



Corporate
Sustainability
Report
2021

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Presentation

For the first time, GRUPO ARANIA presents its **Non-Financial Status Report**, with the purpose of allowing its stakeholders to evaluate the organisation's performance in sustainability during the financial year 2021 and its contribution to the Sustainable Development Goals of the United Nations 2030 Agenda, in accordance with the commitments adopted in its code of conduct and responsible practices. With the publication of this document, GRUPO ARANIA is responding to the growing demand from its stakeholders for information on its evolution in Environmental, Social and corporate Governance (**ESG**) fields.

This Report is part of the GRUPO ARANIA Consolidated Management Report for the financial year 2021. With this, GRUPO ARANIA is responding to the requirements established in Law 11/2018 of 28 December 2018, on non-financial information and diversity, incorporating the Directive 2014/95/EU into Spanish law, with detailed reporting of the required information on environmental, social and personnel matters, as well as human rights, society and the fight against corruption and bribery.

The priorities regarding material information have been drawn up based on the principles of Materiality, Completeness, Sustainability Context and Stakeholder Inclusiveness, in accordance with the requirements of the Global Reporting Initiative (GRI), to provide information on indicators and aspects deemed relevant based on the materiality analysis conducted.

Letter from the Chairman

| GRI 102-14



**We're a new style of steel transformation.
We believe in people and the strength
of teamwork. We are GRUPO ARANIA.**

GRUPO ARANIA began in 1940 as a modest stamping workshop. It is currently an industrial group with more than 1000 employees*, with four diversified business units; five factories, a technology centre and an R&D laboratory, as well as subsidiaries and offices in multiple countries.

For more than 80 years we have experienced many key moments, but we can state, without doubt, that 2021 was an important year in our already long history. We have restructured the Group and we are now a consolidated group. We have simplified our structure to be more dynamic, gaining in efficiency and, above all, transparency.

With this Sustainability Report, which we are presenting for the first time, corresponding to the financial year 2021, we are taking a clear step in this direction. With it, in addition to complying with the regulations, we hope to progress in transparency and show our alignment with the Sustainable Development Goals (SDG), set by the United Nations 2030 Agenda. This Agenda promotes the balance between economic growth, social progress and environmental protection. We have selected the Sustainable Development Goals we are going to emphasise, according to the sectors and countries in which we operate and in light of the Group culture that defines us.

It is true that customers, suppliers, employees, shareholders and society in general expect more from companies. It is with good reason that social tensions, environmental catastrophes and economic crises pose a threat to the system. In the face of these challenges, at GRUPO ARANIA we are convinced that companies can be a source of solutions and make a clear contribution to the common good.

The pandemic we have been through has helped us see more clearly what really is important. It has been a time for helping others and for management to think even more, if that is possible, of people. Right from the start of the outbreak of this health crisis we were aware that we were going to be judged above all on how we took care of everyone involved in the company, and not only for the economic results. We have been proud to see how the Group has risen to the circumstances.

Finally, I would like to take this chance to reiterate my thanks to GRUPO ARANIA's human team for their commitment in these difficult circumstances: this health crisis has made it clear once again that alone we can only do so much, but together we can do much more.

Mr. Eric Arana
Chairman

Euba-Amorebieta, 31 March 2022 //

* Including staff from the affiliated company AR Shelving s.r.o.

Organisation and business model

| GRI 102-2 | GRI 102-7

GRUPO ARANIA is one of the European leaders in the area of steel transformation. With more than 80 years of experience and a processing capacity of over 400,000 tonnes annually, its ongoing commitment to cutting-edge technology has made it one of the greatest examples of the sector and consolidated its presence in big international markets, operating in more than 65 countries with export ratios of 80%. The group comprises four companies: Arania, Aratubo, AR Racking and AR Shelving.

GRUPO ARANIA deems its personnel its main engine for growth, with a firm commitment to inclusiveness, equality and the empowerment of people. It currently has more than 1000 employees*.

Arania

Precision cold rolled steel strapping. Steel with a high and low carbon content and with high elasticity.

Aratubo

Precision-welded steel pipes; cold rolled, stripped and galvanised.

AR Racking

Industrial storage systems. Consultancy in logistics solutions: design, structural calculation, manufacture and installation of warehouses.

AR Shelving

Storage systems for light loads. Modular and kit shelves for DIY (warehouses, homes, etc.).

A Group with more than 80 years of history

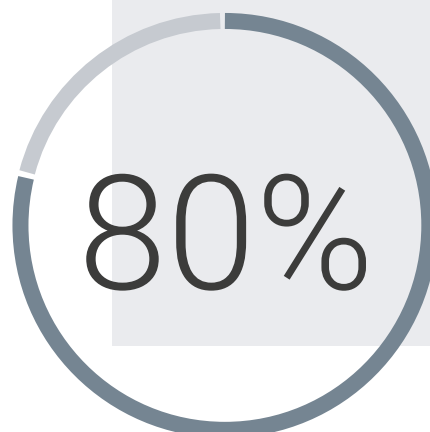
To find out about GRUPO ARANIA's evolution since it began as ARANIA in Bizkaia in 1940, with the creation of each of the companies that made it possible to consolidate ARANIA CORPORACION INDUSTRIAL, take a virtual tour through time with the following link:
<https://www.grupoarania.com/grupo>.

A global focus

The international outlook of GRUPO ARANIA is evident throughout all company areas: from selecting the best suppliers to directing its products to the most demanding markets. Its export ratios of 80% are made possible by its ability to adapt to different niche markets, regardless of origin or corporate culture.

Its extensive sales network, deployed throughout Europe and Latin America, has enabled GRUPO ARANIA to diversify its distribution network.

- | | | |
|-----------|---------------|----------------|
| GERMANY | ROMANIA | MOROCCO |
| BOSNIA | SWEDEN | PERU |
| CHILE | UNITED STATES | UNITED KINGDOM |
| DENMARK | AUSTRIA | RUSSIA |
| SLOVENIA | BRAZIL | SWITZERLAND |
| FRANCE | COLOMBIA | SOUTH AFRICA |
| IRELAND | SPAIN | BELGIUM |
| MACEDONIA | FINLAND | BULGARIA |
| MOLDOVA | HOLLAND | CROATIA |
| PORTUGAL | ITALY | SLOVAKIA |
| | | GREECE |
| | | HUNGARY |
| | | LUXEMBOURG |
| | | MEXICO |
| | | COLOMBIA |
| | | CZECH REPUBLIC |
| | | SERBIA |
| | | TURKEY |



EXPORT RATIO

* Including staff from the affiliated company AR Shelving s.r.o.

Companies

Arania

Arania is the leading company in southern Europe in the sector of precision cold rolled high and low carbon steel, as well as alloy and microalloyed steels with a high yield strength. It is one of the main suppliers of the European auxiliary automotive sector, and provides service to customers in multiple areas of production.

Precision cold rolled steel strapping. Capacity:

140,000 tonnes/year

Production:

100,000 tonnes

Export:

65%

1 production plant in Amorebieta:

28,000 m²

Employees:

190

Aratubo

Aratubo is a private company with more than 45 years of experience in the manufacture of precision welded steel tubes. At Aratubo we are committed to providing a comprehensive service, delivering tubes processed according to the specifications of each project.

Since 2009 we have been integral suppliers of the automotive sector, with current sales of more than 23,000 tonnes. Diversification is a strategic feature at Aratubo. We specialise in providing solutions for sectors such as: shopfitting, tables with adjustable heights, rollers, furniture, etc. Export is one of our hallmarks with 90% of our production destined for export and a presence in more than 25 countries.

Precision-welded steel pipes. Capacity:

120,000 tonnes/year

Production:

105,000 tonnes

Export:

90%

1 production plant in Vitoria:

70,000 m²

Employees:

175

AR Racking

AR Racking is a company specialising in the design, manufacture, calculation and installation of industrial storage systems and metal shelving for all types of loads, complying with the strictest European standards. With an export rate of over 85%, AR currently has a commercial presence in more than 60 countries. It has a Technology Centre where its R&D+i activity takes place, a fully automated Production Centre of over 35,000 m², a Research and Testing Laboratory at Mondragon University and a Research and Simulation Classroom at the University of the Basque Country.

AR Racking is a leader in the industrial storage sector with innovation, excellence and quality service as the hallmarks of its identity.

Storage systems. Capacity:

100,000 tonnes/year

More than 34,000 projects completed.

Production:

60,000 tonnes

Presence in more than 60 countries. Export:

+85%

1 production plant in Tudela (Navarra) + Technology Centre in Zamudio (Bizkaia) + Research and Testing Laboratory at Mondragon University (Gipuzkoa) + Research and Simulation Classroom at the University of the Basque Country (Bizkaia):

35,000 m²

Employees:

254

AR Shelving

AR Shelving is a company specialising in the design and manufacture of light-load metal shelves, aimed at the hardware and DIY sector.

With an export rate of over 80%, **AR Shelving** currently has a commercial presence in more than 40 countries. In-depth diagnoses of the market needs of its customers, in conjunction with the best consultancy on positioning and range differentiation, have made AR Shelving the perfect partner for world DIY chains. This market knowledge and the ongoing improvement in product quality and innovation have made it one of the sector's leading companies in Europe.

AR Shelving is customer-oriented at all organisational levels. We have an evident international outlook, true to the industrial philosophy of GRUPO ARANIA to which we belong.

Organisation systems for the home and business. Capacity:

27,000 tonnes/year

3,000,000 shelves manufactured per year.
Production:

24,000 tonnes

Export:

80%

2 production plants: AR SHELVING S.A. in Galdácano (Spain) + AR Shelving s.r.o. in Bytča (Slovakia):

15,000 m²

Employees:

349*

* Including personnel from the affiliated company AR Shelving s.r.o.

Certifications

All GRUPO ARANIA companies have the most stringent **quality and safety certifications**, as a result of their unequivocal commitment to people and excellence in processes.

ARANIA

ISO 9001: 2015
ISO 14001: 2015
ISO 45001: 2018
ISO 50001: 2018
IATF 16949: 2016

ARATUBO

ISO 9001: 2015
ISO 14001: 2015
ISO 45001: 2018
IATF 16949: 2016

AR RACKING

ISO 9001: 2015
ISO 14001: 2015
ISO 45001: 2018
EN-1090-1 (CE marking)
UNE EN ISO 3834-2

AR SHELVING

ISO 9001: 2015
ISO 14001: 2015
ISO 45001: 2018

The main international standards, ISO, apply a benchmark to improve alignment between management systems standards. They each include specific requirements in the field of quality management for products and services, environmental, energy and health and safety management, but all they allow focus on processes, the cycle of continuous improvement and integrated thought based on risk.

The commitment of each of the companies that constitute GRUPO ARANIA to the CERTIFICATION of their documented management systems provides undeniable advantages, as it helps stimulate continuous improvement processes and demonstrates their effectiveness as stand-out factors in the market, as it helps enhance their image and generate trust among customers, consumers, shareholder and competent authorities.

For the certification to be fully advantageous, the certifying entity must be technically competent, independent and reliable for all parties to trust the veracity and value of their certifications.

The alliance established by GRUPO ARANIA with LRQA España ensures integrity, reliability and success to demonstrate to the market and other interested parties their compliance with the reference standards.

Main markets

| GRI 102-4 | GRI 102-6

CORPORATE ENTITY



ARANIA S.A.U.
San Antonio s/n
48340 Euba-Amorebieta
Spain



ARATUBO S.A.U.
Pol. Ind. Jundiz - Mendigorritxu, 54
01015 Vitoria
Spain



AR RACKING S.A.U.
Pol. Ind. Montes del Cierzo
Ctra N232, km 86
31500 Tudela-Navarra
Spain



AR SHELVING S.A.
C/ Aperribai, 8
48960 Galdakao
Spain

PRODUCTS/SERVICES

Precision cold rolled steel with high and low carbon.
Alloy and microalloyed steels with high yield strengths.

Manufacture of precision welded steel pipes.

Design, manufacture, calculation and installation of industrial storage systems and metal shelving.

Design and manufacture of metal shelving for light loads.

GRUPO ARANIA's aforementioned international outlook and its extensive commercial network, deployed throughout Europe and Latin America can be expressed with the following diagram:

GEOGRAPHIC SCOPE

CUSTOMERS

Spain
Europe
Mexico
South America

Automotion
Industry
Electrical
Furniture

Spain
Europe
Northern Africa
USA
Mexico

Integral supplier for automotion
Shopfitting
Furniture (hospital, office, commercial)
Warehousing
Logistics (conveyor rollers)

Spain
Europe
USA
Mexico
Central and South America

Food & beverages
Automotion
Pharmacy and cosmetics
Large distributors
Industrial
Transport and logistics

Spain
Europe
USA
Mexico
Central and South America

Hardware
DIY

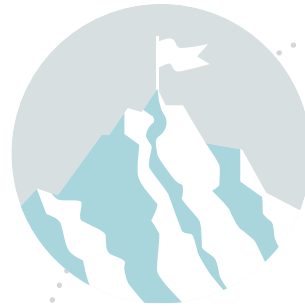
Corporate identity

Mission

GRUPO ARANIA, which dates back to 1940, is a business group specialising in the transformation and marketing of steel, with the aim of providing integral solutions and added value to its customers, excelling in the products and services that constitute its essential activities.

From an unequivocal commitment to our human team and using advanced management models, we work to consolidate internationalisation, innovation and diversification.

With special dedication to the impact that our operations may have on people's progress and on sustainable growth.



Vision

GRUPO ARANIA aims to form an alliance with each and every one of its stakeholders, sharing lasting added value beyond uncertain environments, which will lead us to occupy leading positions regarding respect for and equality between people, adaptability, ethics in management and contribution to the surrounding area.





Values

| GRI 102-16

Our corporate identity and reputation is based on and defined by the following VALUES, which characterise and establish both internal and external operations.

Honesty

Integrity in our approach.

GRUPO ARANIA's strategic approach is based on respect for and compliance with human rights and standards, above infringing strategies or dubious practices.

Transparency.

An organisational culture that is based on communication and information for our stakeholders with the maximum possible transparency. The only limit we impose on ourselves is the need to preserve information that, due to its confidential nature, could put our organisation at risk.

Responsibility

Promotion of sustainable practices.

At GRUPO ARANIA we work to identify the processes that could have a negative impact on the environment. We promote action at all levels to reduce this impact to minimum levels or even eliminate it completely, depending on its origin and the existence of valid alternatives.

Supervision of our behaviour.

We have the figure of the CSR Coordinator, who is responsible for monitoring and evaluating the degree of sustainability of the organisation's practices and propose the opportune corrective measures.

Occupational safety and prevention.

Occupational safety and prevention are a priority at GRUPO ARANIA, and are managed by promoting individual behaviour, with support training, equipment and advanced processes aimed at maximum job safety.

Contribution

Relationship with the environment.

Aiding the creation of value in our environment, within a contracting policy that respects principles of equality, competencies, skills and capabilities and supporting sociocultural initiatives to the extent that the available resources allow.

Cooperation

Integration.

Our strategic planning identifies, analyses and incorporates the expectations and recommendations of our stakeholders. We pay special attention to the people who make up our organisation, our customers and our suppliers, who we see as fully integrated allies in our strategic decisions.

Business plan 2022-2025: Ready for recovery

While during the first quarter of 2020 all indications were that the 2019 crisis in the sector was behind us, as GRUPO ARANIA's growth rate met the forecast of the initial budget, the emergence of COVID-19 in mid-March had a direct impact on the month of April with a drop in billing of 70% compared to the forecast. In mid-March nobody could have foreseen that the GDP of the Eurozone would drop by 7% in 2020, a fall that had not been seen since the Second World War.

In the automotion sector, a key activity for a leading company in cold rolled steel like Arania, the goals for volume set since 2018 have inevitably been affected, first by the crisis in the sector and then by the economic crisis due to the pandemic, to which other existing factors have added such as Brexit and its consequences leading to a two-year loss of 25% in vehicle production in the EU-25 area. In addition, the ongoing drop in steel prices over two consecutive years has also has a negative effect on the margins obtained in the steel sector.

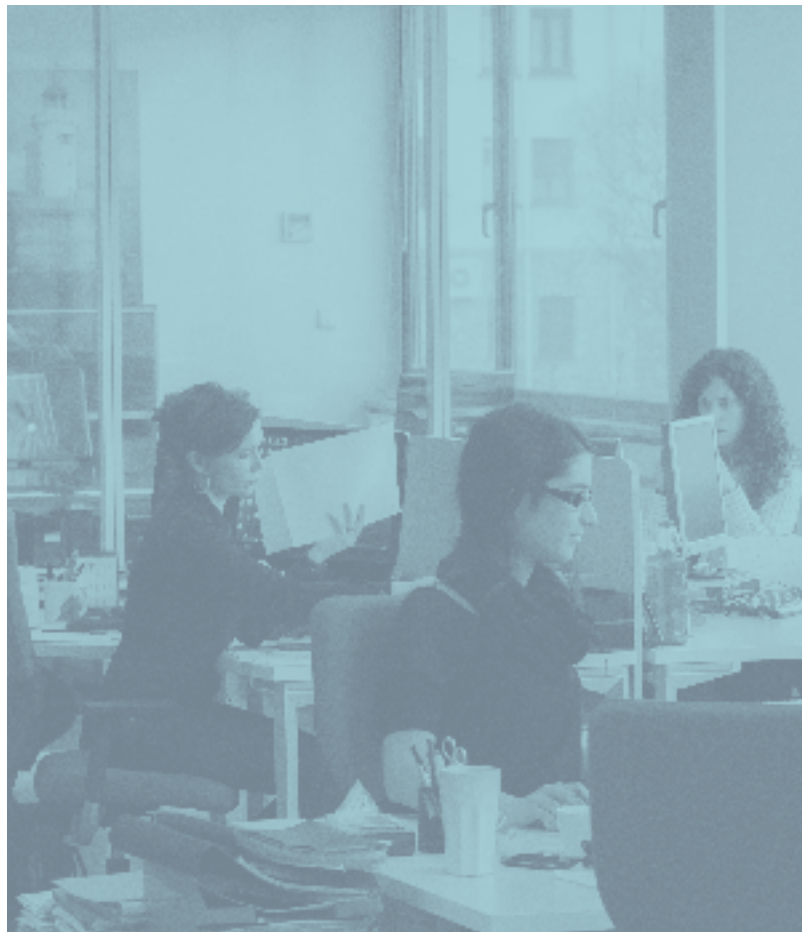
Objectives:

The excellent adaptability to the isolated needs of each situation during the last year are a reference point for getting back on track for growth. Thus, the objective for 2022 is to make use of GRUPO ARANIA's values to recover the production levels we had prior to the crisis in the sector, always with a philosophy based on quality, flexibility in customer service and reliability, in products, processes and commitments.

The positive forecasts of the different economic operators for the coming years with respect to lost activity, as well as a recovery of steel prices since late 2020, enable us to be hopeful in our recovery project. Without doubt the coming years will be marked by very strong projects, a significant demand, and a new strategy aimed at strengthening new sectors and markets: it will be a period of transformation and opportunity in which GRUPO ARANIA will open the door to new and promising customers.

Flexibility: The best quality is knowing how to adapt

Since February 2020, GRUPO ARANIA has been committed to anticipating and starting up a crisis committee, responsible for managing all the uncharted challenges related to the epidemiological circumstances due to COVID-19, with sole purpose of guaranteeing the safety of the workforce, continuity of production and the fulfillment of each and every one of the company's commitments. Despite the unfavourable industrial situation, this strategy made it possible to considerably increase the participation of more distant customers.



