and technologies.	We have internal risk controls that identify that the proper management of all safeguards protects the business and its development.
G1	Reputational boost due to a taxation strategy consistent with the regulatory framework and by highlighting the Group's large contribution to the public coffers.	U+C+D	D	ESG communication to investors, banking and administration.	This year, activities were undertaken aimed at improving the Group's financial leverage within the framework of the debt reduction target in the Strategic Plan.
G1	Reputational improvement and access to European/domestic assistance, demonstrating that ESG criteria exist throughout the Group's value chain.	U+C	D		We have a Strategic Plan supplemented by the SMP. We develop sustainable market solutions and transparency in communication and sustainability, which has garnered recognition that has been passed on to all staff. This situation generates a Group sentiment and a feeling of responsibility that is again relayed to all stakeholders.

ESRS	OPPORTUNITY DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
T	Reputational improvement and customer loyalty due to the correct handling of complaints.	D			
T	Increased profits meeting the specific needs of each customer.	D		Budget allocation for the development of a digital claims management tool. Budget allocation to compensate or resolve financial claims.	The Sales and Quality divisions have developed a digital tool that immediately resolves communications between the customer and the Group with a view to investigating possible claims caused by a fault in the service. This development, together with the rollout of the Strategic Business Plan, has enabled excellent customer relations and the service to be improved to meet their needs and expectations.
T	Increased customer confidence due to proper private information management.	U+C+D			
T	Implementation of additional cybersecurity measures, within a voluntary framework, that increases stakeholder trust.	U+C+D		Budgetary allocations to implement digitisation models.	Implementation of the Cybersecurity and Digital Transformation Plans within the framework of the SMP.

Notes: Value chain: U – Upstream, C – Core and D – Downstream

DEP – Dependency:

Table 5. Material opportunities



## 4.6 ESG RISK MANAGEMENT

***“Reliable and transparent information is a basic pillar for measuring and disclosing our commitment to sustainability and our degree of achievement of sustainability objectives”***

Alberto Santamaría, Internal Audit Director

(ESRS 2-GOV 5 36a:36e AR11)

The TUBOS REUNIDOS Board is responsible for ensuring that a series of processes are in place to provide reasonable assurance regarding the reliability of the sustainability information disclosed by the Group to the market, on the understanding that this information is reliable when it meets the requirements established by the Directive. Senior Management, meanwhile, is responsible for the design, implementation and operation of these processes as a whole (ESRS 2 GOV 5 36a).

The **Internal Control System** for the dissemination of sustainability information consists of the common elements in this type of procedure: control environment, risk assessment, control activities, information and communication and supervision. These elements are coordinated and together prevent, detect, correct, mitigate and/or compensate for possible errors (ESRS 2 GOV 5 36a).

TUBOS REUNIDOS has performed a comprehensive analysis of the risks associated with the disclosure of sustainability information, identifying the following risks (ESRS 2 GOV 5 36c):

### Main risks

- Information availability time line. Demanding deadlines.
- Data availability. Integrity.

### Secondary risks:

- Interpretation of regulations.
- Truthfulness and accuracy. Completeness.
- Computer systems.

Each risk has been assessed in detail, taking into consideration its seriousness and its likelihood of occurrence. Likewise, in order to mitigate its impact on the disclosure of sustainability information, the necessary controls have been implemented: periodic review of sustainability and climate change risks with the Internal Audit division, review of the proposed actions for their remediation and progress of the SMP as a control and monitoring tool. These reviews and updates are reported to the Audit Committee. (ESRS 2 GOV 5 36c)

The Audit Committee is tasked with responsibilities including, but not limited to, the supervision and control of the processes for preparing and presenting sustainability

information and the effectiveness of the internal risk control and management systems.

The ESG Committee (see Chapter 4) meets regularly as part of its usual functions to monitor such things as sustainability information and the status and progress of the SMP. The sustainability director, who heads this executive committee, informs the Audit Committee of this monitoring work, as well as of the risks detected and the controls applied.

# 05

## ENVIRONMENT

## 5. ENVIRONMENT

Positive impacts drive us.

### 5.1 CLIMATE CHANGE - E1

#### Governance

See Chapter 4 of the report (ESRS 2 GOV 3:13).

#### Transition plan for climate change mitigation

(ESRS E1-1 14:17)

The acceleration of climate change as a result of the greenhouse gases released into the atmosphere, mainly by the use of fossil fuels, is an undeniable reality. Traditionally, the steel industry is one of the largest generators of CO<sub>2</sub> given the high volume of energy it consumes. We aspire to set the benchmark in the sector with a view to tackling this global emergency.

The historic **Paris Agreement**, in force for almost a decade, seeks to limit the rise in global temperature this century to a maximum of 2°C, with the ambitious goal of the rise being no more than 1.5°C. This legally binding international treaty includes commitments by all signatory countries to reduce their emissions and collaborate in adapting to the impacts of climate change, as well as calls to progressively increase these commitments. It also provides developed countries with a route to support developing nations in their processes by creating a framework for transparent monitoring and information on climate goals in these countries.

TUBOS REUNIDOS is constantly looking for new and increasingly respectful solutions, analysing the life cycle of our processes and products with a view to reducing their environmental footprint, which is essential when it comes to making a substantial contribution to achieving emission reduction targets. Our commitment to decarbonisation also extends to our value chain, providing more sustainable solutions and promoting greater sensitivity to climate change amongst suppliers and service providers, including their workers.

Since 2019, we have stepped up our efforts in our **decarbonisation approach** and, as a result of the deployment of the Group's Strategic Plan in 2022, we have activated the following **levers for its development** (ESRS E1-1 16b) (ESRS E1-1 16j):

- **Consolidation of the Group's steel unification project:** The project, which started in 2022 and was completed in late 2024, has led to the cessation of business in Sestao and the concentration of production in Amurrio. To this end, we have built an ingot warehouse to supply the Trápaga plant and services have been adapted to accommodate the necessary facilities to supply both billets and ingots. In addition, unification is supported by a digitisation project to control all manufacturing, optimising the entire process.

- Reorganisation of **the project to set up one of the largest rooftop solar plants** in the Spanish industrial segment at the Tubos and Productos mills.
- **Use of recycled scrap:** currently accounts for **95% of our raw material**.
- **Replacement of the current fleet of forklifts:** We have embarked upon a project to replace existing forklifts with biofuel-powered alternatives, helping us to eliminate transport-generated combustion gases and reduce emissions from this machinery by approximately 95%.
- **Digitisation of the steel process:** development of a variety of programmes to optimise our processes, improving the connectivity between operations and their integration. With this in mind, we have digitalised the entry of scrap by facilitating the control of reclassification and stock in real time. We have started to implement artificial intelligence in laminating furnaces. We have greater control and proximity to our customers when it comes to order management with the implementation of the new CRM platform Salesforce. We are also managing different energy and water meter connection projects to improve consumption supervision and integrate efficiency into a powerful dashboard.
- **Improved processes:** Worth particular mention are the recovery of heat from the furnaces, the optimisation of the rotary solar oven and the galloping beam treatment furnace, the installation of smart meters to increase control over consumption at the factory and the revamping of the electric treatment furnace.
- **Recovery of 100% of refractory waste.**
- **Adaptation of the steel mill for the use of green hydrogen:** In collaboration with the Hazitek H-Acero programme organised by the Basque Government, we have started a study to adapt our facilities to the use of this fuel.
- **Presentation of O-Next™ to the market:** this innovative solution is a milestone in our industry that places us in the role we want to assume as relevant agents in the energy transition (see Chapter 2 of this report).
- **Process for the calculation of the environmental footprint:** development and implementation of a certified process for the calculation of our products' footprint to identify the points of highest generation and take direct action.
- **Tool for calculating the organisational footprint:** developed and implemented for the categories included in the standard.
- **Contractual agreements:** signing of agreements with marketing companies for the acquisition of renewable energy.

Our **SMP**, approved by the Board of Directors (ESRS E EI-1 16i) and integrated into the **Strategic Plan** (ESRS E EI-1 16h), establishes the lines of action for climate change mitigation and adaptation, with the objectives, goals and measurement indicators. These lines form part of the **Climate Transition Plan**, which was under development during 2025 and has a time horizon of 2030. Its strategy is structured around the promotion of sustainable and environmentally responsible solutions, with an operational focus on optimising processes and applying circularity, both on using the raw material from the steel pipes we produce and managing waste, minimising natural resource consumption, energy efficiency, sustainable water management and caring for the environment.

The CTP is a constantly evolving guide to adapt both to business needs and to the international standards and regulations our Group is fully aligned with. It defines

decarbonisation levers, the actions that develop them and the reduction goals. It also includes the financial and human resources for its implementation and is led by the Sustainability Division and the Steering Committee, which participate in its management (ESRS E1-17).

### **Our goal is a 20% reduction in scope 1 and 2 emissions by 2030.**

Taking 2023 as the reference base (ESRS E1-16a), the SMP/CTP sets the target of reducing scope 1 and 2 emissions by 20% by 2030 (85% made up of scope 2 and 15% of scope 1). Scope 3 emission reduction targets are under consideration and will be included in the CTP (ESRS E1-17). As the CTP is currently under development and the reduction targets are not validated by SBTi, it is not possible to state and verify that the reduction targets are aligned with the objectives of the Paris Agreement. (ESRS E1-16a-AR30c).

The SMP establishes the timeframe (with short-, medium- and long-term horizons) as well as the objectives, targets and monitoring KPIs for each of the actions in the CTP. In turn, the Steering Committee has defined the budgets and investments planned during the term of the SMP, thus providing an estimate of the OpEx and CapEx intended for its development (ESRS E1-16c). See Table 6 for more details.

In relation to the qualitative assessment of locked-in emissions (ESRS E1-16d), the current facilities have the potential for improvement to make them more efficient. With this in mind, we consider reduction targets taking into account the energy efficiency measures in relation to the use of renewable energy and plant revamps, reducing the risk of non-compliance with the mitigation and adaptation objective. To achieve this, we have analysed assets and activities that may be incompatible with a 20% reduction in emissions. (ESRS E1-16d).

In 2024, we also analysed the eligibility and alignment of our activities to the six environmental objectives described in the relevant EU Taxonomy Delegated Regulations (ESRS E1-16e) (see Chapter 9). As part of our sustainable transformation strategy, we aim to increase the percentage of eligible activities, working on the implementation of technical criteria to improve compliance with the principle of not causing significant harm to environmental objectives.

None of TUBOS REUNIDOS' activities are included in the NACE related to economic activities involving oil, gas or coal (ESRS E1-16f) (see Chapter 9). Nor is the company excluded from the EU Paris-aligned benchmarks (ESRS E1-16g).

## **Climate risks and opportunities analysis**

(ESRS E1-20)

In 2023 and 2024, we performed a comprehensive analysis to identify our exposure to the risks and opportunities arising from climate change as part of our business. This study was designed as a starting point to improve our management of this aspect across all our facilities.

To this end, we have referred to intergovernmental sources such as the IPCC, an international body responsible for assessing climate-change-related scientific knowledge, regulatory requirements such as the EU Taxonomy, and benchmark climate frameworks such as the TCFD (Task Force on Climate-Related Financial Disclosures). We were therefore able to collate all possible risks and opportunities

which, in a grounded and realistic way, could have an impact on our operations (ESRS E E1-1 20).

Based on this list, we have divided risks (according to their nature and following the TCFD inventory) into two categories (ESRS E E1-1 20b-c):

- **Physical risks:** analysing the impacts of acute and chronic risks on our activities throughout the value chain.
- **Transition risks:** assessing the political, legal, market, technological and reputational impacts that could affect our activities and/or value chain.

### Stages of analysis:

1. **Selecting the analysis scenario.** In line with the main global initiatives linked to climate change management, any assessment of climate risks and opportunities must be based on a series of future scenarios built from various climate (RCP) and socioeconomic (SSP) pathways. Both aspects are essential when it comes to providing the necessary framework.

Taking this approach into account, and using the IPCC Sixth Climate Change Report as a reference, we have selected two climate scenarios (ESRS E1-1 20bi): one contemplates an increase in temperature of 2°C for 2050 (SSP5 8.5) and the other is set below this threshold (SSP2-4.5). In other words, we have considered both an optimistic and a more pessimistic outlook on possible climate futures (ESRS E1-1 20bi). The first scenario envisages industrial development that is still dependent on fossil fuels and with major mitigation challenges, while the second projects an intermediate global development involving fossil fuels and challenges to mitigation and adaptation.

We are working on analysing the compatibility of climate scenarios with the basic climate-related assumptions used in the financial statements. However, for the assessment and weighting of climate risks and opportunities, we have considered variables such as the weight percentage of the EBIDTA and total fixed assets. (ESRS E1-1 IRO 1 AR 15).

2. **Characterisation of the value chain.** Identification of activities and processes in our value chain that may be affected by these risks, or benefit from opportunities arising from climate change (ESRS E1-1 20b).
3. **Definition of the Group's climate risks and opportunities.** This process starts by characterising the value chain and considering applicable guidelines from intergovernmental sources, such as the IPCC, existing regulatory requirements, such as the EU Taxonomy, and benchmark climate frameworks, such as the TCFD. The aim in this phase is to identify all climate-related risks and opportunities that could realistically affect our operations (ESRS E1-1 20bii).
  - **Upstream:** activities associated with the supply of resources essential for manufacturing end products, such as:
    - **Inbound logistics:** receipt of raw materials, inputs and necessary staff for production.
    - **Supplies:** managing purchases, acquisitions and relationships with suppliers to ensure a constant flow of quality inputs.
    - **Storage:** management of the raw materials purchased.

- **Operations:** a component in the value chain comprising all necessary actions to obtain the end product: (infrastructure, machinery, equipment, systems, staff and support).
  - **Downstream:** activities associated with the sale and distribution of the end product:
    - **Outbound logistics:** this involves the physical distribution of the end product to customers, including storage and transportation (lorries, ships and trains).
    - **Marketing and sales:** all activities aimed at promoting the product; advertising, sales and market strategies to reach end consumers.
- 4. Climate risks and opportunities assessment.** Taken from three perspectives: timeline for significant impact, associated sensitivity and exposure. To this end, we have used the latest updates from the IPCC (AR6), the GeoEuskadi portal and the climate projections issued by the Ministry for Ecological Transition and the Demographic Challenge (MITECO).

Most of the maps on climate variable evolution analysed in the assessment of physical risks are based on CMIP6 (Coupled Model Intercomparison Project) forecasts. Based on these scales, climate maps and documentation on socioeconomic trends, we assessed all climate risks and opportunities for all timelines in the two analysed scenarios in the value chain.

We have also established several analysis time horizons to carefully examine the associated risks and opportunities that have enabled us to carry out strategic planning based on the Group's vulnerability to climate change and include it in the CTP.

LEVEL	TIME RANGE	DESCRIPTION
0	No impact	Risk and opportunity have no impact on location.
1	Long-term (>2050)	Risk and opportunity are estimated to materialise in a representative way over the long term.
1.5	Medium-term (2031–2050)	Risk and opportunity are estimated to materialise in a representative way over the medium term.
2	Short-term (2026–2030)	Risk and opportunity are estimated to materialise in a representative way over the short term.
2.5	Current (2024–2025)	Risk and opportunity are currently materialising.

Table 6. Climate timeline

To prepare this analysis we have used the definition of various scales that are adapted to our corporate risk management methodology. This adjustment allows us to more effectively align corporate risks with climate risks. It also facilitates the quick and simple implementation of strategies at a corporate level (ESRS E1-1 20 bii). The rating scales used are described below:

- **Sensitivity:** a series of theoretical consequences caused by the occurrence of a risk or opportunity on the Group, without considering the measures that have been established to mitigate its impact. Considered as the value of the scale in the double materiality analysis.
- **Exposure:** possibility of a risk or opportunity materialising. Presence of people, livelihoods, species or ecosystems, environmental functions and services or elements of economic, social or cultural heritage in places and



locations that may suffer the effects of the impacts caused by one or more physical climate risks.

- **Control environment:** the Group's ability to mitigate risk or benefit from the opportunity. At the same time, we have considered the internal control environment that could reduce the risks or maximise the opportunities to which we are exposed. The scales used for the study align with the corporate risk management methodology.

The results obtained have been incorporated into the double materiality analysis (see Chapter 4), including the IRO arising from physical and transition risks, so that the actions, objectives and goals for climate change mitigation and adaptation from this analysis are integrated into all areas of the organisation and into the strategy defined by the Group for an adequate climate transition. Likewise, the result of the study of climate risks and opportunities, with the climate scenarios analysed, has been taken into account when establishing the Group's mission reduction goals. (ESRS E1-4 AR30c).

## Impacts, risks and opportunities

ESRS IRO-1.

The process that we have followed to determine and evaluate climate-related IRO is described in the Double Materiality section (ESRS 2 4.1 IRO 1-IRO 2) of Chapter 4. It incorporates the assessment of both physical and transition risks. The resulting IRO are reflected in Chapter 4, Tables 2, 3 and 4.

According to the conclusions of the study, TUBOS REUNIDOS has no material risks and opportunities related to climate change. All IRO are non-material.

## Climate risks and opportunities assessment

(ESRS E1-1-20-b-c AR 11-12)

Despite the non-materiality of the risks and opportunities associated with climate change, we have undertaken a comparative analysis in which we have contrasted the physical and transition risks with corporate risks, generating the following threats. It is important to remember that the analysis of climate risks and opportunities is integrated into corporate risks through sustainability and climate change risks. They are analysed along with the other corporate risks with the Finance division, and the hazards related to the climate and the Group's assets and activities have been assessed.

- Interruption of activities.
- New competitors on the market.
- Loss of competitiveness due to commercial regulatory changes.
- Raw materials and energy.
- Climate change and sustainability.
- Liquidity and financing needs.
- Interest rates.
- Tax risks.
- Reliability of the official INF.

- Compliance with contractual obligations.
- Site accidents.

We have also assessed the level of control over climate risks and opportunities and its correlation with corporate risk, with a view to defining appropriate adaptation strategies that minimise risk and enhance opportunities.

GENERAL RISK TYPE	SPECIFIC RISK TYPE	PHYSICAL RELATIONSHIP	EU TAXONOMY RISK	ROCC STUDY RISK	CLIMATE RISK
Physical	Chronic	Temperature	Temperature variations (air, fresh water, sea water) Heat stress, temperature variability	R7, R12, R13, R25	Increase in ambient temperature.
Physical	Chronic	Water	Rising sea levels.	R7, R12, R13, R25	Rising sea levels.
Physical	Acute	Water	Heavy precipitation (rain, hail, snow or ice).	R7, R12, R13, R25	Increased precipitation and snowfall and their progressive intensification, generating more frequent severe precipitation in the form of snow or hail.
Physical	Acute	Water	Flooding (coastal, river, pluvial, underground).	R7, R12, R13, R25	Pluvial and river flooding.
Physical	Acute	Water	Drought	R7, R12, R13, R25	Drought
Physical	Acute	Temperature	Forest fires.	R12, R13, R25, R24	Forest fires.
Physical	Acute	Temperature	Heatwave, cold/frost wave.	R7, R12, R13, R24, R25	Extreme temperature anomalies.
Physical	Acute	Wind	Cyclone, hurricane, typhoon.	R7, R12, R13, R25, R24	Appearance of hurricanes, typhoons, cyclones and tornadoes.
Transition	Political and legal	-	-	R9, R12, R13	New legal requirements on GHGs
Transition	Political and legal	-	-	R9, R12, R13	New legal requirements relating to energy efficiency and the transition to low-emission technologies.
Transition	Political and legal	-	-	R13	New legal requirements related to infrastructure security.
Transition	Political and legal	-	-	R13	Increased exposure to environmental litigation/violations.
Transition	Market	-	-	R12, R13	Changes in customer behaviour/preferences.
Transition	Market	-	-	R12, R13, R24	Variation in resource availability.
Transition	Market	-	-	R13, R17	Inadequate coverage and change of insurance terms and conditions.
Transition	Market	-	-	R8, R13, R15, R17, R19	Difficulties in obtaining financing.
Transition	Reputational	-	-	R13, R15, R24, R21	Failure to meet climate targets.

Table 7. ROCC analysis for the Group

We have also analysed solutions to adapt to physical risks at each of the plants, including control environments. These solutions are integrated into the facilities' development plans and therefore the SMP.

## **TUBOS REUNIDOS' Climate Change Policy**

(ESRS E1-2 22:25)

On 19 December 2024, the Board of Directors at TUBOS REUNIDOS approved the **Corporate Climate Change Policy**, which establishes our roadmap for reaching the commitments undertaken in relation to climate change mitigation and adaptation (ESRS E1-2 24). The SMP is the tool for monitoring and controlling compliance with established objectives.

This policy is available to all stakeholders through the corporate website and has been communicated by the Steering Committee to the different departments and persons responsible by order of the Board of Directors.

TUBOS REUNIDOS aims to minimise, in all its activities and relations with stakeholders, the climate impacts generated by its business and to comply with all applicable legislative requirements and other requirements or commitments assumed by the Group. The aim of this policy is to reach all members of the value chain to jointly take on this commitment.

The policy covers every company in the TR Group, as well as all directors, managers, employees or persons who, directly or indirectly, have a relationship with the Group, regardless of their functional or hierarchical position. We must all demonstrate our commitment to the transition to a decarbonised production model and a strict respect for the environment when running our business everywhere we operate. We must also ensure that this policy is followed throughout the value chain.

It includes the following basic principles of action (ESRS E1-2 25):

- **Promote adaptation to climate change** in order to improve the Group's resilience to the effects of climate change and to help adapt the value chain by generating practices to combat climate change.
- **Contribute to mitigating climate change** by measuring and reducing our greenhouse gas emissions. To this end, TUBOS REUNIDOS will periodically establish and review reduction targets, aligned with the targets of the Paris Agreement (scenario 1.5°C).
- **Promote energy efficiency in our operations**, reducing energy consumption and prioritising the use of renewable energies and the self-sufficiency of the sources installed in the plants themselves.
- **Use clean, more efficient technologies with low** operating and maintenance costs, promoting renewable energy sources that contribute to the decarbonisation of the economy.
- **Design products with the least environmental footprint possible** to help our customers in their transition towards decarbonisation.
- **Promote a culture of adaptation and mitigation to climate change** across the entire workforce, under the guidance of the ESG and energy efficiency groups.
- **Collaborate with administrations** and contribute to public strategies and policies focused on fighting climate change and the energy transition.

We are also committed to supporting our value chain in its decarbonisation process, offering solutions with a lower environmental footprint and promoting greater sensitivity to climate change among our suppliers and their workers (ESRS E1-2 AR17).

This policy is supplemented by the **Corporate Environment Policy** and the **Integrated Quality, Environment, Occupational Health and Safety and Energy Policy**, also approved in 2024.

## **Actions and resources in relation to climate change policies**

**We are constantly searching for new solutions that are increasingly respectful towards our environment.**

(ESRS E1-3).

As mentioned above, we are developing a CTP, which is integrated into the SMP with a 2030 time horizon. The CTP will manage the actions and resources intended for mitigating and adapting to climate change, as well as the decarbonisation levers.

These are the planned lines of action (ESRS E1-3 26a:29) (ESRS E1-4 34f-AR30), including a description of our 2024 projects:

### **1. Energy efficiency** (reduction of scope 1 and 2 emissions):

- 1.1. Commissioning of the Group's steelworks.
- 1.2. Optimisation of the rotary open-hearth furnace.
- 1.3. Installation of smart meters to increase control over plant consumption.
- 1.4. Optimisation of the galloping beam treatment furnace.
- 1.5. Revamping the electric treatment oven.

### **2. Use of renewable energy:**

- 2.1. Purchase of renewable energy for the manufacture of O-Next™ low-emission solutions.
- 2.2. Construction of a renewable energy self-supply facility for our processes by placing solar panels on the roofs of the Tubos and the Productos mills.

### **3. Fuel replacement:**

- 3.1. Replacing diesel lorries with biopropane and electric lorries.
- 3.2. Study on the adaptation of facilities for the use of biofuels or other alternative sources.

### **4. Product change:**

- 4.1. O-Next™ low-emission piping solutions.
- 4.2. Measurement of the environmental impact of products through life cycle analysis and preparation of the corresponding environmental product statements.

### **5. Characterisation of the value chain:**

- 5.1. Calculation of Category 3 and 4 emissions within scope 3. Organisational carbon footprint.
- 5.2. Start of actions to implement sustainability, environmental and climate change policies into the entire value chain.

All these actions launched in 2024 will continue to be developed throughout the life of the SMP. All actions are fully linked to the availability and management of planned resources. (ESRS E1-3 AR 21)

The following table includes both these and the other actions planned to mitigate climate change with the respective forecast resources:

**CLIMATE TRANSITION PLAN (ESRS E1-3 29c AR22)**

Lever (ESRS E1-3 29a-f)	Actions	Year start measures	OpEx (€k)	CapEx (€k)	Total (€k)	Achieved/projected reduction (ESRS E1-3 29b)	HR	Observations
ENERGY EFFICIENCY	<b>20% reduction in GHG emissions (scope 1+2) per tonne of product manufactured in 2028 (actions highlighted in 2024).</b> Commissioning of the single TRG steelworks. Optimisation of the rotary open-hearth furnace. Installation of smart meters to increase control over plant consumption. Optimisation of the galloping beam treatment oven. Revamping the electric treatment oven.	2024		1,800	1,800	During 2024, due to the Creation of ESG groups as the drivers furlough at the Amurrio, of improvement actions and plant Trápaga and TRPT plants, initiatives and projects for climate production was discontinued. change mitigation and adaptation. Energy efficiency fell and we did not achieve our year's targets.		These are the most significant actions for 2024.
	Installation of oxygen enrichment and preheating equipment (in furnaces other than rotary open-hearth furnaces).	2028	-	-	-			Under consideration.
USE OF RENEWABLE ENERGY	Power purchase agreements (PPAs) or guarantees of origin (GDOs) to reduce category 1+2 emissions. Purchase of renewable energy to manufacture our low-emission solutions.	2024	Annual operating plan (AOP) 2024	-		1990 MWh of renewable gas power and 2000 MWh of renewable electricity		See HCo verification with renewable energy.
	Construction of the renewable energy self-supply facility for our processes by installing solar panels on the roofs of the		2025		-	-		Construction of the facility was halted in 2024. It will be resumed in 2025.

**CLIMATE TRANSITION PLAN (ESRS E1-3 29c AR22)**

<b>Lever (ESRS E1-3 29a-f)</b>	<b>Actions</b>	<b>Year start measures</b>	<b>OpEx (€k)</b>	<b>CapEx (€k)</b>	<b>Total (€k)</b>	<b>Achieved/projected reduction (ESRS E1-3 29b)</b>	<b>HR</b>	<b>Observations</b>
	Tubos and the Productos mills.							
FUEL REPLACEMENT	Replacement of the current fleet of forklifts (intra-plant logistics).	2024	-	-	-			Lease agreement,
	Progressive increase in biogas use and integration of hydrogen use.	2028	-	1,000	1,000			Under consideration.
NEW PRODUCTS	Low-emission piping solutions.	2024						The expense allocated to other levers.
	Measurement of the environmental impact of products through life cycle analysis and preparation of the corresponding environmental product statements							
INTEGRATION OF THE VALUE CHAIN	Tool for calculating the organisational carbon footprint, categories 1, 2 and 3.	2024	144		144	See results from 2023–2024. We will analyse the results for 2025.		
	Implement a comprehensive sustainability communication (ESG) programme for stakeholders, adapted to specific sectors and continuously monitored to promote sustainable and ethical practices throughout the supply chain.	2025	5		5			Review HCo results as we move forwards with suppliers.



**CLIMATE TRANSITION PLAN (ESRS E1-3 29c AR22)**

<b>Lever (ESRS E1-3 29a-f)</b>	<b>Actions</b>	<b>Year start measures</b>	<b>OpEx (€k)</b>	<b>CapEx (€k)</b>	<b>Total (€k)</b>	<b>Achieved/projected reduction (ESRS E1-3 29b)</b>	<b>HR</b>	<b>Observations</b>
OTHER LEVERS FOR MANAGING THE CLIMATE TRANSITION PLAN	Prepare studies to determine ESG risk mitigation/adaptation solutions arising from climate risk analysis and dual materiality. The implementation of the corresponding measures is charged in the AOPs.	2025	50		50	The reductions will be projected based on the results of the studies.		
	Establish an ESG risk management MAP at a corporate level.	2024	-	-	-	No reduction applies.		
	Discuss the implementation of SBTI/CDP initiatives.	2026	-	-	-	No data to report.		
	Registration of the carbon footprint with MITECO,		20	-	20	No reduction applies.		
	Definition of a Sustainable Finance Framework with a focus on decarbonisation initiatives.		10		10	No reduction applies.		
	Accession to the UN Global Compact.		35	-	35	No reduction applies.		
	Economic estimate of climate risks and analysis of their influence on the Group's activity.		50	-	50	No reduction applies.		
	<b>TOTAL</b>		<b>314</b>	<b>2,800</b>	<b>3,114</b>			

Table 8. Climate Transition Plan

## Targets related to climate change mitigation and adaptation

ESRS E1-4.

Our goal is **to reduce scope 1 and 2 emissions by 20% (24,676 tCO<sub>2e</sub>) (ESRS E1-4 34a) by 2030**. Of this, 85% is scope 1, with the remaining 15% in scope 2. We used 2023 as the base year for our reference (ESRS E1-4 34c), taking into account a study that represents the Group's level of activity, the implementation of the Strategic Plan and the definition of the first decarbonisation levers. This year was chosen as the market previously did not allow for total normality in the performance of our processes at a global level as a result of the pandemic (ESRS E1-4 34c AR 25b).

The greenhouse gases included in the reduction targets are: CH<sub>4</sub>, N<sub>2</sub>O and fluorinated gases co-inverted to CO<sub>2e</sub> (R-407C R-410A, R-422D, R-134A, R-417A and R32) (ESRS E1-4 34a-b).

**We are maintaining the target of reducing scope 1 and 2 emissions by 20% for 2030.** (ESRS E1-4 34d). The decarbonisation levers provided for in the Strategic Plan and the SMP with a 2028 horizon were very ambitious. However, factors such as the market situation, technical difficulties with some projects, the revised construction of the photovoltaic plant for self-supply, and the lack of CapEx and funds due to the furloughs since 2023 are currently preventing us from changing this target.

In 2024, we applied a mixed approach to calculate scope 2 emissions. However, this approach is based mainly on the location calculation methodology and the company's emission factors in each country and region in which we operate. In addition, this year we have acquired guarantees of origin for our new O-Next™ product (ESRS E1-4 34b AR25).

We are also using 2023 as the baseline year for scope 3 emissions (ESRS E1-4 34c). To ensure that emission reduction targets are consistent with our GHG inventory, we have reviewed emissions sources by setting clear limits that reflect our operations. The objectives of TUBOS REUNIDOS are aligned with the data reported in our GHG inventory, which is periodically reviewed (ESRS E1-4 34a-b).

Our reduction goals are not based on scientific solutions or validated by SBTi, nor is it possible to affirm and verify that reduction targets are aligned with the objectives in line with the Paris Agreement (ESRS E1-4 34e). We are working to analyse the technical and scientific basis through the engineering and technology solutions used to unify the Group's steel mills and in the implementation of the energy efficiency measures included in the Strategic Plan.

The decarbonisation levers included in the CTP are the basis for the emission reduction target of 20%. (ESRS E1-4 33).

TUBOS REUNIDOS has a target of reducing its scope 1 and scope 2 emissions by 20% by 2030. In 2024, no targets were set for scope 3, nor was the involvement of each decarbonisation lever in achieving the 20% target developed.

The monitoring of the actions and implementation of the levers through the CTP, and therefore the SMP, aims to ensure the effectiveness of the implementation of the TUBOS REUNIDOS' climate change policy and mitigate the impacts and risks detected in the double materiality analysis. The assessment and monitoring process is managed through the ESG groups led by the sustainability director in the ESG

Committee (see Chapter 4). We will work on deploying the appropriate indicators to control the progress of CTP implementation in the dashboards of the industrial committees. This will enable targets to be defined in subsequent financial years in line with the reduction target. (ESRS 2 MDR-T 81)

## Energy consumption and mix

(ESRS E1-5)

Steel is essential to our business and is present in our day-to-day work. However, it is a highly energy-intensive process and contributes to greenhouse gas emissions. We are part of the global warming challenge and, as we have demonstrated in this report, we are committed to being part of the solution.

Our Strategic Plan is based on change and on energy transformation. We are therefore immersed in the constant search for more efficient technologies. However, the volatility of the current and recent markets, and the geopolitical context, are proving to be more complex than anticipated. This has resulted in us reviewing our decarbonisation levers, as well as the goals and targets set. Despite this, we have managed to move forwards with a range of actions, as reflected in the section on the CTP (ESRS E1-1).

Since 2023, we have an **Energy Management System** certified under the ISO 50001 standard at the Tubos and Productos mills. In addition, TRPT and RDT work with energy efficiency programmes that, although not part of the management system, meet the expectations and needs defined by Group Management.

The Tubos and Productos mills operate in sectors with a high climate impact.<sup>4</sup>

The following table shows the requested values (ESRS E1-5 36-37-38) to interpret our total energy consumption in 2024:

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<sup>4</sup> The sectors with a high climate impact are those listed in sections A to H and L of the NACE (as defined in Commission Delegated Regulation (EU) 2022/1288).

	GTR	Tubos mill		Productos mill		TRPT		RDT	
	TOTAL 2024	2023	2024	2023	2024	2023	2024	2023	2024
<b>Energy consumption and combination (MWh)</b>									
1) Consumption of fuel from coal and its derivatives.									
2) Consumption of fuel from crude oil and petroleum products.	34,376	1,651	1,528	52,099	32,848				
3) Consumption of fuel from natural gas.	290,929	155,408	213,130	63,576	66,529	1,643	328	13,213	10,942
4) Consumption of fossil fuels.									
5) Consumption of electricity, heat, steam and cooling purchased or acquired from fossil fuels.	222,669	85,308	91,874	35,129	10,994	914	632	13,213	22,514
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5).	547,974	242,367	306,531	150,804	110,371	2,556	960	26,426	33,456
Proportion of fossil sources in total energy consumption.		78%	78%	84%	92%	78%	62%	100%	100%
7) Consumption of fuel from nuclear sources.		0	0	0	0	0	0	0	0
Proportion of nuclear sources in total energy consumption.		0%	0%	0%	0%	0%	0%	0%	0%
8) Fuel consumption by renewable source, such as biomass (which also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen etc.).		0	0	0	0	0	0	0	0
9) Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources.		70,099	86,015	28,447	10,058	729	582	0	0
10) Consumption of self-generated renewable energy not used as fuel.		0	0	0	0	0	0	0	0
11) Total renewable energy consumption.		70,099	86,015	28,447	10,058	729	582	0	0
Share of renewable sources in total energy consumption (%).		22%	22%	16%	8%	22%	38%	0%	0%
<b>Total energy consumption (MWh)</b>	<b>1,095,948</b>	<b>312,466</b>	<b>392,547</b>	<b>179,251</b>	<b>120,429</b>	<b>3,285</b>	<b>1,542</b>	<b>26,426</b>	<b>33,456</b>

Table 9. GTR energy consumption

TUBOS REUNIDOS currently has no energy production for in-house use of any kind (ESRS E1-5 39). It is important to highlight that the photovoltaic project at the Tubos and Productos mills has been reformulated, with a view to promoting the use of electricity from clean sources. This project will materialise in 2025, allowing us to make progress on the road towards decarbonisation, with this essential lever pushing us forwards.

