

Megasa: Leading sustainable

steel

Sustainability Report 2023





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Institutional message

At MEGASA we are proud to present our Sustainability Report for the financial year 2023. In this document, we not only present our business model, and the results obtained this year, but also our firm commitment to the sustainability of our processes. We also include the value we contribute to society as a whole in environmental, social and corporate governance matters, as a further example of the principles of efficiency, responsibility and transparency that guide our actions.

As the year 2023 draws to a close, it is a good time to reflect on the achievements we have made, the challenges we faced and, above all, the path we want to chart for the future, sharing our vision, objectives and strategies to continue leading the steel industry with a responsible and sustainable approach.

The past financial year 2023 has been full of challenges and marked by uncertainty. Inflation control policies in the West have led to investment restrictions, which, combined with negative factors such as global political instability, energy prices and worse economic forecasts, negatively affected steel demand in 2023.

At MEGASA, we maintain a prudent and focused approach to risk management to ensure the stability and resilience of our business in the face of adversity, which has helped us face the future with optimism. In 2023, we took a crucial step towards internationalisation with the launch of our first facility in France. This milestone represents a firm commitment to the expansion of our Group, allowing us to diversify our markets and strengthen our presence in Europe.

It is important to highlight the evolution experienced in recent years in sustainability management regulations and standards, which play an increasingly important role in the activity of companies. At MEGASA we are firmly committed to these regulations and standards and place sustainability at the heart of our business strategy.

Our business model is a clear example of circular economy, as we use scrap as a raw material (more than 92% of the steel produced in our plants is made from recycled materials), we efficiently manage the use of water in our production processes, promoting its reuse and we recover almost all the waste we produce.

In the area of decarbonisation, at MEGASA we are moving towards cleaner and more sustainable production by taking significant steps. We invest in energy efficiency to reduce our energy consumption and atmospheric gas emissions, and we increase the share of renewable energies in our consumption, through investment in photovoltaic self-consumption projects and the signing of renewable energy PPAs, which has allowed us to reduce our carbon footprint and move towards a more sustainable future. We have developed a steel production model that places us at the forefront of sustainable construction in Europe and globally. Our Environmental Product Declarations (EPDs) underpin our commitment to transparency and environmental responsibility, providing our customers with the confidence that we have products that meet the highest sustainability standards.

At MEGASA, we are committed to achieving maximum customer satisfaction and, through our close collaboration with our customers, we identify their needs, maximise the quality and sustainability of our products and offer flexibility and speed of response. In this line, we are making significant investments in the expansion of our range of products and services.

In a global context marked by economic, social, and political uncertainty, we have continued to generate value and promote economic development in the communities where we operate. Our commitment extends to our customers, shareholders, employees, and suppliers.

As part of our responsibility, we continue to work on the development of projects that ensure we apply best practices in terms of corporate governance, ethical conduct, and internal control. Our objective is to continue to prioritise a diligent governance model in all our areas of action, including our sustainability responsibilities. We have made great efforts to ensure the proper functioning of the Compliance area of our organisation, reinforcing not only the security and trust of our stakeholders, but also demonstrating our unwavering commitment to compliance with applicable laws and regulations.

The commitment and professionalism of the people who form part of the MEGASA group are the basis of our success and I would like to express my deepest gratitude to all of them. They are highly qualified and specialised professionals who guarantee excellence in our products and services, contributing to our growth and achievements. Therefore, attracting and retaining talent is an essential pillar at MEGASA. I also reinforce the company's commitment to develop our activity in safe working environments with the objective of zero accidents.

MEGASA's objective is to maintain our position as a European benchmark in the sector, through our commitment to customer satisfaction, people, technological leadership, cost efficiency and sustainability, which form the basis of our activity.

With the presentation of our 2023 Sustainability Report, we aim to share the achievements and challenges for MEGASA this year, continuing our objective of conducting our business in a responsible and transparent manner and ensuring compliance with ESG regulations and standards.

President of MEGASA

At MEGASA we are committed to the regulations and standards management of the sustainability, placing it in the center of our business strategy.

ACHIEVEMENTS TO BE HIGHLIGHTED IN 2023

In 2023, MEGASA remained steadfast in its commitment to excellence and innovation in all facets of its operations. Throughout the year, our team members showed unwavering dedication, creativity, and resilience in the face of challenges, driving our mission forward with passion and determination. Our collective efforts culminated in numerous achievements that reflect our continued progress and impact on the industry.





1. ABOUT MEGASA: CUTTING-EDGE STEEL INDUSTRY (GRI 2-1, 2-6)

Our commitment to sustainability and respect for the environment positions us as a responsible and committed company in all our operations, generating shared value for our stakeholders and society as a whole.

1.1 WHO WE ARE

MEGASA is a family-owned steel company founded in 1953 with a long industrial vocation. Our origins date back to the 1930s, and from the beginning, responsibility, efficiency, and transparency have been the guiding principles of our company.

We specialise in the production and distribution of long steel products and offer high quality, low environmental impact solutions to successfully deliver on our commitment to a sustainable and circular future. Today, we are proud to be part of the leading steel industry, committed to innovation, circular economy, decarbonization, and energy efficiency.

Thanks to our consolidated track record and our outstanding position in the market, we have managed to position ourselves as one of the main references in the field of recycling in Europe, with a particular focus on the Iberian Peninsula. Our vision for the future revolves around growth and strengthening our position in the international arena and consolidating our presence in the European market to more effectively face the inherent challenges presented by the steel industry. In recent years, this strategy has resulted in a significant increase in sales in the European Union. To achieve this goal, we have relied on the expertise of the people who make up MEGASA and the close cooperation and continuous dialogue with our customers, conducting our operations in a sustainable and innovative manner.

We face the future challenge, guided by a firm commitment to constant improvement in all our products and processes, in order to generate value not only for our customers, collaborators and suppliers but also for society as a whole.

Our activity extends along the entire value chain. From the procurement and treatment of raw materials, mainly scrap, to the production and transformation, through electric arc furnaces, of a wide variety of steels, such as rebar round, wire rod, commercial and structural profiles, as well as electro-welded mesh. We supply our products and solutions to various sectors, such as automotive, industry and mainly construction.





3 million tons/year of installed capacity



1.90 BN €



1.90 BN € in net sales achieved We produce steel in several plants located in Spain (Narón and Zaragoza) and in Portugal (Maia and Seixal). This activity is complemented by other scrap treatment and fragmentation facilities (in Valencia and Seixal) and the production of transformed products (Narón and Seixal). We have sales companies in Spain and Portugal responsible for channelling sales of all our steel products to customers all over the world, although our main market is Western Europe. In addition, our distribution centres in Spain, France and the United Kingdom allow us to guarantee an excellent service to our customers.

WHERE WE PERFORM **OUR ACTIVITIES**

Megamalla, S.L.

special – and spacers.

NARÓN (A Coruña)

NARÓN (A Coruña)

Wire rod producer, with a wide variety of gualities and diameters. It also produces and supplies rebar, both in straight lengths and in coil.

SEIXAL SN Transformados, S.A.

SN Seixal Siderurgia

Nacional, S. A.

Dedicated to the manufacture of special and standard reinforcing mesh.

SEIXAL ECOMETAIS, S.A.

SEIXAL

Focused on the treatment and fragmentation of scrap, which is subsequently used as raw material by the factories.

MAIA -**SN Maia Siderurgia**

Nacional, S.A. Main producer of straight rebar within the Megasa group.

Its main activity is the manufacture of electro-welded

steel mesh – standard and

MEGASA Siderúrgica S.L.

Corporate headquarters, located in the northwest of the Iberian Peninsula. It produces rebar, both in straight lengths and in coil, in a wide range of qualities.

ZARAGOZA Megasider Zaragoza, S.A.U.

BROMBOROUGH Logistics centre Serving customers

in the UK as well as other countries in

Northern Europe

Logistics centre

Serving customers in

Northern France and Central Europe.

ROUEN

Specialized in the manufacture of merchant bars, with a wide range of dimensions and qualities. It completes its offer with rebar and some structural profiles.

SILLA (Valencia) JAP2 Recuperaciones, S.L.

Specialized in the processing and shredding of scrap metal, which is used as raw material by our steel plants.

1.2 OUR BUSINESS MODEL (GRI 2-6)

At MEGASA we are strongly committed to policies to combat climate change, the circular economy, and the application of more socially responsible and sustainable processes.

Our steel production model is a clear example of circular economy and contributes to minimizing our carbon footprint, using low environmental impact technologies, and promoting the continuous improvement of processes and systems.

We recycle steel through the recovery of ferrous scrap waste, our main raw material, which is transformed into high quality and durable products. Furthermore, more than 92% of the steel we produce is made from recycled materials, which makes MEGASA one of the largest recyclers on the Iberian Peninsula. In this way, our main activity is the reinsertion of waste into the production cycle, providing additional value for society and our customers, and obtaining the most demanding properties and characteristics. We also optimise the management of our waste, recovering 98% of the waste we generate.

As part of our commitment to decarbonisation, we use electric arc furnace technology in our production. The use of electric arc furnaces has significant advantages over other steel production technologies, such as blast furnace steelmaking processes, as it is more environmentally friendly. Approximately, our emissions (direct and indirect) of greenhouse

MADRID **Distribution center** Serves the central and eastern side of the peninsula.

gases into the atmosphere are 7 times lower for each tonne of steel produced compared to steel mills using blast furnaces. In addition, by allowing fully modulated electricity consumption, it is possible to take advantage of the moments of peak renewable production in the electricity grid, contributing to the integration of its production and providing important services to the management of the electricity system.

Therefore, the transition to a sustainable economy gives us a unique opportunity to position ourselves and our steel production model as a key process to achieve a low-carbon economy, following reference standards such as the Global Compact and high levels of sustainability requirements.

Through gradual strategic improvements and optimisations in our operations, we have several competitive advantages based on a combination of key elements:

- The strategic location of our facilities gives us privileged access to the main communication networks and favours logistical efficiency.
- We offer products of excellent quality and availability, which distinguishes us in the market and enables us to meet the needs of our customers effectively.
- Our differential and sustainable logistics model helps us to improve the efficiency of the process and the availability of our products, prioritising the use of more sustainable transport such as rail and ship, as opposed to traditional road transport.

Our business model and these advantages position us as leaders in our sector and as one of the largest recyclers in the Iberian Peninsula and Europe, offering competitive and sustainable solutions to our customers.

1.2.1 Our strategic location

We focus our main activity on the European market, where we present a wide range of competitive and diverse steel products. allowing us to market and expand our presence beyond the Iberian Peninsula.

Each of our facilities is strategically located near the main communication networks of the Iberian Peninsula. This includes a direct connection to the national motorway network, European roads, the international rail network and the main ports of Spain and Portugal with inter-oceanic coverage. This arrangement enables us to optimise the logistics and distribution of our products on a global scale.

In our ongoing quest for sustainability, we are advancing climate change mitigation initiatives with one of our logistics partners. During 2023, we have continued to contract and develop transport methods using double articulated trucks, allowing us to increase freight tonnage and significantly reduce our carbon footprint in road transport.

1.2.2 Excellence and availability of our products

In our business operation, we attach fundamental importance to the quality and availability of our products. We pride ourselves on exceeding the quality standards required by the market and guaranteeing full customer satisfaction, which is evident not only in the excellence of our products, but also in the quality of our service.

Through our management systems, we are committed to guaranteeing the highest quality of our products and services by continuously improving our processes.

The implementation of a CRM at MEGASA has represented a significant step forward in improving the quality of service, while at the same time increasing productivity. This platform enables greater communication with the customer, improves management and times and optimises post-sales follow-up. During 2023, the CRM has been implemented for the Iberian Peninsula and the process has begun for the rest of Europe.

From our production and processing centres across Europe and supported by our hubs in strategic locations on the continent, we offer our products to the market in a wide variety of presentations for a multitude of uses.



TYPE / PRODUCT



The rebar steel we produce meets rigorous quality standards in all its technological properties. We manufacture materials with different levels of ductility, including those specifically designed for structures subjected to seismic stresses, providing an additional level of safety in projects. Rebar steel, in conjunction with concrete, forms reinforced concrete, being one of the most widely used construction elements globally.



SN Seixal specialises in the production of wire rod, covering different levels of carbon. To carry out this process, it has equipment that allows secondary metallurgy adapted to each specific case. Its rolling mill is equipped with rolling boxes incorporating the latest processing technology, ensuring the best dimensional and surface characteristics. In addition, it has in-line defect measurement and identification systems, as well as heat treatment equipment and a coil cooling mat. This set of technologies makes it possible to obtain products with high quality standards, suitable for various applications in the automotive, industrial and construction sectors.



This is an intermediate product manufactured in the steel mills of our four facilities. It is then rolled into a variety of finished products, such as bars, wire rod, sections, and beams, in a variety of dimensions and qualities.



Electro-welded mesh: We manufacture standard and special electro-welded mesh. Our production means allow us to manufacture according to the specific requirements of each country. On customer request, we can study the production of completely bespoke mesh. Electro-welded mesh has significant advantages such as:

- Reduction of offcuts and waste. - Dimensional quality guaranteed.

- It does not require specialised labour for installation.

Spacers: Spacer shims are auxiliary devices used to maintain the calculated spacing between resistant elements such as bars or mesh. These elements are not required to meet structural or adhesion requirements. Ribbed plain wire: This product is the result of a cold rolling process of wire rod and can have a plain or rebar finish. It has various applications, such as the guiding of reinforcement in stirrup machines or the manufacture of electrowelded mesh, among others.