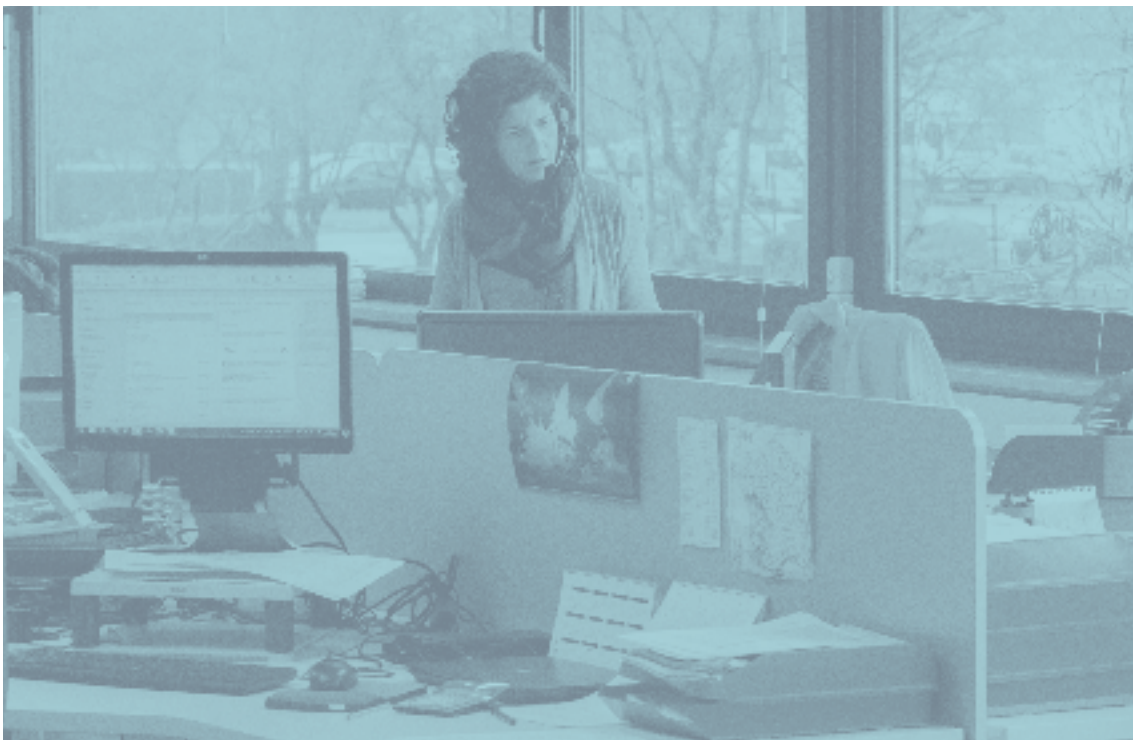
Quality: The flagship of GRUPO ARANIA

In this regard, reliability and quality are the best advert for the Group, as it enables us to consolidate our contacts' trust and reach new customers. Thanks to new medium- to long-term projects, focusing on new materials and quality, the goal of the Business Plan 2022-2025 is to keep improving on the good figures of recent years in terms of product quality, reliability and excellence.

Both the number of incidents and the rate of customer complaints and internal rejection continue their clear downturn, ratifying the quality of the Group's processes and protocols. Thus, the brand Arania certifies its status as a national and international leader, supplying the main automotion customers in France and Germany.

Service: Excellence and compliance

When the pandemic broke out, service, flexibility and quality became the best tools serving the brand. While a temporary redundancy scheme was the most common prescription, the Senior Management, in agreement with workers' committee, opted to adjust the schedule to the new situation and remain at the forefront of battle lines. Thus, the orders during these months were accepted and delivered in record time.



Innovation

Advanced management models establish that “it is essential to manage innovation in a structured way, from incremental - also known as ongoing improvement - to radical, in all areas of the organisation”.

In addition, as highlighted in the section on operational risks compared to the competition, the improved production efficiency through automation and continual improvement programmes and ongoing investment in R&D, with the aim of remaining at the forefront of technology and production in each of the business, are two key pillars to rNFRorce our competitiveness over the competition.

The extensive experience of the Group's companies in adopting internationally recognised management models such as the ISO standards have facilitated the context to make the most of the technology's potential for innovation and manage innovative ideas and projects to bring them to life.

The Hazitek R&D grant programme is noteworthy. It was designed to promote research and development projects with non-repayable grants to provide the necessary resources for industrial research or experimental development. It is divided into two groups depending on the competitive or strategic nature of the projects.

7 Projects carried out in 2021

H2020

FORM PLANET

Development of “Test Bed site Platform”
 €127,925
 Ending in 2021

Innovation in Products and Processes (R&D+i):

In 2021 participation with allies and partners in Hazitek was as follows:

Competitive research and development project

Hydroforming

Development of new double wall tubes optimised for hydroforming.

Telescopic tubes

Development of new precision steel pipes without a springback effect for telescopic applications.

Both in collaboration with Mondragon University.

Industrial research and experimental development projects in strategic sectors

Stamping process

Precision stamping processes using virtualisation to make the new generation of vehicles lighter.

Headed by a local leader in the sector, it has a total budget of over €3m.

The sum of subsidies for these projects plus the deductions for R&D+i activity was over €500,000 in the last two years.

HAZITEK

PILAR

Predictive Model for Mechanical Characteristics (DEUSTO)
Ending in 2022

CHALET

Development of High Durability Cutting Blades: (TECNALIA-ALFE)
Ending in 2021

LOWHC

Development of Electrical Steels (AZTERLAN)

Automation and efficiency

For decades at GRUPO ARANIA we have been renowned for constantly updating our facilities. The start-up of automated production lines has happened alongside an ongoing search for efficiency and quality in processes and in the final products, as well as the safety of our workers and the ergonomics of our workstations.

One example of this is the installations of AR Racking in Tudela where, since it began in 2004, the transformation of steel coils into parts of storage systems is carried out on a fully automated line that integrates the processes of profiling, punching, coupling, welding, hanging, painting, unhooking and packing.

All the Group companies have implemented different methods of continual improvement and re-engineering, such as Just In Time, SMED, 5S's and Kaizen to optimise the production processes.



Potential of the environment for innovation

Mechanisms are developed that favour “open innovation”, stimulating the contribution and exchange of ideas with customers, suppliers and research centres.

We must highlight the project by AR Racking that since 2019 has a **Research and Testing Laboratory, AR Lab**, thanks to the partnership agreement with **Mondragon University**. This avant-garde test bench integrates diverse areas of testing for struts, connectors, frames, beams and other components, with a maximum capacity of 80 tonnes. AR Lab is a permanent classroom and the space in which basic and applied research programmes, doctoral theses and specialised training take place.

Another example is the **Aula AR Racking Storage Solutions** devoted to analytical studies of shaped structures with slim wall profiles. AR Racking and the **University of the Basque Country (UPV)** have reached an agreement to collaborate in a research programme at the Faculty of Engineering in Bilbao.

In the short term and as a priority, the groundwork is being established for studies and investigation into fatigue in this type of profiles. Similarly, other objectives are to promote studies on seismic analysis, the characterisation of parts and joints and the analysis of the mechanisms of structural collapse in the event of fire.

On a permanent basis, another of the main objectives of Aula AR Racking Storage Solutions is for it to be a space for professional development for the affiliated engineer(s), with the possibility of incorporation into the structure of AR Racking to support company growth both in real projects under way and in the area of solutions and product development.

Another example of how innovative ideas and projects are managed is the **Sustainable Mobility Project: charging points for electric vehicles**.

After a structured collection, evaluation and prioritisation of ideas and to effectively promote sustainable mobility, a quick charging point has been installed on the premises of Arania, valid for electric vehicles and plug-in hybrids, able to charge two vehicles simultaneously.

To use them, cards to activate the charging point must be requested from Access Control. It is a very easy-to-use, ergonomic system with instructions visible on the unit itself. To promote sustainable mobility and the use of electric vehicles among the workforce, these chargers will be free to use throughout 2021 and 2022.

Assuming that the return on these investments is uncertain by nature, we believe that the expansion of the charging points and the possibility of implementing them in working environments are essential to make these low-polluting vehicles more popular.



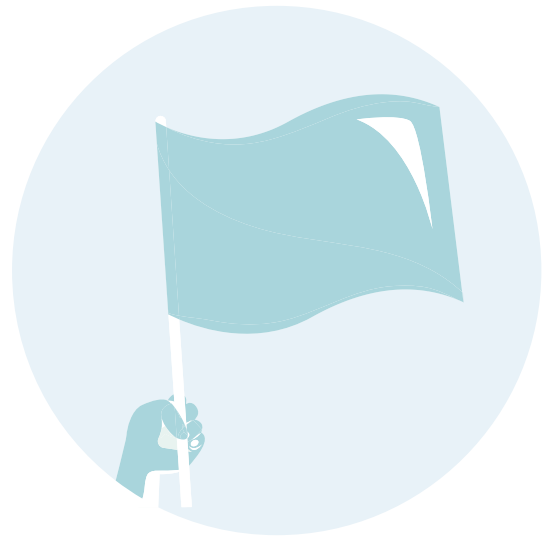
Sustainability Strategy

| GRI 102-16 | GRI 103-1 | GRI 103-2

Since GRUPO ARANIA presented its Code of Conduct and Responsible Practices (www.grupoarania.com/personas) in 2015, this underlined the importance of managing intangibles, a company culture based on values shared by the people who work there and a management model that provides support sustainably.

The long-term vision concentrates efforts on generating a relationship with stakeholders based on quality and the generation of a shared value. An alliance that must last regardless of economic cycles or difficult situations. This creation of loyalty is a challenge in which the people who constitute GRUPO ARANIA are the core that structures the whole strategy of sustainable growth.

The markets are also ever more demanding in terms of quality of products and services, and how they are produced and integrated in our processes. This is where Corporate Social Responsibility, the balance between the legitimate right to generate wealth and the use of economic, social and environmental sustainable practices, provides a differentiating value to our identity and reputation and helps us identify and respond to the requirements and expectations of our stakeholders.



**Corporate Social
Responsibility provides
a differentiating value to
corporate identity and
reputation**

Commitments

Commitments to our stakeholders

| GRI 102-40 | GRI 103-1 | GRI 103-2

The COMMITMENTS adopted in the Code of Conduct and Responsible Practices are the result of analysing the needs and expectations of our stakeholders. They can be seen in a number of COMMITMENTS both to our internal stakeholders, in particular the people who comprise the organisation, and our external stakeholders who have some type of relationship with or participate in any of the operations. These Commitments are backed by the identification and implementation of procedures that favour their real and effective application.

Internal

To meet the needs and expectations of all the INTERNAL groups involved in the activities of GRUPO ARANIA, we must indicate some of these commitments, which can be consulted in the Code of Conduct mentioned in the presentation of the Sustainability Strategy.

SHAREHOLDERS

Transmit GRUPO ARANIA's confidence in the project with full support for good practices based on integrity and ethics.

Strengthen the balance between the legitimate profitability of investment with sustainable business strategies respecting the different stakeholders.

MANAGEMENT

Establish sufficient mechanisms of internal and external control to comply with, and ensure that all personnel comply with, the instructions and recommendations of the Integrated Management System and all aspects of the Code of Conduct.

Commit to effective equality in treatment and opportunities in access to jobs and in working conditions.

Guarantee a system of occupational safety and prevention that incorporates the appropriate measures to avoid unnecessary risks.

Facilitate a work-life balance.

Ban the contracting of staff under 16 years of age.



PEOPLE

Maintain the confidentiality of the information generated by the activity of GRUPO ARANIA.

Directly and quickly communicate any situation or internal behaviour that is not in line with the values, integrity and ethics on which GRUPO ARANIA is based.

Avoid and decline actions that facilitate an advantage or benefit for a customer and/or supplier, putting the principle of free competition at risk, in exchange for compensation of any type.

External

To meet the needs and expectations of all the EXTERNAL groups involved in the activities of GRUPO ARANIA, the following commitments of Code of Conduct must be highlighted:

CLIENT COMPANIES

Communicate and disseminate the Code of Conduct to all customers as a commitment to sustainability.

Inform all customers in a transparent and comprehensive manner of the business conditions and the characteristics of the product and/or service. In particular, those related to useful life and recovery and/or recycling solutions.

Reject sales proposals that cannot be assumed by GRUPO ARANIA, either because it is not possible to respond with maximum quality or because it would distort free competition by receiving unregulated consideration, by way of commissions, bonuses or rewards from the customer.

Extend the culture of sustainability to all customers as part of the relationship and generation of value within a strong alliance of collaboration.

SUPPLIER COMPANIES

Communicate and disseminate the Code of Conduct to all suppliers as a commitment to sustainability by GRUPO ARANIA.

Approve suppliers incorporating, wherever possible, sustainability criteria such as the origin of the raw materials, respect for human rights and anti-corruption measures.

COMPETITION

Competing in both the national and international markets, GRUPO ARANIA complies with the current regulations that guarantee free competition, avoiding price control, market sharing or the abuse of a dominant position.



COLLABORATING COMPANIES

Communicate and disseminate the Code of Conduct to all collaborating companies as a commitment to sustainability by GRUPO ARANIA.

Request that collaborators use sustainable practices that are respectful of people and the environment, as well as full protection of the Information and Intellectual and Industrial Property to which they have access due to their relationship with GRUPO ARANIA.

SOCIAL SETTING

The relationships established through GRUPO ARANIA with the various participants, organisations and institutions, on a local, national and international level, shall be based on the principles of collaboration and transparency and resources will be provided for collaboration agreements with local institutions, especially those aimed at the incorporation into the labour market of disadvantaged groups.

Participation in development projects and programmes that have public funding will be managed with maximum transparency and justification of the investment for the requested objective.

ENVIRONMENTAL SETTING

GRUPO ARANIA is an organisation that has implemented a culture of ongoing improvement and this has been incorporated in the Quality and Environmental policies, through the different certifications that guarantee to all our stakeholders that the management will go way beyond the requirements of the Administration.

In our relationships with our stakeholders, at GRUPO ARANIA, we play an active role in transmitting our values related to sustainable development.

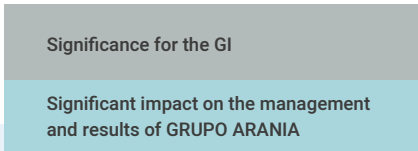
Analysis of Materiality

| GRI 102-47

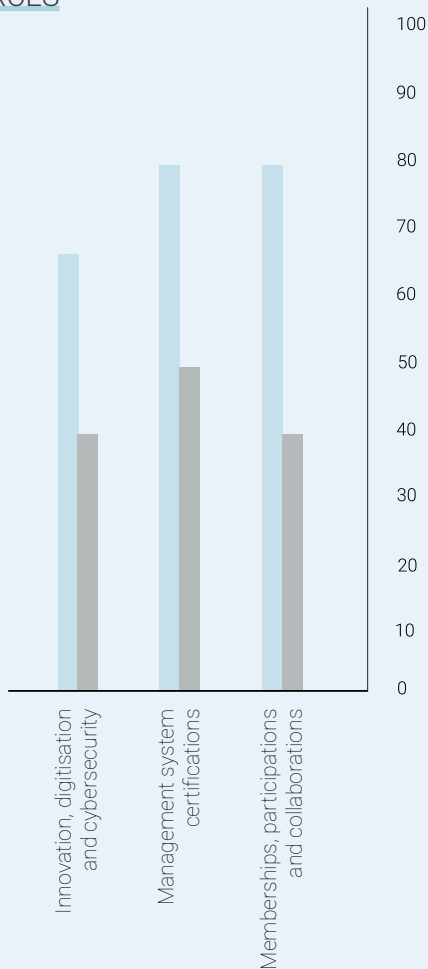
Since the publication of the Code of Conduct, where one of the main tasks is to identify the expectations of our stakeholders, the process of identifying relevant topics has been improved and a deeper debate has been introduced in each of the Strategy Appraisals of the relationship between the priorities of our stakeholders and the business strategy.

The principle of materiality identifies the material topics according to the following two dimensions:

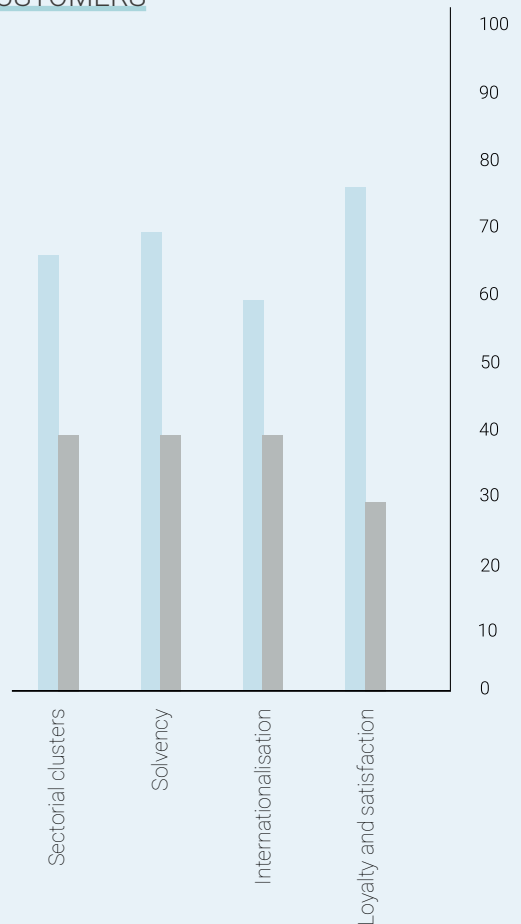
- The importance of the economic, environmental and social impacts of the organisation.
- Its substantial influence on the evaluations and the decisions of our stakeholders.



