Audit Report on the Consolidated Financial Statements
issued by an Independent Auditor

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report for the year ended
December 31, 2024

Building a better
working world

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 28)

To the shareholders of TUBOS REUNIDOS, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of TUBOS REUNIDOS, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2024, the consolidated profit and loss account, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2024 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Application of the going concern principle

Description	Notes 1.2 and 6.1 to the accompanying consolidated financial statements describe the measures adopted in recent years by the parent company's Management and Administrative Bodies in order to ensure the proper application of the going concern principle. In this regard, as indicated in Note 15 to the accompanying consolidated financial statements, on July 22, 2021, the Group's parent company signed a temporary financial support operation with the Solvency Support Fund for Strategic Companies, in the form of a participating loan in the amount of 112.8 million euros, together with a novation of the financing conditions existing on that date with the financial entities. Both agreements enable the Group to launch the 2021-2028 Strategic Plan and the specific initiatives contemplated therein, which the Board of Directors of the Group's parent company considers necessary to restore its financial and equity position and to continue operating under the going concern principle. We have considered this area as a key issue of our audit due to the relevance of the actions taken by the Board of Directors and Management of the parent company within the context of the Strategic Plan to ensure the continuity of its operations in the future.
Our response	In relation to this area, our audit procedures have included, among others, the following: ▶ Identification and understanding of the reasons that may cast significant doubt on the Group's ability to continue as a going concern. ▶ Verification of the evaluation carried out by the Board of Directors and the Management of the parent company in relation to its capacity to continue as a going concern, once the measures adopted in the Strategic Plan for the restitution of the Group's financial and equity situation have been considered. This verification has included, among other aspects, the review of said Strategic Plan and of the financial evolution foreseen for the Group in the next twelve months. ▶ Review of the disclosures included in the notes to the consolidated financial statements in accordance with the applicable financial reporting regulatory framework.

Recoverability of Property, plant and equipment

Description	As of December 31, 2024, the Group presents tangible assets amounting to EUR 241 million. The Management of the Group assesses, at least on an annual basis, whether there are indications of impairment on these assets and, if so, performs certain analyses on the recoverability of the amounts recorded in the consolidated balance sheet, as broken down in Note 6 "Accounting estimates and calculations", relating to breakdowns by measure of fair value and in Note 10 "Property, plant and equipment" describing the main assumptions used in the impairment analysis.

The recoverability of the carrying amount of the indicated assets has been determined on the basis of the current value of future flows generated by the cash-generating units or, where appropriate, the best estimate of their recoverable value. Flows are calculated based on business plans approved by the Group Management. On the other hand, Management has carried out an analysis of sensitivity on key hypotheses that, based on historical experience, may reasonably vary. Its preparation requires estimates and the assessment of uncertainties that could significantly influence the amounts accounted for and, therefore, the Group's financial position and results.

We have considered this area as a key audit matter because of the importance of related amounts and the existence of significant estimates used by Management in its assessment of the recoverability of the value of tangible assets.

Our response

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the processes established by the Group Management in determining the analyses of asset impairments, including evaluating the design and implementation of relevant controls.
- Analysis of the reasonableness of the allocation of assets to the different cash-generating units.
- Review of the model used by the Group Management, in collaboration with our valuation specialists, covering, in particular, the mathematical coherence of the model, the reasonableness of projected cash flows, discount rates and long-term growth rates, as well as the results of the sensitivity analyses carried out by the Group Management. In conducting our review, we have had interviews with business leaders and used recognized external sources and other information available for the contrast of the data used by the Group Management.
- Review of the disclosures included in the notes to the consolidated financial statements in accordance with the applicable financial reporting regulatory framework.

Repurchase and Valuation of Financial Debt with Discount (Dutch Auction)

Descripción

As disclosed in Note 15 to the accompanying consolidated financial statements, in January 2024, following the prior authorization of all affected financial creditors–including financial institutions, bondholders, and the Solvency Support Fund for Strategic Enterprises (FASEE)–the Parent Company of the Group repurchased a nominal amount of EUR 106.7 million of principal and interest corresponding to part of the convertible debt from tranches By C and bonds B through a Dutch auction process. The total consideration paid by the Parent Company for the accepted offers amounted to EUR 27.5 million.

The Group’s Management analyzed the accounting impacts arising from the repurchase of the financial debt, recognizing a positive impact of EUR66.5 million under “Finance income” in the consolidated income statement. This impact reflects the difference between the carrying amount of the cancelled debt at the transaction date (EUR 97.8 million), the consideration paid to the financial institutions, and the related transaction costs.

We considered this area a key audit matter due to the complexity of the transaction carried out by the Group's Management, the associated accounting implications, and the material impact of this transaction on the consolidated financial statements.

Information on the applicable valuation policies and the main considerations used in determining the accounting impact of this transaction can be found in Notes 1.2 and 15 to the accompanying consolidated financial statements.

Our response

In relation to this area, our audit procedures have included, among others, the following:

- Gaining an understanding of the process followed by the Group's Management for the recognition and valuation of the financial debt repurchase transaction.
- Reviewing the documentation supporting the agreements signed with each of the financial institutions to gain an understanding of the transaction and its accounting treatment, as well as reviewing supporting documentation related to the transaction costs and payments made.
- Reviewing the calculations performed by the Group's Management regarding the carrying amount of the cancelled debt as of the transaction date and the related transaction costs for the recognition of finance income in the consolidated income statement.
- Reviewing the disclosures included in the consolidated financial statements and evaluating their compliance with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2024 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of TUBOS REUNIDOS, S.A. and subsidiaries for the 2024 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of TUBOS REUNIDOS, S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion in this audit report aligns with the additional report issued to Parent Company's audit committee on February 24, 2025.

Term of engagement

The ordinary general shareholders' meeting held on May 30, 2024 appointed us as auditors of the Group for an additional period of one year, starting from the year ended December 31, 2023.

Previously, we were appointed by resolution of the ordinary general shareholders' meeting for the initial period of 5 years and have therefore been auditing the consolidated financial statements uninterruptedly since the year ended December 31, 2019.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish)

Miguel Mijangos Oleaga

February 28, 2025

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

Consolidated annual accounts and consolidated management report
for the financial year ending
31 December 2024

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(All documents refer to 31 December 2024 or the year ended 31 December 2024, as appropriate)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024
(thousands of euro)

ASSETS	Notes	31/12/2024	31/12/2023
Intangible assets	8	3,266	2,004
Rights of use	9	6,292	5,898
Property, plant and equipment	10	241,522	261,826
Real estate investments	10	1,181	1,238
Non-current financial assets	11	417	426
Deferred tax assets	17	21,043	32,977
Non-current assets		273,721	304,369
Inventories	13	115,447	107,818
Trade and other accounts receivable	11	14,026	16,768
Other current financial assets	11	5,351	3,226
Derivative financial instruments	11	-	470
Public administrations	16	6,562	4,724
Accruals		90	16
Cash and cash equivalents	11	46,366	92,573
Current assets		187,842	225,595
TOTAL ASSETS		461,563	529,964
NET EQUITY AND LIABILITIES			
Own funds	14	34,136	5,592
Capital		3,494	3,494
Share premium		387	387
Retained earnings		31,251	2,620
Shares of the parent company		(996)	(909)
Adjustment due to change in value		(6,188)	(1,980)
Net equity attributable to the parent company		27,948	3,612
Minority interests	14	137	738
Net book equity		28,085	4,350
Deferred income		907	107
Long-term provisions	19	650	5,501
Borrowings	15	250,271	362,248
Derivative financial instruments	11	2,925	3,362
Public administrations	16	3,126	-
Deferred tax liabilities	17	11,224	15,241
Other financial liabilities	18	7,814	7,976
Non-current liabilities		276,010	394,328
Short-term provisions	19	6,332	8,300
Borrowings	15	35,726	15,995
Derivative financial instruments	11	5,838	169
Public administrations	16	5,455	10,191
Other financial liabilities	18	103,210	96,524
Current liabilities		156,561	131,179
TOTAL NET EQUITY AND LIABILITIES		461,563	529,964

The attached notes to the consolidated report are an integral part of the consolidated annual accounts

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2024
(thousands of euro)

	Notes	2024	2023
Operating income		332,755	541,926
Net turnover	20	323,961	532,856
Other operating income	20	8,794	9,070
Change in inventory of finished products and products in production	13	10,785	(13,340)
Supplies	13	(127,492)	(162,879)
Staff expenses	21	(98,511)	(111,442)
Other operating expenses	22	(108,824)	(147,524)
Depreciation of property, plant and equipment	8–9–10	(18,319)	(16,979)
Impairment and results due to disposal of property, plant and equipment	8–10	4,910	(5,459)
Other net profit/(loss)		53	16
Operating income		(4,643)	84,319
Financial income	15 a)	67,757	406
Financial expenses		(27,187)	(28,043)
Changes in fair value of financial instruments		(339)	(5,660)
Exchange differences		2,308	(3,275)
Financial results		42,539	(36,572)
PROFIT/(LOSS) BEFORE TAX		37,896	47,747
Tax on profits	16	(10,145)	8,799
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		27,751	56,546
Profit/(loss) attributed to the parent company		28,631	56,312
Profit/(loss) attributed to external partners	14	(880)	234
Profit/(loss) per share (expressed in euros)			
Basic	23	0.164	0.323
Diluted		0.164	0.323

The attached notes to the consolidated report are an integral part of the consolidated annual accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024
(thousands of euro)

	2024	2023
CONSOLIDATED PROFIT/(LOSS)	27,751	56,546
Other comprehensive income		
Foreign exchange differences	340	(88)
Cash flow hedging	(5,984)	(3,037)
Tax effect	1,436	729
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	23,543	54,150
Attributable to:		
Shareholders of the parent company	24,423	53,916
Minority interests	(880)	234

The attached notes to the consolidated report are an integral part of the consolidated annual accounts

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
(thousands of euro)

	Attributable to the shareholders of the parent company							
	Capital	Share premium	Revaluation reserve and other reserves	Retained earnings	Shares of the parent company	Adjustment due to change in value	Minority interests	TOTAL
Balance as at 31 December 2022	3,494	387	48,924	(102,616)	(1,034)	416	504	(49,925)
Total consolidated recognised income and expenditure	-	-	-	56,312	-	(2,396)	234	54,150
Operations with shares from the parent company	-	-	-	-	125	-	-	125
Balance as at 31 December 2023	3,494	387	48,924	(46,304)	(909)	(1,980)	738	4,350
Total consolidated recognised income and expenditure	-	-	-	28,631	-	(4,208)	(880)	23,543
Operations with shares from the parent company	-	-	-	-	(87)	-	-	(87)
Other transactions (note 14)	-	-	-	-	-	-	279	279
BALANCE AS AT 31 DECEMBER 2024	3,494	387	48,924	(17,673)	(996)	(6,188)	137	28,085

The attached notes to the consolidated report are an integral part of the consolidated annual accounts

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024
(thousands of euro)

	Notes	2024	2023
Cash flows from operating activities		6,220	71,260
Profit/(loss) for the year from continuing operations		27,751	56,546
Adjustments to income		(32,405)	71,955
Taxes		10,145	(8,799)
Depreciation of property, plant and equipment	8–9–10	18,319	16,979
(Profit)/Loss in the sale/write-off of property, plant and equipment	8–10	(4,726)	-
Impairment of property, plant and equipment	8–10	(184)	5,456
Variation in provisions	12–13–19	(14,109)	21,896
Other expenses/(income)		747	(105)
(Profits)/losses in the fair value of derivative financial instruments		281	5,616
Financial income		(67,757)	(406)
Financial expenses		27,187	28,043
Exchange differences		(2,308)	3,275
Changes in working capital		20,233	(43,069)
Inventories	13	2,091	15,131
Customers and other accounts receivable	11–12	6,212	3,632
Suppliers and other accounts payable	18	11,930	(61,832)
Other cash flows from operating activities		(9,359)	(14,172)
Charges/(payments) for tax on profits		(1,200)	(2,162)
Other charges/(payments)		(8,159)	(12,010)
Cash flows from investment activities		(3,000)	(33,185)
Acquisition of intangible assets	8	(1,617)	(914)
Acquisition of tangible property, plant and equipment	10	(20,122)	(31,522)
Charges for divestments of tangible property, plant and equipment		20,855	33
(Investment)/divestment of financial assets		9	(19)
(Investment)/divestment in current financial assets		(2,125)	(763)
Cash flows from financing activities		(49,427)	(40,607)
Obtaining of borrowings	15	2,105	-
Reimbursement of borrowings and interest payments	15	(50,771)	(39,151)
Repayment of other debts		(674)	(1,581)
Disposal/(acquisition) of treasury shares		(87)	125
NET (DECREASE)/INCREASE IN CASH OR CASH EQUIVALENTS		(46,207)	(2,532)
Cash and cash equivalents at the beginning of the year	11	92,573	95,105
Cash and cash equivalents at the end of the year	11	46,366	92,573

The attached notes to the consolidated report are an integral part of the consolidated annual accounts

CONSOLIDATED REPORT FOR THE YEAR ENDED 31 DECEMBER 2024
(thousands of euro)

1. GENERAL INFORMATION

1.1 Structure of the Group and activity

Tubos Reunidos, S.A. (hereinafter referred to as "TRSA", "the company" or "the parent company" interchangeably) was established, for an indefinite term, under the name "Tubos Forjados, S.A.", in Bilbao on 2 December 1892. Its registered office and tax address is currently in Amurrio (Álava, Spain).

TRSA is a public limited company listed on the Bilbao and Madrid Stock Exchanges. It is the head of a group of companies (hereinafter, "Tubos Reunidos Group" or "the Group", interchangeably) whose main activity in the steel industry is the manufacture and sale of seamless steel pipes, with four production plants (three in Spain and one in the US) and 6 branch offices (Germany, Italy, South Korea, China, Dubai and the US), as well as commercial agents in 14 countries, through which it serves the world's major markets.

As at 31/12/2024, the companies that make up the Group are as follows:

Company	Registered office	Activity	Share %	Holding company
Tubos Reunidos Group, S.L.U. (TRG)	Amurrio (Álava)	Industrial	100%	Tubos Reunidos, S.A.
Tubos Reunidos Premium Threads, S.L. (TRPT)	Iruña de Oca (Álava)	Industrial	51%	Tubos Reunidos, S.A.
T.R. America, Inc. (TRAME)	Houston (Texas)	Retailer	100%	Tubos Reunidos, S.A.
RDT, Inc. (RDT)	Beasley (Texas)	Industrial	100%	Aplicaciones Tubulares, S.L.U.
Tubos Reunidos Services, S.L.U. (TRS)	Amurrio (Álava)	Industrial/Real estate operation	100%	Tubos Reunidos, S.A.
Clima, S.A.U. (CLIMA)	Bilbao (Vizcaya)	Holding company	100%	Tubos Reunidos, S.A.
Aplicaciones Tubulares, S.L.U. (ATUCA)	Bilbao (Vizcaya)	Holding	100%	Tubos Reunidos, S.A.
Tubos Reunidos GmbH	Düsseldorf (Germany)	Retailer	100%	Tubos Reunidos Group, S.L.U.

All companies in the group complete their annual financial year on 31 December and consolidate their financial statements using the full integration method, including TRPT, over which the Group has effective control. The only change in the scope of consolidation in 2024 and 2023 was the 2024 incorporation of Tubos Reunidos GmbH, based in Düsseldorf (Germany), to strengthen our commercial presence in that country and in Central, Eastern and Northern Europe. This company will start its activities in 2025.

1.2 Relevant information for the financial year

Activity for the year: key figures

Profit/(loss) for the period

In 2024, the Group recognised consolidated net profit attributable to the parent company of EUR 28.6 million, which includes the accounting impact of the discounted debt buyback via a Dutch auction formalised in January (note 15). The amount acquired as part of the buyback amounted to EUR 106.7 million, made up of principal and interest, and corresponds to part of the debt convertible into shares in tranches B and C and B bonds, paying a price of EUR 27.5 million, generating financial income of EUR 66.5 million before tax, based on the book value of the debt repaid at that date and net of the expenses associated with the transaction.

Operating profit/(loss) for the period amounted to EUR -4.6 million, taking into account the effect of reduced activity that began in the second half of 2023, as a result of the changes in demand for seamless tubes in recent months, which resulted in the continuous drop in volumes and prices seen at the end of 2022.

This fall in demand, also influenced by sector-specific cyclical aspects, has been affected by the following main factors:

- The high level of stock throughout the OCTG (Oil Country Tubular Goods) chain: actual consumption of tubes in this segment has remained relatively stable, although the inventories of distributors and end customers have been nurtured during 2024, although this situation has now returned to normal, thus increasing effective demand and our order book in the final months of the year.

- Customer expectations as regards lower costs and falling interest rates, which were confirmed during the second half of the year.

- Delayed purchase decisions in light of political and economic uncertainties stemming from conflicts in various regions and from elections in several major areas, especially in the US.

- Strong competitive pressure from countries where prices are low, or subsidised, especially China.

The Group's positive EBITDA[1] in 2024, EUR 8.8 million (2023: EUR 106.7 million) demonstrates the Group's ability to adapt and manage the market situation described above. Worth mention is the increase in the order book during the last quarter of 2024 which, although not reflected in the results for 2024, sets the scene for recovery in sales and margins in 2025.

[1] *The definition of the Alternative Performance Measures used in these consolidated annual accounts is set forth in Appendix I of the attached management report.*

Amongst the operational measures adopted to adapt to the market situation, temporary redundancies had to be made in 2024 for production reasons at the Amurrio and Trápaga plants (practically all of 2024) and at Iruña de Oca (last quarter of 2024), for practically the entire workforce at each plant, with a maximum incidence rate of 50%. On 31/12/24, the temporary redundancies at the Amurrio and Trápaga plants came to an end.

Asset disposal

The Group's Strategic Plan included the concentration of two production units in Amurrio with a view to achieving efficiency in manufacturing processes: cold drawing and steel mills, with the consequent expansion of the Amurrio steel mill facilities (completed in 2023) and the disposal of the corresponding assets (note 10). Once approved by all financing institutions, the land and facilities whose activity has been discontinued were sold and, in particular: the land and the cold drawing facility in Pamplona, whereby the funds from this sale are being put towards early debt repayment (note 15) and the land and facilities of the old steel mill in Sestao, whereby the funds from this operation are being deposited in unavailable accounts, pursuant to the provisions of the financing agreements with financial institutions and the Solvency Support Fund for Strategic Companies ("FASEE") (note 24).

Cash and debt performance

As part of the Group's strategic objective to reduce its debt, a significant reduction in gross financial debt was made over the course of the year by EUR 92.2 million, bringing this figure to EUR 286.0 million (31/12/2023: EUR 378.2 million), owing to the combined effect of the aforementioned discounted debt buyback, the ordinary instalments paid on the syndicated loan agreement and the additional early repayment of debt using funds obtained from the sale of assets (note 15).

The Group has focussed on optimising its working capital cycle, generating an operating cash flow of EUR 6.2 million in the period. Investment payments, mainly as a result of the actions performed in the final quarter of the previous year and, in particular, the concentration of the steel mills, amounted to EUR 20.1 million. In the debt services heading, EUR 50.8 million have been earmarked for the repayment of principal and interest on the syndicated loan, including early repayment with funds obtained from the sale of the Pamplona plant.

The position of cash and financial investments fell by EUR 44.1 million, amounting to EUR 51.7 million as at 31/12/2024 (31/12/2023: EUR 95.8 million). This change can mainly be attributed to cash consumption on the debt buyback resulting from the aforementioned operation and investment in working capital required to meet the increase in the order book during the last quarter.

Launch of the O-Next tube®

We have successfully launched our product *O-Next®*, a low-emission seamless steel tube made from recycled raw materials, allowing our customers, in turn, to certify the reduction in their greenhouse gas (GHG) emissions and boost their decarbonisation processes.

The parent company also recognised a positive change in net equity, which amounted to EUR 60.6 million as at 31/12/2024 (31/12/2023: EUR 16.7 million). Net equity for commercial purposes as at 31/12/2024, meanwhile, amounted to EUR 187.3 million, taking into account the fact that the financing obtained from the FASEE entails a participation loan (note 15.b):

	31/12/2024	31/12/2023
TRSA net book equity (parent company)	60,551	16,699
Participation loan (note 15)	126,756	119,779
THE PARENT COMPANY'S EQUITY FOR COMMERCIAL PURPOSES	187,307	136,478
TRSA's share capital	3,494	3,494
Equity/share capital ratio	54x	39x

1.3 Preparation of accounts

The consolidated annual accounts for 2024 were prepared by the Board of Directors of the parent company on 27 February 2025 and are pending approval by its General Shareholders' Meeting. The directors understand that they will be approved without amendments.

The consolidated annual accounts for 2023 were drawn up by the Board of Directors of the parent company on 29 February 2024 and were approved by the General Shareholders' Meeting on 30 May 2024.

2. BASIS FOR THE PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

2.1 Bases of presentation

These consolidated annual accounts have been prepared from the individual accounting records of the companies that make up the Group, in a way that gives a true and fair image of the consolidated assets, the consolidated financial situation and the Group's consolidated results under IFRS-EU. The appraisal principles and rules followed by the parent company have been applied to all companies included in the scope of consolidation and are consistent with those applied the previous year.

The information contained in this consolidated report relating to the previous year is presented together with information for this year solely and exclusively for the purpose of comparison.

The Group's consolidated annual accounts as of 31/12/2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted for use in the European Union (IFRS-EU) and approved by the European Commission Regulations, which have been in force since 31/12/2024 and the IASB interpretations (IFRIC).

The preparation of consolidated annual accounts under IFRS-EU requires the use of specific critical accounting estimates, as well as professional judgement by Management. Note 6 discusses the areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the consolidated annual accounts. The criteria used in the judgements and estimates applied in preparing the consolidated annual accounts for 2024 are consistent with those applied in the preparation of the consolidated annual accounts for the previous year.

The accounting policies used in preparing these consolidated annual accounts are the same as those applied in the consolidated annual accounts for the year ended 31/12/2023. None of the following standards, interpretations or amendments that are applicable this year for the first time have had any impact on the Group's accounting policies:

- Presentation of financial statements: Classification of liabilities as current or non-current (amendments to IAS 1)

- Lease liability in a sale and leaseback (amendments to IFRS 16)

- Supplier finance arrangements (amendments to IAS 7 and IFRS 7). The characteristics of financing agreements have been clarified and new breakdowns have been introduced to help those who use the financial statements understand the effects of these agreements on liabilities, cash flows and exposure to liquidity risk. These breakdowns are described in note 15 to the annual report.

The following standards and interpretations have already been issued by the IASB but are not applicable this year. The Group will adopt them when they enter into force, but, based on a preliminary analysis, their initial application is not expected to have a significant impact on the Group's consolidated annual accounts:

Standard, interpretation or amendment	Date of publication in the Official Journal of the EU	Application date in the EU	Application date by IASB
Lack of exchangeability (amendments to IAS 21)	13/11/2024	01/01/2025	01/01/2025
Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)	Pending	Pending	01/01/2026
Renewable electricity contracts (amendments to IFRS 9 and IFRS 7)	Pending	Pending	01/01/2026
Presentation and disclosures in financial statements (IFRS 18)	Pending	Pending	01/01/2027

2.2 Functional and presentation currency

The consolidated annual accounts are presented in thousands of euros, rounded up to the nearest thousand, which is the functional and presentation currency of the parent company.

2.3 Consolidation principles: subsidiaries and associated companies

All companies over which the Group has control are considered subsidiaries, as defined in IFRS 10: Consolidated financial statements. These are consolidated from the date on which control is transferred to the Group, and are excluded from consolidation on the date that this control ceases.

After a previous standardisation process, if necessary, of the accounting policies, the balances and unrealised gains and losses on transactions between the Group companies are eliminated.

3. PROFIT DISTRIBUTION

The proposed distribution of 2024 profit for the parent company to be submitted to the General Shareholders' Meeting, and the distribution approved in 2023 was as follows:

	2024	2023
Allocation basis		
Result for the financial year – profit/(loss)	43,852	27,801
Distribution/(Allocation)		
Negative results from previous financial years	43,852	27,801

4. ACCOUNTING POLICIES AND MOST SIGNIFICANT ASSESSMENT CRITERIA

4.1 Foreign currency transactions

Transactions in foreign currency (understood as currency other than the Group's functional currency) are converted to the functional currency using the exchange rates on the dates of the transactions.

The profit/(loss) from exchange rate differences related to financial debts are presented in the profit and loss account, under the "Financial expenses" heading. The remainder of the profit and loss from exchange rate differences are presented on a net basis, under the heading "Exchange differences", except if they relate to qualified cash flow hedges, qualified net investment coverages or if they are attributable to part of the net investment in an overseas business, which differ in net equity.

Non-monetary items valued at fair value in a foreign currency are converted using exchange rates on the dates on which the fair values were determined. Exchange differences are presented as part of the profit or loss in the fair value.

The profit/(loss) and financial position of Group companies whose functional currency is not the euro, are converted into the presentation currency based on whether they are balance sheet figures presented, which are translated at the closing exchange rate at the balance sheet date, or income figures, in which case the average exchange rate is applied (unless this is not a reasonable approximation of the cumulative effect of the rates existing at the transaction dates, in which case they are translated at the date of the transactions).

4.2 Intangible assets

Intangible assets are recorded at their cost value, less cumulative amortisation and, where appropriate, accumulated impairment loss. The amortisation of intangible assets is carried out on a straight-line basis during their estimated useful lives (4 to 8 years for computer applications and 15 years for trademarks and licences).

The costs incurred in development projects (related to the design and testing of new or improved products) are recognised as intangible assets when the project can be correctly and individually identified, it is likely to be technically and commercially successful and its costs can be reliably estimated. They are amortised from the beginning of the linear commercial production of the product during the period in which it is expected to generate profits, but not exceeding five years.

4.3 Leases

The Group recognises the rights of use at the beginning of the lease, which is the date on which the underlying asset is available for use.

Rights of use are valued at cost, less cumulative amortisation and impairment losses, and are adjusted for any changes in the valuation of the associated lease liabilities. The initial cost of use rights includes the amount of recognised lease liabilities, initial direct costs and lease payments performed before the commencement of the lease date. Incentives received, if any, are discounted from the initial cost. Unless the Group is fairly sure of obtaining ownership of the leased asset at the end of the lease term, the rights of use are amortised on a straight-line basis for the shorter term between the estimated useful life and the lease term.

At the start of the lease, the Group recognises the lease liabilities at the present value of the payments that will be made over the term of the lease, as well as the exercise price of a purchase option, if the Group is reasonably certain that that option will be exercised and lease termination penalty payments will be due, as applicable. Variable lease payments that do not depend on an index or rate are recognised as expenses for the period in which the event or condition that triggers the payment takes place.

For calculating the present value of lease payments, the Group uses the incremental interest rate at the start of the lease only if the implicit interest rate in the lease cannot be easily determined. The lease liabilities amount is increased to show the accrual of interest and is reduced by the lease payments made.

If a modification is made to the lease term in the assessment to purchase the underlying asset or in the index or rate used to determine future payments, the lease liability shall be revalued. To determine the lease term of the contracts with a renewal option, the lease term is considered as the non-cancellable term of the contract plus the optional lease extension periods if it is reasonably certain that this option can be exercised; this includes the periods covered by the option to terminate the lease, if it is reasonably certain that such an option will not be exercised.

Lease payments on short-term leases and leases of low-value assets are recognised as expenses over the lease term.

4.4 Tangible property, plant and equipment and real estate investments

Tangible property, plant and equipment are recognised at cost, minus the cumulative depreciation and, where appropriate, the accumulated impairment loss value. After the initial recognition of the asset, those costs incurred that will generate future economic benefits qualified as likely and that can be reliably assessed are capitalised.

The replacement of elements of tangible property, plant and equipment susceptible to capitalisation imply a reduction in the carrying value of the replaced elements.

The depreciation of the elements of tangible property, plant and equipment is carried out by distributing its depreciable amount on a straight-line basis over its useful life by applying the following years of estimated useful life:

	Years of estimated useful life
Buildings	30–50
Technical installations and machinery	10–30
Other installations, tools and furniture	10
Other property, plant and equipment	6–15

At least once a year, and in any case at the close of each year, the Group estimates the residual value, useful life and amortisation method of property, plant and equipment, based on the discount of expected cash flows, market value indicators and/or third-party valuations. In the event that the recoverable value of an asset is less than its carrying amount, an impairment loss is recorded by the difference with a charge on the consolidated profit and loss account. If, in later years, the reasons that led to the value impairment are no longer occurring, the value impairment shall revert to the consolidated profit and loss account.

Profit and loss on the sale of tangible property, plant and equipment are calculated by comparing the proceeds obtained with the carrying amount and are included in the income statement.

Real estate investments comprise owned land and buildings (industrial buildings) that are held for profit or loss through sale or rental and that are subject to the same accounting policies as tangible property, plant and equipment.

4.5 Financial instruments

Contracts that give rise to a financial asset in the Group and, simultaneously, a financial liability or equity instrument in another entity, or vice versa, are classed as financial instruments. A financial asset is considered to be any asset that is: cash, an equity instrument from another company, or that represents a contractual right to receive cash or other financial assets, or to exchange financial assets or liabilities with third parties on potentially favourable terms. A financial liability is considered to be any contractual obligation on the part of the Group, whether direct or indirect, to deliver cash or other financial assets or to exchange financial assets or liabilities with third parties on potentially unfavourable terms. Balances with public administrations, except balances with public companies and similar companies, are presented in a differentiated manner.

a) Financial assets

Financial assets are classed, according to the contractual terms established for cash flows and the Group's business model for managing them, into two valuation categories: assets valued at fair value and assets valued at amortised cost.

Losses and gains for assets valued at fair value are recognised in the results or other overall comprehensive income.

Conventional purchases or sales of financial assets are recognised and/or written off to accounts on the trading date or settlement date, i.e. when the contractual rights to cash flows have expired or have been transferred and the Group has substantially transferred all related risks and benefits. At the time of initial recognition, the Group values a financial asset at its fair value plus, where appropriate, the directly attributable transaction costs.

The value correction due to losses of financial assets is based on the hypothesis of compliance risk and expected loss rates, applying information on the historical impairment losses and on existing market conditions and the forward-looking estimates at the end of the year.

The provision for impairment is estimated by applying a coefficient based on the history of default in recent years and the amount of the collection insurance coverage taken out, adjusted for factors related to the macroeconomic environment, market and risk by customer.

b) Derivative financial instruments and hedging activity

Derivative financial instruments are recognised at fair value.

At the beginning of the hedging relationship, the Group documents the financial relationship between the hedging instruments and the hedged items (including whether changes in the cash flows of the hedging instruments are expected to offset the changes in the cash flows of the hedged items) and its risk management objective and its strategy to take on its hedging transactions.

The entire fair value of a hedging derivative is classed as a non-current asset or liability if the maturity of the remaining hedged item is longer than 12 months and as a current asset or liability if the maturity is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in the cash flow hedging reserve within net equity. The profit or loss relating to the ineffective portion is recognised under profit or loss under "Change in fair value of financial instruments".

When option agreements are used to hedge forecasted transactions, the Group designates only the intrinsic value of the option agreement as the hedging instrument. Gains or losses corresponding to the effective portion of the change in the intrinsic value of option contracts are recognised in the cash flow hedging reserve in net equity, and changes in the time value of option contracts that are related to the hedged item ("aligned time value") are recognised within other comprehensive income in the net equity hedging cost reserve.

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the counted component as a hedging instrument. Gains or losses related to the effective part of the change in the counted component of forward contracts are recognised in the cash flow hedging reserve in net equity, and the change in the forward element of the contract related to the hedged item ("aligned forward element") is recognised within other comprehensive income in the net equity hedging cost reserve.

The amounts accumulated in net equity are re-classed in the financial years in which the hedged item impacts the result for the year, as follows:

- When the hedged item subsequently results in the recognition of a non-financial asset (such as inventories), both the deferred hedged profit and loss, as well as the deferred time value or the deferred forward points, if any, are included in the initial cost of the asset. The deferred amounts are finally recognised in the profit or loss for the financial year.

- The profit or loss corresponding to the effective portion of interest rate swaps that hedge variable rate loans is recognised in income within financial costs at the same time as the interest expense on the hedged loans.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred profit or loss and hedge costs deferred in net equity at that time remain in net equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the hedging instrument is no longer effective, the cumulative profit or loss and deferred hedging costs that were presented in net equity are re-classed to profit or loss for the financial year.

Derivatives that do not qualify for hedge accounting are recognised at fair value with changes in the results, and changes in their fair value are recognised, where relevant, in the income statement.

c) Implicit derivative of the debt

In the debt refinancing agreement, most recently renewed and improved on 22/07/2021, an implicit derivative has been included for the mechanism of converting part of the debt into shares of the parent company. At the end of the financial year, the Group assesses the fair value of the option based on the most probable conversion/exchange equation established in the aforementioned agreement, which takes into consideration the potential debt to be converted on the estimated conversion date, minus the fair value (its price on the closing date) of the Tubos Reunidos, S.A. shares to be converted. The probability that the conversion option will be exercised by the financial creditors is applied to this differential, based on the probability of default on the part of the company according to its estimated credit rating.

d) Derivative included in a supply contract

On 7 February 2022, the Group company TRG and Statkraft Markets GmbH signed a long-term renewable power purchase agreement (financial PPA), under which Statkraft Markets GmbH will use its available renewable energy production portfolio to cover part of TRG's consumption over a period of 10 years. This contract is recorded at fair value through profit or loss.

4.6 Inventories

a) Emission allowances

The emission allowances allocated to the Group are recorded as inventory and valued at fair value, calculated as the market value at the time of their allocation, with a credit to deferred income. The emission allowances acquired subsequently to meet the hedging requirements of the emission levels of gases produced by the Group are valued at their acquisition cost.

At each year-end, the valuation adjustment is made, if necessary, to measure the remaining emission allowances at the lower value between the acquisition cost and the market value.

The amount recorded as deferred income is credited to results depending on the charge to expenses for emission allowances received free of charge.

Expenses generated by the emission of greenhouse gases are recorded in accordance with the use of emission allowances, assigned or acquired, as they are consumed in the production process, crediting the provision account for environmental actions. This provision account is an accounting movement that is cancelled the following financial year.

Emission allowances recorded as inventories are cancelled, as an offsetting entry to the provision for the costs generated by the emissions made, when they are delivered to the Administration to address the obligations incurred.

b) Other inventories

Inventories are valued at their cost, which is determined by the weighted average cost method, including the costs of raw materials, direct labour, other direct costs and general manufacturing overheads based on normal operating capability.

c) Impairment of inventories

Two types of possible impairment in the value of inventories are considered: the impairment because the cost is greater than the net realisable value, understood as the estimated selling price in the normal course of business, minus the necessary selling costs, and the impairment due to obsolescence of the materials.

The determination of material obsolescence depends on the different types of inventories. Regular physical inspections are carried out to determine the possible depreciation of ferroalloys. The depreciation of in-production and finished products is estimated based on the expected rotation in the type of steel, the status of customer orders (fulfilled or pending) and, in the case of non-ordered materials, in accordance with the time that they have spent in warehouses. The impairment value is calculated based on the value of the associated raw materials.

4.7 Trade accounts receivable

The amounts due from customers for sales of goods or services made in the ordinary course of business are recorded as Trade accounts receivable and are initially recognised at their fair value and subsequently at their amortised cost. This is in accordance with the effective interest rate method, minus, where relevant, the provision for impairment losses for which the estimation of the underwritten collection insurance contracts, which cover the risk of non-payment, are considered.

Financing through discounting expenses is written off under the customers' heading on the collection date thereof, and recorded as bank financing. When the transfer of risks and benefits, as well as control, of accounts receivable is contracted with financial institutions, the transferred amount is written off from the balance sheet.

Trade accounts receivable are presented as financial assets and classed as non-current or current assets based on whether their due date is more than one year from the balance sheet closing date.

4.8 Trade accounts payable

Trade accounts payable are the Group's payment obligations for goods or services acquired from suppliers in the ordinary course of business. They are classified as financial liabilities under current liabilities if payment is due in one year or less or otherwise under non-current liabilities; they are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

4.9 Borrowings

Borrowings are initially recognised at fair value less any transaction costs incurred. Thereafter, borrowings are valued at their amortised cost. Any difference between the amount received (net of transaction costs) and the amortised value is recognised in the income statement using the effective interest rate method.

Borrowings are classed as current liabilities unless the Group has the unconditional right to defer settlement for at least 12 months after the balance sheet date.

Financial debt is eliminated from the balance sheet when the obligation specified in the agreement has been paid, cancelled or has expired. The difference between the carrying amount of a financial liability that has been cancelled or assigned to another party and the consideration paid, including any asset assigned other than the cash or liability assumed, is recognised in the profit and loss account of the financial year as other financial income or expenses.

4.10 Current and deferred taxes

The tax expense for the financial year includes current and deferred taxes. Taxes are recognised in the income statement, except to the extent that they relate to items recognised in other comprehensive income or directly in net equity. In this case, taxes are also recognised in other comprehensive income or directly in net equity, respectively.

Deferred taxes are recognised due to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements using tax rates (and legislation) that have been approved or are about to be approved as of the date of the balance sheet. Deferred taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction, other than a business combination, which does not affect the accounting profit or the taxable profit or tax loss.

Deferred tax assets are recognised to the extent that future taxable profits are likely to be available to offset the temporary differences.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally recognised right to offset current tax assets with current tax liabilities and when they arise from income tax levied by the same tax authority.

4.11 Employee benefits

a) Severance pay

Severance pay to employees, either as a result of the Group's decision to terminate their employment contract before the normal retirement age or when an employee voluntarily agrees to terminate their contractual relationship with the Group in return for such benefits, is recognised when there is a clear commitment to leave, in accordance with a detailed formal plan without the possibility of withdrawal, or when the costs for a restructuring within the scope of IAS 37 are recognised: Provisions, contingent liabilities and contingent assets.

When an offer is made to a group of employees, the severance pay amount is calculated based on the number of employees expected to accept the offer. If the payment is expected within 12 months of the closing date, the amount shall be updated using market discount rates.

b) Variable remuneration

A provision for variable remuneration plans is recognised based on their accrual when the Group is contractually obliged to pay them and the conditions under which they are enforceable have been met.

c) Contributions to pension plans

Part of the remuneration to employees is reflected in contributions to pension plans and external social benefits systems, in all cases of contribution that are defined and made on behalf of the worker. Contributions are recognised within staff expenses when they accrue.

The pension plans are outlined in the external Voluntary Social Welfare Entities and the Group assumes no risk in the capitalisation period of the contributions, nor does it guarantee, in any way, the participants' rights before the entities.

4.12 Provisions

Provisions for specific risks and expenses are recognised when there is an obligation present, whether it is legal or implied, as a result of past events, when there is likely to be an outflow of resources to settle the obligation and its amount can be reliably estimated.

Provisions are valued at the present value of expenditure that is expected to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation, applying, where possible, probability estimates. The increase in the provision due to the passage of time is recognised as an interest expense.

4.13 Revenue recognition

Revenue from sales and the provision of services is recognised at the fair value of the compensation received or to be received, and represents the amounts to be collected for goods sold, net of any discounts and returns.

According to IFRS 15: Revenue from Contracts with Customers, the Group carries out the following analysis:

- Differentiable pledged goods or services that should be recognised separately

  The performance obligation is the delivery of the goods, taking into consideration the terms and conditions of sale agreed in each contract. Considering that the purpose of the transaction is to supply the product in accordance with the specifications provided by the customer, there are no pending obligations post-delivery, such as interventions in the supply, commissioning, training etc.

- Variable compensation in contracts with customers

  The Group does not have variable price contracts in the existing contracts with customers, having the right to collect the full amount agreed for the sales of its products, once completed, in accordance with the agreed terms, the obligation to deliver the goods and the transfer of their control.

- Recognition of sales

  Sales are recognised when all significant risks and benefits resulting from ownership of the goods have been transferred, effective control is not held over said goods, the amount of revenue can be reliably measured, the revenue is likely to be received and the costs incurred, or to be incurred, in relation to the transaction can be reliably measured.

  There are no contracts in which revenue must be recognised throughout the term of the contract.

- Financing component

  The Group has no contracts where the period between the date on which control of the goods or services is transferred and the date of payment by the customer exceeds 12 months, so the transaction prices are not adjusted for this purpose.

- Incremental costs

  There are no incremental costs for obtaining customer contracts, so there are no amounts that can be considered as an asset for this item.

- Guarantees

  When it comes to the sale of products and services, the Group provides the usual guarantees for its products, in accordance with the contracts, applicable laws and typical industry practices. The guarantees given provide customers with the assurance that the product conforms to the specifications agreed in the contract and does not provide additional services. The guarantees, therefore, do not constitute a differentiated service that should be recorded as a differentiated performance obligation.

- Deferred delivery invoicing agreements

  At the end of each financial year, the Group assesses the existence of deferred delivery invoicing agreements and analyses, if any, whether the customer has the ability to control the use of the product and obtain virtually all of its remaining benefits, even if the physical transfer of the product has not taken place. Only in cases where, upon assessing the reason for such situations, the product is separately identifiable or is ready for physical delivery to the customer and the Group cannot use the product or sell it to another customer shall it be considered that the transfer of control has taken place and, therefore, that the sale has been made.

Interest received from financial assets is recognised using the effective interest rate method and dividends. Interest and dividends on financial assets, accrued after acquisition, are recognised as income in the consolidated profit and loss account.

4.14 Environment

The expenses incurred by the Group in improving the production processes in order to reduce energy consumption, and in reducing the environmental impact of these processes, are recorded as expenditure for the year in which they were incurred. The measures taken in relation to energy efficiency, which comply with the characteristics outlined in note 4.4 for incorporation into the Group's intangible assets, are accounted for as the higher value of the intangible assets.

5. FINANCIAL RISK AND OTHER RISK MANAGEMENT POLICY

5.1 Main financial risks

The corporate risk management model is driven by the Board of Directors and management team, with the aim of providing reasonable security when it comes to achieving the Group's targets. Within this corporate risk management model, the Group's Finance Division identifies and manages risks falling under the category of financial risks, according to the guidelines and standards set by the Board of Directors.

The Group defines financial risk as that which arises from transactions involving the use of collection rights and payment obligations, as well as from the operation in financial markets, including currency other than the functional currency of the Group. The Group's main financial risks and main aspects of its management are as follows:

a) Credit risk (the risk that one of the parties to a financial instrument will create a financial loss for the other party due to a breach of an obligation).

The maximum possible amount of sales is calculated with insurance coverage or with alternative guarantee means. Group customers have a corresponding risk classification and, upon receipt of the order, the solvency of each customer is analysed and risk hedging is requested from the insurance company (CESCE — *Compañía Española de Seguro de Crédito a la Exportación*), acting accordingly.

b) Liquidity risk (the risk that the Group will have difficulties in fulfilling obligations associated with financial liabilities settled through the delivery of cash or other financial assets).

Managing this risk involves maintaining sufficient cash and negotiable securities, the availability of sufficient funding from committed credit facilities and the capacity to settle market positions.

The Group's Finance Division aims to maintain flexibility in financing through the availability of committed credit facilities and uses financial liquidity instruments (non-recourse factoring) to maintain the liquidity levels and the working capital required in its business plans. Managing this risk involves direct control of working capital by the Finance Division, in conjunction with additional available liquidity, and ongoing monitoring of debt levels and cash generation.

c) Market risk (the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market prices).

Market risk comprises exchange rate risk, interest rate risk and other price risks, depending on market price rates that may vary. The other price risks are not significant for the Group.

Exchange rate risk: This risk primarily arises from sales made in US dollars, purchases of raw materials and other supplies made in foreign currency and net investments in foreign companies.

The Group uses derivative financial instruments (exchange insurance) to hedge or reduce the risk of exchange rate fluctuations in the operations described.

Interest rate risk: this risk focuses on long-term financial debt with variable interest rates.

The Finance Division maintains an ongoing monitoring policy of the development of exchange rates and the assessment of the effect of a hypothetical change in interest rates on the Group's consolidated annual accounts.

5.2 Risk of changes in raw material and energy prices

The Group defines this risk as the risk of significant changes in the prices of raw materials and energy that are necessary in the production process, which represent a substantial part of the production cost.

In addition to the managing commercial margins, the main management elements of this risk – which is typical of the sector to which the Group belongs and is included in its risk management model within strategic risks – include the existence of a specific and specialised area of responsibility (other than the Finance Division), the management of hedging instruments (where possible and desirable), the management of raw material stock levels and the management of different contract types.

5.3 Risks due to international trade regulations (competition risks)

The Group's activity is mainly export-based and around 50% is focused on the US market. This situation implies adherence to international regulations and the risk that any significant changes will affect the Group's competitiveness with regard to producers from other countries.

To this end, since 1 January 2022, agreements between the US Administration and the European Union (EU) have been applicable in relation to the EU tariff regulations on steel and aluminium exports. These agreements established a quota system whereby exports of certain products manufactured in EU member countries, including various variants of seamless tubes manufactured by the Group, are exempt from the 25% tariff established in 2018 during the first Trump Administration.

The Group has been successfully managing the administrative obligations arising from the tariff and quotas, and gradually adapting to them.

On 10 February 2025, the President of the United States issued a presidential decree, effective 12 March, removing the tariff-free quotas currently in force and abolishing the process of granting exemptions, de facto imposing a 25% tariff on all steel and aluminium imports to the US. These protectionist measures will have a significant impact on export costs to the United States, the main market in which the Group operates, and will also likely impact sales prices that could partially or fully absorb this effect. This decree forms part of a series of modifications to the international trading backdrop, the ultimate impact of which remains uncertain. Negotiations are expected to take place in the coming months between the US and the European Union on this matter.

5.4 Financial impact of climate change

The Group is committed to spearheading the energy transition through innovative and sustainable tube solutions. With this in mind, it has defined a Sustainability Master Plan (hereinafter SMP) covering the 2024–2028 period, coinciding with the end date of the Strategic Plan updated in 2024 (note 6.1). This Plan assesses, amongst other issues, the risks associated with climate change and defines the actions to be taken during this period that mitigate the effects considered in this risk assessment.

The Company publishes its SMP in the Statement of Non-Financial Information and Sustainability Information, which is attached to the Consolidated Management Report for 2024. As part of this Plan, the Climate Transition Plan (CTP) has been developed to establish and quantify actions, targets and objectives for climate change mitigation and adaptation.

The investments and expenses incurred in 2024 include all of the SMP actions launched up until 31/12/2024, as well as the future costs and investments related to SMP actions that form part of the 2021–2028 Strategic Plan, which serves as the basis for all future projections with a financial impact on the Group.

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

6.1 The financial situation of the Group and the going concern principle

The 2021–2028 Strategic Plan (updated in 2024 to adapt it to changes in sales prices and production costs and to other regulatory and economic changes) is the roadmap established by the directors to meet the sustainability, digitalisation and improvement of the group's competitiveness objectives.

Since the Plan was launched, to date, the core premises of this road map have been fulfilled, including:

- Obtaining the initial financing set out in the Plan, specifically, a participation loan of EUR 112.8 million from the FASEE in accordance with Royal Decree-Law 25/2020 of 3 July (note 15) on Urgent Measures to Support Economic Recovery and Employment, and the subsequent support from financial institutions to improve or convert the terms for financing operations already in place.

- Updating the Group's structure, with the merger by absorption of certain companies into the Tubos Reunidos Group, S.L.U., thereby unifying the main administrative processes and undertaking the internal reorganisation of roles and responsibilities.

- Integrating the steel mills, centralising the entire Group's steel manufacturing (unification of casting processes) and unifying the cold drawing processes at the Amurrio plant, with the consequent energy efficiencies and reduction in our carbon footprint.

- The 2024 sale of land and facilities belonging to the unified production units, allowing future savings as regards the these assets' maintenance costs.

- Process efficiency and digitalisation, investing in digital transformation to optimise both production and support processes, identify inefficiencies and implement corrective measures to improve performance and lower costs.

- Strengthening the commercial structure, by reorganising the map of agencies and local offices and incorporating staff into key positions to increase commercial presence and technical service offered to customers. As part of this strategic line, a subsidiary was established in Germany in 2024 (note 1.1).

- The reduction in leverage, one of the objectives defined in the Strategic Plan, in 2024, was reflected in a reduction in gross financial debt of EUR 92.2 million (note 1.2).

The sector in which the Group operates is known for its highly cyclical nature. Although 2024 has seen low demand on account of multiple factors that are both sector-specific and macroeconomic in nature (note 1.2), the order book steadily increased over the final quarter, up 44% as at 31/12/2024 compared to the start of the year.

The above milestones and order book recovery demonstrate compliance with the Strategic Plan, notwithstanding the existence of uncertainties inherent to its own activity, including changes in the demand cycle itself and its reliance on the US market, the main global market for seamless steel tubes and changes in tariff regulations.

6.2 Asset impairment

In order to determine this recoverable value for Group assets at the end of financial year 2024, expected future cash flows from the assets or their cash generating units, where applicable, have been estimated based on the 2021–2028 Strategic Plan (updated). Moreover, the market discount rate has been used to calculate present value (including the risk premium applicable to the Group and its business), as well as a growth rate that includes the estimated impacts from climate change risks on the Group's business and sensitivity scenarios have been drawn up. The outcome of these estimates, which is reflected in note 5.4, has confirmed the appropriate book value of its assets

6.3 Fair value of the implicit derivative associated with the debt

These estimates as regards compliance with the Strategic Plan mean that the value of the implicit derivative associated with debt (note 15.a) was estimated as zero at year-end 2024 and 2023.

6.4 Tax on profits and deferred tax assets

The 2021–2028 Strategic Plan (updated) was used to estimate the likelihood of recovering deferred tax assets and their book entries. Based on the provisions set forth in current accounting regulations, and considering the degree of uncertainty inherent to the Group's business, deferred tax assets with a reasonable likelihood of recovery were recognised, in line with the forecasts for the next three years of the 2021–2028 Strategic Plan (updated).

6.5 Density of scrap in the physical stock count

A physical inventory of stock, including scrap metal, is carried out throughout the year to determine existing tonnes. In the case of scrap metal, the tonnes are determined by weight or, where this is not feasible, by applying an estimated density to the volume of the material reported during the inventory. The method of zeroing scrap stock is repeatedly applied to provide a physical count.

7. INFORMATION ON OPERATING SEGMENTS

a) Segmentation criteria

The companies that make up the Group (note 1.1) carry out various activities, which are grouped as follows, according to their nature:

Activity	Comments	Companies
Manufacturing	Includes a comprehensive production process comprising the manufacture of steel (through the fusion of raw materials) and subsequent rolling, up to the creation of the pipe.	TRG
Transformation	Includes, for certain pre-manufactured references, specific finishing operations, depending on their final destination and customer requirements.	TRG, TRPT, RDT.
Distribution and marketing	Includes the export and import of manufactured and/or processed pipes.	TRG, TR America, RDT, TR Services.
Other activities	These include the design and development of engineering and pre-manufacturing projects, the operation of corporate properties and services, among others, without it being considered as a distinct operational segment.	TRSA, Clima, TR Services, ATUCA

These activities relate mainly to seamless steel piping.

From a commercial point of view, the Group's product range is structured based on the following segments:

- Downstream, the main uses of which include processes in the petrochemical and refining industry, as well as conventional and clean electric power generation (heat exchangers, boilers, furnaces, heaters and refrigerators for equipment).

- Midstream, the main uses of which include the transportation of onshore/offshore oil and gas from production wells to storage terminals, liquefaction (LNG) plants, as well as the piping of hydrocarbons to refineries or petrochemical compounds where they are processed.

- Upstream, the main uses of which include oil and gas drilling and extraction, also called "Oil Country Tubular Goods" (OCTG), as well as geothermal energy and capture and storage of carbon and other gases.

- Mechanical/Industrial, which, through cutting and machining processes, are used to manufacture parts for machinery and heavy industry or are assembled to form structures in singular buildings, offshore platforms, wind turbines, automotive, industrial vehicles, agricultural machinery, public works, printing, food production etc. (mostly involving high-grade thicknesses).

The Group finds that it operates in a single operating segment, "Seamless steel piping", applying the criteria of IFRS 8: Operating segments.

b) Information on geographic areas

Group net turnover by country in which the customer is located:

	2024	2023
US	132,861	244,595
Spain	36,808	31,109
Germany	33,202	64,864
Italy	30,672	34,779
United Kingdom	17,762	54,415
United Arab Emirates	8,632	8,796
South Korea	8,358	8,494
Netherlands	7,830	8,445
Saudi Arabia	6,435	10,702
All other countries (over 30)	41,401	66,657
TOTAL NET TURNOVER	323,961	532,856

Group turnover by trade segments:

	2024	2023
Downstream	75,839	106,313
Midstream	67,277	108,248
Upstream	103,719	197,732
Mechanical/Industrial	61,693	93,126
Others	15,433	27,437
TOTAL NET TURNOVER	323,961	532,856

As of 31/12/2024, the Group's assets in Spain amounted to EUR 413 million (31/12/2023: EUR 473 million) and the Group's assets in the US amounted to EUR 49 million (31/12/2023: EUR 57 million).

c) Information on the main customers

The Group's sales are distributed among a sufficient number of customers, to the extent that none of them represents more than 10% of the net turnover in either 2024 or 2023.

8. INTANGIBLE ASSETS

The details and movements related to the main types of intangible assets are as follows:

	IT applications	Development expenses	Other intangible assets	Total
COST VALUE				
Balance as at 31/12/2022	5,318	22,742	986	29,046
Recognitions	359	555	-	914
Exchange differences	(8)	-	-	(8)
Balance as at 31/12/2023	5,669	23,297	986	29,952
Recognitions	1,121	496	-	1,617
Derecognitions	(163)	(2,335)	(678)	(3,176)
Transfer	276	-	-	276
Exchange differences	16	1	-	17
COST VALUE AS AT 31/12/2024	6,919	21,459	308	28,686
CUMULATIVE AMORTISATION				
Balance as at 31/12/2022	(4,644)	(20,049)	(887)	(25,580)
Recognitions	(291)	(228)	(11)	(530)
Exchange differences	5	-	-	5
Balance as at 31/12/2023	(4,930)	(20,277)	(898)	(26,105)
Recognitions	(333)	(317)	(12)	(662)
Derecognitions	163	512	678	1,353
Exchange differences	(6)	-	-	(6)
CUMULATIVE AMORTISATION AS AT 31/12/2024	(5,106)	(20,082)	(232)	(25,420)
VALUE IMPAIRMENT				
Balance as at 31/12/2022	-	(1,843)	-	(1,843)
Impairment losses	-	-	-	-
Balance as at 31/12/2023	-	(1,843)	-	(1,843)
Derecognitions	-	1,843	-	1,843
VALUE IMPAIRMENT AS AT 31/12/2024	-	-	-	-
INTANGIBLE ASSETS AS AT 31/12/2023	739	1,177	88	2,004
INTANGIBLE ASSETS AS AT 31/12/2024	1,813	1,377	76	3,266

The main recognitions to property, plant and equipment in 2024 correspond to the development of corporate applications.

9. RIGHTS OF USE

The right-of-use assets correspond to lease contracts for various buildings, machinery, vehicles and other equipment used in the Group's operations.

	Cost value	Cumulative amortisation	Net value
Balance as at 31/12/2022	7,170	(1,880)	5,290
Recognitions	1,246	(638)	608
Derecognitions	(323)	323	-
Balance as at 31/12/2023	8,093	(2,195)	5,898
Recognitions	1,175	(781)	394
Derecognitions	(339)	339	-
BALANCE AS AT 31/12/2024	8,929	(2,637)	6,292

The carrying amounts of lease liabilities and movements during 2024 and 2023 are as follows (note 18):

	2024	2023
Initial balance	6,283	5,621
Recognitions	1,175	1,246
Accrued financial expenses	272	265
Payments	(1,006)	(849)
Final balance as at 31/12	6,724	6,283
Non-current lease liabilities	5,736	5,412
Current lease liabilities	988	871

The lease amounts in 2024 and 2023 are as follows:

	2024	2023
Depreciation of rights of use	781	638
Financial costs	272	265
Expenses related to current and low-value leases	806	776

10. TANGIBLE PROPERTY, PLANT AND EQUIPMENT AND REAL ESTATE INVESTMENTS

Details and movements related to the main types of tangible property, plant and equipment and real estate investments:

	Land and buildings	Technical installations and machinery	Other installations, tools and furniture	Advances and property, plant and equipment in progress	Other property, plant and equipment	TOTAL TANGIBLE PROPERTY, PLANT AND EQUIPMENT	REAL ESTATE INVESTMENTS
COST VALUE							
Balance as at 31/12/2022	173,976	613,883	25,866	1,075	26,082	840,882	5,171
Recognitions	10,136	18,855	3,553	3,289	1,232	37,065	-
Derecognitions	-	(3,454)	(2,853)	-	(514)	(6,821)	-
Exchange differences	(405)	(1,066)	(10)	-	-	(1,481)	-
Balance as at 31/12/2023	183,707	628,218	26,556	4,364	26,800	869,645	5,171
Recognitions	2,816	5,877	781	1,132	1,230	11,836	-
Derecognitions	(32,703)	(47,740)	(3,875)	-	(1,125)	(85,443)	-
Transfers	(100)	4,466	-	(4,364)	(276)	(274)	-
Exchange differences	714	1,985	15	-	-	2,714	-
COST VALUE AS AT 31/12/2024	154,434	592,806	23,477	1,132	26,629	798,478	5,171
CUMULATIVE AMORTISATION							
Balance as at 31/12/2022	(64,468)	(478,919)	(3,599)	-	(16,561)	(563,547)	(815)
Recognitions	(2,260)	(13,172)	(99)	-	(223)	(15,754)	(57)
Derecognitions	-	3,306	114	-	10	3,430	-
Exchange differences	86	491	8	-	-	585	-
Balance as at 31/12/2023	(66,642)	(488,294)	(3,576)	-	(16,774)	(575,286)	(872)
Recognitions	(2,223)	(14,369)	(103)	-	(124)	(16,819)	(57)
Derecognitions	13,664	43,542	1,220	-	323	58,749	-
Exchange differences	(175)	(930)	(15)	-	-	(1,120)	-
CUM. AM. As at 31/12/2024	(55,376)	(460,051)	(2,474)	-	(16,575)	(534,476)	(929)
VALUE IMPAIRMENT							
Balance as at 31/12/2022	(1,654)	(25,473)	(125)	-	-	(27,252)	(3,061)
Impairment losses	(3,352)	(1,077)	(719)	-	(368)	(5,516)	-
Derecognition	-	25	35	-	-	60	-
Exchange differences	-	175	-	-	-	175	-
Transfers	80	(80)	-	-	-	-	-
Balance as at 31/12/2023	(4,926)	(26,430)	(809)	-	(368)	(32,533)	(3,061)
Impairment losses	(160)	-	-	-	(24)	(184)	-
Derecognition	4,919	4,469	809	-	368	10,565	-
Exchange differences	-	(328)	-	-	-	(328)	-
IMPAIRMENT AS AT 31/12/2024	(167)	(22,289)	-	-	(24)	(22,480)	(3,061)
NET VALUE AS AT 31/12/2023	112,139	113,494	22,171	4,364	9,658	261,826	1,238
NET VALUE AS AT 31/12/2024	98,891	110,466	21,003	1,132	10,030	241,522	1,181

Investments in 2024 and 2023 were aimed at improving safety for our workers and complying with the Strategic Plan. In this regard, the main recognitions to property, plant and equipment in 2024 can be attributed to the improvement of processes and facilities at plants, such as replacement and maintenance actions and the digitalisation of processes. The main recognitions to property, plant and equipment in 2023 entailed the unification of the steel mill processes in Amurrio.

During 2024, as part of its asset disposal process, once steel mill and cold drawing activities were concentrated at the Amurrio plant, the Group sold the land and facilities for a plant located in Pamplona, corresponding to the former group company Aceros Calibrados, S.L. (ACECSA), and the land where the Sestao steel mill was located (notes 1.2 and 15), giving rise to capital gains income recognised in the consolidated profit and loss account for the year under "Impairment and gains or losses on the disposal of property, plant and equipment" amounting to EUR 3.3 million. This heading also includes the effect of the sale of non-productive assets in the US, which were fully impaired as of 31/12/2023, generating gains of EUR 1.5 million.

Derecognitions under "Other installations, tools and furniture" and "Other property, plant and equipment" include EUR 2,917,000 for consumption of materials under "Other operating expenses" on the Consolidated Profit And Loss Account (2023: EUR 3,201,000).

The cost value of tangible property, plant and equipment that are fully depreciated as at 31 December 2024 and 2023 is as follows:

	2024	2023
Buildings	25,283	33,967
Technical installations and machinery	321,174	349,967
Other installations, tools and furniture	2,963	3,697
Other property, plant and equipment	15,513	15,656
TOTAL AT COST VALUE	364,933	403,287

The Group has tangible property, plant and equipment secured by mortgages for borrowings and other payables with an outstanding balance of EUR 247 million as at 31/12/2024 (31/12/2023: EUR 235 million).

The Group has taken out insurance policies that it considers sufficient to cover the risks to which its property, plant and equipment are subject.

Revenue from real estate investment income (mostly industrial buildings) in 2024 amounted to EUR 144,000 (2023: EUR 131,000). The operating and maintenance costs of the investments during 2024 and 2023 were not material.

As at 31/12/2024, the Group has property, plant and equipment investment commitments amounting to EUR 2.9 million (31/12/2023: EUR 7.5 million).

Valuation of assets

The Group's activity involves two cash-generating units (CGUs), named "Tubos" (Tubes) and "Productos" (Products), which refer to activities related to small tubes and activities related to large tubes, respectively.

The main hypotheses used for the impairment test of assets are as follows:

	As at 31/12/2024		As at 31/12/2023	
	CGU Tubos	CGU Productos	CGU Tubos	CGU Productos
WACC discount rate before tax	9.25%	9.25%	9.30%	9.50%
Perpetual growth rate	0.5%	0.5%	0.5%	0.5%
Discounted terminal value of total valuation	81%	84%	65%	72%
Projected years*	4	4	5	5

* The projection coincides with the last year of the 2021–2028 Strategic Plan (updated) (note 6.2).

Management carried out a sensitivity analysis of the plan, reducing the results by 5% for both CGUs, with no impairment revealed (as at 31/12/23, no impairment was revealed either, taking into account the assumptions and hypotheses under consideration). An additional sensitivity analysis was also carried out, increasing the WACC discount rate by 0.5% and/or taking into account a perpetual growth rate of 0% for both CGUs, with no impairment revealed (no additional impairments were revealed for either CGU as at 31/12/2023, taking into account the assumptions and hypotheses under consideration).

Consolidating steelworks at the Amurrio plant (note 1.2) involved transferring all the activity that was being implemented at the Group's facilities in Sestao, which supplied steel ingots to the Trápaga manufacturing plant. Asset impairment was recorded for this facility in 2023, mainly in buildings, machinery and technical facilities. The amount of this impairment recognised in the consolidated income statement for 2023 amounted to EUR 5.5 million and was derecognised in 2024 following the sale of these facilities.

The impairment provision corresponds to individual assets that are not in use or whose value in use based on expected cash flows is lower than their net book value.

11. ANALYSIS BY FINANCIAL INSTRUMENT CATEGORY

11.1 Financial assets

	2024			2023		
	At amortised cost	At fair value with equity adjustments	Total financial assets	At amortised cost	At fair value with equity adjustments	Total financial assets
Non-current financial assets	417	-	417	426	-	426
Other financial assets	417	-	417	426	-	426
Current financial assets	65,743	-	65,743	112,567	470	113,037
Trade and other accounts receivable	14,026	-	14,026	16,768	-	16,768
Customers and other accounts receivable	*13,783*	-	*13,783*	*15,989*	-	*15,989*
Other debtors	*243*	-	*243*	*779*	-	*779*
Derivative financial instruments	-	-	-	-	470	470
Other financial assets	5,351	-	5,351	3,226	-	3,226
Cash and cash equivalents	46,366	-	46,366	92,573	-	92,573
TOTAL FINANCIAL ASSETS	66,160	-	66,160	112,993	470	113,463

Current financial derivative instruments as of 31/12/2023 corresponded to the estimated value of various forward USD-EUR exchange rate hedging contracts.

During the 2024 financial year, the amount of exchange insurance contracted amounted to USD 270 million, (2023: USD 202 million), of which, as at 31/12/2024, USD 98 million remained in force (31/12/2023: USD 22 million). In accordance with the levels set out in IFRS 13: Fair Value Measurement, the fair value hierarchy applied corresponds to Level 2 variables, as they are observable data distinct from quoted prices.

The cash and cash equivalents balance in foreign currency as at 31/12/2024 (mainly balances in US dollars) amounted to EUR 8,406,000 (31/12/2023: EUR 26,213,000).

