



# SUSTAINABILITY

Report

Non-Financial Information Statement

2025



We make it sustainable



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INDEX



Chairman's Letter

**WE ARE  
CONFIDENT IN A  
BRIGHT FUTURE,  
BUILT ON OUR  
SUSTAINABILITY  
STRATEGY AND  
THE TALENT OF  
OUR TEAM**



**José Antonio  
Jainaga**

Chairman of Sidenor



Once again, the ending year has been full of surprises, especially of a geopolitical nature. In addition to the various armed conflicts that have unfolded around the world, some of them with a significant destabilizing effect on the economy, 2025 has brought, to our dismay, the protectionist measures announced by the US presidency. In particular, the announcement of tariffs on imported goods, at a level that is disproportionate in most cases, has plunged global trade into a state of concern and instability unseen for decades.

These measures especially affect sectors such as steel and aluminum, and in this respect, the situation of companies that are major exporters to the United States will be subjected to extreme pressure, which in some cases could lead to their demise.

The impact on Sidenor's results, however, will be very small, given the small percentage that sales in the US market represent in our total sales. Nevertheless, we must not underestimate the indirect consequences of these protectionist measures for Europe, our natural market. We cannot rule out the arrival in our



In 2025 we made progress in our sustainability strategy and, as we promised the year before, all the energy consumed at Sidenor is now from renewable sources

market of competitors from other regions, especially Asia, seeking sales opportunities to replace those they had had so far in the United States.

On the positive side, the European Commission has announced measures to ease pressure on combustion engines - in particular, the lifting of the ban on manufacturing combustion engine cars beyond 2035.

This is excellent news for Sidenor, which continues to rely on combustion engine technology as the foundation of its customer base. We also hope this decision will revitalize the innovation strategy of European automakers in a technology where, according to most experts, they held an insurmountable advantage over Chinese manufacturers.

For our part, we will continue to base our sustainability strategy on five fundamental paths:

- Decarbonizing our processes by pushing electrification to its current limits. As promised last year, all electricity consumed at Sidenor is now from renewable sources. Furthermore, we have achieved a dramatic reduction in our CO<sub>2</sub> emissions, from 764 kg CO<sub>2</sub>/ton of steel in 2005, the baseline year, to 191 kg CO<sub>2</sub> in 2025.
- Completing our industrial concentration initiatives as an essential formula for guaranteeing the reduction of our industrial costs.

- The service to our customers, already recognized in Europe as the benchmark for excellence within the special steels sector.
- Diversification of steel sales into sectors that do not emit CO<sub>2</sub>. In this regard, we should highlight our growth in supplying the railway and wind energy sectors.
- Finally, innovation as a guarantee of continuing to play a leading role in the most technically demanding applications segment of our market. In this respect, I am pleased to announce that after a tremendous effort, spanning several years, we have obtained approval for our steels from the three leading global bearing manufacturers, a milestone attained by only a select few - the best steelmakers in our sector.

At Sidenor, we remain confident in a bright future based on our sustainability strategy and, above all, on the talent of our team.



After a tremendous effort, we have managed to get our steels approved by the three main global bearing manufacturers, a milestone achieved by very few



**Main**  
**FIGURES**

# 2025 ACHIEVEMENTS



## January

- We received the visit from the **Innobasque Committee at the Sidenor612 HUB**, a meeting that reinforces our social commitment by promoting collaboration, joint innovation and technological development in the industrial field.
- We implemented **oxy-combustion** in the ladle heating process, improving efficiency by 35%, which resulted in a reduction of natural gas consumption of more than 1,800 MWh/year and the avoidance of 350 t of CO<sub>2</sub>.

## February

- **Four RFCS projects from Sidenor R&D** (SUMMSEED, AUSNANITE, THERMAX, WINCLUSION) were approved.

## March

- We completed the **Morrokotudak** project, an initiative that reinforces our social commitment by promoting the training and labor insertion of women in the industrial sector.
- On March 25, Sidenor and Innobasque organized the **first practical session on open innovation** in Biscay from Sidenor's Innovation HUB.



## April

- Two candidates from Sidenor R&D were accepted into the European Commission's **SAG (Steel Advisory Group)**.
- Celebration of the **World Day for Safety and Health at Work**, recalling Sidenor's General Rules.
- We attended the **BASQUE CIRCULAR SUMMIT** with a sample of our sustainable steel.

## May

- Investment in **new experimental induction equipment** at Sidenor R&D. This equipment will allow for a better understanding of steel behaviour under induction heating, such as the effect of the material's initial state during the heating process, or the resulting properties. This will enable the optimization of current processes and/or the design of new processes and treatments that benefit from induction. Furthermore, it will allow for technical support to be provided to production areas using induction systems, as well as to customers who use induction in their processes.



- We attended the **Made In Steel 2025** trade fair, held from May 6 to 8, 2025 in Milan, Italy, with a clear proposal: to continue working efficiently, aligning our efforts with the three pillars that support our value proposition: Sustainability, Competitiveness and Diversification.

## June

- We launched the **new scouting process** for the Innovation community through social media, inviting external agents registered on our landing page to B2B meetings to explore potential collaborations.
- Calculation of the organization's 2024 **carbon footprint**, and verification by an independent third party (CERTINALIA).

## July

- On July 9th, we received the visit from Innolab's partners at our **Innovation HUB**.
- **José Antonio Jainaga** was awarded the **Joxe Mari Korta 2025 Prize** in recognition of his professional career and his commitment to industrial excellence, business roots, innovation and the creation of quality employment.

## September

- SPRI-GV approval of **AZERO** (Singular Strategic Hazitek), a research project through which Sidenor reinforces its position as a **leading company in the transition to decarbonized steelmaking**, aligning with the objectives of the European Green Deal and the Clean Industrial Deal. **The project aims to reduce the carbon footprint of the organization and its products**, providing customers with **certified products with a lower environmental footprint**, thus contributing to the decarbonization of the

entire value chain. To achieve this, Sidenor is undertaking an ambitious ecodesign process by **“reformulating” chemical compositions and re-engineering process routes**, while constantly maintaining the functional and mechanical properties required by customers in sectors such as automotive, energy, rail and industrial machinery.

- **Hydrogen test** in the ladle heating combustion process.

## October

- We attended the **STEELTECH Congress** held at the BEC. This is a leading event for professionals in the steel industry, where Sidenor was present as an exhibitor and with technical displays.
- We participated in the **Industry Decarbonization Forum**, held at the BEC, where experts from various companies playing a key role in the path towards net-zero emissions in the Basque Country highlighted the progress made. Tamara Rodríguez presented the progress of the HORIZON IS2H4C project.
- The steel aggregate we produce was used by our supplier, Viuda de Sainz, to replace natural aggregate in the production of asphalt for a

project in La Avanzada, promoted by Interbiak. This **reduces the environmental impact and fosters a circular economy** in road construction.

The result: a quieter, more stable road with a longer lifespan, reducing the carbon footprint of the pavement's life cycle.



## November

- We started a new edition of **Steelers**.
- We agreed with our air gas supplier **Air Liquide** to supply, starting in 2026, oxygen, nitrogen, and argon generated from renewable energy (ECO ORIGIN).
- **We optimized the valorization process** of white slag from refining, enabling 100% of its valorization.



## December

- Completion of Phase 1 of **Basauri Metallurgical Laboratory**'s renovation.
- MCD (Mecanizados de Cremalleras de Dirección) launched a **new Contura line**.
- We took a step forward towards decarbonization by offering our customers the possibility of transporting their products with HVO (Hydrotreated Vegetable Oil), a renewable biofuel that replaces conventional diesel and allows a **reduction of up to 90% of CO<sub>2</sub> emissions** throughout its entire life cycle.
- Celebration with the units that managed to complete **two years without LTAs** during 2024 and 2025.
- We collaborated on a new edition of the **Startinnova Program** with the Arangoya Center, in partnership with El Correo.
- We successfully completed the **SLAGVAL project**, which focused on optimizing slag cooling and treatment processes, significantly improving their technical and environmental properties. The SLAGVAL project received funding from the 2022 call for proposals to promote circular economy in businesses, issued by the Ministry for Ecological Transition and the Demographic Challenge (MITECO) within the framework of the Recovery, Transformation and Resilience Plan (PRTR), financed by the European Union – NextGenerationEU.



# FIGURES OF THE YEAR



## Environment



**38% reduction in CO<sub>2</sub> emissions per ton of steel** since 2021







Recycling of approximately **800,000 t** of **scrap** per year



**100% renewable electricity** consumption



Recovery of **91%** of the **waste** generated

| Company  | 2025          | 2024   | 25 vs 24 |
|--|---------------|--------|----------|
|  Employees (end of the year)              | <b>1,879</b>  | 1,901  | -1.2%    |
|  Turnover (million euros)               | <b>785</b>    | 838    | -6.3%    |
|  Sales (kt steel)                       | <b>650</b>    | 647    | 0.5%     |
|  Training (hours provided)              | <b>65,616</b> | 70,337 | -6.7%    |
|  Investment implemented (million euros) | <b>24</b>     | 20     | 20.0%    |
|  EBITDA (million euros)                 | <b>38</b>     | 52     | -26.9%   |



**A solid**

# COMPANY

101

## — INNOVATING TO MOVE FORWARD



**A**t Sidenor, **we are a leader in the production of special long steel products and a major supplier of calibrated products in the European market.** To carry out our work, we have production centers in the Basque Country, Cantabria and Catalonia, and sales offices in Germany, France, Italy and the United Kingdom.

We have a **team** of approximately **1,900 people**



Our Our facilities stand out for being highly specialized and capable of providing **ideal solutions to all industrial sectors that demand steels with high service and quality requirements.**

In Europe, our steel production capacity exceeds one million tons per year, primarily intended for the manufacture of parts and components for the automotive, machinery and capital goods, energy, mining, rail and petrochemical sectors. In all these sectors, **Sidenor's special steel is used to manufacture critically important products.**

As we move toward the future, **the key element is undoubtedly our team of professionals, consisting of approximately 1,900 people in 2025.** Aware of this, we strive to offer them an inspiring work environment, prioritizing their well-being and professional growth while ensuring their safety.



In Europe, our steel production capacity exceeds one million tons per year

### We inspire the future of steel

In an industrial environment marked by the energy transition, environmental demands and a constantly evolving market, **we remain committed to innovation as the driving force behind competitiveness, sustainability and diversification.** Our commitment to circular economy and reducing the environmental impact is embodied both in our processes and in our collaboration with customers to move forward together toward more responsible solutions.

R&D is one of the pillars supporting this vision. With **one of the most advanced technology centers in the sector in Europe,** we work on both the development of new technologies and products and the complete digitalization of our processes to achieve superior standards of efficiency, safety and quality. This transformation positions us as leaders in Industry 4.0 and allows us to anticipate the needs of an evolving market.

Sidenor R&D activities integrate all stages of the production process, from optimizing and strengthening existing processes to implementing new technologies and creating steel grades adapted to new uses. Advanced monitoring, numerical and physical simulation, metallurgical expertise, and an in-house laboratory consolidate an ecosystem capable of generating agile, high-value-added solutions.

In addition, the **Sidenor 612 Innovation HUB** fosters new collaborative dynamics, **servicing as a gateway to open innovation,** a link with startups, and a catalyst for an innovative culture within the organization. This collaborative approach allows us to accelerate strategic initiatives and explore new opportunities.

Thus, in a challenging environment, innovation becomes the driving tool behind our constant evolution and reinforces our role as a technological, industrial and sustainable leader in the steel sector.

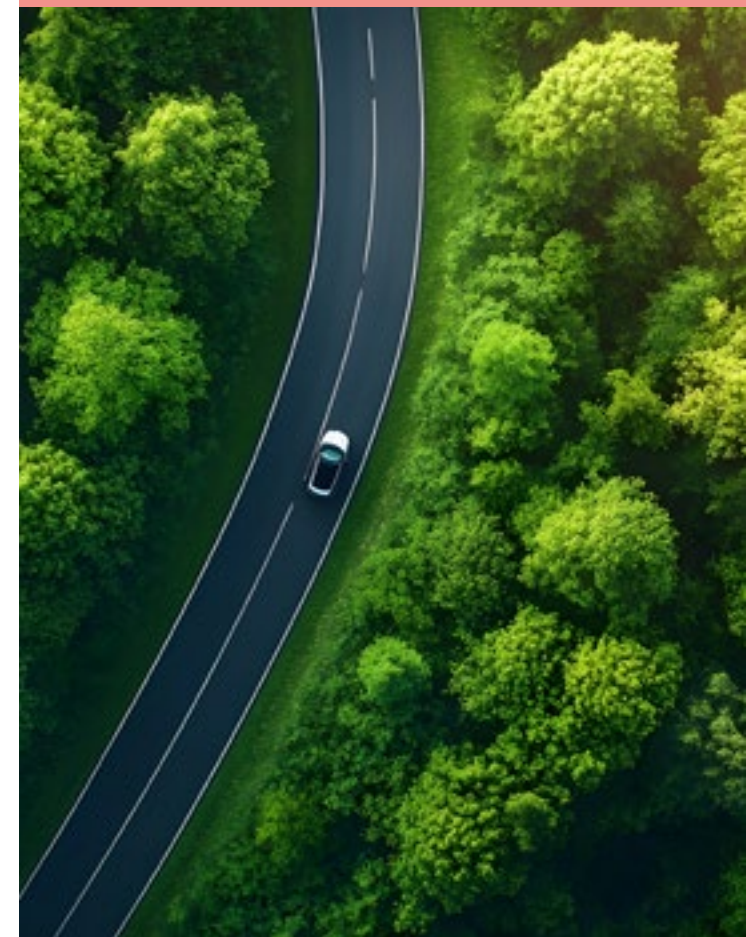
### Towards sustainable growth

Our goal is clear: to manage resources more efficiently and reduce the emissions we generate. To achieve this, we **integrate the principles of circular economy into our operations,** adopting innovative solutions that allow us to minimize, reuse and recover the waste generated during the steel production process.

This commitment reflects our responsibility to investors, suppliers, customers, and the communities where we work. Working alongside all stakeholders in our value chain, we seek to jointly advance toward business excellence.

This shared approach enables us to **grow responsibly and sustainably,** ensuring the continuity and future strength of our operations.

We have a clear objective: to make **more efficient use of resources** and reduce emissions



## MISSION

To generate sustainable value in the special steel business

## VISION

To be a benchmark in product and process innovation



## VALUES

Meeting  
**Customer** needs

Respected and engaged  
**People**

People **Safety**

Economic, social  
and environmental  
**Sustainability**

Focus on  
**Results**

**Innovation** in  
everything we do

## RESPONSIBLE FOR CREATING VALUE



**A**t Sidenor, we care not only about what we do, but also about how we do it. For years, we have **integrated sustainability throughout our value chain**, supporting projects and initiatives that foster more responsible practices and contribute to the society. In this way, we address sustainability across various areas: people, the environment, society, as well as business ethics and transparency.



In this line, we are **fighting climate change and committed to circular economy as a critical competitive strategy** for continuing to operate in an increasingly sustainable market.

We also have a set of policies and a **Corporate Governance Body** that help us conduct all our activities in an honest, ethical and transparent manner.

Lastly, we are strongly committed to **respecting and upholding human rights**, especially those related to talent, safety and prevention, responsible and sustainable procurement and the community.



## SUSTAINABLE DEVELOPMENT GOALS

### United for corporate sustainability

In 2022, we **joined the United Nations Global Compact Principles**, the UN initiative that leads corporate sustainability worldwide. This way, we connect with more than 25,400 organizations in over 167 countries and with nearly 70 local networks worldwide.

In Spain, more than 1,800 organizations are aligned with the Global Compact, an alliance that promotes fundamental values in the areas of human rights, labor, the environment and anti-corruption.



# Sustainable Development Goals

Our commitment to responsible business practices aligns with the UN Sustainable Development Goals (SDGs). Through these Goals, we aim to contribute to creating a better world by driving significant change in areas we consider crucial for a sustainable future. Considering our own activities, our impact mainly concerns seven of these Goals:

|   |  |  |  |  |
|---|--|--|--|--|
|  <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>                | <p><b>Good health and well-being. Ensuring healthy lives and promoting well-being for everyone at all ages:</b> Improving the health and safety of the people who work in our facilities is a priority for Sidenor. To promote healthy habits that improve our health, we are implementing the Healthy Company project, through which we propose simple actions that contribute to a healthier life.</p> |  <p><b>4</b> QUALITY EDUCATION</p>                        | <p><b>Quality education. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all:</b> We promote the training and talent of our employees and young people in our community in key skills for both our business and the job demands of tomorrow.</p>  |  |
|  <p><b>5</b> GENDER EQUALITY</p>                          | <p><b>Gender equality. Achieving gender equality and empowering all women and girls:</b> We have policies that allow us to offer equal opportunities to all people and reject any type of discrimination based on sex, race, or religion. This was reflected in 2018 with the signing of Sidenor's first Equality Plan, renewed in July for the years 2024–2028.</p>                                     |  <p><b>6</b> CLEAN WATER AND SANITATION</p>              | <p><b>Clean water and sanitation. Ensure efficient and responsible use of water in all our processes:</b> We are committed to maximizing water resources by implementing management systems and methodologies that reduce specific water consumption in each process, relying on continuous improvement, monitoring indicators, and adopting technologies that promote water conservation and reuse.</p> |  |
|  <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> | <p><b>Industry, innovation and infrastructure. Build resilient infrastructure, promote sustainable industrialization and foster innovation:</b> We have created the Innovation HUB, which, under the IT department, aims to advance the company's digitalization by serving as a gateway to open innovation in collaboration with startups and as a breeding ground for innovative initiatives.</p>      |  <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> | <p><b>Responsible consumption and production. Ensure sustainable consumption and production methods:</b> We apply the principle of continuous improvement in the use of raw materials to ensure their responsible use, and we recover a growing percentage of the waste we generate.</p>   |  <p><b>13</b> CLIMATE ACTION</p> <p><b>Climate action. Take urgent action to combat climate change and its effects:</b> We are committed to reducing our carbon footprint by making quantifiable commitments.</p> |

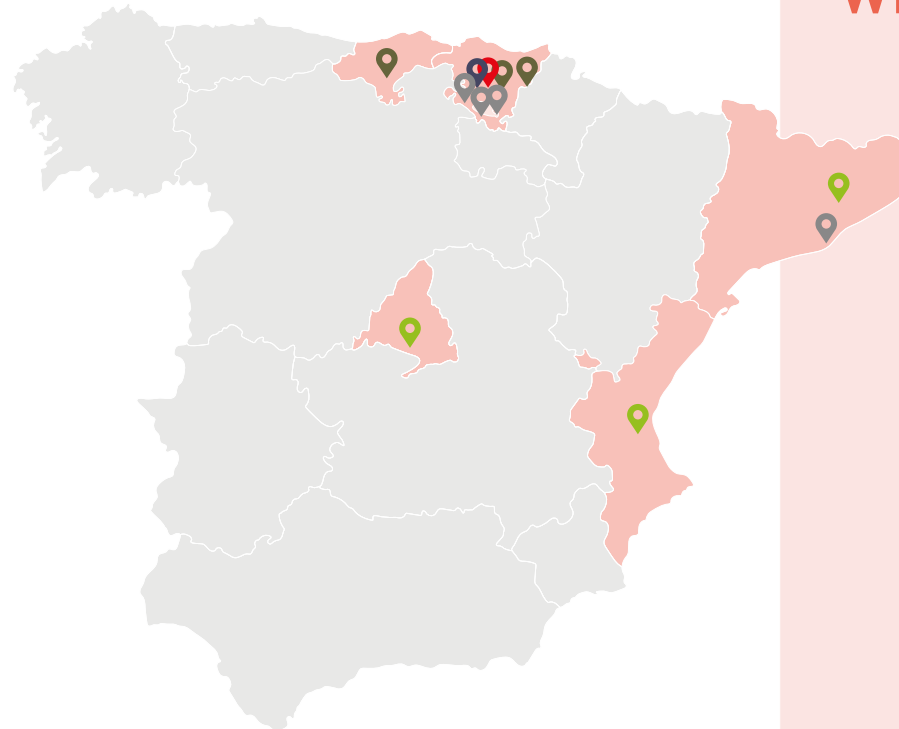
# BUSINESS MODEL



**Our business creates value sustainably throughout the entire steel lifecycle:** we start with scrap metal collection – our primary raw material –, manufacture our entire product range from it, and close the loop when these products, at the end of their useful life, are recycled back into scrap.

The key to offering reliable, high-quality solutions lies in **driving continuous improvement**. This translates into implementing best practices to increase efficiency, reduce waste and limit the consumption of natural resources. Our **production centers are highly specialized** and equipped with state-of-the-art equipment and technologies that support this approach.

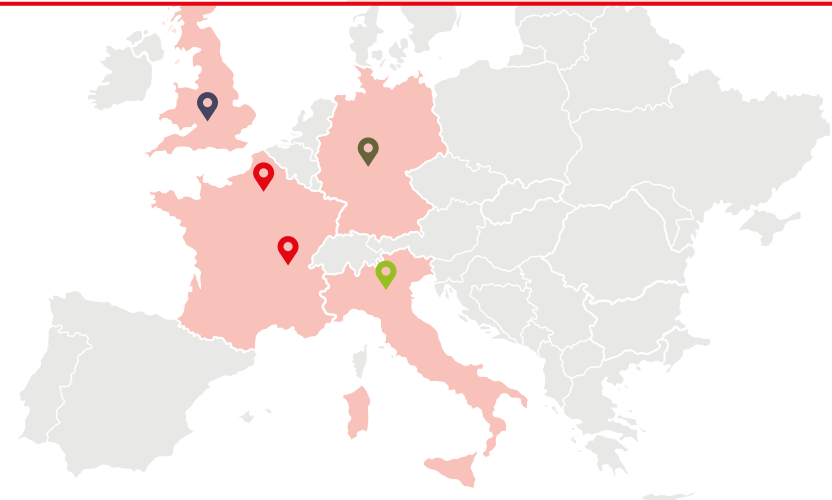
## Where we are



- 📍 **General offices**  
Basauri (Biscay)
- 📍 **Sidenor R&D**  
Basauri (Biscay)
- 📍 **Steel production**  
Azkoitia (Gipuzkoa)  
Basauri (Biscay)  
Reinosa (Cantabria)
- 📍 **Sidenor Bright Steels**  
Vitoria (Araba)  
Legutiano (Araba)  
Polinyà (Barcelona)  
Jundiz (Araba)
- 📍 **Scrap collection and processing**  
Sagunto (Valencia)  
Fuenlabrada (Madrid)  
Artés (Barcelona)

### Sales offices

- 📍 Sidenor United Kingdom
- 📍 Sidenor Germany
- 📍 Sidenor Italy
- 📍 Sidenor France



## Situation of the sector in Spain

(Source of data: Unesid 2024)

Spain is a highly relevant player in the European and global steel industry, both in terms of industrial capacity and its extensive geographic reach. In our country, **production is carried out through 22 plants and approximately 50 facilities dedicated to steel rolling and primary processing.**

Although the largest volume of activity is concentrated in Asturias and the Basque Country, the sector is present in 11 autonomous communities, which reflects its importance in the country's industrial fabric. In economic and social terms, **the industry generates around €14.4 billion in revenue and more than 60,000 direct jobs**, in addition to nearly 20,000 positions associated with scrap metal collection, an essential link in the circularity of the steel industry.

In terms of production, **the sector manufactures 11.9 million tons of steel annually and is primarily an exporter, delivering its products to nearly 160 countries.** Its lines of action include innovation, efficiency, sustainability and workplace safety, which are key in the transition towards the circular economy model. It is worth noting that **the industry recycles nearly 9.4 million tons of scrap annually**, in addition to making efficient use of resources, thus recovering nearly 80% of the waste and by-products generated in the process.