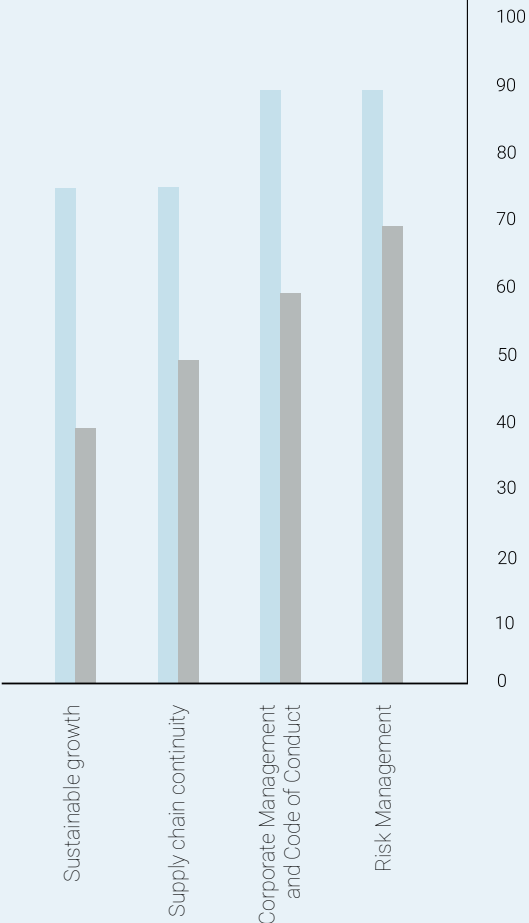
RESOURCES



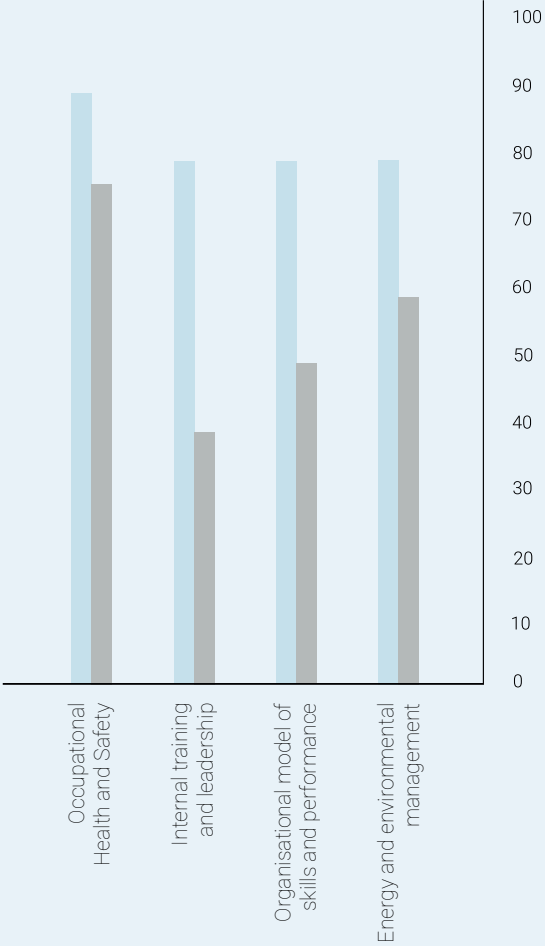
CUSTOMERS



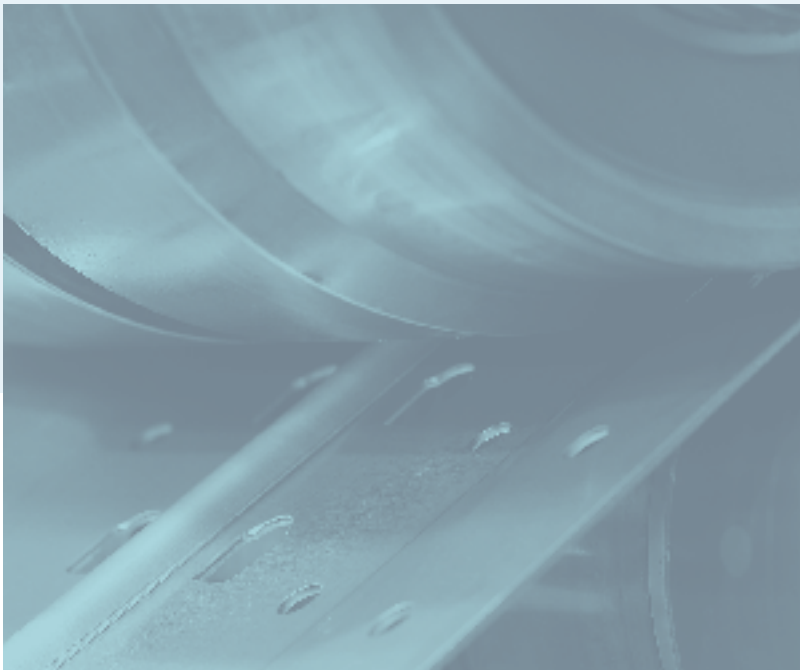
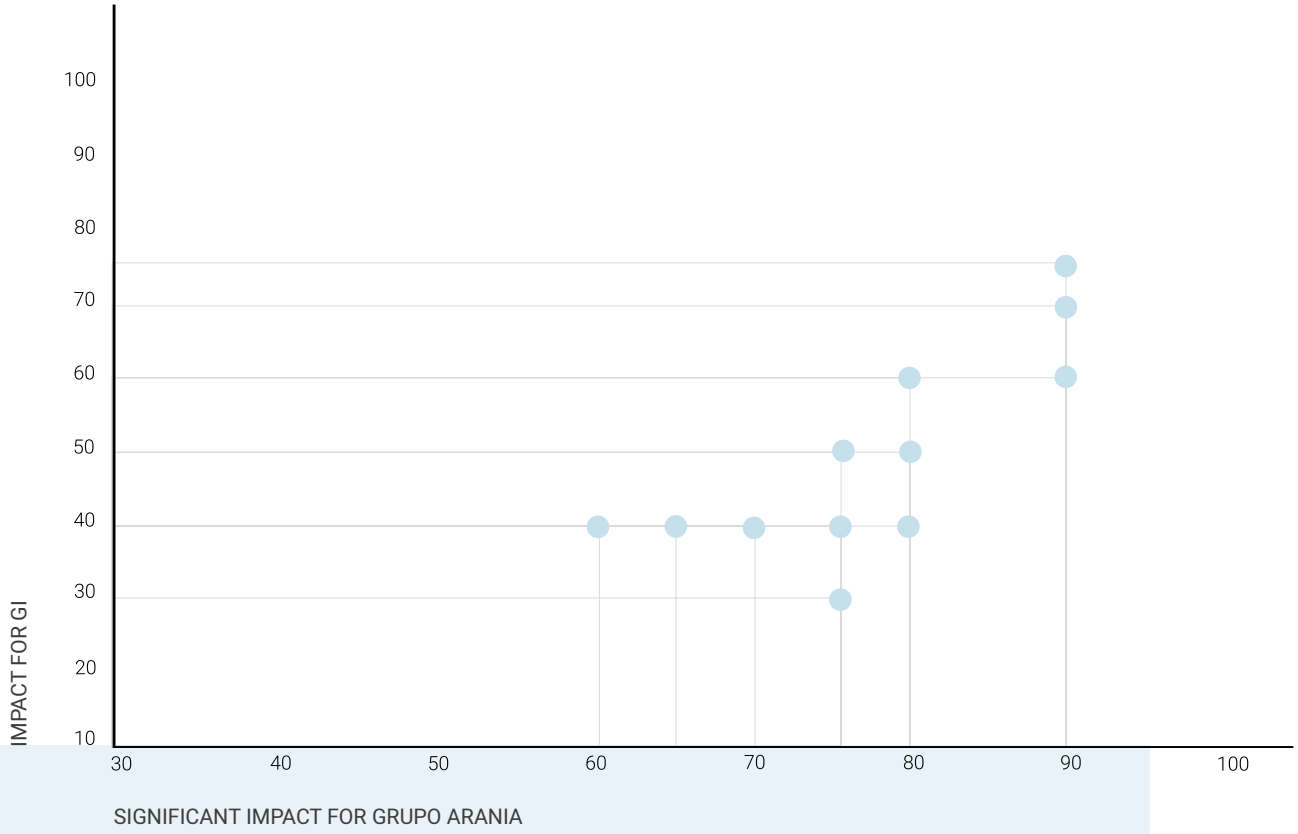
MANAGEMENT AND ECONOMIC RESULTS



MANAGEMENT PROCESSES



MATERIALITY
GRUPO ARANIA 2021



Prioritisation of the material topics

| GRI 102-44

Making use of the regularity of the strategy appraisals, the SWOT analyses of the strategy and processes and the conclusions regarding the new strategic lines of each of the business plans of GRUPO ARANIA, a CAUSE-AND-EFFECT algorithm was established taking as a reference the four perspectives of the Balanced Scorecards (BSC) that make it possible to highlight the significance of the intangible assets and integrate the VISION as an overview of its performance.

The selection process for the material topics and the process of weighting them is a consequence of deploying the "Value Model for People" and in particular the Leadership Model expressed in the "Commitment to our people" section of the report.

The actual result of the weighting and prioritisation of material topics can be expressed as the validation of the method followed, as a small group of topics are observed and highlighted for prioritisation and the rest are grouped in a cloud with similar weightings for the two impact variables. Note that all the impact scores for management and results of GRUPO ARANIA are above 60 points.

Although the participation in selecting and weighting the material topics was specified by some of our internal stakeholders (Management and Staff with specific leadership) as it is our first time presenting NFR, it is planned to extend it to include some representatives of external stakeholders for the following occasions.

It should be pointed out that for the semantics of the material topics the idea was to stay close to the usual concepts within GRUPO ARANIA management practices, without being conditioned by the scopes set out in the content of the Law 11/2018 or others determined by the GRI requirements themselves.

Therefore, in the list of the material topics prioritised in Appendix II, the scopes prescribed by the legal requirements have been linked to the scopes of management practices of the documented Management Systems of the organisations that comprise GRUPO ARANIA.

As a final result of the selection and prioritisation process for the material topics, the following are notable:

PRORITISED GROUP. These are three topics in which the weighting regarding the impact on the performance of GRUPO ARANIA entails values of 90 out of 100 points and more than 50 out of 100 for the impact on the GI.

Corporate Management and Code of Conduct
Risk Management
Occupational Health and Safety

RELEVANT GROUP. These are three topics in which the weighting regarding the impact on the performance of GRUPO ARANIA entails values of 80 out of 100 points and at least 50 out of 100 for the impact on the GI.

Energy and Environmental Management
Certification of Management Systems
Organisational Model of Skills and Performance

It is important to point out that the topics proposed for the "customer" perspective have all been left out of the "prioritised/relevant" categories. The logical quite solid explanation for this is GRUPO ARANIA's more than 80 years of experience in the steel market.

Governance

Ownership and legal form

| GRI 102-1 | GRI 102-3 | GRI 102-5 | GRI 102-7

Arania Corporación Industrial (ACI), with head office in Calle San Vicente 8, planta 12, Dpto 1, 48001 Bizkaia, is a public limited company with the following shareholders:

Eric Arana Lahitte: holder of 819,485 registered shares with a nominal value of 8 euros, that represent 50.50% of the social capital.

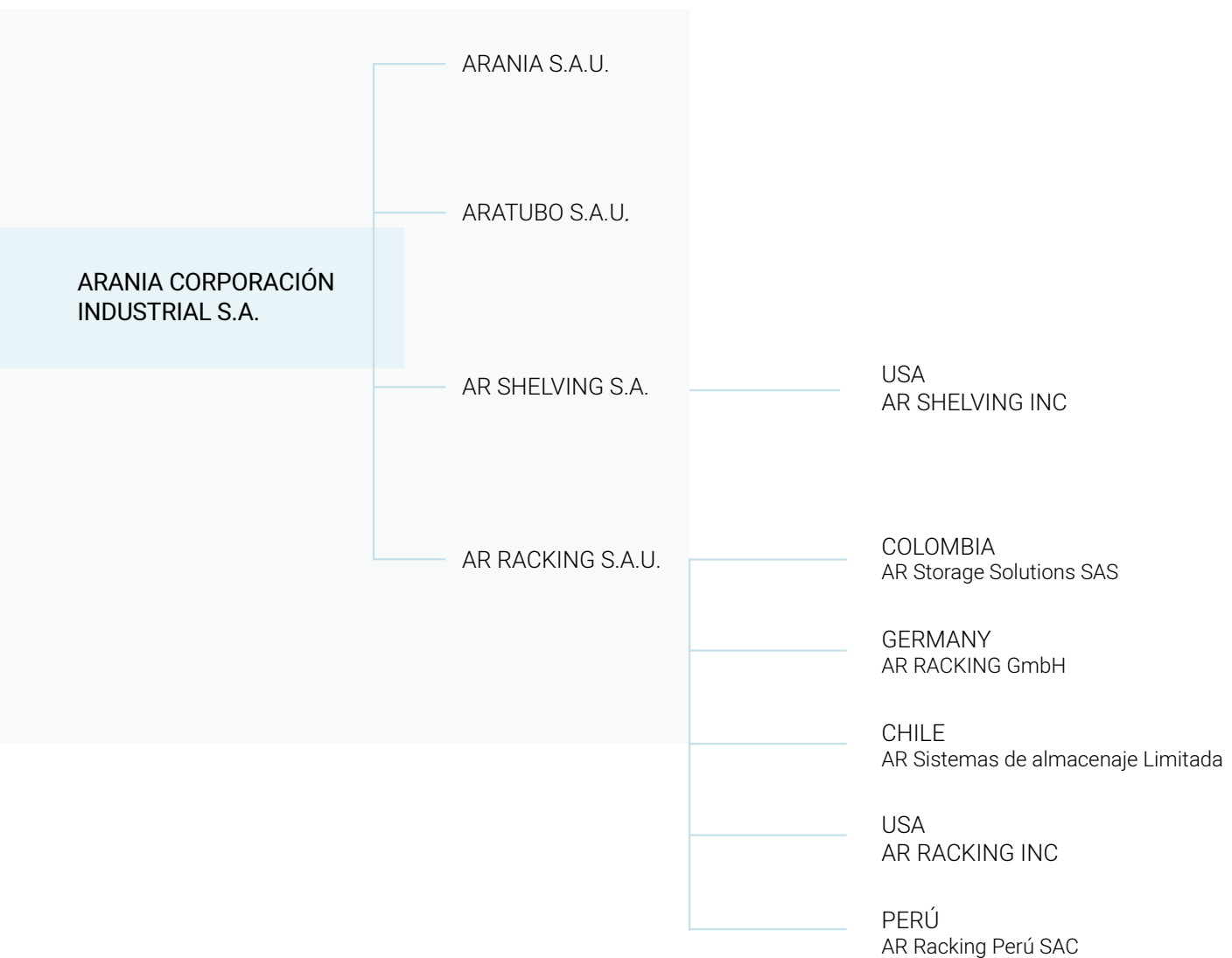
International Steel Business, S.A., Luxembourg company, holder of 803,156 registered shares with a nominal value of 8 euros, that represent 49.50% of the social capital.

The social capital of ACI amounts to 12,981,128 euros and is represented by 1,622,641 shares.

Corporate and management structure

| GRI 102-18 | GRI 102-45

The recent consolidation of GRUPO ARANIA is shown in the following diagram:



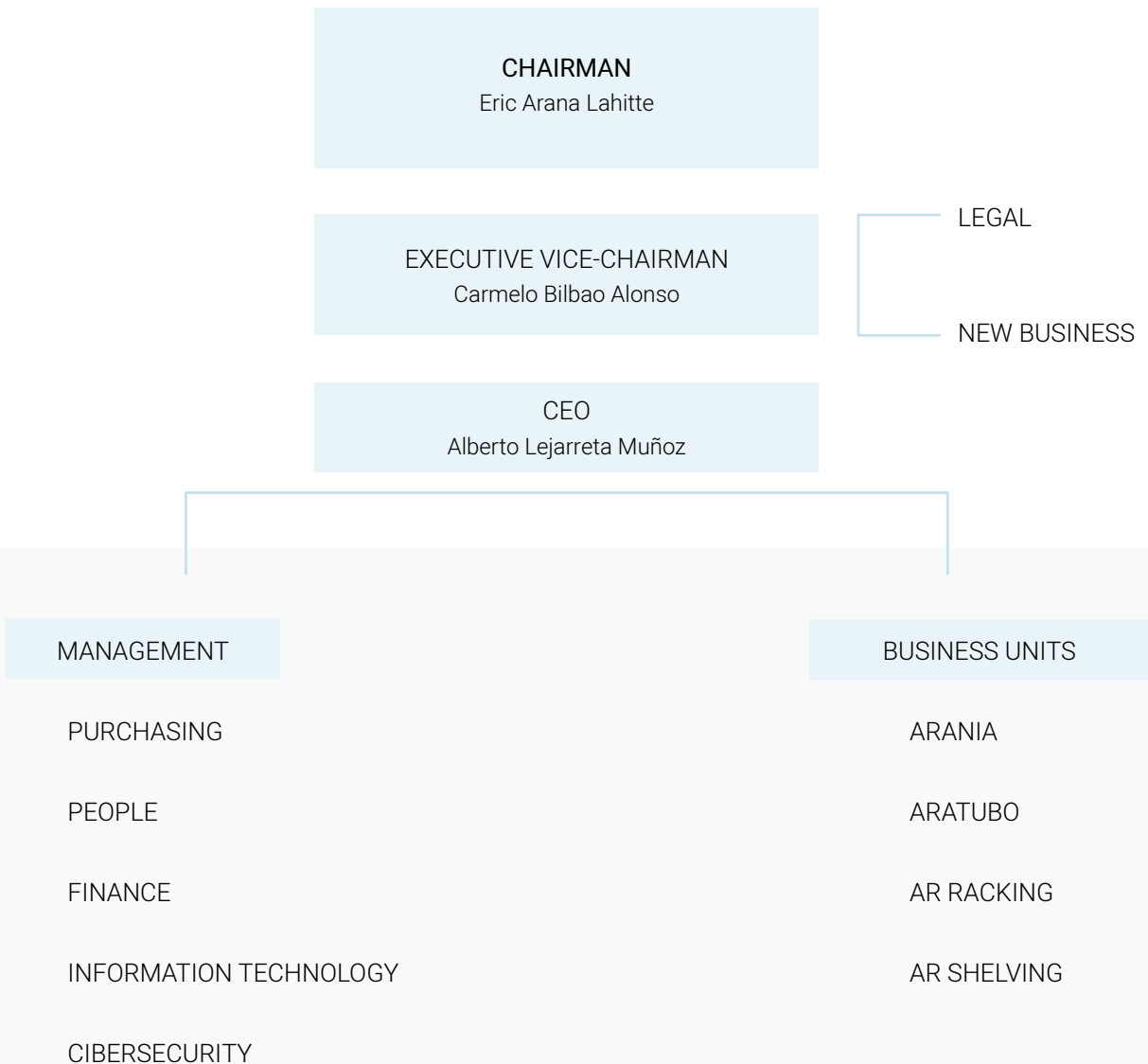
GRUPO ARANIA is the head of the group regulated by its articles of association.

The foundations for governance are as follows:

- Delegation of the daily management of the Group to the executive team.
- The four companies assume the executive responsibilities in a decentralised, autonomous manner, and the effective management of each business unit.

The organisational model is based on the centralised corporate functions of governance and control, which can be consulted in the Organisational Chart of Responsibilities where the Chairman of GRUPO ARANIA is responsible for supervising the management, the institutional representation of the Group and the leadership and promotion of the Group strategy and its transformation process.

Organisational Chart of Responsibilities:



DOWNLOAD
CODE
OF CONDUCT



Code of Conduct and Risk Management

| GRI 103-1

To provide a unified response to the natural different perceptions of the values and commitments, a document has been drawn up to set out the identity and culture. This document has been named the CODE OF CONDUCT AND RESPONSIBLE PRACTICES OF GRUPO ARANIA and aims to strengthen links with our stakeholders (GI) through a transparent statement of our values and commitments, and as a procedural guide in the development of our activity.

In no case should the Code of Conduct be understood as a statement of intent nor as an apparent improvement in the social scope in terms of the GI. Similarly, the GI are made visible based on transparency and honesty, and where sustainability is considered a driving force in the framework of an advanced management model.

The CODE OF CONDUCT AND RESPONSIBLE PRACTICES OF GRUPO ARANIA is available on the website: <https://www.grupoarania.com/personas>.

Internal bodies and procedure of control and verification

CSR COORDINATOR

The figure of the CSR Coordinator has the power to act under their own initiative and when asked to do so by any person or organisation related to GRUPO ARANIA in the development of their professional activity.

Their functions are as follows:

The **internal communication** of this Code of Conduct to all GRUPO ARANIA staff.

Its **external communication** to customers, suppliers and colleagues, either directly or through the

people with the closest link to and trust with these stakeholders.

Collect, analyse and respond to all the matters that affect the application of the Code of Conduct, informing the CSR Committee of all the breaches detected.

Advise the responsible parties in the different departments on CSR.

Monitor and evaluate the markers linked to CSR in GRUPO ARANIA.

CSR COMMITTEE

The main function of the CSR Committee of GRUPO ARANIA is to generate and visualise an organisational culture related to CSR with a unique identity for the whole Group regarding responsible practices. It will schedule one ordinary meeting per year although extraordinary meetings may be called at any time if the issues to cover are urgent.

The composition of the CSR Committee is as follows:

Chairman
Executive vice-chairman
Director general | CEO
CSR Coordinator

PROCEDURE

Anyone can make a complaint, suggestion or any other consideration that they deem opportune to the CSR Coordinator, if they feel there has been a breach of the Code of Conduct.

The procedure to follow consists of verbal or written communication to the CSR Coordinator, who will guarantee maximum confidentiality of all information gathered and they shall have the power to interpret and resolve any information that may entail a conflict with the content of the Code of Conduct.

All the matters dealt with will be resolved and the person who initiated the procedure will be notified.

The CSR Coordinator will inform the CSR Committee of all matters handled.

INTERNAL COMMUNICATIONS

CSR is a value that we want to share with everyone in the organisation. Therefore, communication must be compatible with complete transparency, providing enough information and seeking a greater participation in the decisions to be made.