Merchant bars



Our plant in Zaragoza specialises in the production of a wide range of merchant bars and structural steels profiles, covering various dimensions and qualities. These steel materials come in a wide variety of designs, each with specific functions, suitable for both large-scale projects and smaller constructions. There are various types of steel profiles, which vary in shape, physical strength, and function, allowing them to be used in a wide variety of construction processes. The range of products manufactured includes merchant bars such as well as structural profiles such as UPN.

DESCRIPTION

- Reduced assembly time (high performance).

1.2.3 A differential and more sustainable logistics model

In terms of logistics and transport, we maintain an ongoing commitment to reducing Greenhouse Gas (GHG) emissions associated with both the transport of raw materials and the distribution of our products to customers.

In recent years, we have implemented a logistics strategy that prioritises the use of sea transport and, for journeys between our production and distribution centres, we favour the use of rail, a more environmentally friendly option than conventional road transport. In this way, we reduce the carbon footprint associated with our logistics.

We are implementing a new differentiated logistics model with the aim of improving process efficiency and the availability of our products. To achieve this, we have launched two main initiatives:



Warehouse Management System (WMS)

The WMS, designed to plan and optimise factory loading, integrates logistics activities, facilitating the evacuation of production, reducing loading times and shortening delivery times.



Transport Management System (TMS)

The TMS is a tool that improves delivery efficiency and simplifies communication with suppliers and carriers. It also represents progress in the automation and acceleration of administrative procedures.

1.3 PROMOTING INNOVATION AND SUSTAINABILITY IN THE STEEL INDUSTRY (GRI 2-28)

We lead the transformation process in the construction and infrastructure sectors, responding effectively to the growing demands of sustainability, offering high quality, low environmental impact solutions to successfully deliver on our commitment to a sustainable and circular future.

We focus on innovation as a differential element to optimise the quality of our products and reduce their environmental impact.

1.3.1 We guarantee quality and sustainability through our Management Systems

One of our main goals is to incorporate the most effective environmental practices to ensure process safety and achieve optimal resource utilisation. In line with this commitment, all our facilities have been certified with the ISO 14001 Environmental Management System. This certification ensures the proper implementation of policies and procedures to effectively manage the environmental aspects associated with our steel production activity.

We are dedicated to improving energy efficiency in our process by optimising consumption, implementing increasingly efficient activities, as well as promoting and procuring energyefficient products and services.

In this context, we consider the implementation of a certified management system according to ISO 50001 in our production sites to be relevant. This certification guarantees the implementation of procedures and management strategies aimed at optimising energy performance in the organisation. We also set particular criteria for our suppliers when incorporating them into our supply chain and recognise those that demonstrate responsible management. We have certifications such as BES 6001, Eco-Reinforcement, AENOR Steel Sustainability and the SustSteel seal, supporting our initiative to establish a sustainable and responsible business model in terms of procurement and sustainability in the steel industry.



In addition, we have implemented quality and health and safety management systems in accordance with ISO 9001 and ISO 45001 standards, respectively, in all our factories. We promote good environmental practices in our plants; we improve energy efficiency and establish sustainable sourcing requirements.

MEGASA Certifications	Factory			
	MAIA	SEIXAL	NARÓN	ZARAGOZA
Product quality certifications	~	~	~	~
ISO 14001- Environmental Management System	~	✓	~	~
ISO 9001- Quality management system	~	✓	~	~
ISO 45001 - Occupational health and safety management system	~	✓	~	~
ISO 50001- Energy management system	~	 	~	~
AENOR- Steel Sustainability	~	~	~	~
SUSTSTEEL- Sustainability for steel construction	~	 	~	
BES 6001- Responsible Sourcing of Construction Products	~	 	~	
ECO-REINFORCEMENT- Sustainable procurement	~	 	~	



For additional details about the certifications that MEGASA has obtained and that support our commitment to quality and sustainability, we invite you to visit our website at the following link:

https://www.MEGASA.com/ calidadSostenibilidad.php

1.3.2 Innovation as a strategic axis

Within the framework of the high volume of investments, innovation plays a key role within our organisation, motivating us to continuously explore new solutions and



improvements in our products and processes. Through innovation, we strive to improve the quality of our products, increase production efficiency, reduce environmental impact, and adapt quickly to the changing demands of our customers. We foster an environment conducive to creativity and research, collaborating with partners and organisations to promote innovation in the steel industry. Multi-institutional collaborations stimulate innovation by encouraging the exchange of ideas and collaboration on research and development projects. This helps us to develop new products, processes and technologies that help maintain competitiveness in the steel market.

Pillars of innovation at MEGASA

Automation and digitisation of processes

2

Quality and new products



Production and energy efficiency

Minimisation of environmental impact



Main innovation projects at MEGASA in 2023

Automation of logistical and commercial processes	Development of and automatic of Recognition) tech
Seixal: Full billet traceability	Implementation traceability of the continuous castir total continuity t monitoring of all
Seixal: Eddy current surface flaw detector	Introduction of conjunction with the quality of our various shapes u customers with th of new variants w
Zaragoza: Hot loading	It significantly rec the steel mill a temperatures and
Maia: Enrichment of the O2 atmosphere in the reheating furnace	Use of surplus p billet reheating f and obtaining im consumption.
Maia: Automation of the refining furnace additions system	Automation will generated in the operators from a musculoskeletal i
Zaragoza: new billet format	The use of larger to expand our pro the needs of our

These projects represent an investment in R&D&I of more than 9 BN \in . As part of our focus on improving and creating new products and services with the aim of becoming increasingly efficient and competitive, additional R&D&I projects worth more than 20 BN \in are under study.

the GTS (Transport Management System) platform data reading tools using OCR (Optical Character nnology and Al learning.

of equipment to optimise and automate the ne different production units unequivocally between ng and the evacuation of the final product, providing to the process and allowing the identification and critical control parameters.

additional in-line defect detection equipment, in the systems already in operation, which will improve r products by ensuring the identification of defects of using eddy current technology. Our aim is to provide he highest levels of quality and to facilitate the creation with specific requirements in terms of surface quality.

duces heat loss in the billets along the path between and the rolling mill, feeding hot billets at higher ad thus reducing gas consumption.

production from the O2 plant for injection into the furnace, enriching the combustion of the burners, nproved combustion and thus reducing natural gas

optimise the quantities used, reduce the waste e process and improve the health and safety of an ergonomic point of view, avoiding exposure to injuries.

billets in the new rolling mill in Zaragoza will allow us roduct catalogue and our commercial offer, satisfying customers.

1.3.3 We participate in partnerships and initiatives that promote the competitiveness of the sector

At MEGASA, we partner with sector entities, associations, and organisations that defend the sector's interests at local, national, and international level. These entities promote competitiveness, quality, and sustainable development in steel production, encouraging innovation and competitiveness in the sector.



Additionally, within the Sustainability Initiatives we can highlight:

Project "Spanish Climate Neutral Steel, AECN 2050" by UNESID: This project represents the commitment of the Spanish steel industry to achieve climate neutrality by 2050, a goal to which we aspire together with UNESID.

EUROFER European Steel Manifesto: As members of EUROFER, we support this manifesto which aims to be the most advanced and environmentally friendly industry in the world, and which seeks to make the European steel industry more sustainable over time.

GOODOur commitmentGOVERNANCEOur commitmentto best practicein corporate governance



2. GOOD GOVERNANCE: OUR COMMITMENT TO BEST PRACTICE IN CORPORATE GOVERNANCE (GRI 3-3)

With the strengthening of procedures and functions, together with the regulation of the responsibilities of each role, we are moving towards a professionalised and structured governance model, in which people remain essential and trust fundamental.



At MEGASA, we are working to bring our governance structure and risk management system in line with best practices in corporate governance, taking significant steps to improve the Group's governance, promoting a highly competent and specialised corporate environment. We have implemented improvements in the governance bodies of both the holding company and the subsidiaries and taken measures to adapt them to the best sectorial and international practices.

The Board of Directors of the Group's holding company, which is composed of proprietary, independent, and executive directors, has a heterogeneous composition, as the directors have varied profiles and come from different professional backgrounds, enabling the board to address the challenges it faces with a broader vision and to contribute greater value.

The Board of Directors is assisted by an audit committee which helps to strengthen internal controls and reinforces transparency.

The main decision-makers of the different companies are members of their governing bodies. This ensures better informed and balanced decision-making in each company. In addition, the governing bodies have a set of rules and policies governing their functioning, thus establishing a robust, solid, and carefully regulated regulatory framework to guide decision-making processes.

We also make great efforts to ensure the proper functioning of the Compliance area of our organisation. To this end, we have a Regulatory Compliance Unit, which meets at least quarterly and whose functions include compliance with the Code of Conduct and the organisations Compliance Policy and promoting a preventive culture based on the principle of absolute rejection of the commission of illegal acts and situations of fraud, and the application of the principles of ethics and responsible behaviour of all the professionals of the MEGASA Group.

This way of operating allows us to be aligned with current regulations and to promote an ethical culture in all our operations and regions of presence, reinforcing not only the security and trust of our stakeholders, but also demonstrating our unwavering commitment to compliance with applicable laws and regulations, thus consolidating our corporate integrity, the sustainability of our operations and the governance structure of our Group.

2.1 GOVERNANCE STRUCTURE (GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14,

2-16, 2-17, 2-18, 2-19, 2-20, 405-1)

Our internal regulatory systems encompass a wide range of rules, procedures and systems that oversee the operations of our organisation. They range from the roles of the members to the duties and powers of the Board of Directors. These regulations include the Articles of Association, Board of Directors' guidelines and various policies designed to streamline decision-making processes.

Main functions of the governing bodies

BODY	
General Meeting	This is the highest g attributed to it by which, due to their r
Board of Directors	The main decision- oversees the achiev the main strategic c
Audit and Control Committee	It carries out super supervising the auc Group's internal co
Steering Committee	Made up of MEGAS/ ce in terms of indus human capital, qua
Boards of Directors of Subsidiaries	Governing bodies of vant decisions concerning the company, amore the company, amore the company amore



FUNCTIONS

governing body of MEGASA. It has reserved the powers Law and the Articles of Association, as well as those relevance or strategic nature, are considered essential.

-making body of MEGASA's holding company, which vement of the corporate purpose and the adoption of decisions.

rvisory duties and is responsible for such functions as dit work on the financial accounts and supervising the entrol and risk management systems.

A's main managers, it analyses the Group's performanstrial, investment, commercial, economic management, ility, and the environment.

of MEGASA's subsidiaries, which adopt the most relecerning each company and supervise the operation of ng other functions attributed to them. The General Meeting is the body in which MEGASA's members are represented and participate. It is made up of all members, who have the right to participate and vote in key decisions. It is here that important decisions are taken, such as the election of the members of the Board of Directors or the approval of the financial and non-financial statements. It meets at least twice a year and, in compliance with our transparency and good corporate governance practices, we provide members with the necessary and relevant information so that they can make informed decisions and evaluate the performance of the governing bodies.

The Board of Directors works to achieve the objectives of the business and to ensure its sustainability in the short and long term. Its actions are governed by the Articles of Association and internal guidelines, as well as by internal rules related to the nomination and selection of directors. At least quarterly, it carries out an assessment of economic, environmental, and social issues, as well as their impacts, risks, and opportunities.

Board of Directors members

(Up to December 31,2023)





The election and appointment of Directors considers, among other factors, their professional background and recognised experience in executive and governance functions. As a result, the Board of Directors is composed of professionals with diverse profiles, including differences in gender, age, experience, and knowledge.

The Board of Directors is assisted by the Audit and Control Committee, which is composed of an independent director, who chairs it, and two external directors. Its purpose is to support the Board of Directors in its supervisory functions. It meets at least quarterly and discusses certain economic, environmental, and social indicators. Furthermore, as part of our corporate governance and transparency practices, those responsible for the preparation and review of this Sustainability



2023



of female members are between 30 and 50 years old and 20% of the total male members are in the same age range.

Report to the Committee, thereby reinforcing the quality and reliability of the information we share with our stakeholders and fulfilling our commitment to transparency and accountability.

The Management Committee plays a fundamental role in MEGASA's strategic management and decision-making. It is composed of seven members, all of whom are managers and responsible for the main business areas. Each member brings his or her experience and expertise to contribute to the success and growth of the organisation and is the main internal operational body of the Holding Company. In this way, it promotes coordination and synergy between the different areas, enabling efficient and effective management of resources and projects.



The governing bodies of the subsidiaries are made up of MEGASA executives, as well as the main managers of each company, and their functioning is governed by a series of rules that regulate their principles of action, the basic rules of organisation, the rules of conduct of their members, as well as their supervision and control regime, with the aim of achieving

the greatest transparency, efficiency, drive and control in their functions of administration, supervision and representation of the corporate interest

The main companies that make up MEGASA, according to the nature of the activities carried out, are as follows:

ACTIVITY	SOCIETY
Iron and Steel Plants	- MEGASIDER ZARAGOZA S.A.U. - MEGASA SIDERÚRGICA S.L.U. - SN SEIXAL, SIDERURGIA NACIONAL, S.A. - SN MAIA, SIDERURGIA NACIONAL, S.A.
Shredders	- JAP 2 RECUPERACIONES S.L.U. - ECOMETAIS-SOCIEDADE DE TRATAMENTO E RECICLAGEM, S.A.
Transformers	- MEGAMALLA, S.L.U. - SN TRANSFORMADOS, S.A.
Marketers	- METALÚRGICA GALAICA, S.A.U. - MEGAÇO-PRODUCTOS SIDERÚRGICOS, S.A. - FREIRE HERMANOS S.A.U.

