

BEFESA

ESG Report 2025

(extract from the Annual Report 2025)

Sustainability statement

In this 2025 Annual Report, Befesa has prepared a sustainability statement in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, which amends Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU regarding corporate sustainability reporting (“CSRD”).

The statement includes the requirements of Article 8 of Regulation (EU) 2020/852 (the “Taxonomy Regulation”) and the original Corporate Sustainability Reporting Directive (CSRD), and using the European Sustainability Reporting Standards (ESRS). As CSRD has not been transposed and implemented under Luxembourgish law at the date of publication of this Annual Report, the sustainability statement has been prepared on a voluntary basis and subjected to a limited assurance review to strengthen Befesa’s commitment to transparency and accountability. Befesa’s audit firm KPMG has performed a limited assurance engagement on this sustainability statement (the independent auditor’s report section of the sustainability statement).

This report provides a disclosure of Befesa’s ESG performance in 2025, ensuring compliance with the latest

regulatory frameworks while reinforcing the Company’s dedication to sustainable business practices. It reflects Befesa’s material impacts, risks and opportunities, integrating key sustainability factors into its strategy and operations.

By aligning with the ESRS principles of relevance, comparability and reliability, Befesa seeks that its stakeholders have access to clear, standardised and verifiable sustainability information.

The information provided in the sustainability statement is based on the double materiality assessment (“DMA”) of sustainability topics completed by Befesa in 2025, and all material data points requested by the ESRS have been answered taking into account Befesa’s sustainability material topics.



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BP-1 General basis for preparation of the sustainability statement

This sustainability statement has been prepared on a consolidated basis, following the same scope as the financial statements. Consequently, the consolidated ESG data comprises the parent company Befesa and subsidiaries controlled by Befesa and covers its own operations; the impact, risk and opportunities extend to its upstream and/or downstream value chain following the double materiality principle (more info in section IRO-1).

Befesa has not used the option to omit any material information on the basis that it is confidential or commercially sensitive or that it relates to the disclosure of impending developments or negotiations.

BP-2 Disclosures in relation to specific circumstances

Befesa follows time horizons defined by ESRS 1 (section 6.4) for its sustainability statement in all sections of this report.

- Short-term: period adopted as the reporting period in the financial statements, 1 year.
- Medium-term: from the end of the short-term reporting period up to 5 years.
- Long-term: more than 5 years.

Some of the metrics presented in our sustainability disclosures rely on information provided by external parties and/or involve the use of judgements, estimates and assumptions. Whenever possible, Befesa relies on widely recognised and trustworthy external sources, as well as past experience, to develop sound and equitable judgements, estimates and assumptions, which Befesa reviews and

updates on a regular basis. Nevertheless, the Company recognises that using third party data and these analytical approaches inherently involves a degree of uncertainty in the resulting outcomes.

Befesa also cross-references the sections of the report that address different regulations or reporting frameworks, including the Non-Financial Reporting Directive (NFRD).

In the fiscal year 2025, Befesa has not applied the amendments introduced by Delegated Regulation (EU) 2026/73 of 4 July (simplifying the EU Taxonomy Regulation), which updates the Delegated Acts relating to disclosures, climate and environmental objectives. The Company has exercised the option provided in the Delegated Act to continue applying the previous regulation during the transitional period applicable to financial years beginning in 2025.

In preparing the current sustainability statement for the year ended 31 December 2025, Befesa identified the following:

- During 2025, Befesa has reviewed and updated its DMA, resulting in the identification of new material topics and Disclosure Requirements to be reported (E3-Water, E2-5 Substances of concern and of very high concern, and E5-5 Outflows for products).
- Methodology changes and improvement in data collection: where applicable, changes to previously disclosed sustainability data are described in the relevant accounting principles. These disclosures describe the nature of the change, including methodological updates and/or changes in data measurement if applicable, and their

impact on reported figures (E1-5 Energy; E1-6 Scope 3; Emissions; E2-4 Air Pollution; E5-4 Inflows; E5-5 Waste). Therefore, the 2024 comparatives are not revisited nor restated due to impracticability.

No incorporation by reference has been made.

GOV-1/GOV-2 Role of management and sustainability matters addressed

During the 2025 financial year, the Board of Directors of Befesa consisted of eight members: two Executive Directors (Executive Chair and CEO) and six Non-executive Directors. There were no employee representatives at the Board of Befesa.

In terms of gender representation, the Board of Directors included three female Board members out of a total of eight, representing 37.5%. Befesa's Board of Directors consisted of six independent non-executive Board members out of a total of eight members, representing 75%.

General disclosures continued

Member	Position	Tipology	Committee
Javier Molina	Executive Chair	Executive	Not applicable
Asier Zarrakonandia	CEO	Executive	Not applicable
Javier Petit Asumendi	Independent Director	Non-executive	Member of the Nomination & Remuneration Committee
Georg Graf Waldersee	Lead Independent Director	Non-executive	Audit Committee Chair
Frauke Heistermann	Independent Director	Non-executive	Member of the Audit Committee and of the Sustainability Committee
Natalia Latorre Arranz	Independent Director	Non-executive	Sustainability Committee Chair and member of the Audit Committee
Soledad Luca de Tena	Independent Director	Non-executive	Member of the Nomination & Remuneration Committee
Helmut Wieser	Independent Director	Non-executive	Nomination & Remuneration Committee Chair and member of the Sustainability Committee

The Board of Directors has the authority to carry out the acts necessary or appropriate to achieve the Company's corporate purpose and to support the sustainable creation of value.

In line with Board of Director's Rules of Procedure, the Board is responsible for the governance, management, strategic direction and control of Befesa's operations and businesses, including oversight of impacts, risks and opportunities and sustainability matters.

The Befesa Board contracts establish that the Board member agrees to comply with the articles, the internal regulations governing the internal functioning of the Company and its Board committees, the dealing code and all other applicable policies of the Company.

The Board of Directors brings significant expertise across various sectors, including finance, digitalisation, energy transition, logistics and industrial engineering. This diverse expertise is particularly relevant for overseeing sustainability matters due to the following factors:

1. Diverse industry experience and strategic oversight:

- Members such as Georg Graf Waldersee (accounting and auditing, risk management and compliance), Javier Petit Asumendi (investment banking), and Soledad Luca de Tena (corporate governance in media) provide financial, risk management and governance expertise, ensuring robust decision-making frameworks.
- Frauke Heistermann (supply chain and digitalisation) and Helmut Wieser (industrial and manufacturing sectors, in particular aluminium and steel industries, H&S and accident prevention) bring technical and operational perspectives that are crucial for sustainability-related transformations.
- Natalia Latorre Arranz (energy transition) has direct ESG expertise, particularly in renewable energy, environmental products and corporate sustainability strategies.

2. Relevance to material impacts, risks and opportunities:

- Several members have expertise in sectors highly impacted by ESG considerations, such as energy, industry and finance.

- Natalia Latorre Arranz's experience in energy transition and corporate transformation is particularly relevant for addressing climate-related risks and opportunities.
- Frauke Heistermann's background in digital transformation and supply chain management contributes to sustainable logistics and operational efficiencies.
- Georg Graf Waldersee's auditing and financial compliance experience ensures transparency and accountability in sustainability reporting.

3. Access to additional expertise and development initiatives:

- Many members serve on advisory boards, supervisory boards and strategic committees, giving them access to broader networks of expertise.
- Board members such as Natalia Latorre Arranz, who engages in advisory roles related to sustainability (e.g. Marsi Bionics, Strategy Advisory Board of Programa Mujer e Ingeniería), are likely to contribute ESG-focused insights.
- Membership in various supervisory bodies suggests exposure to ongoing training, industry developments and regulatory updates.

General disclosures continued

The explained composition and diversity of the Board of Directors reflect a well-rounded and strategic set of skills relevant for effective sustainability oversight. The diverse backgrounds of the Board members, particularly in energy transition, finance, governance, digitalisation and industrial operations, provide a foundation for addressing material sustainability impacts, risks and opportunities identified by Befesa in its DMA (see SBM-3 and IRO-1) in this chapter.

Additionally, the access of the Board members to expert networks and their commitment to ongoing learning strengthen their ability to effectively oversee ESG-related matters.

Befesa has the ability to engage external sustainability experts when needed. During the reporting period, no external experts were engaged, as the internal ESG team considered that it had the necessary expertise to prepare the sustainability disclosures

During the reporting year, and in accordance with the Rules of Procedure of the Board of Directors, the Executive Chair plays a key role in the development and implementation of the Company's sustainability strategy. The Company's sustainability priorities are integrated into its broader strategic planning, including its mid-term business plan, as regularly communicated to the market.

In 2025, the Board of Directors of the Company approved maintaining the same CSRD reporting and audit approach as applied in 2024.

In this context, and with the aim of advancing the sustainability reporting process compared with the previous year, the Company reviewed and updated the DMA conducted in 2024. The updated DMA does not significantly expand the scope of stakeholder categories or the value

chain. Instead, it reflects a refinement of the assessment approach, including a review of the wording and methodology applied to the identification and evaluation of IROs. These adjustments were introduced to improve the robustness of the process and to ensure that the outcomes more accurately reflect the Company's actual situation.

The updated DMA was carried out during 2025 under the leadership of the CFO. The results of the analysis were presented to management and relevant internal governance bodies, and the Board of Directors was informed of the outcome.

To ensure effective governance and oversight, the Board of Directors of Befesa has set up an Audit Committee, a Nomination and Remuneration Committee and, to integrate sustainability into the Company's decision-making process, a Sustainability Committee and an internal sustainability committee.

The chairs of the Audit Committee, the Nomination and Remuneration Committee, and the Sustainability Committee report to the Board of Directors on the activities, discussions and conclusions of their respective committees.

The Audit Committee

The Audit Committee, as outlined in its rules of procedure, monitors the effectiveness of Befesa's internal quality control, the Risk Management System (RMS) and the Compliance Management System (CMS). In addition to its other duties, it is responsible for supervising the RMS and CMS, which are integral elements of the Company's control framework. For more information see ESRs GOV-1 of Business Conduct.

Befesa has implemented an RMS and a CMS to enable managers to analyse, evaluate and manage risks associated with various aspects of the Company's operations. The purpose of the RMS is to identify and assess significant risks that may affect Befesa's performance and strategic objectives.

An internal risk committee, which reports to the Audit Committee, has been established to support this process. During the reporting year, this internal risk committee comprised the Executive Chair, the CEO, the CFO, the Vice President of Befesa's Aluminium Salt Slags Recycling Services Business Unit, regional CEOs of the Steel Dust Recycling Services Business Unit and various corporate managers (inter alia, – Compliance Officer, Global EHS Director).

This internal committee is responsible for monitoring and reviewing the risks included in the Risk Map of Befesa. Annually, the risk analysis, risk map and associated mitigation measures are submitted to the Audit Committee and the Board of Directors for review. Corporate managers who form part of the internal risk committee are responsible for the definition and monitoring of the material sustainability-related impacts, risks and opportunities, as well as implementing and overseeing mitigation controls.

During 2025, the Audit Committee held five meetings.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for ensuring that the Board of Directors has the necessary competencies, experience and diversity of skills to effectively address sustainability-related issues and challenges.

When recommending suitable candidates to the Board of Directors for election by the General Meeting, the Nomination and Remuneration Committee ensures that nominees have the necessary sustainability expertise, such as experience in environmental management, renewable energy, corporate governance, social impact and other sustainability-related fields. The committee aims to create a balanced and diverse set of skills and backgrounds among Board members to oversee the Company's sustainability strategy and performance effectively.

The Nomination and Remuneration Committee engages external consultants and advisors to support the recruitment of qualified candidates. The Committee monitors the ongoing development of sustainability-related expertise at Board level, for example, through specific training sessions. Furthermore, the Committee evaluates the effectiveness of the Board's sustainability oversight and recommends any necessary changes to ensure that sustainability remains at the forefront of the Company's strategic decision-making. This assessment includes evaluating the knowledge and awareness of key sustainability topics, such as environmental regulations, climate change, resource efficiency, sustainable supply chains and social responsibility within the context of Befesa's business and industry.

The Sustainability Committee

The Sustainability Committee comprises members with expertise in sustainability who are responsible for guiding the Company's sustainability strategy and monitoring its performance. The Committee includes Board members with knowledge and experience in environmental management, health and safety, social responsibility, corporate governance and sustainable business practices.

General disclosures continued

The responsibilities of the Sustainability Committee include overseeing and monitoring all material matters regarding sustainability, including the design, the implementation and progress of the CO₂ reduction plan for 2030 and 2050. The Committee performs the following activities: (1) reviews and monitors the Company's environmental sustainability strategy and its implementation, as well as the Company's environmental sustainability policies, standards and guidelines; (2) reviews and monitors the Company's environmental sustainability achievements in accordance with the targets and guidelines of the Company and (3) supports and provides guidance to the Board of Directors in developing and updating the Company's policies and procedures relating to environmental sustainability.

This Board Committee has no executive functions; however, it has the power to provide information and advice, and to make proposals and recommendations in the area of sustainability. The Chair of the Sustainability Committee reports to the Board of Directors of the Company on the Committee's discussions, conclusions and recommendations. The Sustainability Committee meets at least twice per year and as often as required to effectively fulfil its responsibilities.

The Internal Sustainability Committee

Befesa has set up an internal sustainability committee that is responsible for overseeing and managing all matters of the Company and its subsidiaries related to ESG, with a focus on emissions reduction and energy-saving targets. During the reporting period, this internal sustainability committee comprised the following members: the Executive Chair, the CFO and Head of IR, Strategy and Communications, the Global EHS Director, the HR and CSR Director, the Compliance Officer and the General Counsel.

During the reporting period and in line with the Climate Action Plan (see chapter E1) and the results of the updated DMA, the internal sustainability committee addressed the following information and issues:

- Reviewing the CO₂ emissions in comparison with previous years;
- Advancing the CO₂ reduction plan;
- Overseeing key projects and initiatives for reducing CO₂ emissions;
- Monitoring the Company's ESG ratings, including assessments from agencies such as ISS ESG, MSCI, Sustainalytics, S&P Global, CDP and Ethifinance, as well as developments in applicable environmental reporting requirements;
- Reporting on Scope 3 material categories to fulfil CSRD requirements; and
- Overseeing the Company's CSRD reporting process.

With expertise in environmental, health and safety management and energy transition, this committee focuses on reducing the environmental impact of Befesa's activities, particularly greenhouse gas emissions. By monitoring carbon reduction strategies and investments in clean technologies – while taking into consideration the updated and reviewed DMA and the Company's Climate Action Plan, - the committee supports the Company in navigating regulatory challenges and positions it to capitalise on emerging opportunities, such as production of green steel and the use of new hydrogen-based technologies.

The Sustainability Committee established by the Board of Directors is regularly informed about and reviews the decisions and discussions of the internal sustainability

committee to ensure alignment between operational ESG initiatives and the Company's strategic sustainability objectives.

GOV-3 Integration of sustainability-related performance in incentive schemes

The remuneration system of the Non-executive Directors of the Board consists solely of fixed remuneration, with no participation in any incentive schemes or variable compensation plans of Befesa. The compensation of the

non-executive members of the Board of Directors is proposed by the Board and approved on an annual basis by the General Meeting of Befesa.

In contrast, the remuneration system for the Executive Directors of the Board of Directors of Befesa includes both fixed, non-performance-related components and variable performance-related elements designed to align their interest with the long-term success and sustainable growth of the Company:

Instruments of Executive Directors' remuneration with respect to the reporting period (FY 2025)		
Fixed instruments	Annual base salary	Fixed remuneration paid in 12 monthly instalments
	Fringe benefits	Benefits such as a company car
Variable instruments	One-year variable remuneration	Performance period: 1 year Performance criteria for financial year 2025: <ul style="list-style-type: none"> • 40% EBITDA • 20% Net Debt • 20% ESG • 20% Execution of strategic initiatives and return on growth projects Performance scale: 0-200% of target value (cap)
	Long-term variable remuneration	Performance period: 3 years Criteria for Tranche VI of LTI (3-year performance period 2023-2025) – 100% performance-based (Performance Stocks). The performance criteria of the Performance Stocks are the following: <ul style="list-style-type: none"> • 25% Relative TSR • 30% EBITDA CAGR • 25% ESG • 20% Operating cashflow CAGR Performance scale: 0-200% of target value (cap) Information on Befesa's Long-Term Incentive Plan (Tranches VII-VIII) regarding future reporting periods can be found in our Remuneration Policy 2023 published on the corporate governance section of our website.

General disclosures continued

In accordance with Befesa's Remuneration Policy 2023, the ESG performance criteria applied to the variable remuneration instruments of the Executive Directors of Befesa are defined within the Company's remuneration framework, taking into account market practices and the Company's ESG strategy. These criteria are aligned with Befesa's key ESG objectives in the following three core areas:

- **Environmental/Climate Change:** To design and implement the CO₂ reduction plan to achieve the target of 20% CO₂ intensity rate for Scope 1 and 2 reduction by 2030 as well as the ambition to reach net zero by 2050. Specific KPIs include: increase in the percent of green power usage, decrease in the CO₂ intensity, during the performance period.

- **Social / Health & Safety:** Employees' health and safety is measured by the development of the lost time injury rate (LTIR) during the performance period. The target is to maintain an adequate level within the industry standards. The only numerical target is to keep fatalities at zero.
- **Governance/Compliance:** Continuing progress on compliance and governance practices, e.g. annual risk assessment update, no covenant breaches or corporate governance misconduct, maintaining and improving internal audit practices across the Company. In addition, other factors considered as part of Befesa's ESG performance criteria include maintaining, improving and extending ESG ratings by external agencies.

The Board of Directors of Befesa, based on the review and recommendations of the Nomination and Remuneration Committee, is responsible for developing and updating the remuneration system and compensation levels for its executive members. The Nomination and Remuneration Committee is currently reviewing the Remuneration Policy, taking into account market practices, shareholder feedback and the Company's existing remuneration framework. The proposed update aims to further align executive remuneration with the Company's long-term strategy and shareholder interests. The revised policy is intended to be submitted for an advisory vote at the 2026 Annual General Meeting.

Moreover, the Board of Directors annually prepares a detailed and comprehensive remuneration report for the preceding financial year. This remuneration report provides detailed information on the remuneration received by each Executive and Non-executive Director of Befesa in accordance with the approved remuneration policy. This remuneration report is submitted annually to the General Meeting for an advisory vote.

For the further development of the remuneration system and to assess its continued appropriateness, the Nomination and Remuneration Committee may consult an external remuneration expert. If this review reveals the need for a material or significant change to the remuneration system, the remuneration policy will be updated accordingly and submitted to the next Annual General Meeting for an advisory vote. In any case, the remuneration policy will be submitted to the Annual General Meeting for an advisory vote at least every four years, even if no material changes are proposed.

GOV-4 Statement on due diligence

While Befesa has not implemented a human rights due diligence process in line with the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, the Company has identified and assessed certain risks related to human rights and employees within the framework of the Befesa RMS. This identification is carried out at a corporate level and is part of the organisation's global risk map. Control measures have been implemented in relation to the risks identified.

This risk assessment considers labour conditions, diversity and non-discrimination, freedom of association, health and safety, fair working conditions and community-related rights such as environmental protection, anti-corruption and confidentiality.

Our Human Rights Remediation Policy sets out responsibilities and procedures to ensure that any adverse human rights impacts caused or contributed to by Befesa are promptly addressed. The policy applies to all Befesa employees, temporary agency workers and subcontractor employees performing services at our assets. It is aligned with international frameworks such as the OECD Guidelines for Multinational Enterprises and incorporates risk management principles based on ISO 31000.

When human rights concerns are identified, Befesa conducts a thorough investigation and implements tailored remediation measures. These may include disciplinary actions, rehabilitation programmes, formal apologies, restitution and guarantees of non-repetition. Befesa also ensure robust protection for whistleblowers, fostering a culture of transparency and accountability.



General disclosures continued

Complaints can be submitted through our Whistleblowing channel, available 24/7 in eight languages, accessible via our corporate website.

To strengthen our governance framework, Befesa provides annual online training to white-collar employees on human rights, diversity, equity, and inclusion, alongside our Code of Conduct and CMS. For blue-collar employees, printed documents are provided.

In the course of the next years Befesa plans to analyse and complete their due diligence process to achieve full compliance with UN Guiding Principles on Business of Human rights, the OECD Guidelines for Multinational Enterprises and respective future regulatory developments where applicable.

Core elements of due diligence	Section in the sustainability statements	Page
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	52
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b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-5	57
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c) Identifying and assessing adverse impacts	ESRS 2 IRO-1	60
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e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-P	73
	G1-1	122
	G1-3	126

GOV-5 Risk management and internal controls

Scope, main features and risk and control framework

During 2025 Befesa has continued working on the implementation of its risk management plan and internal control system for sustainability information. To this end, Befesa has worked on the design of a structured plan to implement an internal control system for sustainability information. The implementation plan is structured around the following key pillars:

- Definition of internal controls for processes and sustainability datapoints;
- Development of an internal audit plan, incorporating sustainability audits;
- Reporting of identified improvement opportunities to Befesa's Audit Committee; and
- Monitoring and implementation of recommendations from internal audits.

At the time of preparation of this report, Befesa is at the first stage of the plan, identifying the risks associated with the information disclosed in the sustainability report and designing the appropriate controls to address them.

In addition, as a new development, the Internal Audit function has performed a review of environmental data as of 2025 year end. This review was carried out with the objective of ensuring the consistency of the information and the proper implementation of the new environmental reporting tool.

Befesa will continue to improve its analysis of the risks associated with sustainability information. As such, additional internal controls on sustainability processes and reporting will be included in the internal control framework for

the reporting period 2026. As a result, Befesa will produce a sustainability internal control matrix including all the risks identified and process and control owners. Internal Audit will include the review of the aforementioned information in its internal audit scope.

Findings and reporting to administrative and management bodies

Once the phases of the sustainability internal control system implementation are designed, the outcomes of the internal audit plan conducted will be reviewed and addressed accordingly.

These results of the internal audits, opportunities of improvement and proposed actions plans will be reported to:

- Responsible employees through detailed internal audit reports;
- Management of Befesa at monthly Internal Audit Committee meetings; and
- Board of Directors of Befesa through reporting of relevant findings and follow-up to Befesa's Audit Committee.

The Internal Audit function of Befesa will ensure the implementation of the proposed corrective actions related to sustainability information and will monitor and report on their progress on an ongoing basis.

Ethical audits

In addition to the initiatives aimed at enhancing the internal control system over sustainability information, the Internal Audit function, in collaboration with the corporate Environmental, Health & Safety Department, conducts ethical audits as part of its established annual audit plan, which is approved by Befesa's Audit Committee.

General disclosures continued

However, these audits focus on the review of ESG processes which fall outside the scope of datapoints required in accordance with ESRS.

This plan seeks to ensure that all Befesa companies undertake ethical audits of their processes at least once every three years. In 2025, a total of 12 ethical audits were conducted, compared with eight ethical audits in 2024.

SBM-1 Strategy, business model and value chain

Befesa's business model is based on a full-service approach to offering hazardous waste management solutions to its customers in the steel and aluminium industries. In the Steel Dust Recycling Services segment, Befesa recycles steel dust generated in the production of EAF steel, recovering zinc in the form of Waelz Oxide (WOX) which is sold to zinc smelters.

In the Salt Slags operations of the Aluminium Salt Slags Recycling Services segment, Befesa recycles salt slags, a hazardous waste that is collected from secondary aluminium customers for a service fee. During the recycling process, melting salt, aluminium concentrates and aluminium oxides are recovered.

In the secondary aluminium operations, Befesa collects and recycles aluminium scrap and other aluminium residues to produce secondary aluminium alloys which are mainly sold to customers in the automotive and construction industries (For more information, see the management report sections "Business model" and "Strategy".)

The headcount of employees by geographical areas is included in section S1-6 of this sustainability statement.

Befesa's core business is based on sustainability, and it has played a key role in the circular economy since 1987.

Befesa's business model is designed to capture opportunities provided by decarbonisation and environmental protection regulations. These regulations have been the main growth driver for Befesa and will remain so as more and more countries adopt more stringent environmental legislation.

Befesa's sustainability goals are closely integrated into its business strategy, focusing on enhancing the circular economy, reducing environmental impact and strengthening stakeholder engagement. For more information, please refer to the chapters of the material topics.

Sustainability goals are structured across significant product and service groups, customer categories, geographical areas and stakeholder relationships.

Products and services: Befesa operates two main business units, both of which contribute directly to sustainability objectives:

- **Steel Dust Recycling Services:** recovering valuable materials such as zinc from steel dust, reducing hazardous waste and minimising the need for primary resource extraction; and
- **Aluminium Salt Slags Recycling Services:** Processing aluminium salt slags and SPL to recover secondary aluminium and other reusable materials, preventing landfill disposal.

Customer categories: Befesa primarily serves EAF steel producers and secondary aluminium manufacturers, helping them to meet stringent

environmental regulations. Befesa aims to improve resource efficiency and promote the use of recycled materials within its customers' production processes.

Geographical areas: Befesa operates in Europe, North America and Asia, with facilities in key industrial regions. Befesa helps local industries to comply with increasing stricter environmental regulations by recycling the hazardous waste produced in the steel and aluminium industries.

Stakeholder relationships: Befesa engages with multiple stakeholders, including employees, investors, regulators, suppliers and local communities, to foster transparency and ethical business practices:

- **Governance initiatives:** compliance programmes to prevent corruption and bribery; and
- **Social commitments:** promoting health and safety, diversity and fair labour practices across all operations.

Befesa's strategy is based on expanding its circular economy business model to new markets to support environmental protection. The Company focuses on managing hazardous industrial waste through recycling, minimising environmental impact and improving resource efficiency.

Befesa's growth strategy was presented to the market, and it is explained in its "Sustainable Global Growth Plan (SGGP) for 2022 to 2027", which lays out the investment plan of Befesa to capture the growth opportunities in the market driven by megatrends like decarbonization or the electric vehicle.

Befesa faces several sustainability-related challenges, including the following:

- **Energy and emissions reduction:** reducing the carbon footprint of its recycling processes, which require high-temperature industrial operations;
- **Regulatory complexity:** adapting to evolving sustainability regulations, including the CSRD and EU Taxonomy, while maintaining operational efficiency; and
- **Market expansion:** integrating sustainability into new geographies where stricter environmental regulations create both opportunities and operational challenges.

To address these challenges, Befesa has implemented several strategic initiatives, renewable energy projects, waste management and resource efficiency, and strengthening governance and compliance practices and policies. By integrating these strategic elements, Befesa aims to ensure that sustainability remains at the core of its operations, reinforcing its position within the global industrial waste recycling sector and supporting continuous improvement in ESG performance.

Befesa provides regulated environmental recycling services for hazardous residues from the steel and aluminium industries, contributing to the circular economy by recovering valuable materials and reducing environmental impact. The Company ensures a stable inflow of materials through long-term supply agreements, improves recovery rates and environmental performance through continuous investment in advanced recycling technologies, and enhances the sustainability of its operations by integrating renewable energy and implementing measures to reduce its carbon footprint.



General disclosures continued

Befesa's recycling processes result in high-value secondary raw materials, reducing the need for virgin resource extraction and contributing to the reduction of CO₂ emissions.

Key outputs:

- **WOX:** a zinc-rich material sold to zinc smelters for refining.
- **Salt slags and secondary aluminium:** reintroduced into the market to replace primary resources.

Expected benefits:

- **For customers:** compliance with stringent environmental regulations, cost reduction in waste management and access to sustainable secondary materials.
- **For investors:** a business model designed to remain resilient under evolving market and regulatory conditions, supported by ESG practices and alignment with EU sustainability requirements, and further supported by improvements in independently issued ESG ratings during the year.
- **For society and the environment:** reduction in hazardous waste landfilling, conservation of natural resources and lower CO₂ emissions.

Befesa is positioned as a critical intermediary in the industrial waste recycling value chain, bridging the gap between steel and aluminium producers and the circular economy.

Upstream (suppliers and inputs):

- **Key suppliers:** EAF steel mills, aluminium smelters and industrial manufacturers providing steel dust, salt slags and SPL, as well as transport suppliers and intermediaries in the raw materials collection process.

- **Collection process:** Befesa operates 24 recycling plants in eight countries (Germany, Spain, Sweden, France, Turkey, South Korea, China and the US) strategically located near major industrial hubs.