All people who comprise GRUPO ARANIA have the obligation to comply with the Code of Conduct, as its principal objective is to guarantee that the Group's practices are based on honesty, integrity and sustainability, an essential part of our corporate reputation.

A copy of the Code of Conduct is distributed to all people in GRUPO ARANIA and direct access to the document is provided.

The CSR Coordinator is obliged to provide the communication channels to all people in GRUPO ARANIA for better understanding and application of the Code of Conduct.

EXTERNAL COMMUNICATION

The commitment of transparency is also communicated to our external stakeholders through the Code of Conduct. Its nature as a public document represents making an open statement of our operations and resources, as an exercise in responsibility toward our environment.

Any contributions, suggestions or clarifications made to the current Code of Conduct will be centralised in the figure of the CSR Coordinator.

So that any person, organisation or institution can access the content, the Code of Conduct is available to all GRUPO ARANIA stakeholders, through the usual channels of communication.

To bring the content of the Code of Conduct to our stakeholders with the greatest clarity and transparency possible, it has been written in the following languages:

Spanish | ES
 Euskera | EU
 English | EN
 French | FR
 German | DE
 Slovak | SK

Due diligence and general scheme of risks

| GRI 102-11 | GRI 103-1 | GRI 103-2 | GRI 419-1

The resolution of the European parliament, of 10 March 2021, with recommendations for the Board on **due diligence** of companies and corporate responsibility (2020/2129(INL)) establishes a number of Considerations, including the fact that the globalisation of economic activity has aggravated the adverse effects on human rights, including social and occupational rights, the environment and good governance and that there are circumstances in which human rights breaches occur at the level of primary production, in particular in the supply of raw materials and manufacture products.

It also highlights that, if due diligence is applied in its entirety, in the long term companies benefit from improved business conduct, centred on preventing rather than repairing damage, that must be based on the principle of "not causing harm".

In addition, article 21 of the European Union Treaty imposes the obligation to promote and consolidate the universal and indivisible nature of the rights protected by the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR), to guarantee that sustainable development and respect for human rights in business operations and the supply chain contribute to the achievement

of the SDG of the United Nations.

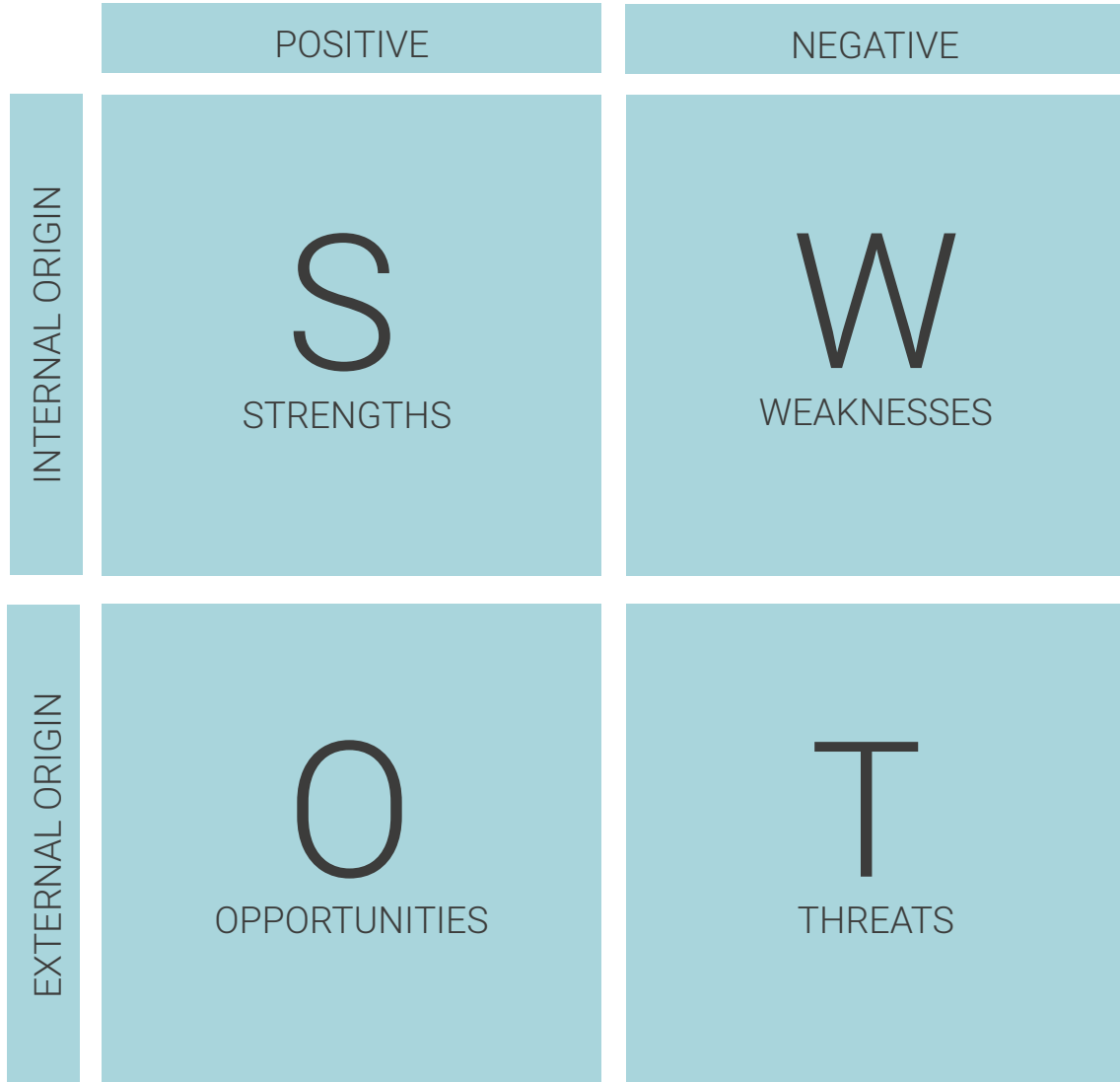
According to a study by the Board, only 37% of the companies surveyed currently conduct a due diligence procedure on environment and human rights. GRUPO ARANIA's alignment with principle of **due diligence** as a preventive mechanism is expressed yet again in the statements of the **Code of Conduct** and in the implementation of the **documented and certified Management Systems** that cover the areas of quality, environmental and energy management, occupational health and safety, respect for human rights and the fight against corruption and bribery.

This focus and implementation of management practices make it possible to take on all the measures provided and agreed in our sector of activity, the nature and the context of our operations, including geography, business model, position in the value chain and the nature of our products and services. Similarly, they express the effort, within our possibilities, to identify and evaluate potential or real adverse effects and adopt policies and measures to stop, prevent, mitigate, monitor, disclose, approach and repair such effects, and to explain how this is done.

In compliance with GRI 419-1, during the financial year 2021, GRUPO ARANIA has not identified infringements of laws or standards in social and/or economic matters, through declarations, conventions or international treaties; or through national, regional and/or local regulations; or cases lodged against the organisation via international/national mechanisms of dispute resolution supervised by governmental authorities.



With these context analyses GRUPO ARANIA makes Macroenvironment and Microenvironment appraisals that are formalised in its documented Management Systems in the corresponding sections of "Organisation and its Context" and in different SWOT procedures for Strategy and/or Processes.



As a result of all the analyses, the general scheme of risks managed during the period of this report is the following:

- | | |
|---|--|
| <ul style="list-style-type: none"> Financial risks Operational risks Cybersecurity risks Circumstantial risks due to COVID-19 | <ul style="list-style-type: none"> Risks of environmental impact Risks related to occupational health and safety |
|---|--|

It is also important to highlight how specific categories of risks, the fields of information on **RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY**, these two areas being issues covered in Law 11/2018 which is a framework for this report, are treated specifically and the Code of Conduct, once more, defining the focus of the management and deployment of actions for their prevention and monitoring.

FINANCIAL RISKS

The management of financial risks is centralised in Financial Management, which has established the mechanisms necessary to control the exposure to the variations in credit, liquidity and exchange rate risks. The main financial risks that affect the Company are indicated below:

Credit risk:

In general the cash and cash equivalents are maintained in financial entities with high credit levels. In addition, a significant part of the accounts receivable from customers are guaranteed by insurance, bank guarantees and other similar guarantees. The amounts are presented in the consolidated balance sheet net of provision for insolvencies, estimated by the Company's Senior Management based on past experience and its assessment of the current economic environment.

The Company does not have a significant concentration of credit risk, the exposure is distributed among a large number of considerations and customers.

Liquidity risk:

This refers to the risk of the Company's possible inability to make the payments already confirmed and/or the commitments arising from new investments. Prudent management of liquidity risk entails the maintenance of sufficient cash and tradable securities, availability of financing through a sufficient level of committed credit facilities and the capacity to settle market positions.

An exhaustive control of the rolling fund (current assets minus current liabilities), the absence of an excessive concentration of risk in any financial entity and the permanent monitoring of debt levels and generation of funds, make it possible to properly control the liquidity risk of the business.

GRUPO ARANIA, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its consolidated balance sheet, together with the credit and financing facilities detailed in the report.

The points which receive greatest attention can be summarised as:

Liquidity of cash assets: surplus disposal is always carried out with very short timelines.

Diversification of maturing credit lines and control of financing and refinancing.

Control of the remaining life of lines of financing.

Diversification of financing sources, of which banks are the most fundamental, due to the easy access to this market and its cost, on many occasions, without competition with other alternative sources.

Future use of other sources will not be ruled out.

Exchange rate risk and interest rate risk:

Although GRUPO ARANIA makes transactions in currencies other than the euro, they are for small amounts, so it is considered that the exposure to risks due to exchange rate fluctuations cannot affect the profit and loss account.

The reference interest rate of the debt contracted by GRUPO ARANIA is basically the EURIBOR, to avoid fluctuation risks that could significantly affect the profit and loss account.

OPERATIONAL RISKS

It is important to emphasise that the very design of the Group is in itself the best way to reduce the business risk.

This industrial group is a multi-sector group, which means it consists of companies in very different sectors of activity with very geographically diverse customers. Risk diversification is something that is in the DNA of this corporation and that it applies to its business focus, purchasing, sales and financing.

In addition, to reduce business risks Arania Corporación Industrial has powerful management tools including the following:

Annual strategy appraisal per business:

Yearly meeting of the executive teams of each company in which the SWOT of the businesses are drawn up and a management plan designed for the ordered development of each company.

Committees from Management, Sales, Financial and Purchasing on a monthly basis to monitor the management plans and track the situation of the businesses.

The strategy appraisals have identified the following as the main risks to manage:

Supply risks.

Market risks: Geographic, sectorial and product.

Risk of loss of competitiveness compared to the competition.

The above risks are managed as follows:

Supply risks:

The principal business risk lies in the supply of steel. To reduce this risk it is the Group's policy to diversify suppliers both within and outside of Europe, continuously working to approve and develop new purchasing alternatives so we have a powerful Purchasing department in proportion to the work at hand.

Market risks: Geographic, sectorial and product.

The Group's policy in this section is the diversification of geographical markets, sectors and products.

Once the European markets were developed, we continued to progress in the diversification of advanced markets outside of Europe with sales in Latin America and United States.

The Group has four very different business lines, as we have mentioned before, we are a multi-sector group and this is the way to minimise the sectorial risk.

In addition, each of the companies is working with strong teams to develop new products, with the aim of maintaining our leadership in the markets.

Risk of loss of competitiveness compared to the competition.

In addition to managing purchasing and markets, to remain competitive we rely on two important aspects.

Improvement of production efficiency through automation and continual improvement programmes.

Ongoing investment in R&D to remain at the forefront in terms of technology and product in each of the businesses.

CYBERSECURITY RISKS

The economic impact of cyber attacks currently represents a global cost of around 600,000 million dollars (or 0.8% of the world GDP) and is still growing. From the strategy appraisal at the end of 2019, GRUPO ARANIA established the development of a **cybersecurity culture** with awareness-raising conferences to generate a level of self-sufficiency in cybersecurity throughout the organisation.

Through standards and procedures on the use of systems and devices, good practices related to passwords, backups, browser and email use, phishing, wi-fi and other potential threats have been implemented.

CIRCUMSTANTIAL RISKS DUE TO COVID-19. PANDEMIC

In March 2020 the Basque Government drew up a protocol of action against the coronavirus COVID-19 for industry that incorporates information, recommendations and instructions depending on the evolution of COVID-19, aiming to provide maximum protection for workers' health. This proposed compatibility with maintaining production activity, to maintain economic growth and the generation of employment.

In this context GRUPO ARANIA agreed an internal procedure with the Occupational Risk Prevention (PRL) area, the Management, and the works council to reduce the possibility of contagion, and minimise its impact should it occur.

COMMUNICATION AND COMPLIANCE

As communication channels for this procedure, the company email and the private email addresses provided by the staff of GRUPO ARANIA were used as contact information. There were also informative posters placed at access points to the offices and an information board at the plant entrance.

In addition, the document "Protocol for action against the coronavirus (COVID-19) for industry" was submitted to subcontracted companies, through the CAE, with the purpose of informing all of their workers.

To ensure compliance with the protocol, periodical audits were carried out by PRL staff.

GENERAL PREVENTION MEASURES

Hydroalcoholic gels and disposable paper towels were placed at different points of the plant.

"Sealed areas" for staff were defined, prioritising telephone contact and minimising in-person contact between different areas, always maintaining a distance of more than 2 m, wearing face masks.

Cleaning was reinforced in common areas, carried out 3 times a day (door handles, etc.), keeping doors open wherever possible to avoid contact with shared elements.

Limiting travel to customers or suppliers to essential trips only, consulting the team supervisors to evaluate their necessity.

PERSONAL PROTECTION EQUIPMENT (PPE)

In addition to the PPE defined for safety at each workstation, the following:

Masks: The compulsory use of masks at all times and even when maintaining a distance of more than 2 m. These are distributed at access control.

The use of FFP2 is recommended over surgical masks, and the use of FFP2 is compulsory in meeting rooms.

In September GRUPO ARANIA made a "COVID-19 Payment" to thank the workforce for the collaboration and commitment shown in this situation.

The corresponding amounts for each of the Group's companies were the following:

ARANIA	€282,727
ARATUBO	€237,742
AR RACKING	€360,949
AR SHELVING	€60,249

In addition, significant effort was made in periodical COVID-19 testing and the distribution of masks, gels and other items for private use by the workforce.

The total economic effort reached the significant figure of €1,626,000.

CONCEPT	EUR.
COVID-19 payment	€941,000
COVID-19 testing	€235,000
Masks/Gels/Other items (private use)	€450,000
TOTAL	€1,626,000

Disposable gloves: These are used for isolated tasks, when there is contact with tools or equipment used by several people.

Face screens are available to the plant staff, to increase the protection of goggles and masks.

HYGIENE MEASURES

Maintain as great a distance as possible (> 2 m if the circumstances allow it)

Wash hands often with soap and water, and always after coughing, sneezing or blowing your nose.

Avoid touching your eyes, nose and mouth, as hands facilitate its transmission.

In the case of symptoms compatible with COVID-19, close contact someone with symptoms, or with people who have tested positive for COVID-19, do NOT come to work. Contact your unit supervisor, and remain in quarantine at home until you have a response form the public health service.

EXTERNAL PERSONNEL

The presence of external personnel on the premises of GRUPO ARANIA is reduced wherever possible.

RISKS OF ENVIRONMENTAL IMPACT

| GRI 103-1 | GRI 103-2

The certifications strategy of GRUPO ARANIA management systems, already mentioned in the business model section, in conjunction with the focus on commitment to the GI, has made it possible to certify all the companies that comprise the group with the standard ISO 14001. These certifications backed by independent third parties enable us to determine the risks and opportunities related to:

Compliance with legal requirements related to the environment.

Identification and evaluation of important environmental aspects.

Prevent or reduce undesired effects, including the possibility of external environmental conditions affecting the organisation.

In addition, potential emergency situations that can have an environmental impact must be determined.

RISKS RELATED TO SAFETY AND OCCUPATIONAL HEALTH

| GRI 103-1 | GRI 103-2

This section maintains the same arguments for the focus and implementation of good practices stated in the preceding section, but considering the specific standard for this area, which is the ISO 45001.

Information on respect for Human Rights

| GRI 102-43 | GRI 103-1 | GRI 103-2

Once more, in this section we must make reference to the Code of Conduct and Responsible Practices as a document to consider the potential effects of management practices and contractual relationships on matters related to respect for human rights.

This document specifically states that **“GRUPO ARANIA’s strategic approach is based on respect for and compliance with human rights and standards, above infringing strategies or dubious practices”**. This statement, extracted from the concept of Integrity in our Approach as a development of HONESTY, is complemented by the COMMITMENTS acquired and assigned to the following figures or entities:

Shareholders:

Transmit GRUPO ARANIA’s confidence in the project with full support for good practices based on integrity and ethics.

Strengthen the balance between the legitimate profitability of investment with sustainable business strategies respecting the different stakeholders.

Directors:

Commit to effective equality in treatment and opportunities in access to jobs and in working conditions.

Ban the contracting of staff under 16 years of age.

Suppliers:

Approve suppliers incorporating sustainability criteria such as the origin of the raw materials, respect for human rights and anti-corruption measures.

Use questionnaires to monitor the level of sustainability achieved by each supplier. In the case of negative evolution in respect for human rights, compliance with the standards applicable to

environmental protection, occupational health and safety or contracting of minors, the link with this supplier will be rescinded.

As a mechanism for monitoring and control to guarantee compliance with these COMMITMENTS, the Management is assigned the responsibility to **“Comply with, and ensure that all personnel comply with, the instructions and recommendations of the Code of Conduct.”** Similarly, both the figure of the CSR Coordinator and the CSR Committee include the function of internal communications of Code of Conduct to all GRUPO ARANIA staff and its external communication to customers, suppliers and colleagues, either directly or through the people with the closest link to and trust with these stakeholders. Anyone can make a complaint, suggestion or any other consideration that they deem opportune to the CSR Coordinator, if they feel there has been a breach of the Code of Conduct.

Throughout 2021 neither the CSR Committee nor any other Management body received communication of any complaints, reports or suggestions in this area.

Note: text taken from the GRUPO ARANIA Code of Conduct.

Information on the fight against corruption and bribery

| GRI 102-43 | GRI 103-1 | GRI 103-2 | GRI 205-1 | GRI 205-2 | GRI 205-3

As expressed above, the Code of Conduct and Responsible Practices clearly states the preventive action for potential impacts arising due to management practices and contractual relationships in all matters related to the fight against corruption and bribery.

Thus it is established as an explicit focus of this area that, in addition to the aforementioned **Integrity in our Approach** and COMMITMENTS assigned to the shareholders, the following COMMITMENTS are assigned to the following figures or entities:

People:

Directly and quickly communicate any situation or internal behaviour that is not in line with the values, integrity and ethics on which GRUPO ARANIA is based.

Avoid and decline actions that facilitate an advantage or benefit for a customer and/or supplier, putting the principle of free competition at risk, in exchange for compensation of any type.

Customers:

Reject sales proposals that cannot be assumed by GRUPO ARANIA, either because it is not possible to respond with maximum quality or because it would distort free competition by receiving unregulated consideration, by way of commissions, bonuses or rewards from the customer.

Suppliers:

Approve suppliers incorporating, wherever possible, sustainability criteria such as the origin of the raw materials, respect for human rights and anti-corruption measures.

Competition:

GRUPO ARANIA competes in both the domestic and international market complying with the current regulations that guarantee free competition,

avoiding price control, market sharing or the abuse of a dominant position.

The monitoring and control mechanisms to guarantee compliance with these COMMITMENTS are described in the preceding section.

Throughout 2021 neither the CSR Committee nor any other Management body received communication of any complaints, reports or suggestions in this area.