Below are the values in terms of intensity based on the net revenue of TRG SLU (ESRS E1-5 40):

TRG (TUBOS + PRODUCTOS mills)			
Energy intensity by net income	2023	2024	%2024/2023
Total energy consumption from activities in sectors with a high climate impact divided by net revenue from activities in sectors with a high climate impact (MWh/€)	1.20	1.73	145%

Table 10. Energy intensity TRG SLU

Net income	2023	2024	%2024/2023
Net income from activities in sectors with a high climate impact used to calculate energy intensity	502,313	296,282	59%
Net income (other)	-	-	
<b>Total net income (financial statements)</b>	<b>502,313</b>	<b>296,282</b>	<b>59%</b>

Table 11. Net income TRG SLU

## Gross scope 1, 2 and 3 GHG emissions and total GHG emissions

(ESRS E1-6)

In 2024, we developed our own **tool for calculating the organisational carbon footprint** based on ISO 14064. Based on 2023, the tool and the entire methodological calculation procedure will be verified in 2025 (ESRS E1-6 AR39-40). This will strengthen our environmental management system by strengthening the process of controlling the emissions of production processes. With scope 3 included since 2023, we can calculate emissions more precisely in significant subcategories for the Group's activity. The analysis of the results of the first two years of study will serve as a starting point for defining the actions and goals integrated in the CTP and, therefore, in the SMP.

The gross greenhouse gas emission values for categories 1, 2 and 3 for 2024 are shown in the tables below. For the calculation of the tonnes of CO<sub>2e</sub> released, the 2023 emission factors published on the reference pages have been taken for our business. (ESRS E1-6 44-51 AR 43b-46e):

	PLANTS	BASE YEAR 2023	COMPARISON	2024	%2024/2023
Gross GHG emissions scope 1 (tCO <sub>2eq</sub> )	Productos mill	8,833.83	- 6,704.40	12,129.43	0.64
	Tubos mill	45,022.93	5,487.02	50,509.95	1.12
	TRPT	83.42	- 18.95	64.47	0.77
	RDT	231.85	1,996.15	2,227.99	9.61
Percentage of AI emissions from emission allowance trading schemes	Productos mill	1.05	- 0.05	1.00	0.95
	Tubos mill	1.04	- 0.16	0.89	0.85
	TRPT	NOT APPLICABLE			
	RDT	NOT APPLICABLE			

Table 12. GHG emissions (tCO<sub>2e</sub>) scope 1 E1-6 44a AR39-44

	PLANTS	BASE YEAR 2023	COMPARISON	2024	%2024/2023
Site-based gross scope 2 GHG emissions (tCO <sub>2eq</sub> )	Productos mill	15,321.79	- 10,440.96	4,880.82	32%
	Tubos mill	37,453.26	5,128.78	42,582.03	114%
	TRPT	389.22	- 137.55	251.67	65%
	RDT	6,043.87	437.06	6,480.92	107%

Table 13. GHG emissions (tCO<sub>2e</sub>) scope 2 E1-6 44a AR39-44

The target set for scope 1 and 2 emissions in 2025 is a reduction of 4% (987 tCO<sub>2e</sub>), distributed by 15% in scope 1 (148 tCO<sub>2e</sub>) and 85% in Scope 2. (839 tCO<sub>2e</sub>).

By 2030: 20% reduction, taking into account the distribution percentages between scope 1 and scope 2 (3,701.4 and 20,974.6 tCO<sub>2e</sub>, respectively). We will continue on the path to reduction with the target of decarbonising ourselves, as established by the Paris Agreement. (ESRS E1-6 44 AR48) .

In 2024, we consumed 2,000 MWh of renewable electric guarantees, avoiding 482 tonnes of scope 2 greenhouse gases (market-based emissions). We consider these emissions insignificant in relation to location-based emissions; therefore, their disclosure is not considered relevant. (ESRS E1-4 34a-b).

**GHG emissions scope 3 E1-6 44c AR46 tCO<sub>2e</sub>**

		<b>Base year 2023</b>	<b>Comparison (2024-2023)</b>	<b>2024</b>	<b>%2024/2023</b>
<b>TOTAL</b>		<b>327,177.83</b>	<b>-145,840.96</b>	<b>181,336.87</b>	<b>55%</b>
Productos mill	Transport and distribution upstream.	18,584.92	-18,503.82	81.10	0%
	Transport and distribution downstream.	3,777.73	-923.87	2,853.85	76%
	Fuel and energy-related activities	12,044.68	-8,014.41	4,030.27	33%
	Business travel.	79.68	-15.07	64.62	
	Transport of workers	198.06	-7.60	190.46	96%
	Acquired goods and services.	188,454.48	-187,982.41	472.07	0%
	Capital goods.	1,365.73	-896.43	469.31	
	Water consumption (goods acquired).	16.37	-9.04	7.33	45%
	Waste generated (HW and NHW).	2,115.73	-1,644.19	471.54	22%
Tubos mill	Transport and distribution upstream.	6,479.54	-3,056.76	3,422.78	53%
	Transport and distribution downstream.	15,504.11	-5,936.25	9,567.86	62%
	Fuel and energy-related activities	21,223.25	-1,408.74	19,814.51	93%
	Business travel.	79.68	-15.07	64.62	81%
	Transport of workers	871.24	600.15	1,471.39	169%
	Acquired goods and services.	43,142.81	82,509.18	125,652.00	291%
	Capital goods.	1,365.73	-896.43	469.31	34%
	Water consumption (goods acquired).	17.17	-4.09	13.07	76%
	Waste generated (HW and NHW).	5,860.05	3,338.68	9,198.72	157%
TRPT	Transport and distribution upstream.	39.08	-37.31	1.77	5%
	Transport and distribution downstream.	0.17	0.70	0.87	520%
	Fuel and energy-related activities	137.43	-12.01	125.42	91%
	Business travel.	0.00	0.00	0.00	
	Workers' transport.	126.33	117.30	243.63	193%
	Acquired goods and services.	204.68	-152.64	52.04	25%
	Capital goods.	0.00	0.00	0.00	

**GHG emissions scope 3 E1-6 44c AR46 tCO<sub>2e</sub>**

		<b>Base year 2023</b>	<b>Comparison (2024-2023)</b>	<b>2024</b>	<b>%2024/2023</b>
	Water consumption (goods acquired).	0.10	-0.04	0.06	57%
	Waste generated (HW and NHW).	51.55	-42.82	8.73	17%
RDT	Transport and distribution upstream.	0.00	0.00	0.00	
	Transport and distribution downstream.	0.00	0.00	0.00	
	Fuel and energy-related activities (	804.21	413.09	1,217.30	151%
	Business travel.	0.00	0.00	0.00	
	Workers' transport.	238.79	-1.22	237.57	99%
	Acquired goods and services.	994.57	-150.95	843.62	85%
	Capital goods.	3,381.39	-3,136.70	244.69	7%
	Water consumption (goods acquired).	2.88	4.29	7.17	249%
	Waste generated (HW and NHW).	0.00	0.00	0.00	
	Business travel.	10.05	23.52	33.57	334%
TR SA	Fuel and energy-related activities (	5.62	0.00	5.62	100%

Table 14. GHG emissions (tCO<sub>2e</sub>) scope 3 E1-6 44c AR46

The data provided in the results include these statements (ESRS E1-6 45d). Note that for the three scopes, we have used the most up-to-date versions of official consumption calculation methodologies based on emission factors, obtained from official sources such as MITECO, DEFRA and ECOINVENT. (ESRS E16 AR39b).

**1. Scope 1** (ESRS E1-6 44-AR43-44):

- Emissions from stationary and mobile combustion, process emissions and fugitive emissions. In 2024, we acquired GDOs as a contractual instrument for the manufacture of our O-Next™ pipes, with the purchase of renewable gas. The remaining fossil fuels and gas from which scope 1 emissions derive come through contracts with supply companies.
- The emission factors used are the latest published in Appendix 7. LCV and CO<sub>2</sub> emission factors for fuels in the National Greenhouse Gas Inventory Report (edition updated annually).
- These include CH<sub>4</sub> and N<sub>2</sub>O emissions. As we do not burn biomass, we have no biogenic emissions.
- Carbon credits are not included.
- We include GHG emissions from the Tubos mill in Amurrio and the Productos mill in Trápaga, subject to Regulated Emissions Trading Schemes (ETS).



- The accounting period for gross and regulated emissions is 2024.

## 2. Scope 2 (ESRS E1-6 49-AR45):

The electricity purchased during this period is included.

- In 2024, we acquired GDOs for the manufacture of O-Next™, so the data is incorporated into tables to provide location and market values. These GDOs are contractual elements established by TUBOS REUNIDOS with distributors. Consumption in 2024 was insignificant compared to other conventional electricity consumption. Therefore, scope 2 emissions have been calculated under the location methodology, discounting the 2,000 MWh emissions calculated per market.
- The emission factors come from official sources such as the CNMV and distributors themselves.

## 3. Scope 3 (ESRS E1-6 51-AR46g):

The TUBOS REUNIDOS procedure for scope 3 presents the analysis of the subcategories. In this respect, we concluded that the most significant subcategories for our business are those listed below (ESRS E1-6 AR46g). 100% of the data needed to calculate scope 3 emissions comes from the primary value chain.

- Acquired goods and services. The data is sourced directly from the suppliers of these services and goods.
- Capital goods. The Group's investments involving monetary conversion factors make up this significant category.
- Fuel and energy-related activities (not included in scope 1 or 2 emissions calculations). We obtain the data from consumption in scopes 1 and 2.
- Waste generated in operations. Waste is separated, classified and managed through authorised managers. Destination-based checks on waste generate the emissions data associated with this category.
- Transport and distribution in previous and subsequent stages. Knowing the origin of the services and the destination of our pipes allows us to calculate this category.
- Business travel. We have information received directly from our travel agency to calculate the footprint generated by these trips.
- Employee travel. The HR division provides the annual travel details of the more than 1,400 people who make up the Group, complying with the Spanish Data Protection Law at all times.

TUBOS REUNIDOS sets out the reasons for the non-inclusion of the other categories in scope 3: (ESRS E1-6 AR 46i)

- We have no leased assets in the pre- or post-operations phases;
- We do not transform our products;
- We do not use sold products. The inclusion process ends at the time of the sale to the customer;
- We do no treatment at the end of the useful life of the pipes we sell;

- We have no deductibles; and
- We do not invest in other operations.

The total GHGs are as follows.

BASE YEAR 2023	COMPARISON	2024	%2024/2023
450,557.98	-149,901.02	300,656.97	67%

Table 15. Total GHGs (ESRS E1-6 44d AR54)

## Greenhouse gas intensity based on net income for 2024

Turnover can be viewed/checked/verified in the **consolidated statement of profit and loss for the financial year ended 31 December 2024** in the consolidated financial statements (ESRS E1-6 AR45).

	Base year 2023	Comparison	2024	%2024/2023
Total GHG (location-based) emissions by net income	0.85	0.08	0.93	110%
Net income used for GHG intensity calculation	532,856		323,961	
Net income (other)	-		-	
Total net income	532,856		323,961	

Table 16. Net income used to calculate intensity (ESRS E1-6 53-54-55 AR45-55)

## GHG removals and GHG mitigation projects financed through carbon credits

(ESRS E1-7 56)

In 2024, TUBOS REUNIDOS did not dispose of or store GHG arising from its own operations or the value chain. Nor has it taken actions to reduce emissions or eliminate GHGs from climate change mitigation projects outside the supply chain through the purchase of carbon credits.

## Internal carbon pricing

(ESRS E1-8 62)

TUBOS REUNIDOS does not apply internal carbon pricing systems.

## 5.2 POLLUTION - E2

### Management of pollution-related IRO

(ESRS 2 IRO 1 11)

Chapter 4 of this report describes the TUBOS REUNIDOS double materiality process.

Pollution is a material topic in our bus and the vectors included within this ESRS are identified, analysed and controlled by ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System, respectively.

In addition, the TRG Tubos and Productos mills are subject to an AAI. The unification of the environmental and energy management systems and the requirements of the AAI guarantee the control and analysis of all parameters related to the impacts and operational risks on the facilities. This also provides operational and synergistic opportunities for reducing these impacts and eliminating risks. The entire value chain is represented in our action procedures and we work closely with contractors and suppliers to strengthen the sustainable culture on every project that we undertake together (ESRS 2 IRO 1 11a).

Furthermore, we have used surveys to consult our stakeholders on the relevance of the topics and sub-topics identified in relation to our business. The results have been integrated into the double materiality analysis (ESRS 2 IRO 1 11b).

### TUBOS REUNIDOS' Environment Policy

(ESRS E2-1 12)

Respect for and protection of the environment is central to our culture and these concepts are fully integrated into all our fields of action. A common commitment shared by all the Group's companies.

Our business strategy promotes more sustainable and environmentally efficient solutions, working on optimising production processes, applying circularity (from the use of the raw materials of the steel pipes that we produce to the circularity of the waste generated), minimisation of natural resource consumption, energy efficiency, sustainable water management and, finally, care for the environment.

In 2024, we approved our Corporate Environment Policy, which we extend to our different stakeholders with the firm intention of promoting this ambition in the relationships we maintain with them. This policy forms part of the Group's governance system and is aligned with the Corporate Sustainability Policy in relation to environmental, social and governance matters, the Code of Ethics and the principles of the United Nations Global Compact. Its content can be viewed on the Group's website and is cascaded from the Steering Committee to all managers and divisions by order of the Board.

Our goal is to minimise environmental impacts in all our activities and relations with our stakeholders, and to comply with all applicable legislative requirements and other requirements or commitments undertaken by the Group.

To achieve this goal, the policy establishes a series of basic principles of action (ESRS E2-1 14), with these premises:

- **Identify** any environmental hazards.
- **Prevent** our activities from having a negative impact on the environment and people.

- Should this occur, make every effort **to mitigate or repair** the damage caused.

#### **Basic principles of action** (ESRS E2-115):

- **Compliance with** legal requirements and other obligations in relation to applicable environmental issues, planning accordingly.
- **Leadership and culture:**
  - Reinforce the leadership and commitment of senior management to environmental protection and the environmental management system, which has already been integrated and rolled out across the organisation.
  - Promote an environmental culture by senior management to enhance appropriate risk perception, transparency and confidence in reporting, continuous learning and innovation.
- **Continuous improvement:**
  - Define environmental goals systematically and monitor performance as an integral part of business management.
  - Develop a global environmental system for the entire organisation, based on international standards, which determines minimum levels and ensures that the criteria applied at all the Group companies are standardised.
- Pursue the **sustainable use of resources, and the efficiency and optimisation of energy use** in production, storage, transport, distribution and marketing processes.
- Dedicate the greatest efforts to using **clean, more efficient technologies with low** operating and maintenance costs, promoting renewable energy sources that contribute to the decarbonisation of the economy.
- **Drive appropriate training, information and motivation programmes** that enable workers to understand both the environmental risks and impacts of their work, and their importance and how to prevent them.
- **Exchange best practices** in the application of global standards, improving them progressively and becoming increasingly demanding and effective (ESRS E2-115b).
- **Promote and strengthen the environmental management systems** of production centres in order to facilitate the identification of the environmental impacts of the business and the associated aspects, designing actions and plans to mitigate their impact. In this respect:
  - Develop environmental emergency protocols (ESRS E2-115c).
  - Generate synergies with the other systems to optimise processes.
  - Supplement the Group's sustainability information.
- **Progressively reduce the environmental impact of all our activities**, including the promotion of the responsible, rational and sustainable use of energy and water, the management of the risks related to their scarcity and ensuring that the water used returns to the environment in optimum condition (ESRS E2-115a).

## Pollution-related actions and resources

(ESRS E2-2 12)

The main action related to air, water and soil pollution in 2024 was consolidating use of the Amurrio steelworks for the entire Group, helping to reduce our environmental impact.

The management of controls on emission sources and the analysis of results and corrective actions, if any, are managed by the Environment division (ESRS E2-2 16). An integrated strategy encompassing all areas was required to reformulate procedures and processes to ensure control of the new facilities in Amurrio and the cessation of activities in Sestao. The 2024 results reflect the effects of unification, although, due to the furlough process embarked upon in mid-2023 and throughout 2024 as a result of low productivity, we estimate that the data will not improve until 2025 due to the energy efficiency actions and reduction of impact expected for this strategic project.

The elimination of substances that represent risks to the environment and human health is of maximum importance to TUBOS REUNIDOS and a commitment reflected in our corporate policies. We prioritise elements with zero or minimum risk among the various market options that suit our production process.

The SMP includes a technical feasibility study to reduce the use of hazardous materials that will be performed during the term of the plan (ESRS E2-2 19a). Its implementation will encompass the Supply Chain, Environment, Production and Maintenance divisions (ESRS E2-2 16) and forms part of the integration processes with the value chain (ESRS E2-3 23d).

Throughout year, we made progress on monitoring the environmental vectors of TRG S.L.U. plants, following the procedures and instructions certified by ISO 14001. The internal and external verification audits carried out during the year have highlighted the strength of the system and its implementation by all areas, demonstrating just how deep-rooted the Group's respect for our environment is. We also collaborated with the government on regulatory inspections, verifying the correct application of the methodologies used.

In 2024, we also completed the actions we had committed to in relation to soil protection at our Tubos mill facilities with the elimination of pollution risks in this vector (ESRS E2-2 19a) (ESRS E2-3 23c). We have embarked upon a joint project between the Environment and Maintenance divisions to optimise water discharge at this plant, the progress of which is constantly under observation. Work has now been completed internally for the future connection to the external collector planned by Amurrio town council for the treatment of wastewater at the municipal wastewater treatment plant (ESRS E2-2 19a). We have also stepped up preventive maintenance work on sources of air and water pollution.

Senior management at TUBOS REUNIDOS is responsible for the provision of the necessary resources for the correct functioning of the management system and the investments (CapEx) allocated to the projects. In recent years, assigning OpEx and CapEx to control and maintain regulatory compliance has ensured that our operations reduce our environmental impact, helping to protect the environment and prevent contamination. The SMP allocates resources for monitoring and continuous improvement (ESRS E2-116-19a).

The AAls of TRG S.L.U. plants establish standards that govern the prevention, control and minimisation of pollution in environmental vectors, adjusting to changes that occur in the facilities. Among their requirements, they establish the application of the best available techniques (BAT) for the sector, which we assess and incorporate in response to needs and resources. We are currently in the process of assessing the impact of the application of the BAT reference document (BREF) for the treatment of ferrous metals in the rolling processes of the Tubos and Productos mills, in collaboration with the Steel Cluster Association (SIDEREX).

This review, limited to the Basque Country, will strengthen our synergies with the companies in the sector and strengthen communication with the Administration (ESRS E2-2 19b).

Appendix 3 contains the DNSH (do no significant harm) analysis for the six environmental objectives including the EU Taxonomy Regulation and its delegated acts (ESRS E2-2 19b).

Finally, it was not considered necessary in 2024 to conduct any ecosystem restoration, regeneration or transformation at TRG S.L.U. since no pollution episode required such an intervention (ESRS E2-2 19c).

## Targets related to pollution

(ESRS E2-3)

Reducing emissions and waste, optimising consumption of raw materials and using water resources, together with the closure of the Sestao steel mill and the consolidation of the Group steel mill, were the main goals defined for 2024 (ESRS E2-3 22). The environmental policy establishes the goal of minimising the environmental impacts generated by our business and complying with all the legislative requirements that apply to us in all our activities and relationships with stakeholders, as well as other requirements or commitments acquired by the Group. (ESRS 2 MDR-T 80a). Our goal is to ensure compliance with legal requirements. We can enhance that objective by detecting points of action.

Improving compliance with legal requirements, also established in the corporate policy, involves reaching all members of the value chain to jointly take on this commitment. (ESRS 2 MDR-T 80b). These are values established in the AAI of each production plant measured in the corresponding units for each legal compliance, in terms of pollution, weight or mass load. The reference values are established for each operating year. In this case, there were no values based on a reference year as the base year. (ESRS 2 MDR-T 80d).

Likewise, the period in which the compliance goals are applied in the AAI is established for each year of production and operation, with no interim milestones or goals. This environmental permit has no expiry period, although it may be amended due to substantial changes to operations or by the entry into force of new regulations or applicable technical documents. (ESRS 2 MDR-T 80e-i). The parameters and their compliance limits are calculated by the government (relevant stakeholder in environmental matters and plant operating permits (ESRS 2 MDR-T 80h)) based on the applicable sector, the best techniques available for the sector and activity, and the situation of the receiving environment. (ESRS 2 MDR-T 80f, g).

All the goals established in relation to this ESRS are followed and reviewed as part of procedures and processes included in the Environmental Management System certified under UNE EN ISO 14001. (ESRS 2 MDR-T 80j). These goals perform the necessary actions to control and mitigate material IRO related to pollution. (ESRS 2 MDR-T 81b).

The actions described in ESRS E2-3 seek to minimise pollutant parameters and their load (ESRS E2-3 23a). Similarly, the actions on wastewater at the Tubos mill are related to discharges and their polluting load (ESRS E2-3 23b). The analysis and monitoring of all harmful substances are described in the **Environmental Monitoring Plan** for the AAI of TRG S.L.U.

The TRPT plant is also subject to compliance with its own legal requirements on pollution, although the IPPC law does not apply to it. In the case of RDT, US legislation and the Group's Corporate Environment Policy apply.

Once again, this year we have continued striving to ensure compliance with the legislation in force, thereby reaffirming the commitment made to our corporate policies and the Integrated Management Systems Policy (ESRS E2-3 22-25).

## Air, water and soil pollution

(ESRS E2-4).

The control of emissions into the atmosphere and discharges into water are also regulated by the AAI of the two TRG S.L.U. plants. As part of these, the emissions sources are classified and the measurement parameters, limits and frequencies are established (ESRS-E2 4, 30, 31).

Since the awarding of the AAI for both plants, the measurement and monitoring systems have made progress in line with current legislation and we have incorporated them into our procedures and processes for their correct interpretation and application. In the case of TRPT, although it is not subject to an AAI, it complies with the legal requirements within its management system. For RDT, however, this point does not apply (ESRS E2-4, 30a).

Following the closure of the Sestao steel mill and the integration of the process into the Tubos mill at Amurrio, it was necessary to adapt the AAI and the affected processes and procedures.

Data collated at TRG S.L.U. plants (ESRS E2-4 30c) is included in monitoring plans aimed at establishing mechanisms to monitor atmospheric emissions and industrial discharge points resulting from activity, as well as the method of calculating the annual mass emissions issued. The parameters it monitors depend on the production processes, raw materials and chemicals used, and the frequencies also vary between continuous, quarterly, annual, three-yearly and five-yearly.

All this data is incorporated into the environmental reports that must be lodged annually with the Basque Government for the preparation of the E-PRTR inventory and the annual Environmental Monitoring Plan report.

The methodology used is based primarily on the guidelines set out in the following frameworks (ESRS E2-4 30b):

- E-PRTR (Basque Register of Emissions and Polluting Sources) methodology
- Monitoring BREF (Best available technique REference document)
- Steelworks BREF
- Railway metalworks industry BREF
- Plastic and metal parts surface treatment BREF

The data in the report on the amount of emissions released into the atmosphere is based on measurements or calculations, and is classified as:

**Measured data (M):** when annual emissions are determined based on measurements. In such cases, the methods and standards used by the Authorised Control Body (ACB) responsible for sampling and measurement should be indicated. In addition, the reports must comply with the minimum ACB report issued by the Basque Government.

**Calculated data (C):** where we do not have measurements for the year to be inventoried, but emission factors are involved, the calculation is performed using these factors and the data is sent as calculated (C). Values obtained from emission factors, material balances and other calculations using process variables such as fuel used, production rates etc. are designated as "C". Generally, data shall be classed as "C" when using the office tools provided by the Basque Government.

**Estimated data (E):** when the measurements do not meet the above requirements and no emission factors are available, the data shall be sent as estimated (E). This data is identified as "E" when emissions are determined based on measurements from previous years and the



operating conditions of the source are modified for the year in which the information is reported.

The Tubos mill has meters permanently installed at the sources of the emissions treatment plants connected to the CAPV Air Quality Control Network. These meters are subject to the maintenance, control and calibration requirements established in the AAI and in the technical instructions published by the environmental authorities of the Basque Government.

A report on the operation of the continuous measurement system, including equipment availability data, four-yearly calibrations and biennial performance tests, as well as monthly and quarterly maintenance reports, is sent to the Administration annually. The calibrations and functionality tests are carried out by entities accredited by the Basque Government as Level II Environmental Collaboration Companies (ECA), which have the corresponding certification as a testing laboratory for automatic measuring systems pursuant to ISO/IEC 17025.

Each year, the Tubos mill engages an external company specialising in the installation and maintenance of this equipment. It also has a technical procedure in place to ensure the quality of the automatic measurement systems (AMS), defining the methodology for performing and recording zero and span checks and drift control. This method is intended to maintain and demonstrate the quality of the data provided by the AMS in such a way that the established repeatability (accuracy) and drift requirements are met.

The data obtained by measurements results from periodic direct observations made according to the inspection frequency established for each emission source in the AAI, and are recorded in reports on the measurement of pollutant emissions into the atmosphere.

The resulting measurements and reports, drawn up by an ACB, contain the calculations, standards used, results and the applicable regulations and the declaration of conformity with emission limit values (ELVs). In all cases, these are independent laboratories accredited by ENAC (the National Accreditation Body).



### ***Emissions into the atmosphere***

In 2024, a new emissions source was identified at the Tubos mill, bringing the total to 54. This additional source is the ingot treatment furnace, although it is not regulated under the facility's AAI.

The tables below show the pollutants released as part of our business (ESRS E2-4 26). Note that this does not apply to TRPT or to RDT.

TYPE OF POLLUTANT	Tubos mill (kg)	Productos mill (kg)
HF	176,054.72	1,562.17
HCl	83.05	0
Dioxins and furans, PCDDs/PCDFs	715.10	0
Zn	0	0
Pb	2,196.13	0
Ni	55.42	0
Hg	8.47	0
Cu	2.58	0
Cr	16.26	0
As	50.65	0
Cd	1.53	0
NMVOC	0.61	0
CO <sub>2</sub>	18,798.62	2,545.79
CH <sub>4</sub>		12,106
N <sub>2</sub> O		303.73
NO <sub>x</sub>		216.95
HCB	121,758.38	23,960.5
PAH		0

Table 17. Air pollutants (ESRS E2-4 28a)

The measurements carried out within the periodic control for 2024 (14 in total) have yielded results within the parameters set, with the exception of one point: the casting oxy-fuel welding and cutting process remains in the particle parameter. The corrective measures to be implemented are currently being evaluated because the preliminary report of this measurement arrived during the preparation of this report.

Out of the 16 sources identified at the Productos mill, measurements were taken on the 3 subject to periodic control, thus achieving positive results. In addition, three new sources have been catalogued in connection with the new butane installation and the ingot grinder and are pending the setting of control conditions in the AAI. With the cessation of activity at the Sestao steel mill, the number of sources affected now comes to four.

### Water emissions

Discharges are quantified exclusively using periodic direct measurements, the frequency of which varies between quarterly and annually, as established for each parameter in the AAI, and the results are reflected in the corresponding analytical reports.

The characterisation of the quality of water discharged, from sampling to analysis and reporting, is also managed by the ACB, which is responsible for reporting the calculations, standards applied and results obtained. These are always independent laboratories accredited by ENAC. This does not apply to TRPT or RDT.

TYPE OF POLLUTANT	Tubos mill (kg)	Productos mill (kg)
COD	6,031.90	391.57
Ammonium	1,021.52	123.73
Zn	16.85	3.12
Cr	7.13	0.23
Ni	7.38	2.41
P Total	Not applicable	4.86
Ar and its compounds	Not applicable	0.13
Cd and its compounds	Not applicable	0.58
Hg and its compounds	Not applicable	0.02
Pb and its compounds	Not applicable	0.23

Table 18. Water pollutants (ESRS E2-4 28a)

### Soil emissions

There were no soil emissions in 2024.

### Microplastics

TUBOS REUNIDOS **does not generate or use microplastics**. This sub-topic has been excluded from the double materiality analysis (ESRS E2-4 28b).

### Substances of concern and substances of very high concern

ESRS E2-5.

The double materiality analysis concluded that the sub-topics of ESRS 1 AR 16, “Substances of Concern” and “Substances of Very High Concern” are not applicable to TUBOS REUNIDOS (ESRS E2-5 32), as set out in the double materiality assessment procedure: *“The TUBOS REUNIDOS business does not produce, distribute, market or export substances of very high concern in mixtures or articles. The popes produced are free of this type of substance”*.

## Pollution-related material risks and opportunities

(ESRS E2-6)

We recorded no pollution incidents with adverse effects on the environment in 2024, nor did we receive any sanctions for this reason (ESRS E2-6 40c).

To mitigate the financial effects of water, soil and emissions pollution, we have implemented a number of measures for which the performance indicators and targets are listed in the specific dashboards and reports. These include:

- **Efficient resource management:** control of the use of water, energy and materials to minimise waste and reduce operational costs.
- **Circular economy projects:** development of programmes to recycle and reuse materials, thereby reducing the amount of waste generated.
- **Raising awareness, training and information** for our partners on practices and the importance of environmental management.
- **Use of renewable energies:** use of renewable energy sources, such as solar energy, which is in the installation and start-up phase, and the purchase of renewable certified energy to reduce dependence on fossil fuels and reduce greenhouse gas emissions.
- **Monitoring and reporting:** incorporation of performance control systems to assess the quality of water, soil and air, and reporting the results to stakeholders.
- **Emergency plans** with instructions to respond quickly to pollution incidents and minimise impacts for facilities that are also affected by major accident legislation (SEVESO regulations).

Strengthening emissions control and discharge measures beyond requirements helps to strengthen our reputation and generate long-term benefits in terms of trust, competitiveness and stakeholder relations.

Our plants operate under Law 26/2007 of 23 October on Environmental Responsibility, as well as the Royal Decree and Order that implements it. These regulations require an Environmental Risk Analysis (ERA) which we submit to the Vice-Ministry for the Environment of the Basque Government. We are currently in the process of updating this analysis.

TUBOS REUNIDOS has third-party liability and environmental insurance that covers aspects including but not limited to:

- Environmental liability for damage to facilities.
- Environmental liability for damage outside facilities.
- Legal liability.
- Liability arising from transport.
- Interruption of business.
- Prevention and emergency costs and expenses.

All reports and insurance mentioned help us to effectively manage risks and take a firm step forwards in improving pollution control.

TUBOS REUNIDOS made no investment in assets or incurred fixed and operating expenses in relation to incidents and major deposits in 2024 (ESRS E2-6 40b).

### 5.3 WATER AND MARINE RESOURCES - E3

**Our work does not affect marine resources.** Therefore, all information in this point concerns **water resources**.

#### Management of water resource IRO

(ESRS 2 IRO 1 8)

As shown in the double materiality process at TUBOS REUNIDOS, water resources are essential for our operations and also for the well-being of our staff and the entire value chain with which we work.

In turn, in Chapter 5, we have incorporated climate risks and opportunities in the CTP, taking into account change scenarios and the availability of water resources. This covers the context in which our activity and production centres take place. Chapters 4 and 5 examine the process and methodology for assessing the materiality of the IRO and ROCC (risks of climate change) (ESRS E1-1).

Following these studies, we can conclude that the TRG S.L.U. plants are not in river basins classified as water risk areas or in high water stress areas. The same is true for the TRPT and RDT plants, based on the information available for the United States (ESRS 2 IRO 1 8a ) (ESRS E3-1 13).

However, given that we prioritise the availability of water resources as a material topic and, having compared their relevance for our stakeholders, we consider water management as a material and key point of study, analysis and development at TUBOS REUNIDOS (ESRS 2 IRO 1 8b).

The water vector is identified, analysed and controlled under the ISO 14001:2015 Environmental Management System and the ISO 50001:2018 Energy Management System, respectively.

The synchronisation of environmental and energy management systems and the requirements of these regulations ensure the control and analysis of all parameters linked to environmental impacts and operational risks in each of the locations (Tubos mill and Productos mill) regarding water consumption and discharge.

As in the case of ESRS E2, the entire value chain is represented in our action procedures and we work with contractors and suppliers to strengthen the sustainable culture in the projects we undertake together (ESRS 2 IRO 1 8a).

#### TUBOS REUNIDOS' Environment Policy

(ESRS E3-1 9)

Water is a vital resource in our activities, so everybody who works at TUBOS REUNIDOS and the entire value chain are responsible for respecting and protecting it (ESRS E3-1 12c).

Our Corporate Environment Policy supplements the Corporate Sustainability Policy in environmental, social and governance matters approved by the Board of Directors on 16 December 2021. Furthermore, our adherence to the UN Global Compact strengthens our firm commitment to a preventive approach that promotes the reduction of the consumption of natural water resources, the use of facilities and the use of sustainable technologies to minimise risks in water consumption.

In SDG 6, the Global Compact aims to “Achieve access to adequate and equitable sanitation and hygiene for all” Our responsibility for the use and care of this element contributes directly to this goal.

Furthermore, our Corporate Sustainability Policy in its definition of values and general principles of action regarding the environment reaffirms the commitment of TUBOS REUNIDOS (ESRS E3-112c) to “Reduce the environmental impact of all the activities it undertakes, **including: promoting responsible** (ESRS E3-112ai), **rational and sustainable energy and water USE, managing the risks related to its scarcity and ensuring that the water used returns** (ESRS E3-112aii) **to the medium under the desired CONDITIONS**”(ESRS E3-111).

Thus, the principles and values of our environmental and sustainability policies are integrated into the business model, sustainably managing the supply, use and treatment of water to ensure that it is reused at our facilities or returned to the environment in appropriate conditions.

Finally, the design of our sustainable piping solutions introduces the water vector into the sustainability equation (ESRS E3-112b).

TUBOS REUNIDOS has not adopted specific policies related to the sustainable use of oceans and seas (ESRS E3-114i).

## Actions and resources related to water resources

(ESRS E3-2)

In addition to the actions described in the section on wastewater pollution (ESRS E2), in 2024 we constituted an ESG Group dedicated to sustainable water management. This team is made up of the heads of Energy, Environment, Maintenance and Sustainability and meets periodically to monitor the management systems at the TRG S.L.U. plants.

We have also organised ESG energy efficiency and water groups for the steel mill, rolling and finishing and cold rolling at the Tubos mill. At the same time, the Energy and Sustainability divisions at the Productos mill lead a work team dedicated to harnessing synergies between the two plants.

At TRPT, water capture and discharges are performed on collectors in the public sewage network, complying with the parameters established in the relevant regulation, making their management easier. In the case of RDT, the consumption and discharge data is analysed to implement savings and effectiveness measures.

One of the aims of the ESG Group at TRG S.L.U. is to assess the situation at the Tubos mill after the consolidation of the steel mill, reconsidering the actions that it performed with the manufacture of billet. The introduction of the manufacture of ingots, improving the use of facilities, increases the need for water to cool the entire facility.

In 2024, the ESG Group started the diagnosis of the circuits at the Tubos mill and the treatment of process water. To achieve this, we have contacted specialised companies in the sector to design the road map that we will implement in the coming years with the planned resources (ESRS E3-218).

The SMP establishes the following actions to be performed as part of the **Sustainable Water Management Plan**:

- Diagnose the current situation as regards water consumption.
- Establish the main lines of action of the plan aimed at reducing water consumption per tonne of pipe in shipment.

- Define detailed commitments and objectives regarding the responsible use of water.
- Outline specific measures related to the efficient use of water resources in production processes.
- Design awareness campaigns to achieve objectives.