11.2 Financial liabilities

	2024			2023		
	At amortised cost	At fair value through profit or loss	Total financial liabilities	At amortised cost	At fair value through profit or loss	Total financial liabilities
Non-current financial liabilities	258,085	2,925	261,010	370,224	3,362	373,586
Borrowings	250,271	-	250,271	362,248	-	362,248
Derivative financial instruments	-	2,925	2,925	-	3,362	3,362
Other financial liabilities	7,814	-	7,814	7,976	-	7,976
Current financial liabilities	138,936	5,838	144,774	112,519	169	112,688
Borrowings	35,726	-	35,726	15,995	-	15,995
Derivative financial instruments	-	5,838	5,838	-	169	169
Other financial liabilities	103,210	-	103,210	96,524	-	96,524
TOTAL FINANCIAL LIABILITIES	397,021	8,763	405,784	482,743	3,531	486,274

As of 31/12/2024, the derivative value for the long-term electricity supply contract is recorded as a financial liability (note 4.5 d), amounting to EUR 3,249,000 (31/12/2023: EUR 3,531,000). Furthermore, current financial derivative instruments as at 31/12/2024 also include the estimated value of various forward USD-EUR exchange rate hedging contracts amounting to EUR 5,514,000.

The fair value hierarchy applied to the valuation of the derivative recorded as of 31/12/2024 and 31/12/2023 for the long-term electricity supply contract corresponds to Level 3 variables, as they are non-observable data at quoted prices.

Changes in borrowings and other debts, including lease liabilities, loans from government agencies and loans from other related companies (note 25 b), for the 2024 and 2023 financial years are as follows:

	Borrowings	Other debts	Total
Balance as at 31/12/2022	390,320	9,030	399,350
Acquisition of financing	-	1,246	1,246
Amortisations/payments	(28,785)	(1,320)	(30,105)
Variation in accrued interest	16,708	449	17,157
Balance as at 31/12/2023	378,243	9,405	387,648
Acquisition of financing	2,105	1,175	3,280
Amortisations/payments	(39,857)	(1,279)	(41,136)
Capitalisation of receivables (note 14.5)	-	(285)	(285)
Buyback financial income (note 15)	(66,457)	-	(66,457)
Variation in accrued interest	11,963	145	12,108
BALANCE AS AT 31/12/2024	285,997	9,161	295,158

The proportion of the Group's financial liabilities, grouped by maturity, to be settled in accordance with the outstanding instalments up to the maturity date stipulated in the contract, is as follows (cash flows, including interest, stipulated in the contract without discounting):

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	TOTAL
As at 31/12/2024					
Borrowings	36,187	9,070	303,382	-	348,639
Other accounts payable	104,649	1,532	3,965	1,732	111,878
As at 31/12/2023					
Borrowings	21,037	15,983	442,857	-	479,877
Other accounts payable	101,178	684	1,401	2,189	105,452

12. CUSTOMERS AND OTHER ACCOUNTS RECEIVABLE

	2024	2023
Gross customer balance	14,860	18,228
Impairment value of customer accounts	(1,077)	(2,239)
TOTAL CUSTOMERS AND OTHER ACCOUNTS RECEIVABLE	13,783	15,989

As at 31/12/2024, the Group had written off EUR 28.7 million for the availability of non-recourse factoring lines (31/12/2023: EUR 36.9 million) (note 15.a). A total of 93% of the Group's sales in 2024 were insured by CESCE (2023: 87%).

The change in the impairment value of customer accounts in financial years 2024 and 2023 corresponds to the following items and amounts:

Balance as at 31/12/2022	(3,136)
(Allocations)/Reversals	520
Applications	351
Exchange differences	26
Balance as at 31/12/2023	(2,239)
(Allocations)/Reversals	294
Applications	890
Exchange differences	(22)
BALANCE AS AT 31/12/2024	(1,077)

The carrying amounts of the Group's accounts receivable in foreign currency (converted to the Group's functional currency) are denominated in the following currencies:

	2024	2023
US dollar	7,443	9,125
TOTAL	7,443	9,125

The seniority of past-due balances held by the Group as of 31/12/2024 and 31/12/2023 is as follows:

	2024	2023
Balances up to 3 months overdue	2,295	6,235
Balances between 3 and 6 months overdue	44	22
Balances above 6 months overdue	1,059	1,292
TOTAL OVERDUE BALANCES	3,398	7,549

The impairment provision includes balances overdue for more than 6 months as at 31/12/2024 and 31/12/2023.

13. INVENTORIES

a) Breakdown of inventory balance

	2024	2023
Raw materials and other inventory	31,168	33,388
Products in production	35,048	25,906
Finished products	46,553	44,910
CO_2 emission allowances	2,678	3,614
TOTAL INVENTORY	115,447	107,818

b) Consumption

	2024	2023
Supplies	127,492	162,879
Purchases	125,272	153,756
Variation in raw materials inventory	2,619	8,704
Variation in impairment value of raw materials	(399)	419
Change in inventory of finished products and products in production	(10,785)	13,340
Change in impairment	(7,585)	9,624
Change in the value of inventory of finished products and products in production	(3,200)	3,716
TOTAL CONSUMPTION	116,707	176,219

The amount of inventory purchases in foreign currency during the 2024 financial year amounted to EUR 23 million (2023: EUR 20 million).

c) Provision for impairment of inventory

Balance as at 31/12/2022	(5,909)
(Allocations)/Reversals	(10,043)
Application	23
Exchange differences	170
Balance as at 31/12/2023	(15,759)
(Allocations)/Reversals	7,984
Application	45
Exchange differences	(290)
BALANCE AS AT 31/12/2024	(8,020)

The impairment provision in inventories recognised in 2024 and 2023 have been estimated based on an individual analysis of the conditions and valuation of the various items comprising the Group's inventories, as well as the net recoverable value.

14. OWN FUNDS AND NET BOOK EQUITY

14.1 Share capital

As at 31/12/2024 and 31/12/2023, the share capital of the parent company, Tubos Reunidos, S.A. was represented by 174,680,888 shares each with a par value of EUR 0.02, fully subscribed and paid up. All shares are listed on the Bilbao and Madrid stock exchanges. The quoted price as at 31/12/2024 was EUR 0.466 per share (31/12/2023: EUR 0.645 per share).

With regard to capital risk, the Group's objectives are to safeguard the Group's ability to continue to operate as a company and to ensure an adequate return for shareholders, always in the corporate interest. The Group monitors capital according to the leverage ratio, in line with industry practice.

BBVA Group informed the regulatory body in 2023 that its stake in the Company had fallen below 10%. Therefore, as at 31/12/2024 and 31/12/2023, no company holds share capital equal to or greater than 10%, although BBVA Group remains a significant shareholder.

14.2 Share premium

The share premium is freely distributable.

14.3 Other reserves and retained earnings

As at 31/12/2024, a total amount of EUR 18,073,000 in unavailable reserves was included under the heading "Other reserves" (31/12/2023: EUR 18,073,000).

14.4 Treasury shares

	No. of shares (thousand)	thousands of euros
Balance as at 31/12/2022	734	1,034
Acquisitions	5,769	3,678
Sales	(5,979)	(3,803)
Balance as at 31/12/2023	524	909
Acquisitions	3,791	2,463
Sales	(3,643)	(2,376)
BALANCE AS AT 31/12/2024	672	996

The wholly owned company Clima, S.A.U. signed a liquidity contract with Kutxabank Investment, S.V., S.A.U. (an entity registered with the CNMV since 1989 with Official Registration No. 40), in order to carry out transactions with the Company's ordinary and single shares, and is the holder of the treasury shares.

On 30 May 2024, the General Shareholders' Meeting authorised the acquisition of treasury shares up to the maximum number of shares allowed under current legislation for a maximum period of 5 years.

14.5 Minority interests

	2024	2023
Initial balance	738	504
Profit/(loss) for the financial year	(880)	234
Capitalisation of receivables	279	-
FINAL BALANCE	137	738

The total balance of minority interests corresponds to the company Tubos Reunidos Premium Threads, S.L., which is 51% owned by the Group (note 1).

15. BORROWINGS

	2024	2023
Non-current	250,271	362,248
Loans with credit institutions	113,933	223,613
Negotiable bonds and securities	14,235	15,008
Participation loan	116,874	119,779
Interest accrued on the participation loan	5,229	3,848
Current	35,726	15,995
Short-term share of long-term loans	18,116	10,680
Negotiable bonds and securities	1,269	748
Participation loan	9,882	-
Interest and other payables	6,459	4,567
TOTAL BORROWINGS	285,997	378,243

Loan balances with credit institutions as of 31/12/2024 include balances with the Group's main shareholder (note 25) amounting to EUR 47,642,000, EUR 43,723,000 of non-current debt and EUR 3,919,000 of current debt (31/12/2023: EUR 72,970,000, EUR 70,652,000 of non-current debt and EUR 2,317,000 of current debt).

The breakdown of the Group's Borrowings as at 31/12/2024 and 31/12/2023, based on its financing structure, is summarised in the following table:

	Non-current balances 31/12/2024				Current balances 31/12/2024			
	Principal outstanding	Interest accrued	Adjustments	Total non-current	Principal outstanding	Interest accrued	Adjustments	Total current
a) Refinancing agreement	126,297	14,008	(12,550)	127,755	17,328	183	2,057	19,568
Tranche A	68,156	-	(6,731)	61,425	16,210	172	1,906	18,288
A1	41,689	-	(4,031)	37,658	16,210	120	1,182	17,512
A2	26,467	-	(2,700)	23,767	-	52	724	776
Tranche B	31,220	9,178	(3,601)	36,797	-	-	-	-
Tranche C	13,592	2,779	(1,073)	15,298	-	-	-	-
Bond A	5,634	-	(575)	5,059	-	11	154	165
Bond B	7,695	2,051	(570)	9,176	1,118	-	(3)	1,115
b) Participation loan	116,874	5,229	-	122,103	9,882	1,247	-	11,129
Participation loan	116,874	-	-	116,874	9,882	-	-	9,882
Interest (non-participating)	-	5,229	-	5,229	-	1,247	-	1,247
Other debts	413	-	-	413	5,029	-	-	5,029
TOTAL BORROWINGS AS AT 31/12/2024	243,584	19,237	(12,550)	250,271	32,239	1,430	2,057	35,726

	Non-current balances 31/12/2023				Current balances 31/12/2023			
	Principal outstanding	Interest accrued	Adjustments	Total non-current	Principal outstanding	Interest accrued	Adjustments	Total current
a) Refinancing agreement	234,967	27,678	(24,250)	238,395	9,378	266	2,050	11,694
Tranche A	75,609	-	(8,561)	67,048	8,757	252	1,923	10,932
A1	58,832	-	(5,730)	53,102	8,757	211	1,471	10,439
A2	16,777	-	(2,831)	13,946	-	41	452	493
Tranche B	107,647	19,906	(10,666)	116,887	-	-	-	-
Tranche C	36,904	6,044	(3,496)	39,452	-	-	-	-
Bond A	5,634	-	(672)	4,962	-	14	152	166
Bond B	9,173	1,728	(855)	10,046	621	-	(25)	596
b) Participation loan	119,779	3,848	-	123,627	-	1,191	-	1,191
Participation loan	119,779	-	-	119,779	-	-	-	-
Interest (non-participating)	-	3,848	-	3,848	-	1,191	-	1,191
Other debts	226	-	-	226	3,110	-	-	3,110
TOTAL BORROWINGS AS AT 31/12/2023	354,972	31,526	(24,250)	362,248	12,488	1,457	2,050	15,995

Non-current balances in the "Accrued interest" column reflect the total amount outstanding at maturity of tranches B and C, and bond B or, in the case of the participation loan, interest capitalisation for accrued "PIK" ("payable in kind") interest. The "Adjustments" column includes the difference between the sum of principal and interest accrued, and the book entry at amortised cost for the refinancing agreement. As of 31/12/2024, the amount of debt recognised at amortised cost does not differ significantly from its fair value.

a) Refinancing agreement

Corresponds to the financing structure whose last novation and improvement occurred on 22/07/2021 (based on the financing structure signed on 18/12/2019 with novation in the middle of the COVID pandemic, particularly with regard to maturities and ratios, in May 2020) The discount rate for recognising the amortised cost of this financing is 5.27%. According to IFRS 13: In respect of the valuation of the fair value, the reasonable value hierarchy applied corresponds to Level 3 variables, as they are non-observable market variables.

This structure is categorised into different types of debt, for which the main terms and conditions as at 31/12/2024 and 31/12/2023 are summarised below:

	Principal outstanding 31/12/2024	Principal outstanding 31/12/2023	Amortisation	Last maturity	Interest rate
Senior debt	90,000	90,000			
Tranche A	84,366	84,366			
A1	57,899	67,589	semi-annual	22/07/2028	EUR 12m + 3.00%
A2 (rebalance)	26,467	16,777	bullet	22/10/2028	EUR 12m + 3.00%
Bond A	5,634	5,634	bullet	22/10/2028	EUR 12m + 3.00%
Confirming lines	n/a	n/a	revolving	22/07/2028	EUR 12m + 2.75%
Convertible debt	53,625	154,345			
Tranche B	31,220	107,647	bullet	22/06/2028	PIK 4.00% bullet
Bond B	8,813	9,794	semi-annual	22/06/2028	PIK 4.00% bullet
Tranche C	13,592	36,904	bullet	22/06/2028	PIK 4.00% bullet

The guaranteed confirming lines have a limit of EUR 35.3 million, of which EUR 27.3 million was available as at 31/12/2024 (31/12/2023: EUR 26.9 million), which is recorded under the heading "Other current financial liabilities – Trade payables" on the consolidated balance sheet, to the extent that these are commercial liabilities whose liquidation is managed by financial institutions and where the Group has only transferred payment management and remains the primary obligor for payment of debts for trade payables. Of the amount drawn down, as at 31/12/2024 and 31/12/2023, creditors had discounted the payment almost entirely. During 2024, the total average payment period of invoices for which payment is managed within the framework of these reverse factoring lines was 189 days (2023: 192 days), while the average payment period for invoices that were not handled under these lines was 65 days (2023: 53 days).

As at 31/12/2024 and 31/12/2023, the Group had guaranteed non-recourse factoring lines amounting to EUR 34.3 million and USD 25.4 million (equivalent to EUR 24.4 million as at 31/12/2024 and EUR 23.0 million at 31/12/2023).

The non-recourse reverse factoring and traditional factoring lines have automatic annual renewals until the maturity of tranche A1 (July 2028). The first automatic renewal occurred in December 2024.

As indicated in the above table, total debt "A” (consisting of tranche A and bond A), plus the reverse factoring lines, is considered senior debt and tranches B and C and bond B are convertible debt. Where appropriate, conversion would be through the issuance of financial instruments, as approved by the Extraordinary General Shareholders' Meeting on 27/07/2019, based on three conversion scenarios, depending on the possible debt payment situations or options for changing share ownership. One of these scenarios entails exchanging debt for a fixed percentage of capital at a fixed price and another scenario does so for a variable number of shares at a variable price (market value), up to a limit of 95% of the share capital. In this scenario, there is an implicit derivative (note 6.3).

Tranche B is subject to a rebalancing mechanism whereby, as tranche A1 is amortised, tranche B will be reduced, thus increasing tranche A2 by the same amount. The objective of this rebalancing is that the total debt "A" will be maintained at EUR 90 million until tranche B is fully amortised. This figure was determined based on the Group's standardised EBITDA in 2019.

After obtaining prior authorisation from all affected financial creditors, including financial institutions, bondholders and FASEE, in January 2024 the Group's parent company acquired a sum of EUR 106.7 million in principal and interest on part of the debt convertible into shares for tranches B and C and B bonds, through a reverse debt auction or Dutch auction. The price paid by the parent company for total accepted offers was EUR 27.5 million. Net financial income of EUR 66.5 million was generated as a result of this operation.

In June 2024, the Group allocated EUR 1.0 million to early repayment of the financing for the sale of land and facilities relating to a plant located in Pamplona (note 10).

The terms of the financing include mortgage guarantees of EUR 143.3 million and pledges on the shares of the companies that make up the Tubos Reunidos Group (except Clima) for the senior debt.

The covenants of the financing agreement require that certain financial commitments be fulfilled, primarily a maximum net financial debt to EBITDA ratio and a maximum annual CAPEX level. The Group has requested, and obtained, a waiver of compliance with the net financial debt to EBITDA ratio as at 31/12/2024 and as at 30/06/2025 from its financial creditors.

b) Participation Loan from the Support Fund for Strategic Companies (FASEE)

On 22 July 2021, the Group concluded a temporary public financial support operation set up as a participation loan for EUR 112.8 million with FASEE. This operation was authorised by the Council of Ministers pursuant to Article 2.6 of Royal Decree-Law 25/2020 on 20 July 2021. The FASEE was created and regulated by Royal Decree Law 25/2020, of 3 July, on urgent measures to support economic recovery and employment and the Agreement of the Council of Ministers of 21 July 2020. It is managed through SEPI (*Sociedad Estatal de Participaciones Industriales* — Spanish state-owned industrial holding company) by a Management Board, a collegiate inter-ministerial body affiliated with the Ministry of Finance through the Under-Secretariat of Finance.

The purpose of the loan is solely to restore the Group's viability, and it will be repaid in full on the seventh anniversary from the date of signature of the contract, July 2028.

The loan is subject to an interest rate indexed to the one-year IBOR rate established by the European Commission for Spain plus a margin that will increase over time, starting at 2.5% in the first year and 7% in the last year of the contract. The loan margin in 2024 was 3.5%, increasing to 5% from July onwards. It stipulates interest periods of 12 months (except for the final period) and interest accrued is capitalised at the end of each interest period by increasing the principal amount of the financing. Capitalised interest in 2024 amounted to EUR 8.6 million (2023: EUR 4.1 million). In June 2024, the Group allocated EUR 1.6 million to early repayment of the financing for the sale of land and facilities relating to a plant located in Pamplona (note 10).

This loan also accrues additional interest of 1% provided that the consolidated pre-tax earnings are positive, payable annually (EUR 1.2 million in 2024 and the same amount in 2023).

The Management Board has the option (but never the obligation) to fully or partially convert the participation loans into the share capital of Tubos Reunidos S.A., in the event that payments arising from the repayment are not paid. In this case, the conversion shall be carried out at the price per share resulting from the average share price of the parent company in the 15 working days prior to conversion, with a discount of 5%. This loan is guaranteed by a Joint and Several Guarantee issued by all Group companies, a pledge on certain tangible and intangible assets for a total amount of EUR 69.8 million and a pledge on the balance of the bank accounts related to this financing.

c) <u>Other information</u>

The average effective interest rates for the financial year were 7.2% (2023: 5.4%), up compared to the previous year due to the increase in the Euribor rate and the increase in the participation loan margin from July onwards.

The sensitivity of the Group's consolidated profit and loss account to a one-half percentage point change in interest rates represents an increase/decrease of about 7% in 2024 (2023: 5%) on current costs and would have an effect of approximately 4% on the financial cost for the 2024 financial year (2023: 4%).

The annual maturity amount of the non-current balance of Borrowings, at amortised cost, is as follows:

	2024	2023
Between 1 and 2 years	23,108	13,501
Between 2 and 3 years	43,183	22,424
Between 3 and 4 years	183,980	42,409
Between 4 and 5 years	-	283,914
TOTAL BORROWINGS, NON-CURRENT BALANCE	250,271	362,248

The debt reduction resulting from the Dutch auction (note 15.a) has mainly affected maturities between 3 and 5 years.

16. PUBLIC ADMINISTRATIONS AND TAX EXPENSE

a) Balances with public administrations

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Non-current balances	-	3,126	-	-
Deferred debt	-	3,126	-	-
Current balances	6,562	5,455	4,724	10,191
Deferred debt	-	745	-	5,245
Current corporate income tax	122	169	-	243
Value-added tax	4,500	177	3,748	170
Personal income tax	-	1,486	-	1,476
Social welfare bodies	-	1,750	54	2,078
Withholdings and other	1,940	1,128	922	979
TOTAL PUBLIC ADMINISTRATIONS	6,562	8,581	4,724	10,191

b) Income tax expense

Since 1998, the parent company has filed consolidated tax returns jointly with all companies that form part of the Group (note 1), with the exception of companies with registered offices abroad and TRPT.

The reconciliation between the Consolidated Group Pre-Tax Result and the Consolidated Taxable Base is as follows:

	2024	2023
Profit/(loss) before tax	37,896	47,747
Consolidation adjustments with no tax impact	864	(489)
Temporary differences	(1,079)	(4,939)
Permanent differences	205	35
CONSOLIDATED TAX BASE	37,887	42,354

The composition of expenses/(income) from corporate tax is as follows:

	2024	2023
Tax expense calculated at the tax rates applicable to individual companies (between 21% and 24%)	8,915	10,573
Offset of unactivated negative tax bases from previous financial years	-	(5,537)
Application of unactivated deductions from previous financial years	-	(3,236)
Adjustments from previous and other years	369	490
Temporary differences	811	(2,821)
Recognition/(Derecognition) of tax credits	-	(8,194)
Change in deferred income due to consolidation adjustments	50	(74)
TAX EXPENSE/(INCOME)	10,145	(8,799)

The financial years open for inspection in relation to taxes that apply to the Group vary for the different companies making up the Group, although they generally encompass the last three or four financial years, except for corporation tax for which the years 2019 and following are open for inspection.

As a result, among other reasons, of the various possible interpretations of current tax legislation, additional liabilities may arise as a result of an audit. It is believed that these liabilities, should they arise, would not significantly affect the consolidated annual accounts.

17. DEFERRED TAXES

a) Deferred tax assets

	Temporary differences	Negative tax bases	Deductions pending application	Total deferred tax assets
Balance as at 31/12/2022	6,684	10,621	4,584	21,889
Recognitions	4,097	4,584	3,610	12,291
Application in the financial year	(1,203)	-	-	(1,203)
Balance as at 31/12/2023	9,578	15,205	8,194	32,977
Recognitions	1,323	-	-	1,323
Derecognition	(2,279)	-	-	(2,279)
Application in the financial year	(3,010)	(4,458)	(3,510)	(10,978)
Transfer	(3,506)	61	3,445	-
BALANCE AS AT 31/12/2024	2,106	10,808	8,129	21,043

Temporary differences relate mainly to provisions estimated to be tax deductible expenses in the future.

As at 31/12/2024, the Group companies located in Spain maintain negative tax bases for losses from previous financial years amounting to a share of EUR 64,649,000 (calculated at a tax rate of 24%) (31/12/2023: EUR 69,120,000), of which EUR 53,841,000 are unactivated (31/12/2023: EUR 53,915,000). These tax bases have the following origins and deadlines:

Year of origin	Maturity	Amount
2015	2045	22,945
2016	2046	59,596
2017	2047	39,695
2018	2048	20,884
2019	2049	22,396
2020	2050	45,911
2021	2051	56,086
2022	2052	62
2024	2054	1,795
Total base amount:		269,370

In the United States, the Group maintains taxable bases pending offset of approximately EUR 28.5 million (in basis) that are unactivated (31/12/2023: EUR 24.1 million).

The Group maintains deductions pending application in Spain as of 31/12/2024 for an amount of EUR 29,978,000 (31/12/2023: EUR 30,869,000), of which EUR 21,849,000 are unactivated (31/12/2023: EUR 22,675,000), in line with the following breakdown:

Year of origin	Maturity	35% limit	70% limit	Total deductions pending application
2009	2039	720	-	720
2010	2040	958	-	958
2011	2041	3,896	-	3,896
2012	2042	3,543	294	3,837
2013	2043	3,522	2,563	6,085
2014	2044	3,197	1,671	4,868
2015	2045	421	867	1,288
2016	2046	1,846	712	2,558
2017	2047	173	709	882
2018	2048	1	72	73
2019	2049	1	157	158
2020	2050	26	201	227
2021	2051	2	267	269
2022	2052	812	308	1,120
2023	2053	2,782	257	3,039
		21,900	8,078	29,978

The legislation applicable to entities subject to the Álava Provincial Regulations, which is the legislation that applies to the Group (note 16.b) and TRPT, establishes a time limit of 30 years for deductions and tax losses generated, with a limit of 50% of the positive tax base prior to compensation for tax losses, establishing, moreover, that for those existing prior to the aforementioned date, the 30-year period begins to run from the time that they were generated.

The applicable legislation for entities subject to US regulations does not set a time limit for the application of generated negative tax bases, with a limit of 80% of the positive tax base prior to this offsetting for negative tax bases after 01/01/2018 and no limit on the application of those generated before that date.

b) Deferred tax liabilities

The balance of deferred tax liabilities corresponds mainly to the fiscal effect of the revaluation of land by application, as of 01/01/2004, of IFRS 1: First-time Adoption of International Financial Reporting Standards.

Developments during financial years 2024 and 2023 were as follows:

Balance as at 31/12/2022	16,024
Exchange differences	(50)
Temporary differences	(733)
Balance as at 31/12/2023	15,241
Derecognition	(4,189)
Exchange differences	30
Temporary differences	142
BALANCE AS AT 31/12/2024	11,224

Derecognitions in 2024 correspond to the liabilities related to the sale of the assets at the Group's former facilities in Sestao and Pamplona (note 10).

18. OTHER FINANCIAL LIABILITIES

The balance of Creditors and other accounts payable, which corresponds entirely to items recorded at amortised cost, is broken down as follows:

	2024	2023
Other financial liabilities – non-current	7,814	7,976
Lease liabilities	5,736	5,412
Other liabilities	2,078	2,564
Other financial liabilities – current	103,210	96,524
Trade payables	92,471	68,209
Advance payments from customers	1,608	3,056
Suppliers of property, plant and equipment	2,058	10,344
Remunerations pending payment	5,612	13,383
Lease liabilities	988	871
Other liabilities	473	661
TOTAL	111,024	104,500

Non-current "Other liabilities" include debts from government agencies amounting to EUR 2.0 million (31/12/2023: EUR 2.3 million) for the financing of research and development projects. The current balance for this item amounts to EUR 0.5 million (31/12/2023: EUR 0.4 million).

The annual maturities of non-current balances are as follows:

Year of maturity	2024	2023
Between 1 and 2 years	990	1,168
Between 2 and 5 years	1,987	2,241
More than 5 years	4,837	4,567
TOTAL	7,814	7,976

The carrying amounts of the Group's accounts payable in foreign currency (already converted to the Group's functional currency) are denominated in the following currencies:

	2024	2023
US dollar	4,910	4,422
Other currencies	16	34
TOTAL	4,926	4,456

According to Spanish Law 15/2010 of 5 July, the information on the average payment period for suppliers in commercial transactions for the 2024 and 2023 financial years is as follows:

	2024	2023

Days		
Average payment period to suppliers	101	86
Ratio of paid transactions	111	88
Ratio of transactions pending payment	67	75
Thousands of euros		
Payments made	244,461	372,441
Payments pending	75,509	66,993

	2024	2023
Number of invoices		
Total number of invoices paid	16,839	16,716
Number of invoices paid by the legal deadline	2,948	3,194
%	18%	19%
Thousands of euros		
Total amount of invoices paid	244,461	372,441
Amount of invoices paid by the legal deadline	82,711	147,377
%	34%	40%

19. PROVISIONS

	Guarantees and other commercial transactions	Strategic initiatives	Environmental actions	CO_2 emission allowances	Others	Total
NON-CURRENT PROVISIONS						
31/12/2022	-	-	-	-	3,547	3,547
Allocations	-	-	2,637	-	3,750	6,387
Reversals	-	-	-	-	(2,330)	(2,330)
Transfers	-	-	-	-	272	272
Applications	-	-	-	-	(2,375)	(2,375)
31/12/2023	-	-	2,637	-	2,864	5,501
Allocations	-	-	-	-	-	-
Reversals	-	-	(2,137)	-	(1,737)	(3,874)
Transfers	-	-	(500)	-	(477)	(977)
TOTAL NON-CURRENT PROVISIONS AS AT 31/12/2024	-	-	-	-	650	650
CURRENT PROVISIONS						
31/12/2022	337	1,649	-	6,279	2,939	11,204
Allocations	139	-	-	6,391	2,642	9,172
Reversals	-	(376)	-	-	(480)	(856)
Applications	(337)	(1,073)	-	(7,530)	(2,280)	(11,220)
31/12/2023	139	200	-	5,140	2,821	8,300
Transfers	-	-	500	-	477	977
Allocations	-	-	-	4,070	767	4,837
Reversals	-	(11)	(187)	-	(1,456)	(1,654)
Applications	(116)	(189)	(121)	(5,140)	(574)	(6,140)
Exchange differences	-	-	-	-	12	12
TOTAL CURRENT PROVISIONS AS AT 31/12/2024	23	-	192	4,070	2,047	6,332

The provision for environmental activities recorded in the 2023 financial year includes the estimated amount for the cleaning and adaptation activities at the Sestao steelworks, after consolidating the Group's steel production at Amurrio (note 1.2). The balance as at 31/12/2024 relates to cleaning and decontamination activities to be carried out by the Group in line with the land sale agreement.

The heading "Others" includes amounts associated with ongoing lawsuits and the estimated provisions for long-term incentives (note 21).

20. OPERATING INCOME

	2024	2023
Net turnover	323,961	532,856
Sale of goods	323,961	532,856
Other operating income	8,794	9,070
Work carried out by the Group for property, plant and equipment	308	1,868
Operating subsidies	6,645	6,020
Others	1,841	1,182
TOTAL OPERATING INCOME	332,755	541,926

Ordinary income from external customers derives from the sale of piping to customers operating in the sectors detailed in note 7.

Foreign currency amounts invoiced to customers in 2024, amounting to EUR 172 million, were invoiced in US dollars (2023: USD 279 million).

If during financial year 2024 the euro had weakened/strengthened by 5% against the US dollar, with all other variables remaining equal, the result after tax for the year would have been higher/lower by EUR 5.9 million (2023: EUR 10.3 million).

21. STAFF EXPENSES

	2024	2023
Wages, salaries and similar	75,440	84,742
Social contributions	24,808	25,280
Long-term remuneration (note 19)	(1,737)	1,420
TOTAL STAFF EXPENSES	98,511	111,442

Staff expenses have decreased year on year mainly as a result of the decrease in the level of activity, the enforcement of temporary redundancies and changes in variable remuneration provisions.

The average number of employees in the Group by category and the number of Board of Directors members is as follows:

	2024	2023
Workers	961	978
Employees	423	421
Directors	11	11
AVERAGE TOTAL NUMBER OF PERSONNEL	1,395	1,410

The average number of hirees with a disability level greater than or equal to 33% was seven in 2024 (2023: seven), for workers and employees combined.

As at 31/12/2024 and 31/12/2023, the breakdown by category between men and women among the Group's personnel was as follows:

	31/12/2024			31/12/2023		
	Women	Men	Total	Women	Men	Total
Workers	23	953	976	22	934	956
Employees	112	314	426	110	310	420
Directors	4	7	11	4	7	11
TOTAL PERSONNEL	139	1,274	1,413	136	1,251	1,387

22. OTHER OPERATING EXPENSES

	2024	2023
Outsourced services	101,397	137,889
Taxes	1,029	1,683
Loss, impairment and variation of provisions	(294)	(520)
Other current operating expenses	6,692	8,472
TOTAL OTHER OPERATING EXPENSES	108,824	147,524

The reduction in expenses under "Outsourced services" can mainly be attributed to the reduction in tonnes produced year on year.

23. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to parent company shareholders by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares acquired.

	2024		2023	
	Ongoing operations	Discontinued operations	Ongoing operations	Discontinued operations
Profit/(Loss) attributable to shareholders	28,631	-	56,312	-
Weighted average number of ordinary shares outstanding (thousands)	174,067	174,067	174,087	174,087
BASIC EARNINGS/(LOSSES) PER SHARE (euro/share)	0.164	-	0.323	-

Diluted earnings/losses per share are calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the conversion of all potentially dilutive ordinary shares. The parent company has no potentially dilutive ordinary shares.

24. CONTINGENCIES AND GUARANTEES

As at 31/12/2024, the Group provided bank guarantees and other guarantees related to the normal course of business amounting to EUR 2.8 million (31/12/2023: EUR 2.8 million). These guarantees correspond to bank guarantees issued for the long-term renewable power purchase agreement (note 4.5.d) for an amount of EUR 2.5 million and other technical guarantees to ensure compliance with commercial actions.

The heading for other current financial assets includes unavailable pledged funds for the aforementioned bank guarantees in the amount of EUR 2.5 million (31/12/2023: EUR 2.5 million).

Furthermore, as at 31/12/2024, the Group had other contingent liabilities amounting to EUR 213 million (31/12/2023: EUR 214 million), which correspond mainly to mortgage guarantees and pledges provided as collateral to financial institutions as a result of the refinancing described in note 15.

The Group has unavailable balances amounting to EUR 15.2 million relating to the net sale of land and facilities at Sestao (note 1.2), in line with the provisions set forth in the financing agreements.

Lastly, the subsidiaries domiciled in the US (note 1) have deposits provided as collateral in the amount of EUR 0.5 million, which are recorded under the cash and cash equivalents heading (31/12/2023: EUR 1.8 million). This amount is not available to the Group at the date of preparation of these consolidated annual accounts.

25. RELATED-PARTY TRANSACTIONS

a) Balances and transactions with significant shareholders

All transactions with shareholders are made at market prices similar to those applicable to unrelated third parties.

The balances as of 31/12/2024 and 31/12/2023 with BBVA Group (note 14.1), at amortised cost, were as follows:

	Thousands of euros			
	31/12/2024	31/12/2023	Last period	Guarantees and other
Loans	46,136	72,970	2028	Mortgage and share pledges
Non-recourse factoring	-	-	2028	Limit of EUR 2,000,000
Lease liability	1,004	1,078	2038	-
Non-current	930	1,004		
Current	74	74		

The amount for financial expenses accrued during the 2024 financial year for loans and non-recourse factoring contracts amounted to EUR 2.5 million (2023: EUR 3.3 million).

During 2023, a lease agreement was concluded with a BBVA Group company for a period of 15 years, whereby the balance sheet as of 31/12/2024 recorded an ROU asset at EUR 759,000 (note 9), and a lease liability of EUR 1,004,000 (31/12/2023: EUR 1,078,000). Expenses incurred on this contract in 2024 amounted to EUR 74,000 (2023: EUR 43,000).

b) Balances and transactions with other related companies

The minority shareholders of Tubos Reunidos Premium Threads, S.L. (note 1) granted a loan to that company in 2019. In December 2024, the partners approved the capitalisation of this loan and the interest accrued to date, with a view to restoring the Company's equity balance. Thus, as at 31/12/2024, there were no amounts pending payment (31/12/2023: EUR 0.3 million). The financial expenses accrued in 2024 on this loan amounted to EUR 8000 (2023: EUR 12,000).

c) Remuneration for directors of the parent company and for management

Directors' remuneration accrued in 2024 and 2023 by members of the Board of Directors of Tubos Reunidos, S.A. for their status as Company Directors, for all considerations, including the earnings and salaries of the Executive Directors, breaks down as follows:

	2024	2023
Remuneration for executive functions	-	233
Other remuneration	824	747
TOTAL	824	980

The General Shareholders' Meeting of 29 October 2020 approved, with effect from that date, a Multi-annual Variable Remuneration Plan linked to value creation by Tubos Reunidos using various assumptions and time milestones for the then Executive Chair and key personnel within the organisation in their execution. In 2023, an expense of EUR 3.7 million was recorded against non-current provisions, corresponding to the amount of the plan for all the beneficiaries which is considered accrued for accounting purposes based on the results obtained during the financial year. The sum of EUR 3.4 million was paid after achieving the first milestone in the plan. It was not considered necessary to set aside any provisions for this concept in 2024.

The civil liability insurance premiums for directors accrued during financial year 2024 amounted to EUR 55,000 (2023: EUR 58,000).

The aggregate remuneration accrued by active management staff as of 31/12 for all Group companies, 11 individuals in 2024 (2023: 11 individuals) amounted to EUR 2.3 million (2023: EUR 2.9 million), which includes all earned remuneration.

26. OTHER INFORMATION

a) Statutory auditors' fees

The fees earned by the statutory auditors for financial years 2024 and 2023 for all services are detailed below:

(thousands of euro)	2024 Company	2024 Controlled companies	2024 Total	2023 Total
Auditing services	129	51	180	174
Other non-audit work	87	-	87	66
Audit-related services	36	-	36	35
Other services	51	-	51	31
TOTAL AUDITOR FEES	216	51	267	240
Amount for non-audit work/Amount for audit work (in %):	67.2%	0.0%	48.3%	37.6%

In 2024, "Other non-audit work" included the verification of sustainability information pursuant to Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, as regards corporate sustainability reporting (CSRD), while in 2023, the verification was performed on the Statement of Non-Financial Information (SNFI), prepared pursuant to Law 11/2018, of 28 December (Law 11/2018).

b) Environmental issues

The Group's property, plant and equipment include facilities intended for environmental protection and improvement work, many of which cannot be determined individually. Expenditure incurred during 2024 for environmental protection and improvement amounted to EUR 2,227,000 (2023: EUR 4,644,000), including the provision for the environmental activities set out in note 19, which are recorded under the heading "Other operating expenses" in the attached consolidated profit and loss account. Moreover, environmental investments were made in 2024 amounting to EUR 1,597,000 (2023: EUR 3,885,000) in specific assets.

The CO_2 allowances allocated and consumed by the Group in financial years 2024 and 2023 were as follows:

	2024 Allowances assigned	2024 Allowances consumed	2023 Allowances assigned	2023 Allowances consumed
Total allowances	59,824	56,942	59,824	66,771

For 2024, expenditure resulting from the consumption of emission allowances, which was recorded against the corresponding provision (note 19), amounted to EUR 3,979,000 (2023: EUR 5,849,000).

The Group's companies face no actions concerning environmental protection and improvement from which it is thought that associated contingencies may arise. Furthermore, the Group's companies did not receive any significant environmental subsidies in 2024 and 2023.

c) <u>Conflicts of interest</u>

In line with their duty to avoid conflicts of interest in the parent company during the 2024 financial year, directors who have held positions on the Board of Directors complied with the obligations set out in Article 228 of the revised text of the Spanish Companies Act.

An apparent indirect conflict of interest occurred in 2024 relating to the decision to sell the land at the Sestao steel mill (note 10), involving one of the directors; this was duly communicated to the Board of Directors and, in application of the Company's Corporate Governance Rules, this meant that the director did not have access to information related to the Board of Directors' decision, and this individual was absent at the time of deliberation and voting.

27. EVENTS AFTER THE REPORTING PERIOD

Between 31 December 2024 and the date of preparation of the Consolidated Annual Accounts, no events came to light that could lead to a significant alteration of the accounts.

28. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These Consolidated Financial Statements are presented in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain. Certain accounting practices applied may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(thousands of euro)

1. BUSINESS MODEL

The Tubos Reunidos Group (hereinafter "the Group" or "the Company") is an industrial group in the steel sector, composed of companies that, as provided for by Law, form part of a commercial group whose parent company is Tubos Reunidos, S.A. (hereinafter "TRSA"), dedicated to the manufacture of seamless piping dating back to 1892. The shares of the Group's parent company, TRSA, have been listed since 1 July 2005 on the continuous market of the Spanish Stock Exchange Interconnection System (SIBE) on the Madrid Stock Exchange.

The Company is one of the biggest European manufacturers with the widest range of seamless carbon steel, high-alloy, stainless steel and nickel alloy piping for use in critical applications in strategic industrial sectors. It has a special focus on the energy production sector, serving both conventional and clean energy systems.

The range of products that the Group offers includes piping with external diameters ranging from 15 mm to 711 mm, with an exceptional level of flexibility and ability to adapt to customer needs. Its activity is focused on the following commercial segments:

Segment	Primary use of piping
Downstream/power generation	• Equipment and processes in the refining and petrochemicals industry • Equipment and processes of the conventional and clean electric power generation industry, such as heat exchangers, pressure equipment, furnaces, heaters and refrigerators
Midstream	• Transportation of onshore/offshore oil and gas from production wells to storage terminals, liquefaction plants (LNG) and regasification plants, as well as the piping of hydrocarbons to the refineries or petrochemical complexes where they are processed
Upstream	• Drilling and extraction of oil and gas, OCTG ("Oil Country Tubular Goods") and mining • Geothermal energy • Capture and storage of carbon and other gases
Mechanical/industrial engineering	• Perforated bars, generally of high thickness, for cutting/machining and for use in the manufacture of machinery and heavy industry components, or to form structures in singular buildings, offshore platforms, wind turbines, automotives, industrial vehicles, agricultural machinery, civil works, printing, food production etc.

The Tubos Reunidos Group has four production plants and 6 sales offices (Germany, Italy, South Korea, China, Dubai and the United States) as well as commercial agents in 14 countries, through which it serves the world's major markets. The plants undertake the following activities:

Plant	Activity
Products (Trápaga, Bizkaia, Spain)	• Manufacture of hot-rolled seamless steel piping and pipes with outside diameters ranging from 190 mm to 711 mm (7½–28") and wall thicknesses of up to 125 mm (5"). Lengths up to 14 m. Special dimensions tailored to customers • Carbon steels, alloys, stainless steels, high nickel alloys
Tubes [1] (Amurrio, Álava, Spain)	• Manufacture of hot-rolled and cold-drawn seamless carbon steel and alloy piping with up to a 13% Cr content for the petroleum and gas, chemical and petrochemical industries, the generation of energy, heat transfer, the automotive industry, mechanics and construction. • Hot-rolled, Ø from 26.7 mm to 180 mm and lengths of up to 26 m • Cold-drawn, Ø from 15 mm to 125 mm and lengths of up to 20.5 m • Special finishing operations/conditions: U-bend piping, studded piping, finned piping, casing etc.
TRPT [1] (Iruña de Oca, Álava, Spain)	• Precision machining for premium and semi-premium connections under different licences for steel tubes intended for natural gas and oil wells, including those intended for the storage of carbon, hydrogen and other fluids.
RDT [1] (Beasley, Texas, United States).	• Production of semi-premium solutions for steel piping for natural gas and oil wells, including those for storing carbon, hydrogen and other fluids. Special solutions for the production and extraction of shale gas/oil with BTX connection (proprietary development) • We have our own means of reheating, heat treatment, inspection and threading.

The Group is committed to spearheading the energy transition through innovative and sustainable tube solutions.

At the end of 2024, the workforce consisted of 1402 direct jobs, 88% of which are permanent contracts. Women made up 10% of total permanent employees.

Despite its clear export-focus, with approximately 90% of its turnover coming from sales to overseas customers, the Group's decision-making and operations centre is based in the Basque Country, where it is a significant driving force for stable employment and wealth creation. Indeed, 90% of the workforce are located there.

[1] *These plants are part of a single Cash Generating Unit (known as "small tube") because both RDT and TRPT carry out auxiliary or finishing processes on the tubes produced by the Amurrio plant.*

2. PERFORMANCE AND RESULTS FOR THE YEAR

Key indicators[2]:

Millions of euro unless otherwise stated	2024	2023	Change	*Change (%)*
Results				
Revenue	324.0	532.9	(208.9)	*(39.2%)*
EBITDA	8.8	106.8	(98.0)	*(91.8%)*
EBITDA/turnover margin	*2.7%*	*20.0%*	*(17.3%)*	-
Profit/(loss) attributed to the parent company	28.6	56.3	(27.7)	*(49.2%)*
Cash flow and debt				
Cash flow from operations	6.2	71.3	(65.1)	-
Net cash flow	(46.2)	(2.5)	(43.7)	-
Gross financial debt	286.0	378.2	(92.2)	*(24.4%)*
Net financial debt	234.3	282.4	(48.1)	*(17.0%)*
Cash and cash equivalents	51.7	92.6	(40.9)	*(44.2%)*
Others				
Order book	144	100	(44)	*44%*
CapEx	13.5	38.0	(24.5)	*(64.5%)*
Consolidated net equity	27.9	3.6	24.3	*675%*
Net equity for trading purposes[3]	190.6	136.5	54.1	*39.6%*

2.1 Business development

The change in demand for seamless steel tubes was affected in 2024 by: the continually high inventories of customers and distributors, customer caution in light of the expected moderation of costs, erratic performance from major European economies, global geopolitical uncertainty, the impact that the change in administration may have in the US and the competitive pressure on Chinese producers in light of weak domestic demand. This combination of factors has led, since mid-2023, to a drop in order volumes that has had a strong collateral impact on price and, consequently, on margins.

[2] The indicators are defined in the section "Alternative Performance Measures"
[3] Of the Group's parent company

Even so, as the financial year has progressed, and especially in the last quarter, we have been seeing a greater dynamism in the demand of some markets and segments. Thus, tubes used in drilling and carrying, and tubes used in power plant manufacturing projects are showing a positive market performance that is translating into order book growth in the last quarter of 2024. On the other hand, pipes for mechanical use and, in general, all products intended for European markets remain sluggish due to the mass entry of products imported at a lower cost into the European Union (EU), mainly from China and Ukraine, and the worrying weakness of the German economy.

As a result, the Group ended 2024 with EUR 324 million in turnover, following two financial years characterised by significant activity and very high prices. However, towards the end of the year, we saw greater dynamism in incoming orders, allowing us to end 2024 with a book volume up 44% compared to at the start of the year, giving us greater visibility on a positive evolution of turnover.

As for the geographical distribution of our sales, the United States remains our main market, with EUR 133 million (2023: EUR 245 million), accounting for 41% of the Group's total turnover (2023: 46%). The performance of the OCTG market in the US, the biggest in the world, has been affected by a drop in the number of rigs, pressure from local producers to protect their market share against a backdrop of low demand and, in general, the conservative attitude of distributors, as they waited for the outcome of the US elections.

In Europe, Germany (the continent's main market) has had an erratic performance marked by weak economic growth, political instability and the impact of the cost of energy after the reduction in Russian gas consumption. Italy and the Netherlands, (the second and third largest markets, respectively, heavily focused on large distributors), have been more consistent, remaining almost flat compared to 2023. Overall, all European markets have been severely affected by the strong growth in imports of low-cost products, especially from China and Ukraine, which has become a determining factor for the future of the industry in EU countries. As far as the seamless steel pipe market is concerned, the war in Ukraine has led to favouring imports from Ukraine to the EU, to the detriment of other European manufacturers. In this case, the possible end of the war in this country could favour the market, either because of the increase in Ukrainian reconstruction needs or because of the end of Ukraine's competitive advantage.

In other regions, the strong performance of the Middle East and Africa is worth noting, thanks to the reactivation of projects and the domestic market, along with a strong commercial focus in this area with turnover growth of almost 20%.

As regards prices, the average sales price during the year was under EUR 2200 per tonne (2023: over EUR 3000); this was an expected shift as demand returned to normal following two extraordinarily active years. However, we saw prices stabilise over the course of the year, indicating possible moderate price growth in 2025, although the actions of the new US administration may have a notable distorting effect, both downwards and upwards.

With regard to the monitoring of the Strategic Plan, two of the key milestones have been the completion of the unification of steel mills and the debt reduction. The first of these, a fundamental pillar of the Strategic Plan, has meant that, since 1 January 2024, all the Group's steel manufacturing has taken place at the Amurrio plant, generating cost and emission efficiencies. This unification has also made it possible to sell the land and facilities at the Sestao steel mill, generating a positive impact on the net income for the year. The debt reduction carried out in January through a discount auction process led to the repayment of EUR 107 million of convertible debt through the payment of EUR 27.5 million, resulting in net financial profit of EUR 66.5 million.

The launch of our O-Next product®—a product with certified low scope 1 and 2 emissions, which allows us to drive our customers' decarbonisation processes—also stands out as a differentiating factor compared to other manufacturers. Since its presentation in April in 2024, there has been a growing interest in this product, which has resulted in signing agreements with several of our benchmark customers and in the manufacture of the first orders to be delivered during the first quarter of 2025.

2.2 Consolidated results

Millions of euros	2024	2023	*% change*
Net turnover	324.0	532.9	*(39.2%)*
Other operating income	8.8	9.0	*(2.2%)*
Operating income	332.8	541.9	*(38.6%)*
Change in inventory of finished products and products in production	10.8	(13.3)	-
Supplies	(127.5)	(162.9)	*(21.7%)*
Staff expenses	(98.5)	(111.4)	*(11.6%)*
Other operating expenses	(108.8)	(147.5)	*(26.2%)*
Other net profit/(loss)	0.1	-	-
EBITDA	8.8	106.8	*(91.8%)*
Turnover margin	*2.7%*	*20.0%*	-
Depreciation of property, plant and equipment	(18.3)	(17.0)	*7.6%*
Impairment and results due to disposal of property, plant and equipment	4.9	(5.5)	-
Operating income	(4.6)	84.3	-
Financial results	42.5	(36.6)	-
Tax on profits	(10.1)	8.8	-
Profit/(loss) attributed to external partners	0.9	(0.2)	-
Profit/(loss) attributed to the parent company	28.6	56.3	*(49.2%)*
Turnover margin	*8.8%*	*10.6%*	*(1.8%)*

Cost containment measures and moderation of average energy and raw material costs have allowed some of the lower sales volumes and prices to be absorbed. EBITDA for the year stood at EUR 8.8 million and operating losses amounted to EUR 4.6 million. The decrease in the heading "Supplies" is worth noting, with a 21.7% drop in costs due to the decrease in activity and a slight decrease in scrap prices, as well as a result of operating actions, highlighting the efficiencies associated with unifying the Group's steel production at the Amurrio plant since January 2024.

Staff expenses fell by 11.6% with a reduction in costs associated with night and weekend production bonuses, the elimination of provisions for variable remuneration in 2024 and the impact of the two temporary workforce redundancy plans at the Amurrio and Trápaga plants (the latter starting at end of February), with a view to adapting working hours to the actual production load.

"Other operating expenses" fell by 26.2% compared to the EUR 147.5 million recorded in the previous year. In this section, as well as a reduction in volume due to the drop in production, the price savings due to the decrease in electricity prices and, in particular, gas prices, are worth noting, as are the efficiencies obtained in the contracting of freight or in the management of production schedules at lower cost hours, as well as those arising from implementing lean processes at plants with a view to making production more efficient.

Financial results – Millions of euros	2024	2023	*% change*
Financial income	67.8	0.4	-
Interest expenses	(27.2)	(28.0)	*(2.8%)*
Interest "PIK" ("payable in kind")	*(12.7)*	*(12.7)*	-
Interest payable annually	*(14.5)*	*(15.3)*	*(5.2%)*
Exchange differences	2.3	(3.3)	-
Other financial results	(0.4)	(5.7)	-
Financial results	42.5	(36.6)	-

"Financial results – Financial income" includes the positive amount of EUR 66.5 million for the repayment of debt as a result of the aforementioned discounted debt buyback.

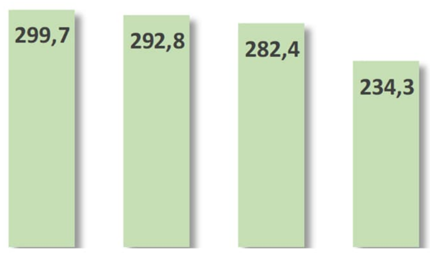
Interest expense on debt and current financing lines was EUR 27.2 million (2023: EUR 28.0 million), remaining high as a result of the interest rates affecting a part thereof, which is linked to variable rates. Of this, EUR 11.3 million (2023: EUR 8.0 million) corresponds to the participation loan from the FASEE, including EUR 1.3 million of participation interest which accrues only in the event that the Group obtains positive results, and the remainder, for the most part, corresponds to the various tranches of syndicated financing with various entities. The change in the fair value of financial instruments can be traced to the long-term contract to supply renewable electricity. Lastly, this heading includes positive foreign exchange differences amounting to EUR 2.3 million due to the dollar appreciating against the euro at the end of the financial year (2023: EUR -2.1 million) and the change in value of the financial PPA for electricity.

Consolidated net profit for the period attributable to the parent company amounted to EUR 28.6 million (2023: EUR 56.3 million), marking the third consecutive year of positive net results, which has enabled the Group to significantly increase its equity.

2.3 Financial situation

One of the financial year's highlights was the significant reduction in net financial debt, down by EUR 48.2 million to EUR 234.3 million (31/12/2023: EUR 282.4 million), owing to the combined effect of the discounted debt buyback, adherence to the repayment schedule and the additional early repayment of debt using funds obtained from the sale of assets.

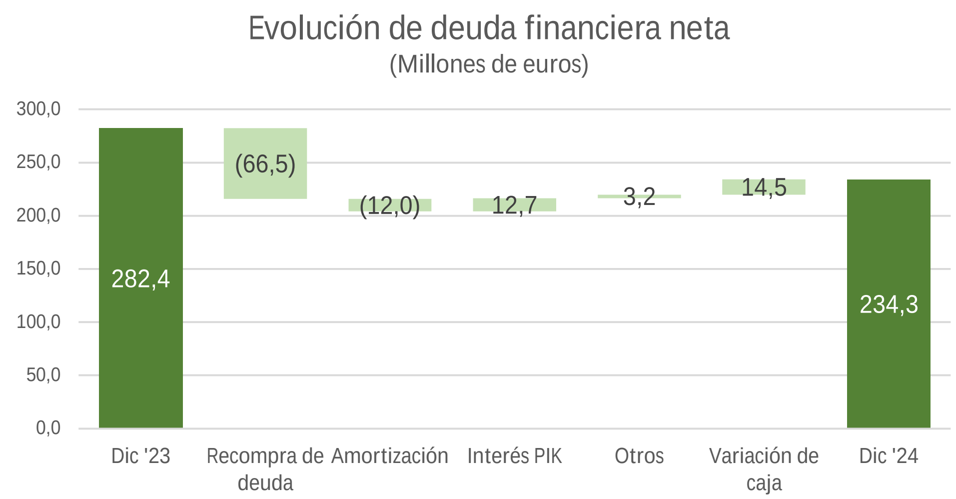
This debt buyback was as reflected in notes 1.2. and 15 of the Consolidated Annual Financial Statements for the year ended 31 December 2024, as part of the Group's acquisition from its convertible debt creditors through a Dutch discount auction; this has seen the Group's debt reduced since 2021:



Millones de euros	**2021**	**2022**	**2023**	**2024**
Deuda Bruta	377,5	390,3	378,2	286,0
Efectivo y equivalentes y otros activos financieros corrientes	77,8	97,5	95,8	51,7
Deuda Financiera Neta	**299,7**	**292,8**	**282,4**	**234,3**

The Group has placed particular emphasis on the optimisation of its working capital cycle, generating an operating cash flow of EUR 6.2 million in the year. Investments, mainly made as a result of unifying the steelworks and other investments with a view to optimising plants, stood at EUR 20.1 million. The divestment of non-productive assets resulting from the unification processes as part of the Strategic Plan is also notable and generated a net cash inflow of EUR 20.9 million.

Furthermore, in the debt services chapter, EUR 12.0 million have been earmarked for the repayment of principal from the syndicated loan and the FASEE loan, including early repayment with funds obtained from the sale of a plant in Pamplona (formerly Aceros Calibrados, S.A.)



As at 31/12/2024, the Group obtained a waiver of compliance with the agreement's net debt/EBITDA covenant established in the financing contract from its creditors. At that date, the Group had satisfied the authorised CapEx maximum limit.

2.4 Investments

The Group started 2024 by commissioning the extension of the Amurrio steel mill for the production of ingots for large pipes, which until that point had been produced in Sestao. The rest of the investments during the period were linked to driving plant process improvements, and to safety improvements and the digitalisation plan.

Finally, in line with the funds received and the framework of the Strategic Plan, the execution of various projects aimed at driving the Company's transformation is ongoing, aligning it with ecological transition targets, reorientating its commercial approach, designing future investments to improve operational, energy and environmental efficiency, bolstering ESG objectives, and improving the Group's management.

2.5 Significant changes to accounting policies and the Group's structure

The accounting policies applied in 2024 were those used to prepare the Group's Consolidated Annual Accounts for the previous financial year, as there were no regulatory changes with any significant effect on them.

In 2024, Tubos Reunidos GmbH, registered in Germany, was created with a view to strengthening the Group's commercial presence in the markets of Central, Eastern and Northern Europe. This company commenced operation in 2025 and, therefore, there has been no impact on the consolidated annual accounts for 2024.

3. OUTLOOK FOR FINANCIAL YEAR 2025

2025 is expected to be a year of uncertainty in global markets. At the forefront of these uncertainties are the unknowns about the economic policy of Donald Trump's presidential mandate and, specifically, tariffs. Despite concerns about the inflationary effect these measures may have on the domestic market, the elimination of the current quota scheme and exemption on the import of steel products approved on 10 February 2025 may have a significant impact on our sector — the consequences of which may extend on a global scale due to the difficulty accessing the North American market and the transfer of price competition to other places or segments. On the other hand, the expectation of a strong dollar and the expected adoption of measures to stimulate investment in the OCTG segment open the possibility of a recovery in demand after many months marked by sluggishness and excess stock.

In the EU, the debate is focused on industry, especially in Germany, affected by the end of cheap energy access and unprecedented political instability in recent decades. However, the International Monetary Fund forecasts slight growth of 1.0% in 2025, although the main economy, Germany, is only forecast to see growth of 0.3% after two periods of recession. On the other hand, pressure from Chinese imports and the ineffectiveness of the protective measures adopted by the EU increase concerns about the future of the sector. On a positive note, the warning given by the Draghi report and many industry associations has brought this issue into the spotlight, which is an essential first step towards the adoption of measures to restore a globally competitive industry. The war in Ukraine, especially the end of it, may provoke a positive reaction in the market for power generation projects, including seamless steel pipes.

We started 2025 with an order book up 44% compared to the start of 2024, as a result of a final quarter of intensive commercial effort, the reorganisation of our commercial potential and greater activity in the conduction and downstream segments. We expect 2025 to see the market recover, despite the various different factors causing uncertainty.

The portfolio evolving towards a greater weight of products of our "premium" product strategy, with higher added value, is worth noting, as is the increasing interest amongst customers for our O-Next product®, which provides low net scope 1 and 2 emissions, given their importance as part of our commitment to sustainability.

4. R&D&i ACTIVITY[4]

The Group remains loyal to its conviction and commitment to promote innovation with a view to improving processes and products, aligned with our mission of offering innovative piping solutions in a fair and competitive way, underpinned by the most cutting-edge R&D&i technology, more than 130 years of experience and a commitment to the environment.

[4] For more information, please see the Sustainability Report.

To this end, activities carried out over the course of the year were as follows:

- Expansion of the dimensional range of tubes manufactured at the Trápaga plant, in the Hazitek Goliat, we have reduced our minimum thickness for our largest outer diameter of 28".

- We have driven the rolling of more austenitic stainless steel pipes in the Amurrio plant, specifically TP347H, with highly satisfactory and efficient results.

- Through our commitment to the environment, we are immersed in cutting-edge projects on using hydrogen as fuel:

    - Hazitek H2 Bidea, for this Nortegas-led project, and in collaboration with other companies, we intend to supply our tubular solution in H2 distribution.

    - Hazitek H2 Salt, also in collaboration with other companies such as Iberdrola, for this project led by Team, we intend to develop a tubular solution that allows for salt cavern storage.

    - Hazitek H2Integra, led by Petronor, will position us at the forefront in terms of the suitability of direct use in H2 fuel companies.

- For our upstream market, we are improving our connection, TRG BTX thread, to respond to greater demands. We have revised the thread design by improving the torque by 15% and are immersed in the process of changing the design, moving towards a Wedge High Torque.

- For cryogenic applications, we have managed to develop G8 (8% nickel) tubes with satisfactory results. We also validated new grades such as X65 and X80 for high thicknesses in our small tube range.

- To improve and understand our raw material, we are collaborating in the European strategic project, HYDAM, the aim of which is to prevent the negative impact of H2 on our steel production.

To improve processes, we also believe that defining digital twins of our facilities is key. After modelling our drill last year, we are working with the model to improve potential tube defects and work to model our Pilger laminator has begun.

5. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place after 31 December 2024.

6. SHARE CAPITAL AND TREASURY SHARES

During 2024, all operations involving treasury shares fell within the framework of the Liquidity Contract signed with Kutxabank Investment, S.V., S.A.U. (an entity registered with the CNMV since 1989 with Official Registration No. 40). Specifically, 3,791,000 treasury shares were purchased and 3,643,000 were sold, maintaining a treasury shareholding of 627,000 shares as of 31/12/2024, representing 0.38% of total company shares.

7. AVERAGE PAYMENT PERIOD TO SUPPLIERS

The average payment period to suppliers in 2024 was 101 days.

8. CORPORATE GOVERNANCE

Article 538 of the Spanish Companies Act establishes that limited liability companies that have issued securities admitted to trading on a regulated market shall include the annual corporate governance report (ACGR) in the management report, in a separate section and, with it, the annual directors' remuneration report (ADRR).

The ACGR contains a description of the good corporate governance practices implemented at the Group to increase economic efficiency and bolster trust among investors and other stakeholders, and is included in this Management Report.

In addition to the information included in the ACGR, the Group has implemented and published the following corporate regulatory structure on its corporate website:

Essential rules	• Corporate by-laws
Regulatory Compliance System	• Criminal Risk Prevention and Compliance Corporate Policy • Code of Ethical Conduct • Corporate Gifts and Invitations Policy • Corporate Internal Information System and Whistleblower Protection Policy • Regulations of the Ethics Channel • Corporate Anti-Corruption and Fraud Policy
Regulations	• Regulations of the General Shareholders' Meeting • Regulations of the Board of Directors • Regulations of the Board of Directors Committees: Executive Committee, Audit Committee and Appointments and Remuneration Committee • Internal Regulations for Conduct in the Securities Market
Corporate policies on the following matters:	Governance: • Corporate Governance • Selection of Directors and Diversity on the Board of Directors • Communication and Contact with Shareholders, Institutional Investors and Proxy Advisers • Directors' remuneration • Recruitment and relationship with the statutory auditor Risks: • Corporate Risk Map • ICFR • Corporate tax • Procurement, contracting of services and investments Sustainability: • Sustainability • In relation to climate change • Environment • Respect for human rights

The ADRR, which is also included in this Management Report, sets out the main characteristics of the remuneration policies and practices applied by the Group for its directors.

9. CORPORATE RISKS

The aforementioned ACGR provides a detailed explanation of the Group's Corporate Governance System and its operation in practice. Specifically, it includes section "E" detailing the Group's corporate risk control systems, including tax risk, and explaining the Group's main risks and uncertainties.

10. SUSTAINABILITY REPORTING

Law 11/2018, of 28 December (Law 11/2018) transposes European Directive 2014/95/EU, of 22 October, on non-financial information and diversity, establishing the requirement to include a statement of non-financial information (SNFI) in the management report containing information on environmental and social issues, as well as matters relating to staff, respect for human rights and the fight against corruption and bribery, which is also referred to in Article 262 of the Capital Companies Act.

Law 11/2018 also requires that the information included in the SNFI be verified by an independent auditor.

In turn, Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on Corporate Sustainability Reporting (CSRD) replaces European Directive 2014/95/EU, cited above, expanding its content and the number of entities required to report sustainability information, while also upholding the obligation to verify the information.

At the date of preparation of this Management Report, the CSRD had not been transposed into the Spanish legal system, meaning that Law 11/2018 remains in force.

To this end, on 27 November 2024, the Spanish National Securities Market Commission (CNMV) and the Accounting and Audit Institute (ICAC) issued a "joint statement pending the transposition of the CSRD into Spanish law", indicating that they concluded that, "Effective 1 January 2025, and until the legislation transposing the CSRD comes into force, the CNMV and the ICAC, within their remits, shall consider it admissible, for the affected entities, to submit non-financial information using the ESRS (contained in the CSRD Directive), provided that they observe the considerations of the preceding paragraphs", consisting of adding certain information included in Law 11/2018 but not in the CSRD.

The Group has chosen to incorporate the sustainability reporting prepared following the content of the joint statement from the CNMV and the aforementioned ICAC into this Management Report, as well as the verification report on sustainability reporting.

ANNEX I: ALTERNATIVE PERFORMANCE MEASURES

On 5 October 2015, the European Securities and Markets Authority (ESMA[1]) published, via its website, the "Guidelines on Alternative Performance Measures" (APM[2]), which are mandatory for all issuers whose securities are admitted to trading on an official market and who are required to publish regulated information pursuant to the Transparency Directive 2004/109/EC.

These Guidelines aim to promote the usefulness and transparency of those APMs included in prospectuses or regulated disclosures. Compliance with the Guidelines is intended to promote the usefulness and transparency of the information provided to the market, improving its comparability, reliability and comprehensibility.

The APM Guidelines refer to those financial measures of the Group's past or future financial performance, financial situation or cash flows that are not defined or set out in the financial reporting framework applicable to it (in Grupo Tubos Reunidos' case, the International Financial Reporting Standards, IFRS).

The Tubos Reunidos Group considers that including certain non-financial performance measures and other financial measures relevant to business management, in addition to the APMs set out in the criteria of the ESMA Guidelines, contributes to the aforementioned objective of compliance with the Guidelines, though this information should be understood as complementary to, rather than a substitute for, the APMs featured in the Guidelines.