Downstream (customers and distribution):

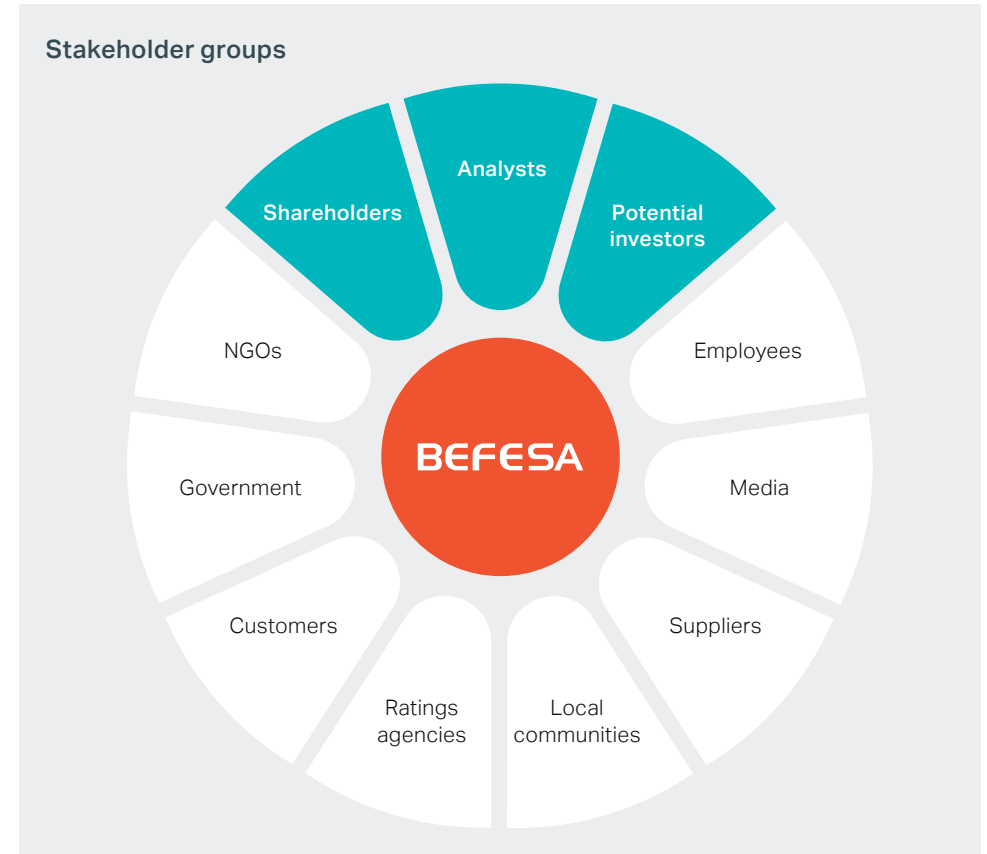
- **Key customers:**
 - Zinc smelters: purchase WOX oxide for zinc extraction.
 - Secondary aluminium producers: use recovered aluminium for new production.
- **Distribution channels:** Befesa delivers refined materials to end users through a combination of direct sales contracts and strategic logistics partnerships.

By leveraging its global footprint, advanced recycling technologies and its stakeholder relationships, Befesa continues to enhance sustainability and drive value creation across its entire supply chain. For more information, see the environmental chapter.

SBM-2 Interests and views of stakeholders

For Befesa, stakeholders are those individuals and organisations that affect or are affected by Befesa's business operations. Stakeholders are not just passive observers but active participants whose engagement can have a significant impact on the success and sustainability of Befesa.

Recognising their importance and effectively managing their involvement is key for Befesa to achieve its sustainability goals. The key stakeholders include customers, employees, local communities, suppliers, shareholders, rating agencies, analysts, government, NGOs and the media.



Befesa seeks engagement opportunities to gather feedback from stakeholders and to build relationships based on trust, where shareholders, analysts and potential investors are the main stakeholders of Befesa. Input from these engagements is considered in Befesa's operations and decision-making. Befesa pays close attention to society's views and works to identify emerging opportunities and risks through stakeholder dialogue.

Since Befesa's IPO in November 2017, it has established direct dialogue with shareholders, analysts and potential investors.

Dialogue channels include emails, phone calls, and virtual and face-to-face meetings. These discussions provide valuable insight into the views and expectations of investors and capital markets.

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The Board of Directors and other committees, including the Audit Committee and the Sustainability Committee, are regularly informed about the views and feedback received from stakeholders. This task is led by the CFO, who is in charge, together with the Investor Relations Department, of gathering information from stakeholders for the Board and its committees. The results of the DMA can be found in the IRO-1 and IRO-2 chapters.

IRO-1 Double Materiality Analysis

During 2025, Befesa has reviewed and updated its DMA on material sustainability topics. The project followed the double materiality guidance from the European Financial Reporting Advisory Group (EFRAG) and is in line with disclosure requirements of the ESRS.

Double materiality considers the importance of sustainability topics from two main perspectives. First, the positive and negative impacts caused by Befesa's operations on people and the planet. This is known as impact materiality and assesses the "inside-out" impacts of Befesa. The second perspective is financial materiality, which assesses sustainability risks and opportunities that can have financial consequences for Befesa, also known as "outside-in" impacts.

To determine impact materiality, the potential severity and probability of sustainability impacts were assessed. Severity combines the average score of an impact's potential scale, scope and remediability, measured on a 5-point scale. The probability of an impact occurring is also measured on a 5-point scale. The factors taking into consideration for the impact assessment are the following:

Measuring impact materiality

Probability of occurrence:

Evaluates probability on a 5-point scale, where five is a real impact and zero is zero probability when considering preventative controls.

Severity assessment:

- Remediability: remediation is only assessed for negative impacts and considers corrective measures that Befesa can implement if the impact materialises.
- Scale: evaluates the social and environmental impact. The average score among environmental, social and business units is selected to calculate severity.
- Scope: three areas reflecting the scope of the impact are evaluated – geographical, key stakeholders and business units. An average of the three scopes is taken.

Value chain:

- Operations
- Upstream
- Downstream
- Downstream + Operations
- Upstream + Operations
- All

Time horizon:

- Short-term: < 1 year
- Medium-term: 1-5 years
- Long-term: > 5 years

Final impact assessment: A numerical result for impact materiality is calculated using 70% weighting for severity and 30% for probability.

When there are several areas that evaluate the same identified topic, the scores will be averaged.



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Measuring financial materiality

Probability of occurrence:

Evaluates probability on a 5-point scale, where five is a real impact and zero is zero probability when considering preventative controls.

Magnitude assessment:

- Scale: Evaluates the operational, financial, reputational and legal impact if the risk or opportunity arises. The average score among these impacts is selected to calculate the magnitude.
- Scope: Two areas reflecting the scope of the impact are evaluated – geographical scope and key stakeholders. An average of the two scopes is taken.

Value chain:

- Operations
- Upstream
- Downstream
- Downstream + Operations
- Upstream + Operations
- All

Time horizon:

- Short-term: < 1 year
- Medium-term: 1-5 years
- Long-term: > 5 years

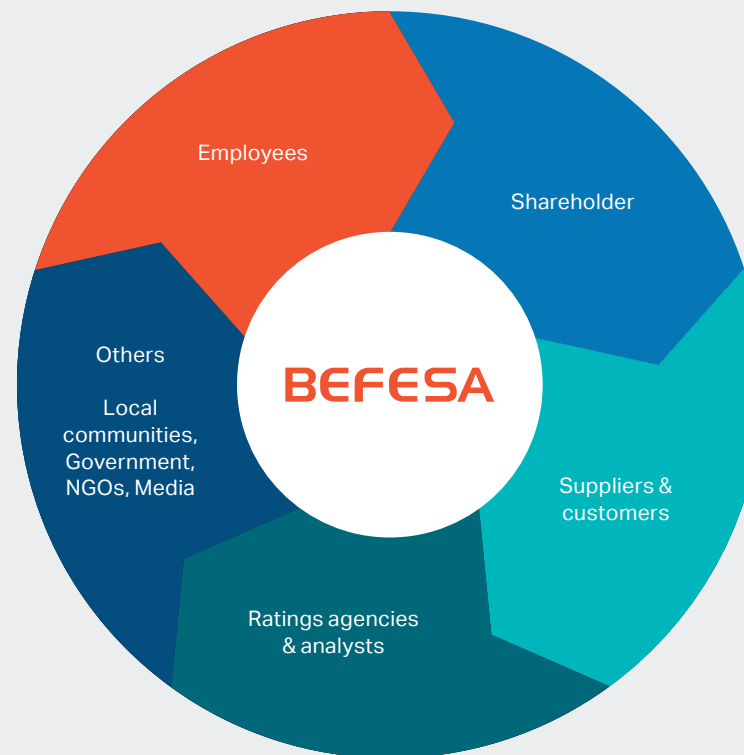
Financial materiality is measured by the potential magnitude and probability of a risk or opportunity arising. Magnitude combines the average of a risk or opportunity's scale and scope measured on a 5-point scale. Probability is measured in the same way as for impact materiality.

This process of the identification, assessments and management of the impacts and risks is fully integrated into the Befesa risk management process. The requirements for the internal control procedures and mitigation factors are the same as for other financial and non-financial risks assessed in the annual risk assessment. All sustainability internal areas and departments of Befesa participate in the evaluation of the IROs, which include, among others: environmental, human resources, compliance, legal and CFO.

Opportunities identification, assessments and management are also integrated at the same level as the impacts and risks in the management process. There have been multiple parameters taken into consideration for identifying the impacts, risks and opportunities, including interviews between advisors and managers, internal sources and procedures or stakeholders' engagement. The list of material impacts, risks and opportunities can be found below this section, in SBM-3 Sustainability material impacts, risks and opportunities.




The impact of Befesa on some of the stakeholder groups was considered in the materiality process, even though they were not involved in Befesa's DMA. These include Befesa employees, shareholders, suppliers and customers, ratings agencies and analysts, and other groups such as government, local communities and NGOs.

Stakeholder groups considered in the materiality process



General disclosures continued

A total of 21 sustainability topics were assessed through the materiality assessment process previously explained. These were divided into ESG topics as shown in the following table:

<h2>Environmental</h2> 	<h2>Social</h2> 	<h2>Governance</h2> 
<ol style="list-style-type: none"> 1. Climate change adaptation 2. Climate change mitigation 3. Energy 4. Air pollution 5. Water pollution 6. Water management and consumption 7. Biodiversity and ecosystems 8. Resources inflows including resource use 9. Resource outflows related to products and services 10. Waste management and resource outflow for waste 	<ol style="list-style-type: none"> 11. Working conditions 12. Employee engagement 13. Health and safety 14. Equal treatment and opportunities for all 15. Human and labour rights 16. Working conditions and human rights in the value chain 17. Community engagement 18. Consumers and end users 	<ol style="list-style-type: none"> 19. Corporate culture and complaints mechanisms 20. Supplier relationships including payment practices 21. Corruption and bribery

General disclosures continued

In order to obtain these results, an assessment of the associated IROs (Impacts, Risks and Opportunities) was performed. To do so, for the assessment of positive and negative impacts, the parameters to be used in the methodology are detailed as follows:

Rating Scale

Impacts measurement

Score level (From 1-5)	Probability		severity			Scope		
	Type of impact	Probability (for potential impacts)	Environment	Social	Remediability	Geographical Scope	Key Stakeholders (5 stakeholders groups established)	Business units
5	Actual: impact that has already occurred or is partially occurring.	Recurrent. It has happened several times a year.	It positively/negatively and critically impacts the environment and global emissions reduction and temperature control goals.	It positively/negatively and critically impacts people and human rights in a lasting manner.	Only for negative impacts No use of score levels, just Yes/No	Global scope	All Stakeholders benefited/affected	Steel Dust and Aluminium Salt Slags affected
4		Highly likely. It has happened sometime in the past two years or once in the past year.	It positively/negatively and significantly impacts the environment with lasting effects and global goals of emissions reduction and control of global temperature.	It positively/negatively and significantly impacts people with lasting effects, potentially enhancing human rights.		Regional scope (Americas, Asia, Europe)	4 Stakeholders benefited/affected	Only Steel Dust affected
3		Likely. It has happened sometime in the past three years.	It positively/negatively impacts the environment in a moderate manner with temporary effects.	It positively/negatively impacts people moderately with medium-term temporary effects.		National scope	3 Stakeholders benefited/affected	Only Aluminium Salt Slags affected
2		A little likely. An event occurred occasionally in the history of Befesa or similar companies (Sectoral risk).	It has a mildly positive/negative impact on the environment or with short-term temporary effects.	It has a mildly positive/negative impact on people or with short-term temporary effects.		Local Scope	2 Stakeholders benefited/affected	No business affected
1	Potential: impact that could occur but has not yet occurred.	Unlikely. It has happened at most once in the history of Befesa.	It has a minimally positive/negative impact on the environment.	It has a minimal and specific positive/negative impact on people.			1 Stakeholders benefited/affected	No business affected

General disclosures continued

For the assessment of risks and opportunities, the parameters to be used in the methodology are detailed, following the EFRAG recommendations:

Rating Scale

Risks & Opportunities measurement

Score level (From 1-5)	Probability	Magnitude				Scope	Key Stakeholders (5 stakeholders groups established)
	Probability (for potential impacts)	Operational	Financial	Reputational	Legal	Geographical Scope	
5	Recurrent. It has happened several times a year.	Long-term recoverable damage, in case of risks, or benefits or advantages, in case of opportunities, (more than six months). Several affected services. Very high impact on the organisation in a global way.	Cost of Risk Materialisation (k€): >21.000 €k % of impact on sales of the Company (Consolidated): 3,00% or more	The occurrence would result in loss, in case of risks, or in gain, on case of objectives of customers or serious problems with stakeholders. Loss of investor's confidence. Adverse coverage in international media and social networks.	Treat of loss, in case of risks, or prospect of gaining, in case of opportunities, of the activity licence and/or very serious legal implications (e.g. penal proceedings). Breach of contract with clients on a massive scale.	Global scope	All stakeholders benefited/affected
4	Highly likely. It has happened sometime in the past two years or once in the past year.	Long-term recoverable damage, in case of risks, or benefits or advantages, in case of opportunities, (3-6 months). Significant impact on the organisation in a global way.	Cost of Risk Materialisation (k€): 7.000–21.000 €k % of impact on sales of the Company (Consolidated): 3,00%	The occurrence would result in possible loss, in case of risks, or possible gains, in case of opportunities, of customers or stakeholders. The investors request for explanations. It attracts interest for information by authorities and local/national associations.	Sanction imposed, in case of risks, or reward granted, in case of opportunities, by the regulatory bodies and/or serious legal implications. Breach/ fulfilment of contract with a client.	Regional scope (Americas, Asia, Europe)	4 Stakeholders benefited/affected
3	Likely. It has happened sometime in the past three years.	Medium recoverable damage, in case of risks, or benefits or advantages, in case of opportunities, (1-3 months). Penalised or improvement of the effectiveness of one or more services of the organisation.	Cost of Risk Materialisation (k€): 700–7.000 €k % of impact on sales of the Company (Consolidated): 1,00%	The occurrence would result in a formal request for explanations from customers or stakeholders. It arises the interest by authorities and local/regional associations and information is requested. Coverage in national media and social networks.	Written warning, in case of risks, or verbal praise, in case of opportunities, by the regulatory body and/ or minor legal implications. Breach/ fulfilment of contract with a client.	National scope	3 Stakeholders benefited/affected
2	A little likely. An event occurred occasionally in the history of Befesa or similar companies (Sectoral risk).	Short-term recoverable damage, in case of risks, or benefits or advantages, in case of opportunities, (less than one month). Eventual interruption or boost of a specific service of the organisation.	Cost of Risk Materialisation (k€): 350–700 €k % of impact on sales of the Company (Consolidated): 0,10%	The occurrence would result in numerous complaints, in case of risks, or appreciation, in case of opportunities, from customers and/or uneasiness within the organisation. Coverage in local and/or sectoral media. Low impact in social networks.	Major breach, in case of risks, or adherence, in case of opportunities, of internal procedures.	Local Scope	2 Stakeholders benefited/affected
1	Unlikely. It has happened at most once in the history of Befesa.	Minor damage, in case of risks, or improvements, in case of opportunities.	Cost of Risk Materialisation (k€): <350 €k % of impact on sales of the Company (Consolidated): 0,05%	The occurrence would result in isolated complaints, in case of risks, or praises, in case of opportunities, from customers and/ or minor uneasiness within the organisation.	Minor breach, in case of risks, or adherence, in case of opportunities, to internal procedures.		1 Stakeholders benefited/affected

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SBM-3 Sustainability material impacts, risks and opportunities

Befesa identifies potentially material IROs related to sustainability issues, taking into account the sustainability reporting standards issued by EFRAG, as well as the activities described above that contribute to understanding the context in which Befesa operates. In addition, Befesa's internal stakeholders contribute to the process of defining IROs, as, through their own activities, they manage the relationship with external stakeholders, knowing the potential IROs that might affect them or the organisation.

For the identification and assessment of the IROs, Befesa has taken into consideration the following factors:

- Internal context: internal policies, risk map, annual and sustainability reports, Befesa's operations.
- External context: peers benchmark, external Befesa news, standards and regulations, ESG questionnaires.
- Value chain: interview with managers, upstream and downstream operations analysis (clients, suppliers, third parties, etc).
- Assessment methodology previously stated.

The list of potentially material IROs related to ESG topics (203 IROs were mapped in 2025) is considered the basis for internal assessment, with the aim of determining the material IROs from which the corresponding material topics are derived.

The material IROs identified are part of the Befesa sustainability strategy. Management takes into consideration the effects of the IROs

for the definition of the sustainability strategy and decision-making.

In the methodology established for the risk and opportunities assessment, financial impact is considered within the magnitude criteria. The scale is the following:

- **Very high:** > €21m
- **High:** €7m–€21m
- **Medium:** €0.7m–€7m
- **Low:** €0.35m–€0.7m
- **Very low:** < €0.35m

Every risk and opportunity detected has been assessed with a financial impact in the DMA. The mitigation controls have been implemented with the goal of reducing the risks and improving the pursuit of opportunities.

Befesa analyses its risks and opportunities internally every year and incorporates its effects into its strategy and decision-making.

Potential financial effects are taken into consideration for the annual budget, including the CapEx plan, cash flow, revenues and expenses.

Management prepares the budget and strategy, which are presented to the Sustainability Committee and the Board of Directors for final approval.

Befesa's business model and strategy integrate sustainability, risk management and long-term adaptability.

Befesa continuously invests in technological innovation, process optimisation and capacity expansion to enhance efficiency and

environmental performance. In addition, its commitment to decarbonisation and circularity aligns with industry trends, reinforcing its role in sustainable industrial waste recycling. This strategic flexibility enables Befesa to navigate challenges, mitigate risks and seize emerging opportunities in an evolving global landscape.

Befesa's material topics:

 <p>Environmental</p> <p>ESRS E1 – Climate change</p> <ol style="list-style-type: none"> 1. Climate change mitigation 2. Energy <p>ESRS E2 – Pollution</p> <ol style="list-style-type: none"> 3. Air pollution 	<p>ESRS E3 – Water and marine resources</p> <ol style="list-style-type: none"> 4. Water management and consumption <p>ESRS E5 – Water and marine resources</p> <ol style="list-style-type: none"> 5. Resources inflows including resource use 6. Resource outflows related to products and services 7. Waste management and resource outflow for waste
 <p>Social</p> <p>ESRS S1 – Own workforce</p> <ol style="list-style-type: none"> 8. Working conditions 9. Employee engagement 	<ol style="list-style-type: none"> 10. Health and safety 11. Equal treatment and opportunities for all
 <p>Governance</p> <p>ESRS G1 – Business conduct</p> <ol style="list-style-type: none"> 12. Corporate culture and complaints mechanisms 13. Corruption and bribery 	

In our DMA, the Company has identified and assessed its impacts on the environment and on society, as well as the sustainability-related financial risks to which it is exposed and the opportunities it leverages. In total, 40 IROs have been assessed as material, comprising of 14 positive impacts, 7 negative impacts, 7 risks, and 12 opportunities.

After this DMA and IROs assessment, 13 material topics were detected:

General disclosures continued

Topic	IRO	Actual/Potential	IRO description
ESRS E1 Climate change – Climate change mitigation	Positive impact	Actual	Avoidance of environmental harm and carbon emissions coming from mining activities through our recycling activities.
	Positive impact	Actual	Contribution to a transition for a low-carbon steel industry by enabling EAF steel production and secondary aluminium production.
	Negative impact	Actual	Generation of CO ₂ emissions, especially scope 1, due to the dependence on the use of reducing agents in the production process, mainly coke in the steel dust business, is needed for the reduction and oxidation chemical reaction that produces the separation of the zinc at a very high temperature.
	Opportunity	Potential	Reinforcement of the environmental commitment of employees and value chain members through conducting a life cycle analysis approach to evaluate the climate impact across the value chain.
	Opportunity	Potential	Opportunity to improve environmental performance through the research and development of new technologies based on low-carbon raw materials (e.g. biocoke, hydrogen).
ESRS E1 Climate change – Energy	Positive impact	Actual	Promotion of the use of renewable energy and continuous improvement of efficiency: all of our plants have energy management systems that are reviewed annually to ensure that energy efficiency is improved, in line with ISO 50001. Measures include LED lighting, equipment renovation and improvement, etc.
	Risk	Potential	Inability of the facilities to take up renewable energy, resulting in dependence on fossil fuels, which are increasingly hiking prices due to charges imposed to reduce their consumption.
ESRS E2 Pollution – Air pollution	Positive impact	Actual	Befesa's activities contribute to avoiding air pollution coming from mining and landfilling activities.
	Negative impact	Actual	Impact on the surrounding community from the air pollution of Befesa's operations that can cause concern for public health, decreased quality of life and discontent among local residents, as well as litigation matters.
	Negative impact	Actual	Detriment to human and environmental wellbeing due to the production, use, distribution and commercialisation of substances of concern and substances of very high concern, in our own, in mixtures or in articles.
	Negative impact	Actual	Damage of the ozone layer due to direct emissions originated by the use of coke in the production process.
ESRS E3 Water and marines resources – Water management and consumption	Negative impact	Actual	Negative impact on water availability due to withdrawals in areas of water stress, as well as additional adverse effects on water quality resulting from effluent discharges.
	Opportunity	Potential	Opportunities to improve environmental performance and access financing through the implementation of targets, projects, strategies, or actions that improve water management and quality.
ESRS E5 Circular Economy – Resource inflows including resource use	Positive impact	Actual	Preservation of natural resources and avoiding the extraction of virgin material by reclaiming valuable material from industrial waste streams.



General disclosures continued

Topic	IRO	Actual/Potential	IRO description
ESRS E5 Circular Economy – Resource outflows related to products and services	Positive impact	Actual	Offering an environmentally responsible option for waste management to other companies, diverting waste that would otherwise end up in landfills and incinerators.
	Opportunity	Potential	Increase in sales by becoming a sustainable provider within a sector previously overlooked due to its difficulty in aligning with sustainability.
	Opportunity	Potential	Reputational enhancement by increasing the communication and promotion of our product as a sustainable alternative to the mining sector.
ESRS E5 Circular Economy – Waste management and resource outflow for waste	Positive impact	Actual	Preservation of land for agriculture, conservation and recreational purposes by avoiding the need for new landfills.
	Opportunity	Potential	Improvement in reputation by advertising the second life given to waste generated by other companies, thus avoiding having it end up in landfills.
ESRS S1 Own workforce – Working conditions	Positive impact	Actual	Promoting fair and stable employment conditions for workers while supporting employers' interests through collaborative labour relations frameworks, such as collective agreements.
	Negative impact	Actual	Operational impact by reducing workforce availability because of a high rate of absenteeism in some locations.
	Opportunity	Potential	Environmental legislative changes aligned with the Company's strategic plan, fostering the creation of new employment opportunities through investing in regions with favourable regulatory frameworks, access to raw materials and proximity to industrial clients.
	Risk	Potential	Loss of personal information of employees and stakeholders because of a cyberattack through online scamming.
	Risk	Potential	Significant increase in raw material prices or a shortage of those materials could negatively impact production and, consequently, employee salary conditions.
ESRS S1 Own workforce – Employee engagement	Positive impact	Actual	The high percentage of employees covered by collective agreements helps promote labour rights and consistency in working conditions.
	Opportunity	Potential	Pursue greater commitment to the performance of tasks and achievement of organisational and financial objectives through enabling employees to identify with the Company's culture and values.
ESRS S1 Own workforce – Health & Safety	Positive impact	Actual	Befesa annually invests in integrating new technologies, continuous risk assessments and predictive analytics into its processes, including at the design level. With this, the Company protects its teams, prevents accidents and creates new standards for a sustainable manufacturing process.
	Negative impact	Actual	Accidents represent actual negative impact on workers' health and safety. These incidents may be linked to potential gaps or inconsistencies in the application of safety protocols, highlighting areas of improvement opportunities where the current management system may not have fully mitigated operational risks.

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Topic	IRO	Actual/Potential	IRO description
ESRS S1 Own workforce – Equal treatment and opportunities for all	Positive impact	Actual	Promotion of diversity through recruitment and talent management practices, training and development of opportunities to cultivate a culture of inclusivity, and carrying out campaigns on equality and diversity.
	Opportunity	Potential	Commitment to equality can generate a better reputation and a stronger brand, and can help access new markets and customers by demonstrating a commitment to shared social and ethical values.
	Risk	Potential	Failure to comply with the Diversity, Equity and Inclusion (DEI) policy can lead to communication breakdowns, increased workplace conflicts and a tense, uncollaborative environment. These issues may result in higher employee turnover, reduced productivity and difficulty attracting top talent – ultimately driving up recruitment and training costs and exposing the Company to potential legal expenses and reputational damage.
ESRS G1 Business conduct – Corporate culture and complaints mechanisms	Positive impact	Actual	Enhancement of employee engagement by fostering a sense of belonging and purpose among employees derived from compliance with the code of ethics.
	Positive impact	Actual	Increasing stakeholders trust in Befesa through the implementation of policies and procedures focused on transparency, truthfulness, good practices and ethical behaviour.
	Opportunity	Potential	The implementation of new certifications can generate a strategic positioning in response to the demand of interest groups.
	Opportunity	Potential	Enhancing transparency and accountability can attracts like-minded investors and foster trust and confidence in stakeholders, by ensuring comparability of information through sustainability reports.
	Risk	Potential	Non-compliance with policies related to social and governance can damage the reputation of the organisation and productivity among employees and lead to a decrease in market share and income for the organisation.
ESRS G1 Business conduct – Corruption and bribery	Risk	Potential	Loss of confidence of stakeholders by not complying with legal regulations given its status as a listed company.
	Positive impact	Actual	Implementation of voluntary anti-corruption policies and training through the availability of compliance management, as well as the recognition of being a trusted business partner with the purpose of being useful to suppliers and other stakeholders.
	Opportunity	Potential	Improvement of transparency and accountability as an opportunity to increase the comparability of information and therefore make investing in Befesa more attractive. Furthermore, this implies that more clients and suppliers will want to work with Befesa.
	Risk	Potential	Sanctions or fines derived from regulatory non-compliance, derived from ineffective anticipation of regulatory requirements.

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IRO-2 Disclosure requirements in ESRS covered by Befesa's sustainability statement

The following tables list all of the ESRS disclosure requirements in ESRS 2 and the six topical standards that are material to Befesa, and which have guided the preparation of its sustainability statements.

The tables can be used to navigate to information relating to a specific disclosure requirement in the sustainability statements. In cases where Befesa does not yet have any information related to a disclosure requirement, no reference is made.

	Disclosure requirement	Section/Report	Page
ESRS 2	General disclosures		
BP-1	General basis for the preparation of the sustainability statement	General disclosures	52
BP-2	Disclosures in relation to specific circumstances	General disclosures	52
GOV-1 GOV-2	Role of management and sustainability matters addressed	General disclosures	52
GOV-3	Integration of sustainability-related performance in incentive schemes	General disclosures	55
GOV-4	Statement on due diligence	General disclosures	56
GOV-5	Risk management and internal controls	General disclosures	57
SBM-1	Strategy, business model and value chain	General disclosures	58
SBM-2	Interests and views of stakeholders	General disclosures	59
IRO-1	Double Materiality Analysis	General disclosures	60
SBM-3	Sustainability material impacts, risks and opportunities	General disclosures	65
IRO-2	Disclosure requirements in ESRS are covered in Befesa's sustainability statement	General disclosures	69
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ESRS 2 GOV-3	Sustainability in Befesa's incentive schemes	Environmental	81
ESRS 2 IRO-1	Processes to identify and assess IROs	Environmental	81
ESRS 2 SBM-3	Impacts, risks and opportunities	Environmental	82
E1-1	Climate Action Plan	Environmental	84
E1-2	Policies	Environmental	82
E1-3	Action and resources	Environmental	84
E1-4	Targets	Environmental	86
E1-5	Energy	Environmental	87
E1-6	Emissions	Environmental	88
E1-7	Carbon credits	Environmental	89
E1-8	Internal carbon pricing	Environmental	89

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ESRS E2	Pollution		
ESRS 2 IRO-1	Processes to identify and assess IROs	Environmental	90
E2-1	Policies	Environmental	90
E2-2	Actions and resources	Environmental	91
E2-3	Targets	Environmental	91
E2-4	Air pollution	Environmental	91
E2-5	Substances of concern and substances of very high concern	Environmental	92

	Disclosure requirement	Section/Report	Page
ESRS E3	Water		
ESRS 2 IRO-1	Processes to identify and assess IROs	Environmental	93
E3-1	Policies	Environmental	94
E3-2	Actions and resources	Environmental	94
E3-3	Targets	Environmental	94
E3-4	Water	Environmental	94

	Disclosure requirement	Section/Report	Page
ESRS E5	Resource use and circular economy		
ESRS 2 IRO-1	Processes to identify and assess IROs	Environmental	95
E5-1	Policies	Environmental	95
E5-2	Actions and resources	Environmental	96
E5-3	Targets	Environmental	96
E5-4	Resource inflows	Environmental	96
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ESRS S1	Own workforce		
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S1-1	Policies	Social	101
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S1-3	Processes to remediate impact and channels to raise concerns	Social	104
S1-4	Actions to mitigate risks and pursue opportunities	Social	105
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S1-6	Befesa employee metrics	Social	112
S1-8	Collective bargaining and social dialogue	Social	114
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ESRS 2 GOV-1	Business conduct: role of management	Governance	121
ESRS 2 IRO-1	Business conduct: impacts, risks and opportunities	Governance	122
G1-1	Corporate culture and business conduct policies	Governance	122
G1-3	Prevention and detection of corruption or bribery	Governance	126
G1-4	Confirmed incidents of corruption or bribery	Governance	127

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The following table includes all of the data points that derive from other EU legislation, as listed in ESRS 2 appendix B, indicating where the data points can be found in the report and which data points are assessed as "Not material".