The SMP also includes an analysis of actions to be implemented in the event that production areas are reclassified as areas that pose a water risk (ESRS E3-2 19).

## **Targets related to water resources**

(ESRS E3-3)

Similar to the measures adopted to address air, water and soil pollution, the actions implemented in recent years in relation to water resource management have focused on complying with the current regulations that require mechanisms for continuous performance control. These actions reflect the goals established by the legal requirements identified in the ISO 14001 management system, as well as pursuing the continuous improvement of the systems implemented.

With approval from the SMP and the implementation of planned actions for sustainable water management, we hope to achieve a series of objectives that will allow us to minimise the impacts and risks arising from water use and consumption, reducing the amount used in each production process (ESRS E3-3 23).

Since the 2024 creation of the ESG Sustainable Water Management group, we have been working on the generation of a work plan to mitigate and minimise the IRO corresponding to this environmental vector, harnessing the opportunities offered by this team work under the corporate environmental policy, the objective of which is to promote responsible use, rational and sustainable energy and water, managing the risks related to their shortage and ensuring that the water used returns to the environment in the desired conditions.

The Sustainable Water Management Group must plan actions with goals and objectives, and identify the resources required to achieve this goal proposed as part of the policy in the validity period of the SMP, as this water management plan is integrated into the master plan itself.

Monthly Group follow-up meetings and monitoring by the ESG Committee; and subsequent information to the Audit Committee are the ways in which the progress of actions set out in the sustainable water management plan are monitored and evaluated to ensure their effectiveness in terms of mitigating and minimising the impacts and risks produced on this vector. Our aim is to establish a system for monitoring consumption and utilisation that is appropriate to the needs of our business and also our surroundings. We use 2023 as the base year and based on this will formulate the appropriate monitoring and control indicators. (ESRS 2 MDR-T 81)

## **Water consumption**

(ESRS E3-4)

Water consumption data is collated from the meters installed at all plants. (ESRS E3-4 28E AR29).

**TOTAL WATER CONSUMPTION 2024 m<sup>3</sup>**

<b>Tubos mill</b>	123,879
<b>Productos mill</b>	47,459
<b>TRPT</b>	320
<b>RDT</b>	40,596

Table 19. Total water consumption (ESRS E3-4 28a)

Our plants are not located in areas that pose a water risk, as reflected in this section (ESRS E3-4 28b).

As regards recycled and reused water, the data for 2024 is shown in the table below, where we only include the plants reporting these data (ESRS E3-4 28c). All calculations are estimates. (ESRS E3-4 28E AR29).

**Recycled and reused water 2024 m<sup>3</sup>**

<b>Tubos mill</b>	10,089,000
<b>Productos mill</b>	1,478,400

Table 20. Recycled and reused water (ESRS E3-4 28c).

TUBOS REUNIDOS has no water storage facilities (ESRS E3-4 28d).

**Water intensity 2024 m<sup>3</sup>/€M income**

<b>Total consumption</b>	123,879
<b>Net income</b>	323.96
	<b>0.38</b>

Table 21. Water intensity (ESRS E3-4 29)

## 5.4 USE OF RESOURCES AND THE CIRCULAR ECONOMY - E5

**95% of our raw material is recycled scrap.**

### **Management of IRO relating to the use of resources and circular economy**

(ESRS 2 IRO 1 11)

We are an example of circularity from the design of our production processes. We are driven by a firm commitment to reducing the impact of consuming raw materials from natural resources.

Steel is a permanent and highly recyclable material. TUBOS REUNIDOS promotes the circular economy through recycling and reusing materials, helping to minimise waste. This is a collaborative and successful approach that has been implemented over several years.

In compliance with the Directive (EU 2018/852) and the Packaging Act (RD 1055/2022), by adopting a SCRAP (*Sistema Colectivo de Responsabilidad Ampliada del Productor* – collective system of extended producer responsibility), we are making decisive progress in the circular economy and in the new recycling targets set by the European Union.

The double materiality process is described in Chapter 4 (ESRS 2 IRO-1 11) of the report. Consultations with stakeholders include the relevance of resource consumption, as well as the circular economy to assess the materiality of this topic (ESRS 2 IRO 1 11b).

Raw material expenditure and waste generation are the environmental aspects identified, analysed and controlled under the ISO 14001:2015 Environmental Management System and the ISO 50001:2018 Energy Management System, respectively.

As with pollution and water resources, the AAIs contain the specific requirements for waste management, prioritising their recovery and reintroduction into the production system and thus promoting the circular economy. In addition, we apply the best available techniques in this area.

The Environment division heads up several projects that guarantee a high recovery rate, reaching high percentages in the waste generated by the steel mill. We also collaborate with technology centres and external work groups to share our experience and enrich ourselves with initiatives that are aligned with our activity.

It is important to highlight the involvement of the entire value chain in this environmental vector, ranging from purchasing recycled raw materials and approving suppliers with environmental criteria to internally controlling and monitoring waste generated and its subsequent internal or external management (ESRS 2 IRO 1 11a) (ESRS E5-1 16).

### **TUBOS REUNIDOS' Environment Policy**

(ESRS E5-1 14-15)

Our Environment Policy highlights the Group's active commitment to preserving the environment and the fight against climate change. We apply the principles of circularity throughout the value chain, starting with the reuse of raw material from steel pipes and making the connection with the management of waste generated and the reduction of the consumption of natural resources.



As established in the continuous improvement section of this policy, the activities and processes at TUBOS REUNIDOS aim to “*improve the circularity of the activities undertaken by the Group and its suppliers; through the **sustainable use of natural resources** (ESRS E5-1 15b) the implementation of the **life cycle analysis**, the minimisation of industrial waste, their **recovery and reuse** in other processes, as long as permitted by current regulations (ESRS E5-1 15b), as well as **the use of recycled materials**” (ESRS E5-1 15a).*

Our policy does not include the transition from the use of raw materials to recycled materials, since the need to use these materials in our production process makes this impossible at the moment. (ESRS E5-1 15a).

Our commitment to the United Nations Global Compact reinforces this vision, by committing to a preventive approach that promotes the reduction of natural resource consumption to “*ensure sustainable consumption and production patterns*”.

This policy, like all corporate policies, is conveyed by the Steering Committee to all managers and areas, on order of the Board. (ESRS E5-1 14).

## **Actions and resources related to the use of resources and the circular economy**

(ESRS E5-2 ) (ESRS 2 MDR-A 68a-b-c)

Since 2018, TRG S.L.U. has been immersed in collaborative projects that promote the recycling of materials, minimising the consumption of natural resources and avoiding the transfer of waste for disposal.

As indicated, the implementation of the Group's single steel mill promises to generate significant economic, operational and environmental energy benefits. In this context, we have adapted the Productos mill to store scrap steel produced during the rolling process, facilitating its subsequent transfer to the Tubos mill, where the steel mill is located (ESRS E5-2 20f).

In addition, various projects launched in 2018, 2021 and 2022 have allowed us to make significant progress in sustainable waste management, contributing to reducing the environmental impact and promoting the circular economy in our value chain. These are long-distance programmes structured in different phases and developed in collaboration with various stakeholders.

Worth particular note is the **ECO2D4.0 project**, launched in 2022 and completed in 2024, in which we have collaborated with companies specialising in steel waste management, laboratories and technology centres. Its objective was to monitor the behaviour of different layers of asphalt constructed with different types of waste. In 2024, the last phase was undertaken with the manufacture of an experimental section in the port of Bilbao, in which more than 1,000 tonnes of black slag from the steel mill was used (ESRS E5-2 20b).

We continue to make progress in the possible conversion of waste into by-products for use in the plant or in other activities, such as the Burdino project, which seeks to facilitate the reuse of ferrous sulphate at cement plants.

In 2024, we completed the **Verticero project** for the recovery and reuse of refractory waste in the steel mill. The life cycle analysis carried out by the CTME (*Centro Tecnológico de Miranda de Ebro* – Miranda de Ebro Technology Centre) shows a reduction of 1,940 tonnes per year in CO<sub>2</sub>eq emissions into the atmosphere, preventing about 2,476 tonnes of waste per year from ending up in landfill. This project has been recognised as an example of eco-innovation at the company by the Basque Government Public Environmental Management Company, IHOBE, on its website under the section on Industrial Initiatives for New Circular Solutions (ESRS E5-2 20b).

Another significant initiative is the reduction of waste and emissions in the management of white slag. Included in the environmental protection investment subsidies programme, the **Zepazuri project** has reduced the landfill disposal rate from 27.04 kg of waste per tonne produced to 6.6 kg in three years, thus reducing the waste sent to landfill by around 3,500 tonnes per year. Emissions decreased by 48,600 kg CO<sub>2eq</sub>/year in relation to shipping abroad alone. This project, which was fully developed at TRG S.L.U., studies the reuse of white slag as part of secondary steel mill processes (ESRS E5-2 20b).

In addition to these major developments, we perform numerous initiatives in the productive and environmental areas, all monitored through waste management plans (ESRS E5-2 20d).

In November 2024, **TUBOS REUNIDOS joined a SCRAP** to which most of the UNESID (*Unión de Empresas Siderúrgicas* – Spanish Association of Companies Producing Steel and Primary Steel Processing Products) companies to which we belong have signed up. This partnership will make it possible to distribute waste management costs equally to producers, promoting greater responsibility for production and consumption.

The actions undertaken and their results are included in the monitoring indicators in the area of the environment and therefore in the indicators of the Industrial Committees. No corrective actions have been detected for injured staff due to material incidents. (ESRS 2 MDR-A 68d).

## Goals related to the use of resources and the circular economy

(ESRS E5-3)

Steel pipes are 100% circular when completely recycled. (ESRS E5-3, 24a). The R&D division, in cooperation with the other divisions related to the design and development of piping solutions, strives to ensure the quality required for each type of steel, bearing in mind the characteristics of the materials used to guarantee their maximum service life once put on the market. (ESRS E5-3, 24a-d).

The main raw material of steel is scrap, accounting for more than 95%. Starting with the rolling process, pipes are subject to different finishing processes, which generate waste that is reintroduced in the steel melting process. This makes our pipes the raw material of our steelworks. (ESRS E5-3, 24a-b). Therefore, we reuse resources to minimise raw material use. (ESRS E5-3, 24c).

As mentioned in the previous sections, the goals and measures adopted have been developed primarily in the context of compliance with legal requirements (ESRS E5-3 27). We monitor and control the indicators related to hazardous and non-hazardous waste generation, their treatment routes (ESRS E5-2 24e) and the percentage of reuse (ESRS E5-3, 24b), linked to the circular use of materials (ESRS E5-3, 24.25). All the actions implemented have achieved their goals and have entered the monitoring and improvement phase (ESRS E5-3 24 a, c).

Our purpose is to maintain the levels achieved in the circularity and recovery of non-hazardous waste and increase the recovery of hazardous waste, thereby reducing the amount we dispose of (ESRS E5-3 25). We have implemented voluntary recovery targets (applicable to our operations at TRG, S.L.U.) (ESRS E5-3 25) of 95% of non-hazardous waste and 65% of hazardous waste. These values are analysed monthly by the Industrial Committees at the TRG S.L.U. plants, the main producers of waste.

We are in constant contact with managers, laboratories and developers of new technologies to identify opportunities to exploit these generated streams.

Within the framework of the SMP, actions and goals are being defined at the Supplies and Purchases sub-division of the Supply Chain division to include more sustainable materials in

purchased, recycled and recyclable products. In addition, we collaborate with upstream and downstream service providers to meet all the needs and expectations in the plan to improve the rates we have achieved to date.

## Inflow of resources

(ESRS E5-4)

The resources used to manufacture the pipes include raw materials, scrap metal and ferroalloys, followed by large volumes of consumables such as refractory material and steel mill electrodes, rollers, drilling tips, discs and secondary material such as oils and lubricants. Other materials are included in the packaging of pipes, such as strips and plugs. Industrial and potable water alike are vital resources for manufacturing. (ESRS E5-4 30)

Liquid steel produced at the steel mill is converted into ingots and billet, raw material for our rolling facilities at the Productos and Tubos mills respectively. The value of components, interim products and secondary materials is not considered significant to our activities.

TUBOS REUNIDOS (ESRS E5-4 31a-b) did not use biological materials or products at its facilities in 2024.

The data used for the inflow of resources is taken from direct measurements on orders and the documentation of materials supplied by suppliers, which are converted to the appropriate units for their use in calculation formulas. (ESRS E5-4 32).

The management of information from suppliers through to its inclusion into databases and calculations is fully controlled to avoid duplication or overlapping between recycling and reuse categories. (ESRS E5-4 AR25)

Below, data is provided on the weight and percentage of materials used to manufacture pipes at the Group's facilities, dividing between recyclable and non-recyclable.

	Non-recyclable materials		Recyclable materials	
	t	%	t	%
<b>Tubos mill</b>	56,411.17	63.22	223,609	81.97
<b>Productos mill</b>	89.16	0.1	48,859	17.91
<b>TRPT</b>	43.43	0.05	326	0.12
<b>RDT</b>	32,686	36.63	0	-

Table 22. Recyclable and non-recyclable materials. (ESRS E5-4 30c)

## Resource outflows

(ESRS E5-5)

The total waste generated by TUBOS REUNIDOS in 2024 came to 297,416.65 tonnes, of which 2% was hazardous. We do not generate radioactive waste. (ESRS E5-5 39).

Total waste generated t 2024	
Plant	t
<b>Tubos mill</b>	263,138.1
<b>Productos mill</b>	33,957.1
<b>TRPT</b>	321.8
<b>RDT</b>	N/A

Table 23. Total waste (ESRS E5-5 37a)

	Hazardous waste (t)				Hazardous waste (t)			
	Hazardous waste not intended for disposal				Hazardous waste intended for disposal			
	Reuse	Recycling	Other recovery operations	Total	Incineration	Landfill	Other elimination tasks	Total
<b>Tubos mill</b>	-		2,829	2,829		1,144.4		1,144.4
<b>Productos mill</b>	-	12.57	164.55	176.6	9.66	16.76	374	400.42
<b>TRPT</b>	-	-	11.95	11.95	-	15.65	-	15.65
<b>RDT</b>	-	-	-	-	-	-	-	-
<b>Total</b>	-	12.57	3,005.83	3,017.55	9.66	1,176.8	374	1,560.47

	Non-hazardous waste (t)				Non-hazardous waste (t)			
	Non-hazardous waste not intended for disposal				Non-hazardous waste intended for disposal			
	Reuse	Recycling	Other recovery operations	Total	Incineration	Landfill	Other elimination tasks	Total
<b>Tubos mill</b>	1,440	30,890	224,011	256,341	-	2,822	-	2,822
<b>Productos mill</b>	21,851	2,757	7,940	32,548	-	831	-	831
<b>TRPT</b>	-	284	11	295	-	-	-	-
<b>RDT</b>	-	-	-	-	-	-	-	-
<b>Total</b>	23,291	33,931	231,962	289,184	-	3,653	-	3,653

Table 24. Waste and its treatment (ESRS E5-5 37b)

The total amount of non-recycled waste is 5,239 tonnes, representing 1.76% (ESRS E5-5 37d).

## Our piping solutions are durable and 100% recyclable.

### Products and materials

Our 100% recyclable piping solutions (ESRS E5-5 34a-36C-40). Proof of this is that the surplus material from the production process at our plants is raw material for the steel mill. In addition, steel is known for its durability. Our piping solutions are designed for applications that demand the highest quality and strength (ESRS E5-5 36a) and can be reintroduced as a raw material in steel mills like ours (ESRS E5-5 35). Steel pipes leave our plant as a raw material for other activities and their use is not subject to the same conditions as other consumer goods. Therefore, the reparability feature is not applicable to our products (ESRS E5-5 35).

All the materials we use to manufacture the pipes are fit for manufacturing and boast the necessary qualities. To ensure this, we work with suppliers who understand our needs and guarantee the end product.

Pipe packaging products are 100% recyclable materials such as steel, polyethylene, polypropylene, paper and cardboard. (ESRS E5-5 36c).

### Waste

We generate various hazardous and non-hazardous waste flows throughout the production process, with non-hazardous waste accounting for the highest volume. These include: metal waste, slag, steel powders, lubricants, oils and non-metallic solid waste. Managing them appropriately, prioritising their recovery, is key to minimising their impact on our environment (ESRS E5-5 38).

We understand the composition of our waste and, based on this, we prepare management and reduction plans, always looking for ways to recover the different materials (ESRS E5-534b). These are the materials present in the main waste generated by our production processes and in general in the sector (ESRS E5-5 38a):

- **Non-metallic solid waste:** includes materials such as worn refractories and other auxiliary components, which are once again integrated into the production process after re-manufacturing.
- **Metal waste:** mainly composed of steel leftovers that are introduced back into the process.
- **Slag and powders:** contain metallic oxides and other compounds resulting from melting and heat treatment. In the case of slag, waste is fully integrated into recovery streams and we work on the extraction of metals from powders for their recovery.
- **Lubricant residues and oils:** includes mineral and synthetic oils used in the manufacturing process. We are working to reduce the generation of these greases and oils at the source.

The characterisation of hazardous and non-hazardous waste is based on its chemical composition and is determined with all the hazard tests that establish the parameters for its classification in one category or another. The classification is included within the AAI and verified with the government. Waste generation calculations are based on accurate weighing data taken from exit scales and recorded in management platforms with the managers themselves, as well as on log data delivered annually as part of the Environmental Monitoring Plans to control such operations and as set out in the AAI. (ESRS E5-5 40).

TUBOS REUNIDOS reports that it does not generate radioactive waste. (ESRS E5-5 39)

The correct segregation and treatment of materials optimises our production processes, reduces costs of purchasing raw materials such as steel scrap and refractory materials, and reduces the consumption of raw materials and natural resources.

***“Respect and care for the environment is fundamental to the way we work. It is a commitment shared by all the Group's companies and essential for everybody's future”.***

Andoni Jugo, Industrial Director at the Tubos mill

# 06

## SOCIAL

## 6. SOCIAL

### Our people, our best energy

***“We want to ensure decent and stable work that takes place in a safe, diverse and inclusive environment, committed to its impact on the environment and on society”.***

Ekhi Etxeberria, HR Director

### 6.1 OWN STAFF - S1

**Our people's talent and commitment are our primary asset in becoming key players in sustainable transformation.**

All TUBOS REUNIDOS' staff (ESRS 2 SBM 3 14) are involved in the development and growth of the Group and are the architects of the industrial transformation that we are currently immersed in. They represent the talent that, each and every day, makes progress with our Strategic Plan possible and supports our business.

This Sustainability Report is disseminated to the Group's entire in-house staff (ESRS 2 SBM 2 12-14), which comprises all the contracted persons who work at the Group (ESRS 2 SBM 2 14a). In 2024, we had no non-employee workers. (ESRS S1-7)

Our social strategy is based on four pillars that reflect **our total commitment to the personal and professional development** of the TUBOS REUNIDOS team. This strategy is led by administrative, supervisory and senior management bodies, with the backing of the Human Resources Manager, who oversees the effective implementation of the development plan and respect for human rights amongst our own staff and the stakeholders with whom we interact (ESRS 2 SBM 2 12) (ESRS 2 SBM 3 13ai).

As part of the double materiality analysis carried out in 2023 and 2024, we considered the material topics that affect our own staff and other stakeholders. The results have highlighted actual and potential incidents on which we want to strengthen work actions and risk mitigation, and harness the opportunities offered by our business model and social strategy (ESRS 2 SBM-3 48 13a and b).

The negative material impacts detected as a result of the double materiality process involve possible incidents related to individual cases, specifically related to the professional development of in-house staff and the risk of accidents posed by the danger of any of the tasks carried out. (ESRS 2 SBM 3 14b).

The management of training and development programmes, the health and safety measures implemented and in development, awareness campaigns for occupational stress management and measures to reduce accidents at work are just a few of the activities planned by TUBOS REUNIDOS for our in-house staff to generate positive impacts as part of their professional activities at our facilities (ESRS 2 SBM 3 14c).

We have detected risks related to prevention and health and safety, as well as low production efficiency and high absenteeism rates. With the introduction of activities related to positive impacts, risks are minimised and we see opportunities for professional development, good practice management with health and safety programmes that generate confidence in our



own staff (ESRS 2 SBM 3 14d). None of the IRO resulting from the double materiality process can be traced to the CTP at TUBOS REUNIDOS. (ESRS 2 SBM 3 14e).

No risks of forced or child labour have been identified in any of TUBOS REUNIDOS' operations or regions where it does business. (ESRS 2 SBM 3 14f-g).

TUBOS REUNIDOS has considered its entire in-house staff as part of the overall IRO assessment, analysing the potential impact on all people regardless of their characteristics (ESRS 2 SBM 3 15-16). None of the IRO identified specifically affect a particular group among the company's staff.

As a complement to the double materiality analysis, the HR division performed a **Group diagnosis** from this perspective in 2024. The study, the results of which were presented to the Board of Directors, is based on four main aspects (ESRS SI-4 39):

- **Contracted staff:** analyses the Group's human talent, taking into account its organisational culture, role structure, competencies, level of commitment, motivation and the ability of employees to adapt to changes and achieve the strategic objectives.
- **Processes and digital transformation:** considers the efficiency and effectiveness of the division's internal processes, as well as their degree of digitisation and automation. This involves using technological tools to streamline workflows, improve decision-making and increase productivity.
- **Data analysis and management information:** examines the area's ability to collate, analyse and use relevant data in the strategic decision-making process. It also assesses the quality of information systems, data accessibility and the ability to generate reports and metrics to guide management.
- **Working environment:** considers the physical and psychological environment in which the team works. Factors such as working conditions, available tools, safety, collaboration, well-being and work-life balance are taken into consideration.

In addition, we have conducted a **risk analysis** related to socio-occupational aspects and the training and retention of talent, based on the following aspects (ESRS SI-4 39):

- **Social and occupational risks:** refer to the possibility of failing to comply with laws, labour regulations or collective agreements governing labour relations within the Group. They include, but are not limited to, topics such as breach of contract, employment rights, social security, working conditions, equal opportunities and occupational risk prevention (ESRS 2 SBM 2).
- **Talent and commitment risks:** associated with the difficulty of attracting, retaining and developing talent within the organisation. They include problems such as lack of motivation, low productivity, high staff turnover, lack of professional development, a shortage of critical skills and a loss of commitment, which could affect the Group's continuity and operational efficiency.

Following the results of the double materiality analysis, the diagnosis of TUBOS REUNIDOS from a social perspective and the risk analysis, we have adapted our Social Strategic Plan to meet the needs and expectations of **a key group: our own staff** (ESRS SI-4 36-37-38-40-43-44). The process for establishing the actions and goals has been the design and planning of this Plan

(ESRS SI-5 47). In turn, the deployment of planned actions generates implementation processes for each action (ESRS SI-4 38b), with the corresponding monitoring and assessment. These are managed by the HR division and integrated into the SMP included in the Strategic Social Plan. (ESRS SI-5 47b). Some of the actions planned to mitigate impacts and risks, and to harness opportunities, are described in ESRS SI-14.

The resources used to manage all planned actions are materialised in the deployment of the HR division, which leads, either independently or with other areas, each action, with investments and expenses detailed in the budget for the division and reported in the resources section of the SMP (ESRS SI-4 43).

Our main commitment is to guarantee the well-being of our staff and, therefore, the entire value chain, ensuring **high-quality and stable employment**. In 2024, the market situation, which had begun in 2023, required us to keep the furlough in place at TUBOS REUNIDOS GROUP S.L.U. plants throughout the year, and for part of the year at TRPT. All divisions are working to reverse this situation and achieve strong and stable production that helps us to continue work in our production centres. The management, supervisory and governing bodies are working hard to overcome this situation by adapting to changes, seeking sustainable solutions in markets and strengthening our customer alignment (ESRS SI-4 38b).

In line with our commitment to people, we are making progress in implementing **well-being and working environment management platforms** (ESRS SI-4 38a-c), studying market alternatives that help us measure the level of satisfaction amongst our team and gather feedback on the climate in the working environment (ESRS SI-4 47c). These tools will also help us to prevent rotation problems or work stress (ESRS SI-4 38b). To this end, we want to encourage the use of benefit portals for our employees, enhancing their satisfaction and sense of well-being.

**Digitisation** (ESRS SI-4 38a-c) is one of our strategic pillars, and this transformation also extends to the HR division. We are promoting tools that reduce administrative management time and bureaucratic red tape at the plants, optimising the time spent by staff on developing their own tools and improving their skills. This is in addition to data analysis tools that will help us manage performance objectives, goals, KPIs and annual reports. We prepare ourselves to issue approved communications in order to streamline sign-offs, centrally and remotely, in terms of agreements, policies and legal processes. Improved document management and human resources management software facilitates the management of all job information and employee relations digitally.

The **development of our team** is a strategic priority. We are committed to improving capabilities by using learning and digital development platforms to properly manage ongoing training for staff through online courses that assess and track progress in developing the different skills. To this end, our aim is to facilitate **remote and scalable training** (ESRS SI-4 38a-c). We evaluate work performance by generating performance reports that, combined with continuous feedback, allow us to set goals to continue developing talent.

We work with recruitment and selection companies, keeping us **connected to the labour market**. We promote our **“Empowering Talent”** project (ESRS SI-4 38a-c) both internally and externally, at fairs, employment forums and via other networks. TUBOS REUNIDOS is a large-scale industrial group with an attractive professional development plan that, we believe, positions us as a benchmark for attracting talent that wishes to support us in the sustainable transformation that we have designed and are deploying globally.

We guarantee that all actions designed are aligned with our corporate policies, contributing to the mitigation and elimination of risks and negative impacts and enhancing opportunities for growth and development, safety and well-being. (ESRS S1-4 41). We take into account all the needs and expectations of our in-house staff through the existing communication channels. Meetings with representatives of in-house staff (see ESRS S1-2) generate two-way communication that the HR division and other participating areas transfer to the action plans. (ESRS S1-5 47a-b).

The goals of the plan's actions will be described and updated as progress is made with implementing actions and we obtain results that serve as a basis for decision-making (ESRS S1-5 47a-b).

## **Policies relating to internal staff**

(ESRS S1-1 19)

As mentioned in Chapter 7, TUBOS REUNIDOS has a robust corporate governance model that has processes and mechanisms to manage any incidents that affect in-house staff.

Through our corporate website, we share policies that are mandatory for all staff and our stakeholders. These policies, along with other tools, help ensure decent and stable work that takes place in a safe, diverse and inclusive environment, committed to its impact on the environment and on society.

TUBOS REUNIDOS' **Corporate Policy of Respect for Human Rights**, approved by the Board of Directors on 25 July 2024, forms part of our Corporate Governance System. This is aligned with the Corporate Sustainability Policy in environmental, social and governance matters, with the Group's Code of Ethics, as well as with international standards such as the UN Universal Declaration of Human Rights, the Ten Principles of the Global Compact, the Sustainable Development Goals (SDGs), the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the OECD Guidelines on Responsible Business Conduct for Multinational Enterprises (ESRS S1-1 20-21). If there is a need to remedy human rights incidents, the process established at TUBOS REUNIDOS by the OIC, described in Chapter 7, is launched. (ESRS S1-1 20c).

TUBOS REUNIDOS does not have specific commitments related to inclusion or positive actions for persons belonging to groups with special risk of vulnerability, as our work is conducted in areas without special risk or effects on vulnerable groups (ESRS S1-1 24c).

The scope of this policy, the development of which can be found in Chapter 7 of the report, covers every company in the Group, including members of the Board of Directors, the management team, their own staff and any person who, directly or indirectly, maintains a relationship with the Group, regardless of their functional or hierarchical position (ESRS 2 SBM 2 12) (ESRS S1-1 19). All TUBOS REUNIDOS' staff must demonstrate complete respect for human rights as recognised by domestic and international legislation when working in any of the countries where we operate.

It is expected everyone working for the Group acts as a first line of defence for human rights, reporting any potential impact on rights or any breach of the Code of Ethics or of this policy, through the whistleblower channel enabled in the Internal Reporting and Whistleblower Protection System (ESRS S1-1 20b).

This policy sets out a series of principles that develop actions for the detection and treatment of human rights incidents, applying due diligence, respecting stakeholder relationships and extending the commitments undertaken throughout the value chain (ESRS S1-1 20 c).

Finally, it explicitly addresses key issues such as equality, the prevention of harassment (ESRS S1-1 24a), the rejection of forced labour, and the use of child labour and modern slavery (ESRS S1-1 22). It also covers discrimination based on gender, age, race, disability or any other related circumstance or condition (ESRS S1-1 24b).

These matters are also included in our Sustainability Policy.

On 7 February 2024, we signed up to the UN Global Compact, an agreement broadly described in this report that reinforces our commitment to respecting human rights and applying all labour, environmental and anti-corruption standards (ESRS S1-1 20).

While we have specific policies in place to eliminate discrimination and harassment (ESRS S1-1 24a) in particular, we have an **Equality Plan**, with a time horizon of 2023–2027, signed by the Equality Committee in 2023 and applicable to all TUBOS REUNIDOS' in-house staff (ESRS S1-1 24c). This is an instrument with which we want to integrate real equality by coordinating different strategies and actions that encourage their incorporation, continuity and development. Our management, supervisory and governing bodies are actively engaged to ensure that the needs, interests and opinions of staff regarding potential incidents are core to the definition of our business model (ESRS 2 SBM2 12). As part of our equality plan, we adopt commitments related to the channelling of information, measures of work-life balance and joint responsibility and the review of the professional categories at the Group.

In this regard, we have designed a **Protocol for the Prevention of and Response to Moral Harassment, Sexual Harassment and Gender-Based Harassment**. This protocol, communicated to internal staff who are the stakeholders to which it applies directly, promotes the elimination of any harassment in the workplace as part of a confidential and guaranteed process, always in line with the regulations in force and our Code of Ethics, which is available on the corporate website. It reinforces our zero-tolerance harassment policy and helps us to promote a workplace that is free from this type of behaviour. It also offers guidelines for identifying possible cases of harassment, resolving them quickly and minimising their consequences, ensuring confidentiality and respect for the rights of all parties involved. This protocol is part of our Compliance System and forms part of our occupational risk prevention and equality initiatives, and applies to everybody at TUBOS REUNIDOS.

We also have an **Integrated Management Systems Policy**, aligned with the guidelines established in the main international standards such as ISO 14001 (Environmental Management System), ISO 50001 (Energy Management System), ISO 9001 (Quality Management System), ISO 45001 (Occupational Health and Safety Management System) and IATF 16949:2016 for the automotive sector (ESRS S1-1 23). Among its effects, this policy establishes worker health and safety as a priority objective and makes in-house staff and contractor employees responsible for the prevention of occupational risks, both individually and based on their jobs, integrating preventive actions into all of their activities and decisions.

Finally, our environment and climate change policies form part of the Group's corporate governance system and are in line with the Corporate Sustainability Policy regarding environmental, social and governance matters and with the Code of Ethics, as well as the principles of the UN Global Compact, the Sustainable Development Goals and the OECD Guidelines for Multinational Enterprises. Our commitment to respecting the environment and

fighting climate change aims to establish the basis for minimising the impact of our business on the environment and our stakeholders.

For more information on the other policies and procedures, see Chapters 3 and 7 of the report.

## **Dialogue and participation**

(ESRS S1-2)

At TUBOS REUNIDOS, our aim is to go beyond strict compliance with the law in relation to our reporting duty in the legally provided terms, fomenting the values of participation, commitment, responsibility and sense of belonging. We believe that strengthening these principles enhances maturity and transparency in decision-making processes.

During the implementation of the double materiality process, surveys conducted with the company staff have supplemented communications with their representatives with a view to establishing an action plan and correcting the real and potential impacts detected. (ESRS S1-2 27)

The Director of Human Resources is ultimately responsible for ensuring the collaboration, dialogue and participation of all TUBOS REUNIDOS' staff and for conveying the needs and expectations of its in-house staff to the Steering Committee, and as a result, to the CEO who then reports to the Board of Directors (ESRS S1-2 27 c).

As part of the collaboration with workers' representatives (ESRS S1-2 27a) on actual and potential incidents involving in-house staff, we have created spaces for dialogue and listening between management and our social services (ESRS S1-2 27 c) through the following channels and forums, the frequency of which differs depending on the applicable regulations (ESRS S1-2 27 a, b):

- Work committees
- Joint committee
- Equality Plan Negotiation Committee and the Equality Plan Monitoring Committee (ESRS S1-2 28)
- Occupational health and safety committee
- Ordinary meetings
- Extraordinary meetings

As part of the formalisation of each of these phases or systems of communication between workers' representatives and the Labour Relations division, interests and opinions are generated that are escalated to the division's management team, which guarantees collaboration and the handling of relevant issues in the lines of action designed for their management (ESRS S1-2 27e).

In relation to the areas in which internal staff are required to collaborate, we have online and two-way communication channels via email and the Sharepoint platform, face-to-face channels through departmental and multidisciplinary meetings etc. for contracted staff.

In the case of non-employee workers, in addition to any coordination and monitoring meetings for the provision of services that may be required by TUBOS REUNIDOS, the mandatory duty of compliance and cooperation in the coordination of business activities allow for the unification and centralisation of all relevant documentation and information on the

business activity coordination platform, CAE. This ensures the performance of professional services that comply with the required safety standards and information that are essential for effective work.

## Internal reporting channel

(ESRS S1-3)

Pursuant to Law 2/2023 of 20 February on the protection of persons reporting breaches, we implemented and disclosed an internal **information system** at TUBOS REUNIDOS in 2023 (see ESRS G1-3-18 in Chapter 7), which was designed, set up and managed securely. This system (ESRS S1-3 32a-e-33):

1. Ensures the **confidentiality** of the whistleblowers' and any other parties' identity mentioned in the communication, as well as the actions undertaken, ensuring data protection and preventing access by unauthorised employees.
2. Enables written or **verbal communications, or both**.
3. **Integrates** the various internal information channels.
4. Sets out the **guarantees** to protect whistleblowers.
5. Establishes **a procedure for managing** the information received.

One of the pillars of this internal information system is the **whistleblower channel** (ESRS G1-1 10ci) (formerly known as the complaints channel), which was implemented in 2023. It can be accessed via our corporate website (ESRS S1-3 33), which has a prominent place in our training (ESRS G1-3-20). In-house staff are provided with information through internal communications and intranet publications.

Staff are aware of and trust these communication channels to raise their needs and expectations, as disclosed in ESRS S1-2 on dialogue and participation.

We have a policy that can be consulted on the corporate website on our internal reporting and whistleblower protection system, which complies with the requirements of Law 2/2023 on the protection of whistleblowers with regard to regulatory violations and the fight against corruption. Through this policy, which forms part of the Group's compliance system, the Board of Directors determines the essential elements of the reporting system and the operating principles that govern it. It promotes a culture of active communication with our in-house staff and other stakeholders, thus guaranteeing the protection of whistleblowers against possible reprisals. (ESRS S1-3 33). One of its guiding principles is the protection of whistleblowers reporting any serious or very serious administrative or criminal violations in good faith.

For more information (ESRS S1-32a-32e), refer to the *Prevention and Detection of Corruption and Bribery* section (ESRS G1-1 ESRS G1-3) in Chapter 7.

## Characteristics of contracted employees

(ESRS S1-6)

TUBOS REUNIDOS is aware that the success of our business and our future strategy is based on people, which is why we are committed to the talent of our team. In 2024, we had more



than 1,400 employees distributed across our plants in Spain and the United States, the highest number of which were in Spain (ESRS-S1-6-50a).

We understand that job stability is key, so **88% of our workforce is permanent staff**, while only 12% are on a temporary contract (ESRS-S1-6-50b-i-ii-iii-AR55). Compared to 2023, the proportion of workers on permanent contracts has decreased slightly, mainly due to the furloughs applied during several periods of the year at the Spanish plants (ESRS S1-6 e).

