

Environmental Policy

Scope and application

Sidenor is committed to operate with responsibility and respect for the environment and society. Sound environmental management of production, storage installations and business processes is one of the most important operational goals and is essential to secure the sustainability of the Company activities. The policy has been developed taking into consideration the interests of key stakeholders of Sidenor, and applies to all employees, officers, directors, contractors, and agents as well as all entities and subsidiaries controlled by the company. The policy applies to all operations and business activities, regardless of the country in which each company operates, as well as the upstream and downstream value chain of Sidenor

This policy is developed to address environmental potential negative and positive impacts, as well as relevant risks and opportunities. Potential negative impacts can be associated with consumption of non-renewable energy and GHG emissions, water withdrawal inadequate waste management, pollution of air, soil and water and natural habitat disruptions. Potential positive impacts can be associated with provision of products enabling the energy transition and decarbonization and reduced utilization of primary sources. The policy incorporates risks, acute and chronic physical climate related risks, risks related to environmental violations and consequent litigation and reputational damage as well as opportunities related to products and services. Sidenor commit to operate responsibly, aiming to minimize potential impacts to the environment and biodiversity, and set up mechanisms for monitoring environmental aspects and risks.

This Code applies to all operations and business activities. Sidenor is committed to:

Legal framework

- Operate in full compliance with applicable environmental laws and regulations at all levels, as well as ensure adherence to company-specific environmental commitments, including site-level operational terms.
- Report environmental performance regularly in alignment with recognized reporting frameworks.
- Implement an Environmental Management System (EMS), based on recognized international standards (e.g., ISO 14001).
- Set targets of the Company's' environmental management systems, as well as goals for continuously improving their environmental performance and minimizing their environmental footprint

Circular economy & Waste Management

- Track and report metrics on resource efficiency, product lifecycle impacts, recycling rates and resource optimization. Our target is to reach a recycling content of 98% and above.
- Optimize and increase the use of secondary raw materials to reduce reliance on virgin resources, contributing to circular economy goals.
- Apply circular economy principles, focusing on waste minimization, recycling, and develop new technologies that allow for minimum generation of waste.
- Manage operational waste according to the principles of the circular economy.
- Follow the waste hierarchy: (a) prevention; (b) preparing for re-use; (c) recycling; (d) other recovery, e.g., energy recovery; and (e) disposal.
- Prioritize the avoidance or minimization waste (Re-use, Repair, Refurbish, Remanufacture and Repurpose) over waste treatment (Recycling).

Pollution of air, soil & water

- Substitute and minimize (where applicable) the use of substances of concern, and phasing out substances of very high concern, for non-essential societal use and in products.
- Ensure the safe and responsible storage of hazardous substances, with proactive risk management and regular audits.
- Mitigate negative impacts related to pollution of air (incl. non GHG emissions), water and soil including prevention and control.

Water and Marine resources

- Contribute to good ecological and chemical quality of surface water bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural ecosystems and biodiversity.
- Recognize that water is a precious natural resource and that water resources must be conserved and aquatic life must be protected. Commit to efficient use, minimizing consumption through increased reuse and recycling and especially in areas at water risk and taking into consideration potential impacts on affected communities. Also, the company will take into account in the product design, evaluation of water-related issues and the preservation of marine resources.
- Conduct water risk assessments to ensure the protection of water sources and ecosystems for the prevention and abatement of water pollution resulting from the company's activities and establish targets for water use efficiency.
- Integrate water treatment in order to promote more sustainable sourcing of water.
- Prevent further deterioration and protect and enhance the status of water bodies and aquatic ecosystems.
- Promote reduction of water withdrawals and water discharges.

Climate change

- Implement strategies to adapt to the impacts of climate change and reduce carbon emissions.
- Set and pursue ambitious carbon reduction goals, addressing direct and indirect emissions (Scope 1, 2, and 3).
- Regularly disclose emissions data and climate adaptation plans through transparent reporting mechanisms.
- Prioritize the sustainable sourcing and use of renewable resources.

Biodiversity

- Commit to protecting biodiversity and minimizing the operational impact on ecosystems and natural habitats, due to potential climate change, land use change, including land degradation, desertification and soil sealing, direct exploitation, invasive alien species, impacts on the state of species or pollution.
- Develop and implement biodiversity action plans, ensuring comprehensive assessment of land-use changes and ecosystem impacts.
- Support traceability of products, components and raw materials with material actual or potential impacts on biodiversity and ecosystems along the value chain.
- Address production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity.
- Address social consequences of biodiversity and ecosystems-related impacts.

Incident management

- Implement a formal environmental incident response plan, including prevention, mitigation, and reporting procedures.
- Conduct thorough incident investigations, ensuring transparent reporting of findings and corrective actions to stakeholders.

Stakeholder engagement

- Engage in regular dialogue with stakeholders, including employees, investors, regulators, customers, suppliers and local communities, on environmental issues and strategies.
- Participate in industry initiatives and support global sustainability efforts, such as the EU Green Deal and the UN Sustainable Development Goals (SDGs).
- Encourage suppliers and subcontractors to adopt environmental principles aligned with Sidenor's commitments.
- Integrate environmental criteria into procurement processes and monitor the environmental performance of business partners.

Regular Monitoring, Reporting, and Continuous Improvement

Formal Review Mechanism: The Environmental Policy and the associated Environment Guidelines are subject to a formal and structured review mechanism to ensure their continued relevance, effectiveness, and alignment with regulatory requirements, international standards, and the Company's sustainability strategy.

The review process is conducted at least every **two years**, or more frequently where required due to:

- regulatory changes (e.g. Sustainability, data protection frameworks)
- updates in international standards (e.g. UN, OECD, ESRS)
- identified risks, incidents, or audit findings
- significant organizational or operational changes

The review is coordinated by the **Sustainability function**, in collaboration with key internal stakeholders (Legal, HR, Internal Audit, and Senior Management).

Governance and Accountability

The Company has established a structured governance framework to ensure the effective implementation, oversight, and continuous improvement of its Environment standards and Environmental Policy.

Overall accountability for environment conduct lies with Senior Management, which is responsible for approving the Environmental Policy, ensuring its implementation across all operations, and monitoring performance.

The Senior Management, in close collaboration with the Sustainability, Legal, HR, and Internal Audit departments, is responsible for:

- overseeing the application of the Environmental Policy and Environment Guidelines
- monitoring compliance with environment requirements
- coordinating investigations related to reported environment concerns
- managing the whistleblowing mechanism (Integrity Hotline) and ensuring proper follow-up



Line management is responsible for promoting environmental behavior within their teams, ensuring awareness, and enforcing compliance at operational level.

All employees share responsibility for:

- complying with the Environmental Policy
- participating in mandatory environment training
- reporting any suspected violations

Environmental concerns can be reported through a formal whistleblowing mechanism, which allows confidential and anonymous reporting. All cases are assessed and investigated by authorized and trained personnel, ensuring independence, objectivity, and protection against retaliation. This governance structure ensures clear accountability, effective oversight, and alignment of Environmental conduct with the Company's overall governance and sustainability framework.

Distribution and Communication

It falls into the responsibilities of Sidenor's management to communicate the content and the spirit of this document to all personnel, direct and associated, also to stakeholders. This policy is published and posted on the intranet network and websites. To increase awareness Sidenor will ensure that employees receive adequate training and guidance on environmental management practices, tailored to their roles and areas of influence.

The policy will be reviewed annually to ensure compliance with legal requirements and any other relevant updates.