Disclosure requirement	Data point	Sustainability statements	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	X		X		Material	52
ESRS 2 GOV-1	21 (e)	Percentage of Board members who are independent			X		Material	52
ESRS 2 GOV-4	30	Statement on due diligence	X				Material	56
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel	X	X	X		Not material	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	X		X		Not material	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	X		X		Not material	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to the cultivation and production of tobacco			X		Not material	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	Material	84
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned benchmarks		X	X		Material	84
ESRS E1-4	34	GHG emission reduction targets	X	X	X		Material	86
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Material	87
ESRS E1-5	37	Energy consumption and mix	X				Material	87
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	X				Material	87
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X		Material	88
ESRS E1-6	53-55	Gross GHG emissions intensity	X	X	X		Material	88

Disclosure requirement	Data point	Sustainability statements	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page
ESRS E1-7	56	GHG removals and carbon credits				X	Material	89
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Not material	
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		X			Not material	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		X			Not material	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			X		Not material	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	X				Material	91
ESRS E3-1	9	Water and marine resources	X				Material	94
ESRS E3-1	13	Dedicated policy	X				Material	94
ESRS E3-1	14	Sustainable oceans and seas	X				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	X				Material	94
ESRS E3-4	29	Total water consumption in m ³ per net revenue on own operations	X				Material	94
ESRS 2-IRO-1 - E4	16a) i		X				Not material	
ESRS 2-IRO-1 - E4	16 (b)		X				Not material	
ESRS 2-IRO-1 - E4	16 (c)		X				Not material	

General disclosures continued

Disclosure requirement	Data point	Sustainability statements	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	X				Not material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	X				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	X				Not material	
ESRS E5-5	37 (d)	Non-recycled waste	X				Material	97
ESRS E5-5	39	Hazardous waste and radioactive waste	X				Material	97
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	X				Material	99
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	X				Material	99
ESRS S1-1	20	Human rights policy commitments	X				Material	101
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization (ILO) Conventions 1 to 8			X		Material	101
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X				Material	101
ESRS S1-1	23	Workplace accident prevention policy or management system	X				Material	101
ESRS S1-3	32 (c)	Grievance/complaint handling mechanisms	X				Material	104

Disclosure requirement	Data point	Sustainability statements	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	X		X		Material	119
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	X				Material	119
ESRS S1-16	97 (a)	Unadjusted gender pay gap	X		X		Material	116
ESRS S1-16	97 (b)	Excessive CEO pay ratio	X				Material	116
ESRS S1-17	103 (a)	Incidents of discrimination	X				Material	120
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	X		X		Material	120
ESRS 2- SBM3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	X				Not material	
ESRS S2-1	17	Human rights policy commitments	X				Not material	
ESRS S2-1	18	Policies related to value chain workers	X				Not material	
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X		X		Not material	
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8			X		Not material	

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Disclosure requirement	Data point	Sustainability statements	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material / not material	Page
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X				Not material	
ESRS S3-1	16	Human rights policy commitments	X				Not material	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	X		X		Not material	
ESRS S3-4	36	Human rights issues and incidents	X				Not material	
ESRS S4-1	16	Policies related to consumers and end users	X				Not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		Not material	
ESRS S4-4	35	Human rights issues and incidents	X				Not material	
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	X				Material	122
ESRS G1-1	§10 (d)	Protection of whistleblowers	X				Material	122
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	X		X		Material	127
ESRS G1-4	§24 (b)		X				Material	127

MDR-P Policy overview

Befesa’s policies for each identified material sustainability matter are in place to prevent, mitigate and remediate actual and potential impacts and risks, and to pursue opportunities. Policies related to specific sustainability matters are disclosed under each topic on the following pages.

Policy	Description of key contents	Policy scope	Accountable for implementation	Availability
Code of Conduct	<ul style="list-style-type: none"> Main cornerstone of the CMS of Befesa. Provides rules and guidelines according to the values and principles of the Company involving all departments or areas (including, for example, HR and IT). Informs about basic behavioural requirements, compliance with laws and regulations, maintaining high ethical standards and protecting the Company’s reputation. Prohibits conducts such as anti-competitive practices, corruption and political contributions. Fosters behaviour such as ensuring data security, maintaining confidentiality, adhering to human rights and labour standards and transparency in donations and sponsorships. 	Befesa employees	Compliance Officer	Corporate intranet and corporate website
General Compliance Policy	<ul style="list-style-type: none"> Principal framework of the CMS of Befesa. Emphasises management commitment to compliance. Contains preventative and detective measures regarding risks. Refers to the identification and assessment of risks. Encompasses the compliance policies, procedures and rules (including, for example, training and the Whistleblowing channel). 	Befesa employees	Compliance Officer	Corporate intranet and corporate website
Anti-trust Policy	<ul style="list-style-type: none"> Focuses on compliance with anti-trust laws to ensure fair competition. Considers employee responsibility and consequences of violations. Prohibits coordinating market behaviour with competitors and market manipulation. Denies price coordination, market sharing, capacity limitations and bid-rigging. 	Befesa employees	Compliance Officer	Corporate intranet and corporate website
Anti-corruption and Anti-bribery Policy	<ul style="list-style-type: none"> Highlights compliance with national and international anti-corruption laws. Considers employee responsibility and consequences of violations. Forbids offering or accepting benefits to or from public officials or related persons, as well as facilitation payments. Denies commercial bribery and benefits to induce improper performance. Donations and sponsorship are also considered. Includes a red flag list to help to identify potential corruption risks. 	Befesa employees	Compliance Officer	Corporate intranet and corporate website

General disclosures continued

Policy	Description of key contents	Policy scope	Accountable for implementation	Availability
Anti-money Laundering Policy	<ul style="list-style-type: none"> Defines money laundering and provides examples of suspicious behaviour. Emphasises the Company's commitment to preventing financial crime and not facilitating criminal behaviour. Minimises money-laundering risks considering risk factors, maintaining records and attending training sessions. 	Befesa employees	Compliance Officer	Corporate intranet and corporate website
Conflict of Interest Policy	<ul style="list-style-type: none"> Pursues the identification and prevention of employees' activities that are in conflict with Befesa's interests. Informs about making optimal business decisions, outside employment, prohibitions regarding competition and personal investments. Involves the reporting of potential conflict of interest situations and disciplinary actions in cases of non-compliance. 	Befesa employees	Compliance Officer	Corporate intranet and corporate website
Befesa Security Dealings Code	<ul style="list-style-type: none"> Aims to prevent the misuse of non-public information and ensure compliance with market regulations. Explains the roles of restricted persons, persons discharging managerial responsibilities and persons closely associated and their obligations. Prohibits the sharing of confidential information or engaging in insider dealing, and also trading based on inside information. Defines key terms such as "closed period", "permitted period", "inside information" and "dealing". 	Befesa employees	Legal Counsel and Compliance Officer	Corporate intranet
Confidentiality and Industrial and Intellectual Property Policy	<ul style="list-style-type: none"> Reinforces the goal of the Company to protect industrial and intellectual property rights. Stresses the proper use of Befesa's trademarks and corporate identity. Obliges employees to report any misuse of Befesa's trademarks or logos by third parties. Fosters the implementation of security measures to protect information and computer systems. Promotes confidentiality measures to protect business secrets and proprietary information. 	Befesa employees	Legal Counsel and Compliance Officer	Corporate intranet and corporate website

Policy	Description of key contents	Policy scope	Accountable for implementation	Availability
International Sanctions Policy	<ul style="list-style-type: none"> Emphasises the commitment to complying with all applicable sanctions and export control restrictions imposed by national governments and international bodies. Refers to restrictions on dual-use items, which are those that can be used for military and civil applications. Informs about the prohibition of dealing with blacklisted entities. Outlines the importance of screening business partners and reporting transactions involving sanctioned countries to the persons in charge. Provides a list of jurisdictions subject to sanctions. 	Befesa employees	Compliance Officer	Corporate intranet and corporate website
Whistleblowing Channel Policy	<ul style="list-style-type: none"> Encourages individuals to report wrongdoing and breaches of the Code of Conduct or the CMS without fear of retaliation. Confirms that reports can be made by phone or electronically and that they are treated confidentially. Remarks on the different whistleblowers' rights and duties, as well as the rights of the reported person. Clarifies how reports are registered and analysed, and the communication with the whistleblower. 	Befesa employees and third parties	Compliance Officer	Corporate intranet
Privacy Policy	<ul style="list-style-type: none"> Applies to all personal data submitted to Befesa and explains how it is collected, processed and protected. Explains that the data requested in the portal form is mandatory and cannot be processed if not provided correctly. Clarifies that Befesa is responsible for processing personal data and can be contacted for data-protection enquiries. Explains that data is processed to manage information requests, complaints, communications and recruitment processes. Specifies that users have a right to access, rectify, delete, restrict, object and port their data, and can exercise these rights by contacting Befesa. 	Befesa employees and third parties	Legal Counsel and Compliance Officer	Corporate intranet and corporate website

General disclosures continued

Policy	Description of key contents	Policy scope	Accountable for implementation	Availability
Integrated Environmental, Health, Safety and Quality Policy	<ul style="list-style-type: none"> Points out that the Company aims for ZERO incidents among employees and contractors, prioritising safety and health over economic gains or production targets. Management levels are committed to Environmental, Health, Safety and Quality (leading by example and fostering a safety culture). Promotes regular training for safe practices and environmental responsibility for employees and contractors, who must actively participate in Environmental, Health & Safety and Quality efforts. Remarks on the need to monitor conditions to prevent environmental harm and accidents, with essential safe practices for employment and career growth. Highlights that employees must intervene immediately when unsafe actions are observed, promoting a proactive safety culture. Indicates that regular inspections, audits and adherence to legal and industry standards ensure continuous Environmental, Health & Safety and Quality HSQ. 	Befesa employees and third parties	Environmental, Health & Safety Director	Corporate intranet and corporate website
Security Policy	<ul style="list-style-type: none"> Aims to protect assets and to ensure that access is restricted to authorised personnel, maintaining safe workplaces and proactively managing risks Ensures the protection and compliance of Befesa's information systems. Defines the system, security, services and assets by roles and responsibilities to guarantee the protection of information. Provides information about potential violations that could result in different disciplinary actions. 	Befesa employees	IT Director	Corporate intranet
Diversity, Equality And Inclusion Policy	<ul style="list-style-type: none"> Fosters a diverse, equitable and inclusive workplace by eliminating discrimination. Aims to oppose any form of harassment, victimisation or discrimination against employees, customers and suppliers. Highlights that training and development opportunities are offered to all staff so that they reach their full potential and enhance organisational efficiency. 	Befesa employees and third parties	HR Director	Corporate intranet and corporate website

Policy	Description of key contents	Policy scope	Accountable for implementation	Availability
HR Policy	<ul style="list-style-type: none"> Ensures that recruitment, promotion and remuneration are based on merit and performance, free from discrimination. To receive equal pay for work of equal value, without discrimination based on personal characteristics. Commit to achieving zero injuries and ensuring a safe working environment for all employees and stakeholders. Seeks to provide regular training and development opportunities for all employees to enhance their skills and career growth. 	Befesa employees	HR Director	Corporate intranet
Human Rights Remediation Policy	<ul style="list-style-type: none"> Commits to respecting all internationally recognised human rights and addressing any adverse impacts associated with its operations. Offers various remediation options, including disciplinary measures, rehabilitation, apologies, restitution and guarantees of non-repetition. States that the Whistleblowing channel is available for employees and external parties to report ethical concerns, with protections in place for whistleblowers. Provides annual training on the Code of Conduct, CMS and human rights through DEI sessions. 	Befesa employees and third parties	HR Director	Corporate intranet
Environmental Policy	<ul style="list-style-type: none"> Befesa commits to responsible operations by "minimising its environmental footprint" and promoting circularity across all plants. The Company provides a sustainable alternative to primary metal production by managing waste responsibly and increasing recycling and material recovery. It ensures compliance with environmental laws, adopts best-practice standards (ISO, EMAS, EcoVadis) and pursues decarbonisation targets including a 20% CO₂e intensity reduction by 2030. Befesa invests in Research & Development, energy-efficiency improvements and renewable energy to reduce emissions and enhance operational performance. Environmental governance is strengthened through periodic reporting, sustainability committees, and ESG-linked incentives to drive continuous improvement. The Company aims to prevent pollution, optimise water use, engage stakeholders across the value chain and align its reporting with CSRD and ESRS requirements. 	Befesa employees and third parties	Environmental, Health & Safety Director	Corporate intranet and corporate website

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The EU Taxonomy

This section presents disclosures required under Article 8 of the EU Taxonomy Regulation (EU 2020/852) and related regulations.

These directives set out six environmental objectives, each presenting a set of technical screening criteria:

1. **Climate change mitigation**
2. **Climate change adaptation**
3. **Sustainable use and protection of water and marine resources**
4. **Transition to a circular economy**
5. **Pollution prevention and control**
6. **Protection and restoration of biodiversity and ecosystems.**

On this account, an economic activity is considered eligible when it has the potential to make a substantial contribution to at least one of these objectives, does no significant harm (DNSH) to the other objectives and meets the minimum social safeguards.

Furthermore, an activity qualifies as environmentally sustainable and is considered aligned when it fulfils the following three overarching conditions defined by the EU Taxonomy Regulation:

1. Makes a substantial contribution to at least one environmental objective
2. DNSH to any of the other five environmental objectives
3. Complies with minimum social safeguards

In accordance with Article 8 of the Taxonomy Regulation (EU) 2020/852 and the supplementary Delegated Acts, Befesa is required to disclose to what extent its economic activities comply with the criteria defined by the EU Taxonomy Regulation. As a non-financial company, Befesa reports the proportion of its total turnover, total capital expenditure (CapEx) and total operating expenses (OpEx) in 2025 that are associated with taxonomy-eligible and taxonomy-aligned economic activities.

Methodology

For FY2025, the eligibility and alignment analyses were carried out considering the available information contained in the relevant Acts. This analysis has involved a thorough examination of Befesa's business units across its different activities to correlate them with the taxonomic activities. The analysis is divided in two phases:

1. **Eligibility analysis:** to qualify as eligible under the EU Taxonomy, an economic activity must be foreseen within the Climate Delegated Act and subsequent delegated regulations and pursue at least one of the environmental objectives set by Regulation (EU) 2020/852.

2. **Alignment analysis:** regarding aligned activities, a study of the alignment of eligible activities has been carried out and, as they do not meet the different criteria, they are not aligned.
3. Based on the 2025 financial information (Turnover, CapEx and OpEx), the corresponding proportions required by the EU Taxonomy Regulation were calculated. key performance indicators (KPIs) are only calculated for the eligible activities, since there are no aligned activities. According to the EU Taxonomy, Turnover (Note 5 consolidated financial statements), CapEx and OpEx are defined as:

- a. **Turnover:** Sales or turnover as shown in Annual Accounts
 - i. **Numerator:** A portion of net turnover derived from products or services, including intangible assets, associated with economic activities eligible according to the EU Taxonomy.
 - ii. **Denominator:** Total net turnover of the Company, as shown in Notes 5 and 21.1 in the consolidated financial statement.
- b. **CapEx:** Expenditure derived from the Company's investments according to the Annual Accounts.

- i. **Numerator:** This equals the portion of investments in fixed assets included in the denominator that (i) is related to assets or processes associated with taxonomy-eligible activities that comply with the taxonomy; (ii) is part of a plan to expand taxonomy-eligible activities or to enable taxonomy-eligible activities to become taxonomy-aligned; and (iii) is related to the purchase of production obtained from economic activities that comply with the taxonomy and individual measures that enable the target activities to become low-carbon or result in greenhouse gas reductions.
- ii. **Denominator:** Additions to tangible and intangible assets during the considered fiscal year before depreciation, amortisation and any remeasurements, including those resulting from revaluations and impairments, corresponding to the relevant fiscal year, excluding changes in fair value. Additions resulting from business combinations are also included. This is shown in Notes 7, 8 and 10 of the consolidated financial statement.



The EU Taxonomy continued

- c. **OpEx:** Operating expenses derived from the functioning of a product, business or system according to taxonomy (research and development costs already accounted for in the KPI related to CapEx will not be accounted for as OpEx).
- i. **Numerator:** This includes the portion of operating expenses included in the denominator that (i) is related to assets or processes associated with economic activities that are eligible according to the EU Taxonomy, including training and other human resource adaptation needs and direct non-capitalised costs representing research and development; (ii) is part of the CapEx plan to expand economic activities that are eligible under the EU Taxonomy or to enable eligible economic activities under the taxonomy to be eligible according to the EU Taxonomy within a predefined time frame; and (iii) is related to the purchase of production from economic activities that are eligible under the EU Taxonomy, and to individual measures that enable the target activities to become low-carbon or result in greenhouse gas reductions.
- ii. **Denominator:** This includes direct non-capitalised costs related to research and development, building renovation measures, short-term leases, maintenance and repairs and other direct expenses related to the daily upkeep of fixed assets, either by the Company or a third party to whom activities are subcontracted, necessary to ensure the continued and efficient operation of such assets. In addition to these concepts, leasing costs must be accounted for by non-financial companies applying generally accepted national accounting principles that do not capitalise right-of-use assets. This is shown in Note 21.5 of the consolidated financial statement.

Eligibility analysis

To determine Befesa's eligibility under the EU Taxonomy, the descriptions of all relevant activities presented for the six objectives were analysed.

This analysis allowed Befesa to evaluate the eligibility of its activities against the EU Taxonomy descriptions. Befesa's economic activities can be classified into main activities:

- **Steel Dust Recycling Services:** Befesa collects and processes steel dust, a by-product of the steel manufacturing process, to recover valuable zinc and other metals (such as lead or iron). This recycling process reduces the need for primary raw materials and minimises environmental impact by preventing the landfill of hazardous waste.

- **Aluminium Salt Slags Recycling Services:** Befesa recycles salt slags and other secondary residues generated during aluminium production. Through this process, the Company extracts aluminium and other valuable materials, which are then reintroduced into the production cycle, thereby reducing waste and conserving natural resources.

In line with this interpretation and the activities outlined in Delegated Regulations 2021/2139, 2023/2485, 2023/2486, and 2022/1214, the EU economic activities that were initially identified that could contribute to the different objectives are set out.

EU Taxonomy activity identified 2.4 Treatment of hazardous waste

The treatment of hazardous waste is the overarching activity of most of the companies operating under Befesa.

The Annex II of the Delegated Regulation 2023/2486, under which an economic activity qualifies as contributing substantially to the transition to a circular economy, covers activity 2.4. Treatment of hazardous waste. It is described as the construction, upgrade and operation of dedicated facilities for the treatment of hazardous waste as a means of material recovery operations. Befesa has determined that it does not comply with the description for this activity, given that the economic activity is defined as recycling or reclamation of inorganic materials other than metals or metal compounds. This would exclude the main activity of Steel Dust Recycling Services from the eligibility and alignment analysis, given that Befesa recycles metals and/or metal compounds.

3.8 Manufacture of aluminium

Befesa produces secondary aluminium, while operating according to applicable sustainability standards and regulations. Annex I of the Delegated Regulation 2021/2139 and its amendment, under which an economic activity qualifies as contributing substantially to climate change mitigation, covers activity 3.8 Manufacture of aluminium. This is described as the manufacture of aluminium through a primary alumina (bauxite) process or secondary aluminium recycling.

Compliance with the minimum safeguards was examined at Company level, considering existing corporate policies and risk management processes. Befesa covers the minimum safeguards required by the EU Taxonomy Regulation criteria, as outlined in Articles 3 and 18 of the EU Taxonomy Regulation. See S1-1 and G1-1 for how Befesa's Code of Conduct recognises international standards in accordance with the human rights, corruption, taxation and fair competition criteria.

Alignment analysis 3.8 Manufacture of aluminium

The analysis of minimum social guarantees, technical criteria for substantial contribution, and DNSH has been carried out, and it is considered. The criteria are met except for the DNSH on adaptation to climate change because Befesa has not yet carried out a climate risk assessment and adaptation plan, which are required to fulfil this criterion.

The EU Taxonomy continued

Reporting tables Capex

Economic Activities	Code	CapEx	Proportion of CapEx, year 2025	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2025	Category enabling activity	Category transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity				
		EUR Thousand	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/EL						N						0%	0%	0%	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of aluminium	CCM 3.8	12,529	14%													8.70%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12,529	14%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	N	Y	Y	N/A	Y	Y		8.70%	
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		12,529	14%															8.70%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		79,560	86%																
Total		92,089	100%																

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	14%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The EU Taxonomy continued

Turnover

Economic Activities	Code	Turnover	Proportion of Turnover, year 2025	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2025	Category enabling activity	Category transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity				
		EUR Thousand	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1.+ A.2.)																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/EL						N						0%	0%	0%	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of aluminium	CCM 3.8	331,338	28%														29.60%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		331,338	28%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	N	Y	Y	N/A	Y	Y	29.60%		
A. Turnover of Taxonomy-eligible activities (A.1.+A.2)		331,338	28%														29.60%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		851,294	72%																
Total		1,182,632	100%																

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	28%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The EU Taxonomy continued

OpEx

Economic Activities	Code	OpEx	Proportion of OpEx, year 2025	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2025	Category enabling activity	Category transitional activity
				Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity				
		EUR Thousand	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1.+ A.2.)																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	N/EL						N						0%	0%	0%	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of aluminium	CCM 3.8	2,869	8%	N	N/EL	N/EL	N/EL	N/EL	N/EL	Y	N	Y	Y	N/A	Y	Y	9.40%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,869	8%														9.40%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		2,869	8%														9.40%		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		34,291	92%																
Total		37,160	100%																

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	8%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Footnotes

Key conclusions, changes and restatements are (all driven by secondary aluminium segment):

- Turnover: 28% eligible (vs 30% last year)
- CapEx: 14% eligible (vs 9% last year)
- OpEx: 8% eligible (vs 9% last year)
- Alignment: 0.0% across all three items (vs 0.0% last year)

Environmental

E1 – Climate Change

ESRS 2 GOV-3

Sustainability in Befesa's incentive schemes

ESRS 2 IRO-1

Processes to identify and assess IROs

ESRS 2 SBM-3

Impacts, risks and opportunities

E1-2

Policies

E1-1

Climate Action Plan

E1-3

Action and resources

E1-4

Targets

E1-5

Energy

E1-6

Emissions

E1-7

Carbon credits

E1-8

Internal carbon pricing

ESRS 2 GOV-3 Sustainability in Befesa's incentive schemes

ESG performance targets are included as part of Befesa's one-year (annual bonus) and multi-year (stock incentive plan, SIP) variable remuneration schemes. The sustainability-related performance criteria include the implementation of Climate Action Plan to achieve the target of 20% CO₂e intensity rate reduction by 2030, as well as the ambition to reach net zero by 2050 (see E1-4). These targets refer to Scopes 1 and 2.

ESRS 2 IRO-1 Processes to identify and assess IROs

Befesa operates in 24 recycling sites around the world, each of which is subject to different climate-related risks.

As explained in IRO-1, Befesa has performed a DMA of the 21 ESRS topics, resulting in 13 material topics. In this assessment, the Company analysed potential climate-related risks. All sites have emergency plans that include climate-related risks and procedures to mitigate these, and Befesa closely follows local environmental regulation to reduce transition-related risks by adapting the facilities to the latest requirements. See E1-3 for more information on how Befesa's plants are implementing actions to comply with regulation and continuously improve their processes.

See below for Befesa's strategic IROs associated with E1.

IROs associated with E1

IRO	IRO description	Own operations/ Value chain	Related policies and procedures
Positive impact	Avoidance of environmental harm and carbon emissions coming from mining activities through our recycling activities.	Value chain	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Positive impact	Contribution to a transition for a low-carbon steel industry by enabling EAF steel production and secondary aluminium production.	Own operations/ Value chain	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Positive impact	Promotion of the use of renewable energy and continuous improvement of efficiency: all of our plants have energy management systems that are reviewed annually to ensure that energy efficiency is improved, in line with ISO 50001. Measures include LED lighting, equipment renovation and improvement, etc.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Negative impact	Generation of CO ₂ emissions, especially scope 1, as a result of the dependence on the use of reducing agents in the production process, mainly coke in the steel dust business, is needed for the reduction and oxidation chemical reaction that produces the separation of the zinc at a very high temperature.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Opportunity	Reinforcement of the environmental commitment of employees and value chain members through conducting a lifecycle analysis approach to evaluate the climate impact across the value chain.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Opportunity	Opportunity to improve environmental performance through the research and development of new technologies based on low-carbon raw materials (e.g. biocoke, hydrogen).	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Risk	Inability of the facilities to take up renewable energy, resulting in dependence on fossil fuels, which are increasingly hiking prices because of charges imposed to reduce their consumption.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy

Environmental continued

Climate-related assumptions in Befesa's consolidated financial statements

Specific climate-related assumptions are not taken into consideration in Befesa's financial statements.

ESRS 2 SBM-3 Impacts, risks and opportunities

At this stage, the Company has not yet conducted a climate scenario-based resilience analysis of its strategy and business model, as required under ESRS E1. This is because the Company has not yet completed a full detailed climate risk assessment, which should be used as a foundation and as input for the resilience analysis.

The Company plans to develop a detailed climate risk assessment (covering physical and transition risks) and subsequently perform a resilience analysis aligned with climate scenarios, including a 1.5°C pathway, in the upcoming reporting cycles.

E1-2 Policies

Befesa's plants have developed independent policies according to the regional policy and third-party standards they comply with. Likewise, the Company has been operating under the Integrated Environmental, Health, Safety and Quality Policy that sets out the guiding principles for managing QEHS practices to ensure compliance and prevent incidents.

This year the Company has published a company-wide Environmental Policy that has been approved by Befesa's management and applies across all operations. It provides a

unified framework for all material environmental topics (climate, air pollution, water, and circular economy) while enabling plant-level autonomy to implement their own policies and climate actions effectively. The Environmental Policy is referenced in the E2, E3, and E5 chapters in this report.

The following are set out in the policy:

Overarching commitments

Befesa implements decarbonisation strategies and actions aimed at reducing Scope 1 and 2 CO₂eq emissions intensity by 20% by 2030 and aims to achieve net-zero emissions by 2050. The Company emphasises renewable energy uptake as a core decarbonisation lever, aiming to increase the share of green electricity through both procurement and potential on-site renewable generation.

Befesa continuously works to improve energy and resource efficiency, optimising processes, upgrading equipment and monitoring energy use to reduce consumption and associated emissions. The Company invests in research and development to advance technologies that contribute to decarbonisation and enhance operational environmental performance.

Governance and accountability

Progress on environmental and climate strategies is monitored by the Board and two sustainability committees, which convene regularly and oversee implementation. Climate-related performance is integrated into annual and pluri-annual incentive structures, reinforcing accountability at senior and operational levels.



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Compliance and continuous improvement

Befesa has established processes to identify and monitor compliance with applicable environmental regulations at its operating sites. The Company operates environmental management systems aligned with recognised international standards, including ISO and EMAS.

Environmental and climate-related performance is reported through periodic management and sustainability reporting channels. Befesa's plants uphold the operational excellence principles through external verification of their environmental, health and safety performance. In the adjacent table are the certifications each plant possesses.

Site	Country	Type	Capacity (kt)	EMAS	ISO 14001	ISO 50001	ISO 9001	ISO 45001	ISO 14064
Steel Dust									
Duisburg	Germany	Crude steel	87		●	●	●	●	●
Freiberg	Germany	Crude steel	194	●	●		●	OHRIS*	●
Asua – Erandio	Spain	Crude steel	160		●	●	●	●	●
Fouquieres-les-Lens	France	Crude steel	55		●				
Iskenderun	Turkey	Crude steel	110		●	●	●	●	●
Gyeongju	South Korea	Crude steel	220		●	●	●	●	●
Changzhou	Chins	Crude steel dust	110						
Xuchang	Chins	Crude steel dust	110						
Barnwell, SC	US	Crude steel dust	165		●				
Rockwood, TN	US	Crude steel dust	147		●				
Calumet, IL	US	Crude steel dust	142		●				
Palmerton, PA	US	Crude steel dust	163		●				
Gravelines	France	Stainless steel dust	110		●	●	●	●	●
Landskrona	Sweden	Stainless steel dust	64		●	●	●	●	●
Sondika/Amorebiets	Spain	Oxide	16		●	●	●	●	●
Gravelines	France	WOX washing	100		●	●	●	●	●
Pohang	South Korea	WOX washing	60						
Rutherford County, NC	US	Zinc refining	141		●		●		
Aluminium									
Lünen	Germany	Salt slags & SPL	170			●	●	●	●
Hanover	Germany	Salt slags & SPL	130			●	●	●	●
Valladolid	Spain	Salt slags & SPL	150	●	●	●	●	●	●
Bernburg	Germany	Secondary Aluminium	75	●	●	●	●	●	●
Erandio	Spain	Secondary Aluminium	64	●	●	●	●	●	●
Les Franqueses de Valles	Spain	Secondary Aluminium	66	●	●	●	●	●	●

* German system similar to OSHAS



Environmental continued

Value-chain engagement

Befesa engages suppliers and customers to support decarbonisation across the supply chain, including improving Scope 3 emissions data quality and collaborating on environmental best practices.