Ninety-eight percent of contracted employees work full time and the remaining 2% work part time, mostly on relief contracts.

Temporary contracts are mainly used to for people covering for long-term temporary disability or family leave (ESRS-S1-15-93b).

The workforce at TUBOS REUNIDOS is largely made up of workers aged between 30 and 50. Workers over 50 make up the next biggest group. Twenty percent of employees under the age of 30 perform duties in one of the positions classified as manager, supervisor or technician (Appendix 1.1).

We believe in equal opportunities and support initiatives that promote the participation of women in the steel sector. Today, we have more than 130 women at our plants, mainly in the administrative area. However, despite being a traditionally male sector, the presence of women amongst operational staff is on the up (23 women in 2024 compared to 22 in 2023). In total, 9.63% of our workforce is female (ESRS-S1-6-50a-AR55).

The workforce data reflects the situation at the end of the reference period, taking into account only active contracted staff as at 31 December 2024. The data presented represents the total number of people, with no distinction in relation to the working day category, i.e., without applying the equivalence to the number of full-time employees. For this calculation, relief contracts are considered part-time temporary contracts (ESRS S1-6-50d).

The Group's average workforce and the number of members on the Board of Directors are as follows

	2024	2023
Contracted employees	1,384	1,399
Directors	11	11
<b>TOTAL</b>	<b>1,395</b>	<b>1,410</b>

Table 25. Average total number of employees (ESRS S1-6-50f):

Table 26 represents the distribution by category between men and women amongst the Group's own staff and directors at 31 December 2024 and 31 December 2023. Staff as at 31/12/2024 are indicated in note 21 of the Consolidated Report, which reflects staff at year-end by gender, and Note 1 of the Consolidated Management Report. (ESRS S1-6 50f).

	31/12/2024			31/12/2023		
	Women	Men	Total	Women	Men	Total
Contracted employees	135	1,267	1,402	132	1,244	1,376
Directors	4	7	11	4	7	11
<b>TOTAL</b>	<b>139</b>	<b>1,274</b>	<b>1,413</b>	<b>136</b>	<b>1,251</b>	<b>1,387</b>

Table 26. Distribution by category between men and women

#### EMPLOYEES BY GENDER AT THE END OF THE REFERENCE PERIOD

Gender	Contracted employees		Percentage representation	
	2024	2023	% 2024	% 2023
Men	1,267	1,244	90.37%	90.41%
Women	135	132	9.63%	9.59%
Other	0	0	0.00%	0.00%
Not communicated	0	0	0.00%	0.00%
<b>TOTAL</b>	<b>1,402</b>	<b>1,376</b>	<b>100.00%</b>	<b>100.00%</b>

Table 27. Employees by gender at the end of the reference period *ESRS-S1-6-50a-AR55 ESRS 2 SBM 1-40a*iii

#### EMPLOYEES BY COUNTRY AND GENDER AT THE END OF THE REFERENCE PERIOD

COUNTRY	2024			2023		
	Men	Women	Total	Men	Women	Total
Spain	1,205	129	1,334	1,178	125	1,303
United States	62	6	68	66	7	73
<b>TOTAL</b>	<b>1,267</b>	<b>135</b>	<b>1,402</b>	<b>1,244</b>	<b>132</b>	<b>1,376</b>
<b>% TOTAL</b>	<b>90.37%</b>	<b>9.63%</b>	<b>100.00%</b>	<b>90.41%</b>	<b>9.59%</b>	<b>100.00%</b>

Table 28. Employees by country and gender at the end of the reference period (ESRS-S1-6-50a-AR55)



**EMPLOYEES, BY CONTRACT TYPE AND GENDER, AT THE END OF THE REFERENCE PERIOD**

TYPE OF CONTRACT	2024				2023			
	MEN	WOMEN	TOTAL	% TOTAL	MEN	WOMEN	TOTAL	% TOTAL
Permanent contracted employees	1,120	120	1,240	88%	1,130	121	1,251	91%
Temporary contracted employees	147	15	162	12%	114	11	125	9%
Employees with unsecured hours	0	0	0	0%	0	0	0	0%
<b>TOTAL</b>	<b>1,267</b>	<b>135</b>	<b>1,402</b>	<b>100%</b>	<b>1,244</b>	<b>132</b>	<b>1,376</b>	<b>100%</b>

Table 29. Employees by contract type and gender (ESRS-S1-6-50b-i-ii-iii-AR55)

**EMPLOYEES BY COUNTRY AND CONTRACT TYPE AT THE END OF THE REFERENCE PERIOD**

TYPE OF CONTRACT	2024				2023			
	SPAIN	UNITED STATES	TOTAL	% TOTAL	SPAIN	UNITED STATES	TOTAL	% TOTAL
Permanent contracted employees	1,172	68	1,240	88%	1,178	73	1,251	91%
Temporary contracted employees	162	0	162	12%	125	0	125	9%
Employees with unsecured hours	0	0	0	0%	0	0	0	0%
<b>TOTAL</b>	<b>1,334</b>	<b>68</b>	<b>1,402</b>	<b>100%</b>	<b>1,303</b>	<b>73</b>	<b>1,376</b>	<b>100%</b>

Table 30. Employees by country and contract type (ESRS-S1-6-51-AR55)

**EMPLOYEES, BY WORKING HOURS, GENDER AND COUNTRY, AT THE END OF THE REFERENCE PERIOD**

WORKING HOURS CATEGORY	2024				2023			
	SPAIN		UNITED STATES		SPAIN		UNITED STATES	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Part time	22	4	0	0	17	7	0	0
Full time	1,183	125	62	6	1,161	118	66	7
<b>TOTAL GENDER</b>	<b>1,205</b>	<b>129</b>	<b>62</b>	<b>6</b>	<b>1,178</b>	<b>125</b>	<b>66</b>	<b>7</b>
<b>TOTAL COUNTRY</b>	<b>1,334</b>		<b>68</b>		<b>1,303</b>		<b>73</b>	

Table 31. Employees by working hours, gender and country (ESRS-S1-6-52a-b)

## Turnover of contracted staff

(ESRS-S1-6-50c-AR59)

Staff turnover is a key indicator for assessing job stability, employee satisfaction and the effectiveness of talent retention policies. During 2024, the turnover rate stood at 3.76%, equivalent to approximately 52 departures, attributable to different reasons, including:

- Resignation
- Leave of absence
- Dismissal
- Retirement
- Death

TOTAL DEPARTURES	
2024*	2023
52	90

Table 32. Total departures (ESRS-S1-6-50c AR59)

*\* Compared to the data for 2023, the total number of departures in 2024 includes only resignations, leaves of absence or those arising from dismissal, death or retirement, excluding departures involving persons who had exhausted the total time allowed for temporary disability.*

TURNOVER RATE	
2024	2023
3.76%	6.41%

Table 33. Turnover rate (ESRS-S1-6-50c AR59)

The turnover rate is calculated by dividing the total number of departures during the reference period by the average contracted staff during the same period, multiplying the result by 100.

## Right to collective bargaining, association and social dialogue

(ESRS S1-8)

In general, our attractiveness as an employer is reinforced by the application of **collective company agreements and/or pacts** that improve the provisions established, both in terms of employment legislation and industry agreements.

As such, relationships between the company and workers' representation are based on mutual respect, openness to listening and dialogue, as well as on recognition of the legitimacy of the parties, pillars that strengthen negotiation, providing the collective agreement (ESRS S1-2 27d) of effectiveness and priority for the establishment of rights and duties between the parties. Consequently, collective agreements seek to:

- Promote **fair and equitable labour relations**;
- Foment **job stability**;
- Contribute to the **economic and social well-being** of employees.
- Adapt **working conditions** to the reality of the company.

All of our workers have a collective company agreement as their reference framework or, failing that, a company agreement (ESRS S1-8 60a). Note that the existing collective agreements and pacts at Group companies apply to all persons who are subordinate and provide a service, regardless of the type of contract, professional group or job position.

#### DISCLOSURE OF INFORMATION ON THE COVERAGE OF COLLECTIVE BARGAINING AND SOCIAL DIALOGUE

COLLECTIVE BARGAINING COVERAGE			SOCIAL DIALOGUE
COVERAGE RATE	EEA CONTRACTED EMPLOYEES	NON-EEA (US) CONTRACTED EMPLOYEES	WORKPLACE. REPS*
0-19%		United States (0%)	
20-39%			
40-59%			
60-79%			
80-100%	Spain (88.23%)		Spain (98.88%)

\*Spain only

Table 34. Collective bargaining coverage (ESRS-S1-8- 60 a: b: c; 63a – AR70)

TUBOS REUNIDOS has no agreement in place with its employees for representation by a European Company, European economic interest grouping or European cooperative society committee (ESRS S1-8 63 b).

### Social benefits

(ESRS S1-11)

We improve the protective action of our staff with a **voluntary component and a complementary one**. The first stems from the joint desire expressed in the collective agreement to increase the basic protective action of the social security system. The second relates to an improvement in the benefits granted by the public system, whether extending their scope or covering the protection of excluded cases.

By doing so, we offer our employees a series of social benefits including life and medical insurance, disability or disability coverage, temporary disability improvement and a pension fund (ESRS S1-11 74 AR75).

## Work-life balance metrics

(ESRS S1-15)

TUBOS REUNIDOS is firmly committed to promoting the well-being of our people by encouraging a work-life balance. We strive to promote shared responsibility in the exercise of family obligations through work-life balance and flexibility measures that facilitate a balance between both areas (professional and personal), taking into account the specific circumstances of each case, both in terms of the activity carried out, the complexity of the work system recognised or where the activity is undertaken.

These measures are reflected in the current labour regulations, in the conventional framework applicable in each case, as well as in individual agreements. The main measures taken include flexibility in relation to starting and finishing times, adaptation of the working day and, in relation to corporate positions, the option to choose the most appropriate working location.

**All employees at TUBOS REUNIDOS are entitled to work-life balance measures for family reasons.** (See their breakdown by gender below) (ESRS-S1-15-93b).

### % OF EMPLOYEES ENTITLED TO TAKE LEAVE FOR FAMILY REASONS

TOTAL CONTRACTED EMPLOYEES	ELIGIBLE CONTRACTED EMPLOYEES	% ENTITLED
1,402	1,402	100.00%

Table 35. Family leave (ESRS-S1-15-93a)

### % ENJOYMENT OF LEAVE FOR FAMILY REASONS

TYPE OF LEAVE	MEN	WOMEN	TOTAL	% MEN	% WOMEN	% OF TOTAL EMPLOYEES
maternity leave	0	6	6	0.00%	0.43%	0.43%
paternity leave	55	0	55	3.92%	0.00%	3.92%
parental leave	22	2	24	1.57%	0.14%	1.71%
leave for caregivers	0	0	0	0.00%	0.00%	0.00%
<b>TOTAL</b>	<b>77</b>	<b>8</b>	<b>85</b>	<b>5.49%</b>	<b>0.57%</b>	<b>6.06%</b>

Table 36. Family Leave (ESRS-S1-15-93b)

## Adequate wages

(ESRS S1-10)

All the Group's employees are subject to a collective agreement or company agreement, which means **more favourable salary conditions** than those established in industry-wide agreements or in the necessary minimum right rules. In short, they have improved remuneration compared to the applicable benchmarks (ESRS S1-10 69).

We offer competitive remuneration, governed by agreements approved in 2023, and scaled according to the duties and responsibilities associated with each position.

## Remuneration parameters

(ESRS S1-16)

Average remuneration was €54,038, compared to €54,685 in the previous year. In this sense, the salary at all Group companies considerably exceeds the sector average and, in all instances, far exceeds the corresponding minimum wage level (ESRS S1-10 68).

When breaking down this data by gender, the pay gap between men and women stood at -3.23%, after being -3.29% in 2023 (ESRS S1-16 97a).

PAY GAP (€)		
YEAR	GAP IN €	% GAP
2024	€-1,738.48	-3.23%
2023	€-1,794.00	-3.29%
2022	€816.00	1.75%

PAY GAP (€) 2024 BY COUNTRY		
Country	Gap in €	% gap
Spain	€-2,269.98	-4.51%
United States	€12,231.31	17.73%
<b>TOTAL</b>	<b>€-1,738.48</b>	<b>-3.23%</b>

Table 37. Pay Gap (ESRS S1-16 97a)

This data reveals significant progress in salary equity and professional development within the Group, reflecting our recognition of our workforce's professional performance.

## Diversity and equal opportunity

### Equality parameters

(ESRS S1-9)

Equality is essential to creating a diverse and inclusive work environment. To this end, as we have mentioned, our **Equality Plan** (ESRS S1-1) ensures respect and non-discrimination within our organisation.

TUBOS REUNIDOS values and promotes diversity in all its forms, including gender, culture, thinking, origin, religion and ethical principles. This commitment extends not only to our team, but to all parties involved, including suppliers and contractors, encouraging mutual respect and dialogue in every interaction at all times.

Chapter 7 explains the gender distribution in senior management, comprising the Board of Directors and the Steering Committee (ESRS S1-9 66a-AR71), in the section on Structure and Functions of Governing Bodies.

### Female role models

The General Secretary, Legal Advisory Director and Head of the Group's Internal Information System, Inés Núñez de la Parte, has participated over the course of the year in different forums organised by institutions such as Deusto Business School and the IESE School of Trustees, amongst others. On these, she has had the opportunity to share her vision and experience in key areas such as corporate governance, international commercial procurement and updating internal information systems, contributing to the dissemination of knowledge in society and the training of new generations of professionals who are committed to business innovation.

This year, as part of our collaboration with UNESID, we have formed part of the **“Women of Steel” programme**, an initiative that showcases the achievements and challenges of women's employment in the iron and steel sector, traditionally known for its strong male presence. As part of the 2024 edition, a women's discussion forum on equality in this area was set up and we have spoken out, with other professionals, as part of a workshop to analyse how this industry tackles digitisation processes, in which TUBOS REUNIDOS' Data and AI Manager, Monica Martin, spoke about the main lines of work in our digital transformation strategy.

CONTRACTED EMPLOYEES BY AGE AND GENDER												
YEAR	UNDER 30				30 TO 50				OVER 50			
	MEN	WOMEN	TOTAL	% TOTAL	MEN	WOMEN	TOTAL	% TOTAL	MEN	WOMEN	TOTAL	% TOTAL
2023	49	8	57	4%	883	96	979	71%	312	28	340	25%
2024	45	10	55	4%	870	89	959	68%	352	36	388	28%

Table 38. Employees by age and gender (ESRS-S1-9-66b)

## Persons with disabilities

(ESRS S1-12-77;80)

We are aware of the challenges we face in relation to our contribution to the integration and accessibility of people with functional diversity. Although our activity is not accessible to people with disabilities, integration is the clear focus for more administrative positions.

In 2024, we had seven workers with officially recognised disabilities in the workforce, the same number as in 2023.

TUBOS REUNIDOS complies with legal regulations in force, ensuring an accessible work environment for all.

To disclose the data concerning disabilities, we only include persons with a degree of disability of more than 33%, who are officially recognised as having a disability. Permanent disabilities are not included in the data (ESRS S1-12AR-79).

CONTRACTED EMPLOYEES WITH DISABILITIES						
YEAR	CONTRACTED EMPLOYEES WITH DISABILITIES			% OF TOTAL EMPLOYEES		
	MEN	WOMEN	TOTAL	% MEN	% WOMEN	% TOTAL
2023	6	1	<b>7</b>	0.48%	0.76%	0.51%
2024	6	1	<b>7</b>	0.47%	0.74%	0.50%

Table 39.40 Contracted employees with disabilities (ESRS-S1-12-79)

## Training and skills development metrics

(ESRS S1-13)

In line with our commitment to the continuous professional development of our own staff, we have implemented a comprehensive series of training and awareness-raising activities aimed at enhancing their skills and increasing their employability over time (ESRS S1-13 82).

The main focus in regard to the development and training of our employees is on the Group's strategic principles: **leadership, digitisation, occupational risk prevention and sustainability**. These were the main pillars of our training strategy in 2024 (ESRS S2 SBM2 12).

This holistic approach not only improves individual competencies, but also strengthens our collective capacity to successfully face the challenges of the future.

All staff have had access to these training activities, with a particular emphasis on contracted employees. Sessions were imparted in the form of face-to-face, online and mixed sessions, adapting to the needs at any given time.

The **highly specialist programmes** that we developed during this year in key areas are worth particular mention. These areas include:

- **Occupational risk prevention:** with a focus on security and regulatory compliance.
- **Specific technical courses:** to strengthen the capabilities of our factory staff, such as the TIA Portal training programme.
- **Training in compliance with preventive requirements provided by law:** such as those established in the metalworks collective bargaining agreement.
- **Specific training in R&D:** aimed at expanding knowledge and skills in the development of innovative products.
- **Programmes focused on digitisation:** a strategic pillar of our organisational transformation.
- **Training in electrical hazards:** specifically aimed at our electrical maintenance staff.

All programmes offered are certified by official authorities and have contributed to the improvement of the technical skills and employability of participants.

In terms of investment and dedication, the training hours reflects the Group's continuous commitment to our workers' education; in 2024, **more than 15,480 hours of training were imparted** across all of our plants, equivalent to around 11 hours of training per employee.

All non-union staff participated in performance assessments, maintaining an annual quantitative assessment. Assessments in the industrial area are performed in relation to promotions, changes in position and the like so that we can reflect on-the-job learning and professional development.

#### % OF PARTICIPANTS IN PERIODIC PERFORMANCE AND CAREER DEVELOPMENT ASSESSMENTS

GENDER	2024		2023	
	No. PARTICIPANTS	% PARTICIPANTS BY GENDER	No. PARTICIPANTS	% PARTICIPANTS BY GENDER
men	434	75.74%	180	75.63%
women	139	24.26%	58	24.37%
<b>TOTAL PARTICIPANTS</b>	<b>573</b>		<b>238</b>	
<b>% OF PARTICIPANTS OF TOTAL EMPLOYEES</b>		<b>41%</b>		<b>17%</b>

Table 41. Gender-based professional development assessments (ESRS-S1-13-83a)

#### AVERAGE HOURS OF TRAINING PER GENDER

GENDER	2024			2023		
	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING
men	13559	1267	11	10296	1244	8
women	1922	135	14	1747	132	13
<b>TOTAL</b>	<b>15481</b>	<b>1,402</b>	<b>11</b>	<b>12043</b>	<b>1376</b>	<b>9</b>

Table 42. Training hours by gender (ESRS-S1-13-83b)



#### HOURS OF TRAINING BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2024			2023*		
	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING
operations staff	9,321	976	10	1,869	956	2
administrators and middle management	4,295	264	16	7,075	268	26
managers, supervisors and technicians	1,865	162	12	3,100	152	20
<b>TOTAL</b>	<b>15,481</b>	<b>1,402</b>	<b>11</b>	<b>12,043</b>	<b>1,376</b>	<b>9</b>

Table 43. Training hours by professional category (ESRS -S1-13-84)

#### % OF PARTICIPANTS IN PERIODIC PERFORMANCE AND CAREER DEVELOPMENT ASSESSMENTS BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2024		2023	
	No. PARTICIPANTS	% PARTICIPANTS	No. PARTICIPANTS	% PARTICIPANTS
operations staff	354	<b>61.78%</b>	104	<b>43.70%</b>
administrators and middle management	68	<b>11.87%</b>	35	<b>14.71%</b>
managers, supervisors and technicians	151	<b>26.35%</b>	99	<b>41.60%</b>
<b>TOTAL PARTICIPANTS</b>	<b>573</b>		<b>238</b>	

Table 44. Career development assessments by professional category (ESRS-S1-13-8)

## Health and safety

(ESRS S1-14)

Respect for the health and safety of our staff is one of our core values, as well as one of our top priorities and strongest commitments. It is a crucial material issue in the double materiality analysis (detailed in Chapter 4) and a core aspect of our Strategic Plan. This scope includes all the key elements of developing our business and activities.

### Our principles:

- Health and safety as values, with the goal of “**zero accidents**” and working safely at all times.

- Committed management overseeing health and safety as a business aspect (ESRS 2 SBM2 12; SBM3 13).
- Health and safety as a **factor** in all decisions taken. (ESRS 2 SBM2 12; SBM3 13).
- The occupational health and safety **training** of all staff, as well as the training and integration of the value chain (ESRS S1-13 81) (ESRS S2-4 32 33b).
- **Compliance with current legislation**, achieving objectives and obtaining health and safety certifications.
- Commitment to the **community and the environment**.

TUBOS REUNIDOS works closely with regulatory authorities and specialised agencies to ensure our policies and procedures not only align with regulatory requirements but also with industry best practice. In this sense, we recently collaborated with a renowned organisation that had developed and promoted different models and methodologies aimed at improving workplace safety. This collaboration provided safety training programmes, risk assessment tools and management practices that have contributed significantly to improving our occupational health and safety performance.

Since 2020, we have been running the “**Excellence in Safety**” project, implementing new safety management tools and optimising existing tools. This is with a view to strengthening the preventive culture at the organisation to achieve better loss ratios, with the firm conviction that all accidents are preventable.

The list below details some of the work we did in 2024 as part of this framework (ESRS-S1 and S2, ESRS-2 SBM-2 12, SBM-3 (48) 13) (S1 ESRS SMB-2 12 SBM-3 13) (ESRS S1-4 38–40):

- **10 rules that save lives:** Once the 10 key regulations to avoid potentially serious accidents were defined, outreach, communication and awareness-raising actions were implemented to ensure that 100% of the workforce is aware of them and to incorporate them into the preventive culture at TUBOS REUNIDOS.
- **European Week for Safety and Health at Work:** With the aim of increasing visibility and raising awareness about occupational health and safety, we once again took part in this awareness-raising week in October, with preventive activities being carried out at all levels across the Group. As part of this initiative, we stepped up our dedication to achieving ever safer workspaces. The scheduled activities included drills, information campaigns on the use of PPE (Personal Protective Equipment), inspections and information meetings.
- **Safety dialogues:** a tool based on communication and observation with which we aim to motivate, promote dialogue and improve integration. This is done with a view to making real and potential risks evident so we can attack them at the root.
- **Pre-shift talks:** regular talks between line managers and their respective teams to promote a health and safety culture and enhance awareness of existing risks, relaying incidents, improvements and lessons learnt, along with other preventive material across all levels of the company.
- **Pre-task talks:** For particularly hazardous activities, pre-task talks are held to analyse the existing risks and measures to be taken, and to reinforce the rules to be followed, based on the life-saving rule: “Think, evaluate and act” (ESRS S1, ESRS SMB-2 12, SBM-3 13) .
- **Awareness campaigns:** In accordance with a pre-established plan, we periodically launch awareness campaigns to increase awareness of the risks involved in relatively everyday situations that can cause minor accidents (S1 ESRS SMB-2 12, SBM-3 13; ESRS S2-2 21 S2-3 25–27).

- **Work permits for particular hazards:** We have implemented a specific process to obtain permits for work defined as “particularly hazardous” to ensure optimum safety conditions for the work before it begins (ESRS S2-2 21 S2-3 25-27).
- **Drills:** we hold numerous drills at our plants to practise the procedures to follow in the event of an emergency. Should one occur, we can respond quickly and effectively, minimising any potential damage to people and property.
- **Safety tips:** Different tools have been implemented for staff members to inform the company or highlight any safety-related issues or improvements, deploying specific action plans (S1 ESRS SMB-2 12, SMB-3 13).
- **Communication plan:** an annual plan is available, which is deployed monthly, to inform and raise awareness on occupational safety and health matters among all workers (ESRS SMB-2 12, SBM-3 13; ESRS S2-2 21 S2-3 25-27).

## OHS Policy and Management System based on ISO 45001

TUBOS REUNIDOS has an **Integrated Quality, Environment, Occupational Health and Safety and Energy Policy**. This policy is consistent with the Group's principles mentioned above and with the established indicators, to which annual objectives are assigned and monitored in different forums.

We have been managing prevention for a number of years, based on internationally renowned standards like ISO and OHSAS. We are currently working under an ISO 45001 inspired Occupational Health and Safety Management System, certified by an accredited body that assists us in audits on the process of continuously improving our health and safety system.

### Identification and assessment of health and safety risks

We have procedures to detect, assess and prevent risks at our facilities, which are continuously reviewed and updated. These procedures assign different risk-related parameters to routine or specific tasks, such the likelihood of occurrence and potential severity levels of a hypothetical accident.

### Consolidation of in-house prevention services

The consolidation of prevention services at our different work centres has enabled us to adopt best practices and generate synergies, thereby increasing our internal response capacity and making it more efficient.

### Health and safety for workers in the value chain

We continue to make progress towards establishing comprehensive accreditation for contractors, covering different areas of particular consideration, from coordinating business activities to designing performance assessments and establishing joint routines in high-risk activities.

We have implemented a variety of preventive measures in coordination with our subcontracted companies, such as regular meetings with the main contractors. We exercise significant control over health and safety through the implementation of internal audit programmes, ensuring compliance with established standards and programmes. Moreover,

we have an incident and accident communication tool that facilitates rapid responses to and prevention of occupational risks, promoting a safe and healthy environment for the entire workforce.

As part of the previously established business activity coordination process, service companies performing work at TRG S.L.U. facilities are kept informed at all times of our occupational risk prevention and other policies. They are also informed of the risks to which their workers may be exposed as a result of the services they provide, as well as the joint measures to follow in line with the basic prevention rules.

## Health and Safety Committee and other committees

(ESRS S1-3)

TUBOS REUNIDOS plants have a **Health and Safety Committee** consisting of prevention delegates and managers from the different areas. Its main objective is to improve conditions at work with a view to minimising accidents, with the firm conviction that all accidents can be prevented.

As a joint body, the committee's main duty is to identify any occupational health and safety incidents, acting as a reinforcement and supervisory element for actions implemented.

Each Health and Safety Committee meets at least quarterly. Thirteen meetings were held during the reporting year across all committees.

In addition, as part of the "Excellence in Safety" programme, we hold regular meetings with project management and prevention officers to keep them informed about progress and any new tools, all of which is part of our consultation and participation activities.

In addition to this legally established participation and consultation body, regular meetings are held in the different production areas on specific prevention subjects, where incidents, improvements or any matters related to safety are addressed. They involve employees, employee representatives and the managers of the different areas.

In addition, an **Executive Safety and Health Committee was created** in 2024 with senior management. It focuses exclusively on occupational health and safety and meets periodically to analyse incidents, assess risks, and generate corrective actions and processes for their remediation (ESRS S1-3 26; ESRS S1-8).

## Prevention training

Throughout 2024, we significantly strengthened health and safety training. This included coaching sessions to increase the preventive culture, more specific technical sessions on particularly hazardous activities and managing work teams.

Our **Training Plan** includes a section dedicated exclusively to occupational health and safety.

All new recruits receive comprehensive training as part of the onboarding plan, ensuring that the fundamental principles of prevention and care in the workplace are understood and applied from day one.

## Human rights-related incidents, complaints and serious incidents

There were no serious human rights-related incidents, complaints or events in 2024 (ESRS S1-17) (see Chapter 7. Governance ESRS G1-4-22:24). As a result, the total cost of fines, penalties and compensation for 2024 came to €0.00 (ESRS S1-17 103c).

2024	Contracted workers	Non-employee workers	Total in-house staff
Percentage of in-house staff members covered by the company's health and safety management system, based on recognised legal requirements or standards or guidelines	100%	100%	100%
Number of deaths resulting from work-related injuries and health problems	-	-	-
No. of accidents resulting in sick leave	63	-	63
No. of accidents not resulting in sick leave	84	-	84
Total no. of accidents	147	-	147
Total no. of hours worked	1,868,552	-	1,868,552
Rate of recordable work accidents	79	-	79
Number of occupational diseases declared in 2024	3	-	3
Days of leave due to work-related accidents and occupational illness	3,025	-	3,025

Table 45. Health and Safety Metrics (ESRS S1-14 88a-b-c-d)

## 6.2 VALUE CHAIN WORKERS - S2

We know that the workers in our value chain play an important role in the success of our operations. Their well-being, safety and development are essential to strengthening TUBOS REUNIDOS' resilience and competitiveness.

As part of the double materiality analysis performed in 2023 and 2024, we considered the material topics that affect both our own staff and these workers, as well as other stakeholders. The results obtained enabled us to understand the real and potential issues we wanted to focus on to strengthen our actions, mitigate risks and harness the opportunities that our business model and our social strategy provide (ESRS 2 SBM 3 48 10a and b).

The double materiality process includes the IRO related to all people who work in the supply chain. Through the channels set up and surveys carried out, we ensure that their needs and expectations are also heard, considered and incorporated in the PDS and Group strategy (ESRS 2 SMB-3 10 a, b).

Goods and services suppliers, employees in our main business and downstream managers make up this group. Due to their importance (ESRS 2 SBM 3 11a), suppliers of scrap metal and iron are worth particular mention, along with those who supply other raw materials, consumables and essential services. Elsewhere, our core business includes all contractors operating at our facilities, performing activities such as treating raw materials for management in the steel mill, safety, maintenance, cleaning, slag treatment and internal waste management.

As mentioned in the following section, our corporate policy of respect for human rights and the Code of Ethics for Suppliers place measures against child or forced labour in the hands of the corresponding managers (ESRS 2 SMB 3 -11b).

Negative IRO detected in the double materiality process are covered by the application of corporate policies and the contracting process at TUBOS REUNIDOS, as part of which we seek to promote, protect and ensure compliance with human rights throughout the value chain (ESRS 2 SMB-3 11c). As the IRO have been identified for the Group as a whole, these conditions extend to all groups, without distinction as to the country or region (ESRS 2 SMB 3 -12-13). (See table listing IRO in Chapter 4).

Positive IRO, in turn, reflect our efforts to establish strict supplier selection and approval processes to ensure a decent, safe and reliable working environment. In short, the purpose of our business model is to promote the creation of quality jobs not just in-house but also for external staff (ESRS 2 SMB-3 11d).

### Policies related to value chain workers

(ESRS S2-1)

Through our corporate website, we share mandatory compliance policies for our own staff, suppliers and contractors. We seek to ensure dignified, stable, diverse and inclusive work that is committed to its impact on society and the natural environment.

As reflected in section S1-1, our Corporate Human Rights Policy is aligned with the Corporate Sustainability Policy on environmental, social and governance matters and the Group's Code of Ethics, as well as the highest international standards in this field (ESRS S2-1 19).

This policy applies to any person who has a direct or indirect relationship with TUBOS REUNIDOS, irrespective of their functional or hierarchical position (ESRS 2 SBM2 12) (ESRS S2-1 19). It therefore includes workers in the value chain. (ESRS S2-1 17a). It explicitly addresses key issues such as equality, the prevention of harassment, rejection of forced labour and the ban on child labour, as well as any form of human trafficking under the umbrella of modern slavery (ESRS S2-1 18 AR15).

In Chapter 6, Communication Systems, we have developed information and work systems that ensure collaboration with all workers at TUBOS REUNIDOS. We establish a relationship management system with our suppliers as reflected in ESRS G1-2-12. (ESRS S2-1 17b).

In 2023, we approved the **Code of Ethics for Suppliers**, thus reaffirming our commitment to the human rights recognised in national and global legislation. This code defines the principles that we apply for the purposes of due diligence in this matter, which involve both Group companies and value chain workers (ESRS S2-1 18 AR15).

This code, based on the Group's Code of Ethics, aims to require and encourage suppliers to perform their activities in accordance with business best practices and subject to the highest ethical standards. This is binding on all suppliers, contractors, advisers and other companies that partners with any TUBOS REUNIDOS companies.

We are committed to promoting workforce inclusion by improving the minimum percentage stipulated for the recruitment of vulnerable or marginalised groups and to meeting the highest standards of human rights.

The main process for correcting incidents related to non-compliance with human rights for workers in the value chain, which is also included within the Code of Ethics for Suppliers, is related to the TUBOS REUNIDOS Code of Conduct and the company's ethics channel, extensively developed in Chapter 7, Governance. (ESRS S2-1 17c).

As for the other corporate policies, the Board of Directors approved the Code of Ethics for Suppliers in 2023, to be rolled out across the Group. (ESRS 2 MDR-P 65c).

TUBOS REUNIDOS reports that there were no breaches of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises that address value chain workers in 2024 (ESRS S2-1 19).

For more information on the Group's other policies and procedures, see Chapters 3 and 7.

## **Incident management processes**

(ESRS S2-2 S2-3)

The management of the Supply division is responsible for ensuring smooth communication and effective collaboration with the workers in our value chain. The management of this division is the channel for reporting incidents to the Group's Senior Management, as it is part of the Steering Committee. (ESRS S2-2 22c).

We maintain an up-to-date and close dialogue with all these groups so that they report any actual or potential incidents, which can be properly and efficiently managed (ESRS S2-2 21).

It is important to note that all suppliers and subcontractors that work at our facilities do so as part of a process of approval and coordination of business activities where they are informed about the working procedures they must respect and share as part of their activities (ESRS S2-2 22b) (ESRS S2-3 25). Our processes aside, we have no other means of collaborating with value chain workers. (ESRS S2-3 24).

To ensure the effective management of the relationship, we hold regular meetings (ESRS S2-2 22b) (ESRS S2-3 25) addressing specific performance issues and the resolution of potential incidents (ESRS S2-2 21-22a) (ESRS S2-3 27a). These meetings are actively attended by representatives as well as workers of the companies contracted, thus promoting an environment of dialogue and continuous improvement (ESRS S2-2 22e).

Meetings with companies in the value chain are handled from first contact, as part of the Group defining the service and setting out the scope of the activity to be performed at our facilities. These companies are also informed of the procedures and codes of mandatory compliance that they must assume to establish a contractual relationship with us. The tender award phase and definition of the activity is part of the following commitment established between the two parties. Entry into our facility requires full acceptance of our entire work and partnership system. (ESRS S2-2 22b).

We also encourage visits to our suppliers. This helps us gain first-hand insight into their commitment to human rights and incident management protocols, while auditing their processes under our Integrated Management System.

We have no general procedure for reviewing incidents in the value chain. Instead, we work on a case-by-case basis to make them more effective. (ESRS S2-3 27a). However, the TUBOS REUNIDOS whistleblower channel is available to anyone in the value chain and is referenced in the Code of Ethics for Suppliers. This a safe space for reporting possible breaches of the Code of Ethics or the law (ESRS S2-3 25-27b-c-d) and the incident is handled as per the regulations governing the channel (see Chapter 7).

The Code of Ethics for Suppliers and the associated Group Code with its whistleblower channel generate confidence in the contractual relationship between workers in the value chain and TUBOS REUNIDOS, ensuring the correction of all incidents. (ESRS S2-3 28 see ESRS G1-1)

## **Adopting measures to address incidents, risk mitigation and opportunities**

(ESRS S2-4) (ESRS 2 MDR-A 62)

No specific actions were taken in 2024 based on the outcome of the double materiality process. The only negative impact identified relates to potential human rights violations, which did not occur as we can see in this section.

We are analysing how to strengthen the supplier approval system in order to make it more robust and comprehensive. This is with a view to ensuring compliance with the Procurement Code and the integration of sustainable criteria in all purchases managed by the Supply division. This commitment is key to ensuring alignment with our standards of excellence across all processes. In this regard, we contribute to compliance with the environmental



requirements set out in the Code of Ethics for Suppliers, as well as guaranteeing the basic health and safety principles set out in the code.

