
CORPORATE POLICY ON SUSTAINABILITY IN ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Introduction

Tubos Reunidos Group of companies (hereinafter, indistinctly referred to as the “Group” or “Tubos Reunidos”), is the Business Group comprising those Companies which, within the meaning of the Law, form part of a commercial group whose parent company is Tubos Reunidos, S.A. (hereinafter, “TRSA”). References in this policy to Tubos Reunidos should be understood to apply to each and every one of the individual companies that comprise it.

This document establishes the Corporate Policy on Sustainability in Environmental, Social and Governance Matters set by the Board of Directors of TRSA and is developed through detailed policies and regulations for internal use. This Policy, like all Group Policies, both Corporate and detailed, applies to all Group companies and to all persons forming part of the Group, regardless of their responsibilities within the Group.

Objectives of the Policy on Sustainability in Environmental and Social Matters

The Group has an impact on the lives of people, companies, and the environment in which it operates. Such impact must be positive to enable the creation of value in a sustainable manner, an objective towards which the development of the Group's activities must be directed, and which constitutes one of the main lines of action of TRSA's Board of Directors.

This Corporate Policy on Environmental and Social Sustainability is based on the conviction that openness and sensitivity towards the Group's environment, a sense of community and consideration for sustainability and the long term, are the foundations of business activity that contribute to the creation of value in a sustainable manner, seeking to foster a culture of social responsibility in the Group, on a global basis.

This Policy establishes the basic principles and defines the general framework of reference for the actions of the Group in the environmental, social welfare, diversity, fiscal responsibility, respect for human rights, and prevention of corruption and other illegal conduct areas, promoting the values of sustainability and favouring, to the extent possible, the achievement of the United Nations Sustainable Development Goals (SDGs)¹, especially those in which the Group's contribution is most significant. Considered together with the Corporate Governance Policy, both establish the Group's ESG (Environmental, Social & Governance) goals, without prejudice to the integration of such goals into the rest of the Group's Corporate Policies.

This Corporate Policy on Sustainability in Environmental, Social and Governance Matters identifies and includes:

- a) The principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conducts.
- b) Methods or systems for monitoring compliance with policies, associated risks and their management.
- c) Mechanisms for monitoring non-financial risk, including those related to ethical and business conduct issues.
- d) Channels for Stakeholder communication, participation and dialogue.
- e) Responsible communication practices that prevent the manipulation of information and protect integrity and honour.

¹ The 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly in September 2015, incorporates 17 Sustainable Development Goals (SDGs) with 169 integrated and indivisible goals covering economic, social and environmental spheres, which are: 1) End poverty in all its forms everywhere; 2) End hunger, achieve food security and improved nutrition, and promote sustainable agriculture; 3) Ensure healthy lives and promote well-being for all at all ages; 4) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; 5) Achieve gender equality and empower all women and girls; 6) Ensure availability and sustainable management of water and sanitation for all; 7) Ensure access to affordable, reliable, sustainable and modern energy for all; 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 9) Develop resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation; 10) Reduce inequality within and among countries; 11) Make cities and human settlements inclusive, safe, resilient and sustainable; 12) Ensure sustainable consumption and production patterns; 13) Take urgent action to combat climate change and its impacts; 14) Conserve and sustainably use the oceans, seas and marine resources for sustainable development; 15) Protect, restore and sustainably use oceans, seas and marine resources to achieve sustainable development; 15) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss; 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; 17) Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

Values and General Principles of Action

The Group must act in accordance with environmental, social and corporate governance criteria in order to achieve greater profitability and sustainability in the long term, and at the same time demonstrate its commitment to society. Tubos Reunidos shall adopt its decisions taking into consideration how they affect the environment, the community, its shareholders, management and other Stakeholders. Environmental issues, such as climate change and scarcity of resources; social issues, such as the company's labour practices, the health and safety of its employees and the safety of its products; and corporate governance issues, such as Board diversity, directors' and executive officers' remuneration and business ethics, are vital issues that significantly affect the Group's long-term value creation and, therefore, the corporate interest.

The Group's actions shall always be based on good faith, ethics and respect for commonly accepted customs and good practices and for laws and regulations, seeking to reconcile its own corporate interests with the legitimate interests of its employees, suppliers, customers and other Stakeholders that may be affected, as well as the impact of the Group's activities on the community as a whole and on the environment.