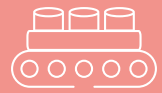
In this context, **Sidenor has positioned itself as the leading manufacturer of special steels in Spain**, a higher value-added range that requires particularly demanding production processes. Looking to the short and medium term, our priority is to **consolidate our leadership in the domestic market** by building on existing investments aimed at improving industrial performance, expanding our product portfolio and strengthening production capacity.

Even so, business performance may be affected by external factors such as a potential contraction in demand - especially for exports -, increased raw material and energy costs or possible regulatory changes in environmental matters.

## Steel production in Spain



Direct jobs:  
60,000



50  
rolling facilities



22  
plants



Turnover:  
M€14,400

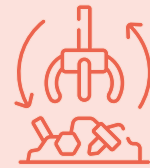


## Metal waste recycling

We operate in accordance with our commitment to circular economy and **manage metal waste efficiently** to reduce the use of new materials and avoid the negative impact of discarding scrap metal in the environment. **Recycling is the foundation of our production process.** We promote circularity by converting nearly 800,000 tons of scrap metal into top-quality steel products each year. This production model is environmentally and socially responsible. In this way, we close the loop that begins with the purchase of scrap metal and continues at the Basauri Steelworks, where we process raw materials.

**To make sure that the recycling process is carried out optimally, we have three collection centers** located in Fuenlabrada (Madrid), Sagunto (Valencia) and Artés (Barcelona). We also have the necessary resources to develop the supply chain and guarantee the quality of the materials used.

**Our scrap metal suppliers are fundamental** to this journey towards circularity. Their collaboration is essential because it ensures both the quality of the raw materials supplied and sustainability throughout the production chain. **We recognize the value of trust and foster stable and lasting relationships.** To ensure that our suppliers' practices are responsible and aligned with our policies, we have implemented monitoring mechanisms and conduct periodic visits to check the state of their facilities, quality and available stocks.



Each year, we convert approximately **800,000 tons** of scrap into top-quality steel products



**Recycling** is the basis of our production process





# Our lines of business

We develop and manufacture a wide range of top-quality products that meet the needs of the most demanding customers in many sectors. Our activity is focused on:

## Special steel sales by sector



**Forging**  
42%



**Cars**  
13%



**Stockists**  
12%



**Open-die forging**  
9%



**Suspensions**  
6%



**Energy**  
6%



**Other**  
4%



**Fasteners**  
2%



**Mechanical engineering**  
2%



**Chains**  
2%



**Bearings**  
1%



**Calibrators**  
1%



## Special steels

We are one of the major manufacturers of special steels in Europe. The update and improvement of equipment and processes in our production centers allow us to market innovative products which comply with the most demanding efficiency and quality requirements of our customers.

### Products

- **Semi-finished products:** continuous casting billets, blooms (rectangular and round) and continuous casting slabs.
- **Rolled bars:** round bars, billets and tires.
- **Bright bars:** turned, drawn and grounded.

### Main applications

- **Automotive sector:** parts for transmission components, combustion engines, electric motors, gearboxes, reduction gears, suspension, steering, etc.
- **Wind sector.**
- **Oil&Gas.**
- **Off-highway.**
- **Capital goods.**
- **Railway.**
- **Mining.**

## Sidenor Bright Steels

Sidenor Bright Steels is the result of our global growth strategy in terms of calibrated products; it is the largest national company in the calibration sector.

### Products

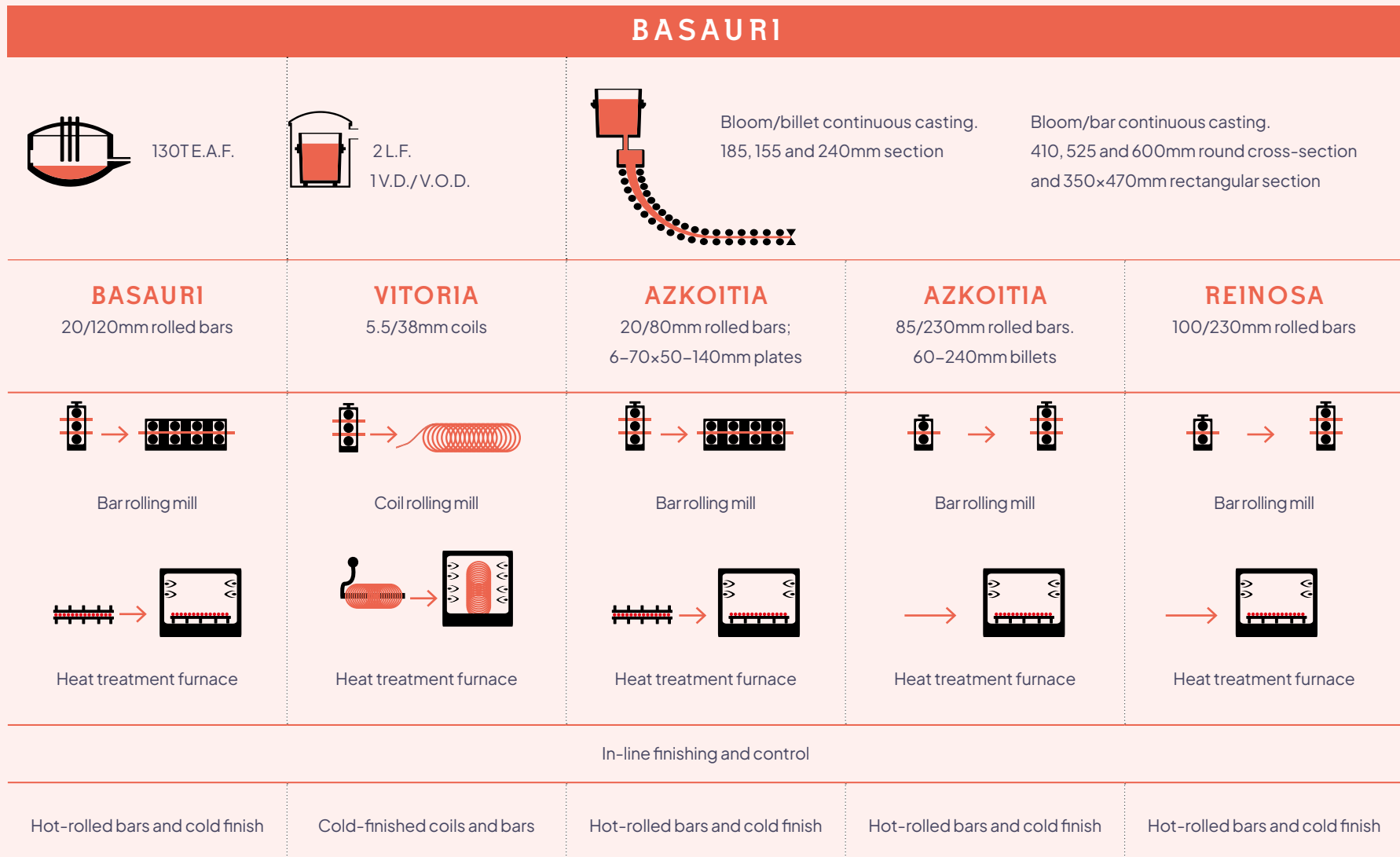
- **Wire rod and drawn wire.**
- **Bright bars:** turned, drawn and grounded.
- **Blanks** for the manufacture of steering racks.

### Main applications

- **Automotive sector**
- **Energy.**
- **Capital goods.**



# An efficient work structure



## Diversification as a way to move forward

Innovation and diversification are key to securing our future in today's dynamic and competitive market. For this reason, we are driving new development lines in both our steel operations and our corporate operations, building on our key differentiators: **competitiveness, sustainability, flexibility and innovation.**

### Diversification within the automotive sector: new opportunities in the electric era

The automotive sector's transformation toward electrification is redefining steel requirements. While electric vehicles reduce overall steel consumption, they open the door to new parts and components that demand higher performance, strength and reliability.

We are **strengthening our product range through new developments and the optimization of our grades, with the aim of meeting the needs of manufacturers of electrified vehicles.** This includes steels for electric motor components, gearbox elements, transmission components as well as parts for steering and suspension systems in electric vehicles. These steels are subject to high mechanical stresses and require advanced properties and tighter tolerances.

This evolution allows us to remain a strategic partner to the sector, adapting to its new technological challenges and strengthening our market presence.

### A strategy for further growth

Our long-term vision involves **strengthening our position in the automotive sector while simultaneously expanding into other sectors** where we can add value with our technological and production capabilities. In this way, we mitigate the decline in steel consumption associated with electric vehicles and consolidate our leadership in sustainability, quality, competitiveness and service in traditional segments.

This path is not new: we began it years ago, and today we continue to move forward steadily to develop new products, obtain certifications and transform our way of working. We are already **leaders in sectors such as energy generation (wind and oil & gas), rail, mining, industrial machinery and other growing industrial areas.**

To enter these sectors, we have made significant investments, such as the modernization of our heat treatment facilities and the manufacture of continuous casting round bloom formats in 410, 525, and 600 mm diameters. In this process, the support of the Sidenor R&D center has been crucial, as it has allowed us to develop customized steel grades to meet and exceed new demands.

In 2025, we achieved significant milestones in sectors such as marine, forklift trucks and rail manufacturers, among others.



## Quick and personalized responses

In 2025, and in a particularly complex environment, **we increased our market share**. Our value proposition has been built on three strategic pillars: sustainability, competitiveness and diversification, which make all the difference in an increasingly demanding market.

**Competitiveness has been strengthened thanks to operational flexibility** and our ability to respond quickly to customer needs. The commitment and strong performance of our team have improved the efficiency of our processes. This allows us to offer high-quality service in a sector that demands fast and accurate responses.

**Innovation remains a key element for developing solutions tailored to each customer's specific requirements** and for anticipating market challenges. This approach contributes to increasing the added value of our products and strengthens our position as a leading industrial partner.

In terms of sustainability, we have made significant progress in measuring and managing the environmental impact of our products according to the criteria established in **ISO 14067 – PCR 2015:03**, which covers upstream and core emissions. This framework allows us to **make more informed decisions and improve the**

**sustainability of our value chain**. Furthermore, we promote collaborative initiatives with our customers, which are focused on ecodesign and aimed at developing components with a lower environmental impact throughout their entire life cycle.

The market for special steels intended for the automotive industry is going through a critical phase. The aging of the European vehicle fleet, the increase in Asian imports of components and vehicles as well as the growth of electric vehicles, with their lower consumption of SBQ, are putting downward pressure on demand in the sector. Added to this are European regulatory frameworks that hinder competitiveness against foreign producers and the lack of new initiatives aimed at boosting the industry in 2025.

In this context, strategic adaptation is essential. Diversification has become a fundamental pillar for ensuring our continuity and competitiveness. Being able to adapt to new needs, improve efficiency and operate with great industrial flexibility are some of the main challenges we will face in the coming years.



### Diversification

The diversification process is progressing decisively across all our areas. In 2025, **we significantly expanded our product range, incorporating new formats and dimensions**. We also positioned ourselves as a key player in new market niches and among clients we previously did not serve, thereby strengthening our presence and the robustness of our offering.

We also **introduced new steel grades** designed to meet the demands of emerging sectors, obtaining the necessary certifications for their supply. This is an ongoing, long-term effort that involves the entire organization.



### Stainless

In 2025, we consolidated stainless steel production through the **exclusive use of selected scrap**, which directly contributes to reducing the carbon footprint compared to other manufacturing methods.



### Approval

We remain committed to developing parts and components tailored to the needs of electric vehicles, as well as new solutions specifically designed for these platforms. Furthermore, **we have been nominated for new references for steering racks**. This strengthens our presence in this business line and motivates us to continue offering high-quality, high-value-added products.

## Shared value

Our fundamental purpose is to **sustainably deliver value to our customers through excellent service that addresses all their needs**. This commitment can only be fulfilled by offering products with outstanding technical capabilities, developed with environmental responsibility in mind. To achieve this, we have a team capable of understanding user needs and transforming those demands into real solutions. For years, **the Customer Technical Assistance department (CTA) has been serving as a point of contact with our customers**, ensuring that they receive support in all matters related to the technical and environmental performance of our products, with the aim of providing them with excellent service in all areas.

The CTA Department performs two types of customer services:



### 1. Pre-sales services

- Product definition and adjustment to maximize its performance and ensure compatibility with the customer's production processes.
- Approval management: documentation, audit coordination, and initial sample supply. During 2025, more than 120 technical meetings were held in sectors such as automotive, energy, wind energy, and railway, and more than 450 approval requests were processed. Of these, 39 were for highly complex products with innovative designs.
- Supporting customers in ecodesigning steel to reduce their carbon footprint.

### 2. After-sales services

- Integral management of complaints.
- Product improvements to optimize performance or reduce costs.
- Answering technical inquiries of any kind.
- Information related to the carbon footprint of our products.



## The power of innovation

The steel industry is one of the pillars of our region's economy. **This sector has become a model both in terms of sustainability and recycling, and responsible practices leadership.** Being a benchmark is only possible by constantly driving innovation, research and development. New mobility models affect a significant portion of our customers and traditional products. **We are attentive to all changes in the automotive sector to respond quickly, adapt and develop new products,** fostering diversification and improving our processes.

In 2025, **we strengthened the technological and innovation areas through the Technology Hub Management,** thus enhancing the resources offered by the R&D center, the Innovation Hub, and the Improvement and Innovation department. In this way, we maximize cross-functional collaboration with the rest of the company to continuously improve, provide a vision for the future and remain technological and innovative leaders in the market.

The power of innovation is clearly reflected in the work carried out by **Sidenor Investigación y Desarrollo S.A., a non-profit subsidiary that celebrated its 40th anniversary in 2025.** Over these decades, the entity, with its state-of-the-art laboratory, has become a metallurgical and technological benchmark for the Group and our customers. Sidenor R&D **develops products and**

**processes that allow us to anticipate market needs** and move forward to be efficient, competitive, safe and environmentally responsible. The Product Development and Process areas contribute to strengthening relationships with our key customers, enabling them to consolidate their position in their target markets by combining new high-performance steels and optimizing processing costs. Always guided by customer satisfaction, **Sidenor R&D's departments are fundamental to improving quality, costs, productivity and circular economy.**

Another area where we are making progress is **digitalization,** highlighted by our Innovation HUB, which facilitates collaboration with startups and fosters the most innovative initiatives.

We believe in the power of alliances and collaboration. One of our lines of work in the R&D&I area is related to our **participation in the "European Steel Ecosystem"**. We collaborate on European multi-partner projects that allow us to be at the forefront of emerging technologies and best industrial practices, such as the RFCS (Research Fund for Coal and Steel) program and Horizon Europe. We also **cooperate with technological institutions in the steel sector and leading customers in the markets where we operate.** We are part of the national technological ecosystem and collaborate with all relevant stakeholders and clusters in our sector.

### Innobars, our innovation hallmark

**Innobars is our flagship for innovation,** through which we identify and promote our most advanced products and processes that meet the most demanding standards of quality, safety and sustainability.



# DIGITALIZATION AND TECHNOLOGICAL INNOVATION →

**T**he innovation HUB represents our **commitment to digital transformation and disruptive innovation**. This space was created to drive digitalization by adopting emerging technologies that optimize production processes and improve decision-making.

**Sidenor612 is the gateway to open innovation.** It also acts as an internal incubator, identifying, validating and scaling challenges that arise from any level of the organization. In this way, **we foster a culture of participatory and entrepreneurial innovation**. This hybrid innovation model, which combines internal capabilities with the external entrepreneurial ecosystem, positions us at the forefront of the steel industry.

“

Sidenor612 is a gateway to open innovation, and acts as an internal incubator to identify, validate and scale challenges that arise from any level of the organization



# MATERIALITY



**M**ateriality is determined by **identifying the aspects that have a significant impact on our economic, environmental and social performance**. Identifying them undoubtedly influences the decisions and expectations of our stakeholders and society in general. Materiality allows us to discern what is truly important for both our business and our stakeholders.

To identify these aspects, and to use a **methodology aligned with the requirements of the Corporate Sustainability Reporting Directive (CSRD)**, we conducted in 2024 a dual materiality analysis. Although we are not yet required to report under this Directive, we wanted to assess our current level of compliance with it, while ensuring that we incorporate these issues into our management strategy, responding to both our own interests and those of society in general.

This process is based on principles such as inclusiveness, with a view to maintaining a constant and fluent dialogue with our stakeholders;

relevance, so as to emphasize the most important aspects from the point of view of demands and expectations; and responsiveness, which aims at developing an effective strategy for each aspect identified.



## Stakeholders



**Sectorial and business associations**



**Universities, business schools and training centers**



**Third sector**



**Staff**



**Customers**



**Government and public administration**



**Suppliers**

The stakeholders involved, both internal and external, have assessed the impact materiality of different aspects based on their perception of the impact of our activities on people and the environment.

Likewise, risks and opportunities related to sustainability have been identified and assessed based on financial materiality for their impact on cash flow. **Our dual materiality analysis has provided us with insight into the most salient aspects for stakeholders**, as well as their potential impact on our results.

This analysis goes beyond the company's perimeter, as it encompasses the entire value chain. Furthermore, the short, medium and long-term aspects were considered in the analysis of impacts, risks, and opportunities (IROs).






The project phases were as follows:

- 1 Identification of potentially material issues: based on the Sustainability Report, CSRD, and benchmarking.
- 2 Identification of stakeholders.
- 3 Identification of positive and negative impacts (actual and potential).
- 4 Assessment of the materiality of impacts (Impact Materiality).
- 5 Identification of risks and opportunities.
- 6 Assessment of the materiality of risks and opportunities (Financial Materiality).
- 7 Consolidation of results.



Below are the material aspects identified as a result of the dual materiality analysis:

| Pillar  | Potentially material matter for Sidenor           | Matter ID | CSRD correlation  |
|---|---|-----------|---|
| <br>Environment            | Energy consumption efficiency ☆                   | E1 - 1    | Energy  |
|   | Climate change mitigation ☆                       | E1 - 2    | Climate change mitigation   |
|   | Preparation to climate change ☆                   | E1 - 3    | Adaptation to climate change  |
|   | Pollution (Air, water, soil) ☆                    | E2 - 1    | Air / water / soil pollution  |
|   | Hazardous substances ☆                            | E2 - 2    | Substances of concern; substances of high concern   |
|   | Water cycle management ☆                          | E3 - 1    | Water   |
|   | Protection of biodiversity                        | E4 - 1    | Factors of direct incidence on biodiversity loss; incidence on the state of species, extension and state of ecosystems, as well as ecosystem services and related service units |
|   | Circular economy and efficient use of resources ☆ | E5 - 1    | Resource inflows, including resource use; resource outflows related to products and services  |
|   | Waste management ☆                                | E5 - 2    | Waste   |
| <br>Social                 | Talent attraction and retention ☆                 | S1 - 1    | Working conditions  |
|   | Staff well-being                                  | S1 - 2    | Working conditions  |
|   | Decent working conditions                         | S1 - 3    | Working conditions  |
|   | Staff training and development                    | S1 - 4    | Equal treatment and opportunities for all   |
|   | Inclusion, diversity and equal opportunities ☆    | S1 - 5    | Equal treatment and opportunities for all   |
|   | Safety and health at work ☆                       | S1 - 6    | Working conditions  |
|   | Labor conditions in the value chain ☆             | S2 - 1    | Working conditions; equal treatment and opportunities for all; other labor rights   |
|   | Commitment to local community ☆                   | S3 - 1    | Economic, social and cultural rights of groups  |
|   | Rights of affected groups                         | S3 - 2    | Civil and political rights of groups  |
| <br>Governance practices | Sustainable supply chain ☆                        | G1 - 1    | Management of supplier relations, including payment   |
|   | Cybersecurity ☆                                   | G1 - 2    | Corporate culture   |
|   | Corporate culture                                 | G1 - 3    | Corporate culture   |
|   | Sustainable business development ☆                | G1 - 4    | Corporate culture   |
|   | Risk management and control systems               | G1 - 5    | Corporate culture   |
|   | Sustainable R&D&I ☆                               | G1 - 6    | Corporate culture   |
|   | Fight against corruption and bribery              | G1 - 7    | Corruption and bribery  |
|   | Whistleblower protection                          | G1 - 8    | Whistleblower protection  |
|   | Relations with stakeholders                       | G1 - 9    | Political commitment and lobbyist activities  |

☆ Resulting material matter

## Risk management

The Company Management has identified the main risks (associated with internal or external factors) to which we are exposed, and has a **Risk Control and Management Policy which establishes a general framework for action**. The objective is to reasonably ensure that all risks identified (Finances, Operations and Infrastructure, Strategy and Planning, Governance) are prevented, evaluated, submitted to continuous follow-up, and reduced to the assumption and tolerance levels defined by the Management.

During 2024, we updated our general risk map and established a new tool to facilitate its management and periodic review.

**The 69 risks initially identified have been grouped into 26**, which have been evaluated by impact on results or on the achievement of the Strategic Plan, and by probability of occurrence.

As a result, we have identified **10 first-level risks**, which are the most actively managed due to their relevance. These are:

### Operations and infrastructure

- **Having the necessary talent:** Managing the company's growth and sustainability requires the consolidation and development of people. Working conditions must be able to attract the best professionals. To achieve this, we design plans and implement strategies for both internal development and external recruitment.
- **Labor conflicts:** Social peace is key to achieving a good work environment, as well as maintaining productivity, quality and end-customer satisfaction.

- **Cyber risks:** Information systems can fail, be damaged or be attacked, compromising the company's activity and affecting or preventing its normal operation. Therefore, significant work is needed to improve system security and anticipate how to respond in the event of a cyberattack.
- **Shortage in the scrap market:** Due to the new European environmental regulation, many blast furnaces will, in the medium term, have to be converted into electric furnaces in order to reduce CO<sub>2</sub> emissions, which will generate greater demand for scrap from steelmakers who currently do not use it.



## Strategy and planning

- **Market changes that may impact sales:** Market trends or our customers' strategies may change, which is why the company must be flexible and prepared for these changes.
- **Dependence on certain sectors:** Considering that the automotive industry is an important market, we must be alert to changes that may occur in the European industry based on future European environmental requirements.

## Governance

- **ESG, adaptation to new environmental regulations:** Sustainability regulations are increasing, as are the demands from investors and financiers. Furthermore, the impact of climate change on our business has led us to begin a process of analyzing the risks and opportunities arising from climate transition.
- **Regulatory non-compliance:** Achieving our objectives must be done in compliance with all legal provisions, which requires staying abreast of any new regulations that may affect us and adapting to the new requirements, thus minimizing the risk of non-compliance and avoiding the negative impact it would have.

- **Volatility in the energy and raw materials markets:** The continuous increase in gas and electricity prices that had begun in the final months of 2021 worsened in March 2022 with the war in Ukraine, reaching historic highs in European markets and generating significant volatility in the prices of these supplies that are essential for our process.
- **Financial risk:** credit risk and liquidity risk are issues that are to be managed with due rigor.

Taking this context into account, we are working to find alternatives and adopt measures that allow us to minimize or avoid the impact of these risks on our business.

Following the CSRD analysis, we have been able to confirm that our first-level risks are reflected in the ESRS standards, which have been deemed material based on the dual materiality to report, and have been considered among the most significant impacts, risks and opportunities.

We are looking for alternatives and moving forward to equip ourselves with measures that allow us to minimize or avoid the impact of risks on our business



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Tailored to the

# ENVIRONMENTAL CHALLENGE

# ENVIRONMENTAL CHALLENGES



**A**ll our operations and teams integrate environmental management to improve our performance and minimize the environmental impacts of our activities and products.

We address these environmental challenges through a **decentralized Management System across the entire organization**, aligned with ISO 14001 and ISO 50001 standards, which includes the analysis of all our industrial activities. Through this System, we guarantee the evaluation, planning and monitoring of all environmental aspects of our production process.