The SMP approved by the Board for 2024 includes a series of actions to strengthen the collaboration and integration of value chain workers with the Group's activities and sustainability. The actions are planned with a time horizon similar to that of the SMP, including the resources required for their development. (ESRS 2 MDR-A 68c)

### **Goals related to managing negative and positive incidents and managing risks and opportunities (objectives and goals)**

(ESRS S2-5) (ESRS 2 MDR-T 81)

We have no defined, detailed goals for managing IRO with the value chain.

The ESG Committee will make a proposal for actions in line with our corporate policy and the Code for Workers, which will contain actions to avoid impacts and risks and to harness existing opportunities and synergies in our joint work. The inclusion of the value chain in the double materiality analysis guarantees the review of the IRO related to material topics for the Group.

We want to work on developing monitoring systems for compliance with ESG requirements by our suppliers, establishing criteria indicators integrated into procurement processes, environmental criteria into consumables, information on the carbon footprint, traceability and transparency in information management etc.

# 07

## GOVERNANCE

## 7. GOVERNANCE

**Solid, transparent governance that drives change**

### 7.1 STRUCTURE AND FUNCTIONS OF THE GOVERNING BODIES

Our corporate governance aims to ensure the proper functioning of TUBOS REUNIDOS' governing bodies and to protect the interests of the Group and our stakeholders, ensuring that these bodies act in a diligent, comprehensive, transparent and responsible way. Good governance is essential to ensuring long-term profitable and sustainable business, which takes into account the preservation of the environment, social equity and ethical resource management, and is aligned with our strategy.

TUBOS REUNIDOS is governed by the principles of efficiency and transparency defined in the principles and recommendations of the Code of Good Governance of Listed Companies of the National Securities Market Commission (CNMV), undertaking advanced practices in this area. This is all in the corporate interests of the Group and is understood as *“the common interest of all shareholders of a public limited company aimed at creating sustainable value, through the development of the activities included in its company purpose and the achievement of a profitable and sustainable long-term business that promotes continuity and maximisation of the economic value of the company in the long term, while taking into account other stakeholders related to its business activity and its institutional situation”*, as defined in the Regulations of the Board of Directors.

The proper functioning of the corporate governance system contributes to greater transparency, efficiency, momentum and control in the management, oversight and representation functions of the Board of Directors. Also, it is certainly fundamental to the attainment of the Group's objectives set out in our Strategic Plan. The framework that we have defined regulates the performance of our governing bodies, establishes mechanisms for mitigating possible risks and frames relations with our stakeholders.

#### **General Shareholders' Meeting**

The General Shareholders' Meeting (GSM) is the highest representative body for shareholders and is the main channel of communication between shareholders and the Group's governing bodies. Its functions are regulated by the Articles of Association and by the GSM Regulations.

On 30 May 2024, the Ordinary General Shareholders' Meeting was held in person. Pursuant to the GSM Regulations, the possibility of exercising representation and voting rights electronically was provided to facilitate communication, participation and the exercise of the political rights of shareholders.

**Key agreements reached by the GSM on 30 May 2024:**

- Approval of the annual accounts, the Tubos Reunidos S.A. management report and the 2023 management report for the Consolidated Group.
- Approval of the Company's Non-Financial Information Statement for 2023.
- Approval of the social management carried out by the Board of Directors during 2023.
- Approval of the proposed distribution of earnings for 2023.
- Appointment and re-election of members of the Board of Directors. At the proposal of the Appointments and Remuneration Committee, and following a report from the Board of Directors on the proposal, ratification of the appointment by co-optation of Mr Josu Calvo Moreira as a member of the Board of Directors as an Independent Director, and new appointment by the GSM for the statutory period of four years.
- Re-election for one year of the accounts auditor of the Company and its Consolidated Group for 2023.
- Approval of the new Directors' Remuneration Policy for 2025, 2026 and 2027.

**Board of Directors**

After the GSM, the Board of Directors is the next most senior decision-making body of TUBOS REUNIDOS, S.A. and its Group. The Board is fully committed and firmly convinced that our Strategic Plan will be fulfilled.

Pursuant to Regulations of the Board of Directors, the Board as a whole collectively assumes direct responsibility for the corporate administration and supervision of the Company's management, with the common purpose of promoting the corporate interest. In addition, it is responsible for achieving the corporate purpose, protecting general interest and ensuring that value is created for the benefit of all the shareholders.

At the core of its mission, it approves the Company's strategy and the organisation necessary for its implementation. It also monitors and checks that senior management is meeting the stated objectives and pursues the attainment of the corporate purpose and corporate interest and creates long-term value for the shareholder. To this end, the fully convened Board holds the power to approve the Company's general policies and strategies.

The Board of Directors stands out on account of its balance and diversity. It comprises 11 members, including the non-executive chairperson and the non-executive directors, 55% of whom are independent and 36% of whom are female (4 women and 7 men ) (ESRS 2 GOV1 21a-21d-21e-22a). Note that the specialised committees of the Board (Audit Committee and Appointments and Remuneration Committee) are chaired by female directors and the role of Secretary of the Board of Directors is also held by a woman. The Board of Directors also approved the appointment of the Secretary to the Board and the two aforementioned specialised committees on 29 February 2024.

The members of the Board of Directors boast a wide range of knowledge, as can be seen from their CVs available on our website and in the Annual Corporate Governance Report, with experience in fields such as industry, energy, sustainability, as well as finance and legal affairs, including compliance training and business conduct, in line with the principles inherent in the role of director such as the duty of loyalty and due diligence (ESRS 2 GOV1 5b 21c–AR5 ESRS G1-3 21c). We round off this point with a description of the training and experience of each member of the Tubos Reunidos Board.

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
Mr Josu Calvo Moreira	Non-Executive Chairman and Independent Director	2023	<p>Mr Josu Calvo Moreira studied Economics and Business Studies at the University of the Basque Country, holds a Master of Arts in Economics of the European Community from the University of Exeter, United Kingdom, and has several postgraduate degrees, including IESE's PDG (<i>Programa Dirección General</i> — General Management Programme). He started his career in 1993 as Senior Industrial Operations Consultant at Andersen Consulting, after which he joined Gonvarri Industries in 1997 as deputy to the Managing Director of Gonvarri Burgos. Since then, he has held various managerial positions at Gonvarri, including COO in 2008.</p> <p>Since 2010, he has been CEO of Gonvarri Industries. In turn, he is currently a member of the Fundación SERES Board of Trustees and a member of the Board of Directors at Unesid. He also collaborates as an academic at IE Business School.</p> <p>He has vast experience on boards of directors in the industrial sector. He served as a proprietary director of Logesta from 2008 to 2010 and is currently a board member of several subsidiaries and investee companies of Gonvarri Industries, including Joint Ventures Internacionales, as well as joint CEO of the company Green Cold Storage, S.L.</p>
Mr Emilio Ybarra Aznar	Deputy Chair and Proprietary Director	1999	<p>He holds a degree in Law from the Complutense University of Madrid, a certificate in Business Administration from Harvard University in Boston and a Senior Management Programme certificate from IESE.</p> <p>In his professional activity, he has combined international and national experience, and has held various positions of responsibility in listed companies and financial institutions. He began his career as a Corporate Finance analyst at JP Morgan in Madrid, New York and London. In 1993, he joined the international expansion area of Prisa Group in Madrid and began a career in the communications sector, which continued when he moved to Vocento in 1995, where he stayed for 20 years. At Vocento he held responsibilities in the sales and marketing area. He was Managing Director of the daily newspapers La Rioja and El Correo (Bilbao) and assistant to the Managing Director of the newspaper ABC. He was also Chairman of CMVocento and Managing Director of Communications for the group.</p> <p>He is founding partner of and currently runs Kemet Corner, a strategic communications, brand image and public relations consultancy firm. He is Chairman of the Board of Directors of Mezouna S.L., and independent director of Elecnor, S.A., where he was a member of the Audit Committee until May 2022 and is currently Chairman of the Appointments and Remuneration Committee.</p>
Mr Jorge Gabiola Mendieta	Independent Director	2013	<p>A lawyer with a degree from the University of Deusto, he began his professional career in the audit division of Arthur Andersen, later moving to the legal and tax department of the same firm.</p> <p>In 1986, he joined Tubos Reunidos, where he assumed various responsibilities until 1996, when he was appointed Secretary of the Board of Directors of the parent company, a position he held from 2009 until 15 October 2018 as an independent freelancer with no employment or executive relationship with the Company. He has been a director of Tubos Reunidos S.A. since 30 May 2013, and was appointed Non-Executive Chairman of the Board of Directors on 15 October 2018. On 28 April 2020, he was appointed Coordinating Director of Tubos Reunidos, S.A. and has also been the</p>

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
			<p>Secretary and a Member of the Board of Directors of the Group companies Productos Tubulares and Almacenes Metalúrgicos. He is registered in the Official Registry of Accounting Auditors (ROAC) as non-practising.</p> <p>He is currently a Director of the company Vicinay, S.A. and Vicinay Marine, S.L. He is also a Director of Inmobiliaria del Club de Campo de la Sociedad Bilbaina, S.A.</p>
Mr Enrique Migoya Peláez	Proprietary Director	2018	<p>He holds a degree in Economics and Business Administration from the Autonomous University of Madrid; Management Development Programme and Corporate Management Programme at IESE.</p> <p>He is currently the Head of Industrial and Real Estate Equity Holdings (Strategy &amp; M&amp;A) at BBVA, where he manages the bank's investment portfolio. His professional career has been mainly in M&amp;A, spending 7 years at the investment bank Goetzpartners, and the last 16 in various positions at BBVA in both private equity and industrial portfolio management.</p> <p>He represents the bank as a director on several boards, including Informa D&amp;B (where he is Chairman of the Audit Committee), CESCE, S.A. (where he is Chairman of the Appointments and Remuneration Committee), Corporación IBV Participaciones Empresariales S.A. (where he is Chairman of the Board of Directors), Neotec Capital Riesgo SCR, Coinversión Neotec SCR, PECRI Inversión S.L. (where he is Chairman of the Board of Directors), Inverahorro S.L. (where he is the Joint Administrator) and Crea Madrid Norte, S.A., and has participated on other boards such as at Occidental Hoteles and Textil Textura. He is also a Director of listed company METROVACESA, S.A.</p>
Mr Cristóbal Valdés Guinea	Proprietary Director	2018	<p>He holds a degree in law and a certification in economics from the University of Deusto (Bilbao) and an MBA from the Instituto de Empresa. He has extensive industrial and international experience. He began his professional career at companies such as Carrefour Spain, Leroy Merlin Spain, where he was Purchasing Director, and the Adeo Group in France, where he was International Product Director.</p> <p>In 2008, he joined Bergé Marítima as Chief Executive Officer for seven years, also managing the companies in which the Group has holdings and sitting on eight Boards of Directors linked to the Group. He was also Deputy Chairman of the port employers' association ANESCO.</p> <p>From 2015 to 2020, he was the Chairman of Venanpri Tools, the Tools division of the Venanpri Group, a Canadian-owned multinational group resulting from the merger of the former Ingersoll Tillage Group and Corporación Patricio Echevarría, which has more than 1,400 employees and a significant presence in Europe, North America (main market) and Latin America. He was a member of the Executive Committee of ADEGI (Employers' Association of Guipuzkoa).</p> <p>From 2020 to 2023 he was Managing Director and Sole Administrator of Jealsa Corporación Alimentaria, the second largest European manufacturer of canned food and other food products, with its own fleet and plants in Spain, Brazil, Chile and Guatemala.</p> <p>Between 2023 and 2024 he was CEO of Alvic Group, a leading global corporation in the design, production and marketing of kitchen, bathroom, office and general decoration furniture, fixtures and fittings, owned by KKR, Arta</p>

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
			<p>Capital and the founding family. It has 8 industrial plants in Spain, France and the United States and a commercial presence in over 100 countries.</p> <p>He is currently the Managing Director of the Deoleum Group, the world leader in olive oil, the sole administrator of Deoleum Global and director of Deoleum Financial Limited (United Kingdom) and Carapelli, SPA. He is also an Independent Director at Melia Hotels International, S.A. and Chairman of CIFASA (Centre for Initiatives for Agrarian Training, S.A).</p>
Mr Alfonso Barandiarán Olleros	Proprietary Director	2013	<p>Graduate in Law from the University of Deusto in Bilbao. MBA from the University of Houston, Texas. Creating Value Through Financial Management Program, University of Pennsylvania, The Wharton School.</p> <p>He began his professional career in 1995 at Tafisa in the financial department, moving in 1997 to the French consulting firm Cap Gemini and Gemini Consulting in the strategy area. At the beginning of 2005 he joined the start-up Secosol as Director of national and international expansion, and at the end of 2005, he joined Kroll as Managing Director for Spain and Portugal until 2012.</p> <p>For more than two decades, he has been a director of several subsidiaries at the Elecnor Group, a director at Santa Ana de Bolieta and a director at Tasdey, S.A. He is currently a director at Gapara S.L. (Inmobiliaria), Gesluran (financial investments), Inversiones Berruenco (investment company in Search Funds), Effective Seaborne Engineering Solution, S.L. (start-up involved in the container shipping industry); positions which he combines with the Chair of the Board at Mapex (the leading technological company for production control of the MES sector in Spain) and he is a trustee of the Gondra Barandiaran Foundation.</p>
Ms Leticia Zorrilla de Lequerica Puig	Proprietary Director	2004	<p>Degree in Law from the University of Deusto in Bilbao. MBA from the Universidad Pontificia de Comillas, ICADE Madrid.</p> <p>She began her professional career as a corporate banking manager at Santander Central Hispano. In 2000, she joined Payma Móviles. In 2003, she joined Euroquality as a sales consultant and Boxnox in 2005 as head of organisation and sales.</p>
Ms Ana Muñoz Beraza	Independent Director	2015	<p>Degree in Economics from the University of Zurich (Switzerland). Executive MBA from the University of Chicago. Member of the Advisory Committee of the University of Chicago. Member of the IWF Board (International Women's Forum) and Member of the Advisory Council of Spain Start Up. She has completed training courses for directors and corporate governance at the Instituto de Consejeros y Administradores (ICA), as well as the High Performance Boards course at IMD in Switzerland.</p> <p>She has spent her career in the financial markets working at Merrill Lynch in Switzerland, England, the United States and Spain. She has led teams and sat on the Steering Committee in both Zurich and Madrid. Subsequently, she managed a family office in Spain. As a result of her international career, she speaks seven languages.</p> <p>She has been an independent director and Chairwoman of the Audit Committee of NATRA, S.A. and the representative of the corporate advisory company PIZMARGNA SERVICIOS DE CONSULTORIA S.L., in the unlisted company LANINVER S H C, S.L. She is currently an independent director of the company Ernesto Ventos, S.A.</p>



MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
Mr Jesús Pérez Rodríguez-Urrutia	Independent Director	2020	<p>He has extensive experience of over 36 years in management roles in large companies, working as a CEO, managing director and finance director. Throughout his long professional experience, he has been Chairman of BNPP Real Estate in Spain, CEO of Occidental Hotels, CFO of Metrovacesa, Corporate Managing Director of Ence Group and CEO of Planeta DeAgostini, as well as CFO and Company Secretary at Abengoa.</p> <p>Within his leadership responsibilities in his executive functions, he has extensive experience working with financial institutions, regulators, investors and public institutions. He has also led corporate transformation processes in coordination with financial institutions, managing their financial and operational restructuring to recover profitability.</p> <p>He has extensive experience on boards of directors, having sat on the boards of Abengoa, Befesa, Telvent, Logista, French real estate investment trust Gecina, GMP, Levantina de Mármol and Denarius, among others. He has also served as Chairman of BNPRE in Spain and as a director at Project Qsar Investments and Rio Narcea Recursos SA. He is currently a member of the Schindler Advisory Board in Spain, Senior Advisor for Denarius Metals in Spain and Managing Director of CESUR (Southern Spain Business Circle) in Madrid.</p>
Ms María Sicilia Salvadores	Independent Director	2021	<p>She holds a degree in Law from the Complutense University and in Business Administration from San Pablo-CEU University, a Master's degree in Public and Economic Policy from the National Institute of Public Administration/ENA and the London School of Economics and Political Science (LSE), respectively, and she also has executive training from Harvard Business School and is a fellow at Aspen Spain.</p> <p>She has been Deputy Director-General of Energy Planning for the Spanish government, head of prospection at Iberdrola Renovables, Senior Analyst for Electricity Markets at the International Energy Agency at the OECD and Regulatory Economist at Ofgem, the regulatory authority of the UK's electricity and gas markets. Additionally, as a career officer within the central government, she was an Advisor for Energy Affairs at the Secretary of State for Economy and Energy Director for the Permanent Representation of Spain to the EU. María is a member of the Scientific Committee of the Royal Elcano Institute, the Editorial Committee of the Journal of Foreign Policy and the Spanish Chapter of the European Council of International Relations (ECFR).</p> <p>She is currently Director of Programming and Project Control at Enagas, a global gas infrastructure company listed on the IBEX35 and Co-Chair of the European Hydrogen Backbone initiative.</p>
Ms María Teresa Quirós Álvarez	Independent Director	2021	<p>Degree in Economics and Business from the Faculty of Economics at Málaga University (1976–1981), the IESE Directors Programme (April–July 2021), the Executive Programme for Women in Senior Management at ESADE (October 2014–June 2015), the Executive Program at Harvard (May 2013), PDD at IESE (January–May 2010). The W2W Program (PWC) to help women in senior management become directors (October 2017–June 2018); she has been connected to the electricity industry, carrying out various duties at RED ELECTRICA CORPORACIÓN, where she has been CFO for the past seven years, and a member of the board and committees at various subsidiaries, carrying out duties related to risk management, administration and accounting, strategy and management control.</p>

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
			<p>She has also served as a Director and Chairwoman of REE Finance BV, an Independent Director and a member of the Audit Committee of Grenergy Renovables and an Independent Director and Chairwoman of the Audit Committee of Singular People, S.A.</p> <p>She is currently an Independent Director and a member of the Audit Committee at Corporación Acciona Energías Renovables S.A (Acciona Energy) and an Independent Director, Chairwoman of the Audit Committee and member of the Sustainability Committee at Promotora de Informaciones, S.A. (PRISA).</p>
Ms Inés Núñez de la Parte	Non-director secretary	2018	<p>She holds a degree in Law from the University of Deusto (Bilbao), has a master's degree in Legal Practice from the Pedro Ibarreche School of the Bilbao Bar Association and a master's degree in Business Legal Advice from Deusto. She has completed the Advanced Management Programme at the Instituto de Empresa (IE), the Expert in Arbitration Course by the ICAV, the Corporate Governance and Boards of Directors Programme at Deloitte and Spencer Stuart, and holds a Leadership in Corporate Counsel Program from Harvard University (Boston). She has also completed the Board in Progress Programme Challenges for the Boards of Directors at Deloitte and Talengo.</p> <p>Since 2018, she has served as Secretary to the Board of Directors and Director of the Legal Advisory Department at the Tubos Reunidos Group, and Chairwoman of the Independent Control Body at Tubos Reunidos in the field of compliance. She is also currently the Joint Director at Tubos Reunidos Group, S.L.U, director at the US subsidiaries RDT. Inc and Tubos Reunidos America, Inc, Director of the joint venture with Japanese firm Marubeni-Itochu Tubos Reunidos Premium Threads, S.L. and joint administrator of Tubos Reunidos Services, S.L., Clima, S.A. and Aplicaciones Tubulares S.L.</p> <p>Before joining Tubos Reunidos on 2 January 2018, between 2007 and 31 December 2017, she was Corporate Legal Services Manager (General Counsel) of the Basque industrial group INGETEAM. From 2014 to September 2017, she was also the Secretary of the INGETEAM Compliance Committee. Before being appointed as a Corporate Director, she was a lawyer at the Legal Services Department at INGETEAM (2005–2006), she headed up the legal services department at engine and generator manufacturer INDAR ELECTRIC (2004–2006) and previously worked as a lawyer advising companies and defending them before the courts for 5 years as an associate lawyer with IUSFINDER LAWYERS (1998–2003). From 1999 to 2001, as commissioned by the firm, she was legal adviser to the ERHARDT Group, which is dedicated to international logistics and transport, and to the multinational BRIDGESTONE Group.</p> <p>Likewise, since 2004, she has combined her professional work with educational activities at the Universities of Deusto and ICADE and at the Business School of Eseune, and since 2022 has been an arbitrator of national and international trade matters.</p>

Table 46. Board of Directors Training and Experience (ESRS 2 GOV-1 5b)

During 2024, the Board of Directors as a whole received specific training (GOV1 23 AR5) in relation to the new Sustainability Reporting Directive. This training has covered the ESRS 2 and specifically the double materiality analysis, in which information was reported on the application context, methodology, IRO determinations and IRO materiality as a result of the assessment. Finally, the training covered the material IRO relating to the three ESG pillars plus the transversal pillar, in relation to which TUBOS REUNIDOS disseminates MDR information in Chapter 8 of this Sustainability Report (ESRS 2 GOV1 23a-23b).

As a result of this training, the Board members acquired the necessary knowledge and skills to interpret the results of the double materiality, approve the material IRO and their integration into the Sustainability Master Plan through actions, targets and objectives to mitigate material impacts and risks and to harness opportunities (ESRS 2 GOV1 23a-23b).

### Composition of the Board of Directors at 31 December 2024

MEMBERS	POSITION AND CATEGORY
Mr Josu Calvo Moreira	Non-Executive Chairman and Independent Director
Mr Emilio Ybarra Aznar	Deputy Chairman and Proprietary Director
Mr Jorge Gabiola Mendieta	Independent Director
Mr Enrique Migoya Peláez	Proprietary Director
Mr Cristóbal Valdés Guinea	Proprietary Director
Mr Alfonso Barandiarán Olleros	Proprietary Director
Ms Leticia Zorrilla de Lequerica Puig	Proprietary Director
Ms Ana Muñoz Beraza	Independent Director
Mr Jesús Pérez Rodríguez-Urrutia	Independent Director
Ms María Sicilia Salvadores	Independent Director
Ms María Teresa Quirós Álvarez	Independent Director
Ms Inés Núñez de la Parte	Non-director secretary

### Assessment of the Board

In accordance with recommendation 36 of the Code of Good Governance of listed companies, the Board of Directors is assessed once a year and, where appropriate, adopts an action plan that corrects any deficiencies detected with respect to:

1. The quality and efficiency of the operation of the Board and its committees, including the effective use by these committees of member contributions.
2. The size, composition and diversity of the Board and its committees.
3. The performance of Board positions: non-executive chairman and secretary/legal counsel. Questions about the chief executive CEO are also included.
4. The directors' performance and contribution, paying close attention to those responsible for the different Board committees.
5. The frequency and duration of meetings.
6. The content of the agenda and the adequacy of the time spent addressing the different matters according to their importance (taking into account examples or specific cases).
7. The quality of the information received.
8. The breadth and openness of discussions, avoiding group thinking.
9. Whether the Board's decision-making process is dominated or strongly influenced by a member or a small group of members.
10. A review of much of the 2024 action plan that resultant from the 2023 Board assessment was achieved.
11. Setting out recommendations for 2025.

The aim of the assessment is to ensure an efficient, cohesive and sustainable management body that is aligned with our corporate strategy.

The assessment process of the TUBOS REUNIDOS Board was based on the CNMV's recommendations and technical guidelines, on international good governance codes and on best practices currently applied in this field, taking the latest trends and studies in domestic and international corporate governance into consideration. It also considered the new powers conferred on each body in the Board regulations, the Audit Committee Regulations, the Appointments and Remuneration Committee Regulations and the new duties of directors imposed by said internal regulations.

## Audit Committee

This internal body has five members, two of whom are women (40%), and operates as a specialised, informative and consultative internal body with no executive functions (ESRS 2 GOV1 21a–21d-21e-22a) and with powers to inform, advise and propose within its scope of action. Its **main responsibilities** include:

- **As regards information and internal control systems:** supervising and assessing the preparation process and the integrity of financial and non-financial information; monitoring the effectiveness of internal control systems; reviewing the Risk Policy; ensuring that the internal control policies and systems established in general are effectively implemented in practice etc.

- **In relation to the external auditor:** submitting to the Board, for submission to the GSM, proposals for the selection, appointment, re-election and replacement of the external auditor, and for supervising and preserving the auditor's independence; ensuring that the Company and the external auditor respect existing rules on the independence of audit services etc.

A section in Chapter 5 is dedicated to the sustainability role of the Committee as a supervisory body and point of contact between the executive and the Board of Directors.

Note that 29 February 2024, the Board of Directors approved the appointment of the secretary to the Board, Ms Inés Núñez de la Parte, as secretary of the Audit Committee.

### Composition of the Audit Committee at 31 December 2024

MEMBERS	POSITION
Ms María Teresa Quirós Álvarez	Chairwoman
Mr Enrique Migoya Peláez	Member
Mr Jorge Gabiola Mendieta	Member
Mr Jesús Pérez Rodríguez-Urrutia	Member
Ms María Sicilia Salvadores	Member
Ms Inés Núñez de la Parte	Secretary

### Appointments and Remuneration Committee

This committee comprises three directors, two of whom are women (67%). It also operates as an internal body of a specialist, informative and advisory nature, without executive functions but with powers to inform, advise and propose within its remit (ESRS 2 GOV1 21a–21d–21e–22a).

Its main mission is to contribute to the acquisition and retention of talent, ensuring that TUBOS REUNIDOS has the best professionals on its governing bodies and in senior management. This committee is governed by the principles established in the Corporate Policy for the selection of directors and diversity on the Board of Directors.

Similarly, the Appointments and Remuneration Committee is responsible for verifying that the selection and remuneration policies applicable to the Board, Senior Management and other workers are consistent with the Group's strategy. This includes aspects related to sustainability, diversity, long-term profitability and risk-taking, notifying the Board of any inconsistencies (ESRS 2 GOV1 23a–23b).

On 25 January 2024, the internal regulatory framework was extended and refined when the Board of Directors approved the Regulations of the Appointments and Remuneration Committee, which constitutes a specific standard that sets out the highest standards applicable to listed companies and regulates the proper functioning of the committee. The regulations include the basic rules of its organisation, its powers, its principles of action, the system for its operation and duties, and the rules governing relations with other Company bodies and management, and the obligation to

assess how they are operating In addition to considering the Board Regulations, when preparing the new regulations consideration was given to the mandatory regulations incorporated into the current Capital Companies Act and other applicable legal provisions and the recommendations of the Code of Good Governance of Listed Companies revised in June 2020.

On 29 February 2024, the Board of Directors approved the appointment of the secretary of the Board, Ms Inés Núñez de la Parte, as secretary of the Appointments and Remuneration Committee.

### Composition of the Appointments and Remuneration Committee at 31 December 2024

MEMBERS	POSITION
Ms Ana Muñoz Beraza	Chairwoman
Mr Cristóbal Valdés Guinea	Member
Ms María Sicilia Salvadores	Member
Ms Inés Núñez de la Parte	Secretary

### Steering Committee

The Board has delegated the ordinary management of the Company to a Steering Committee chaired by the CEO, although in no case may those powers legally or statutorily reserved directly for the Board, or those necessary for the responsible exercising of its functions, be delegated. Note that on 27 June 2023, the Board of Directors formally approved the separation of the posts of non-executive chairman and chief executive, in line with best good corporate governance practice and with the aim of strengthening the Board's independence.

Also in 2022, the director of sustainability and business development was appointed as a member of the Steering Committee, reflecting our conviction that the business must be intrinsically sustainable, integrating sustainability and business development issues.

All the members of this committee are executives. At 31 December 2024, it comprised 11 members – 1 woman and 10 men (9% women versus 91% men) (ESRS 2 GOV1 21a–21d–21e–22a).

The participation of directors on the Steering Committee ensures the representation of all workers by incorporating their needs and expectations into the areas represented and into the decisions taken by the Committee (ESRS 2 GOV1-21b).

The Company has notified the CNMV of the members of management who hold positions with management responsibilities for the purposes of Regulation (EU) no. 596/2014 on market abuse.

MEMBERS	POSITION
Carlos López de las Heras	CEO
Inés Núñez de la Parte	General Secretary and Director of the Legal Advisory Department
Ignacio Barón	Chief Financial Officer
Pedro Rodriguez	Sales Director
Ekhi Etxeberria	Human Resources Director
Jagoba Hernández	Supply Chain Director
Antón Pipaón	Director of Sustainability and Business Development
Andoni Jugo	Industrial Director, Tubos Mill
Jon Bikandi	Industrial Director, Productos Mill, and Innovation
Francesc Ribas	Director of Tubos Reunidos America
Alberto Santamaría	Internal Audit Director
Sergio Sáenz*	Director of Digital Transformation

*\*The director of Digital Transformation served until 30 November 2024, when he left the Group.*

## Directors' Remuneration Policy

On 30 June 2022, the GSM approved the reworded Board Remuneration Policy for 2022, 2023 and 2024. This update eliminated the variable remuneration of non-executive directors, in line with the recommendations of the Code of Good Governance for Listed Companies and our statutory provisions.

Subsequently, on 30 May 2024, at the proposal of the Appointments and Remuneration Committee and the Board of Directors, the GSM approved the new Directors' Remuneration Policy, available on our website, for 2025, 2026 and 2027.

The main changes to this policy are as follows:

- Elimination of the regulation of the remuneration system for executive directors, referred to in Article 3.2. of the policy in force, given that the Board of Directors currently does not have any executive functions, nor is it expected that the director will be appointed in the coming three years.

- As the chairman of the Board is a non-executive, the exception established in Article 3.1.d of the current policy, whereby the chairman of the Board did not receive a fee for attending Board and committee meetings, is removed. It is now expressly established that, like the chairs of the supervisory committees (Audit and Appointments and Remuneration), the chairman of the Board's fee, by virtue of his position, will be doubled.

In accordance with the company bylaws, the remuneration system for directors in 2024 for their supervisory and collegial decision-making responsibilities, was structured as follows:

1. Annual fixed remuneration for the role of member of the Board of Directors and proportional to the period of their mandate during the year.
2. Annual fixed remuneration in addition to the above for the chair of the Board of Directors by reason of the chair's position.
3. Fixed annual remuneration in addition to the foregoing for some external directors for their greater dedication.
4. Attendance fees for Board and committee meetings. In the case of the chairs of the Board and the Supervisory Committees (Audit and Appointments and Remuneration), the allowances by reason of their positions is double.

No variable remuneration, compensation or pension contributions are provided for the termination of the role of director as such.

Under Article 529(17) of the Spanish Companies Act, the maximum amount of remuneration to be paid to all directors in their capacity as such, with the addition of all items indicated above, is a maximum of €800,000 per year.

It is important to note that the maximum limit does not need to be used in its entirety. It is established in order to cover changes that may arise during the term of our Remuneration Policy to payments related to the responsibilities and services provided by each Board member.

The agenda of the ordinary GSM submits the Annual Report on Board Remuneration for the meeting's consideration in an advisory manner. The content of the report is provided in advance and includes the remuneration policy for the Board members, as well as the amounts received individually by each member for each item. Note that the 2023 report was approved by a large majority (98.39% of the votes) at the GSM on 30 May 2024.

## 7.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

(ESRS 2 IRO-1)

### **Description of processes for determining and assessing incidents, risks and opportunities of relative importance.**

As developed in the double materiality analysis, we have a robust process in Chapter 4 of the report to determine the sustainability-related IRO concerning governance, focusing on four fundamental areas:



- Code of Conduct.
- Business ethics and governance.
- Business risk management.
- Corruption, bribery and money laundering.

This chapter describes all the processes available to us to mitigate material negative impacts, minimise risks and enhance opportunities.

## 7.3 CORPORATE CULTURE AND CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

(ESRS-2 GOV 1.5 ESRS G1-1)

### Ethics, integrity and good governance

(ESRS 2 GOV1-5 ESRS G1-1)

Our decision-making, strategy and culture are based on ethics, integrity and good governance. To ensure that all the staff at TUBOS REUNIDOS behave in a way that is in line not only with current legislation but also with the Group's **Code of Ethics** and other internal regulations, we rely on a series of processes and mechanisms that help us to prevent, identify and correct unwanted behaviour within the organisation.

### Compliance

(ESRS 2 GOV1-5 ESRS G1-1. 9-10a)

In order to identify any inappropriate behaviour, not only of staff, but also of the Group directors or staff who have been delegated specific roles, we use a complete and robust Compliance Management System. It consists of a series of documents (listed below) that are mandatory for all persons who work for TUBOS REUNIDOS. It is worth mentioning here the **Criminal Risk Prevention and Compliance Policy**, which underpins and sets the basis for the entire system, and the criminal risks and controls matrix, which sets out the Group's main risks in this area and the control measures used to mitigate or lower the probability and impact of a risk to an acceptable tolerance level for the Group before it arises (commission of the offence) (ESRS 2 GOV1-5 ESRS G1-1-7).

- Criminal risk prevention and compliance manual.
- Corporate Internal Information System and Whistleblower Protection Policy (ESRS G1-1-10d).
- Code of Ethics.
- Gifts and Invitations Policy.
- Whistleblower Channel Regulations.

- Internal Regulations of the Criminal Risk Prevention Model.
- Criminal Risk and Associated Controls Matrix (ESRS G1-1-10h).

Following the comprehensive overhaul performed in 2023 to adapt in time to the requirements of the new Law 2/2023, of 20 February, regulating the protection of persons reporting regulatory breaches and the fight against corruption, we have continued to develop and update our compliance system.

Specifically, in 2024 we implemented **the project to update the Criminal Risk Matrix** to the legislative developments and to the changes in the corporate and organisational structure that have occurred since 2021.

**The approval and dissemination of the Protocol for the Prevention of and Response to Harassment** at TUBOS REUNIDOS S.A. and TUBOS REUNIDOS GROUP S.L.U. on 26 March 2024 and 20 December 2024, respectively, is worth particular note. This Protocol was implemented after consulting the Equality Plan Negotiation Committee. In both cases, it was duly communicated to the workforce via email.

Note that, at the GSM on 30 May 2024, the shareholders, directors and executives present were informed of the TUBOS REUNIDOS Compliance Management System and, more specifically, the internal information system.

In addition, in line with the training plan on this area, a training session was held in 2024 for members of the Steering Committee on prevention of and action against harassment and digital disconnection (ESRS 2 GOV1-5 ESRS G1-1-10g).

Furthermore, in June 2024, TUBOS REUNIDOS PREMIUM THREADS S.L. signed up to this system. As a result, internal communication was sent to staff informing them of the system's fundamental pillars, and the existence of the internal reporting system and the whistleblower channel.

Finally, the approval of the Travel and Entertainment Expense Policy in July 2024 is worth mentioning. It regulates the procedure to be followed for managing expenses incurred for travel undertaken by the Group's staff as part of their responsibilities. In line with the Communication Plan, this policy has been disseminated throughout the organisation, in compliance with the regulations.

## Code of Ethics

(ESRS G1-1)

The current Code of Ethics, approved by the Board of Directors on 25 May 2023 and published on the corporate website, is binding on the entire workforce and replaces the Code approved in 2021.

This code encompasses the set of principles, values and rules of conduct that should guide the ethical and responsible behaviour of all staff in their activities, regardless of their hierarchical level, location or duties, or the company where they provide their services. This internal regulatory compliance standard helps to consolidate a shared culture and establishes common, accepted and respected guidelines for action.

In short, it constitutes a core element of the rules of responsible conduct for all persons directly or indirectly affected at the Group.

The conduct guidelines are part of our culture and are set out in our Code of Ethics as follows:

- Respect for the dignity of individuals and their inherent rights.
- Respect for the equality of individuals and for diversity.
- Respect for the environment.
- Occupational health and safety.
- Quality.
- Strict legal compliance.