The indicators referred to in Law 11/2018 of 28 December on non-financial information and diversity are included in the Annex to the Statement of Non-Financial Information (SNFI).

[1] *European Securities and Markets Authority*
[2] *Alternative Performance Measures*

Definitions and individual usefulness of Performance Measures

A. Economic and financial measures

Measure	Definition/purpose
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	Profit/loss for the financial year after deducting financial result, income tax, impairment and gains or losses on disposals of property, plant and equipment, and the depreciation of property, plant and equipment. It is a measure used commonly to assess the profitability of a company, and serves as a basis for comparisons and other performance measures.
EBITDA LTM	EBITDA for the last 12 months ("last twelve months"). It is calculated by adding together the last 12 monthly EBITDAs. It is useful in finding the EBITDA for the year, for periods that do not coincide with the calendar year.
CapEx (Investments)	The abbreviated form of "Capital Expenditures", this is calculated as the sum of the additions of intangible assets and property, plant and equipment during the period.
OpEx (Operating Expenditures)	The abbreviated form of "Operational Expenditures", this is calculated as the sum of consumption (supplies and changes in stocks of finished goods and work in progress), staff expenses and other operating expenses. It excludes the amount of Other operating income and Other net profit/(loss).
Gross financial debt	The sum of current and non-current borrowings as set out in note 15 to the accompanying consolidated annual accounts. It is used to analyse the Group's level of indebtedness, as well as to benchmark it against alternative measures such as EBITDA or to determine the level of leverage (by reference to total consolidated Group net assets and debt).
Net financial debt (NFD)	Gross Financial Debt, less cash and cash equivalents and other current financial assets. This is used to analyse the Group's level of indebtedness, as well as benchmarking it against alternative measures such as EBITDA, to determine net leverage, and as a tool to manage liquidity risk.
NFD variation	Difference between net financial debt balances at the beginning and end of the reporting period.
NFD as of 31/12/2023 following the debt buyback	NFD as of 31/12/2023 incorporating the impact from the discounted debt buyback finalised in January 2024. This is used instead of NFD due to the significant impact of the buyback operation on the figures used to analyse the Group's debt levels.
Available liquidity	The sum of cash and cash equivalents, the limit of undrawn committed credit facilities (short and long term) at the end of the reporting period and the limits of undrawn factoring lines, net of any drawdown limitations.

	It establishes the ability to meet short-term payment commitments and as such is a key tool in liquidity risk management.
Cash flow or net cash flow	Change in the amount of cash and cash equivalents at the beginning and end of the reporting period.
Working capital	Result of the amount of stocks and trade and other receivables, less trade payables, customer prepayments, outstanding remuneration and balances payable to public administrations (excluding deferred debt)
Working capital variation	Difference between the working capital balances at the beginning and end of the reporting period.
Net equity for trading purposes	The sum of the net book assets of the Group's parent company, Tubos Reunidos, S.A. and the amount of loans deemed as participating loans, on the data reference date. As such, those loans that could be viewed as participating loans under certain assumptions that are not fulfilled on that date are excluded.

B. Operational measures

Measure	Definition/purpose
Sales by business segment	Sales of seamless piping based on product type and destination, according to the usual standards in the seamless piping manufacturing industry: downstream, midstream, upstream and mechanical/industrial.
Sales by geographic area	Seamless steel pipe sales based on the country of the requesting customer. Potentially, the final destination of the materials may be another country, or the place of delivery may even differ from the customer's country, particularly in the event of projects involving pipe integration. However, for operational reasons, sales are considered by geographical area according to customer country.
Order book	Volume of firm orders likely to be subject to future recognition under the heading "Net turnover" of the consolidated profit and loss account. An order is considered firm only when it generates obligations between the Group and the customer.
Subcontracting	Total sales volume for the year plus change in the amount of the order book.
DDP adjustment	Amount of sales to customers that have been invoiced but, based on the product delivery Incoterms, could not be reported in the period, since they do not meet the change in control criteria laid down by IFRS 15.
Tonnes cast	Tonnes of scrap melted together with ferroalloys and other materials in the steel mill to produce billets or ingots, which are the primary building blocks of the Group's pipe production.
Tonnes rolled	Tonnes of steel that have completed the rolling process within the Group's production cycle.
Tonnes sold	Tonnes of steel piping that have been sold to customers.

C. Stock market indicators

Measure	Definition/purpose
Average share price for the year	Average daily closing share price during the financial year
Share price at year-end	The last share price on the day closest to financial year-end
Market capitalisation at year-end	The value obtained by multiplying (i) the number of shares comprising the parent company's share capital issued on the stock exchange at financial year-end by (ii) the share price at financial year-end. It shows the value of the Group on the stock exchange on the given date.
Annual volume of shares traded	Volume of shares traded in the annual reporting period

Reconciliation of Alternative Performance Measures to the Annual Financial Accounts for financial years 2024 and 2023

A - Medidas económico-financieras

Miles de euros, en su caso	2024	2023
Resultado del ejercicio	27.751	56.546
Resultado financiero	(42.539)	36.572
Impuesto sobre beneficios	10.145	(8.799)
Deterioro, reversión y resultado por enajenaciones del inmovilizado	(4.910)	5.459
Amortización del inmovilizado	18.319	16.979
EBITDA	8.766	106.757
Adiciones de inmovilizado material	11.836	37.065
Adiciones de inmovilizado inmaterial	1.617	914
CAPEX	13.453	37.979
Aprovisionamientos	127.492	162.879
Variación de existencias de productos terminados y en curso de fabricación	(10.785)	13.340
Gastos de personal	98.511	111.442
Otros gastos de explotación	108.824	147.524
OPEX	324.042	435.185
Recursos ajenos no corrientes	250.271	362.248
Recursos ajenos corrientes	35.726	15.995
Deuda Financiera Bruta	285.997	378.243
Efectivo y otros equivalentes	(46.366)	(92.573)
Otros activos financieros Corrientes	(5.351)	(3.226)
Deuda Financiera Neta (DFN)	234.280	282.444
Efectivo y otros equivalentes	46.366	92.573
Líneas de crédito no dispuestas	160	736
Líneas de factoring no dispuestas	26.577	17.349
Efectivo no disponible (nota 24)	(15.719)	(1.828)
Liquidez disponible	57.384	108.830
Deuda Financiera Neta al inicio del ejercicio	282.444	292.752
Deuda Financiera Neta al cierre del ejercicio	234.280	282.444
Variación de la DFN	48.164	10.308
Existencias	115.447	107.818
Clientes y otras cuentas a cobrar	13.783	15.989
Acreedores comerciales	(92.471)	(68.209)
Anticipos de clientes	(1.608)	(3.056)
Remuneraciones pendientes de pago	(5.612)	(13.383)
Saldos acreedores con Administraciones Públicas	(4.710)	(4.946)
Capital Circulante	24.829	34.213
Capital circulante al inicio del ejercicio	34.213	1.070
Capital circulante al cierre del ejercicio	24.829	34.213
Variación del Capital circulante	9.384	(33.143)
Capital Social de la Sociedad matriz	3.494	3.494
Patrimonio Neto contable de la Sociedad matriz	60.551	16.699
Préstamos participativos	126.756	119.779
PATRIMONIO NETO a efectos mercantiles de la Sociedad matriz	187.307	136.478
Patrimonio neto / Capital Social	53,61	39,06

B - Medidas operativas

Miles de euros	2024	2023
Ventas zonas geográficas		
España	13.992	27.428
Resto Unión Europea	126.746	182.390
Norte América	125.669	230.225
Oriente Medio y Africa	19.285	28.746
Lejano Oriente	19.921	25.541
Otros	2.915	11.089
Total ventas	308.528	505.419
Ventas por segmento		
Generación de energía, refino y petroquímica (Downstream)	75.839	106.313
Petróleo y Gas - OCTG (Upstream)	103.719	197.732
Petróleo y Gas - Conducciones (Midstream)	67.277	108.248
Construcción, Mecánico, Industrial	61.693	93.126
Total ventas	308.528	505.419

C - Indicadores Bursátiles

	2024	2023
Cotización media del ejercicio (euros)	0,636	0,628
Cotización al cierre del ejercicio (euros)	0,466	0,645
Capitalización bursátil (miles de euros)	81.401	112.669
Acciones negociadas anuales (miles de acciones)	214.679	437.999

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED LIMITED LIABILITY COMPANIES

ISSUER'S IDENTIFICATION DETAILS

End date of relative financial year: 31/12/2024

CIF (tax ID no.): A-48011555

Company name:

TUBOS REUNIDOS, S.A.

Registered office:

BARRIO SAGARRIBAI, S/Nº (AMURRIO) ALAVA

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the allocated share capital and voting rights, including, where applicable, those related to loyalty voting shares, at year-end:

Indicate whether the Corporate By-laws contain the loyalty double vote provision:

[ ] Yes
[√] No

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
30/06/2022	3,493,617.76	174,680,888	174,680,888

Indicate whether there are different types of shares with different rights associated:

[ ] Yes
[√] No

A.2. List the direct and indirect owners of significant stakes at the end of the financial year, including directors with significant stakes:

Name or company name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	10.22	0.00	0.00	0.00	10.22
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	3.35	2.73	0.00	0.00	6.08
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	0.00	5.21	0.00	0.00	5.21

Breakdown of indirect stakes:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% voting rights attributed to the shares	% voting rights through financial instruments	Total % of voting rights
ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	MS LETICIA ZORRILLA DE LEQUERICA PUIG	1.10	0.00	1.10
ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	MS MERCEDES PUIG PÉREZ DE GUZMÁN	5.82	0.00	5.82
ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	MS MERCEDES ZORRILLA DE LEQUERICA PUIG	1.10	0.00	1.10
ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	MR ALFONSO ZORRILLA DE LEQUERICA PUIG	1.10	0.00	1.10
ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	MS PILAR ZORRILLA DE LEQUERICA PUIG	1.10	0.00	1.10
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	MR ALFONSO BARANDIARÁN OLLEROS	0.91	0.00	0.91
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	MR GUILLERMO BARANDIARÁN OLLEROS	0.33	0.00	0.33
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	MS MARÍA BARANDIARÁN OLLEROS	0.33	0.00	0.33
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	MS ALEJANDRA LUCA DE TENA OYARZUN	0.00	0.00	0.00
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	GESLURAN SL	0.00	0.00	0.00
MR JOAQUÍN GÓMEZ DE OLEA MENDARO	BARANGO S.L.	1.16	0.00	1.16

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% voting rights attributed to the shares	% voting rights through financial instruments	Total % of voting rights
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	PECRI INVERSIÓN S.L. UNIPERSONAL	5.21	0.00	5.21

Indicate the most significant transactions in the share structure over the financial year:

Most significant transactions

During 2024, the only significant change in the shareholding structure was the following:

BBVA's significant stake decreased slightly throughout 2024, falling from 5.96% of share capital on 1 January 2024 to 5.21% as of 31 December 2024. As at the date of issue of this Report, BBVA holds an indirect stake of 5.21% of share capital.

A.3. Outline, whatever the percentage, the stake at the end of the year of the members of the Board of Directors who are holders of voting rights attributed to shares in the company or through financial instruments, excluding the directors identified in section A.2 above:

Name or company name of the director	% voting rights attributed to shares (including loyalty votes)		% voting rights through financial instruments		Total % of voting rights	Of the total % of voting rights attributed to shares, indicate, where applicable, the % of additional votes attributed that correspond to loyalty voting shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR EMILIO YBARRA AZNAR	1.53	0.00	0.00	0.00	1.53	0.00	0.00
MS LETICIA ZORRILLA DE LEQUERICA PUIG	1.10	0.00	0.00	0.00	1.10	0.00	0.00
MR ALFONSO BARANDIARÁN OLLEROS	0.91	0.01	0.00	0.00	0.92	0.00	0.00
MR JORGE GABIOLA MENDIETA	0.27	0.01	0.00	0.00	0.28	0.00	0.00

Total % of voting rights held by members of the Board of Directors	3.83

Breakdown of indirect stakes:

Name or company name of the director	Name or company name of the direct shareholder	% voting rights attributed to shares (including loyalty votes)	% voting rights through financial instruments	Total % of voting rights	Of the total % of voting rights attributed to shares, indicate, where applicable, the % of additional votes attributed that correspond to loyalty voting shares
No data					

Outline the total % of voting rights represented on the Board:

Total % of voting rights represented on the Board of Directors	23.70

The percentage of share capital represented on the Board of Directors amounts to 23.70%, broken down as follows:

10.22% held by Zorrilla Lequerica Group Concerted Action
6.08% held by the Barandiarán Group Concerted Action (controlling shareholder: Mr Joaquín Gómez de Olea Mendaro)
5.21% held by BBVA
1.53% held by Mr Emilio Ybarra Aznar
0.28% held by Mr Jorge Gabiola Mendieta
0.38% held by Clima S.A. (a holding company)

A.4. Indicate, where appropriate, the family, commercial, contractual or company relations that exist between owners of significant stakes, inasmuch as they are known by the company, unless they are of little relevance or arise from the regular line of business, except those included in section A.6:

Related name or company name	Type of relationship	Brief description
No data		

A.5. Indicate, where appropriate, the commercial, contractual or company relations that exist between owners of significant stakes and the company and/or its group, unless they are of little relevance or arise from the regular line of business:

Related name or company name	Type of relationship	Brief description
No data		

A.6. Describe the relationships, unless they are of little relevance for the parties, that exist between the significant shareholders or those represented on the Board and the directors, or their representatives, in the case of legal entity administrators.

Explain, where applicable, how significant shareholders are represented. Specifically, please indicate which directors were appointed on behalf of significant shareholders, those whose appointment was put forward by significant shareholders, or those who are related to significant shareholders and/or entities of their group, specifying the nature of such relationships. In particular, please state, where appropriate, the existence, identity and position of board members, or representatives of directors, of the listed company, who are, in turn, members of the management body, or their representatives, in companies which hold significant stakes in the listed company or in entities of the group of such significant shareholders:

Name or company name of the related-party director or representative	Name or company name of the related-party significant shareholder	Company name of the significant shareholder's group company	Description of relationship/position
MR ALFONSO BARANDIARÁN OLLEROS	MR JOAQUÍN GÓMEZ DE OLEA MENDARO	MR JOAQUÍN GÓMEZ DE OLEA MENDARO	Family. The director is a second-degree collateral relative of Mr Joaquín Gómez de Olea Mendaro by marriage and holds shares in the significant shareholder Barandiarán Group Concerted Action.
MS LETICIA ZORRILLA DE LEQUERICA PUIG	ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	Family. The director is a member of the Zorrilla-Lequerica family and holds shares in the significant shareholder Zorrilla Lequerica Puig Group Concerted Action.
MR CRISTÓBAL VALDÉS GUINEA	ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	Family. The director is related by marriage to the persons holding shares in the significant shareholder Zorrilla Lequerica Puig Group Concerted Action.
MR ENRIQUE MIGOYA PELÁEZ	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	PECRI INVERSIÓN S.L. UNIPERSONAL	Professional. The director is an executive of the significant shareholder, with the post of Head of Industrial and Real Estate

Name or company name of the related-party director or representative	Name or company name of the related-party significant shareholder	Company name of the significant shareholder's group company	Description of relationship/position
			Equity Holdings (Strategy & M&A), and the legal representative and Chair of the Board of Directors of the direct shareholder.

At year-end 2024, the shareholders with significant shareholdings represented on the Company's Board were as follows:

1.- The Zorrilla-Lequerica Group has two representatives, Ms Leticia Zorrilla de Lequerica and Mr Cristóbal Valdés.
2.- The Barandiarán Group has one representative, Mr Alfonso Barandiarán.
3.- BBVA has one representative, Mr Enrique Migoya.

It should be noted that the significant shareholder BBVA maintains its indirect position in the Company through the indirect shareholder PECRI Inversión S.L. Unipersonal, a company wholly owned by BBVA.

A.7. Indicate whether the company has been notified of any shareholders' agreements pursuant to Articles 530 and 531 of the Capital Companies Law. If so, briefly describe them and list the shareholders linked to the agreement:

[ ] Yes
[√] No

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. If so, briefly describe them:

[√] Yes
[ ] No

Participants in the concerted action	% of share capital affected	Brief description of the concerted action	Expiry date of the concerted action, if applicable
MR JOAQUÍN GÓMEZ DE OLEA MENDARO, MR ALFONSO BARANDIARÁN OLLEROS, MR GUILLERMO BARANDIARÁN OLLEROS, MS MARÍA BARANDIARÁN OLLEROS, MS ALEJANDRA LUCA DE TENA OYARZUN, GESLURAN SL, BARANGO S.L.	6.08	BARANDIARÁN GROUP TACIT CONCERTED ACTION	None
MR ALFONSO ZORRILLA DE LEQUERICA PUIG, MS MERCEDES PUIG PÉREZ DE GUZMÁN, MS MERCEDES ZORRILLA DE LEQUERICA PUIG, MS	10.22	ZORRILLA-LEQUERICA PUIG GROUP TACIT CONCERTED ACTION	None

Participants in the concerted action	% of share capital affected	Brief description of the concerted action	Expiry date of the concerted action, if applicable
LETICIA ZORRILLA DE LEQUERICA PUIG, MS PILAR ZORRILLA DE LEQUERICA PUIG			

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year:

There was no significant amendment to or termination of concerted actions in 2024.

A.8. Indicate whether any individual or legal entity currently exercises control or could exercise control over the company in accordance with Article 5 of the Spanish Securities Market Act. If so, identify them:

[ ] Yes
[√] No

A.9. Complete the following tables on the company's treasury shares:

At the end of the financial year:

Number of direct shares	Number of indirect shares(*)	Total % of share capital
	672,225	0.38

(*) Through:

Name or company name of the direct shareholder	Number of direct shares
CLIMA, S.A.	672,225
Total	672,225

Explain the significant changes during the financial year:

Explain the significant changes
A) On 3 April 2024, the company's treasury share transactions from the first quarter of the year were reported to the Spanish National Securities and Exchange Commission (the "CNMV"). These transactions involved an acquisition of 1,444,146 shares and the sale of 1,306,952 shares. B) On 2 July 2024, the company's treasury share transactions from the second quarter of the year were reported to the CNMV. These transactions involved an acquisition of 845,845 shares and the sale of 910,795 shares. C) On 3 October 2024, the company's treasury share transactions from the third quarter of the year were reported to the CNMV. These transactions involved an acquisition of 567,212 shares and the sale of 550,876 shares. D) On 8 January 2025, the company's treasury share transactions from the fourth quarter of the year were reported to the CNMV. These transactions involved an acquisition of 933,785 shares and the sale of 874,627 shares.

A.10. Detail the conditions and term of the existing mandate from the Shareholders' Meeting to the Board of Directors to issue, buy back or transfer treasury shares:

The General Shareholders' Meeting, held on 30 May 2024, authorised the direct purchase of treasury shares by the Company or through Group companies, using any method of purchase, up to the maximum number of shares permitted by commercial legislation currently in force for a price equivalent to the price listed on the date each transaction takes place, granting said authorisation for a period of five years from the date of approval of this agreement, i.e., until 30 May 2029.

At said Meeting, it was agreed to render null and void, in relation to those agreements not executed, the authorisation granted at the General Shareholders' Meeting on 29 June 2023, and it was expressly agreed that the derivative acquisition operations of treasury shares would be carried out observing the conditions established in the applicable legislation and complying with the commitments assumed by the Company at all times.

A.11. Estimated floating capital:

	%
Estimated floating capital	76.30

A.12. Indicate whether there are any restrictions (statutory, legislative or otherwise) on the transfer of securities and/or if there are any restrictions on the right to vote. In particular, please report the existence of any type of restriction that may hinder the takeover of the company through the acquisition of its shares on the market, as well as any prior authorisation or notification regimes applicable to the acquisition or transfer of the company's financial instruments under sectoral regulations:

[ ] Yes
[√] No

A.13. Indicate whether the General Shareholders' Meeting has agreed to adopt neutralisation measures in the event of a public takeover bid pursuant to the provisions of Law 6/2007:

[ ] Yes
[√] No

Where applicable, explain the approved measures and terms under which the restrictions shall become ineffective:

A.14. Indicate whether the company has issued securities that are not traded on a regulated EU market:

[ ] Yes
[√] No

Where applicable, indicate the different classes of shares and the rights and obligations that each class of shares confers:

B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate and, if applicable, describe whether there are any differences with the minimum regime provided for in the Capital Companies Law with regard to the quorum required for the constitution of the General Shareholders' Meeting:

[ ] Yes
[√] No

B.2. Indicate and, if applicable, describe whether there are any differences with the regime provided for in the Capital Companies Act for the adoption of corporate resolutions:

[ ] Yes
[√] No

B.3. Indicate the rules applicable to modification of the Corporate By-laws. In particular, describe the majorities established to amend the Corporate By-laws and, where appropriate, the rules set forth for the protection of shareholders' rights when the Corporate By-laws are amended:

The rules applicable to the modification of the Corporate By-laws are those provided for in the Spanish Companies Act with no special feature in this regard.

B.4. Indicate the attendance figures for the General Shareholders' Meeting held in the financial year to which this report refers and those for the previous two financial years:

	Attendance figures				
General shareholders' meeting date	% attending in person	% by proxy	% by remote voting		Total
			Electronic vote	Others	
30/06/2022	23.96	22.98	0.01	0.02	46.97
Of which floating capital	0.23	6.64	0.01	0.02	6.90
29/06/2023	18.67	22.48	0.04	0.01	41.20
Of which floating capital	3.29	3.87	0.04	0.01	7.21

General shareholders' meeting date	Attendance figures: % attending in person	% by proxy	% by remote voting: Electronic vote	% by remote voting: Others	Total
30/05/2024	15.83	21.72	0.01	0.60	38.16
Of which floating capital	3.77	4.21	0.01	0.60	8.59

B.5. Indicate whether at the General Shareholders' Meetings held during the year there have been any items on the agenda that, for whatever reason, have not been approved by the shareholders:

[ ] Yes
[√] No

B.6. Indicate whether there is any statutory restriction establishing a minimum number of shares required to attend the General Shareholders' Meeting, or to vote absently:

[ ] Yes
[√] No

B.7. Indicate whether certain decisions, other than those established by law, involving an acquisition, transfer, contribution to another company of essential assets or other similar corporate operations, must be submitted for approval by the General Shareholder's Meeting:

[ ] Yes
[√] No

B.8. Indicate the address and mode of access on the company's website to information on corporate governance and other information on General Shareholders' Meetings that must be made available to shareholders through the Company's website:

The address of the company's website is www.tubosreunidosgroup.com, and information on Corporate Governance and other information on General Shareholders' Meetings that must be made available to shareholders is included in the Shareholder and Investor section on the website.

The video of the General Shareholders' Meeting that took place on 30 May 2024 is available in the Ordinary General Shareholders' Meeting section at the following link: https://www.tubosreunidosgroup.com/es/investors/junta-general-ordinaria-de-accionistas

C. STRUCTURE OF THE COMPANY'S MANAGEMENT

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the Corporate By-laws and the number set by the General Shareholders' Meeting:

Maximum number of directors	14
Minimum number of directors	5
Number of directors set by the General Shareholders' Meeting	11

The number of directors was set at 11 by resolution of the Extraordinary General Shareholders' Meeting held on 16 December 2021.

C.1.2 Complete the following table with the board members' details:

Name or company name of the director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Election procedure
MS MARÍA SICILIA SALVADORES		Independent	DIRECTOR	16/12/2021	16/12/2021	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR JOSU CALVO MOREIRA		Independent	CHAIR	21/12/2023	30/05/2024	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR JORGE GABIOLA MENDIETA		Independent	DIRECTOR	30/05/2013	29/10/2020	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR JESÚS PÉREZ RODRIGUEZ-URRUTIA		Independent	DIRECTOR	30/01/2020	29/10/2020	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR EMILIO YBARRA AZNAR		Proprietary	DEPUTY CHAIR	16/08/1999	30/06/2021	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR ALFONSO BARANDIARÁN OLLEROS		Proprietary	DIRECTOR	27/09/2013	30/06/2021	GENERAL SHAREHOLDERS' MEETING RESOLUTION

Name or company name of the director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Election procedure
MS ANA ISABEL MUÑOZ BERAZA		Independent	DIRECTOR	07/05/2015	29/06/2023	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MS LETICIA ZORRILLA DE LEQUERICA PUIG		Proprietary	DIRECTOR	29/06/2004	30/06/2021	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MS TERESA QUIRÓS ÁLVAREZ		Independent	DIRECTOR	16/12/2021	16/12/2021	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR CRISTÓBAL VALDÉS GUINEA		Proprietary	DIRECTOR	27/02/2018	30/06/2022	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR ENRIQUE MIGOYA PELÁEZ		Proprietary	DIRECTOR	31/05/2018	29/06/2023	GENERAL SHAREHOLDERS' MEETING RESOLUTION

Total number of directors	11

Indicate any stepping down from the Board of Directors during the reporting period, whether due to resignation or by resolution of the General Shareholders' Meeting:

Name or company name of the director	Category of the director at the time of the stepping down	Date of last appointment	Date of departure	Specialised committees of which they were a member	Indicate whether they left before the end of their term of office
No data					

Reason for stepping down, if before the term of office comes to an end and other remarks; information on whether the director has sent a letter to the other board members and, in the case of non-executive directors stepping down, an explanation or opinion from the director who has been removed by the General Shareholders' Meeting

No directors departed during 2024 and this was a period of notable stability.

On 30 May 2024, the Company's General Shareholders' Meeting ratified the appointment of Mr Josu Calvo Moreira as an independent director, who had previously been co-optated on 21 December 2023 by the Board of Directors. Mr Josu Calvo Moreira was once again appointed by the Board as an Independent Director at the Company for the maximum statutory term of 4 years.

Mr Josu Calvo Moreira does not have any executive powers at Tubos Reunidos and retains his current position as CEO of Gonvarri Industries.

C.1.3 Complete the following tables on the board members and their different categories:

EXECUTIVE DIRECTORS		
Name or company name of the director	Position held in the company	Profile
No data		

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder they represent or who has proposed their appointment	Profile
MR EMILIO YBARRA AZNAR	MR EMILIO YBARRA AZNAR	He holds a degree in Law from the Complutense University of Madrid, a certificate in Business Administration from Harvard University in Boston and a Senior Management Programme certificate from IESE. In his professional activity, he has combined international and national experience, and has held various positions of responsibility in listed companies and financial institutions. He began his career as a Corporate Finance analyst at JP Morgan in Madrid, New York and London. In 1993, he joined the international expansion area of Prisa Group in Madrid and began a career in the communication sector, which continued when he moved to Vocento in 1995, where he stayed for 20 years. At Vocento he held responsibilities in the sales and marketing area. He was Managing Director of daily newspapers La Rioja and El Correo (Bilbao) and assistant to the CEO of the newspaper ABC. He was also Chair of CMVocento and Managing Director of Communications for the group. He is founding partner of and currently runs Kemet Corner, a strategic communications, brand image and public relations consultancy firm. He is Chair of the Board of Directors of Mezouna S.L., and independent director of Elecnor, S.A., where he was a member of the Audit Committee until May 2022 and is currently Chair of the Appointments, Remuneration and Sustainability Committee.
MR ALFONSO BARANDIARÁN OLLEROS	MR JOAQUÍN GÓMEZ DE OLEA MENDARO	Graduate in Law from the University of Deusto in Bilbao. MBA from the University of Houston, Texas. Creating Value Through Financial Management Program, University of Pennsylvania, The Wharton School. He began his professional career in 1995 at Tafisa in the financial department, moving in 1997 to the French consulting firm Cap Gemini and Gemini Consulting in the strategy area. At the beginning of 2005 he joined the start-up Secosol as Director of National and International Expansion, and he joined Kroll at the end of 2005 as Managing Director for Spain and Portugal until 2012. For more than two decades, he has

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder they represent or who has proposed their appointment	Profile
		been a director of several subsidiaries at the Elecnor Group, a director at Santa Ana de Bolueta and a director at Tasdey, S.A. He is currently a director at Gapara S.L. (real estate), Geslurán (financial investments), Inversiones Berrueco (investment company in Search Funds), Effective Seaborne Engineering Solution, S.L. (start-up involved in the container shipping industry); positions which he combines with the Chair of the Board at Mapex (leading technological company for production control in the MES sector in Spain) and he is a trustee of the Gondra Barandiarán Foundation.
MS LETICIA ZORRILLA DE LEQUERICA PUIG	ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	Degree in Law from the University of Deusto in Bilbao. MBA from the Pontificia de Comillas University, ICADE Madrid. She began her professional career as a corporate banking manager at Santander Central Hispano. In 2000, she joined Payma Móviles. In 2003, she joined Euroquality as a sales consultant and Boxnox in 2005 as head of organisation and sales.
MR CRISTÓBAL VALDÉS GUINEA	ZORRILLA LEQUERICA PUIG GROUP CONCERTED ACTION	Mr Cristóbal Valdés holds a degree in law and a certification in economics from the University of Deusto (Bilbao) and an MBA from the Instituto de Empresa. He has extensive industrial and international experience. He began his professional career at companies such as Carrefour Spain, Leroy Merlin Spain, where he was Purchasing Director, and the Adeo Group in France, where he was International Product Director. In 2008, he joined Bergé Marítima as CEO for seven years, also managing the companies in which the Group has holdings and sitting on eight Boards of Directors linked to the Group. He was also Deputy Chair of the port employers' association ANESCO. From 2015 to 2020, he was the Chair of Venanpri Tools, the Tools division of the Venanpri Group, a Canadian-owned multinational group resulting from the merger of the former Ingersoll Tillage Group and Corporación Patricio Echevarría, which has more than 1400 employees and a significant presence in Europe, North America (main market) and Latin America. He was a member of the Executive Committee of ADEGI (Employers' Association of Guipuzkoa). From 2020 to 2023 he was Managing Director and Sole Administrator of Jealsa Corporación Alimentaria, the second largest European manufacturer of canned food and other food products, with its own fleet and plants in Spain, Brazil, Chile and Guatemala. From 2023 to 2024 he was CEO of Alvic Group, a leading global corporation in the design, production and marketing of kitchen, bathroom, office and general decoration furniture, fixtures and fittings, owned by KKR, Arta Capital and the founding family. It has eight industrial plants in Spain, France and the United States and

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder they represent or who has proposed their appointment	Profile
		a commercial presence in over 100 countries. He is currently CEO of the Deoleum Group, the world leader in olive oil, the sole administrator of Deoleum Global and director of Deoleum Financial Limited (United Kingdom) and Carapelli, SPA. He is also an Independent Director at Melia Hotels International, S.A. and Chair of CIFASA (Centre for Initiatives for Agrarian Training, S.A).
MR ENRIQUE MIGOYA PELÁEZ	PECRI INVERSIÓN S.L. UNIPERSONAL	Mr Enrique Migoya Peláez holds a degree in Economics and Business Administration from the Universidad Autónoma de Madrid, and also holds a certificate from the Management Development Programme and Corporate Management Programme at the IESE Business School. He is currently the Head of Industrial and Real Estate Equity Holdings (Strategy & M&A) at BBVA, where he manages the bank's investment portfolio. His professional career has been developed mainly in M&A activity, during seven years at the investment bank Goetzpartners, and the last 16 years in various positions at BBVA in both private equity and industrial portfolio management. He represents the bank as a director on several boards, including Informa D&B (where he is Chair of the Audit Committee), CESCE, S.A. (where he is Chair of the Appointments and Remuneration Committee), Corporación IBV Participaciones Empresariales S.A. (where he is Chair of the Board of Directors), Neotec Capital Riesgo SCR, Coinversón Neotec SCR, PECRI Inversión S.L. (where he is Chair of the Board of Directors), Inverahorro S.L. (where he is the Joint Administrator) and Crea Madrid Nuevo Norte, S.A., and has participated on other boards such as at Occidental Hoteles or Textil Textura. He is also a Director of listed company METROVACESA, S.A.

Total number of proprietary directors	5
% of the total of the Board	45.45

INDEPENDENT EXTERNAL DIRECTORS	
Name or company name of the director	Profile
MS MARÍA SICILIA SALVADORES	She holds a degree in Law from the Complutense University and in Business Administration from San Pablo-CEU University, a Master's degree in Public and Economic Policy from the National Institute of Public Administration/ENA and the London School of Economics and Political Science (LSE), respectively, and she also has executive training from Harvard Business School and INSEAD, and is a fellow at Aspen Spain. She has been Deputy Director-General of

INDEPENDENT EXTERNAL DIRECTORS	
Name or company name of the director	Profile
	Energy Planning for the Spanish government, Head of Foresight at Iberdrola Renovables, Senior Analyst for Electricity Markets at the OECD's International Energy Agency and Regulatory Economist at Ofgem, the regulatory authority for the UK's electricity and gas markets. Additionally, as a career officer within the General State Administration, she was an Advisor for Energy Affairs at the Secretary of State for Economy and Energy Director for the Permanent Representation of Spain to the EU. Maria is a member of the Scientific Committee of the Royal Elcano Institute, the Editorial Committee of the Journal of Foreign Policy and the Spanish Chapter of the European Council of International Relations (ECFR). She is currently Director of Programming and Project Control at Enagas, a global gas infrastructure company listed on the IBEX35 and Co-Chair of the European Hydrogen Backbone initiative.
MR JOSU CALVO MOREIRA	Mr Josu Calvo Moreira studied Economics and Business Studies at the University of the Basque Country, holds a Master of Arts in Economics of the European Community from the University of Exeter, United Kingdom and has several postgraduate degrees, including IESE's PDG (*Programa Dirección General* — General Management Programme). He started his career in 1993 as Senior Industrial Operations Consultant at Andersen Consulting, after which he joined Gonvarri Industries in 1997 as deputy to the Managing Director of Gonvarri Burgos. Since then, he has held various managerial positions at Gonvarri, including COO in 2008. Since 2010, he has been Chief Executive Officer (CEO) of Gonvarri Industries. In turn, he is currently a member of the Fundación SERES Board of Trustees and a member of the Board of Directors at Unesid. He also collaborates as an academic at IE Business School. He has vast experience on boards of directors in the industrial sector: he served as a proprietary director of Logesta from 2008 to 2010 and is currently a board member of several subsidiaries and investee companies of Gonvarri Industries, including Joint Ventures Internacionales, as well as Joint CEO of the company Green Cold Storage, S.L.
MR JORGE GABIOLA MENDIETA	A lawyer holding a law degree from the University of Deusto, he began his professional career in the Arthur Andersen audit department, later moving to the legal and tax department at the same firm. In 1986 he joined Tubos Reunidos, where he assumed various responsibilities until 1996, when he was appointed Secretary of the Board of Directors of the parent company, a position he held from 2009 until 15 October 2018 as an independent freelancer with no employment or executive relationship with the Company. He has been a director of Tubos Reunidos S.A. since 30 May 2013, and was appointed Non-Executive Chair of the Board of Directors on 15 October 2018. On 28 April 2020, he stepped down from his position as Non-Executive Chair and was appointed Coordinating Director of Tubos Reunidos, S.A. He has also been the Secretary and a Member of the Board of Directors of Group companies such as Productos Tubulares and Almacenes Metalúrgicos. He is registered in the Official Registry of Auditors (ROAC) as non-practising. He is currently a Director of the company Vicinay, S.A. and Vicinay Marine, S.L. He is also a Director of Inmobiliaria del Club de Campo de la Sociedad Bilbaina, S.A.

INDEPENDENT EXTERNAL DIRECTORS	
Name or company name of the director	Profile
MR JESÚS PÉREZ RODRIGUEZ-URRUTIA	Mr Pérez Rodriguez-Urrutia has extensive experience of over 36 years in management roles in large companies, working as a CEO, Managing Director and Finance Director. Throughout his long professional experience, he has been Chair of BNPP Real Estate in Spain, CEO of Occidental Hoteles, CFO of Metrovacesa, Corporate Managing Director of Ence Group and CEO of Planeta DeAgostini, as well as CFO and Company Secretary at Abengoa. Within his leadership responsibilities in his executive functions, he has extensive experience working with financial institutions, regulators, investors and public institutions. He has also led corporate transformation processes in coordination with financial institutions, managing their financial and operational restructuring to recover profitability. He has extensive experience on boards of directors, having sat on the boards of Abengoa, Befesa, Telvent, Logista, French real estate investment trust Gecina, GMP, Levantina de Mármoles and Denarius, among others. He has also served as Chair of BNPRE in Spain and as a director at Project Qsar Investments and Rio Narcea Recursos SA. He is currently a member of the Schindler Advisory Board in Spain, Senior Advisor for Denarius Metals in Spain and Managing Director of CESUR (Southern Spain Business Circle) in Madrid.
MS ANA ISABEL MUÑOZ BERAZA	Degree in Economics from the University of Zurich (Switzerland). Executive MBA from the University of Chicago. Member of the Advisory Committee of the University of Chicago. Member of the IWF (International Women's Forum) Board and Member of the Advisory Board of Spain Start Up. She has completed training courses for directors and corporate governance at the Instituto de Consejeros y Administradores (ICA), as well as the High Performance Boards course at IMD in Switzerland. She has spent her career in the financial markets working at Merrill Lynch in Switzerland, England, the United States and Spain. She has led teams and sat on the Steering Committee in both Zurich and Madrid. Subsequently, she managed a Family Office in Spain. As a result of her international career, she speaks seven languages. She has been an independent director and Chairwoman of the Audit Committee of NATRA, S.A. and the representative of the corporate advisory company PIZMARGNA SERVICIOS DE CONSULTORIA S.L., in the unlisted company LANINVER S H C, S.L. She is currently an independent director of the company Ernesto Ventos, S.A.
MS TERESA QUIRÓS ÁLVAREZ	Degree in Economics and Business from the Faculty of Economics at Málaga University (1976–1981), the IESE Directors Programme (April–July 2021), the Executive Programme for Women in Senior Management at ESADE (October 2014–June 2015), the Executive Program at Harvard (May 2013), PDD at IESE (January–May 2010). The W2W Program (PWC) to help women in senior management become directors (October 2017–June 2018); she has been connected to the electricity industry, carrying out various duties at RED ELECTRICA CORPORACIÓN, where she has been CFO for the past seven years, and a member of the board and committees at various subsidiaries, carrying out duties related to risk management, administration and accounting, strategy and management control. She has also served as a director and Chairwoman of REE Finance BV, an independent director and a member of the Audit Committee of Grenergy Renovables, and an independent director and Chairwoman of the Audit Committee of Singular People, S.A. She is currently an independent director and a member of the Audit Committee at Corporación Acciona Energías Renovables S.A. (Acciona Energía) and an independent director, Chairwoman of the Audit Committee and member of the Sustainability Committee at Promotora de Informaciones, S.A. (PRISA).

Total number of independent directors	6
% of the total of the Board	54.55

Indicate whether any director classified as independent receives from the company, or from its group, any amount or benefit for anything other than director's remuneration, or maintains or has maintained, during the last financial year, a business relationship with the company or with any company in its group, either in their own name or as a significant shareholder, director or senior executive of a company that maintains or has maintained such a relationship.

Where appropriate, please include a reasoned statement by the Board as to why it considers that such director is able to perform their duties as an independent director.

Name or company name of the director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS			
Please identify the other external directors and detail the reasons why they cannot be considered as proprietary or independent directors and specify their relationships, whether with the company, its executives or its shareholders.			
Name or company name of the director	Reasons	Company, director or shareholder with whom the relationship is maintained	Profile
No data			

Total number of other external directors	N/A
% of the total of the Board	N/A

Indicate the changes, if any, that have taken place in the category of each director over the period:

Name or company name of the director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the table below with the information about the number of female directors at the end of the last four financial years and the status of such directors:

	Number of female directors				% of total directors of each category			
	2024 financial year	2023 financial year	2022 financial year	2021 financial year	2024 financial year	2023 financial year	2022 financial year	2021 financial year
Executive					0.00	0.00	0.00	0.00

	Number of female directors				% of total directors of each category			
	2024 financial year	2023 financial year	2022 financial year	2021 financial year	2024 financial year	2023 financial year	2022 financial year	2021 financial year
Proprietary	1	1	1	1	20.00	20.00	20.00	20.00
Independent	3	3	3	3	50.00	50.00	75.00	75.00
Other External					0.00	0.00	0.00	0.00
Total	4	4	4	4	36.36	36.36	36.36	36.36

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors, with respect to issues such as age, gender, disability or professional training and experience. Small and medium-sized enterprises, in accordance with the definition contained in the Accounts Audit Act, will have to report, as a minimum, on the policy that they have established in relation to gender diversity:

[√] Yes
[ ] No
[ ] Partial policies

If yes, describe these diversity policies, their objectives, the measures and the way in which they have been implemented and their results in the financial year. The specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee to achieve a balanced and diverse presence of directors should also be indicated.

In case the company does not apply a diversity policy, explain the reasons why this is the case.

Description of the policies, objectives, measures and way in which they have been implemented, as well as the results obtained

The Company has diversity policies in place in relation to the Board of Directors.

In years prior to 2022, the Company has applied an unwritten diversity policy within the Board, as demonstrated by the addition of two female directors in December 2021. This meant that female representation increased significantly, rising from 20% to 36.36% of the total number of directors, which has been maintained in 2024.

Article 10.8 of the Regulations of the Board, approved on 27 January 2022, establishes that the Board shall ensure that the selection procedures for directors favour diversity regarding gender, experience and knowledge that facilitate the selection of female directors and generally are free from implicit biases that may imply discrimination on the basis of gender, age, origin, religion, disability and sexual orientation. Article 26.A.b) thereof establishes that the Appointments and Remuneration Committee (ARC) should promote desirable diversity on the Board when it comes to gender by setting a representation objective for the least represented gender on the Board and develop guidelines and diversity policies on how to achieve this objective.

In 2022, the Board of Directors went a step further by establishing a Corporate Policy for the Selection of Directors and Diversity on the Board of Directors, which was approved on 27 October 2022 and is part of the Tubos Reunidos Group's corporate governance system.

The Policy aims to clearly set out the operational principles to be followed by the Board of Directors and the ARC for the selection, appointment and re-election of directors, both male and female. It also aims to promote an appropriate, balanced and diverse composition of the Board of Directors, without any discrimination, in order to achieve greater transparency, efficiency, momentum, supervision and control in the functions of management, oversight and representation of the Company that the Board performs.

The Policy explains that the need for balance and diversity among directors enriches analysis and decision-making, and adds a variety of points of view and opinions to discussions about the matters within their remit, which promotes decision-making that takes into account the nature and complexity of the business, as well as the social and environmental context, and aims to ensure that the Board of Directors enjoys maximum independence, whilst complying with legal requirements and good governance recommendations regarding the composition and suitability conditions required for membership of the various Internal Supervisory Committees of the Board of Directors.

The Policy is guided by the following Core Values:

• Solvency, knowledge, competence and experience,
• Diversity of experience, knowledge and gender in the composition of the Board of Directors as a whole,
• Non-discrimination and equal treatment in the selection procedures for candidates for the position of member of the Board of Directors, whether on the basis of sex, age, origin, religion, disability, sexual orientation or for any other reason,
• Transparency in the selection of candidates for the position of director, providing all the necessary information that may be deemed appropriate in this regard to parties with a legitimate interest,
• Ethics and integrity requirements for candidates for the position of director.
• Compliance, supervision and monitoring of the applicable regulations and the principles of good governance, and adopting best practices in these matters.

The measures that the Policy establishes to achieve diverse balance of directors are the following:

• To seek a large majority of non-executive directors with an appropriate balance between proprietary and independent directors, also ensuring that independent directors are adequately represented on the Board of Directors. In any event, as many independent directors as necessary will be appointed so that both the Audit Committee and the Appointments and Remuneration Committee can include the minimum number of independent directors required by law, who have the legally required skills and experience.
• Within the total number of external directors, the relationship between the number of proprietary directors and the number of independent directors shall, as far as possible, reflect the relationship between the proportion of the Company's capital that is represented by the proprietary directors and the remaining capital.
• In the proposal for the appointment of proprietary directors, the Board will consider the size in absolute and comparative terms of any significant stakes, as well as the degree of commitment and future relationships of the holders of such significant stakes.
To achieve a diverse composition:
• The selection procedures for directors will promote diversity regarding gender, experience and knowledge that facilitate the selection of female directors and generally are free from implicit biases that may imply discrimination on the basis of gender, age, origin, religion, disability and/or sexual orientation.
• Increasing the representation of the underrepresented gender within the Board of Directors will be encouraged, in line with the good governance recommendations.

In 2024, there was no need to fill vacancies on the Board of Directors or to incorporate new members, so it was not necessary to apply the Policy.

C.1.6 Explain any measures that the Appointments Committee has agreed on to ensure that the selection procedures do not have implicit biases that hinder the selection of female directors and that the company deliberately seeks and includes women who meet the professional profile sought, and who enable the achievement of a balanced presence of women and men, among the potential candidates. Also indicate whether these measures include encouraging the company to have a significant number of senior female managers:

Explanation of the measures

The Appointments and Remuneration Committee has been expressly delegated the power to ensure gender equality in all processes of hiring new members to the Board of Directors, and this was reflected in practice with the latest additions of members to the Board, which took place on 16 December 2021. As a measure to ensure that the selection procedure was free from any type of implicit bias that would hinder the selection of female directors, the Appointments and Remuneration Committee gave specific instructions to the headhunting firm to deliberately search for women with the appropriate profile. Again in 2023, the Appointments and Remuneration Committee deliberately sought to include women with the appropriate professional profile as candidates in the selection process, as part of its mandate to find a non-executive chair.

The Appointments and Remuneration Committee also encourages the appointment of women to senior management roles, and has adopted the same measure in the selection processes carried out in 2024: Give specific instructions to the headhunting firm to deliberately search for women who match the appropriate profile.

When, despite the measures that may have been adopted, there are few or no female directors or senior managers, explain the reasons for this:

Explanation of the reasons

The Appointments and Remuneration Committee, chaired by a woman, has expressly stated its position in this respect, and has recorded in the minutes and informed the Board that it always ensures that, when filling new vacancies, both on the Board and in senior management, when the case arises, the selection process does not have implicit biases that hinder the selection of women. The percentage of female directors was 36.36% in 2024, the same level as in 2023. The percentage of women within the management body of the Group's most important subsidiary is 50%, and the percentage of female senior managers is 9.1%, the same as in 2023. The Appointments and Remuneration Committee believes that this percentage is still low and upholds its objective of gradually achieving a higher percentage of women in senior management, and always keeps in mind the need to continue increasing gender diversity in its governing and management bodies and to expressly promote diversity of knowledge, experience and gender in the composition of the Board and senior management in every selection process, until a balanced composition is achieved, with an increasing proportion of women on the Board.

C.1.7 Explain the conclusions of the Appointments and Remuneration Committee on the verification of compliance with the policy aimed at favouring an appropriate composition of the Board of Directors.

The Appointments and Remuneration Committee has expressly stated its position in this respect, and has recorded it in the minutes and informed the Board that it will, in any case, ensure that when filling new vacancies on the Board and in senior management, where appropriate, the selection process does not have implicit biases that hinder the selection of women.

The percentage of female directors increased significantly this year, from 20% in 2020 to 36.36% in 2021. To achieve this, the Committee carried out an orderly selection process, under the supervision of an independent third party, specifically an independent international headhunting firm specialising in the selection of directors, with a consensus that the most suitable candidates were Ms Teresa Quirós for the Audit Committee position and Ms María Sicilia for the position of Energy Sector/ESG. Consequently, following the selection process and the assessment of the candidates, the committee concluded that both have the knowledge and a professional profile that is qualified and suitable to carry out the functions of the position of independent director of the Company. It was deemed that their knowledge and experience offered the Board greater diversity when it came to profiles, and their appointment as independent directors enabled an increase in the number of members of this category on the Board, both of which were aligned with the good governance recommendations of listed companies.

The Company's Appointments and Remuneration Committee concluded that the most recent female director appointments complied with the Policy for the Selection of Directors and Diversity on the Board of Directors, and the appointment of both female directors has brought skills to the Board deemed valuable when it comes to the development of the Company's activity on the path towards energy transition and decarbonisation.

In 2023, a vacancy on the Board arose and the Appointments and Remuneration Committee verified compliance with the Board of Directors Selection and Diversity Policy with a favourable conclusion.

Although it was not possible to verify compliance with the Board of Directors Selection and Diversity Policy during 2024 as no vacancies arose that needed to be filled, at its meeting of 16 July 2024, the Appointments and Remuneration Committee, within the framework of its powers related to appointments, reviewed the structure and composition of the Board of Directors and its committees, unanimously determining that the current structure and composition not only complies with the regulations applicable to listed companies, but are appropriate to achieve the highest level of transparency, efficiency, momentum, supervision and control of the Company's management, supervision and representation duties assumed by the Board. Furthermore, the members of the Appointments and Remuneration Committee concluded that the composition of the Board and its committees is sufficiently appropriate, balanced (with a majority of independent directors) and diverse. On this matter, however, said members stated in writing their commitment to continuing to increase diversity on the Board, not just in terms of gender, but in terms of profiles, knowledge, experience, age etc.

The Appointments and Remuneration Committee is aware of the need to comply with the aforementioned Policy when preparing the Board's Succession Plan.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the request of shareholders who hold less than 3% of the share capital:

Name or company name of shareholder	Justification
No data	

Indicate whether any formal requests for representation on the Board have been rejected by shareholders whose stake is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, give reasons why they were not accepted:

[ ] Yes
[√] No

C.1.9 Indicate the powers and authorities, if any, delegated by the Board of Directors, including those related to the possibility of issuing or buying back shares, to directors or Board committees:

Name or company name of the director or committee	Brief description
DELEGATE COMMITTEE	The Delegate Committee, also known as the Executive Committee, has general decision-making powers and, therefore, has express delegation of all powers that can be legally or statutorily delegated, unless decided otherwise when it is established or at a later time, which has not taken place. The participatory structure of the categories of directors on the Delegate Committee is similar to that of the Board itself, and the chair and secretary are the same as those of the Board of Directors. The Delegate Committee should keep the Board updated on matters dealt with and the decisions it makes. All members of the Board shall receive copies of the minutes of the Committee's meetings. The same rules of procedure apply to the Delegate Committee as to the Board of Directors. Notwithstanding the establishment of the Executive Committee, the Executive Committee may not exercise its functions or hold meetings if the Board considers that it is not necessary in the context of the Company's activity if considered so by the majority of the directors. The Delegate Committee did not meet in 2024.

C.1.10 Indicate the members of the Board, if any, who hold office as administrators, representatives of administrators or executives in other companies belonging to the listed company's group:

Name or company name of the director	Company name of the group entity	Position	Do they have executive powers?
No data			

C.1.11 Outline the positions of director, administrator or executive, or representative thereof, that the directors or representatives of directors who are members of the company's Board of Directors hold at other entities, whether or not they are listed companies:

Identification of the director or representative	Company name of the entity, whether it is listed or not	Position
MR EMILIO YBARRA AZNAR	ELECNOR, S.A.	DIRECTOR
MR EMILIO YBARRA AZNAR	MEZOUNA, S.L.	CHAIR
MR EMILIO YBARRA AZNAR	THE KEMET CORNER, S.L.	SOLE ADMINISTRATOR
MR JORGE GABIOLA MENDIETA	VICINAY, S.A.	DIRECTOR
MR JORGE GABIOLA MENDIETA	VICINAY MARINE, S.L.U	DIRECTOR
MS TERESA QUIRÓS ÁLVAREZ	PROMOTORA DE INFORMACIONES, S.A. PRISA	DIRECTOR

Identification of the director or representative	Company name of the entity, whether it is listed or not	Position
MS TERESA QUIRÓS ÁLVAREZ	CORPORACIÓN ACCIONA ENERGÍAS RENOVABLES, S.A.	DIRECTOR
MR ENRIQUE MIGOYA PELÁEZ	METROVACESA, S.A.	DIRECTOR
MR ENRIQUE MIGOYA PELÁEZ	CREA MADRIDNUEVO NORTE, S.A.	DIRECTOR
MS ANA ISABEL MUÑOZ BERAZA	ERNESTO VENTOS, S.A.	DIRECTOR
MR ALFONSO BARANDIARÁN OLLEROS	MAPEX MANUFACTURING SOFTWARE SOLUTIONS, S.L.U.	CHAIR
MR ALFONSO BARANDIARÁN OLLEROS	INVERSIONES BERRUECO, S.L	DIRECTOR
MR ALFONSO BARANDIARÁN OLLEROS	EFFECTIVE SEABORNE ENGINEERING SOLUTIONS, S.L	DIRECTOR
MR ALFONSO BARANDIARÁN OLLEROS	GAPARA INVERSIONES, S.L	SOLE ADMINISTRATOR
MR CRISTÓBAL VALDÉS GUINEA	DEOLEO, S.A	CEO
MR CRISTÓBAL VALDÉS GUINEA	MELIA HOTELS INTERNATIONAL S.A.	DIRECTOR
MR CRISTÓBAL VALDÉS GUINEA	DEOLEO GLOBAL, S.A	SOLE ADMINISTRATOR
MR CRISTÓBAL VALDÉS GUINEA	DEOLEO FINANCIAL LIMITED	DIRECTOR
MR CRISTÓBAL VALDÉS GUINEA	CARAPELLI FIRENZE, S.p.A	DIRECTOR
MR JOSU CALVO MOREIRA	GONVARRI CORPORACIÓN FINANCIERA, S.L	CEO
MR JOSU CALVO MOREIRA	GREEN COLD STORAGE, S.L.	CEO

Director Mr Enrique Migoya Peláez represents BBVA as a proprietary director on various boards of directors, including Informa D&B, S.A., CESCE, S.A., Corporación IBV Participaciones Empresariales S.A., Neotec Capital Riesgo SCR, Coinversión Neotec SCR, the indirect shareholder PECRI Inversión S.L. and Inverahorro, S.L.

Moreover, Director Mr Cristobal Valdés Guinea, as CEO of the Deoleum Group, exercises the joint and several administration of various subsidiary companies, including DEOLEO DEUTSCHLAND GMBH, DEOLEO BELGIUM BV, DEOLEO INDUSTRIAL MEXICO S.A. DE C.V, DEOLEO COMERCIAL MEXICO S.A DE C.V, Deoleo USA INC., CARAPELLI USA, Llc, DEOLEO CANADA LTD, DEOLEO ANTILLES GUYANE S.L, DEOLEO SOUTH EAST ASIA SDN, BHD, DEOLEO INDIA PRIVATE LIMITED and DEOLEO COLOMBIA S.A.S.

Indicate, where appropriate, the other paid activities of the directors or representatives of the directors, regardless of their nature, other than those indicated in the table above.

Identification of the director or representative	Other paid activities
No data	

All the directors' remunerated activities are described above in section C.1.3 of this report.

C.1.12 Indicate and, if applicable, explain whether the company has established rules on the maximum number of company boards that its directors can sit on and, if applicable, where it is regulated:

[√] Yes
[ ] No

Explanation of the rules and identification of the document where it is regulated

Article 12. "Incompatibilities" sub-paragraph a) of the Board Regulations adopted on 27 January 2022 states that directors who exercise the position of administrator in more than five companies whose shares are admitted to trading on domestic or foreign stock exchanges may not be appointed. Companies belonging to the same group shall be considered for these purposes as one company.

C.1.13 Indicate the amounts of the following items relating to the overall remuneration of the Board of Directors:

Remuneration accrued in the year in favour of the Board of Directors (thousands of euro)	824
Amount of funds accumulated by current directors through long-term savings systems with consolidated economic rights (thousands of euro)	
Amount of funds accumulated by current directors through long-term savings systems with unconsolidated economic rights (thousands of euro)	
Amount of funds accumulated by old directors through long-term savings systems (thousands of euro)	80

C.1.14 Identify the members of senior management who are not executive directors and indicate the total remuneration that they have accrued during the financial year:

Name or company name	Position/s
MR CARLOS LÓPEZ DE LAS HERAS	CEO
MS INÉS NÚÑEZ DE LA PARTE	SECRETARY GENERAL AND SECRETARY OF THE BOARD/DIRECTOR OF LEGAL COUNSEL
MR ANTON PIPAON PALACIO	DIRECTOR OF SUSTAINABILITY AND BUSINESS DEVELOPMENT
MR IGNACIO BARON LÓPEZ	CHIEF FINANCIAL OFFICER
MR FRANCESC RIBAS COLLELL	DIRECTOR OF TUBOS REUNIDOS AMERICA
MR PEDRO RODRIGUEZ SALOR	SALES DIRECTOR
MR JAGOBA HERNÁNDEZ ARBULU	SUPPLY CHAIN DIRECTOR
MR EKHI ETXEBERRIA MOMBIELA	HUMAN RESOURCES DIRECTOR
MR ANDONI JUGO ORRANTIA	INDUSTRIAL DIRECTOR, TUBOS PLANT
MR JON BIKANDI ITURBE	INDUSTRIAL DIRECTOR, PRODUCTOS PLANT
MR ALBERTO SANTAMARÍA RUBIO	INTERNAL AUDIT DIRECTOR

Number of women in senior management	1
Percentage of total members of senior management	9.10

Total remuneration of senior management (in thousands of euro)	2,308

The Human Resources Director, Mr Ekhi Etxeberria Mombiela, was appointed on 2 April 2024.

The Digital Transformation Director, Mr Sergio Saenz Solano, remained in this position until 30 November 2024, when he left his post to pursue a personal project.

The aggregate remuneration accrued by senior management in 2024 amounts to a total of 2.3 million euro. This includes fixed remuneration accrued by senior managers and contributions to the social security system made on their behalf. Senior management did not accrue annual or multi-year variable remuneration in 2024.

C.1.15 Indicate whether any modifications have been made to the Board Regulations during the financial year:

[ ] Yes
[√] No

C.1.16 Indicate the procedures for selecting, appointing, re-electing and removing directors. Describe the competent bodies, the processes followed and the criteria employed in each procedure:

Directors are appointed by the General Shareholders' Meeting in accordance with the provisions outlined in law, or provisionally by the Board of Directors in situations of co-option.

The Board of Directors shall endeavour, within the scope of its respective competences, to ensure that the appointment of candidates is carried out by persons of known ability, experience and prestige.

The Appointments and Remuneration Committee is assigned the following functions, amongst others, by the Board:

a) Report the proposals for appointments and re-election of directors and formulate the proposals of independent directors.
b) Report the proposals for the dismissal of members of the Board.
c) Verify the character of each director.
d) Assess the competencies, knowledge and experience required on the Board.

The proposals for the appointment and re-election of directors, which the Board submits to the General Shareholders' Meetings and the decisions regarding appointment to be taken by the Board, in accordance with the legally attributed powers of co-optation, shall be preceded by the corresponding proposal from the Appointments and Remuneration Committee in the case of independent directors, or by the aforementioned committee's supporting report, in the case of the other directors.

The proposals and reports from the Appointments and Remuneration Committee shall expressly assess the proposed candidate's worthiness, suitability, solvency, competence, experience, merits, qualification, training, availability to effectively perform their duties and commitment to their role. For this purpose, the Appointments and Remuneration Committee shall assess the availability based on the estimated dedication time, depending, among other elements, on the number of annual meetings scheduled for the non-executive directors, hereby recording the result in the corresponding report or proposal.

When the Board deviates from the Appointments and Remuneration Committee's report, it shall provide reasons for its action and shall record its reasons in the minutes.

When accepting their position, directors shall expressly recognise their commitment to defending the company's interests, which shall prevail over any other interest, whether private or related to third parties, and shall state whether they have any relationship with shareholders that hold a significant stake in the Company and report on any conflict of interest.

The re-election procedure is the same as the appointment procedure, with the exception of the co-option system, which does not apply.

Directors shall leave office at the end of the term for which they were appointed, unless they are re-elected, without prejudice to the powers of the General Shareholders' Meeting to remove them and the provisions of the Board Regulations.

C.1.17 Explain to what extent the annual assessment of the Board has given rise to major changes in its internal organisation and to the procedures applicable to its activities:

Description of modifications

The outcome of the annual Board assessment in 2024 was satisfactory, which is why no significant changes have been made in 2025 to the organisation or the procedures applicable to the activities of the Board of Directors, although an Action Plan has been drawn up to improve the efficiency of the Board, its committees and roles, consolidate and optimise its strengths, and incorporate best corporate governance practices and trends.

The average assessment obtained was very positive, indicating that in 2024, the Board of Directors functioned effectively as a body. The structure, composition and size are appropriate and the Board has effectively promoted the company's interests. Although the structure, composition and size of the Board are deemed appropriate, the Board remains committed to forging ahead with a diverse and balanced composition, with a higher number of female directors.

It should be noted that in the 2024 assessment, Board of Directors members, supported by Deloitte Legal, positively assessed the degree of compliance with the 2024 Action Plan, which was the result of the annual Board assessment in 2023. The directors stated that improvement actions had been implemented and that numerous measures identified in the 2024 Action Plan were subject to effective monitoring and implementation.

Describe the assessment process and the areas assessed that have been carried out by the Board of Directors assisted, if applicable, by an external consultant, with respect to the operation and composition of the Board and its Committees and any other area or aspect that has been subject to assessment.

Description of the assessment process and the areas assessed

The Board of Directors carried out the assessment of the overall operation and the effectiveness of the Board and its Committees, as well as the individual assessment of the Non-Executive Chair, the Chief Executive Officer (CEO) and the Secretary of the Board as professionals in the service of Good Corporate Governance internally in 2024 (as it did in 2022), through questionnaires updated in 2024, incorporating aspects that were analysed in the 2023 assessment, to which end the Company received support from a firm specialised in assessing Boards of Directors, Deloitte Legal.

The self-assessment for 2024 was performed in the form of a comprehensive questionnaire completed by each of the 11 directors and submitted by the latter confidentially to the Secretary of the Board, who was in charge of preparing the report, which includes all average scores and includes the comments made by directors. The information collected was processed by the Secretary anonymously, confidentially, jointly and in aggregate for the sole purpose of preparing the assessment report for the Board, its committees and posts, and all observations made have been reflected in the assessment report. The operation of the Delegate Committee was not assessed because it did not meet in 2024. The positions of the Board have refrained from responding to questions relating to their own assessment.

The questions included in the questionnaires were limited to the following assessed areas:

1) The quality and efficiency of the operation of the Board and its committees, including the effective use by the Board and its committees of member contributions.
2) The size, composition and diversity of the Board and its committees.
3) Performance of the positions on the Board: Non-Executive Chair and Secretary/Advisory Counsel. Questions about the Chief Executive Officer (CEO) were also included.
4) The directors' performance and contribution, paying close attention to the Chairs of the different Board committees.
5) The frequency and duration of meetings.
6) The content of the agenda and the adequacy of the time spent addressing the different matters according to their importance (taking into account examples or specific cases).
7) The quality of the information received.
8) The breadth and openness of discussions, avoiding group thinking.
9) Whether the decision-making process on the Board is dominated or strongly influenced by a member or a small group of members.
10) Review the achievement of the 2024 action plan resulting from the Board assessment in 2023.
11) Set out recommendations for 2025.

The assessment process has been carried out by the Appointments and Remuneration Committee, with support from the Secretary of the Board, and the strengths and possible areas for improvement for the Board as a collegiate body, and for its committees and positions, have been identified. With the involvement of the Chair of the Board, a 2025 Action Plan was drawn up to strengthen the Board of Directors' value contribution to Tubos Reunidos with a view to ensuring its growth and future sustainability. This plan was approved by the Board of Directors at its meeting of 27 February 2025.

The objective of the assessment is to ensure an efficient, cohesive and sustainable management body that is aligned with the Tubos Reunidos strategy.

The assessment process of the Board of Directors of Tubos Reunidos has been based on the CNMV's recommendations and technical guidelines, on international good governance codes and on best practices currently applied in this field, taking the latest trends and studies in national and international corporate governance into consideration. It also considered the new powers conferred on each body in the Board Regulations, the Audit Committee Regulations, the ARC Regulations and the new duties of directors imposed by said internal regulations.

C.1.18 For those years in which the assessment has been assisted by an external consultant, please break down the business relationships that the consultant or any company in its group has with the company or any company in its group.

The assessment of the operation of the Board, its Committees and positions in 2024 was carried out internally without the assistance of an external consultant.

C.1.19 Indicate the situations in which directors are obliged to resign.

Article 15 on "Resignation, separation and departure" of the Board Regulations adopted on 27 January 2022 establishes the following:

The directors shall leave their position when the period for which they were appointed has elapsed or when the General Shareholders' Meeting so decides.

The directors should report and, where appropriate, resign when situations arise affecting them, whether or not related to their actions in the Company itself, which could damage the Company's credit and reputation and, in particular, they should inform the Board, via its Secretary, of any criminal proceedings in which they are under investigation, as well as the procedural events thereof. Having been informed of or otherwise having become aware of any of the situations mentioned in the preceding paragraph, the Board shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, after a report from the Appointments and Remuneration Committee, whether or not to adopt any measure that is appropriate when it comes to the Company's interests, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. The Company shall report on the adoption of such measures in the annual corporate governance report.