In addition, we apply **environmental criteria in all Steel Life Cycle Assessment production phases**: design, supplier selection, raw material optimization, energy consumption reduction, waste management and process improvement.

In 2025, we strengthened our **commitment to the Science Based Targets (SBT) to decarbonize our operations** and be a net-zero emissions company. In doing so, we are contributing to achieving the goals of the Paris Agreement.



## Steel life cycle

# 01

### STEEL DESIGN PHASE

Through our R&D&I department and in collaboration with our entire value chain, we work from the design stage of new steels in order to create increasingly sustainable and efficient products and processes.



### RAW MATERIAL

We use recycled or reused scrap as our main raw material. We thus contribute to the recycling of around 800,000 tons of metallic waste per year.

# 02

### PRODUCTION PROCESS

We invest time and resources in order to:

- Improve energy efficiency and optimize raw material and natural resource consumption.
- Search for new ways of recovery and reuse for all resources.
- Optimize production processes and logistics.



# 03



### END OF LIFESPAN

Steel is a 100% recyclable product.

# 04

# Our roadmap

**2021**

438 KgCO<sub>2</sub>/t steel

SBT (Science Based Targets) reference year.

**2023**

276 KgCO<sub>2</sub>/t steel

- Verified by an independent third party according to the Greenhouse Gas (GHG) Inventory of direct (Scope 1) and indirect (Scope 2 and 3) emissions in accordance with the GHG Protocol standard.
- 75% of energy consumption from renewable sources.
- Approval of new SBT climate change targets.

**2024**

274 KgCO<sub>2</sub>/t steel

- Starting operation of photovoltaic parks acquired by Sidenor.
- New proprietary environmental footprint calculation tool.
- 78% of energy consumption from renewable sources.

**2025**

191 KgCO<sub>2</sub>/t steel

- The goal of consuming 100% of electricity from renewable sources has been achieved.
- Recovery of 91% of the waste generated.

**2030**

- Process electrification so as to reduce dependence on combustion processes.
- 100% replacement of fossil coal.
- Technical validation of hydrogen processes in combustion processes.
- Recovery of 95% of the waste generated.

**2033**

Climate change targets compliance date, according to SBT.

**2040**

Replacing 50% of natural gas with renewable gases (H<sub>2</sub>, biomethane) in combustion processes.

**2050**

Climate neutrality.

**2024-2040**



Optimizing process efficiency and energy use



Designing more sustainable steels



# CLIMATE CHANGE



**G**lobal climate change is one of the challenges of our time, which therefore requires collective action to mitigate the risks posed by the accumulation of greenhouse gases in the atmosphere.

Aware of this, at Sidenor we are **exploring alternatives to fossil fuels in order to increase energy efficiency and improve our production systems**. This is our formula for undertaking a gradual, structured and planned decarbonization process over time, which will help us

- Fulfill our internal commitment to continuous improvement, as reflected in our Integrated Health and Safety, Environment, Quality, Energy and Information Security Policy.
- Anticipate and adapt to the climate risks that affect our business.
- Seize the opportunities offered by upcoming changes.
- Measure the financial impacts of climate change according to different scenarios and possible future transformations.
- Respond to the expectations of today's society, which demands real solutions.
- Meet the demands of our stakeholders, mainly of our customers, in terms of climate information and transparency.

- Manufacture sustainable and environmentally friendly products.
- Improve our competitiveness in a business environment that increasingly values sustainability and environmental responsibility

Fundamental to this commitment is the Annual Climate Change Plan, which we have been developing for several years and which identified 153 new actions in 2024.



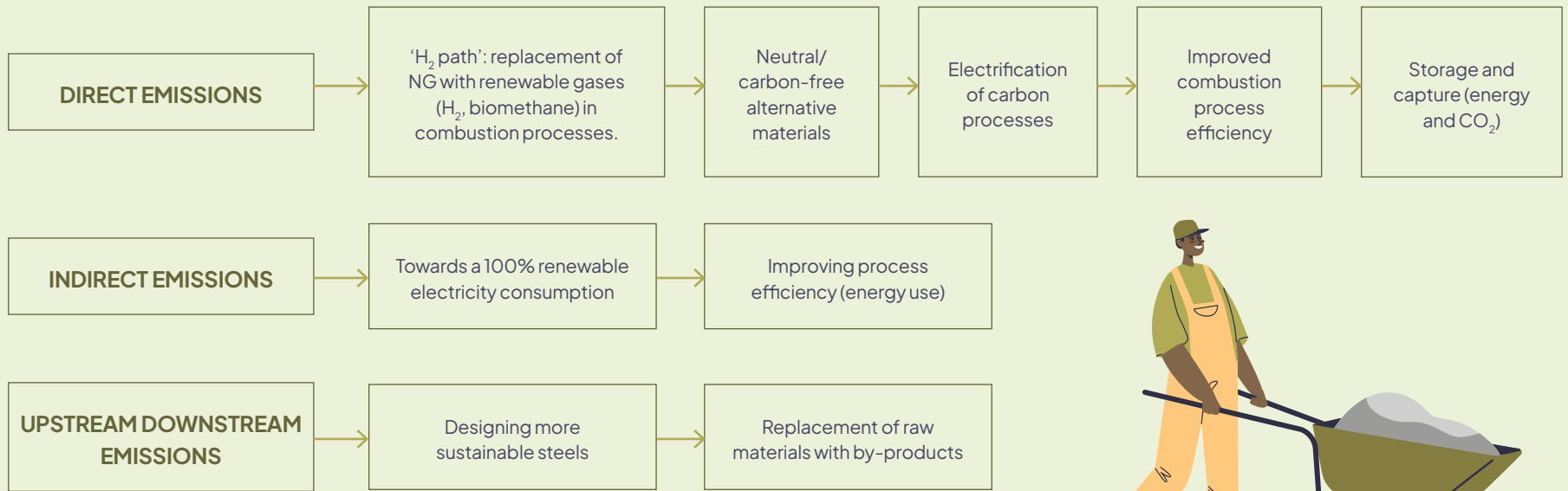
The Annual Climate Change Plan allows us to respond to the major challenges of today and promote progressive decarbonization

# Decarbonization strategy

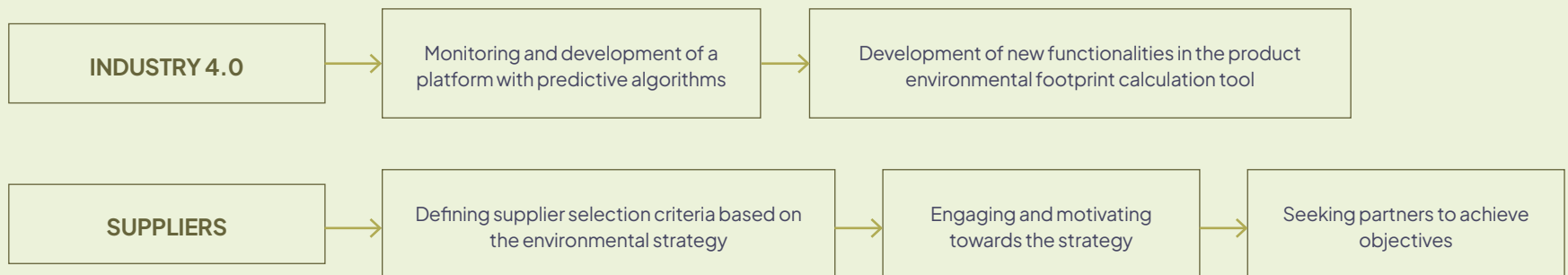
What

How

Reduction in the organization carbon footprint



Support and traction



GENERAL LINES OF WORK

## The route to carbon neutrality

With a view to the goal of decarbonizing the economy by 2050, we, as companies, must take an active and immediate role, redefining our production processes and adopting sustainable strategies that encompass the entire life cycle of our products. Only with a firm commitment and concrete actions will we achieve a real impact in the transition to a cleaner future.

### SBT targets

To accelerate this transformation, in 2023, we joined the **Science Based Targets Initiative (SBTi)**, an **international reference framework** that outlines a clear roadmap for reducing greenhouse gas (GHG) emissions, in line with the 2015 Paris Agreement.

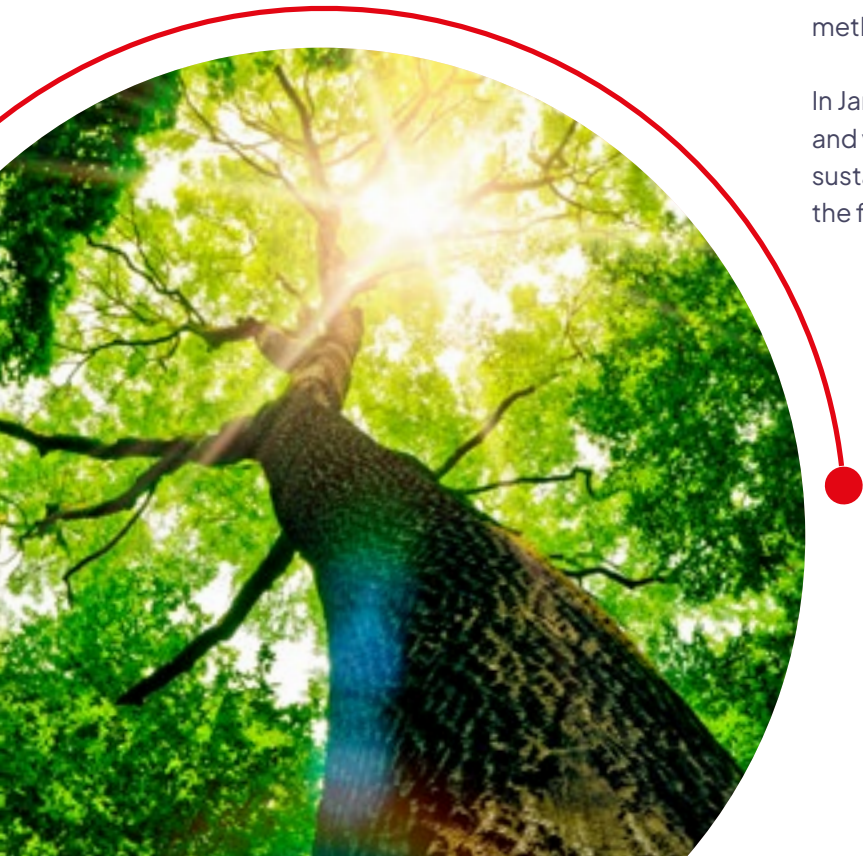
To materialize this commitment, we defined and submitted a series of concrete targets to the SBTi, which is responsible for establishing the criteria and methodologies for compliance.

In January 2024, our targets were officially approved and validated, marking a key milestone in our sustainability strategy and consolidating our role in the fight against climate change.

## Our milestones for 2033

**Scopes 1 & 2 objectives:**  
Reduction in **absolute emissions** by **61.5%** in 2033 compared with 2021 as a base year

**Scope 3 objectives:**  
Reduction in **absolute emissions** by **32.5%** compared with 2021 as a base year



## Decarbonization plan

At Sidenor, decarbonization is one of the strategic pillars of our competitiveness and our contribution to the ecological transition of the steel sector. **We have a Decarbonization Plan aligned with the Science Based Targets (SBTs)**, which establishes a clear and verifiable path for reducing both direct emissions (Scope 1) and indirect emissions from electricity consumption (Scope 2) and our value chain (Scope 3).

To ensure the effective implementation of this strategy, in 2025, we **established a total of twenty Decarbonization Groups organized into specialized work streams**, each focused on a key technological or management area for emissions reduction. This structure allows the plan to be deployed in an orderly, coordinated and measurable manner, ensuring that every step forward translates into verifiable results aligned with the SBTs.

These Decarbonization Groups operate as **multidisciplinary teams**, integrating profiles from production, engineering, energy, environment, quality, purchasing, sales, R&D, investments and other key areas of the company. Their structure facilitates the early identification of opportunities, the rigorous evaluation of emerging technological solutions, investment planning and the continuous monitoring of energy and environmental performance.

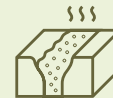
## Results of actions taken by the Decarbonization Groups in 2025

### ADVANCED FUEL TESTING



Tests were conducted on hydrogen (H<sub>2</sub>), oxy-combustion in ladles and the use of **carbon-free alternatives** to reduce direct emissions and assess their operational viability.

### OPTIMIZATION OF THERMAL PROCESSES



Study and definition of **efficiency improvement measures in thermal treatments**, with identification of investment opportunities to be implemented by 2026

### LOW-CARBON MOBILITY AND LOGISTICS



Technical analysis and deployment plan for **alternative fuels** in internal transport, focused on minimizing the carbon footprint associated with operations.

### NEW DECARBONIZATION TECHNOLOGIES



Evaluation and case studies on **ORC, furnace electrification, district heating, and carbon capture and storage (CCS)**.

### ORGANIZATIONAL PARTICIPATION



Direct mobilization of **over 30 professionals and indirect mobilization of over 100**, with systematic follow-up in the **Operations Committees**.



## CO<sub>2</sub> Emissions Index

Internally, we use the CO<sub>2</sub> Emissions Index, defined as follows: KgCO<sub>2</sub> Scope 1 + Scope 2 / tons of steel produced, as a baseline indicator for assessing performance in terms of emissions.

During 2023 and 2024, we achieved a significant reduction in this index, thanks to the implementation of energy efficiency measures and our decision to procure energy from renewable sources.

In 2025, 100% of our electricity was from renewable sources, completely eliminating indirect emissions associated with electricity consumption.

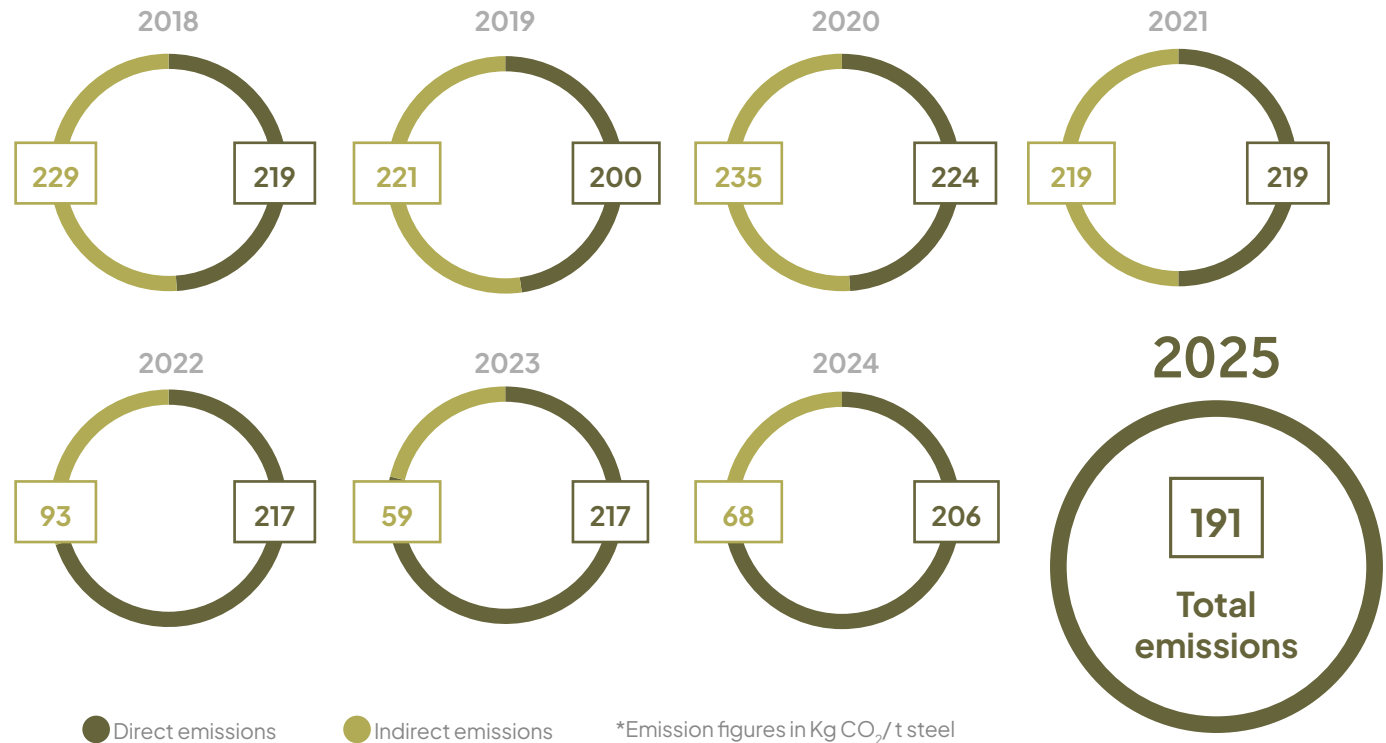
### Scope 1

Direct greenhouse gas emissions: Emissions from combustion in heaters, furnaces, vehicles, etc., owned or controlled by an entity.

### Scope 2

Indirect greenhouse gas emissions: Emissions linked to the generation of electricity purchased and consumed by the organization.

| Evolution of emissions (Kg CO <sub>2</sub> /t steel) |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|
| 2018   | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| 448  | 421  | 459  | 438  | 310  | 276  | 274  | 191  |



## Carbon footprint

Every year, we calculate our carbon footprint, using 2021 as the base year for future comparisons. Each year, the carbon footprint results and the calculation process are verified by an independent third party.

In 2025, we calculated the carbon footprint for the period from January 1 to December 31, 2024.

| Carbon footprint (t CO <sub>2</sub> e)                   | 2025           | 2024    |
|--|----------------|---------|
| Scope 1: Direct GHG emissions (*)                        | <b>138,934</b> | 144,216 |
| Scope 2: Indirect GHG emissions from imported energy (*) | <b>0</b>       | 47,735  |
| Scope 3: Other GHG emissions (*) (**)                    | -              | 507,479 |

\* Emissions currently updated and verified according to the GHG PROTOCOL.

\*\* Scope 3 considers GHG emissions corresponding to:

3.1 Purchase of goods and services; 3.2 Capital goods; 3.3 Combustion and activities related to energy (market based); 3.4 Upstream transport and distribution; 3.5 Waste; 3.6 Business travel; 3.7 Commuting; 3.9 Downstream transport and distribution; 3.10 Processing of sold products; 3.12 End of life of sold products.

“  
In May 2025, we had our 2024 footprint data successfully verified by an independent third party, in accordance with the Greenhouse Gas Protocol



## Product environmental footprint



In 2019, we became the first state-owned company to implement our own certified system for calculating the environmental footprint of our products, based on the principles of Life Cycle Assessment. Two years later, in 2021, we expanded the calculation to all our plants, which, to date, has allowed us to **measure the environmental impact of more than 800 steel families and more than 25,000 product references.**

In 2024, we went a step further and developed our **own calculation tool (SIDE<sub>CO</sub><sub>2</sub>)** to measure the environmental footprint of all our products.

The process of preparing environmental product declarations, on which our Environmental Footprint Calculation tool is based, is verified by an independent third party, in accordance with the 'EPD® System', as well as the Product Carbon Footprint management system according to the UNE-EN ISO 14067:2019 standard and the product category rules 'PCR 2015:03 Basic iron or steel products & special steels, except products v2.0'.

SIDE<sub>CO</sub><sub>2</sub> allows us to **assess the environmental profile of our steel products across five impact categories**, including global warming potential and 12 indicators related to resource consumption and waste generation. Furthermore, our tool enables us to create environmental declarations for all our products.

In 2025, **we added new functionalities to this tool, such as calculating the percentage of recycled content in all products.** We also integrated carbon footprint calculation into our SAP system, making it possible to include the footprint value in 3.1 certificates and thus offer customers the opportunity to reduce their own footprint.

In 2026, we will continue to add new functionalities, including the ability to simulate lower-impact processes and design new steels, in collaboration with our R&D department.



Through our Environmental Footprint Calculation tool, we assess the environmental profile of our steel products under a life-cycle perspective

## Environmental Product Declarations

The Environmental Product Declaration (EPD) is a standardized document that details a product's environmental impact. In addition, **it offers a comprehensive, third-party-verified view of CO<sub>2</sub> emissions throughout a steel's lifecycle**, from design to material extraction, manufacturing, use and end-of-life.

EPDs **provide our customers with verified environmental data**, ensuring transparency and enabling them to make informed decisions when selecting products that meet their sustainability objectives.

Throughout 2026, we will update all our EPDs according to the new version of the product category rules 'PCR 2015:03 Basic iron or steel products & special steels, except products v3.0' released in 2025 and we will publish further EPDs for our most representative steels.



# Sustainable Steel and Neutral Steel

We are one of the leading suppliers of special steels with a low carbon footprint and **apply a lifecycle approach to reduce the product environmental footprint.** We also offer our customers the option of purchasing Sustainable Steels and Neutral Steels.



## Sidenor Sustainable Steel

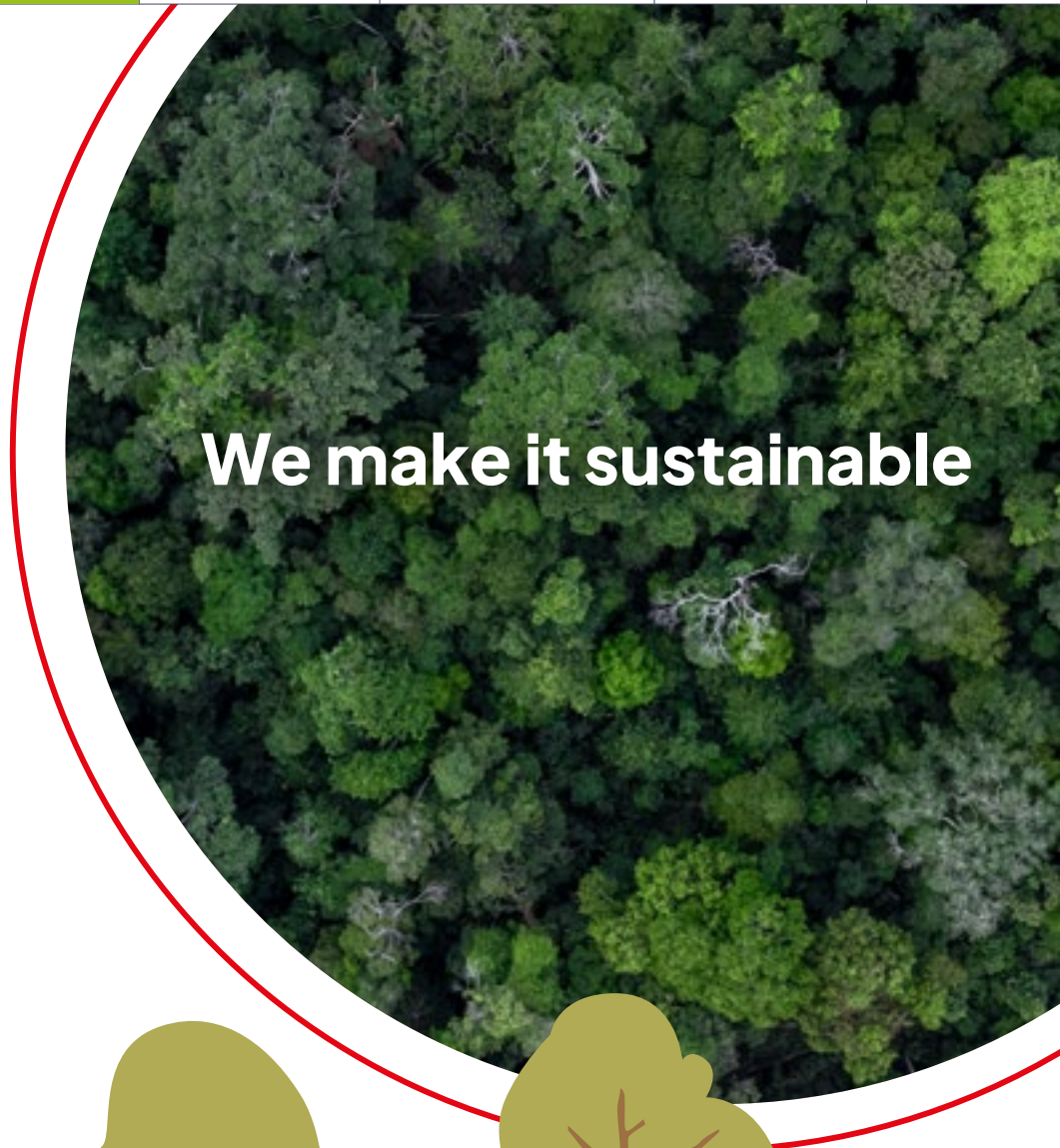
We are moving toward a more sustainable future by marketing steel manufactured in an electric arc furnace from 100% recycled scrap and produced with 100% renewable electricity.