2.2 OUR RISK MANAGEMENT SYSTEM (GRI 2-12)

At MEGASA, we have a structured procedure that allows us to identify and evaluate the potential risks associated with our activities. These risks are analysed according to their probability and impact, with the aim of establishing control and mitigation measures. Risk management is the responsibility of different areas depending on the specific nature of each risk and is supervised by the Board of Directors through the Audit and Control Committee, to which the main risks and the control and mitigation measures implemented are reported.

To ensure the effectiveness of the risk management system, the collaboration of different areas is required in the constant monitoring and follow-up of the main risks identified. This involves regularly assessing the control and mitigation measures implemented and developing action plans if necessary. During the analysis, all our internal processes are considered, including strategic, operational and support processes, as well as external elements that may have an impact on the organisation. The impacts considered cover economic, social, environmental, and reputational aspects, also taking into account the possibility of mitigation in the short, medium or long term.

We have a Regulatory Compliance Unit in charge of identifying the most significant risks faced by the company that could potentially lead to criminal liability. This unit has a heterogeneous composition as it is made up of members from different areas and with varied professional profiles, which helps it to approach its functions with a broader

and more efficient vision. It is responsible for promoting a culture of compliance and supervising the correct functioning of the Compliance System. In 2023, it absorbed the functions previously performed by the Privacy Committee, which include ensuring compliance with MEGASA's privacy policy and data protection regulations".

After an in-depth review of MEGASA's Compliance System carried out in 2022 with the aim of guaranteeing the correct functioning of both the policies implemented and the existing control measures in the organisation, in 2023 we have continued to make progress in the management and supervision of the correct functioning of this system. On the other hand, with the entry of MEGASA in France in 2023, the necessary measures have been taken to guarantee compliance with the compliance requirements of that country, as well as to guarantee the correct implementation of the system in all the companies that make up MEGASA.

Importantly, the criminal compliance management system is complemented by a number of specific policies and processes to ensure compliance with applicable laws and regulations. These policies and processes are established and reviewed on a regular basis to adapt to changes in the legal environment and to ensure the company's compliance with current requirements.

Some of the main risks considered are detailed below. For each of these risks, control and mitigation mechanisms and measures are described.

RISK	POTENTIAL IMPACT	RISK EXPOSURE	MANAGEMENT AND MITIGATION
Market overcapacity	Risks related to global production overcapacity in the steel market.	Stable	Adaptation of production to market needs. Analysis of requirements for entering new markets.
Volatility of raw material prices and other costs	Large price variations in a short period of time.	High	Continuous monitoring of markets in order to maximise efficiency and profitability.
Supply chain	Vulnerability and weak- ness of supply chains in a context caused by the lingering effects of COVID 19 and the prolongation of the war in Ukraine.	Stable	Measures for the proper monitoring of purchases. Flexibilization of deadlines for certain works and projects. Prioritisation of procurement from local suppliers.
Economic cycles	Strong influence of the global economic situation on the steel market.	Stable	Analysis of requirements for entering new markets. Prioritisation of the provision of a quality service to customers.
Competition	Trade barriers and geopolitical instability.	Stable	Analysis of requirements for entering new markets.
Regulatory	Compliance with internal and external regulatory standards.	Stable	Measures and control system to prevent regulatory non-compliance.
Digitisation	Requirement to adapt to technologies in a constantly changing environment.	Stable	Continuous monitoring and implementation of improvements. Continuous investment in R&D.
Financial risks	Customer and supplier credit and exchange rate risks, especially in crisis environments.	High	Credit insurance.
Environmental risks	Risks arising from the potential impact of the Group's activities on the environment.	Stable	Mitigation measures and investment for adaptation to BAT.
Health and safety	Heavy industry with risk of accidents.	Stable	Promotion of safe working environments and implementation of a preventive culture. Continuous training for employees and partners.

Our rigorous risk management system, which covers all areas of the organisation, enables us to identify, assess and control potential risks, both internal and external. In this way, we ensure the company's regulatory compliance and demonstrate our commitment to sustainability.

2.3 BUSINESS ETHICS AND COMPLIANCE

(GRI 3-3, 2-15, 2-23, 2-24, 2-25, 2-26)



Ethics and regulatory compliance as fundamental pillars for the proper functioning of our activity. Guided by these principles, we seek to reinforce our commitment and that of all the people who form part of Megasa to carry out our activity with integrity, transparency, ethics and in compliance with the regulations in force.

Regulatory compliance is one of the essential aspects that guide our behaviour. Faced with a dynamic and constantly evolving legal and regulatory environment, we constantly review the regulations that apply to us and ensure that our policies and practices are aligned with them, in a process of constant adaptation to the different regulatory developments.

At MEGASA we have a Compliance System adapted to the needs of the organisation, its organic and organisational structure, and the context in which it operates. This system, which was implemented in 2020 and was subject to a thorough update and improvement in 2022, has among its main objectives the compliance with the Code of Conduct and the organisations Compliance Policy and to promote a preventive culture based on the principle of absolute rejection towards the commission of illegal acts and situations of fraud, and in the application of the principles of ethics and responsible behaviour of all the professionals of the MEGASA Group.

The Compliance System determines the rules, values, and principles that guide actions and behaviour in several key areas such as the guarantee of ethical conduct; respect for free competition; non-discrimination; zero tolerance for corruption; respect for the environment; confidentiality of information; amongst others. By accepting this Code, all the people who form part of MEGASA commit themselves to its strict compliance. There are also several policies that regulate certain aspects in more detail and complement the Code of Conduct, which are as follows:

- Whistleblowing Policy
- Criminal Compliance Policy
- Anti-Corruption Policy
- Environment Policy
- Occupational Risk Prevention Policy
- Market Competition Policy
- Data Protection Policy

The Regulatory Compliance Unit is the body in charge of the correct implementation of the Code of Conduct and policies and is responsible for ensuring the proper functioning of the system, as well as its supervision.

MEGASA also has a whistle-blowing channel, through which anyone can report any conduct contrary to the law or the Code of Conduct of which they are aware. Likewise, it is also possible to contact the members of the Regulatory Compliance Unit by sending a communication to any of our offices or by e-mail (comite.cumplimiento@MEGASA.com).

Once a complaint has been filed, it is received and managed by an independent third party as set out in the Complaints Handling and Investigation Procedure, which was approved in 2023 and is public and available on our website. The anonymity, impartiality, and confidentiality of the entire handling process is guaranteed at all times.

In 2023, no complaints of human rights violations have been received through the Channel or any other channel.

MEGASA's complaints channel:

MEGASA's whistleblowing channel is available to any person, organization, or interest group via the following link: www.whistlerisk.com/megasa/canaletico

Among the commitments acquired by MEGASA is full compliance with existing antimoney laundering regulations, refraining from promoting, facilitating, participating in or covering up any type of money laundering operation and in any case having to report any operation of this nature.

Due to the nature of MEGASA's operations, it is not usual to have contracts with public authorities and administrations. However, in the event of entering into relations with state, European and third country authorities and public representatives, we always act in a respectful manner and in accordance with the provisions of the applicable law, repudiating all forms of bribery and corruption.

In this regard, any offer and/or favours, made directly or indirectly, to obtain or secure a business or other advantage from a third party, whether public or private, is strictly prohibited. Likewise, no such advantage is accepted in exchange for preferential treatment from a third party.

All money transfers that MEGASA carries out with its employees, contractors, suppliers, customers, or any other group are carried out by authorised persons and within the limits of such authorisation, by means of nominative titles or bank transfer. Payments in cash are prohibited except for amounts below the legally established limit.



THEOur commitment to the circularENVIRONMENTeconomy and decarbonisationfor a more sustainable world

3. THE ENVIRONMENT: OUR COMMITMENT TO THE CIRCULAR ECONOMY AND DECARBONISATION FOR A MORE SUSTAINABLE WORLD (GRI 3-3)

At MEGASA, we work in a sustainable manner to contribute to the wellbeing of the communities where we operate, strengthening our environmental commitment in every initiative executed and planned.



At MEGASA, we adopt a comprehensive and sustainable approach in all our processes, promoting continuous improvement and promoting the implementation of Best Available Technologies (BATs) for our activities. We prioritise innovation and seek to exceed legal standards, incorporating consideration for environmental care at all stages of our operations.

Within this framework of action, we are committed to the circular economy, minimising our waste, and sustainably managing natural resources. We are also committed to the decarbonisation process through the continuous improvement of our energy efficiency by contracting electricity from renewable sources, installing renewable electricity generation plants for self-consumption, reducing the consumption of fossil fuels and many other measures to mitigate our carbon footprint. In these areas we have made significant investments and progress in R&D&I.

Our business model is based on the principles of the circular economy. Our steelmaking activity, in particular, is a clear exponent in this area thanks to the electric arc furnace technology implemented in all our steelworks. This advanced technology positions us as a key operator in the recycling process, enabling us to maximise the benefits derived from the reuse of steel by using ferrous scrap as a raw material to replace other natural resources.

We manage to give a second life to disused materials, promoting the reintegration of obsolete materials in our production process, minimising the consumption of natural resources, as well as the environmental impact generated. All this is carried out with significantly lower levels of Greenhouse Gas (GHG) emissions, not only in comparison with steel manufacturers that use blast furnaces in their manufacturing process, but we even have one of the lowest Carbon Footprint indicators (tCO2 eq) among electric furnace producers.

We also ensure that 98% of our waste is recovered.

Water resources represent one of the most pressing challenges today, threatening global environmental and socio-economic sustainability. At MEGASA, we are concerned about promoting sustainable water use and protecting available resources. Consequently, we implement innovative measures, such as the installation of air coolers to minimise water consumption. With the same objective in mind, we have made progress in the reuse of purge water from the osmosis process, as well as in the construction of facilities for the collection and reuse of rainwater, thereby contributing to the optimisation of water efficiency and the reduction of discharges. In addition, we have implemented a water spray cannon system that enables the use of rainwater in our operations, demonstrating our holistic approach to maximising efficiency in water management. These efforts underscore our continued dedication to sustainable practices and responsible water resource management throughout our operations.



3.1 OUR COMMITMENT TO THE ENVIRONMENT (GRI 3-3)

Our commitment to sustainability and care of the environment positions us as a responsible company and committed in all our operations.

All our factories have an Integrated Environmental Authorisation which sets out precisely the legal requirements to be met and the best available technologies (BATs) to be implemented to ensure that our operations are carried out in an environmentally friendly manner.

Our commitment to the environment goes far beyond regulatory compliance. In fact, each of our steel plants has an Environmental Management System certified according to the ISO 14001 standard by duly accredited bodies. This certification guarantees that the entire production process, from the reception of raw materials to the production and output of end products such as bars, wire rod, profiles and meshes, is carried out in a controlled and efficient manner, ensuring a remarkable environmental performance.

Within the framework of these Management Systems, the Integrated Policies of our factories establish the actions, strategies and guidelines actively led by the Management that serve as the driving force behind the organisation's activities in environmental matters. Our sustainable business approach is thus evidenced through the commitments acquired for continuous improvement, always in active collaboration with the different stakeholders of the organisation.

INTEGRATED POLICIES OF THE DIFFERENT FACTORIES. **RELATED TO THE ENVIRONMENT**



Ongoing assessment and proactive mitigation of environmental impacts arising from factory operations.



The permanent evaluation of risks and opportunities that arise within the processes carried out within MEGASA.



The integral fulfilment of our commitments, ensuring the satisfaction of employees, customers, suppliers, and other relevant stakeholders in

our sustainable commitment.



The constant improvement of our production facilities, aimed at the efficient management of consumption, emissions, and waste disposal, thus contributing to a more sustainable environmental performance.

3.2 OUR CONTRIBUTION TO THE CIRCULAR ECONOMY MODEL

(GRI 3-3, 301-1, 301-2, 303-1, 303-5, 306-1, 306-2, 306-3, 306-4, 306,5)

The Circular Economy aims to replace the traditional linear economy model with a transformative and sustainable approach that extends the life of products and maximises resources through reuse, recycling, and waste reduction. This transition not only has positive impacts on the environment, but also generates economic opportunities and fosters innovation in the creation of more efficient and sustainable products.

We are fully aware of the importance of contributing to a more resilient and circular business environment to improve environmental care and reduce the overexploitation of materials along the value chain. Our factories, all equipped with electric arc furnace technology, are outstanding examples of the circular economy concept, distinguished by their ability to recycle steel through the recovery of ferrous scrap waste, transforming it into high quality and durable products.

In addition to the reuse of ferrous scrap, which involves minimising the use of other resources, we promote the optimisation of water use. We reuse practically all the water used in our processes, thus contributing to the preservation of this vital resource, and reducing its demand.

We place special emphasis on waste and byproduct management. In our manufacturing process, we strive to maximise the recovery

and re-valorisation of the waste generated, thus avoiding its final disposal in landfills, and minimising its environmental impact. This includes the recovery of iron and steel slag, the dust captured in the fume purification systems, scales and calamines obtained in our processes, as well as some types of refractory materials, as it has been seen that their life cycle can be extended if they are used appropriately. To achieve this, we implement rigorous separation and classification systems. as well as subsequent processes for the final conditioning of the by-products, facilitating their reuse or recycling in other industrial processes.