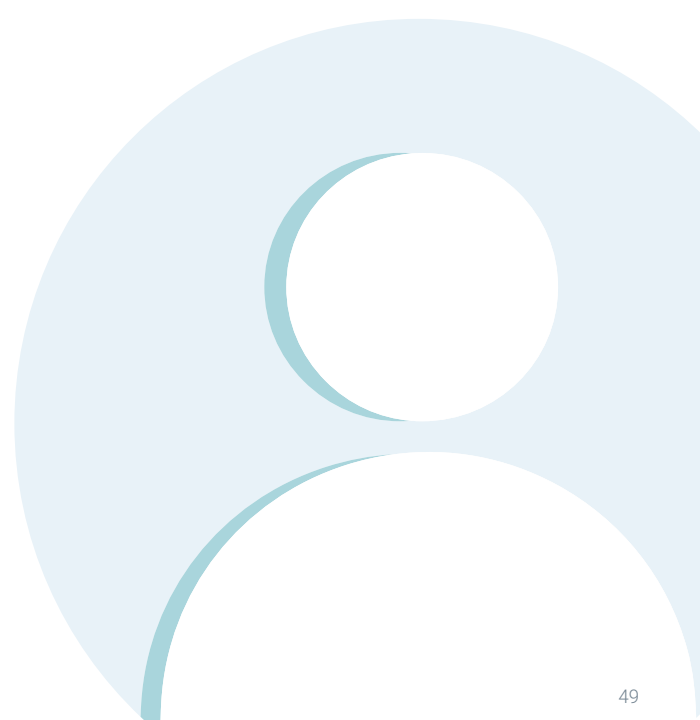
Commitment
to our
PEOPLE

| GRI 102-43 | GRI 103-1 | GRI 103-2

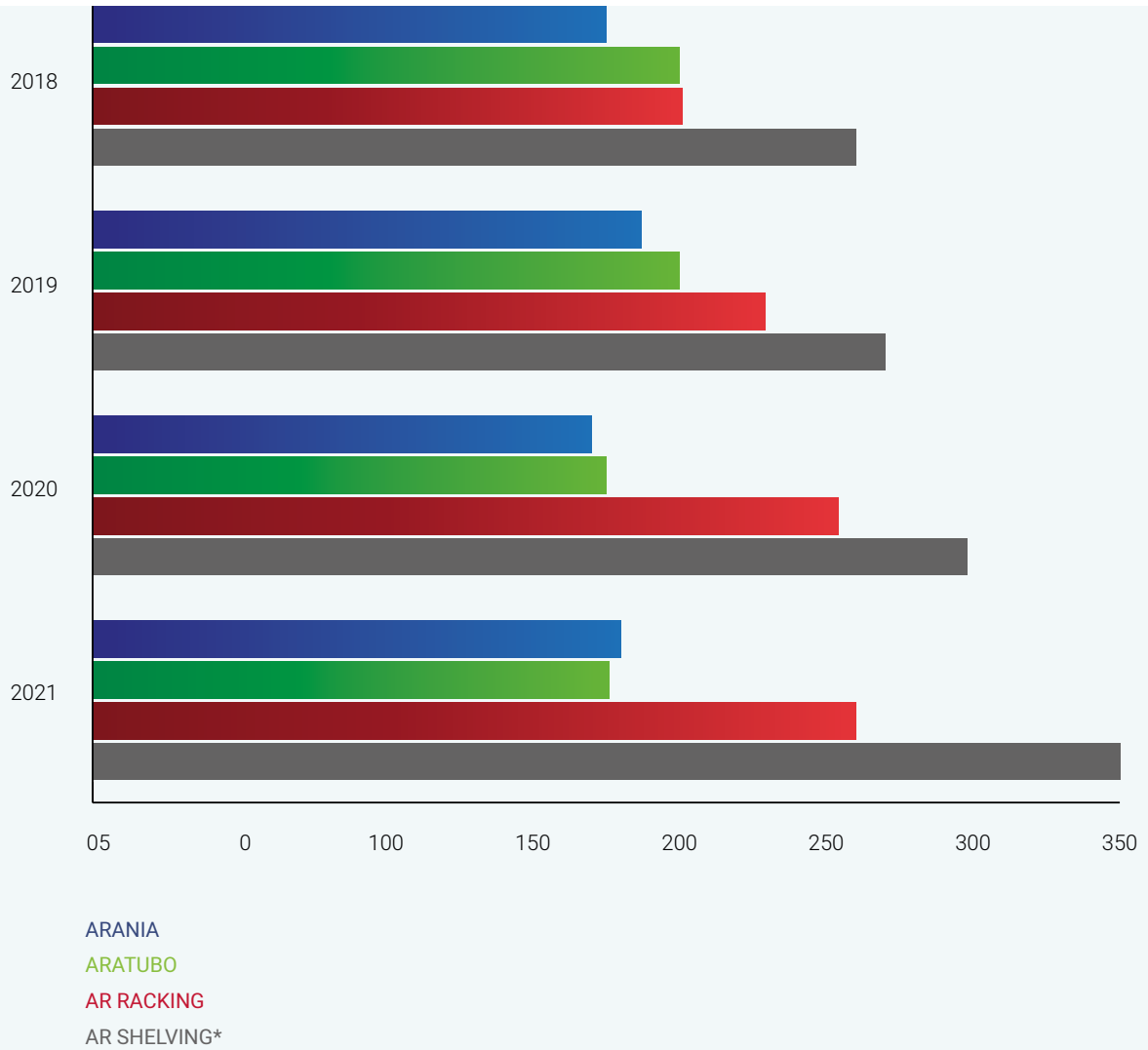
GRUPO ARANIA is the people that comprise it.

Its people are what has enabled the small industrial business that began more than 80 years ago in the industrial heart of Bilbao to become one of the most solvent business groups in Europe. To do this, it has been necessary to invest in both the personal development of its **more than 1000 employees***, and in ongoing vocational training. This investment has led to job creation and the creation of the ideal teams to support the development of its companies.

* Including staff from the affiliated company AR Shelving s.r.o.



EVOLUTION OF GROUP EMPLOYMENT / PEOPLE:



All of this, along with the firm commitment to occupational safety, motivation and commitment of all staff, has made the human factor one of the foundations on which GRUPO ARANIA is built. There is also a reference framework to which everyone in GRUPO ARANIA commits, and that is transmitted to customers, suppliers and collaborators: the Code of Conduct and Responsible Practices of GRUPO ARANIA.

*Including staff from the affiliated company AR Shelving s.r.o.

Based on this document, strategic changes have been implemented, in the staff training and development policies and in the digitisation of the processes deployed, giving rise to a value map where

equality, executive development, management by skills and the employee portal have come to develop the staff management model.

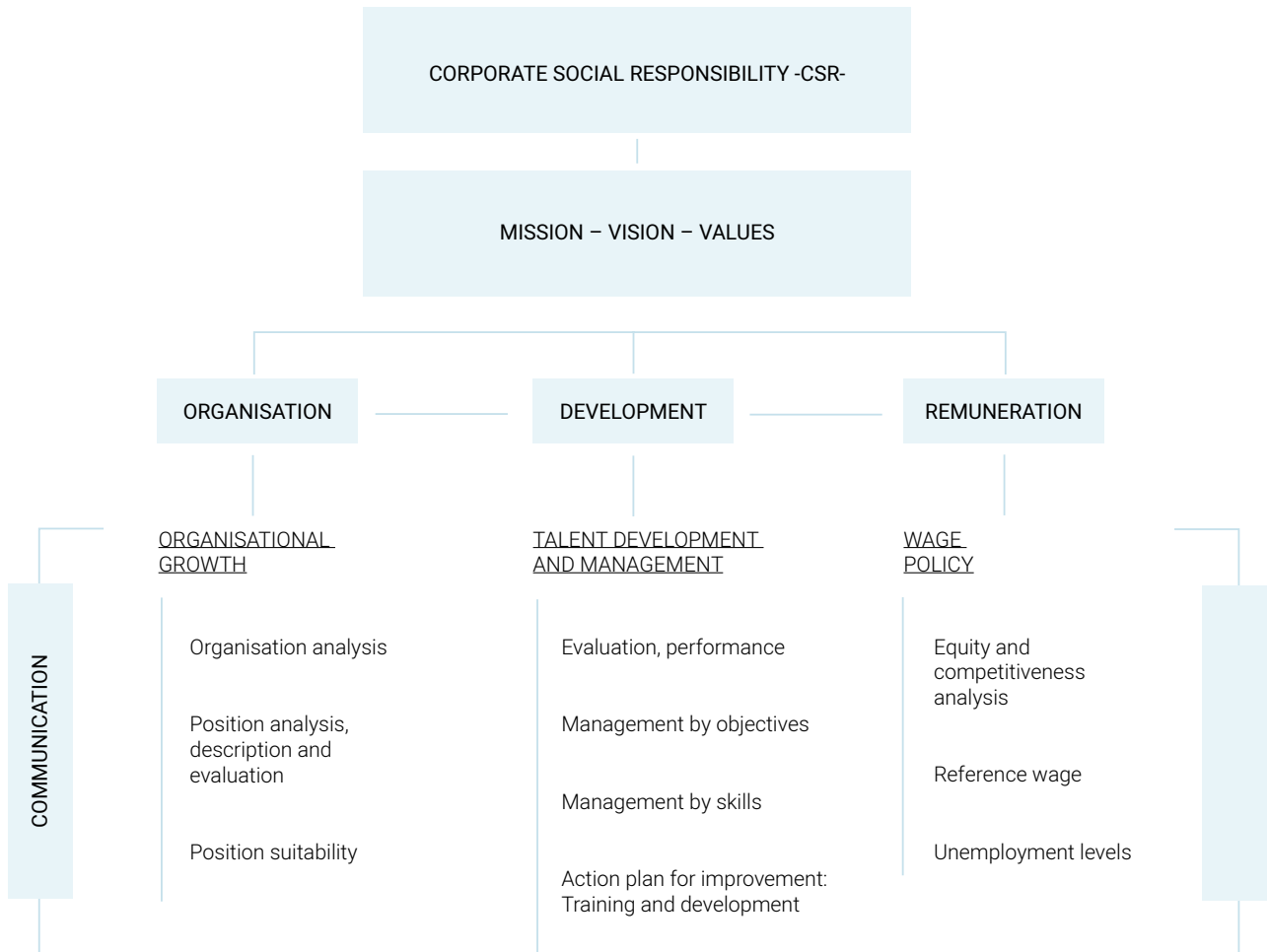
VALUE FOR PEOPLE:



Management model

HR processes
Digitisation
Employee portal

The method to apply in staff training and development is based on the ADVANCED STAFF MANAGEMENT MODEL.





The principal tool for deploying the Communication and Monitoring activities of the scope of this staff management model is the **Employee Portal**.

WHAT IS IT?

It is an INTERNAL COMMUNICATION CHANNEL.
 Access your PERSONAL INFORMATION.
 Contains publications by the Company and GRUPO ARANIA.

OBJECTIVES

Improved employee services.
 Increased information transparency.
 Continuous update of data.

ADVANTAGES

Self-management of data.
 Ease of communication with HR.



Leadership Model

Executive quality
Participation
Communication

The commitment to people requires a leadership model based on honesty, transparency, participation and communication. It is put into practice by launching and sharing strategies, developing communication channels and integrating and encouraging participation by all workers in the goals to be achieved.

In light of the above, strategic training in LEADERSHIP AND EMOTIONAL SKILLS is essential, designed and aimed at all members of the respective Management Committees, with the following study plan to achieve improved EXECUTIVE QUALITY:

EXECUTIVE QUALITY AND DEVELOPMENT

THE LEADER/COACH

Self-awareness

Leadership and self-awareness (MBTI).
Mental models
Concept of coaching
Authoritarian leader vs. Leader/Coach
Getting to know myself from the inside. Balanced leader
The leader as a thoughtful being

Navigation and influence
Emphasis on results

EXECUTIVE MANAGEMENT

Self-management

Management of human diversity (Herrmann Test)
Differentiating technical and executive.
Empowerment
Organising the executive function
Leading and organising change
Managing the unit of Management and Diversity of Opinion
Project Management and Cross-sector approaches

Innovation and improvement



CREATING A MANAGEMENT STYLE

New styles

Leading with emotional intelligence and empathy
Effective communication
Motivation and development of teams Generational diversity
Talent management

Emotionality
Communication
Development of teams

SKILLS ASSESSMENT

Skills

Concept of management by skills
Key points to evaluate: Attitude and Aptitude
The process: from the evaluation to the interview
New Trends in evaluation by skills
What and how should we reward or retest?

Skills. Key process for people's development

Organisational Model

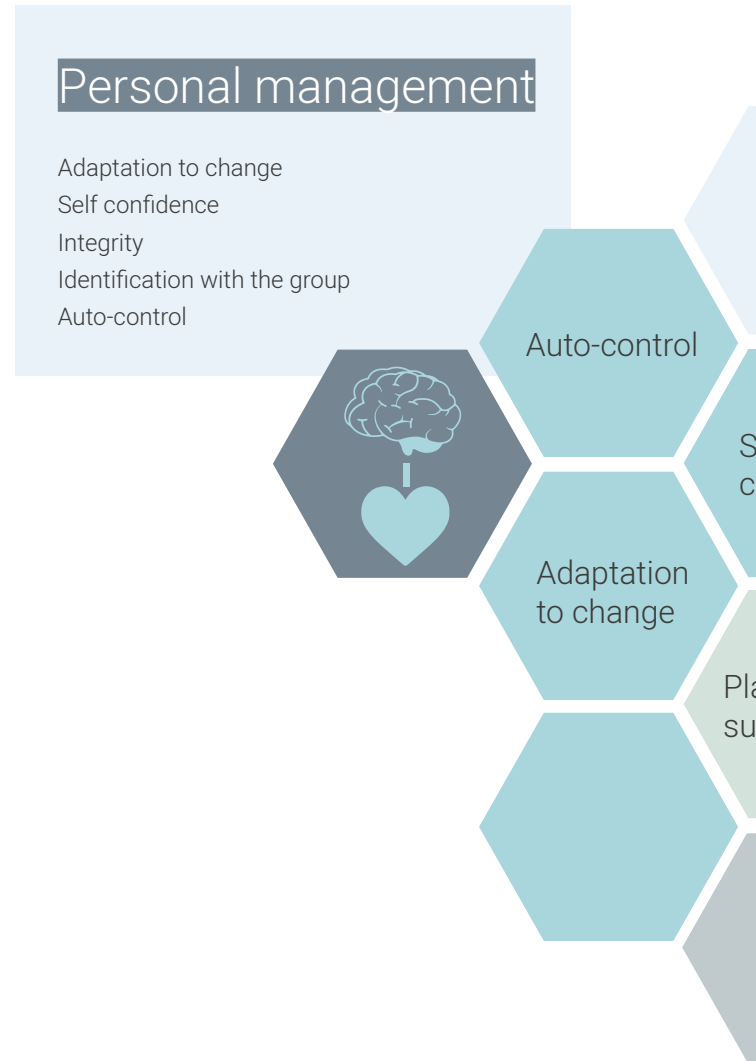
Management by objectives,
job appraisals, profiles
Skills
Performance
Development
Promotion

To put the above into practice and make it a success, it is necessary to transform the organisational model resulting in the abovementioned ADVANCED STAFF MANAGEMENT.

A review and update of the workstations and their profiles, classification by levels, management by skills and making the most of growth to develop and promote internal talent.

For this purpose a framework based on management by skills and performance evaluation has been designed, providing all organisational levels with a skills dictionary that defines, structure and measures the level associated with each position/ person according to the following categories:

- Personal management
- Thinking
- Achievement
- Influence
- Team management





Each of the categories develop the skills defined through behavioral evidence that is the basis for assessing performance. This makes it possible to, among other aspects, establish individual and group training and development action plans. Thus,

the skill Adaptation to change, within the Personal management category is structured with the following behavioral evidence:

Adaptation to change

Adaptation to change refers to the ability to adapt and work efficiently with different and varied situations and people.

It entails understanding and evaluating different positions or points of view, or adjusting their own focus as the situation requires it, or changing or easily accepting changes in the organisation itself or in the responsibilities of the position.

It also entails actively driving changes arising from the business strategy with the aim of overcoming their own or others' resistance.



1 Easily accept changes to ways of working and to procedures or tasks

They accept the need to be flexible, changing their own ideas with new information or contrasting evidence. They understand others' points of view.

2 Apply the standards with flexibility

They not only accept changes but are also, depending on each situation, flexible in applying the procedures, adapting them to achieve the overall objectives of the company.

3 Support the changes proposed by management

They act openly and decidedly toward the change. When faced with drastic and unforeseen changes to a situation, they are able to change their mindset and respond appropriately, adapting to the new circumstances.

4 Foster organisational changes, involving the people in their environment

They do not only support changes but actively drive, with conviction and determination, the incorporation of new values, approaches and goals with the firm intention of overcoming their own or others' resistance. They adapt the business strategy and adapt the overall goals of the company when the situation requires it.

Employment opportunities

| GRI 102-8

Description of the workforce*

GRUPO ARANIA is made up of 651 people, of which 20% are women. The average age of the workforce is under 45 years and the average time with us is more than 10 years. As this is the first time we present consolidated information for the group, there is no segmentation for the year prior to 2020 or as a comparative reference.

Workforce composition	N° of people	Men		Women		Temporary	Permanent
Strategic Level	57	46	81%	11	19%	-	57
Management Level	96	81	84%	15	16%	2	94
Technical Level	141	95	67%	46	33%	7	134
Indirect Operational Level	55	5	9%	50	91%	5	50
Direct Operational Level	302	297	98%	5	2%	26	276
TOTAL	651	524	80%	127	20%	40	611

The age profile and contract type correspond to the following table:

Age	Temporary	Permanent	TOTAL
Over 50	3	163	166
30 to 50	19	425	444
Under 30	18	23	41
TOTAL	40	611	651

*Data on the workforce of Arania Corporación Industrial, not including information on the affiliated company AR Shelving s.r.o.

| GRI 102-41

Everyone in GRUPO ARANIA is covered by the collective agreements, the content of which on a social and occupational level represents an improvement compared to the terms established in the sector regulations. The policy of social responsibility on this matter makes a commitment to the workers to:

The workforce distributed by contract type and sex is shown in the following chart:

	Temporary	Permanent	TOTAL
MEN	498	28	526
WOMEN	113	12	125
TOTAL	611	40	651

Guarantee decent conditions based on equality and internal equity.



Social relations



The Value Map for People highlights the **Employee Portal**, which we have already presented in our Commitment to Our People, as the internal communication tool developed and implemented for all of GRUPO ARANIA, the goals and advantages of which are expressed below.

From an individual perspective it enables each person to manage personal matters such as holidays, leave and contingencies, training activities and key confidential data on remuneration and tax obligations.

From a corporate point of view, this boosts the diffusion of relevant information such as schedules, operational procedures, corporate news and other references.

It can also be used to facilitate personal development, within the Leadership Model, with the three attributes into which it is structured, such as executive quality, participation and communication for people responsible for work teams.





As a way to measure the performance of these management practices, Human Resources is leading the process to determine the degree of staff satisfaction. To do this, voluntary four-year surveys are being completed by the staff, where in addition to questions related to psychosocial aspects, knowledge of the goals, the extent to which they are met and improvements implemented are evaluated.



This study will be deemed valid only if the rate of staff participation is equal to or greater than 60%.

Once the report has been analysed, the conclusions obtained from the surveys are compared with the results of the indicators related to labour absenteeism and staff turnover.



Training

The rollout of the leadership and organisational model “Value Model for People” is performed systematically using the documented Procedure “Competency, Training and Awareness-raising”.

TRAINING AND DEVELOPMENT PLAN

During the first quarter of every year the Human Resources Committee holds a meeting to:

- a) Examine the results obtained with respect to the Training Plan set out for the previous year.
- b) Decide the necessary Training action for the following financial year.

The Training Plan is drawn up by the Director of Human Resources, using an internal format specific to the organisation:

Planned: Consists of training courses or actions, within or outside of the Company and in line with the Improvement Action Plan.