## Sidenor Neutral Steel

In addition to the attributes of sustainable steel, we also neutralize CO<sub>2</sub> emissions that could not be eliminated through the acquisition of carbon credits in voluntary markets.

The renewable origin of the electricity used in the manufacturing process is certified with Guarantees of Origin (GDOs).



**We make it sustainable**



## Commitment to alternative energy resources

### Hydrogen, a sustainable energy source

To achieve the objectives defined in our climate change strategy, we are exploring alternative energy sources to natural gas. Hydrogen (H<sub>2</sub>) and biomethane are the preferred energy vectors for the decarbonization of combustion processes.

In this context, we are collaborating on various technological research projects with the aim of:

- Converting all combustion processes of Sidenor to hydrogen.
- Eliminating 100% of natural gas combustion emissions.
- In 2025, we conducted the first hydrogen combustion test for ladle heating.

- In addition, within the framework of the IS2H4C project, we replaced air-gas combustion with oxy-combustion in the ladle heating process, achieving a reduction in gas consumption of more than 30%.



### H-ACERO 2 project

- **Objective:** To contribute to the decarbonization of the steel sector by using hydrogen as an alternative energy source at various points in the steel production process.
- **Project duration:** 3 years.



### IS2H4C project

- **Objective:** To reduce natural gas consumption in ladle heating combustion processes by using oxygen/gas or green hydrogen as fuel.
- **Project duration:** 4 years.

## Biogenic products

At Sidenor, **we use approximately 8,500 tons of coal in our various steelmaking processes**, which accounts for more than 10% of our total emissions.

Since 2023, we have been using various non-fossil coal types. In 2025, **we continued testing different materials**. To make progress in replacing fossil coal, we will need to address process and equipment adaptations over the next few years to completely replace current materials with emission-neutral materials by 2030.

## Green energy

In 2021, we designed a green energy procurement strategy that will ensure long-term sustainability and contribute to reducing Scope 2 emissions. **In 2025, 100% of the electricity that we consumed was from renewable sources**, thus fulfilling the commitment we made in 2023.

To achieve this objective, our strategy is based on three lines of action.

- Signing long-term renewable energy contracts or PPAs (Power Purchasing Agreement).
- Acquiring photovoltaic parks that guarantee a renewable energy supply.
- Purchasing Green Energy Certificates or Guarantees of Origin.

The actions implemented in these areas enabled us to achieve 100% renewable electricity consumption in 2025. This resulted in the elimination of over 150,000 tons of CO<sub>2</sub>.



| Green energy and CO <sub>2</sub> emissions avoided | 2025           | 2024    |
|--|----------------|---------|
| Green energy (MWh)                                 | <b>592,158</b> | 457,309 |
| Green energy vs. total consumption (%)             | <b>100</b>     | 78      |
| Emissions avoided (tCO <sub>2</sub> )              | <b>159,882</b> | 121,187 |



# ENERGY EFFICIENCY



In a scenario where the energy crisis is setting the global agenda, improving energy efficiency is no longer just a goal; it is an essential condition for the industry to remain competitive. For us, this transformation is a key pillar of our decarbonization strategy.

Within the framework of the **Annual Climate Change Plan**, we have outlined a series of **initiatives designed to optimize energy consumption from six perspectives:**

- Improvements to equipment and facilities.
- Digitization to ensure routine management and continuous improvement.
- Ensuring product quality to avoid rejections and unnecessary rework.

- Production planning: improving facility saturation, optimizing production routes, etc.
  - Management tools to ensure maintenance and deviation management in processes.
  - Process review and redesign.
- The efficiency plan development and implementation process is summarized in the following table:

## Optimization of energy efficiency at Sidenor



| Energy                                   | 2025    | 2024    |
|--|---------|---------|
| Electrical energy consumption (MWh/year) | 592,158 | 586,339 |
| Efficiency (MWh/t steel)                 | 824     | 835     |
| Natural gas consumption (MWh/year)       | 539,958 | 556,489 |
| Efficiency (kWh/t steel)                 | 751     | 793     |

# PROCESSES AND PRODUCTS INTEGRATED INTO CIRCULAR ECONOMY



**W**e see **circular economy as a strategic pillar to boost our competitiveness**. By optimizing the use of resources and minimizing the environmental impact of our products and processes, we achieve a more efficient and responsible model. We rely on a **comprehensive approach to the steel lifecycle**, covering each stage of the value chain:

- Design and production.
- Efficient use of resources.
- Recycling, thus ensuring a second life for products.

In line with this commitment, **we are part of the Pact for a Circular Economy**, an initiative promoted by the Ministries of Agriculture and Fisheries, Food and Environment, and the Ministry of Economy, Industry and Competitiveness.

Through this alliance, **we work alongside the country's main economic and social stakeholders** to accelerate the transition toward a more sustainable, innovative and competitive economic model.

## This approach allows us to:



Manufacture products with a smaller environmental footprint



Improve economic results by reducing resource use



Ensure the security of supply for essential resources



Fight climate change



Open new markets and sources of financing



By participating in the Pact for a Circular Economy, we contribute to implementing a more sustainable, innovative and competitive economic model



## Our great commitment to recycling

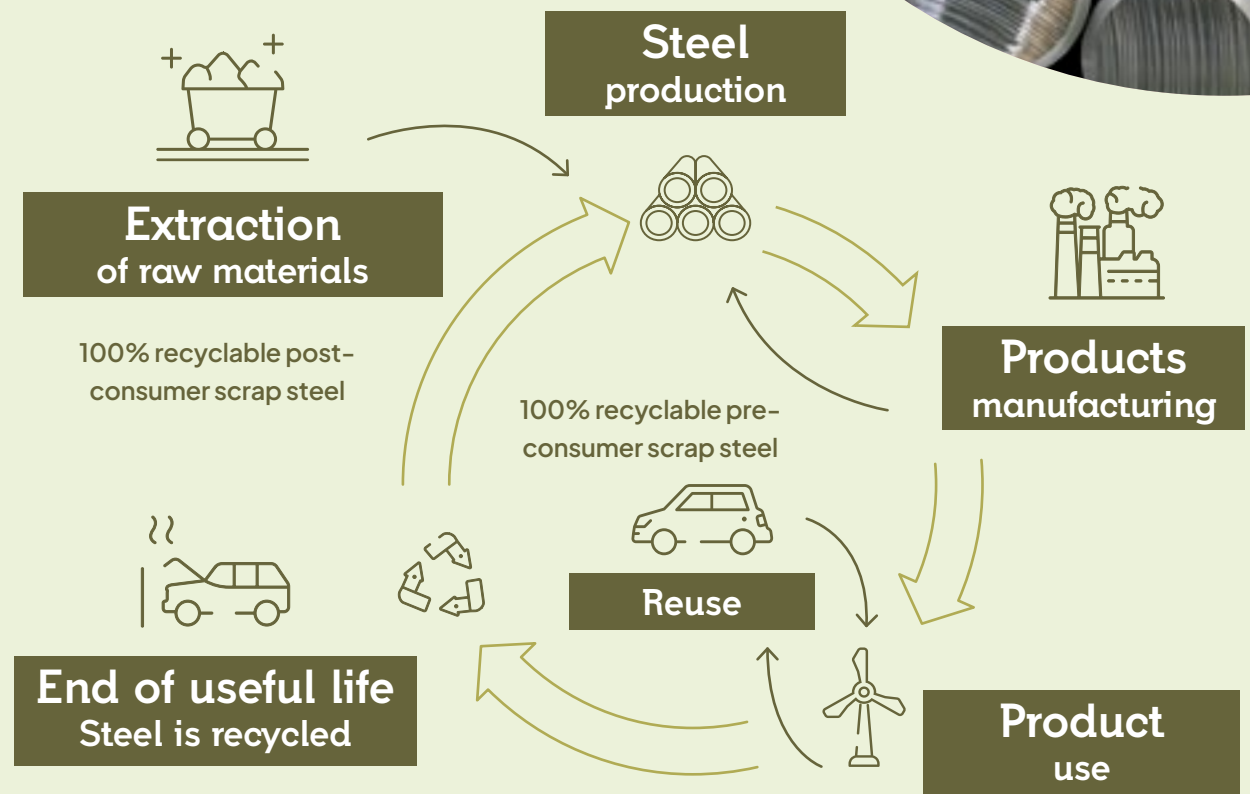
All the steel we produce comes from scrap. By recycling metal waste from various industries and products at the end of their useful life cycle, **we optimize the use of resources, reduce emissions and promote the conservation of natural resources.** Thanks to steel's ability to be recycled infinitely without losing its properties, we are able to extend its life cycle and sustainably maintain its value.

This strategy has made us **one of the leading recyclers of ferrous waste, with a consumption of 800,000 tons of recycled material in 2025.**

Furthermore, as part of our commitment to safety and sustainability, we comply with the **Radiological Surveillance Protocol**, which establishes strict requirements to ensure that recycled metal materials are free of radioactive contamination, thus preventing any type of incident.



### Recycling process



## Waste management

We have implemented a **circular economy model** based on **responsible waste management practices** aimed at segregation, reuse, recycling and recovery.

At the end of 2025, we launched a **€10 million investment**, intended to enable a **new slag cooling area and several facilities for its processing**, including screening, demetallization and granulometric separation systems.

The main benefits obtained are:

- Higher quality aggregates thanks to improvements in cooling, demetallization, granulometric separation and maturation processes.
- Use in higher value-added applications, increasing circularity and the economic return of the by-product.
- Operational flexibility, allowing for efficient handling of intermittent market demand through increased management and storage capacity.
- Outsourcing and valorization of 100% of the white slag.

| Waste (t)                     | 2025          | 2024   |
|-------------------------------|---------------|--------|
| Black slag (steel aggregates) | <b>86,049</b> | 82,000 |
| White slag                    | <b>29,333</b> | 27,926 |
| Mill scale                    | <b>15,067</b> | 15,950 |
| Steel mill dust               | <b>14,789</b> | 14,448 |
| Refractories                  | <b>8,409</b>  | 8,563  |
| Stainless black slag          | <b>3,942</b>  | 3,224  |
| Metallic powders              | <b>927</b>    | 1,318  |

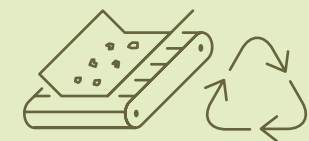
### Objectives and challenges

Recovering:

**92%** of our waste by **2026**



**95%** of our waste by **2030**



Total waste recovered in 2025:  
**160,178t**



**Committed to circular economy**

**Ninety-five percent of our waste is generated at the Basauri plant, which has the greatest impact.**

In 2023, the recovery trend slowed due to the impossibility of recovering stainless slag, but in 2024, we found a recovery destination for this waste, thus increasing the recovery percentage.

In 2025, we maintained the management of stainless steel slag, achieving **up to 47% valorization of the stainless steel slag generated.**

Likewise, 176,857 tons of waste were generated (173,000 tons in 2024). Of this, 159,694 tons were non-hazardous waste and 17,163 tons were hazardous.

Of the total non-hazardous waste generated, 54% was black slag, which is recovered into steel aggregates. We have various CE Marking certificates for this product, covering its use as granular layers, bituminous mixtures and concrete.

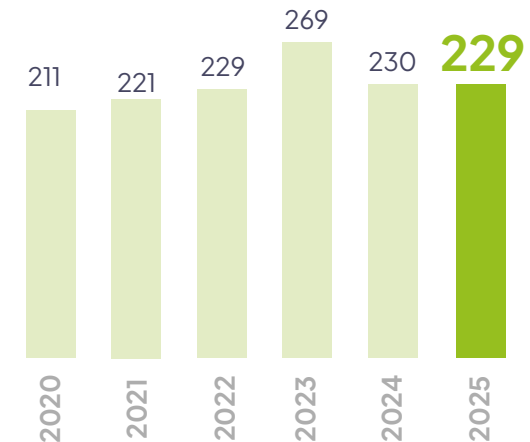
| Waste                   | 2025    | 2024    |
|-------------------------|---------|---------|
| Non-hazardous waste (t) | 159,694 | 155,524 |
| Hazardous waste (t)     | 17,163  | 17,476  |

**% of recovered waste**



**Waste management index (WMI)**

Kg of waste generated among tons of liquid steel



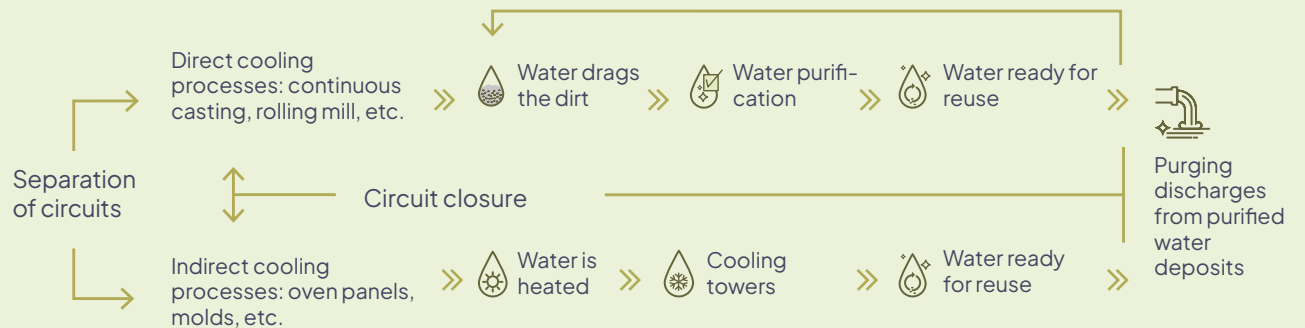
# WATER CONSUMPTION



**W**ater is an essential element in steel production, where it not only acts as a coolant for the equipment but also for the product itself. **We manage this essential resource with the utmost care, applying responsible and preventative management measures.** Following environmental best practices, we have incorporated into our processes the **three lines of action considered by the European Union to be the most advanced ones to ensure the sustainability of our operations.**

- Separation of direct (dirty) cooling water circuits from indirect (clean) ones.
- Implementation of circuit closures to allow the reuse of as much water as possible.
- Optimization of water purification systems to prevent contamination of the receiving environment and facilitate internal reuse.

## Water withdrawal



| Water management                                     | 2025    | 2024      |
|--|---------|-----------|
| * Specific water consumption (m <sup>3</sup> /t.a.l) | 1.25    | 1.39      |
| Water consumption (m <sup>3</sup> )                  | 969,830 | 1,045,489 |
| Specific water discharge (m <sup>3</sup> /t.a.l)     | 0.60    | 0.84      |
| Water discharge (m <sup>3</sup> )                    | 464,372 | 634,876   |

\*Specific water consumption (m<sup>3</sup>/t.a.l): Total amount of water consumed by the installation divided by the tons of liquid steel; water consumption is calculated by subtracting the water discharged from the water withdrawn.

Over the past 10 years

Investment **M€5.4**

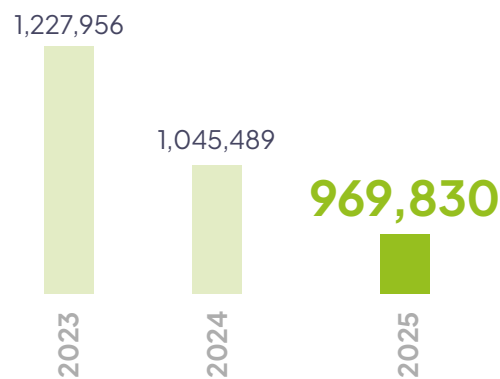


### Continuous improvement

Due to our need for water to carry out our production processes, our main production centers are located on riverbanks. The facilities located in northern Spain —**Basauri, Reinosa, Azkoitia, Vitoria and Legutiano**— are situated in areas characterized by a relative abundance of water resources, where rainfall is more regular and, consequently, water stress is lower. In contrast, the facilities located in **Polinyà and Sagunto** are in areas of greater water stress due to the scarcity of this resource, especially during dry periods.

Aware of the importance of water, we are continuously working to use it efficiently in our production.

### Water consumption 2023-2025 (m<sup>3</sup>)



In 2025, **we reduced the volume of water withdrawn by 7% thanks to the optimization of our water circuits.**

Within this framework, and in line with the **commitments made under SDG 6** – Clean Water and Sanitation – **we strengthen our water use monitoring and control systems every year.**

In addition to the withdrawal and discharge indicators that are monitored annually at SIDENOR's plants, in 2025 we **incorporated a new indicator to improve the assessment of water efficiency**: specific net water consumption\*, which relates the net volume of water consumed – calculated as the difference between water withdrawn and water discharged – to the production of one ton of liquid steel. This indicator provides a more representative measurement of the actual pressure exerted on the resource and facilitates the identification of opportunities for improvement in water management.

Looking ahead to 2026, we will establish improvement targets associated with this indicator, with the aim of further reducing net water consumption, advancing the responsible use of this resource and contributing effectively to achieving SDG 6 within the steel sector.

\*Specific net water consumption = (Water withdrawn – Water discharged) / Production (t a.l.).



# EMISSIONS



**W**e act responsibly regarding emissions. Our plants have modern smoke extraction and purification systems designed to capture the particles generated during the production process. This filtered material, which was previously intended for landfill, is now a by-product used as a raw material in the zinc recovery industry.

In addition, we have continuous particle meters at the steelworks' main emission sources to ensure environmental control and performance. These meters are connected to the Basque Country Surveillance network, allowing us to constantly and accurately monitor our emissions and ensure compliance with the most demanding environmental standards.

Investment over the  
past 10 years



M€2.7

In 2025, we implemented **two actions at the Basauri plant to reduce emissions**:

- Outsourcing of white slag treatment, optimizing its management and valorization.
- Installation of a new capture and filtration system for emissions generated in the oxy-fuel cutting process at the Basauri steelworks.

## Chemical products

We have implemented a **management system covering the use of chemical substances** throughout the organization. Is it aligned with the requirements of the REACH Regulation on the safe management of substances and mixtures, whose objective is to minimize the use of highly hazardous products, ensure their handling under controlled conditions and ensure safe storage in accordance with the CLP Regulation in all operational areas.

In order to properly assess and control the risk associated with the use of chemical products, **we have internally classified all substances according to the following hazard criteria**, based on the H-statements of the CLP Regulation:

- **Category A – Substances of Very High Concern:** These are substances that present a very high hazard according to the H-phrases assigned in the CLP Regulation. They are products that

require specific measures and a detailed exposure analysis.

- **Category B – Substances of High Concern:** Their hazard is significant, requiring preventive measures, but with a lower intrinsic risk than those in Category A.
- **Category C – Substances of Concern:** Includes substances classified as hazardous according to the CLP Regulation, but with a moderate hazard, which are managed through operational controls.
- **Non-Hazardous Substances:** These are all substances that do not have any hazard classification according to the CLP Regulation and are not subject to hazard obligations under REACH.

The **management system covers the entire internal cycle of chemical substances**, including pre-purchase assessment, in-process use, safe storage, associated operational controls and proper management of generated waste. This approach **ensures that each substance is used under the necessary safety conditions** and that full traceability is maintained from acquisition to final disposal.

## — BIODIVERSITY →

**W**e are **committed to conserving the natural environments in which we operate**, especially those with ecological, scenic, scientific or cultural value, even if they are not protected areas. Through our initiatives, we transform and restore these spaces, offering the community new areas for their use and enjoyment.

A prominent example of these efforts is the **transformation of the former Basauri heap**, which was converted into a 45,000 m<sup>2</sup> park at the end of 2017.



## — ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM →

**T**hrough the implementation of the ISO 14001 and ISO 50001 standards, we developed a **Management System to measure and mitigate the environmental and energy impacts of our operations**.

**ISO 14001** allows us to identify, assess, and control the environmental aspects of our

operations. **ISO 50001** helps us continuously improve energy efficiency and reduce our carbon footprint. **Together, these standards facilitate compliance with environmental and energy regulations**, while promoting a culture of continuous improvement and sustainability in all our activities.

During the first quarter of each year, our Environment and Energy Department leads **dedicated meetings with each production area to establish the annual action plan** based on the results achieved and those expected for the new fiscal year.

| Environmental program and monitoring (no.) | 2025         | 2024  |
|--|--------------|-------|
| Environmental Plan actions                 | <b>1,692</b> | 1,541 |
| Circular Economy Plan actions              | <b>100</b>   | 186   |
| Climate Change Plan actions                | <b>225</b>   | 153   |
| Internal audits                            | <b>105</b>   | 105   |

## Raising awareness to lead change

The efficient use of resources depends on everyone. **Raising awareness among all staff is vital to achieving our environmental goals**, hence the importance of training.

Each department annually reviews the training needs for each position profile, as well as the level of compliance for each worker. Based on these needs, we then develop the **company's annual training plan**, ensuring the professional development and skills updating of all staff.

These actions aim to:

- Improve the environmental and energy performance of the positions whose tasks may directly or indirectly impact these two aspects.
- Raise awareness and foster motivation among employees regarding environmental and energy issues.
- Promote culture and alignment with the organization's environmental policies and objectives.

| Training hours (no.)   | 2025 | 2024 |
|--|------|------|
| Awareness training for new employees                                     | 119  | 100  |
| Special training in environmental management for Sidenor's professionals | 176  | 247  |



# INVESTING IN ENVIRONMENT AND ENERGY



**E**nvironmental and energy sustainability is an active responsibility for us, and we dedicate human resources, time and budget to it. In the last decade, **we have invested nearly €50 million in projects that promote respect for the environment and the efficient use of energy**. With this, we aim to improve our performance day by day by optimizing equipment and processes, as well as to enrich our organizational culture through **training and awareness programs** at all levels of the company.

We do not have provisions for potential environmental risks resulting from significant contingencies related to litigation, compensation, or other items.

There is growing interest throughout the value chain in incorporating sustainable and resilient business

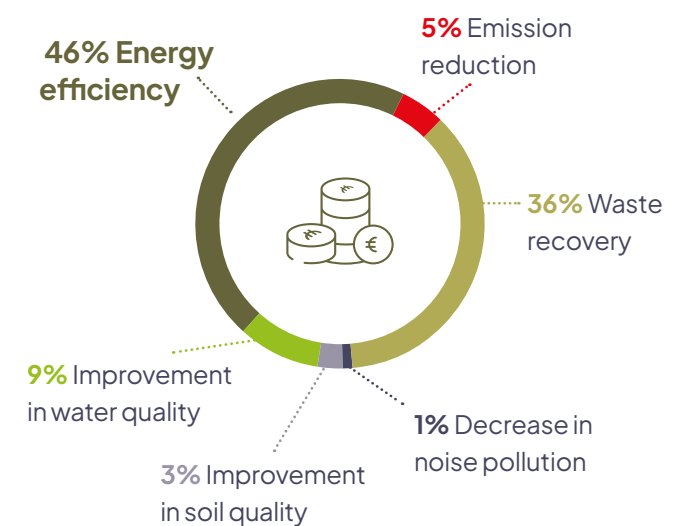
models. In 2025, **we continued to analyze the risks and opportunities arising from the climate transition that affect our business**, a process we began in 2022 following the TFCF (Task force on Climate-related Financial Disclosures) methodology. The objective of this initiative is to properly manage **risks and opportunities, focusing on four areas: governance, strategy, risk management, as well as metrics and objectives**, in order to:

- Anticipate and adapt to climate risks that affect the business, as well as take advantage of the opportunities they may offer.
- Measure the financial impacts of climate change according to different scenarios and possible futures.