At MEGASA, we recycle more than 3 million tons of scrap metal annually, making us one of the leading recyclers on the Iberian Peninsula.

In addition to the environmental benefits we generate, our business also has a positive impact on reducing greenhouse gas (GHG) emissions. Compared to steel manufacturers that use blast furnaces in their production process, electric arc furnace technology reduces greenhouse gas (GHG) emissions by a factor of one to seven. Additionally, our logistics and transportation model prioritises the continuous reduction of emissions associated with the processes of procuring raw materials and distributing products to customers.

We integrate sustainability into industrial production actively contributing to the circular economy



3.2.1 We prioritise the use of recycled raw materials

We recycle steel through the recovery of ferrous scrap waste, which is transformed into high quality and durable products. In addition, the steel we produce contains more than 92% recycled raw materials, thus contributing to the circular economy.

The scrap used in our manufacturing process comes from different sources:

• **Pre-consumer:** Consists of materials diverted from the waste stream during

the processes of other industries. These materials are directly utilised at this early stage of their processing, which contributes significantly to the recycling cycle.

 Post-consumer: This is waste generated in households, commercial, and industrial facilities. This waste is collected and treated to separate the valuable components, such as steel, which is then used as raw material in our manufacturing process.

In addition to scrap, our manufacturing process requires the use of other raw materials, such as ferroalloys, lime, coal, and other materials associated with the maintenance process. Importantly, all of these raw materials are strategically selected and used to ensure the desired quality and properties of steel products. Each plays a specific role in the manufacturing process and contributes to a high-quality end product.

At MEGASA, we are constantly working to promote the substitution of raw materials with recycled materials. Finding ways to substitute raw materials is important in an industry that relies heavily on finite materials; thus, we are keen to drive improvements in this area.

In 2023, we achieved a percentage of recycled raw material in our steelmaking process of more than 92%.

Recycled raw materials



2023

92.10% total recycled raw materials

3,446,942 Tm

total raw materials

2022 92.51%	3,248,290 Tm
2021 91.91%	3,387,795 Tm

3.2.2 We recover almost all of our waste

At MEGASA, thanks to the efficiencies achieved throughout our history, we have managed to increase our waste recovery rate to levels close to 100%, minimising our environmental impact and promoting the circular economy.

At MEGASA, we strive to optimise the management of waste derived from our activity and have made significant investments and R&D&I projects in this area. We are proud to report that we have achieved recovery rates close to 98% for our waste, which is a significant improvement in recent years. Our focus is on finding sustainable ways to make use of the by-products generated in our processes, thus promoting the circular economy, and reducing environmental impact.

Waste and by-product management

Effective co-product management is vital to optimise resource utilisation, minimise waste and reduce disposal costs. It also helps to improve environmental sustainability, compliance with regulatory targets and overall operational efficiency, while potentially creating additional revenue streams through the use of co-products.

As a result, we have identified new industrial uses and increased the reuse of some of these materials in the steelmaking process. All of them are managed in a way that guarantees the necessary quality conditions to be used as sustainable alternative raw materials in other industrial processes, reducing the need for natural resources. One of the most important milestones in the management of our waste is the proper management of the black slag from the melting process in the electric arc furnace. Through a process of hydration and mechanical processing, we transform the slag into ASIC (Inert Steel Aggregate for Construction). This CE-certified by-product is used in various applications in public works and civil construction, replacing natural inert aggregates and contributing to efficient resource management. Its versatility and quality positions it as a solid alternative to replace natural inert aggregates, aligning with our circular economy vision.

ASIC has proven its effectiveness and viability in various applications, such as road bases and sub-bases, industrial park paving and as an aggregate in concrete.

In addition to addressing the valorisation of black slag, we remain committed to the sustainable management of other waste. We have made significant investments in our plants to improve this management internally, achieving a significant increase in recovery rates, approaching 100% at all our facilities.

The scales or scale (iron oxides from steelmaking and rolling) are also recovered in their entirety. This waste is marketed as a source or input of ferric material to different types of industries where it is used to recover iron.

It is important to note that all our main industrial waste is recovered. However, there is still some waste derived from maintenance, such as absorbents contaminated with oils and lubricants, or part of refractory waste that, although they represent a very small fraction of the total waste generated, at the moment there is no sustainable way to recover them. Collaboration projects with universities and internal studies to find solutions that allow us to maximise their recovery, either through collaboration with external suppliers or by integrating them into our own process, is one of our objectives and is an integral part of the improvement plans in the field of environmental management in our organisations.

Waste generated and recovered



2023 97.92% total waste valorized

566,946 Tm

2022 96.81% | 534,033 Tm 2021 96.85% | 580,477 Tm



In 2023, there was a significant decrease in the specific generation of waste produced (mt waste produced/mt steel) of more than 3.8% compared to 2021, while at the same time achieving an increase of 1.1% compared to 2022 in the percentage of waste recovered. In this way, we achieve a dual objective of minimising generation and boosting recovery, which is achieved thanks to our initiatives to improve waste management through the implementation of more advanced technologies and the optimisation of recycling systems.

We are currently evaluating projects that reinforce our commitment to environmental recovery and sustainability. We are also exploring the possibility of substituting raw materials with recycled materials. These initiatives are part of our ongoing commitment to more sustainable and efficient waste management practices. A fundamental tool that we use at MEGASA to adequately define the environmental improvement strategies for our products is the life cycle analysis (LCA). This analysis provides us with the necessary information to evaluate the environmental burdens associated with our products and processes.

We work to continuously reduce the carbon footprint and durability of our products, and this commitment is reflected in the data contained in our Environmental Product Declarations (EPDs). These declarations are regulated by ISO 14025 and provide transparent, comparable, and verifiable information on the environmental performance of our products through Life Cycle Assessment (LCA).

Life Cycle Analysis

Our EPD's have been verified by AENOR, which guarantees the veracity of the data and demonstrates our commitment to sustainable steel production. This achievement is the result of continuous improvement of our processes, investments in energy efficiency, use of renewable energy and substitution of raw materials for waste. This approach reflects our decades-long dedication to creating value for our customers and building a sustainable future.

In 2023, we undertook a thorough review of our EPDs to reflect progress in the environmental performance of our products, with very satisfactory results in reducing our carbon footprint. In addition, we launched a more sustainable product line, using renewable energy and thereby reducing the associated carbon footprint.

3.2.3 We manage the use of water in our production processes

We efficiently manage the use of water in our production processes, promoting its reuse and rainwater harvesting.

Water, as a necessary resource in our plants, and as an increasingly scarce resource in our environment, is of concern, which is why we are actively working to minimise its consumption and optimise its reuse. As part of our commitment to efficient water management, we have implemented a number of initiatives that are closely aligned with the Sustainable Development Goals (SDGs) set by the United Nations. These actions demonstrate our proactive approach to addressing environmental and social challenges, thereby contributing to the achievement of holistic sustainability.

One of the most important projects we have carried out is the installation of air coolers in our Water Treatment Plants (WTP) at the Maia factory. The minimisation of water consumption through the reduction of evaporation losses in the cooling towers demonstrates our efforts to optimise water resources by using increasingly innovative technology.

Another outstanding project is the reuse of reject water from the reverse osmosis process carried out at our plant in Zaragoza. The benefit of this process is that it maximises water efficiency by reducing waste and taking advantage of a previously discarded resource. In the same vein, the project to build rainwater collection and reuse pools at Seixal reflects our ongoing commitment to minimising water consumption and discharge.

Similarly, also at the Narón plant, we have implemented an innovative system of cannons for spraying water, taking advantage of both industrial water purges and rainwater collected at the facility. This initiative goes beyond the simple reuse of water, as it allows the efficient use of the remaining industrial water and rainwater for cooling and ageing of the black slag.

Evolution of water consumption distributed by origin



As a result of our efforts in this area, we have achieved a reduction of almost 10% in specific water consumption per tonne of steel produced compared to the values obtained in 2022.

3.3 OUR COMMITMENT TO DECARBONISATION

(GRI 3-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5))

At MEGASA, we are committed to decarbonisation and energy efficiency for a sustainable future.

At MEGASA, we are fully committed to promoting sustainable business practices that address global environmental challenges. Our company is directly aligned with the Sustainable Development Goals (SDGs), and in particular, we highlight our commitment to SDG 13: 'Climate Action'. We recognise the urgency of addressing climate change and are actively working to contribute to greenhouse gas emission reductions, energy efficiency and other actions that promote a sustainable environment.

The need to mitigate climate change and avoid its consequences involves reducing greenhouse gas emissions into the atmosphere. In response to the need for decarbonisation, various initiatives and regulations are being implemented by organisations and institutions, with the European Union playing a key role.

The steel industry is responsible for 8% of global emissions, which requires a proactive approach in developing activities and adapting to changes in the environment. This approach is essential to meet emission reduction targets and other regulations, while at the same time seeking to maintain the competitiveness of the sector. In order to achieve the decarbonisation of the steel industry, at MEGASA we identify and establish strategies and develop measures aimed in that direction. These measures include the optimisation of energy efficiency, the use of renewable energies, the substitution of fossil fuels, the research and development of innovative technologies in our processes, as well as promoting the circularity of the industry by reducing the need for production from virgin raw materials and reducing the associated emissions. Thanks to our electric arc furnace technology, each tonne of scrap used to produce steel avoids the emission of more than 2 tCO2 eq.

As part of our commitment to sustainability and continuous improvement, we have modified our Carbon Footprint calculation to follow the guidelines of the Greenhouse Gas Protocol (GHG), an internationally recognised standard for measuring and managing greenhouse gas (GHG) emissions, which has enabled us to obtain more accurate values and thus prioritise the implementation of measures and investment in energy efficiency. We continuously strive to implement projects that contribute to the reduction of our energy consumption and greenhouse gas (GHG) emissions to the atmosphere. These efforts are reflected in indicators that are among the best in the industry in Europe, in line with our vision of a sustainable future and our responsibility to meet our business targets.

3.3.1 We are working to reduce our GHG emissions

At MEGASA, we are actively working to reduce our greenhouse gas emissions.

Importantly, all our factories are included in the EU Emissions Trading Scheme (ETS), which has as its main objective to reduce greenhouse gas (GHG) emissions. This scheme ensures strict control of emissions by monitoring, reporting, and verifying them on an annual basis. This constant monitoring allows us to remain compliant with regulations and actively contribute to the reduction of GHG emissions.

During the year 2023, we recorded a significant reduction of 47,663 tCO2 eq, compared to 2021, representing a reduction of around 6.7%, which confirms our commitment to sustainable development.

Direct and indirect emissions





These positive results are mainly due to the energy efficiency measures implemented and an improvement in our emission factor associated with electricity consumption. We are committed to future projects to move towards an even more sustainable operation and continue to reduce our carbon footprint.

We work with the aim of steadily reducing greenhouse gas emissions associated with the logistics and transport of raw materials as well as the distribution of finished products to our customers. To achieve this goal, we have implemented a number of measures. Firstly, we strategically select our production centres, prioritising and selecting them based on access to the main transport networks, in order to optimise routes and minimise the distance travelled. In our sustainability strategy for the steel industry, we are strongly committed to driving energy efficiency, reducing emissions, and consolidating a holistic strategy that places sustainability at the heart of all our operations. In addition, we continue to work on the development of a strategy that emphasises the use of rail transport - especially for internal transport within MEGASA, as several of our facilities have rail access - and ship instead of other means of transport with higher emissions and, therefore, more harmful to the environment. These transport alternatives have a lower carbon footprint compared to transport via trucks, contributing significantly to the reduction of greenhouse gas emissions.

In this way, we seek to improve our logistics efficiency and minimise the environmental impact associated with transporting our products throughout the supply chain. By prioritising the use of more sustainable modes of transport, we promote the reduction of greenhouse gas emissions and encourage a more environmentally friendly approach at all stages of the logistics and distribution process.

In 2023, we have continued to make progress in increasing the weight of rail in our logistics operations by reinforcing our rail capacity, with the aim of reducing the carbon footprint of our products.

3.3.2 We implement measures to generate greater energy efficiency in our processes

Energy is a critical resource for our operations, due to the high demand that the steel process requires for its operation. Energy efficiency is fundamental for businesses in Europe due, in large part, to the European Union's Energy Efficiency Directive, which aims to reduce energy consumption, improve sustainability, and meet emission reduction targets. Therefore, our energy strategy focuses on ensuring efficiency at the lowest cost and with the lowest possible environmental impact, employing advanced technologies that minimise consumption. We optimise our processes, constantly seeking to improve our energy efficiency and allocating a significant part of our investments to reduce electricity consumption. This approach not only allows us to reduce indirect greenhouse gas (GHG) emissions, but also to reduce energy costs, which is particularly important in our electro-intensive sector.

After electricity consumption, natural gas is the next energy resource we use. The use of diesel and other fossil fuels is practically residual, which contributes to the strategic objectives related to carbon neutralisation.

All our factories have an Energy Management System (EMS) certified in accordance with the ISO 50001 standard, which allows us to carry out a controlled and effective management of our consumption, as well as to lead the improvement actions in this area.