Our entire workforce, including all new hires, adheres to this Code of Conduct. Moreover, employees who hold roles that are particularly exposed to compliance risks strengthen the obligations established by our internal regulations.

Similarly, we have a Code of Ethics for Suppliers and we encourage them to follow it, with the desire to extend our best practices to third parties related to the Group.

## **Fight against corruption and fraud**

(ESRS G1-1-10b) (ESRS G1-3)

We strongly reject any unethical actions aimed at obtaining illicit profits, especially conduct related to accepting bribes, corruption and money laundering, or similar practices, whether involving individuals, companies or authorities.

In line with the Group's commitment to the fight against corruption and fraud, on 31 October 2024 the Board of Directors approved the **Corporate policy against corruption and fraud** (ESRS G1-1 7). This policy, based on the most demanding international standards, aims to guarantee an ethical and honest business culture, demonstrating the staunchest opposition to corruption and fraud and applying the principle of zero tolerance to them in all its manifestations.

It is also aimed at developing **a culture of zero tolerance for and prevention** of corruption and fraud. All the Group's companies commit to ethical conduct and honesty. They fundamentally oppose corruption and fraud in all their forms and pledge to eradicate them as part of their activities in any of the countries in which they operate. In assuming these commitments, the Board of Directors approves this Corporate policy against corruption and fraud, which extends to all stakeholders, with a view to sharing and enforcing this determination in the Group's relations with them.

The purpose of this policy is to contribute to the development of a business culture of ethics and honesty at our organisation,. The policy also seeks to formalise and project the commitment of the Group's companies to the fight against corruption and fraud and to define the principles to be applied at TUBOS REUNIDOS to promote this fight. The policy operates under the OECD guidelines for multinational companies, the principles on which Goal 16 of the UN Global Compact's Sustainable Development Goals are based; the Code of Ethics and the Company's Gifts and Invitations Policy and, finally, any documents or texts that replace or supplement them.

The workforce must totally reject corruption and fraud, and ensure compliance with this corporate policy. All staff are expected to act as the first line of defence against corruption and fraud. They are expected to report on any potential conduct of this kind or any breach of the Code of Ethics or of this policy through the whistleblower channel enabled in the Internal Information System and Whistleblower Protection (ESRS G1-1 10e). In addition, all third parties that participate with, collaborate with, mediate for or act on behalf of TUBOS REUNIDOS in operations and undertakings must comply with the principles set out in this corporate policy.

The Group's Independent Control Body for compliance matters (ICB) is responsible for the development and periodic review of the Corporate Policy, supervising its implementation and formulating for the Board any observations or proposals for amendment or improvement that it deems appropriate.

Within its criminal risk matrix and associated controls, TUBOS REUNIDOS identifies the divisions that are most susceptible to corruption and bribery (ESRS G1-1 10h). Specifically, the positions most exposed to this risk are General Management, the Finance Division, the Corporate Development and Sustainability Division, the Legal Advisory Division, the Procurement Division, the Sales Department and the Industrial Division at the production plants.

## **Defence of human rights**

TUBOS REUNIDOS defends the rights inherent to all people as universally recognised and enshrined in the Universal Declaration of Human Rights.

To this end, we joined the United Nations Global Compact on 7 February 2024, which leads business sustainability around the world. The companies and organisations that form part of this initiative have strategies and operations aligned with the 10 Universal Principles on human rights, labour standards, the environment and anti-corruption.

To be members, we have been subject to an assessment, which will be repeated annually and assesses the following values:

- The promotion and application of the 10 Universal Principles of the Global Compact.
- Compliance with ethical business practices.
- Contribution to the Sustainable Development Goals.
- Demonstration of transparency and accountability.

Furthermore, our Group is aligned with the application of the content of other agreements and treaties of international bodies, such as the OECD and the ILO. We condemn child and forced labour and discrimination in employment; we foster respect for the freedom of association and the right to collective bargaining; and we comply with the legislation of the countries in which we operate.

TUBOS REUNIDOS' commitment to respect for human rights has been strengthened and formalised by Board of Directors' approval of the corporate policy on this matter on 25 July 2024 (ESRS G1-1 7).

The Human Rights Policy is part of the Group's Corporate Governance System and is aligned with the Corporate Sustainability Policy on ESG matters and with the Code of Ethics. It is also in line with the UN's Universal Declaration of Human Rights, the principles of the Global Compact and the SDGs, ILO's Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

This policy applies to all Group companies, as well as to all members of the Board, management team and staff, or persons who, directly or indirectly, have a relationship with TUBOS REUNIDOS regardless of their functional or hierarchical position.

Its aim is to respect the human rights recognised internationally in international legislation, treaties and standards, as part of all our activities and commercial relationships. To achieve this goal, TUBOS REUNIDOS establishes a series of commitments and undertakes to make reasonable efforts to:

- i. Identify any risks that are in breach of human rights,
- ii. to prevent the Company's activities from negatively impacting human rights; and
- iii. Should any risks occur, do everything possible to mitigate them or repair the damage caused.

It is worth noting here that the Group's production centres are located in Spain and the United States, where respect for human rights is ensured by both labour regulations and collective bargaining agreements (ESRS S1-8). Similarly, the fact that a large part of our supply chain is domestic or European means that compliance with human rights is a reality in all of the Group's activities (ESRS S2-8).

We also encourage our supply chain to adhere to the Group's Code of Ethics for Suppliers, as mentioned above. In this way, our aim is to ensure that there are no operations or providers at significant risk of forced or compulsory labour or child labour (ESRS G1-2).

As is the case of the Anti-Corruption and Fraud Policy, the Group's ICB for compliance matters is responsible for the development and periodic review of the policy, supervising its implementation and formulating for the Board any observations or proposals for amendment or improvement that it deems appropriate.

## **7.4 MANAGEMENT OF SUPPLIER RELATIONS**

We aim to strengthen sustainability throughout our value chain by compiling reliable data and improving practices at suppliers. We therefore want to reduce the negative environmental impact, improve social conditions and promote ethical governance (ESRS G1-2-12).

We prioritise working with local suppliers from the sites of our facilities to add value to the local industry, work closely with them in the event of any type of setback and minimise our environmental footprint.

Due to the nature of our business, certain suppliers are single source suppliers. We are working hard to look for feasible certification alternatives that minimise the negative impact of potential

shortages, always considering resource optimisation and the reduction of environmental impact with ESG as a starting point (ESRS G1-2-15a).

When searching for and selecting new suppliers, and periodically re-certifying them, social and environmental criteria are taken into consideration. These criteria include certificates in environmental management and safety, training and information on health and safety, knowledge of our policies etc. This is because it is mandatory for suppliers to understand, accept, and comply with the **Code of Ethics for Suppliers**, which explicitly includes these criteria (ESRS G1-2-15b).

## Managing supplier relationships and their impact on the value chain

(ESRS G1-2-12)

In the process of searching for a new supplier, whether for a new good or service, or an alternative supplier, the required certifications are requested according to the requirements of ISO, IATF, API etc. based on the work they will perform (ESRS G1-2 15b). The production facilities are certified under ISO 9001, EN ISO 14001, ISO 45001 and ISO 50001. We develop procedures to approve suppliers or value chain workers with environmental, energy and safety criteria.

In addition, we share the Code of Ethics for Suppliers, which covers aspects related to ethics, integrity, compliance, human rights, social rights, labour, health and safety, environment and quality that any new supplier must be aware of, accept and comply with.

For suppliers that are already approved in the system, this code is attached to the purchase order as part of the General Purchase Conditions. The same is true for new suppliers, with acceptance of the order implying knowledge, acceptance and fulfilment of the code.

## Payment Policy

(ESRS G1-2-14)

TUBOS REUNIDOS is committed to the agreed payment policies and supplier invoice control, committing to the digitisation of invoice management and applying artificial intelligence to increase the efficiency of the process.

At the same time, we are working with suppliers to eliminate all invoice submission methods other than email, thus avoiding the printing and mailing of invoices, implementing electronic billing in advance for all our procurement processes.

## 7.5 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

(ESRS G1-1-10c-10e) (ESRS G1-3 ) (ESRS S1-32a 32e)

Following the new Law 2/2023 of 20 February on the protection of whistleblowers, TUBOS REUNIDOS implemented and disclosed an **internal information system** (ESRS G1-3-18) in 2023, designed, established and managed in a secure manner, which:

1. **Protects** the identity of the whistleblower and any third party mentioned in the communication, ensures the confidentiality of the actions that take place and ensures data protection, preventing access by unauthorised employees.
2. **Enables written or verbal communications**, or both.
3. **Integrates the various internal information channels**.
4. **Sets out the guarantees** to protect whistleblowers.
5. **Establishes a procedure** for managing the information received.

One of the pillars of the internal information system is the **whistleblower channel** (previously known as the complaints channel), which was implemented in 2023. It is accessible on our website and featured in our training (ESRS G1-3-20). This channel is managed by the head of the internal information system (Secretary of the Board) and permanently available to staff and third parties to report violations of the Code of Ethics or the law, in three ways:

1. **Email:** [canaletico@tubosreunidosgroup.com](mailto:canaletico@tubosreunidosgroup.com).
2. **Hotline:** A hotline is available to all individuals to report any complaint or enquiry with a call, a recording or a message. The hotline is available on the Group's website. As of the date of publication of this regulation, the number is: **+34 667 412 930**.
3. **Face-to-face meetings:** Individuals may also report any breach verbally, by requesting a face-to-face meeting with the head of the internal information system.

The Internal Reporting System was established to communicate or report ethical and/or legal violations, and one of its main guiding operational principles is to protect people who report any serious or very serious administrative or criminal violations in good faith.

The **Regulations of the Ethics Channel** establish the procedure for managing the channel and ensure that the whistleblower's details remain confidential and that no reprisals will ensue (ESRS G1-1-10cii) (ESRS G1-1-10e). Following the receipt of a complaint through the whistleblower channel, the first phase begins in which the complaint is accepted or rejected for processing. Once the complaint is accepted for processing, the investigation phase begins. Here, all necessary actions and queries are carried out to ascertain the accuracy and truthfulness of the information received, and to clarify the facts, with full respect for the presumption of innocence and the honour of the persons concerned.

The persons are designated and the appropriate means available, whether internal or external, are used to investigate and study the complaint, always respecting the respondent's fundamental rights. Likewise, all information and documentation that the system manager deems appropriate at any given time for investigating the complaint may be collected from the whistleblower, the accused or other employees, ensuring confidentiality, the correct processing of personal data and the prohibition of reprisals at all times. (ESRS G1-3 18b).

Once the investigation is complete, the instructor issues an investigation report and the person responsible for the internal information system issues a resolution confirming (i) the archiving of the complaint, (ii) the proposed disciplinary measures to be taken and (iii) the protection measures applicable to the whistleblower.

If there is a case for action, any actions shall be focused on repairing the damage or impact caused. (ESRS S1-32a-b).

The secretary of the ICB monitors the measures taken and works with the manager for the safekeeping of the file, to ensure that no unauthorised third party has access to it. Compliance with the resolution is monitored by acting in the event of any breaches, delays or deviations. (ESRS S1-32a-b).

The chair of the ICB and supervisor of the Internal Information System periodically reports to the Audit Committee on the activities of the ICB and the whistleblower channel. The chair also prepares an annual Activity Report for the ICB, which reports on the complaints and queries received during the financial year. This report is submitted to the Audit Committee for review and subsequent approval by the Board of Directors. (ESRS G1-3 18c)

In 2022, compliance training – including training on the fight against corruption and bribery – was provided to all members of the Board, the Steering Committee and areas most exposed to compliance risks. (ESRS G1-3-21) These training sessions were given by the General Secretary, the Board and a third-party expert in the field. The following topics were covered: business ethics and compliance, regulatory context, criminal responsibility, risks of corruption (gifts and invitations, business partners, facilitation payments, donations and sponsorships, conflicts of interest and anti-competition) and obligations arising from the Internal Code of Conduct in Securities Markets. Specific training was provided in 2023 for the HR division and in 2024 compliance training was continued, as indicated.

## 7.6 CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

(ESRS G1-4-22:24)

As in the previous year, no complaints were received in 2024 regarding corruption, bribery, money laundering and/or human rights violations through the whistleblower channel (ESRS G1-4 24a). Also note that we received no fines or penalties and therefore no action has been necessary (ESRS G1-4 24b). Thus, there are no cases involving our own staff or staff in the value chain. (ESRS S2-1 19)

## 7.7 POLITICAL INFLUENCE AND LOBBYING

(ESRS G1-5-28-29-30)

We took no measure to exercise political influence in 2024 or in the previous five years, including not using lobby groups related to their material IRO.

Direct or indirect political contributions are not prohibited by any of the Group's internal policies, nor are they expected to be made. Therefore, if the circumstances so warrant it and it is considered appropriate to provide direct financial or in-kind support to political parties, to their elected representatives or to persons seeking political office, the matter is subject to a case-by-case analysis. If a decision is made to provide such support, it shall be disclosed with full transparency, describing the type and purpose of the activity in question, and any information required by law.

No member of the TUBOS REUNIDOS Board or Steering Committee held a comparable position in government in the two years prior to their appointment.



## 7.8 PAYMENT PRACTICES

(ESRS G1-6)

As reflected in Note 18 of the 2024 consolidated annual accounts, the average payment period for suppliers during the financial year was 101 days (ESRS G1-6 33a). TUBOS REUNIDOS paid 18% (ESRS G1-6 33b) of the invoices received during year in less than 60 days, which accounted for 34% (ESRS G1-6 33b) of invoices by monetary volume. For the remaining invoices, the Group's working capital financing facilities are available to expedite collection (ESRS 2 G1-6 31-33).

At the close of 2024, we were not involved in any pending legal proceedings for late payment (ESRS G1-6 33c).

***“In 2024, we continued to refine and strengthen our Corporate Governance System, an essential factor in value generation, improving economic efficiency, and strengthening investor confidence”.***

Inés Núñez de la Parte, General Secretary and Secretary of the Board

# 08

## ENTITY-SPECIFIC

## 8. ENTITY-SPECIFIC

As part of the double materiality analysis described in Chapter 4, we detected three material topics that do not fit any of the standards implemented by the Directive:

- Customer relationships
- Digitisation and innovation
- Cybersecurity and data processing

Therefore, in accordance with 10.1. *Transitional provision related to the entity-specific information of ESRS 1*, we have developed the corresponding instructions below (ESRS 1-10.1-130-131, AR1:AR5).

Note that all the information included therein complies with Chapter 2 of ESRS 1. *Qualitative characteristics of the information*, 19–20, and with Appendix B of the ESRS (ESRS 1 10-131a).

The material topics have been evaluated in the same manner as the other topics and sub-topics indicated in ESRS 1 AR16. The double materiality methodology has been applied extensively to all sustainability issues or matters that affect our business. The transversal topics considered material pursuant to the double materiality analysis have been broken down into the corresponding IRO. In all of these, we have taken into consideration the same assessment parameters and metrics, values of scale, probability, scope and remedial action, as well as the same time horizons.

We then release each material topic following the same outline as the thematic ESRS.

We would like to stress that the strategy sections of each ESRS, such as SBM 1, 2 and 3, are addressed in Chapters 3, 4 and 5 of this Entity-Specific Sustainability Report. Our Strategic Plan includes levers for enhancing the customer relationship by strengthening sales activity, as well as the digital transformation of our current business model. Chapter 3 of the report describes new solutions that we innovate and design, and Section 3.5 describes the actions undertaken in 2024 (included in the Sustainability Master Plan), which allow the IRO relating to these entity-specific matters to be managed.

### 8.1 CUSTOMER RELATIONSHIPS

Our business model has specific characteristics regarding relationships with customers that do not fall under the definition of “customer” set out in Table 2 of Appendix II of Regulation 2772/2023, which implements the Directive. As a result, we decided to address this issue of sustainability as an entity-specific matter.

The material IRO resulting from the assessment of this material topic are described below, following the same analysis framework applied to the other sustainability issues included in this report.

IRO	Description	Value chain	Positive/negative Current/potential If IRO do not apply	Relationship with SBM3 ESRS 2
I	Customer satisfaction as the products purchased meet their expectations.	D	Current Positive	<p>The main line of the TUBOS REUNIDOS Strategic Plan is commercial transformation, the fostering of closer relations with customers and their complete satisfaction in receiving the services that the Group provides. The sales area has been developing a new strategic plan since 2023 to strengthen communication with customers and improve communication channels. It has developed digitisation projects to improve market access to our products, for order management and for the processing of any claims.</p> <p>We also launched the O-Next™ product range on the market in 2024, which, thanks to its low emissions, allow our customers to adapt their climate transition plans towards decarbonisation.</p>
I	Full and accurate knowledge of customers about the features of the products and services offered, promoting the use of responsible advertising.	D	Current Positive	
I	Increased customer satisfaction for improved order management in terms of time and access to information.	U+C+D	Current Positive	
I	Assistance/acceleration in the decarbonisation of the economy by manufacturing more sustainable solutions.	U+C+D	Current Positive	
R	Loss of customers due to the high price of products compared to foreign companies. Possible loss of competitiveness.	C+D	N/A	<p>The entry of competing products from other markets is a factor that is constantly monitored by the Sales division and the Business Development division. We participate in forums, industry meetings and meetings with industry associations at both national and international levels to protect markets and borders.</p>
R	Loss of customers due to the improper handling of claims received.	D	N/A	<p>A new complaint management tool has been rolled out to improve claim handling and speed of resolution. With the Sales division's Strategic Plan, a system of consultations with our customers has been developed, revealing that their relationship with TUBOS REUNIDOS is positive, placing an emphasis on quality and service.</p>
O	Reputational improvement and customer loyalty due to the correct handling of complaints.	D	N/A	<p>The Sales and Quality divisions have developed a digital tool that immediately resolves communications between the customer and the Group with a view to investigating possible claims caused by a fault in the service.</p>
O	Increased profits meeting the specific needs of each customer.	D	N/A	<p>This development, together with the rollout of the Strategic Business Plan, has enabled excellent customer relations and our service to be improved to meet their needs and expectations.</p>

Notes: Value chain: U – Upstream, C – Core and D – Downstream

Table 47. IRO Relations with customers

## Policy

(ESRS 2 MDR-P 63:65)

TUBOS REUNIDOS has no specific policy in relation to customer relationships.

Note that all the Group's corporate policies apply across all areas of the organisation, including the Sales division, the management and handling of all orders and relations with the services offered.

All our corporate policies are available to our customers on the website, making access immediate.

## Actions

(ESRS 2 MDR-A 66:69)

All the actions highlighted here, which are consistent with the Group's strategy, as reflected in Chapters 2 and 3 of this report, are aimed at improving the service we offer our customers by placing more sustainable products on the market that meet their expectations and needs, supported by robust information management systems and the processing of all data.

In 2023, the Sales division presented an important strategic plan that met the needs of the Group's Strategic Plan, also strengthening a vision for the future based on the offering of piping solutions in line with market developments and the climate situation.

To address all the material needs and issues of our customers, we have deployed a communication strategy that includes developing regular satisfaction surveys. These surveys allow us to assess customers' perception of TUBOS REUNIDOS and its services in relation to the most relevant aspects considered, in order to generate an environment of total satisfaction in our relations with the market.

Following the 2021 and 2023 surveys in which our customers placed a particular emphasis on good quality products and compliance with delivery times, we ran a new survey in 2024. This will serve as a basis for the annual monitoring of control parameters, including the Net Promoter Score (NPS), which allows us to carry out a benchmark, both with other companies and with the sector in general. We have also taken advantage of customer meetings to address all material aspects to improve the system from this first year of application.

The NPS result in 2024 was 53%. In the absence of previous references, it is not possible for us to perform a comparison with previous data and the context. However, our goal (ESRS MDR-T) is to improve this indicator in upcoming surveys. As an action, we held a follow-up meeting with the only "detractor" detected during the survey this year, with the expectation of obtaining a positive assessment in the coming years. The results of the survey are available on the TUBOS REUNIDOS CRM platform, Salesforce.

This CRM platform represents our commitment to digitising processes and tools in the Sales division, providing centralised access to key information for the day-to-day management of our customers. This includes everything from making offers and logging visits, to managing complaints and consulting essential data to meet the needs of the area. Integrating satisfaction surveys into Salesforce enables us to see the responses in detail, which enables us to address any outstanding aspects – whether impacts, risks or opportunities – and establish concrete actions for improvement and growth.

We also implemented a claims management tool, Kaytec in 2024. This connects our systems by improving process management in a timely and appropriate manner, entailing significant progress in the following aspects:

- Direct communication channels between the sales area and the departments involved at the different production plants.
- Improved definition and detailed description of incidents.
- Coordination and supervision of actions between different areas.
- Management of non-quality costs.
- Monitoring, analysis and supervision of indicators.

Once all our management systems have been strengthened, we face the biggest risk posed in terms of the competitiveness of our products: the increase of imports into the European Union, mainly from Asian manufacturers. This is becoming our greatest competitive disadvantage, especially in relation to the more standard products or commodities, given their low cost. To this end, we are strengthening our strategy towards premium quality and low CO<sub>2</sub> products under the O-Next™ brand (see Chapter 2) (ESRS 2 SBM 1 and 2).

Thanks to the in-depth technical metallurgical knowledge of our professionals and our integrated manufacturing process (from steel production to final product), we have direct control over the products and their qualities to adapt to the real needs of our customers. This allows us to offer a wide range of high value-added solutions, both in terms of quality and size.

The data that demonstrates the low environmental footprint of O-Next™ products is obtained through a new environmental footprint measurement tool that we started working on in 2023 and continued to improve in 2024. This year, we certified the process for generating product environmental declarations at the Tubos mill, and we hope to do so at the Trápaga plant in the first half of 2025. We have also continued to work on calculating the environmental footprints of our references and have certified the first orders for O-Next™ tubes. In this way, we are responding to the growing demand from our customers for piping solutions that reduce their environmental footprint, generating a framework of trust.

All the initiatives described in this section are detailed in the Strategic Plan of the Sales division and are aligned with the Sustainability Master Plan within its time frame.

The implementation of the different tools is supported by financial resources such as OpEx and CapEx, which are described on the annual budgets of each department and integrated into the SMP.

## Parameters

(ESRS MDR-M, 73:77)

In the previous section, we described all our customer-related actions and provided information regarding the measurement parameters against which we continuously monitor: satisfaction surveys with their corresponding indicators.

These are the specific control parameters used in **satisfaction surveys**:

- Sustainable solutions. Pipes with a small environmental footprint
- Time to respond to orders
- Access to information. Transparency
- Company with values
- Innovation

The Quality division has also established a series of **specific control indicators** to manage customer complaints:

- Type of complaint
- Cost of the claim
- Tonnage affected by anomalies
- Internal rejection percentage
- Other

All of these are controlled and analysed by each division and incorporated into the integrated management system at the Tubos and Productos mills for the quality, environment, occupational health and safety, and energy ISOs. Therefore, they are reviewed and certified each year as part of the audits carried out on the plants at which these systems are in place and from which all Group data is consolidated.

## Objectives and goals

(ESRS 2 MDR-T 78:81)

The monitoring of all the actions described above is supervised and evaluated by the Sales and Quality divisions and integrated with the Sustainability Area.

One of our main objectives in 2024 was **to update all commercial information** for our customers and other stakeholders. To that end, we have renewed our website and reviewed all the product data sheets, digitising all the information. It is worth mentioning that **83% of users expressed a positive response** regarding access and availability of the Group's information during this financial year.

Moreover, as we mentioned above, we are in the process of drafting up the environmental product declarations. This project, with a financial resource detailed in OpEx, is part of the 2024–2028 Sustainability Master Plan and its time horizon is aligned with the aim of achieving 100% of the references by the end of 2028. However, customers' specific needs could speed up deadlines to respond quickly to their demands.

We **continuously monitor** the customer surveys that we regularly report to management of the area to implement measures required to minimise risks and negative impacts. We believe that maintaining close communication with our customers and immediately addressing their concerns is essential for effective action.

## 8.2 DIGITISATION AND INNOVATION

One of the fundamental pillars of the TUBOS REUNIDOS Strategic Plan is the **integrated digitisation of our business**. Since 2022, the year in which we created a reinforced area for digitisation and innovation, we have been developing a structured process that will extend throughout the duration of the plan, to improve all production processes and integrate them across the different business areas.

TUBOS REUNIDOS understands that technology is key to improving production. Thus, by introducing digital tools, we have managed to optimise operations through monitoring variables linked to the manufacture process. This allows us to improve the quality of our products and increase energy efficiency for operations.

Our priority is to foster a **culture of continuous innovation** at the organisation, driving growth and excellence on the path towards sustainability.

Chapter 4 of this Sustainability Report describes some of our main actions in 2024 in the area of digitisation and innovation.

The material IRO resulting from assessment of this entity-specific matter are shown below, using the same scheme as the other sustainability issues included in the report.



IRO	Description	Value chain	Positive/Negative Potential/Current If IRO do not apply	Relationship with SBM3 ESRS 2
I	Increased customer satisfaction for improved order management in terms of time and access to information.	D	Potential positive	The main line of the TUBOS REUNIDOS Strategic Plan is commercial transformation, the fostering of closer relations with customers and their complete satisfaction in receiving the services that the Group provides.
I	Assistance/acceleration in the decarbonisation of the economy by manufacturing more sustainable solutions.	U+C+D	Current Positive	<p>Since 2023, the sales area has been developing a new strategic plan to strengthen communication with customers and improve communication channels. It has developed digitisation projects to improve market access to our products, for order management and for the processing of any claims.</p> <p>We also launched the O-Next™ product range on the market in 2024, which, thanks to its low emissions, allows our customers to adapt their climate transition plans towards decarbonisation.</p>
O	Lower costs due to the optimisation of manufacturing processes.	U+C+D	N/A	As a result of the series of actions developed in the Sustainability Master Plan and the Climate Transition Plan, we are highlighting all the great opportunities detected to contribute to mitigating and adapting to climate change. The energy efficiency of our facilities minimises the risks exposed above, improving plant productivity and making us more competitive.
O	Customer loyalty and engagement, offering a more sustainable and less polluting product range.	U+C+D	N/A	This improvement in competitiveness is a determining factor as regards our position in the market and with our customers. The launch of products with lower CO2 emissions during the manufacturing process makes a contribution across the entire value chain.

Notes: Value chain: U – Upstream, C – Core and D – Downstream

Table 48. Digitisation and innovation IRO

## Policy

(ESRS 2 MDR-P 63:65)

We have a specific policy on digitisation, innovation and customer relationships.

Note that all the Group's corporate policies apply across the different scopes and areas of the organisation, including the Digitisation division, and in the management and handling of all data.

Our corporate policies are available to all stakeholders on our website, meaning they can be accessed immediately.

## Actions

(ESRS 2 MDR-A 66:69)

All the actions highlighted here, aligned with the Group's strategy, as reflected in Chapters 2 and 3 of the report, are aimed at optimising data systems, capturing information and integrating systems, with a view to improving processes and production; this benefits all areas of the organisation.

In the previous entity-specific matter dealing with customer relations, we reported on new business tools, such as the complaint management platform and the development of new sustainable piping solutions. These achievements could not have been possible without the implementation of the Group's digitisation plan.

Throughout 2024, we implemented a comprehensive digital transformation that has completely revolutionised our operating and administrative processes. One of our most ambitious projects has been **the digitisation of invoice management** by implementing an end-to-end system that automates the entire life cycle of these invoices. This system uses advanced technologies such as optical character recognition (OCR) and natural language processing (NLP) to automatically extract relevant information from invoices, validate it against our management systems and process it for approval and payment. With this solution, **we have been able to reduce invoice processing time by 80%** and virtually eliminate manual data entry errors.

The digitisation of **the goods receipt and entry process** has had a particularly significant impact on the scrap metal division. Specifically, we have implemented automated weighing and visual recognition systems to classify and register incoming materials. These developments have not only improved the accuracy of inventory management but have also significantly optimised processing times and reduced the associated operational costs.

A particularly relevant achievement has been **the standardisation of critical processes at all our plants**. This standardisation project covers the entire business and production cycle, from budget generation to final billing. The adoption of a unified supply and order management system has significantly improved visibility and control over our business pipeline, allowing better demand forecasting and optimal resource allocation. Similarly, the standardisation of manufacturing orders has facilitated the transfer of knowledge between the plants and improved production flexibility, allowing us to balance workloads between different locations in response to needs.

There has also been significant progress with internal and external logistics with the implementation of **real-time traceability systems** using RFID technologies and QR codes to track the movement of materials and products. This integrated system provides complete visibility over the supply chain, from raw material receipt to end-customer delivery, optimising transport routes and reducing waiting times.

Finally, another key milestone in 2024 was **the standardisation of payroll processes at the main operating centres**. The new centralised system incorporates all the variables that affect payroll calculation, from controlling presence to shift management and salary supplements, ensuring consistency and regulatory compliance across all locations. As a result, time spent on administrative tasks has been significantly reduced and errors in payroll processing have been minimised.

The implementation of these projects is supported through financial resources such as OpEx and CapEx, which are included in the division's annual budgets.

## Parameters

(ESRS MDR-M, 73:77)

Above, we described all projects and actions rolled out by the Digitisation division. To ensure control and monitoring of the progress of each of these projects, the division manages a dashboard that reflects its transversal state of development.

## Objectives and goals

(ESRS 2 MDR-T 78:81)

In 2025, our digitisation and innovation objectives include studying the use of **artificial intelligence technologies** to predictively optimise processes, analysing the potential increase in our **automation capabilities** towards new areas of the business and continuing to make progress **in identifying opportunities** for continuous improvement. These objectives are aligned with our digital transformation strategy and supported by specific performance and efficiency metrics. The metrics are managed by the division through data collection and internal reporting methodologies, and the results are reported to industrial committees with a view to keeping stakeholders informed, most of whom are internal.

### 8.3 CYBERSECURITY AND DATA PROCESSING

Data processing and security also fall within the remit of the Digitisation department and are material factors at TUBOS REUNIDOS. This issue includes the practices and measures implemented to protect our information systems and ensure the security and privacy of the data that the Group handles.

Chapter 3 includes a number of the initiatives performed in 2024 in the field of digitisation and innovation.

The following table lists the IRO resulting from assessment of this entity-specific matter, using the same scheme as the other sustainability issues included in the report.

IRO	Description	Value chain	Positive/Negative Potential/Current If IRO do not apply	Relationship with SBM3 ESRS 2
O	Increased customer confidence due to proper private information management.	U+C+D	N/A	Implementation of the Cybersecurity and Digital Transformation Plans within the framework of the Strategic Plan.
O	Implementation of additional cybersecurity measures, within a voluntary framework, that increases stakeholder trust.	U+C+D	N/A	

Notes: Value chain: U – Upstream, C – Core and D – Downstream

Table 49. IRO Cybersecurity and data processing

#### Policy

(ESRS-2 MDR-P 63:65)

2024 marked a turning point in our management of data security and privacy, with the implementation of a **Comprehensive Information Security Policy**. This policy, supported by a comprehensive regulatory framework, establishes the foundations for the effective protection of all our stakeholders' information. The associated regulatory development has allowed clear and auditable procedures to be established for each facet of data management, from collection to secure disposal.

Note that all the Group's corporate policies apply across all scopes and areas of the organisation, including the Digitisation division, and in the management and handling of all data.

Our corporate policies are available to all stakeholders on our website, meaning they can be accessed immediately.

## Actions

(ESRS 2 MDR-A 66:69)

The actions highlighted here, aligned with the Group's strategy, as reflected in Chapters 2 and 3 of the report, are aimed at optimising data systems, capturing information and integrating systems, with a view to improving processes and production, benefiting all areas of the organisation, above all, securely.

In the previous entity-specific matter covering Digitisation and Innovation, we disclosed a series of relevant actions aimed at promoting the digital transformation of our Group. It is not possible to talk about data processing without looking at data security.

A key achievement this year was the implementation of an **Automated Employee Management System**, which has radically transformed the management of access and permissions at our organisation. This system covers the full life cycle of the credentials of users, from the onboarding process through to their departure. It ensures that every employee has exactly the right permissions for their role, no more or less. With process automation, the risks associated with orphan accounts and obsolete permissions, problems that have traditionally been critical points in corporate security, have been virtually eliminated. The system performs daily checks on consistency between the assigned roles and the active permissions, generating automatic alerts in the event of a discrepancy.

Another fundamental pillar in our security strategy has been the **standardisation of output to the internet**. This project has centralised and standardised all outbound connections at the organisation, implementing a layered security model that includes advanced content filtering, intrusion detection and prevention (IDS/IPS), and real-time traffic analysis. As a result, we've significantly improved our ability to detect and prevent threats, **reducing malicious connection attempts by 75%** and speeding up the response to security incidents.

Also of particular importance was **the securing of networks and the implementation of trigger devices** for new projects in the context of the separation of IT/OT networks. This segregation has created effective barriers between corporate information systems and industrial control systems, significantly reducing the risk of a security incident in one area compromising another. Trigger devices act as fortified checkpoints by registering and auditing each access between zones, with advanced session monitoring and control capabilities.

In addition, to ensure the traceability and control of our information assets, we have deployed an **Asset Management System** based on the Proactivanet platform. This solution has not only enabled us to conduct an automated and exhaustive inventory of our technology assets, but also facilitates centralised management and the implementation of security policies. The system periodically scans the network to detect new devices and configuration changes, maintaining an up-to-date and accurate record of our technological infrastructure.

The implementation of these projects is supported through financial resources such as OpEx and CapEx, which are included in the division's annual budgets.

## Parameters

(ESRS MDR-M, 73:77)

Above, we described the projects and actions rolled out by the Digitisation area during the year. To ensure control and monitoring of the progress of each of these projects, the division manages a dashboard that reflects its state of development. This table is reviewed monthly by the Industrial Committees at the Tubos and Productos mills, the TRPT Committee and management at RDT.

## Objectives and goals

(ESRS 2 MDR-T 78:81)

Looking towards the future, we have set ourselves ambitious targets for 2025. They include implementation of a **Security Information and Event Management** (SIEM) system, continuing with the actions set out in our **security awareness programme** and obtaining **data protection certifications**. These goals are supported by specific and measurable KPIs that allow us to continuously monitor our progress and adjust strategies as needed.

These metrics are managed within the area, using data collection and internal reporting methodologies. The results are reported to the industrial committees to keep a group of mostly internal stakeholders informed.

# 09

## TAXONOMY

## 9. TAXONOMY

### 9.1 EU TAXONOMY: KEY FIGURES

The **European Green Deal** is a comprehensive strategy aimed at transforming the European Union into an equitable and prosperous society with a greenhouse gas emission-neutral economy by 2050.

To achieve this goal, the EU has introduced a number of levers, including the Sustainable Finance Action Plan, the aims of which include boosting investments in sustainable activities. To this end, a common framework is required that defines which activities can be deemed sustainable and the criteria to be followed.

In response, the EU has enacted the **Taxonomy Regulation**, which sets out a system that classifies economic activities as sustainable based on their contribution to six objectives related to different environmental aspects: climate change, pollution, circular economy, water and marine resources, and biodiversity.

These objectives include a series of activities considered, given their nature and impact on the environment, key to the fight against climate change and the preservation of nature. It is these activities, and not others, that companies must analyse to determine whether they form part of their business model (Taxonomy-eligible activities) and, if so, whether they meet the criteria established by the Taxonomy to be considered sustainable (Taxonomy-aligned activities).

Thus, the fact that certain company activities are not included in the regulation means that the European Commission has deemed their impact on the environment to be insignificant compared to all economic activities carried out in the EU.

Therefore, entities that perform activities covered by the Taxonomy (eligible activities) must focus their efforts on ensuring that they meet the established criteria in order to be considered sustainable (aligned activities).