The directors shall tender their resignation from the Board of Directors and formalise, at the Board's request, the corresponding resignation, in the following cases:

a) Where, due to unexpected circumstances, they are subject to any of the legally provided disqualifications and conflicts.

b) Where, due to acts or conduct that are attributable to the director, serious damage has been caused to the Company's equity or its reputation and credit, or if the Company or any of the Group companies are facing the risk of criminal liability.

c) When they are convicted of a criminal offence or are subject to disciplinary sanctions due to serious or very serious misconduct as a result of proceedings conducted by the supervisory authorities.

d) When they lose the integrity, suitability, solvency, competence, availability or commitment to their role that is necessary to be a Company director.

e) In particular, where the activities carried out by the director, or the companies which they directly or indirectly control or the natural persons or legal entities who are shareholders or who are linked to a shareholder, may compromise their independence or suitability.

f) When they are reprimanded by resolution of the Board for having seriously violated their duties as directors, due to a reasoned agreement adopted by a majority of at least two-thirds of the directors, prior to the proposal and report from the Appointments and Remuneration Committee.

g) Where their position on the Board may put at risk for any reason, directly, indirectly or through the individuals associated with them, the fair and diligent exercise of their functions in accordance with the Company's interests.

h) When no more reasons exist for their appointment and, in particular, in the case of proprietary directors, when the shareholder or shareholders who proposed, demanded or determined their appointment, sell or transmit all of part of their stakes with the consequence of losing this condition of being significant or sufficient to justify the appointment, or decrease it by a percentage that would recommend a reduction in the number of external proprietary directors proposed by the shareholder. In the case of executive directors when they cease to exercise the posts, responsibilities or functions associated with their appointment.

i) When an independent director unexpectedly incurs in any of the circumstances that may prevent them from continuing to be considered as such, in accordance with the provisions of the law.

The members of the committees and the chief executive officers shall automatically cease to hold their position when they cease to be directors.

C.1.20 Are qualified majorities, other than legal majorities, required for any type of decision?

[ ] Yes
[√] No

If applicable, describe the differences.

C.1.21 Explain whether there are specific requirements, other than those relating to directors, to be appointed chair of the Board of Directors:

[ ] Yes
[√] No

C.1.22 Indicate whether the By-laws or Board Regulations establish an age limit for directors:

[ ] Yes
[√] No

The Board Regulations, adopted on 27 January 2022, do not set limits on the age of directors and have removed the issue of age as a cause for making the position of director available. Prior to its entry into force, the age limit was 70 for external directors and 65 for executive directors.

C.1.23 Indicate whether the By-laws or Board Regulations establish a limited mandate or other additional more stringent requirements to those legally set for independent directors other than those included in the regulations:

[ ] Yes
[√] No

C.1.24 Indicate whether the By-laws or Board Regulations establish specific rules for delegating votes on the Board of Directors in favour of other directors, how it is done and, in particular, the maximum number of delegations a director may have and if any limitation has been established with regard to the categories that can be delegated to, beyond the limitations imposed by legislation. Where applicable, give a brief description of the rules.

In accordance with Article 29 of the Board Regulations, directors must attend the Board's meetings and, where they cannot do so personally, they must delegate their representation in writing in favour of another director, together with the exact instructions for voting. Therefore, the directors may be represented on the Board by other directors in the customary manner and there is no maximum number of proxies or limitation on the category of director that may be appointed as proxy, with one exception: Non-executive directors may only delegate to another non-executive director.

On the other hand, representation may not be delegated in relation to matters in respect of which the director finds themselves in any situation involving a conflict of interest.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate the number of times the Board has met without the chair in attendance. Representations with specific instructions shall be regarded as attendance for the purposes of the calculation.

Number of Board meetings	15
Number of Board meetings without the chair in attendance	0

Indicate the number of meetings held by the coordinating director with the other directors, without the attendance or proxy representation of any executive director:

Number of meetings	1

Indicate the number of meetings held by the various Board committees during the year:

Number of AUDIT COMMITTEE meetings	8
Number of APPOINTMENTS AND REMUNERATION COMMITTEE meetings	7
Number of DELEGATE COMMITTEE meetings	0

It should be noted that in 2024, the Appointments and Remuneration Committee analysed whether or not to maintain the position of Coordinating Director, taking into account the current situation whereby the Board had appointed a non-executive chair. The decision was made to refer the proposal to remove this figure to the Board, given that the new circumstances make the role unnecessary, since there was no need for a counterweight to the executive chair.

Consequently, at its meeting of 29 February 2024, the Board unanimously approved, at the proposal of the Appointments and Remuneration Committee, to remove Mr Jorge Gabiola as Coordinating Director, effective 1 March 2024, with Mr Gabiola fully retaining his position as independent director of the Company.

C.1.26 Indicate the number of meetings held by the Board of Directors over the year and the data on attendance of its members:

Number of meetings attended in person by at least 80% of the directors	15
Attendance in person as a % of total votes during the financial year	100.00
Number of meetings with in-person attendance or proxies appointed with specific instructions, of all the directors	15
% of votes cast with attendance in person and proxies appointed with specific instructions, out of total votes during the financial year	100.00

C.1.27 Indicate whether the individual and consolidated annual financial statements presented to the Board for preparation have been previously certified:

[√] Yes
[ ] No

Identify, where applicable, the person(s) who has/have certified the Company's individual and consolidated annual financial statements, for their preparation by the Board:

Name	Position
MR IGNACIO BARON LÓPEZ	CHIEF FINANCIAL OFFICER
MR CARLOS LÓPEZ DE LAS HERAS	CEO

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the annual financial statements submitted by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with accounting regulations.

Throughout the year, the Audit Committee continuously monitors the processes for preparing the Financial Information and the Internal Control System.

· The Internal Control over Financial Reporting System is updated to include all the aspects necessary for preparing the Financial Information (including regulatory changes).

· The external auditor submits the planning and progress of their work to the Audit Committee and the Board of Directors, as well as the draft of their audit report on the individual and consolidated accounts prior to the formulation of the accounts.

· In the event of possible qualifications in the draft auditors' report, the Board of Directors will take all possible measures to make up for them.

C.1.29 Is the secretary of the Board a director?

[ ] Yes
[√] No

If the secretary is not a director, complete the table below:

Name or company name of the secretary	Representative
MS INÉS NÚÑEZ DE LA PARTE	TUBOS REUNIDOS, S.A.

The Board of Directors, at its meeting held on 29 February 2024, unanimously approved the appointment of the Secretary of the Board, Ms Inés Núñez de la Parte, as Secretary of the Appointments and Remuneration Committee and Secretary of the Audit Committee of the Company's Board, effective 1 March 2024.

C.1.30 Indicate the specific mechanisms established by the Company to preserve the independence of external auditors, as well as the mechanisms, if any, to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions were implemented in practice.

One of the Audit Committee's functions is to guarantee the independence of the statutory auditor. To this end, it carries out the following specific activities:

· Recurring meetings with the statutory auditor, both in the presence of members of the company's management and alone, in which, among other issues, monitoring is carried out to ensure that there are no issues that would jeopardise the Auditor's independence in relation to the Company.

· Meetings with the auditor within the Audit Committees, where their independence was specifically addressed.

· The Audit Committee must authorise all services contracted to the auditor, regardless of their nature.

· Analysis and authorisation of the auditor's fees, by all the items.

· Receipt and analysis of an annual written confirmation from the auditor in relation to their independence, in accordance with the Technical Auditing Standard (*Norma Técnica de Auditoría*) (NIA – ES) 260 (revised) and Article 529 of the Spanish Capital Companies Act.

· Issuance, by the Audit Committee, of a detailed report on the work carried out in connection with the analysis of the external auditor's independence, which is presented to the General Shareholders' Meeting.

C.1.31 Indicate whether the Company has changed external auditors over the year. If so, indicate the outgoing and incoming auditor:

[ ] Yes
[√] No

In the event that there were disagreements with the outgoing auditor, explain the content of these:

[ ] Yes
[√] No

C.1.32 Indicate whether the audit firm performs other non-audit work for the Company and/or its Group and, if so, state the amount of fees received for such work and the percentage that the above amount represents of the fees invoiced for audit work to the Company and/or its Group:

[√] Yes
[ ] No

	Company	Group companies	Total
Amount for non-audit work (thousands of euro)	87	0	87
Amount of non-audit work/Amount of audit work (%)	67.20	0.00	48.33

C.1.33 Indicate whether the audit report of the previous year's annual financial statements is qualified. If applicable, indicate the reasons given to the shareholders at the General Shareholders' Meeting by the chair of the Audit Committee to explain the content and scope of such qualifications:

[ ] Yes
[√] No

C.1.34 Indicate the number of financial years in which the current audit firm has been consecutively carrying out the audit of the Company's individual and/or consolidated annual financial statements. Likewise, indicate how many years the current firm has been auditing the annual financial statements as a percentage of the total number of years over which the annual financial statements were audited:

	Individual	Consolidated
Number of consecutive financial years	6	6

	Individual	Consolidated
No. of financial years audited by the current auditing firm/No. of financial years the Company or its Group has been audited (%)	15.00	15.00

C.1.35 Indicate and, where appropriate, provide details of whether there is a procedure to ensure that directors have the necessary information to prepare for meetings of the governing bodies in sufficient time:

[√] Yes
[ ] No

Describe the procedure

Article 31 of the Board Regulations establishes that directors must have sufficient and adequate information to exercise their duties and, in order to obtain this information, they are vested with the widest powers to inform themselves about any aspect of the Company, examine its books, records, documents and other records relating to the Company's operations, inspect all of its facilities and communicate with members of the Company's senior management. These powers extend to subsidiaries of the Group, whether domestic or foreign.

In order not to disrupt the day-to-day management of the Company, the exercise of the aforementioned powers is channelled in advance through the Secretary of the Board of Directors, who will act on behalf of the Chair and who may directly provide the information or offer the appropriate interlocutors.

The Chair may restrict, only exceptionally and temporarily, access to specific information, only when, in his duly motivated view, it is unnecessary or detrimental to the Company's interests, except where such a request comes from at least one-third of the members of the Board. In any event, the chair shall communicate this to the other members of the Board.

The Board or any of its members may, through the secretary of the Board, organise and request presentations in connection with the Company's business, as well as request that specific spaces be allocated, within the Board's sessions, for the presentation of issues of relevance to the Group.

The agenda for Board meetings should clearly state those points on which the Board is to adopt a decision or resolution so that the directors can study or obtain the information necessary for its adoption beforehand.

All information is channelled by the secretary of the Board and distributed to the directors through a specific computer platform that guarantees the information's security and confidentiality, and facilitates the performance of the directors' duties and powers related to information, as well as access to training materials aimed at the directors. This implementation, which is administered by the secretary of the Board of Directors, incorporates information that is deemed appropriate for the preparation of the meetings of the Board and its committees.

The documentation corresponding to the items on the meeting agendas shall be sent to the members of the Board and, where appropriate, to the committees, sufficiently in advance to be able to prepare for the meetings. Likewise, the director may obtain, with the broadest powers, the information and advice that they may require on any aspect of the Company, provided that this is necessary for the performance of their duties.

C.1.36 Indicate whether the Company has established rules obliging directors to inform and, where appropriate, to resign when situations arise that affect them, whether or not related to their actions in the Company itself, which could damage the Company's credit and reputation:

[√] Yes
[ ] No

Explain the rules

The Company has established rules obliging directors to inform and, where appropriate, to resign when situations arise that affect them, whether or not related to their actions in the Company itself, which could damage the Company's credit and reputation.

Article 15.3) of the Board Regulations establishes that directors should report and, where appropriate, resign when situations arise affecting them, whether or not they are related to their actions in the Company itself, which could damage the Company' credit and reputation and, in particular, they should inform the Board, via its Secretary, of any criminal proceedings of which they are under investigation, as well as the procedural events thereof.

C.1.37 Indicate, unless special circumstances have arisen which have been recorded in the minutes, whether the Board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to their performance in the Company itself, which could damage the Company's credit and reputation:

[ ] Yes
[√] No

C.1.38 List any significant agreements entered into by the Company which come into force, are amended or terminate in the event of a change of control in the Company following a takeover bid, and their effects.

The Company has not entered into any agreement in 2024 as set out in this section.

C.1.39 Identify individually in the case of directors, and in aggregate form in all other cases, and give details of any agreements between the Company and its directors, management or employees that provide for indemnities, guarantee or golden parachute clauses when they resign or are dismissed without just cause or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

Number of beneficiaries	0
Type of beneficiary	Description of the agreement
None	No directors in office as of 31 December 2024 or as of the date of this report had or have agreed to any indemnification in the event of termination, early retirement or cessation of their directorship. There are no indemnity, guarantee or golden parachute clauses in favour of senior management members when they resign or are dismissed without just cause or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

Indicate whether, apart from the cases provided for in regulations, these agreements must be reported to and/or approved by the bodies of the Company or its Group. If applicable, specify the procedures, the circumstances envisaged and the nature of the bodies responsible for approving or communicating those agreements:

	Board of Directors	General shareholders' meeting
Body that authorises the clauses	√	

	Yes	No
Is the General Shareholders' Meeting informed about the clauses?		√

No directors in office as of 31 December 2024 or as of the date of this report had or have agreed to any indemnification in the event of termination, early retirement or cessation of their directorship.

There are no indemnity, guarantee or golden parachute clauses in favour of senior management members when they resign or are dismissed without just cause or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

C.2. Committees of the Board of Directors

C.2.1 List all the committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other external directors that form part of them:

DELEGATE COMMITTEE		
Name	Position	Category
MR JOSU CALVO MOREIRA	CHAIR	Independent
MR JORGE GABIOLA MENDIETA	MEMBER	Independent
MR EMILIO YBARRA AZNAR	MEMBER	Proprietary
MR CRISTÓBAL VALDÉS GUINEA	MEMBER	Proprietary

DELEGATE COMMITTEE		
Name	Position	Category
MR ENRIQUE MIGOYA PELÁEZ	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	60.00
% of independent directors	40.00
% of other external directors	0.00

Explain the functions delegated or attributed to this committee other than those already described in section C.1.9, and describe the committee's procedures and rules of organisation and operation. For each of these duties, indicate its most important actions during the financial year and how each of the duties attributed to it, either by law or in the Corporate By-laws or other corporate resolutions, have been carried out in practice.

The Delegate Committee has general decision-making powers and, therefore, has express delegation of all the power that can be legally or statutorily delegated, unless otherwise decided when it is established or at a later time, which has not taken place.

In the Delegate Committee, also called the Executive Committee, the participatory structure of the categories of directors is similar to that of the Board itself, and the Chair and Secretary are the same as those of the Board of Directors. The same rules of procedure apply to the Delegate Committee as to the Board of Directors.

The Delegate Committee did not meet in 2024.

AUDIT COMMITTEE		
Name	Position	Category
MS MARÍA SICILIA SALVADORES	MEMBER	Independent
MR JORGE GABIOLA MENDIETA	MEMBER	Independent
MR JESÚS PÉREZ RODRIGUEZ-URRUTIA	MEMBER	Independent
MS TERESA QUIRÓS ÁLVAREZ	CHAIR	Independent
MR ENRIQUE MIGOYA PELÁEZ	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	20.00
% of independent directors	80.00
% of other external directors	0.00

Explain the duties, including, if applicable, those additional to those provided for by law, attributed to this Committee; and describe its procedures and rules of organisation and operation. For each of these duties, indicate its most important actions during the financial year and how each of the duties attributed to it, either by law or in the Corporate By-laws or other corporate resolutions, have been carried out in practice.

The Audit Committee is a body with information, advice and proposal-related powers and has the following non-executive functions:

- Inform the Board of matters within its remit and, specifically, those related to financial information and the management report, as well as mandatory non-financial information; and creating and acquiring holdings in special purpose entities or entities domiciled in tax havens.

- Inform the Board as to operations with related parties, both those that are to be approved by the General Shareholders' Meeting and the Board of Directors, verifying their fairness and transparency, and supervising the internal procedure established for those operations whose approval has been delegated.
- Monitor and assess the preparation process and integrity of the mandatory financial and non-financial information, reviewing compliance with regulatory requirements, the appropriate limit of the scope of consolidation and the correct application of accounting criteria.
- Monitor the effectiveness of internal control systems, internal auditing, as well as financial and non-financial risk management systems (including systems related to tax and reputation, corruption and fraud, and operational, technological, legal, social, environmental and politically related systems).
- Review the risk policy and, where appropriate, propose its modification and update.
- Guarantee the independence of the internal audit unit, receive information on its activities and ensure that senior management takes into account its findings and recommendations.
- Monitor the activity and effectiveness of the Compliance and Internal Audit areas and guarantee their independence.
- Propose the selection, appointment, re-election and termination of Compliance and Internal Audit managers and Internal Risk Management and Control managers; propose their budgets; approve the annual guidance and work plan, receive information on their activities and ensure that senior management takes into account conclusions and recommendations.
- Establish and supervise a mechanism to communicate potential significant irregularities, including financial and accounting irregularities.
- Submit to the Board, for its submission to the General Shareholders' Meeting, proposals for the selection, appointment, re-election and replacement of the statutory auditor, as well as the terms of their recruitment and relations with them, taking responsibility for the selection process, and receive regular information on the audit plan and its implementation, and monitor and preserve their independence.
- Propose to the Board the policy relating to selection, recruitment and relations with the statutory auditor.
- Establish appropriate relationships with the statutory auditor to receive information on issues that may jeopardise their independence and any other audit-related matters, and, where appropriate, the authorisation of other services.
- Ensure that the statutory auditor's remuneration does not compromise their quality or independence and, in the event of resignation, examine the circumstances that led to the resignation and monitor the content of the mandatory communication to the CNMV.
- Ensure that the statutory auditor holds an annual meeting with the Board to inform it of the work performed and the development of the Company's accounting and risk situation.
- Receive annually from the external auditor the declaration of their independence, as well as detailed and individualised information on additional services of any kind that have been provided and the corresponding fees collected in accordance with the provisions of the regulations governing statutory audit activity.
- Issue an annual report on the independence of the statutory auditor.
- Propose to the Board the appointment of the verifier of the mandatory sustainability information.
- Ensure that the annual financial statements submitted by the Board to the General Shareholders' Meeting are drawn up in accordance with the accounting rules, reporting on the outcome of the audit on the annual financial statements and, where the auditor has included any qualifications in the report, the Audit Committee's views on its content and scope.
- Inform the General Shareholders' Meeting of the matters raised by shareholders, within their remit.

As long as the Board has not formally delegated this power to another specific committee that has been constituted for this purpose, monitor compliance with the Company's policies and rules on environmental, social and corporate governance aspects.
- Analyse the structural and corporate changes that the Company plans to make regarding economic conditions and accounting impact for prior reporting to the Board and, where appropriate, regarding the proposed exchange equation.

During 2024, the Audit Committee's most important actions were related to:
a) Monitoring official information, especially financial reporting and sustainability reporting,
b) Relations with and the hiring of external auditors and auditors of sustainability reporting, ensuring that both services are independent,
c) Monitoring the Corporate Risk Management Model, and the annual update of the Corporate Risk Map, with special emphasis on the most relevant risks in this regard,
d) Monitoring improvements to the Group's corporate internal control model,
e) Monitoring the specific internal control over financial reporting (ICFR) system,
f) Specifically monitoring the implementation of the European CSRD Directive with regard to sustainability reporting,
g) Monitoring the Independent Control body and managing the Whistleblowing Channel.

The Audit Committee met on eight occasions in 2024.

Identify the directors who have been appointed to the Audit Committee on the basis of their knowledge and experience in accounting and/or auditing and provide information on the date of appointment of the chair of the Audit Committee.

Names of the directors with experience	MS MARÍA SICILIA SALVADORES / MR JORGE GABIOLA MENDIETA / MR JESÚS PÉREZ RODRIGUEZ-URRUTIA / MS TERESA QUIRÓS ÁLVAREZ / MR ENRIQUE MIGOYA PELÁEZ

Date of appointment as Chair	16/12/2021

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MS MARÍA SICILIA SALVADORES	MEMBER	Independent
MS ANA ISABEL MUÑOZ BERAZA	CHAIR	Independent
MR CRISTÓBAL VALDÉS GUINEA	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other external directors	0.00

Explain the duties, including, if applicable, those additional to those provided for by law, attributed to this Committee; and describe its procedures and rules of organisation and operation. For each of these duties, indicate its most important actions during the financial year and how each of the duties attributed to it, either by law or in the Corporate By-laws or other corporate resolutions, have been carried out in practice.

The Appointments and Remuneration Committee (ARC) consists of a minimum of three and a maximum of five directors, all non-executive. At least two are independent and are designated taking into account the necessary knowledge, skills and experience and the tasks of the Committee. Its main mission is to contribute to the acquisition and retention of talent, ensuring that the Company has the best professionals in its governing bodies and in the senior management. It shall verify selection and remuneration policies' consistency with the Company's strategy, including sustainability, diversity, long-term profitability and risk-taking, notifying the Board if any inconsistencies are found.

The Board shall appoint the chair of the Appointments and Remuneration Committee, who shall be independent. The Appointments and Remuneration Committee independently exercises the following functions:

- Assess the competencies, knowledge and experience required on the Board. For these purposes, it will define the necessary duties and skills of the candidates to fill each vacancy and assess the precise time and effort required for them to effectively fulfil their duties.

- Promote desirable gender diversity on the Board by setting a representation target for the least represented gender and developing diversity guidelines and policies on how to achieve this, and verify compliance with these policies on an annual basis.

- Formulate and submit to the Board proposals for the appointment of independent directors via co-optation or their submission to the General Shareholders' Meeting for approval, as well as proposals for the re-election or separation of directors by the General Shareholders' Meeting.

- Report on the proposals for the appointment of the remaining directors by co-optation on to the Board or for their submission to the Board for approval, as well as the proposals for their re-election or separation by the Board.

- Report on or formulate proposals for the appointment of the Board's internal positions as well as for the members of the committees, checking and approving that the necessary knowledge and experience are met.

- Verify the character of each director and establish whether they meet the requirements for appointment as executive director, independent external director, external proprietary director or, where appropriate, other external director.

- Report on the proposals for the appointment and separation of the secretary of the Board and senior managers and propose the basic conditions of their contracts.

- Consider the application of any director to consider potential candidates to fill director vacancies.

- Review and organise the succession of the chair and other Board positions, as well as the Company's Chief Executive Officer and the rest of the executive management, and, where appropriate, make proposals to the Board for the aforementioned succession to take place in an orderly and planned manner, in accordance with the succession plan approved by the Board.

- Propose to the Board and regularly review the remuneration policy of the directors, senior management, the committees of the Board or the chief executive officers, as well as the individual remuneration and other contractual conditions of the executive directors, ensuring that they are observed.

- Check the application and observance of the directors' and the senior management's remuneration policy established by the Company and ensure that the individual remuneration of each director and/or senior manager is in proportion to the remuneration paid to the other directors and senior managers of the Company.

- Coordinate the assessment on the operation of the Board and its committees, and submit the results of said assessment together with a proposal for an action plan, if appropriate.

- Ensure any conflicts of interest do not prejudice the independence of its external advisers.

- Verify the information on the remuneration of the directors and senior managers contained in the various corporate documents, including the annual report on directors' remuneration.

In order to carry out its functions optimally, the Appointments and Remuneration Committee may seek the advice of external professionals.

During 2024, the Appointments and Remuneration Committee's most important actions were related to:

a) Final approval of the remuneration for directors and senior executives for 2023 and the proposal for 2024, b) Assessment of the degree of compliance with the management team's targets for 2023, c) The management team's targets for 2024. d) Assessment of the operation of the Board and its committees in 2023 with the assistance of an external advisor, e) Selection of the new Human Resources Director, and f) Assessment of the Steering Committee.

The Appointments and Remuneration Committee met seven times in 2024.

C.2.2 Complete the following table with information about the number of female directors on the committees of the Board of Directors at the close of the last four financial years:

	Number of female directors							
	2024 financial year		2023 financial year		2022 financial year		2021 financial year	
	Number	%	Number	%	Number	%	Number	%
DELEGATE COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00
AUDIT COMMITTEE	2	40.00	2	40.00	2	40.00	1	33.33
APPOINTMENTS AND REMUNERATION COMMITTEE	2	66.66	2	66.66	2	66.66	1	33.33

C.2.3 Indicate, where applicable, the existence of regulations governing the Board committees, where they are available for consultation, and any amendments made during the financial year. Also indicate whether any voluntary annual report on the activities of each committee has been prepared:

The Board's Committees are regulated in the Board of Directors' Regulations, the consolidated text of which was approved on 27 January 2022 and which was reported to the CNMV and duly registered in the Companies Register of Álava. The regulations are available on the Company's website (www.tubosreunidos.com) in the "Shareholders and Investors" section, and can also be consulted on the CNMV website.

Complying with the objective set in 2022 of improving the company's corporate governance, the Board of Directors expanded its internal regulatory framework in line with best practice and approved the Audit Committee Regulations on 21 December 2023, which specifically regulate the operation of the committee and establish the basic rules for its organisation.

Moreover, on 25 January 2024, the Board approved the Appointments and Remuneration Committee Regulations, which specifically set out the basic rules of its organisation, powers, guiding principles, the system for its operation and duties, as well as the rules governing the relationship with other Company bodies and members of Management.

The regulations of both advisory committees are made available to shareholders on the Company's website, under the "Shareholders and Investors" section:

Audit Committee Regulations: https://www.tubosreunidosgroup.com/uploads/cms/files/investors/Documentos/reglamento-de-la- comision-de auditoria-del-consejo-trsa.pdf

Appointments and Remuneration Committee Regulations: https://www.tubosreunidosgroup.com/es/investors/appointments-and-remuneration-committee-regulations.

It should be noted that, with a view to increasing transparency and information for shareholders, an annual report on the activities of the Audit Committee and an annual report on the activities of the Appointments and Remuneration Committee was prepared voluntarily in 2024. Both reports shall be made available to shareholders sufficiently in advance of the 2025 General Shareholders' Meeting.

D. RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1. Explain, where applicable, the procedure and competent bodies for approving related-party and intra-group transactions, indicating the general internal criteria and rules of the entity that regulate the affected directors' or shareholders' obligations to abstain and outlining the internal procedures on information and regular controls established by the Company in relation to those related-party transactions whose approval has been delegated by the Board of Directors.

Article 25.8.(C)(f) of the Board Regulations and Article 7.E.b) of the Audit Committee Regulations establish that the Audit Committee must report in advance to the Board on transactions with related parties, both those that are to be approved by the General Shareholders' Meeting and the Board, verifying their fairness and transparency, and supervising the internal procedure established by the Company for any transactions for which approval has been delegated.

Article 6.5.q) of the Regulations of the Board also reserves the direct knowledge of the Board of the approval, prior to the report from the Audit Committee, of related-party transactions (as defined by law) whose amount or value is less than 10% of the total items of the asset according to the last approved annual balance sheet, and the submission of the proposal to the General Shareholders' Meeting for the approval of related-party transactions that exceed that percentage.

The Audit Committee is responsible for ensuring that related-party transactions are fair and reasonable from the Company's perspective and, where appropriate, from the perspective of shareholders other than the related party. In the case of related-party transactions whose approval may be delegated in accordance with the provisions of the Board Regulations, a prior report from the Committee shall not be required. Nonetheless, the Committee shall be involved in the regular internal information and control procedure established by the Board in relation to said transactions, in order to ensure the fairness and transparency of such transactions and, where appropriate, ensure compliance with the legal criteria applicable for implementing the aforementioned delegation.

The Board may delegate the approval of related-party transactions between companies that form part of the Group that are carried out under the scope of day-to-day management and under market conditions, as well as those transactions that are concluded under contracts whose standardised conditions are applied together to a large number of customers, and carried out at prices or rates established on a general basis by the party acting as the supplier of the goods or service concerned, the amount of which does not exceed 0.5% of the Company's net turnover.

Furthermore, if the related-party transaction affects related individuals who are subject to the Internal Rules of Conduct, the provisions of section D.6, the applicable procedure related to conflicts of interest arising from the aforementioned related-party transactions, shall apply.

The Company reports that Article 7.E.b) of the Audit Committee Regulations establishes that the Audit Committee shall prepare, within the first six months following the close of each financial year at the Company, a report on the related-party transactions for which it issued a report, which shall be made available to shareholders on the Company's corporate website for when the Ordinary General Shareholders' Meeting is called. It is also established that the Committee shall inform the Appointments Committee of any related-party transactions that may affect the category to which the directors are assigned.

Furthermore, Article 7.3. iii) of the Internal Code of Conduct in Securities Markets, which was recently approved by the Board of Directors on 30 January 2025 establishes "General Principles of Action" that the Board of Directors is responsible for analysing and deciding on any conflicts of interest and related operations at the Company, as defined by the applicable legislation at any given time, such as transactions with its shareholders, directors and senior managers, and the persons related to them, following a report from the Appointments and Remuneration Committee or the Audit Committee, as applicable.

D.2. Individually report transactions that are significant due to their amount or that are relevant due to their subject area carried out between the Company or its dependent entities and the shareholders that hold 10% or more of the voting rights or that are represented on the Company's Board of Directors, indicating which competent body authorised their approval and whether any shareholder or director concerned abstained. If the Board has the jurisdiction, indicate whether the proposal for an agreement was approved by the Board without the vote against from the majority of the independent directors:

	Name or company name of the shareholder or any of their subsidiaries	% Holding	Name or company name of the company or subsidiary	Amount (thousands of euro)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the General Shareholders' Meeting, if any, was approved by the Board without a vote against from the majority of the independent directors
(1)	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	5.21	TUBOS REUNIDOS, S.A.	47,140	GENERAL SHAREHOLDERS' MEETING AND BOARD OF DIRECTORS		YES

	Name or company name of the shareholder or any of their subsidiaries	Nature of the relationship	The type of operation and other information necessary for its assessment
(1)	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	Contractual	FINANCING OPERATIONS AND LEASE LIABILITIES

D.3. Individually report transactions that are significant due to their amount or that are relevant due to their subject area carried out between the Company or its dependent entities with the administrators or executives of the Company, including those transactions carried out with entities that the administrator or executive controls or jointly controls, indicating which competent body authorised their approval and whether any shareholder or director concerned abstained. If the Board has the jurisdiction, indicate whether the proposal for an agreement was approved by the Board without the vote against from the majority of the independent directors:

	Name or company name of the administrators or executives or the entities that they control or that are under joint control	Name or company name of the company or subsidiary	Relationship	Amount (thousands of euro)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the General Shareholders' Meeting, if any, was approved by the Board without a vote against from the majority of the independent directors
No data							

Name or company name of the administrators or executives or the entities that they control or that are under joint control	Nature of the transaction and other information necessary for its assessment
No data	

D.4. Individually report intra-group transactions that are significant due to their amount or that are relevant due to their subject area carried out by the Company with its parent company or with other entities belonging to the parent company's group, including the listed company's own dependent entities, unless no other related party from the listed company has interests in such dependent entities or they are wholly owned, directly or indirectly, by the listed company.

In any event, provide information about any intra-group transaction conducted with entities established in countries or territories that are regarded as tax havens:

Company name of the group company	Brief description of the transaction and other information necessary for its assessment	Amount (thousands of euro)
No data		

D.5. Individually report transactions that are significant due to their amount or that are relevant due to their subject area carried out by the Company or its dependent entities with other related parties that are in accordance with the International Accounting Standards adopted by the EU, which have not been reported under the above headings.

Company name of the related party	Brief description of the transaction and other information necessary for its assessment	Amount (thousands of euro)
MARUBENI-ITOCHU TUBULARS EUROPE, PLC	INTEREST ON LOAN GRANTED	8

D.6. Set out the mechanisms established to detect, determine and resolve possible conflicts of interest between the Company and/or its Group, and its directors, executives, significant shareholders or other related parties.

Article 26.C. (j) of the Board Regulations provides that directors (and members of senior management and key personnel, to whom this also applies) have a duty to take the necessary measures to avoid entering into situations in which either their own interests or those of others may conflict with the corporate interest and their duties toward the Company. In particular, the duty to avoid conflict of interest situations obliges directors and their related persons to refrain from engaging in the conduct set out in that article. Furthermore, Article 36 of said Regulations specifically regulates in detail the possible conflicts of interest within the Board. Conflict of interest situations are governed by the following rules:

When a director is aware of being involved in a conflict of interest situation, they must notify the Board in writing, through its secretary, as soon as possible. The secretary of the Board must then pass on copies of notifications received to the Appointments and Remuneration Committee (ARC), through the latter's secretary. The notification must contain a description of the situation giving rise to the conflict of interest, stating whether it is a direct conflict of interest or an indirect conflict of interest through a related person, in which case the latter must be identified. The description of the situation should specify the objective and main conditions of the transaction or proposed decision, including its amount or approximate economic evaluation.

If the situation that generates the conflict of interest is a related-party transaction, the notification must also identify the department or individual within the Company or of any of the Group's companies with which the corresponding contact was initiated.

The ARC must then acknowledge the situation described by the secretary and propose to the Board the measures to be taken. Any doubt as to whether or not the director might be in a conflict of interest scenario should be referred to the secretary of the Board, and said director should refrain from taking any action until the doubt is resolved.

If the conflict of interest situation results from any operation, transaction or circumstance requiring any kind of operation, report, decision or acceptance, the director concerned by it must refrain from any action until the Board considers the matter and takes the appropriate decision and makes this known. As such, the director must be absent from the meeting during deliberation and voting upon those matters with which they or a related person is involved in a conflict of interest, be this direct or indirect, the sole exception being for agreements that impact upon their position as a director.

In cases where the conflict of interest is of such a nature as to constitute a structural and permanent conflict of interest between the director (or related persons or, in the case of a proprietary director, additionally, the shareholder or shareholders they represent or persons directly or indirectly related to them) and the Company or companies within the Group, it shall be understood that the director is not, or is no longer, suitable to hold the post.

Article 7.C.d) of the Appointments and Remuneration Committee Regulations specifically establishes that it is the responsibility of the ARC to analyse and inform the Board of any conflicts of interest within the Board and senior management notified to it by either the secretary or by those who become aware of them through other means.

Furthermore, it should be noted that the Company has a Code of Ethical Conduct, an internal regulation that expressly imposes upon all employees the duty to act exclusively in the interests of the Tubos Reunidos Group and to avoid conflicts of interest. The code provides that where a conflict of interest is detected, it will be communicated to the head of the Internal Reporting System via the Whistleblowing Channel. The head will resolve the issue as determined by the Whistleblowing Channel Regulations, available from the corporate website.

Lastly, Article 7 of the Internal Code of Conduct in Securities Markets (ICC) of Tubos Reunidos, S.A., recently approved by the Board of Directors on 30 January 2025, expressly regulates "conflicts of interest", defining the cases of conflict and establishing the general principles of action in respect thereof (independence, abstention and communication). Article 7.3. iii) establishes that the Board of Directors is responsible for analysing and deciding on any conflicts of interest and related operations at the Company, as defined by the applicable legislation at any given time, such as transactions with its shareholders, directors and senior managers, and the persons related to them, following a report from the Appointments and Remuneration Committee or the Audit Committee, as applicable.

As provided for in the Regulations, any doubt about the possibility of a conflict of interest, adopting a prudent approach, should be consulted with the Secretary of the Board, who shall act pursuant to the provisions of the TRSA Board Regulations and information on conflicts of interest must be kept permanently up to date by the persons subject to the Code of Conduct, informing the Secretary of any modification or termination of situations previously reported, as well as any new potential conflicts of interest.

D.7. Indicate whether the Company is controlled by another entity pursuant to Article 42 of the Code of Commerce, whether listed or not, and whether it has, directly or through its subsidiaries, business relations with that entity or one of its subsidiaries (other than those of the listed company) or engages in activities related to any of the subsidiaries' activities.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the Company's Financial and Non-Financial Risk Management and Control System, including for tax risk:

The Corporate Risk Management System (RMS) of Tubos Reunidos operates holistically, encompassing all significant risks of any nature to which it may be exposed. RMS means the set of processes designed to identify potential events that may affect the organisation and manage any risks (corporate), within the thresholds defined by the Board of Directors, in order to provide a reasonable level of security in attaining its targets under the Strategic Plan. Corporate Risks are events that may hinder or impede achievement of said targets, including those that may have a negative impact on the Group's assets, financial situation or results, whether or not the risk-causing factors are financial in nature.

Internal control is the process carried out by the Board of Directors, management and the rest of the organisation, designed to provide reasonable assurance regarding the achievement of targets within the following categories: effectiveness and efficiency of operations, reliability of official information (Financial – ICFR and non-financial), compliance with legislation applicable to the company (Regulatory Compliance Model) and asset safeguarding. For this reason, some of the risk response and oversight plans are designed to strengthen the Group's internal control.

Risk management focuses on the risks identified using a specific methodology (Risk Map), without prejudice to the day-to-day management of circumstances affecting budget compliance and short-term objectives. The risk identification process encompasses all possible risks, based on the 5 categories defined in the Corporate Risk Management and Control Policy.

The RMS is in continuous operation. According to the aforementioned Corporate Risk Management Policy, risks requiring greater attention are prioritised in levels, depending on their impact, likelihood of occurrence and reaction speed. The risks in the Risk Map (level 1 risks), are regularly monitored in the Steering Committee and supervised directly by the Audit Committee on an ongoing basis.

The Group has identified a number of relevant ongoing risk management activities that are grouped into three types: risk identification activities, system effectiveness monitoring activities, and system update and continuous improvement activities. Specific elements of risk management are also in place, including the allocation of specific risks to organisational areas responsible for managing them, analysis by third parties from outside the Group, development of dedicated management systems for certain risks (such as regulatory compliance, financial reporting and sustainability) and the undertaking of assurance tasks by third parties. The Risk Map is updated annually (meaning it was updated in 2024) through an internal process for comparison purposes and pursuit of best practices (benchmarking). In this process, we analyse (i) information on risks at benchmark and sector companies; (ii) specific reports from specialist third parties and studies based on questionnaires at national and international companies; and (iii) public statements and projections from regulators and official bodies. We have also considered events during the year and previous years that are relevant to the Group, including both internal control events and regulatory changes, as well as other factors, such as developments in demand for steel, oil prices, interest rates and exchange rates, reduced uncertainties for supplies and freight etc.

As a result of the process used in 2024, the Risk Map for the previous year was maintained, but the relative order of the risks changed. Liquidity and going concern risk take the top spot of the Risk Map, as was the case in the previous financial year, followed by commodity and energy risks and risks arising from the Business Plan, which in 2023 ranked 4th and 5th on the Map. Cyber risks and sustainability risks were demoted to 6th and 8th respectively. In both cases, this was not due to lower estimated inherent risk, but because the risk management measures implemented have reduced the residual risk in relative terms. Consequently, the risks to which the Group is most exposed due to its own activity (commodities and energy and commercial risks), and which therefore pose a higher relative inherent risk, occupy the highest levels of the Map. These changes in order have no significant impact on risk management, but they do reflect the Risk Map's annual updating.

The combined results of the above analysis were contrasted in the Steering Committee and the resulting Risk Map was proposed to the Audit Committee, which assessed and submitted it for approval by the Board of Directors on 25 July 2024.

The ten risks on the updated Risk Map are assigned to different managers, all of whom are members of the Steering Committee. During 2024, all risk owners provided a quarterly follow-up on their conclusions to the Audit Committee, five of which were explained in detail by their managers (liquidity and going concern, cyber risks, talent and commitment, sustainability and digitalisation).

E.2. Identify the corporate bodies responsible for the development and implementation of the Financial and Non-Financial Risk Management and Control System, including tax risk.

As set out in its Regulations, "the fully convened Board of Directors reserves the right to approve the Company's general policies and strategies, and, in particular, the risk management and control policy, including tax risk, and regular monitoring of internal information and control systems". Without prejudice to other tasks assigned to it by the Board of Directors, the Audit Committee is, as set out in its own regulations, responsible for "continuously overseeing the effectiveness of the internal control systems at the Company and its Group, as well as its financial and non-financial risk management systems, including tax and reputational risks and those related to corruption and fraud, in addition to operational, technological, legal, social, environmental and political risks, so that the main risks are properly identified, managed and reported", and for "reviewing the Risk Policy at least once a year and, where appropriate, proposing any amendment and update thereof to the Board". As mentioned above, the main risks are identified in a map that is updated at least once a year, and these are assigned to the Management Team in accordance with their organisational responsibilities. The Management Team identifies, measures and assesses risks, disseminates risk culture and defines, establishes and/or modifies the risk response, approving and executing (with its teams) plans to address risks and informing the Board of Directors through the Audit Committee.

Within the Steering Committee, the main risks and risk factors are discussed, as are any deviations in indicators from the parameters set, whether or not they are included in the budget. The risk owners define indicators and action plans for Level 1 risks, which are monitored by the Audit Committee through the Internal Audit area (which reports to the Committee itself and acts independently). These indicators and action plans are multi-disciplinary in organisational terms, so that the risk owners are aware of and agree with the actions that are being carried out in relation to their risks by other areas of responsibility.

E.3. Indicate the main financial and non-financial risks, including tax risks and, whenever they are significant, risks arising from corruption (the latter understood within the scope of Royal Decree Law 18/2017), which may affect the achievement of business objectives.

The main risks identified in the updated map as of 31/12/2024, organised by categories, are:

• In terms of strategic risks: (i) sustainability risks, (ii) risks associated with the prices and supply of commodities and energy, (iii) risks associated with the implementation of the Business Plan, (iv) the overseas business model (one of the factors that define the Group), (v) risks posed by free competition (this includes changes in the international regulatory framework of the sector in which the Group operates), and (vi) continuity of industrial activity (given the Group's characteristics).

• In terms of financial risks: (vii) liquidity and going concern risks are the main focus.

• In terms of operational risks: (viii) cyber risks; (ix) the talent and commitment of our people to the Group and its strategic targets, and risks associated with (x) digital transformation, which is a specific strategic goal set out in the 2021–2028 Strategic Plan.

• In terms of regulatory compliance and governance risks, as in previous years, no level 1 risks were identified.

E.4. Identify whether the entity has risk tolerance levels, including for tax risk.

The Board of Directors, through the Audit Committee, undertakes detailed monitoring of the specific risks, establishing the guidelines for action and, accordingly, the level of tolerance for each risk. The general position is conservative in terms of the Group's exposure to risk and its assessment takes into account different scales, notably:

• Assessing various scenarios for detailed operations.

• Materiality as defined by the external auditor for issuing its reports.

• An impact scale for the consideration of strategic risks, where risks are considered high based on the following characteristics:

○ Impact on the objectives of the Strategic Plan: More than one of the targets in the Strategic Plan - Economic Impact (impact on EBITDA and Sales) is not met: 1.8 M - 2.4 M or Reputational effect: Nationwide media coverage with significant impact on image and brand

○ Regulatory impact: Requires limited investigation by external authorities and regulatory bodies

○ Management's time incurred: Significant (>=10%)

In any event, the Board of Directors deems a risk to be significant when the effect of its occurrence could be considered by a reasonable investor to constitute a relevant change to the information made public by the Group for its decision-making or if, while not having an effect on such information, it could substantially affect the Group's ability to create short-, medium- or long-term value.

E.5. Indicate which financial and non-financial risks, including tax risks, have materialised during the year.

Volatility levels seen in previous years persisted throughout 2024 against a renewed backdrop of widespread uncertainty. Expected recovery in activity in the second half of 2024 has been pushed back to 2025.

In this regard, on 10 February 2025, President Trump signed a declaration cancelling the import quota agreements in force and granting exemptions with effect from 12 March 2025, which entails, de facto, applying a 25% tariff on all steel and aluminium imports (with the exception of certain existing exemptions where a lower tariff is imposed). This measure implies an immediate cost increase of 25% for all products entering customs from that date. It must be emphasised that this decision could trigger negotiations between the US' different trading partners and the new administration and, as such, this approach may change. It is therefore difficult to estimate the impact that this change may have on demand and purchase prices, as demand for pipes exceeds the domestic supply available in the US.

The European market continues to suffer from manufacturer price tensions attributable to the situations in China and Ukraine, the latter having special conditions stemming from the support measures adopted by the EU. Progress in conversations between the United States and Russia to end the war in Ukraine is paving the way for another scenario of uncertainty that may impact the cost of gas, the performance of the dollar and imports of Ukrainian tubes to Europe.

Liquidity and going concern risk remains one of the Group's main risks, intensified by lower activity in both volume and margin in 2024. In response to this risk, several specific measures have been taken, as described in the following section and in the Consolidated Annual Financial Statements for 2024. Some values show signs of short-term improvement, alongside an increase in the order book, which is seeing higher volumes than those seen in the past 18 months. Structural efficiency initiatives adopted by the Group in 2022 and 2023 are also starting to return to the expected level of savings (process unification, efficiency and digitalisation).

The Group includes as other sustainability risks, inter alia, those risks related to compliance with the growing number of regulations on this matter, which during the year have experienced delays in transposing the European legal framework to the Spanish legal framework. The Group has been able to adapt adequately to these risks by managing the changes and uncertainties generated by such delays.

Finally, and partly as a result of the budget austerity measures put in place by the Group in light of delays in the recovery of its activity, the strategic digitalisation project is being partially delayed, which may require additional stimuli in the coming years to achieve the digitalisation objectives set for 2028.

E.6. Explain the response and monitoring plans for the entity's major risks, including tax risks, as well as the procedures followed by the Company to ensure that the Board of Directors responds to new challenges.

In respect of the main risks identified by the Group in its Risk Map (mentioned in section E.3 above), the risk owners regularly submit their action plans to the Audit Committee and report quarterly on the degree of progress made.

These Action Plans are monitored by the Internal Audit function, and represent one of the bases for monitoring risk management, as explained in the preceding points. The actions are aimed at both improving the detection of aspects that may affect inherent risk or response capacity, as well as risk management, i.e. reducing residual risk. The Audit Committee requires the action plans be directly integrated into and form part of the ongoing management that the risk owners conduct on their own areas of responsibility, thus generating efficiencies and resulting in risk management that is as effective as possible. The Group's remuneration policy is determined by incorporating risk management objectives.

Among the Action Plans in place and the actions taken during 2024 (many of which had been launched in previous years), those relating to liquidity risk and going concern are most notable. Among the measures adopted, which were initiated in the first half of the year by agreeing to a waiver on the obligations of the covenants on 30 June, which was ultimately unnecessary, worth particular mention is a partial discounted debt buy back prepared during 2023 and implemented on 12 January 2024 and in-depth management of working capital levels and operating budget, adapting the Company's activity as much as possible through redundancy schemes. Furthermore, financial debt has been reduced insofar as possible, allocating the financial results of the sale of certain assets that were outside of production processes, to repay this debt insofar as possible or to finance new production associated with the increase in the order book at the end of 2024, with a view to expanding existing agreements in terms of maturity.

Progress has been made in terms of the business model and the Expansion Plan in place, focusing on sustainable and premium product, with a view to meeting the objectives set out in the Strategic Plan. Progress continued with the cybersecurity plans, which began in 2023 with the creation of a 2024–2028 Cybersecurity Plan, and a goal to become ISO 27001 certified within the Strategic Plan (2028) has been set.

In terms of Sustainability, the decision was made to define a Sustainability Master Plan that is aligned with European regulations on the matter. In this regard, the decision has also been made to report sustainability information in accordance with the European Corporate Sustainability Reporting Directive (CSRD), which is being transposed into the Spanish legal system (adding some necessary information pursuant to Law 11/2018, which remains in force and in line with the instructions of the CNMV and the ICAC (*Instituto de Contabilidad y Auditoría de Cuentas* — Spanish Institute of Accounting and Auditing).

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms that comprise the risk management and control systems in relation to your entity's financial reporting process (ICFR).

F.1. Control environment of the entity.

Specify at least the following components with a description of their main characteristics:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its oversight.

The parent company's Board of Directors is responsible for establishing and maintaining the Group's ICFR system. The Audit Committee, a permanent advisory body to the Board of Directors without executive powers, is responsible for overseeing the effectiveness of the said ICFR. The Committee has an Internal Audit Department that is responsible for carrying out this task. The Department reports to and is overseen by the Committee.

The Steering Committee, in particular the Finance Department, is responsible for the design, implementation and effectiveness of the ICFR. The Systems area is responsible for establishing and implementing internal control policies and procedures on reporting systems in general and, specifically, those that support the relevant processes to prepare and publish financial reporting (hereinafter, FR, indistinctly). These policies include those related to access security, change control, operation, operational continuity and segregation of duties.

Seven general principles of IT security have been defined in the Information Systems Internal Security Policy: (i) compliance with current regulations and the Code of Ethical Conduct; (ii) limited access/confidentiality; (iii) integrity; (iv) availability; (v) classification of information; (vi) robustness; and (vii) awareness. Thus, the nine main lines of development of the policy itself have been defined, namely: (i) organisation; (ii) asset management; (iii) access control; (iv) cryptographic controls; (v) physical and environmental security; (vi) IT operations security; (v) telecommunications security; (vi) security in systems development and maintenance; (vii) supplier security; (viii) incident management - business continuity and (ix) awareness among personnel.

The aforementioned responsibilities related to the ICFR system are set out in the "Corporate Policy on Internal Control over the Financial Reporting System", approved by the Board of Directors of Tubos Reunidos, S.A., as proposed by the Audit Committee. It is accessible on the Group's website under the corporate governance documentation section. This Policy applies to all companies comprising the Group and all individuals within it, and includes the mandate of the Board of Directors to the entire organisation for the deployment, development and maintenance of an adequate and effective ICFR system and how the main elements mentioned in this section of the Annual Corporate Governance Report should be implemented.

F.1.2 Whether the following elements exist, especially with regard to the financial reporting process:

- Departments and/or mechanisms in charge: (i) design and review of the organisational structure; (ii) clearly defining the lines of responsibility and authority, with an adequate distribution of tasks and responsibilities; and (iii) ensuring there are sufficient procedures for its correct circulation at the entity:

One of the Board of Directors' non-delegable powers is to approve the definition and modification of the Group's organisational chart and the appointment and removal of its senior executives. To this end, the Board designs and reviews the Group's senior organisational structure, as proposed by the Chief Executive Officer and following a favourable opinion from the Appointments and Remuneration Committee (permanent advisory body to the Board of Directors that has no executive powers). This includes defining the lines of responsibility and authority related to ICFR, and adequately distributing and segregating tasks and functions.

In addition to the group's organisational chart, the main lines of responsibility and authority defined by the Board of Directors are reflected in the Internal Policy on Proxies approved by the Board of Directors (after a favourable opinion from the Audit Committee and Appointments and Remuneration Committee) on 16 December 2021, and successively updated when there have been significant organisational changes. The internal policy, which is not published on the Company's website for confidentiality purposes, establishes the general principles of the Group's power structure. It explicitly sets out the responsibilities and obligations of the people with powers of attorney based on their responsibilities within the Group and internal transparency is provided regarding delegated powers and responsibilities, serving as a basis for the formalisation of these delegations.

The Steering Committee, in particular the Finance Department and Human Resources Department, is responsible for ensuring that the Group's organisational structure in general, and specifically in relation to the ICFR, is appropriate for complying with the objectives of providing financial reporting reliability and that the lines of responsibility and authority are defined. This includes distributing ICFR control tasks, functions and activities through appropriate procedures that are consistent with the policies set by the Board of Directors.

Specifically, ICFR-related responsibilities are defined in the Corporate Policy on the Internal Control over Financial Reporting System, which is published on the Group's website and has been prepared according to the series of recommendations (prepared by a group of experts) published by the CNMV in June 2010.

In relation to the process of preparing financial information, the Finance area sends the necessary instructions to the different areas of the Group, compiling, standardising and subsequently reviewing the information received. The Finance department also coordinates the involvement of independent experts and third parties outside the Group in relation to financial reporting and the way in which information is prepared, where appropriate. To manage ICFR controls, the Group has a specific IT tool that circulates specific instructions to those responsible for implementing and overseeing recurring reminder controls to ensure compliance, that also gathers evidence of controls and archives user comments.

The ICFR is updated periodically and third parties are used when necessary. These updates include an update to the applicable procedures. Thus, in 2022 an update was performed on the entire ICFR, incorporating controls from the Systems area and changing the specific computer tool mentioned above. This update involved the main areas at the Group. Similarly, a variety of relevant procedures for preparing financial information are being updated as part of the Group's Digital Transformation process, including procedures linked to information systems, cybersecurity and the procedures relating to Procurement and Investments.

In this regard, notable changes in 2024 include the deployment of cybersecurity regulations, aimed at future ISO 27001 certification and taking into account the Code of Good Cybersecurity Governance prepared by the National Cybersecurity Forum and disseminated by the CNMV, and the detailed definition of four Procurement and Investment Operating Policies.

· Code of conduct, approval body, degree of circulation and instruction, principles and values included (indicating if there are specific references to the recording of operations and preparation of financial information), the body in charge of analysing breaches and suggesting corrective actions and sanctions:

The Group has a Code of Ethical Conduct, updated and approved by the Board of Directors on 25 May 2023 (having been adapted to Law 2/2023 of 20 February on the protection of persons who report regulatory infringements and the fight against corruption), which relates to members of the Board of Directors, managers, employees of the Group and all of its companies, branches and agents, regardless of their geographical location. The Code of Ethical Conduct establishes the values upon which the actions of the above groups are based, including (i) respect for individual dignity and their inherent rights; (ii) respect for people's equality and diversity; (iii) efficiency; (iv) value creation; (v) respect for the environment; (vi) occupational health and safety; (vii) quality; and (viii) strict legal compliance. The section on strict legal compliance includes the duties of reporting and preparing financial information. This Code of Conduct has the status of corporate policy within the Group's corporate governance documentation framework, so it has been circulated and is available on the website for consultation.

One of the essential pillars of the Group's compliance system is the Code of Ethical Conduct mentioned above, which has an Internal Reporting System adapted to Law 2/2023 of 20 February on the protection of persons who report regulatory infringements and the fight against corruption. Detailed public information about this can be found on the corporate website. The body responsible for the regular development and review of the compliance system, overseeing its implementation and formulating observations or proposals for amendments for the Board of Directors is the Independent Control Body for compliance (hereinafter, ICB), which reports to the Audit Committee and/or to the Board of Directors itself.

At the end of the 2024 financial year, the ICB comprised the secretary of the Board of Directors (who chairs the body), the Finance Department, the Human Resources Department, the Internal Audit Department (non-voting member) and a member of Legal Counsel (as secretary of the ICB). The composition of the ICB remains up to date, adapting to the organisational changes within the Group and respecting its structure in the event of temporary vacancies.

The ICB's activities in 2024 included updating the Criminal Risk Matrix, a variety of initiatives related to implementing the protocol for prevention and action against harassment at the Group's main companies, in addition to training on prevention and action against harassment delivered to the Steering Committee, as well as approval of the Corporate Anti-Corruption and Anti-Fraud Policy and approval of the Corporate Human Rights Policy.

In addition to the Code of Ethical Conduct, other relevant documents that may affect the financial reporting preparation processes and which are defined and administered by the ICB are the "Commitment to the appropriate use of proxy powers" (intended for the Group's legal representatives) and the "Commitment to the appropriate use of credit cards".

The Secretary of the Board and Chair of the ICB is the natural person appointed by the Company's Board of Directors as the person responsible for the Internal Reporting System. As they are responsible for the System, they perform their functions independently and autonomously with respect to the Group's other bodies, and may not receive instructions of any kind in performing their duties. The system manager is responsible for analysing breaches of the Code of Conduct and, after consulting with the ICB, for proposing corrective actions and sanctions.

- Whistleblowing channel, enabling the Audit Committee to be informed of irregularities of a financial and accounting nature, in addition to possible breaches of the Code of Conduct and irregular activities in the organisation, informing, where appropriate, whether this is of a confidential nature and whether it is permissible to report anonymously to respect the rights of the whistleblower and the accused party.

The Group has a Whistleblowing Channel, which is the sole channel established by the Board of Directors to receive information about possible violations of the Code of Ethical Conduct and/or the Law, including irregularities of a financial and accounting nature. This Whistleblowing Channel is a fundamental element of the Internal Reporting System, and through it "any suspicious event, behaviour, action or activity within the organisation must be reported, regardless of its magnitude, which by its nature may constitute a violation of the law, including (...) public or private corruption, accounting offences, tax offences and fraud". The Whistleblowing Channel is therefore the sole channel established by the ICB, on behalf of the Board of Directors, to receive information about possible violations of the Code of Ethical Conduct and/or the Law, including irregularities of a financial and accounting nature.

When filing a complaint via the Whistleblowing Channel, whistleblowers can decide whether or not to identify themselves. Anonymous complaints are therefore permitted. In any event, the whistleblower's identity is guaranteed to remain strictly confidential. To ensure such confidentiality, it is expressly stated that the accused party exercising their right of access does not imply access to the whistleblower's identity, and such identity may only be disclosed to administrative and judicial authorities, where legally appropriate. The whistleblower's identity is only known to the persons in charge of managing the system and investigating the complaint, as well as the areas that, where appropriate, are strictly necessary to investigate the facts and resolve the complaints made. These individuals are personally bound to keep all information to which they have access confidential.

During 2024, the ICB continued to promote dissemination of the Whistleblowing Channel and the Code of Ethical Conduct within the organisation. One complaint and three queries were received through the Whistleblowing Channel. The complaint received was reported by an anonymous whistleblower, and none of the issues cited were connected to financial reporting. (2023: ten complaints and no queries, no impact on financial reporting).

- Training and periodic refresher programmes for the staff involved in preparing and reviewing the financial information, as well as assessing the ICFR system, including, at least, accounting rules, auditing, internal risk management and control:

In addition to specific training programmes aimed at covering certain needs that may arise for employees in the Finance Area, the Group involves external advisers and auditors to remain up to date on accounting, legal and tax matters that may affect it. No uncovered training needs have been identified related to financial reporting and ICFR.

F.2. **Financial reporting risk assessment.**

Indicate at least the following:

F.2.1 What the main features of the risk identification process are, including those of error or fraud, in terms of:

- Whether the process exists and is documented:

The Group considers financial reporting risks as a type of risk and therefore section E of this Annual Corporate Governance Report is generally applicable. Furthermore, and as part of the ICFR system itself, a specific assessment of the risks in preparing financial reporting is carried out to determine and/or update the control activities to be defined, implemented and highlighted.

The process for determining financial reporting risks takes into account both quantitative criteria (mainly applying the concept of materiality) and qualitative criteria (which take into account the high-value transactions in the processes, the degree to which they are automated, the complexity of the transactions and the applicable accounting standards etc.).

For reporting systems and applications relating to financial reporting, the Systems Area, in collaboration with the Finance Area, conducts a specific risk analysis. The financial reporting risk identification process includes both routine transactions and less frequent and potentially complex operations that occur. In all instances, the recommendations and comments of the external auditor are taken into consideration to assess financial reporting risk.

- Whether the process covers the full range of financial reporting objectives (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how often:

The process covers all financial reporting objectives included in the "Internal Control over Financial Reporting at Listed Companies" document (hereinafter the Internal Control Document) published by the CNMV in June 2010.

It includes across the board potential fraud (meaning intentional acts committed by one or more individuals within management, employees or third parties, including the use of deceit to gain an illegal or unfair advantage). Review of the various cycles, in addition to updating the risk assessment process, considers additional specific risks, such as risk of error factors (in the sense of accidental or intentional acts whereby incorrect information may be omitted or submitted so that financial reporting is not presented in accordance with applicable preparation standards).

Furthermore, meetings with the external auditors in relation to their planning of external audit work, which culminate with a presentation of the External Audit Plan to the Audit Committee, incorporate an updated and verified assessment of financial reporting risks that includes specific events that may have occurred in any of the Group companies and any regulatory changes. This assessment is taken into account by the Finance Area in order to include changes to the ICFR oversight activities, where appropriate.
As a result of the 2024 risk assessment, specific controls for the payroll cycle were redesigned and applied, notwithstanding the fact that their implementation will be consolidated in the coming years.

- The existence of a process to identify the consolidation scope, taking into account, among other aspects, the possible existence of complex corporate structures, instrumental or special-purpose entities:

The Group's current corporate structure is simple. On a quarterly basis, the Finance Department reports to the Audit Committee on what the scope involves. Controls are in place to ensure that Group companies cannot participate in companies and change the scope of consolidation. In this regard, in 2024, the Audit Committee was informed on aspects related to the opening of a subsidiary in Germany as part of the Business Plan in progress.

- If the process takes into account the effects of other types of risks (operational, technological, financial, legal, tax, reputational, environmental etc.) to the extent that they impact the financial statements:

The risk management model comprehensively analyses all types of risk and includes an analysis of possible impacts on financial reporting. The financial reporting risk assessment includes verification of the possible effect that both level 1 risks (corporate risk matrix) and the risks arising during the course of the year may have on financial reporting, as part of the aforementioned qualitative criteria. In particular, within the financial reporting risk identification process, particular account was taken in 2024 of liquidity and going concern risk (in the financial risks category), cybersecurity, risks related to commodity and energy prices and supply, climate change and sustainability and, especially, free competition (due to possible changes in the international regulatory framework).

- Which of the Company's governing bodies oversees the process:

The Audit Committee oversees the financial reporting preparation process and, therefore, the assessment of its risks, and informs the Board of Directors of its actions. The Committee has an Internal Audit Department that is responsible for carrying out this oversight.

Planning for Audit Committee meetings includes specific and recurrent points for assessing and monitoring risks in general and those specific to financial reporting, as well as specific points on of particularly sensitive accounting aspects, such as accounting judgements and estimates.

Issues relating to financial reporting risks are also covered in the regular meetings that take place between the Audit Committee and the external auditor, as are changes to the applicable regulations and the external auditor's opinion on the most relevant aspects of the audit and the approach to be adopted regarding them.

Paragraph F.5.1. in this report summarises the Audit Committee's actions in respect of ICFR oversight for 2024 and those planned for subsequent financial years. A detailed report on the Audit Committee's activities is also prepared each year, which is specified and made public on the corporate website as part of the information for the Ordinary General Shareholders' Meeting.

F.3. Control activities.

Report, stating its main characteristics, whether it has at least:

F.3.1 Procedures for reviewing and authorising financial reporting and the description of the ICFR, to be disclosed to the securities markets, indicating who is responsible in each case, as well as descriptive documentation of the flows of activities and controls (including those related to fraud risk) of the different types of transactions that may materially impact the financial statements, including the period-end accounting procedures and the specific review of the relevant judgements, estimates, valuations and projections.

Financial and general information about the Group that may have an external impact is checked in advance by the Audit Committee. The information reported (regularly or otherwise) to the securities market is prepared by the Finance Area, which carries out specific control activities during the preparation procedure aimed at guaranteeing its reliability.

Once it has completed its analysis, the Audit Committee informs the Board of Directors of the most relevant transactions that could affect the financial reporting through a range of measures, such as monitoring the Business Plan and budget, as well as the most significant accounting estimates and judgements used to prepare them.

A reporting schedule and delivery deadlines are set, which are known to all those involved in the process, in accordance with legal requirements. In addition to the accounting closing procedure, and prior to the process of preparing and reviewing the financial information, the Group has control procedures and activities in the most relevant areas in the process of preparing the financial information, in order to ensure the proper recording, valuation, presentation and breakdown of transactions, as well as to prevent and detect fraud.

The Finance area monitors the operation of the ICFR by periodically informing the Audit Committee of the results obtained. The Audit Committee, through its chair, passes on this information to the Board of Directors, which is ultimately responsible for approving the information for its subsequent publication to the market. Every time the effectiveness of the control activities of the different ICFR cycles is evaluated, the documents outlining the various different flows of activities and controls are updated and, if the need for relevant changes come to light, they are reported to the Audit Committee.

F.3.2 Internal control policies and procedures for information systems (including, but not limited to, access security, change control, system operation, business continuity and segregation of duties) that support the entity's relevant processes in relation to the preparation and publication of financial information.

As part of the risk management process regarding financial reporting, the Group identifies, in its main components, which systems and applications are relevant in each of the main areas or processes. The Group is refining its system security procedures defined at the level of the most significant components and aimed at achieving an adequate level of security. The aim is to adopt the organisational, technical and documentary measures necessary to ensure the level of security defined. In this regard, work is taking place in the following areas: (i) Access control and user management (ii) Change management (iii) Backup and recovery (iv) Physical security and (v) Control of outsourced activities.

A specific "IT environment" cycle has been defined in the Group's ICFR System Risks and Controls matrix, including four processes entitled "User applications", "Access control", "Change management" and "Operations and data processing centre". These processes include preventive and investigative control activities. Furthermore, the Systems area has an important and specific role in the corresponding ICFR controls.

F.3.3 Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, as well as those assessment, calculation or valuation aspects entrusted to independent experts, which may materially affect the financial statements.

The areas with the highest level of activities outsourced to third parties with a possible material impact on financial reporting are the Information Systems and Tax areas. Other activities outsourced to third parties and related to financial reporting also include operational advice and training support on how to use a tool for labelling financial reporting and generating the corresponding files under ESEF regulations (and subsequent submission to the CNMV).