E1-1 Climate Action Plan

Befesa has a Climate Action Plan that was published in 2023. It established a carbon intensity¹ reduction target of 20% by 2030 and an ambition to become net zero by 2050, both of which were approved by the Befesa Sustainability Committee in 2022. These targets applies to Scope 1 and 2. The Company is working on the development of a climate transition plan that will be published in the coming reporting cycles.

Befesa's CO₂ emissions are mainly driven by the use of reducing agents in the recycling process of steel dust (Scope 1), emissions from the use of electricity (Scope 2) and emissions from the value chain (Scope 3). In summary, the carbon footprint (location-based method) of Befesa is as follows:

- Scope 1: 58% (vs. 58% in 2024)
- Scope 2: 12% (vs. 21% in 2024)
- Scope 3: 30% (vs. 20% in 2024)

By business unit, about 80% of the CO₂e emissions are produced by the steel dust business, which also represents a similar proportion of Befesa's total EBITDA.

To minimise carbon emissions, Befesa applies best available technology (BAT) and looks for improvement opportunities as part of its operational excellence programme. The Company is committed to investing in technology to reduce its emissions. Befesa's decarbonisation investments are not done as part of a CapEx plan compliant with EU Taxonomy (Delegated Regulation (EU) 2021/2178), but rather on a year-by-year basis, depending on where improvements are needed and are beneficial.

Befesa's locked-in emissions

Befesa's operations rely on long-standing recycling furnaces and environmental treatment systems with operational lifetimes of 20–35 years. These assets create a level of 'locked-in emissions' – the GHG emissions associated with the future use of the infrastructure already in place. Even though Befesa's products and processes offer a less carbon-intensive option than the primary alternative, the Company currently depends on emission-intensive components such as coke, which represents a large portion of its emissions. Befesa is reducing their magnitude through ongoing efficiency improvements, renewable electricity sourcing and designing new assets to be near-zero-ready.

In addition, Befesa's recycling activities enable emissions reduction in global aluminium and zinc supply chains. The EAF industry is c.85% less carbon intensive than Basic Oxygen Furnace, BOF² and secondary aluminium is c. 99% less carbon intensive than primary aluminium³.

E1-3 Action and resources

Befesa's climate change mitigation actions are embedded in its Climate Action Plan. The Company has identified a series of decarbonisation levers that will contribute to achieving the target of reducing its carbon intensity by 20% by 2030.

1. Reduction of coke use in the steel dust recycling plants in the US after the acquisition of the assets in 2022, by improving the operations and increasing efficiency through applying European best practices and using technologies that decrease the need for this agent.
2. Green power sourcing to reduce Scope 2 emissions, especially in the most electricity-intensive plants such as the zinc smelter in the US, the stainless steel plants, and the secondary aluminium plants in Europe through power purchase agreements and guarantees of origin.
3. Replacement of coke with biomass, partially or totally in the European steel dust recycling plants.
4. Replacement of natural gas by hydrogen sources in the secondary aluminium and salt slags plants.

Apart from the four main decarbonisation levers, the Company also implements smaller projects in its plants that aim for continuous improvement and efficiency increase as part of its operational excellence programme. Befesa currently does not have a year-by-year plan to reach its net zero by 2050 ambition as this is heavily reliant on the

development of new technologies based on hydrogen to recycle steel dust and aluminium. These take time to progress from initial model to final industrial-scale size. The Company is working on a transition plan that will be published in the coming reporting cycles.

The Company's ability to implement some of these actions depends on the development of technology and its allocation of funds through CapEx investments and its Research & Development department (R&D). Befesa's R&D department is involved in researching the development of new technologies to recycle steel dust to recover zinc based on hydrogen that enables its transition to net zero by 2050. On the other hand, the sustainable CapEx investments take part as part of the recurrent maintenance CapEx strategy, in which the Company maintains its assets according to latest regulation and best practices. These currently do not relate to Taxonomy-aligned CapEx plans.



¹ Carbon intensity refers to Tn CO₂e per Tn of residue recycled (input)

² Considering BOF vs EAF world average

³ Considering Primary Production World Average vs Secondary Production



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Below are the key actions taken this year:

Initiative	Outcome	Business unit	Own operations/ Value chain	Location	CapEx cost (€)
Energy reduction and efficiency measures at the recycling plants	Improved energy efficiency	Steel Dust, Aluminium	Own operations	Europe	1-2M
Regenerative Thermal Oxidiser installation to reduce CH4 emissions	Process emissions reduction	Aluminium	Own operations	Europe	500k-1M
Hydrogas project	Hydrogen generation from salt slags capture	Aluminium R&D	Own operations	Europe	500k-1M
HyInHeat project (Lever 4)	Replacement of natural gas with hydrogen in aluminium recycling process	Aluminium R&D	Own operations	Europe	500k-1M
Alternative reducing agents research projects (Lever 3)	Research into substitution of coke with CO ₂ -neutral reductants in steel dust and stainless steel businesses	Steel R&D	Own operations/ Value chain	Global	100-500k
ReZnH2 project	Research into recycling of zinc-rich residue by hydrogen	Steel R&D	Own operations/ Value chain	Global	100-500k
Coke use reduction projects in the US	Reduce the amount of carbon used for processing EAF dust	Steel Dust	Own operations/ Value chain	America	50-100k

Apart from these four levers, Befesa also implements smaller projects in its plants that aim for continuous improvement and efficiency

increase as part of its operational excellence programme. See E1-1 for more detail about Befesa's intensity targets and progress.

Below are the research projects currently underway, which are carried out in collaboration with partnering institutions around the world.

Projects in the Steel Dust recycling business

Technology	Current development
Charcoal (biocoke) initiative Substitution of coke with biocoke, a CO ₂ -neutral reducing agent. (Lever 3)	<ul style="list-style-type: none"> Investigations into multiple biochar/biocoke samples, including analytics, physical-property assessment and preparation trials (briquetting, compaction, binders). Selection of the most adequate samples for further lab and semi-industrial trials under the initiative GreenWOx.
Alternative reducing agents – Stainless Steel CO ₂ -neutral reductants for stainless-steel residues. (Lever 3)	<ul style="list-style-type: none"> Continuous programme evaluating the substitution of fossil carbon with biogenic agents. Large scale furnace smelting developed in December 2025 as a basis for industrial tests foreseen in 2026.
GreenWOx and NOx Emissions Mitigation Replacement of fossil coal with charcoal in Waelz feed mixtures to reduce CO ₂ footprint.	<ul style="list-style-type: none"> Research on composition and preparation to control charcoal combustion. Starting from a TRL4, TRL5 level achievement expected in 2026. Investigation into NOx-reduction techniques in response to upcoming stricter air pollution limits.
Dust2Value / ReZnH2 Project Substitution of coke with green hydrogen, a CO ₂ -neutral reducing agent.	<ul style="list-style-type: none"> Development of a fully hydrogen-based Waelz reduction process aimed at eliminating almost all CO₂ emissions. Engineering and process design completed; procurement advancing despite market limitations; construction and commissioning planned for 2026.

Projects in the Aluminium recycling business

Technology	Current development
HyInHeat Replacement of natural gas with hydrogen. (Lever 4)	<ul style="list-style-type: none"> Completed four batches of fusion in the form of a comparative study. Assessing the impact on metal recoverability, melting operations, gas flow and emissions.
Hydrogas Hydrogen generation from salt slags capture.	<ul style="list-style-type: none"> In 2025, progress has been made in the basic engineering of the exploitation facility, connection of the future plant with the industrial plant, negotiation of investment contracts, investment and operating costs.

Environmental continued

Control and monitoring

To track progress toward its carbon-reduction targets, Befesa has strengthened environmental data governance through the implementation of a new company-wide reporting tool accessible to all 24 recycling plants. The tool – rolled out progressively during the year – enables facilities to input, visualise, analyse, evidence and review environmental and emissions data within a unified system, supporting greater traceability and comparability. Plants submit data on a quarterly basis, allowing for more frequent monitoring of trends and assessment of performance against the decarbonisation targets. The entries are backed through evidence submitted with each KPI, ensuring traceability.

E1-4 Targets

Befesa aims for a 20% intensity reduction target in Scopes 1 and 2 by 2030 against a 2021 proforma baseline, and a net zero ambition in Scopes 1 and 2 by 2050. Befesa's target is to reduce its environmental impact. Because of its goals to expand its business model in new geographies, the Company decided to follow an intensity reduction target rather than an absolute emissions reduction target.

Target	Goal	Scopes	Baseline
Medium Term target: 20% CO ₂ e intensity reduction by 2030	0.45 Tn CO ₂ e/Tn input	1 and 2	0.56 Tn CO ₂ e/Tn input (2021 pro-forma)
Long-term ambition: net zero by 2050	Net zero	1 and 2	0.56 Tn CO ₂ e/Tn input (2021 pro-forma)

The intensity metric is defined as Ton CO₂e/ Ton input:

- Ton CO₂e: Reported GHG emissions for the year
- Ton input: Waste treated by the company. This is obtained from the list of inflows in E5-4, only selecting the metals Befesa recycles: steel dust and zinc residues, salt slags, waste containing aluminium, zinc oxide, unwashed oxide Waelz, metal and metal dust, and metallurgical wastes.

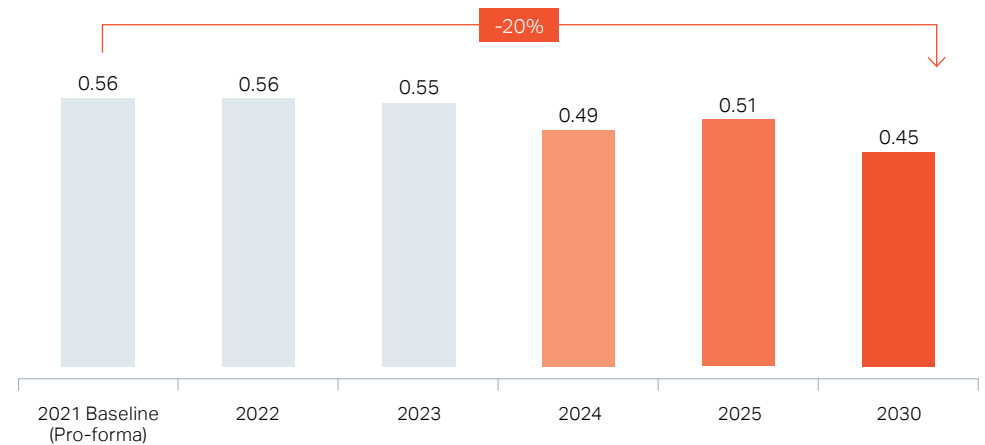
The Company established its baseline for CO₂ reduction targets as a pro-forma of 2021 emissions in order to more accurately represent its company scope of activities in 2021. As such, the baseline was calculated considering full operations in China and the US plants.

The actions towards these targets are set out in the Climate Action Plan and Environmental Policy and include improving current processes and adopting new technologies. To ensure consistency between these targets and the GHG inventory boundaries, the Company monitors emission disclosures annually at a plant level, and tracks progress in its annual sustainability reports and bi-annual sustainability committees.

In 2025, the CO₂ emissions intensity has increased from 0.49 to 0.51 Tn CO₂e /Tn input. This is a result of a decrease in the waste treated and an increase in the Scope 1 emissions arising from a higher use of coke. Higher coke consumption in 2025 has temporarily been

primarily driven by the US operations. As volume and capacity utilization increased in the US, unitary coke consumption will be reduced contributing further to the target of 20% intensity reduction by 2030.

CO₂e intensity
(Tn CO₂e/Tn input)



Environmental continued

E1-5 Energy

Energy consumption and mix	2025	2024
1. Fuel consumption from coal and coal products (MWh)	–	–
2. Fuel consumption from crude oil and petroleum products (MWh)	33,868.72	30,010.45
3. Fuel consumption from natural gas (MWh)	465,480.88	456,691.51
4. Fuel consumption from other fossil sources (MWh)	–	2,168.93
5. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	459,635.88	729,996.27
6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	958,985.48	1,218,867.16
Share of fossil sources in total energy consumption (%)	73%	87%
7. Consumption from nuclear sources (MWh)	282,919.70	100,873.65
Share of consumption from nuclear sources in total energy consumption (%)	22%	7%
8. Fuel consumption for renewable sources, including biomass (MWh)	–	–
9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	72,543.34	86,372.98
10. The consumption of self-generated non-fuel renewable energy (MWh)	–	–
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	72,543.34	86,372.98
Share of renewable sources in total energy consumption (%)	6%	6%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	1,314,448.51	1,406,113.79

Energy consumption is reported based on metered data, using measurement methods such as supplier invoices or certified billing. The electricity mix is taken in this order of preference from: (1) an Energy Attribute Certificates (e.g. Guarantees of Origin), (2) the supplier specific mix provided in energy bills, (3) the residual mix or (4) the national energy mix. Once the data is reported at a plant level using the available reporting tool, it is consolidated at corporate level.

In 2025 Befesa improved its energy data collection processes, resulting in enhanced reported energy mix data, whereas in 2024 the energy mix for a limited number of plants was estimated using assumptions due to data unavailability. Consequently, the apparent increase in the share of nuclear energy and decrease in fossil energy between 2024 and 2025 reflects improved data accuracy rather than a structural change in energy sourcing, and the E1-5 energy mix breakdowns for the two years are therefore not directly comparable.

Total energy consumption is broadly stable year on year, with the slight decrease in 2025 attributable to lower production at the US zinc smelting facility, as well as the reduced activity levels in the aluminium business and in the Henan plant in China, due to weak market conditions, independent of changes in data methodology.

Energy intensity based on net revenue

Energy intensity per net revenue	2025	2024	% 2025/2024
Total energy consumption per net revenue for activities in high climate impact sectors (MWh/Thousand €)	1.11	1.13	-2%

Befesa has considered all of its activities to be included within the high climate impact sectors, as all could be classified under NACE code C.24. The net revenue figure used in this calculation (€1.183 million) is reported in its income statement (notes 5 and 21.1).



Environmental continued

E1-6 Emissions

Scope 1, 2 and 3 emissions are reported by plants applying GHG Protocol guidelines. Since this year, a new centralised tool has been used to introduce all the plant's consumptions and calculate emissions, using emission factors provided by government sources, GHG Protocol or Ecoinvent.

Emissions	2025	2024	2021 (Baseline)	% 2025/2024
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions (tCO ₂ eq)	979,937.32	841,050.18	1,085,586.48	17%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	41%	ND	ND	NA
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	199,558.59	309,258.28	136,673.44	-35%
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	221,073.05	270,369.91	ND	-18%
Significant Scope 3 GHG emissions				
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	497,680.50	ND	ND	NA
1 Purchased goods and services	238,922.29	ND	ND	NA
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	52,681.75	ND	ND	NA
4 Upstream transportation and distribution	39,132.49	ND	ND	NA
10 Processing of sold products	166,943.96	ND	ND	NA
Total GHG emissions				
Total GHG emissions (location-based) (tCO ₂ eq)	1,677,176.41	1,440,977.71	1,222,259.92	18%
Total GHG emissions (market-based) (tCO ₂ eq)	1,698,690.86	1,402,089.34	NA	23%

For Scope 3, 2024 data has not been included, driven by the reassessment of the consolidated significance analysis across all plants during the year. Consequently, 2025 data is not fully comparable with prior periods.

Scope 1

Direct emission categories include process, stationary, mobile and fugitive emissions.

Process emissions account for the exchanges that take place during the recycling processes in the different business units. Plants calculate this type of emissions using either mass balance or industry-average data to infer the emission factors of incoming and outgoing gases and materials. Note that the use of coke as a reductant agent is not counted as fuel, but as process emissions here.

Stationary, mobile and fugitive emissions are calculated with provided emission factors for fuels and refrigerants used by the plants in the reporting year.

Scope 2

This category includes indirect emissions generated by electricity and steam consumption. For the second year, market- and location-based emissions are both included.

Location-based emission factors are obtained from government data from each country in which the plants operate. The plants then attain specific emission factors from their energy providers to reflect their energy mixes. When plants cannot obtain this data, the national or residual energy mix and emission factor is used.

Scope 3

Befesa has updated its approach to Scope 3 emissions by developing a consolidated, company level materiality analysis that identifies the most relevant value chain categories for the Company as a whole. This ensures that Scope 3 disclosures under CSRD reflect a comprehensive and comparable view of Befesa's value chain emissions.

Where last year each plant performed its own materiality analysis reflecting its own circumstances, this year the global materiality assessment was done using 2024 Scope 3 data from all plants. All 15 GHG Protocol Scope 3 categories were screened across Befesa's 24 plants as part of the Company's materiality assessment for greenhouse gas emissions. A preliminary qualitative screening was conducted first considering Befesa's business model. As a result of this preliminary analysis, categories 8, 13, 14 and 15 were considered as not significant based on the Company's business model. Consequently, the remaining categories were assessed solely on a quantitative basis.

Based on the results of this assessment, the following Scope 3 categories were identified as material and are therefore prioritised for disclosure in accordance with ESRS E1:

- Purchased goods and services (Category 1)
- Fuel- and energy-related activities not included in Scope 1 or 2 (Category 3)
- Upstream transportation and distribution (Category 4)
- Processing of sold products (Category 10)



Environmental continued

Together, these categories represent 91% of Befesa's Scope 3 emissions and reflect the Company's operational nature, which involves handling, transporting and processing more than two million tonnes of material annually. The remaining categories were not considered material enough and were therefore excluded.

Scope 3 calculations are done following the GHG Protocol Corporate Value Chain Standard. Primary activity data from the value chain is used whenever feasible (e.g. specific emission factors from clients or providers), but mostly secondary data sources and emission factors are applied. The Company has also implemented a unified reporting tool to harmonise data collection, improve traceability and ensure consistency across all business units.

Below are the calculation methodologies for each material Scope 3 category.

Category 1: Purchased goods and services

To calculate this category, plants enter the consumption of inflow materials by weight and emissions are calculated using specific Ecoinvent emission factors. For those cases in which it has not been possible to calculate it in accordance with the approach described above, consumption of other goods and services can be calculated by spend using the EPA Supply Chain Greenhouse Gas Emission Factors for Industries and Commodities. Water withdrawal is also included in this category.

Note: Waste inputs have an emission factor of 0, so the emissions from this category come mainly from additives in the process and other products and services hired.

Category 3: Fuel and energy-related activities not included in Scope 2

This category is calculated using the energy consumption introduced by the plants and the transmission & losses emissions factors provided by Defra.

Category 4: Upstream transportation and distribution

For this category, plants introduce the km and tonnes transported by mode of transport (marine, road or rail freight), selecting the specific type of vehicle and fuel if known. Emissions are calculated using Defra emission factors based on kg CO₂e/kmt. For those cases in which it has not been possible to calculate it in accordance with the approach described above, plants can introduce the spend on each mode of transport and emissions are calculated using the EPA Supply Chain Greenhouse Gas Emission Factors for Industries and Commodities. This option is available because it is the way plants have historically measured freight emissions. Distance-based calculations are encouraged because they are more accurate.

Note: To avoid double-counting between plants, they only account for the transport they pay for. Therefore, some plants have no emissions in one of the freight categories because another plant always pays for the transport of materials or products.

Categories 10: Processing of sold products

This was Befesa's first year reporting the GHG Protocol Category 10. This category refers to the processes that take place to transform the company's product into the final

one sold to the consumer (e.g., aluminium processed to manufacture cars). To calculate these, all products and subproducts sold outside of the organization in the year (see E5-5 Outflows) were multiplied by specific emission factors according to the transformation process they undergo once they are sold by Befesa.

Emissions factors were sourced for each processing type, as well as the portions of Befesa's steel and aluminium products and byproducts that were present in the processes. The main source for these figures was Ecoinvent, but, when not available, academic

papers, environmental product declarations (EPDs), or Befesa's own calculations were used.

The following formula was used: Product sold (tonne) x portion Befesa is liable for (kg Befesa product/kg client product) x emission factor.

Some of the company's production is not counted in this category. For instance, many subproducts are processed internally so their processing emissions are already counted in our scopes 1 and 2. Also, some slags cannot be sold due to local regulations, so those portions are counted in the waste category already.

GHG Intensity per net revenue

GHG intensity per net revenue	2025	2024	% 2025/2024
Total GHG emissions (location-based) per net revenue (t CO ₂ e/Thousand €)	1.42	1.15	24%
Total GHG emissions (market-based) per net revenue (t CO ₂ e/Thousand €)	1.44	1.12	29%

The net revenue figure used in this calculation (€1.183 million) can be found in the Company's income statement (note 5 and 22.1).

GHG intensity per revenue increased by 24% due to the increase of Scope 1 emissions in 2025.

E1-7 Carbon credits

Befesa does not take part in any accredited GHG removal schemes.

E1-8 Internal carbon pricing

Befesa does not currently apply internal carbon pricing.

Environmental continued

E2 – Pollution

ESRS 2 IRO-1

Processes to identify and assess IROs

E2-1

Policies

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Actions and resources

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Targets

E2-4

Air pollution

E2-5

Substances of concern and substances of very high concern

ESRS 2 IRO-1 Processes to identify and assess IROs

Emissions from Befesa's 24 sites' recycling processes can contribute to air pollution, affecting local air quality and public health. To identify and assess impacts, risks and opportunities related to pollution, a double materiality analysis has been carried out, establishing that water and soil pollution are not material to Befesa (see ESRS 2 IRO-1 and SBM-3). Air pollution is therefore the material sub-theme of this section.

The following table details the IROs identified as material and the associated policies.

IRO	IRO description	Own operations/ Value chain	Related policies and procedures
Positive impact	Befesa's activities contribute to avoiding air pollution from mining and landfilling activities.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Negative impact	Impact on the surrounding community from air pollution from Befesa's operations that can cause concern for public health, decreased quality of life and discontent among local residents, as well as litigation matters.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Negative impact	Detriment to human and environmental wellbeing because of the production, use, distribution and commercialisation of substances of concern and substances of very high concern, in our own, in mixtures or in articles.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Negative impact	Damage of the ozone layer due to direct emissions originated by the use of coke in the production process.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy

E2-1 Policies

Befesa's new Environmental Policy includes commitments to prevent and minimise pollution across air, soil and water. The policy requires all plants to follow best available techniques, adhere to regulatory emissions thresholds and maintain strong environmental controls. It applies to the entity's own operations.

Key policy elements:

- Befesa prevents air, soil and water pollution by implementing best practices, following regulatory requirements and investing in technologies that reduce emissions.

- Operations are continuously monitored and the Company performs regular reporting and audits to enhance pollution-prevention performance.
- Pollution-related risks are assessed within the Company's risk management framework, including plant-level environmental risk maps.
- The policy also integrates expectations that suppliers meet Befesa's environmental and conduct standards.



Environmental continued

E2-2 Actions and resources

Most of the actions described in E1-3 are aimed at decreasing the levels of pollution from the emissions of CO₂eq, as well as reducing other pollutants such as methane (e.g. the Hydrogas project).

Below are the actions taken by sites in 2025, amounting to €7.1M (vs. €4.2M in 2024). These initiatives are part of the annual budget for regular and compliance maintenance, and it is expressed as capital expenditures (CapEx) invested. Some of these initiatives will be

Initiative	Outcome	Business unit	Own operations/ Value chain	Location	Range
Reduction of dust emissions.	Mitigation of the risk of dust from the recycling processes being emitted into the air.	Aluminium, Steel Dust	Own operations	America, Asia, Europe	3-4M
Reduction of risk of fugitive or diffuse emissions.	Installation of technology to avoid unexpected air emissions.	Steel Dust	Own operations	America, Europe	2-3M
Reduction/neutralisation of air pollutants from the recycling processes.	Installation of technology to mitigate intrinsic emissions coming from the recycling processes.	Aluminium, Steel Dust	Own operations	America, Europe	1-2M

All actions implemented in 2025 are aimed at Befesa's own operations, which mitigate negative impacts throughout its value chain. Befesa will continue implementing preventative and corrective actions to minimise pollution and comply with regulation across the regions where Befesa operates. The Company does not currently have a centralised action plan regarding future air pollution; however, each individual recycling plant is aware of existing and new applicable regulations and has plans in place. Future actions are evaluated annually as

continued in subsequent years as future developments are evaluated as part of the annual budgeting process and therefore do not form part of a specific action plan. These investments can be found in the 'Property, Plant and Equipment' section in the consolidated statement of financial position, as part of the additions made in 2025 (€72.67M, note 8), which includes not only regular maintenance CapEx but also expansion CapEx, dedicated to increasing the recycling capacity of the Company's sites.

part of the budgeting process, allocating capital for those initiatives and prioritising the most critical ones.

Community engagement at Befesa's plants

Befesa is aware that, in certain circumstances and locations, its activity may have negative impacts on local communities, such as air pollution generated by its facilities. To mitigate these impacts, the Company implements planned actions to improve the pollution levels of its recycling assets.

When plants have received complaints from surrounding communities, they have initiated communications with them, holding meetings to inform the community about the plant operations and environmental management systems, and to allow questions and concerns to be raised. The line of contact may be direct or through intermediary bodies (such as local authorities) who either notify the plant of the complaint or contact them directly, requesting information about the incident. Plants analyse, manage and track complaints at an individual level. In addition to grievance management, plants proactively engage with local communities, organising talks and training sessions, and volunteering activities to show local communities about the work Befesa does.

The aluminium plant in Erandio, Spain, addressed neighbours' noise complaints through open engagement with the local community, including dialogue with them and the use of objective noise measurement, after which no further complaints were reported. The plant operates to high sustainability standards, holding Aluminium Stewardship Initiative (ASI) certification, independently audited by DNV Business Assurance Services, which included assessment of relationships with internal and external stakeholders such as suppliers, customers, and local community associations. In addition, the plant is registered under the EU Eco-Management and Audit Scheme (EMAS) and also holds ISO 14001 certification for its environmental management system.

All of the referenced documents are publicly available.

Finally, Befesa maintains a publicly available Whistleblowing channel that allows internal and external individuals to submit comment or complaints.

E2-3 Targets

Befesa has established company-wide targets related to its GHG emissions (see E1-4), but not pertaining to the remaining atmospheric pollutants. Each Befesa plant complies with its local regulation and thresholds, as such, company-wide targets have not been set. Befesa plants aim to minimise air pollution and keep it within legal limits, implementing actions towards this purpose (see E2-2). Befesa will evaluate the establishment of specific air pollution targets in following years.

E2-4 Air pollution

In 2025, Befesa has consolidated pollutant emissions at location level and includes only those emissions from the locations that exceed the pollutant and environmental medium specific reporting thresholds set out in Annex II of Regulation (EC) No 166/2006 (E PRTR). No additional quantitative thresholds have been applied for the purpose of this year's CSRD reporting. Due to last year's reporting of the full list of plants' pollutants, disclosures between 2024 and 2025 are not fully comparable.

Pollutant gases are measured through specialised equipment, either through Continuous Emissions Measurement Systems (CEMS) or through accredited external control companies that perform periodic measurements according to local requirements. Once the data is available at plant level, it is validated by government or accredited bodies and finally consolidated by the corporate team.

Environmental continued

Air Pollutants	2025 (kg)	2024 (kg)
Benzene	10,870.00	2,344.94
Cadmium and compounds	40.93	ND
Lead and compounds	1,015.97	919.55
Mercury and compounds	361.69	307.87
PCDD and PCDF	5.15	ND
Ammonia	32,770.00	27,851.15
Methane	1,886,400.00	1,161,179.33
Nitrogen oxides	101,200.00	532,225.12
Zinc and compounds	49,598.10	38,872.98

E2-5 Substances of concern and substances of very high concern

Thresholds for substances of concern and substances of very high concern are assessed at installation level in line with Annex II. Where an exceedance occurs at one or more plants, the disclosure requirement under ESRS E2-5 is triggered. In accordance with ESRS consolidation principles, the reported quantities reflect the total amounts for Befesa's own operations.

The total quantities of substances are detailed in E2-4.



Environmental continued

E3 – Water

ESRS 2 IRO-1

Processes to identify and assess IROs

E3-1

Policies

E3-2

Actions and resources

E3-3

Targets

E3-4

Water

ESRS 2 IRO-1 Processes to identify and assess IROs

In the previous reporting year, Befesa did not classify water as a material topic in its DMA. However, following a review process in 2025, water resulted as material topic as a result of several evolving factors. These include heightened regulatory expectations around water withdrawals and discharges, and the growing strategic relevance of water availability for ensuring operational continuity across industrial processes. Furthermore, it was identified that eight Befesa plants operate in areas experiencing high or very high levels of water stress, according to the Water Risk Atlas (WRI): Iskenderun, Valladolid, Bernburg, Calumet, Mooresboro, Granollers, Recytech, and Henan.

Twenty of Befesa’s plants operate either with closed-loop water circuits or on-site water treatment and recycling systems. These measures reduce net freshwater withdrawals and mitigate potential impacts on local water resources. In addition, through the years, a growing number of sites have implemented rainwater harvesting solutions, reducing reliance on external water sources and enhancing operational resilience to water-scarcity-related risks. This year, for instance, the Freiberg plant carried out an investment of €3.5M to improve their rainwater collection system.

