



Environmental Policy

Befesa is dedicated to conducting its operations in an environmentally responsible way. The Company's commitment to sustainability is reflected in its efforts to minimise its environmental footprint, enhance resource efficiency, and promote the circular economy. Befesa is committed to being a leader in sustainability in the steel and aluminium industries.

While each recycling plant maintains autonomy and responsibility for environmental compliance, Befesa is strengthening its Group-wide approach to environmental management to drive consistency, share best practices, and enhance overall performance.

This policy sets out the principles that guide the Company's unified approach, supporting plant-level autonomy while ensuring high environmental standards across the organisation.

Principles:

1. Befesa's aim is to provide a sustainable alternative to the primary production of steel and aluminium. The Company manages hazardous and non-hazardous waste responsibly to minimise environmental impact and enable circularity in the steel and aluminium industries.
2. The Company ensures compliance with all applicable environmental laws, regulations, and standards at plant and Group level. Environmental performance is continuously improved through regular monitoring, reporting, and audits.
3. Befesa goes beyond regulatory compliance by adopting international best practices at plant level, including ISO, EMAS and EcoVadis standards, to ensure continuous improvement and environmental excellence.
4. Decarbonisation strategies and actions are implemented to achieve a 20% reduction in CO_{2e} intensity by 2030 and strive for net zero emissions by 2050.
5. Befesa invests in research and development initiatives to advance technologies that support the Company's environmental goals and enhance operational efficiency.
6. The Company works to improve energy efficiency across its operations by optimising processes, upgrading equipment, and monitoring energy use to reduce consumption and emissions.
7. Renewable energy uptake is a key decarbonisation lever for Befesa. The Company aims to increase the share of renewable energy in its electricity mix by sourcing green power and exploring opportunities for on-site renewable energy generation.
8. The Company monitors performance of these strategies through periodic reporting, its Board, and its two Sustainability Committees, who met regularly to oversee the Company's sustainability governance.
9. ESG performance, including environmental targets, is integrated into the Company's annual and bi-annual incentive structures to reinforce accountability and drive continuous improvement.

10. The Company prevents air, soil, and water pollution by implementing best practices, following regulation, and investing in technologies to reduce emissions.
11. The Company's processes are not particularly water intensive; however, the Company acknowledges some of its operations take place in areas of water stress and work to optimise water use through rainwater harvesting, internal water treatment and recycling. More than half of the Company's plants operate in closed water circuits, and those that do not follow strict guidelines to comply with contaminant levels in their water discharges.
12. The Company engages with suppliers, customers, and other stakeholders to promote environmental sustainability throughout its value chain. This includes engaging them to improve the Company's Scope 3 disclosures and collaborating with them to advance environmental best practices.
13. Befesa ensures that its activities generate positive impacts for its employees, contractors, and surrounding communities by upholding the principles embedded in its Code of Conduct, which is aligned with the UN Universal Declaration of Human Rights, ILO conventions, the UN Guiding Principles, and the OECD Guidelines. The Company actively assesses and mitigates risks through its risk maps and expects its suppliers to follow the same standards.
14. The Company regularly communicates its environmental performance and progress to stakeholders, ensuring accountability and integrating environmental performance into its decision-making processes.
15. Befesa showcases its commitment by aligning its reporting with the EU Corporate Sustainability Reporting Directive, ESRS Taxonomy, and the Double Materiality Analysis methodology to identify the main impacts, risks and opportunities to guide its strategy. All of these disclosures are externally verified.
16. Befesa is committed to keep improving its performance, strategy and reporting as it progresses.