The Group shall take all applicable Sustainable Development Goals into account in its actions, and shall strive to contribute to their achievement.

The Group's long-term objectives are formulated in strategic plans that are shared with the organisation, the markets, society as a whole and the rest of the Group's Stakeholders, without harming the corporate interest. Such plans, and their implementation, must deserve the credibility of these Stakeholders and generate in our shareholders, investors and the financial community elements of predictability, a feeling of trust and the support that will enable us to achieve the objectives set.

Values and General Principles of Action in relation to the environment

Tubos Reunidos is committed to a sustainable energy model, seeking a business development that meets the needs of the present, without compromising the ability of future generations to satisfy their needs. The Group makes a major and active contribution to the preservation of the environment and the fight against climate change by recycling steel in its production processes.

With regard to the Group's action on the environment, the SDGs that are considered to be particularly relevant and should be taken into account are, without limitation, 9, 12, and 13.²

² Such SDGs are: 9) Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation; 12) Ensure sustainable consumption and production patterns; and 13) Take urgent action to combat climate change and its impacts.

In relation to the environment, the Group will act on the basis of the following principles:

- Fight climate change by developing a business model based on environmentally sustainable economic activities,
- Pursue the sustainable use of resources, and the efficiency and optimisation of energy use in the processes of production, storage, transport, distribution and marketing of its products,
- Use clean, more efficient technologies with low operating and maintenance costs, promoting renewable energy sources that contribute to the decarbonisation of the economy,
- Offer safety of the products supplied, guaranteed by an appropriate quality management system, and
- Reduce the environmental impact of all its activities, including the following:
 - Promote the responsible, rational and sustainable use of energy and water, managing the risks related to their scarcity, and ensuring that the water used is returned to the environment in the desired conditions.
 - Prevent or, where appropriate, minimise polluting emissions and their effects on human health and the environment, including the gradual reduction of greenhouse gas (GHG) emissions associated with the consumption of gas and electricity derived from the Group's activity, seeking the use of lighting systems with efficient technology.
 - Preserve and protect biodiversity, generating, whenever possible, a net positive impact in relation to the environment and enhancing respect for the natural environment.
 - Improve the circularity of the Group's activity and that of its suppliers, through the sustainable use of natural resources, the implementation of life cycle analysis, the reduction of industrial waste, its recovery and reuse in other processes, and the use of recycled materials.
 - Demonstrate the Group's commitment to respect for the environment in the execution of the projects in which it participates.

These general principles of action in connection with the environment may be further developed into an additional Corporate Environmental Policy.

Values and General Principles of Action regarding Respect for Human Rights and the Prevention of Corruption and other Illegal Conduct

The Group's activities shall be conducted with the utmost respect for human rights and shall be subject to systems to prevent corruption in business dealings and other potential illegal conduct. To this end, the Group adopts the following general principles of action:

- Comply with the laws in force in the countries and territories in which it operates, basing its relations with the competent public authorities in each jurisdiction on loyalty, trust, professionalism, collaboration, reciprocity and good faith.
- Support, through adoption and dissemination, the principles of the UN Global Compact, as well as other international instruments in the areas of human rights, labour practices and anti-corruption.
- Respect and promote internationally recognised human rights within the Group's sphere of influence, as well as the Global Sustainable Development Goals.
- Follow the guidelines contained in the rest of the rules of the corporate governance system and, in particular, in the Compliance and Crime Prevention Policy and in the Code of Ethical Conduct, which regulate the responsible conduct of all members of the Group in the performance of their activities.
- Favour free market practices, rejecting any type of illegal or fraudulent practice, implementing effective mechanisms to prevent, monitor and sanction irregularities.
- Pursue and report any corrupt practices that may become apparent in the Group in any of the territories in which it operates.

With regard to the Group's action on respect for human rights and the prevention of corruption and other unlawful conduct, the SDGs that are considered to be particularly relevant and should be taken into account are, without limitation: 3, 5, 8, 10 and 16.³

Values and General Business Principles in relation to shareholders

The Group's relations with TRSA's shareholders will be based on the fundamental principle of generating long-term sustainable value for them, and on business transparency and mutual trust. To this end, the Group adopts the following general principles of action:

- Promote continuous and adequate reporting to its shareholders and their involvement in the life of the company, establishing adequate channels of participation.
- Make it easier for the shareholders to exercise the rights and comply with the duties established in current laws.