Unplanned: The unplanned activities are beyond of the scope of Annual Improvement Plan and their content and duration are established by the Area Directors.

TRAINING METHOD - FACTORY

There are three matrices that relate the required skills that the different workers must have with respect to the three areas, related to training they have and the jobs they perform:

- 1/ Versatility Matrix
- 2/ Training Matrix
- 3/ Safety Training Matrix per workstation

1 The Prevention Technician will draw up the “Versatility Matrix” table. This table is agreed upon and accepted by each and every worker and sets out the workstations where the employee is correctly trained and can perform the tasks needed at those workstations properly.

This Versatility Matrix is reviewed and updated continuously every year.

2 At the same time, the Internal Prevention Technician will have and draw up a “Training Matrix” for all workers in the organisation, which shows the training sessions and the year they were completed. This makes it possible to quickly see and compare where training is complete or lacking for the people in the organisation.

3 Finally, the Prevention Technician has a “Training Matrix per workstation”, which compiles the necessary, required safety training for each workstation that its staff must have.

With these three matrices the organisation aims to monitor the competency of its workers in three aspects: the workstations where each of the workers can work, the training that each of these workers has and the training needed and minimum required for each workstation.

The calculations in the table have been made according to the theoretical gross salary. Regarding training, the group gives courses on occupational risk prevention and training topics in compliance with the relevant regulations.

Health and Safety

| GRI 103-1 | GRI 103-2 | GRI 403

EXCELLENT SAFETY PROJECT

Of the Human Resources processes highlighted in the Management Model, this is a priority area, as evidenced in the Analysis of Materiality, given that in any industrial environment, and especially in the cold steel rolled sector, there are several risks inherent in the work itself.

The companies that make up GRUPO ARANIA have always stood out for their commitment to safety and the desire to continue improving this crucial facet of their activity, thanks to the participation and experience of the whole workforce.

Along this line, in 2021 the **Excellent Safety** project was launched, after renewing the ISO certifications.

It is not an industrial plan for use that is merely limited to improving safety in the factory. This initiative aspires to involve all resources in a global and agreed-upon reflection on possible safety-related improvements based on **three key pillars: people, participation and awareness**, aiming to encourage a **cultural change**.

The **Excellent Safety** project is divided into three main areas of evaluation:

Safety training and standardised procedures.

Organisation and cleaning (in an industrial environment, tidiness and taking care of the smallest details affect safety).

The operational aspect, with adaptation of the installations for maximum safety and automation as a key factor in risk reduction.

Commitment to the Excellent Safety project entails close collaboration between the workforce and the management to find joint solutions to common problems. The participation and awareness-raising of the whole workforce in this process will allow its active incorporation in the planning, execution and evaluation of all occupational risk prevention activities, making use of the maximum ability of the workers and fostering commitment to success as an organisation.

In May 2020, a new system was incorporated for managing CLASS-A INCIDENTS (those which could be mortal). In 2021 we had seven class-A incidents and to manage them two different teams were set up including personnel from the safety area, middle management and operators from the area:

Improvement of the Special Packaging area

Improvement in loading trucks with upright rolls

A WORKGROUP TO IMPROVE INDUSTRIAL ERGONOMICS

Another example of the rollout of the Human Resources processes related to Health and Safety is the **Ergonomics Workgroup**.

PROTOCOL FOR OCCUPATIONAL OR SEXUAL HARRASSMENT

All forms of harrassment or abuse are expressly prohibited, as stated in the protocol established at group level and communicated to the staff via the channels established within the company for this purpose.

Participation + awareness-raising + commitment = safety

For the workers related to the rolled steel sector and the production at the plant, aside from the risks implicit in working with heavy equipment, moving parts, high temperatures or dangerous tools, there are a multitude of situations that can lead to musculoskeletal disorders (MSD). Injuries usually occur due to muscle overload induced by poor movements, strained positions, repetitive tasks, blows or manual handling of loads.

In office jobs or tasks that require being seated for long periods, such as administration, project management, certain plant operators, etc. one of the most common disorders is muscle contractions in the back and neck.

In 2020 it was observed that the main cause for sick leave was muscular injuries so it was decided to set up a workgroup to analyse them.

With the aim of ensuring staff health, using an Ishikawa diagram over six weeks, prevention delegates and area heads in conjunction with plant operators gathered and analysed 34 proposals that arose from the study of different cases, of which 14 already have been carried out.

The actions implemented thanks to the implication of the workgroup staff have achieved a reduction of 55% in leave due to muscular accidents in 2021 compared to the previous year.

	2019	2020	2021
Leave due to muscular injuries	11	11	5

Target for muscular injuries **2022 <=3**

The absenteeism data corresponding to the financial year 2021 is set out below by companies:

ARATUBO	12,8%
ARANIA	11,49%
AR RACKING	8,90%
AR SHELVING	13,80%

GRUPO ARANIA Comparison

SAFETY INDICATORS

ARATUBO	2016	2017	2018	2019	2020	2021	Target for 2022
Frequency index	124.9	89.3	59.7	102	64	102.4	<=60
Severity index	1.9	2.1	1.4	1.7	2.2	3.4	<=1.4
No. of accidents with leave	17	15	12	19	11	17	<=12

ARANIA	2016	2017	2018	2019	2020	2021	Target for 2022
Frequency index	93.2	65.8	73.7	86.3	88.6	77.4	<=65.8
Severity index	2.9	0.8	1.2	1.9	3.2	3.5	<=0.8
No. of accidents with leave	25	19	23	24	24	23	<15

AR RACKING	2016	2017	2018	2019	2020	2021	Target for 2022
Frequency index	14.9	28.7	27.4	30.6	13	40.4	<=38.4
Severity index	0.58	0.65	0.39	0.55	0.15	0.35	<=0.32
No. of accidents with leave	2	4	4	5	2	7	<=5

AR SHELVING	2016	2017	2018	2019	2020	2021	Target for 2022
Frequency index	22.5	106.1	39.9	89.2	34.1	103.5	<=22.5
Severity index	0.3	4.6	0.6	0.6	1.6	3.5	<=0.3
No. of accidents with leave	1	5	2	5	2	6	

$$\text{Frequency rate} = \frac{\text{Number of accidents with leave}}{\text{Number of hours worked}} \times 10^6$$

$$\text{Severity Index} = \frac{\text{Number of days on sick leave}}{\text{Number of hours worked}} \times 10^3$$

This information is not broken down by gender as the majority corresponds to men.

Equality and Accessibility

Remuneration and wage gap

In global terms the gender wage gap is just over 20%, although assuming the prioritisation criteria of actions for ratios over 25%, only the Strategic Level of the Spanish Home Office reaches this.

To promote female talent and try to reverse a predominantly male trend in the sector, as well as ensure skill development, GRUPO ARANIA has an internal promotion system and has established a network of collaboration with training centres with activities open to all.

Remuneration is established based on levels of responsibility, avoiding differences between men and women, beyond the merits achieved in the performance of their work. The differences are due to the composition of the workforce* in each of the professional groups, which include different seniority profiles. Las retribuciones se aplicarán por categoría de acuerdo con el convenio sin distinción de edad.

Overall remuneration	No. of people	Mean	Mean Men	Mean Women	Wage gap
Strategic Level	57	81,065.58	85,423.79	62,840.34	-26.4%
Management Level	96	49,047.51	49,626.22	45,922.47	-7.5%
Technical Level	141	32,415.90	34,040.71	29,060.32	-14.6%
Indirect Operational Level	55	28,743.80	22,897.02	29,328.48	28.1%
Direct Operational Level	302	38,881.72	39,002.87	31,685.03	-18.8%
TOTAL	651	41,817.40	43,666.84	34,186.65	-21.7%

Provided the production organisation allows it, the group companies provide their workers with work-life balance measures (part-time work, flexible hours, etc.).

*Data on the workforce of Arania Corporación Industrial, not including information on the affiliated company AR Shelving s.r.o. The calculations in the table have been made according to the theoretical gross salary.

A woman with long dark hair, wearing a white lab coat, is seated at a laboratory bench. She is looking towards the camera with a slight smile. In front of her is a large, white, professional-grade microscope. The background shows a laboratory setting with various pieces of equipment, including another microscope and a computer monitor. The overall lighting is soft and professional.

Women are a distinguishing and growing value at GRUPO ARANIA.

Commitment to the Environment

| GRI 103-1 | GRI 103-2

Environmental protection and sustainable development are key elements within the strategy of GRUPO ARANIA. The organisation has implemented a culture of ongoing improvement and this has been incorporated in the quality and environmental policies, through the different certifications that guarantee to all our stakeholders that the management will go way beyond the requirements of the Administration. In our relationships with our stakeholders, at GRUPO ARANIA, we play an active role in transmitting our values related to sustainable development.



LINES OF ACTION

Different channels of work have been set up along the path to sustainability, all based on environmental awareness.



ENERGY EFFICIENCY

The search for energy efficiency in the installations, with adaptation to new technology. For example, reducing losses in compressed air, developing "night mode" in rolling mills, hand trucks, boilers, etc.



PURCHASE OF GREEN ELECTRICITY

Guarantee of the source of the electricity, of renewable origin.



MONITORING INDICATORS

Online monitoring of energy consumption, and regular tracking of the evolution of emissions.



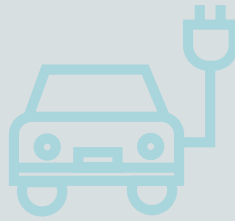
DEVELOPMENT OF ELECTRICAL SELF-SUPPLY

Installing photovoltaic panels.



IMPROVEMENT IN WASTE MANAGEMENT

Reduction of waste generated, implementing new technologies to do so.



STAFF MOBILITY

Incentivise the use of electric vehicles, by installing charging points.



AWARENESS-RAISING TRAINING

Work sessions with the technical areas, on emissions and environmental requirements, analysing the potential effect of the new projects to be implemented.



RAW MATERIALS "GREEN"

Analyse the most sustainable options, together with suppliers.



LOGISTIC MODEL

Analyse flows of transport and storage of the products, seeking more sustainable options.



DEVELOPMENT OF TECHNOLOGY

Research into technologies that make it possible to improve the current energy efficiency, or reduce the use of natural resources (example: water footprint)

These lines of action are specified in the following performance activities for each of the companies in GRUPO ARANIA:

	ARANIA	ARATUBO	AR RACKING	AR SHELVING
ISO 14001	YES	YES	YES	YES
ISO 50001	YES	Certification scheduled for 2022	Certification scheduled for 2022	No
No. of environmental incidents	<12 Promote the use of Risk Communications			
Waste improvement plan	Reduce hazardous waste by 5% Improve the separation of non-hazardous waste Other waste <10%	Reduce Tn of cleaning water of industrial buildings by 2% Reduction Tn of wood loaded in trucks by 2% Reduction Tn of VCI plastic by 2%	Reduction of waste generation: Reduce scrap metal Prolong the useful life of treatment baths (improve the control and replace reagents)	Consumption of strapping (20%) Reduce wood use by 15% between 2019 and 2022 Waste: Reduce contaminated plastic containers by 80% (with actions such as better separation in installation maintenance periods)
Improvement projects	Install an evaporator to reduce the amount of oily emulsion	Gain certification EN ISO 50001 Replace lighting with LED Guarantee that the electrical energy consumed in our workcentres and production plants is from renewable energy sources	Gain certification EN ISO 50001 Improve packaging, zero plastic Reduce energy consumption Replace lighting with LED Close the inputs and outputs of the furnaces to reduce gas use	
Others			AR RACKING has the integrated environmental permit (IEP) since 2012 as it was affected by the Law on integrated pollution prevention and control	

Similarly, for each of the most significant environmental aspects described below, quantitative performance data is presented.

Contamination

| GRI 303 | GRI 305

Through specific technical instructions of the documented environmental management system, to control effluents, noise and emissions, periodical measurements are made and the results are set out in the following tables.

COMPANY	Significant aspect: EFFLUENT (m ³)	2018	2019	2020	2021
ARANIA		56,104	46,569	50,964	66,889
ARATUBO		16,271	14,495	14,112	13,202
AR RACKING		1,583	1,577	1,043	2,058
AR SHELVING		---	---	---	---

COMPANY	Significant aspect: NOISE
ARANIA	Not a legal requirement
ARATUBO	Control of noise emitted into the environment Noise: Mendigorritxu 54: Measurement in 2016: 59.6 db Noise: Mendigorritxu 56: Measurement in 2020: 61 db Noise: Mendigorritxu 59: Measurement in 2016: 63 db
AR RACKING	According to the integrated environmental permit of AR RACKING, measurement is only required at the request of the Administration.
AR SHELVING	It was conducted in 2015, with correct results in compliance with the corresponding legislation.

COMPANY	Significant aspect: EMISSIONS
ARANIA	Emissions monitored by a control body: NOx, CO, HCl, Total Particles.
ARATUBO	The emission of coolant fumes and zinc fumes is monitored.
AR RACKING	Emissions monitored by a control body: NOx, CO, Total Particles.
AR SHELIVING	The fuels used were changed. Pending the Basque Government's definition of sources of emissions to monitor.

| GRI 306

AR RACKING is obliged to report its emissions annually to the Ministry of Environment (PRTR Report). The data is communicated and verified by the Administration.

POLLUTANT	QUANTITY (kg/year)	RELEASE MEDIUM	METHOD
Methane (CH4)	46	Air	Calculated
Carbon monoxide (CO)	1,376	Air	Calculated
Nitrous oxides (NOx/NO2)(NOX)	4,587	Air	Calculated
Carbon dioxide (CO2)	2,596,352	Air	Calculated
Volatile organic compounds other than methane (COVNM) (NMVOC)	917	Air	Calculated
Nitrous oxide (N2O)	5	Air	Calculated

POLLUTANT	QUANTITY (kg/year)	RELEASE MEDIUM	METHOD
Particles (PM10)(PM10)	21	Air	Calculated
Total phosphorus (TOTAL - PHOSPHORUS)	0.206	Publicly owned sewage treatment plant (municipal or regional)	Measured
Fluorides (as total F) (FLUORIDES)	8.3	Publicly owned sewage treatment plant (municipal or regional)	Measured
COD	285	Publicly owned sewage treatment plant (municipal or regional)	Measured

The emission sources and corresponding parameters for the installations of **ARATUBO** are expressed below:

Source	Centre	Date	Temperature of fumes (°C)	Flow of fumes (Nm3/h)	O2 (%)	PS Emissions (mg/Nm3)
1	M54	2017	26.7	9081	21	9.7
2	M54	2017	0.5	21	18.69	
3	M54	2017	30	8350	-	1
4	M54	2017	26.8	6177	21	3.05
5	M54	2017	32.8	2278	21	0.93
6	M54	2017	29.3	2268	21	30.7
7	M59	2017	28.7	9080	21	<1
8	M59	2019	27.00	1905.000	20.90	59.3
10	M59	2017	29.10	220.00	-	0
11	M54	2019	28.00	27228.00	21.00	<1.2
12	M59	2019	22.30	7696.00	20.90	<2.0
13	M59	2019	22.20	8715.00	21.00	<1
14	M54	2020	24.10	12349.00	21.00	1
15	M54	2021	17.80	11817.00	20.90	<1

Circular Economy and Waste Management

| GRI 103-1 | GRI 103-2 | GRI 301

With the Waste Management and Prevention Plan 2030, GRUPO ARANIA aspires to continue to decrease its management of non-reusable waste in the manufacture of cold rolled steel.

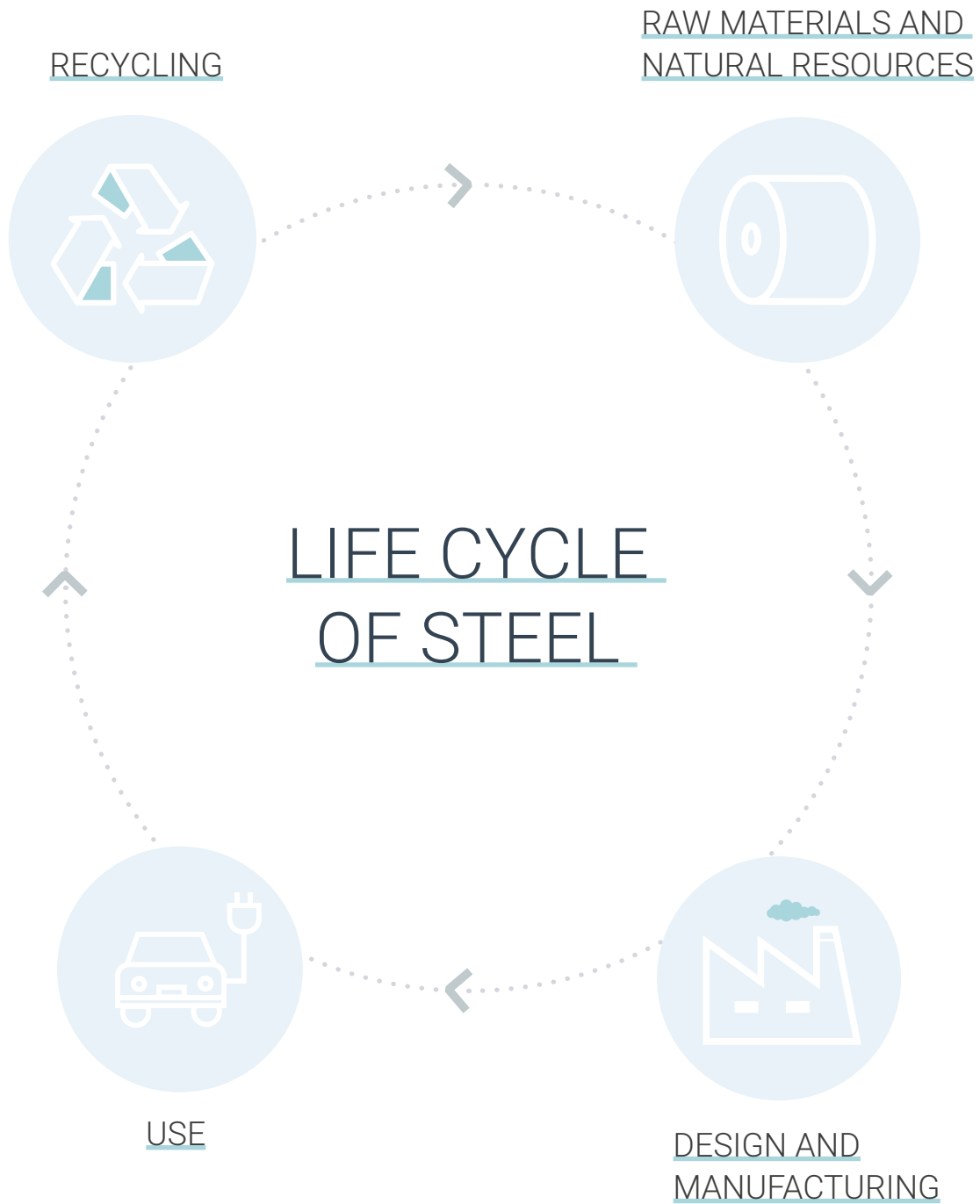
In five years, we have managed to reduce hazardous waste by 40%. Through the implementation of responsible management practices for the separation, reuse, and valorisation of the vast majority of waste, such as the Circular Economy project implemented alongside Ihobe (Public Environmental Management Association of the Basque Government), GRUPO ARANIA continues to make progress with its environmental management policy on both corporate and product levels.

Steel recycling is crucial in order to achieve maximum productive and environmental efficiency. The Waste Management and Prevention Plan 2030 establishes the ambitious challenge of reducing the generation of non-reusable waste in steel manufacture.

In total, 98.8% of all waste has recycling, reuse or energy recovery as its final destination.

STEEL RECYCLING

One of the most reusable materials in the world.