Contracting the above services involves the heads of the Systems department and the Finance department, ensuring the competence, independence and technical and legal training of the professionals hired.

With regard to actions in relevant transactions requested from independent experts, Tubos Reunidos always maintains responsibility for the information generated.

F.4. Information and communication.

Report, stating its main characteristics, whether it has at least:

F.4.1 A specific function in charge of defining and keeping accounting policies up to date (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining fluid communication with those responsible for operations in the organisation, as well as an updated accounting policy manual communicated to the units through which the entity operates.

Responsibility for defining the Group's accounting policies and keeping them up to date is assigned to the Finance area, which, to this end, carries out specific activities, including holding meetings with the external auditors prior to the closing date in order to update new accounting developments and new breakdowns of information in the annual financial statements, consult on specific matters when necessary, update the most important points of the audit, coordinating with the subsidiaries' administrative managers to inform them of the main accounting developments and resolving any accounting and financial reporting questions that may arise.

The Group has an ICFR Manual, which explains the relevant details of the System. A specific and dedicated Accounting Policies Manual for all Group companies shall be integrated into such manual.

F.4.2 Mechanisms for the capture and preparation of financial information with homogeneous formats, applied and used by all units of the entity or group, which support the main financial statements and the notes, as well as the detailed information on the ICFR.

The Group's current structure is simple, making the process of information capture substantive and direct, spearheaded by the head of Consolidation. Nevertheless, the Group's reporting and consolidation process is the responsibility of the Finance area. At the beginning of each financial year, the head of Consolidation sends a monthly reporting calendar to the administrative managers of the various Group companies, in order to ensure that the information is received in sufficient time to enable the preparation of the consolidated financial statements in due time and form. Information from the subsidiaries is reported using a standardised "Consolidation Reporting Package" that enables the subsidiaries to submit information in a uniform format. The Group has a consolidation application that facilitates the process of consolidating core financial statements for financial reporting, which, due to its simplicity, also incorporates manual entries.

F.5. Monitoring of system performance.

Report, stating its main characteristics, whether it has at least:

F.5.1 The ICFR monitoring activities performed by the Audit Committee and whether the entity has an internal audit function whose responsibilities include supporting the committee in its oversight of the internal control system, including ICFR. The scope of the ICFR assessment carried out in the financial year and the procedure by which the person in charge of implementing the assessment communicates its results shall also be reported, if the entity has an action plan detailing the eventual corrective measures, and if its impact on financial information has been considered.

The Audit Committee continuously monitors the reliability of the Group's financial reporting and current ICFR system, as a recurrent activity at its regular meetings (eight held in 2024, in addition to other working meetings on specific topics; seven meetings held in 2023). It also receives regular reports on compliance with the system from the Finance department and the Internal Audit department. The Internal Audit function reports to the Audit Committee and is responsible for reviewing the ICFR, among other such responsibilities, in accordance with the Annual Internal Audit Plan approved and subsequently evaluated by the Committee. The results of any ICFR-related incidents, together with any proposed corrective actions, are reported to the Audit Committee. The implementation of these measures is subject to subsequent monitoring by the internal audit function and reporting to the Committee.

In 2023, the Audit Committee initiated the implementation of a detailed three-year in-depth review of around one third of the cycles comprising the Group's ICFR system by Internal Audit, with the collaboration of an independent expert, and the commencement of an update to the Accounting Policies Manual. The review of the 2023 and 2024 cycles highlighted the need to implement a series of additional controls to those already defined and the need to improve evidence supporting some controls already in place. This has led to plans for the Finance area to implement these recommendations.

F.5.2 Whether it has a discussion procedure whereby the statutory auditor (in accordance with the provisions of the Technical Auditing Standards), the internal audit function and other experts can inform senior management and the Audit Committee or directors of the entity of any significant internal control weaknesses identified during the review of the annual financial statements or any other processes entrusted to them. Please also inform whether an action plan is in place that seeks to correct or mitigate the weaknesses observed.

The statutory auditor attended the Audit Committee meetings to report on aspects related to the performance of its work, including financial reporting regulatory and risk assessment aspects. This attendance is included in the annual planning for the Audit Committees, without prejudice to these meetings being adapted to any needs that may arise during the financial year. The Board of Directors and the Audit Committee maintain a fluid and ongoing professional relationship with the external auditor, respecting their independence of action and judgement, pursuant to the Corporate Policy on Contracting and Relations with the Statutory Auditor available on the corporate website. This policy sets out the General Principles of the Relationship with the Statutory Auditor (independence, fluid and ongoing communication, and transparency), and the bases for the relationship between the statutory auditor and the Group (which, among other matters, define the procedure by which any weaknesses in internal control that the auditor may identify are shared) and also lists prohibited services.

Internal Audit's activity is reported directly to the Audit Committee and includes plans to mitigate any weaknesses in internal control and a follow-up of action plans. The Audit Committee approves the Annual Internal Audit Plan and assesses the quality of the work carried out on a yearly basis. Internal Audit's activities include assessing the extent to which any internal control recommendations are implemented in various areas, including the ICFR system, an activity included systematically and regularly on the agenda for Audit Committee meetings.

F.6. **Other relevant information.**

There is no additional relevant information.

F.7. **External auditor's report.**

Report:

F.7.1 Whether the ICFR information disclosed to the markets has been reviewed by the external auditor, in which case the entity should include the relevant report as an annex. Otherwise, it should report its reasons.

ICFR information is voluntary in nature and therefore has not been reviewed by the external auditor for the purposes of issuing a specific report on the matter.

G. DEGREE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the degree of the Company's compliance with the recommendations of the Code of Good Governance for Listed Companies.

In the event that any recommendation is not followed or partially followed, a detailed explanation of the reasons for this decision should be included so that shareholders, investors and the market in general have enough information to assess the Company's behaviour. Explanations of a general nature shall not be acceptable.

1. The Corporate By-laws of listed companies should not limit the maximum number of votes that may be cast by a single shareholder, nor should they contain other restrictions that make it difficult to take control of the company through the acquisition of its shares on the market.

   Complies [X] Explain [ ]

2. When the listed company is controlled, pursuant to Article 42 of the Code of Commerce, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly and precisely disclose the following:

   a) The respective areas of activity and any business relationships between the listed company or its subsidiaries, on the one hand, and the parent company or its subsidiaries, on the other.

   b) The mechanisms provided to solve any conflicts of interest that may arise.

   Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

3. During the Ordinary General Shareholders' Meeting, as a complement to the written circulation of the Annual Corporate Governance Report, the chair of the Board of Directors should verbally inform shareholders, in sufficient detail, of the most relevant aspects of the Company's corporate governance and, in particular:

   a) Of the changes that have taken place since the previous ordinary general meeting.

   b) The specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if any, the alternative rules that apply in that area.

   Complies [ ] Partially complies [X] Explain [ ]

During the General Shareholders' Meeting, the chair verbally informs the shareholders of the most significant changes, if any, in corporate governance since the previous General Shareholders' Meeting.

Nevertheless, the chair does not explain the specific reasons why some of the recommendations of the Code of Corporate Governance are not complied with because, in general, the instances of total or partial non-compliance are exceptional and not of particular importance.

4. The Company should define and promote a policy regarding communication and contacts with shareholders and institutional investors in the context of their involvement in the Company, as well as with proxy advisors, which fully respects the rules against market abuse and treats shareholders in the same position on an equal footing. The Company should make this policy public on its website, including information on how the policy has been put into practice and identifying the parties or persons responsible for implementing it.

   Without prejudice to the legal obligations to disclose inside information and other types of regulated information, the Company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels that it deems appropriate (media, social networks or other channels) that helps to maximise the circulation and quality of the information available to the market, investors and other stakeholders.

   Complies [X] Partially complies [ ] Explain [ ]

5. The Board of Directors should not submit to the General Shareholders' Meeting a proposal to delegate powers, to issue shares or convertible securities, excluding pre-emptive subscription rights, for an amount exceeding 20% of the capital at the time of delegation.

   When the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive subscription rights, the Company should immediately publish on its website the reports on such exclusion referred to in the commercial legislation.

   Complies [X] Partially complies [ ] Explain [ ]

6. The listed companies that prepare the reports listed below, whether mandatory or voluntary, should publish them on their website sufficiently in advance of the Ordinary General Shareholders' Meeting, even if their circulation is not mandatory:

   a) Report on the independence of the external auditor.

   b) Performance reports of the Audit and Appointments and Remuneration Committees.

   c) Report of the Audit Committee on related-party transactions.

   Complies [X] Partially complies [ ] Explain [ ]

The Company publishes the report on the independence of the auditor, the report on the activities of the Audit Committee and the report on the activities of the Appointments and Remuneration Committee on its website sufficiently in advance of the Ordinary General Shareholders' Meeting.

Furthermore, for the first time in 2024, the Company published the report by the Audit Committee on related transactions sufficiently in advance of the General Shareholders' Meeting.

7. The Company should broadcast the General Shareholders' Meetings live on its website.

   The Company should have mechanisms that enable proxy voting and voting by electronic means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the General Shareholders' Meeting.

   Complies [X] Partially complies [ ] Explain [ ]

The Company broadcast the General Shareholders' Meeting of 30 May 2024 live on its website and had mechanisms in place that enabled proxy-granting, attendance and voting by electronic means.

8. The Audit Committee should ensure that the annual financial statements submitted by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with accounting regulations. In cases where the auditor has included a qualification in their audit report, the Chair of the Audit Committee should clearly explain the opinion of the Audit Committee on its content and scope at the General Shareholders' Meeting. A summary of this opinion should be made available to shareholders at the time of publication of the call to meeting, together with the other proposals and reports from the Board.

   Complies [X] Partially complies [ ] Explain [ ]

9. The Company should publish on its website, on a permanent basis, the requirements and procedures that it will accept for accrediting ownership of shares, the right to attend the General Shareholders' Meeting and the exercise or delegation of voting rights.

   Such requirements and procedures should be conducive to the assistance and exercise of shareholders' rights and applied in a non-discriminatory manner.

   Complies [X] Partially complies [ ] Explain [ ]

10. When any shareholder entitled to do so has exercised, prior to the General Shareholders' Meeting being held, the right to complete the agenda or to submit new proposals for resolutions, the Company should:

a) Immediately disseminate such complementary items and new proposals for agreement.

b) Disclose the model attendance card or proxy or absentee voting form with the necessary amendments to enable new items on the agenda and alternative proposals for resolutions to be voted on in the same terms as those proposed by the Board of Directors.

c) Submit all those items or alternative proposals to vote and applies the same voting rules as those formulated by the Board of Directors, including, in particular, the presumptions or deductions regarding the voting results.

d) After the General Meeting of Shareholders, communicate the breakdown of the vote on such complementary items or alternative proposals.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

The Company complies in practice with the recommendation because, neither in 2024 nor in previous financial years, has there ever been any request in this regard and so no legitimate shareholder has ever exercised, prior to the General Shareholders' Meeting being held, the right to supplement the agenda or submit new draft resolutions other than those formulated by the Board itself.

The Company understands that, if this has not been the case, the Company complies with the recommendation. In any event, where the situation arises, the Company will also comply with the recommendation, given that it has traditionally facilitated exercising of the rights to participate in the General Shareholders' Meeting under equal conditions and maintains a flexible interpretation of the requirements necessary for active participation.

In accordance with the provisions of the Spanish Capital Companies Act, the Company safeguards the irrevocable right of the minority to request the inclusion of supplementary items and, each financial year, reminds its shareholders, in the Agenda of the Ordinary General Shareholders' Meeting that accompanies the call to the meeting, of their right to request an addendum to the call and to propose new resolutions, which can be done by shareholders representing at least three percent of the share capital, "by means of a reliable notification to be received at the registered office at Barrio Sagarribai, s/n, 01470 Amurrio (Álava), Spain, within the five days following the publication of the call". The Company therefore ensures the effectiveness of the minority's right to the addendum to the call.

11. In the event that the Company plans to pay attendance premiums to the General Shareholders' Meeting, it should establish, in advance, a general policy on such premiums and ensure that said policy is stable.

Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

12. The Board of Directors should perform its duties with unity of purpose and independence of judgement, treat all shareholders in the same position equally and be guided by corporate interest, understood as the achievement of a profitable and sustainable business in the long term, which promotes its continuity and the maximisation of the company's economic value.

    In the pursuit of the corporate interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted customs and best practices, it should seek to reconcile its own corporate interest with, as appropriate, the legitimate interests of its employees, its suppliers, its customers and other stakeholders that may be affected, as well as the impact of the Company's activities on the community as a whole and on the environment.

    Complies [X] Partially complies [ ] Explain [ ]

In 2024, the Board of Directors performed its duties, guided at all times by the corporate interest, reconciling it with the legitimate interests of all stakeholders concerned and with the impact on the community and the environment.

In 2024, the Board focused its efforts on ensuring continuity, profitability and maximising value for the Company, by fulfilling the Company's Strategic Plan while simultaneously protecting the health and safety of workers.

13. The size of the Board of Directors should be sufficient for effective and participatory operation, which makes it advisable for it to have between 5 and 15 members.

    Complies [X] Explain [ ]

14. The Board of Directors should adopt a policy aimed at encouraging an appropriate composition of the Board of Directors and that:

    a) Is specific and verifiable.

    b) Ensures that proposals for appointment or re-election are based on a prior analysis of the competencies required by the Board of Directors, and

    c) Encourages diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the Company to have a significant number of female senior managers are considered to be conducive to gender diversity.

    The result of the prior analysis of the skills required by the Board of Directors should be included in the Appointments Committee's explanatory report published when convening the General Shareholders' Meeting, at which the ratification, appointment or re-election of each director is to be submitted.

    Compliance with this policy shall be verified annually by the Appointments Committee and reported in the Annual Corporate Governance Report.

    Complies [X] Partially complies [ ] Explain [ ]

15. Proprietary and independent directors should constitute an ample majority of the Board of Directors and the number of executive directors should be the minimum necessary, taking into account the complexity of the corporate group and the percentage interest held by executive directors in the company's share capital.

    The number of female directors should account for at least 40% of the members of the Board of Directors by the end of 2022 and thereafter, and not less than 30% prior to that.

    Complies [ ] Partially complies [ ] Explain [X]

The composition of the Board is balanced and diverse, 54.54% of the total number of directors are independent (compared to 36.36% in 2022) and 36.36% of the directors are women, with this percentage increasing to 41.67% if the secretary of the Board is included.

The Company is committed to diversity in its governing bodies, as demonstrated by the fact that the specialised committees of the Board (Audit Committee and Appointments and Remuneration Committee) are chaired by female directors, the role of secretary general of the Board of Directors is also held by a woman, and women make up 50% of the members of the management body of the Group's most representative company (TR Group S.L.U.), consisting of two co-administrators — one woman and one man.

The Company has the objective of exceeding 40% of female directors in mind for future appointments.

16. The percentage of proprietary directors out of the total number of non-executive directors should not be greater than the proportion between the capital of the company represented by such directors and the rest of the capital.

    This criterion may be mitigated:

    a) In large cap companies in which there are few stakes that are legally considered significant.

    b) In the case of companies in which there is a plurality of shareholders represented on the Board of Directors and they are not related to each other.

    Complies [X] Explain [ ]

17. The number of independent directors should represent at least half of the total number of directors.

    Nevertheless, when the company is not a large cap company or when, even if it is a large cap company, it has one or more shareholders acting in concert who control more than 30% of the share capital, the number of independent directors should represent at least one third of the total number of directors.

    Complies [X] Explain [ ]

18. The companies should make public through their website and keep updated the following information about their directors:

    a) Professional experience and background.

    b) Other boards of directors to which they belong, whether they are listed companies or not, as well as other paid activities that they perform, whatever their nature may be.

    c) Indicate the category of director to which they belong, detailing, in the case of proprietary directors, the shareholder they represent or with whom they have ties.

    d) Date of his/her first appointment as director in the company, as well as the subsequent re-election.

    e) Company shares, and options thereon, held by them.

    Complies [X] Partially complies [ ] Explain [ ]

19. In the Annual Corporate Governance Report, after verification by the Appointments Committee, the reasons why proprietary directors have been appointed at the request of shareholders whose stake is less than 3% of the capital should be explained; as should the reasons why, where appropriate, formal requests have been denied for attendance on the Board from shareholders whose stake is equal to or greater than that of others at whose request proprietary directors have been appointed.

    Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

20. The proprietary directors should submit their resignation when the shareholder they represent transfers their entire stake. They should also do so, in the corresponding number, when such shareholder reduces their stake to a level that requires a reduction in the number of their proprietary directors.

    Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

The Board of Directors understands that the significant shareholder BBVA reducing its stake in 2024 from 5.96% of capital on 1 January 2024 to 5.21% as of 31 December 2024 does not imply that the Board require proprietary director Mr Enrique Migoya, BBVA representative, submit his resignation.

21. The Board of Directors should not propose the removal of independent directors before the expiry of the tenure for which they were appointed, except where just cause is found by the Board of Directors, based on a report from the Appointments Committee. In particular, just cause shall be deemed to exist when the director takes up new posts or incurs new obligations that prevent them from devoting the necessary time to the performance of the duties inherent to the post of director, fails to fulfil the duties inherent to their post or comes under any of the circumstances that cause them to lose their independent status, in accordance with the provisions of the applicable legislation.

    The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations involving a change in the company's capital structure, when such changes in the structure of the Board of Directors are prompted by the proportionality criterion set out in Recommendation 16.

    Complies [X]   Explain [ ]

22. Companies should establish rules obliging directors to report and, where appropriate, resign when situations arise affecting them, whether or not related to their actions in the Company itself, which could damage the Company's credit and reputation and, in particular, obliging them to inform the Board of Directors of any criminal proceedings in which they are under investigation, as well as the procedural events thereof.

    Having been informed of or otherwise having become aware of any of the situations mentioned in the preceding paragraph, the Board should examine the case as soon as possible and, in view of the specific circumstances, decide, after a report from the Appointments and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. This should be reported in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which should be recorded in the minutes. This is without prejudice to the information that the Company must disclose, where appropriate, when the relevant measures are taken.

    Complies [X]   Partially complies [ ]   Explain [ ]

23. All directors should clearly express their opposition when they consider that any proposed decision submitted to the Board of Directors may be contrary to the Company's interests. In particular, independent and other directors who are not affected by the potential conflict of interest should likewise do so in the case of decisions that may be detrimental to shareholders not represented on the Board of Directors.

    When the Board of Directors makes material or reiterated decisions about which a director has expressed serious reservations, the director should draw the pertinent conclusions and, if they choose to resign, explain the reasons in the letter referred to in the next recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if they do not have the status of a director.

    Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

24. When, either by resignation or by resolution of the General Shareholders' Meeting, a director leaves before the end of their term of office, they should sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons behind removal by the Board, in a letter to be sent to all members of the Board of Directors.

    This should all be reported in the Annual Corporate Governance Report, and, if it is relevant for investors, the Company should publish an announcement of the departure as quickly as possible, including sufficient reference to the reasons or circumstances provided by the director.

    Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

25. The Appointments Committee should ensure that non-executive directors have sufficient time available to adequately perform their duties.

    The Board Regulations should establish the maximum number of company boards on which its directors may sit.

    Complies [X] Partially complies [ ] Explain [ ]

The annual Work Plan of the Appointments and Remuneration Committee includes the annual review of directors' commitment and their other professional obligations.

The understanding is that the question is asked in relation to listed companies and the Company has indeed established rules on the number of boards of listed companies to which directors may belong. No limits are set for non-listed companies, since the impact on the time available to perform their duties at the Company will depend on the level of occupation and the positions that the director in question holds on other boards, which will be analysed by the Committee in each instance.

26. The Board of Directors should meet with the necessary frequency to perform its duties effectively and at least eight times a year, following the schedule of dates and matters established at the beginning of the year, with each director having the right to propose other items on the agenda that were not initially foreseen.

    Complies [X] Partially complies [ ] Explain [ ]

27. Director absences should be kept to the bare minimum and quantified in the annual corporate governance report. When they do occur, proxies should be granted with instructions.

    Complies [X] Partially complies [ ] Explain [ ]

28. When directors or the secretary express concerns about a proposal or, in the case of directors, about the Company's performance, and such concerns are not resolved at the Board meeting, they should, at the request of the person expressing them, be recorded in the minutes.

    Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

29. The Company should provide suitable channels for directors to obtain the advice they need to carry out their duties, including, if the circumstances so require, external advice at the Company's expense.

Complies [X] Partially complies [ ] Explain [ ]

30. Regardless of the knowledge required of directors for the performance of their duties, companies should also offer directors refresher programmes when circumstances so dictate.

Complies [X] Explain [ ] Not applicable [ ]

31. The agenda for Board meetings should clearly indicate the points on which the Board of Directors is to adopt a decision or resolution, so that directors can study or obtain the information necessary for its adoption beforehand.

When, exceptionally, for reasons of urgency, the chair wishes to submit decisions or resolutions not appearing on the agenda for approval by the Board of Directors, prior express consent from the majority of the directors present shall be required, which shall be duly recorded in the minutes.

Complies [X] Partially complies [ ] Explain [ ]

32. Directors should be regularly informed of movements in share ownership and of the opinions of significant shareholders, investors and rating agencies on the Company and its Group.

Complies [X] Partially complies [ ] Explain [ ]

33. The chair, as the person responsible for the effective operation of the Board of Directors, in addition to the duties assigned by law and the Corporate By-laws, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the Board and, where appropriate, the Company's Chief Executive Officer; be responsible for the management of the Board and the effectiveness of its operation; ensure that sufficient time is given to the discussion of strategic issues; and approve and review refresher programmes for each director, when circumstances so advise.

Complies [X] Partially complies [ ] Explain [ ]

34. Where there is a coordinating director, the By-laws or Board Regulations should grant them the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chair and vice-chairs, if any; to give voice to the concerns of non-executive directors; to maintain contacts with investors and shareholders to hear their views in order to form an opinion on their concerns, particularly in relation to the company's corporate governance; and to coordinate the chair's succession plan.

Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

35. The secretary of the Board of Directors should take special care to ensure that, in its actions and decisions, the Board of Directors takes into account the recommendations on good governance set forth in this Code of Good Governance that are applicable to the company.

Complies [X] Explain [ ]

36. The Board of Directors in plenary session should assess, once a year, and adopt, where appropriate, an action plan to remedy identified deficiencies with respect to:

a) The quality and efficiency of the Board of Directors' operation.

b) The functioning and composition of its committees.

c) The diversity in the composition and powers of the Board of Directors.

d) The performance of the Chair of the Board of Directors and the company's Chief Executive Officer.

e) The performance and contribution of each director, paying close attention to those responsible for the different Board committees.

In order to carry out the assessment of the different committees, the report that they submit to the Board of Directors shall be used, and for the assessment of the latter, the one submitted by the Appointments Committee.

Every three years, the Board of Directors shall be assisted in the evaluation by an external consultant, whose independence shall be verified by the Appointments Committee.

The business relationships that the consultant or any company in its group has with the Company or any company in its Group should be broken down in the Annual Corporate Governance Report.

The process and the areas assessed will be described in the Annual Corporate Governance Report.

Complies [X] Partially complies [ ] Explain [ ]

In relation to the way in which the two Supervisory Committees are evaluated, due to the constant information that exists between the Board and the Committees, all Board members have sufficient knowledge and discretion to directly assess such Committees, pursuant to the procedure indicated in section C.1.17 of this Corporate Governance Report.

37. When there is an Executive Committee, at least two non-executive directors should sit on it, at least one of whom should be independent; and its secretary should be the secretary of the Board of Directors.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

The participation structure of the different categories of directors is similar to that of the Board of Directors itself, and its Secretary is the Secretary of the Board.

The Executive Committee did not meet in 2024.

38. The Board of Directors should always be informed of the matters dealt with and decisions made by the Executive Committee, and all members of the Board of Directors should receive copies of the minutes of the Executive Committee's meetings.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

The Executive Committee did not meet in 2024.

39. The members of the Audit Committee as a whole, and especially its chair, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

Complies [X] Partially complies [ ] Explain [ ]

40. Under the supervision of the Audit Committee, there should be an internal audit unit to ensure the proper functioning of the internal information and control systems, reporting functionally to the non-executive chair of the Board or the chair of the Audit Committee.

Complies [X] Partially complies [ ] Explain [ ]

As reported in sections E and F above, following best good corporate governance practices, the Company has an Internal Audit Director who oversees the proper functioning of the internal control and information systems. This director reports functionally to the chair of the Audit Committee.

The "Internal Audit Charter" has been applied by the Audit Committee since 2019; it defines the purpose, authority and responsibility of the internal audit.

The Internal Audit director is responsible for identifying the department's objectives and proposing its action plans to the Committee. In this regard, at its meeting on 16 December 2024, the Audit Committee approved the internal audit plan for the current year.

41. The head of the unit responsible for the internal audit department should present the annual work plan to the Audit Committee for approval by said committee or by the Board, report directly to it on its implementation, including any incidents and limitations in the scope arising in the course of its implementation, the results and follow-up of its recommendations, and submit an activities report to it at the end of each financial year.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

42. In addition to those provided for by law, the following functions should correspond to the Audit Committee:

1. With regard to the information and internal control systems:

   a) Oversee and evaluate the preparation process and integrity of financial and non-financial information, as well as the financial and non-financial risk management and control systems relating to the Company and, where appropriate, the Group—including operational, technological, legal, social, environmental, political, reputational and corruption-related risks—reviewing compliance with regulatory requirements, the appropriate limit of the scope of consolidation and the correct application of accounting criteria.

   b) Ensure the independence of the unit that assumes the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the budget for that service; approve or propose approval by the Board of the annual internal audit guidelines and work plan, ensuring that its activity is primarily focused on relevant risks (including reputational risks); receive regular information on its activities; and ensure that senior management takes into account the conclusions and recommendations of its reports.

   c) Establish and supervise a mechanism that enables employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially important irregularities, including financial and accounting irregularities or those of any other nature related to the Company, that they may notice within the Company or its Group. This mechanism must guarantee confidentiality and always enable reports to be made anonymously, while respecting the rights of both the whistleblower and the accused party.

   d) Ensure, in general, that the established internal control policies and systems are effectively implemented in practice.

2. With regard to the external auditor:

   a) In case of resignation of the external auditor, to examine the circumstances that may have motivated such decision.

   b) To ensure that the remuneration of the external auditor for their work does not compromise their quality or independence.

   c) To oversee that the company reports the change of auditor to the CNMV accompanied by a statement of any possible disagreements with the outgoing auditor and, if they exist, their content.

   d) To ensure that the external auditor holds an annual meeting with the full Board of Directors to inform it of the work performed and the development of the company's accounting and risk situation.

   e) To ensure that the company and the external auditor comply with existing rules on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other rules on auditor independence.

Complies [X]   Partially complies [ ]   Explain [ ]

All of the above duties are assigned to the Audit Committee by the Regulations of the Board of Directors adopted on 27 January 2022 and by the Audit Committee Regulations which were approved by the Board of Directors on 21 December 2023.

43. The Audit Committee should be able to summon any Company employee or manager, and even order their appearance without the presence of any other manager.

Complies [X] Partially complies [ ] Explain [ ]

44. The Audit Committee should be informed of any structural and corporate changes that the Company plans to make in order to analyse them and report to the Board of Directors beforehand on their economic conditions and accounting impact and, in particular, where appropriate, on the proposed exchange equation.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

45. The risk management and control policy should identify or determine at least:

a) The different types of financial and non-financial risk (including operational, technological, legal, social, environmental, political and reputational, along with those related to corruption) that the Company faces — with contingent liabilities and other off balance-sheet risks included among the financial or economic risks.

b) A tiered risk management and control model, including a specialised risk committee where sectoral rules so provide or where the company deems it appropriate.

c) The determination of the level of risk that the company considers acceptable.

d) The measures planned to mitigate the impact of the risks identified, should they materialise.

e) The information and internal control systems that will be used to control and manage the above-mentioned risks, including contingent liabilities or off balance-sheet risks.

Complies [X] Partially complies [ ] Explain [ ]

46. Under the direct supervision of the Audit Committee or, as the case may be, of a specialised committee of the Board of Directors, there should be an internal risk management and control function exercised by an internal unit or department of the Company with the following functions expressly attributed to it:

a) Ensure the proper functioning of the risk management and control systems and, in particular, ensure that all important risks that affect the Company are properly identified, managed and quantified.

b) Actively participate in the preparation of the risk strategy and in important decisions about its management.

c) Ensure that risk management and control systems mitigate risks adequately within the framework of the policy defined by the Board of Directors.

Complies [X] Partially complies [ ] Explain [ ]

The function is carried out by the Internal Audit department.

47. The members of the Appointments and Remuneration Committee—or of the Appointments Committee and the Remuneration Committee, if they are separate—should have the knowledge, skills and experience appropriate to the duties they are called upon to perform, and the majority of such members should be independent directors.

Complies [X] Partially complies [ ] Explain [ ]

48. Large-cap companies should have a separate Appointments Committee and Remuneration Committee.

Complies [ ] Explain [ ] Not applicable [X]

49. The Appointments Committee should consult with the Chair of the Board of Directors and the Company's Chief Executive Officer, especially on matters relating to executive directors.

Any director should be able to request that the Appointments Committee consider potential candidates to fill director vacancies on the Board, if it deems them suitable.

Complies [X] Partially complies [ ] Explain [ ]

50. The Remuneration Committee should perform its functions independently and have the following functions in addition to those assigned by law:

a) Propose to the Board of Directors the basic terms and conditions of the contracts of Senior Management.

b) Monitor compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy applied to directors and senior management, including share-based remuneration schemes and their implementation, and ensure that their individual remuneration is proportionate to that paid to other company directors and senior management.

d) Ensure that any conflicts of interest do not impair the independence of the external advice provided to the committee.

e) Verify the information on the remuneration of directors and senior managers contained in the various corporate documents, including the annual report on directors' remuneration.

Complies [X] Partially complies [ ] Explain [ ]

All of the above duties are assigned to the Appointments and Remuneration Committee by the Regulations of the Board of Directors approved on 27 January 2022 and by the Appointments and Remuneration Committee Regulations, which were approved by the Board of Directors on 25 January 2024.

51. The Remuneration Committee should consult with the Company's Chair and Chief Executive Officer, especially on matters relating to executive directors and senior management.

Complies [X] Partially complies [ ] Explain [ ]

52. The rules for the composition and operation of the supervisory and control committees should be set out in the Board of Directors' Regulations and be consistent with those applicable to legally binding committees in accordance with the above recommendations, including:

a) That they are composed exclusively of non-executive directors, with a majority of independent directors.

b) That its chairs are independent directors.

c) That the Board of Directors should appoint the members of these committees, taking into account the knowledge, skills and experience of the directors and the duties of each committee, should deliberate on their proposals and reports, should report on their activities at the first Board of Directors' plenary session following their meetings, and should be accountable for the work carried out.

d) That the committees may seek external advice, when they deem it necessary for the performance of their duties.

e) That minutes are drawn up from its meetings, which shall be made available to all the directors.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

53. Oversight of compliance with the Company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be entrusted to one or more committees of the Board of Directors, which may be the Audit Committee, the Appointments Committee, a committee specialising in sustainability or corporate social responsibility or any other specialised committee that the Board of Directors, in exercise of its powers of self-organisation, has decided to create. Such a committee should be composed solely of non-executive directors, the majority of whom should be independent, and should be specifically attributed the minimum duties indicated in the following recommendation.

Complies [X] Partially complies [ ] Explain [ ]

Supervision of compliance with the Company's rules on environmental, social and corporate governance matters and internal codes of conduct is assigned to the Audit Committee (pursuant to Article 21 of the Board Regulations and Article 7.D) of the Audit Committee Regulations), which solely comprises non-executive directors, the majority of which are independent.

With regard to sustainability and corporate governance, supervision of compliance with the Company's policies and rules on environmental, social and corporate governance matters includes:

i. Overseeing and monitoring compliance with corporate governance rules and the Company's internal codes of conduct, ensuring that the corporate culture is aligned with their aims and values.

ii. Overseeing the implementation of the general policy on economic-financial, non-financial and corporate reporting, as well as communication with shareholders and investors, proxy advisers and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders will also be monitored.

iii. Assessing and periodically reviewing the corporate governance system and the Company's environmental and social policy, to fulfil the mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders.

iv. Ensuring that the Company's environmental and social practices align with the set strategy and policy.

v. Overseeing and assessing relationships with the various stakeholders.

It is also the responsibility of the Audit Committee to propose to the Board of Directors the appointment of the independent verification service provider charged with verifying mandatory sustainability information, checking that non-financial information published on the Company's corporate website is permanently up to date and matches the information prepared by the Board of Directors and published on the website of the Spanish National Securities Market Commission, and reporting in advance on the Group's risks to be included in the Company's Annual Corporate Governance Report and submitting its conclusions to the Board of Directors for consideration.

54. The minimum duties referred to in the above recommendation are as follows:

a) Supervising compliance with corporate governance rules and the company's internal codes of conduct, ensuring that the corporate culture is aligned with their aims and values.

b) Overseeing the implementation of the general policy on economic-financial, non-financial and corporate reporting, as well as communication with shareholders and investors, proxy advisers and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders will also be monitored.

c) Assessing and periodically reviewing the corporate governance system and the Company's environmental and social policy, to fulfil the mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders.

d) Ensuring that the Company's environmental and social practices align with the set strategy and policy.

e) Supervising and assessing relationships with the various stakeholders.

Complies [X] Partially complies [ ] Explain [ ]

55. Social and environmental sustainability policies should identify and include at least:

a) Principles, commitments, objectives and strategy regarding shareholders, employees, customers, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights and the prevention of corruption and other illegal conduct.

b) Methods or systems for monitoring compliance with policies, associated risks and their management.

c) Supervision mechanisms for non-financial risk, including that related to ethics and business conduct.

d) Communication, participation and dialogue channels with stakeholders.

e) Responsible communication practices that avoid the manipulation of information and protect integrity and honour.

Complies [X] Partially complies [ ] Explain [ ]

56. Directors' remuneration should be sufficient to attract and retain directors with the desired profile and reward the dedication, qualifications and responsibility that the post demands, but not so high as to compromise the independence of non-executive directors' judgement.

Complies [X] Explain [ ]

57. Variable remuneration linked to the Company's performance and personal performance, as well as remuneration in the form of shares, options or rights over shares or instruments indexed to the value of the share and long-term savings schemes such as pension plans, retirement schemes or other social welfare schemes, should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. The foregoing shall not apply to the shares that the director needs to transfer, if any, to satisfy the costs related to their acquisition.

Complies [X]   Partially complies [ ]   Explain [ ]

No directors performed executive functions in 2024. There is no variable remuneration or remuneration in the form of shares, options or rights over shares or instruments pegged to the value of the share, nor are there long-term savings schemes for directors.

Following the amendment of the Corporate By-laws and the Directors' Remuneration Policy approved by the General Shareholders' Meeting on 30 June 2022, in line with the principles of good corporate governance, the small variable remuneration equal to 0.5% of consolidated net profit for all directors was eliminated with effect from 2022 (this remuneration was paid out up until 2021 inclusive).

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries and not merely the general progress of the markets or the Company's sector of activity or other similar circumstances.

And, in particular, the variable remuneration components should:

a) Be linked to performance criteria that is predetermined and measurable and which considers the risk undertaken to obtain a result.

b) Promote the Company's sustainability and include non-financial criteria that are suitable for long-term value creation, such as compliance with the Company's rules and internal procedures and its risk management and control policies.

c) Be based on a balance between meeting short-, medium- and long-term goals that allow remuneration for sustained performance for a period of time sufficient to appreciate contribution to sustainable value creation, so that the items that measure such performance do not just revolve around one-off, occasional or extraordinary events.

Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

There is no variable remuneration in favour of directors, so there is no need for remuneration policies to incorporate limits or precautions in relation thereto

59. The payment of variable components of remuneration should be subject to sufficient verification that the performance or other pre-determined conditions have been effectively met. Entities shall include, in the annual directors' remuneration report, the criteria as to the time required and methods for such verification depending on the nature and characteristics of each variable component.

    Entities should also consider establishing a malus clause based on the deferral, for a sufficient period of time, of the payment of a part of the variable components that entails their total or partial loss should an event occur prior to the time of payment that makes it advisable to do so.

    Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

60. Remuneration linked to the Company's results should take into account any qualifications stated in the external auditor's report and reduce those results.

    Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

There is no remuneration for directors linked to the company's results.

61. A relevant percentage of the variable remuneration of executive directors should be linked to the provision of shares or financial instruments referenced to their value.

    Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

No directors had any executive functions in 2024.

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been attributed, executive directors may not transfer ownership or exercise them until at least three years have elapsed.

    An exception is made where the director maintains, at the time of the transfer or exercise, a net economic exposure to changes in the share price of a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

    The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the Appointments and Remuneration Committee, to meet extraordinary situations that so require.

    Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

No directors had any executive functions in 2024.

63. Contractual arrangements should include a clause allowing the company to claim reimbursement of variable remuneration components where payment has not been in line with performance conditions or where they have been paid based on data subsequently found to be inaccurate.

Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

No directors had any executive functions in 2024.

64. Payments for termination or expiry of the contract should not exceed an amount equivalent to two years of the total annual remuneration and should not be paid until the Company has been able to verify that the director has complied with the criteria or conditions established for their receipt.

For the purposes of this recommendation, contractual termination payments should include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the director's contractual relationship with the Company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

No directors had any executive functions in 2024.

H. OTHER INFORMATION OF INTEREST

1. If there are any relevant aspects of corporate governance in relation to the Company or the entities of the Group that have not been included in the other sections of this report, but which it is necessary to include in order to provide more complete and reasoned information on the structure and practices of governance in the Company or its Group, briefly describe them.

2. Within this section, you may also include any other information, clarification or details related to the previous sections of the report insofar as they are relevant and not repetitive.

   Specifically, indicate whether the Company is subject to corporate governance legislation other than in Spanish law and, if so, include the information that it is mandatory to provide and which differs from that required in this report.

3. The Company may also indicate whether it has voluntarily adhered to other codes of ethical principles or best practices, whether international, sectoral or otherwise. As the case may be, the code in question and the date of accession should be identified. In particular, please state whether the Code of Best Tax Practices of 20 July 2010 has been adhered to:

The Company considers that the operation of its governing and administrative bodies is adequate, although it has a clear intention to continue making progress in the area of good corporate governance, to which end it has gradually adopted the best practices recommended in the June 2020 version of the Unified Code of Good Governance for listed companies (CGG), and will continue to do so in the current year, because, although these recommendations are voluntary, the Company believes that they are an essential factor for value creation at the Company, improving economic efficiency and enhancing investor confidence.

It should be noted that having considerably improved its corporate governance in 2021, the Company continued to make significant progress during 2022, 2023 and 2024 in its level of compliance with good governance recommendations. During 2024 and up to the date of publication of this report, the Tubos Reunidos Group made significant progress in terms of corporate governance at the Company and the entities of the Tubos Reunidos Group, as listed below:

1) With regard to CORPORATE BODIES:

• In 2024, the Appointments and Remuneration Committee analysed whether or not to maintain the position of Coordinating Director, taking into account the current situation whereby the Board had appointed a non-executive chair. The decision was made to refer the proposal to remove this figure to the Board, given that the new circumstances make the role unnecessary, since there was no need for a counterweight to the executive chair. Consequently, at its meeting of 29 February 2024, the Board unanimously approved, at the proposal of the Appointments and Remuneration Committee, to remove Mr Jorge Gabiola as Coordinating Director, effective 1 March 2024, with Mr Gabiola fully retaining his position as independent director of the Company.

• On 29 February 2024, the Board of Directors, as good corporate governance practice and following the recommendations resulting from the assessment of the Board in 2023, approved the appointment of the Secretary of the Board, Ms Inés Núñez de la Parte as Secretary of the Audit Committee and as Secretary of the Appointments and Remuneration Committee, effective 1 March 2024.

2) With regard to the INTERNAL REGULATORY FRAMEWORK:

The Company continued to take great strides towards a solid corporate governance system aligned with best practice.

- On 25 January 2024, the internal regulatory framework was extended and refined through approval of a new governance standard for a corporate body by the Board of Directors: The Appointments and Remuneration Committee Regulations. These Regulations establish the Committee's basic organisational rules, its powers, its principles of action, and its system of operation and duties, as well as rules governing relations with other Company bodies and members of management, as well as the obligation to assess the Committee's operation. The text of the ARC Regulations was made available to shareholders and the general public on the Company's website.

Furthermore, with a view to achieving sustainable and ethical development of the Group's businesses, and to comply with the CSRD (European Directive 2022/2464 on corporate sustainability reporting that seeks to increase transparency and corporate responsibility regarding environmental, social and governance impacts), the Board has approved new CORPORATE POLICIES that expand its internal regulatory framework and have been disclosed via publication on the corporate website www.tubosreunidosgroup.com, under Shareholders and Investors, Corporate Policies:

- Approval of the Corporate Human Rights Policy on 25 July 2024. Respect for human rights is a fundamental pillar upon which the Tubos Reunidos Group companies' purpose and values are based. The Board therefore approved the Corporate Human Rights Policy, which aims to: i) explicitly set out the Tubos Reunidos Group's firm commitment to ensuring compliance with and defending the human rights recognised in national and international legislation when conducting business; and ii) define the principles that will be applied within the scope of the TR Group for due diligence in human rights matters.

- Approval of the Corporate Anti-Corruption and Anti-Fraud Policy on 31 October 2024. This policy has been developed taking into account the highest international standards, with a view to guaranteeing an ethical, honest corporate culture, demonstrating the staunchest opposition to corrupt and/or fraudulent practices and applying a principle of zero tolerance on fraud and corruption in all its manifestations.

- Approval of the Corporate Environment Policy on 19 December 2024, with a view to expressly stating that respect for the environment is a fundamental pillar upon which the TR Group companies' purpose and values are based.

- Approval of the Corporate Climate Change Policy on 19 December 2024, with a view to minimising the impact of its activity on the climate in all its activities and relations with stakeholders, and complying with all applicable legislative requirements and other requirements or commitments undertaken by the Group, as well as making its staunch commitment to respect and protect the environment explicit and binding.

- With regard to refining the internal regulatory framework, it should be noted that, in 2025, prior to this report being published, the Board of Directors, at its meeting on 30 January 2025, approved the TRSA's new Internal Code of Conduct in Securities Markets, which has been adapted to current legislation and best practices for listed companies. This new Regulation amends and replaces the previous text, dated 24 July 2003, which no longer applies. The Regulation i) regulates the conduct of directors and executives at Tubos Reunidos Group in securities market matters, ii) aims to prevent and avoid any situation of market abuse, and iii) has considered, among other legislation, the provisions set forth in the recent Law 6/2023 on Securities Markets and Investment Services.

3) As regards STRATEGIES, the Board of Directors undertook five important actions:

Approval of the Tubos Reunidos Group Sustainability Master Plan 2024–2028 (SMP) by the Board on 26 September 2024, as a road map that will determine the Company's sustainability strategy during this period and which constitutes one of the core pillars of the TR Group's Strategic Plan.

. Set aside more resources for the Sustainability department.

. Training imparted to directors in the areas of sustainability, double materiality and European taxonomy on 26 September 2024.

. Approval, on 26 September 2024, pursuant to the provisions of section GOV-1 ESRS 2 of Regulation 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to the rules sustainability reporting, reporting the result of the double materiality analysis (financial and impact) of the sustainability issues faced by the Tubos Reunidos Group, and its integration into the Sustainability Master Plan 2024–2028 and, therefore, into the Company's Strategic Plan.

Approval of the Corporate Risk Map Update by the Board of Directors on 25 July 2024.

4) With regard to the COMPLIANCE SYSTEM, the Board of Directors has continued to promote its improvement and updating in 2024.

Following the extensive adaptation undertaken in 2023 as a result of the requirements of the new Law 2/2023, of 20 February, regulating the protection of persons who report regulatory infringements and the fight against corruption, the Company continued to develop its compliance system and promote an ethical culture within the organisation in 2024.

The main actions taken in 2024 were as follows:

1) Accession by the Tubos Reunidos Group to the UN Global Compact on 7 February. The UN Global Compact represents the UN's commitment to promoting the Sustainable Development Goals (SDGs) in the business sector. The companies and organisations that have signed the Compact have strategies and operations in place that are aligned with the ten universal principles on human rights, labour standards, the environment and anti-corruption. To become a signatory of the Global Compact, the Company was subject to an assessment, which will be repeated annually, in which the following areas are assessed:
• Promotion and application of the Global Compact's ten universal principles.
• Compliance with ethical business practices.
• Contribution to the SDGs.
• Demonstration of transparency and accountability.

2) Approval on 25 March of the Protocol for Prevention and Action against Harassment at the parent company Tubos Reunidos, S.A., which was then disseminated to all staff.

3) Provision of information about the Company's compliance system and, more specifically, the internal reporting system, at the Ordinary General Shareholders' Meeting held on 30 May 2024, to the shareholders, directors and executives present.

4) Adherence, on 5 June 2024, of the joint venture, Tubos Reunidos Premium Threads, S.L., to the Tubos Reunidos Group Compliance System, and internal communication to all staff providing details of the core pillars of said system and the existence of the internal reporting system and the Whistleblowing Channel.

5) Approval, on 1 July 2024, of the Travel and Entertainment Expense Policy regulating the procedure to be followed for managing expenses incurred by Group staff on business trips as part of their responsibilities. This policy has been disseminated to all staff in line with the Regulatory Compliance Communication Plan.

6) On 20 November, training was imparted to members of the Steering Committee on prevention and action against harassment and on digital disconnection, in line with the Compliance Training Plan.

7) Approval on 20 December of the Protocol for Prevention and Action against Harassment at the subsidiary, Tubos Reunidos Group, S.L.U., following consultations with the Negotiating Committee for the Equality Plan. This Protocol was then disseminated to all staff.

It should also be noted that in the final quarter of 2024, with support from an external expert, the project to update the Company's criminal risk matrix in line with legislative developments and changes in the corporate and organisational structure since 2021 was implemented.

In short, thanks to the changes and reforms to the governance system carried out in 2021, 2022, 2023 and 2024, the Tubos Reunidos Group's Corporate Governance System is increasingly robust and effective, and constitutes a solid structure for business to develop properly, in line with the highest standards and best practice within Spain and around the world. Tubos Reunidos S.A. has achieved a high level of compliance with the Code of Good Governance for Listed Companies compared with that of other listed entities of its size in the same sector. Nonetheless, the Company's Board of Directors is firmly committed to continuing to improve corporate governance and make progress in the area of good corporate governance in 2025.

BEST TAX PRACTICES IN LINE WITH THE CODE OF 20 JULY 2010. The Company has not formally adhered to the Code of Best Tax Practices of 20 July 2010 by agreement of the Board of Directors because the objective of that Code is to promote a reciprocally cooperative relationship with the Spanish State Tax Administration Agency (Agencia Estatal de Administración Tributaria), and the taxation of the Company is subject to Basque regional regulations, since it has its registered office in Álava. Notwithstanding the foregoing, the Company maintains a relationship with the Tax Authorities (mainly the local treasuries of Álava and Biscay) based on the principles of transparency and mutual trust, and always in accordance with the principles of good faith and loyalty between the parties. The Company has a Corporate Tax Policy that includes Tubos Reunidos Group's tax strategy and its commitment to implementing best tax practice. By virtue of this policy, the Group's compliance with its tax obligations and its relations with the Tax Authorities are governed by the following principles:

1. Apply and comply with current tax regulations in all territories in which the Group operates.
2. Promote responsible tax behaviour that seeks to prevent tax risk, through the following practices:
3. Maintain a relationship with the tax authority based on the principles of good faith, collaboration and transparency.
4. Ensure that the Company's Board of Directors is aware of the main tax implications of all its decisions and effectively and fully complies with its non-delegable powers in tax matters.

This Annual Corporate Governance Report has been approved by the Company's Board of Directors at its meeting dated:

27/02/2025

Indicate whether there have been any directors who voted against or abstained in relation to the approval of this Report.

[ ] Yes
[√] No

CNMV
COMISIÓN NACIONAL DEL MERCADO DE VALORES

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED LIMITED LIABILITY COMPANIES

ISSUER'S IDENTIFICATION DETAILS

End date of relative financial year: 31/12/2024

CIF (tax ID no.): A-48011555

Company name:

TUBOS REUNIDOS, S.A.

Registered office:

BARRIO SAGARRIBAI, S/N° (AMURRIO) ÁLAVA, SPAIN

A. COMPANY REMUNERATION POLICY FOR THE YEAR IN PROGRESS

A.1.1 Explain the current remuneration policy for directors that applies to the current year. To the extent that it is relevant, certain information may be included referencing the remuneration policy approved by the General Shareholders' Meeting, provided that the incorporation is clear, specific and precise.

The specific determinations for the current financial year should be described in terms of the directors' remuneration for their position and the performance of their executive functions, which the Board should have completed in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting.

In any case, the following aspects, at a minimum, must be reported:

a) A description of the procedures and company bodies involved in determining, approving and implementing the remuneration policy and its conditions.

b) An indication and, where appropriate, explanation as to whether comparable companies have been taken into account when establishing the Company's remuneration policy.

c) Information on whether any external adviser has been consulted and, if so, the external adviser's identity.

d) Procedures covered by the current directors' remuneration policy in order to apply temporary exceptions to the policy, the conditions under which such exceptions may be invoked and components that may be subject to exceptions according to the policy.

The remuneration policy for Tubos Reunidos directors that applies to the current financial year is outlined in its statutory regime and in the "Directors' Remuneration Policy", approved by the General Shareholders' Meeting on 30 May 2024.

The statutory regime that applies to the directors' remuneration is outlined in Article 26 of the Corporate By-laws, the latest text of which was approved by the General Shareholders' Meeting held on 30 June 2022.

Furthermore, in order to adapt it to this statutory framework, on 8 May 2024, the Appointments and Remuneration Committee (hereinafter, ARC) drafted the "Directors' Remuneration Policy" and proposed it to the Board of Directors, which submitted it for examination and approval by the General Shareholders' Meeting on 30 May 2024 as a separate item on the agenda, and it was made available to shareholders on the Company's website, along with the specific report issued for these purposes by the ARC, after the General Shareholders' Meeting was convened. At the time the proposed policy was prepared, the ARC comprised the following directors:

Chairwoman: Ms Ana Muñoz (Independent)
Members: Mr Cristobal Valdés (Proprietary) and Ms Maria Sicilia (Independent).

The General Shareholders' Meeting approved the current policy by a large majority (over 98%) on 30 May 2024, for application from its approval date thereafter. It will remain valid throughout 2025, 2026 and 2027.

The general principles comprising the remuneration policy are based on the provisions of Article 217.4 of the Spanish Capital Companies Act, which establishes directors' remuneration must be reasonably proportional to the size of the Company, its current financial situation and market standards for comparable companies. The policy must also pursue long-term profitability and sustainability at the Company and incorporate the necessary precautions to prevent excessive risk-taking and reward for unfavourable results. Based on this legal provision, the general principles of the remuneration policy are as follows:

a) Alignment with the interests of shareholders, as a factor for the creation of long-term and sustainable value for the Company, and with their values.
b) Moderation, balance and prudence, so that the level of responsibility assumed, qualification and actual dedication are suitably rewarded, taking into account market references according to public information on this subject regarding companies that are comparable due to their capitalisation, size, ownership structure and establishment on the international level;
c) Competitiveness, serving as an incentive to attract and retain the highest calibre of professional, in terms of level of responsibility and career path, without this affecting their independence.
d) Ensuring that remuneration contributes to the achievement of the Company's strategic objectives.
e) Low weighting of variable components for external directors (proprietary and independent), allowing for prudent risk management in decision-making.

f) Transparency in the remuneration policy.

Application of the Directors' Remuneration Policy aims to generate long-term value for shareholders and, in turn, ensure the sustainability of the Company's results and activity. The compensation established in favour of the directors is based on the usual remuneration items for boards of listed Spanish companies.

With regard to the criteria used and the composition of the groups of comparable companies whose remuneration policies have been examined when establishing the policy, the Company reports that the remuneration policies of comparable listed Spanish companies included in the directors' remuneration reports published by two top-rated consulting firms were examined, and that corporate governance best practices were taken into account when preparing the remuneration policy.

No external advisers participated in preparing the policy, although it is based on the remuneration system initially proposed to the Board of Directors by the Appointments and Remuneration Committee on 15 April 2009, having then received external advice from the firm, Seeliger y Conde.

The policy contributes positively to Tubos Reunidos' business strategy, creating value and long-term interests and sustainability for the Company, and does not consider temporary exceptions to its application, nor conditions under which such exceptions may be invoked nor the components that may be subject to exceptions.

A.1.2 The relative importance of variable remuneration items in relation to fixed remuneration items (remuneration mix) as well as which criteria and objectives will apply have been taken into account when it comes to its determination, and to guarantee an adequate balance between the fixed and variable remuneration components. In particular, outline the actions taken by the Company in relation to the remuneration system to reduce exposure to excessive risks and adjust it to the Company's long-term goals, values and interests. This includes, where appropriate, reference to the measures envisaged to ensure that the remuneration policy addresses the Company's long-term results, the measures taken in relation to those staff categories whose professional activities have a tangible impact on the Company's risk profile and measures envisaged to avoid any conflicts of interest.

Also, indicate whether the Company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, a period of deferment in the payment of amounts or delivery of the financial instruments that have been already accrued and consolidated or if any deferred remuneration reduction clause has been agreed which has not yet been consolidated or which forces the Director to pay back the remuneration received, where such remuneration has been based on data whose inaccuracy has subsequently been clearly demonstrated.

In 2024, no directors accrued any variable remuneration and shall not accrue any variable remuneration in the current year.

Directors, in their capacity as such, receive remuneration comprising two cumulative items: 1) a set amount and 2) per diems for attending meetings of the Board of Directors and Committees of the Board.

By means of the June 2022 amendment to the Remuneration Policy applicable to 2022, 2023 and 2024, which was approved on 30 June 2021, and in line with good governance recommendations for listed companies, the only variable remuneration item for non-executive directors of the Company was removed. This item previously consisted of a 0.5% stake in consolidated net profit provided that the legal reserve was covered and shareholders had been paid a minimum dividend of 4%.

Subsequently, following approval of the current Directors' Remuneration Policy for 2025, 2026 and 2027 on 30 May 2024, the regulation of the remuneration system for executive directors, established in Article 4.2. of the above Policy, was eliminated, as there are currently no directors with executive functions on the Board and there is no expectation of there being any in the coming three years. This amendment has removed any reference to variable remuneration items in favour of directors from the Remuneration Policy.

A.1.3 The amount and nature of the fixed components that are expected to accrue during the year by the directors as such.

In 2025, the current Directors' Remuneration Policy, approved on 30 May 2024 by the General Shareholders' Meeting and available on the Company website under the section Shareholders and Investors, Corporate Policies (https://www.tubosreunidosgroup.com/es/investors/politicas-corporativas), will be applied. The fixed remuneration of directors in their capacity as such (amount of the cash compensation accrued by the director for membership of the Board of Directors and its committees, and for the positions held on the Board) is specified in section 4.1. "IN THEIR CAPACITY AS SUCH":

In compliance with statutory provisions, the remuneration system for directors in their capacity as such, i.e. for their supervisory and joint decision-making functions, consists of:

a) Annual fixed remuneration for the role of member of the Board of Directors and proportional to the period of their mandate during the year.

b) Fixed remuneration for the Chairman of the Board of Directors in their capacity as director.
c) Fixed annual remuneration in addition to the foregoing for some external directors for their greater dedication.
d) Attendance per diems for Board and committee meetings. In the case of the Chairs of the Supervisory Committees (Audit and Appointments and Remuneration), the per diem for their positions is double.
e) No compensation is foreseen for the termination of the functions of director as such, nor contributions to pension systems.

In light of the above, the Appointments and Remuneration Committee meeting held on 22 January 2025 proposed, and the Board of Directors has unanimously approved at its meeting held on 30 January 2025, the amount of fixed components expected to accrue during the financial year in favour of directors in their capacity as such, as described below.

a) Fixed remuneration: EUR 32,500 gross per year.

b) Per diems:
B.1) For attending Board of Directors meetings, EUR 1,500 gross per meeting, and for the Chairman, this is double, i.e., EUR 3,000, up to an amount of EUR 50,000.
B.2) For attending Committee meetings, EUR 1,500 per meeting for all members and for their Chairmen, this is double, i.e., EUR 3,000.

c) Additional fixed annual remuneration of EUR 20,000 for the member Mr Jesús Pérez Rodríguez-Urrutia, for his greater dedication to controlling and monitoring fulfilment of the financial obligations assumed by the Company.

d) Annual fixed remuneration for the Non-Executive Chairman Mr Josu Calvo Moreira, amounting to EUR 100,000, for his role as Chairman of the Board.

A.1.4 Amount and nature of the fixed components to be accrued in the year for the executive directors' performance of senior management functions.

No directors are expected to perform executive functions in the 2025 financial year.

A.1.5 Amount and nature of any component related to remuneration-in-kind to be accrued in the year including, but not limited to, insurance premiums paid in favour of the Director.

No remuneration-in-kind component is expected to accrue in 2025 for any directors.

Nevertheless, Tubos Reunidos has taken out third-party liability insurance for its directors and senior executives.

A.1.6 Amount and nature of the variable components, differentiating between those established in the short-term and long-term. Financial and non-financial parameters, including those related to society, the environment and climate change, selected to determine the variable remuneration in the current financial year, an explanation of the extent to which such parameters relate to the performance, of both the director and the entity and with its risk profile, and the methodology, time required and techniques envisaged to be able to determine, at the end of the year, the effective degree of compliance with the parameters used in the design of the variable remuneration, with an explanation of the criteria and factors that apply regarding the time required and methods to verify that the performance conditions or any other conditions to which the accrual and consolidation of each variable remunerative component was linked have been effectively met.

Indicate the range in monetary terms of the various variable components according to the degree of compliance with the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.

Pursuant to the Directors' Remuneration Policy in force for 2025, 2026 and 2027, no directors are expected to accrue variable remuneration in 2025.

A.1.7 Main features of the long-term savings systems. Among other information, the contingencies covered by the system will be indicated, whether it is a defined contribution or benefit system, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefits plans, the conditions for the consolidation of economic rights in favour of the directors and their compatibility with any kind of payment or indemnification due to the early resolution, cessation or termination of the contractual relationship, as provided, between the Company and the Director.

Indicate whether the accrual or consolidation of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the director's short- and long-term performance.

In 2025, the directors do not have a long-term savings or benefits system in place. Consequently, the Company has not undertaken any defined contribution or benefit commitment in any system and will not make any contributions in the current fiscal year.

A.1.8 Any kind of payment or indemnification due to the early resolution or termination of the contractual relationship in the terms provided between the Company and the Director, whether the termination is at the will of the Company or the Director, as well as any type of agreements, such as exclusivity, post-contractual non-competition and commitment or loyalty that entitle the Director to any kind of payment.

No directors in office as of the date of this report have agreed to any indemnification in the event of termination, early retirement or cessation of their directorship.

Likewise, no directors in office as of the date of this report had or have agreed to any indemnification resulting from agreements related to exclusivity, post-contractual non-competition agreements, or commitment or loyalty agreements.

A.1.9 Indicate the conditions to be respected in the agreements of those individuals who exercise senior management roles such as executive directors. Among others, the duration, the limits on the amounts of indemnification, minimum commitment clauses, notice periods and payment as a replacement for the aforementioned notice period, and any other clauses relating to contracting premiums, shall be reported as well as compensation or golden-parachute payments due to the early resolution or termination of the contractual relationship between the Company and its executive directors. Include, among others, non-competition, exclusivity, commitment or loyalty agreements and post-contractual non-competition agreements, unless they have been explained in the previous section.

No directors are expected to perform executive functions in the 2025 financial year.

A.1.10 The estimated nature and amount of any other additional remuneration to be accrued as compensation by the directors in the current year related to services rendered other than those inherent in their role.

In 2025, no additional remuneration is expected to accrue to directors as compensation for services other than those inherent in their role.

A.1.11 Other remuneration items such as derivatives, where relevant, from the Company granting advances, credit and guarantees and other remuneration to the directors.

In 2025, no other remuneration resulting from the granting of advances, loans or guarantees to directors is expected.

A.1.12 The estimated nature and amount of any other additional remuneration not covered by the preceding sections, whether this is satisfied by the entity or other entity from the Group, to be accrued by the directors in the current year.

In 2025, no additional remuneration is expected to accrue to directors that has not been included in the preceding sections.

A.2. Explain any relevant changes to the remuneration policy that apply to the current year resulting from:

a) A new policy or policy modification already approved by the General Shareholders' Meeting.

b) Relevant changes in the specific determinations established by the Board for the current year of the current remuneration policy with respect to those applied in the previous financial year.

c) Proposals that the Board of Directors may have agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and that have been proposed to be applied to the current financial year.

During 2025, the Directors' Remuneration Policy for 2025, 2026 and 2027 shall apply without changes, approved by the General Shareholders' Meeting on 30 May 2024. There are no relevant changes in the specific determinations established by the Board for the current financial year with respect to those applied in the previous financial year.

The Board of Directors does not intend to submit an amendment to the Directors' Remuneration Policy to this year's General Shareholder's Meeting for approval.

A.3. Show the direct link to the document that sets out the Company's current remuneration policy, which must be available on the Company's website.

Since its approval on 30 May 2024, the text of the Directors' Remuneration Policy has been available on the Company's website at www.tubosreunidosgroup.com/es/investors/politicas-corporativas

A.4. Explain, taking into account the information provided in section B.4, how account has been taken of shareholders' vote at the General Shareholders' Meeting to which the annual remuneration report for the previous financial year was submitted for a vote in an advisory capacity.

The affirmative vote of the shareholders at the General Shareholders' Meeting of 30 May 2024 on the Annual Remuneration Report for 2023 with a majority of 98.39% (vote in favour from 65,007,085 shares present or represented against a total of 66,072,935 shares present or represented with voting rights) was interpreted as virtually unanimous support by shareholders for the current Remuneration Policy and its implementation by the Board of Directors, which was assessed very positively by the Appointments and Remuneration Committee and the Board of Directors, and taken into account in order to maintain the essential elements of the Company's Remuneration Policy in force for 2025, 2026 and 2027.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE LAST FINANCIAL YEAR

B.1.1 Explain the process followed to implement the remuneration policy and determine individual remuneration reflected in section C of this report. This information must include the role played by the Remuneration Committee, the decisions taken by the Board of Directors and, where appropriate, the identity and role of external advisers whose services were used in the process of implementing the remuneration policy in the last financial year.

In accordance with the provisions of the Corporate Governance System of the Tubos Reunidos Group, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, sets the remuneration of directors pursuant to the Board Remuneration Policy, which must always be approved by the General Shareholders' Meeting.

The Appointments and Remuneration Committee, at its meeting held on 8 May 2024, agreed to propose to the Board of Directors, which gave its approval at its meeting of 15 April 2024, to maintain the following remuneration for the 2024 financial year, pursuant to the Company's remuneration policy:

a) Fixed remuneration: EUR 32,500 gross per year.
b) Per diems: EUR 1,500 gross per meeting and EUR 2,250 gross per meeting of the Delegate Committee. The Chairs of the Audit and Appointments and Remuneration Committees are to receive EUR 3,000 gross per meeting.
c) Additional annual fixed remuneration of EUR 20,000 for the member Mr Jesús Pérez Rodríguez-Urrutia for his greater dedication to controlling and monitoring fulfilment of the Company's financial obligations.
d) Total fixed remuneration of EUR 100,000 gross per annum for the Non-Executive Chairman, Mr Josu Calvo, plus per diems for attending meetings of the Board of Directors up to an amount of EUR 50,000.

No external advisers were involved in the process of implementing the remuneration policy for the 2024 financial year.

B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that arose during the financial year.

In the 2024 financial year, there were no deviations from the procedure established for the application of the remuneration policy.

The Remuneration Policy established that the Coordinating Director shall receive additional remuneration of EUR 37,500 for their greater dedication. Mr Jorge Gabiola therefore received this amount exclusively until 29 February 2024, the date on which he ceased to hold the position due to its elimination, as it became unnecessary since the Company has a Non-Executive Chairman.

B.1.3 State whether any temporary exceptions were applied to the remuneration policy and, if so, explain the exceptional circumstances that led to the application of those exceptions, the specific components of the remuneration policy concerned and the reasons why the Company considers that any such exceptions were necessary in order to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions had on the remuneration of each Director for the financial year.

No temporary exceptions to the remuneration policy were applied in the 2024 financial year.

B.2. Explain the different actions taken by the Company in relation to the remuneration system and how these contributed to reducing exposure to excessive risks and to adjusting it to the Company's long-term targets, values and interests, including reference to the measures taken to ensure that the accrued remuneration was aligned with the Company's long-term results and struck an appropriate balance between the fixed and variable components of remuneration. Also explain which measures were taken in relation to those categories of staff whose professional activities have a material impact on the Company's risk profile, and what measures were taken to avoid conflicts of interest, where applicable.