Among the energy efficiency projects implemented in 2023, it is important to highlight those related to hot charging. This project aims to prevent heat loss between the billet exit from the steel mill and the entry into the rolling reheating furnace, promoting a direct and fast transition between both processes. In addition, a project to enrich the natural gas in the reheating furnace with oxygen is about to start in Maia, in order to improve energy efficiency and reduce specific gas consumption. In parallel, and on an ongoing basis, work is systematically carried out on the optimisation of the production facilities, through for example, the pressure set points in the compressed air lines, the maintenance carried out on the equipment during high cycle stoppages, as well as initiatives in other auxiliary aspects such as the reform of the lighting control systems or the installation of LED technologies.

In 2023, to meet the carbon footprint reduction needs of our customers, we acquired Guarantees of Origin for a value of 3.8 GWh. The Guarantee of Origin (GoO) certificate certifies that this electrical energy used in production facilities comes from renewable sources. This certificate, verified by specialised third parties, allows us to provide customers with detailed information on the origin of the energy used and the environmental impact associated with the manufacturing cycle of our products.

Although in absolute terms, total energy consumption in 2023 exceeded 9,000,000 GJ, thanks to the energy efficiency measures implemented, we improved our energy intensity indicators by reducing energy consumption per product.

Energy consumption



These actions are aligned with the company's sustainability objectives, highlighting our commitment to more environmentally responsible practices.

Renewable energy

One of the characteristics of our factories in the field of energy consumption is that being electric arc furnaces, they are fully modular, i.e. our mode of operation is flexible. Thanks to our flexibility, we help the integration of renewable electricity and reduce CO2 emissions in the electricity system by contributing to a reduced use of combined cycles. Similarly, the plants also provide important services to the management of the electricity system and can stop consumption immediately when there is saturation of the electricity system, which often coincides with increased consumption of fossil fuels.

Also, as a major milestone in 2023, it is worth highlighting the start of construction of the photovoltaic park for self-consumption at the Maia factory. This investment will enable part of our energy consumption to come from renewable sources, thus reducing our emissions, decarbonising our product and the production impact generated. We also have a portfolio of photovoltaic self-consumption projects for our factories, we continue to analyse the substitution of fossil fuels for other more renewable energy sources, and we are making progress in the purchase of energy from renewable sources.

3.3.3 We prevent air pollution

At MEGASA we drive innovation as a key catalyst in the approach to air pollution prevention through the reduction of diffuse emissions and effective noise management in all our operations.

Our concern for the impact we have on our environment goes beyond strict compliance with legal requirements.

In order to minimise our emissions, we have implemented state-of-the-art technologies in our steelworks, such as afterburner chamber and flue gas cooling system, heat exchanger, adsorbent addition systems, cyclones, and bag filters. These technologies allow high efficiency in particle retention, as well as the reduction of other emission parameters. These emissions are controlled through continuous measurement equipment and/or official measurements carried out periodically by Authorised Control Bodies.

In the same way, we are committed to minimising the impact of diffuse emissions that originate mainly from the handling of bulk materials and road traffic. To this end, the factories have implemented mitigation measures that form part of the operational control of the facility.

In June, we faced an incident regarding a radioactivity alarm during the departure of a truckload of scrubbing dust from our plant in Narón. Following the radiological surveillance protocol, we stopped production and implemented internal containment measures. CSN measurements confirmed



the lack of environmental impact, and that a full clean-up and decontamination plan had been implemented, ensuring the health of our employees and the surrounding environment.

Also, to reduce the noise impact on our environment, we have developed and implemented various action plans that incorporate as a fundamental element the operational control measures defined within our processes, as well as other physical measures such as the use of sound-absorbing materials, the encapsulation of equipment and the design of different acoustic barriers.

Our actions in this area are aimed at preventing and avoiding any type of potential impact on our environment, including those which, although innocuous, may be annoying or visually striking. To this end, we have conducted a number of different projects, such as, for example:

- Increased paving, covering, and waterproofing of storage yards and material movement areas.
- Promotion of humidification processes associated with the transport and storage of materials.
- Definition and implementation of numerous physical barriers.

3.4 ENVIRONMENTAL INVESTMENTS

In line with previous years, we have made significant investments in the implementation of various environmental projects in our factories in order to generate positive impacts on our environment and mitigate risks.

The construction of a 5 MWp photovoltaic park for self-consumption in Maia started in 2023 and will continue in 2024. Similarly, we have a portfolio of renewable projects under study, which includes photovoltaic self-consumption installations at our facilities, the signing of renewable PPAs and renewable gas projects. The objective is to become increasingly independent from the conventional consumption grid and to increase the percentage of renewable energy in our operations.

All our factories have projects related to improving water efficiency.

The reheating furnace atmosphere enrichment project is also underway at our Maia plant, which will reduce the plant's Natural Gas consumption and, consequently, its CO2 emissions.

We are making progress on a number of projects to promote rail transport.

In addition to these key investments, as mentioned in previous sections, we have invested and will continue to invest in optimisations and improvements across our production lines and operations related to our water consumption, the circularity of our products and the optimisation of our equipment.

3.5 BIODIVERSITY PROTECTION (GRI 304-2)

MEGASA demonstrates its firm commitment to the preservation of biodiversity through the rigorous operational control implemented at our facilities, focusing its energy, skills, and management towards this fundamental objective.

MEGASA's activities and operations do not exert a significant direct influence on biodiversity and protected areas, as its facilities are located in industrial or equivalent areas according to their land use.

We actively promote the reuse of wastewater to minimise emissions generated by the discharge of effluents into the environment, ensuring the effectiveness of treatments and carrying out recurrent monitoring to ensure that the discharge is within the maximum permissible limits for discharge.

Tree planting initiatives are systematically promoted in the facilities. Not only for landscape recovery, but also to protect biodiversity.

Likewise, the black slag generated in several of the plants is used to carry out recovery work on old mining sites, by filling with ASIC - inert material - to recover the orography of the land and then enclosing it by planting different species of trees.

3.6 PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

The Group is not under any legal, contractual or any other kind of obligation to record any type of accounting provision to cover environmental risks or to take any type of action in this area.

Likewise, the MEGASA Group has guarantees, within the civil liability policy, to cover the occurrence of environmental risks, for possible damage that may be caused to the environment (contamination or pollution of the atmosphere, soil, or water) derived from accidents.

As a result of our responsable management, we do not register any legal claim due to negative impacts generated in detriment of the environment.



OUR PEOPLE | Your safety, our priority

4. OUR PEOPLE: YOUR SAFETY, OUR PRIORITY (GRI 3-3, 2-30)

The priority of the MEGASA group is to guarantee, promote and reinforce safety at work in order to achieve the goal of zero accidents.





MEGASA do this, not only by ensuring compliance with applicable regulations, but also through the continuous pursuit of excellence with a strong safety culture. This dynamic translates into the definition and implementation of each process within the organisation; the coordination of activities with the companies and people who operate in its facilities; and the continuous training and awareness of all personnel in safety matters.

4.1 OUR STAFF IN FIGURES

(GRI 2-7, 405-1)

The success of our organisation is fundamentally based on the talent of our team.

Number of employees



Distribution of staff by country



DISTRIBUTION OF STAFF BY PROFESSIONAL CATEGORY				
	2021	2022	2023	
Graduates and middle management	M : 347 W : 9,4	M : 347 W : 9,9	M : 364 W : 44	
Administrative staff	M : 56 W : 34	M : 56 W : 35	M : 51 W : 33	
Staff	M : 810 W : 2	M : 807 W : 2	M : 792 W : 3	

DISTRIBUTION OF THE TOTAL WORKFORCE BY AGE RANGE				
	2021	2022	2023	
Under 30s	M : 87 W : 7	M : 90 W : 3	M : 83 W : 5	
Between 30 and 50 years old	M : 854 W : 51	M : 847 W : 57	M : 827 W : 61	
Over 50 years old	M : 272 W : 14	M : 273 W : 13	M : 297 W : 14	

4.2 WE CREATE QUALITY JOBS

(GRI 401-1, 401-2)

By creating quality jobs, we contribute to the socio-economic development of the communities in which we operate and strengthen the business fabric of the places where we work.

In 2023, the proportion of permanent employment contracts has reached almost 81% of the workforce. Below is a breakdown of various metrics and tables relating to our workforce, ages, and contract types:

Distribution of staff by contract (permanent)





Women

Distribution of staff by contract

(temporary)

Men

DISTRIBUTION OF THE TOTAL WORKFORCE BY AGE RANGE FOR PERMANENT CONTRACTS

	2021	2022	2023
Under 30s	21	26	26
Between 30 and 50 years old	702	720	707
Over 50 years old	277	278	305

DISTRIBUTION OF TOTAL WORKFORCE BY AGE RANGE FOR TEMPORARY CONTRACTS				
	2021	2022	2023	
Under 30s	73	67	62	
Between 30 and 50 years old	203	184	181	
Over 50 years old	9	8	6	



DISTRIBUTION OF THE WORKFORCE BY PROFESSIONAL CATEGORY AND PERMANENT CONTRACT					
	2021	2022	2023		
Graduates and middle management	329	346	379		
Administrative staff	80	84	76		
Staff	591	594	583		

DISTRIBUTION OF STAFF BY PROFESSIONAL CATEGORY AND TEMPORARY CONTRACT				
	2021	2022	2023	
Graduates and middle management	55	37	29	
Administrative staff	10	7	8	
Staff	220	215	212	

52

As the difference between the annual average data and the data at the end of the fiscal year (31/12/2023) is less than 5%, data and breakdown of average contracts will not be reported. Tables of contracts by type of working hours are not reported because this year there have been no partial working hours (no partial retirees or any other type).

We are committed to providing quality jobs for our employees. The turnover rate in 2023 stood at 13.99%, reflecting that we must continue to work in an environment where attracting and retaining talent is one of the main challenges for any company to drive growth and sustainable progress. Achieving low turnover rates promotes continuity and cohesion in our teams, benefiting our ability to achieve high productivity and efficiency.

STAFF TURNOVER				
	2021	2022	2023	
Turnover rate (%)	7.47	8.18	13.99	
Disengagement (%)	96	105	180	



4.3 WE PROMOTE THE WELL-BEING OF OUR EMPLOYEES: WE ENSURE THEIR SAFETY AND TAKE CARE OF THEIR HEALTH

(GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 401-3)



BASIC PRINCIPLES ON WHICH OUR SECURITY POLICIES ARE BASED

- 1 Safety is our first priority, there is nothing above safety.
- 2 benchmark in security.
- 3 more productive company.
- 4 The Rules that Save Lives are mandatory and are part of our DNA.
- 5 The safety of subcontractors' personnel is at the same level as that of our own staff.
- 6 Security is a condition of employment.

In the last four months of the year, as part of the Group's commitment to continuous improvement in occupational safety, an excellence project was carried out in this area with DSS+, a world leader in safety.

Perceived" leadership is an essential condition of the "chain of command" to achieve a company

Operational discipline" in following procedures is key to a safe environment. A safe company is a

Social relations (GRI 403-10)

MEGASA's main production centres have their own collective bargaining agreement and works council, and there are permanent channels of communication with the workers' legal representatives.

The percentage of employees covered by collective bargaining agreements in 2023 was 95%, with 100% of the staff in Spain and 92% of the staff in Portugal covered by collective bargaining agreements.

In France, workers are covered by the document called "NAO" (Negociations Annueles Obligatoires).

Frequency rates¹

The frequency rate for the entire workforce of our four steel mills has fallen to 6.6, a reduction of 67% compared to the previous year and the best result ever achieved.

In 2023, all accidents involved men, which is explained by the fact that they make up the majority of the workforce, especially among permanent staff, where there is a higher accident rate.

Absenteeism rate²

The absenteeism rate, which represents time not worked due to temporary incapacity and unpaid absences, decreased in 2023 compared to the previous year, from 5.34% to 4.60%, with a total of 108,436 hours of absenteeism.

At MEGASA we work to comply with the regulations in matters of conciliation, also promoting the co-responsibility of both parents.



Total employees who took parental leave

4.4 WE FOSTER THE ATTRACTION, DEVELOPMENT, AND RETENTION OF TALENT (GRI 404-2)

Attracting and retaining talent is our main challenge.

In this regard, another of our top priorities is to continue to build a culture of excellence and provide a stimulating work environment to attract, motivate and retain talent in our company.

The commitment and professionalism of the people who form part of the MEGASA group are the basis of our success. We have a team made up of highly qualified and specialised professionals, who have a long experience and trajectory in the sector. It is these professionals who guarantee the excellence of our products and services, contributing to our growth and achievements.

We need people who are looking for a stable project in which integrity and seriousness are fundamental values, who wish to form part of a team of highly qualified professionals with initiative,

To this end, the continuous training of the people who form part of the MEGASA team, especially in the areas of safety, sustainability, and professional development, is a fundamental axis for achieving excellence.

At MEGASA we design individualised career plans that, together with the accompaniment and monitoring of qualified professionals, help to create a link between the company and our collaborators, with the priority of valuing and strengthening internal talent, with a commitment to promotion at all levels of the organisation.

Growth opportunities include both crosscutting and geographic moves, as well as

hierarchical and leadership moves, again fostering commitment from all parties, all in a sector of high value and technological and innovation interest.

This challenge is an opportunity to further improve and maintain our position as a benchmark employer in our sector.

In 2023, our employees received 44,787 hours of training, 651 hours more than in 2022.

A culture of excellence and a stimulating work environment to motivate and retain talent.



Training

Total number of training hours per year

^{1.} The frequency rate is calculated as: (no. of registered accidents with sick leave excluding in itinere / no. of actual hours worked) * 1,000,000.