For non-financial institutions, the Taxonomy has established three key results indicators to determine the extent to which their activities are potentially sustainable (eligible) and which can be considered sustainable (aligned) with respect to the regulation. These indicators are based on ratios compiled from information on turnover, CapEx and OpEx<sup>5</sup> linked to the performance during the year. They reflect the extent to which a company's activities are potentially sustainable (eligible) and, within these, how many meet the technical criteria set out in the regulation and can therefore be considered truly sustainable (aligned).

After this brief outline, an analysis of TUBOS REUNIDOS' activities from a taxonomic standpoint is provided below.

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<sup>5</sup> The Taxonomy Regulation defines concepts that should be considered when using the figures associated with turnover, CapEx and OpEx, which differ from traditional working concepts. Therefore, they can be observed.



## 9.2 STUDY OF THE GROUP'S ACTIVITIES

Delegated Regulation (EU) 2021/2139 establishes a series of specific activities that may be deemed “eligible” for a set of environmental objectives. Each activity is associated with a description and series of NACE (statistical classification of economic activities in the EC) codes, which are intended to guide the eligibility analysis.

Our activities will therefore be considered eligible if they fit the descriptions activities provided by the EU Taxonomy.

An eligibility and alignment analysis of the six environmental objectives was carried out in 2024, taking into account Delegated Regulations (EU) 2023/2485<sup>6</sup> and 2023/2486<sup>7</sup> and considering every company within the scope of consolidation of TUBOS REUNIDOS. As required by the regulation, we have studied the eligibility and alignment of the six environmental objectives. Details of the analysis performed are presented in Appendix 3.

The main activities deemed eligible and/or aligned for each objective are shown below.

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<sup>6</sup> amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.

<sup>7</sup> supplementing the Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially 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 for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

OBJECTIVE <sup>8</sup>	ELIGIBLE ACTIVITIES	ALIGNED ACTIVITIES
CLIMATE CHANGE MITIGATION	3.9. Manufacture of iron and steel. 6.6. Freight transport services by road. 6.10. Sea and coastal freight water transport. 7.2. Renovation of existing buildings.	3.9. Manufacture of iron and steel.
CLIMATE CHANGE ADAPTATION	3.9. Manufacture of iron and steel. 7.2. Renovation of existing buildings.	
TRANSITION TO A CIRCULAR ECONOMY	3.4. Construction of roads and motorways. 3.5. Use of concrete in civil engineering.	3.4. Construction of roads and motorways. 3.5. Use of concrete in civil engineering.
POLLUTION PREVENTION AND CONTROL	2.1. Collection and transport of hazardous and non-hazardous waste.	
WATER AND MARINE RESOURCES	2.2. Urban wastewater treatment.	
BIODIVERSITY	No eligible activities in relation to the biodiversity objective have been identified.	Since no eligibility has been detected, we cannot study alignment.

Table 50. Eligible and aligned activities 2024

## 9.3 RESULTS

### Turnover

The percentage of eligible and aligned turnover for our core business *3.9. Manufacture of iron and steel* (climate change mitigation and climate change adaptation objectives) increased by 1.5% due to the decrease in the share of steel produced abroad versus domestic production compared to 2023.

### OpEx

The percentage of eligible and aligned expenses for our core business *3.9. Manufacture of iron and steel* (climate change mitigation and climate change adaptation targets), remained stable, up by 0.3% compared to 2023.

<sup>8</sup> The table only lists the objectives where eligible and aligned activities were detected.

## CapEx

The percentage of eligible and aligned investments for our core business *3.9. Manufacture of iron and steel* (objectives for climate change mitigation and climate change adaptation) during this year decreased considerably compared to 2023 due to the fact that most of the work on the new unified steel mill envisaged in the Strategic Plan was executed the previous year.

2024	REVENUE (€M)	OPEX (€M)	CAPEX (€M)
Eligibility in figures	173,195	8,293	3,319
% Eligibility	53.5%	22.1%	24.7
Alignment in figures	160,030	8,293	2,983
% Alignment	49.4%	22.1%	22%

2023	REVENUE (€M)	OPEX (€M)	CAPEX (€M)
Eligibility in figures	277,169	8,462	16,208
% Eligibility	52%	21.8%	52.1%
Alignment in figures	258,509	8,462	13,084
% Alignment	48.5%	21.8%	42%

Table 51. Eligibility and alignment figures

The Taxonomy calculation was performed this year by taking into account the regulation applicable at the time of analysis. As this is a recent regulation, with the European Commission currently publishing new supplementary regulations or amendments to existing ones, the calculation for the coming years will be made considering possible methodological changes that may result from regulatory amendments – additional regulations, question and answer documents etc. – (see Annex 3 for more information and a breakdown).

## 9.4 AMENDMENT OF DELEGATED REGULATION (EU) 2021/2139

Article 8 of the Amendment of Delegated Regulation (EU) 2021/2139 of 9 March 2022 sets out the need to report on activities relating to fossil gas and non-eligible nuclear energy according to the Taxonomy in the denominator of its key performance indicators.

This amendment establishes that the information must be presented in the form of tables using the templates in Appendix XII to that Regulation. These tables are attached below:

### Nuclear energy-related activities

- |   |  |    |
|---|--|----|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.  | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.                          | No |

### Fossil gas related activities

- |   |   |    |
|---|---|----|
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.          | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | No |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.   | No |

# 10

## GLOSSARY

## 10 GLOSSARY

5S: Approach to organising, cleaning and maintaining an efficient and safe work environment.

AAI: *Autorización Ambiental Integrada* (Integrated Environmental Authorisation)

BREF: BAT Best Available Technologies References

CF: Carbon footprint

CO<sub>2e</sub>: Carbon dioxide equivalent

CSRD: Corporate Sustainability Reporting Directive.

DNSH: Do No Significant Harm. Establishes that economic activities should not cause significant damage to any of the six environmental objectives established by the European Taxonomy.

EAF: Electric Arc Furnace.

EF: Environmental footprint

EFRAG: European Financial Reporting Advisory Group

EPD: Environmental Product Declaration

ESG: Environmental , Social and Governance

ESRS: European Sustainability Reporting Standards

IRO: Impacts, risks and opportunities

LCA: Life cycle analysis

SDG: Sustainable Development Goals

TCFD: Task Force on Climate-related Financial Disclosures

# APPENDICES

## APPENDICES

### APPENDIX 1: INDICATORS OF LAW 11/2018 NOT COVERED IN THE ESRS REPORTING REQUIREMENTS OF LAW 11/2018 NOT COVERED OR SUBJECT TO ESRS TRANSIENCE RULES

#### Appendix 1-1: Indicators of Law 11/2018 not covered in the ESRS

##### Information on social and staff-related issues

###### Organisation of working time

In terms of the organisation of working time, we currently have approximately 25 production schedules.

Generally speaking, we have established a three-shift system for operations staff, which runs Monday to Sunday from 6.00 am to 2.00 pm, from 2.00 pm to 8.00 pm and from 8.00 pm to 6.00 am, with a one-hour lunch break. Office staff work daytime hours, with flexible start times between 8.00 am and 9.00 am, and finish times between 5.00 pm and 6.00 pm, with a one-hour lunch break. However, as a general rule, non-union staff have more flexibility when it comes to finish times.

In 2024, a total of 1,664 hours were worked at the Tubos mill and 1,680 hours at the Productos mill. At TRPT, 1,719 hours were worked. At RDT [text cut off]

###### Distribution of employees by professional category.

EMPLOYEES BY PROFESSIONAL CATEGORY, GENDER AND AGE										
YEAR	OPERATIONS STAFF			ADMINISTRATORS AND MIDDLE MANAGEMENT			MANAGERS, SUPERVISORS AND TECHNICIANS			TOTAL WORKFORCE
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	
2023	934	22	956	209	59	268	101	51	152	1376
2024	953	23	976	210	54	264	104	58	162	1,402



Average annual number of permanent, temporary and part-time contracts by age and professional category.

#### ANNUAL AVERAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY AND CONTRACT CATEGORY

YEAR	OPERATIONS STAFF			ADMINISTRATORS AND MIDDLE MANAGEMENT			MANAGERS, SUPERVISORS AND TECHNICIANS		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
2023	868	113	981	248	17	265	147	9	156
2024	840	121	961	245	9	254	158	11	169

#### ANNUAL AVERAGE EMPLOYEES BY AGE, WORKING HOURS AND PROFESSIONAL CATEGORY

YEARS	UNDER 30			30 TO 50			OVER 50		
	FULL TIME	PART TIME	TOTAL	FULL TIME	PART TIME	TOTAL	FULL TIME	PART TIME	TOTAL
2023	60	0	60	986	6	992	343	9	352
2024	47	0	47	950	2	952	365	20	385

#### ANNUAL AVERAGE OF EMPLOYEES BY GENDER AND WORKING HOURS

GENDER	2024			2023		
	FULL TIME	PART TIME	TOTAL	FULL TIME	PART TIME	TOTAL
men	1229	19	1248	1262	7	1269
women	132	4	136	127	8	135
	<b>1361</b>	<b>23</b>	<b>1384</b>	<b>1389</b>	<b>15</b>	<b>1404</b>

#### ANNUAL AVERAGE NUMBER OF EMPLOYEES BY CONTRACT CATEGORY AND GENDER

GENDER	2024			2023		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
men	1120	128	1249	1143	126	1269
women	122	13	135	120	13	133
	<b>1243</b>	<b>141</b>	<b>1384</b>	<b>1263</b>	<b>139</b>	<b>1,402</b>

#### ANNUAL AVERAGE NUMBER OF EMPLOYEES BY CONTRACT CATEGORY AND AGE

AGE	2024			2023		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Under 30	17	30	47	24	33	57
From 30 to 50	871	81	952	906	88	993
Over 50	355	31	386	334	19	353
	<b>1243</b>	<b>141</b>	<b>1384</b>	<b>1263</b>	<b>139</b>	<b>1,402</b>

Average remuneration and its trends broken down by gender, age and professional category or equal value

#### AVERAGE REMUNERATION BY GENDER (€)

GENDER	2024	2023*
men	53,849.98	54,513.00
women	55,588.46	56,307.00

#### AVERAGE REMUNERATION BY AGE (€)

AGE	2024	2023*
Under 30	41,514.31	36,115.00
From 30 to 50	51,540.03	52,395.00
Over 50	61,721.40	64,053.00

#### REMUNERATION BY PROFESSIONAL CATEGORY (€)

PROFESSIONAL CATEGORY	2024	2023*
operations staff	47,628.52	47,586.00
administrators and middle management	59,292.34	61,107.00
managers, supervisors and technicians	82,385.70	88,176.00

\* Average remuneration amounts in the 2023 financial year include items from 2022 and previous years, applied in 2023 due to different agreements having been reached with employees' legal representation to update salaries at certain plants from 2017 and 2018. Therefore, these amounts are not standardised for comparison with subsequent years.

Average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long-term pension systems and any other item broken down by gender

In 2024, the average remuneration for male directors was €77,036 and for female directors €70,375 (in 2023, it was €100,714 for male directors and €68,125 for female directors). The disparity in remuneration in 2023 was because until 31 August compensation for executive directors was considerably higher than for other directors.

In 2024, the average remuneration of our Steering Committee members was €191,994 (in 2023 it was €528,498). We do not provide gender-disaggregated information for the year for 2023 and 2024 due to confidentiality and personal data protection criteria, given that there is only one woman on the Steering Committee. Remuneration was established by considering the responsibility of each position within the organisation and comparable positions on the market.

Note that the difference in the average annual remuneration compared to 2023 is mainly due to the fact that total average remuneration in 2023 included, in addition to the fixed remuneration accrued in the year and the payment to long-term savings pension systems (items included in the average annual remuneration for 2024), other additional items such as the annual variable remuneration accrued in 2023, the fixed remuneration accrued in 2019, 2020, 2021 and 2022 whose payment was late and which was consolidated in 2023, and the multi-year variable remuneration accrued in the 2020–2023 periods and consolidated in the year 2023.

Occupational accidents, in particular their frequency and severity; occupational diseases; broken down by gender

IMPACTS ON HEALTH AND SAFETY						
	2024			2023		
	Men	Women	Total	Men	Women	Total
Total no. accidents	144	3	147	195	4	199
No. accidents with sick leave	62	1	63	86	4	90
No. occupational diseases with sick leave	3	0	3	2	1	3
Frequency rate (FR)	36.83	5.40	33.72	36.65	18.3	35.08
Severity rate (SR) or lost days rate (LDR) <sup>9</sup>	1.04	0.11	0.95	0.67	0.16	0.63
Incident rate of occupational disease (IROD)	2.39	-	2.16	1.63	7.81	2.21

Number of dismissals by gender, age and professional category

NUMBER OF DISMISSALS BY GENDER		
GENDER	2024	2023
men	16	28
women	5	1
<b>TOTAL</b>	<b>21</b>	<b>29</b>

<sup>9</sup> Does not include accidents that occur while commuting.

#### NUMBER OF DISMISSALS BY AGE

AGE	2024	2023
Under 30	5	2
From 30 to 50	9	20
Over 50	7	7
<b>TOTAL</b>	<b>21</b>	<b>29</b>

#### NUMBER OF DISMISSALS BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2024	2023
operations staff	15	18
administrators and middle management	2	3
managers, supervisors and technicians	4	8
<b>TOTAL</b>	<b>21</b>	<b>29</b>

#### Number of hours of absenteeism

#### HOURS LOST DUE TO ABSENTEEISM

2024*	2023
250,886	278,858

*\*Hours lost due to accidents in transit are included*

#### Total training hours by professional category

#### HOURS OF TRAINING BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2024			2023*		
	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING
operations staff	9,365	976	10	1,869	956	2
administrators and middle management	4,252	264	16	7,075	268	26
managers, supervisors and technicians	1,865	162	12	3,100	152	20
<b>TOTAL</b>	<b>15,481</b>	<b>1,402</b>	<b>11</b>	<b>12,043</b>	<b>1,376</b>	<b>9</b>

*\*2023 data recalculated according to ESRS S1-13-84*

#### Information related to the fight against corruption and bribery:

In 2024, 21 contributions to foundations and non-profit or sponsoring entities amounted to €164,688, compared to €130,522 in 2023, a year in which we made 13 contributions.

#### Monitoring and audit systems and results of the same

See Chapter 7.4 of the SR Supplier Relationship Management (G1-2).

## Tax information

### Profits obtained country-by-country

	2024 (thousands of €)			2023 (thousands of €)		
	SPAIN	USA	TOTAL	SPAIN	USA	TOTAL
<b>TOTAL</b>	<b>38,797</b>	<b>-901</b>	<b>37,896</b>	<b>39,722</b>	<b>8,025</b>	<b>47,746</b>

### Tax on profits paid and public subsidies received.

<b>Content 201-4:</b>	<b>2024 (thousands of €)</b>	<b>2023 (thousands of €)</b>
Financial assistance received from the government	2,399	822
Impact on public coffers	40,078	47,819

## Issues relating to affected groups

As part of the Group's double materiality process, this issue has been assessed as non-material.

However, TUBOS REUNIDOS spares no efforts in having a positive impact on the local communities with which we work.

We continue to run activities to contribute to the economic and social well-being and improvement of all the local communities and regions in which we operate. We do so by encouraging the hiring of local staff and nearby value chain workers, creating and maintaining direct, stable and quality employment, with equal pay for each position.

Our headquarters and main manufacturing activity remain in the Basque Country, with 100% of the workforce located in this region. This contributes to the social and economic well-being and improvement of the local community.

We continue to have a network of local and national suppliers for the supply of consumer goods and services required for our activities. This not only enables us to support the local economy, but also reduces the environmental impact associated with transport.

Our local contribution also involves the catering sector. We provide food vouchers to staff, thus encouraging visits to local restaurants. The Tubos Reunidos Group also partners each year with a number of non-profit companies (see Table 6 of this Appendix 1-1).

## Environmental issues

### Measures taken to prevent, reduce or repair noise emissions at the facilities.

We conduct regular checks aimed at ensuring that noise levels remain in line with the regulatory framework applicable to our business and location. Through our AAI, we have established the following thresholds:

Noise ratio (dB(A)): Ld75, Le75 and Ln65.

### Measures taken to prevent, reduce or repair light pollution at our facilities.

We are not subject to any current regulations to control light pollution because our business has an insignificant impact in this area.

## Appendix 1-2 Contents required by Law 11/2018

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
<b>GENERAL INFORMATION</b>				
A brief description of the business model that includes its business environment, organisation and structure	Material	3	(ESRS 2) SBM 1	
Markets in which the Group operates	Material	3	(ESRS 2) SBM 1	
Business objectives and strategies	Material	2 and 3	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Main factors and trends that may affect future performance	Material	3	(ESRS 2) SBM 2 SBM-3 IRO 1 IRO 2	
Reporting framework	Material	1	ESRS 1 ESRS 2	
Principle of materiality	Material	4	(ESRS 2) SBM-2 SBM-3 IRO 1 IRO 2	
<b>ENVIRONMENTAL ISSUES</b>				
Management approach: description and results of policies on environmental issues	Material	4 and 5	(ESRS 2) SBM 1 MDR-P MDR-A MDR-T	
<b>Detailed overview</b>				
Detailed information on the current and foreseeable effects of business activities on the environment and health	Material	4 5 and 6 5	(ESRS 2) SBM-3 IRO 1 E11 E21 E31 E51 E2 6 AR (31 b)	E4 not material
Environmental certification or assessment procedures	Material	5	E1 2 E2 2 E3 2 E5 2	E4 not material
Resources dedicated to the prevention of environmental risks	Material	4 and 5	(ESRS 2) SBM 3 E1 9 E2 5 E3 5 E5-6	E4 not material
Application of the precautionary principle	Material	Not applicable	(ESRS 2) SBM-3 E1-9 E2-5 E3-5 E5-6	E4 not material

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Amount of provisions and guarantees for environmental risks	Material	Not applicable	(ESRS 2) SBM-3 E1-9 E2-5 E3-5 E5-6	Not reported due to application of the transitional provision
<b>Climate change</b>				
Greenhouse gas emissions generated as a result of the company's activities, including the use of goods and services it produces	Material	5	E1-6	
Measures taken to adapt to the consequences of climate change	Material	5	E1-1 (SBM-3) E1-3	
Voluntarily established reduction targets in the medium and long term to reduce greenhouse gas emissions, and the methods implemented to this end	Material	5	E1-1 E1-4	
Direct and indirect energy consumption	Material	5	E1-5 (37) E1-5 (38)	
Measures taken to improve energy efficiency	Material	5	E1-2 E1-5	
Consumption of renewable energies	Material	5	E1-5 (37) E1-5 (39)	
<b>Pollution</b>				
Measures to prevent, reduce or repair emissions that affect the environment	Material	5	E2-2	
This includes noise and light pollution	Not material		Not applicable	
<b>Sustainable use of water resources</b>				<b>Marine waters do not apply</b>
Water consumption and supply pursuant to local limitations	Material	5	E3-2 E3-4	
Consumption of raw materials and measures to improve efficiency	Material	5	E5-2 E5-4	
<b>Circular economy and waste prevention and management</b>				
Waste generated	Material	5	E5-5 (37a) E5-5 39	
Prevention, recycling, reuse, other forms of recovery and disposal of waste	Material	5	E5-2 E5-5	



Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Actions to combat food waste	Not applicable	-	Not applicable	Our industrial operations do not cover food-waste-related activities
Protection of Biodiversity				
Measures taken to preserve or restore biodiversity	Not material	Our facilities are not located in protected areas.	Not applicable	
Impacts caused by activities or operations in protected areas	Not material	Our facilities are not located in protected areas.		
SOCIAL AND STAFF-RELATED ISSUES				
Management approach: description and outcomes of policies on these issues, as well as the main risks relating to these issues linked to the group's activities	Material	6	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Employment				
Total number and distribution of employees by country, gender, age and professional category	Material	6 and Appendix 1-I	S1-6 (50 a, b) S1-9 (66 b)	
Total number and distribution of employment contract formats and annual average number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification	Material	6 and Appendix 1-II	S1-6 (50 a, b) S1-9 (66 b)	
Number of dismissals by gender, age and professional category	Material	Appendix 1-I	Indicator not covered in ESRS	The information to be reported according to CSRD does not require the disclosure of the total number of dismissals made or the breakdowns by gender, age and professional category
Average remuneration and its trends broken down by gender, age and professional category or equal value	Material	Appendix 1-I	Indicator not covered in ESRS	The information to be reported under the CSRD does not require the disclosure of workers' average remuneration, or changes broken down by gender, age or professional category.
Pay gap, remuneration for equal positions or the average at the company	Material	6	S1-16	
Average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long-term pension systems and any other item broken down by gender	Material	Annex 1	Indicator not covered in ESRS	The information to be reported according to CSRD does not require the disclosure of the average remuneration of directors or managers.

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Implementation of work disconnection policies	Material	6	SI-1	
Number of employees with disabilities	Material	6	SI-12	
<b>Organisation of work</b>				
Organisation of working time	Material	6	SI (SBM-3) SI-1 SI-8 SI-11 SI-15	
Number of hours of absenteeism	Material	Annex 1	<b>Indicator not covered in ESRS</b>	The information to be reported under CSRD does not require disclosure of the number of hours of absenteeism.
Measures aimed at facilitating work-life balance and shared responsibility	Material	6	SI-4 SI-15	
<b>Health and safety</b>				
Occupational health and safety conditions	Material		SI-1 SI-14	
Occupational accidents, frequency, severity and occupational illnesses	Material	Annex 1	<b>Indicator not covered in ESRS</b>	The information to report under CSRD does not require a gender breakdown of information on the number of accidents at work, and the formulas for calculating rates are different from those required by Law 11/2018. Nor is there a requirement to disclose information on the number of occupational diseases.
<b>Social relations</b>				
Organisation of social dialogue including procedures for informing and consulting staff and negotiating with them	Material	6	SI-2 SI-2 AR (24, 25) SI-3 SI-2 AR (28, 29)	
Percentage of employees covered by collective bargaining agreement by country	Material	6	SI-8 SI-8 AR	
Review of collective agreements, particularly in the field of occupational health and safety	Material	6	SI-8 SI-14 (88 a)	
Mechanisms and procedures available to the company to promote employee involvement in the management of the company, in terms of information, consultation and participation	Material	6	SI-1 SI-2 SI-3	

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
<b>Training</b>				
Policies implemented in the field of training	Material	6	S1-1 S1-1 AR (17 a, c, f, h) S1-13	
Total number of hours of training by professional category	Material	Annex 1	<b>Indicator not covered in ESRS</b>	The information to be reported under CSRD does not fit in form with the training indicators in Law 11/2018, as they are broken down differently, the breakdown by professional category is not included and the methodology for calculating hours is not the same (average hours vs. total hours).
<b>Universal accessibility</b>				
Universal accessibility for persons with disability	Material	6	S1 1 AR (17 d) S2 2 (23)	S4 not material
<b>Equality</b>				
Measures adopted to promote equal treatment and opportunities between women and men	Material	6	H1 2 H1 3 H1 4 H1 15 H1 16	
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment	Material	6	S1-1 (20, 24 a, b, c) S1-1 AR (14, 17 b) S1-17 (102, 103) S1-17 AR (104 b, c)	
Integration and universal accessibility for persons with disability	Material	6	S1-1 AR (17 d) S2-2 (23)	S4 not material
Anti-discrimination and, where appropriate, diversity management policy	Material	6	S1-1 S1-2 S1-3 S1-4	
<b>Respect for human rights</b>				
Management approach: description and results of policies related to these issues as well as the main related risks	Material	6.7	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Application of due diligence procedures	Material	4.6	(ESRS 2) GOV-4 (ESRS 2) MDR-P S1-1 S1-17 S2-1	S3 and S4 non-material
Application of due diligence procedures vis-à-vis human rights and prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and remedy possible abuses committed	Material	6	(ESRS 2) MDR-A (ESRS 2) MDR-T S1 2 / S1 3 / S1 4 S2 2 / S2 3 / S2 4	S3 and S4 non-material

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Claims for cases of human rights violations	Material	6, 7	H1 17 S2 4 (36)	S3 and S4 non-material
Promotion and compliance with the provisions of the fundamental ILO conventions related to the freedom of association and the right to collective bargaining	Material	6.7	H1 8	
Elimination of discrimination in employment and occupation	Material	6.7	S1 1 (24) S2 1 (17)	
Elimination of forced or compulsory labour	Material	6.7	S1 1 (22) S2 1 (18)	S3 and S4 non-material
Effective abolition of child labour	Material	6.7	S1 1 (22) S2 1 (18)	S3 and S4 non-material

### Anti-corruption and bribery

Management approach: description and outcomes of policies on these issues, as well as the main risks relating to these issues linked to the group's activities	Material	7	(ESRS 2) SBM 1 MDR-P MDR-A MDR-T	
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### Information related to the fight against corruption and bribery

Measures taken to prevent corruption and bribery	Material	7	G1 1 G1 3 G1 4	
Anti-money laundering measures	Material	7	G1 1 G1 3 G1 4	
Contributions to foundations and non-profit entities	Material	Annex 1	<b>Indicator not covered in ESRS</b>	The information to be reported under CSRD does not require the list of financial contributions to foundations and non-profit entities.

### ISSUES RELATING TO AFFECTED GROUPS

<b>Information about the company</b>				
Management approach: description and outcomes of policies on these issues, as well as the main risks relating to these issues linked to the group's activities	Not material	Not applicable	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	

### The Company's commitments to sustainable development

Impact of the Company's activity on local development and employment	Not material	Not applicable	S3 1 S3 2 S3 3 S3 4 S3 5	See Appendix 1-1
Impact of the company's business on local communities and land	Not material	Not applicable	S3 1 S3 2 S3 3 S3 4 S3 5	

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Relationships with local community actors and means of dialogue with them	Not material	Not applicable	S3 1 S3 2 S3 3 S3 4 S3 5	
Association and sponsorship actions		Annex 1	<b>Indicator not covered in ESRS</b>	The information to be reported under CSRD does not require the listing of affiliations with non-profit associations and the sponsorship of social or environmental causes.

#### Subcontracting and suppliers

Inclusion of social, gender equality and environmental issues in the procurement policy	Material	6.7	SBM-1 (42) MDR-P (65 b) S2 1 18 S2 4 AR (30)	S3 and S4 non-material. We included suppliers in G1-2
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	Material	6.7	SBM 1 (42) MDR-P (65 b) S2 1 18 S2 4 AR (30)	S3 and S4 non-material. We included suppliers in G1-2
Monitoring and audit systems and their results	Material	Appendix 1-1 and G1-2	<b>Indicator not covered in ESRS</b>	The information to be reported under CSRD does not require details of the number of audits or other monitoring systems applied to suppliers, or the results of such audits.

#### CONSUMERS

Measures to guarantee consumer health and safety	Not material	Not applicable	S4 1 S4 2 S4 3 S4 4	See Chapter 8: Entity-specific relations with customers.
Complaint systems, complaints received and their resolution	Not material	Not applicable	S4 3 S4 4	Despite the non-application of this DR, as it is not included in the ESRS, it is included in Law 10/20218, with details provided below. In 2024, we received 134 complaints, compared to 119 in 2023.  For the breakdown of the complaint system, see Chapter 8: Entity-specific relations with customers.

#### TAX INFORMATION

Profits obtained country-by-country		Appendix 1-1	<b>Indicator not covered in ESRS</b>	The information to be reported under CSRD does not require the details of the profits obtained on a country-by-country basis.
Tax on profits paid		Appendix 1-1	<b>Indicator not covered in ESRS</b>	The information to be reported under CSRD

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
				does not require details of the income tax paid on a country-by-country basis.
Public subsidies received		Appendix 1-1	<b>Indicator not covered in ESRS</b>	The information to be reported under CSRD does not require details of public subsidies received on a country-by-country basis.

#### ENTITY-SPECIFIC

##### Information about the company

Management approach: description and outcomes of policies on these issues, as well as the main risks relating to these issues linked to the group's activities	Material	8	(ESRS 2) SBM-1-2-3 MDR-P MDR-A MDR-T	Three topics that are material to the Group have been disclosed in this chapter: relations with customers, digitisation and innovation, and cybersecurity and data processing
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#### REGULATION (EU) 2020/852 – TAXONOMY

##### Qualitative information

Accounting policy	Material	9	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	
Assessment of compliance with Regulation (EU) 2020/852	Material	9	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	
Contextual information	Material	9 and Appendix 3	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	
Information on activities related to nuclear energy and fossil gas	Material	9	Delegated Regulation (EU) 2021/2139	

##### Quantitative information

Income volume eligibility and alignment	Material	9 and Appendix 3	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	
CapEx eligibility and alignment	Material	9 and Appendix 3	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	
OpEx eligibility and alignment	Material	9 and Appendix 3	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
			Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	

## **APPENDIX 2 CSRD DISCLOSURE REQUIREMENTS**



Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
General information					
BP-1	General basis for preparation of sustainability statements		Material	12, 13	
BP-2	Disclosures in relation to specific circumstances			12, 13	
GOV-1	The role of the administrative, management and supervisory bodies	Commission Delegated Regulation (EU) 2020/1816 (5), Appendix II.	Material	27, 41, 46, 162, 164	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies			44, 47, 57	
GOV-3	Integration of sustainability-related performance into incentive schemes			46	
GOV-4	Statement on due diligence			47	
GOV-5	Risk management and internal controls over sustainability reporting			71, 72	
SBM-1	Strategy, business model and value chain	Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1 Delegated Regulation (EU) 2020/1816, Appendix II	Material	16, 24, 26, 27, 28, 37, 130, 175, 178	
SBM-2	Interests and views of stakeholders			27, 29, 49, 121	

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			56, 57, 121, 122, 144	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities			13, 27, 47, 49, 50, 52, 54, 56, 78, 80, 99, 109, 113, 164	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement		Material	48, 8	
MDR-P	Policies adopted to manage material sustainability matters			47, 145, 177, 182, 184	
MDR-A	Actions and resources in relation to material sustainability matters			114, 177, 182, 185	
MDR-M	Parameters in relation to material sustainability matters		Material	47, 179, 183, 186	
MDR-T	Tracking effectiveness of policies and actions through targets			47, 90, 111, 179, 183, 186	
<b>EI: Climate change</b>					
ESRS GOV-3	2 Integration of sustainability-related performance into incentive schemes			46	
EI-1	Transition plan for climate change mitigation	Regulation (EU) 2021/1119, Article 2(1)	Material	74	
EI-1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			56, 57, 121, 122, 144	

	Disclosure requirement and related data point	Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
E1 IRO 1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities			76, 78	
E1-1	Companies excluded from the Paris-aligned benchmarks, Section 16 g)	Commission Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g), and Article 12(2)			Not applicable
E1-2	Policies related to climate change mitigation and adaptation			82, 83	
E1-3	Actions and resources in relation to climate change policies			83, 84	
E1-4	Targets related to climate change mitigation and adaptation	Delegated Regulation (EU) 2020/1818, Article 6		84, 89, 93	
E1-5	Energy consumption from non-renewable fossil fuels, broken down by sources (only high climate impact sectors)			90	For our business, only applicable to TRG SLU
E1-5	Energy consumption and mix			91	
E1-5	Energy intensity related to activities in high climate impact sectors			92	For our business, only applicable to TRG SLU
E1-6	Gross scopes 1, 2 and 3 and total GHG emissions	Delegated Regulation (EU) 2020/1818, Article 6		92–97	
E1-6	Gross GHG emissions intensity	Delegated Regulation (EU) 2020/1818, Article 7		97	

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Regulation (EU) 2021/1119, Article 2(1)		98	This type of activity was not carried out in 2024
E1-8	Internal carbon pricing			98	We did not apply this item in 2024
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities				We are not reporting on this in 2024
E2, E3, E4, E5					
E2 IRO-2	Description of the processes to identify and assess material impacts, risks and opportunities		Material	99	
E2-1	Policies related to pollution			99–101	
E2-2	Pollution-related actions and resources			101, 102	
E2-3	Targets related to pollution			102, 103	
E2-4	Pollution of air, water and soil			103–106	
E2-5	Substances of concern and substances of very high concern			106	
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities				We are not reporting on this in 2024

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
E3 IRO-2	Description of the processes to identify and assess material impacts, risks and opportunities			109	
E3-1	Policies related to water and marine resources			110, 109	
E3-2	Actions and resources related to water and marine resources			110, 111	
E3-3	Targets related to water and marine resources			111	
E3-4	Water consumption			112	
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities				We are not reporting on this issue in 2024
E4 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				
E4 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities				
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		Not material		This issue is not material for the activity of TUBOS REUNIDOS
E4-2	Policies related to biodiversity and ecosystems				
E4-3	Actions and resources related to biodiversity and ecosystems				

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
E4-4	Targets related to biodiversity and ecosystems				
E4-5	Impact metrics related to biodiversity and ecosystems change				
E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities				
E5 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities			113	
E5-1	Policies related to resource use and circular economy			113, 114	
E5-2	Actions and resources related to resource use and circular economy		Material	114, 115	
E5-3	Targets related to resource use and circular economy			115, 116	
E5-4	Resource inflows			116, 117	
E5-5	Resource outflows			117–119	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities				We are not reporting on this issue in 2024

	Disclosure requirement and related data point	Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
<b>S1: Own workforce</b>					
SBM-2	Interests and views of stakeholders			121, 122, 137, 139, 140	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			121, 122, 139, 140	
S1-1	Policies relating to own workforce	Delegated Regulation (EU) 2020/1816, Appendix II.		124–126	
S1-2	Processes for engaging with own workers and workers' representatives about impacts			126, 127	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns			127, 128, 142	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions			122–124, 140	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities			123, 124	
S1-6	Characteristics of the undertaking's employees			128–131	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce			121	In 2024, we had no non-employee workers in our workforce

	Disclosure requirement and related data point	Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
SI-8	Collective bargaining coverage and social dialogue			132, 133, 142	
SI-9	Diversity metrics			135	
SI-10	Adequate wages			134	
SI-11	Social protection			133	
SI-12	Persons with disabilities			136	
SI-13	Training and skills development metrics			136–139	
SI-14	Health and safety metrics	Delegated Regulation (EU) 2020/1816, Appendix II.		139–142	
SI-15	Work-life balance metrics			128, 133	
SI-16	Compensation metrics (pay gap and total compensation)	Delegated Regulation (EU) 2020/1816, Appendix II.			See Appendix 1-1
SI-17	Incidents, complaints and severe human rights impacts	Commission Delegated Regulation (EU) 2020/1816, Appendix II Delegated Regulation (EU) 2020/1818, Article 12(1)		143	
<b>S2: Value chain</b>					
SBM-2	Interests and views of stakeholders			144	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			144	
S2-1	Policies related to value chain workers	Delegated Regulation (EU) 2020/1816, Appendix II.		145	
S2-2	Processes for engaging with value chain workers about impacts			146	



	Disclosure requirement and related data point	Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns			146	
S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions			147	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities			147	
<b>S3: Affected communities</b>					
SBM-2	Interests and views of stakeholders				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				
S3-1	Policies related to affected communities	Commission Delegated Regulation (EU) 2020/1816, Appendix II Delegated Regulation (EU) 2020/1818, Article 12(1)			This issue is not material to the TUBOS REUNIDOS business. The report on this subject is attached in Appendix 1-1
S3-2	Processes for engaging with affected communities about impacts				
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns				

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
S3-4	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions				
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities				
<b>S4: Consumers and end-users</b>					
SBM-2	Interests and views of stakeholders				
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				
S4-1	Policies related to consumers and end-users	Commission Delegated Regulation (EU) 2020/1816, Appendix II Delegated Regulation (EU) 2020/1818, Article 12(1)	Not material		This issue is not material to the TUBOS REUNIDOS business. The relationship with customers is described in Chapter 8: Entity-Specific and Appendix 1-1
S4-2	Processes for engaging with consumers and end-users about impacts				
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns				
S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and				

	Disclosure requirement and related data point	Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
	pursuing material opportunities related to consumers and end-users, and effectiveness of those actions				
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities				
<b>G1: Business conduct</b>					
GOV-1	The role of the administrative, supervisory and management bodies			151, 158, 160-162	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities			164	
G1-1	Corporate culture and business conduct policies			164–169	
G1-2	Management of relationships with suppliers			170	
G1-3	Prevention and detection of corruption or bribery			170–172	
G1-4	Confirmed incidents of corruption or bribery	Delegated Regulation (EU) 2020/1816, Appendix II.		172	
G1-5	Political influence and lobbying activities			172	
G1-6	Payment practices			173	

## Appendix 3 EUROPEAN TAXONOMY

### Introduction

We considered all companies comprising the TUBOS REUNIDOS GROUP's consolidated scope when conducting the analysis aimed at identifying and establishing the eligible and aligned activities which, in accordance with the Taxonomy criteria, we carry out and that will serve as a basis for calculating the Taxonomic indicators.