Since we are affected by Law 26/2007 on Environmental Liability, we submitted the relevant **risk analyses and declarations of responsibility** to the authorities for the provision of financial guarantees for priority-2 facilities. We also **maintain civil and environmental liability insurance** to mitigate the consequences of any incident that may arise from our activities.

In 2025, **no administrative or judicial proceedings were initiated against Sidenor** that could result in the company's significant environmental liability.

## Distribution of investments over the last 10 years



# EU TAXONOMY



## Introduction to the EU Taxonomy for Activity NACE 24.10 – Manufacture of basic iron and steel and of ferro-alloys (eligible activity)

**T**he manufacture of basic iron and steel and of ferro-alloys (NACE 24.10) is a **key industrial activity for numerous strategic sectors, such as automotive and energy infrastructure**. At the same time, it is an energy-intensive industry, which places it at the heart of the **transition to more sustainable production models**.

In this context, the **European Union Taxonomy** establishes a common classification system that allows for the identification of economic activities that can be considered environmentally sustainable. Its objective is to promote investments that contribute to the EU's climate and environmental objectives by offering homogeneous and comparable criteria throughout the entire financial and industrial value chain.

Within this framework, **Sidenor's activity is included as an eligible activity, according to the Taxonomy**. This means that it is part of the list of activities covered by the regulation and, therefore, we must assess whether our production processes can comply - fully or partially - with the technical criteria for substantial contribution to climate change mitigation, as well as with the requirements of not causing significant harm and the minimum social safeguards.



## EU environmental objectives



Climate change  
mitigation

Adaptation  
to climate change



Sustainable use and  
protection of water and  
marine resources

Transition to  
circular economy



Contamination  
prevention and control

Biodiversity and  
ecosystems protection and  
recovery



1031

Tailored to

THE  
PEOPLE



## WE PROMOTE THE TALENT OF OUR PROFESSIONALS



1,879 professionals



1,666  
men



213  
women

**A**t Sidenor, **we put people at the center of everything we do**: they are the ones who give value to our activity. Aware of our staff's potential, we prioritize their needs in order to foster a safe, engaging and comfortable work environment. Likewise, we **promote diversity, equality, inclusion and solidarity**, both within our organization and in society at large.



We want to offer the best possible place to work to all the people who make up our staff and to value their talent

## The value of our team

At the end of 2025, **our workforce totalled 1,879 professionals** (compared to 1,901 in 2024). Their commitment, responsibility and talent are essential to the success and identity of our company.

We want to grow and move forward together, and **we focus on offering the best possible place to work**. Given the nature of our business, occupational risk prevention is essential, which is why we are continually reviewing and updating the safety systems at our facilities and in the activities we carry out. This allows us to ensure the integrity and health of our team.

We consider such integrity a supreme value. **We prioritize the health and safety of people, environmental protection, and the quality of our products and services**, ensuring that no emergency situation, production, or results can compromise it. To guarantee this, we have implemented a Prevention Plan executed in accordance with the Human Resources Plan.

Furthermore, we **promote equality** through policies that ensure equal opportunities for all people and reject any type of discrimination based on sex, race, or religion. In this area, we have an Equality Plan and measures to ensure equity and the non-discrimination of LGBTI people in the company, which were agreed with the social representatives.

## Our staff figures\*

The well-being and ongoing development of our team are also among our priorities. **We offer career plans and ongoing training** so that our professionals can develop their full potential and continue to grow. **We value experience** and also implement succession plans so that more experienced employees can pass on their knowledge to the next generation.

We are aware of the need to maintain **fluid and ongoing communication with our staff**, which we encourage through multiple channels such as message boards, information boards, the intranet, in-person meetings, events and the complaints channel. We conduct individual meetings with our staff through skills programs such as the Avanza Plan and performance evaluation. We also promote constant dialogue with union representatives in negotiating committees.



|                                | 2025         |             | 2024         |             |
|--------------------------------|--------------|-------------|--------------|-------------|
|                                | NO.          | %           | NO.          | %           |
| <b>Spain</b>                   | <b>1,879</b> | <b>100%</b> | <b>1,901</b> | <b>100%</b> |
| Permanent contracts            | 1,614        | 86%         | 1,642        | 86%         |
| Temporary contracts            | 265          | 14%         | 259          | 14%         |
| Women                          | 213          | 11%         | 205          | 11%         |
| Men                            | 1,666        | 89%         | 1,696        | 89%         |
| Full-time contracts            | 1,837        | 98%         | 1,767        | 93%         |
| Part-time contracts            | 42           | 2%          | 134          | 7%          |
| Age category below 30          | 139          | 7%          | 152          | 8%          |
| Women                          | 33           | -           | 39           | -           |
| Men                            | 106          | -           | 113          | -           |
| Age category between 30 and 50 | 1,006        | 54%         | 1,075        | 57%         |
| Women                          | 125          | -           | 121          | -           |
| Men                            | 881          | -           | 954          | -           |
| Age category above 50          | 734          | 39%         | 674          | 35%         |
| Women                          | 55           | -           | 45           | -           |
| Men                            | 679          | -           | 629          | -           |

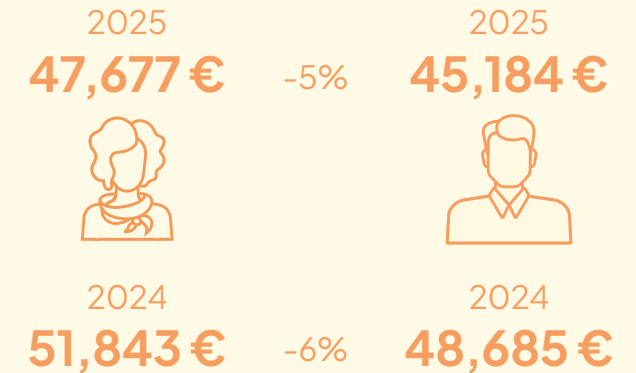
\* Employment at Sidenor at the end of 2025 and 2024.

## Average employment at Sidenor

|                                | 2025         |             | 2024         |             |
|--------------------------------|--------------|-------------|--------------|-------------|
|                                | NO.          | %           | NO.          | %           |
| <b>Spain</b>                   | <b>1,907</b> | <b>100%</b> | <b>1,922</b> | <b>100%</b> |
| Permanent contracts            | 1,632        | 86%         | 1,622        | 84%         |
| Temporary contracts            | 275          | 14%         | 300          | 16%         |
| Women                          | 215          | 11%         | 203          | 11%         |
| Men                            | 1,692        | 89%         | 1,719        | 89%         |
| Full-time contracts            | 1,865        | 98%         | 1,784        | 93%         |
| Part-time contracts            | 42           | 2%          | 138          | 7%          |
| Age category below 30          | 141          | 7%          | 137          | 7%          |
| Women                          | 37           | -           | 35           | -           |
| Men                            | 104          | -           | 102          | -           |
| Age category between 30 and 50 | 1,008        | 53%         | 1,091        | 57%         |
| Women                          | 122          | -           | 123          | -           |
| Men                            | 886          | -           | 968          | -           |
| Age category above 50          | 758          | 40%         | 694          | 36%         |
| Women                          | 56           | -           | 46           | -           |
| Men                            | 702          | -           | 648          | -           |

\* Employment at Sidenor in 2025 and 2024.

## Salary gap\* /Average annual salary



\* The percentage of gender salary gap was calculated by dividing the difference between men and women salary by men salary.

Seventeen dismissals occurred in 2025: six on disciplinary grounds, six on objective grounds and five due to a substantial change in working conditions. Four dismissals occurred in 2024: two on disciplinary grounds and two for geographic mobility.

### Remuneration

The remuneration of our staff is determined by the **collective agreements** in force, ensuring that salary differences are not based on gender or age, but only on professional category or length of service.

### Salary gap and average gross annual salary

All our production centers implement a policy of **pay equity between men and women**. This is reflected in our collective agreements, in which salary scales per category are the same for both genders.

### Integration of disability

**We promote diversity and inclusion.** In 2025, we employed eight people with some type of disability, one less than the year before. In addition, we collaborate with special employment centers to promote social integration.

Since 2019, this commitment has allowed us to obtain the certificate of compliance with Royal Decree 364/2005 of April 8, renewed in December 2025 for a period of three years. The centers with which we collaborate include: Fundación Lantegi Batuak, Taller Usoa Lantegia, Soemca Empleo S.L, Alares Social, S.A and Ilunió Bigaderies de Catalunya.

### Collective bargaining

In 2025, we signed **the agreement at the Legutiano plant in Álava**, following the expiration of its previous term. The collective bargaining agreement for the recovery and recycling of waste and secondary raw materials was also signed and implemented at the Sagunto plant. With these agreements, we now have **collective bargaining agreements in place at all our centers**, covering 85% of our employees, the same as in 2024.



## Equal opportunities for women

### “Morrokotudak” program

At Sidenor, we work with the clear objective of **promoting and strengthening the integration of women into historically male-dominated industrial environments**, fostering **equal opportunities**, and valuing female **talent** to move towards a more inclusive and diverse workplace.

With this intention, and in collaboration with public institutions, the “Morrokotudak” project was born. Its aim is to **break down cultural barriers** and stereotypes that are deeply rooted in the industrial context, where women are underrepresented. We have facilitated the **transition of women with non-technical backgrounds into industrial positions**, enabling their integration into this sector and guaranteeing their training and comprehensive professional development.

The project aims to increase the presence of women, broadening the **diversity of professional profiles** and promoting female talent, while also increasing their visibility and active participation in processes that allow them to enter a sector with significant growth potential. We have implemented training programs to develop their technical skills and to foster a stable environment in the areas of prevention, quality and continuous business improvement.

This project represents a firm step in our **commitment to the Equality Plan and the Sustainable Development Goals**, especially **SDG 5** (Gender Equality), consolidating a work strategy that we will continue to strengthen in the coming years.

### Measures in favor of equality for LGBTI people

On March 24, 2025, Sidenor and employee representatives agreed on a **plan of measures for the effective equality and inclusion of LGBTI people**, in compliance with Law 4/2023.



The plan aims to:

- Guarantee real and effective equality for LGBTI people within the company.
- Prevent and eliminate all forms of discrimination.
- Train staff on gender diversity and equal treatment rights.
- Ensure compliance with the right to non-discrimination based on sexual orientation, gender identity or gender expression.
- Include anti-discrimination measures in the code of ethics and/or harassment protocol.



## Measures to ensure well-being

Our objective is to provide our staff with good working conditions. For this purpose, we offer various initiatives, among which the following can be highlighted:



We take care of those who make our purpose possible, promoting a healthy, safe and balanced work environment



### LIFE INSURANCE

Reaffirming that people are our most important asset, we provide life insurance for our entire team.



### CANTEEN

In Basauri, we offer a canteen service with flexible hours, thus facilitating work-life balance.



### TRAINING GRANTS

In centers such as Reinosa and Vitoria, we promote the development of our workers' children through a program of educational grants and scholarships.



### FLEXIBILITY

80% of our staff work rotating shifts (morning-afternoon-evening) and do not perform tasks outside of their normal schedule. The remaining 20% work split shifts, with flexible start and end times.



### PERSONAL BENEFITS

In Vitoria, we are affiliated with the San Prudencio Foundation, which allows the people employed at this center to access services and activities that enrich their experience. In Reinosa, we have a Business Group partnership, which offers trips, excursions, and various activities so that the center's staff and their families can enjoy their leisure time.

At this time, we have not implemented a disconnection-from-work policy.

## Skills and qualification

We consider training a key tool for achieving the qualification and development of our team and we continue to invest in it.

In addition to maintaining programs from previous years, such as **Dual Training and the Avanza Plan**, throughout 2025 we consolidated a comprehensive governance and regulatory compliance framework aimed at ensuring responsible and transparent business conduct aligned with the organization's ethical values. During this period, we significantly strengthened the set of internal policies that form the basis of our corporate culture and guide the actions of all people who are part of Sidenor. In this area, we developed a **Training Plan designed to raise awareness among all employees** and to clearly and systematically communicate the principles of conduct that govern our organization.

| Training (hours)              | 2025   | 2024   |
|-------------------------------|--------|--------|
| Annual total                  | 65,616 | 70,337 |
| Average annual hours / person | 34     | 37     |

**65,616**  
training hours  
in 2025



### ANTI-CORRUPTION AND FRAUD PREVENTION POLICY

We have an Anti-Corruption Policy that establishes zero tolerance for any form of corruption, bribery or conduct that could undermine corporate integrity.



### CONFLICT OF INTEREST POLICY

To ensure impartiality in decision-making, we have a Conflict of Interest Policy that requires all employees to disclose any personal, professional or economic situation that could unduly influence their decisions.



### COMPETITION COMPLIANCE POLICY

We have implemented a Competition Compliance Policy designed to ensure respect for competition laws and to promote transparent and fair business practices.



### HUMAN RIGHTS POLICY

This commitment is articulated through a policy aligned with the UN Guiding Principles on Business and Human Rights.



### CODE OF ETHICS AND CONDUCT

This Code, which is mandatory for all employees, constitutes the cornerstone of our corporate integrity system, defining the ethical values related to professional integrity and respect among Sidenor employees, as well as with those who collaborate with our company.



### Avanza Plan: identifying talent

Throughout 2025, we further developed the Avanza Plan as a **tool to nurture and improve talent management**. This year, we continued its implementation in areas where it was not yet in place, reaching 85% of the workforce covered by the collective bargaining agreement. We also added employees with long-term temporary contracts to the program.

This year we also achieved one of the milestones set for 2024 regarding the **Key People program**, which aims to **identify key individuals within the organization covered by the collective bargaining agreement**.

During a series of workshops, we identified the capabilities of these Key People and supported them in defining an **Individual Development Plan (IDP)**. These employees of the Basauri Steel and Rolling Mill implemented their IDPs, which consist of specific technical training and skills development.

The specific technical training sessions on the production process were designed and delivered in collaboration with the R&D team, with the aim of providing participants with knowledge on the different areas: steelmaking, rolling and finishing, as well as general knowledge about steel families.

In addition, for the first time, **we offered skills-based training related to teamwork, leadership, and adapting to change**.

This new phase of the Avanza Plan has been very well received, and we will replicate it in the coming years.



The Avanza Plan will continue with its objective: to foster spaces for conversation, recognition and identification of talent

## Committed talent

We have a clear vision of what we mean by professional talent:

### Sidenor Talent

**Talent** at Sidenor resides in people committed to the company, its values and sustainable objectives, with the ability to achieve and defend them by **working as a team**



In this area, we identified three key dimensions:

- **Capabilities:** This dimension encompasses knowledge, skills, attitudes and competencies that we seek to develop in our co-workers. We foster an environment where they can acquire the appropriate tools to grow and put their talents to use.
- **Commitment:** We value commitment as the degree of involvement each person shows in the company and our objectives. We believe that mutual commitment and teamwork are essential to achieving success and creating a nurturing work environment.
- **Action:** Talent not only implies possessing abilities and commitment, but also taking action. We believe it is essential for each individual to apply their abilities in concrete actions that contribute to achieving tangible results and their own comprehensive development.

We are convinced of the importance of promoting professional development, facilitating a **motivating environment and providing appropriate knowledge tools**. We believe that motivation is key to enjoying work and acquiring knowledge, which translates into effective actions and beneficial habits for both individuals and the company. Furthermore, we seek to **integrate individual talent with organizational talent**, considering them complementary and indispensable. We believe that the development of individual talent is closely linked to the growth of collective talent, and that only by working together can we achieve a common purpose and succeed in our goals.



## Talent management

We remain convinced that people are the fundamental pillar of Sidenor, which is why talent management is a strategic priority. This involves planning, organizing, leading and controlling the various activities carried out by our team in order to foster efficient collaboration that allows us to achieve both organizational and individual objectives. **We can only achieve our goals by taking care of the people**, as they are the driving force and key drivers of organizational efficiency. The development and career plans that we implement offer **growth opportunities and contribute to motivation**. In addition, we promote ongoing training to strengthen the knowledge of our staff and provide learning tools that consolidate their professional development. This approach is not only an important motivating factor but also fosters excellence in all their actions.

In 2025, we reinforced this talent strategy with two significant initiatives: the launch of the **Sidenor Future Engineers Program (SFEP)** and the implementation of a skills-based talent management model, supported by the **Talent Navigator** digital platform. Both actions further integrate individual talent into collective talent, connecting the growth of our people with that of the organization.

## Sidenor Future Engineers Program (SFEP)

This corporate program for **attracting and developing young talent** combines intensive training, personalized mentoring, and rotations through different areas of the company, and is aimed at recent graduates in technical disciplines (Engineering, Physics, Chemistry, Business Administration, Mathematics, etc.) with industrial vocation. The purpose of the SFEP is to **recruit these professionals and prepare them to assume technical positions of responsibility at Sidenor**. Its fundamental objectives are:

- **To develop versatile professionals:** These individuals will be able to integrate into different areas and work centers of Sidenor within approximately one year, filling pre-identified technical vacancies of a certain level, with a rapid adaptation to the position.
- **To select high-potential young people:** Individuals with strong technical skills (leadership, teamwork, initiative, commitment, etc.), an interest in the industrial environment and personal values aligned with those of Sidenor.
- **To identify individual competencies early on:** The objective is to best guide the start of their career toward suitable target positions within the organization.

- **To provide a solid foundation of business knowledge:** Combining theoretical and practical knowledge, so that they might understand the company's overall vision (processes, products, management systems) and have the tools to perform in any future position.

The **first edition of the SFEP** took place between the end of 2024 and July 2025. The **five participants** began with an orientation phase in the R&D department, followed by planned rotations through various operational areas: Steelmaking, Rolling and Heat Treatment, Finishing, Logistics and Customer Technical Assistance. During these rotations, each participant gained firsthand experience with the processes, products and team of each area, while also absorbing Sidenor's culture. This practical experience allowed them to **develop transversal skills such as leadership, initiative and teamwork in real-world contexts within our value chain**. Each young professional was guided by experienced tutors and mentors, who ensured close support throughout the program and facilitated their integration into each position.





Excellent results were obtained. At the end of the program, **100% of the participants joined the company on permanent contracts**, filling technical positions in strategic areas. Specifically, the five engineers trained in the SFEP program moved into responsibility positions in departments such as Quality, Plant Planning, Steelmaking and Customer Technical Assistance, covering real talent needs in these areas.

This full integration demonstrates the **effectiveness of the SFEP as a source of young talent**: in less than a year, we transformed recent graduates into professionals ready to contribute value. Given the program's success and the benefits achieved, we are evaluating the possibility of continuing offering it and further enriching the organization with high-potential young professionals.

### Skills-based talent management - Talent Navigator

We have also taken a decisive step towards a **more modern, personalized and data-driven approach to talent management**. With the introduction of the Talent Navigator platform, we are implementing a model that places people's skills and competencies at the heart of all decisions regarding development, training, internal mobility and succession planning. Unlike the traditional approach, mainly focused on positions and periodic performance reviews, this new system provides a **continuously updated view of what each person can do and what each role requires**.

In 2025, we developed a **corporate skills taxonomy** that standardizes all relevant technical and transversal skills by position, area and level. This common taxonomy — which is currently being reviewed by each department head — is allowing us to validate and refine the skills list with expert input from each unit, ensuring it accurately reflects the current and future needs of each role. Thanks to this collaborative effort, **we are all starting to speak the same language when referring to skills**: synonyms and local variations are eliminated, critical skills are prioritized, and comparability between profiles is facilitated.

In parallel, at the end of 2025, we completed approximately **80 in-depth interviews with managers and executives within the company**. These interviews, part of the Talent Navigator rollout, provided **valuable qualitative information that enriches the model**. The conversations were very well received and gave us practical examples and insights into skill levels. All this information feeds into the platform and helps us complete the skills-based talent map.

With the taxonomy defined and the data collected, Talent Navigator is now in the implementation phase. As we finish deploying the system, we will have a centralized and dynamic database with thousands of records on our workforce's skills and the requirements of our job positions.



**Talent Navigator will offer a 360° view of talent at Sidenor:** each employee will have their skills profile (what they know and to what degree, including self-assessment and input from their manager), and each position will display the required set of competencies and the expected level in each. **The tool will allow for the quick identification of skills gaps** — by comparing what a position needs with what the individual already possesses — and will visualize these differences at both individual and team or department level. This will facilitate the design of targeted training plans to close the critical gaps we identify. Furthermore, each professional will be able to clearly see their "map" of strengths and areas for improvement.

Another innovative aspect of Talent Navigator is that it will **drive internal mobility and succession planning** based on evidence. The platform will allow us to see which individuals within Sidenor could efficiently fill a vacancy, identifying internal candidates whose skill profiles match the requirements. Similarly, it will help us **anticipate generational shifts:** by linking skills information with ages and potential retirements, we can map which critical positions will become vacant in the coming years and prepare their successors in advance, preventing knowledge loss.

The implementation of this model required a **significant collective effort in 2025**, and the results will begin to be visible in 2026. Talent-related decisions will become more objective and faster, supported by up-to-date data. Of course, the expert judgment of our managers will remain essential, but it will now be complemented by a solid factual basis.

Taken together, all these initiatives — from the SFEP to skills-based management with Talent Navigator — reinforce our **commitment to the growth of our people**. Integrating individual talent into collective talent is not just a slogan, but a reality that is taking root every day at Sidenor: we are committed to a culture of continuous improvement and lifelong learning, where every professional can visualize their development, take on new challenges and contribute to the shared success of the organization. Committed talent is the guarantee of our present and the foundation for building the sustainable future of our company.



## Employer branding

Attracting, motivating and retaining talent is a strategic priority for Sidenor. In a competitive industrial environment, we aim to **consolidate our position as the company of choice for professionals in the sector**. Therefore, throughout 2025, we continued to advance our **Employer Branding strategy**, strengthening our brand reputation as an employer and projecting an attractive, approachable image aligned with our corporate values.

As a result of this participatory process, we defined **Sidenor's Employee Value Proposition**, effectively communicating what sets us apart and makes working at the organization a unique experience. This Proposition was developed using focus groups at our plants in Basauri, Vitoria and Azkoitia and incorporating the various perspectives of colleagues representing different departments, seniorities, and experiences.

As a result, our Employee Value Proposition is structured around **four key attributes that define what we offer our human team**:



01

### A GREAT PROJECT

To be part of a well-established industrial organization that continues to respond to industrial challenges. *“Be part of our great project and you will have the opportunity to work in a dynamic and challenging environment, backed by a well-known brand in the industry”.*



### DEVELOPMENT OPPORTUNITIES

A continuous learning environment and real professional growth. *“We invite you to explore new opportunities and take on challenges, fostering your personal and professional growth”.*

02

03

### HUMAN TEAM

A culture of collaboration, closeness and respect. *“We are part of a close and collaborative team that contributes to motivation and well-being”.*



### SAFETY ABOVE ALL

A strong commitment to safety and health. *“We work to be a company that is safer and healthier every day, as people come before any organizational objective”.*

04

In 2025, we integrated this Value Proposition into all our talent attraction policies and actions: it is reflected in our external communications, job postings, social media posts and the Talent section of our corporate website. Thanks to a consistent message, we are successfully **attracting candidates aligned with our culture**, showing them upfront what they can expect when joining Sidenor. At the same time, the Proposition guides our internal initiatives to ensure that our employees' experience truly delivers on our promises.