^{2.} The absenteeism rate is calculated as the number of hours lost due to temporary incapacity and unpaid absences.

4.5 WE PROMOTE EQUALITY

(GRI 405-1, 405-2, 406-1)

At MEGASA, we are committed to equal opportunities for all our employees. This commitment is rooted in our Code of Conduct which includes the promotion of equality and non-discrimination in all areas of our business, regardless of age, race, nationality, gender, sexual orientation, disability, religion, or other factors.

In this context, we made a number of key commitments to promote gender equality:

- Creating an egalitarian corporate culture: We are committed to promoting inclusion and equality between men and women as an integral part of our strategic business objectives in the short and long term.
- Integrating equality in external communication: We are committed to reflecting the principle of equality in our external communication, conveying a message of fairness, and promoting egalitarian values in our corporate image.
- Mainstreaming equality in human resource management and collective bargaining: We are committed to integrating the principle of equality into all stages of human resource management, from recruitment and promotion to development and training. We seek to eliminate all forms of gender discrimination in our policies and practices.
- Ensuring fairness in remuneration: We are committed to ensuring fairness in remuneration and the valuation of work performed, based on objective and transparent criteria.



These commitments enable us to promote an equal and fair working environment, where all people, regardless of gender, have equal opportunities and are valued on the basis of their skills and merit.

With regard to the pay gap, it is important to note that we comply with the general collective bargaining agreements and labour regulations applicable in the countries where we operate in order to establish remuneration systems. Therefore, we do not make wage distinctions based on gender, applying the principle of equal pay for men and women.

In 2023, the pay gap percentage³ is negative (-3.03%), which means that the average remuneration of women in the organisation has been slightly higher than that of men (with a pay gap of -8.62% in 2022). This situation is due, among other things, to the fact that female staff are mainly found in higher average

paid categories of the organisation, mostly composed of university graduates or women with higher education.

In 2023, female employees were mostly represented in the professional category of "Graduates and middle management", same as in 2022. This category encompasses those female employees who have advanced educational qualifications and hold roles of responsibility within the organisation. This reflects our dedication to promoting internal advancement and offering career growth prospects to all employees, regardless of gender.

It is important to highlight that at MEGASA we maintain a constant commitment to the promotion of gender equality, and we sign agreements with public administrations. During 2023, the Equality Plan for the Narón plant was negotiated and the Equality Plan for

the Zaragoza factory was signed with social representatives.

At MEGASA, we are part of the "#Women-OfSteel" initiative through our partnership with UNESID. This initiative aims to promote greater participation of women in various economic sectors, as well as to implement concrete actions to achieve real equality and improve the representation of women in a sector traditionally dominated by men. Our aim is to provide women with stable, quality, and well-paid employment.

On the other hand, we comply with the General Law on Disability both through the hiring of direct workers and through the subcontracting of products and services to special employment centres. In 2022 and 2021, MEGASA hired 1 employee with a disability of more than 33%. This figure increased to 6 workers in 2023.

As regards measures to promote universal accessibility for people with disabilities, in relation to the accessibility of the Group's own facilities, the Group's activity focuses on strict compliance with the applicable regulations.

4.6 WE RESPECT AND PROTECT HUMAN RIGHTS

(GRI 3-3, 407-1, 412-1, 408-1, 409-1)

Human rights are universal and must be respected, protected, and promoted in all circumstances.

In MEGASA we are fully committed to the protection of Human Rights, having maintained in more than 90 years of history a business conduct absolutely respectful with them.

^{3.} Wage gap= ((Average remuneration Men - Average remuneration Women)/Average remuneration Men)

We are aware that the protection of Human Rights is fundamental to guarantee the dignity and well-being of all people, regardless of their origin.

In this regard, we are committed to complying with the United Nations Universal Declaration of Human Rights and other international human rights treaties, respecting the principles of nondiscrimination, equal opportunities, fair working conditions, occupational health, and safety, among others. In particular, we express our respect for the rights and principles recognised in the United Nations Global Compact and its 10 Principles on Human Rights, Labour Rights, Environmental Protection and Anti-Corruption, to which the actions of our professionals and members of the governing and management bodies contribute.

We have a Code of Conduct that establishes a series of principles of professional ethics and reflects the company's desire to continue a process of continuous improvement and constant review of contributions to sustainability. This Code sets out a series of principles and objectives from which the Group cannot deviate, including the following:

- Integrity and ongoing compliance with applicable laws: We are committed to act with integrity in all our operations and to strictly comply with applicable laws and regulations.
- Respect for human rights, labour, health, and safety: This involves providing a safe and healthy working environment, ensuring fair working conditions, and respecting the fundamental rights of employees and communities.
- Non-discrimination and equal treatment: We are committed to non-discrimination on the basis of race, gender, religion,

sexual orientation, disability, or other characteristics. We also seek to ensure equal treatment and opportunities for all our employees.

- Zero tolerance for corruption: We take a zero-tolerance stance on corruption in all its forms. We are committed to conducting our operations in an ethical and transparent manner, avoiding any form of bribery, extortion, or corrupt behaviour.
- Protecting the environment: We recognise the importance of protecting the environment and take responsibility for minimising the environmental impact of our operations. We seek to promote sustainable practices, the efficient use of natural resources and the reduction of emissions and waste.

We recognise the importance of a responsible supply chain and the need to work with suppliers who share the same values and commitment to protecting these rights.

In 2023 there have been no judicial or administrative sanctioning resolutions for cases of human rights violations in MEGASA. Likewise, throughout 2023 there have been no complaints in this regard received through the complaint channels available to MEGASA.

It should be noted that the nature of the operations carried out by MEGASA in the exercise of its business activities does not pose a representative risk of discrimination in employment and occupation, forced or compulsory labour or child labour. Our labour policies and practices are designed to ensure that all employees work voluntarily and under fair working conditions, in compliance with applicable labour laws and regulations. We are also committed not to tolerate child labour at any stage of our operations.

OUR INMEDIATE ENVIRONMENT

MEGAS





We generate a positive impact on our environment

5. OUR INMEDIATE ENVIRONMENT: WE GENERATE A POSITIVE IMPACT ON OUR ENVIRONMENT (GRI 3-3, 203-2)

We are committed to the local development of the communities where our production plants operate.



MEGASA and all the professionals who work in the Company are closely linked to the environments in which we operate and the communities in which we are present through our commitment to the generation of quality employment and the creation of job opportunities, the establishment of solid relationships with local suppliers.

We have highly trained personnel in various areas, such as technology, production, commercial, logistics and administration, among others. In addition to helping to create more sustainable economies, processes, and ecosystems, we offer employment opportunities to local professionals with diverse profiles and levels of experience. These people can improve their knowledge and skills in a challenging and stimulating work environment. We enhance the personal development of employees and thus strengthen the human capital of the company and the area.

From this same commitment, we actively seek opportunities to collaborate with local suppliers and companies in our supply chain and in joint projects. In this way, we encourage

the development of a strong business fabric in the region, supporting the creation and growth of companies and contributing to local economic development.

In line with our firm commitment to engage with and contribute to our surroundings, we are actively involved in social action initiatives, projects aimed at improving the quality of life and supporting social causes in the communities where we operate. In addition, we assume environmental responsibility as part of this commitment. We implement sustainable production practices that respect the environment and the communities around us. We constantly seek ways to achieve greater energy efficiency, reduce emissions, mitigate our impacts, and explore opportunities for industrial symbiosis. In doing so, we contribute to the preservation of the natural environment of the communities in which we operate and promote the long-term sustainable development of our supply chain.





economic impacts

We contribute to the environment where we operate through our own activity, as a company that stimulates the local economy.

- We require highly qualified personnel, offering development opportunities for local professionals.
- We generate quality employment, diversifying opportunities and reducing unemployment.
- We establish strong relationships with local suppliers, contributing to the strengthening of the regional business fabric.



OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

Social impacts



Environmental impacts

We implement social action initiatives to support the communities in which we operate.

We assume our environmental responsibility, implementing sustainable production practices.

- Support to associations through collaborations and donations.
- Agreements and collaborations in the field of R&D&I, with institutions and universities.
- Participation in sporting or social events at the

local level.

- We are relevant promoters of the circular economy.
- We seek new measures for energy efficiency, consumption and waste management generated in our operations.
- We contribute to the decarbonisation of the steel industry.

5.1 COMMITTED TO THE SOCIO-ECONOMIC DEVELOPMENT OF THE ENVIRONMENTS IN WHICH WE OPERATE (GRI 201-1, 413-1, 201-4)

At MEGASA we generate and distribute significant direct economic value in the communities where we operate. Below are some of the ways in which we generate and distribute direct economic value:

- Employment: We create jobs both in our production plants and in related sectors. This includes direct jobs for our staff and indirect jobs for suppliers and partners. The employment generated contributes to local economic development by providing job opportunities and stability for people in the community.
- 2. Wages and benefits: As a responsible employer, we offer competitive wages and benefits to our employees. This income enables workers and their families to improve their quality of life and access services and goods in the community.
- 3. **Procurement from local suppliers:** We have a policy of encouraging local sourcing

and trade through local suppliers, which generates income and supports the growth of other businesses in the region, as well as minimising our environmental impact.

- 4. Taxes and contributions: We meet our tax obligations and make contributions to local and national governments. These taxes and contributions help fund public services, infrastructure, and social programmes in the communities where we operate.
- 5. **Investments and reinvestment:** We make significant investments in our operations, including the construction and modernisation of facilities, equipment, and technology. These investments generate a direct economic impact by boosting economic activity, creating quality jobs, and improving the company's competitiveness.

		Investment 2021	Investment 2022	Investment 2023
Economic value generated (company revenues) (BN €)		1.91	2.23	1.90
Economic value distri	buted (BN €)	1.77	2.13	1.76
Economic value retained	(M €)	143	96	141
	%	7%	4%	7%
CAPEX (BN €)		48.1	48.0	45.4

As part of our commitment to social action, we also allocate financial resources to support non-profit organisations. We recognise the importance of their work in areas such as social welfare, health, education, culture, and other areas relevant to the well-being of communities.

Our financial support has continued to grow steadily, reflecting our commitment to strengthening the work of these organisations and contributing to their sustainability.

In addition to financial contributions, we also explore opportunities for collaboration and active participation in projects and events organised by these entities. We



also participate in the board of trustees of several foundations in a wide range of fields: training, business, environmental protection, among others. We seek to establish strategic alliances to maximise the positive impact on the communities in which we operate and to promote the institutional collaborations.

At MEGASA we contribute to the environment in which we operate through our own activity. We are a dynamic agent of the economy, improving people's quality of life and promoting the growth of other economic sectors.



5.2 WE MAINTAIN A CONSTANT DIALOGUE WITH OUR STAKEHOLDERS (GRI 2-29)

At MEGASA, we recognise the importance of identifying and understanding our stakeholders, taking into account the specific activities of each plant and the particular circumstances that may affect or be affected by our operations.

In identifying our stakeholders, we consider both those who have a direct relationship with MEGASA and those on whom our operations have an indirect impact. This includes our employees, customers, suppliers, shareholders, local communities, non-profit organisations, regulatory authorities, and other relevant stakeholders in our operating environment.

Our aim is to establish a constant and constructive dialogue with these groups, in order to address their needs, expectations and concerns effectively. This provides us with several benefits:

- It allows for open and transparent channels of communication, in order to build mutual trust and strengthen our long-term relationships.
- It can increase the satisfaction of customers and other key stakeholders, which can translate into long-term benefits for the organisation.
- It enables the identification of emerging opportunities and potential risks before they become significant problems, giving the organisation a competitive advantage and the ability to anticipate changes in the environment.

Dialogue with our stakeholders gives us the opportunity to receive valuable feedback and to inform them about our progress, challenges, and relevant decisions. This interaction gives us a more complete picture of the impacts of our actions and helps us to make informed and responsible decisions.

We also use other tools to stay connected with our stakeholders, such as regular meetings, satisfaction surveys, sustainability reports, participation in events and collaboration on joint projects.

Ongoing dialogue with stakeholders is a fundamental part of sustainability management at MEGASA. Through it, we seek to establish relationships based on trust and mutual respect, with the aim of meeting their needs and expectations, as well as informing them about our actions and making responsible decisions.



d owners Clients	Workers	Suppliers	Local Community
	Dialogue modalities availabl	le	
ings of the Permanent cholders' interaction with ing at our commercial every six department. hs.	Meetings with work councils, representative trade unions and health and safety committees, training courses, other channels of communication (in the employment relationship, suggestion box).	Permanent interaction with our purchasing department.	Interlocution with groups and associations with local interests, through local government bodies and public administrations.
r	elated key issues and concer	rns	
- Product quality and sustainability. ge of - Delivery times. any's - Quality of service. ths, ths, ities.	 Security. Working conditions. Professional development and career opportunities. Participation and communication. 	 Supply assurance and impact on the sustainability of the company. Suppliers' compliance with the organisation's standards. 	 Employment generation and contribution to the economy. Environmental impacts. Social action initiatives.

inal onsumer NGO

Media

odalities available

Through our customers, or market perception, the demands of end consumers are taken into account. Financial collaborations with various NGOs. Interaction directly and through the partnerships in which we participate.

ssues and concerns

- Product quality.
- Sustainability. Product safety.
- abelling and
- ransparency.
- Funding and financial support.
- Strategic partnerships.

- Image and reputation.

- Corporate communication.
- Sustainability of our activity.