The monitoring and control of both hazardous (HW) and non-hazardous (NHW) waste is performed according to the specific technical instruction of the Documented Environmental Management System:

GRUPO ARANIA

WASTE	2016	2017	2018	2019	2020	2021
HW (Tn)	7,769	6,091	6,099	4,797	4,373	5,868
NHW (Tn)	470	500	529	508	494	541
Scrap metal* (Tn)	26,755	29,394	28,433	25,097	21,704	25,471
TOTAL	34,994	35,985	35,061	30,402	26,571	31,880

Scrap metal is classed as NHW, but given its high percentage, the decision was made to separate it, as it is a recyclable waste.

For the ARANIA plant **the rate of waste reuse**, calculated for 2021, was **99.1% of the waste generated**. In other words, **only 0.9% of waste** had "landfill" as its final destination.

CIRCULAR ECONOMY AND ENVIRONMENTAL FOOTPRINT

Thanks to support from Ihobe, the Public Environmental Management Association of the Basque Government, GRUPO ARANIA has decided to implement a project concentrating on the circular economy: a development model in which the value of the products, materials and resources is maintained in the economy for as long as possible. Instead of being discarded after use, the materials are reincorporated into the production cycle as secondary raw materials. Thus, responsible management practices are encouraged for our waste, with a view to separating, reusing, and recycling steel and valorising a significant majority of it.

Alongside this, we are collaborating with Siderex (Cluster Association of Steelworks of the Basque Country of which it is a member) in HAMBEMET, a large-scale project to calculate the Product Environmental Footprint (PEF) in which significant industrial figures of the Basque Country are involved.

WHAT IS THE PRODUCT ENVIRONMENTAL FOOTPRINT?

The **Product Environmental Footprint (PEF)** of the European Union is a method for calculating the total environmental impact of the products that leave our factories. Its objective is to permit the supply of reliable and comparable information on the products, promoting a more sustainable market.

The whole Product Environmental Footprint is based on Product Environmental Footprint Category Rules (PEFCR): a detailed technical guide on how to conduct a study of this type on a specific category of product. The PEFCR complement the general methodological orientation of the environmental footprint, providing more specifications at the level of the product, ensuring the reproducibility and coherence of these studies.

Section 5.4. corresponding to content on climate change presents further details on both the methods and the results obtained to date.

Sustainable Use of Resources

| GRI 103-1 | GRI 103-2 | GRI 302

The importance of **preserving natural resources and concern for the environment** have been consolidated in the collective imagery worldwide in the last century. Sustainability targets are more and more ambitious and in general, industrial activities depend to a large extent on energy, so it is essential to prioritise **savings in energy costs and energy efficiency as much as possible**.

GRUPO ARANIA's focus on the sustainable use of resources is supported by two key management practices:

ISO 50001 Certification

Energy Management Systems

Guarantee of Origin Certification

ISO 50001 CERTIFICATION

Energy Management Systems

The ISO 50001 standard specifies the requirements to implement, maintain and improve an energy management system (EMS) that provides with GRUPO ARANIA companies a systematic focus to achieve ongoing improvement in the energy performance of its activities.

Currently the scope certified for a improved energy performance of activities is that of "Manufacture of cold rolled strapping in low and high carbon steels, alloys and microalloys and stripping process" as it

is a process of intensive energy use and therefore with the largest impact compared to other activities of the group.

GUARANTEE OF ORIGIN CERTIFICATION

GRUPO ARANIA ratifies its commitment to an environmentally responsible corporate culture with the activation of the **Guarantee of Origin Certification (GO)**, which confirms that the electrical energy consumed in its production centres is generated from renewable energy sources.

Issued by the Spanish National Commission of Markets and Competition (CNMC), the GO certificate guarantees that GRUPO ARANIA carries out its production processes using renewable energy. Thus, the corporation can provide detailed information to its customers on the origin of the energy used and the environmental impact generated in the manufacture cycle of its products.

The four businesses that comprise the group (cold rolling, steel tubes, light-load shelving and industrial shelving) are fully committed to GO and continuing to promote the transformation toward a more sustainable industry, that is efficient and respectful of the environment.

CONSUMPTION

| GRI 301 | GRI 302 | GRI 303

Regarding “Indicator Monitoring” as a priority line of action highlighted in the focus of environmental commitment, the following chart of the main materials consumed, in addition to steel, is presented:

GRUPO ARANIA

CONSUMPTION/ RESOURCES	2016	2017	2018	2019	2020	2021
Electricity (MWh)	25,072	26,732	28,033	26,963	25,467	28,432
Gas (MWh)	53,876	53,117	55,741	48,000	43,262	51,552
Petrol (litres)	15,211	16,681	9,852	4,077	4,764	3,710
Mains water (m3)	121,113	119,555	119,364	110,233	108,123	151,291
Wood (Tn)	1,715	2,718	2,967	2,623	2,169	2,420
Plastic (Tn)	120	188	190	163	172	195
Metal strapping (Tn)	94	450	719	352	241	315
Coolant (Tn)	130	169	181	163	201	159
Hydrochloric acid (Tn)	2,996	3,181	3,200	2,837	2,306	2,455
Nitrogen (m3)	671,901	493,855	508,186	357,100	356,337	438,280
Hydrogen (m3)	475,709	553,460	662,697	510,908	468,240	712,317
Paint (Tn)	89,761	92,261	75,635	81,366	83,449	97,143
Cardboard (Tn)	6	8	9	7	14	16
Plastic strapping (Tn)	1	4	3	4	11	3

Climate Change

| GRI 103-1 | GRI 103-2 | GRI 305

The rollout of voluntary targets to reduce the impact of climate change is carried out by calculating the Carbon Footprint according to the procedure in ISO 14064. This method specifies the principles and requirements for quantification and the report on emissions and removals of greenhouse gases (GHG). It includes requirements for the design, development, management, reporting and/or verification of the inventory of GHG at GRUPO ARANIA.

GREENHOUSE GASES (GHG)

Within ARANIA's commitment to the environment, we consider it a vital step to account for our Carbon Footprint, with a view to establishing a starting point and thus define a goal for its reduction.

The standard **ISO 14064-1.2018 Greenhouse gases** defines a standard for calculation of the Greenhouse Gases (GHG), which is divided into the following groups or scopes.

	Scope 1	Scope 2	Scope 3
2019	2.9%	0.7%	94.6%
2020	2.4%	0.8%	96.8%
2021	2.1%	0.2%	97.7%

SCOPE 1

DIRECT EMISSIONS

Combustion processes (use of gas, diesel, the company's own fleet), emissions of coolants.



SCOPE 2

INDIRECT EMISSIONS

Derivatives of electricity consumption.



SCOPE 3

INDIRECT EMISSIONS

Raw materials, transport, business trips, staff mobility, waste management.

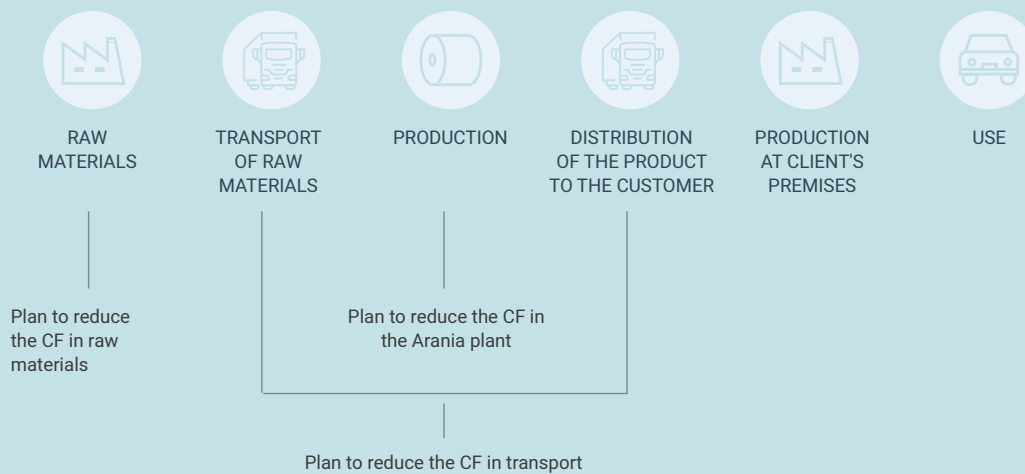


The procedure implemented at ARANIA S.A.U. is described in the images below and the categorised action plans to reduce the impact are summarised in the following diagram:

WHAT IS THE CARBON FOOTPRINT?

Method for calculating **Greenhouse Gases (GHG)**.

Steps: Count + Reduce + Compensate



GROUP	TnCO2 REDUCTION PLAN	
ENERGY	Electricity	Purchase of green electricity: Guarantee of Origin (2022). Energy self-supply: installation of photovoltaic panels. Energy efficiency in installations (compressed air, trains, etc.).
	Gas	Boilers, more efficient stripping. Furnaces. Analysis of technology.
	Diesel	Gradual change from combustion forklifts to electric.
WASTE	Plastics, woods, other	Container reduction plan. Attention: Packing!
MOBILITY	Emissions from staff travel	Incentivise the use of electric vehicles, by installing charging points.

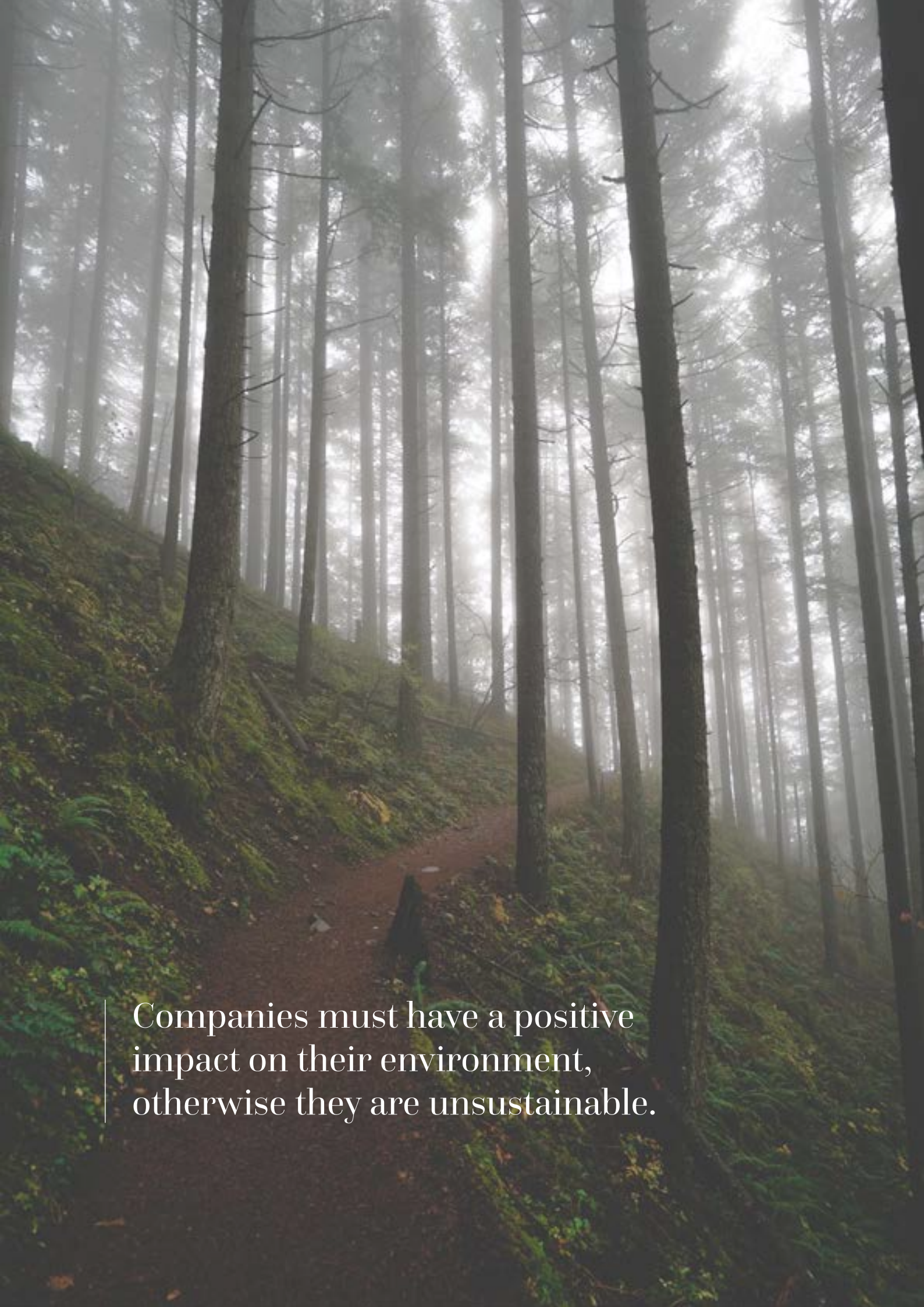
Protection of Biodiversity

Living Sustainability is a strategic project working toward a healthy company, committed to its workers and the planet.

This project promotes actions to be able to achieve a sustainable lifestyle; the idea is to live based on a commitment to the environment and this can be achieved by introducing small actions into our everyday lives.

These actions, at the same time, seek to raise awareness and highlight the Sustainable Development Goals, adopted by the United Nations and are adopted as our own, for which an identity has been designed and two healthy spaces have been created with recycled and ecological materials with the aim of creating a **natural setting** in which to enjoy a healthy lunch.



A photograph of a dense forest with tall, thin trees. The ground is covered in green ferns and a dirt path winds through the trees. The scene is misty, with light filtering through the canopy.

Companies must have a positive impact on their environment, otherwise they are unsustainable.

Information
on
society

Commitments of GRUPO ARANIA to Sustainable Development

The integration of the SDG in the business plans strengthens the identification and management of risks and opportunities, innovation in the business models and the alignment of the strategy and expectations of the Company with its employees, customers, suppliers and all of its stakeholders. The Code of Conduct and Responsible Practices of GRUPO ARANIA establishes the commitment of assuming and incorporating as their own a number of Universal Principles and Commitments, including the “10 Principles of the Global Compact” and “Agenda 21” for sustainable development.

The current evolution of these universal commitments has led to the update and alignment with the corporate culture and strategy of the **2030 Agenda** and establish the targets that make Responsible Practices by GRUPO ARANIA visible in its connected logic of COMMITMENTS toward our stakeholders.



Prioritised SDG

2030 Agenda TARGETS

<p>3 HEALTH AND SAFETY</p> 	<p>Target 3.D. RNFRorcement in the management of health risks.</p>
	<p>Target 3.3. Put an end to contagious diseases.</p>
<p>5 GENDER EQUALITY</p> 	<p>Target 5.5. Ensure full participation of women and equal opportunities.</p>
<p>7 ACCESSIBLE, NON-POLLUTING ENERGY</p> 	<p>Target 7.2. Increase renewable energy.</p>
<p>8 DECENT WORKING CONDITIONS AND ECONOMIC GROWTH</p> 	<p>Target 8.1. Maintenance of economic growth</p>
	<p>Target 8.2. Raise productivity through diversification, technology and innovation.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Target 9.2. Promotion of inclusive and sustainable industry.</p>
	<p>Target 9.B. Development of technology, research and innovation.</p>
<p>12 RESPONSIBLE PRODUCTION AND CONSUMPTION</p> 	<p>Target 12.2. Achieve the efficient use of natural resources.</p>
	<p>Target 12.5. Prevention, reduction, recycling and reuse of waste.</p>
<p>13 ACTION FOR THE CLIMATE</p> 	<p>Target 13.3 Improvement of the politeness and awareness-raising environmental.</p>
<p>17 ALLIANCES TO ACHIEVE OBJECTIVES</p> 	<p>Target 17.9. RNFRorcement of capacities for SDG implementation.</p>

COMMITMENTS OF GRUPO ARANIA

Rollout of good practices.

Target M.3.1. Promote and guarantee the Occupational Health and Safety of our people.	ISO 45001 certification of all plants. <i>Living Sustainability.</i>
Target M.3.2. Implementation of protocols and preventive measures for COVID-19.	COVID-19 Protocol. COVID-19 Extraordinary budget.
Target M.5.1. Promote Equality Plans throughout all units of the Group.	Development and implementation of Equality Plans.
Target M.7.1. Completion of objectives of the Plans 2022/2025.	Guarantee of Origin (GO) certification. Sustainable mobility project: Charging points for electric vehicles. Photovoltaic panel project.
Target M.8.1. Completion of objectives of the Plans 2022/2025.	Focus on internationalisation.
Target M.8.2. Completion of objectives of the Plans 2022/2025.	HAZITEK Programme.
Target M.9.1. Completion of objectives of the Plans 2022/2025.	Industrial group with consolidated balance sheet. Participation in projects with Mondragon University and UPV-EHU.
Target M.12.1. Completion of objectives of the Waste Management Plan 2030.	Rate of waste recycling and waste to landfill.
Target M.12.2 Reduction of Tn of CO2.	Carbon footprint calculation procedure. HAMBEMET Project.
Target M.13.1. Reduction of Tn of CO2.	ISO 14001 certification in all plants of the group. Living Sustainability project.
Target M.17.1. Adhesion to sectorial initiatives and other local initiatives.	Research into joining Responsible Steel, PSCR, IZAITE, EMAKUNDE.
Target M.17.1. Adhesion to sectorial initiatives and other local initiatives.	Research into joining Responsible Steel, PSCR, IZAITE, EMAKUNDE.

Suppliers and Supply Chain

| GRI 102-9 | GRI 102-43

The commitments acquired with the suppliers as important stakeholders in the supply chain are expressed in the Code of Conduct document. The management practices associated with these commitments are rolled out as follows:

Approve suppliers incorporate criteria of sustainability

As described in the Procedure for the reception, control and standardisation of raw material (PRO 06.03) the decision to approve a new supplier is made within the scope of the Raw Material Strategy Committee, involving the Director General, the Purchasing Director, Process Product Technology and the Supply Chain Director.

For the selection of new suppliers, these steps are followed:

Risk analysis

That it is possible to anticipate future fault types. Other points evaluated may include: technical contact, logistics process, technology, delivery scheduling, anticipated product quality.

Management Systems Certificates

Suppliers must have at least the ISO 9001 certificate, and its certification plan for IATA 16949 will be required. It is recommended to have the certificates ISO 45001, ISO 14001, ISO 50001.

Use questionnaires to monitor the level of sustainability achieved by each supplier

With the aim of strengthening and promoting certifications among raw material suppliers, those that do not have the certifications: IATA 16949 + ISO 14001 + ISO 45001 + ISO 50001 will be sent a document (DOC.02.05.01 Development of supplier certification) in which the certification goals regarding these standards are described.

In addition, a plan for a second-party audit may be established, based on the response to the DOC.02.05.01 Development of supplier certification, that will be established every year, considering that the European suppliers are visited annually and those outside of Europe every 2 years.

Supplier performance will be monitored by ongoing evaluation. To do so, an annual evaluation of each supplier is conducted based on the calculation of Quality, Management System and Service indexes that have been obtained in the supplies made during the year, classifying the suppliers in accordance with the following table:

Supplier Evaluation Criteria

SCORE	EVALUATION	DESCRIPTION
>9	A	Approved Preferential Supplier (APPROVED - Preferential Supplier)
7.1-9	AB	Approved with improvement areas detected (APPROVED - Improvement areas detected)
6-7	C	Important areas for improvement - Action plan upon request (IMPORTANT - Improvement areas - Action Plan upon request)
<6	D	Urgent action required (Corrective actions required)

All the criteria used to evaluate the Quality, Management System and Service indexes are defined in the certified Management System documentation. If the supplier evaluation is "D", the approval of the supplier in question will immediately be revoked, or, a second-party audit will be carried out at the supplier's facilities to verify in situ the reason for the negative results and define a series of urgent corrective actions to correct the deviations that caused the negative evaluation.

In all cases, it will be the responsibility of the Purchasing and TPP department evaluate the severity of the incident or failure to comply. The Purchasing Director is responsible for communicating to the supplier the decisions adopted after the annual assessment process and communicate any incident that, at the criteria of the Purchasing and TPP department, is susceptible to the application of corrective action and its monitoring.