³ Such SDGs are: 3) Ensure healthy lives and promote well-being for all at all ages; 5) Achieve gender equality and empower all women and girls; 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 10) Reduce inequality within and among countries; and 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

- Ensure the application of the principle of equal treatment of shareholders who are in identical conditions.
- Monitor the existence of potential conflicts of interest of directors and executives, and comply with the laws on conflicts of interest and related-party transactions.
- Comply with the obligations to inform the markets, on the terms resulting from the applicable law at any given time, in particular on the communication of inside and other relevant information.
- Ensure that the financial and non-financial information it makes available to the markets is reliably prepared.
- Avoid influencing the free pricing of securities issued by the parent company.
- Adopt good corporate governance practices in line with good governance recommendations for listed companies, based on corporate transparency and mutual trust with Stakeholders.
- Preserve corporate reputation.

These general principles of action in relation to shareholders will be embodied in a Corporate Policy on communication and contacts with shareholders, institutional investors and proxy advisors.

With regard to the Group's actions in relation to shareholders, the SDGs that are considered to be particularly relevant and should be taken into account are, but are not limited to: 3, 5, 8, 10 and 16⁴.

Values and General Business Principles in Relation to Employees

The General Principles of action towards the Group's employees, who are its main strategic asset, are as follows:

- Respect for the human and labour rights recognised for its workers in national and international law and, in particular, those whose violation degrades the workers' collective, rejecting child labour and forced or compulsory labour, and respecting freedom of association and collective bargaining, as well as the rights of ethnic minorities in the places where it carries out its activities.
- Maintain good industrial relations and conduct them in good faith, with full respect for the rights of freedom of association and collective bargaining, seeking to engage in dialogue aimed at resolving specific disputes.
- Establishment of a framework for attracting, selecting and retaining talent based on equal opportunities, non-discrimination and the consideration of diversity in all its variables, facilitating measures for the integration of workers with different abilities and achieving balance between personal and working life.

⁴ Such SDGs are: 3) Ensure healthy lives and promote well-being for all at all ages; 5) Achieve gender equality and empower all women and girls; 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 10) Reduce inequality within and among countries; and 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

- Safe and healthy working environments, with the objective of "zero accidents".
- Non-discrimination in recruitment and internal promotion.
- Real and effective use of the Group's intellectual capital through the promotion of collaborative initiatives, procedures and tools.
- An equitable and non-discriminatory remuneration policy that favours the recruitment of the best professionals and strengthens the Group's human capital.
- Training and qualification of employees, encouraging career progression and adapting human resources to a diverse and multicultural working environment.
- Involvement and alignment of our employees with business objectives, loyalty, dedication to work and honest performance, creating a sense of belonging to the Group as an excellent place for professional and personal development.
- Consideration of the interests, concerns and needs of employees.

These general principles of action in relation to the Group's employees may be specified in specific Corporate Policies on occupational risk prevention and Policies on remuneration and labour relations. With regard to the Group's actions towards employees, the SDGs that are considered to be particularly related and must be taken into account are, without limitation: 3, 5, 8, 9, 10, 12, and 16⁵.

⁵ Such SDGs are: 3) Ensure healthy lives and promote well-being for all at all ages; 4) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; 5) Achieve gender equality and empower all women and girls; 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 9) Develop resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation; 10) Reduce inequalities between and within countries; 12) Ensure sustainable consumption and production patterns; 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.

Values and General Principles of Action in relation to customers

The Group works to meet the needs and expectations of its customers and to offer them the best solutions, striving continuously to ensure and increase their satisfaction, strengthen their loyalty to the Group, defend the proper functioning of the market in free competition, and promote responsible consumption, in accordance with the following principles of action:

- Excellent customer relationship management, offering efficient and appropriate products tailored to their needs.
- Comply with the rules that regulate commercial, communication and marketing activities, giving the greatest transparency and truthfulness to these actions.
- Monitor the quality of its products and services and apply quality policies aimed at the continuous improvement of processes in all the Group's business lines.
- Offer customers our best capabilities and maximum availability.