The Company did not take any specific action in the 2024 financial year nor the current financial year in relation to the remuneration system for external directors in order to reduce excessive risks because it is based on fixed components (fixed remuneration and attendance per diems) without any exposure to risks.

The Company has not taken any special measures in relation to those categories of staff whose professional activities have a tangible impact on the entity's risk profile, without prejudice to the generally established risk control measures, including possible conflicts of interest, if any.

B.3. Explain how the remuneration accrued and consolidated in the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the Company's sustainable and long-term performance.

Report also on the relationship between the remuneration obtained by the directors and the Company's short- and long-term results or other performance measures, explaining, where appropriate, how variation in the Company's performance has had a bearing on variation in the remuneration of directors, including accrued remuneration for which payment was deferred, and how that contributes to the Company's short and long-term results.

The remuneration accrued and vested in the 2024 financial year fully complies with the provisions of the current Board Remuneration Policy and contributes to the sustainable and long-term performance of Tubos Reunidos.

Based on the foregoing, the general principles that make up the Remuneration Policy of the Board of Directors of Tubos Reunidos are as follows:

a) Alignment with the interests of shareholders, as a factor for the creation of long-term and sustainable value for the Company, and with their values.
b) Moderation, balance and prudence, so that the level of responsibility assumed, qualification and actual dedication are suitably rewarded, taking into account market benchmarks according to public information on this matter regarding companies that are comparable due to their capitalisation, size, ownership structure and international presence.
c) Competitiveness, serving as an incentive to attract and retain the highest calibre of professional, in terms of level of responsibility and career path, without this affecting their independence.
d) Ensuring that remuneration contributes to the achievement of the Company's strategic objectives.
e) Elimination of variable components for external directors (proprietary and independent), allowing for prudent risk management in decision-making, in line with corporate governance recommendations.
f) Transparency in the remuneration policy.

The remuneration accrued and consolidated in 2024 complies with the provisions of these principles. The remuneration of the external directors consists exclusively of fixed components (fixed remuneration and per diems) that reward their level of responsibility, qualification and actual dedication, and, in terms of the amount, this remuneration was contrasted with market benchmarks as these appear in third-party reports published on the remuneration of the boards of directors of listed companies in Spain.

In the 2022 financial year, the variable component of remuneration for external directors was removed. This contributes to sustainable performance and prudent risk management in decision-making, without conditional factors derived from company performance measures that could affect their independence and professionalism.

B.4. Report on the outcome of the advisory vote at the General Shareholders' Meeting on the annual remuneration report for the previous year, indicating the number of abstentions, votes against, and blank votes and votes in favour cast:

	Number	% of total
Votes cast	66,072,935	37.82

	Number	% of votes cast
Votes against	1,060,150	1.60
Votes in favour	65,007,085	98.39
Blank votes		0.00
Abstentions	5,700	0.01

Observations

B.5. Explain how the fixed components accrued and vested during the year by the directors for their role were determined, their relative proportion for each director and how these varied from the year before.

The fixed components accrued and vested during the 2024 financial year by the directors in their capacity as such were determined as follows:

a) Fixed remuneration:
a.1. In general, EUR 32,500 gross per annum accrued in proportion to the duration of each director's term of office during the year. This figure has been applied since 2017.
a.2. Coordinating Director: An additional EUR 37,500 per annum for their greater dedication and functions, exclusively for the months of January and February 2025 (when this position was eliminated). Same figure as in previous years.
a.3. Independent director Mr Jesús Pérez Rodríguez-Urrutia, an additional EUR 20,000 per year for his greater dedication. Same figure as in the previous year.
a.4. Non-Executive Chairman: EUR 100,000 per annum.

b) Per diems:
b.1. In general: EUR 1,500 gross for each member per Board meeting and Supervisory Committees meeting (EUR 975 net). Same figure since 2017.
b.2. Chairs of the Audit and Appointment and Remuneration Committees and Chair of the Board: EUR 3,000 per meeting (EUR 1,950 net) for their increased commitment and preparation. This figure has been applied since 2017 as regards the chairs of the committees and since 2018 as regards the Non-Executive Chair of the Board.

There are no changes from the previous year in determining the accrued and vested fixed components.

B.6. Explain how the salaries accrued and vested during the last year were determined for each of the executive directors for the performance of management functions, and how these changed from the previous year.

During 2024, none of the directors performed executive functions.

B.7. Explain the nature and main characteristics of the variable components of the accrued and vested remuneration systems in the last year.

Specifically:

a) Identify each of the remuneration plans that determined the different variable remuneration earned for each of the directors during the last year, including information on their scope, date of approval, date of implementation, vesting conditions, where applicable, earning and validity periods, criteria used for performance evaluation and how this had an impact on the setting of the variable amount accrued, as well as the measurement criteria used and the time required to be in post in order to adequately measure all stipulated conditions and criteria. Provide a detailed explanation of the criteria and factors that were applied in terms of the time required and methods to verify that performance or other conditions to which the accrual and vesting of each component of variable remuneration was linked were actually met.

b) In the case of stock option plans or other financial instruments, the general characteristics of each plan must include information on the conditions for both acquiring unconditional entitlement (vesting) and for exercising such options or financial instruments, including the price and period of exercise.

c) Each of the directors and their category (executive directors, external proprietary directors, independent external directors or other external directors) who are beneficiaries of remuneration systems or plans that incorporate variable remuneration.

d) Where applicable, specify the accrual periods or deferral of payment periods applied and/or retention/unavailability periods for shares or other financial instruments, where these exist.

Explain the short-term variable components of the remuneration systems:

No directors accrued short-term variable remuneration during the 2024 financial year.

In 2024, no stock option plans or other financial instrument plans were granted to any of the directors.

Explain the long-term variable components of the remuneration systems:

No directors accrued long-term variable remuneration during the 2024 financial year.

B.8. Indicate whether certain accrued variable components were reduced or a clawback requested when, in the first case, payment of non-vested amounts was deferred or, in the second case, amounts were vested and paid, on the basis of data that was subsequently clearly demonstrated to be inaccurate. Describe the amounts reduced or clawed back by applying the reduction (malus) or return (clawback) clauses, why they were executed and the years to which they correspond.

There was no malus or clawback of any variable components in the 2024 financial year.

B.9. Explain the main characteristics of long-term savings plans whose equivalent annual amount or cost are listed in the tables in section C, including pension and any other survival benefits, which are partially or fully funded by the Company, whether endowed internally or externally, and indicate the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies it covers, the conditions for the consolidation of economic rights in favour of directors and their compatibility with any kind of indemnification for early resolution or termination of the contractual relationship between the Company and the director.

In general, the directors do not have a long-term savings or benefits plan in place that is funded in whole or in part by the Company. As a result, no contribution to this type of plan was made in 2024 in favour of directors.

B.10. Explain, where appropriate, the indemnification or any other type of payment arising from early departure, whether at the initiative of the Company or the director, or termination of the contract, under the terms set out therein, accrued and/or received by the directors during the last financial year.

During 2024, directors did not accrue nor did they receive any compensation or payments arising from early retirement or contract termination.

B.11. Indicate whether there were any significant changes made to the contracts of senior management or executive directors and, if so, explain these. Also, explain the main terms of any new contracts signed with executive directors during the financial year, unless these were explained in section A.1.

In 2024, no director performed executive duties.

B.12. Explain any additional remuneration accruing to directors in exchange for services rendered other than those inherent in their role.

In 2024, there was no additional remuneration paid to the directors accrued as compensation for services other than those inherent in their role.

B.13. Explain any remuneration resulting from the granting of advances, loans and guarantees, stating the interest rate, its essential characteristics and the amounts ultimately returned, as well as the obligations assumed in respect thereof as surety.

In 2024, there was no remuneration to directors arising from the granting of advances, loans or guarantees, nor were any obligations assumed on their behalf by way of guarantee.

B.14. Detail any remuneration in kind accrued by the directors during the year, briefly setting out the nature of the various salary components.

Directors have not accrued any remuneration-in-kind in 2024.

B.15. Explain any remuneration accrued by a director based on payments made by the listed company to a third-party entity for which the director provides services, when such payments are intended to remunerate the services of the director within the Company.

In 2024, no remuneration was accrued on the basis of payments made by the Company to a third-party entity for which the director(s) provide services.

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration item other than the above, whatever its nature or the group entity that pays it, including any benefits in any form, such as when considered to be a related-party transaction or, specifically, when it significantly affects the faithful picture of the total remuneration accrued by the Director. Specify the amount paid or pending payment, the nature of the remuneration received and the reasons why it would not have been considered, where applicable, that it constitutes remuneration of the director for their role or for the discharging of their executive functions, and whether or not it was considered appropriate to include it among the amounts accrued in the "Other items" section of section C.

There were no remuneration items in 2024 other than those already mentioned in this Report.

C. BREAKDOWN OF INDIVIDUAL REMUNERATION FOR EACH DIRECTOR

Name	Type	Accrual period 2024 financial year
MR JOSU CALVO MOREIRA	Independent Chairman	From 01/01/2024 to 31/12/2024
MR EMILIO YBARRA AZNAR	Proprietary Deputy Chair	From 01/01/2024 to 31/12/2024
MR JORGE GABIOLA MENDIETA	Independent Director	From 01/01/2024 to 31/12/2024
MR ENRIQUE MIGOYA PELÁEZ	Proprietary Director	From 01/01/2024 to 31/12/2024
MR CRISTÓBAL VALDÉS GUINEA	Proprietary Director	From 01/01/2024 to 31/12/2024
MS LETICIA ZORRILLA DE LEQUERICA PUIG	Proprietary Director	From 01/01/2024 to 31/12/2024
MR ALFONSO BARANDIARÁN OLLEROS	Proprietary Director	From 01/01/2024 to 31/12/2024
MS ANA MUÑOZ BERAZA	Independent Director	From 01/01/2024 to 31/12/2024
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	Independent Director	From 01/01/2024 to 31/12/2024
MS TERESA QUIRÓS ÁLVAREZ	Independent Director	From 01/01/2024 to 31/12/2024
MS MARÍA SICILIA SALVADORES	Independent Director	From 01/01/2024 to 31/12/2024

C.1. Complete the following tables regarding the individual remuneration of each of the directors (including remuneration for the exercise of executive functions) accrued during the financial year.

a) Company remuneration covered by this report:

i) Remuneration accrued in cash (in thousands of euro)

Name	Fixed remuneration	Per diems	Remuneration for membership of Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total 2024 financial year	Total 2023 financial year
MR JOSU CALVO MOREIRA	100	50							150	3
MR EMILIO YBARRA AZNAR	33	21							54	61
MR JORGE GABIOLA MENDIETA	39	33							72	101
MR ENRIQUE MIGOYA PELÁEZ	33	31							64	64
MR CRISTÓBAL VALDÉS GUINEA	33	28							61	58
MS LETICIA ZORRILLA DE LEQUERICA PUIG	33	21							54	54
MR ALFONSO BARANDIARÁN OLLEROS	33	21							54	54
MS ANA MUÑOZ BERAZA	33	42							75	71
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	53	33							86	84
MS TERESA QUIRÓS ÁLVAREZ	33	45							78	74
MS MARÍA SICILIA SALVADORES	33	43							76	73

Observations

The Non-Executive Chairman of the Board of Directors, Mr Josu Calvo, was appointed on 21 December 2023.

In 2024, the member Mr Jorge Gabiola, received additional remuneration for his greater dedication as Coordinating Director exclusively in the months of January and February 2024, since the position was eliminated by a decision of the Board of Directors, effective 1 March 2024.

ii) Table of movements of share-based remuneration systems and gross earnings from vested shares or financial instruments.

Name	Name of the plan	Financial instruments at the beginning of 2024		Financial instruments granted during 2024		Financial instruments vested during the year				Expired and non-exercised instruments	Financial instruments at the end of 2024	
		Number of instruments	Number of equivalent shares	Number of instruments	Number of equivalent shares	Number of instruments	Number of equivalent/ vested shares	Price of vested shares	Gross earnings from vested shares or financial instruments (thousands of euro)	Number of instruments	Number of instruments	Number of equivalent shares
MR JOSU CALVO MOREIRA	Plan							0.00				
MR EMILIO YBARRA AZNAR	Plan							0.00				
MR JORGE GABIOLA MENDIETA	Plan							0.00				
MR ENRIQUE MIGOYA PELÁEZ	Plan							0.00				
MR CRISTÓBAL VALDÉS GUINEA	Plan							0.00				
MS LETICIA ZORRILLA DE LEQUERICA PUIG	Plan							0.00				
MR ALFONSO BARANDIARÁN OLLEROS	Plan							0.00				
MS ANA MUÑOZ BERAZA	Plan							0.00				
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	Plan							0.00				
MS TERESA QUIRÓS ÁLVAREZ	Plan							0.00				
MS MARÍA SICILIA SALVADORES	Plan							0.00				

Observations
No member of the Board of Directors has a share-based remuneration system in place.

iii) Long-term savings plans.

Name	Remuneration through the vesting of rights to savings plans
MR JOSU CALVO MOREIRA	
MR EMILIO YBARRA AZNAR	
MR JORGE GABIOLA MENDIETA	
MR ENRIQUE MIGOYA PELÁEZ	
MR CRISTÓBAL VALDÉS GUINEA	
MS LETICIA ZORRILLA DE LEQUERICA PUIG	
MR ALFONSO BARANDIARÁN OLLEROS	
MS ANA MUÑOZ BERAZA	
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	
MS TERESA QUIRÓS ÁLVAREZ	
MS MARÍA SICILIA SALVADORES	

Name	Contribution for the year by the Company (thousands of euro)				Amount of accumulated funds (thousands of euro)			
	Savings plans with vested economic rights		Savings plans with non-vested economic rights		Savings plans with vested economic rights		Savings plans with non-vested economic rights	
	2024 financial year	2023 financial year	2024 financial year	2023 financial year	2024 financial year	2023 financial year	2024 financial year	2023 financial year
MR JOSU CALVO MOREIRA								
MR EMILIO YBARRA AZNAR								
MR JORGE GABIOLA MENDIETA								
MR ENRIQUE MIGOYA PELÁEZ								
MR CRISTÓBAL VALDÉS GUINEA								
MS LETICIA ZORRILLA DE LEQUERICA PUIG								
MR ALFONSO BARANDIARÁN OLLEROS								
MS ANA MUÑOZ BERAZA								
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA								
MS TERESA QUIRÓS ÁLVAREZ								
MS MARÍA SICILIA SALVADORES								

Observations
No member of the Board of Directors has a long-term savings plan in place.

iv) Breakdown of other items

Name	Item	Remuneration amount
MR JOSU CALVO MOREIRA	Item	
MR EMILIO YBARRA AZNAR	Item	
MR JORGE GABIOLA MENDIETA	Item	
MR ENRIQUE MIGOYA PELÁEZ	Item	
MR CRISTÓBAL VALDÉS GUINEA	Item	
MS LETICIA ZORRILLA DE LEQUERICA PUIG	Item	
MR ALFONSO BARANDIARÁN OLLEROS	Item	
MS ANA MUÑOZ BERAZA	Item	
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	Item	
MS TERESA QUIRÓS ÁLVAREZ	Item	
MS MARÍA SICILIA SALVADORES	Item	

Observations
There is no remuneration for any other type of remunerative item.

b) Remuneration to the directors of the listed company for their membership of the governing bodies of their dependent companies:

i) Remuneration accrued in cash (in thousands of euro)

Name	Fixed remuneration	Per diems	Remuneration for membership of Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total 2024 financial year	Total 2023 financial year
MR JOSU CALVO MOREIRA										
MR EMILIO YBARRA AZNAR										
MR JORGE GABIOLA MENDIETA										
MR ENRIQUE MIGOYA PELÁEZ										
MR CRISTÓBAL VALDÉS GUINEA										
MS LETICIA ZORRILLA DE LEQUERICA PUIG										
MR ALFONSO BARANDIARÁN OLLEROS										
MS ANA MUÑOZ BERAZA										
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA										
MS TERESA QUIRÓS ÁLVAREZ										
MS MARÍA SICILIA SALVADORES										

Observations

No member of the Board accrued remuneration for membership on boards or governing bodies of other companies of the Group.

ii) Table of movements of share-based remuneration systems and gross earnings from vested shares or financial instruments.

Name	Name of the plan	Financial instruments at the beginning of 2024		Financial instruments granted during 2024		Financial instruments vested during the year				Expired and non-exercised instruments	Financial instruments at the end of 2024	
		Number of instruments	Number of equivalent shares	Number of instruments	Number of equivalent shares	Number of instruments	Number of equivalent/ vested shares	Price of vested shares	Gross earnings from vested shares or financial instruments (thousands of euro)	Number of instruments	Number of instruments	Number of equivalent shares
MR JOSU CALVO MOREIRA	Plan							0.00				
MR EMILIO YBARRA AZNAR	Plan							0.00				
MR JORGE GABIOLA MENDIETA	Plan							0.00				
MR ENRIQUE MIGOYA PELÁEZ	Plan							0.00				
MR CRISTÓBAL VALDÉS GUINEA	Plan							0.00				
MS LETICIA ZORRILLA DE LEQUERICA PUIG	Plan							0.00				
MR ALFONSO BARANDIARÁN OLLEROS	Plan							0.00				

Name	Name of the plan	Financial instruments at the beginning of 2024		Financial instruments granted during 2024		Financial instruments vested during the year				Expired and non-exercised instruments	Financial instruments at the end of 2024	
		Number of instruments	Number of equivalent shares	Number of instruments	Number of equivalent shares	Number of instruments	Number of equivalent/ vested shares	Price of vested shares	Gross earnings from vested shares or financial instruments (thousands of euro)	Number of instruments	Number of instruments	Number of equivalent shares
MS ANA MUÑOZ BERAZA	Plan							0.00				
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	Plan							0.00				
MS TERESA QUIRÓS ÁLVAREZ	Plan							0.00				
MS MARÍA SICILIA SALVADORES	Plan							0.00				

Observations

No member of the Board of Directors has a share-based remuneration system in place.

iii) Long-term savings plans.

Name	Remuneration through the vesting of rights to savings plans
MR JOSU CALVO MOREIRA	
MR EMILIO YBARRA AZNAR	
MR JORGE GABIOLA MENDIETA	
MR ENRIQUE MIGOYA PELÁEZ	
MR CRISTÓBAL VALDÉS GUINEA	
MS LETICIA ZORRILLA DE LEQUERICA PUIG	
MR ALFONSO BARANDIARÁN OLLEROS	
MS ANA MUÑOZ BERAZA	
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	
MS TERESA QUIRÓS ÁLVAREZ	
MS MARÍA SICILIA SALVADORES	

	Contribution for the year by the Company (thousands of euro)				Amount of accumulated funds (thousands of euro)			
Name	Savings plans with vested economic rights		Savings plans with non-vested economic rights		Savings plans with vested economic rights		Savings plans with non-vested economic rights	
	2024 financial year	2023 financial year	2024 financial year	2023 financial year	2024 financial year	2023 financial year	2024 financial year	2023 financial year
MR JOSU CALVO MOREIRA								
MR EMILIO YBARRA AZNAR								
MR JORGE GABIOLA MENDIETA								

Name	Contribution for the year by the Company (thousands of euro)				Amount of accumulated funds (thousands of euro)			
	Savings plans with vested economic rights		Savings plans with non-vested economic rights		Savings plans with vested economic rights		Savings plans with non-vested economic rights	
	2024 financial year	2023 financial year	2024 financial year	2023 financial year	2024 financial year	2023 financial year	2024 financial year	2023 financial year
MR ENRIQUE MIGOYA PELÁEZ								
MR CRISTÓBAL VALDÉS GUINEA								
MS LETICIA ZORRILLA DE LEQUERICA PUIG								
MR ALFONSO BARANDIARÁN OLLEROS								
MS ANA MUÑOZ BERAZA								
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA								
MS TERESA QUIRÓS ÁLVAREZ								
MS MARÍA SICILIA SALVADORES								

Observations

No member of the Board of Directors has a long-term savings plan in place.

iv) Breakdown of other items

Name	Item	Remuneration amount
MR JOSU CALVO MOREIRA	Item	
MR EMILIO YBARRA AZNAR	Item	
MR JORGE GABIOLA MENDIETA	Item	
MR ENRIQUE MIGOYA PELÁEZ	Item	
MR CRISTÓBAL VALDÉS GUINEA	Item	
MS LETICIA ZORRILLA DE LEQUERICA PUIG	Item	
MR ALFONSO BARANDIARÁN OLLEROS	Item	
MS ANA MUÑOZ BERAZA	Item	
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	Item	
MS TERESA QUIRÓS ÁLVAREZ	Item	
MS MARÍA SICILIA SALVADORES	Item	

Observations
No Board member accrued any remuneration for other items in 2024.

c) Summary of remuneration (in thousands of euro):
The amounts corresponding to all the remuneration items included in this report that were accrued by the director in thousands of euro should be included in the summary.

	Remuneration accrued in the Company					Remuneration accrued in Group companies					
Name	Total cash remuneration	Gross earnings from vested shares or financial instruments	Remuneration from savings plans	Remuneration from other items	Total 2024 Company	Total cash remuneration	Gross earnings from vested shares or financial instruments	Remuneration from savings plans	Remuneration from other items	Total 2024 Group	Total 2024 Company + Group
MR JOSU CALVO MOREIRA	150				150						150
MR EMILIO YBARRA AZNAR	54				54						54
MR JORGE GABIOLA MENDIETA	72				72						72
MR ENRIQUE MIGOYA PELÁEZ	64				64						64
MR CRISTÓBAL VALDÉS GUINEA	61				61						61
MS LETICIA ZORRILLA DE LEQUERICA PUIG	54				54						54
MR ALFONSO BARANDIARÁN OLLEROS	54				54						54
MS ANA MUÑOZ BERAZA	75				75						75
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	86				86						86

	Remuneration accrued in the Company					Remuneration accrued in Group companies					
Name	Total cash remuneration	Gross earnings from vested shares or financial instruments	Remuneration from savings plans	Remuneration from other items	Total 2024 Company	Total cash remuneration	Gross earnings from vested shares or financial instruments	Remuneration from savings plans	Remuneration from other items	Total 2024 Group	Total 2024 Company + Group
MS TERESA QUIRÓS ÁLVAREZ	78				78						78
MS MARÍA SICILIA SALVADORES	76				76						76
TOTAL	824				824						824

Observations

C.2. Indicate the change over the last five years to the amount and the percentage change in the accrued remuneration for each of the directors who were directors of the listed company during the financial year, in the consolidated earnings of the Company and in the average remuneration on a full-time equivalent basis of employees of the Company and its dependent companies who are not directors of the listed company.

	Total amount accrued and % annual variation								
	2024 financial year	% variation 2024/2023	2023 financial year	% variation 2023/2022	2022 financial year	% variation 2022/2021	2021 financial year	% variation 2021/2020	2020 financial year
External directors									
MR JOSU CALVO MOREIRA	150	Unknown	3	-	0	-	0	-	0
MR EMILIO YBARRA AZNAR	54	-11.48	61	24.49	49	0.00	49	0.00	49
MR JORGE GABIOLA MENDIETA	72	-28.71	101	4.12	97	-3.00	100	-5.66	106

	Total amount accrued and % annual variation								
	2024 financial year	% variation 2024/2023	2023 financial year	% variation 2023/2022	2022 financial year	% variation 2022/2021	2021 financial year	% variation 2021/2020	2020 financial year
MR ENRIQUE MIGOYA PELÁEZ	64	0.00	64	16.36	55	-3.51	57	5.56	54
MR CRISTÓBAL VALDÉS GUINEA	61	5.17	58	13.73	51	-7.27	55	1.85	54
MR ALFONSO BARANDIARÁN OLLEROS	54	0.00	54	10.20	49	0.00	49	0.00	49
MS LETICIA ZORRILLA DE LEQUERICA PUIG	54	0.00	54	10.20	49	0.00	49	0.00	49
MS ANA MUÑOZ BERAZA	75	5.63	71	22.41	58	-15.94	69	0.00	69
MR JESÚS PÉREZ RODRÍGUEZ-URRUTIA	86	2.38	84	7.69	78	9.86	71	2.90	69
MS TERESA QUIRÓS ÁLVAREZ	78	5.41	74	10.45	67	Unknown	6	-	0
MS MARÍA SICILIA SALVADORES	76	4.11	73	19.67	61	916.67	6	-	0
Consolidated earnings of the Company									
	28,361	-49.64	56,312	29.46	43,498	-	-64,676	33.94	-97,905
Average employee remuneration									
	54	-12.90	62	6.90	58	-9.38	64	20.75	53

Observations

The change in the Non-Executive Chairman's remuneration is due to the fact that his appointment took place on 21 December 2023.

The remuneration accrued by Deputy Chair Mr Emilio Ybarra increased in 2023 due to the fact that he temporarily exercised the functions of Chairman of the Board of Directors from 1 September to 21 December 2023.

The change in remuneration for director Mr Jorge Gabiola is due to the fact that during 2023, he held the position of Coordinating Director, while in 2024, he only exercised this position during the months of January and February, when it was eliminated by the Board of Directors effective 1 March 2024.

D. OTHER RELEVANT INFORMATION

If there are any other factors relevant to the remuneration of directors which could not be included in the other sections of this report, but which need to be included in order to provide more complete and reasoned information regarding the Company's remuneration structure and practices for directors, detail those here.

The Company's remuneration structure and practices in relation to its directors are as described above in this report. There is no relevant aspect regarding the remuneration of directors that has not been covered in the preceding sections.

This annual remuneration report was approved by the Company's Board of Directors at its meeting held on the following date:

27/02/2025

Indicate whether there have been any directors who voted against or abstained in relation to the approval of this Report.

[ ] Yes
[√] No

STATEMENT OF NON-FINANCIAL AND SUSTAINABILITY INFORMATION

2024

TUBOS REUNIDOS GROUP

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ILLUSTRATIONS

MOVING FORWARDS TO TRANSFORM TOMORROW

Josu Calvo, TUBOS REUNIDOS Chairman

This 2024 Sustainability Report reflects the strong commitment of everybody at TUBOS REUNIDOS to sustainability.

Every step we take is aligned with our **Strategic Plan**, which guides us in our goal of being key players in the energy transition, backed by our solid track record. This year, we approved the Sustainability Master Plan, thus completing our strategic framework.

We are clear about our direction and the actions needed to achieve it. First, we are strengthening our sales teams to get closer to our customers and facilitate the joint development of personalised solutions. Second, we are focused on offering high value-added products that meet the growing demands of the energy transition and create higher business margins. Third, we are strengthening our capabilities in key markets such as the United States, adapting to the development of the oil and gas sector, which is currently reducing its carbon footprint. Finally, we are committed to developing the low-emission economy by focusing on two main areas: the development of sustainable and innovative solutions – of which we are setting out an excellent example in this report – and progress in emerging sectors such as carbon capture and hydrogen storage.

To achieve the ambitious objectives we have set for ourselves, we are carrying out a profound digital transformation within the Group, prioritising operational efficiency and cybersecurity. We have a highly qualified and motivated team at all levels. Furthermore, our financial management has enabled a significant reduction in leverage, which will strengthen TUBOS REUNIDOS' autonomy and stability in the future.

Being an active part of this transformation poses enormous challenges, but also great opportunities for sustainable and responsible growth, as part of a future that will certainly be marked by the transition to a new energy model.

In this first Sustainability Report prepared in accordance with the criteria of the new European Corporate Reporting Directive, I would like to reiterate our firm commitment to building a decarbonised world that is better for everybody.

Finally, I would like to take this opportunity to express my sincere thanks to everybody who makes up TUBOS REUNIDOS for their dedication and effort in achieving these goals.

Josu Calvo

TUBOS REUNIDOS Chairman

PATH TOWARDS DECARBONISATION

Carlos López de las Heras, TUBOS REUNIDOS CEO

> "2024 was the warmest year on record. Against a backdrop of immense uncertainty, the need to accelerate the energy transition to a low-carbon economy seems more pressing than ever. TUBOS REUNIDOS has continued to move forwards on our path towards decarbonisation. This path will enable us to take advantage of the opportunities that the energy transition offers for sustainable growth and to consolidate ourselves as a key benchmark for the transformation of the sector".

In 2024, we once again demonstrated our capacity to adapt and resilience. At a global level, the persistence of geostrategic conflicts and their effects on an economy in transition towards climate neutrality, together with the imbalances in world trade, generated market volatility that directly affects all sectors, and ours is no exception.

And in our sector, competition is rife in the steel industry, especially in Europe, with the mass arrival of low-cost products, increasing instability and impact on European manufacturers' share and margins. Between 2023 and 2024, based on year-end data, imports of seamless steel pipes in the EU grew by 6%, while consumption decreased. In 2024, other factors also affected us, such as maintaining a very high inventory globally, both in the distribution chain and in end-users.

Despite this, thanks to the efforts of our teams, a strategy focused on optimising costs, improving efficiency and flexibility to adapt to the needs of our customers and intense business activity, we ended the year in a stronger position than in December 2023, reinforcing our position in key markets such as the United States and India. I would particularly like to highlight the increase in the high-value-added premium seamless steel pipe business. Some 32% of our turnover has come from products in this forward-looking segment.

The intense commercial activity carried out by TUBOS REUNIDOS has allowed us to end the year with an order backlog 44% higher than the figure in December 2023.

Two important milestones

This year we approved our **2024–2028 Sustainability Master Plan**, which forms part of the Strategic Plan. This plan will guide our sustainable transformation, with progressive environmental and social goals over time, under sound governance and supported by digitisation, innovation and workforce safety.

One of our proudest achievements in 2024 was the launch of **the first seamless steel pipe campaign with low CO_2 emissions**. This milestone will undoubtedly mark the future of TUBOS REUNIDOS.

O-Next™ is the first step in driving our growth by positioning ourselves at the forefront of sustainable innovation, the centre of our strategy. With this solution, we are responding to our customers' growing demand for products that reduce their environmental footprint.

This progress has been made possible thanks to efforts in recent years to accelerate our decarbonisation process. A variety of actions, small and large, have contributed to this progress. They include the consolidation of **the Group's steel mill,** a reality since the beginning of 2024, where we have been working to progressively reduce emissions according to the targets set, and the creation of an **innovation committee** to study innovative solutions with the latest R&D+i technology**.** This is a demanding road map for us to achieve an advantage in the market; however, more than 130 years of history and the entire organisation's commitment to the environment drive and support us.

At a social level, we are developing **a new talent management model** that places people at the centre of our future strategy. We also continue to achieve significant improvements in major safety indexes, reflecting the positive impact that our programmes have when integrating the “zero accidents” culture throughout the organisation.

We also continue to take steps towards a more robust and transparent governance system. This year, we formalised our commitment to **the United Nations Global Compact**, which provides a global dimension to our sustainability commitment. We have also approved new corporate policies and implemented our **new Protocol for Preventing and Responding to Harassment in All Its Forms**. This incorporates the requirements imposed by the recent Law 2/2023, which governs the protection of persons reporting regulatory breaches and the fight against corruption, to ensure a working environment that is respectful of everybody's rights.

> O-Next™: our first seamless steel pipe made from recycled raw materials and clean energies.

Financial strengthening

In both 2023 and 2024, we successfully managed an improvement in the financial structure and debt level. Thus, at the start of this year, we achieved a net reduction in debt of €66.5 million as part of a discounted repurchase operation. This was in addition to the reorganisation of our non-productive assets in Pamplona and Sestao. These actions not only strengthen our financial position, but also show our commitment to generating value for our shareholders and ensuring a solid basis for our strategic projects.

Digital transformation and efficiency

2024 has also been a year of significant progress in digitisation and operational efficiency. In addition to the aforementioned unification of the two steel mills, we have continued to work on improving processes and the integration of systems and cybersecurity. In short, TUBOS REUNIDOS is more efficient, boasts a broader product range and is a stronger company, prepared to meet the challenges we face.

None of this would be possible without the dedication of everybody who makes up this Group. That is why I would like once again to thank you for your hard work and commitment.

Looking ahead, we know that the road to decarbonisation is full of challenges and opportunities. And, although much remains to be done, we are determined to lead the change. We have the talent, vision and determination to continue to generate value for all our stakeholders and to build a more sustainable future.

We encourage you to explore this **Sustainability Report.** Thank you for joining us on this path.

Carlos López de las Heras

TUBOS REUNIDOS CEO

01

ABOUT THE REPORT

1. ABOUT THE REPORT

Bases for preparing the Statement of Non-Financial and Sustainability Information, hereinafter the Sustainability Report

Sustainability is one of the fundamental pillars of the strategy at the **Tubos Reunidos Group** (a group consisting of Tubos Reunidos S.A. and its subsidiaries, hereinafter **TUBOS REUNIDOS** or **the Group**), not only because of its environmental and social importance, but also because of new regulations that demand greater transparency and accountability. These include the EU's **Corporate Sustainability Reporting Directive (hereinafter the CSRD or Directive),** with which the Group must comply.

This Directive is an essential tool in reporting performance in this area. In addition to promoting greater transparency, it reinforces our responsibility and commitment towards stakeholders, comprehensively analysing the context in which our activity is framed and designing strategies that help to implement a sustainable culture.

During the year, the European Directive was due to be transposed into the Spanish legal system. However, because this transposition had not occurred as at 31 December 2024, the current legislation for sustainability reporting is Law 11/2018 of 28 December, pursuant to which we have been preparing our Statement of Non-Financial Information since 2018.

During November and December, the Spanish National Securities and Exchange Commission (the CNMV), the Spanish Institute of Accounting and Auditing (ICAC) and the Spanish Institute of Sworn Accounting Auditors published a series of documents in which they considered the non-transposition and set out recommendations for companies affected by the new regulations in 2024.

TUBOS REUNIDOS has chosen to report in compliance with all the requirements of the Directive and European Sustainability Reporting Standards (ESRS) since 2024. In addition, we have included an appendix to the report containing the necessary indicators that are listed in Law 11/20218 and that are not specifically covered by the ESRS (ESRS 2 BP-2 15).

This Sustainability Report reflects on the Group's performance during this financial year, resulting from our solid track record in the sector (described in Chapter 3) and the implementation of the Sustainability Master Plan integrated into the Strategic Plan.

Coverage of the Report

The quantitative information and data presented here cover the period from 1 January to 31 December 2024 and relate to the same companies included within the scope of consolidation of the financial information of TUBOS REUNIDOS S.A. and subsidiaries (ESRS 2 BP1-5a) (ESRS 2 BP1-5b1).

The double materiality analysis (ESRS 2 IRO-1, 53a), described in Chapter 4 of the report, covers all phases of the value chain, precisely associating material IRO (impacts, risks and opportunities) with each corresponding stage. Their disclosure, as reflected in the following chapters, demonstrates this relationship (ESRS 2 BP1-5c).

In preparing this Sustainability Report, TUBOS REUNIDOS has not used the option to omit specific information on intellectual property, technical knowledge or innovation results (ESRS 2 BP1-5d). Furthermore, in accordance with Article 19(3) and Article 29(3) of Directive 2013/34/EU, establishing the exemption from the disclosure of imminent events or matters under negotiation, we have not applied this exemption (ESRS 2 BP1-5e).

Disclosures in relation to specific circumstances

This Sustainability Report complies with the definitions of time horizons included in section 6.3. of ESRS 1. *Definition of short-, medium- and long-term for reporting purposes* (ESRS 2 BP2-9). The application of these definitions is reflected in the methodology employed as part of the double materiality analysis.

We have also established the assessment parameters of each material IRO in relation to its position in the value chain (ESRS 2 BP2-10a). In disclosing the information relating to each material ESRS and IRO, we provide details of compliance with the requirements established in the data requirements and data points, and highlight any difficulty in obtaining the data, depending on the phase and the agents involved, the efforts made and the action plans to improve the receipt of information in years after 2024. Data from upstream in the value chain is obtained directly from suppliers and services, calculating directly on the data and making conversions with official factors. Energy providers deliver data on their invoices, then the calculation parameters use the actual consumption values. Downstream, transport, waste management and other values are calculated with real data and estimates, while at the same time using official conversion factors and explaining the calculation method in each case. (ESRS 2 BP2-10b-c-d).

In addition, pursuant to ESRS 1, section *7.2. Sources of estimation and outcome uncertainty* we present (ESRS 2 BP2-11a) the quantitative parameters and their relationship with the financial parameters for each material standard and their corresponding IRO. We also explain the degree of accuracy or uncertainty in the calculation of this data (ESRS 2 BP2-11bi-ii).

In relation to changes in the preparation and presentation of sustainability information compared to previous periods, it is our understanding that this does not apply because 2024 is the first financial year reported under the new Directive. Because the GRI standards have previously applied, the figures may vary with the new metrics. As part of the disclosure of each material IRO, we set out the result, taking into account previous reports to ensure traceability and monitoring of sustainability KPIs (ESRS 2 BP2-13a-b-c).

An error detected in the publication of the Statement of Non-Financial Information for 2023 has been corrected. This error concerned the transcription of internal staff tables, where quantitative values for males and females were mixed up (ESRS-2 BP2-14a-b-c). The corrected data is attached **in Appendix 1. *Indicators of Law 11/2018 not covered in the ESRS.***

Finally, this report includes accurate references to any legislation requiring the disclosure of sustainability information or standards and frameworks for information in this area (ESRS 2 BP2-15). Of particular note is **Law 11/2018** of 28 December, on the drafting of non-financial information statements and the **Taxonomy Regulation (EU)**, which establishes a system that classifies economic activities as sustainable based on their contribution to six objectives related to different environmental aspects: climate change, pollution, the circular economy, water and marine resources and biodiversity. Furthermore, all the references necessary to properly understand and relate each disclosure requirement (ESRS 2 BP2-16) are clearly indicated. The tables with their corresponding references are included **in Appendix 2. *CSRD disclosure requirements.***

02

O-NEXT™:

A DECISIVE STEP FORWARDS FOR THE PLANET

2. O-NEXT™: A DECISIVE STEP FORWARDS FOR THE PLANET

(ESRS 2 SBM 1 -40e-f)

Our first seamless steel pipe manufactured with low CO_2 emissions

(ESRS 2 SBM 1 -40F) (ESRS 2 SBM2-43)

TUBOS REUNIDOS is committed to the decarbonisation of the steel industry, developing innovative solutions that drive and facilitate its transformation towards a more sustainable and environmentally friendly model. That's why, the design and marketing of low-emission products is central to our overall sustainability strategy and, by association, our business strategy.

In 2024, we took an important step in this respect with the launch of O-Next™, **a line of seamless steel pipes manufactured from recycled raw materials and clean energies, resulting in low CO_2 emissions.** This new generation of pipes leads the way towards a smaller carbon footprint for our customers, and in general, a sector where demand for sustainable solutions is increasing.

The O-Next™ range was officially unveiled in April 2024 at the **Tube fair** in Düsseldorf, Germany, the industry's most important international event, and has been very well received by the market (ESRS 2 SBM 1 -40e).

Innovation with a positive impact

O-Next™ is a milestone that positions us where we want to be, as relevant players in energy transition through innovation and a firm commitment to sustainability to build a better future.

Our goal is to support our customers in their transformation to more efficient and environmentally responsible business models by providing them with a substantial reduction in their final CO_2 emissions rate.

We received our first orders during the year, which had been manufactured by the end of the year and are **in a review phase with Certinalia**, a leader in applied research and technological development in Spain and Europe, and a member of the Basque Research and Technology Alliance.

A product of continuous improvement

Achieving **net zero** is part of a **continuous improvement strategy covering the entire organisation,** through which we are seeking to advance our decarbonisation objectives through energy efficiency, the circular economy and the reduction of our environmental footprint. These are some of **the most notable initiatives:**

- **Consolidation of the Group's steel** mill in Amurrio (Álava).
- Reorganisation of the project to **install one of the largest solar plants installed on rooftops** in Spain in the industrial sphere
- Start of project to replace existing lorries **with biofuel-powered trucks.**
- **Digitisation** of the steel sector.
- **Improvement in production processes** such as furnace heat recovery and 100% of our refractory waste, ladle preheating and oxygen enrichment, among other actions.
- Study for the adaptation of our steel installations to **use hydrogen (Hazitek H-Acero project).**

Transparent

The environmental footprint of our O-Next™ pipes is based on direct reductions of emissions at each stage of the production process, reflecting **a real and tangible approach to sustainability.**

"With O-Next™, we respond to the growing demand for more sustainable solutions for the industry and position ourselves where we want to be, as relevant players in the energy transition".

Jagoba Hernández, Supply Chain Director

03

TUBOS REUNIDOS, STEP BY STEP

3. TUBOS REUNIDOS, STEP BY STEP

Our aim: driving the energy transition

3.1. WE ARE PART OF THE CHANGE

More than 130 years revolutionising the steel industry

We always look to the future with innovation, prioritising excellence in service and proximity, adapting flexibly to the challenges of an ever-changing and demanding environment.

This approach has allowed us to develop and consolidate ourselves as a global benchmark in the steel industry, with the capacity to lead the transition towards a low-carbon economy and as strategic partners of the world's main energy companies and industries.

Below are some of the most significant milestones in our history:

1892 I Origin

Foundation **of Tubos Forjados S.A,** the company that would go on to be **TUBOS REUNIDOS S.A.,** dedicated to the manufacture of pipes for boilers and steam pipes, as well as pipes for water, gas and other purposes.

1946 I New orientation

Production begins on seamless piping manufacturing using a hot push bench.

1950–1970 I Expansion

Successive expansions were made to increase production capacity, through our cold-drawing facilities, for instance, and diversify products.

1968 I TUBOS REUNIDOS is born

The merger of **Tubos Forjados S.A.** and part of the **Babcock & Wilcox Española S.A. plants,** specialising in seamless piping and welded piping, led to the creation of **TUBOS REUNIDOS S.A.**

1977 I First casting in Amurrio

Production of the first cast steel in the steel furnace at the Amurrio plant (Álava).

1984 I Technology innovation

Implementation of an innovative heating and drilling system at Amurrio plant's push bench, a global milestone in pipe technology. This year also saw the start up of the special finishing facilities for the oil and gas industry.

1998 I Diversification

Acquisition of **Productos Tubulares, S.A**., incorporating a wide range of pipes of large dimensions and thickness into our portfolio, including special, alloy and stainless pipes.

2002 I New plant

Inauguration of the new cold-drawing plant in Amurrio.

2005 I Financial impulse

Floating of **TUBOS REUNIDOS S.A.** on the continuous market of the Spanish Stock Exchange.

2012–2019 I Transformation Plan

Investment of €179 million in developing high value-added products and improving competitiveness.

2014 I International partnership

Agreement with **Marubeni-Itochu Steel Inc.** to manufacture premium connections for piping in the oil and gas sector in Iruña de Oca (Álava), under the brand **TUBOS REUNIDOS PREMIUM THREADS.**

2016 I Expansion into the USA

Acquisition of the business assets of **Rotary Drilling Tools Inc. (RDT)** in Texas, strengthening our production presence and bringing us closer to the end-user.

2021 I Strategic steps

Incorporation into the Basque Hydrogen Corridor (BH_2C) and the first geothermal project.

Recognition by SEPI (*Sociedad Estatal de Participaciones Industriales* – State Company for Industrial Investments) as a strategic company and access to financing offered by the support fund for companies affected by the pandemic.

2023 I Integration and sustainability

Unification of the Group's two steel mills at the Amurrio plant, improving efficiency and sustainability, and committing to innovation in components for technologies related to the energy transition by joining the Energy Intelligence Centre (EIC), located on the Abanto Campus of the Basque Technology Parks Network.

2024 I Disruptive innovation

Launch of O-Next™, our first low-emission seamless steel pipe.

Our mission

Our Group is committed to innovation and sustainability, with a view to accelerating the transition to a decarbonised economy. A global team of more than 1,400 working towards one common purpose:

Boosting the energy transition through innovative and sustainable piping solutions, creating value for shareholders and other stakeholders to join our commitment to sustainability (ESRS 2 SMB-1-40e).

Our vision

We have an excellent understanding of energy industries around the world and are adapting flexibly in a way aligned to their needs, having been their partners for more than 130 years.

Our vision is clear: (ESRS 2 SMB-1-40e)

Being the most agile, efficient and trusted brand for our customers by offering them our industrial experience, know-how, quality and innovation through products and services valued and referenced on the market.

The Group is committed to leading the energy transition through innovative, sustainable piping solutions. This purpose guides our business and defines the values that are the essence of our corporate culture.

Companies

The **Tubos Reunidos Group** comprises Tubos Reunidos S.A. and its subsidiaries. These are:

COMPANY	COMPANY DOMICILE	ACTIVITY	% HOLDING	HOLDING COMPANY
Tubos Reunidos Group S.L.U. (TRG)	Amurrio (Álava)	Industrial	100%	Tubos Reunidos S.A.
Tubos Reunidos Premium Threads S.L. (TRPT)	Iruña de Oca (Álava)	Industrial	51%	Tubos Reunidos S.A.
Tubos Reunidos América Inc. (TRAME)	Houston (Texas)	Marketing	100%	Tubos Reunidos S.A.
RDT Inc.	Beasley (Texas)	Industrial	100%	Aplicaciones Tubulares S.L.U.
Tubos Reunidos Services S.L.U. (TRS)	Amurrio (Álava)	Industrial/Real estate operation	100%	Tubos Reunidos S.A.
Clima S.A.U.	Bilbao (Vizcaya)	Holding company	100%	Tubos Reunidos S.A.
Aplicaciones Tubulares S.L.U. (ATUCA)	Bilbao (Vizcaya)	Holding	100%	Tubos Reunidos S.A.
Tubos Reunidos GmbH	Düsseldorf (Germany)	Marketing	100%	Tubos Reunidos Group S.L.U.

3.2. WE ARE READY

Production centres

TUBOS MILL

The Tubos mill, our Amurrio plant in Álava, manufactures seamless alloy and carbon steel pipes using hot rolling and cold-drawing processes. These products, with a chromium content of up to 13%, are destined for the oil and gas, chemical and petrochemical, power generation, heat transfer, automotive, mechanical and construction industries.

Since January 2024, we have operated with a single steel mill for the entire Group, operating in a more efficient and integrated way, from selecting raw materials and steel production to delivering pipes, ensuring the best quality and service.

PRODUCTOS MILL

The Productos mill, our Trápaga plant in Vizcaya, produces seamless stainless steel, alloy and carbon piping and large, hot-rolled pipes from ingots.

All of the carbon and alloy steel ingots used as raw materials at this plant come from the Group's steel mill, located at the Tubos mill. Stainless steel ingots and high nickel alloys are sourced from top-quality certified external suppliers.

RDT Inc.

RDT Inc., the Beasley plant in Texas, is geared towards the design and production of innovative, competitive solutions with semi-premium and premium connection threading for the operation and production of oil and gas. Tubos Reunidos America Inc. is the company responsible for distributing these products in the United States.

TUBOS REUNIDOS PREMIUM THREADS S.L. (TRPT)

TRPT, the Iruña de Oca plant in Álava, specialises in the processing of pipes from the Tubos mill, with added specific premium connections for drilling operations.

A global network to serve our customers in more than 50 countries

Figure 1 Global distribution of the Group

Our international presence, backed by a network of technical and commercial support, and coupled with our commitment to excellence, enables us to remain close to the needs of every customer, offering customised, high-quality solutions.

We have **three R&D+i centres,** located at our US plants and at the Amurrio and Trápaga production centres.

Worldwide implementation:

We have **6 trade offices**, one each in Germany, Italy, Korea, China, Dubai and the United States, as well as **commercial agents in 14 countries,** from which we cover the world's major markets.

Markets

"We want to be a fundamental support for our customers in their own transformation process and act as a driving agent in the industry to build a better future".

Pedro Rodriguez, Sales Director

(ESRS 2 SMB-1-40aii-42)

Energy industry

UPSTREAM

We have decades of experience in global oil and gas applications in the upstream market. We develop product solutions for well drilling in projects related to carbon capture, use and storage (CCUS), geothermal energy and mining, reinforcing our commitment to innovation and sustainability.

We supply coating pipes, drilling pipes, production and fittings to customers worldwide that meet the highest standards of quality and service, capable of meeting any demand. To this end, we have API certifications and other specific accreditations, in line with customer and market requirements.

Our products are made from specialised materials, such as high-quality steels and advanced alloys, including high chromium content, designed to withstand the toughest environments (intense pressures, extreme temperatures and corrosion).

MIDSTREAM

Midstream, we provide special pipes for the land and sea transport of oil, natural gas, hydrogen etc., as well as for its storage and transformation in processing plants.

We optimise our products using chemical compositions and specific heat treatments, ensuring outstanding performance in the most challenging conditions.

With a wide range of grades and dimensions, our transport pipes play a key role in the energy transition by meeting the needs of the growing demand for natural gas, hydrogen and other applications such as carbon storage and renewable energy.

DOWNSTREAM

Our extensive track record in global downstream market projects has made us one of the main producers of dedicated piping for oil and gas refining and processing facilities, degassing plants, desalination and urea, and other applications with high temperature and environmental demands.

In the field of energy generation, our pipes are used in ultra super critical (USC) and combined cycle (HRSG) plants, bioenergy, solar thermal, photovoltaic and geothermal plants. We also continue to develop solutions to contribute to the expansion of clean energy, with a particular focus on renewable energy and nuclear power plants.

Thanks to our wide range of dimensions and quality grades (from stainless steel to carbon grades and high alloy), and specialities such as striated tubing, we have positioned ourselves as a strategic supplier for the sector.

OFFSHORE WIND ENERGY AND SOLAR THERMAL ENERGY

Over the years, we have consolidated our experience in manufacturing pipes for large-scale offshore wind turbine structures (offshore), always ensuring their high performance and reliability even in the most extreme conditions. This journey and know-how has enabled us to participate in numerous international projects for solar thermal plants, contributing to the progress of key infrastructure for a cleaner and more efficient future.

Mechanical industry

We manufacture special steels and pipes adapted to the needs of the mechanical industry across a wide range of customised sizes and thicknesses, using different types and grades of steel.

Downstream: pressure parts

We are specialists in the manufacture of high-performance pipes for pressure equipment used primarily in electricity generation, refining and petrochemical plants.

Mobility

We have international IATF 16949:2016 certification for quality management systems in the automotive sector, strengthening our position as a reliable partner in this industry.

Construction

Thanks to our extensive experience in metallurgy and our own steel mill, we can develop and manufacture pipes designed for unique applications in civil works and mechanical structures. We are particularly focused on constructions that demand high-performance materials and low weight.

Net income by significant sector

(IFRS 8 ESRS SBM1 40b)

The table below shows the Group's turnover by business segment:

	2024	2023
Downstream	75,839	106,313
Midstream	67,277	108,248
Upstream	103,719	197,732
Mechanical/Industrial	61,693	93,126
Other	15,433	27,437
Total	**323,961**	**532,856**

Table 1. Turnover in 2024. Commercial segments ESRS 2 SBM 1 40 b AR12-13

3.3. OUR SOLUTIONS

(ESRS 2 SMB 1: 40ai-40aii-42b)

We create value for our customers through customised comprehensive solutions and premium products.

Integrated production process. Value chain

(ESRS 2 SBM1 42)

The production of our pipe solutions begins with our end-to-end steel mill at the Amurrio plant, where we melt recycled raw materials (mainly scrap steel) in an EAF electric arc furnace. Once fused, the material goes through a refining and degassing process and the resulting steel is cast into continuous casting for processing into a billet, or poured into moulds for the production of ingots. These ingots are transported to the Trápaga plant, located approximately 40 kilometres away, to be transformed into the particular piping solutions produced at this factory, while the billet continues its transformation process at the Amurrio plant.

At both the Tubos and Productos mills, we have two lamination and finishing lines to obtain the qualities and dimensions required by customers to meet their needs. The Tubos mill also has a cold-drawing facility.

Both plants are the core of our value chain along with the activities performed at RDT and TRPT. This core is fed by a highly specialised supply chain, with raw materials suppliers guaranteeing the supply of steel scrap and ferroalloys in the required quality. The supply area has a supplier control system to ensure business continuity (ESRS G1-2). In addition, its Energy division manages contracts for the supply of electricity, natural gas and other essential fuels to run our facilities. To further strengthen the system, another division of the area manages and supervises all contracts with service providers necessary for our business. The auxiliary services, together with the staff from across the value chain (ESRS S2) and in-house staff (ESRS S1), guarantee the operation of our plants everywhere we operate (ESRS 2 SBM 1 42a).

We continue to work to inform our stakeholders of the conduct policies and control systems that we apply in our processes and procedures so that the entire value chain is aligned with the needs and expectations identified in the Group context analysis (see Chapter 4 Double Materiality (ESRS 2 IRO 1 and IRO 2)). This analysis includes the consultations performed through value chain surveys, with the aim of integrating their responses into the assessment of the IRO. The materiality of these IRO, actions and objectives, is reflected in our Sustainability Master Plan, which is incorporated into the Strategic Plan (ESRS 2 SBM 2 45av; 45b; c).

It is important to note that the interrelationship between the different stages of the value chain is strengthened by a solid business model (ESRS SBM 1-SMB 2 and SMB 3) and sustainable governance (ESRS 2 GOV 1:5), supplemented by our corporate governance model (ESRS G).

TUBOS REUNIDOS has a communication model with our customers, as defined in Chapter 8 (T-MRD P/A/T), which describes the processes for the correct management of our product distribution channels and satisfaction guarantees in relation to delivery and service. The distribution channels (lorry and ship, primarily) are adapted to the products, markets and customer requirements, taking into consideration the different destination countries (ESRS 2 SBM 1 42c).

Our stakeholders downstream of the value chain have also participated in the double materiality analysis and their concerns and needs have facilitated the assessment of the related IRO to determine their materiality. Chapter 8 also describes the net promoter score (NPS) customer survey systems used to assess the degree of service satisfaction and to review the customer relationship model. We also provides details of the new claims management system that reinforces our proximity to the customer, allowing better communication and attention to their needs.

In addition to customers, the downstream includes stakeholders linked to environmental ESRS, mainly those related to the circular economy, pollution and water resources. All these environmental vectors that make up the ESRS, with their corresponding IRO, are described and developed in Chapter 5. It is important to note that the Sustainability Master Plan at TUBOS REUNIDOS responds to the needs of the entire value chain and defines the actions, objectives and targets identified to reduce or enhance material IRO.

Main products and solutions

(ESRS 2 SMB-1 40ai)

We develop and manufacture piping solutions with **special and complex requirements,** designed and customised according to the specific needs of each customer.

Our pipes are renowned for their high quality, as reflected in the results obtained in the satisfaction surveys performed amongst customers in 2024 and previous years (see Chapter 8).

We are **committed to excellence**, complying with and even exceeding all of the processes and requirements of the sectors in which we operate, mainly the energy sector.

Driven by our commitment to progress and continuous improvement, we are committed to **the research and development of new processes and products, such as our O-Next™ range.** This revolutionary progress allows our customers to be more efficient and sustainable, and redefines the future of the pipe industry.

"Our high-value-added products deliver superior performance in extreme conditions".

Jon Bikandi, Industrial Director at the Products Mill and Innovation

3.4. OUR APPROACH

Relations and collaboration with our stakeholders

(ESRS 2 SBM2-43)

We build stable, robust and lasting relationships with the different groups and entities that, directly or indirectly, influence or are affected by the activity of the Group's companies, to meet their needs and expectations.

We believe that **two-way communication and continuous dialogue** are essential to building trust, strengthening ties and involving all our stakeholders in this unique business project. This is why taking care with communication is a priority.

Our approach is defined by a number of key fundamentals:

• Active listening: We promote direct, fluid, constructive and intercultural dialogue.

• Responsibility: We establish relationships based on ethics, integrity, sustainable development and respect for human rights.

• Trust: We strive to build and strengthen mutual trust with our interactions.

• Collaboration: We encourage collaboration with our stakeholders to move forwards in fulfilling the Group's mission and vision.

• Anticipation: We anticipate the needs and expectations of the different groups with whom we interact.

• Transparency: We aim to ensure clarity in relationships by providing truthful, relevant, clear and complete information.

To achieve all of this, we continue to strengthen our avenues for relationships, ensuring that they are accessible and effective.

The Communication and Marketing Division manages both internal and external information flows. In terms of the government, sector associations and regulatory bodies, amongst others, communications are governed by a structured procedure that depends on each of the divisions that interact with these stakeholders. The integrated management system sets out the method of action in these cases.

During 2024, we worked on the design of the **Strategic Communication Plan** (ESRS SBM 2 45 aiii), which will be launched in 2025, after submission to the Board of Directors (ESRS SBM 2 45 av). The aim of this plan is to coordinate and align the information and communication actions of the different areas of the Group with the knowledge needs demanded by our different stakeholders (ESRS 2 SBM2-45aiv).

In this way, although each division is responsible for leading the communication actions and relations with stakeholders within its sphere (interviews, surveys, meetings or other activities), we ensure that they are all coordinated and aligned. In addition, the internal processes of each area make it possible for the information gathered in these activities to be channelled to managers or directors, ensuring that the management and supervisory bodies are aware of the most relevant messages, needs and information to be incorporated into the TUBOS REUNIDOS Strategic Plan (ESRS 2 SBM2-45-d).

The table below identifies our main stakeholders and the communication channels that we have enabled to interact with them (ESRS 2 SBM-2-42-43-45).

STAKEHOLDERS	COMMUNICATION CHANNELS	
IN-HOUSE EMPLOYEES IN THE VALUE CHAIN	• Corporate website • Tubos Reunidos Group intranet • Physical post boxes • Regular meetings with direct supervisors	• Physical notice boards • Ethics channel • Tubos Reunidos Group newsletter • *Strategy day*
SHAREHOLDERS AND INVESTORS	• Corporate website • Information published by the CNMV	• General Shareholders' Meeting
FUNDERS	• Corporate website • Periodic information	• Briefings on Group progress
CUSTOMERS	• Corporate website • Trade fairs • Participation in associations	• Satisfaction surveys • Regular visits • Individual meetings
SUPPLIERS	• Corporate website • Supplier portal	• Trade fairs • Participation in associations
REGULATORY BODIES AND PUBLIC ADMINISTRATIONS	• Corporate website • Online portal for reporting • Environmental information (IKS) and health and safety information	• Platforms for the environmental and health and safety monitoring • Regulatory body questionnaires • Regular meetings
LOCAL COMMUNITIES	• Corporate website • Social encounters	• Participation in associations

Taxonomy – SDG

We adhere to the United Nations Global Compact.

Since the adoption of the United Nations 2030 Agenda in 2015, TUBOS REUNIDOS has been working to integrate its objectives into our business strategy, guided by our values, aware of the economic, social and environmental impact of the activities we carry out.

In 2024, we formally signed up to the **Global Compact,** the UN initiative that pursues the **Sustainable Development Goals (SDGs),** thus joining the global movement of companies and organisations seeking to build a better world. Because, as mentioned in the pact, global problems require global agreements and solutions. To be part of this partnership, we have been subject to an assessment, which will be repeated each year, to evaluate issues such as the promotion and application of universal principles and compliance with ethical business practices, the contribution to the SDGs and demonstrating transparency and responsibility.

As members of the Global Compact, we align our strategy and operations with the **Ten Universal Principles** and commit ourselves to respecting human rights and labour standards, preserving the environment and acting transparently in our activities. By doing so, we reaffirm our willingness to incorporate these principles into our culture and into our daily lives to continue to positively impact people and the planet.

Commitment to the SDGs

TUBOS REUNIDOS promotes initiatives that contribute to the achievement of the SDGs, with a particular focus on **SDG 7 (Affordable and Clean Energy),** ensuring access to sustainable energy; **SDG 13 (Climate Action)**, ongoing efforts to mitigate climate change and adapt to its effects; **SDG 8 (Decent Work and Economic Growth),** committing to inclusive and sustainable economic growth; **SDG 6 (Clean water and sanitation),** promoting responsible water management; **SDG 9 (Industry, innovation and infrastructure)**, committing to technological innovation; **SDG 12 (Responsible consumption and production),** optimising our processes to minimise the environmental impact on our environment; and **SDG 17 (Partnerships to achieve the goals),** strengthening collaboration with our stakeholders and actively participating in business associations to promote alliances that benefit society.

Our progress in each of these objectives, with their respective goals, is reflected in the annual report to the Global Compact.

"This commitment reflects our global commitment to sustainability".

Antón Pipaón, Director of Sustainability and Business Development

3.5. 2024 SUMMARY

Below we summarise the main features of our business during the financial year, in line with the steps of our strategic plan.

A year of intense commercial activity

2024 was marked by a number of challenges that affected our sales and production capabilities. The most significant factors include the maintenance of very high inventories in customers, both in distribution and final terms, competitive pressure from low-cost non-EU manufacturers, geopolitical tensions, and the uncertainty generated by the impact of the elections in the United States.

Despite this instability, the intense commercial activity developed allowed us to end 2024 with a **44% increase in portfolio volume** compared to the start of the year, accompanied by positive prospects, primarily in the United States and India.

We are moving forwards in our sustainable transformation

(ESRS 2 SMB1 40aii)

Two of our most important milestones this year were the **launch of the Sustainability Master Plan**, which we look at in more detail in the section below, and the **launch of our first low-emission O-Next™ pipe**, (ESRS 2 SBM 1 -40F), which is the result of the work we have been performing in recent years to speed up the decarbonisation process, supported by a determined commitment to the fight against climate change.

In addition, we continue to add key actions (ESRS 2 SMB1 40g):

- **Consolidation of the new steel mill:** We have completed a strategic milestone with the manufacture of ingots at the Amurrio plant.

  After successfully completing the test runs in 2023, in January 2024 we launched the production of ingots for large pipes in Amurrio, which had previously been carried out at the Sestao plant. This more efficient installation expands our capacity to develop a greater variety of steels and meet our customers' needs more quickly and efficiently.

• **First environmental statements for our products (DAP-EPD):** We have prepared and verified the first DAPs at the Tubos and Productos mills, confirming that the environmental footprint of our products is comparatively lower than the industry average. In addition, in collaboration with the BIND 3.0 open innovation platform, driven by the Basque Government and the SPRI Group, we have developed **a tool to calculate the carbon footprint** of the organisation in all its categories, which was verified in the first quarter of 2025.

Our ambition is to be a driving force for the transformation of the entire value chain, supporting our customers and suppliers in their transition to a low-carbon economy.

• **Europe's first biogas engine forklift:** Continuing our environmental impact reduction efforts, we have acquired a high-tonnage forklift equipped with a biogas engine, marking the path for sustainable innovation in the sector.

Financial stability

"We continue to make progress with the steps defined in our Strategic Plan to build a stronger and more competitive Group".

Ignacio Barón, Chief Financial Officer

• **Debt reduction:** Supported by the cash generated by the excellent results of previous financial years, we have achieved a significant boost in our stability and financial recovery by repurchasing convertible debt through a discounted reverse auction. As a result of this operation, we reduced our gross financial debt by €107 million by paying down €27.5 million. After discounting the accounting impacts and operating expenses, this operation led to a reduction in net financial debt and a positive effect on the income statement before tax of €66.5 million.

This operation was authorised by all the affected financial creditors, including financial institutions, bondholders and the Fund to Support the Solvency of Strategic Companies (FASEE).

• **Reorganisation of non-productive assets:** sale of the land, ships and facilities in Pamplona and Sestao. The concentration of the cold-drawing unit at the Tubos mill, as well as the transfer of the ingot production activity to the Group steel mill in Amurrio, has allowed us to complete these operations, representing a significant step forwards in improving our competitiveness. As a result, we have achieved **80% of the planned actions** in this area within the Strategic Plan.

Growth in added value

We continue to see growth in high added value piping solutions for all sectors (upstream, midstream, downstream and mechanical), in line with our strategic commitment. In 2024, premium products, which traditionally provide the Group with the greatest margin**, accounted for 23.5% of our turnover in tonnes and 32% in value.**

We continue to innovate with new developments, including:

• Production of pipes with 13% chromium.

• Progress with stainless steel (TP347H, Duplex) and new grades: P110 CYS (MS2 without NACE) and T95 grade at the Amurrio plant.

• Increased size and thickness at the Trápaga plant, to 711 x 40 mm, in addition to the preparation of the Amurrio steel mill for even greater dimensions and lengths to meet market demand and expand our benchmarks.

• Development of a 6-inch pipe per reducer at the Amurrio plant.

• In RDT, innovation in licensing the premium TLW connection and SP GBCD, increasing its torque by 81%, and developing solutions at BTX HT and RDT BTX U-HT, thereby responding rapidly to the requirements of our upstream customers in the United States.

• In TRPT, development of a new semi-premium Panther connection, licensed from Marubeni-Itochu Steel, Inc. Launch of the feasibility study of other solutions for access to new markets and/or applications.

In line with our mission to deliver innovative solutions with the latest R&D+i technology, we have set up an **innovation committee** that reinforces our commitment to this core pillar of our DNA, driving growth and continuous improvement to keep us at the forefront of the industry.