On the other hand, Befesa’s operations may generate negative impacts on water availability in locations affected by increasing water stress. Despite many facilities using closed-loop systems, some sites still rely on freshwater sources such as groundwater, municipal supply, industrial or surface water for specific operational needs. In addition, some of the Company’s processes generate effluents, which could affect receiving water bodies at those plants without closed loops. To minimise this impact, the plants that do not operate in closed circuits either treat the used water internally or send it to external treatment facilities to ensure it returns to the network with

a high quality. This year the effluent metric has not been reported but the Company is evaluating how to best report this indicator to meet upcoming CSRD disclosures through the use of the newly incorporated reporting tool.

These considerations led to the recognition of water as a material topic this year and to its fuller integration into the Company’s impact, risk, and opportunity management framework. See below for Befesa’s strategic IROs associated with E3. All of these are related with the Integrated Environment, Health, Safety and Quality Policy and the new Environmental Policy.

IRO	IRO description	Own operations/ Value chain	Related policies and procedures
Negative impact	Negative impacts on water availability because of withdrawals in areas of water stress, as well as additional adverse effects on water quality resulting from effluent discharges.	Own operations/ Value chain	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Opportunity	Opportunities to improve environmental performance and access financing through the implementation of targets, projects, strategies or actions that improve water management and quality.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy

Befesa’s potential impacts on water resources highlight the importance of maintaining controls at plant level. Each facility is responsible for monitoring its own water performance and operates under strict local regulatory frameworks, which typically require regular

sampling, testing and environmental audits to ensure compliance with withdrawal and discharge conditions. At the corporate level, the Company oversees performance through quarterly reporting and trend monitoring, ensuring consistency across sites.

Environmental continued

E3-1 Policies

Befesa's Environmental Policy recognises that some facilities operate in water-stressed areas, as identified by the Water Risk Atlas (WRI). These are: Granollers and Valladolid in Spain, Henan in China, Recytech in France, Bernburg in Germany, BZM and Calumet in USA, and Iskenderun in Turkey.

Key commitments set out in the policy:

- Although Befesa's processes are not highly water intensive, the Company is committed to optimising water use across all operations.
- More than half the plants operate closed water circuits. Those that do not must follow procedures to ensure compliant and environmentally safe water discharges.
- The Company uses rainwater harvesting, water recycling and internal treatment systems to reduce water abstraction and minimise impact on local water bodies, especially those in areas of water stress.

Initiative	Outcome	Business unit	Own operations/ Value chain	Location	Range
Rainwater collection system	Collection of surface water throughout the entire company premises.	Steel Dust	Own operations/ Value chain	Europe	3-4M

Befesa will continue implementing preventative and corrective actions to minimise water consumption and comply with regulations across the regions where Befesa operates. The Company currently does not have a centralised action plan regarding future water management. However, each individual recycling plant is aware of the applicable existing and new regulations and has plans in place. Future actions are evaluated annually as part of the budgeting

- Water-related performance is monitored, reported and integrated into overall environmental management and oversight by the sustainability committees.

E3-2 Actions and resources

At Befesa, each plant manages their water operations locally to comply with local regulations and standards and continuously monitors them to minimise impact.

Below are the actions taken by sites in 2025, amounting to €3.5M. These initiatives are part of the annual budget for regular and compliance maintenance and are expressed as capital expenditures (CapEx) invested. These investments can be found in the 'Property, Plant and Equipment' section in the consolidated statement of financial position, as part of the additions made in 2025 (€72.67M, note 8), which includes regular maintenance CapEx as well as expansion CapEx, dedicated to increasing the recycling capacity of the Company's sites.

process, allocating capital for those initiatives and prioritising the most critical ones.

E3-3 Targets

Befesa has not established targets for water management at Company level. Befesa will evaluate the establishment of specific water targets in following years.

E3-4 Water

Water is mainly used as part of the WOX washing and salt lixiviation processes. Befesa's 24 plants are regulated in terms of water use, so a number of measures are implemented every year to minimise water impact, such as rainwater harvesting (see E3-2).

See below for Befesa's water withdrawal data for 2025. The data is collected using either water provider invoices, or direct withdrawal information reported through the plants management systems.

Water withdrawal (m ³)	Total	Consumption in areas of water stress	%
Recycled water	0		
Ground water (freshwater)	622,736		
Ground water (non-freshwater)	60,853		
Municipal supply	2,246,574	1,896,519	50%
Rainwater	76,208		
Surface (freshwater)	244,872		
Surface (non-freshwater)	527,793		
Total	3,779,035	1,896,519	50%

In several processes, water is primarily used for cooling purposes and is subsequently evaporated, which makes a reliable calculation of actual water use technically impracticable. Therefore, water withdrawals are reported instead of consumption. The Company will evaluate how to improve tracking of the actual water used, such as measuring how many times the water is recirculated internally.

Water intensity

Water intensity per net revenue	2025	2024	% 2025/2024
Total water withdrawal (m ³) per net revenue (m ³ /Thousand €)	3.2	ND	ND

The net revenue figure used in this calculation (€1.183 million) can be found in the Company's income statement (note 5 and 22.1).

Environmental continued

E5 – Resource Use and Circular Economy

ESRS 2 IRO-1

Processes to identify and assess IROs

E5-1

Policies

E5-2

Actions and resources

E5-3

Targets

E5-4

Resource inflows

E5-5

Resource outflows

ESRS 2 IRO-1 Processes to identify and assess IROs

Befesa’s recycling processes reduce dependence on primary resources and minimise waste. However, due to the recycling technology currently in use, the Company also faces challenges such as high consumption of reductant agents. To mitigate these, Befesa is investing in R&D and technologies that aim to reduce resource consumption, secure reliable material supplies, and leverage circular economy principles to enhance sustainability and market differentiation. The Company has identified impacts, risks and opportunities for the material sub-themes related to resource use and circular economy, which were obtained through the double materiality process detailed in sections SBM-2, SBM-3 and IRO-1 (see chapter ESRS 2 General Information). For this analysis, carried out at corporate level, all the plants operated by Befesa in all its geographies have been taken into account and stakeholders have been consulted.

As a result of this analysis, resource inflows, outflows and waste management have been defined as the material sub-themes. See below for Befesa’s strategic IROs associated with E5. All of these are related to the Integrated Environmental, Health, Safety and Quality Policy and the new Environmental Policy.

IRO	IRO description	Own operations/ Value chain	Related policies and procedures
Positive impact	Preservation of natural resources and avoiding the extraction of virgin material by reclaiming valuable material from industrial waste streams.	Own operations/ Value chain	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Positive impact	Offering an environmentally responsible option for waste management to other companies, diverting waste that would otherwise end up in landfills and incinerators.	Own operations/ Value chain	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Positive impact	Preservation of land for agriculture, conservation, and recreational purposes by avoiding the need for new landfills.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Opportunity	Increase in sales by becoming a sustainable provider within a sector previously overlooked due to its difficulty in aligning with sustainability.	Own operations/ Value chain	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Opportunity	Reputational enhancement by increasing the communication and promotion of our product as a sustainable alternative to the mining sector.	Own operations/ Value chain	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy
Opportunity	Improvement in reputation by advertising the second life given to waste generated by other companies, thus avoiding ending up in landfills.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Environmental Policy

E5-1 Policies

Key policy elements:

- Befesa provides a sustainable alternative to primary production by recovering valuable materials from hazardous and non hazardous waste, enabling circularity in the steel and aluminium industries.
- Investments in technology, R&D and efficiency improvements support increased material recovery and reduced dependency on virgin resources.
- Supplier engagement on resource efficiency and circular solutions is encouraged to extend circularity beyond Befesa’s own operations.

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Environmental continued

E5-2 Actions and resources

Below are the main actions taken in 2025. Some of these initiatives will be continued in subsequent years, as future developments are evaluated annually as part of the budgeting process and therefore do not form part of a specific action plan. The material actions taken this year amounted to €1.6M. They are part of

Initiative	Outcome	Business unit	Own operations/ Value chain	Location	Range
Coke use reduction projects in the USA	Reduce the amount of carbon used for processing EAF dust.	Steel Dust	Own operations/ Value chain	America	50-100k
Improvements in control of inflows and outflows	Improvements in scales, transport and overall management of materials and products.	Steel Dust	Own operations/ Value chain	America	500k-1M
Reduction of waste generation	Reduction of waste generation.	Steel Dust	Own operations/ Value chain	Europe, Asia	500k-1M

E5-3 Targets

One of Befesa's decarbonisation levers is also linked to its material inflows. The Company aims to reduce the use of coke in the US steel dust sites through optimising processes and implementing technologies that minimise the

Target	Waste hierarchy	Progress	Next steps
Reduce coke use in US plants by 40% (lever 1) by 2030	Prevention	2021 (Baseline): 133.4 kton 2024: 105.1 kton (-21.2%) 2025: 113.6 kton (-14.8%)	Continue implementing optimisation strategies such as SDHL air lances

In 2025 the use of coke in the US sites has increased because the Rockwood site increased its production significantly after a year of low activity. The target by 2030 is intact and achievable driven by the expected increase

the 'Property, Plant and Equipment' assets in the consolidated statement of financial position, under the additions made in 2025 (€72.67M, note 8), which includes not only regular maintenance CapEx but also expansion CapEx, dedicated to increasing the recycling capacity of Befesa's sites.

use of this primary raw material in the production phase. This target was approved as part of the Climate Action plan in 2022. See E5-2 for the resources allocated to this project in 2025.

in processed steel dust volume over the coming years, which will increase capacity utilization of the US plants and hence reduce the unitary consumption of coke and the associated emissions.

E5-4 Resource inflows

The main primary materials used by Befesa are hazardous waste received to recycle (steel dust, aluminium waste and scrap, salt slags, etc) and materials needed to process them (lime, coke, salts, etc). None of the raw materials used contains biological products.

Inflows	Tons	Ton resource inflow recycled	% Resource inflow recycled
Steel dust and zinc residues	1,268,428	1,268,428	45%
Salt Slag	409,337	409,337	15%
Waste containing Aluminium	221,033	221,029	8%
Zinc oxide	172,162	172,162	6%
Metallurgical coke	155,505		
Unwashed Oxyde WAELZ	138,855	138,855	5%
Lime	91,849	7,209	0%
Petrol Coke	88,221	9,630	0%
Metal and metal dust	86,518	86,518	3%
Sulphuric acid	62,498		
Smelting salt	26,222	26,222	1%
Liquid oxygen	25,873		
Anthracite	16,909		
Steel dust process additives	15,970		
Sand	13,892		
Alloying agents Si Mg Mn Fe Zn Cu	8,279		
WOX Washing process additives	4,353		
Metallurgical wastes	3,716	3,716	0%
Circular alloys process additives	1,919		
Other aluminium process additives	1,540		
Zinc Dust	421	421	0%
TOTAL	2,813,499	2,343,527	83%

Environmental continued

Where last year each plant reported either purchase or consumption of inflows for this metric, this year all inflows are defined homogeneously as purchases, not consumption. The one exception is the Lunen plant, which has reported some consumption due to this being more readily available and its being virtually the same as purchased materials. The inflow data is measured directly by weighing upon entry on site and reported monthly using the internal reporting tool. In the case of Lunen, this is reported through production reports that indicate the actual consumption. Inflows are reported in their original state (wet weight), without any adjustments, conversions, or treatments.

Due to the nature of the Company's operations, certain quantities reported as raw materials in E5-4 are also reported as waste in E5-5, given that, due to Befesa's business model, waste output from some plants becomes raw material input for others. For instance, salt slags are

counted as waste by the secondary aluminium division (e.g., Bernburg) but as input for the salt slags and SPL division (e.g., Hannover). See E5-5 for reference.

E5-5 Resource outflows

The main products generated by Befesa are the Waelz oxide, aluminium and zinc alloys that are sold to its main clients. In addition, many subproducts from the processes – mainly iron and aluminium oxides – are marketed for other purposes such as cement or fertiliser manufacturing.

Befesa promotes circularity through its operational practices, resulting in 66% of outflows being diverted from disposal, even though no specific target has been defined for this metric.

Often recovery happens internally and outflows from one process become inflows for another

one. In this way the Company boosts circularity and durability in the use of all outflows that would otherwise end up in landfill. For instance, in the steel business unit, Waelz oxide produced in steel dust sites (e.g. Duisburg) is washed in the oxide washing plants (e.g. Gravelines). On the other hand, in the aluminium business unit, the salt slags from the melting process are used as an inflow in the Salt Slags sites and then sent back to the aluminium melting plant (e.g. Valladolid and Erandio).

Outflows

Outflows include products and by products that are commercialised both internally and to third party companies.

Commercialised products and subproducts are weighted upon plant exit in dry tonnes. Where products are sold wet, the humidity percentage is subtracted to allow for comparison. Comparison against 2024 is not possible as 2025 is the first year of reporting this figure. Tonnes of product and kWh of energy sold are reported separately.

All reported data is derived from direct measurements at site level; no estimations or significant assumptions were applied.

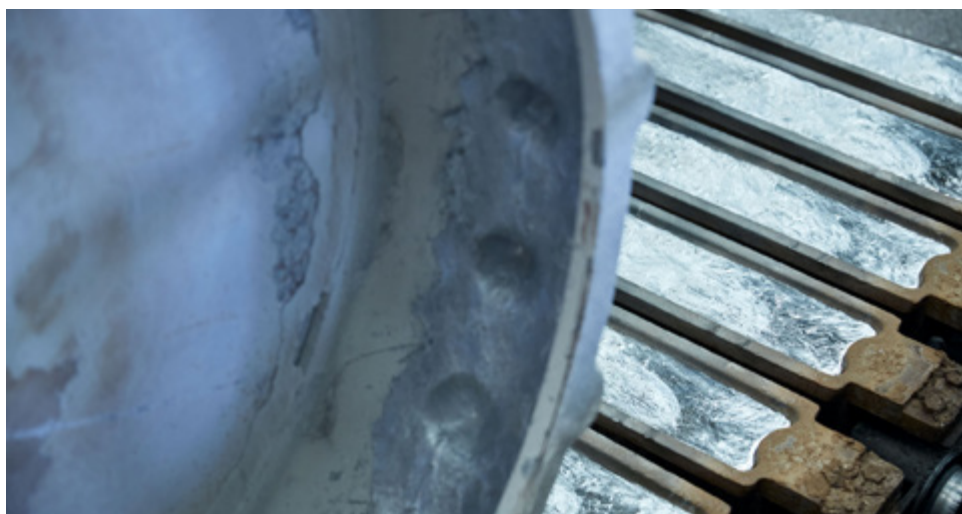
Befesa's outputs consist of bulk industrial materials (zinc oxide, secondary aluminium and recovered salts) supplied without packaging and intended for direct use as feedstock in industrial processes. Consequently, concepts such as product durability, reparability and packaging recyclability are not applicable.

These materials are, however, suitable for repeated recycling within established industrial processes without loss of intrinsic properties, supporting circular material flows across the value chain.

Outflows	Tonnes outflow
Aluminium alloys, ingots & liquid	153,998
Alloys	41,337
Sludge of filterdust	7,641
Casting	99,821
Drosses and skims	2,534
Gypsum	47,407
Lead sulfate	2,916
Zn ash	971
Zn ingots	1,517
Zn oxide	10,081
Al concentrates	30,011
Ammonium sulfate	53,073
Paval/xerox	337,141
Salt	136,978
Slag	394,426
Waelz oxide	333,769
Waelz oxide washed	231,132
Grand total	1,884,753

Outflows	kWh outflow
Hot water energy (kWh)	40,161,000

At the BCA Sweden site, part of the thermal energy recovered from process hot water is utilised internally for office heating, with excess energy exported to the local community. This represents an operational reuse of energy to enhance efficiency, without constituting a separate business model.



Environmental continued

Waste

Most of the waste produced by Befesa comes from unsold by-products resulting from the steel and aluminium recycling processes. Each site measures waste directly by weighting it on-site. Waste management is regulated and carried out by an authorised waste manager, which allows the accounting and classification of the different reported waste. Generally, Befesa generates three significant types of waste:

- Hazardous waste: Befesa produces waste that is categorised as hazardous. This includes solvents, flammable/ hazardous raw materials, chemical waste, batteries, acids, bases and caustic liquid used in the recycling process. This type of waste is discharged to an authorised waste manager or incinerated without energy recovery.
- Hazardous waste that is reused/recovered/ recycled: At the end of some recycling operations, the Company produces hazardous residues such as salt slags from secondary production. These hazardous wastes are recycled internally by the salt slags recycling division.
- Non-hazardous waste: Includes by-products from the steel dust and salt slags recycling processes that have not been sold in the market and need to be disposed of in a non-hazardous waste landfill.

In summary, the majority of the waste generated by Befesa comes from by-products from the steel dust and salt slags recycling processes in the form of iron and aluminium oxide which have not been sold and need to be disposed of as a non-hazardous waste in a regular landfill.

As explained in 5-4 Inflows, as a hazardous waste recycling company, Befesa has a specific situation when it comes to its inflows and outflows. Many times, waste recovery happens internally, and outflows from one process become inflows for another one. For instance, in the steel business unit, Waelz oxide produced in steel dust sites (e.g., Duisburg) is washed in the Oxide Washing plants (e.g., Gravelines) and ultimately sold. On the other hand, in the aluminium business unit, the salt slags resulting from the melting process are used as an inflow in the Salt Slags sites (e.g., Valladolid) and then sent back to the aluminium melting plant (e.g., Erandio). In these specific cases, Befesa does not engage an external waste manager, but solely a transport provider that carries the waste from one plant to become raw material at another.

Reported E5-5 data for 2025 is based on site-level reported information; however, certain assumptions and methodological clarifications were applied compared to 2024, primarily due to differences in national legislation and plant-level interpretation of waste treatment categories. During 2025, the reporting process was reviewed, as well as the methodologies that were used to classify waste into the different ESRS categories particularly for the "other recovery" and "other disposal" categories, which include legally permitted recovery or disposal operations that do not fall under standard recycling, landfill, or incineration classifications. In 2024, these classifications relied on plant practice rather than harmonised definitions. As a result, the E5-5 waste treatment breakdowns for 2024 and 2025 may not be fully comparable.

Hazardous waste	2025 tonnes	2024 tonnes
a) Total amount of waste generated	149,797.25	248,476.90
b) Total amount by weight diverted from disposal:	126,054.91	185,035.80
i) Preparation for reuse	107,902.94	26.49
ii) Recycling	18,151.97	184,895.45
iii) Other recovery	–	113.86
c) The amount by weight directed to disposal by waste treatment type	23,742.34	63,441.10
i) Incineration	339.64	442.86
ii) Landfill	23,398.09	61,516.85
iii) Other disposal operations	4.60	1,481.39
% non-recycled waste	16%	26%

Non-hazardous waste	2025 Non-hazardous tonnes	2024 Non-hazardous tonnes
a) Total amount of waste generated	525,552.23	492,859.13
b) Total amount by weight diverted from disposal:	322,372.64	372,352.94
i) Preparation for reuse	200,971.83	84.51
ii) Recycling	121,400.81	327,314.29
iii) Other recovery	–	44,954.14
c) The amount by weight directed to disposal by waste treatment type	203,179.60	120,506.19
i) Incineration	22.10	304.14
ii) Landfill	202,381.62	101,770.94
iii) Other disposal operations	775.88	18,431.11
% non-recycled waste	39%	24%



Social

Social S1

SBM2, SBM3

Own workforce IROs

S1-1

Policies

S1-2

Processes for engaging Befesa employees

S1-3

Processes to remediate impact and channels to raise concerns

S1-4

Actions to mitigate risks and pursuing opportunities

S1-5

Targets

S1-6

Befesa employee metrics

S1-8

Collective bargaining and social dialogue

S1-9, S1-12

Diversity, equity and inclusion

S1-10, S1-16

Adequate wage and compensation metrics

S1-13

Training and development

S1-14

Health and safety

S1-17

Discrimination, incidents and human rights violations

SBM2, SBM3 Own workforce IROs

The recognition of the importance of engaging Befesa’s stakeholders – and their involvement in the Company’s success – remains unchanged. Employees are essential to Befesa’s development; their professionalism, commitment and engagement are key to the Company’s future.

After the 2025 DMA, four social material topics have been identified: working conditions, employee engagement, health and safety and equal treatment and opportunities for all. (See ESRS 2 IRO-1, SBM2) For each of these topics, Befesa, has identified material impacts, risks, and opportunities as follows:

IROs associated with working conditions

IRO	IRO description	Own operations/ Value chain	Related policies and procedures
Positive impact	Promoting fair and stable employment conditions for workers, while supporting employer’s interests through collaborative labour relations frameworks, such as collective agreements.	Own operations	Human Resources Policy Collective agreements
Negative impact	Operational impact by reducing workforce availability due to a high rate of absenteeism in some locations.	Own operations	Integrated Environmental, Health, Safety and Quality Policy Human Resources Policy Collective agreements
Opportunity	Environmental legislative changes aligned with the Company’s strategic plan, fostering the creation of new employment opportunities through investing in regions with favourable regulatory frameworks, access to raw materials and proximity to industrial clients.	Own operations	Environmental Policy Code of Conduct Human Resources Policy DEI Policy
Risk	Loss of personal information of employees and stakeholders because of a cyberattack through online scamming. Significant increase in raw material prices or a shortage of those materials could negatively impact production and, consequently, employee salary conditions.	Own operations	IT Policy Human Resources Policy Collective agreements DEI Policy

Social continued

IROs associated with employee engagement

IRO	IRO description	Own operations/ Value chain	Related policies and procedures
Positive impact	The high percentage of employees covered by collective agreements helps promote labour rights and consistency in working conditions.	Own operations	Human Resources Policy Collective bargaining agreements
Opportunity	Pursue greater commitment to the performance of tasks and the achievement of organisational and financial objectives by enabling employees to identify with the Company's culture and values.	Own operations	Code of Conduct DEI Policy Human Resources Policy

IROs associated with health and safety

IRO	IRO description	Own operations/ Value chain	Related policies and procedures
Positive impact	Befesa integrates new technologies, continuous risk assessments and predictive analytics into its processes to protect its teams, prevent accidents and create new standards for a sustainable manufacturing process.	Own operations	Integrated Environmental, Health, Safety and Quality Policy
Negative impact	Accidents represent actual negative impacts on workers' health and safety. These incidents may be linked to potential gaps or inconsistencies in the application of safety protocols, highlighting areas of improvement where the current management system may not have fully mitigated operational risks.	Own operations	Integrated Environmental, Health, Safety and Quality Policy

IROs associated with equal treatment and opportunities for all

IRO	IRO description	Own operations/ Value chain	Related policies and procedures
Positive impact	Promotion of diversity through recruitment and talent management practices, training and development of opportunities to cultivate a culture of inclusivity, and carry out campaigns on equality and diversity.	Own operations	Code of Conduct Human Resources Policy DEI Policy
Opportunity	Commitment to equality can generate a better reputation and a stronger brand and it can help to access new markets and customers by demonstrating a commitment to shared social and ethical values.	Own operations	Code of Conduct Human Resources Policy Diversity, Equity and Inclusion Policy
Risks	Failure to comply with the DEI Policy can lead to communication breakdowns, increased workplace conflicts and a tense, uncollaborative environment. These issues may result in higher employee turnover, reduced productivity and difficulty attracting top talent – ultimately driving up recruitment and training costs and exposing the Company to potential legal expenses and reputational damage.	Own operations	Code of Conduct Human Resources Policy DEI Policy

Absenteeism related impacts show greater geographical variation. Differences in national regulatory frameworks, social security systems, sick leave entitlements, reporting obligations and administrative requirements influence the level of recorded absenteeism across countries. These structural factors can lead to higher absenteeism levels in certain locations and may affect short term workforce availability. The variations observed reflect local legal and administrative contexts rather than differences in workforce performance.

There is also a potential for significant negative impacts arising from workplace accidents, including disruptions to operations, increased

medical and legal liabilities and potential breaches of safety regulations. This exposure stems from possible gaps in the consistent application of safety protocols.

All the identified impacts arise from specific actions that Befesa carries out continuously in the course of its activities, whether through the development and implementation of policies, the training of its own employees or various specific awareness-raising events. These actions and initiatives can be seen in more detail in the section Impacts (positive and negative) and processes for risks and opportunities.



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In general, the main stakeholders affected by the identified material impacts are the company's own salaried staff, including white-collar and blue-collar.

No IROs affecting the Company's own workforce that may arise from transition or other environment-related plans have been identified as currently material. As indicated in the E1 chapter, work will continue to identify physical risks related to climate change and those applicable to the own workforce, and the actions to be considered, may be reviewed.

No operations have been identified as posing a risk of forced labour or child labour. Befesa ensures that all employees meet the legal minimum working age through its hiring procedures, in which the person responsible for the recruitment process must confirm that the candidate is above the legal working age.

Befesa also monitors and controls employees' working hours at each plant. The Company has a system that ensures compensation for overtime, either through additional payment or equivalent time off. This system guarantees that any overtime worked is properly compensated in accordance with applicable labour regulations. These control mechanisms apply across all Befesa locations.

S1-1 Policies

Befesa is committed to achieving a safe, inclusive and respectful workplace for all its employees, and that human rights are respected and upheld throughout its operations.

The Company has established various policies:

- Code of Conduct
- Human Resources Policy

- DEI Policy
- Human Rights Remediation Policy
- Integrated Environmental, Health, Safety and Quality Policy
- IT Policy
- Environmental Policy
- Workshop agreements
- Collective bargaining agreements

The relationship between the policies and codes and the material IROs obtained from the analysis of DMA has been included above in the section, Own workforce IROs of this chapter. Further details of the policies and codes can be found below.

Code of Conduct

Befesa's Code of Conduct applies to all employees and establishes a common framework for behaviour grounded in respect, inclusion and integrity. It sets out the Company's commitment to protecting human rights, ensuring equal treatment and preventing discrimination based on factors such as ethnic origin, culture, religion, age, disability, gender identity, political opinion, nationality, social background or other personal characteristics.

The Human Resources Policy, the DEI Policy, and the Human Rights Remediation Policy, all of which are based on the Code of Conduct, are aligned with the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and its two covenants, as well as the ILO's Declaration on Fundamental Principles and Rights at Work and its core conventions.



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The Code defines conduct requirements for directors, officers and employees, covering internal interactions, relationships with business partners and engagement with the public. It includes principles related to employment practices, occupational and product safety, and environmental protection. It also outlines the channels available for raising concerns or submitting complaints.

The Code has been approved by Befesa's Board of Directors, while the all other corporate policies listed above, with the exception of the workshop agreements and the collective bargaining agreements (which are local agreements) have been approved by the Chairman and the CEO. The HR Director and the Compliance Officer hold a specific mandate to oversee human rights compliance and assess potential breaches.

The Code of Conduct is publicly available on the Company's website. It is provided to all new employees, and training is delivered both at onboarding and annually through online modules to ensure that updates are communicated consistently.

In addition to the Code of Conduct, the other aforementioned policies are accessible on the intranet. During 2025, the Company continued to provide an onboarding training programme for new employees. This programme explains Befesa's principles, introduces the Company's commitments regarding human rights and indicates where the relevant documents are available.

For further information please refer to Business Conduct chapter.

Human Resources Policy

Befesa's Human Resources Department, through its Human Resources Policy, is committed to upholding the principles outlined in the United Nations Global Compact (UNGC), the ILO, the International Bill of Human Rights, and the Company's Code of Conduct. The commitment to non discrimination is integrated in all HR processes, from recruitment to promotion and career development. Befesa seeks that all practices are fair, respectful and aligned with international human rights standards.

The aforementioned policy applies to all Befesa employees, regardless of their position, length of contract or work location.

The policy places particular focus on critical areas where discrimination is most likely to arise, including recruitment, retrenchment, promotion, wages, workplace accommodation, training and development, working hours and health and safety.

Human Rights Remediation Policy

Befesa maintains a commitment to respecting and promoting human rights across all its operations. This commitment is reflected in the Code of Conduct and the Human Rights Remediation Policy, which prohibit practices such as forced labour, modern slavery, human trafficking and child labour.

The policy is informed by internationally recognised human rights standards, including the Universal Declaration of Human Rights and the ILO core conventions, and is guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The policy also assigns responsibility for implementation and oversight to senior management. It sets out

procedures for addressing cases of non compliance and outlines remediation measures that are selected according to the nature and severity of each situation.

The policy applies to all Befesa employees, temporary agency workers and subcontractor personnel carrying out activities at Befesa sites.

Befesa does not accept discrimination based on racial or ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction, social origin or any comparable grounds.

A Whistleblowing channel has been implemented to report potential cases of discrimination, including harassment, and as previously mentioned, a Human Rights Remediation Policy is in place to address any violations of these rights. For more information on remediation actions, refer to the section of this report (Processes to remediate impact and channels to raise concerns).

Diversity, Equity and Inclusion Policy

Befesa's Diversity, Equity and Inclusion (DEI) Policy guides recruitment, training, and career development processes. The policy, informed by the UNGC, the Universal Declaration of Human Rights, and the ILO's core conventions, aims to ensure that fairness and inclusion are integrated throughout the employee lifecycle, from hiring to professional advancement, and contribute to a work environment where all individuals have equitable opportunities.