One of MEGASA's main concerns is the complete satisfaction of our customers. Our Quality Department ensures, in each of our factories, the fulfilment of our customers' requirements and their maximum satisfaction with our products and services. To this end, we have modern equipment and qualified personnel, responsible for defining and carrying out all the tests and verifications necessary to guarantee the highest level of quality and sustainability in our products.

In the event that a customer reports an incident associated with the product or service, it is analysed by our Sales Department and, if necessary, technically investigated by our Quality Department. We inform the customer of the conclusions reached and actions taken. All incidents that occurred during the year between the Company and our customers were handled favourably within optimum timeframes.

We maintain fluid and dynamic communication with the local authorities in the communities where our production plants are located, as well as with different stakeholders in the local communities in which we operate. In addition, we are a member of several business associations at the local level, in which public bodies are also involved. Fluid communication with local authorities allows us to proactively address and implement measures that have a positive and sustainable impact on local communities, whether from an environmental, economic, or social point of view.

5.3 WE MANAGE THE VALUE CHAIN RESPONSIBLY

(GRI 3-3, 2-6, 204-1, 308-1, 414-1)

We promote the integration of sustainability in all our processes along our value chain, responding to our customers expectations and responsibly managing our supply chain.

Sustainability has become a key factor for business competitiveness due to the growing global awareness of environmental, social and governance challenges. To this end, it is essential to implement responsible value chain management that integrates sustainability into our sourcing, purchasing and production practices, responding to customer expectations with innovative products aligned with the circular economy.

5.3.1 Sustainable sourcing of our supply chain

At MEGASA, we consider sustainable sourcing management as a key aspect of responsible management of our value chain.

We focus on promoting proximity purchasing, prioritising suppliers and customers in our region. This allows us to reduce the logistics costs associated with importing and exporting materials and finished products, while minimising lead times and supply chain risks.

It should be noted that, in terms of raw materials consumed, the most important raw material is steel scrap, which represents the main item of the organisation's supply expenditure. Due to the large volumes of scrap required to carry out our activity and the shortage of supply on the mainland, we import part of the scrap consumed in the plants by sea to meet our raw material requirements. We are also committed



to more environmentally friendly raw material logistics by rail.

We follow a rigorous internal procedure for all our purchases of raw materials, materials, capital goods and services, with the aim of ensuring an efficient purchasing function in our production units. This procedure includes the approval of suppliers and the corresponding evaluation criteria, including forms, quality and environmental management certifications, and local regulatory compliance. From 2023, it also includes sustainability criteria in terms of Occupational Health and Safety, respect for Human Rights and the generation of value for the local communities where we operate.

We evaluate and approve suppliers and the degree of compliance with our requirements and standards by monitoring their level of implementation of the different management systems-environmental, energy, quality, and health and safety. We also verify other aspects, such as the claims rate, accident rate, punctuality of deliveries, and the quality and speed of response to price queries. All these aspects influence the final evaluation, and may condition our decision on future purchases, or the type of relationship established with the supplier, as well as in the event that improvements or specific action plans are necessary to maintain supplies.

Through our supplier evaluation process, we guarantee the quality, reliability, and sustainability of our business partners. Through rigorous criteria we analyse aspects such as complaints, delivery times, environmental and sustainability criteria, among others.

Aware of the importance of maintaining high standards in our relationship with our suppliers, we have implemented specific management systems in this area in the organisation, with certifications such as BES 6001 and Eco Reinforcement, which help us to improve the efficiency of our responsible procurement process.

As part of this commitment, we consider it essential to support local development, as evidenced by our spending on purchases from local suppliers. In 2023, we exceeded 1.32 billion euros, compared to more than 1.7 billion euros in 2022. This decrease is due to the reduction in purchase prices that has taken place during 2023.

	Unit	2021	2022	2023
Total suppliers	N°	3,207	2,805	2,905
Local suppliers	N°	2,833	2,433	2,466
Purchases from suppliers (total expenditure on suppliers)	M€	2,133.7	2,450.4	2,122.5
Purchases from local suppliers	M€	1,423.2	1,769.6	1,320.9
Proportion of expenditure on local suppliers	%	67%	72%	62%

5.3.2 Responsible procurement management

We follow a rigorous supplier validation process to ensure that procurement is carried out responsibly and meets the required quality and safety standards. All suppliers at our sites must comply with our "General Conditions of Service Provision", which include high standards in relation to occupational safety, environmental, and sustainability management.

Suppliers must guarantee that tax, labour, prevention, and environmental aspects, among others, have been duly analysed, sending evidence that allows us to validate this analysis prior to the performance of any service.

In order to improve and streamline this relationship with our suppliers, online communication systems have been implemented to centralise and distribute information internally to the relevant departments, such as human resources, environment, as well as service applicants, who can then verify the type of analysis carried out and the degree of compliance with the defined requirements. This systematic way of working allows us to efficiently manage and evaluate information related to personnel, safety, and environment. It also helps to show a higher level of transparency and disclosure in relation to collaborations and communications throughout our supply chain and allows us to update the system and the performance of our suppliers on an annual basis.

5.3.3 Sustainability of our products

In 2023, we have worked intensively on improving the performance of our organisation and our products in the different areas of sustainability, as we believe this is the main way to generate value for our customers.

The quality of our products and the excellence of our services, together with an optimised environmental and socially responsible performance are the challenges we are constantly working on to achieve excellence in customer satisfaction.

As a communication and transparency tool for our customers on carbon footprint issues, in 2023 we updated our Environmental Product Declarations (EPD) to reflect the progress made in the environmental performance of our processes in recent years. The results obtained endorse the sustainability of our products and place us among the top steel producers in terms of the lowest carbon footprint.

As part of our updated EPDs, we included the launch of a more sustainable product line with an even smaller carbon footprint through the use of 100% renewable electricity. During 2023, the first sales of products under this sustainability labelling took place, reaching more than 6,000 tons of product with 100% renewable electricity.

The EPDs are validated by independent bodies in accordance with ISO 14025 and verified by AENOR.

The organisation's improvement milestones in terms of optimising energy efficiency, increasing the use of renewable energies and replacing raw materials with waste are fundamental to MEGASA's decarbonisation process, as evidenced by the results obtained at all levels of impact.

Along the same lines, we have certified all our factories with AENOR's innovative NS

quality and sustainability seal. This productlevel certification allows the materials used for construction, such as steel, to be recognised with a sustainability label. Sustainability is evaluated according to the three ESG axes (Environmental, Social and Governance), which gives rise to a numerical index that clearly and comparably reflects the sustainable commitment. An index that also makes it possible to check the evolution over time, as it is renewed year by year and motivates a continuous improvement effort in the sector.



ABOUT THIS REPORT

The scope of the environmental information covers the 4 steel production plants - Narón, Maia, Seixal and Zaragoza. This scope has been taken on the basis that the energy consumption of the steel production factories represents 99.5% of the company's total energy consumption and, therefore, they account for most of the environmental impact. The remaining aspects of this report present consolidated data at MEGASA level on the main material aspects.

Furthermore, in the BES-6001 disaggregated table of contents, specific disaggregated data is provided for each of the factories, according to the requirements of the certification.

MATERIALITY ANALYSIS

(GRI 3-1, 3-2)

MEGASA's materiality analysis seeks to identify, among others, the environmental, social, and governance issues that are relevant for the Company, for stakeholders and for the design and definition of the contents of this sustainability report.

The materiality analysis is carried out from two perspectives:

- Internal: Identifying the relevance of the issues to all the Group's area managers; and
- **External:** Allowing MEGASA to know the relevance of the issues according to the expectations of its stakeholders, context, and trends in its sector of activity.

The issues identified in each area are listed below:

Environmental:

- Energy consumption (energy efficiency)
- Emissions and climate change
- Waste management
- Environmental impacts
- Water use
- Use of raw materials

Social:

- Responsible supply chain and local procurement
- Human and labour rights
- Training and talent development
- Diversity, equality, and inclusion
- Relations with local communities
- Occupational health and safety
- Decent working conditions and child and slave labour

Corporate governance:

- Competitiveness
- Ethics, compliance, and transparency
- Risk management
- Corporate governance
- Innovation and development
- Information security and privacy
- Products and services
- Fair payment practices

TABLE OF REQUIREMENTS GRI

The MEGASA Group has presented the information cited in this GRI content index for the period from 1 January to 31 December 2023 using the GRI Standards as a reference.

GRI CODE	DESCRIPTION OF THE INDICATOR	REFERENCE/RESPONSE
GRI 1	GRI 2021 Fundamentals	
GRI 2	General contents GRI 2021	
1. The organisati	on and its reporting practices	
2 - 1	Organisational details	MEGASA is the industrial group comprising the companies in which "BIPADOSA, S.L." has a direct or indirect shareholding of more than 50%. Page. 8 - 10
2-2	Entities covered by sustainability reporting	Most of the references in the report are understood to be made to the 4 main steel plants of the Group: Megasa Siderúrgica, Megasider Zaragoza, SN Maia and SN Seixal.
2 - 3	Reporting period, frequency and contact point	Page. 78
2 - 4	Updating of information	No restatement of information has been made in the reporting period.
2. Activities and	workers	
2 - 6	Activities, value chain and other business relationships	Page. 11 - 14
2 - 7	Employees	Page. 50 -53
2 - 8	Non-employee workers	The MEGASA Group has no nonemployee workers.

3. Governance		
2 - 9	Governance structure and composition	Page 23 - 28
2 - 10	Appointment and selection of the highest governance body	Page 23
2 - 11	Chairperson of the highest governance body	Page 24
2 - 12	Role of the highest governance body in overseeing impact management	Page 23 and 24
2 - 13	Delegation of impact management responsibility	Page 24
2 - 14	Role of the highest governance body in sustainability reporting	Page 25
2 - 15	Conflict of interest	Page 29 and 30
2 - 16	Communication of critical concerns	Page 24 and 25
2 - 17	Collective knowledge of the highest governance body	Page 24 and 25
2 - 18	Evaluating the performance of the highest governance body	Page 23
2 - 19	Remuneration policies	Page 58 - 60
2 - 20	Process for determining remuneration	Page 58 - 60
4. Strategy, polic	ies, and practices	
2 - 22	Sustainable development strategy statement	Page 4 and 5
2 - 23	Commitments and policies	Page 29 and 30
2 - 24	Mainstreaming commitments and policies	Page 29 and 30
2 - 25	Processes to remedy negative impacts	Page 29 and 30
2 - 26	Mechanisms for seeking advice and raising concerns	Page 29 and 30
2 - 27	Compliance with legislation and regulations	There have been no significant cases of non-compliance with laws and regulations and no significant fines have been paid during the reporting period.
2 -28	Membership in associations	Page. 20

5. Stakeholder participation				
2 - 29	Approach to stakeholder engagement	Page 69 - 71		
2 - 30	Collective bargaining agreement	Page 57		
GRI 3	Material issues			
3 - 1	Process of determining the material issues	Page 76		
3 - 2	List of material topics	Page 76		
	EMISSIONS AND CLIMATE CHANGE			
3 - 3	Management of material issues	Page 41 - 44		
GRI 305	Emissions 2016			
305 - 1	Direct GHG emissions (Scope 1)	Page 42, 43, 82 and 83		
305 - 2	Indirect GHG emissions from energy production (Scope 2)	Page 42, 43, 83 and 84		
305 - 4	Intensity of GHG emissions	Page 84		
305 - 5	GHG emissions reduction	Page 6, 42, 43 and 84		
	ENERGY EFFICIENCY			
3 - 3	Management of material issues	Page 76		
GRI 302	Energy 2016			
302 - 1	Energy consumption within the organisation	Page 45		
302 - 3	Energy intensity	Page 45		
302 - 4	Reduction of energy consumption	Page 45		
	USE OF RAW MATERIALS			
3 - 3	Management of material issues	Page 35 - 37		
GRI 301	Materials 2016			
301 - 1	Materials used by weight and volume	Page 37		
301 - 2	Recycled consumption	Page 81		
	RISK MANAGEMENT			
3 - 3	Management of material issues	Page 27 and 28		
	ETHICS AND COMPLIANCE			
3 - 3	Management of material issues	Page 29 and 30		
	OCCUPATIONAL HEALTH AND SAFETY			
3 - 3	Management of material issues	Page 55 - 56		

GRI 403	Occupational health and safety 2018	
403 - 1	Occupational health and safety management system	Page 55 and 56
403 - 2	Hazard identification, risk assessment and accident investigation	Page 55 - 56
403 - 3	Occupational health services	Page 55 and 56
403 - 5	Training of workers on occupational health and safety at work	Page 87
403 - 6	Promotion of workers' health	Page 58
403 - 8	Workers covered by an occupational safety and health management system	Page 57
403 - 9	Occupational injuries	Page 57 and 88
	RELATIONS WITH LOCAL COMMUNITIES	
3 - 3	Management of material issues	Page 64 - 67
GRI 201	Economic performance 2016	
201 -1	Direct economic value generated and distributed	Page 64
GRI 413	Local communities 2016	
413 -1	Operations with local community engagement, impact assessments and development programs	Page 55 - 57
	TALENT DEVELOPMENT	
3 - 3	Management of material issues	Page 57
GRI 401	Employment 2016	
401 - 1	New employee hires and staff turnover	Page 51 - 53 and 85
402 - 2	Benefits for full-time employees not provided to part-time or temporary employees	Page 53
GRI 404	Training and education 2016	
404 - 1	Average hours of training per year per employee	Page 85
GRI 405	Diversity and equal opportunities 2016	
405 - 1	Diversity in governance bodies and employees	Page 23 - 25
405 - 2	Ratio of base salary and compensation ratio of women to men	Page 58 - 59

GRI 406	Non-discrimination 2016	
406 - 1	Cases of discrimination and corrective actions taken	Page 59 - 60
	RESPONSIBLE SUPPLY CHAIN	
3 - 3	Management of material issues	Page 70 - 74
GRI 201	Economic performance 2016	
201 - 1	Direct economic value generated and distributed	Page 64
GRI 204	Procurement practices 2016	
204 - 1	Proportion of spend on local suppliers	Page 72
	WATER USE	
3 - 3	Management of material issues	Page 40 - 41
GRI 303	Water and effluents 2018	
303 - 1	Interaction with water as a shared resource	Page 40, 41 and 82
303 - 2	Management of impacts related to water discharges	Page 32 and 33
303 - 3	Water extraction	Page 41
303 - 4	Water discharges	Page 40
303 - 5	Water consumption	Page 41
	WASTE MANAGEMENT	
3 - 3	Management of material issues	Page 37 - 41
GRI 306	Waste management 2020	
306 - 1	Waste generation and significant waste-related impacts	Page 37 - 39 and 85
306 - 2	Management of significant waste-related impacts	Page 37 - 39
306 - 3	Waste generated	Page 38
306 - 4	Wastes not destined for disposal	Page 38 and 39
306 - 5	Wastes destined for disposal	Page 37 and 38
	ENVIRONMENTAL IMPACTS	
3 - 3	Management of material issues	Page 33 and 34

DISAGGREGATED TABLE OF CONTENTS BES-6001

The BES 6001 standard enables manufacturers of construction products, such as steel, to ensure that their products are made from responsibly sourced materials. The standard describes the framework for governance, supply chain management, environmental and social aspects that must be taken into account to ensure sustainable sourcing.