Stronger in OCTG solutions in the USA

The US market and OCTG solutions are strategic to TUBOS REUNIDOS. In 2024, we **doubled the threading capacity and increased our heat treatment capacity by 20%**, key aspects in this country.

These advances strengthen our position and allow us to continue to quickly and effectively meet the growing demand for high value-added pipes, as recognised by our customers.

Improvements in efficiency

The concentration of billet and ingot production at the Tubos mill allows us to improve the use ratios of the steel mill and consequently reduce energy consumption. In addition, many other actions optimise our processes, integrate systems and reinforce digitisation for us to become a more efficient and robust group:

- **We have optimised the energy management of the steel mill** based on the production schedule.

- **We have implemented a new management system in the steel mill.** This is the AC3.0 system, automating processes and eliminating the risk of obsolescence.

- **We have upgraded key facilities,** critical equipment such as CARTA®neo, IMS and the Becker milling machine, allowing us to further develop our products.

- **We have acquired a hot diameter and thickness control system (IMS)** at the Trápaga plant and a **rotary straightener** for larger pipes, surpassing our current capacity and better positioning ourselves in this segment. We continue to invest in equipment that facilitates our flexibility and improves the quality of our products.

- **We have commissioned the synthetic natural gas plants using butane** at the Tubos and Productos mills. This ensures the operation of factories in the event of natural gas restrictions, and provides us with a competitive, low-cost energy supply.

- **We have implemented the S&OP methodology,** gaining efficiency and improving our service by aligning demand forecasts with the plants' capabilities, increasing our flexibility.

• **We have improved the integrated processes management systems** in areas like **prevention, environment, quality and energy**.

• **We have made progress with the implementation of the 5 "S" method** by focusing the organisation of work efficiently and safely and transferring it to the unification of steel mill processes.

• **We have improved the control of scrap metal.** The digitisation of the entire scrap entry and control process has allowed us to obtain real-time information that is integrated into the new steel mill management system, translating into improved steel quality.

• **Brand definition and management programme.** At the Tubos mill, we have started the process that will see us monitor our products pipe by pipe in future.

• **We have incorporated AI into the Salem furnace** at the Productos mill, which will help us optimise consumption, material and programming time.

• **We have harnessed data mining** to optimise processes and capture savings.

• **We have approved the cybersecurity policy.** As part of its development, we have based ourselves on the ISO 27001 Information Security Management standard, clearing the way to obtain this certification.

Successful implementation of the preventive culture

We continue to strengthen the preventive culture at our organisation, prioritising the safety of our employees and ensuring a safe working environment with the goal of achieving zero accidents. The four-year "**Safety Excellence**" programme has now been integrated into our processes. In 2024, **we managed to reduce the accident frequency rate by almost 35%** at the Tubos and Productos mills.

"In RDT, we ended 2024 having achieved 519 days with no accidents. An example of the success of the "See something, say something, do something" programme

Francesc Ribas, Director of Tubos Reunidos America

We drive talent

During 2024, we have worked on a new people management model, **Empowering Talent**, which ranges from attracting talent to professional development, focusing on three key areas: **communication, teamwork and digitisation**. We place talent at the heart of our strategy and strengthen it through essential pillars such as our **values, culture, skills and digital transformation.**

We are committed to **quarry engineering** as a development model to train our future leaders, a proof of our commitment to people. Within this framework, the activities planned at the Human Resources division include the implementation of **training and coaching plans** designed specifically to boost young talent at our production plants.

Social aspect

Thanks to the efforts of the people who form part of the Group, we have ended the year in a more favourable position, achieving a significant reduction in furloughs over the past three months. The objective is to maintain this positive trend, relying on an increase in our order backlog.

More committed

- **New corporate policies.** During the year, we approved several key policies that develop the Group's commitments, aligned with the most demanding international standards: the **Human Rights Policy, Anti-Corruption and Fraud Policy, Environmental Policy** and **Climate Change Policy.**

  We have also updated **the Protocol for the Prevention and Response to Harassment** pursuant to Law 2/2023, which is mandatory for all persons at the organisation and staff related to TUBOS REUNIDOS. This strengthens our commitment to ensuring a workplace that respects personal dignity and freedom, taking action against harassment in all its forms and manifestations.

- **Accession to the UN Global Compact.** As mentioned above, we signed up to the United Nations Global Compact in 2024.

3.6. SUSTAINABILITY MASTER PLAN

(ESRS 2 SBM-1 40e-48)

Fundamental pillar of the TUBOS REUNIDOS strategy

The steel industry is strategic to the global economy and a major supplier of components for the energy transition. It contributes 8% of the planet's greenhouse gas emissions, which makes our sector particularly responsible in the fight against climate change. TUBOS REUNIDOS has taken on this challenge and is committed to being a benchmark. An example of this is our O-Next™ low-emission pipe.

In the second half of 2023, we began to define the general guidelines of a Sustainability Master Plan (SMP) that would drive our actions to make progress in this area. Throughout

2024, we analysed the trends and best practices in the sector, keeping in mind the current regulatory framework and possible future developments. We have also assessed the context in which we operate, the geopolitical situation, and the needs and expectations of our staff and our value chain (suppliers and customers). We also conducted a maturity analysis, examining our impact on the environment and how external risks and opportunities can impact our business. All of this, combined with the prioritisation of the conclusions obtained, is the basis on which we have built our sustainability roadmap.

This plan has been designed and agreed with all our areas, adopted by the Steering Committee and approved by the Board of Directors at TUBOS REUNIDOS in September 2024. From that moment on, we started rolling it out throughout the organisation.

Keys of our roadmap

The SMP addresses all key aspects of Group sustainability and reflects on the ESG challenges in line with the Strategic Plan, of which it is a fundamental part. It is structured around **four key pillars**: The basic pillars (environmental, social and governance) **plus a fourth transversal pillar**, which includes digitisation, cybersecurity, innovation and customer relations, topics not addressed in the Directive's ESRS.

In addition, the plan is supported by **three strategic positioning levers** that act as guides to help us with this process:

- **Design and market low-emission solutions** that facilitate the decarbonisation of the sector and our customers **(O-Next™).**

- **Integrate ESG culture** into the Group's DNA.

- **Join the UN Global Compact** as a driving force to strengthen our position in terms of sustainability at a global level.

In relation to material aspects, the SMP identifies **eleven priority lines of action** that establish actions, objectives and goals consistent with those of the specific areas into which these actions are divided.

Finally, it establishes **qualitative and quantitative objectives**, with defined time horizons. For monitoring purposes, we have designed a tool that will allow us to continuously and accurately measure the progress of the results of each objective.

We aim to generate sustainable opportunities over time by building a culture rooted in caring for the environment, our people, our customers, the communities where we operate and, ultimately, all stakeholders with whom we reciprocally provide value.

Part of our DNA

We aim for the Group's commitments to become an essential part of our DNA. To this end, the **ESG Committee**, in which all areas of the organisation are represented, establishes working groups specialising in the improvement of production plants. They are known as **ESG Groups** and have a view to developing and implementing the lines of action defined in the plan. These groups, which work closely with the energy efficiency teams, report to **the**

Sustainability division, which is responsible for consolidating the results and presenting them back to the ESG Committee for approval and follow-up. Social and governance actions are managed directly through their divisions and report to the Committee.

In short, the SMP is a fundamental pillar of our strategy that will enable us to make decisive and meaningful progress in our sustainable transformation, guided by environmental and social objectives, under strong governance, and supported by digitisation, innovation and the security of our processes. None of this could be achieved without the dedication of everyone at TUBOS REUNIDOS, who are real stars of this change.

04

SUSTAINABILITY MANAGEMENT

4. SUSTAINABILITY MANAGEMENT

The pillar on which our actions rest

With a view to facilitating the Group's sustainable transformation, we have implemented a **governance model focused on the development and control of the sustainability strategy.** This model is materialised in the compliance of the SMP and is reflected in the TUBOS REUNIDOS Strategic Plan.

4.1 SUSTAINABLE GOVERNANCE MODEL

In 2022, we created the **Sustainability Division**, integrated into the Group's Steering Committee. A year later, its director set up the **ESG Committee**, consisting of members of the Steering Committee and key staff from different areas across the organisation: energy, environment, competitiveness, marketing and communication. As part of its usual functions, the ESG Committee meets regularly to design and monitor the SMP and sustainability information, and to coordinate the actions required to meet the needs of the various related areas.

In addition to leadership in the social sphere, the participation of the director of human resources on the ESG Committee represents a key bridge between staff and supervisory, management and administrative bodies. Communication with workers' representatives is embodied in the strategy of this area, the aim of which is to harmonise their needs with the Group's strategies, summing everyone's efforts for a common good.

Communication with the different areas is channelled through the **ESG Groups and the Industrial Committees**, which work together to plan and implement the SMP.

The SMP (see Chapter 3) addresses the three fundamental pillars**: environmental, social and governance**, along with a **transversal component** in which we include innovation, digitisation, cybersecurity and client relations. These 4 pillars are divided into 11 lines of work that, in turn, are broken down in lines of action per pillar, with their respective objectives, goals and indicators. The definition of the goals and their monitoring system is established by the Steering Committee and submitted to the Audit Committee, which subsequently reports to the Board of Directors. Progress with the SMP is periodically reviewed by the Committee, which reports to the Committee on a regular basis (ESRS 2 GOV1 22ci-ii-iii).

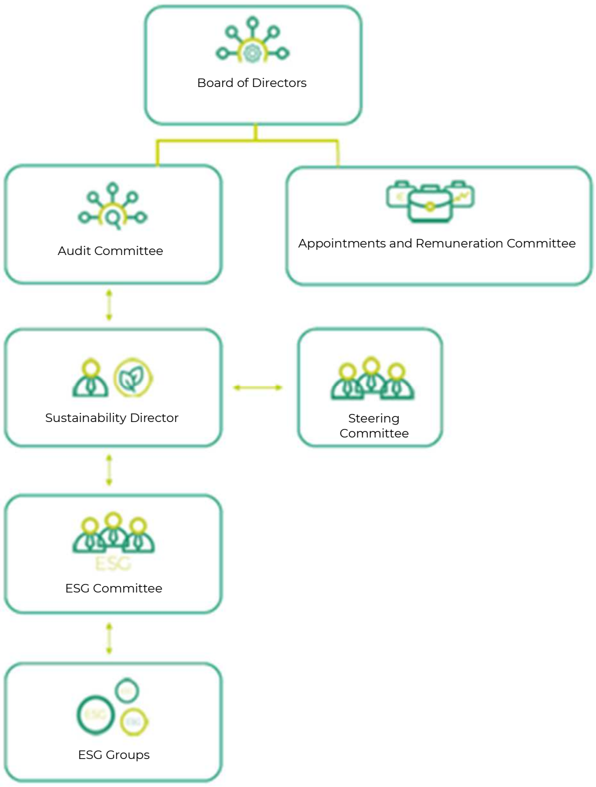

Figure 2 Sustainable Governance

The **Audit Committee** is an internal body constituted on a permanent basis and specialising in the provision of information and advice, without assuming executive functions. This committee has powers of oversight, information, consultancy and proposal within its remit. Specifically, it advises the Board of Directors, and provides supervision and control, among a range of functions, over the processes for preparing and presenting information on sustainability and the effectiveness of internal risk control and management systems. The sustainability director regularly reports to the Audit Committee on the progress made in the preparation of related information, the SMP and other relevant issues in this area. For more information on this committee, see Chapter 7 of this report.

The **functions of the Sustainability Audit Committee** are set out in the Audit Committee regulations[1], approved by the Board of Directors at its meeting on 21 December 2023, and are as follows:

With regard to the **information and internal control systems**:

1. Monitoring and assessing the production process and integrity of economic and financial and non-financial information.
2. Constantly monitoring the effectiveness of Company and Group internal control systems, internal auditing, and financial and non-financial risk management systems (including tax and reputational risks, corruption and fraud, along with operational, technological, legal, social, environmental and politically related risks).
3. Analysing the effectiveness of the Group's internal controls.

In relation to **sustainability and corporate governance**:

1. Monitoring compliance with the Company's policies and rules on environmental, social and corporate governance matters.
2. Providing preliminary financial and non-financial or general information about the Company or its Group that will have external repercussions.
3. Evaluating and periodically reviewing the Company's corporate governance system and its environmental and social policy.
4. Supervising the Company's environmental and social practices to ensure that they conform to the strategy and policy set.

The Audit Committee reports to the Board of Directors on sustainability, the progress made with the SMP, the processes for preparing and presenting sustainability information and the effectiveness of the internal risk control and management systems.

The **functions of the Board of Directors in relation to sustainability** are defined in the regulations of the Board of Directors of TUBOS REUNIDOS S.A.[2], approved unanimously by the Board of Directors at its meeting of 27 January 2022, and include but are not limited to:

[1] For more information, see the Audit Committee regulations. Tubos Reunidos Group website.

[2] For more information, see the Board of Directors regulations. Tubos Reunidos Group website.

1. Approving the corporate policies being developed.
2. Approving the submission of financial, non-financial and corporate information that the Company must periodically make public given its status as a listed company on the stock exchange.
3. Preparing and publishing the Company's Annual Corporate Governance Report and the Statement of Non-Financial Information, as well as the Annual Directors' Remuneration Report.
4. Deciding on the proposals submitted by the chairman of the Board, the chief executive or the Board committees.

We also have **an Appointments and Remuneration Committee,** an internal body of the Board of Directors, constituted on a permanent basis and specialising in the provision of information and advice, without assuming executive functions. This committee has been assigned powers of oversight, information, consultancy and proposal within its scope of activities. Its primary mission is to contribute to the acquisition and retention of talent, which means ensuring that the Group has the best professionals on its governing bodies and in its senior management. In addition, it must ensure consistency between the selection and remuneration policies applicable to the Board, senior management and other employees, and the Company's strategy, including sustainability, diversity, long-term profitability and risk-taking. It notifies the Board if any inconsistencies are detected in this regard; as provided for in Article 6 of the Regulations of the Appointments and Remuneration Committee of the Board of Directors of TUBOS REUNIDOS S.A.[3], approved unanimously by the Board of Directors at its meeting on 25 January 2023.

In 2024, the Group's Sustainability and Communication divisions designed a communication and information strategy that responds to the legislative requirements regarding reporting on sustainability and other applicable matters that should be transferred to all stakeholders, to the value chain, and to the administrative, management and supervisory bodies.

At all meetings of the Audit Committee, the Sustainability division reports on the progress of the SMP actions, relevant information during the period, needs and requirements identified, notwithstanding the need for any other communications. These meetings are held at least quarterly (ESRS 2 GOV2 26a). In turn, the Board, which meets once a month (ESRS 2 GOV2 26a), is informed by this committee. At the same time, the ESG Committee meets once a month (NEIS2 GOV2 26a) to address related aspects. The information related to impacts, risks

[3] For more information, see the Appointments and Remuneration Committee regulations. Tubos Reunidos Group website.

and opportunities (IRO) is managed through the SMP, which is developed in the ESG and Steering Committees (ESRS 2 GOV 2 26b).

Communication and the organisation of information campaigns is essential when it comes to facilitating the proper performance of the functions and responsibilities of the different areas. These are **the main issues addressed** in the actions performed in 2024 to this end:

- **SMP**: development of the main actions, aims, goals and resources, as well as design of the strategy for climate change mitigation and sustainable water management as a vital resource.

- **Environmental Product Declarations (EPD)**: drafting the procedure for calculating the environmental footprint of our products, thus ensuring transparency and environmental communication to our customers.

- **Organisational carbon footprint:** design of a carbon footprint calculation tool for the entire organisation, which provides us with detailed information on the emissions generated throughout the value chain, detecting opportunities for improvement and energy efficiency.

- **Sustainability report:** the requirements established, our current situation in relation to the report and the resources required to achieve the milestones defined by the European Union in its Directive and ESRS standards have been reported on.

- **Signing up to the UN Global Compact:** the scope of this initiative, commitments and obligations has been reported on.

In 2024, we delivered **training sessions for all the governing bodies** of the Group and key staff at the organisation. The aim of these sessions organised by the Sustainability division was to ensure that participants have the necessary knowledge and skills to perform the functions described above on sustainability.

The Board of Directors, the Steering Committee and those responsible for the key areas of the organisation have knowledge of the new CSRD Directive, the fundamental concepts in relation to sustainability, the double materiality analysis (the basis pillar of the report) and the interpretation of the results of this analysis and the associated disclosure requirements. They have participated in planning surveys for the double materiality process and the issues and sub-topics covered therein. Based on these issues and sub-themes of AR16 of ESRS 1, the impacts, risks and opportunities assumed by the Steering Committee and the Audit Committee, which reported the results to the Board of Directors, have been determined. With the capacities obtained, they approve the list of material IRO and the methodology used for their assessment (ESRS 2 GOV1 23-AR5, 23a). At the same time, they monitor the interrelation of the IRO (ESRS 2 GOV1 23b, GOV 2 26b), and the developmental actions and goals in the SMP, which is subsequently deployed in each area for execution. The establishment of these goals is supervised and approved by the Steering Committee and the Sustainability division, whose director informs the Audit Committee about these goals, objectives and control KPIs, reporting to the Board of Directors for approval and inclusion in the TUBOS REUNIDOS Strategic Plan (ESRS 2 GOV 1 22d).

The Board, the Steering Committee and the heads of the key areas have received specific training in the new responsibilities they must assume, which has equipped them to acquire the necessary skills and competencies to carry out their environmental, social and governance functions. As a result, each body as a whole is trained to perform its sustainability roles (ESRS 2 GOV1 23-AR5, 23a,23b).

The **double materiality analysis** represents the core of the Directive. The methodology applied in this process, in line with the guidelines published for understanding and applying them, reflects our knowledge of the steel sector, the sectors in which we operate, the global context and the geographical areas in which we operate. The analysis of all of these vectors has allowed us to precisely identify impacts, risks and opportunities, and to define the materiality of each of these outcomes (ESRS 2 GOV1 26b). From there, we have defined the actions, goals and objectives for their management. This exercise, carried out from the highest representation of the Group, before being cascaded to the key team for further development and then the rest of staff, foments and reinforces the achievement of our SMP and the Strategic Plan.

On 26 September 2024, the Board of Directors approved the results of the Group's double materiality analysis, which identifies material sustainability issues as well as IRO (see the Appendix “List of IRO”) (ESRS 2 GOV2 26b-c) (ESRS 2 GOV 1 22d).

The General Shareholders' Meeting also approved the Non-Financial Information Statement for 2023 with 98.42% of the share capital in attendance voting in favour. The Sustainability Report is submitted for review and approval by the General Shareholders' Meeting, as required by Law 11/2018.

4.2 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE INTO INCENTIVE SYSTEMS

In 2024, we integrated the concept of sustainability into the variable remuneration of staff in key areas of the organisation, as well as members of the ESG Committee and the Steering Committee (ESRS 2 GOV3 29-29a).

The TUBOS Reunidos S.A. Appointments and Remuneration Committee meeting, held on 27 February 2024, addressed the management team's objectives for the year, including measurable sustainability indicators focusing on commercial and premium product development, in line with the guidelines of the Strategic Plan (ESRS 2 GOV3 29a; c;e).

The CEO of TUBOS REUNIDOS, following the instructions of the Appointments and Remuneration Committee and, as a result, of the Board of Directors (ESRS 2 GOV3 29e), informed the Steering Committee of the adoption of a percentage (5%) (ESRS 2 GOV3 29d) of the variable remuneration related to the reduction of greenhouse gas emissions resulting from our business, calculated as tonnes produced during the financial year (ESRS 2 GOV3 29a:c;e). The

Steering Committee, in turn, relayed this commitment to its key staff, integrating sustainability into its personal development objectives.

4.3 DUE DILIGENCE

(ESRS 2 GOV-4 30:32)

We apply **due diligence** to sustainability and the associated information obligations. For the purposes of clarity, the following table sets out the **main aspects and phases of the due diligence process** covered in this sustainability report:

ESSENTIAL ELEMENTS OF DUE DILIGENCE	SECTIONS OF THE SUSTAINABILITY REPORT
A/ Integration of due diligence into the governance, strategy and business model.	ESRS 2 GOV 2 Chapter 4
B/ Collaboration with stakeholders at all key stages of due diligence.	ESRS 2 GOV 2; ESRS 2 SBM2; ESRS 2 IRO 1; ESRS 2 MDR-P Chapters 2, 3 and 4 and thematic ESRS
C/ Identification and assessment of adverse impacts	ESRS 2 IRO 1 ESRS 2-SBM3 Chapters 2, 3 and 4 and thematic ESRS
D/ Adoption of measures to address adverse impacts.	MDR -A E1-1 CTP Chapter 5 SMP Chapter 3 Chapters 3 and 5 and thematic ESRS
E/ Monitoring the effectiveness of these efforts and communication.	SMP MDR-M MDR-T Chapters 3 and 4 and thematic ESRS

4.4 CORPORATE POLICIES

(ESRS 2 MDR-P-66:69) (ESRS G1-1-7)

We reinforce our social, environmental and governance commitments with new policies.

The policies of TUBOS REUNIDOS are approved by the Board of Directors and clearly reflect our **commitments and principles of action** applicable to all Group companies in economic, social, environmental and good governance matters.

These policies are available to the entire value chain and to our stakeholders on our corporate website **www.tubosreunidosgroup.com**.

In 2024, we validated new policies that complement the existing policies and reinforce the governance system, involving the entire value chain:

- **Corporate policy of respect for human rights** (approved 25 July 2024): develops our unwavering commitment to the respect for and protection of human rights (see details in Chapter 7).
- **Corporate policy against corruption and fraud** (approved on 31 October 2024): aimed at developing a culture of zero tolerance and prevention of corruption and fraud (see details in Chapter 7).
- **Corporate policy on the environment** (approved 19 December 2024): strengthens our public commitment to care for and respect the environment (see details in Chapter 5 E2-3-5).
- **Corporate Climate Change Policy** (approved on 19 December 2024): focused on mitigation and adaptation objectives, this policy reaffirms our commitment to the fight against climate change (see details in Chapter 5 E1).

4.5 DOUBLE MATERIALITY

(ESRS 2 3.1 IRO-1-IRO-2)

The directive states that sustainability reports should be based on the principle of double materiality. This involves identifying the issues that are most relevant for TUBOS REUNIDOS from two perspectives: **impact materiality** (of our operations abroad) and **financial materiality** (the external impact on our operations). The analysis should consider both direct operations and the entire value chain, including upstream and downstream processes.

In 2023, we anticipated the requirements of the Directive and performed this analysis, taking into account existing guidelines. During the year, we updated and refined the analysis by applying our own procedure to perform an in-depth assessment of both the effects of the Group on society and the environment (impact materiality) and the potential financial implications (financial materiality).

This process included an analysis of the main ESG ratings and the alignment of sustainability issues with the progress made and future of our Strategic Plan.

As regards the double materiality analysis, we followed the instructions set out in ESRS 1-3, ESRS 2-3.1, as well as the optional guidelines established by the EFRAG: Materiality Assessment Implementation Guidance.

We have also been active in liaising with our stakeholders through surveys and direct conversations, with a view to raising awareness of the importance of their participation in this process (ESRS 2 SBM2 45 IRO-1-53biii).

Methodology used

Analysis of the sector context and the business model

(ESRS 2 IRO-1-53bi-53biii-53g)

As part of the first phase, we performed a **context analysis** that includes both the sector in which we operate (external analysis) and our business model (internal analysis). The results enabled us to accurately identify sustainability issues, which will be translated into potentially material topics and sub-topics. These will then be categorised as IRO.

As part of this context analysis, we used information from the following sources:

Internal sources:

- TUBOS REUNIDOS Statement of Non-Financial Information.
- Internal meetings with those responsible for the Group's most important business lines.

External sources:

- Global, sectoral and business model-specific trends, challenges and risks in terms of sustainability identified by studying sector-specific reports and other specialist sources.
- Regulatory framework and sustainability reporting frameworks.
- Benchmarking of materiality matrices at our main competitors in the sector.
- ESG analysts.

Identification of topics and sub-topics. Segregation of impacts, risks and opportunities

ESRS 1. *General requirements*, section 3, sets out the need for a double materiality analysis. Additionally, section 8 states:

*"Thematic ESRS cover a sustainability issue and are structured into topics and sub-topics, and, if necessary, sub-sub-topics. Application requirement 16 (AR 16) of the CSRD provides an overview of the sustainability issues, sub-topics and sub-sub-topics (collectively, "**Sustainability Issues**") covered in the thematic ESRS".*

Based on the context analysis performed in the previous phase and considering the issues and suggestions proposed by the ESRS, we have defined the topics which, in addition to including those required pursuant to the regulatory framework, reflect the specific reality of the Group. These topics are divided into sub-topics and, in some cases, into sub-sub-topics, offering a greater level of detail to the analysis. This structure facilitates the discussion of sustainability issues in the IRO, complying with the requirement established for the double materiality process (ESRS 2 IRO 1-53b-53c).

As a result, we have thoroughly studied material topics, sub-topics and sub-sub-topics, connecting them to business-relevant issues such as the value chain, dependencies, trade relations and geographic sectors. We have therefore considered all study variables (ESRS 2 IRO 1-53b-53c).

We then looked at the most important topics and sub-topics, grouped into the three fundamental ESG pillars, together with a cross-cutting pillar for the specific aspects of TUBOS REUNIDOS (entity-specific). As indicated in Section 3.6. of the report, our SMP is structured around four main pillars, which allows us to perfectly connect the analysis of the topics and sub-topics to the strategic lines of the plan, providing solid support for integrating the results into the lines of work, goals and objectives we have designed to complement the Strategic Plan.

E (ENVIRONMENTAL)

ENERGY:

Renewable and non-renewable energy consumption.
Reduction of energy consumption.

ADAPTATION TO CLIMATE CHANGE AND EMISSION REDUCTION:

GHG emissions.
Climate change adaptation.

POLLUTION

Air pollution
Soil contamination.

WATER MANAGEMENT:

Management of contaminated water.
Water consumption.

RESOURCE USE, WASTE MANAGEMENT AND THE CIRCULAR ECONOMY

Use of renewable and non-renewable resources.
Circular business model.
Waste management.

BIODIVERSITY AND NATURAL CAPITAL:

Environmental impact

S (SOCIAL)

TALENT MANAGEMENT AND WORKING CONDITIONS:

Workforce well-being.
Training and professional development.
Attracting and retaining talent.
Equality, diversity and inclusion.

OCCUPATIONAL HEALTH AND SAFETY:

Workforce health management.
Reduction of work-related accidents

VALUE CHAIN:

Welfare of workers in the value chain.
ESG criteria as part of the supplier approval and assessment process.

CONTRIBUTION TO SOCIETY AND RELATIONSHIP WITH LOCAL COMMUNITIES:

Dialogue and commitment to the community.
Social action and corporate volunteering

G (GOVERNANCE)

BUSINESS ETHICS AND GOVERNANCE:

Code of Ethics.
Whistleblower channel.
Promotion, protection and assurance of human rights, both in our own business and at third parties
Structure, composition and functioning of governing bodies.

BUSINESS RISK MANAGEMENT:

ESG risk management.

CORRUPTION, BRIBERY AND MONEY LAUNDERING:

Prevention of money laundering and bribery.
Tax transparency.

VALUE CHAIN:

ESG criteria as part of the supplier approval and assessment process.

T (TRANSVERSAL)

CYBERSECURITY AND DATA PROCESSING:

Privacy and security of stakeholder personal data.
Cybersecurity on digital platforms.

INNOVATION

Innovation and digitisation of processes and services.
Innovation applied to the design of new sustainable marketing systems and products.

CUSTOMER RELATIONSHIPS:

Quality of products and services.
Claims management.
Transparency in communications

Table 2. Sustainability pillars ESG-T. Topics and sub-topics

Reasoning for the non-selection of certain sustainability issues as part of the double materiality analysis

As part of the analysis performed on the topics and sub-topics of AR16-NEIS1, we detected sustainability issues that do not apply to the performance of the TUBOS REUNIDOS business. As a result, these issues have not been included in the deployment of the issues and sub-topics in IRO or in their evaluation and assessment.

Relationships with stakeholders

(ESRS 2 IRO-1-53biii) (ESRS 2 SBM-2-43-45)

We have involved our main stakeholders as part of the double materiality analysis. Thus, as part of a survey and/or interview, the relevance of each topic/sub-topic was assessed, taking into account both the impact and financial perspectives. The quantitative value resulting from the surveys is referred to as the "scale", a metric required for the subsequent assessment of materiality (ESRS 2 IRO-1-53iv). In this way, we integrate communication with stakeholders into the Group's strategy (ESRS 2 SBM-2-43-45).

The responses obtained were subsequently weighted based on the importance assigned to each stakeholder.

The following stakeholders took part in the surveys:

Internal:

- Executives: CEO and Steering Committee
- Managers and supervisors

External:

- Sector-specific associations
- Suppliers
- Customers

Identification of IRO

(ESRS 2 IRO-1-53b)

ESRS 2. *Mandatory general disclosure* and the thematic ESRS set out, in sections ***IRO-1,*** the description of the process for determining and assessing material IRO.

Once we had identified the materiality issues, we split them into IRO. To identify these IRO, we used the information from the context analysis and conducted interviews with the different business areas. The impacts provide us with the perspective for impact materiality, while risks and opportunities offer us the perspective for financial materiality.

Dependency

In human rights-related IRO, the materiality will only be expressed with the magnitude value.

Based on the criteria established by the EFRAG, which prioritises magnitude over probability by applying homogeneous calculation for all IRO, no materiality is evident. Therefore, the decision was made to use only the magnitude value.

Climate-related risks and opportunities

We conducted an analysis to identify the exposure of TUBOS REUNIDOS to climate risks and opportunities. This study aims to be a starting point for improving the management of events that may pose a potential risk for the Group's activities at all its facilities.

This analysis was performed in **four phases**:

1. Selection of the analysis scenarios.
2. Characterisation of the value chain.
3. Definition of the Group's spread of climate risks and opportunities.
4. Climate risks and opportunities assessment.

The results achieved have been integrated into the IRO determined for the purposes of double materiality.

Assessment of IRO

(ESRS 2 IRO-1-53bvi)

Once the final list of IRO was obtained, we assessed each one. The metrics used were those established by the new directive and the final assessment method was chosen based on the tested models.

The **metrics used** to assess the IRO are provided below:

- **Scale:** reflects the relevance assigned by stakeholders to each sub-topic. Obtained from surveys and consultations with customers, suppliers and industry associations. The scale ranges from 1 to 5, and is also weighted with the information obtained as part of the context analysis.

As defined in point 45 of ESRS S1: *"In the event of a potential negative impact on human rights, the severity of the incident prevails over its probability"*.

To ensure the materiality of these impacts with the homogeneous assessment criteria used for all IRO, we have established the criteria for using only the magnitude value for the materiality assessment.

- **Scope:** defines the physical space that affects each impact and is divided into:
    - Global: the effect on the population and geography is extensive.
    - Medium: the effect is more geographically specific.
    - Limited: the effect is local.
- **Probability:** determines the possibility of an IRO occurring (applicable only to potential impacts, risks, and opportunities).
- **Remediability:** sets the degree of difficulty, both economic and in terms of time, to reverse a negative impact and return to the previous situation.

We also provide each IRO assessment with a qualitative assessment that complements and adds additional information. We have divided this into key concepts such as governance, management, strategy and financial materiality.

TUBOS REUNIDOS considers the time horizons defined in ESRS 1 6-77.

Based on the quantitative data assigned to each IRO, we obtained its materiality value by applying a formula designed by TUBOS REUNIDOS for this activity, ensuring that it is consistent and homogeneous for all IRO identified. The materiality threshold is the same for the impact and financial materiality, and has been established as an unchanging fixed number to facilitate the comparison of sustainability issues in subsequent years (ESRS 2 IRO 2-59).

The risk analysis of the material issues and their result is integrated into the Group's risk analysis. (ESRS 2 IRO 1 53e).

Validation of the results of the double materiality analysis by the Board of Directors

(ESRS 2 IRO-1-53d)

The process to validate results starts in the Sustainability area. The area manager informs the Audit Committee, which reviews and validates these results, confirming that the findings and conclusions adequately reflect the Group's situation and priorities.

Once these steps have been completed, the Committee informs the Board of Directors for ratification and approval. The results are subsequently integrated into the SMP and the management of targets and goals is shared with key areas to deal with each material topic.

Board approval is reported to the Steering Committee and the ESG Committee to align these results with the strategies of the different departments. Finally, they are relayed to the entire organisation, which assumes responsibility for integrating them into its management processes.

Results of the double materiality analysis

The materiality results obtained after the assessment and evaluation of each topic, sub-topic and its corresponding IRO accurately reflect the reality of our business and our value chain.

To facilitate its interpretation, we have chosen to use a graphical representation in the form of a quadrant matrix that reflects financial materiality and impact at a topic level. Below is a brief description of the figure:

- **First quadrant (top right):** includes the topics with the biggest impact and financial materiality. The relevance of these issues is bidirectional, i.e. impacts on the environment and from the environment. These are the issues that should be considered as the highest priorities for analysing, minimising impacts and risks and enhancing opportunities for the business.

- **Second quadrant (upper left):** represents the topics with a low impact materiality and high financial materiality. In this case, the impact of the environment on activity is worth particular note, generating both risks and opportunities.

- **Third quadrant (lower left):** contains topics with a low financial and impact materiality. These issues may be non-material and are therefore not a priority in the Group's strategy.

- **Fourth quadrant (lower right):** features topics with high impact materiality and low financial materiality. These are issues that are not taken into account in the reporting standards but are topics that cut across the Group.

TUBOS REUNIDOS GROUP DOUBLE MATERIALITY 2024

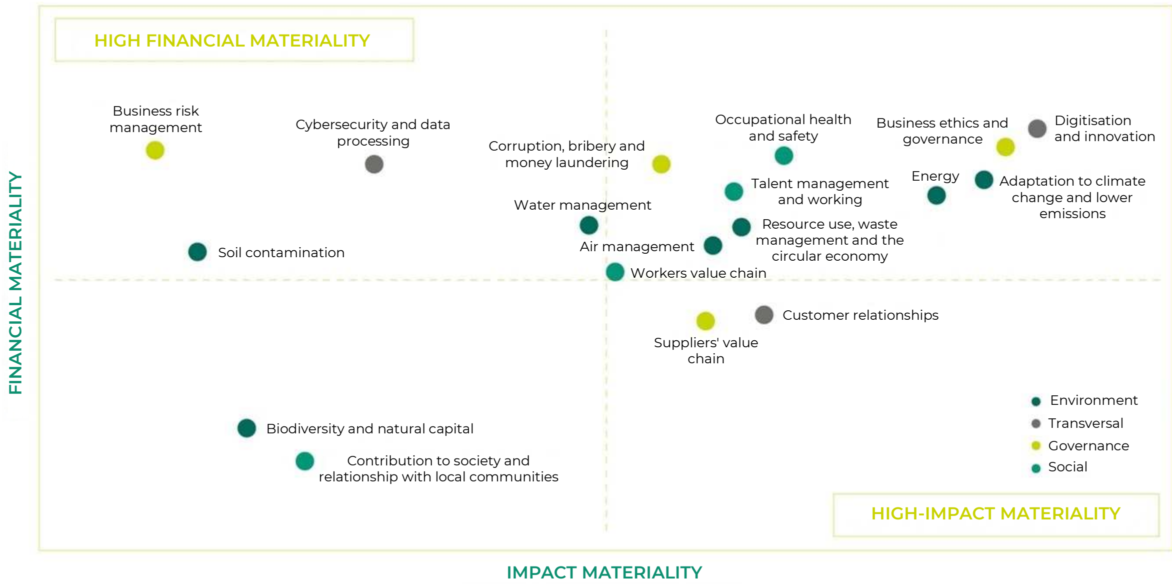

Figure 3 Double Materiality Matrix

According to this matrix, the most relevant **environmental issues** identified are adaptation to climate change, reduction of emissions, energy, the use of resources and the circular economy. In the case of **social issues**, the three main topics are health and safety at work, talent management and working conditions, as well as relations with customers. Finally, business ethics, digitisation and innovation stand out in relation to **governance issues**.

In addition, other issues that are particularly relevant to the business have been identified: water management, corruption, bribery and money laundering and air pollution.

In contrast, issues considered less significance include biodiversity, natural capital, contribution to society and the relationship with local communities (ESRS 2 SMB 3-48a).

To provide an overview of significant changes in sustainability issues, we have performed a comparison against previous years, observing an alignment with the results obtained in 2023. The methodology employed was similar, although more comprehensive and refined (ESRS 2 IRO 1-54h).

Interaction of material IRO with the company's strategy and model

(ESRS 2 SBM 3 48) (ESRS 2 GOV 2 26c)

Once the methodology has been defined and the materiality results presented at a topic level, we disclosed the results for the year in greater detail.

Below, details are provided of the material IRO resulting from the double materiality analysis, providing a description of their position in the value chain, their potential, effects on strategy etc., and in the case of risks and opportunities, their dependence.

ESRS	IMPACT DESCRIPTION	Value chain	Positive/Negative Current/Potential	RELATIONSHIP TO THE TRG STRATEGY (ESRS 2 SBM3 48c)
E1	Intensive energy consumption from non-renewable sources for the operation of the factories.	U+C	Current Negative	TUBOS REUNIDOS is working to incorporate new energy technologies that minimise the consumption of non-renewable energy. It has also designed energy efficiency plans in all of its operations. Creation of specific working groups to develop new processes. Digitisation of processes. Actions, objectives and goals in the SMP. Climate transition plan (CTP).
E1	High GHG emissions due to the Group's business model.	C	Current Negative	
E1	Increasing GHG emissions due to the consumption of butane as an alternative source.	C	Potential Negative	
E2	Emission of polluting substances into the environment resulting from the burning of fossil fuels and from smelters.	C	Current Negative	
E1	High energy consumption caused by the use of obsolete and low energy-efficient machinery.	U+C	Current Negative	According to the description above and pursuant to the Strategic Plan, actions are being developed and planned to renew the plant's production structure with deadlines defined in the Group's investments and annual budgets.
E1	Reduction of energy consumption through the implementation of energy measures and strategies.	U+C	Potential positive	Result of the strategy applied to the business model. Investments have been made at our facilities to improve energy efficiency. Our energy transformation and sustainable transformation model is part of the SMP. CTP.
E1	Reduction of emissions caused by increased energy consumption from renewable sources.	C	Potential Negative	
E1	Reduction of emissions caused by increased energy efficiency measures.	C	Potential positive	
E2	Environmental harm due to failure in the treatment of water in production or emergency cutting systems.	C	Current Negative	These impacts are controlled within the sustainable water management system and within the water treatment procedures under the umbrella of the Environmental Management System implemented at production centres. The SMP includes the performance of actions and objectives to maximise water use and strengthen treatment systems for greater efficiency.
E2	Discharge of sanitary water with values higher than that allowed by the Integrated Environmental Authorisation (*Autorización Ambiental Integrada* – AAI) to public waterways.	C	Current Negative	

ESRS	IMPACT DESCRIPTION	Value chain	Positive/Negative Current/Potential	RELATIONSHIP TO THE TRG STRATEGY (ESRS 2 SBM3 48c)
E5	Majority consumption of recycled materials for manufacturing piping.	U+C	Current Positive	The raw material used for our business, scrap, is around 96% recycled, driving the circular economy and minimising the consumption of natural resources. The main pillar of the sustainable transformation strategy is to reduce the consumption of natural sources and maximise all material recovery programmes. The Supply division, which is responsible for the management of these materials, advocates a solvent and robust supply guarantee project and quality guarantee to manufacture the steels in the TUBOS REUNIDOS portfolio.
E5	Lower energy consumption in the production of recycled metal compared to the use of virgin materials.	U+C	Current Positive	
S2	Generation of employment resulting from the purchase of scrap metal.	C	Current Positive	
S1	Employee dissatisfaction with the possibility of dismissal.	C	Current Negative	During 2023 and part of 2024, several furlough schemes were implemented at Spanish plants for production reasons related to the market situation.
S1	Greater workplace stability of employees due to the indefinite hiring model pursued by TUBOS REUNIDOS.	C	Current Positive	In 2024, the HR division presented its strategic project to the Group's management and staff, aligned with the time horizons of the SMP, as part of which fully defined lines of work are developed for the well-being of the company's staff and the value chain.
S1	Improvement in the living and economic conditions of the Group's employees.	C	Current Positive	
S1	Creation of specific opportunities for workers through the information garnered during interviews and specific training courses.	C	Current Positive	

ESRS	IMPACT DESCRIPTION	Value chain	Positive/Negative Current/Potential	RELATIONSHIP TO THE TRG STRATEGY (ESRS 2 SBM3 48c)
S1	Difficulty obtaining work improvements and developing the professional lives of employees.	C	Current Negative	This impact is converted into a Current and Future Positive thanks to the application of HR's Strategic Plan for a time frame included in the SMP, which is also an ongoing plan and will gradually incorporate new needs-based actions.
S1	High risk of accidents affecting workers due to the danger of the work performed.	C	Current Negative	TUBOS REUNIDOS has been developing and deploying a safety excellence project since 2022. The diagnosis regarding plant health and safety and activities has made it possible to obtain a full picture of the situation and design a programme of actions taking place in all areas and at all plants, and, most importantly, involving each person. As a result, there is greater awareness of security at the Group. Significant investments have been made and safety plays a leading role within the SMP
S1	Implementation of measures to improve employee health.	C	Current Positive	
S1	Campaigns to raise awareness, incorporate routines and reduce occupational stress.	C	Current Positive	
S1	Integration of the new OHS plan to reduce the accident rate among employees.	C	Current Positive	
E3-S1, 2	Inadequate decision-making that has a negative impact on the environment, such as environmental degradation or exploitation of the workforce.	U+C+D	Current Negative	
S2-G1	Improvement of the quality of life of external workers due to the implementation of stricter supplier approval measures. Implementation of reliable supplier approval systems.	U+C	Current Positive	See ESRS G1-2 We are developing procedures and communication systems with the entire value chain to integrate all external and internal stakeholders into a common work system and with the same objectives for improvement, professional development and compliance with all corporate governance policies.
G1	Increasing and ensuring strong ESG practices amongst suppliers.	U+C	Current Positive	

ESRS	IMPACT DESCRIPTION	Value chain	Positive/Negative Current/Potential	RELATIONSHIP TO THE TRG STRATEGY (ESRS 2 SBM3 48c)
G1	Human rights violations due to poor supervision of the working conditions of workers in the value chain.	U+C+D	Current Negative	This impact is considered a negative as a result of the application of the EFRAG recommendations on human rights. TUBOS REUNIDOS has a strong corporate governance model that prevents and minimises any negative action in this respect throughout the value chain.
G1	Improvement of working conditions for internal workers and workers in the value chain.	U+C+D	Current Positive	The entire value chain is part of the SMP strategy where improvement actions are prioritised, especially for both internal and external workers.
G1	Promotion of ethics and transparency benefiting the environment and society.	U+C+D	Current Positive	Corporate governance at TUBOS REUNIDOS (see Chapters 4 and 7 of this Sustainability Report) pursues strict compliance with the ethical and conduct standards approved by the Board of Directors that are disseminated throughout the value chain.
G1	Economic and social development of local communities as a result of strict compliance with tax obligations.	U+C+D	Current Positive	
T	Customer satisfaction as the products purchased meet their expectations.	D	Current Positive	The main line of the TUBOS REUNIDOS Strategic Plan is commercial transformation, the fostering of closer relations with customers and their complete satisfaction in receiving the services provided. The sales area has been developing a new strategic plan since 2023 to strengthen communication with the customer. Digitisation projects have been developed to improve market access to our products, order management and the claim handling process We also launched the O-Next™ product range on the market in 2024, which, thanks to its low emissions, allows our customers to adapt their climate transition plans towards decarbonisation.
T	Full and accurate knowledge of customers about the features of the products and services offered, promoting the use of responsible advertising.	D	Current Positive	
T	Increased customer satisfaction for improved order management in terms of time and access to information.	U+C+D	Current Positive	
T	Assistance/acceleration in the decarbonisation of the economy by manufacturing more sustainable solutions.	U+C+D	Current Positive	

Notes: Value chain: U – Upstream, C – Core and D – Downstream

Table 3. Material impacts

ESRS	RISK DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
E1	Economic losses due to rising electricity and fuel prices as a result of the current geopolitical situation or growing demand.	U+C	D	High or very high impact on energy prices. Possibility of impacts on the Group's financial results, adversely affecting development and growth plans. Financial planning in anticipation of an increase in emission rights prices.	Price variations can be traced to the current geopolitical situation and the limited availability of fossil fuels. Not expected in the near future, although there may be a change in prices as conflicts advance or political agreements are reached. We keep this situation in mind and it is assessed annually in the Strategic Plan to incorporate the possible measures required to continue with our business. The entire supply chain is monitored by the Supply division in constant contact with the Group's management to assess any events that arise. The strategy is also reflected in the SMP. This risk is assessed in the short and medium term. In the long term, upcoming double materiality exercises may need to adapt the strategy to possible changes.
E1	Economic losses and slowness implementing improvements due to difficulties in managing and implementing new energy measures.	U+C			Implementing new effective improvements to reduce energy consumption requires large capital investments. These investments are planned as part of the TUBOS REUNIDOS Strategic Plan and will be undertaken based on the Group's investment possibilities. The SMP and the CTP are implementing the necessary actions to address this risk.
E1	Financial losses due to the delay in the implementation of energy efficiency and digitisation measures compared to other competitors in the sector.	U+C			The SMP has lines of action for implementing energy efficiency and digitisation measures, making it unlikely that there will be economic losses associated with delays in the implementation of these measures.
E1	Increasing the cost of emission allowances, which can render production unprofitable.	C	D		Due to the rising prices of these rights, this risk is likely to materialise. It will grow in the medium and long term due to the demand for rights and the reduction of availability, as well as the reduction of these rights free of charge.

ESRS	RISK DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
E3	Economic sanctions due to a discharge of wastewater into the environment.	C	D	The financial materiality resulting from an environmental spill is dependent on the environmental impact; therefore, no specific monetary figures are provided. The necessary physical safeguards are assessed in the budget plan and in the investment plan.	The management system under ISO 14001 has specific procedures to control all environmental parameters. Facilities are subject to permanent control and the necessary safety measures are in place to avoid any spillage into the environment.
E3	Increased operational costs resulting from excessive water consumption.	C		Line of annual budgets for the operation of the plants and planning investments for water treatment, supply and piping facilities.	As part of the SMP, a line of action known as the Sustainable Water Management Plan has been developed to study consumption, supply needs, and the possibility of managing treated water for use at the plant and minimisation of circuit losses. The operations, maintenance, environment and sustainability divisions are working on finding optimal solutions for the proper functioning of treatment facilities.
E5	Increase in the price of scrap due to the increase in demand.	U+C		Financial control with the Supply division that manages the procurement of raw materials and production planning.	The Supply division, together with Sales and Finance divisions, is permanently monitoring the purchase of raw material and the market situation based on production demand at the Amurrio steel mill, which serves all the plants. As part of the Group's strategy, coordinating operational management across the divisions is crucial to harness market supply.
S1	Loss of reputation and possible downtime in production caused by employee insecurity at work.	C		Development of the financial strategy. As part of the actions published in 2024, the situation regarding stakeholders improved, minimising debt and, therefore, improving the Group's financial situation.	The furlough situation in recent months has demonstrated that workers have lost a sense of security. Constant communication between the workers' committees and HR has led to an atmosphere of understanding to keep the workplace stable. Commitment to creating stable and safe employment. Strategic Social Plan.

ESRS	RISK DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
S1	Employee dissatisfaction due to the difficulty of being promoted to other positions.	C		Budgetary provision to undertake the HR division's Strategic Plan.	When a risk is detected, it is included in the HR Strategic Plan. At the same time, the development of lines of work for the promotion of talent has been included in the SMP.
S1	Difficulty recruiting qualified staff due to the specialist nature of positions.	C	D		Along the same lines as above, actions are developed in the plan to attract talent to the plants.
S1	Low production efficiency resulting from a high rate of absenteeism at work.	C	D		Actions were also undertaken as part of the HR Strategic Plan to identify the causes of absenteeism and minimise their impact on the business.
S1	Reputational loss arising from a high accident rate.	C		A specific plan to minimise risks caused by accidents has been included in the plants' annual budget.	Following the Excellence in Safety project launched in 2022, the plants have undertaken annual actions to improve the safety of facilities.
S1	Low efficiency due to an increase in time off work resulting from poor OHS management.	C			
G1	Legal sanctions due to the failure to comply with the Code of Ethics.	U+C+D	D	This risk has not materialised during the year.	The Code of Ethics has been deployed in all areas of the organisation and throughout its value chain. This deployment is combined with a strong culture of respect and coexistence demonstrated by all stakeholders.
G1	Loss of reputation and economic sanctions due to human rights violations.	U+C+D			
T	Loss of customers due to the high price of products compared to foreign companies. Possible loss of competitiveness.	C+D	D	Within the Group's risk map, the Business Development division has detected the line of defence against the competition.	The entry of competing products from other markets is a factor that is constantly monitored by the Sales division and the Business Development division. We participate in forums, industry meetings and meetings with industry associations at both national and international levels to protect markets and borders.
T	Loss of customers due to the improper handling of claims received.	D		Budget allocation for the development of a digital claims management tool. Budget allocation to compensate or resolve financial claims.	A new complaint management tool has been rolled out to improve claim handling and speed of resolution. In the Sales division's Strategic Plan, a system of consultations with our customers has been developed, revealing that their relationship with TUBOS REUNIDOS is positive, placing an emphasis our quality and service.

Table 4. Material risks.

Notes: Value chain: U – Upstream, C – Core, D – Downstream
DEP – Dependency:

ESRS	OPPORTUNITY DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
E1	Cost reduction through the implementation of energy efficiency measures.	U+C		Improved reputation and improved financial position of the Group drives relationships with investors, banks and customers, strengthening the business and viability of the Group's Strategic Plan. This provides continuity to the plants and the future of manufacturing, guaranteeing employment and a contribution to society.	As a result of the series of actions developed in the Sustainability Master Plan and the Climate Transition Plan, we are highlighting all the great opportunities detected to contribute to mitigating and adapting to climate change. The energy efficiency of our facilities minimises the risks exposed above, improving plant productivity and making us more competitive. This improvement in competitiveness is a determining factor as regards our position in the market and with our customers. The launch of products with lower CO_2 emissions during the manufacturing process makes a contribution across the entire value chain.
E1	Reduction in the cost of emission rights through the reduction of GHG.	C			
E1	Reputational improvement thanks to a reduction in emissions.	C			
E1	Greater resilience to climate-related regulatory and political changes resulting from the early adoption of energy efficiency and emission reduction measures.	C			
T	Lower costs due to the optimisation of manufacturing processes.	U+C+D			
T	Customer loyalty and engagement, offering a more sustainable and less polluting product range.	U+C+D			
T	Stand out from the competition by offering high-quality, more sustainable products.	D			
E2	Reputational improvement as a result of the implementation of measures that go beyond legislative requirements on polluting emissions.	C			Respect for the environment, which is one of the pillars of the sustainability strategy. Minimising the use of hazardous substances is a long-standing project at our plants and the divisions are working together to achieve the proposed objectives in this regard.
E2	Reputational improvement due to the correct use of hazardous substances and to avoid environmental disasters.	C			

ESRS	OPPORTUNITY DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
E2	Enhance reputation and avoid economic sanctions thanks to the renewal and improvement of the Group's water treatment plant.	C		Investment plan for improving our facilities.	As part of the Sustainable Water Management Plan, the actions needed to improve wastewater treatment and contribute to the optimisation of the treatment plant, and therefore all circuits, are being developed.
E2	Cost reduction by implementing water consumption reduction measures.	C	D		
E5	Cost reduction by using recycled metals during production.	U+C		Budget control plan for the purchase of recycled material. Control of supply and market demand depending on production.	We use approximately 95% recycled material in the steel manufacturing process. This ensures that the use of natural resources is kept to a minimum; therefore, we drive the circular economy while protecting natural capital.
E5	Reduction of costs in the purchase of raw materials.	U+C	D		
S1	Contribution to work-life balance through policies for employees.	C		HR Strategic Plan. Budget allocation for its implementation.	The HR Strategic Plan develops actions to improve the situation of the Group's staff, supporting working conditions that improve their professional and personal situation. Actions such as development plans, training plans, talent promotion and management, digitisation of HR to improve its routine practices, with resources being dedicated to communication and working with personnel, are some of the measures that generate value and care for our team.
S1	Improved reputation and increased productivity due to the implementation of the training plan.	C			
S1	Increased benefits by attracting and retaining qualified staff	C	D		
S1	Obtaining certifications and being more attractive compared to the competition as a result of good occupational health practices.	C		Occupational Health and Safety and Prevention Plan. Budget allocation for its implementation.	We have a strong work plan for improving safety, working conditions in terms of prevention and all areas work together to implement them. Health and safety culture and awareness-raising has increased significantly amongst all Group employees.
S1	Obtaining certifications and being more attractive than the competition as a result of good OHS practices.	C			

ESRS	OPPORTUNITY DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
G1	Promoting an ethical business culture and a stronger commitment to the company on the basis of a good code of ethics.	U+C+D		Corporate risk management is fully coordinated with the Finance division.	The code of ethics has been deployed in all areas of the Group and throughout its value chain. This deployment is combined with a strong culture of respect and coexistence demonstrated by all stakeholders.
G1	Cost savings due to the prevention of problems caused by the correct functioning of the whistleblower channel.	U+C+D			
G1	Minimisation of risks and improved relationship with stakeholders due to the promotion of human rights.	U+C+D			
G1	Increased investor and stakeholder confidence through a sound governance structure.	U+C+D			
G1	Promotion of innovation in products, services and operations arising from the need to anticipate possible identified risks.	U+C+D	D	Budgetary planning of investments needed for innovation and development of new manufacturing products and technologies.	We have internal risk controls that identify that the proper management of all safeguards protects the business and its development.
G1	Reputational boost due to a taxation strategy consistent with the regulatory framework and by highlighting the Group's large contribution to the public coffers.	U+C+D	D	ESG communication to investors, banking and administration.	This year, activities were undertaken aimed at improving the Group's financial leverage within the framework of the debt reduction target in the Strategic Plan.
G1	Reputational improvement and access to European/domestic assistance, demonstrating that ESG criteria exist throughout the Group's value chain.	U+C	D		We have a Strategic Plan supplemented by the SMP. We develop sustainable market solutions and transparency in communication and sustainability, which has garnered recognition that has been passed on to all staff. This situation generates a Group sentiment and a feeling of responsibility that is again relayed to all stakeholders.

ESRS	OPPORTUNITY DESCRIPTION	Value chain	DEP	FINANCIAL MATERIALITY ESRS 2 SMB-3 48d-e.	RELATIONSHIP TO THE TUBOS REUNIDOS STRATEGY (ESRS 2 SBM3 48c)
T	Reputational improvement and customer loyalty due to the correct handling of complaints.	D		Budget allocation for the development of a digital claims management tool. Budget allocation to compensate or resolve financial claims.	The Sales and Quality divisions have developed a digital tool that immediately resolves communications between the customer and the Group with a view to investigating possible claims caused by a fault in the service. This development, together with the rollout of the Strategic Business Plan, has enabled excellent customer relations and the service to be improved to meet their needs and expectations.
T	Increased profits meeting the specific needs of each customer.	D			
T	Increased customer confidence due to proper private information management.	U+C+D			
T	Implementation of additional cybersecurity measures, within a voluntary framework, that increases stakeholder trust.	U+C+D		Budgetary allocations to implement digitisation models.	Implementation of the Cybersecurity and Digital Transformation Plans within the framework of the SMP.

Notes: Value chain: U – Upstream, C – Core and D – Downstream

DEP – Dependency:

Table 5. Material opportunities

4.6 ESG RISK MANAGEMENT

"Reliable and transparent information is a basic pillar for measuring and disclosing our commitment to sustainability and our degree of achievement of sustainability objectives"

Alberto Santamaría, Internal Audit Director

(ESRS 2-GOV 5 36a:36e AR11)

The TUBOS REUNIDOS Board is responsible for ensuring that a series of processes are in place to provide reasonable assurance regarding the reliability of the sustainability information disclosed by the Group to the market, on the understanding that this information is reliable when it meets the requirements established by the Directive. Senior Management, meanwhile, is responsible for the design, implementation and operation of these processes as a whole (ESRS 2 GOV 5 36a).

The **Internal Control System** for the dissemination of sustainability information consists of the common elements in this type of procedure: control environment, risk assessment, control activities, information and communication and supervision. These elements are coordinated and together prevent, detect, correct, mitigate and/or compensate for possible errors (ESRS 2 GOV 5 36a).

TUBOS REUNIDOS has performed a comprehensive analysis of the risks associated with the disclosure of sustainability information, identifying the following risks (ESRS 2 GOV 5 36c):

Main risks

- Information availability time line. Demanding deadlines.
- Data availability. Integrity.

Secondary risks:

- Interpretation of regulations.
- Truthfulness and accuracy. Completeness.
- Computer systems.

Each risk has been assessed in detail, taking into consideration its seriousness and its likelihood of occurrence. Likewise, in order to mitigate its impact on the disclosure of sustainability information, the necessary controls have been implemented: periodic review of sustainability and climate change risks with the Internal Audit division, review of the proposed actions for their remediation and progress of the SMP as a control and monitoring tool. These reviews and updates are reported to the Audit Committee. (ESRS 2 GOV5 36c)

The Audit Committee is tasked with responsibilities including, but not limited to, the supervision and control of the processes for preparing and presenting sustainability information and the effectiveness of the internal risk control and management systems.

The ESG Committee (see Chapter 4) meets regularly as part of its usual functions to monitor such things as sustainability information and the status and progress of the SMP. The sustainability director, who heads this executive committee, informs the Audit Committee of this monitoring work, as well as of the risks detected and the controls applied.

05

ENVIRONMENT

5. ENVIRONMENT

Positive impacts drive us.

5.1 CLIMATE CHANGE - E1

Governance

See Chapter 4 of the report (ESRS 2 GOV 3: 13).

Transition plan for climate change mitigation

(ESRS E1-1 14:17)

The acceleration of climate change as a result of the greenhouse gases released into the atmosphere, mainly by the use of fossil fuels, is an undeniable reality. Traditionally, the steel industry is one of the largest generators of CO_2 given the high volume of energy it consumes. We aspire to set the benchmark in the sector with a view to tackling this global emergency.

The historic **Paris Agreement**, in force for almost a decade, seeks to limit the rise in global temperature this century to a maximum of 2°C, with the ambitious goal of the rise being no more than 1.5°C. This legally binding international treaty includes commitments by all signatory countries to reduce their emissions and collaborate in adapting to the impacts of climate change, as well as calls to progressively increase these commitments. It also provides developed countries with a route to support developing nations in their processes by creating a framework for transparent monitoring and information on climate goals in these countries.

TUBOS REUNIDOS is constantly looking for new and increasingly respectful solutions, analysing the life cycle of our processes and products with a view to reducing their environmental footprint, which is essential when it comes to making a substantial contribution to achieving emission reduction targets. Our commitment to decarbonisation also extends to our value chain, providing more sustainable solutions and promoting greater sensitivity to climate change amongst suppliers and service providers, including their workers.

Since 2019, we have stepped up our efforts in our **decarbonisation approach** and, as a result of the deployment of the Group's Strategic Plan in 2022, we have activated the following **levers for its development** (ESRS E1-1 16b) (ESRS E1-1 16j):

- **Consolidation of the Group's steel unification project:** The project, which started in 2022 and was completed in late 2024, has led to the cessation of business in Sestao and the concentration of production in Amurrio. To this end, we have built an ingot warehouse to supply the Trápaga plant and services have been adapted to accommodate the necessary facilities to supply both billets and ingots. In addition, unification is supported by a digitisation project to control all manufacturing, optimising the entire process.

- Reorganisation of **the project to set up one of the largest rooftop solar plants** in the Spanish industrial segment at the Tubos and Productos mills.
- **Use of recycled scrap**: currently accounts for **95% of our raw material.**
- **Replacement of the current fleet of forklifts:** We have embarked upon a project to replace existing forklifts with biofuel-powered alternatives, helping us to eliminate transport-generated combustion gases and reduce emissions from this machinery by approximately 95%.
- **Digitisation of the steel process:** development of a variety of programmes to optimise our processes, improving the connectivity between operations and their integration. With this in mind, we have digitalised the entry of scrap by facilitating the control of reclassification and stock in real time. We have started to implement artificial intelligence in laminating furnaces. We have greater control and proximity to our customers when it comes to order management with the implementation of the new CRM platform Salesforce. We are also managing different energy and water meter connection projects to improve consumption supervision and integrate efficiency into a powerful dashboard.
- **Improved processes:** Worth particular mention are the recovery of heat from the furnaces, the optimisation of the rotary solar oven and the galloping beam treatment furnace, the installation of smart meters to increase control over consumption at the factory and the revamping of the electric treatment furnace.
- **Recovery of 100% of refractory waste.**
- **Adaptation of the steel mill for the use of green hydrogen:** In collaboration with the Hazitek H-Acero programme organised by the Basque Government, we have started a study to adapt our facilities to the use of this fuel.
- **Presentation of O-Next™ to the market:** this innovative solution is a milestone in our industry that places us in the role we want to assume as relevant agents in the energy transition (see Chapter 2 of this report).
- **Process for the calculation of the environmental footprint:** development and implementation of a certified process for the calculation of our products' footprint to identify the points of highest generation and take direct action.
- **Tool for calculating the organisational footprint:** developed and implemented for the categories included in the standard.
- **Contractual agreements:** signing of agreements with marketing companies for the acquisition of renewable energy.

Our **SMP,** approved by the Board of Directors (ESRS E E1-1 16i) and integrated into the **Strategic Plan** (ESRS E E1-1 16h), establishes the lines of action for climate change mitigation and adaptation, with the objectives, goals and measurement indicators. These lines form part of the **Climate Transition Plan**, which was under development during 2025 and has a time horizon of 2030. Its strategy is structured around the promotion of sustainable and environmentally responsible solutions, with an operational focus on optimising processes and applying circularity, both on using the raw material from the steel pipes we produce and managing waste, minimising natural resource consumption, energy efficiency, sustainable water management and caring for the environment.

The CTP is a constantly evolving guide to adapt both to business needs and to the international standards and regulations our Group is fully aligned with. It defines decarbonisation levers, the actions that develop them and the reduction goals. It also includes the financial and human resources for its implementation and is led by the Sustainability Division and the Steering Committee, which participate in its management (ESRS E1-1 17).

Our goal is a 20% reduction in scope 1 and 2 emissions by 2030.

Taking 2023 as the reference base (ESRS E1-1 16a), the SMP/CTP sets the target of reducing scope 1 and 2 emissions by 20% by 2030 (85% made up of scope 2 and 15% of scope 1). Scope 3 emission reduction targets are under consideration and will be included in the CTP (ESRS E1-1 17). As the CTP is currently under development and the reduction targets are not validated by SBTi, it is not possible to state and verify that the reduction targets are aligned with the objectives of the Paris Agreement. (ESRS E1-1 16a-AR30c).

The SMP establishes the timeframe (with short-, medium- and long-term horizons) as well as the objectives, targets and monitoring KPIs for each of the actions in the CTP. In turn, the Steering Committee has defined the budgets and investments planned during the term of the SMP, thus providing an estimate of the OpEx and CapEx intended for its development (ESRS E E1-1 16c). See Table 6 for more details.

In relation to the qualitative assessment of locked-in emissions (ESRS E E1-16d), the current facilities have the potential for improvement to make them more efficient. With this in mind, we consider reduction targets taking into account the energy efficiency measures in relation to the use of renewable energy and plant revamps, reducing the risk of non-compliance with the mitigation and adaptation objective. To achieve this, we have analysed assets and activities that may be incompatible with a 20% reduction in emissions. (ESRS E1 IRO-1 AR12d).

In 2024, we also analysed the eligibility and alignment of our activities to the six environmental objectives described in the relevant EU Taxonomy Delegated Regulations (ESRS E E1-16e) (see Chapter 9). As part of our sustainable transformation strategy, we aim to increase the percentage of eligible activities, working on the implementation of technical criteria to improve compliance with the principle of not causing significant harm to environmental objectives.

None of TUBOS REUNIDOS' activities are included in the NACE related to economic activities involving oil, gas or coal (ESRS E1-1 16f) (see Chapter 9). Nor is the company excluded from the EU Paris-aligned benchmarks (ESRS E1-1 16g).

Climate risks and opportunities analysis

(ESRS E E1-1 20)

In 2023 and 2024, we performed a comprehensive analysis to identify our exposure to the risks and opportunities arising from climate change as part of our business. This study was designed as a starting point to improve our management of this aspect across all our facilities.