Promoting diversity also requires active engagement from employees. The awareness initiatives carried out annually support this objective by strengthening understanding of DEI related topics. The combination of



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awareness activities and ongoing training helps reinforce a workplace culture that recognises and values diversity.

In 2025, to further support the implementation of the DEI Policy, the Company developed an internal training programme called Befesa's DEI Policy, launched in June 2025. This programme is designed to explain to employees what DEI represents for Befesa and the commitments associated with it. A total of 891 employees enrolled, and the completion rate reached 92%.

Integrated Environmental, Health, Safety and Quality Policy

At Befesa, safety is not just a priority but a fundamental value integral to its business operations. Befesa is dedicated to the continuous enhancement of health and safety performance for all own employees. Befesa's safety management systems encompass 100% of its own employees, non-employees and contractors. These systems are aligned with internationally recognised standards, including ISO 45001 and Occupational Safety and Health Administration, in addition to Befesa's Corporate Safety Standards.

All Befesa's European locations are certified in ISO 45001 and audited by external certified auditors on an annual basis. Likewise, the US locations follow the OSHAS legal requirements. The rest of the locations follow the corporate safety standards and the legal safety requirements.

Environmental Policy

This year the Company published a company wide Environmental Policy, which has been approved by Befesa's management and applies across all operations. It provides a unified framework for all material environmental topics

(climate, air pollution, water and circular economy) while enabling plant level autonomy to implement their own policies and climate actions effectively.

Workshop agreements

The workshop agreements negotiated with employee representatives should be considered policies, as they include measures that relate directly to the IROs identified through the DMA. These agreements contribute to positive impacts, particularly in relation to working conditions and employee engagement.

These agreements address a broad set of employment related matters, such as economic conditions, working hours, shift arrangements, holiday provisions, employee benefits and anti harassment procedures. Together, the implementation of these elements contribute to establishing appropriate working conditions and supporting a constructive work environment.

S1-2 Processes for engaging Befesa employees

Befesa has mechanisms in place to support employee engagement, accessible to all employees, including those who may belong to vulnerable groups. These mechanisms include the following categories:

1. Informative

Befesa provides employees with access to relevant Company information through the intranet and notice boards at each plant. The intranet offers updates on Company news, safety procedures, HR policies and workforce related communications. The IT department monitors intranet usage and reviews the most

frequently visited sections to understand employee information needs and assess how widely the system is used.

For those who do not have access to the intranet, Befesa uses the plant notice boards to inform on relevant topics and important information.

2. Consultative

Befesa maintains consultative mechanisms that enable dialogue with employees and their representatives, accessible to all workers, including those who may belong to vulnerable groups.

Respect for human rights, especially those related to labour conditions, is reflected in the collective bargaining agreements. These agreements frequently include specific provisions on non discrimination, forced labour, child labour and equity.

Regular meetings are held with employee representatives, such as works councils and trade unions, to address matters related to working conditions and employee engagement. Health and safety committees, composed of Company representatives and designated safety representatives, also meet to review workplace safety issues.

Meeting frequency varies depending on the topics under discussion. The meetings on health and safety matters are usually held monthly. If specific issues arise, meetings are held more frequently.

Psychosocial surveys are carried out under defined circumstances, including changes in working conditions, health related concerns or at the request of employees. These surveys are generally conducted every three years.

Managing directors of the plant, together with Human Resources, take part in the negotiation processes of workshop agreements and in the implementation of measures arising from these discussions. Works council members are authorised to sign agreements and keep employees informed about the progress of negotiations, sometimes consulting affected employees through assemblies or votes, depending on local practices. Collective agreements cover issues of relevance to employees and serve as a means to assess the effectiveness of this consultative engagement channel.

3. Participative

In 2025, Befesa continued to maintain employee participation mechanisms at plant level. These mechanisms include, for example, suggestion boxes installed across all sites, which allow employees to propose improvements related to their working environment.

Annual performance reviews also provide a structured opportunity for employees to share feedback and discuss development needs. In addition, Befesa conducts psychosocial surveys that invite employees to express their views on matters such as remuneration, workload, training and relationships with supervisors.

In 2025, Befesa continued to promote employee participation through several initiatives designed to strengthen corporate culture and provide opportunities for employees to express their views on social and environmental matters. Among others, these initiatives included the Step Challenge, the Wings for Life project and the Reto Pichon race. They also included the charity contest and the environmental award, through which employees

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can submit social or environmental projects of their choice. The three highest rated charity projects and the most voted environmental project receive recognition, supporting employee engagement in these areas.

The effectiveness of participative initiatives is generally measured by the number of participants in each initiative, the voter turnout in related decisions and feedback received on specific activities.

The above-described mechanisms are available to all Befesa employees throughout their professional journey with the Company, with varying frequencies depending on the nature of the topic addressed.

In addition to the channels mentioned, two key channels help Befesa understand sensitivities or specific needs of employees who may be considered vulnerable: the workers' legal representatives and HR employees. They serve as the primary communication channels for all Befesa employees, particularly those who may be more vulnerable, to express their concerns.

One of the key goals of the Befesa HR community is to foster an equitable and inclusive workplace. This is achieved by caring for employees, which includes proactively identifying and addressing any special needs they may have.

S1-3 Processes to remediate impacts and channels to raise concerns

Befesa applies a broader approach to identify and manage all material impacts on working conditions, equal treatment and labour rights:

- **Risk mapping** – the Company conducts annual assessments to identify material impacts related to working conditions,

health and safety, employee engagement and equal treatment and opportunities.

- **Integration into management systems** – identified risks are incorporated into HR processes, health and safety management systems and collective bargaining frameworks.
- **Employee participation** – workers and their representatives are involved in identifying risks and proposing improvements through structured social dialogue, suggestion boxes and health and safety meetings.
- **Policies and procedures** – as stated above, Befesa maintains policies covering non discrimination, equal treatment, safe working conditions, fair remuneration and respect for labour rights. These policies apply to all locations.
- **Training and awareness** – employees and managers receive training on health and safety topics, ethical conduct and respectful workplace behaviour. See S1-4 for more information
- **Continuous monitoring** – KPIs related to absenteeism, turnover, incidents, grievances and training completion are monitored to detect emerging risks and evaluate the effectiveness of mitigation measures.
- **Health and safety actions** – periodic review and update of risk assessments related to health and safety at all the locations, implementation of new technologies to address safety risks, follow-up on predictive safety analytics such as compliance with corporate safety standards, incident and near miss reporting and safety observations.

In accordance with the Code of Conduct, any employee who considers that they have

experienced, or are currently experiencing, unlawful discrimination, abusive behaviour or harassment may report the situation directly through the Whistleblowing channel. All submissions are reviewed without delay. When an investigation confirms the existence of discriminatory practices, abusive conduct or harassment, the Company implements corrective measures immediately. Employees who raise concerns in good faith are protected from retaliation or any adverse treatment as a result of their report.

The Whistleblowing channel is accessible, anonymous and available to all Befesa employees as well as other relevant

stakeholders. It enables individuals to confidentially communicate concerns regarding unfair or potentially unlawful practices within the organisation. All reports received through this mechanism, together with the outcomes of the corresponding investigations, are presented to Befesa's Board of Directors. Additional information on this tool is provided in sections G1-1 (Corporate Culture and Business Conduct Policies) and G1-3 (Prevention and Detection of Corruption or Bribery) and S1-17 Discrimination incidents and human rights violation.

The Whistleblowing channel operates alongside other avenues available to employees for submitting complaints:



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- Many of the collective bargaining agreements applicable to Befesa entities include specific procedures for addressing potential human rights violations.
- To ensure that the Company understands the needs or sensitivities of employees who may be in vulnerable situations, concerns may also be raised with workers' legal representatives, Human Resources personnel, the relevant supervisor or the Compliance Officer.

The Company ensures that employees are aware of the channels described above, mainly through training. This includes the Code of Conduct training, which contains a specific chapter on the Whistleblowing channel; the Befesa DEI Policy training, among others. Open communication also plays an important role, as do the legal representatives, who help ensure that the employees they represent are informed about these channels. Befesa assumes that employees trust these mechanisms.

S1-4 Actions to mitigate risks and pursuing opportunities

During 2025, Befesa continued implementing and strengthening the actions designed to prevent and mitigate the negative impacts identified through the DMA. These actions support the ongoing development and reinforcement of key internal policies, including the Code of Conduct, the DEI Policy, the HR Policy, the Integrated, Environmental, Health, Safety and Quality Policy and the Safety Corporate Standards.

None of the actions included in this section require significant operating expenses (OpEx) or capital expenditures (CapEx). The social initiatives listed are, in most cases, financed

through the annual budget of the corporate department. Each year, Befesa allocates a specific amount to ensure the implementation of these actions.

The resources that Befesa allocates to implement the social actions reflected here vary depending on the specific initiative. Many actions are led by the HR teams, both at corporate and local levels. Others are driven by health and safety professionals, while initiatives related to cybersecurity are led by the IT department. The Compliance Department also plays a key role in promoting and overseeing actions linked to legal, regulatory and ethical compliance. Across all initiatives, the strong involvement and support of the managing directors and senior management remain essential, as they actively support and reinforce the entire social action plan.

Befesa also advanced a range of initiatives, many of which were carried out in collaboration with employees' legal representatives. The following sections describe the processes established for each sub theme identified as material, outlining how the Company manages and monitors the prevention and mitigation of potential negative impacts.

Processes implemented in relation to working conditions, and specifically to remedy the impact of reducing workforce availability due to a high rate of absenteeism in some locations:

- **Absence analysis:** A plant- specific analysis of absence typologies (long-term, short- term, and other leaves) to identify trends and address underlying causes.
- **Absence talks and operational integration management:** During 2025, Befesa continued working on its processes to better understand the factors

contributing to employee absences and to identify additional measures that could support their reduction. Across the plants, absence talks are conducted to gather direct feedback from employees, assess individual circumstances and determine whether further support or adjustments are needed. In the German plants, these discussions are complemented by the Operational Integration Management system, which provides a structured framework to ensure an appropriate and effective reintegration process when employees return to work. Together, these mechanisms help the Company prevent potential negative impacts, promote employee wellbeing and support a sustainable return to work process.

- **Restricted work opportunities:** Implementing restricted work options where possible to facilitate employees' return to duty.
- **Flexible work arrangements:** Offering flexible shifts for manufacturing employees and implementing work-life balance measures such as flexible work hours and remote work (when feasible, based on the role).
- **Ergonomic campaigns and training:** During 2025, Befesa continued implementing ergonomic awareness initiatives and training programmes aimed at promoting safe working practices and reducing the likelihood of work-related ergonomic health issues. These actions form part of the Company's ongoing efforts to prevent negative impacts on workers' health and to minimise absences associated with ergonomic risks.
- **Health and safety committees:** Throughout 2025, Befesa maintained active engagement with employees'

legal representatives through Health and safety committees that exists in all Befesa plants. These committees support continuous monitoring of workplace conditions, contribute to the identification of potential risks, and help define measures to strengthen a safe working environment. Their work also supports the Company's efforts to reduce absences linked to occupational accidents and health and safety concerns.

Absence ratios and the actions implemented to reduce them are monitored monthly at plant level. The review includes the absenteeism rate, the evolution of long-term and short-term absences, the number of reintegration cases and the use of restricted-work arrangements. These indicators allow Befesa to assess whether the preventative and mitigating measures are effectively stabilising or reducing absence levels. They are also reviewed with the same frequency by Health & Safety, Human Resources and Corporate Social Responsibility, which comprise Befesa's CEO, the regional CEOs, the Corporate H&S Director and the Corporate HR and CSR Director, and are used to adjust measures, reinforce successful practices and identify plants requiring additional support.

Absences arising from legal or contractual entitlements constitute employee rights. Befesa fully upholds these rights and conducts monthly monitoring of absence rates – including common illness, accidents and other authorised leave – to assess whether the measures described contribute to their reduction. Since absences may recur whenever a legitimate reason exists, some categories may decrease while new cases emerge. Therefore a direct correlation between the measures implemented and the expected reduction cannot always be

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established, which may affect the overall effectiveness of these measures.

During 2025, Befesa continued strengthening its actions to promote equal treatment and equal opportunities for all employees. Although the DMA did not identify any material negative impacts in this area, the Company maintained several initiatives aimed at fostering an inclusive and non discriminatory working environment. These included the ongoing implementation of awareness campaigns and training programmes – such as Purposeful Inclusion – to support the integration of employees with disabilities, the renewal of its sponsorship of the Autism Chair at the University of Seville to advance research and awareness, the use of neutral and inclusive language in job advertisements, the systematic review of applications from female candidates who meet technical requirements and the requirement that recruitment partners comply with non discrimination policies. Befesa also continued increasing its visibility at job fairs and technical universities to attract diverse talent and demonstrate that its roles can be performed equally by individuals of any gender.

Furthermore, Befesa has designed and implemented a series of measures to mitigate risks and take advantage of opportunities related to its workforce.

These actions are shown for each sub-topic below:

Working conditions and employment engagement

Action	IRO description	Period	Department	Scope
Newcomer training on Befesa's operations and culture	Pursue greater commitment to the performance of tasks and the achievement of organisational and financial objectives by enabling employees to identify with the Company's culture and values.	2025-and onwards	Corporate HR and CSR departments	New Befesa employees
Step Challenge initiative	Operational impact by reducing workforce availability due to a high rate of absenteeism in some locations.	2025-2026	Corporate HR and CSR departments	All Befesa employees
Training and awareness campaign on mental health	Operational impact by reducing workforce availability because of a high rate of absenteeism in some locations.	2025-2026	Corporate HR and CSR departments	All Befesa employees
Adaptation of working time arrangements through social dialogue	Operational impact by reducing workforce availability because of a high rate of absenteeism in some locations.	2025-2026	Local HR professionals and Legal representatives	All Befesa employees
People of Befesa – short videos	Pursue greater commitment to the performance of tasks and the achievement of organisational and financial objectives by enabling employees to identify with the Company's culture and values.	2025-2026	Corporate HR and CSR departments	All Befesa stakeholders
Quarterly Befesa Newsletter	Pursue greater commitment to the performance of tasks and the achievement of organisational and financial objectives by enabling employees to identify with the Company's culture and values.	2025-and onwards	Communication department	Befesa employees with email address roughly 800 employees
Cybersecurity awareness programme	Loss of personal information of employees and stakeholders as a result of a cyberattack through online scamming.	2025-and onwards	Corporate IT department	Befesa employees with email address roughly 800 employees

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Initiatives regarding Befesa's Operations and Culture

During 2025, Befesa continued delivering its welcome training course for all newly hired employees, ensuring that new joiners receive a clear overview of the Company, its mission, ethical standards and key policies from the outset. The training also reinforces Befesa's core values, including its commitment to DEI, and supports the integration of new employees by fostering a sense of belonging and alignment with the organisation's principles.

In 2025, Befesa launched the second edition of its Step Challenge, an initiative that brought together 486 participants from across the organisation to promote an active lifestyle while encouraging team building and friendly competition. Over the course of one month, participants collectively achieved an impressive milestone, covering a distance equivalent to circling the Earth twice. The team with the highest average number of steps earned the opportunity to select an NGO to receive a corporate donation, and the top three teams were rewarded with a well deserved breakfast for all employees. In addition, the 10 employees with the highest individual step counts received a Befesa backpack in recognition of their achievement. In 2025, Befesa also focused on supporting the mental well being of all employees through a dedicated awareness campaign. As part of this initiative, the Company offered an online training programme highlighting the importance of managing stress and providing practical guidance on how employees can maintain healthy mental well being in their daily work environment.

In addition, a workshop titled HR Tools for Mental Wellbeing in the Workplace was organised for the HR team. The session focused on sharing practical strategies and

HR tools to support mental well being at work, strengthening awareness and equipping HR professionals with resources to better assist employees and contribute to healthier, more resilient workplaces.

People of Befesa – short videos: In 2025, Befesa launched a series of "People of Befesa" videos to further strengthen visibility around its activities and workforce. The "People of Befesa" videos aim primarily at increasing awareness of the job roles offered at Befesa, especially among those who may not be familiar with the exact nature of the Company's activities. They also highlight Befesa's commitment to the circular economy and how each employee contributes to this goal on a daily basis.

From an internal perspective, these videos also strengthen Befesa's culture by showcasing how our own employees perceive and value their roles. By seeing the experiences and contributions of their colleagues, employees:

- Recognise the importance of their work within the Company's broader purpose.
- Feel part of a shared mission, reinforcing their sense of belonging and pride.
- Can draw inspiration from good practices and ways to contribute to the circular economy, fostering collaboration and alignment with Befesa's values.

Taken together, the short videos serve as a dual-purpose tool, generating external impact (Company visibility and talent attraction) and internal impact (motivation and cultural reinforcement).

The Communication Department, together with the Investor Relations Department, keeps Befesa employees informed about the

Company's strategy, environmental legislation that may affect Befesa's business, market fluctuations and other relevant updates through a bi weekly newsletter. The Communication Department also publishes a quarterly Befesa Newsletter featuring key news on business, R&D, health and safety, environmental matters, and social activities involving Befesa employees. The newsletter is distributed by email and posted on the Befesa intranet.

Enhancing working time flexibility via social dialogue

Befesa promotes workforce adaptability through a comprehensive approach that combines multi skilling initiatives, flexible workforce planning and strengthened internal mobility. In 2025, the Company advanced these efforts by fostering employee polyvalence to enhance operational adaptability and reduce the impact of production fluctuations on employment stability, reinforcing internal mobility and redeployment opportunities across sites, and integrating workforce related

contingency considerations into financial and operational scenario planning. The Company also engaged in negotiations with employee legal representatives to introduce greater flexibility in working time arrangements, enabling the plant to accumulate excess working hours that can be recovered during periods of lower productivity. Together these measures support a more resilient organisation while safeguarding stable and sustainable employment.

Conditions. Cybersecurity awareness programme

During 2025, Befesa continues strengthening its prevention and awareness measures against the risk of loss of personal information of employees and customers, resulting from online scams and cyberattacks. These actions are part of Befesa's Information Security strategy, which includes the Company's annual cybersecurity training programme and reflects our commitment to data protection and the trust of our stakeholders.



Social continued

In the area of awareness and training, specific sessions were held to train employees in identifying and reporting credential theft messages, early notification of cybersecurity incidents, safe internet browsing and improving password security.

At the technological level, Befesa has advanced security controls that significantly reduce the likelihood of cyber fraud aimed at stealing information. Befesa evaluates itself against the CIS (Center for Internet Security) framework, which is composed of 139 safeguards grouped into 18 controls. Based on the results of this assessment, the corresponding action plans are established.

These measures include conditional access policies, multi-factor authentication and controls that prevent the use of weak passwords. Users' devices are protected by

attack-surface reduction technologies that prevent credential theft, even when malicious code is executed.

Regarding email, specific policies are in place to automatically detect and delete phishing and credential theft messages before they reach the user's inbox. Email authentication mechanisms based on Sender Policy Framework, DomainKeys Identified Mail, Domain-based Message Authentication, Reporting and Conformance standards are also used to prevent impersonation of Befesa's domain and reduce the risk of fraud. Web browsing is protected by security filters that block access to malicious websites and pages designed to steal credentials. Finally, the Company has a centralised alert system that analyses logs from multiple systems and identifies suspicious access, including from high-risk geographical locations.

Health and safety Actions

Action	Period	Resources	Scope
Fatality prevention programme	2021-and onwards	H&S department	All Befesa employees
Safety awards	2022-and onwards	H&S department	All Befesa employees
Corporate safety standards	2015-onwards	H&S department	All Befesa employees and contractors
Corporate safety initiatives to reduce specific hazards: hand injuries prevention and traffic safety	2020-onwards	H&S department	All Befesa employees

The Fatality Prevention Programme and the Company's Corporate Safety Standards, including the Industrial Hygiene and Respiratory Protection Standards, address potential employee exposure to hazardous substances. These frameworks require the monitoring and measurement of occupational

exposure to ensure compliance with applicable legal and regulatory limits. Where risks are identified, the Company implements engineering controls and provides appropriate personal protective equipment (PPE) to minimise or eliminate exposure to pollutants and hazardous agents.

The fatal and serious injuries (FSI) prevention programme:

The FSI prevention programme is designed to strengthen the organisation's overall safety performance by proactively managing high risk exposures. Its objectives are to:

- **Enhance organisational focus on critical safety risks**, ensuring that the most significant hazards receive priority attention and mitigation measures.
- **Broaden the scope of safety risk identification** to include non routine activities, locations, and operational conditions – such as shutdowns, restarts and atypical maintenance tasks – where risk levels may increase.
- **Promote clear visibility and understanding of major risks across all organisational levels**, from executive leadership to frontline teams, fostering a unified safety culture.
- **Ensure that adequate time, capabilities and resources are dedicated to the identification, evaluation and control of high risk scenarios**, reinforcing a preventative rather than reactive approach.
- **Implement and periodically verify robust control measures**, ensuring that risk controls function effectively and sustainably over time.

The average compliance with the corporate FSI programme in 2025 was 83% compared with 73% in 2024) across all Befesa locations. The compliance is measured through an audit process that scores the level of compliance with specific requirements of the programme such as:

- The programme must be led by the plant manager.

- There must be a multidisciplinary team at the location meeting on a regular basis to review the location FSIs.
- Management and employees must be trained in the programme.
- There must be a process in place for the proactive identification and closure of the FSIs.

Befesa Health and Safety Excellence Awards 2025

Every year Befesa recognises the achievement of Befesa employees and locations that contribute to a safer workplace for all with the Befesa Health and Safety Excellence Award:

- Two locations in Spain: Befesa Aluminium Granollers and Befesa Zinc Oxide were recognised for the exceptional safety improvement and zero lost time injuries.
- 67 employees were awarded for their safety projects.

Examples of the initiatives presented:

- Sondika: The plant developed a robotic solution to replace manual crucible cleaning, reducing risks and increasing productivity.
- Granollers: The plant redesigned the access and maintenance of the discharge belt, which had previously been performed manually with significant operational risks.
- Valladolid: every employee works as a safety technician for a day. The project aimed to improve a preventative culture through the active participation of all employees in identifying risks and correcting unsafe behaviours.

Social continued

Traffic safety and hand injuries prevention projects:

In 2025 Befesa continued working on these two projects with the aim of enhancing the traffic safety and reduce the hand injuries at the locations.

Across all operational sites, mobile equipment is routinely used for the movement of materials and personnel. To strengthen the control of high risk interactions, an improvement

programme was deployed to systematically identify potential conflicts between mobile equipment and pedestrians. This initiative delivered significant safety enhancements through the implementation of physical segregation, elimination of blind spots, upgraded visual and acoustic signalling, reinforced speed control measures and revised operational procedures. Those enhancements delivered an improvement of 12% in overall Befesa's corporate safety audit scores in the

compliance of traffic safety standard compared with 2024 scores applicable to all locations. Targeted training programmes were also introduced to increase situational awareness and operational discipline.

In addition, all the locations have advanced hand injury prevention measures through several complementary initiatives, including a systematic review of tools to eliminate or modify equipment that increases hand

exposure risks, upgrades to PPE such as enhanced glove specifications and improved ergonomics and strengthened task specific PPE selection. As part of this programme, sites are also progressing machine guarding improvements – mainly on conveyor belts – to reduce nip points and similar mechanical hazards that contribute to hand injuries. Collectively, these actions have delivered a 13% in the reduction of recordable accidents affecting hands, compared with 2024.

Equal treatment and opportunities actions

Action	IRO description	Period	Department	Scope
Training on Compliance Management System	Pursue greater commitment to the performance of tasks and the achievement of organisational and financial objectives by enabling employees to identify with the Company's culture and values.	2025-and onwards	Compliance Department	Befesa employees with email address roughly 800 employees
Training on Code of Conduct	Failure to comply with the DEI Policy can lead to communication breakdowns, increased workplace conflicts and a tense and uncollaborative environment.*	2025-and onwards	Compliance Department	Befesa employees with email address, roughly 800 employees
Compliance Quarterly Newsletter	Failure to comply with the DEI Policy can lead to communication breakdowns, increased workplace conflicts and a tense and uncollaborative environment.*	2025-and onwards	Compliance Department	Befesa employees with email address, roughly 800 employees
Brochure with the guidelines on conduct available in the eight Befesa languages	Failure to comply with the DEI Policy can lead to communication breakdowns, increased workplace conflicts and a tense and uncollaborative environment.*	2025-and onwards	Compliance Department/Local HR team	All Befesa employees
Training on DEI Policy	Failure to comply with the Diversity, Equity and Inclusion policy can lead to communication breakdowns, increased workplace conflicts and a tense and uncollaborative environment.*	2025-and onwards	Compliance Department/Local HR team	Befesa employees with email address, roughly 800 employees
Awareness Campaigns over DEI	Commitment to equality can generate a better reputation, stronger brand and it can help access new markets and customers by demonstrating a commitment to shared social and ethical values.	2025-and onwards	Corporate HR Department	All Befesa employees
DEI Training	Promotion of diversity through recruitment and talent management practices, training and development of opportunities to cultivate a culture of inclusivity, and carry out campaigns on equality and diversity.	2025-and onwards	Corporate HR and CSR departments	Befesa employees with email address
Renewal of the Seville Autism Chair Sponsorship	Commitment to equality can generate a better reputation, stronger brand and it can help access new markets and customers by demonstrating a commitment to shared social and ethical values.	2025-2026	Corporate HR and CSR departments	Community / People with Autism Spectrum
Renewal of the promotion of adapted sport (In Foundation) Sponsorship	Commitment to equality can generate a better reputation, stronger brand and it can help access new markets and customers by demonstrating a commitment to shared social and ethical values.	2025	Corporate HR and CSR departments	Community / People with disability

* These issues may result in higher employee turnover, reduced productivity and difficulty attracting top talent – ultimately driving up recruitment and training costs and exposing the Company to potential legal expenses and reputational damage.



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CMS and DEI actions

During 2025, Befesa continued developing actions to minimise the risk of non compliance with the Code of Conduct requirements in general, and with the DEI Policy and harassment prevention standards in particular. Specifically, Befesa developed an internal training programme to thoroughly explain the content of its DEI Policy to employees, clarifying what diversity, equity and inclusion represent to the Company and what is expected from them in this regard.

All compliance related actions, including their content and scope, are detailed in G1-1 Corporate culture and business conduct policies and G1 3: Prevention and detection of corruption or bribery.

Other actions related to DEI are led by the Corporate HR and CSR Department through awareness campaigns, including zero discrimination, cultural diversity, World Autism Awareness Day, and the International Day of People with Disabilities. Additionally, DEI training covers topics such as respectful workplace: effective communication, disability diversity and mental health. All DEI online training which had been sent in 2024 was sent to people starting in 2025: Purposeful Inclusion, Age Based Diversity, Unconscious Bias and Microaggressions.

Every year, the Company shares an intercultural calendar with all employees, aimed at promoting awareness and understanding of cultural diversity across our different locations. This calendar highlights public holidays and days off around the world, helping teams better plan and collaborate across regions. This year, this initiative has been further enhanced with the creation of a new online intercultural calendar, making the information

more accessible, dynamic and easier to use for everyone.

Operating in different countries, there are different legislations regarding the identification and categorisation of people with disabilities. In this sense, although only in this report, data of those persons with an official certificate are communicated, Befesa understands that normalising disabilities is the best way to foster true workplace inclusion.

In this spirit, and in honour of the International Day of Persons with Disabilities, Befesa organised an online workshop open to all employees. Befesa hosted Autism in the Workplace, led by David Saldaña, Chair of Autism at the University of Seville. The session aimed to raise awareness about neurodiversity and promote more inclusive working environments by providing clear insights into neurodivergences at work. Through expert input, open dialogue and practical examples, the event challenged common stereotypes and highlighted concrete ways to support neurodivergent colleagues. This reinforced the importance of creating workplaces where different ways of thinking are understood, respected and valued.

On World Autism Awareness Day, Befesa shared a personal story by interviewing one of our employees, who spoke about her experience as a mother of an autistic child. Through her testimony, the Company aimed to raise awareness, foster empathy and highlight the importance of understanding autism not only in the workplace but also in everyday life.

Moreover, Befesa is aware that the inclusion of people with disabilities needs to be comprehensive, and the Company sponsors various activities that, among other benefits,

help this group gain employment opportunities and access adapted sports.

In addition to awareness campaigns and training on disability-related topics, Befesa continued sponsoring the Autism Chair at Seville University throughout 2025, supporting various initiatives that help university students on the autism spectrum gain full access to the labour market.

S1-5 Targets

Equity, Diversity and Inclusion

As described in Disclosure Requirement S1-4, Befesa implemented various actions in 2025 linked to its strategic goals on these subjects. All targets were set by the Befesa Chairman and CEO and are approved by different committees. Those related to DEI and absenteeism are approved by the HR & CSR Committee and subsequently communicated to the regional CEOs during the Health & Safety, Human Resources and Corporate Social Responsibility committees. Targets related to compliance are approved by the Compliance Committee and those affecting cybersecurity are approved by the IT Committees. Regional CEOs are also informed through the quarterly Strategy Committee.

These committees are also used to monitor the performance of each goal and to analyse whether the established targets have an impact on the IROs described in SBM2 and SBM3.