In parallel, we continued to promote various **training, development and recognition programs that strengthen our employer brand** from within, empowering internal talent and valuing the contributions of our people.



### Leadership training for facilitators

In 2025, we developed an initiative aimed at **supporting and strengthening the role of facilitators at the Basauri plant**, recognizing their essential contribution as a close point of reference and as a key element in shaping the operational and relational culture of the workplace. This proposal is based on a clear premise: **to strengthen daily leadership where teamwork is built**, promoting a style of coordination and support that is consistent with Sidenor's values and the need for environments of collaboration, trust and continuous improvement.

With a practical approach grounded in real-world plant situations, the program was structured around several in-person sessions and aimed to **equip participants with applicable resources for people management and team dynamics**: more effective communication, a greater capacity to handle demanding situations, and a more conscious awareness of the impact of their roles on working environment and commitment. Overall, the program **sought to empower facilitators as multipliers of culture and commitment**, fostering more structured communication with their teams and consolidating leadership habits that are sustainable over time.

### Steelers

This **innovation training** program, derived from our Sidenor 612 Innovation Hub, is organized in collaboration with Mondragon Unibertsitatea (University of Mondragón). The fifth edition of the program took place in 2025, strengthening innovation skills training within the company and consolidating Steelers' position as a **leader in generating change agents**. The program, comprised of five sessions, has already had over 100 participants from various departments and continues to expand its reach as a central part of our people innovation agenda.



## Sidenor Digital Academy (SDA)

Launched in late 2023, our **online learning platform**

became in 2025 a key tool for the professional development of our workforce. SDA provides quick and flexible access to specialized training content focused on our processes, technologies and corporate culture, fostering self-directed learning in an environment tailored to each individual's needs. **It allows for the design of personalized training paths by department** and includes both internal courses — created by Sidenor professionals — and leading external resources. **More than 1,000 employees actively participated in the courses during 2025**, reflecting a growing commitment to continuous learning. SDA continues to expand its catalog and establish itself as a strategic pillar for talent development within the organization.

### Leadership program

Intended for the **middle and senior management**, this program seeks to **cultivate a distinctive leadership style**, aligned with Sidenor's culture and values. The sixth edition, held in 2025, featured diverse participants and a practical approach focused on developing key competencies such as communication, people management and decision-making. Through experiential workshops, collaborative activities and individual coaching sessions — a now well-established component of the



program — participants were able to **reflect on their role as leaders, identify their strengths and areas for improvement and advance their professional development**. This edition reaffirmed Sidenor's commitment to empowering its leaders as key drivers of organizational development and cultural transformation.

### Training packages

In 2025, these **short sessions, designed to facilitate learning**, enabled our workers to acquire and strengthen transversal skills in a flexible manner. The program covered a range of topics aligned with current professional challenges, including active learning and learning strategies, team management, critical thinking and situation analysis, reasoning and problem-solving, resilience and flexibility, as well as effective task planning and management using digital tools. **The modular structure and varied schedules facilitated high participation**, allowing individuals to access relevant content without disrupting their daily work. These short sessions are a valuable complement to structured training and contribute to a culture of continuous learning and skills development.

### Individual Development Plan (IDP)

The Individual Development Plan (IDP) remains a fundamental tool for aligning each person's growth expectations with Sidenor's needs. This tool **identifies gaps between an individual's skills and the**



**requirements of their position, proposing specific training and actions to close them.** In 2025, IDPs were adjusted to integrate with the new Talent Navigator skills model: the gaps identified in the skills assessment will inform future IDPs, ensuring that each person has development goals clearly linked to the skills the company requires.

### Collaboration with Universities

We continue to invest in young talent through agreements with educational institutions. In 2025, we **maintained our collaborations with Mondragon Unibertsitatea (University of Mondragón), the University of the Basque Country (UPV/EHU) and the University of Deusto**, among others, offering the opportunity to do professional internships and complete final degree or master's theses at our facilities. We also participated in **job fairs and university events** to showcase our value proposition to new generations. Many of the young people who joined Sidenor in the last year had previously received training from us, confirming the success of this recruitment method. These partnerships allow us to “sow” the talent of the future and, at the same time, contribute to society by training professionals with real-world industrial experience.

### Sidenor Te Reconoce (STR)

This internal recognition initiative **rewards the effort and outstanding performance, whether individual or team-based**, of those who make significant contributions to the company's objectives. In 2025, we celebrated the sixth edition of STR, which received **115 nominations from all our plants – a record in participation**. Any employee can nominate colleagues for this recognition, based on criteria such as cost or time savings, process improvement, innovation, digitalization, customer impact or sustainability. STR has become firmly established as part of our culture: it fosters initiative, highlights best practices and reinforces a sense of belonging by celebrating our people's achievements as our own.



At the end of 2024, we conducted an in-depth analysis of employee experience through the Employee Journey Map (EJM) project. Through several focus groups held in Vitoria, Azkoitia, Basauri and Reinosa, with the participation of **over 40 people from nearly every department**,

we explored how our workforce experiences the different stages of their professional lifecycle at Sidenor (onboarding, development, departure, etc.). The groups generated a wealth of insights, opinions and suggestions, which were analyzed and helped us **identify opportunities for improvement in key processes** and reinforce existing strengths.

Throughout 2025, **we worked with all the information gathered, defining an action plan** and implementing the first improvements. For example, regarding onboarding to a new



position, we structured a more comprehensive process: **scheduled reviews are now conducted with each person and their manager to assess their adaptation**, supported by a standardized questionnaire and automated reminders that ensure follow-up without losing the human touch. We also **strengthened internal communication on career opportunities**: internal vacancies are disseminated more visibly and transparently, encouraging mobility and development within the company. With these and other actions, we aim to **build an increasingly motivating, inclusive environment** focused on the professional development of our people.

All the efforts we made in 2025 to strengthen our employer brand — from consolidating an attractive value proposition to investing in training, development and recognition programs — demonstrate that **at Sidenor, we put people at the heart of our strategy**. We firmly believe that the commitment, satisfaction and growth of our team are the driving force behind our present and the foundation upon which we will build the company's future. We will continue working to consolidate Sidenor's position as a leading employer, convinced that when our people grow, Sidenor grows with them.



We seek to build an increasingly motivating, inclusive environment focused on the professional development of our people



## Safety: an essential and priority area

Being a fully safe and healthy entity is a priority for Sidenor. Under the guidance of Management, and with the support of staff and Prevention services, we work to advance in this area. **Our goal is to completely eliminate occupational accidents and illnesses.** This challenge is reflected in our Integrated Policy, which establishes that no emergency, whether production-related or economic, should jeopardize the safety of our professionals.

**We promote a culture that prioritizes prevention and safety**, where the active participation of everyone is essential, and we guarantee strict compliance with current occupational health and safety legislation, in addition to our internal regulations.

We pay special attention to **identify the industry's leading practices** in this area so as to implement them in our work centers, while also maintaining regular contact with other companies to learn about their methodologies.

We also believe that training is vital to achieving our **goal of zero occupational accidents and illnesses.** For this purpose, we offer specific prevention training to the entire workforce to raise awareness and align them with our strategies, as well as to ensure legal compliance with the regulations approved year after year.

### Prevention and Healthy Company Plan

We put the integrity of our people before any other company objective or priority. In line with this commitment, risk prevention and occupational health are among our core principles.

In 2025, **follow-up meetings** were held with the team that signed the Plan agreed upon in 2024.

We would like to highlight the celebrations we held for achieving **two years without lost-time accidents in our Azkoitia, Basauri, Reinosa and Vitoria units.** In addition, we have started implementing physiotherapy services, online medical services, specialized care for mental health issues, nutritionist services and more.



Together with the Negotiating Committee, we have developed a Prevention and Healthy Company Plan, valid for the next three years



## Accident rate and absenteeism

The following table breaks down the information and statistics on total accidents and accidents resulting in sick leave. The total number of occupational illnesses in the Group is also included.

| Accident rate indicators | 2025  | 2024  |
|--------------------------|-------|-------|
| Total of accidents       | 187   | 205   |
| Accidents with leaves    | 89    | 79    |
| Frequency rate (*)       | 32.45 | 32.48 |
| Severity rate (**)       | 0.75  | 0.66  |
| Occupational illnesses   | 6     | 4     |

(\*) The frequency rate considers all accidents with leave that occur in Sidenor plants and is calculated as (no. of accidents / no. of hours worked) x 106.

(\*\*) The severity rate is calculated as (no. of days lost or not worked) / (no. of hours worked) x 103.

The occupational accident information broken down in the table is not disaggregated by gender. The risk profile is associated with each position, and gender is not a relevant issue in terms of occupational safety for the company, considering, besides, that men make up the majority of the workforce. Thus, at Sidenor, we do not manage occupational accidents by gender but rather by the risks inherent to each position.

Besides that, we use the most conservative version of the concept of absenteeism, considering it to be any absence from work, such as those resulting from occupational or common accidents, long-term sick leaves, or maternity and paternity leaves, excluding vacations.

In 2025, **the absenteeism rate reached 12.4%, with a total of 384,646 hours** (including 12,917 hours corresponding to childcare leave). In 2024, the absenteeism rate reached 11.5%, with a total of 360,454 hours (including 14,262 hours corresponding to childcare leave).



## 360-degree prevention

Occupational risk prevention is a priority for our company. In 2025, we continued to develop various initiatives, especially those related to promoting employee health and those linked to strengthening Sidenor's position as a healthy company.

While some of these projects are ongoing, others were launched throughout 2025. Among the most notable, either due to the interest generated or the benefits provided, are:

- **Occupational Risk Prevention Training.** In 2025, we provided 651 training sessions related to prevention, where 10,193 hours were invested. This training is in line with the latest approval of the Third State Metal Agreement, to which we are bound as a company in the metalworking sector.



- **Awareness Raising.** We continued to hold "Area Training Dialogues" with employees on topics such as learning from accident and incident investigations, campaigns on the pre-use and use tool for slings, reminders of standards and procedures, among others.
- **Digitalization of the total safety system practices.** We continued working on developing management system tools in the IRIS software with the goal of implementing them by 2026: safe behaviour index, critical risks and pre-use.



## IRIS, the evolution of our digital environment

IRIS is a software designed to help us digitalize our integrated management systems, with the **aim to have a single work system that allows us to extract information directly.**



It is a step forward in our digitalization process, that allows us to link the procedures generated as a result of the aforementioned analyses to Meridian - or any storage system that we establish for document control - thus eliminating administrative steps.

In 2025, **we incorporated into the software the performance of planned general inspections,** integrated standard auditing and behavioral observations, always linked to Sidenor's action control system (SPAD). We thus achieved direct traceability of everything this entails.

In the future, we will further work to integrate all practices and audits into IRIS.

## Certifications that endorse our work

We maintain a strong commitment to safety, complying with internal standards and procedures, as well as all legal requirements applicable to our companies. In 2018, we became the first Spanish steel company to obtain the **ISO 45001 certification**, the international standard for occupational health and safety management systems.

This endorsement was reaffirmed 2025: **we successfully passed the standard's recertification**, a recognition of the work carried out in preventive measures and in improving the health of our professionals.

At the MCD plant, we managed to obtain the ISO 45001 certification for the first time, including it with the rest of the group's plants.



Thanks to our commitment to occupational health and safety, we have maintained the ISO 45001 certification

## We are strengthening the Healthy Company Plan

In 2019, we implemented the initial steps of the Healthy Company Plan, a new area dedicated to the well-being and health of Sidenor's workers. This initiative complements the work and commitment to physical integrity and health addressed by the company's Occupational Risk Prevention Management System.

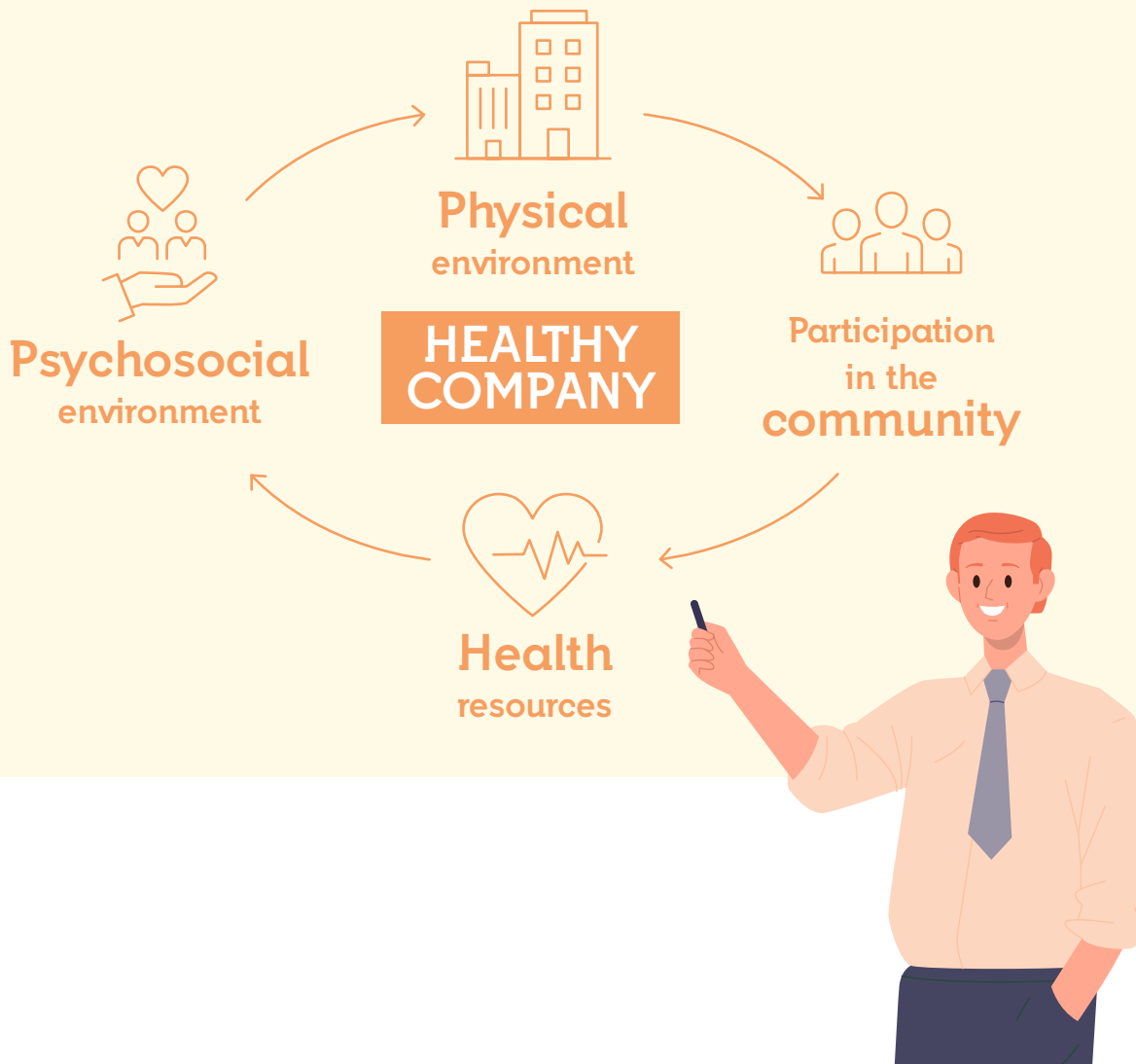
The objective of this project **is to promote and foster health by caring for the physical and psychosocial environment**, developing health resources and encouraging participation in projects in community projects (social responsibility and sponsorships of sociocultural and sporting activities). We presented the Healthy Company Plan at a Negotiating Committee, where it was signed with the majority of Sidenor's unions. This project aims to implement a catalog of initiatives and services that are already underway and are being monitored and improved by the signatories of the agreement.

These new activities reinforce **our commitment to improving conditions and services that put people's well-being at the center.**



The Internal Health, Safety and Well-being Policy, framed under this project, includes the following commitments:

**SIDENOR  
TE CUIDA**



To take care of the health and well-being of people in a responsible manner, with the commitment to protect and promote healthy work environments.



To develop a continuous improvement process as a healthy company, promoting the active participation of all members of the organization, both internally and in the community.



To promote health both in the workplace and outside of work based on the epidemiological characteristics of its community.



To comply with legal and regulatory provisions regarding Health, Safety and Well-being, as well as those to which the organization subscribes related to healthy work environments.



To promote worker participation in these initiatives so as to achieve optimal development.



To ensure that this policy is maintained at the highest level of awareness, understanding, development, and updating for all staff.



As part of the **Healthy Company Project**, the following initiatives were implemented in 2025:



#### FLU VACCINATION

We encourage the vaccination of workers in their workplace and during their workday, without having to travel to their health center, thus promoting their protection.



#### STOP SMOKING

We raise awareness and encourage workers to quit this habit, which is harmful to their personal health and that of their colleagues.



#### WORLD DAY FOR SAFETY AND HEALTH AT WORK

We inform about Sidenor's General Safety and Health Rules as well as the preventive measures to be adopted due to the impact of climate change on safety and health at work.



#### SPORTS CAMPAIGN

We promote sports participation by all workers.



#### NUTRITION CAMPAIGN

We promote the Month of Fruit.



#### CARDIOVASCULAR HEALTH CAMPAIGN

We provide information on the guidelines to follow to take care of your heart.



#### BLOOD DONATION CAMPAIGN

We participate in our society by donating blood to healthcare centers and hospitals.



#### SLING USE CAMPAIGN

We raise awareness and remind everyone of the purpose of pre-use equipment inspection.



#### CAMPAIGN ON SPECIFIC TRAFFIC RULES

We remind everyone of the importance of complying with traffic rules in factories.



#### CELEBRATIONS OF ACHIEVING TWO YEARS WITHOUT LOST-TIME ACCIDENTS

These goals have been achieved in the industrial units of Azkoitia, Basauri, Reinoso, and Vitoria.



#### EMOTIONAL HEALTH RESOURCE

We are launching the online Emotional Health platform and the communication of regular updates about the training courses offered.



#### ONLINE HEALTH RESOURCE

We provide information about the services offered and the advantages of using this resource in specific situations. It includes nutrition services and a physical exercise coach.



#### PHYSIOTHERAPY RESOURCE

We are extending the physiotherapy service from Vitoria to the Legutiano and MCD plants.



# COMMITTED TO TRANSFORMING OUR ENVIRONMENT



## An active member of the community

**W**e are committed to **making a positive impact in the areas where we operate and are active members of the community**. We prioritize job creation and collaboration with local suppliers, with the aim of actively contributing to the economic development of these regions, consolidating our position as a strategic partner for their growth.

We want this impact to have social repercussions, beyond the economic ones. To this end, we cooperate with local entities and **support initiatives that prioritize education, sustainability, sports and the protection of the most vulnerable sectors**.

To strengthen those links, we maintain an open and ongoing dialogue with local communities to understand their needs. We therefore invite customers, suppliers, educational institutions and training centers to participate, organizing meetings and activities that promote cooperation and allow for synergies.

In line with this commitment, **we sponsor cultural, sports, and educational organizations that share our values** regarding training, solidarity and team work, which are aligned with our corporate social responsibility policies.



# Responsible and ethical purchase

## Efficiency and sustainability

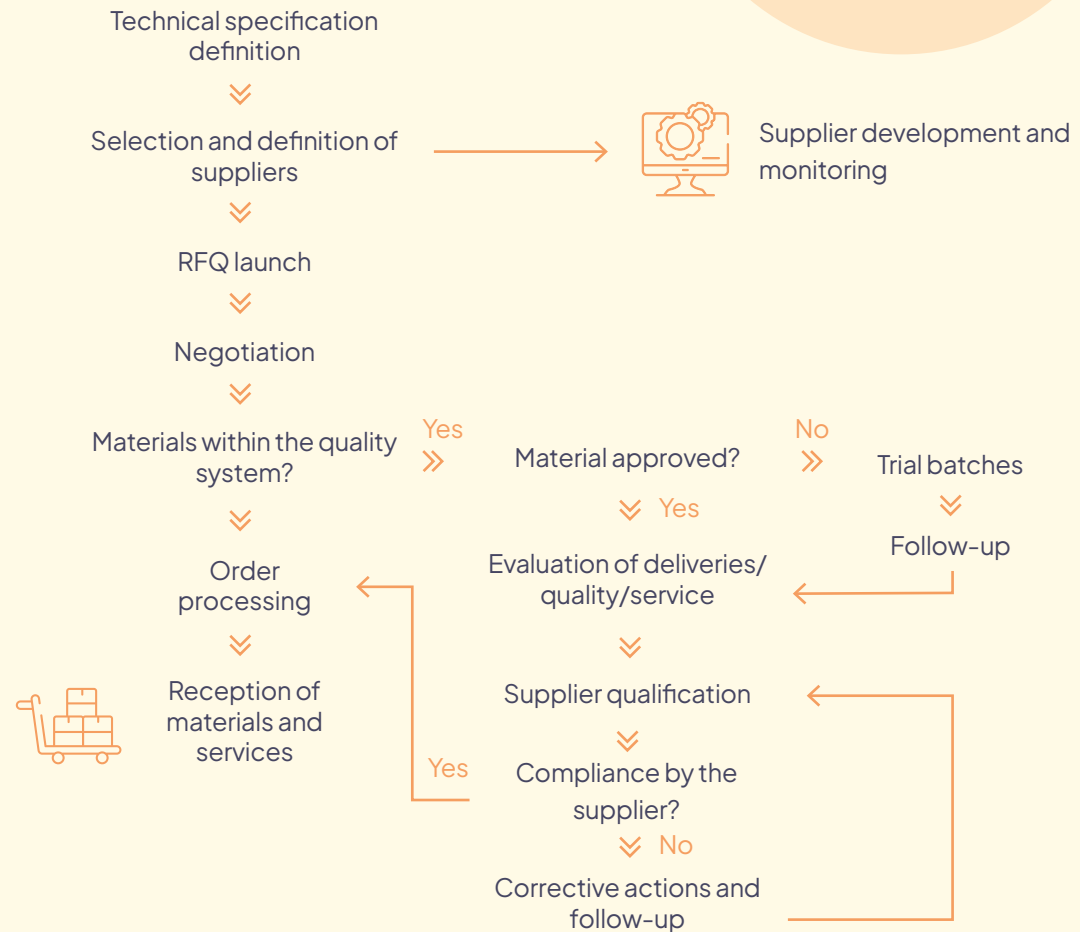
The acquisition of materials, transportation, services and equipment necessary for our operations is also governed by responsibility. The Purchase Department plays a crucial role in this respect. Its objective is to ensure **the procurement of goods and services that not only meet the highest quality and cost standards, but are also sustainable**, strategically aligned with the needs of our internal customers. This is reflected in our **Purchasing Policy**, which was updated in 2024 and is available on our website.

The ethical principles and values detailed in our Code of Ethics (also available online) guide our operations as well as our relationship to suppliers. **The issuance of our orders includes the General Purchasing Conditions, which require their acceptance of our Code of Ethics.** Our suppliers are key strategic partners in our value chain. We establish with them long-term business relationships, which are based on mutual growth, shared benefits and values such as respect, responsibility, honesty, quality and transparency. Our Purchasing Policy contributes to the achievement of our objectives and strategies.



### Sidenor's purchasing process

(Productive and non-productive Material, Services, Logistics, Investments and Metals)



## Supplier approval

We have implemented a continuous evaluation plan for our suppliers of raw materials, ferroalloys and steelmaking auxiliary materials – materials that are essential in our steel production value chain.

### Evaluation plan

We centralize all updated information on our suppliers through an online platform. This system allows current and potential suppliers to register and participate in our approval process.

**Suppliers must accept our Corporate Social Responsibility (CSR) policy**, which includes commitments regarding child labor, forced labor, equality, safety and the environment, as well as our Supplier Information Security Code.