The main activities deemed eligible and/or aligned for each objective are indicated below.

### Eligibility

#### Activity 3.9. Manufacture of iron and steel

Within the framework of the eligibility analysis carried out for 2024, as was the case the previous years, we maintain that the eligible activity is Taxonomic activity 3.9. *Manufacture of iron and steel*, included in Appendix 1 of the environmental objective of mitigating climate change. This conclusion confirms the substantial contribution of this phase of the process to the environmental objectives set.

By contrast, the specific activity of seamless steel pipe manufacturing was not identified as part of the aforementioned activity 3.9. Although both activities form part of the same comprehensive process, the Taxonomy focuses specifically on the manufacture of iron and steel as a significant contributor to climate change mitigation.

This analysis highlights the importance of differentiating the different stages of the production process and underlines the need for continuous assessment, with a view to adapting the regulatory developments and guidelines established by the European Commission within the framework of the EU Taxonomy Regulation.

TUBOS REUNIDOS also carried out a series of activities in 2024 that, although not directly related to our main business, are focused on the Group's internal maintenance and therefore can be linked to a number of activities included in the EU Taxonomy. These are described below, objective by objective:

#### 1. Objective 1: Climate change mitigation and Objective 2: Climate change adaptation

- a. Activity 6.6. *Freight transport services by road*: within the marketing work performed by TUBOS REUNIDOS AMÉRICA. The work has been identified as eligible for this activity (6.6.) as it includes everything related to transporting and selling pipes to the end-customer.
- b. Activity 6.10. *Sea and coastal freight water transport, vessels for port operations and auxiliary activities*: This occurs as part of the pipe marketing carried out by TUBOS REUNIDOS AMÉRICA. The work has been identified as eligible for this activity (6.10.) as it includes everything related to transporting and selling pipes to the end-customer.
- c. Activity 7.2. *Renovation of existing buildings*. Works were completed this year on the renovation of buildings (white hall at the steel mill etc.), which were considered as eligible for this activity (7.2.) based on the objectives of *climate change mitigation, climate change adaptation and circular economy*.

## 2. Objective 3: Sustainable use and protection of water and marine resources

- a. Activity 2.2. *Urban wastewater treatment*. In 2024, the internal networks of the Tubos mill were connected to prepare the connection to the external collector that will connect to the water treatment plant being built by the local city council. This is considered an eligible activity for this objective.

## 3. Objective 4: Transition to a circular economy

- a. Activity 3.4. *Construction of roads and motorways*: In 2024, we completed the internal road refurbishment work and this activity was considered eligible.
- b. Activity 3.5. *Use of concrete in civil engineering*. A series of renovations has also been performed at the facilities involving the use of concrete, meaning the investment in this material has been deemed eligible.

## 4. Objective 5: Pollution prevention and control

- a. Activity 2.1. *Collection and transport of hazardous waste*. Waste collection took place at the plants in 2024 and the waste was subsequently transported to its final destination, depending on its nature. TUBOS REUNIDOS is not responsible for the transport; rather, it is outsourced to an external company. This is considered an eligible activity.

## 5. Objective 6: Protection and recovery of biodiversity and ecosystems

Having analysed the activities under this environmental objective, TUBOS REUNIDOS is not considered eligible.

### Eligibility results

Therefore, the table below summarises this eligibility section, detailing the eligible activities according to the specific environmental objective and analysing their alignment.

Objectives (10)	Eligible activities
Climate change mitigation.	3.9. Manufacture of iron and steel. 6.6. Freight transport services by road. 6.10. Sea and coastal freight water transport. 7.2. Renovation of existing buildings.
Climate change adaptation.	3.9. Manufacture of iron and steel. 7.2. Renovation of existing buildings.
Sustainable use and protection of water and marine resources.	2.2. Urban wastewater treatment.
Transition to a circular economy.	3.4 Construction of roads and motorways 3.5. Use of concrete in civil engineering.
Pollution prevention and control.	2.1. Collection and transport of hazardous waste.

<sup>10</sup> The table only lists the objectives where eligible activities were detected.

## Alignment analysis

In order for an “eligible” activity to be considered “aligned”, that is, environmentally friendly, it is necessary to demonstrate compliance with two basic criteria: firstly, that the Company complies with a series of minimum social safeguards and secondly that the eligible activity complies with a number of technical requirements established by the Taxonomy Regulation (EU). These technical criteria define when an activity generates a substantial contribution to an objective and when it is deemed to cause no significant harm to other objectives.

We then consider a study of the operations to verify the degree of compliance of these operations with respect to the technical selection criteria required by the European Taxonomy.

We understand that compliance with minimum social safeguards is equal for all environmental objectives. For this reason, we include it in a general way for all the objectives in this section. As part of the particular alignment study for each objective, we will explain the technical criteria and the principle of do no significant harm (DNSH).

### Compliance with minimum social safeguards

Compliance with minimum social safeguards implies that a company implements practices and policies that protect and promote human rights and social welfare, in the context of the EU Taxonomy and other sustainability-related regulations. These safeguards are designed to ensure that economic activities are not only environmentally sustainable, but also socially sustainable.

Our respect for minimum social safeguards is manifested through:

- 1. Policies and compliance:** We emphasise the importance of compliance policies and preventing criminal risks, ensuring that everyone in the Group is obliged to comply with them. These policies identify risks and implement control measures to reduce the likelihood and impact of crimes. In 2024, the following policies were published to strengthen corporate governance:
  - Corporate policy on respect for human rights
  - Corporate policy against corruption and fraud
  - Corporate environmental policy
  - Corporate policy on climate change
- 2. Risk management systems:** We conduct an annual assessment to improve and adapt to recognised standards, addressing risks that could affect the Group's strategic objectives.
- 3. Transparency and ethics:** We promote business transparency through a whistleblower channel available on the corporate website, allowing any person to report conduct that breaches the Group's principles and the law. In this area, we highlight the improvement in channel accessibility to drive early identification of wrongdoing.
- 4. Independent control body:** We have established a body comprising key members to ensure independent and equitable oversight, thereby reinforcing the organisation's culture of ethics and compliance.
- 5. Proven ethical commitment:** We underline the absence of existing complaints or convictions in matters such as human rights and corruption during 2024. This reflects

TUBOS REUNIDOS' proactive approach to ethical and socially responsible practices, ensuring operational integrity and respect for human rights.

## Climate change mitigation

### Activity 3.9. Manufacture of iron and steel

#### Study of the technical criteria for substantial contributions

To ensure a substantial contribution to climate change mitigation, two criteria must be met:

1. The first imposes strict limits on greenhouse gas (GHG) emissions at various stages of the iron and steel production process, from hot metal smelting to electric arc furnace fine steel manufacturing. In addition, we emphasise the importance of incorporating scrap steel in specific quantities, reinforcing the commitment to sustainable practices. The specific ratio of CO<sub>2</sub> emissions according to the appendix to Regulation (EU) 2019/331, for the production of fine steel from an electric arc furnace, is 0.266 t CO<sub>2e</sub>/t of product. We managed to keep this ratio below the established threshold, thus guaranteeing a substantial contribution to climate change mitigation.
2. The second applies to the capture and underground storage of CO<sub>2</sub>, which considers additional practices to mitigate emissions. We have not currently implemented any CO<sub>2</sub> capture processes; therefore, this criteria does not apply in this particular case given the absence of this practice in the operations of TUBOS REUNIDOS.

## DNSH

In addition to contributing to mitigating climate change, the EU Taxonomy requires that activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	Reason
<b>Climate adaptation</b>	<p>During 2024, the analysis of the significant physical risks was updated considering the necessary requirements to ensure compliance with the DNSH of the <i>Climate change adaptation objective</i>. The actions planned for 2025 have been maintained due to the lack of CapEx and OpEx in 2024 following the Group's furlough procedures and financial situation.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>
<b>Sustainable use and protection of water and marine resources</b>	<p>The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress.</p> <p>The Group is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources.</p>

Do no significant harm	
Objective	Reason
	<p>An ESG work group has been created and is developing a project named "Sustainable Water Management", which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment.</p> <p>The RDT and TRPT plants are not subject to AAI. Environmental practices have been developed for efficient water use and management at TRPT, although consumption comes from the industrial network and the controls are carried out by ownership of the industrial estate. As RDT is also in an area with low rainfall levels, it has systems and good practices for using water.</p> <p>None of the plants has any impact on marine resources.</p> <p>The Corporate Environment Policy and the Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>
<b>Transition to a circular economy</b>	<p>The EU Taxonomy Regulation requires no additional criteria be met for the "Climate change mitigation" objective.</p>
<b>Pollution prevention and control</b>	<p>The Tubos mill is operated in such a way that atmospheric emissions do not exceed the emission limit values set out in its AAI and the technical requirements established by the Basque Government's Vice Ministry for Environmental Sustainability in its corresponding technical instructions. Compliance with emission values is assessed in accordance with the provisions of Article 9 in Decree 278/2011 of 28 December.</p> <p>The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preventing and controlling pollution in relation to the use and presence of chemicals.</p> <p>The RDT and TRPT plants do not have an AAI. The Tubos mill is operated in such a way that atmospheric emissions do not exceed the emission limit values set out in its AAI and the technical requirements established by the Basque Government's Vice Ministry for Environmental Sustainability in its corresponding technical instructions. Compliance with emission values is assessed in accordance with the provisions of Article 9 in Decree 278/2011 of 28 December.</p> <p>The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preventing and controlling pollution in relation to the use and presence of chemicals.</p> <p>The RDT and TRPT plants do not have an AAI.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>
<b>Protection recovery biodiversity ecosystems and of</b>	<p>TUBOS REUNIDOS does not have an Environmental Impact Assessment (EIA) pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive.</p> <p>However, this facility has been subject to an ERA, based on the transposition of the MIRAT (<i>Modelo de Informe de Riesgos Ambientales Tipo – Environmental Risk Report Model</i>), approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Remediation of</p>



Do no significant harm	
Objective	Reason
	<p>Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the MITECO (<i>Ministerio de Transición Ecológica</i> – Ministry of Ecological Transition).</p> <p>The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk.</p> <p>TUBOS REUNIDOS' business is covered by the Industrial Emissions Directive (formerly the Integrated Pollution Prevention and Control Act – IPPC), and is therefore governed by an AAI granted by the competent authority of the autonomous community in which the facility is located. In addition to including guidelines on maximum emissions, discharge and waste that can be generated by the activity, the AAI also sets forth exemptions for measures to be undertaken in terms of biodiversity, due to the low impact the activity under analysis generates for the surrounding environment and ecosystem services.</p> <p>Furthermore, both the Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>

In conclusion, **our steel manufacturing business demonstrates our contribution to mitigating climate change** by complying with the criteria established by the EU Taxonomy, since the GHG emissions associated with the production of high-grade steel in an electric arc furnace are below the values established for this phase. Furthermore, by doing no significant harm to the rest of the objectives and complying with minimum social safeguards, this activity contributes to the objective of *climate change mitigation* and respects the fundamental principles of sustainability and social responsibility, contributing to sustainable and equitable economic development.

#### **Activities 6.6. and 6.10. Service for land freight transport, and sea and coastal freight water transport, vessels for port operations and auxiliary activities**

##### **Technical criteria**

Activities 6.6 and 6.10 relating to road or sea and coastal freight water transport were not considered as aligned due to the difficulty we faced in 2024 in obtaining sufficient information to analyse the substantial contribution technical criteria.

##### **DNSH**

As in the case of the search for evidence regarding the technical criteria, it has not been possible to collect DNSH evidence for the transition to a circular economy, or for the prevention and control of pollution.

Over the coming years, work must be performed with the value chain to obtain this information in a viable way, with a view to studying the alignment of these two activities to contribute to climate change mitigation.

### Activity 7.2. Renovation of existing buildings

We believe that the investments made in the renovation of buildings are not significant enough to proceed with an analysis of the technical criteria and the DNSH for the alignment of activity 7.2. within the *Climate change mitigation* objective.

#### Climate change adaptation

### Activity 3.9. Manufacture of iron and steel

#### Study of the technical criteria for substantial contributions

Four technical criteria must be met to ensure a substantial contribution to climate change adaptation:

1. The first criterion establishes the need to apply physical and non-physical solutions (adaptation solutions) that substantially reduce the most important physical climate risks that are material with respect to this activity. We do not believe that this criterion has been met.
2. The second criterion addresses the need to conduct a physical climate risk analysis, study vulnerability and review the corresponding climate projections. We have updated the analysis performed in 2023 on these aspects, although we have not noticed any substantial change in that regard.
3. The third criterion refers to the same risk analysis as carried out for technical criterion 2.
4. The fourth criterion determines the adaptation solutions applied. We did not develop any natural-based adaptation solutions in 2024.

#### DNSH

In addition to contributing to adapting to climate change, the EU Taxonomy requires that activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	Reason
<b>Climate change mitigation</b>	TUBOS REUNIDOS' business complies with the <i>climate change mitigation DNSH</i> for values obtained in the technical criteria of GHG emissions.
<b>Sustainable use and protection of water and marine resources</b>	The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress.

Do no significant harm	
Objective	Reason
	<p>The Group is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources.</p> <p>An ESG work group has been created and is developing a project named “Sustainable Water Management”, which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment.</p> <p>The RDT and TRPT plants are not subject to AAI. Environmental practices are developed for efficient water use and management at TRPT, although consumption comes from the industrial network and the controls are carried out by ownership of the industrial estate. As RDT is also in an area with low rainfall levels, it has systems and good practices for using water.</p> <p>None of the plants has any impact on marine resources.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>
<b>Transition to a circular economy</b>	<p>The EU Taxonomy Regulation requires no additional criteria be met for the “Climate change adaptation” objective.</p>
<b>Pollution prevention and control</b>	<p>The Tubos mill is operated in such a way that atmospheric emissions do not exceed the emission limit values set out in its AAI and the technical requirements established by the Basque Government's Vice Ministry for Environmental Sustainability in its corresponding technical instructions. Compliance with emission values is assessed in accordance with the provisions of Article 9 in Decree 278/2011 of 28 December.</p> <p>The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preventing and controlling pollution in relation to the use and presence of chemicals.</p> <p>The RDT and TRPT plants do not have an AAI.</p> <p>The Tubos mill is operated in such a way that atmospheric emissions do not exceed the emission limit values set out in its AAI and the technical requirements established by the Basque Government's Vice-Ministry for Environmental Sustainability in its corresponding technical instructions. Compliance with emission values is assessed in accordance with the provisions of Article 9 in Decree 278/2011 of 28 December.</p> <p>The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preventing and controlling pollution in relation to the use and presence of chemicals.</p> <p>The RDT and TRPT plants do not have an AAI.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>

Do no significant harm	
Objective	Reason
Protection recovery biodiversity ecosystems and of and	<p>TUBOS REUNIDOS does not have an EIA pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive.</p> <p>However, this facility has been subject to an ERA, based on the transposition of the MIRAT, approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Remediation of Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the MITECO.</p> <p>The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk.</p> <p>TUBOS REUNIDOS' business is covered by the Industrial Emissions Directive (formerly the IPPC), and is therefore governed by an AAI granted by the competent authority of the autonomous community in which the facility is located. In addition to including guidelines on maximum emissions, discharge and waste that can be generated by the activity, the AAI also sets forth exemptions for measures to be undertaken in terms of biodiversity, due to the low impact the activity under analysis generates for the surrounding environment and ecosystem services.</p> <p>Furthermore, both the Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>

In conclusion, **both the minimum social safeguards and the DNSH are compliant in relation to the objective of climate change adaptation**. However, taking into account that the technical criteria have not been addressed during 2024, we do not consider the activity aligned for this reason.

To ensure compliance with the technical criteria for a substantial contribution to the objective of *climate change adaptation* for the activities identified as eligible, we will continue to work over the coming years on identifying and implementing specific adaptation solutions to mitigate or reduce the impact of those physical climate risks identified.

## Activity 7.2. Renovation of existing buildings

### Study of the technical criteria for substantial contributions

As with the *Climate change mitigation* objective, we believe that the investments made in the renovation of buildings are not significant enough to proceed with an analysis of the technical criteria and the DNSH for the alignment of activity 7.2. within the *Climate change adaptation* objective.

## Sustainable use and protection of water and marine resources

### Activity 2.2. Urban wastewater treatment

The eligible activity in this case is the preparation of the connection of the sanitary water at the Amurrio plant to a future collector that will in turn be connected to wastewater treatment infrastructure. The investment allocated in 2024 is negligible. Taking this into account, together with the inapplicability of the DNSH, means that this activity is ultimately not aligned with Objective 3 of the Taxonomy.

## Transition to a circular economy

### Activity 3.4. Construction of roads and motorways

We completed rehabilitation work on internal roads throughout 2024.

## Study of the technical criteria for substantial contributions

To ensure a substantial contribution to the transition to a circular economy, five criteria had to be met:

1. This does not apply to the aforementioned works.
2. The concrete used for this work is made from recycled material, consisting of the steel slag from the Amurrio plant.
3. We confirm that the transfer satisfies the requirements of 2.5.
4. This does not apply as it does not involve a private arrangement.
5. The raw materials used are black slag from the Group's steel mill.

## DNSH

In addition to contributing to the transition to the circular economy, the EU Taxonomy requires that the activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	Reason
<b>Climate mitigation change</b>	Does not apply.
<b>Climate adaptation change</b>	During 2024, the analysis of significant physical risks was updated considering the necessary requirements to ensure compliance with the DNSH for environmental objectives.  The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
<b>Sustainable use and protection of water and marine resources</b>	The Tubos mill has and maintains its Environmental Management System up to date in accordance with the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection

Do no significant harm	
Objective	Reason
	<p>and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress.</p> <p>TUBOS REUNIDOS is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources.</p> <p>An ESG work group has been created and is developing a project named “Sustainable Water Management”, which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment.</p> <p>None of the plants has any impact on marine resources.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>
<b>Pollution prevention and control</b>	Noise, vibration and emission reduction measures have been implemented.
<b>Protection recovery biodiversity ecosystems and of</b>	<p>TUBOS REUNIDOS does not have an EIA pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive.</p> <p>However, this facility has been subject to an ERA, based on the transposition of the MIRAT (<i>Modelo de Informe de Riesgos Ambientales Tipo – Environmental Risk Report Model</i>), approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Remediation of Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the MITECO (<i>Ministerio de Transición Ecológica – Ministry of Ecological Transition</i>).</p> <p>The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk.</p> <p>In addition, the Tubos mill has and maintains its Environmental Management System up to date according to the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>

In short, we can conclude that **activity 3.4. is aligned with the EU Taxonomy.**

### Activity 3.5. Use of concrete in civil engineering

The concrete used at the Amurrio plant has been used to cast slabs in the raw material and slag sorting areas.

### Study of the technical criteria for substantial contributions

To ensure a substantial contribution to the transition to a circular economy, seven criteria had to be met:

1. All construction and demolition waste generated is treated pursuant to European waste legislation and the comprehensive EU Construction and Demolition Waste Management Protocol checklist.
2. The total waste generated during the concreting of the scrap and slag areas is managed as part of a management plan approved by the Environment division.
3. The third criterion establishes the application of circularity measures. In this regard, the concrete used for these areas is made from recycled material, consisting of the steel slag from the Amurrio plant.
4. The percentage of recycled product is 80%.
5. The raw materials come from black slag from the Group's steelworks, helping to minimise the CO<sub>2</sub> emissions generated by transporting these materials to the Amurrio plant.
6. Criterion 6 does not apply to the works in question.
7. This does not apply to the aforementioned works.

### DNSH

In addition to promoting the transition to the circular economy, the EU Taxonomy requires that the activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	Reason
<b>Climate mitigation change</b>	The asset built is not dedicated to the extraction, storage, transport or manufacture of fossil fuels  Furthermore, no cement is used in this activity.
<b>Climate adaptation change</b>	During 2024, the analysis of significant physical risks was updated considering the necessary requirements to ensure compliance with the DNSH for environmental objectives.  The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of the year. These policies will be relayed to the entire organisation and value chain.
<b>Sustainable use and protection of water and marine resources</b>	The Tubos mill has and maintains its Environmental Management System up to date in accordance with the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection

Do no significant harm	
Objective	Reason
	<p>and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress.</p> <p>TUBOS REUNIDOS is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources.</p> <p>An ESG work group has been created and is developing a project named “Sustainable Water Management”, which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment.</p> <p>None of the plants has any impact on marine resources.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>
<b>Pollution prevention and control</b>	<p>The components and materials used in concreting comply with the criteria set out in Appendix C of Delegated Regulation (EU) 2023/2486 for this environmental objective.</p> <p>No buildings were constructed; the works simply entailed the concreting of a previously unconcreted area.</p> <p>The concreting work is subject to a non-substantial modification (NSM) to the AAI in Amurrio; therefore, it is subject to the indications for compliance with the requirements set out in the resolution of the NSM.</p>
<b>Protection recovery biodiversity ecosystems and of and</b>	<p>TUBOS REUNIDOS does not have an EIA pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive.</p> <p>However, this facility has been subject to an ERA, which began the transposition of the MIRAT (Model Environmental Risk Report), approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Repair of Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the Ministry of Ecological Transition (MITECO).</p> <p>The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk.</p> <p>In addition, the Tubos mill has and maintains its Environmental Management System up to date according to the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>

We can therefore conclude that **activity 3.5. is aligned with the EU Taxonomy.**



## Pollution prevention and control

### Activity 2.1. Collection and transport of hazardous waste

#### Study of the technical criteria for substantial contributions

To ensure a substantial contribution to the transition to a circular economy, eight criteria had to be met:

1. Hazardous waste is separated at the source and collected separately from non-hazardous waste to avoid cross contamination. All waste is separated at the source and treated at the plant in a differential and controlled manner.
2. The environmental management system implemented at the plants has procedures for the treatment of waste during separation and preparation for transport. Likewise, the production areas have precise instructions for the correct identification, separation and action of waste in the event of an incident during handling. Proper collection and handling prevents the leakage of hazardous waste during collection, transport, storage and delivery to the facility authorised to treat hazardous waste, in line with Spanish legislation.
3. This third criterion establishes the need for the implementation of legislation on the transport of dangerous goods by road. We have classification procedures that comply with this regulation, implemented according to the type of waste. We train our staff to ensure their correct implementation. We perform the relevant audits every year and have a security advisor in place. Therefore, we fulfil the requirements set out in the ADR (Agreement concerning the International Carriage of Dangerous Goods by Road).
4. The activity involves the use of waste collection vehicles, which comply with Euro V as a minimum.
5. All waste is packaged and labelled in line with the international and EU standards in force.
6. We have a document control system, both for generators and for the operator, which guarantees traceability in the management of hazardous waste created by our business. This data is reported annually to the appropriate government.
7. We have a separation and classification system for waste electrical and electronic equipment (WEEE) in line with the requirements of applicable law.
8. Stored waste and its facilities comply with current regulations.

#### DNSH

In addition to contributing to the prevention and control of pollution, the EU Taxonomy requires that the activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	Reason
<b>Climate change mitigation</b>	Not applicable.
<b>Climate change adaptation</b>	<p>During 2024, the analysis of significant physical risks was updated considering the necessary requirements to ensure compliance with the DNSH for environmental objectives.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of the year. These policies will be relayed to the entire organisation and value chain.</p>
<b>Sustainable use and protection of water and marine resources</b>	<p>The Tubos and Products mills have and keep their respective environmental management systems up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress.</p> <p>TUBOS REUNIDOS is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources.</p> <p>An ESG work group has been created and is developing a project named "Sustainable Water Management", which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment.</p> <p>Appropriate procedures are also used by RDT and TRPT for managing hazardous waste.</p> <p>None of the plants has any impact on marine resources.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>
<b>Transition to a circular economy</b>	<p>The components and materials used in concreting comply with the criteria set out in Appendix C of Delegated Regulation (EU) 2023/2486 for this environmental objective.</p> <p>No buildings were constructed; the works simply entailed the concreting of a previously unconcreted area.</p> <p>The concreting work is subject to an NSM to the AAI in Amurrio; therefore, it is subject to the indications for compliance with the requirements set out in the resolution of the NSM.</p>
<b>Protection and recovery of biodiversity and ecosystems</b>	TUBOS REUNIDOS does not have an EIA pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive.

Do no significant harm	
Objective	Reason
	<p>However, this facility has been subject to an ERA, which began the transposition of the MIRAT (Model Environmental Risk Report), approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Repair of Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the Ministry of Ecological Transition (MITECO).</p> <p>The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk.</p> <p>In addition, the Tubos mill has and maintains its Environmental Management System up to date according to the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems.</p> <p>The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.</p>

Based on this information, we can conclude that **activity 2.1 is aligned with the EU Taxonomy**.

## Calculation methodology

### Turnover

In accordance with Article 8(2)(a) of Regulation (EU) 2020/852, turnover is assessed by calculating the numerator, representing the portion of net turnover linked to activities aligned with the EU Taxonomy, and the denominator, covering the total net turnover as defined in Directive 2013/34/EU.

In particular, the numerator for revenue associated with activity 3.9 *Manufacture of iron and steel* was calculated based on an estimate, since it is an integrated process that does not involve direct sales of steel billets and ingots to customers; they are used as raw material to manufacture piping.

The estimate was made by taking into account the cost percentage associated with manufacturing billets and ingots, and applying this percentage to the total revenue figure.

The taxonomic indicator for turnover was calculated by avoiding any double calculation in the final data and percentages, even though eligible activities are available under different objectives. Furthermore, the reporting instructions referred to in Appendix II to Regulation 2021/2178 were taken into account.

## CAPEX

The provisions of Delegated Regulation 2021/2178 were taken into account when calculating the CapEx ratio. In this sense, items corresponding to the proportion of investments in fixed assets, i.e. tangible and intangible assets during the period in question, were taken into account, before considering depreciation, amortisation and possible new valuations. When applying the International Financial Reporting Standards (IFRS) adopted by Regulation (EC) 1126/2008, the indicator will cover the costs accounted for in accordance with:

- IAS 16 Property, plant and equipment, paragraph 73(e), subsections (i) and (iii).
- IAS 38 Intangible assets, paragraph 118(e), subsection (i).
- IAS 40 Property investment, paragraph 76(a) and (b), (for the fair value model).
- IAS 40 Property investment, paragraph 79(d), subsections (i) and (ii), (for the cost model).
- IAS 41 Agriculture, paragraph 50(b) and (e).
- IFRS 16 Leases, paragraph 53(h).

Leases that do not lead to the recognition of a right of use on the asset were not counted as taxonomic CapEx.

## OPEX

In accordance with Article 8(2)(b) of Regulation (EU) 2020/852, the OpEx ratio is determined by dividing the numerator (these expenses include non-capitalised direct costs related to research, development, building renovation, short-term leases, maintenance and repairs) by the denominator (consolidated operating expense accounts associated with short-term leases, maintenance, repairs and other expenses related to the daily maintenance of tangible assets).

These metrics were calculated by considering the specifics of the integrated process and its involvement in the sales and financial operations for 2024, thus guaranteeing the accuracy and relevance of the indicators within the context of the EU Taxonomy and sustainability goals.

The version reported this year does not include expenses related to manufacturing contracts, the environmental, quality (laboratories, waste management) and technical assistance.

The taxonomic indicator for OpEx was calculated by avoiding any double calculation in the final data and percentages, even though eligible activities are available under different objectives. Furthermore, the reporting instructions referred to in Appendix II to Regulation 2021/2178 were taken into account (see Section 5).

Below are the tables containing the results for 2024.

Financial year N	2024			Substantial contribution criteria						DNSH criteria (Y/N)									
Economic activity (1)	Codes (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of turnover aligned to the Taxonomy (A.1) or eligible according to the Taxonomy (A.2), year N-1 (18)	Category (facilitating activity) (19)	Category (transition activity) (20)
(text)	(objective acronym and activity number)	(€M)	(%)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(F)	(T)
A. ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel	CCM 3.9	160,030	49.4%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	48.5%		T
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		160,030	49.4%	49.4%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	48.5%		
Of which: facilitators		-	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%		
Of which: transition		160,030	100%	100%						S	S	S	S	S	S	S	100.0%		T
A.2 Eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not Taxonomy-aligned)																			
(text)	(objective acronym and activity number)	(currency)	(%)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)								(%)		
Road transport services	CCM 6.6	3,312	1.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Sea and coastal freight water transport	CCM 6.10	9,854	3.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
Turnover from eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not aligned)		13,166	4.1%	4.0%	0%	0%	0%	0%	0%								4%		
Total (A.1+A.2)		173,195	53.5%	53.4%	0%	0%	0%	0%	0%								52.0%		
B. INELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
Turnover from ineligible activities under the Taxonomy (B)		150,765	46.5%																
Total (A+B)		323,960	100%																

		PROPORTION OF TURNOVER/TOTAL TURNOVER	
		that is Taxonomy-aligned by objective	eligible under the Taxonomy by objective
Climate change mitigation (5)	<b>CCM</b>	49.4%	53.4%
Climate change adaptation (6)	<b>CA</b>	0%	0%
Water and marine resources (7)	<b>WTR</b>	0%	0%
Circular economy (8)	<b>CE</b>	0%	0%
Pollution (9)	<b>PPC</b>	0%	0%
Biodiversity and ecosystems (10)	<b>BIO</b>	0%	0%

Table 52. Tubos Reunidos Group Turnover 2024

Financial year N	2024			Substantial contribution criteria						DNSH criteria (Y/N)									
Economic activity (1)	Codes (2)	OpEx (3)	Proportion of CapEx. Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of OpEx aligned to the Taxonomy (A.1) or eligible under the Taxonomy (A.2), year N-1 (18)	Category (facilitating activity) (19)	Category (transition activity) (20)
(text)	(objective acronym and activity number)	(€M)	(%)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(F)	(T)
A. ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel	CCM 3.9	8,293	22.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	21.8%		T
OpEx for environmentally sustainable activities (Taxonomy-aligned) (A.1)		8,293	22.1%	22.1%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	21.8%		
Of which: facilitators		-	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%		
Of which: transition		8,293	100.0%	100.0%						S	S	S	S	S	S	S	100.0%		T
A.2 Eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not Taxonomy-aligned)																			
(text)	(objective acronym and activity number)	(currency)	(%)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)								(%)		
OpEx for eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not aligned)		-	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Total (A.1+A.2)		8,293	22.1%	22.1%	0.0%	0.0%	0.0%	0.0%	0.0%								21.8%		
B. INELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
OpEx for activities ineligible under the Taxonomy (B)		29,215	77.9%																
Total (A+B)		37,508	100%																

		PROPORTION OF OPEX/TOTAL OPEX	
		that is Taxonomy-aligned by objective	eligible under the Taxonomy by objective
Climate change mitigation (5)	CCM	22.1%	22.1%
Climate change adaptation (6)		0.0%	22.1%
Water and marine resources (7)		0%	0%
Circular economy (8)		0%	0%
Pollution (9)		0%	0%
Biodiversity and ecosystems (10)	BIO	0%	0%

Table 53. OpEx Tubos Reunidos Group 2024

Financial year N	2024			Substantial contribution criteria						DNSH criteria (Y/N)										
Economic activity (1)	Codes (2)	CapEx (3)	Proportion of CapEx, Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of CapEx aligned to the Taxonomy (A.1) or eligible under the Taxonomy (A.2), year N-1 (18)	Category (facilitating activity) (19)	Category (transition activity) (20)	
(text)	(objective acronym and activity number)	(€M)	(%)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(F)	(T)	
A. ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of iron and steel	CCM 3.9	2,983	22%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	39.3%		T	
CapEx for environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,983	22%	22.2%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	39.3%			
Of which: facilitators		-	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%			
Of which: transition		2,983	100%	100%						S	S	S	S	S	S	S	100%		T	
A.2 Eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not Taxonomy-aligned)																				
(text)	(objective acronym and activity number)	(currency)	(%)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)								(%)			
Construction of roads and motorways	CE 3.4	220	1.6%	N/EL	N/EL	N/EL	EL	N/EL	N/EL											
Use of concrete in civil engineering	CE 3.5	117	0.9%	N/EL	N/EL	N/EL	EL	N/EL	N/EL											
Renovation of existing buildings	CCM 7.2 / CCA 7.2 / CE 3.1	-	0.0%	EL	EL	N/EL	EL	N/EL	N/EL											
CapEx for eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not Taxonomy-aligned) (A.2)		336	2.5%	0%	0%	0%	3%	0%	0%											
Total (A.1+A.2)		3,319	24.7%	100.0%	0.0%	0.0%	2.5%	0.0%	0.0%								39.3%			
B. INELIGIBLE ACTIVITIES UNDER THE TAXONOMY																				
CapEx for activities ineligible under the Taxonomy		10,132	75.3%																	
Total (A+B)		13,451	100%																	

		PROPORTION OF CAPEX/TOTAL CAPEX	
		that is Taxonomy-aligned by objective	eligible under the Taxonomy by objective
Climate change mitigation (5)	CCM	22%	22%
Climate change adaptation (6)	CCA	0%	22%
Water and marine resources (7)	WTR	0%	0%
Circular economy (8)	CE	0%	3%
Pollution (9)	PPC	0%	0%
Biodiversity and ecosystems (10)	BIO	0%	0%

Table 54. CapEx Tubos Reunidos Group 2024

Independent Limited Assurance Report on  
the Consolidated Non-Financial Information Statement and  
Sustainability Information for the year ended  
31<sup>st</sup> December 2024

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES



## **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 **TUBOS REUNIDOS, S.A.**

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### **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 **TUBOS REUNIDOS, 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 31st December 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 the Appendix "Contents required by Law 11/2018" of the 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 accompanying Appendix "CSRD Disclosure Requirements", including:
  - That the description of the process for identifying the sustainability information to be disclosed included in chapter "4.5 Double Materiality" 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 Appendix "European 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.

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## 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.

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## Responsibilities of the Directors

The preparation of the NFIS included in the Group's consolidated management report is the responsibility of the Directors of **TUBOS REUNIDOS, 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 THE Appendix "Contents required by Law 11/2018" 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 **TUBOS REUNIDOS, 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 chapter "4.5 Double Materiality". 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 Appendix "European 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.

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**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.

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**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.

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### 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 chapter "4.5 Double Materiality" 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.

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#### **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)

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Miguel Mijangos Oleaga

February 28<sup>th</sup>, 2025