The main disaggregated environmental and social indicators for the four factories are listed below:

ΜΑΙΑ	NARÓN	SEIXAL	ZARAGOZA
GRI 301-2: Percentage of	recycled materials reuse	d	
2021: 95.48%	2021: 93.89%	2021: 85.23%	2021: 94.79%
2022: 95.53%	2022: 94.79%	2022: 86.25%	2022: 94.96%
2023: 93.37%	2023: 95.75%	2023: 87.09%	2023: 95.21%
GRI 301-2: Total recycled	materials used (mt)		
2021: 1,169,268	2021: 422,615	2021: 908,485	2021: 613,420
2022: 1,120,681	2022: 398,945	2022: 847,149	2022: 638,200
2023: 1,263,576	2023: 403,880	2023: 903,942	2023: 603,506
GRI 302-1: Energy consun	nption (GJ)		
2021: 2,730,935	2021: 1,273,124	2021: 3,109,411	2021: 1,867,883
2022: 2,621,328	2022: 1,237,438	2022: 3,313,669	2022: 1,930,517
2023: 2,953,043	2023: 1,211,575	2023: 3,372,749	2023: 1,836,414
Energy consumption per	product (GJ/tm final proc	duct)	
2021: 2.97	2021: 3.59	2021: 4.91	2021: 3.66
2022: 2.87	2022: 3.41	2022: 3.92	2022: 3.73
2023: 3.07	2023: 3.42	2023: 3.97	2023: 3.68

ΜΑΙΑ	NARÓN	SEIXAL	ZARAGOZA
Use of zero carbon energ	gy (%)		
2021: 24.5	2021: 29.6	2021: 23.6	2021: 27.4
2022: 26.0	2022: 25.4	2022: 23.5	2022: 24.3
2023: 28.7	2023: 24.7	2023: 25.3	2023: 24.0

GRI 303-1: Water management

- Water comes from the public water supply and 26 underground wells.
- It is mainly used for cooling and as sanitary water.
- Industrial water purges are reused in the slag hydration processes and in the cooling of gases in the scrubbing system.
- Domestic wastewater is discharged into the municipal sanitation services of Maia.

- The water comes from the river Xubia and the municipal water supply. It is used for cooling and sanitary purposes.
 Water comes from the drinking water network and from three underground wells.
 The uses are: sanitary water and cooling.
- the installation.
 - purges are reused in the slag hydration and electrode cooling processes.

Industrial water

 Domestic wastewater is discharged into the Seixal WWTP. The water comes from

the Imperial Canal of

• The main uses are as

cooling and sanitary

discharged into the

sewerage system.

Aragon.

water.

Rainwater is

GRI 305-5: Water consumption in the industrial process (m3)	

2021: 750,502	2021: 250,830	2021: 950,605	2021: 650,921
2022: 757,640	2022: 240,625	2022: 1,033,070	2022: 623,079
2023: 677,401	2023: 187,852	2023: 1,150,622	2023: 506,300
GRI 303-5: Water consum	ption in the industrial p	rocess by product (m3/tm	final product)
2021: 0.816	2021: 0.708	2021: 1.501	2021: 1.277
2022: 0.829	2022: 0.663	2022: 1.221	2022: 1.202
2023: 0.705	2023: 0.530	2023: 1.35	2023: 1.015
GRI 305-1: Direct emission	ns (mt CO2 eq)		
2021: 49,453	2021: 29,670	2021: 79,344	2021: 49,480
2022: 45,364	2022: 30,653	2022: 85,832	2022: 50,403
2023: 50,258	2023: 30,557	2023: 89,697	2023: 49,503

MAIA	NARÓN	SEIXAL	ZARAGOZA
irect emissions per pro	oduct (mt CO2 eq/tm fina	al product)	
2021: 0.05	2021: 0.08	2021: 0.13	2021: 0.10
2022: 0.05	2022: 0.08	2022: 0.10	2022: 0.10
2023: 0.05	2023: 0.09	2023: 0.11	2023: 0.10
iRl 305-2: Indirect CO2 e	emissions (mt CO2 eq)		
2021: 172,351	2021: 60,074	2021: 189,212	2021: 122,687
2022: 141,215	2022: 61,172	2022: 160,711	2022: 88,905
2023: 144,799	2023: 62,578	2023: 146,556	2023: 87,763
ndirect CO2 emissions p	per product (mt CO2 eq/	mt final product)	
2021: 0.19	2021: 0.17	2021: 0.30	2021: 0.10
2022: 0.15	2022: 0.17	2022: 0.19	2022: 0.10
2023: 0.15	2023: 0.18	2023: 0.17	2023: 0.10
Pirect CO2 emissions by	source (steel plant) (mt	CO2 eq)	
2021: 17,561	2021: 10,731	2021: 37,867	2021: 15,117
2022: 14,631	2022: 10,690	2022: 32,962	2022: 15,601
2023: 17,519	2023: 10,798	2023: 35,341	2023: 16,459
Pirect CO2 emissions by	source (steel mill) and l	oy product (mt CO2 eq/tm	billet)
2021: 0.017	2021: 0.028	2021: 0.042	2021: 0.027
2022: 0.014	2022: 0.029	2022: 0.039	2022: 0.027
2023: 0.015	2023: 0.030	2023: 0.040	2023: 0.03
Pirect CO2 emissions by	source (lamination) (m	t CO2 eq)	
2021: 31,891	2021: 18,939	2021: 41,477	2021: 34,363
2022: 30,733	2022: 19,963	2022: 52,870	2022: 34,802
2023: 32,739	2023: 19,759	2023: 54,356	2023: 33,044
Pirect CO2 emissions pe	r source (lamination) an	nd per product (mt CO2 eq	/tm final product)
2021: 0.035	2021: 0.053	2021: 0.065	2021: 0.067
2022: 0.034	2022: 0.055	2022: 0.062	2022: 0.067
2023: 0.034	2023: 0.56	2023: 0.064	2023: 0.066

ΜΑΙΑ	NARÓN	SEIXAL	ZARAGOZA		
Indirect CO2 emissions by source (steel plant) (mt CO2 eq)					
2021: 150,738	2021: 50,080	2021: 154,952	2021: 69,174		
2022: 122,925	2022: 49,841	2022: 125,826	2022: 77,392		
2023: 127,712	2023: 51,563	2023: 115,868	2023: 76,602		
Indirect CO2 emissions b	y source (steel mill) and	by product (mt CO2 eq/tr	n billet)		
2021: 0.143	2021: 0.129	2021: 0.173	2021: 0.125		
2022: 0.121	2022: 0.136	2022: 0.150	2022: 0.134		
2023: 0.110	2023: 0.146	2023: 0.133	2023: 0.140		
Indirect CO2 emissions b	y source (lamination) (n	nt CO2 eq)			
2021: 21,613	2021: 9,994	2021: 34,260	2021: 10,615		
2022: 18,290	2022: 11,331	2022: 34,885	2022: 11,513		
2023: 17,086	2023: 11,015	2023: 30,688	2023: 11,161		
Indirect CO2 emissions p	er source (lamination) a	ind per product (Tm CO2 e	q/Tm final product)		
2021: 0.023	2021: 0.028	2021: 0.054	2021: 0.021		
2022: 0.020	2022: 0.031	2022: 0.041	2022: 0.022		
2023: 0.018	2023: 0.031	2023: 0.036	2023: 0.022		
Total CO2 emissions (tm	CO2eq)				
2021: 221,804	2021: 89,744	2021: 268,556	2021: 129,269		
2022: 186,579	2022: 91,825	2022: 246,543	2022: 139,308		
2023: 195,057	2023: 93,135	2023: 236,253	2023: 137,266		
GRI 305-4: Total CO2 emis	GRI 305-4: Total CO2 emissions by product (mt CO2 eq/tm final product)				
2021: 0.241	2021: 0.253	2021: 0.424	2021: 0.254		
2022: 0.204	2022: 0.253	2022: 0.291	2022: 0.269		
2023: 0.203	2023: 0.263	2023: 0.278	2023: 0.275		
GRI 305-5: CO2 emission reductions (mt CO2 eq)					
2021: -36,491	2021: 20,246	2021: 15,470	2021: -29,293		
2022: 35,225	2022: -2,080	2022: 22,013	2022: 32,859		
2023: -8,478	2023: -1,310	2023: 10,290	2023: 2,042		

ΜΑΙΑ	NARÓN	SEIXAL	ZARAGOZA		
GRI 306-1: Waste produce	GRI 306-1: Waste produced (mt)				
Produced (mt)					
2021: 210,266	2021: 74,775	2021: 187,167	2021: 108,270		
2022: 207,092	2022: 59,722	2022: 165,640	2022: 101,579		
2023: 229,849	2023: 64,505	2023: 178,282	2023: 94,311		
Produced per product (mt	/mt final product)				
2021: 0.229	2021: 0.211	2021: 0.296	2021: 0.212		
2022: 0.226	2022: 0.165	2022: 0.196	2022: 0.196		
2023: 0.239	2023: 0.182	2023: 0.210	2023: 0.189		
Valued (mt)					
2021: 210,234	2021: 71,413	2021: 176,071	2021: 104,497		
2022: 201,999	2022: 57,193	2022: 159,238	2022: 98,541		
2023: 226,509	2023: 61,496	2023: 173,130	2023: 94,010		
Valued per product (mt/n	nt final product)				
2021: 0.229	2021: 0.202	2021: 0.278	2021: 0.205		
2022: 0.221	2022: 0.158	2022: 0.188	2022: 0.190		
2023: 0.236	2023: 0.173	2023: 0.204	2023: 0.188		
Percentage of waste reco	vered				
2021: 99.98%	2021: 95.50%	2021: 94.07%	2021: 96.52%		
2022: 97.54%	2022: 95.77%	2022: 96.13%	2022: 97.01%		
2023: 98.55%	2023: 95.34%	2023: 97.11%	2023: 99.69%		
GRI 401-1: Employee turn	over				
2021: 9.55%	2021: 5.38%	2021: 11.80%	2021: 9.5%		
2022: 12.75%	2022: 3.06%	2022: 16.79%	2022: 5.43%		
2023: 11.92%	2023: 5.30%	2022: 22.02%	2023: 6.14%		
GRI 404-1: Average hours	of training per year per	employee			
2021: 23.03	2021: 25.96	2021: 27.50	2021: 60.63		
2022: 15.13	2022: 26.32	2022: 54.30	2022: 69.56		
2023: 24.10	2023: 27.39	2023: 37.47	2023: 61.73		

ΜΑΙΑ	NARÓN	SEIXAL	ZARAGOZA		
GRI 403-9: Work-Related Injuries					
2021: 5	2021: 5	2021: 25	2021: 2		
2022: 5	2022: 2	2022: 24	2022: 5		
2023: 4	2023: 1	2023: 5	2023: 2		
BES 6001. Transport					
Methodology for identifying significant environmental impacts associated with transport.					
Internal methodology that takes into account the frequency, likelihood, and severity of impacts.					
Impacts associated with transport.					
Greenhouse gas emissions.					
Fuel consumption.					
Diffuse and noise emissions.					
Oil spill.					
Significant environmental impacts identified by the organisation.					
Emergency situations.					

Diffuse emissions.

Noise emissions.

Electricity consumption.

Water consumption.

Natural gas consumption.

Mitigation strategies.

Implementation of objectives.

Control plans.

BES 6001: Life cycle analysis

Associated environmental impacts.

All factories have a life cycle analysis of their products, verified by accredited bodies and available on the website.



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