Once the above points have been accepted, suppliers must provide detailed information, such as quality and environmental certifications (ISO 9001 and ISO 14001), sector-specific certificates and financial information, as well as compliance with the GDPR data protection legislation and their CSR policies.

The portal also acts as a communication channel for managing “non-conformities” in materials or services. Based on this information, along with service quality, we evaluate and rate all suppliers.

## Annual progress

### 2023

Implementation of the **GoSupply platform with more than 500 registered suppliers**, enabling constant monitoring of ESG risk and compliance across our entire supply chain, covering 90% of our turnover and 100% of our critical suppliers.

### 2024

Incorporation of a new module to GoSupply to **provide suppliers with visibility into their ESG score**, collaborating with them on action plans to improve their performance and minimize risk in our supply chain, and aligning these efforts with our strategic SDGs.

### 2025

We continued to enhance the GoSupply platform by establishing **targets for our critical suppliers** and monitoring their compliance levels, surpassing the objective set for this year.

We incorporated the Sustainability criterion into the Multi-Criteria Matrix of the tenders, seeking to strengthen the **integration of sustainability into the Purchasing strategy**, and ensuring a selection of suppliers aligned with the Organization's ESG commitments.

### 2026

We will continue working along the same lines as in recent years in order to **minimize ESG risk in our supply chain**. We will include penalty clauses in contracts and general purchase terms if non-compliance is detected in the ESG aspects defined as red lines in the certification model.

## Audits

We perform supplier quality audits to **ensure that our supply chain is reliable and aligned with our quality objectives**. To this end, as established in our supplier development, selection and registration procedure, we hold regular meetings and visits to our suppliers in order to strengthen relationships and promote their development.

The Purchase Department, in coordination with the Supplier Audit section of the development, selection, and registration procedure, prepares an annual **Audit Plan**.

This plan is based on criteria such as turnover, materials within the quality system, criticality or lack of alternatives, suppliers with nonconformities, and those that provide materials or services that may affect Sidenor's product or process.

Based on these criteria, we audit our main suppliers in five-year cycles. **During 2025, we conducted 11 audits**, using the VDA 6.3 method, with satisfactory results, without recording any serious nonconformities. For 2026, we have planned 14 additional audits.



Quality audits are a mechanism that ensures that our supply chain is aligned with our quality objectives

## Ethical and responsible suppliers

Our Corporate Social Responsibility (CSR) Policy, implemented in 2019 and updated in 2025, promotes social and ethical development among our suppliers.

The Policy **reinforces our values and commitment to our stakeholders**, while promoting compliance with the fundamental principles of the International Labor Organization (ILO) and establishing stronger commitments in areas such as health and safety at work, respect for the environment, fair competition and business integrity.

As part of our joint collaboration, **our suppliers commit to adhering to and complying with our CSR Policy**.



## Committed to strengthening local economy

In 2025, **60% of our suppliers, measured by turnover, were local**, from the provinces where we have production facilities, while 89% were national suppliers.

### National and local suppliers (turn.)

Total



National



Local



● 2025 ● 2024

On the other side, 65% of suppliers were from the provinces where we have our production centers, while 91% were national suppliers.

### National and local suppliers (no.)

Total



National



Local



The analysis of turnover data and the number of national suppliers confirms that 89% of our turnover comes from 91% of national suppliers. This difference is primarily due to the fact that certain high-priced raw materials, such as ferroalloys, are produced and marketed in foreign countries.

Our commitment to sustainability and responsibility fosters the **improvement of our suppliers' environmental, ethical and social profiles**. We are a benchmark and driving force in the minimization and utilization of refractory waste through joint projects with suppliers.



## Committed and connected to the community

As part of our commitment to sustainability and corporate social responsibility, we seek new ways to positively contribute to the well-being of those around us.

Thus, we establish **meaningful connections with our surroundings**: from supporting educational projects to participating in volunteer activities and collaborating with non-profit organizations.

### Alliances in favor of sustainability

Strategic partnerships amplify our positive impact. Through these alliances with companies, associations, foundations and other key social players, we leverage synergies and address sustainable challenges more effectively. They allow

us to **exchange knowledge, implement best practices and co-create innovative solutions**. By working with organizations that share our values, we enhance our capabilities to address environmental, social, and economic issues.



“

We address local needs and quality of life improvement through specific initiatives and programs



Among the alliances that help us achieve increasingly ambitious goals are the following:

Confederación Empresarial Vasca  
Euskal Entrepresarien Konfederakuntza

## ConfeBask

An organization that voluntarily brings together thousands of private companies in Autonomous Community of the Basque Country, covering all territories, sizes and sectors of activity. We are associated with the three member organizations of ConfeBask – the Gipuzkoa Business Association (ADEGI), the Bizkaia Business Confederation (CEBEK) and SEA Empresarios Alaveses (SEA) – from our plants located in Basauri, Azkoitia, and Vitoria.



The Steel Cluster Association is a non-profit organization dedicated to improving the competitiveness of the sector. Its actions focus on cooperation between companies and other stakeholders in areas such as internationalization, technological and business innovation, as well as defending the interests of its member companies.



A non-profit association that contributes to improving the competitiveness of the industrial sector, bringing together 200 companies and organizations.



This non-profit professional association represents the interests of professionals and departments in the purchasing, contracting and procurement sectors of Spain, in the private and public sectors.



The Union of Iron and Steel Companies (UNESID) is the Association of Steel and Primary Steel Processing Product Producers in Spain.



The Biscayan Federation of Metal Companies (FVEM) is the sectoral organization that brings together companies in the steel and metallurgical industry in Bizkaia.



## Pacto Mundial Red Española

The United Nations Global Compact is the world's largest corporate sustainability initiative, created by the UN in 2000 to encourage companies and organizations to align their strategies and operations with universal principles in four areas: Human Rights, Labor Standards, Environment and Anti-Corruption.



## Promoting positive change

At Sidenor, we aspire to be an economic player in the region, but also an agent for positive change. Working hand in hand with the community, we **seek to build a sustainable and prosperous future for all**. This commitment, which is one of the pillars of our business vision, demonstrates that business success and community well-being can and must coexist.

### Contributing to the community

#### Contributions of Sidenor to foundations and non-profit entities

151,000€ in 2025

123,000€ in 2024



#### Sponsorships

713,000€ in 2025

321,000€ in 2024



## We promote talent

### Industria Erronka, in collaboration with the Bizcayan Federation of Metal Companies (FVEM)

This project aims to foster talent and challenge industry stereotypes. It focuses on technological transformation, emphasizing the attraction and retention of talent, especially female talent, to strengthen a crucial sector in Euskadi's economy.

### Inspira Steam project, in collaboration with the University of Deusto

This initiative promotes scientific and technological vocations among girls. Led by female professionals in science and technology, it uses group mentoring to foster interest in STEAM (Science, Technology, Engineering, Art and Mathematics) among elementary school students.

### Room4steel project, in collaboration with SIDEREX

Implemented at the Bilbao School of Engineering, Room4steel is a classroom focused on areas of knowledge in the steel industry, promoting projects and activities in a historically important sector for the Basque industry.

### STARTInnova project (El Correo)

This initiative seeks to develop the entrepreneurial spirit among young people aged 16–18 who are studying for their Baccalaureate or following vocational training. It offers a platform where professionals share tools and methodologies for developing business projects.

### Training courses for APD

The Association for Management Progress (Asociación para el Progreso de la Dirección - APD) is an independent, non-profit organization that strives to build a more informed and cohesive community with a deep understanding of the trends shaping our world.



## Innovation for a better future

### Bind 4.0 project

This open innovation initiative, created by the Department of Economic Development, Sustainability and Environment through the SPRI Group and its platform, UpEuskadi, has been a benchmark since its founding in 2016. The platform attracts technology startups from around the world, promoting innovation and digital transformation in the Basque Country.

### Innolab Bilbao

This open innovation space brings together talent and technology to seek new solutions to business and social challenges. Its objectives include promoting technological innovation, improving business competitiveness, generating skilled employment in Euskadi, serving as a platform for technology prototyping, and recognizing women leaders in science and technology.



## Together for a better society

### Adecco Foundation

Our Chairman, José Antonio Jainaga, is part of the #CEOPorLaDiversidad initiative, promoted by the Adecco Foundation and the CEOE Foundation. This alliance aims to encourage senior management at leading Spanish companies to collaborate on strategies that respond to social needs.

In addition, we promote the employability of vulnerable groups through partnerships with value-added providers, such as the Lantegi Batua Foundation, Taller Usua Lantegia, Soemca Empleo and Alares Social, which create job opportunities for people with disabilities.

### Bakuva

We support this non-profit association dedicated to the social integration of school-age children in the Bilbao la Vieja neighborhood through sports, recreational and educational activities.



### DalecandELA

We collaborate with this NGO to raise funds for research into the fight against ALS and to support those suffering from it.

### UNICEF

We support the United Nations (UN) agency, based in New York, which provides humanitarian and development aid to children and mothers in developing countries.

### Why Not Foundation

We work with this foundation to improve the quality of life of people with mental disorders and their families.

### Cáritas Diocesana of Bilbao

We support its mission to promote the comprehensive development of people and communities, especially the most vulnerable and excluded.



## Science and research for social change

### The Walk On Project (WOP)



In 2025, we participated in the "Estropatada," an original geolocated "Wop" race that has been held in the Bilbao Estuary since 2013. This initiative seeks to boost funding for research projects on neurodegenerative diseases and raise awareness about the reality of these diseases and the importance of research and science.

### San Prudencio Work Foundation



From our plant in Vitoria, we collaborate with this non-profit organization that leads corporate social responsibility (CSR) in companies in Álava, benefiting thousands of workers and their families.



## A healthy and active lifestyle

Our commitment to health drives us to promote an active and healthy lifestyle that is also aware of its social and environmental impact. To this aim, **we encourage initiatives that include sports competitions and awareness-raising activities related to our environment.** We want to contribute to creating a future in which sport, sustainability and equality are components of a single vision. Based on this belief, sponsor the following initiatives:

### Baskonia Alavés Foundation

This non-profit entity promotes healthy lifestyle habits among children in Álava through activities related to football and basketball, instilling positive values such as healthy living, sportsmanship, effort, self-improvement and teamwork.



### Amorebieta Sports Society

This entity was founded in 1925 in a town with barely 4,500 inhabitants. Initially, it included several sports disciplines, but for more than 80 years it has established itself as a leading football club in Bizkaia.

### Bilbao Basket

We have also renewed our agreement as Club Sponsor for the 2025–2026 season.

### Sestao River Club

We have signed a main sponsorship agreement, which can be extended beyond 2027, making Sidenor the main partner of the green and black club.

### Gernika Kirol Elkarte Saski Baloi

This women's basketball team based in Gernika is part of the Liga Femenina. Founded in 1996, it was born from the merger of the El Gernika Saski-Baloi and I.B. Gernika teams.

### Anaitasuna Sports Club

This club from the town of Azkoitia was founded in 1934. Its football section promotes the sport among more than 200 young people.

### Basconia Sports Club

This is one of the historic football clubs in Biscay. A subsidiary of Athletic Club, this entity, founded in 1913, trains various Basauri boys' and girls' teams of all ages.



### Atlético Basauri Handball Club

As a non-profit organization, the Atlético Basauri Handball Club is dedicated to promoting handball by organizing activities and competitions. With a majority of women's teams, it also has mixed teams and one men's team. It is notable for its Charity Handball Day, where it raises funds for various NGOs such as the Multiple Sclerosis Foundation of the Basque Country and the Association of Parents of Children with Cancer of Biscay, among others.



### Portugalete Club

Founded in 1909 and based in Portugalete, Biscay, this football club currently competes in the Third Division of the Spanish Football Federation (RFEF). It works to develop grassroots and federated football teams, participating in regular competitions and tournaments, as well as organizing social and sports activities in collaboration with the Portugalete City Council.

### Bizkaia Bizkaialde Foundation

This institution coordinates public and private funds to optimize the investment of sports sponsors, fostering cooperation in the promotion of Biscay and contributing to the proper and effective regulation of sport itself.

### Kaiku Women's Rowing Team

We collaborate with the Kaiku Club Rowing School, which covers categories from children to junior and senior levels.



### Bide-Bieta Pelotazale Society Club

Since its creation in 1981, this club has been a pioneer in Biscay by offering services to people with intellectual disabilities in a Basque pelota section specifically created for them.

### Indartsu Club

With mixed teams and female coaches, the Indartsu Club is committed to equality, seeking stability, quality and parity in its management bodies.

### Local sports in Azkoitia

We support local sports by collaborating directly with other clubs and institutions, such as Zubiarrre Igeri Kluba (swimming), Irarurgi Saski Baloia (basketball), and Azkoitri (triathlon). We also sponsor events such as the Azkoitia Azpeitia Maratoi Erdia, the AZPEITIA CUP and the Xabier Ortiz de Luzuriaga Crossing, held annually in the Hegialde neighborhood of Legazpi.



### Santutxu Hockey Club

Including more than 120 players, this club focuses on team spirit, respect, commitment and tolerance. It is made up of a skating school, school sports and federated sports, and has more than 300 members.



## Friends of culture

### ABAO

We support the Bilbao Association of Friends of the Opera (ABAO), one of the most important groups in the Basque and national cultural sector. In 2025, to encourage participation among our employees, we raffled off tickets to their events and other activities that we sponsor.



### Bilbao Choral Society

We collaborate with the Bilbao Choral Society, a non-profit organization dedicated to promoting music in general and choral music in particular. We support their sociocultural project, "Eskolan Kantari," at the Basozelai Primary School in Basauri, which aims to introduce choral training in schools that lack a choir or musical activities.

### Herriko Taldeak

This association is responsible for organizing the Basauri festivals (Sanfaustos) and other cultural activities in the municipality. Composed of 16 groups representing more than 5,000 people, it promotes local culture and community cohesion.



Tailored

TO  
TRUST

104

# CORPORATE AND EXECUTIVE LEADERSHIP



Our Executive Committee consists of:



**José Antonio  
Jainaga Gómez**

Chairman



**Marco  
Pineda Gómez**

Corporate  
Managing Director



**Maite  
Echarri López**

Director of Economics,  
Finance, IT and  
Security of Information



**Íñigo Molero  
Gurruchaga**

Director of Sales

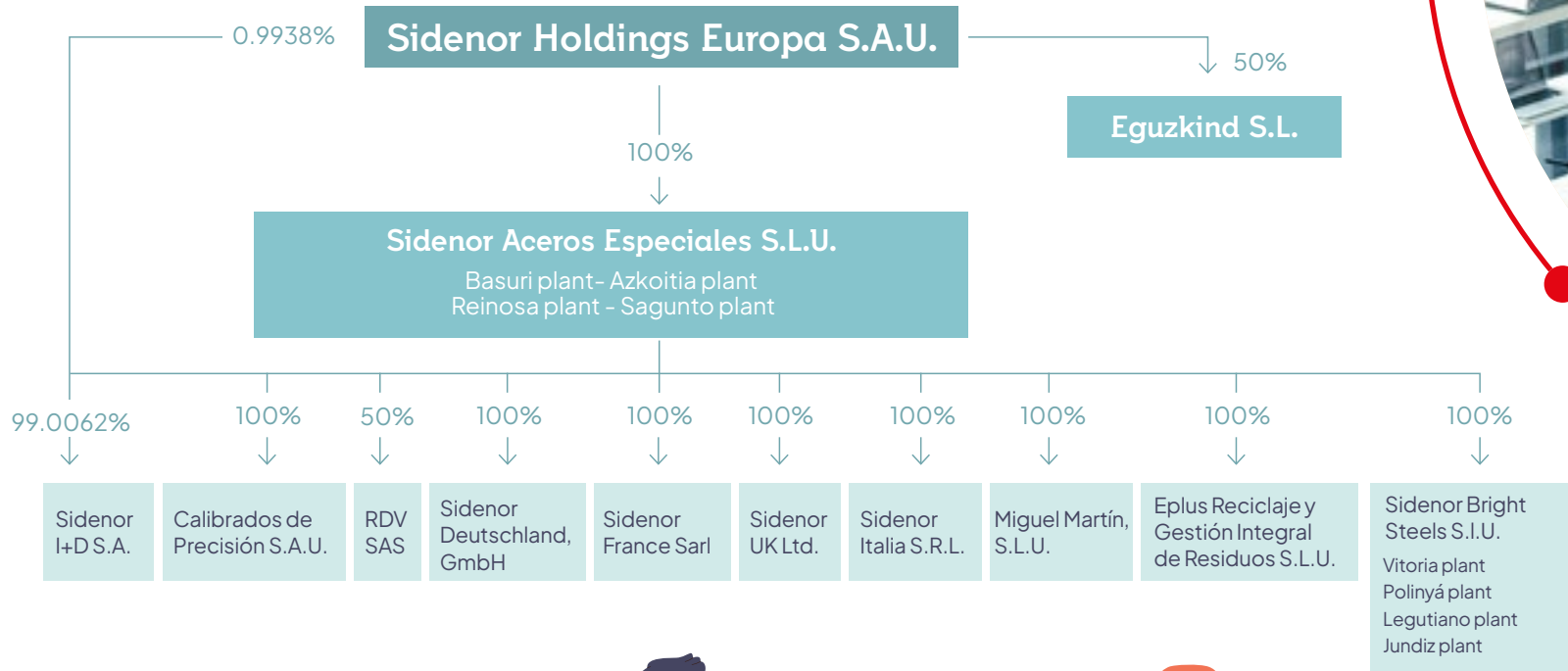


**Enrique  
Canal López**

Director of  
Industrial Affairs

This Committee is supported by **an Advisory Board whose task is to strengthen its growth and diversification strategy**. This advisory body is composed of four independent directors, all of whom are recognized professionals in sectors relevant to our organization, such as the energy and automotive sectors.

## Corporate structure



# ETHICS, THE PILLAR OF BUSINESS



Our **Code of Ethics** details the principles and values that govern our performance. This document is essential for achieving success in business management and reflects our Management's objective to **strengthen the ethical standards and principles applicable throughout the company**, as well as to foster a work environment that promotes integrity, respect and equity. Some of its key points are:

## Respect for the law

Our business and professional activities shall be carried out in **strict compliance with the laws in force** in each of the locations where we operate.

## Ethical integrity

The business and professional activities of the Group and its employees must be based on the value of integrity. These activities must be carried out in accordance with the **principles of honesty, avoidance of any form of corruption** and respect for the particular circumstances and needs of all those involved. In this regard, we promote among our staff the recognition and appreciation of behaviors that align with the principles of our Code of Ethics and corporate policies.

## Respect for human rights

All actions we undertake, as well as those of our staff, shall **scrupulously respect human rights and civil liberties**, as established in the Universal Declaration of Human Rights.

## Commitment to the prevention and eradication of child labor

We are aware of the importance of children's personal and emotional development and respect for the enjoyment of their rights. We therefore strictly comply with current legislation, in accordance with the **Statute of Workers' Rights, and prohibit the admission of children under sixteen years of age to work**, as well as the performance of overtime, night work, and/or any activities or positions for which hiring restrictions are established in accordance with Law 31/1995, of November 8, on the Prevention of Occupational Risks, and applicable regulations.



Our Code of Ethics guides all our activities and sets the course for managing our business



The Management has developed some of the principles contained in the Code of Ethics through the following **corporate policies**:



#### ANTI-CORRUPTION AND FRAUD POLICY

(Explained in detail in the "Corruption and Bribery section").



#### HUMAN RIGHTS POLICY

(Explained in detail in the "Human Rights" section).



#### CONFLICT OF INTEREST POLICY

Designed to guide conduct within the Group to prevent or address conflicts of interest that staff members may encounter in their dealings with the company. Its purpose is to prevent personal, professional, financial or other relationships from interfering with their objectivity or loyalty due to having private interests that differ from those of the company.



#### COMPETITION LAW COMPLIANCE POLICY

Establishes principles of conduct to prevent any action that involves unfair competition practices, promotes compliance with competition laws, and prohibits any conduct contrary to free competition.

These corporate policies are binding on the entire Group. Furthermore, we will promote **their application among companies and third parties** with which we maintain commercial or collaborative relationships. Both the staff and third parties can consult them through our website.

The company Management also promotes **periodic outreach activities through internal communication channels**, which remind everyone of the content and objectives of the Code of Ethics and the Corporate Policies that implement it. In addition, mandatory training activities have been implemented for the entire workforce, so as to raise awareness and educate them on the company's corporate culture.



In addition to corporate policies, at Sidenor we work on developing other policies, such as:



#### INTEGRATED POLICY

Includes the principles to which we are committed in terms of Health and Safety, Environment, Quality, Energy and Information Security, as we understand our activity as a whole.



#### HEALTHY COMPANY POLICY

Defines our line of work to benefit the health of our workers, as indicated by the World Health Organization, with the aim of generating a better company atmosphere that benefits all parties.



#### PURCHASING POLICY

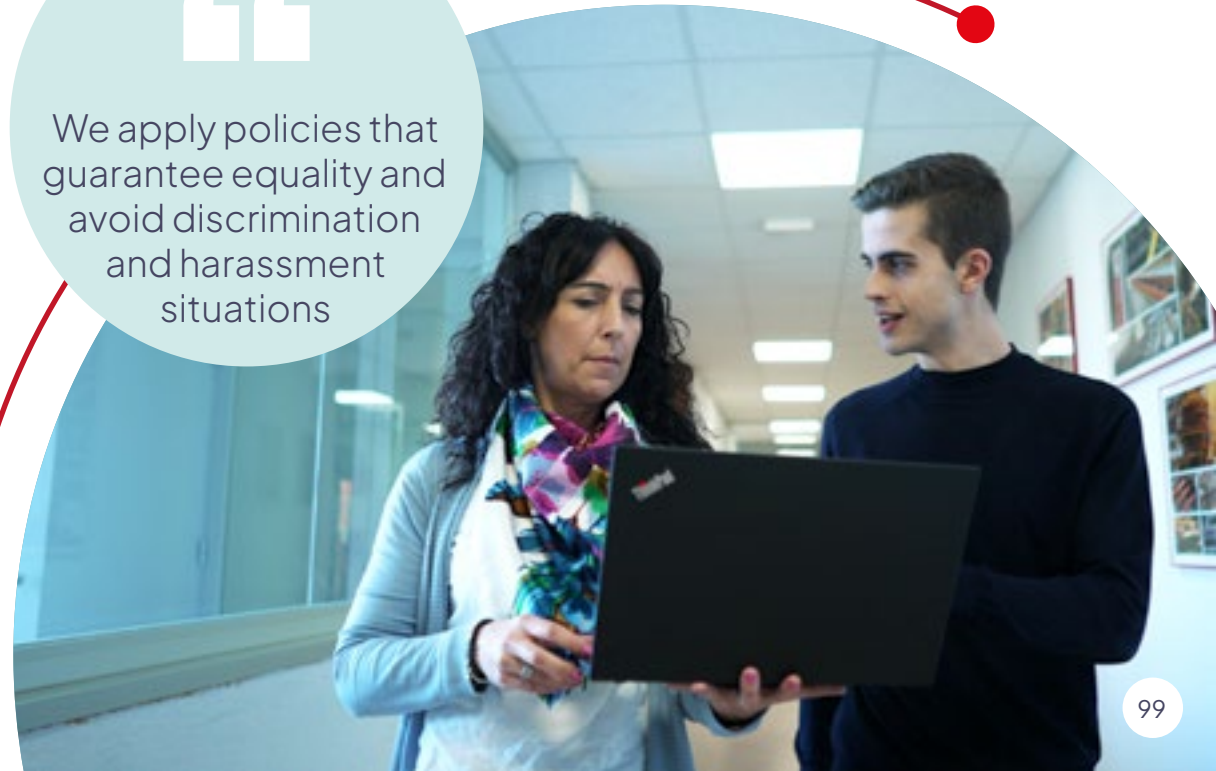
Sets out the basic principles applicable to the acquisition of the goods and services that are necessary for the development of our business, under the best possible conditions of quality, service and cost, reflecting our staff's commitment to cordial, transparent, and honest treatment in each and every one of their actions.