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Target	IRO description	Scope	2024	2025	2026	2027
Cybersecurity training : ensure bimonthly training	Loss of personal information of employees and stakeholders due to a cyberattack through online scamming.	Befesa employees with email address, roughly 800 employees	Done	Done	Bimonthly training	Bimonthly training
CMS training: ensure annual training	Pursue greater commitment to the performance of tasks and the achievement of organisational and financial objectives by enabling employees to identify with the Company's culture and values.	Befesa employees with email address, roughly 800 employees	Done	Done	Annual	Annual
Code of Conduct training: ensure annual training	Failure to comply with the DEI Policy can lead to communication breakdowns, increased workplace conflicts and a tense and uncollaborative environment.*	Befesa employees with email address, roughly 800 employees	Done	Done	Annual	Annual
DEI Awareness Campaigns – Launch of four campaigns	Commitment to equality can generate a better reputation, stronger brand and it can help access new markets and customers by demonstrating a commitment to shared social and ethical values.	Befesa employees with email address, roughly 800 employees	Done	Done	Six campaigns to all Befesa employees	Six campaigns to all Befesa employees
DEI training: ensure quarterly training	Promotion of diversity through recruitment and talent management practices, training and development of opportunities to cultivate a culture of inclusivity, and carry out campaigns on equality and diversity.	Befesa employees with email address, roughly 800 employees	Done	Done	Quarterly training	Quarterly training
Absenteeism and employee engagement: Step Challenge initiative – achieve 75M steps	Operational impact by reducing workforce availability because of a high rate of absenteeism in some locations.	All Befesa employees	Done	Done	New edition planned for 2026	New edition planned for 2027
Employee engagement: Wings for life race 700 kilometres	Operational impact by reducing workforce availability because of a high rate of absenteeism in some locations.	All Befesa employees	Done	87%	To be defined	To be defined
Absenteeism mental health campaign: raise awareness of its importance	Operational impact by reducing workforce availability because of a high rate of absenteeism in some locations.	All Befesa employees	–	Done	To be defined	To be defined

* These issues may result in higher employee turnover, reduced productivity and difficulty attracting top talent – ultimately driving up recruitment and training costs and exposing the Company to potential legal expenses and reputational damage.

The scope of the training targets includes primarily white collar employees across all departments who have a corporate email address and regular access to a computer as part of their role. This includes management, administrative staff, technical and professional roles as well as selected blue collar staff who require system access to perform their duties.

Befesa does not set a specific absenteeism reduction target because employees have a legal right to be absent as a result of illness, accidents or other types of leave established under the legislation applicable in each country where Befesa operates. The Company promotes the reduction of absenteeism through the measures described above, but always within the limits of these legal rights. For this reason, Befesa's aims to encourage a reduction in the absenteeism ratio, while not establishing a concrete numerical goal.

Health and safety targets:

Befesa based its safety strategy on the following pillars:

- Progressively achieve excellence in the safety management systems.
- Identify and control the process safety risks.
- Promote the safety culture at all the levels of the organisation.

Befesa has established the goal of achieving zero fatalities, achieved in 2025, and progressively reducing the accident rates to achieve zero (for more information see section S1-14). In 2025, Befesa achieved a 24% reduction in the total recordable work-related injuries. To attain this goal, Befesa implemented several programmes, as outlined in sections S1-4.

Social continued

These programmes are monitored through the following leading indicators, among others:

Objective	2025 objective	2025 achieved	Improvement	2024
Compliance with the fatality prevention programme	73%	84%	15%	70%
Compliance with the corporate standards	80%	81%	8%	75%
Management follow-up on internal corporate audits nonconformities	100%	100%	NA	100%

These leading indicators are evaluated during corporate audits, which are conducted every three years, and internal audits, which are conducted annually. These audits involve a thorough analysis of compliance with all corporate safety standards.

The targets are established during the annual health and safety strategic meeting, in which all locations participate in formulating Befesa's strategy for the following year. Inputs from the locations are summarised and sent back as the annual strategy for final approval by the CEO.

The strategic goals are also presented for approval at the Regional CEO's health and safety committee, led by Befesa's CEO and the Board of Befesa. Once approved, the strategy and objectives are incorporated into the action plans of each location and monitored at the corporate level through health and safety follow-up meetings held as a minimum every two months and location audits every three years.



S1-6 Befesa employee metrics

Gender	2025 HC distribution	Number of employees (HC) 31-Dec-2025	Number of employees (HC) 31-Dec-2024	YoY difference	2025 FTE distribution	Number of employees (FTE) 31-Dec-2025	Number of employees (FTE) 31-Dec-2024	YoY difference
Female	12%	214	218	-2%	12%	205	207	-1%
Male	88%	1,582	1,614	-2%	88%	1,553	1,577	-2%
Other ⁽¹⁾	0%		0	0%	0%		0	0%
Not reported	0%		0	0%	0%		0	0%
Total employees	100%	1,796	1,832	-2%	100%	1,758	1,784	-1%

¹ Gender as specified by the employees themselves

Social continued

Country	2025 HC distribution	Number of employees (HC) 31-Dec-2025	Number of employees (HC) 31-Dec-2024	YoY difference	2025 FTE distribution	Number of employees (FTE) 31-Dec-2025	Number of employees (FTE) 31-Dec-2024	YoY difference
South Korea	4.1%	73	75	-3%	4.2%	73	75	-3%
Turkey	4.8%	86	86	0%	4.9%	86	86	0%
Sweden	4.5%	80	91	-12%	4.5%	79	90	-12%
China	4.3%	77	96	-20%	4.4%	77	96	-20%
France	9.6%	172	163	6%	9.7%	171	162	6%
Spain	22.0%	395	406	-3%	21.4%	376	380	-1%
Germany	23.6%	424	427	-1%	23.5%	413	416	-1%
United States	27.2%	489	488	0%	27.5%	483	479	1%
Total employees	100%	1,796	1,832	-2%	100%	1,758	1,784	-1%

The total workforce as at 31 December 2025 was 1796 employees (HC). Compared with 31 December 2024 (1832 employees), this represents a 2% year-on-year variation.

Overall, the workforce of Befesa remained stable year-on-year, with no significant structural changes at Company level. Headcount variations are limited to specific regions and are explained by identifiable and non-recurring factors.

The main variation relates to China, where headcount declined from 96 to 77 employees (-20% year-on-year), reflecting lower utilisation rates among EAF steelmakers linked to the ongoing real estate market crisis.

In Sweden, headcount decreased from 91 employees in 2024 to 80 employees in 2025 (-12% year-on-year). The higher headcount in 2024 was attributable to the temporary re-engagement of retired employees to support knowledge transfer and training activities for new hires. These temporary arrangements concluded during 2025 once the training period was completed, resulting in a lower headcount at year-end.

Regarding gender distribution, the workforce composition remained broadly unchanged, with 12% of employees identifying as female and 88% as male. Male representation is significantly higher, reflecting the predominance of manufacturing roles within the Company's workforce.

	Female	Male	Other ¹	Not reported	Total
Number of permanent employees (HC) – 31-Dec-2025	191	1,448	–	–	1,639
Number of permanent employees (HC) – 31-Dec-2024	197	1,461	–	–	1,658
Number of temporary employees (HC) – 31-Dec-2025	23	134	–	–	157
Number of temporary employees (HC) – 31-Dec-2024	21	153	–	–	174
Number of non-guaranteed hours employees (HC) 31-Dec-2025	–	–	–	–	–

¹ Gender as specified by the employees themselves

	Europe	North America	Asia	Total
Number of permanent employees (HC) – 31-Dec-2025	989	489	161	1,639
Number of permanent employees (HC) – 31-Dec-2024	1,011	487	160	1,658
Number of temporary employees (HC) – 31-Dec-2025	82	–	75	157
Number of temporary employees (HC) – 31-Dec-2024	76	1	97	174
Number of non-guaranteed hours employees (HC) 31-Dec-2025	–	–	–	–

Social continued

Befesa's workforce structure reflects a stable and predominantly permanent employment model. As at 31 December 2025, 91% hold permanent contracts, while only 9% hold temporary positions.

In Europe, temporary roles are primarily used to cover short-term needs such as absences, vacations, and replacements. In Asia,

particularly in China, the higher share of temporary contracts is driven by local labour practices, where fixed-term contracts (typically around three years in duration) are standard. In North America, temporary contracts are not commonly used and employees are generally classified as permanent (indefinite) under the at-will employment framework.

Turnover rate

Termination type	Number of leavers 2025	Turnover rate 2025 (%)	Number of leavers 2024	Turnover rate 2024 (%)
Voluntary turnover	125	6.9%	124	7.7%
Non-voluntary turnover	165	9.1%	116	7.2%
Total turnover	290	16%	240	14.9%

Methodology – number of employees

The number of employees is disclosed in both headcount (HC) and full-time equivalents (FTE) at the end of the reporting period.

HC represents the total number of employees with an active employment contract at the reporting date.

FTE at the end of the reporting period are calculated by considering the percentage of contractual working time of each employee compared to a full-time employee in the same location and equivalent employee group, in accordance with local working time arrangements.

Employee categories (permanent, temporary and non-guaranteed hours) are determined using the applicable national legal definitions in

each country of operation. Country-level data are prepared on this basis and subsequently aggregated at Company level.

For financial reporting purposes, workforce figures are based on the average number of FTE during the financial year, as this metric best reflects the workforce effectively contributing to the Company's operations and personnel costs throughout the reporting period.

Methodology – turnover

Employee turnover includes all departures during the reporting period and is classified as voluntary or non-voluntary. Voluntary turnover refers to employee-initiated exits, including resignations and mutual agreement terminations initiated by the employee. Non-voluntary turnover covers employer-initiated exits, such as dismissals for

operational, disciplinary performance-related or probationary reasons, company-initiated mutual agreements, retirements, deaths in service and terminations because of medical inability or disability.

The turnover rate is calculated by dividing the total number of leavers in each category by the average headcount during the reporting period. Exits from the natural expiry of fixed-term contracts (including seasonal or short-term contracts) and leaves of absence that do not end the employment relationship are excluded as they do not represent structural workforce attrition.

Comparability with prior-year data

Starting in 2025, the turnover rate methodology was updated to include all employee departures during the reporting period, regardless of contract type, and to classify them into voluntary and non-voluntary turnover.

In the previous year, the indicator was based only on permanent employees, excluding terminations of fixed-term contracts.

Due to this change in scope and definition, 2024 and 2025 figures are not directly comparable. The 2024 data is presented as originally reported and has not been recalculated.

S1-8 Collective bargaining and social dialogue

Collective bargaining coverage		Social dialogue
Employees – European Economic Area (EEA)	Employees – non-EEA	Workplace representation (EEA only)
0-19%		
20-39%	Asia	
40-59%	North America	
60-79%		
80-100%	Germany, Spain, France, Sweden	Germany, Spain, France, Sweden

Befesa recognises the fundamental rights of its employees, including freedom of association and the right to collective bargaining.

At the end of the reporting period, 77% of Befesa's employees were covered by collective bargaining agreements, calculated on a headcount basis.

Within the European Economic Area (EEA), 100% of employees are covered by collective bargaining agreements, either through company-level agreements, which constitute the majority, or through applicable sectoral collective agreements, representing full collective bargaining coverage of the EEA workforce.

Social continued

Outside the EEA, collective bargaining coverage varies by region, ranging from 20–39% in Asia (Turkey, South Korea and China) and from 40–59% in North America (United States). In countries where collective bargaining agreements are not in place, employment conditions are governed by applicable local labour legislation and Befesa's internal frameworks, including employee handbooks and internal reference agreements.

Regarding social dialogue, within the EEA between 80% and 100% of employees work in establishments where workers' representatives are in place, depending on the country.

Befesa does not currently have a European Works Council, SE Works Council or SCE Works Council in place.

Level / Gender	Female	Male	Total	% Female	% Male
Top management	5	19	24	20.8%	79.2%
Middle management	4	32	36	11.1%	88.9%
Junior management	30	118	148	20.3%	79.7%
Total	39	169	208	18.8%	81.2%

Workforce by gender and age

The workforce distribution by gender and age is based on headcount (HC) as of the end of the reporting period (31 December) and includes all employees with an active employment contract on that date.

S1-9, S1-12 Diversity, equity and inclusion

As of 31 December 2025, Befesa employs a total of 1796 employees, of which 214 are female (12%) and 1,582 are male (88%). Despite this, females hold a significant proportion of management positions relative to their overall numbers.

Management level by gender

The Company employs 208 managers across all levels, with 39 females and 169 males, representing an overall female representation of 18.8% in management. In top management, female account for five out of 24 positions, representing 21% of top management roles.

The overall workforce distribution by age shows a consistently low proportion of female employees across all age groups:

Age group	Female	Male	Total
Up to 30	27	201	228
30-50	110	808	918
Over 50	77	573	650
Grand total	214	1,582	1,796

Methodology – management level

Befesa classifies management positions into three levels, Top, Middle and Junior management, according to their level of responsibility, decision-making authority and organisational scope.

- **Top management** comprises roles with corporate or regional strategic responsibility and a reporting line no more than two levels below the Chief Executive Officer (CEO). These positions are responsible for defining strategy, setting policies and providing overall direction to the Company, and include the CEO, CFO, regional CEOs and corporate directors.
- **Middle management** comprises roles with responsibility for managing business units, legal entities, plants or multiple locations. These positions are accountable for implementing Company strategy and overseeing operational performance within their scope of responsibility, including managing directors, plant directors, and functional managers with multi-site responsibilities.
- **Junior management** comprises first-line management roles with direct responsibility for day-to-day operations at site level. These positions typically manage specific departments or functions within a plant and are responsible for supervising teams and executing operational objectives.

People with disabilities

As of 31 December 2025, 2% of Befesa's own workforce are people with disabilities, representing 30 employees out of a total headcount of 1796, based on legally recognised disabilities under applicable national legislation. The reported percentage

covers only Befesa's employees at the end of the reporting period and excludes external contractors, outsourced services, indirect employment and third-party hours worked.

While reporting is based on employees with official disability certification, Befesa acknowledges that the number of employees experiencing functional limitations may be higher. Accordingly, internal awareness initiatives address both formally recognised disabilities and employees who may face disability-related challenges without formal certification.

Gender	PwD	HC	%
Female	2	214	1%
Male	28	1,582	2%
Grand total	30	1,796	2%

Methodology – people with disabilities

Data is collected annually by the Human Resources function across all operations and is based on **official disability recognition** in accordance with **local legal frameworks**. As legal definitions and recognition thresholds vary by jurisdiction, Befesa does not apply a single global definition, to ensure compliance with national legislation. Each operation reports employees with disabilities as recognised by the competent local authorities.

In addition to direct employment, Befesa engages service providers that employ persons with disabilities (e.g. laundry or gardening services) to support legal compliance and promote employment opportunities. These external services are not included in the reported figures, which relate exclusively to Befesa's own workforce.

Social continued

All data is collected and processed in compliance with applicable data protection regulations, including General Data Protection Regulation (GDPR), and sensitive personal data is processed only with explicit consent or where legally required.

Country context – disability recognition

To support interpretation of the reported figures, the following examples illustrate how disability is legally recognised in selected countries where Befesa operates. These differences explain why cross-country comparability is limited.

- **Germany (DE):** Disability is defined as a long-term impairment (>6 months) that may hinder equal participation; "severely disabled" generally requires **GdB ≥ 50**, with possible equal status at **GdB 30–49** under conditions.
- **China (CN):** Disability is defined by national law; classification criteria are established by the State Council and formal recognition is typically evidenced via an official **disability certificate**.
- **Spain (ES):** For many legal purposes, disability is recognised through an official procedure and is generally accredited at **≥33%** by the competent authority.
- **South Korea (KOR):** A disabled person is one whose long-term vocational life is substantially restricted due to physical or mental impairment and who meets criteria set by Presidential Decree.

- **Sweden (SWE):** The legal framework focuses on protection against discrimination and accessibility for persons with impairments; Sweden does not operate a single nationwide disability certification threshold comparable to percentage-based systems.
- **United States (US):** Under the **ADA**, disability means an impairment that substantially limits major life activities (including record of / regarded as); there is **no single national disability certificate**.
- **France (FR):** A disabled worker is a person whose ability to obtain/retain employment is reduced due to impairment; recognition is formalised through the **RQTH** administrative decision.
- **Turkey (TR):** Employment-related recognition commonly relies on a medical board report, often using thresholds such as **≥40% loss of working capacity**.

As a result of these differences, cross-country comparability is limited and figures should be interpreted in the context of national recognition frameworks.

S1-10 S1-16 Adequate wage and compensation metrics

Commitment to fair and adequate compensation

Befesa is committed to ensuring fair and adequate compensation for all its employees worldwide. Its remuneration framework is aligned with applicable laws and regulations in

each jurisdiction, including statutory minimum wage requirements, equal pay legislation and sectoral or local collective bargaining agreements. This approach aims to ensure equitable and consistent remuneration practices across all regions.

Methodology for adequate wage assessment

The adequate wage assessment at Befesa is conducted at the country level on an annual basis and covers all employees.

The analysis is based on the guaranteed fixed remuneration (base salary), excluding variable elements such as bonuses, overtime payments or discretionary benefits, to ensure consistency and comparability across jurisdictions.

The evaluation considers the following criteria:

- Statutory minimum wage, ensuring that all employees receive at least the legally required minimum remuneration.
- Collective bargaining agreement thresholds, where applicable, verifying compliance with sectoral or company-level agreements.

Market benchmarks, where relevant, to assess competitiveness against recognised industry standards. The calculation is based on the guaranteed fixed salary of all employees, ensuring that only base pay is considered without including variable elements such as bonuses, overtime pay or discretionary benefits.

This structured methodology provides an objective and transparent framework for assessing wage adequacy across all jurisdictions.

Evaluation results

Following a comparative analysis of salaries applied against reference indices in each country where Befesa operates, the following conclusions have been identified:

- 100% of Befesa employees receive an adequate wage based on the defined reference criteria.
- Befesa's wage policy ensures that all employees earn at least the statutory minimum wage or, where applicable, meet or exceed the conditions set by collective bargaining agreements.

Reference indices are based on a combination of publicly available sources (including government publications and labour statistics), formal compensation data from specialised providers, local market surveys when required, and complementary insights from recruitment processes.

Befesa will continue to monitor developments in wage regulation, collective bargaining frameworks and market standards to ensure ongoing alignment with adequacy requirements across all regions.



Social continued

Compensation metrics

Indicator	2025	2024
Gender pay gap (GPG)	-7.5%	-12.6
Annual total remuneration ratio	49.5	50.6

Gender pay gap

In 2025, Befesa's consolidated gender pay gap (GPG) stands at -7.5%.

Befesa's GPG is primarily influenced by structural workforce distribution factors rather than differences in pay for equal work. These factors include:

- The representation of female employees in higher-paying roles.
- Lower representation in operational and industrial positions.
- Geographical distribution across countries with different wage levels.
- Structural differences in working time patterns.

Gender pay gap methodology

For global comparability purposes, the Company calculates remuneration using a Paid Hour Equivalent Rate (PHER), defined as annual structural remuneration divided by contractual annual paid hours. Contractual annual paid hours are calculated based on individual weekly contractual working hours multiplied by 52 weeks, adjusted for FTE. Structural remuneration includes fixed guaranteed compensation and variable remuneration effectively paid during the year, while excluding overtime, long-term incentives (LTI), non-structural allowances and one-off or extraordinary payments. The calculation includes employees with an active employment contract throughout the full

reporting year (1st January to 31st December). All amounts are converted into EUR using the Befesa's official annual average exchange rate to ensure consistency and comparability across jurisdictions.

The gender pay gap is calculated as the percentage difference between the average gross hourly remuneration of male and female, using the PHER as the reference measure. The reported consolidated GPG reflects the simple arithmetic average of the gender pay gaps across all countries and sites, in line with CSRD methodology.

Comparability with prior-year data

Starting in 2025, Befesa applies a harmonised PHER based methodology that standardises the definition of contractual annual paid hours and structural remuneration components across all countries. In the previous reporting year, contractual paid hours were based on local definitions, which in some countries included paid vacation and public holidays, while in others (such as Spain) only effective working hours were considered.

These differences in underlying working time definitions affected cross country comparability and partly explain the variation between the 2024 and 2025 figures.

The 2024 figures are disclosed as originally reported and have not been recalculated.

Total remuneration ratio

Befesa reports an annual total remuneration ratio of 49.5 for the 2025 reporting period. This ratio reflects the total annual remuneration of the highest-paid employee compared with the median total remuneration of all other employees (excluding the highest paid employee) within Befesa.



Social continued

The ratio has been calculated using the total remuneration, which includes both fixed and variable pay, in line with the scope and methodology defined in ESRS S1-16.

The reported ratio reflects structural characteristics of Befesa, including:

- Its global operational footprint across regions with differing wage levels and cost-of-living standards;
- The composition of the workforce across operational roles in industrial sites and management roles; and
- Variations in local remuneration practices and currency environments.

Befesa monitors this indicator as part of its broader remuneration governance framework, ensuring transparency and consistency in remuneration reporting.

S1-13 Training and development

Although ESRS S1-13 is not material for Befesa, the Company discloses information related to training and skills development as it is considered relevant for its people strategy. In this reporting cycle, Befesa reports the training metric, which is the only consolidated indicator currently available at global level. Participation in formal performance and career development reviews is not disclosed as these processes are decentralised and differ across countries, and no harmonised global register exists. In line with a quick-fix approach for the first year of CSRD reporting, this information is temporarily excluded.

Befesa is committed to the continuous development of its employees and offers a wide range of training and development programmes. These initiatives aim to

strengthen technical expertise, leadership capabilities, communication skills and other essential workplace competencies, thereby supporting sustainable talent development across the organisation.

Regular performance and career development reviews

In addition to global Human Resources initiatives, local development reviews are conducted across various Befesa locations to support employee growth. While structured performance evaluation systems are in place in almost all Befesa locations these processes are designed and implemented independently at local level and therefore differ in format, frequency and participation scope.

In most locations, individual companies conduct their own development reviews to support the professional growth of their employees.

While most countries conduct annual evaluations, some have additional review cycles:

- Germany holds quarterly reviews for certain employee groups.
- China conducts monthly evaluations for blue-collar employees alongside annual reviews for white-collar employees.

White-collar employees typically receive formal annual reviews. Blue-collar employees often undergo more frequent or informal evaluations (e.g. in China, Germany, and Spain). Additionally, most blue-collar employees have an incentive system tied to annual production targets, reinforcing the importance of teamwork and shared accountability. This fosters a collaborative culture where collective success is valued.

Annual performance review

The annual performance review is Befesa's only global, structured performance evaluation process. It is coordinated by the Global Human Resources team and applies exclusively to employees eligible for a management bonus scheme.

Through this structured annual process, which integrates objective setting, competency evaluation and development planning, the programme enables the systematic identification of individual and organisational training needs. Employees and managers jointly assess performance outcomes, competency gaps and future skill requirements in line with the Company's corporate strategy. For participants in the management bonus scheme, variable compensation combines a component linked to Befesa's global performance with individual objectives, ensuring clear alignment between performance evaluation and corporate results.

Training metrics

Metric	2025	2024	YoY change
Total training hours	44,361	41,038	8%
Average hours per employee	25	23	10%
Total employees (FTE)	1,758	1,784	-1%
Total training cost (€)	611,574	513,717	19%
Average training cost per employee (€)	348	288	21%

The process also contributes to succession planning and strengthens the leadership pipeline by facilitating the identification of high-potential employees and critical capabilities across the organisation.

This structured and transparent approach ensures that training and development initiatives are systematically linked to performance outcomes, competency assessment and long-term workforce planning, supporting sustainable organisational capability over time.

As part of its continuous improvement approach, Befesa plans to digitalise the annual performance review process in the coming year, aiming to enhance efficiency, data consistency and transparency across global operations.

Social continued

Training hours breakdown

Average hours by gender	2025
Male	24
Female	31
Average hours by age group	
Up to 30	30
30-50	29
Over 50	17
Average hours by work type	
Blue-collar	20
White-collar	33
Training hours per category	
General training	27%
Health & Safety	59%
Languages	14%

Training cost breakdown

Training hours per category	2025
General training	39%
Health & Safety	48%
Languages	14%

In 2025, the Company continued to strengthen workforce capabilities, increasing total training hours by 8% to 44,361 hours (2024: 41,038), despite a slight reduction in total workforce size to 1,758 FTE (2024: 1,784). As a result, average training hours per employee rose to 25 hours (2024: 23), reflecting higher training intensity and sustained commitment to skills development across the organisation.

Training delivery reflects the operational nature and structure of the workforce. Most of the training hours are concentrated on Health & Safety (59%), underlining the Company's focus on accident prevention, regulatory compliance and safe operations. General training (27%) supports ongoing professionalisation through technical, functional and role-specific development, while language training (14%) facilitates effective collaboration in the Company's international operating environment.

In gender breakdown, female employees receive more training on average than male employees, which is primarily explained by workforce composition rather than unequal access to training.

Investment in training increased by 19% year-on-year to €611,574 (2024: €513,717), corresponding to an average cost of €348 per employee (2024: €288), in line with higher training hours delivered in 2025.

Across all plants, the Company promotes multi-skilling as a key element of its people and operational strategy. Employees are trained to perform multiple roles within the operational environment, supporting workforce flexibility, continuity of operations and long-term employability.

S1-14 Health & Safety

Befesa's safety management systems encompass 100% of its own workforce and contractors. These systems are aligned with internationally recognised standards, including ISO 45001 and OSHA (See table in section E-5), in addition to Befesa's Corporate Safety Standards.

All Befesa sites are equipped with robust safety management systems, which include, but are not limited to:

- Life-Saving Rules
- Inspections and audits and safety observations
- Internal training and communication
- Accident investigations and learning lessons
- Risk evaluations of works, including periodical revisions
- Procedures and communications with subcontractors

- Continuous management attention
- Annual budget allocations for safety measures implementation
- Expanded use of digital tools to strengthen the safety management system, enabling more consistent procedure development, wider access to digital training, improved monitoring of safety performance and more efficient follow up of corrective actions, enhancing overall safety governance across all locations

Befesa has maintained a record of no fatalities and no work-related ill health over the past decade, resulting in zero lost workdays due to these causes.

Social continued

Reporting of safety performance indicators

FATALITIES as a result of work-related injuries and work-related ill health	2025	2024
Own employees	0	0
Contractors	0	0
Total	0	0
PROFESIONAL work-related ill health		
Own employees	0	0
Contractors	0	0
Total	0	0
RECORDABLE work-related injuries		
Own employees	61	84(*)
Contractors	1	0
Total	62	84
NUMBER OF DAYS lost to work-related injuries		
Own employees	782	753
Contractors	0	0
Total	782	753
Recordable rate (own employees)	18.71	25.45
Recordable rate (own employees and contractors)	15.97	20.9
Severity rate (own employees and contractors)	0.20	0.19
Working hours (own employees and contractors)	3,881,909	3,923,673

Historically, Befesa has reported its LTIR and total recordable rates, as KPIs using a baseline of 200,000 working hours. In parallel, calculations were also carried out according to the CSRD methodology, which utilises 1,000,000 working hours as the standard reference.

- 84 recordable accidents reported in 2024 included two in itinere accidents.
- Severity rate = Number of days lost due to an accident x 1,000 /Reported working hours).

The working hours are calculated from real reported working hours.

S1-17 Discrimination incidents and human rights violations

	2025
Total number of cases of discrimination (including harassment)	2
Number of complaints ⁽¹⁾	4
Total amount of fines and penalties	0

¹ Claims that do not fall under any category of discrimination and harassment

During the reporting period, Befesa recorded two confirmed cases of discrimination (including harassment). These complaints were regarding inappropriate comments and other minor issues. The complaints were addressed and successfully closed after internal investigations, supported by external lawyers. No further actions were required after the analysis of the cases. In addition, four complaints were received regarding employment practices, but none of them related to Human Rights.

All complaints were managed through the Company's established internal reporting channels and assessed in accordance with Befesa's policies and procedures. No cases resulted in financial penalties or sanctions and no severe human rights incidents were identified during the period. All reported matters were addressed internally in line with the applicable investigation and remediation processes.



Governance

G-1 Business Conduct

ESRS 2 GOV-1

The role of the administrative, supervisory and management bodies

ESRS 2 IRO-1

Impacts, risks and opportunities

G1-1

Corporate culture and business conduct policies

G1-3

Prevention and detection of corruption or bribery

G1-4

Confirmed incidents of corruption or bribery

ESRS 2 GOV-1 The role of the administrative, supervisory and management bodies

The Code of Conduct and the General Compliance Policy outline the responsibilities and ethical standards for all directors, officers and employees of Befesa, including the role of Befesa's Board of Directors. This framework governs their business conduct and ensures adherence to legal and ethical standards, both internally and in interactions with external parties.

These policies are implemented to ensure that Befesa's daily operations are carried out with integrity, transparency and responsibility. As explained in all its public documentation, they form the foundation of its ethical and compliance programme, which Befesa considers a critical aspect of its business conduct efforts. For further information, please refer to chapter "GOV-1 + GOV-2 Role of Management and Sustainability Matters Addressed".

During the reporting period, the duties and responsibilities of the different administrative bodies and functions were as set out below.

Board of Directors

- The Board of Directors of Befesa is responsible for developing and implementing an effective CMS, which has adequate policies and procedures in place to ensure compliance with all relevant laws and regulations.
- This responsibility is delegated to the Audit Committee of the Board of Directors that reports to the full Board. This Committee holds regular meetings to monitor the effectiveness of the CMS. In 2025, five meetings were held in this regard, and the

results of these meetings were reported to the Board. For more information regarding the Audit Committee, refer to GOV-1 / GOV-2 of the ESRS 2 chapter.