With regard to the Group's action on customers, the SDGs that are considered to be particularly relevant and should be taken into account are, without limitation: 8, 9, and 17.⁶

Values and General Principles of Action in relation to suppliers

All those involved in the value chain of the Group's companies must respond to and comply with generally accepted ethical and social responsibility principles. The principles of action in this area are as follows:

- Implement responsible supply chain management policies and practices.
- Promote compliance by all participants in the value chain with the principles and values set out in the Group's Code of Ethical Conduct, relating to business ethics and transparent management, labour practices, health and safety, the environment, and the quality and safety of the products and services marketed.
- Promote responsible practices in the value chain, encouraging strict respect for the human and labour rights recognised in national and international legislation, in the development of its activity and the rest of the general principles of action included in this Corporate Policy.
- Promote relations with suppliers as a mutually satisfactory relationship, with a long-term vision and sustained growth.

⁶ Such SDGs are: 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 9) Develop resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation; 17) Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

With regard to the Group's action on suppliers, the SDGs that are considered to be particularly relevant and should be taken into account are, without limitation: 6, 7, 8, 9, 10, 12, 13 and 17.⁷

Values and General Principles of Action in relation to social issues

Tubos Reunidos is aware of the crucial importance of acting in a socially responsible manner, taking into account its impact on the communities in which it operates, beyond the actions strictly required by law. The interrelation of the Group's different companies with society, with the aim of generating a positive impact, is based on the following principles:

- Contribute to the socio-economic development of the communities in which the Group operates.
- Look after corporate profit as one of the foundations for the future sustainability of the Company and the Group.
- Seek to build strong and trustworthy relationships with the communities where the Group operates, taking into account the institutional reality in these communities.
- Harmonise its activities in the different countries in which it operates with the different social and cultural realities.
- Exercise responsibly its work as a strategic company and its driving effect on the generation of employment and wealth in the environments in which it operates.
- Be aligned with the achievement of the goals of the United Nations 2030 Agenda for Sustainable Development.

With regard to the Group's action on social issues, the SDGs that are considered to be particularly relevant and should be taken into account are, without limitation: 6, 7, 8, 9, 10, 12, 13 and 17.⁸

⁷ Such SDGs are: 6) Ensure availability and sustainable management of water and sanitation for all; 7) Ensure access to affordable, reliable, sustainable and modern energy for all; 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 9) Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation; 10) Reduce inequality within and among countries; 12) Ensure sustainable consumption and production patterns; 13) Take urgent action to combat climate change and its impacts; 17) Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

⁸ These SDGs are: (6) Ensure availability and sustainable management of water and sanitation for all; (vii) Ensure access to affordable, reliable, sustainable and modern energy for all; (8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 9) Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation; 10) Reduce inequality within and among countries; 12) Ensure sustainable consumption and production patterns; 13) Take urgent action to combat climate change and its impacts; 17) Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

Values and General Principles of Action in relation to diversity

Diversity within the Group, throughout the organisation, is a strategic factor for attracting talent and for sustainable growth and, in this respect, Tubos Reunidos' actions are subject to the following general principles:

- Recruiting, selecting, retaining and promoting talent based on equal opportunities, non-discrimination and consideration of diversity in all its variables, facilitating integration measures for those with different abilities.
- Persons of recognised competence, professional experience and prestige, and suitable for the performance of their duties, irrespective of gender, age, origin or religion, shall be included in the proposals of candidates for members of the Board of Directors to be submitted to the General Shareholders' Meeting for appointment or re-election, or directly appointed by the Board itself to fill vacancies in the exercise of its powers of co-option, ensuring adequate representation of the under-represented sex.
- Ensure that the procedures for the selection of Board members and executives of the Group favour diversity of gender, experience and knowledge, that they facilitate the selection of female directors and executives and that they do not suffer from implicit biases that could imply any discrimination.

In terms of the Group's action on diversity, the SDGs that are considered to be particularly relevant and should be taken into account are, without limitation: 3, 4, 5, 8, 9, and 16⁹.