We are also making progress towards maintaining a **work environment free from all discrimination** and any conduct involving personal harassment. We are supported in our endeavour by an **Equality Plan** (described in Chapter 3: Tailored to the people) and

a **Protocol for Action against Reports of Harassment and Acts of Violence in the Workplace**. This protocol is available to all employees and is also included in the Human Rights Policy training, which includes a specific section on harassment prevention.

“

We apply policies that guarantee equality and avoid discrimination and harassment situations



## Corruption and bribery

Our Code of Ethics establishes that all business and professional activities carried out by both the company and our professionals must be based on integrity, carried out in accordance with the **principles of honesty, avoiding all forms of corruption**, and respecting the particular circumstances and needs of all those involved. This principle is specifically developed in the **Anti-Corruption and Fraud Policy**, which establishes the guidelines that should govern the conduct of the entire staff to combat corruption and fraud, avoiding obtaining any type of benefit when it is based on an illicit business or action or when it contravenes the provisions of the Code of Ethics and the corporate policies that implement it.

In line with the basic principle of ethical integrity, our Code and the corporate policies that develop it **prohibit bribery of authorities and public officials**, as well as giving or receiving from third parties improper payments of any kind, or gifts, handouts or favours that are outside of market custom or that, due to their value, characteristics or circumstances, may condition or appear to condition decision-making for the benefit of Sidenor, or could induce the thought of possible preferential treatment, whether real or not.

According to said documents, any company staff member who becomes aware or has reasonable suspicion of a breach of the established guidelines **must immediately report it to their superior** or the Human Resources manager at their workplace. This report can also be made anonymously or confidentially, as explained in the Ethics Channel section.

**In 2025, no complaints related to suspected corruption, bribery or money laundering** were received at any of the Group's companies.



## Criminal enforcement

In 2016, **we implemented a criminal enforcement model to reduce the risk of offence commission** in the course of business and professional activities. Once we have identified the criminal risks that could potentially affect the company, including corruption, bribery, influence peddling and money laundering, our criminal risk prevention model seeks to prevent and mitigate the commission of such offences, either fully or partially, through the periodic implementation of a series of controls.

Since its implementation, the model has been periodically reviewed to adapt it to changes in the organization, new business circumstances, and the results of the review and analysis of the processes exposed to the risks of offence commission stipulated in the reference regulations.

In 2025, we **completed the evaluation of our criminal enforcement model based on the requirements established in the Spanish Criminal Code** and compared it with other reference regulations or standards. The objective of this evaluation was to identify areas for improvement in order to further develop our criminal enforcement model. In addition, we worked on implementing the improvement measures and recommendations identified as a result of the evaluation.

# — IN FAVOUR OF HUMAN RIGHTS →

**A**t Sidenor, people are always at the center. In line with this conviction, in 2023, we **renewed our Human Rights Policy**. Since then, we have been reaffirming our commitment to this area, as established in the **Universal Declaration of Human Rights**. This Policy sets forth the principles and guidelines that we must follow in all our activities, as well as in relation to our staff and third parties.

To fulfill the objectives and commitments outlined in this Policy, we adopt and promote the following ten basic principles:

## 01 Avoiding discriminatory practices

We are committed to ensuring a work environment free from discrimination based on gender, race, ethnic origin, religion, age, disability, political or union affiliation, sexual orientation, nationality, civil status or socioeconomic status, and from any conduct that constitutes personal harassment. We value the principle of equal treatment and opportunities between women and men, as reflected in our renewed Equality Plan (2024–2028).

## 02 Promoting diversity

We provide a work environment that values diversity and the richness of an international culture.

## 03 Rejecting the use of forced and child labor

We act in a preventive way to avoid any cases of forced labor or child labor exploitation in any of our activities.

## 04 Offering decent employment and fair working conditions

We are committed to fair compensation commensurate with the skills and knowledge of our staff, complying with labor laws everywhere we operate; to guaranteeing our workers' right to rest; and to promoting a balance between personal and professional life through work-life balance. We also offer equal opportunities for professional development, and implement a policy of investment in the learning and personal and professional development of our staff.



## 05 Protecting people's health

We are committed to providing a safe and healthy work environment by scrupulously complying with applicable legal requirements regarding occupational health and occupational risk prevention.

## 06 Respecting the environment

We are convinced that the protection of the environment and natural resources, along with combating climate change and supporting sustainable economic development, are important factors in the planning, operation and development of our activities. We are therefore committed to respecting the environment as much as possible in the development of our activities and minimizing any negative effects they may generate.

We actively contribute to the conservation of natural resources and areas of ecological, scenic, scientific, or cultural interest. We respect land ownership and use, as well as the right to natural resources, including water, by making rational and sustainable use of them.

## 07 Facilitating collective bargaining and freedom of association

We respect the right to freedom of union association and collective bargaining. We foster a constructive environment in our relationships with our staff's representatives in order to promote continuous improvement in labor relations. We also facilitate, to the extent possible, the freedom for individuals to meet and discuss relevant issues related to their employment. We are also committed to protecting people, interests, property and knowledge.

## 08 Not supporting violence

Based on risk analysis and the implementation of mitigation measures, we protect people, their interests, property and knowledge, avoiding the use of weapons and force in the exercise of security.

## 09 Guaranteeing the right to privacy

We are committed to requesting and using only the data that is necessary to effectively manage our business or whose verification is required by applicable regulations. We also take all necessary measures to preserve the confidentiality of personal data and ensure that its transmission, when necessary for business reasons, complies with current legislation.

## 10 Promoting commitment to Human Rights throughout the value chain

We disseminate our commitment to Human Rights throughout our entire value chain. Furthermore, we commit to sharing this policy with suppliers, contractors, collaborating companies, customers and third parties, encouraging the development of their own policies on the matter. If they do not have one, we urge them to subscribe to Sidenor's.

## SECURITY OF INFORMATION



**D**ue to the continuous and rapid pace of technological advancements, **cybersecurity is a firm commitment to trust and integrity, as well as a preventative measure.** These advancements also bring with them the threat of cyberattacks. This drives us to stay vigilant and always ahead of the curve. At Sidenor, we guarantee information security through recognized certifications that demonstrate our commitment to international standards, establishing a robust management framework.

Having such credentials strengthens our company's security posture but also inspires confidence in customers and partners. **Investing in cybersecurity and obtaining the relevant certifications protects digital assets** and builds a solid foundation for secure and trustworthy business relationships.

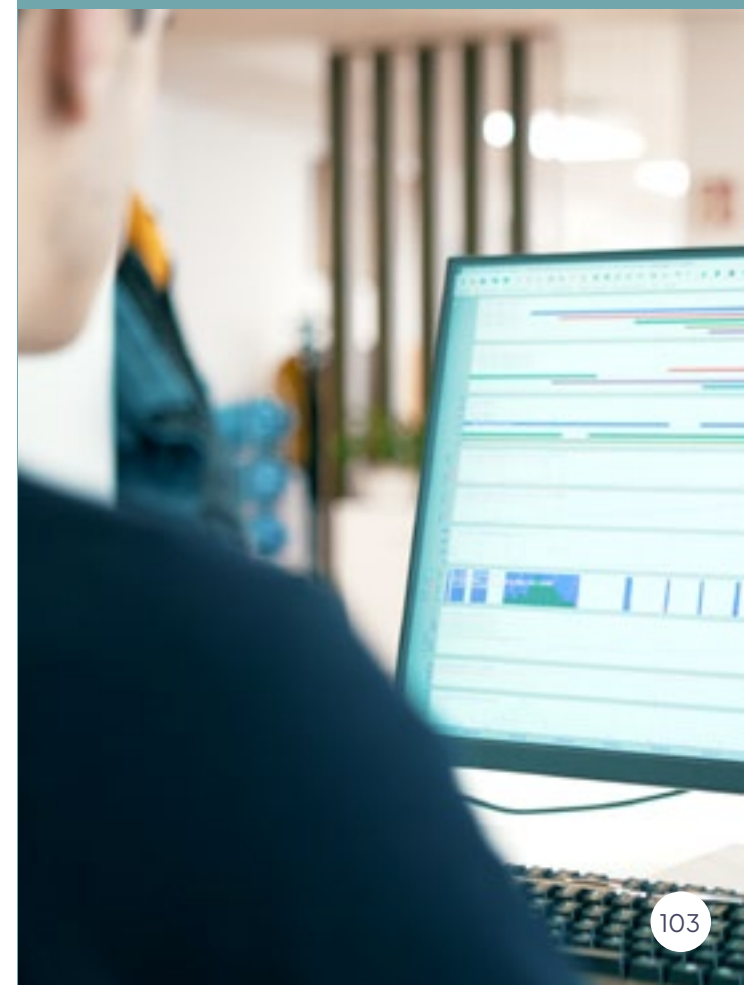
At Sidenor, we have the **ISO 27001 Information Security Management System Certification**, an international



standard that harmonizes the requirements associated with the implementation of information security management systems in organizations. In addition, we are **certified in TISAX**, a standard exclusive to the automotive sector regarding information security in organizations. In February 2025, we completed the **re-certification audit for ISO 27001**, in its new 2002 version (with a broader scope: "Information security, cybersecurity and privacy protection"), as well as the renewal audit for the TISAX labels, both certifications covering all Sidenor plants.

In 2025, we launched various **campaigns under the slogan "Cybersecure" to further raise awareness about the importance of cybersecurity** in our daily work, with the aim of being vigilant and reducing risks.

**We ensure information security** through recognized international certifications and standards and **raise awareness among our staff**, encouraging them to keep vigilant and reduce risks



## ETHICS CHANNEL



**W**e offer the staff and third parties **a way to report any well-founded suspicion of a breach of the Code of Ethics**, the corporate policies that implement it, or any other guideline or standard of conduct that must be followed in the company, as well as to express doubts, concerns or complaints about their content. This report can be made anonymously or confidentially, through the **email address [codigoetico@sidenor.com](mailto:codigoetico@sidenor.com) or the Ethics Channel on our website**. This channel is available so that anyone, acting in good faith, can make inquiries and report breaches anonymously or confidentially.

In addition, we have a procedure to manage the internal information system, ensuring that the complaint is handled impartially and objectively. We are committed to adopting the necessary measures to avoid adverse consequences or any type of retaliation against those who, acting in good faith, use the channels established for reporting potential conduct contrary to the principles set forth in this Code and in the policies and guidelines that implement it. In 2025, nine complaints were processed under this procedure, while two were processed in 2024.



# REPORT PROFILE



**W**ith this Corporate Report, we want to share our corporate, social, environmental and economic performance during the 2025 financial year with all our stakeholders as well as the society in general. We thus express once again our **commitment to transparency, value creation and fluent communication**.

Our main activity, both in terms of turnover and number of professionals, is focused in Spain. For this reason, this report does not include data on our international sales offices (Germany, France, Italy and the United Kingdom), which only deal with the commercialization of our products. The related data are therefore outside the scope of this document. The information related to the companies purchased in 2023 (Miguel Martín S.L. and Eguzkin S.L.) and in 2024 (Eplus Reciclaje y Gestión Integral de Residuos S.L.U.) has not been included in this document either, as these show little materiality.

By issuing **this Report, which is part of the 2025 Management Report of Sidenor Holdings Europa S.A.U.**, we comply with Article 49 of the Commercial Code as regards disclosure of non-financial information, by virtue of the amendment effected by Law 11/2018, of December 28th.

The herein contained information has been collected and is presented according to our company's principles of transparency, clarity, comparability and reliability.



## Company



## Country

Spain

## Period covered

2025


## Frequency


Annual

## Registered office

Barrio Ugarte s/n. 48970 Basauri  
(Vizcaya - Biscay)

## More information

 [communication@sidenor.com](mailto:communication@sidenor.com)

 +34 94 487 1615

 [www.sidenor.com](http://www.sidenor.com)

| 05 |



**ANNEXES**

# Annexes.

## Reference table with regard to Law 11/2018 requirements

### Content index according to the requirements of Law 11/2018 as regards non-financial and diversity information

| Areas                               | Contents   | Chapter/s*   |
|-------------------------------------|--|--|
| <b>General matters</b>              |  |  |
| Business model                      | Short description of the Company's business model, including:<br>1. Its business environment<br>2. Its organization and structure<br>3. The markets where it operates<br>4. Its objectives and strategies<br>5. The main factors and tendencies which might affect its future evolution.   | (Chairman's letter); GRI 2-22.<br>(Chapter 1: A solid company); GRI 2-1, GRI 2-6.<br>(Chapter 4: Tailored to trust); GRI 2-9.  |
| Policies                            | Description of the policies pursued by the company in relation to those matters, including:<br>1. Due diligence processes implemented for the identification, evaluation, prevention and mitigation of significant risks and impacts<br>2. Verification and control procedures, including the measures adopted.  | (Chapter 1: A solid company).<br>(Chapter 2: Tailored to the environmental challenge).<br>(Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - each area within the Economic, Environmental and Social dimensions. |
| Short-, medium- and long-term risks | The principal risks related to those matters linked to the Group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas.  | (Chapter 1: A solid company); GRI 3-3 Management of material topics - each area within the Economic, Environmental and Social dimensions, GRI 2-12.  |
| <b>Environmental matters</b>        |  |  |
| Global environment                  | 1. Detailed information on the current and foreseeable impacts of the company's operations on the environment, and, as appropriate, on health and safety as well as environmental evaluation and certification procedures.<br>2. Resources dedicated to the prevention of environmental risks<br>3. Application of the precautionary principle, quantity of provisions and safeguards for environmental risks. | (Chapter 2: Tailored to the environmental challenge);<br>GRI 3-3 Management of material topics - each area within the Environmental dimension (Chapter 1: A solid company); GRI 2-23.  |
| Pollution                           | 1. Measures for preventing, reducing or remedying carbon emissions which seriously affect the environment.<br>2. Consideration of any form of specific air pollution of an operation, including noise and light pollution.   | (Chapter 2: Tailored to the environmental challenge);<br>GRI 3-3 Management of material topics - Emissions/Biodiversity.   |

\* Reference to GRI 2021 if not otherwise indicated.

| Areas  | Contents   | Chapter/s*   |
|--|--|--|
| <b>Environmental matters</b>                         |  |  |
| Circular economy and waste prevention and management | Circular economy.  | (Chapter 1: A solid company), (Chapter 2: Tailored to the environmental challenge); GRI 3-3 Management of material topics - Effluents and Waste, GRI 301-2 (2016).                   |
|  | Waste: Prevention, recycling, reuse measures and other forms of waste recovery and disposal.   | (Chapter 2: Tailored to the environmental challenge); GRI 3-3 Management of material topics - Effluents and Waste, GRI 306-2 (2020).   |
|  | Actions against food waste.  | No material given the Group's activity.  |
| Sustainable use of re-sources                        | Water consumption and supply according to local limitations.   | (Chapter 2: Tailored to the environmental challenge); GRI 303-3 (2018).  |
|  | Consumption of raw materials and measures taken to improve raw materials use efficiency.   | (Chapter 2: Tailored to the environmental challenge); GRI 3-3 Management of material topics - Environment, GRI 301-1 (2016), 301-2 (2016).   |
|  | Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energies.                                  | (Chapter 2: Tailored to the environmental challenge); GRI 3-3 Management of material topics - Energy, GRI 302-1 (2016).  |
| Climate change                                       | Important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces. | (Chapter 2: Tailored to the environmental challenge); GRI 3-3 Management of material topics - Emissions, GRI 305-1 (2016), 305-2 (2016).   |
|  | Measures taken to adapt to the consequences of climate change.   | (Chapter 2: Tailored to the environmental challenge); GRI 3-3 Management of material topics - Emissions.   |
|  | Voluntarily established reduction targets in the medium and long term to reduce greenhouse gas emissions and means implemented to this end.                | (Chapter 2: Tailored to the environmental challenge); GRI 3-3 Management of material topics - Emissions.   |
| Biodiversity protection                              | Measures taken to preserve or restore biodiversity.  | No material, as Sidenor worksites are not located in areas that are relevant in terms of biodiversity.   |
|  | Impacts caused by activities or operations in protected areas  |  |
| <b>Social and employee-related matters</b>           |  |  |
| Employment   | Total number and distribution of employees by gender, age, country and professional category.  | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Employment, 2-7, 405-1- (2016). The information provided is not disaggregated by professional category. |
|  | Total number and distribution of labor contract modalities.  | (Chapter 3: Tailored to the people); GRI 2-7.  |
|  | Annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional category.                               | (Chapter 3: Tailored to the people); GRI 2-7, 405-1 (2016). The information provided is not disaggregated by professional category.  |
|  | Number of dismissals by gender, age and professional category.   | (Chapter 3: Tailored to the people); GRI 401-1 (2016). The information provided is not disaggregated by professional category, gender or age.  |
|  | Average wages and their evolution disaggregated by gender, age and professional category or similar value.   | (Chapter 3: Tailored to the people); GRI 401-1 (2016). The information provided is not disaggregated by professional category, gender or age.  |

\* Reference to GRI 2021 if not otherwise indicated.

| Areas                                      | Contents   | Chapter/s*   |
|--|--|--|
| <b>Social and employee-related matters</b> |  |  |
| Empleo                                     | Wage gap, remuneration for equal working positions or on average in the company.   | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Employment, 405-2 (2016).                         |
|  | Average wage of executives and directors, including variable remuneration, allowances, compensations, payments to long-term savings pension systems, and any other payments disaggregated by gender. | Information omitted.   |
|  | Implementation of disconnection-from-work policies.  | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Employment.                                       |
|  | Employees with disabilities.   | (Chapter 3: Tailored to the people); GRI 405-1 (2016).   |
| Organisation of work                       | Organization of working time.  | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Employment.                                       |
|  | Number of absence hours.   | (Chapter 3: Tailored to the people); GRI 403-9 (2018).   |
|  | Measures aimed at facilitating conciliation and fostering its jointly responsible enjoyment by both parents.   | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Employment.                                       |
| Health and safety                          | Health and safety conditions at work.  | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Health.   |
|  | Occupational accidents, in particular their frequency and severity, disaggregated by gender.   | (Chapter 3: Tailored to the people); GRI 403-9 (2018). The information provided is not disaggregated by gender.                |
|  | Occupational diseases, disaggregated by gender.  | (Chapter 3: Tailored to the people); GRI 403-10 (2018). The information provided is not disaggregated by gender.               |
| Social relations                           | Organization of social dialogue, including processes aimed at informing, consulting and negotiating with the staff.  | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Labor-management relations.                       |
|  | Percentage of employees covered by collective agreements by country.   | (Chapter 3: Tailored to the people); GRI 2-30.   |
|  | Assessment of collective agreements, notably in the field of health and safety at work.  | (Chapter 3: Tailored to the people); GRI 403-4 (2018).   |
|  | Mechanisms and procedures available to the company in order to promote workers' involvement in company management, in terms of information, consultation and participation.                          | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Labor-management relations.                       |
| Training                                   | Policies implemented in the training area.   | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Labor-management relations.                       |
|  | Total quantity of training hours by professional category.   | (Chapter 3: Tailored to the people); GRI 404-1 (2016). The information provided is not disaggregated by professional category. |

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| Areas  | Contents  | Chapter/s*   |
|--|---|--|
| <b>Social and employee-related matters</b>   |   |  |
| Universal accessibility of people with disabilities  |   | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Diversity and Equal opportunity + Non-discrimination.                           |
| Equality   | Measures taken to promote equal treatment and opportunities between women and men.  |  |
|  | Equality plans (Chapter III of Organic Law 3/2007, of March 22, for effective equality between women and men), measures taken to promote employment, protocols against sexual harassment and harassment on grounds of sex, integration and universal accessibility of people with disabilities. | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Diversity and Equal opportunity.  |
|  | Policy against all forms of discrimination and, when applicable, diversity management.  |  |
| <b>Human rights</b>  |   |  |
| Application of due diligence processes in terms of human rights. Prevention of risks of human rights violations and, when applicable, measures aimed at mitigating, managing and redressing possible abuses. |   | (Chapter 3: Tailored to the people), (Chapter 4: Tailored to trust); GRI 3-3 Management of material topics - Human Rights Assessment and Non-discrimination. |
| Complaints regarding human rights violations.  |   | (Chapter 4: Tailored to trust); GRI 406-1 (2016).  |
| Promotion of, and compliance with the fundamental conventions of the International Labor Organization on freedom of association and the right to collective bargaining.                                      |   | (Chapter 3: Tailored to the people); GRI 407-1 (2016) (Chapter 4: Tailored to trust); GRI 2-23.  |
| Elimination of discrimination in employment and occupation.  |   | (Chapter 3: Tailored to the people), (Chapter 4: Tailored to trust); GRI 3-3 Management of material topics - Non-discrimination, GRI 406-1 (2016).           |
| Elimination of forced or compulsory labor.   |   | (Chapter 4: Tailored to trust); GRI 409-1 (2016).  |
| Effective eradication of child labor.  |   | (Chapter 4: Tailored to trust); GRI 409-1 (2016).  |
| <b>Corruption and bribery</b>  |   |  |
| Measures taken to prevent corruption and bribery.  |   | (Chapter 4: Tailored to trust); GRI 3-3 Management of material topics - Non-discrimination, GRI 2-23, 2-26, 205-2 (2016), 205-3 (2016).                      |
| Measures against money laundering.   |   | (Chapter 4: Tailored to trust); GRI 205-2 (2016).  |
| Contributions to foundations and non-profit entities.  |   | (Chapter 3: Tailored to the people); GRI 413-1 (2016).   |

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| Areas  | Contents  | Chapter/s*   |
|--|---|--|
| <b>Society</b>                                 |   |  |
| Company commitments to sustainable development | Impact of the company's activity on local employment and development.   | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Local Communities and Indirect Economic Impacts, GRI 413-1 (2016).  |
|  | Impact of the company's activity on local populations and in the region.  | (Chapter 3: Tailored to the people); GRI 413-1 (2016).   |
|  | Relations with local community actors and modalities of the dialogue with them.   | (Chapter 3: Tailored to the people); GRI 2-29.   |
|  | Partnership or sponsorship actions.   | (Chapter 3: Tailored to the people); GRI 2-28.   |
| Subcontracting and suppliers                   | Inclusion of social, gender equality and environmental issues in purchasing policy. Consideration, within the framework of relations with suppliers and subcontractors, of their social and environmental responsibility. | (Chapter 3: Tailored to the people); GRI 2-6, GRI 3-3 Management of material topics - Procurement Practices, 204-1 (2016), 308-1 (2016), 414-1 (2016).   |
|  | Monitoring and audit systems and their results.   | (Chapter 3: Tailored to the people); GRI 3-3 Management of material topics - Procurement Practices.  |
| Consumers                                      | Measures in favor of consumer health and safety.  | (Chapter 1: A solid company); GRI 3-3 Management of material topics - Consumers.   |
|  | Grievance systems, complaints received and resolution thereof.  | (Chapter 1: A solid company); GRI 3-3 Management of material topics - Consumers.   |
| Tax information                                | Profits obtained country by country.  | Profits, which are generated almost exclusively by Spanish companies, since the only foreign companies are the branches, which incorporate a very residual profit, were €0 in 2025 and €15 million in 2024.<br>GRI 3-3 Management of material topics - Economic Performance. |
|  | Profit taxes paid.  | Given the application of tax credits for losses from previous years and deductions, the effective payment for the years 2025 and 2024 is 0.<br>GRI 3-3 Management of material topics - Economic Performance.   |
|  | Public subsidies received.  | Subsidies for CO <sub>2</sub> offsetting entitlements: €16 million in 2025 and €8 million in 2024; other subsidies for the energy transition: €11 million in 2025 and €9 million in 2024.<br>GRI 201-4 (2016).   |

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