- The Board of Directors not only asks for regular compliance reports from the Audit Committee and the Compliance Officer, but also studies compliance audit reports and follows up any material non-compliance issues that may be identified.
- The Board of Directors has already designated a Compliance Officer (a corporate manager reporting directly to the Executive Chair) to support the CMS implementation. The Board of Directors of Befesa remains ultimately responsible for ensuring that an effective CMS is maintained.
- Compliance is part of the agenda at the Board of Directors meetings, which take place at regular intervals. Board minutes reflect compliance matters discussed and actions points going forward.

Senior Executive Management (Executive Chair and CEO)

- The Executive Chair and CEO are committed to ensuring compliance and communicating this commitment throughout the organisation.
- The Executive Chair and CEO are responsible for ensuring that: (i) appropriate guidelines and policies are developed, issued and continuously monitored and reviewed; (ii) employees and Directors are properly trained with respect to those guidelines and policies; (iii) compliance matters are made subject to compliance audits; and (iv) non-compliance issues are appropriately sanctioned.

- Sufficient resources are made available to adequately deal with compliance matters (in particular in terms of time and budget).

Compliance Officer

- As mentioned above, the Board has designated a Compliance Officer who conducts internal compliance meetings to support the implementation and effectiveness of the CMS.
- These internal compliance meetings ensure that all relevant compliance matters are adequately covered and in which the following people participate: Executive Chair, Compliance Officer and Global Controller. In addition, other corporate managers (e.g. personnel of the legal department, internal audit, IT department, finance department, business controlling, EHS, customs/export control department, the data protection officer and representatives of the business (or various business lines) who know how the business is run and what the relevant business practices are) could participate in those meetings, depending on the agenda.
- The Compliance Officer:
 - Reviews that appropriate policies and procedures are put in place;
 - Is the contact person when employees have questions regarding compliance matters;
 - Implements appropriate training for employees with respect to Befesa's Code of Conduct and other material compliance matters;

Governance continued

- iv. Reviews the Code of Conduct and Befesa's other compliance guidelines and policies at regular intervals and proposes amendments or additional compliance guidelines or policies to the extent required;
 - v. Informs the organisation about important legal developments which may cause non-compliance issues;
 - vi. Investigates the issue if any non-compliance issue is suspected;
 - vii. Ensures that non-compliance issues which they become aware of are resolved;
 - viii. Proposes compliance audits to the Executive Chair and proposes which matters should be the subject of a compliance audit;
 - ix. Provides regular or ad hoc compliance reports to the Executive Chair and has a reporting line to the Board of Directors; and
 - x. Informs the Board of Directors if the Executive Chair and/or CEO has failed to deal with a non-compliance issue.
- The responsibilities and tasks delegated to the Compliance Officer are documented through an appointment letter from Senior Executive Management addressed to, and countersigned by, the Compliance Officer.

Compliance audits

- In order to ensure that the CMS is effective, a process designed to detect potential non-compliance issues has been implemented. Befesa has established an audit compliance process led by the Internal Audit Department. The Internal Audit Department audits compliance matters in addition to its other responsibilities.
- Alternatively, outside professionals (for example, a law firm that specialises in compliance audits or an audit firm that conducts compliance audits) could be engaged.
- The Internal Audit Director proposes, on an annual basis, a compliance audit plan to the Executive Chair and CEO, which describes the selected compliance matters to be subjected to an audit.
- The results of the compliance audit are reported to the Executive Chair and CEO. An executive summary and the audit report are submitted to the Audit Committee before being presented to the Board of Directors.

All members of the Board of Directors of Befesa are required to have a balance of skills, qualifications, background, experience and ability to adequately perform the duties of the Board. Such a qualified and balanced composition is reflected in the skills matrix (ESRS-2 GOV-1 21c + AR5), which shows, in particular, that all members of the Board have ethics and governance skills.

ESRS 2 IRO-1 Impacts, risks and opportunities

The process to identify material impacts, risks and opportunities is disclosed in Section 53 of the ESRS 2 IRO-1, which includes business conduct matters. This process follows the EFRAG double materiality guideline, including the context analysis (internal and external communication, analysis of the value chain and identification of internal and external stakeholders), the identification of current and potential impact, risk and opportunities and the evaluation and prioritisation of the IROs.

G1-1 Corporate culture and business conduct policies

Corporate culture in Befesa is mainly covered by the Befesa CMS. Befesa and its employees must, at all times, fully respect all applicable laws, regulations and the environment in which it operates.

Befesa's CMS includes, but is not limited to, internal guidelines and policies such as the Code of Conduct and guidelines that address competition law requirements, anti-corruption, anti-money laundering, IT services, EHS issues, conflicts of interest and international sanctions. These measures guide members in ensuring that Befesa complies with all laws, regulations and values.



Governance continued

Below are the material IROs related to Governance – Corporate culture, complaints mechanisms and corruption and bribery, identified as a result of the DMA, as well as the existing policies implemented to address these material IROs:

IRO	IRO description	Own operation / Value chain	Related policies and procedures
Positive impact	Enhancement of employee engagement by fostering a sense of belonging and purpose among employees derived from compliance with the code of ethics.	Own operations	Code of Conduct General Compliance Policy
Positive impact	Increasing stakeholders trust in Befesa through the implementation of policies and procedures focused on transparency, truthfulness, good practices and ethical behaviour.	Own operations/Value chain	Code of Conduct Conflict of Interest Policy Befesa Security Dealings Code International Sanctions Policy General Compliance Policy Diversity, Equality and Inclusion Policy
Positive impact	Implementation of voluntary anti-corruption policies and training, through the availability of compliance management, as well as the recognition of being a trusted business partner with the purpose of being useful to suppliers and other stakeholders.	Own operations/Value chain	This IRO is covered by all CMS
Opportunity	The implementation of new certifications can generate a strategic positioning in response to the demands of interest groups.	Own operations	This IRO is covered by all CMS
Opportunity	Enhancing transparency and accountability can attract like-minded investors and foster trust and confidence in stakeholders, by ensuring comparability of information through sustainability reports.	Own operations/Value chain	This IRO is covered by all CMS
Opportunity	Improvement of transparency and accountability as an opportunity to increase the comparability of information, which therefore makes investing in Befesa more attractive. Furthermore, this implies that more clients and suppliers want to work with Befesa.	Value chain	This IRO is covered by all CMS
Risk	Non-compliance with policies related to social and governance can damage the reputation of the organisation, productivity among employees and a decrease in market share and income of the organisation.	Own operations/Value chain	This IRO is covered by all CMS
Risk	Loss of confidence of stakeholders by not complying with legal regulations given its status as a listed company.	Value chain	Befesa Security Dealings Code Whistleblowing channel
Risk	Sanctions or fines derived from regulatory non-compliance, derived from ineffective anticipation of regulatory requirements.	Own operations	This IRO is covered by all CMS

Befesa's General Compliance Policy

The General Compliance Policy provides guidance to Befesa and its subsidiaries on how to establish, maintain and report an effective CMS.

This document briefly describes concepts and guidelines that are further developed in the form of specific policies, tools and procedures. It covers several topics such as commitment of management, Code of Conduct, identification and assessment of risks, specific compliance policies detailed later in this section, training policy and the existence of a Whistleblowing channel.

Befesa's General Compliance Policy defines the core principles, roles, and behavioural expectations that underpin the Company's CMS and guide the development of the detailed policies, procedures, and controls that comprise the full compliance framework. It is supported by monthly compliance committees, and by communication and training for the entire organisation.

Code of Conduct

Befesa has in place a Code of Conduct that is binding for all employees and which is the cornerstone of its CMS. It is available to all employees and third parties in the Sustainability/Governance/Compliance section of Befesa's website: <https://www.befesa.com/sustainability/governance/#compliance>



Governance continued

The code provides the legal and ethical framework for the conduct of Befesa's directors, executives, managers and employees. It defines basic behavioural standards within Befesa itself and in connection with other parties. The document is available in the eight languages spoken in the countries where Befesa operates.

Any violation of the laws and regulations or the infringement of the Code of Conduct by any employee at any level of the organisation will be subject to disciplinary measures.

Complementary-specific compliance policies

To complement the Code of Conduct, Befesa has developed and updated compliance-relevant documents covering the following areas:

Anti-corruption and Anti-bribery Policy

One of Befesa's core principles is to comply with all the anti-corruption and anti-bribery laws and regulations where the Company operates. Befesa's principle is to compete by making deals and providing services to its customers based on the quality and price of its products and offerings, rather than providing undue advantages or benefits to others.

Anti-money Laundering Policy

Befesa is committed to carrying out its activities with accredited clients and with other trading partners who perform their activities legally and whose funds come from legitimate sources. Accordingly, all employees of Befesa must strictly comply with the pertinent anti-money laundering legislation and with Befesa's internal procedures, which are designed to detect and prevent suspicious payment methods.

All Befesa employees are obliged to report any suspicious behaviour by clients or trading partners, either to the Compliance Officer or by using the Whistleblowing channel. All employees must comply with all the rules and guidelines regarding accounting and financial information applicable to cash and other forms of payment in relation to the transactions that need to be made.

Anti-trust Policy

It is the unconditional policy of Befesa to fully comply with all applicable anti-trust laws worldwide and to enforce compliance throughout the organisation. In this policy, a guideline summarises the basic rules of the anti-trust laws prevailing in the main jurisdictions where Befesa is active.

All employees must be familiar with and strictly observe the basic rules and specific anti-trust regulations of the relevant jurisdiction in which they operate or which is affected by their operations. Non-compliance will be taken very seriously by Befesa's management and will lead to personal consequences for the relevant employee(s).

Conflicts of Interest Policy

The purpose of this policy is to identify and prevent situations in which an employee's activities conflict or appear to conflict with the interests of Befesa and its subsidiaries. Every employee must offer undivided commercial loyalty to Befesa and make business decisions only in the best interests of the Company, not based on their potential personal interests. All employees must avoid any relationship or activity that could affect their independent judgement in the conduct of Befesa's business, conflicts with the Company's interests or could reasonably give the appearance of conflicting with Befesa's interests.

Befesa Security Dealings Code

This code applies to all employees, managers and directors of Befesa and its fully consolidated subsidiaries and joint ventures. These rules are designed to ensure that employees do not misuse, or place themselves under suspicion of misusing, information about Befesa that they have access to, and which is not available to other investors. This code also includes a closed period calendar to be followed by the affected persons.

International Sanctions Policy

International sanctions or restrictive measures take the form of economic instruments that seek to modify policies or activities in other countries that breach international law or human rights. The implemented measures are obligatory and affect all the countries that form part of the organisation that adopts them. In the case of the EU, they are obligatory for all its member states. Befesa believes that all its employees must comply with these restrictive measures, insofar as they affect their activities. The aforementioned CMS of Befesa includes a specific section on policies, systems and controls in relation to international sanctions.

Confidentiality, and Industrial and Intellectual Property Policy

Befesa is aware of the value of its assets, in particular the industrial and intellectual property rights inherent in the innovative knowledge generated during the progress of its activities. The Company strives to protect this by adopting appropriate measures for interactions with its employees and with third parties. This policy establishes the operational rules and standards to be applied at Befesa, as well as for third parties. This ensures the effective protection of the industrial and intellectual property of Befesa, guaranteeing a high level of security and compliance with current legislation.

Privacy Policy

There is in place a privacy policy that applies to all personal data submitted to Befesa through any means of communication. In this policy, different aspects are covered, such as the obligation to provide data, data responsible, purpose, type of data and rights, among others.

It also covers the measures implemented to protect data security and to prevent the alteration, loss, processing or unauthorised access, in accordance with the provisions of applicable regulations.

Supplier Code of Conduct

Befesa has a Code of Conduct for suppliers that must be accepted and signed by all suppliers. Befesa expects its suppliers to implement the principles set out in this Code of Conduct throughout their organisations worldwide and to comply with these principles. Befesa also expects suppliers to use their best efforts to implement these standards with their suppliers and subcontractors and to take these principles into account when selecting them.

The Supplier Code of Conduct covers different aspects, including environmental protection and energy efficiency; human rights, employment practices and health and safety; and business integrity and corporate governance standards. The Supplier Code of Conduct is available on Befesa's website at <https://www.befesa.com/sustainability/governance/#compliance>. The internal audit team reviews and analyses the implementation of the code.

In addition to the aforementioned policies and codes, Befesa also has different internal procedures that complement the internal control system and the CMS.



Governance continued

Internal procedures

Concept

The internal procedures of Befesa take the form of a suitable internal control system that represents the internal rules of the Company. It works through an internal system of communication and authorisation. The main goal is to have a common method of operating, assessing and mitigating the business risks inherent in Befesa's activities.

This implies the following:

- Consistency of actions
- Reinforcement of corporate identity
- Risk control and reduction
- Optimisation of management
- Creation of value for stakeholders
- Profitability

Covered areas

The internal procedures cover different areas considered as key for Befesa. Twenty-one procedures are in place and include controls for the following areas:

- Financial management
- Legal matters and insurance management
- Human Resources and CSR
- IT management
- General expenses
- Corporate identity

Other aspects covered by Befesa's CMS

In addition to the above aspects, as part of Befesa's CMS, there are other relevant areas in the system, such as internal controls, risk analyses, insurance coverages and data protection regulations.

Internal controls

In addition to the compliance policies mentioned, Befesa has in place an internal control matrix. This covers the most significant areas of the Company:

- Purchases
- Fixed assets
- Stocks
- Sales
- Treasury
- Human Resources
- Taxes
- Hedging
- Equity
- Closing and reporting
- Legal and ethics

Risk analysis and insurance coverage

Included in the CMS, Befesa has an RMS in place, which is explained in detail in the GOV-1/GOV-2 Role of management and sustainability matters addressed section of this Annual Report.

Data protection regulations

Following the EU GDPR that came into force in May 2018, Befesa carried out an analysis of the

Company's data- protection standards, with the main goal of adapting those standards to the new GDPR requirements.

Criminal compliance certification UNE 19601

The Spanish criminal code establishes that legal persons may have criminal responsibility. To avoid this from happening at Befesa, a criminal compliance programme (Criminal Risks Management System) was implemented.

This programme comprises a set of preventative tools with the aim of preventing a breach of the rules of a criminal nature and of avoiding possible sanctions that could generate responsibility for the Company.

Furthermore, there is a certifiable standard UNE 19601 concerning criminal compliance that Befesa Medio Ambiente S.L.U. satisfactorily achieved in Q1 2021. Befesa renewed this certification in Q1 2023 for another three years.

Whistleblowing channel

Befesa has a Whistleblowing channel in place on its website, which is available to all employees and external third parties on a 24/7 basis. Complaints can be made via telephone or the web platform. This platform is available in eight languages: English, German, Spanish, French, Swedish, Turkish, Korean and Chinese.

Befesa's Whistleblowing channel is managed through EQS software, the leading company in Europe and the first compliance platform certified in accordance with the data protection law at European level (GDPR).

EQS offers an instruction manual to the staff receiving reports in Befesa, plus regular webinars and workshops. A Whistleblowing channel section is included in the CMS annual training and is also covered in the compliance printed guidelines of conduct that every employee receives. The policy for training in the organisation on business conduct is developed later in this section.

Furthermore, Befesa is certificated in UNE 19601 Criminal Compliance, where part of the certification is the evaluation of the Whistleblowing channel, the protocol established and the capability of the people in charge of the channel.

In addition, it meets the following data security standards: double security certification in accordance with ISO 27001, state-of-the-art encryption algorithms, high-security data centres and manual penetration testing. Befesa has a policy named "Whistleblowing Channel Protocol & Whistleblower Protection Policy".

Befesa will not, in relation to the reporting of any incident under the policy, permit any form of retaliation or reprisal (including discharge, demotion, transfer, suspension, threat, intimidation, harassment or any other form of discrimination) by any person or group, directly or indirectly, against any whistleblower, witness or interviewee who, truthfully and in good faith, reports an incident in accordance with this policy. Befesa has a structured and comprehensive process to investigate business conduct incidents, including cases of corruption and bribery, with promptness, independence and objectivity.



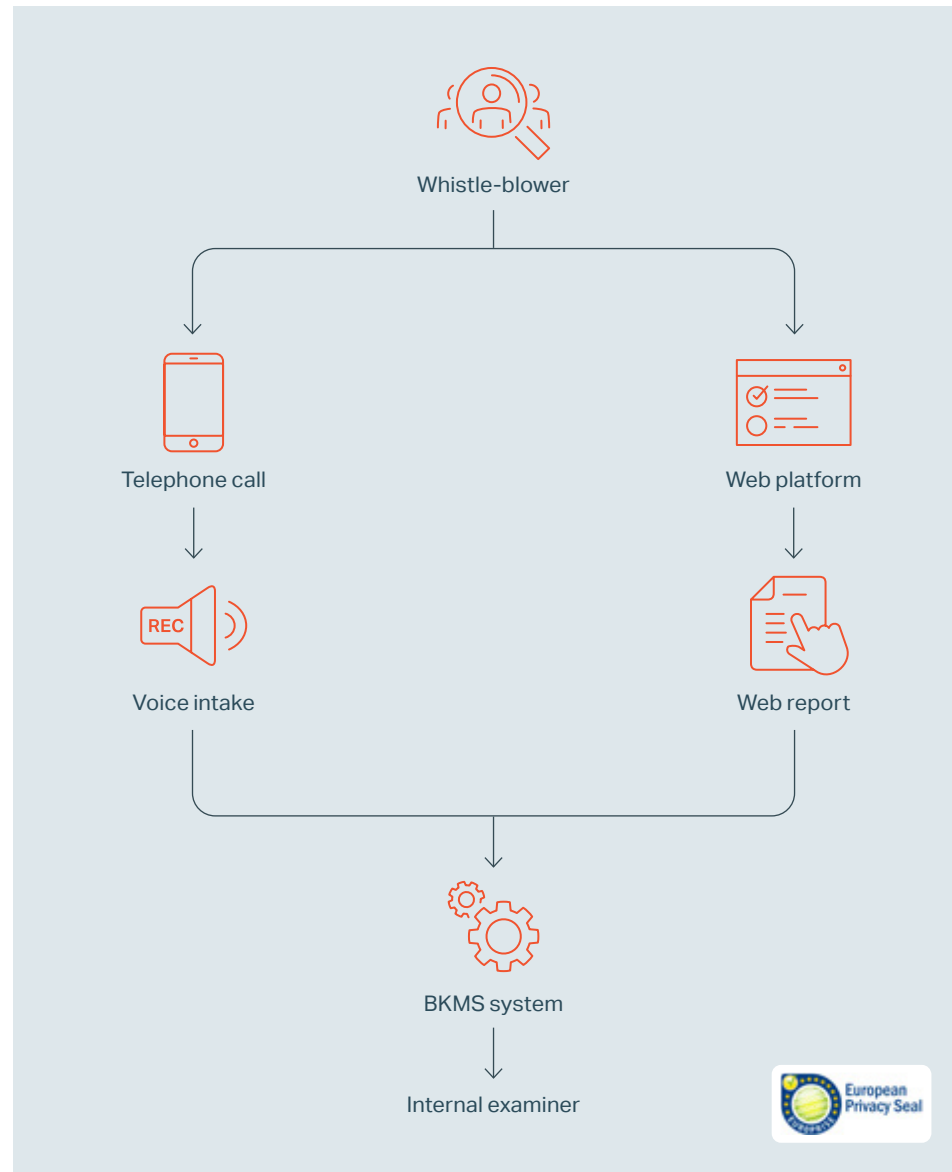
Governance continued

Key aspects of Befesa's investigation procedures include:

- **Confidentiality and anonymity:**
All reports are treated as confidential, and whistleblowers' identities are protected to the extent permitted by law.
- **Independent oversight:** The Compliance Officer oversees the Whistleblowing channel and ensures investigations are conducted without conflicts of interest.
- **Investigation process**
 1. Reports are classified and analysed to determine the need for an investigation.
 2. If required, additional information is gathered from the whistleblower and relevant parties.
 3. Investigations may be conducted internally or with external specialised resources, ensuring impartiality.
- **Decision-making and corrective actions:**
Findings are reviewed by management or the Board of Directors, which determines appropriate actions.

The training within the organisation on business conduct is detailed in section G1-3 of this report.

In terms of risk regarding corruption and bribery, the functions with higher risks are: plant managers, purchases and sales areas employees, employees in the financial areas, corporate directors and managers – the employees who have relationships with third parties. That is the reason why, together with the remaining white-collar employees, they have two specific compliance and business conduct online training courses every year, general compliance managements system and specific Code of Conduct training.



G1-3 Prevention and detection of corruption or bribery

The process that Befesa has in place to prevent, detect and address allegations or incidents of corruption and bribery is the following:

1. **Preventative measures:** A CMS and all policies and procedures previously detailed. All of them are available to all employees on the intranet and the website. In addition, training is provided annually. In addition to the aforementioned policies, the CMS is also supported by the following initiatives to improve the knowledge of the organisation:

a. Corporate review

Compliance culture in Befesa is implemented in a top-down approach. The CMS of Befesa was initially approved by management and the Board of Directors. After that, a monthly follow-up is carried out by both bodies. Communication and promotion are key for a positive development of the corporate culture through the organisation.

As has been mentioned, corporate culture in Befesa is mainly covered by the Befesa CMS. The CMS is reported and reviewed internally in three different ways:

- Internal meetings: On a monthly basis, the Compliance Officer and the Executive Chair have a meeting where all significant aspects of the CMS are analysed, reviewed and approved.
- The CMS plan and status are reviewed in every Board meeting as a regular part of the agenda.



Governance continued

- **Audit Committee:** A more detailed CMS status is presented in the Audit Committee. Its members supervise the compliance tasks and CMS performance, including whistleblowing reports.

b. Training and engagement

Befesa has implemented four tools to guarantee that everyone in the organisation has access to the latest compliance initiatives: quarterly newsletters, training, conduct guidelines and QR compliance posters. In addition to these tools, all the compliance information is available to all employees in the Befesa intranet. Also, for third parties, Befesa's website has a compliance section where compliance documentation can be found.

Quarterly newsletters

Every quarter, one specific compliance topic is shared with all Befesa's employees. These topics are agreed upon with management and are circulated via email throughout the organisation.

Training

The continuous training of Befesa's employees is key to the future and to the development of the organisation. Compliance is an important aspect for the Company.

Befesa has therefore developed annual training for employees, including part-timers. The training courses and training tests are updated on an annual basis with the latest compliance-related contents. All the topics included in the Befesa CMS are covered by the training tool, including policies regarding business conduct.

During 2025, two specific compliance training courses were launched to all employees on the CMS and the Code of Conduct. Both training courses were included in a specific online training tool, supported by live interactions and questionnaires.

Befesa divides its employees into two groups:

- **White-collar employees (roughly 800 employees):** Every employee with a company email is included in the annual corporate compliance online training through the KnowBe4 training tool. There are two training courses every year that cover business conducts: CMS (H1) and Code of Conduct (H2). The CMS training covers the theory and practical exercises relating to the Befesa compliance policies and requirements. In the CMS training, anti-corruption and anti-bribery topics are covered, among others. The Code of Conduct training is a specific and deeper training covering the contents of the Befesa Code of Conduct. The Compliance Department has a follow-up of the percentage of the training accomplishment. The Company understands that white-collar employees have higher risks in terms of corruption and bribery, so this is the reason they have two specific compliance and business conduct online training courses every year.
- **All employees (blue-collars and white-collars)** receive a printed brochure with the guidelines of conduct. These brochures are available in the eight languages of Befesa. In addition, every plant and office in the Company has compliance posters with QR codes. In these QR codes, all compliance and business conduct policies and procedures are available to employees.

All training courses are reviewed by the Compliance Department to make sure that every employee has accomplished the training requirements, and a final summary is shared with management. One hundred per cent of employees with functions at risk (employees with access to IT corporate devices or email) are covered by training programmes, and it is controlled with the Befesa training platform. Management receives the same compliance training as the remaining employees.

Brochures on conduct guidelines

Printed brochures on the conduct guidelines are in place and have been sent to all Befesa's employees. These brochures are available in the eight languages of Befesa. The brochure covers the main aspects of Befesa's Code of Conduct and CMS in a visual format that can be easily checked by all personnel.

QR compliance posters

With the goal of strengthening communication with employees, Befesa has produced printed posters with QR codes. These posters are available in eight languages and are at all the Befesa plants so that every employee can scan the QR codes of the posters to find direct access to the following:

- Code of Conduct
- Complementary-specific compliance policies
- Compliance training
- Procedures tool
- Whistleblowing channel

2. **Detective measures:** Befesa has an Internal Audit Department that carries out an annual audit programme in all subsidiaries, supervised by the Audit Committee (GOV-5 section).

Whistleblowing channel

As it was previously mentioned, in addition to the preventative and detective measures, Befesa has the aforementioned Whistleblowing channel where every employee or third party can send potential irregularities. In every investigation carried out, the investigators are independents and separate from the people investigated.

G1-4 Confirmed incidents of corruption or bribery

There have not been convictions or fines for violation of anti-corruption and anti-bribery laws, so no actions for addressing breaches have been needed.

Independent auditor's report



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Limited Assurance Conclusion

We conducted a limited assurance engagement on the Sustainability Statement of Befesa S.A. ("the Group") included in the section "Sustainability Statement" of the Management Report (the "Sustainability Statement") as at 31 December 2025 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Statement is not prepared, in all material respects, in accordance with:

- article 29(a) 4 of EU Directive 2013/34/EU ("Directive");
- the European Sustainability Reporting Standards ("ESRS"), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in note IRO-1 Double Materiality Analysis;
- the disclosures in subsection "The EU Taxonomy" within the environmental section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");

altogether the "Criteria".

Basis for Limited Assurance Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (revised) ("ISAE 3000"), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, established by the International Auditing and Assurance Standards Board ("IAASB") as adopted for Luxembourg by the Institut des Réviseurs d'Entreprises ("IRE").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Responsibilities of réviseur d'entreprises agréé's* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements as adopted for Luxembourg by the CSSF and accordingly maintains a comprehensive system of quality control including the design, implementation and operate a system of quality management, of audits or reviews of financial statements, or other assurance and related services engagements.

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Responsibilities of the Board of Directors for the Sustainability Statement

The Board of Directors of Befesa S.A. is responsible for:

- the preparation of the sustainability information in the Sustainability Statement in accordance with the Criteria;
- designing, implementing and maintaining such internal control that Board of Directors determines is necessary to enable the preparation of the sustainability information in the Sustainability Statement, in accordance with the Criteria, that is free from material misstatement, whether due to fraud or error.

This responsibility includes:

- developing and implementing a process to identify the information reported in the Sustainability Statement in accordance with ESRS and for disclosing this process in note IRO-1 Double Materiality Analysis of the Sustainability Statement.
- preparing the disclosures in subsection "The EU Taxonomy" within the environmental section of the Sustainability Statement, in compliance with the Taxonomy Regulation.
- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Board of Directors of Befesa S.A. is further responsible for the preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Criteria.

Inherent limitations in preparing the Sustainability Statement

In reporting forward looking information in accordance with ESRS, the Board of Directors of Befesa S.A. is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, the Board of Directors of Befesa S.A. interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibilities of the réviseur d'entreprises agréé

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.



Independent auditor's report continued



As part of a limited assurance engagement in accordance with ISAE 3000, we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify risks that the process to identify the information reported in the Sustainability Statement does not address the applicable requirements of ESRS, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- designing and performing procedures to evaluate whether the Process to identify the information reported in the Sustainability Statement is consistent with the Group's description of its Process as disclosed in note IRO-1 Double Materiality Analysis.

Our other responsibilities in respect of the Sustainability Statement include:

- performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;
- designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures performed in a limited assurance engagement vary in nature and form, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The nature, timing and extent of procedures selected depend on professional judgement, identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect of the Process, we:

- obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management and reviewing the Group's internal documentation of its Process; and
- evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note IRO-1 Double Materiality Analysis .

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by performing inquiries and reviewing the relevant background documentation and records prepared by the Group, where applicable
- evaluated whether all material information identified by the Process is included in the Sustainability Statement;
- evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the Criteria;



- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- performed substantive assurance procedures based on a sample basis on selected disclosures in the Sustainability Statement;
- analysed, on a limited sample basis, relevant internal and external documentation at the level of the Group for selected disclosures;
- compared selected disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and management report, where applicable;
- obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- read the other information in the annual report to identify material inconsistencies, if any, with the Sustainability Statement.

Other information

The Board of Directors of Befesa S.A. is responsible for the other information. The other information comprises information included in the consolidated Annual report 2025 but does not include the Sustainability Statement and our assurance report thereon.

Our conclusion on the Sustainability Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our limited assurance engagement on the Sustainability Statement, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Sustainability Statement or our knowledge obtained in the limited assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Luxembourg, 29 April 2026

KPMG Audit S.à r.l.
Cabinet de révision agréé

Stephan Lego-Deiber

Disclaimer

This report contains forward-looking statements and information relating to Befesa and its affiliates that are based on the beliefs of its management, including the assumptions, opinions and views of Befesa and its affiliates as well as information cited from third-party sources. Such statements reflect the current views of Befesa and its affiliates or of such third parties with respect to future events and are subject to risks, uncertainties and assumptions.

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Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.

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