Consumers and other Social Agents

| GRI 102-13 | GRI 102-43

It has already been consolidated throughout this report that the market value proposition of GRUPO ARANIA lies in a culture that is the key to differentiation and sustainable growth.

In line with this defining culture, which ensures the reputation and the confidence gained from customers, suppliers, collaborators and society in general, is the participation in different associations and clusters that facilitate information transfer, the sum of resources and an increase in innovation opportunities.

This commitment to collaboration appears to be the most interesting model, not for the advantages we have mentioned on improved information quality and sum of resources, but also for motivation and participation in a culture of not being left behind and discovering guides, pathways and models that can be applied and can change how we understand the MISSION AND VISION and the contribution to society in general.

Awards

In late 2020 **ARATUBO** received the **MC MUTUAL “Antonio Baró” award for Occupational Risk Prevention in recognition of its commitment to the health and safety of its workers.**

The “Antonio Baró” awards for Occupational Risk Prevention began in 2001 and recognise companies, people and institutions that stand out due to the quality of their preventive management.

ARATUBO was recognised for its prevention policies and activity aimed at protecting the human team and improving working conditions.

Organisations and business entities have shown their commitment by joining the Green Deal and the incorporation of sustainable good practices into their everyday work to increase business efficiency.

ARATUBO has been part of the group of Green Deal companies since July 2020 and obtained the **GREEN DEAL second prize for good environmental practices 2020/2021** thanks to its real-time monitoring of energy consumption in recognition of the commitment to reduce CO2 emissions.

ARATUBO carried out a first energy audit in 2017 and, since then, has developed a number of actions to reduce energy consumption. In the short term the goal is to obtain the ISO 50001 Certification and move forward in the circular economy and in the management and improvement of the carbon footprint.

Seal of Corporate Social Responsibility awarded by IKASLAN BIZKAIA: ARANIA recently received recognition from the network of public vocational training centres of Bizkaia, IKASLAN BIZKAIA.

Through this acknowledgement IKASLAN BIZKAIA lends value to the commitment of organisations and people who are committed to a management system that is respectful of its environment, and in particular vocational training.



The contribution in student attraction processes, collaboration in innovation and entrepreneurship projects, as well as the implication in the knowledge transfer between academic and productive spheres, facilitate labour insertion and, in short, contribute to the development of vocational training.

Participation in associations:

Corporate associations in the field of management and governance	
APD	ASSOCIATION FOR MANAGEMENT PROGRESS (www.apd.es) represented by the Chairman as a Board Member for the North Zone
AENOR	Spanish Standardisation Association, (www.aenor.com), as a member of the committee CTN - 58
AEFAME	Association of Family Businesses of the Basque Country
CEBEK	Bizkaia Business Confederation (www.cebek.esn)
SEA	Companies of Alava (https://sie.sea.es/)

Associations of the steel sector

EAC	Spanish Association for Quality
AEFEM	Spanish Association of Metal Shelving Manufacturers
ATEG	Spanish Technical Association of Galvanising
AIAS	Association of Surface Finish Industries
APPROLOG	Peruvian Association of Professionals in Logistics
ALOG	Chilean Logistics Association
ADL	Logistics Development Association
CCL	Lima Chamber of Commerce
CESOL	Spanish Association of Welding and Joint Technologies
CIELFFA	European Federation of Cold Rolled Narrow Steel Strip Producers and Companies, with head office Düsseldorf and represented in the Presidency of the Association

ICHA	Chilean Steel Institute
UNESID	Association of steelmaking companies represented by the Chairman as a member of the Executive Committee
FEM / AEM	Spanish Association of Maintenance (www.fem-aem.org) with represented by the Vice-chairman on the Board of Directors and member of the technical committee
ESTA	European Steel Tube Association
SIDEREX	Cluster Association of Steelworks of the Basque Country (www.siderex.es)
FVEM	Bizkaia Federation of Metal Companies (https://fvem.es/es/)
Uahe	Spanish Association of Iron Warehousing
VLB	Verband für Lagertechnik und Betriebseinrichtungen (Association of Storage Technology and Operative Installations)

Associations of the automotion sector

Acicae	Basque Automotion Cluster (www.acicae.es)
SERNAUTO	Spanish Association of Automotive Suppliers

Local associations

AER	Association of Entrepreneurs of La Ribera
Green Deal	Community of companies and organisations in the business area of Vitoria-Gasteiz. (Working on the transition to business models that require fewer natural resources and have a lower climatic impact)
JUNDIZ	Association of companies of Júndiz

Fiscal Information

COMPANY	TAXES: AVERAGE EFFECTIVE RATE
Arania S.A.U.	16.45%
ARATUBO S.A.U.	21.05%
AR RACKING S.A.U.	18.74%
AR Shelving S.A.	15.6%
AR Shelving s.r.o (*)	21%

Other information required in this section is compiled in the Fiscal Note of the Consolidated Annual Accounts Report of the financial year 2021 attached.



APPENDICES

Appendix I:

Statement of GRI

standards

This report has been drawn up (GRI 102-54) in accordance with the Essential option of the GRI Standards.

Any suggestions, comments or other information on the content and availability of this Report (**GRI 102-53**) must be sent to the e-mail address info@grupoarania.com.

Assuming the commitment that the quality of the information provided by GRUPO ARANIA is important for our stakeholders to be able to make solid and reasonable evaluations and to take the appropriate action, the principles set out in **GRI 101** have been applied.

At the same time, in light of the content **102-46, 102-50, 102-51 and 102-52 of GRI 102** "General Information" that requires the explanation of how GRUPO ARANIA has applied the Principles in the preparation and content of the report, this is expressed below.

Principles related to the definition of the content of the report

1. INCLUSION OF OUR STAKEHOLDERS

In its long career since its creation in 1940, GRUPO ARANIA has highlighted that the "spirit of GRUPO ARANIA" has always lasted through time, a special spirit based on people and competing in a corporate culture that determines the market value proposition based on a defining culture in order to prosper.

Note: text taken from the GRUPO ARANIA Code of Conduct.

The declaration in 2015 of the **Code of Conduct** as a "**...framework of reference and commitment to all people of GRUPO ARANIA that we are going to transmit to our customers, suppliers and colleagues.**" already considered our stakeholders critical participants in the management model of GRUPO ARANIA.

The statement of COMMITMENTS of the Code of Conduct toward these stakeholders is still valid and the participative processes of each of them to express their expectations and reasonable interests are an essential input for planning responsible management practices for GRUPO ARANIA.

2. CONTEXT OF SUSTAINABILITY

Also since 2015, in the presentation of the Code of Conduct, it was already established that "**...sustainability is considered a driving force in our local, national and international setting**". Currently, the main internationally recognised framework is the Sustainable Development Goals (SDG) of the UN.

As already highlighted in the "connected logic" of the sustainability strategy, "**...integration of the SDG in the business plans strengthens the identification and management of risks and opportunities, innovation in the business models and the alignment of the strategy and expectations of the Company with its employees, customers, suppliers and all of its stakeholders**".

3. MATERIALITY

The analysis of materiality has considered a CAUSE-AND-EFFECT algorithm taking as a reference the four perspectives of the Balanced Scorecard (BSC) that make it possible to highlight the significance of the intangible assets and integrate the VISION as an overview of performance.

Compliant to the clause **GRI 102-47** the list of material topics is included in a specific section of the report and is referenced in the Contents of the report itself.

Although other sectorial references have been identified for the materiality analysis such as "Responsible Steel" (<https://www.responsiblesteel.org/>) or the standard related to the figure of Product Safety and Conformity Representative (PSCR) in the automotion sector, the identification of the SDG is incipient in the business plans that strengthen the identification and management of risks and opportunities, identification and management of risks and opportunities, innovation in the business models and the alignment of the strategy and expectations of the Company with its employees, customers, suppliers and all of its stakeholders".

4. EXHAUSTIVENESS

Material topics covered.

The 15 material topics selected grouped in each of the four perspectives cover the economic, environmental and social impacts, the interests and expectations of our stakeholders and the future challenges identified.

The selection process for the material topics and the process of weighting them is a consequence of deploying the "Value Model for People" and in particular the Leadership Model expressed in the "Commitment to our people" section of the report.

Cover of each material topic:

The description of impacts arising from management practices and the implication of GRUPO ARANIA with regard to its activities, products and services has a solid base due to the extensive experience of all the Group's companies in the certification of their management systems.

Note: text taken from the GRUPO ARANIA Code of Conduct.

These certifications, issued with respect to internationally recognised standards (ISO/IATA) by independent third-party entities, guarantee the implementation of management practices related to activities, products and services which are based on, among other things, the following concepts:

- Understanding of the needs and expectations of the interested parties
- Risk-based thinking
- Knowledge of the organisation
- Verification of the processes, products and services supplied externally

All of this has facilitated the provision of relevant information to cover the various material topics

Time

The report presents the activities, events and impacts corresponding to the year 2021. This is not an impediment to the ability to prompt all activities to be coherent with the Chairman's statement:

"...excellent practices of good governance, true to the long-term vision that must characterise us as a family business, will act as the bridge that will take us toward the future, toward positions of European leadership".

Principles to define the quality of the report

1. ACCURACY

The accuracy and details of the qualitative and quantitative information are backed by the statements above in the attributes of Principle of Exhaustiveness for the qualitative information and for quantitative in the reliability of management system that is documented and certified by independent entities in the areas of quality, environment, occupational health and safety and energy management.

All of this has the purpose of maximum transparency toward our stakeholders and thus enables them to evaluate the performance of GRUPO ARANIA.

2. BALANCE

The information presented reflects all aspects of the performance of GRUPO ARANIA, both positive points and others that, although without a consolidated rollout, are in the process of being implemented in some of the companies. Of these, note the implementation of equality plans, the certification of the origin of energy and the development of innovation projects that still have a way to go in development and logic learning due to the specific characteristics of each of the businesses in GRUPO ARANIA.

3. CLARITY

The content presented in this report has been structured in the Contents with the coherence of expressing the main values of each of the companies using tables and consolidated data. Similarly, the global focus on sustainability has been explained, supported by the contribution to the Prioritised SDG and with details of the areas of management and good practices prescribed in the legislative references.

4. COMPARABILITY

While the comparability in time is not applicable as it is the first year we are presenting this report, the long history and experience of each of the companies in presenting reports of accountability and external audit for the certification of the area and material topics covered is notable. These prior results are coherent with what is presented now and have been a reference for expressing qualitative and quantitative information that expresses standardised ratios and global aggregate data of the activity of GRUPO ARANIA.

5. RELIABILITY

The compilation, analysis and communication of the information and the processes used to prepare this report are based on the documented management system of GRUPO ARANIA. Its certification, in most of the areas covered, with ISO standards and the cause-and-effect relationships, from identification of Strategic Lines and their rollout in policies, procedures, formal communication channels and feedback of information and data, provides support and reliable evidence.

6. TIMING

As this is the first time we have drawn up this Report, the information we present corresponds to the activities and results of last year, 2021. As of this first experience and in coherence with the rest of the accounting reports that GRUPO ARANIA establishes in its management practices, it will hereafter be conducted annually.

Appendix II: Index of GRI Content

In compliance with the provisions of **GRI 102-55**, the following table specifies all the GRI standards used and lists all the content included in the report, drawn up in accordance with the **ESSENTIAL** option.

GRI standard	Contents	Page no. or URL	Omission if relevant
GRI 101: Foundation	Principles for preparing reports. Use of the GRI standards. Drafting of the statement of use of the GRI standards.	Appendix 1	-
General content	Chairman's statement. Organisation and Business Model. Governance. Commitment to our people. Commitment to the environment. Company information.	Contents of NFR report	-
GRI 102: General Disclosures 2016 PROFILE OF GRUPO ARANIA	102-1 Name of the organisation.	33	This content cannot be omitted
	102-2 Activities, brands, products and services.	9 to 12 and 14	
	102-3 Location of headquarters.	33	
	102-4 Location of operations.	14	
	102-5 Ownership and legal form.	33	
	102-6 Markets served.	14	
	102-7 Scale of the organisation.	9 to 12 and 34	

GRI standard	Contents	Page no. or URL	Omission if relevant
GRI 102: General Disclosures 2016 PROFILE OF GRUPO ARANIA	102-8 Information on employees and other workers.	48 and 58	This content cannot be omitted
	102-9 Supply chain.	90	
	102-10 Significant changes to the organisation and its supply chain.	90	
	102-11 Precautionary principle or approach.	38	
	102-12 External initiatives.	87 and 92	
	102-13 Membership of associations.	92	
GRI 102: General Disclosures 2016 STRATEGY	102-14 Statement from senior decision-maker.	7	This content cannot be omitted
GRI 102: General Disclosures 2016 ETHICS and INTEGRITY	102-16 Values, principles, standards, and norms of behaviour.	17 and 36 www.grupoarania.com/personas	This content cannot be omitted
GRI 102: General Disclosures 2016 GOVERNANCE	102-18 Governance structure.	35	This content cannot be omitted
GRI 102: General Disclosures 2016 STAKEHOLDER ENGAGEMENT	102-40 List of stakeholder groups.	25 to 27	This content cannot be omitted
	102-41 Collective bargaining agreements.	58	
	102-42 Identifying and selecting stakeholders.	25 to 27	
	102-43 Approach to stakeholder engagement	31, 37 and 41	
	102-44 Key topics and concerns raised	13, 18 to 23 and 39	
GRI 102: General Disclosures 2016 REPORTING PRACTICE	102-45 Entities included in the consolidated financial statements.	34	This content cannot be omitted
	102-46 Defining report content and topic boundaries.	Appendix I	
	102-47 List of material topics.	28 to 31	
	102-48 Restatements of information (NFR).	Not applicable as it is the first presentation	

GRI standard	Contents	Page no. or URL	Omission if relevant
GRI 102: General Disclosures 2016 REPORTING PRACTICE	102-49 Changes in reporting (GRI).	Not applicable as it is the first presentation	This content cannot be omitted
	102-50 Reporting period.	Appendix I	
	102-51 Date of most recent report (GRI).	Appendix I	
	102-52 Reporting cycle (GRI).	Appendix I	
	102-53 Contact point for questions regarding the report.	Appendix I	
	102-54 Claims of reporting in accordance with the GRI Standards.	Appendix I and Appendix II	
	102-55 GRI content index.	Appendix II	
	102-56 External assurance.		

Material Topics

Information on respect for human rights (in Corporate Management and Code of Conduct)

GRI standard	Contents	Page no. or URL	Omission if relevant
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary.	39 and 44	This content cannot be omitted
	103-2 The management approach and its components.	44 Code of Conduct and Responsible Practices. Principle of Due Diligence. European Convention for the Protection of Human Rights and Fundamental Freedoms (EHCR). Art 21 EU Treaty.	

Information on the fight against corruption and bribery (in Corporate Management and Code of Conduct)

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary.	39 and 45	This content cannot be omitted
	103-2 The management approach and its components.	45 Code of Conduct and Responsible Practices. Principle of Due Diligence.	

GRI 205: Anti-corruption 2016	205-1 Operations assessed.	45 Code of Conduct and Responsible Practices	Inferred from the CSR Committee supervision procedure
	205-2 Communication and training about anti-corruption policies and procedures.		
	205-3 Confirmed incidents of corruption and actions taken.		
Risk management and Due diligence			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary.	38 to 43	This content cannot be omitted
	103-2 The management approach and its components.	ISO certifications with focus on risk-based management systems (9001, 14001, 45001, 50001) SWOT analysis	
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area.	38 Control and Verification Procedure of the Code of Conduct	
Occupational Health and Safety			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary.	43 and 61 to 63	This content cannot be omitted
	103-2 The management approach and its components.	ISO 45001 Certifications	
GRI 403: Occupational health and safety 2018	Management approach disclosures:	63	System of internal audits and external third-party audits
	403-1 Management System of health and the occupational safety.		
	403-2 Hazard identification, risk assessment, and incident investigation.		
	403-3 Occupational health services.		
	403-4 Worker participation, consultation, and communication on occupational health and safety.		
	403-5 Worker training on occupational health and safety.		
	403-6 Promotion of worker health.		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.		
	Topic-specific disclosures:		
	403-8 Workers covered by an occupational health and safety management system.		
403-9 Work-related injuries.			
403-10 Work-related ill health.			

Energy and Environmental Management			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary.	68 to 70	This content cannot be omitted
	103-2 The management approach and its components.	ISO 14001/ISO 50001 Certifications	
GRI 301: Materials 2016	301-1 Materials used by weight or volume.	74 to 77 Life cycle of steel	The calculation of % recycled input material is not systematised.
	301-2 Recycled input materials used.		
	301-3 Reclaimed products and their packaging materials.		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation.	78 and 79	All the information presented has been drawn up within the scope of the ISO 50001 Certification of ARANIA S.A.U.
	302-2 Energy consumption outside of the organisation.		
	302-3 Energy intensity.		
	302-4 Reduction of energy consumption.		
	302-5 Reductions in energy requirements of products and services.		
GRI 303: Water and effluents 2018	303-3 Water withdrawal.	79	
	303-4 Water discharge.		
	303-5 Water consumption.		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions.	72, 73 and 80	
	305-2 Energy indirect (Scope 2) GHG emissions.		
	305-3 Other indirect (Scope 3) GHG emissions.		
	305-4 GHG emissions intensity.		
	305-5 GHG Reduction of GHG emissions.		
	305-6 Emissions of ozone-depleting substances (ODS).		
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions.		

Organisational model of skills and performance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary.	49 to 57	This content cannot be omitted
	103-2 The management approach and its components.	49 to 57 Internal model of "Value for People"	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee.	60	
	404-2 Programs for upgrading employee skills and transition assistance programs.		
	404-3 Percentage of employees receiving regular performance and career development reviews.		
Certification of management systems			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary.	13 Scope of the ISO certificates by LRQA	This content cannot be omitted
	103-2 The management approach and its components.	13	Planned lines of action for ISO 50001 Certification in ARATUBO and AR RACKING in 2022

Appendix III: Content required by Law 11/2018 on Non-financial Information

Contents	Pages	Criteria applied
Business model	3 to 26	
Business structure, internationalisation and main markets	10 to 15	
Corporate identity	16 to 15	
Innovation	20 to 23	Consolidated annual accounts Strategy appraisals
Plan 2022/2025	18 and 19	Participation in innovation programmes with allies and partners in the sector.
Analysis of materiality	24 and 25	GRI 102-44 and GRI 102-47
Governance	28 to 30	Principle of due diligence
Code of conduct and risk management	33 to 35	
Strategy of sustainability and commitments to our stakeholders (GI)	36	

Contents	Pages	Criteria applied
Information on respect for human rights	44	Code of Conduct and Responsible Practices Principle of Due Diligence European Convention for the Protection of Human Rights and Fundamental Freedoms (EHCR) Art 21 EU Treaty
Management approach	17 and 25 to 27	Commitments acquired in the Code of Conduct.
Information related to the fight against corruption and bribery	45	Code of Conduct and Responsible Practices. CSR Committee.
Social and staff-related matters		
Management approach	47	"Value for People" Model ISO 45001 Certification.
Employment opportunities	58	
Social relations	59	
Training	66	
Health and Safety	61-63	
Equality and accessibility	64	
Environmental matters		
Management approach	24	Commitments acquired in the Code of Conduct ISO 14001 Certification
Environmental awareness and lines of action	61-70	
Contamination	71	
Circular economy and waste management	74	
Sustainable use of resources	78	
Climate change	80	
Protection of biodiversity	83	

Contents	Pages	Criteria applied
Company information		
Management approach and Commitments to sustainable development	24 and 87 to 89	Commitments acquired in the Code of Conduct Alignment with Prioritised SDG
Suppliers and supply chain	90	
Consumers and other social agents	92 to 94	
Fiscal information	95	