Values and General Principles of Action in relation to tax matters

The taxes that the Group pays in the territories in which it operates are one of its main contributions to the support of public expenditure and, therefore, one of its contributions to society. The principles that should guide the Group's tax responsible conduct are as follows:

- Compliance with current tax legislation in the different countries and territories in which it operates.
- Make tax decisions on the basis of a reasonable interpretation of the applicable law and in close connection with the Group's business.
- Not to incorporate or acquire companies resident in tax havens, with the sole exception of cases in which it is so required, as a result of an indirect acquisition in which the company resident in a tax haven is part of the group of companies being acquired.
- Refrain from using opaque or artificial structures unrelated to the Group's own activities and with the sole purpose of reducing its tax burden.
- Foster a relationship with the tax authorities based on trust, good faith, professionalism, collaboration, loyalty and reciprocity, without prejudice to the legitimate disputes that, while respecting the above

⁹ Such SDGs are: 3) Ensure healthy lives and promote well-being for all at all ages; 4) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; 5) Achieve gender equality and empower all women and girls; 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; 9) Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation; 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels.

principles and in defence of the corporate interest, may arise with these authorities regarding the application of the rules.

These general principles of action in relation to tax matters will be developed in a Corporate Tax Policy.

With regard to the Group's action on tax responsibility, the SDGs that are considered to be particularly relevant and should be taken into account are, without limitation: 16 and 17.¹⁰

Values and General Principles of Action in relation to responsible communication

The Group will develop responsible communication practices that avoid manipulation of information and protect its reputation and that of the Group's members. To this end, it will apply the following principles:

- Develop truthful, responsible, transparent and ongoing communication with its Stakeholders, in compliance with the applicable regulations at all times.
- Promote channels of communication and dialogue, and foster the Group's relations with all its Stakeholders.
- Promote transparency, undertaking to regularly prepare and publish financial and non-financial information on its activities in accordance with generally accepted methodologies and having this information undergo independent external verification.
- Clearly identify the Group in communications through the use of its logo together with other communication elements.
- Adequately monitor and be alert to any Group-related communication that has not been made by it and act, where appropriate, to correct any information that may mislead the markets.

These general principles of action in relation to responsible communication are set out in the Corporate Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors.

With regard to the Group's action on responsible communication, the SDGs that are considered to be particularly relevant and should be taken into account are, without limitation: 16 and 17.¹⁰

¹⁰ Such SDGs are: 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels; 17) Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

Compliance with policies, and management of associated risks

Control over the degree of compliance with this Policy and its development is included in the internal control model established in the Group, aimed at adequate risk management, based on the model of the three lines of defence, which are independent of each other.

The Group has internal regulations and executive areas responsible for the same. These internal regulations regulate in detail the responsible action of the Group as appropriate in accordance with the subject matter, as well as the principles, commitments, objectives, strategy and channels of communication, participation and dialogue with Stakeholders in relation to the same.

Monitoring and reporting of risk aspects related to ethical and business conduct issues are carried out in accordance with the Group's Corporate Risk Management System, as defined in the Corporate Risk Management Policy.

Supplementary Corporate Policies

This Tubos Reunidos Corporate Policy on Sustainability in Environmental, Social and Governance Matters is supplemented by all the Group's Corporate Policies and, in particular, by the following:

- Corporate Governance Policy,
- Code of Ethical Conduct of Tubos Reunidos Group,
- Regulatory Compliance and Criminal Risk Prevention Policy,
- Corporate Tax Policy,
- Corporate Risk Management Policy,

It will also be supplemented by the following policies after their approval:

- Corporate Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors,
- Corporate Policy on Occupational Health and Safety, and
- Internal control over Financial Reporting (ICFR) and Non-Financial Reporting Policy.

Development, monitoring and control

This Policy is reviewed by the Board of Directors, and the Audit Committee is responsible for supervising compliance with the same, and monitoring the Group's strategy and practices in the area of Corporate Social Responsibility.

The Audit Committee shall assess and report to the Board of Directors on the Group's sustainability, environmental and corporate social responsibility actions and plans, their contents and their alignment with the principles of this Policy.

The Board of Directors, following a report from the Audit Committee, shall issue annually, in addition to the Non-Financial Information to be included in the Management Report of the Consolidated Group, a specific report on matters related to the Group's sustainability, environment and corporate social responsibility, which shall be permanently published on the corporate website.

All Directors, Officers and employees of the Group are responsible for implementing this Policy within their scope of business, and for implementing and developing its general principles in their actions.

Effectiveness

At its meeting held on 16 December 2021, the Board of Directors of Tubos Reunidos, S.A. approved the Corporate Policy on Sustainability in Environmental, Social and Governance Matters under article 529 ter of the Spanish Companies Act, and with the aim of adopting the recommendations set out in the Good Governance Code for listed companies revised in June 2020, and in particular recommendation 55, contained in Principle 24 of the said Code.

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