To this end, we have referred to intergovernmental sources such as the IPCC, an international body responsible for assessing climate-change-related scientific knowledge, regulatory requirements such as the EU Taxonomy, and benchmark climate frameworks such as the TCFD (Task Force on Climate-Related Financial Disclosures). We were therefore able to collate all possible risks and opportunities which, in a grounded and realistic way, could have an impact on our operations (ESRS E E1-1 20).

Based on this list, we have divided risks (according to their nature and following the TCFD inventory) into two categories (ESRS E E1-1 20b-c):

- **Physical risks**: analysing the impacts of acute and chronic risks on our activities throughout the value chain.
- **Transition risks**: assessing the political, legal, market, technological and reputational impacts that could affect our activities and/or value chain.

Stages of analysis:

1. **Selecting the analysis scenario.** In line with the main global initiatives linked to climate change management, any assessment of climate risks and opportunities must be based on a series of future scenarios built from various climate (RCP) and socioeconomic (SSP) pathways. Both aspects are essential when it comes to providing the necessary framework.

   Taking this approach into account, and using the IPCC Sixth Climate Change Report as a reference, we have selected two climate scenarios (ESRS E1-1 20bi): one contemplates an increase in temperature of 2°C for 2050 (SSP5 8.5) and the other is set below this threshold (SSP2-4.5). In other words, we have considered both an optimistic and a more pessimistic outlook on possible climate futures (ESRS E1-1 20bi). The first scenario envisages industrial development that is still dependent on fossil fuels and with major mitigation challenges, while the second projects an intermediate global development involving fossil fuels and challenges to mitigation and adaptation.

   We are working on analysing the compatibility of climate scenarios with the basic climate-related assumptions used in the financial statements. However, for the assessment and weighting of climate risks and opportunities, we have considered variables such as the weight percentage of the EBIDTA and total fixed assets. (ESRS E1-1 IRO 1 AR 15).
2. **Characterisation of the value chain.** Identification of activities and processes in our value chain that may be affected by these risks, or benefit from opportunities arising from climate change (ESRS E1-1 20b).
3. **Definition of the Group's climate risks and opportunities.** This process starts by characterising the value chain and considering applicable guidelines from intergovernmental sources, such as the IPCC, existing regulatory requirements, such as the EU Taxonomy, and benchmark climate frameworks, such as the TCFD. The aim in this phase is to identify all climate-related risks and opportunities that could realistically affect our operations (ESRS E1-1 20bii).
   - **Upstream*:*** activities associated with the supply of resources essential for manufacturing end products, such as:
     - **Inbound logistics*:*** receipt of raw materials, inputs and necessary staff for production.
     - **Supplies:** managing purchases, acquisitions and relationships with suppliers to ensure a constant flow of quality inputs.
     - **Storage:** management of the raw materials purchased.

- **Operations:** a component in the value chain comprising all necessary actions to obtain the end product: (infrastructure, machinery, equipment, systems, staff and support).
- **Downstream:** activities associated with the sale and distribution of the end product:
    - **Outbound logistics:** this involves the physical distribution of the end product to customers, including storage and transportation (lorries, ships and trains).
    - **Marketing and sales:** all activities aimed at promoting the product; advertising, sales and market strategies to reach end consumers.

4. **Climate risks and opportunities assessment.** Taken from three perspectives: timeline for significant impact, associated sensitivity and exposure. To this end, we have used the latest updates from the IPCC (AR6), the GeoEuskadi portal and the climate projections issued by the Ministry for Ecological Transition and the Demographic Challenge (MITECO).

Most of the maps on climate variable evolution analysed in the assessment of physical risks are based on CMIP6 (Coupled Model Intercomparison Project) forecasts. Based on these scales, climate maps and documentation on socioeconomic trends, we assessed all climate risks and opportunities for all timelines in the two analysed scenarios in the value chain.

We have also established several analysis time horizons to carefully examine the associated risks and opportunities that have enabled us to carry out strategic planning based on the Group's vulnerability to climate change and include it in the CTP.

LEVEL	TIME RANGE	DESCRIPTION
0	No impact	Risk and opportunity have no impact on location.
1	Long-term (>2050)	Risk and opportunity are estimated to materialise in a representative way over the long term.
1.5	Medium-term (2031–2050)	Risk and opportunity are estimated to materialise in a representative way over the medium term.
2	Short-term (2026–2030)	Risk and opportunity are estimated to materialise in a representative way over the short term.
2.5	Current (2024–2025)	Risk and opportunity are currently materialising.

Table 6. Climate timeline

To prepare this analysis we have used the definition of various scales that are adapted to our corporate risk management methodology. This adjustment allows us to more effectively align corporate risks with climate risks. It also facilitates the quick and simple implementation of strategies at a corporate level (ESRS E1-1 20 bii). The rating scales used are described below:

- **Sensitivity:** a series of theoretical consequences caused by the occurrence of a risk or opportunity on the Group, without considering the measures that have been established to mitigate its impact. Considered as the value of the scale in the double materiality analysis.
- **Exposure:** possibility of a risk or opportunity materialising. Presence of people, livelihoods, species or ecosystems, environmental functions and services or elements of economic, social or cultural heritage in places and

locations that may suffer the effects of the impacts caused by one or more physical climate risks.

- **Control environment:** the Group's ability to mitigate risk or benefit from the opportunity. At the same time, we have considered the internal control environment that could reduce the risks or maximise the opportunities to which we are exposed. The scales used for the study align with the corporate risk management methodology.

The results obtained have been incorporated into the double materiality analysis (see Chapter 4), including the IRO arising from physical and transition risks, so that the actions, objectives and goals for climate change mitigation and adaptation from this analysis are integrated into all areas of the organisation and into the strategy defined by the Group for an adequate climate transition. Likewise, the result of the study of climate risks and opportunities, with the climate scenarios analysed, has been taken into account when establishing the Group's mission reduction goals. (ESRS E1-4 AR30c).

Impacts, risks and opportunities

ESRS IRO-1.

The process that we have followed to determine and evaluate climate-related IRO is described in the Double Materiality section (ESRS 2 4.1 IRO 1-IRO 2) of Chapter 4. It incorporates the assessment of both physical and transition risks. The resulting IRO are reflected in Chapter 4, Tables 2, 3 and 4.

According to the conclusions of the study, TUBOS REUNIDOS has no material risks and opportunities related to climate change. All IRO are non-material.

Climate risks and opportunities assessment

(ESRS E1-1-20-b-c AR 11-12)

Despite the non-materiality of the risks and opportunities associated with climate change, we have undertaken a comparative analysis in which we have contrasted the physical and transition risks with corporate risks, generating the following threats. It is important to remember that the analysis of climate risks and opportunities is integrated into corporate risks through sustainability and climate change risks. They are analysed along with the other corporate risks with the Finance division, and the hazards related to the climate and the Group's assets and activities have been assessed.

- Interruption of activities.
- New competitors on the market.
- Loss of competitiveness due to commercial regulatory changes.
- Raw materials and energy.
- Climate change and sustainability.
- Liquidity and financing needs.
- Interest rates.
- Tax risks.
- Reliability of the official INF.

- Compliance with contractual obligations.
- Site accidents.

We have also assessed the level of control over climate risks and opportunities and its correlation with corporate risk, with a view to defining appropriate adaptation strategies that minimise risk and enhance opportunities.

GENERAL RISK TYPE	SPECIFIC RISK TYPE	PHYSICAL RELATIONSHIP	EU TAXONOMY RISK	ROCC STUDY RISK	CLIMATE RISK
Physical	Chronic	Temperature	Temperature variations (air, fresh water, sea water) Heat stress, temperature variability	R7, R12, R13, R25	Increase in ambient temperature.
Physical	Chronic	Water	Rising sea levels.	R7, R12, R13, R25	Rising sea levels.
Physical	Acute	Water	Heavy precipitation (rain, hail, snow or ice).	R7, R12, R13, R25	Increased precipitation and snowfall and their progressive intensification, generating more frequent severe precipitation in the form of snow or hail.
Physical	Acute	Water	Flooding (coastal, river, pluvial, underground).	R7, R12 R13, R25	Pluvial and river flooding.
Physical	Acute	Water	Drought	R7, R12 R13, R25	Drought
Physical	Acute	Temperature	Forest fires.	R12 R13 R25 R24	Forest fires.
Physical	Acute	Temperature	Heatwave, cold/frost wave.	R7, R12 R13, R24 R25	Extreme temperature anomalies.
Physical	Acute	Wind	Cyclone, hurricane, typhoon.	R7, R12 R13 R25 R24	Appearance of hurricanes, typhoons, cyclones and tornadoes.
Transition	Political and legal	-	-	R9 R12 R13	New legal requirements on GHGs
Transition	Political and legal	-	-	R9 R12 R13	New legal requirements relating to energy efficiency and the transition to low-emission technologies.
Transition	Political and legal	-	-	R13	New legal requirements related to infrastructure security.
Transition	Political and legal	-	-	R13	Increased exposure to environmental litigation/violations.
Transition	Market	-	-	R12 R13	Changes in customer behaviour/preferences.
Transition	Market	-	-	R12 R13 R24	Variation in resource availability.
Transition	Market	-	-	R13 R17	Inadequate coverage and change of insurance terms and conditions.
Transition	Market	-	-	R8 R13 R15 R17 R19	Difficulties in obtaining financing.
Transition	Reputational	-	-	R13 R15 R24 R21	Failure to meet climate targets.

Table 7. ROCC analysis for the Group

We have also analysed solutions to adapt to physical risks at each of the plants, including control environments. These solutions are integrated into the facilities' development plans and therefore the SMP.

TUBOS REUNIDOS' Climate Change Policy

(ESRS E1-2 22:25)

On 19 December 2024, the Board of Directors at TUBOS REUNIDOS approved the **Corporate Climate Change Policy**, which establishes our roadmap for reaching the commitments undertaken in relation to climate change mitigation and adaptation (ESRS E1-2 24). The SMP is the tool for monitoring and controlling compliance with established objectives.

This policy is available to all stakeholders through the corporate website and has been communicated by the Steering Committee to the different departments and persons responsible by order of the Board of Directors.

TUBOS REUNIDOS aims to minimise, in all its activities and relations with stakeholders, the climate impacts generated by its business and to comply with all applicable legislative requirements and other requirements or commitments assumed by the Group. The aim of this policy is to reach all members of the value chain to jointly take on this commitment.

The policy covers every company in the TR Group, as well as all directors, managers, employees or persons who, directly or indirectly, have a relationship with the Group, regardless of their functional or hierarchical position. We must all demonstrate our commitment to the transition to a decarbonised production model and a strict respect for the environment when running our business everywhere we operate. We must also ensure that this policy is followed throughout the value chain.

It includes the following basic principles of action (ESRS E1-2 25):

- **Promote adaptation to climate change** in order to improve the Group's resilience to the effects of climate change and to help adapt the value chain by generating practices to combat climate change.
- **Contribute to mitigating climate change** by measuring and reducing our greenhouse gas emissions. To this end, TUBOS REUNIDOS will periodically establish and review reduction targets, aligned with the targets of the Paris Agreement (scenario 1.5°C).
- **Promote energy efficiency in our operations**, reducing energy consumption and prioritising the use of renewable energies and the self-sufficiency of the sources installed in the plants themselves.
- **Use clean, more efficient technologies with low** operating and maintenance costs, promoting renewable energy sources that contribute to the decarbonisation of the economy.
- **Design products with the least environmental footprint possible** to help our customers in their transition towards decarbonisation.
- **Promote a culture of adaptation and mitigation to climate change** across the entire workforce, under the guidance of the ESG and energy efficiency groups.
- **Collaborate with administrations** and contribute to public strategies and policies focused on fighting climate change and the energy transition.

We are also committed to supporting our value chain in its decarbonisation process, offering solutions with a lower environmental footprint and promoting greater sensitivity to climate change among our suppliers and their workers (ESRS E1-2 AR17).

This policy is supplemented by the **Corporate Environment Policy** and the **Integrated Quality, Environment, Occupational Health and Safety and Energy Policy**, also approved in 2024.

Actions and resources in relation to climate change policies

We are constantly searching for new solutions that are increasingly respectful towards our environment.

(ESRS E1-3).

As mentioned above, we are developing a CTP, which is integrated into the SMP with a 2030 time horizon. The CTP will manage the actions and resources intended for mitigating and adapting to climate change, as well as the decarbonisation levers.

These are the planned lines of action (ESRS E1-3 26a:29) (ESRS E1-4 34f-AR30), including a description of our 2024 projects:

1. **Energy efficiency** (reduction of scope 1 and 2 emissions):
    - 1.1. Commissioning of the Group's steelworks.
    - 1.2. Optimisation of the rotary open-hearth furnace.
    - 1.3. Installation of smart meters to increase control over plant consumption.
    - 1.4. Optimisation of the galloping beam treatment furnace.
    - 1.5. Revamping the electric treatment oven.

2. **Use of renewable energy:**
    - 2.1. Purchase of renewable energy for the manufacture of O-Next™ low-emission solutions.
    - 2.2. Construction of a renewable energy self-supply facility for our processes by placing solar panels on the roofs of the Tubos and the Productos mills.

3. **Fuel replacement:**
    - 3.1. Replacing diesel lorries with biopropane and electric lorries.
    - 3.2. Study on the adaptation of facilities for the use of biofuels or other alternative sources.

4. **Product change**:
    - 4.1. O-Next™ low-emission piping solutions.
    - 4.2. Measurement of the environmental impact of products through life cycle analysis and preparation of the corresponding environmental product statements.

5. **Characterisation of the value chain:**
    - 5.1. Calculation of Category 3 and 4 emissions within scope 3. Organisational carbon footprint.
    - 5.2. Start of actions to implement sustainability, environmental and climate change policies into the entire value chain.

All these actions launched in 2024 will continue to be developed throughout the life of the SMP. All actions are fully linked to the availability and management of planned resources. (ESRS E1-3 AR 21)

The following table includes both these and the other actions planned to mitigate climate change with the respective forecast resources:

CLIMATE TRANSITION PLAN (ESRS E1-3 29c AR22)

Lever (ESRS E1-3 29a-f)	Actions	Year start measures	OpEx (€k)	CapEx (€k)	Total (€k)	Achieved/projected reduction (ESRS E1-3 29b)	HR	Observations
ENERGY EFFICIENCY	**20% reduction in GHG emissions (scope 1+2) per tonne of product manufactured in 2028 (actions highlighted in 2024).** Commissioning of the single TRG steelworks. Optimisation of the rotary open-hearth furnace. Installation of smart meters to increase control over plant consumption. Optimisation of the galloping beam treatment oven. Revamping the electric treatment oven.	2024		1,800	1,800	During 2024, due to the furlough at the Amurrio, Trápaga and TRPT plants, production was discontinued. Energy efficiency fell and we did not achieve our year's targets.	Creation of ESG groups as the drivers of improvement actions and plant initiatives and projects for climate change mitigation and adaptation.	These are the most significant actions for 2024.
	Installation of oxygen enrichment and preheating equipment (in furnaces other than rotary open-hearth furnaces).	2028	-	-	-			Under consideration.
USE OF RENEWABLE ENERGY	Power purchase agreements (PPAs) or guarantees of origin (GDOs) to reduce category 1+2 emissions. Purchase of renewable energy to manufacture our low-emission solutions.	2024	Annual operating plan (AOP) 2024	-		1990 MWh of renewable gas power and 2000 MWh of renewable electricity		See HCo verification with renewable energy.
	Construction of the renewable energy self-supply facility for our processes by installing solar panels on the roofs of the		2025		-	-		Construction of the facility was halted in 2024. It will be resumed in 2025.

CLIMATE TRANSITION PLAN (ESRS E1-3 29c AR22)

Lever (ESRS E1-3 29a-f)	Actions	Year start measures	OpEx (€k)	CapEx (€k)	Total (€k)	Achieved/projected reduction (ESRS E1-3 29b)	HR	Observations
	Tubos and the Productos mills.							
FUEL REPLACEMENT	Replacement of the current fleet of forklifts (intra-plant logistics).	2024	-	-	-			Lease agreement,
	Progressive increase in biogas use and integration of hydrogen use.	2028	-	1,000	1,000			Under consideration.
NEW PRODUCTS	Low-emission piping solutions. Measurement of the environmental impact of products through life cycle analysis and preparation of the corresponding environmental product statements	2024						The expense allocated to other levers.
INTEGRATION OF THE VALUE CHAIN	Tool for calculating the organisational carbon footprint, categories 1, 2 and 3.	2024	144		144	See results from 2023–2024. We will analyse the results for 2025.		
	Implement a comprehensive sustainability communication (ESG) programme for stakeholders, adapted to specific sectors and continuously monitored to promote sustainable and ethical practices throughout the supply chain.	2025	5		5			Review HCo results as we move forwards with suppliers.

CLIMATE TRANSITION PLAN (ESRS E1-3 29c AR22)

Lever (ESRS E1-3 29a-f)	Actions	Year start measures	OpEx (€k)	CapEx (€k)	Total (€k)	Achieved/projected reduction (ESRS E1-3 29b)	HR	Observations
OTHER LEVERS FOR MANAGING THE CLIMATE TRANSITION PLAN	Prepare studies to determine ESG risk mitigation/adaptation solutions arising from climate risk analysis and dual materiality. The implementation of the corresponding measures is charged in the AOPs.	2025	50		50	The reductions will be projected based on the results of the studies.		
	Establish an ESG risk management MAP at a corporate level.	2024	-	-	-	No reduction applies.		
	Discuss the implementation of SBTI/CDP initiatives.	2026	-	-	-	No data to report.		
	Registration of the carbon footprint with MITECO,		20	-	20	No reduction applies.		
	Definition of a Sustainable Finance Framework with a focus on decarbonisation initiatives.		10		10	No reduction applies.		
	Accession to the UN Global Compact.		35	-	35	No reduction applies.		
	Economic estimate of climate risks and analysis of their influence on the Group's activity.		50	-	50	No reduction applies.		
	TOTAL		**314**	**2,800**	**3,114**			

Table 8. Climate Transition Plan

Targets related to climate change mitigation and adaptation

ESRS E1-4.

Our goal is **to reduce scope 1 and 2 emissions by 20% (24,676 tCO_{2e})** (ESRS E1-4 34a) **by 2030**. Of this, 85% is scope 1, with the remaining 15% in scope 2. We used 2023 as the base year for our reference(ESRS E1-4 34c), taking into account a study that represents the Group's level of activity, the implementation of the Strategic Plan and the definition of the first decarbonisation levers. This year was chosen as the market previously did not allow for total normality in the performance of our processes at a global level as a result of the pandemic (ESRS E1-4 34c AR 25b).

The greenhouse gases included in the reduction targets are: CH_4, N_2O and fluorinated gases co-inverted to CO_{2e} (R-407C R-410A, R-422D, R-134A, R-417A and R32) (ESRS E1-4 34a-b).

We are maintaining the target of reducing scope 1 and 2 emissions by 20% for 2030. (ESRS E1-4 34d). The decarbonisation levers provided for in the Strategic Plan and the SMP with a 2028 horizon were very ambitious. However, factors such as the market situation, technical difficulties with some projects, the revised construction of the photovoltaic plant for self-supply, and the lack of CapEx and funds due to the furloughs since 2023 are currently preventing us from changing this target.

In 2024, we applied a mixed approach to calculate scope 2 emissions. However, this approach is based mainly on the location calculation methodology and the company's emission factors in each country and region in which we operate. In addition, this year we have acquired guarantees of origin for our new O-Next™ product (ESRS E1-4 34b AR25).

We are also using 2023 as the baseline year for scope 3 emissions(ESRS E1-4 34c). To ensure that emission reduction targets are consistent with our GHG inventory, we have reviewed emissions sources by setting clear limits that reflect our operations. The objectives of TUBOS REUNIDOS are aligned with the data reported in our GHG inventory, which is periodically reviewed (ESRS E1-4 34a-b).

Our reduction goals are not based on scientific solutions or validated by SBTi, nor is it possible to affirm and verify that reduction targets are aligned with the objectives in line with the Paris Agreement (ESRS E1-4 34e). We are working to analyse the technical and scientific basis through the engineering and technology solutions used to unify the Group's steel mills and in the implementation of the energy efficiency measures included in the Strategic Plan.

The decarbonisation levers included in the CTP are the basis for the emission reduction target of 20%. (ESRS E1-4 33).

TUBOS REUNIDOS has a target of reducing its scope 1 and scope 2 emissions by 20% by 2030. In 2024, no targets were set for scope 3, nor was the involvement of each decarbonisation lever in achieving the 20% target developed.

The monitoring of the actions and implementation of the levers through the CTP, and therefore the SMP, aims to ensure the effectiveness of the implementation of the TUBOS REUNIDOS' climate change policy and mitigate the impacts and risks detected in the double materiality analysis. The assessment and monitoring process is managed through the ESG groups led by the sustainability director in the ESG

Committee (see Chapter 4). We will work on deploying the appropriate indicators to control the progress of CTP implementation in the dashboards of the industrial committees. This will enable targets to be defined in subsequent financial years in line with the reduction target. (ESRS 2 MDR-T 81)

Energy consumption and mix

(ESRS E1-5)

Steel is essential to our business and is present in our day-to-day work. However, it is a highly energy-intensive process and contributes to greenhouse gas emissions. We are part of the global warming challenge and, as we have demonstrated in this report, we are committed to being part of the solution.

Our Strategic Plan is based on change and on energy transformation. We are therefore immersed in the constant search for more efficient technologies. However, the volatility of the current and recent markets, and the geopolitical context, are proving to be more complex than anticipated. This has resulted in us reviewing our decarbonisation levers, as well as the goals and targets set. Despite this, we have managed to move forwards with a range of actions, as reflected in the section on the CTP (ESRS E1-1).

Since 2023, we have an **Energy Management System** certified under the ISO 50001 standard at the Tubos and Productos mills. In addition, TRPT and RDT work with energy efficiency programmes that, although not part of the management system, meet the expectations and needs defined by Group Management.

The Tubos and Productos mills operate in sectors with a high climate impact.[4]

The following table shows the requested values (ESRS E1-5 36-37-38) to interpret our total energy consumption in 2024:

[4] The sectors with a high climate impact are those listed in sections A to H and L of the NACE (as defined in Commission Delegated Regulation (EU) 2022/1288.

	GTR	Tubos mill		Productos mill		TRPT		RDT	
Energy consumption and combination (MWh)	**TOTAL 2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**
1) Consumption of fuel from coal and its derivatives.									
2) Consumption of fuel from crude oil and petroleum products.	34,376	1,651	1,528	52,099	32,848				
3) Consumption of fuel from natural gas.	290,929	155,408	213,130	63,576	66,529	1,643	328	13,213	10,942
4) Consumption of fossil fuels.									
5) Consumption of electricity, heat, steam and cooling purchased or acquired from fossil fuels.	222,669	85,308	91,874	35,129	10,994	914	632	13,213	22,514
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5.	547,974	242,367	306,531	150,804	110,371	2,556	960	26,426	33,456
Proportion of fossil sources in total energy consumption.		78%	78%	84%	92%	78%	62%	100%	100%
7) Consumption of fuel from nuclear sources.		0	0	0	0	0	0	0	0
Proportion of nuclear sources in total energy consumption.		0%	0%	0%	0%	0%	0%	0%	0%
8) Fuel consumption by renewable source, such as biomass (which also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen etc.).		0	0	0	0	0	0	0	0
9) Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources.		70,099	86,015	28,447	10,058	729	582	0	0
10) Consumption of self-generated renewable energy not used as fuel.		0	0	0	0	0	0	0	0
11) Total renewable energy consumption.		70,099	86,015	28,447	10,058	729	582	0	0
Share of renewable sources in total energy consumption (%).		22%	22%	16%	8%	22%	38%	0%	0%
Total energy consumption (MWh)	**1,095,948**	**312,466**	**392,547**	**179,251**	**120,429**	**3,285**	**1,542**	**26,426**	**33,456**

Table 9. GTR energy consumption

TUBOS REUNIDOS currently has no energy production for in-house use of any kind (ESRS E1-5 39). It is important to highlight that the photovoltaic project at the Tubos and Productos mills has been reformulated, with a view to promoting the use of electricity from clean sources. This project will materialise in 2025, allowing us to make progress on the road towards decarbonisation, with this essential lever pushing us forwards.

Below are the values in terms of intensity based on the net revenue of TRG SLU (ESRS E1-5 40):

	TRG (TUBOS + PRODUCTOS mills)		
Energy intensity by net income	**2023**	**2024**	**%2024/2023**
Total energy consumption from activities in sectors with a high climate impact divided by net revenue from activities in sectors with a high climate impact (MWh/€)	1.20	1.73	145%

Table 10. Energy intensity TRG SLU

Net income	**2023**	**2024**	**%2024/2023**
Net income from activities in sectors with a high climate impact used to calculate energy intensity	502,313	296,282	59%
Net income (other)	-	-	
Total net income (financial statements)	**502,313**	**296,282**	**59%**

Table 11. Net income TRG SLU

Gross scope 1, 2 and 3 GHG emissions and total GHG emissions

(ESRS E1-6)

In 2024, we developed our own **tool for calculating the organisational carbon footprint** based on ISO 14064. Based on 2023, the tool and the entire methodological calculation procedure will be verified in 2025 (ESRS E1-6 AR39-40). This will strengthen our environmental management system by strengthening the process of controlling the emissions of production processes. With scope 3 included since 2023, we can calculate emissions more precisely in significant subcategories for the Group's activity. The analysis of the results of the first two years of study will serve as a starting point for defining the actions and goals integrated in the CTP and, therefore, in the SMP.

The gross greenhouse gas emission values for categories 1, 2 and 3 for 2024 are shown in the tables below. For the calculation of the tonnes of CO_{2e} released, the 2023 emission factors published on the reference pages have been taken for our business. (ESRS E1-6 44-51 AR 43b-46e):

	PLANTS	BASE YEAR 2023	COMPARISON	2024	%2024/2023
Gross GHG emissions scope 1 (tCO_{2eq})	Productos mill	8,833.83	- 6,704.40	12,129.43	0.64
	Tubos mill	45,022.93	5,487.02	50,509.95	1.12
	TRPT	83.42	- 18.95	64.47	0.77
	RDT	231.85	1,996.15	2,227.99	9.61
Percentage of A1 emissions from emission allowance trading schemes	Productos mill	1.05	- 0.05	1.00	0.95
	Tubos mill	1.04	- 0.16	0.89	0.85
	TRPT	NOT APPLICABLE			
	RDT	NOT APPLICABLE			

Table 12. GHG emissions (tCO_{2e}) scope 1 E1-6 44a AR39-44

	PLANTS	BASE YEAR 2023	COMPARISON	2024	%2024/2023
Site-based gross scope 2 GHG emissions (tCO_{2eq})	Productos mill	15,321.79	- 10,440.96	4,880.82	32%
	Tubos mill	37,453.26	5,128.78	42,582.03	114%
	TRPT	389.22	- 137.55	251.67	65%
	RDT	6,043.87	437.06	6,480.92	107%

Table 13. GHG emissions (tCO_{2e}) scope 2 E1-6 44a AR39-44

The target set for scope 1 and 2 emissions in 2025 is a reduction of 4% (987 tCO_{2e}), distributed by 15% in scope 1 (148 tCO_{2e}) and 85% in Scope 2. (839 tCO_{2e}).

By 2030: 20% reduction, taking into account the distribution percentages between scope 1 and scope 2 (3,701.4 and 20,974.6 tCO_{2e}, respectively). We will continue on the path to reduction with the target of decarbonising ourselves, as established by the Paris Agreement. (ESRS E1-6 44 AR48) .

In 2024, we consumed 2,000 MWh of renewable electric guarantees, avoiding 482 tonnes of scope 2 greenhouse gases (market-based emissions). We consider these emissions insignificant in relation to location-based emissions; therefore, their disclosure is not considered relevant. (ESRS E1-4 34a-b).

GHG emissions scope 3 E1-6 44c AR46 tCO_{2e}

		Base year 2023	Comparison (2024–2023)	2024	%2024/2023
	TOTAL	**327,177.83**	**-145,840.96**	**181,336.87**	**55%**
Productos mill	Transport and distribution upstream.	18,584.92	-18,503.82	81.10	0%
	Transport and distribution downstream.	3,777.73	-923.87	2,853.85	76%
	Fuel and energy-related activities	12,044.68	-8,014.41	4,030.27	33%
	Business travel.	79.68	-15.07	64.62	
	Transport of workers	198.06	-7.60	190.46	96%
	Acquired goods and services.	188,454.48	-187,982.41	472.07	0%
	Capital goods.	1,365.73	-896.43	469.31	
	Water consumption (goods acquired).	16.37	-9.04	7.33	45%
	Waste generated (HW and NHW).	2,115.73	-1,644.19	471.54	22%
Tubos mill	Transport and distribution upstream.	6,479.54	-3,056.76	3,422.78	53%
	Transport and distribution downstream.	15,504.11	-5,936.25	9,567.86	62%
	Fuel and energy-related activities	21,223.25	-1,408.74	19,814.51	93%
	Business travel.	79.68	-15.07	64.62	81%
	Transport of workers	871.24	600.15	1,471.39	169%
	Acquired goods and services.	43,142.81	82,509.18	125,652.00	291%
	Capital goods.	1,365.73	-896.43	469.31	34%
	Water consumption (goods acquired).	17.17	-4.09	13.07	76%
	Waste generated (HW and NHW).	5,860.05	3,338.68	9,198.72	157%
TRPT	Transport and distribution upstream.	39.08	-37.31	1.77	5%
	Transport and distribution downstream.	0.17	0.70	0.87	520%
	Fuel and energy-related activities	137.43	-12.01	125.42	91%
	Business travel.	0.00	0.00	0.00	
	Workers' transport.	126.33	117.30	243.63	193%
	Acquired goods and services.	204.68	-152.64	52.04	25%
	Capital goods.	0.00	0.00	0.00	

GHG emissions scope 3 E1-6 44c AR46 tCO_{2e}

		Base year 2023	Comparison (2024–2023)	2024	%2024/2023
	Water consumption (goods acquired).	0.10	-0.04	0.06	57%
	Waste generated (HW and NHW).	51.55	-42.82	8.73	17%
RDT	Transport and distribution upstream.	0.00	0.00	0.00	
	Transport and distribution downstream.	0.00	0.00	0.00	
	Fuel and energy-related activities (	804.21	413.09	1,217.30	151%
	Business travel.	0.00	0.00	0.00	
	Workers' transport.	238.79	-1.22	237.57	99%
	Acquired goods and services.	994.57	-150.95	843.62	85%
	Capital goods.	3,381.39	-3,136.70	244.69	7%
	Water consumption (goods acquired).	2.88	4.29	7.17	249%
	Waste generated (HW and NHW).	0.00	0.00	0.00	
TR SA	Business travel.	10.05	23.52	33.57	334%
	Fuel and energy-related activities (	5.62	0.00	5.62	100%

Table 14. GHG emissions (tCO_{2e}) scope 3 E1-6 44c AR46

The data provided in the results include these statements (ESRS E1-6 45d). Note that for the three scopes, we have used the most up-to-date versions if official consumption calculation methodologies based on emission factors, obtained from official sources such as MITECO, DEFRA and ECOINVENT. (ESRS E16 AR39b).

1. **Scope 1** (ESRS E1-6 44-AR43-44):
   - Emissions from stationary and mobile combustion, process emissions and fugitive emissions. In 2024, we acquired GDOs as a contractual instrument for the manufacture of our O-Next™ pipes, with the purchase of renewable gas. The remaining fossil fuels and gas from which scope 1 emissions derive come through contracts with supply companies.
   - The emission factors used are the latest published in Appendix 7. LCV and CO_2 emission factors for fuels in the National Greenhouse Gas Inventory Report (edition updated annually).
   - These include CH_4 and N_2O emissions As we do not burn biomass, we have no biogenic emissions.
   - Carbon credits are not included.
   - We include GHG emissions from the Tubos mill in Amurrio and the Productos mill in Trápaga, subject to Regulated Emissions Trading Schemes (ETS).

- The accounting period for gross and regulated emissions is 2024.

2. **Scope 2** (ESRS E1-6 49-AR45):

The electricity purchased during this period is included.

- In 2024, we acquired GDOs for the manufacture of O-Next™, so the data is incorporated into tables to provide location and market values. These GDOs are contractual elements established by TUBOS REUNIDOS with distributors. Consumption in 2024 was insignificant compared to other conventional electricity consumption. Therefore, scope 2 emissions have been calculated under the location methodology, discounting the 2,000 MWh emissions calculated per market.
- The emission factors come from official sources such as the CNMV and distributors themselves.

3. **Scope 3** (ESRS E1-6 51-AR46g):

The TUBOS REUNIDOS procedure for scope 3 presents the analysis of the subcategories. In this respect, we concluded that the most significant subcategories for our business are those listed below (ESRS E1-6 AR46g). 100% of the data needed to calculate scope 3 emissions comes from the primary value chain.

- Acquired goods and services. The data is sourced directly from the suppliers of these services and goods.
- Capital goods. The Group's investments involving monetary conversion factors make up this significant category.
- Fuel and energy-related activities (not included in scope 1 or 2 emissions calculations). We obtain the data from consumption in scopes 1 and 2.
- Waste generated in operations. Waste is separated, classified and managed through authorised managers. Destination-based checks on waste generate the emissions data associated with this category.
- Transport and distribution in previous and subsequent stages. Knowing the origin of the services and the destination of our pipes allows us to calculate this category.
- Business travel. We have information received directly from our travel agency to calculate the footprint generated by these trips.
- Employee travel. The HR division provides the annual travel details of the more than 1,400 people who make up the Group, complying with the Spanish Data Protection Law at all times.

TUBOS REUNIDOS sets out the reasons for the non-inclusion of the other categories in scope 3: (ESRS E1-6 AR 46i)

- We have no leased assets in the pre- or post-operations phases;
- We do not transform our products;
- We do not use sold products. The inclusion process ends at the time of the sale to the customer;
- We do no treatment at the end of the useful life of the pipes we sell;

- We have no deductibles; and
- We do not invest in other operations.

The total GHGs are as follows.

BASE YEAR 2023	COMPARISON	2024	%2024/2023
450,557.98	-149,901.02	300,656.97	67%

Table 15. Total GHGs (ESRS E1-6 44d AR54)

Greenhouse gas intensity based on net income for 2024

Turnover can be viewed/checked/verified in the **consolidated statement of profit and loss for the financial year ended 31 December 2024** in the consolidated financial statements (ESRS E1-6 AR45).

	Base year 2023	Comparison	2024	%2024/2023
Total GHG (location-based) emissions by net income	0.85	0.08	0.93	110%
Net income used for GHG intensity calculation	532,856		323,961	
Net income (other)	-		-	
Total net income	532,856		323,961	

Table 16. Net income used to calculate intensity (ESRS E1-6 53-54-55 AR45-55)

GHG removals and GHG mitigation projects financed through carbon credits

(ESRS E1-7 56)

In 2024, TUBOS REUNIDOS did not dispose of or store GHG arising from its own operations or the value chain. Nor has it taken actions to reduce emissions or eliminate GHGs from climate change mitigation projects outside the supply chain through the purchase of carbon credits.

Internal carbon pricing

(ESRS E E1-8 62)

TUBOS REUNIDOS does not apply internal carbon pricing systems.

5.2 POLLUTION - E2

Management of pollution-related IRO

(ESRS 2 IRO 1 11)

Chapter 4 of this report describes the TUBOS REUNIDOS double materiality process.

Pollution is a material topic in our bus and the vectors included within this ESRS are identified, analysed and controlled by ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System, respectively.

In addition, the TRG Tubos and Productos mills are subject to an AAI. The unification of the environmental and energy management systems and the requirements of the AAI guarantee the control and analysis of all parameters related to the impacts and operational risks on the facilities. This also provides operational and synergistic opportunities for reducing these impacts and eliminating risks. The entire value chain is represented in our action procedures and we work closely with contractors and suppliers to strengthen the sustainable culture on every project that we undertake together (ESRS 2 IRO 1 11a).

Furthermore, we have used surveys to consult our stakeholders on the relevance of the topics and sub-topics identified in relation to our business. The results have been integrated into the double materiality analysis (ESRS 2 IRO 1 11b).

TUBOS REUNIDOS' Environment Policy

(ESRS E2-1 12)

Respect for and protection of the environment is central to our culture and these concepts are fully integrated into all our fields of action. A common commitment shared by all the Group's companies.

Our business strategy promotes more sustainable and environmentally efficient solutions, working on optimising production processes, applying circularity (from the use of the raw materials of the steel pipes that we produce to the circularity of the waste generated), minimisation of natural resource consumption, energy efficiency, sustainable water management and, finally, care for the environment.

In 2024, we approved our Corporate Environment Policy, which we extend to our different stakeholders with the firm intention of promoting this ambition in the relationships we maintain with them. This policy forms part of the Group's governance system and is aligned with the Corporate Sustainability Policy in relation to environmental, social and governance matters, the Code of Ethics and the principles of the United Nations Global Compact. Its content can be viewed on the Group's website and is cascaded from the Steering Committee to all managers and divisions by order of the Board.

Our goal is to minimise environmental impacts in all our activities and relations with our stakeholders, and to comply with all applicable legislative requirements and other requirements or commitments undertaken by the Group.

To achieve this goal, the policy establishes a series of basic principles of action (ESRS E2-1 14), with these premises:

- **Identify** any environmental hazards.
- **Prevent** our activities from having a negative impact on the environment and people.

- Should this occur, make every effort **to mitigate or repair** the damage caused.

Basic principles of action (ESRS E2-1 15):

- **Compliance with** legal requirements and other obligations in relation to applicable environmental issues, planning accordingly.
- **Leadership and culture:**
  - Reinforce the leadership and commitment of senior management to environmental protection and the environmental management system, which has already been integrated and rolled out across the organisation.
  - Promote an environmental culture by senior management to enhance appropriate risk perception, transparency and confidence in reporting, continuous learning and innovation.
- **Continuous improvement:**
  - Define environmental goals systematically and monitor performance as an integral part of business management.
  - Develop a global environmental system for the entire organisation, based on international standards, which determines minimum levels and ensures that the criteria applied at all the Group companies are standardised.
- Pursue the **sustainable use of resources, and the efficiency and optimisation of energy use** in production, storage, transport, distribution and marketing processes**.**
- Dedicate the greatest efforts to using **clean, more efficient technologies with low** operating and maintenance costs, promoting renewable energy sources that contribute to the decarbonisation of the economy**.**
- **Drive appropriate training, information and motivation programmes** that enable workers to understand both the environmental risks and impacts of their work, and their importance and how to prevent them**.**
- **Exchange best practices** in the application of global standards, improving them progressively and becoming increasingly demanding and effective (ESRS E2-1 15b).
- **Promote and strengthen the environmental management systems** of production centres in order to facilitate the identification of the environmental impacts of the business and the associated aspects, designing actions and plans to mitigate their impact. In this respect:
  - Develop environmental emergency protocols (ESRS E2-1 15c).
  - Generate synergies with the other systems to optimise processes.
  - Supplement the Group's sustainability information.
- **Progressively reduce the environmental impact of all our activities**, including the promotion of the responsible, rational and sustainable use of energy and water, the management of the risks related to their scarcity and ensuring that the water used returns to the environment in optimum condition (ESRS E2-1 15a) .

Pollution-related actions and resources

(ESRS E2-2 12)

The main action related to air, water and soil pollution in 2024 was consolidating use of the Amurrio steelworks for the entire Group, helping to reduce our environmental impact.

The management of controls on emission sources and the analysis of results and corrective actions, if any, are managed by the Environment division (ESRS E2-2 16). An integrated strategy encompassing all areas was required to reformulate procedures and processes to ensure control of the new facilities in Amurrio and the cessation of activities in Sestao. The 2024 results reflect the effects of unification, although, due to the furlough process embarked upon in mid-2023 and throughout 2024 as a result of low productivity, we estimate that the data will not improve until 2025 due to the energy efficiency actions and reduction of impact expected for this strategic project.

The elimination of substances that represent risks to the environment and human health is of maximum importance to TUBOS REUNIDOS and a commitment reflected in our corporate policies. We prioritise elements with zero or minimum risk among the various market options that suit our production process.

The SMP includes a technical feasibility study to reduce the use of hazardous materials that will be performed during the term of the plan (ESRS E2-2 19a). Its implementation will encompass the Supply Chain, Environment, Production and Maintenance divisions (ESRS E2-2 16) and forms part of the integration processes with the value chain (ESRS E2-3 23d).

Throughout year, we made progress on monitoring the environmental vectors of TRG S.L.U. plants, following the procedures and instructions certified by ISO 14001. The internal and external verification audits carried out during the year have highlighted the strength of the system and its implementation by all areas, demonstrating just how deep-rooted the Group's respect for our environment is. We also collaborated with the government on regulatory inspections, verifying the correct application of the methodologies used.

In 2024, we also completed the actions we had committed to in relation to soil protection at our Tubos mill facilities with the elimination of pollution risks in this vector (ESRS E2-2 19a) (ESRS E2-3 23c). We have embarked upon a joint project between the Environment and Maintenance divisions to optimise water discharge at this plant, the progress of which is constantly under observation. Work has now been completed internally for the future connection to the external collector planned by Amurrio town council for the treatment of wastewater at the municipal wastewater treatment plant (ESRS E2-2 19a). We have also stepped up preventive maintenance work on sources of air and water pollution.

Senior management at TUBOS REUNIDOS is responsible for the provision of the necessary resources for the correct functioning of the management system and the investments (CapEx) allocated to the projects. In recent years, assigning OpEx and CapEx to control and maintain regulatory compliance has ensured that our operations reduce our environmental impact, helping to protect the environment and prevent contamination. The SMP allocates resources for monitoring and continuous improvement (ESRS E2-1 16-19a).

The AAIs of TRG S.L.U. plants establish standards that govern the prevention, control and minimisation of pollution in environmental vectors, adjusting to changes that occur in the facilities. Among their requirements, they establish the application of the best available techniques (BAT) for the sector, which we assess and incorporate in response to needs and resources. We are currently in the process of assessing the impact of the application of the BAT reference document (BREF) for the treatment of ferrous metals in the rolling processes of the Tubos and Productos mills, in collaboration with the Steel Cluster Association (SIDEREX).

This review, limited to the Basque Country, will strengthen our synergies with the companies in the sector and strengthen communication with the Administration (ESRS E2-2 19b).

Appendix 3 contains the DNSH (do no significant harm) analysis for the six environmental objectives including the EU Taxonomy Regulation and its delegated acts (ESRS E2-2 19b).

Finally, it was not considered necessary in 2024 to conduct any ecosystem restoration, regeneration or transformation at TRG S.L.U. since no pollution episode required such an intervention (ESRS E2-2 19c).

Targets related to pollution

(ESRS E2-3)

Reducing emissions and waste, optimising consumption of raw materials and using water resources, together with the closure of the Sestao steel mill and the consolidation of the Group steel mill, were the main goals defined for 2024 (ESRS E2-3 22). The environmental policy establishes the goal of minimising the environmental impacts generated by our business and complying with all the legislative requirements that apply to us in all our activities and relationships with stakeholders, as well as other requirements or commitments acquired by the Group. (ESRS 2 MDR-T 80a). Our goal is to ensure compliance with legal requirements. We can enhance that objective by detecting points of action.

Improving compliance with legal requirements, also established in the corporate policy, involves reaching all members of the value chain to jointly take on this commitment. (ESRS 2 MDR-T 80b). These are values established in the AAI of each production plant measured in the corresponding units for each legal compliance, in terms of pollution, weight or mass load. The reference values are established for each operating year. In this case, there were no values based on a reference year as the base year. (ESRS 2 MDR-T 80d).

Likewise, the period in which the compliance goals are applied in the AAI is established for each year of production and operation, with no interim milestones or goals. This environmental permit has no expiry period, although it may be amended due to substantial changes to operations or by the entry into force of new regulations or applicable technical documents. (ESRS 2 MDR-T 80e-i). The parameters and their compliance limits are calculated by the government (relevant stakeholder in environmental matters and plant operating permits (ESRS 2 MDR-T 80h)) based on the applicable sector, the best techniques available for the sector and activity, and the situation of the receiving environment. (ESRS 2 MDR-T 80f, g).

All the goals established in relation to this ESRS are followed and reviewed as part of procedures and processes included in the Environmental Management System certified under UNE EN ISO 14001. (ESRS 2 MDR-T 80j). These goals perform the necessary actions to control and mitigate material IRO related to pollution. (ESRS 2 MDR-T 81b).

The actions described in ESRS E2-3 seek to minimise pollutant parameters and their load (ESRS E2-3 23a). Similarly, the actions on wastewater at the Tubos mill are related to discharges and their polluting load (ESRS E2-3 23b). The analysis and monitoring of all harmful substances are described in the **Environmental Monitoring Plan** for the AAI of TRG S.L.U.

The TRPT plant is also subject to compliance with its own legal requirements on pollution, although the IPPC law does not apply to it. In the case of RDT, US legislation and the Group's Corporate Environment Policy apply.

Once again, this year we have continued striving to ensure compliance with the legislation in force, thereby reaffirming the commitment made to our corporate policies and the Integrated Management Systems Policy (ESRS E2-3 22-25).

Air, water and soil pollution

(ESRS E2-4).

The control of emissions into the atmosphere and discharges into water are also regulated by the AAI of the two TRG S.L.U. plants As part of these, the emissions sources are classified and the measurement parameters, limits and frequencies are established (ESRS-E2 4, 30, 31).

Since the awarding of the AAI for both plants, the measurement and monitoring systems have made progress in line with current legislation and we have incorporated them into our procedures and processes for their correct interpretation and application. In the case of TRPT, although it is not subject to an AAI, it complies with the legal requirements within its management system. For RDT, however, this point does not apply (ESRS E2-4, 30a).

Following the closure of the Sestao steel mill and the integration of the process into the Tubos mill at Amurrio, it was necessary to adapt the AAI and the affected processes and procedures.

Data collated at TRG S.L.U. plants (ESRS E2-4 30c) is included in monitoring plans aimed at establishing mechanisms to monitor atmospheric emissions and industrial discharge points resulting from activity, as well as the method of calculating the annual mass emissions issued. The parameters it monitors depend on the production processes, raw materials and chemicals used, and the frequencies also vary between continuous, quarterly, annual, three-yearly and five-yearly.

All this data is incorporated into the environmental reports that must be lodged annually with the Basque Government for the preparation of the E-PRTR inventory and the annual Environmental Monitoring Plan report.

The methodology used is based primarily on the guidelines set out in the following frameworks (ESRS E2-4 30b):

- E-PRTR (Basque Register of Emissions and Polluting Sources) methodology
- Monitoring BREF (Best available technique REFerence document)
- Steelworks BREF
- Railway metalworks industry BREF
- Plastic and metal parts surface treatment BREF

The data in the report on the amount of emissions released into the atmosphere is based on measurements or calculations, and is classified as:

Measured data (M): when annual emissions are determined based on measurements. In such cases, the methods and standards used by the Authorised Control Body (ACB) responsible for sampling and measurement should be indicated. In addition, the reports must comply with the minimum ACB report issued by the Basque Government.

Calculated data (C): where we do not have measurements for the year to be inventoried, but emission factors are involved, the calculation is performed using these factors and the data is sent as calculated (C). Values obtained from emission factors, material balances and other calculations using process variables such as fuel used, production rates etc. are designated as "C" Generally, data shall be classed as "C" when using the office tools provided by the Basque Government.

Estimated data (E): when the measurements do not meet the above requirements and no emission factors are available, the data shall be sent as estimated (E). This data is identified as "E" when emissions are determined based on measurements from previous years and the operating conditions of the source are modified for the year in which the information is reported.

The Tubos mill has meters permanently installed at the sources of the emissions treatment plants connected to the CAPV Air Quality Control Network. These meters are subject to the maintenance, control and calibration requirements established in the AAI and in the technical instructions published by the environmental authorities of the Basque Government.

A report on the operation of the continuous measurement system, including equipment availability data, four-yearly calibrations and biennial performance tests, as well as monthly and quarterly maintenance reports, is sent to the Administration annually. The calibrations and functionality tests are carried out by entities accredited by the Basque Government as Level II Environmental Collaboration Companies (ECA), which have the corresponding certification as a testing laboratory for automatic measuring systems pursuant to ISO/IEC 17025.

Each year, the Tubos mill engages an external company specialising in the installation and maintenance of this equipment. It also has a technical procedure in place to ensure the quality of the automatic measurement systems (AMS), defining the methodology for performing and recording zero and span checks and drift control. This method is intended to maintain and demonstrate the quality of the data provided by the AMS in such a way that the established repeatability (accuracy) and drift requirements are met.

The data obtained by measurements results from periodic direct observations made according to the inspection frequency established for each emission source in the AAI, and are recorded in reports on the measurement of pollutant emissions into the atmosphere.

The resulting measurements and reports, drawn up by an ACB, contain the calculations, standards used, results and the applicable regulations and the declaration of conformity with emission limit values (ELVs). In all cases, these are independent laboratories accredited by ENAC (the National Accreditation Body).

Emissions into the atmosphere

In 2024, a new emissions source was identified at the Tubos mill, bringing the total to 54. This additional source is the ingot treatment furnace, although it is not regulated under the facility's AAI.

The tables below show the pollutants released as part of our business (ESRS E2-4 26). Note that this does not apply to TRPT or to RDT.

TYPE OF POLLUTANT	Tubos mill (kg)	Productos mill (kg)
HF	176,054.72	1,562.17
HCl	83.05	0
Dioxins and furans, PCDDs/PCDFs	715.10	0
Zn	0	0
Pb	2,196.13	0
Ni	55.42	0
Hg	8.47	0
Cu	2.58	0
Cr	16.26	0
As	50.65	0
Cd	1.53	0
NMVOC	0.61	0
CO_2	18,798.62	2,545.79
CH_4		12,106
N_2O		303.73
NO_x		216.95
HCB	121,758.38	23,960.5
PAH		0

Table 17. Air pollutants (ESRS E2-4 28a)

The measurements carried out within the periodic control for 2024 (14 in total) have yielded results within the parameters set, with the exception of one point: the casting oxy-fuel welding and cutting process remains in the particle parameter. The corrective measures to be implemented are currently being evaluated because the preliminary report of this measurement arrived during the preparation of this report.

Out of the 16 sources identified at the Productos mill, measurements were taken on the 3 subject to periodic control, thus achieving positive results. In addition, three new sources have been catalogued in connection with the new butane installation and the ingot grinder and are pending the setting of control conditions in the AAI. With the cessation of activity at the Sestao steel mill, the number of sources affected now comes to four.

Water emissions

Discharges are quantified exclusively using periodic direct measurements, the frequency of which varies between quarterly and annually, as established for each parameter in the AAI, and the results are reflected in the corresponding analytical reports.

The characterisation of the quality of water discharged, from sampling to analysis and reporting, is also managed by the ACB, which is responsible for reporting the calculations, standards applied and results obtained. These are always independent laboratories accredited by ENAC. This does not apply to TRPT or RDT.

TYPE OF POLLUTANT	Tubos mill (kg)	Productos mill (kg)
COD	6,031.90	391.57
Ammonium	1,021.52	123.73
Zn	16.85	3.12
Cr	7.13	0.23
Ni	7.38	2.41
P Total	Not applicable	4.86
Ar and its compounds	Not applicable	0.13
Cd and its compounds	Not applicable	0.58
Hg and its compounds	Not applicable	0.02
Pb and its compounds	Not applicable	0.23

Table 18. Water pollutants (ESRS E2-4 28a)

Soil emissions

There were no soil emissions in 2024.

Microplastics

TUBOS REUNIDOS **does not generate or use microplastics**. This sub-topic has been excluded from the double materiality analysis (ESRS E2-4 28b).

Substances of concern and substances of very high concern

ESRS E2-5.

The double materiality analysis concluded that the sub-topics of ESRS 1 AR 16, “Substances of Concern” and “Substances of Very High Concern” are not applicable to TUBOS REUNIDOS (ESRS E2-5 32), as set out in the double materiality assessment procedure: *“The TUBOS REUNIDOS business does not produce, distribute, market or export substances of very high concern in mixtures or articles. The popes produced are free of this type of substance”.*

Pollution-related material risks and opportunities

(ESRS E2-6)

We recorded no pollution incidents with adverse effects on the environment in 2024, nor did we receive any sanctions for this reason (ESRS E2-6 40c).

To mitigate the financial effects of water, soil and emissions pollution, we have implemented a number of measures for which the performance indicators and targets are listed in the specific dashboards and reports. These include:

- **Efficient resource management**: control of the use of water, energy and materials to minimise waste and reduce operational costs.
- **Circular economy projects**: development of programmes to recycle and reuse materials, thereby reducing the amount of waste generated.
- **Raising awareness, training and information** for our partners on practices and the importance of environmental management.
- **Use of renewable energies:** use of renewable energy sources, such as solar energy, which is in the installation and start-up phase, and the purchase of renewable certified energy to reduce dependence on fossil fuels and reduce greenhouse gas emissions.
- **Monitoring and reporting:** incorporation of performance control systems to assess the quality of water, soil and air, and reporting the results to stakeholders.
- **Emergency plans** with instructions to respond quickly to pollution incidents and minimise impacts for facilities that are also affected by major accident legislation (SEVESO regulations).

Strengthening emissions control and discharge measures beyond requirements helps to strengthen our reputation and generate long-term benefits in terms of trust, competitiveness and stakeholder relations.

Our plants operate under Law 26/2007 of 23 October on Environmental Responsibility, as well as the Royal Decree and Order that implements it. These regulations require an Environmental Risk Analysis (ERA) which we submit to the Vice-Ministry for the Environment of the Basque Government. We are currently in the process of updating this analysis.

TUBOS REUNIDOS has third-party liability and environmental insurance that covers aspects including but not limited to:

- Environmental liability for damage to facilities.
- Environmental liability for damage outside facilities.
- Legal liability.
- Liability arising from transport.
- Interruption of business.
- Prevention and emergency costs and expenses.

All reports and insurance mentioned help us to effectively manage risks and take a firm step forwards in improving pollution control.

TUBOS REUNIDOS made no investment in assets or incurred fixed and operating expenses in relation to incidents and major deposits in 2024 (ESRS E2-6 40b).

5.3 WATER AND MARINE RESOURCES - E3

Our work does not affect marine resources. Therefore, all information in this point concerns **water resources**.

Management of water resource IRO

(ESRS 2 IRO 1 8)

As shown in the double materiality process at TUBOS REUNIDOS, water resources are essential for our operations and also for the well-being of our staff and the entire value chain with which we work.

In turn, in Chapter 5, we have incorporated climate risks and opportunities in the CTP, taking into account change scenarios and the availability of water resources. This covers the context in which our activity and production centres take place. Chapters 4 and 5 examine the process and methodology for assessing the materiality of the IRO and ROCC (risks of climate change) (ESRS E1-1).

Following these studies, we can conclude that the TRG S.L.U. plants are not in river basins classified as water risk areas or in high water stress areas. The same is true for the TRPT and RDT plants, based on the information available for the United States (ESRS 2 IRO 1 8a) (ESRS E3-1 13).

However, given that we prioritise the availability of water resources as a material topic and, having compared their relevance for our stakeholders, we consider water management as a material and key point of study, analysis and development at TUBOS REUNIDOS (ESRS 2 IRO 1 8b).

The water vector is identified, analysed and controlled under the ISO 14001:2015 Environmental Management System and the ISO 50001:2018 Energy Management System, respectively.

The synchronisation of environmental and energy management systems and the requirements of these regulations ensure the control and analysis of all parameters linked to environmental impacts and operational risks in each of the locations (Tubos mill and Productos mill) regarding water consumption and discharge.

As in the case of ESRS E2, the entire value chain is represented in our action procedures and we work with contractors and suppliers to strengthen the sustainable culture in the projects we undertake together (ESRS 2 IRO 1 8a).

TUBOS REUNIDOS' Environment Policy

(ESRS E3-1 9)

Water is a vital resource in our activities, so everybody who works at TUBOS REUNIDOS and the entire value chain are responsible for respecting and protecting it (ESRS E3-1 12c).

Our Corporate Environment Policy supplements the Corporate Sustainability Policy in environmental, social and governance matters approved by the Board of Directors on 16 December 2021. Furthermore, our adherence to the UN Global Compact strengthens our firm commitment to a preventive approach that promotes the reduction of the consumption of natural water resources, the use of facilities and the use of sustainable technologies to minimise risks in water consumption.

In SDG 6, the Global Compact aims to *"Achieve access to adequate and equitable sanitation and hygiene for all"* Our responsibility for the use and care of this element contributes directly to this goal.

Furthermore, our Corporate Sustainability Policy in its definition of values and general principles of action regarding the environment reaffirms the commitment of TUBOS REUNIDOS (ESRS E3-1 12c) to *"Reduce the environmental impact of all the activities it undertakes,* ***including: promoting responsible*** (ESRS E3-1 12ai), ***rational and sustainable energy and water USE**, **managing the risks related to its scarcity and ensuring that the water used returns*** (ESRS E3-1 12aii) ***to the medium under the desired CONDITIONS****"*(ESRS E3-1 11).

Thus, the principles and values of our environmental and sustainability policies are integrated into the business model, sustainably managing the supply, use and treatment of water to ensure that it is reused at our facilities or returned to the environment in appropriate conditions.

Finally, the design of our sustainable piping solutions introduces the water vector into the sustainability equation (ESRS E3-1 12b).

TUBOS REUNIDOS has not adopted specific policies related to the sustainable use of oceans and seas (ESRS E3-1 14i.).

Actions and resources related to water resources

(ESRS E3-2)

In addition to the actions described in the section on wastewater pollution (ESRS E2), in 2024 we constituted an ESG Group dedicated to sustainable water management. This team is made up of the heads of Energy, Environment, Maintenance and Sustainability and meets periodically to monitor the management systems at the TRG S.L.U. plants.

We have also organised ESG energy efficiency and water groups for the steel mill, rolling and finishing and cold rolling at the Tubos mill. At the same time, the Energy and Sustainability divisions at the Productos mill lead a work team dedicated to harnessing synergies between the two plants.

At TRPT, water capture and discharges are performed on collectors in the public sewage network, complying with the parameters established in the relevant regulation, making their management easier. In the case of RDT, the consumption and discharge data is analysed to implement savings and effectiveness measures.

One of the aims of the ESG Group at TRG S.L.U. is to assess the situation at the Tubos mill after the consolidation of the steel mill, reconsidering the actions that it performed with the manufacture of billet. The introduction of the manufacture of ingots, improving the use of facilities, increases the need for water to cool the entire facility.

In 2024, the ESG Group started the diagnosis of the circuits at the Tubos mill and the treatment of process water. To achieve this, we have contacted specialised companies in the sector to design the road map that we will implement in the coming years with the planned resources (ESRS E3-2 18).

The SMP establishes the following actions to be performed as part of the **Sustainable Water Management Plan**:

- Diagnose the current situation as regards water consumption.
- Establish the main lines of action of the plan aimed at reducing water consumption per tonne of pipe in shipment.

- Define detailed commitments and objectives regarding the responsible use of water.
- Outline specific measures related to the efficient use of water resources in production processes.
- Design awareness campaigns to achieve objectives.

The SMP also includes an analysis of actions to be implemented in the event that production areas are reclassified as areas that pose a water risk (ESRS E3-2 19).

Targets related to water resources

(ESRS E3-3)

Similar to the measures adopted to address air, water and soil pollution, the actions implemented in recent years in relation to water resource management have focused on complying with the current regulations that require mechanisms for continuous performance control. These actions reflect the goals established by the legal requirements identified in the ISO 14001 management system, as well as pursuing the continuous improvement of the systems implemented.

With approval from the SMP and the implementation of planned actions for sustainable water management, we hope to achieve a series of objectives that will allow us to minimise the impacts and risks arising from water use and consumption, reducing the amount used in each production process (ESRS E3-3 23).

Since the 2024 creation of the ESG Sustainable Water Management group, we have been working on the generation of a work plan to mitigate and minimise the IRO corresponding to this environmental vector, harnessing the opportunities offered by this team work under the corporate environmental policy, the objective of which is to promote responsible use, rational and sustainable energy and water, managing the risks related to their shortage and ensuring that the water used returns to the environment in the desired conditions.

The Sustainable Water Management Group must plan actions with goals and objectives, and identify the resources required to achieve this goal proposed as part of the policy in the validity period of the SMP, as this water management plan is integrated into the master plan itself.

Monthly Group follow-up meetings and monitoring by the ESG Committee; and subsequent information to the Audit Committee are the ways in which the progress of actions set out in the sustainable water management plan are monitored and evaluated to ensure their effectiveness in terms of mitigating and minimising the impacts and risks produced on this vector. Our aim is to establish a system for monitoring consumption and utilisation that is appropriate to the needs of our business and also our surroundings. We use 2023 as the base year and based on this will formulate the appropriate monitoring and control indicators. (ESRS 2 MDR-T 81)

Water consumption

(ESRS E3-4)

Water consumption data is collated from the meters installed at all plants. (ESRS E3-4 28E AR29).

TOTAL WATER CONSUMPTION 2024 m³

Tubos mill	123,879
Productos mill	47,459
TRPT	320
RDT	40,596

Table 19. Total water consumption (ESRS E3-4 28a)

Our plants are not located in areas that pose a water risk, as reflected in this section (ESRS E3-4 28b).

As regards recycled and reused water, the data for 2024 is shown in the table below, where we only include the plants reporting these data (ESRS E3-4 28c). All calculations are estimates. (ESRS E3-4 28E AR29).

Recycled and reused water 2024 m³

Tubos mill	10,089,000
Productos mill	1,478,400

Table 20. Recycled and reused water (ESRS E3-4 28c).

TUBOS REUNIDOS has no water storage facilities (ESRS E3-4 28d).

Water intensity 2024 m³/€M income

Total consumption	123,879
Net income	323.96
	0.38

Table 21. Water intensity (ESRS E3-4 29)

5.4 USE OF RESOURCES AND THE CIRCULAR ECONOMY - E5

95% of our raw material is recycled scrap.

Management of IRO relating to the use of resources and circular economy

(ESRS 2 IRO 1 11)

We are an example of circularity from the design of our production processes. We are driven by a firm commitment to reducing the impact of consuming raw materials from natural resources.

Steel is a permanent and highly recyclable material. TUBOS REUNIDOS promotes the circular economy through recycling and reusing materials, helping to minimise waste. This is a collaborative and successful approach that has been implemented over several years.

In compliance with the Directive (EU 2018/852) and the Packaging Act (RD 1055/2022), by adopting a SCRAP (*Sistema Colectivo de Responsabilidad Ampliada del Productor* – collective system of extended producer responsibility), we are making decisive progress in the circular economy and in the new recycling targets set by the European Union.

The double materiality process is described in Chapter 4 (ESRS 2 IRO-1 11) of the report. Consultations with stakeholders include the relevance of resource consumption, as well as the circular economy to assess the materiality of this topic (ESRS 2 IRO 1 11b).

Raw material expenditure and waste generation are the environmental aspects identified, analysed and controlled under the ISO 14001:2015 Environmental Management System and the ISO 50001:2018 Energy Management System, respectively.

As with pollution and water resources, the AAIs contain the specific requirements for waste management, prioritising their recovery and reintroduction into the production system and thus promoting the circular economy. In addition, we apply the best available techniques in this area.

The Environment division heads up several projects that guarantee a high recovery rate, reaching high percentages in the waste generated by the steel mill. We also collaborate with technology centres and external work groups to share our experience and enrich ourselves with initiatives that are aligned with our activity.

It is important to highlight the involvement of the entire value chain in this environmental vector, ranging from purchasing recycled raw materials and approving suppliers with environmental criteria to internally controlling and monitoring waste generated and its subsequent internal or external management (ESRS 2 IRO 1 11a) (ESRS E5-1 16).

TUBOS REUNIDOS' Environment Policy

(ESRS E5-1 14-15)

Our Environment Policy highlights the Group's active commitment to preserving the environment and the fight against climate change. We apply the principles of circularity throughout the value chain, starting with the reuse of raw material from steel pipes and making the connection with the management of waste generated and the reduction of the consumption of natural resources.

As established in the continuous improvement section of this policy, the activities and processes at TUBOS REUNIDOS aim to "*improve the circularity of the activities undertaken by the Group and its suppliers; through the **sustainable use of natural resources*** (ESRS E5-1 15b) *the implementation of the **life cycle analysis**, the minimisation of industrial waste, their **recovery and reuse** in other processes, as long as permitted by current regulations* (ESRS E5-1 15b), *as well as **the use of recycled materials***" (ESRS E5-1 15a).

Our policy does not include the transition from the use of raw materials to recycled materials, since the need to use these materials in our production process makes this impossible at the moment. (ESRS E5-1 15a).

Our commitment to the United Nations Global Compact reinforces this vision, by committing to a preventive approach that promotes the reduction of natural resource consumption to "*ensure sustainable consumption and production patterns*".

This policy, like all corporate policies, is conveyed by the Steering Committee to all managers and areas, on order of the Board. (ESRS E5-1 14).

Actions and resources related to the use of resources and the circular economy

(ESRS E5-2) (ESRS 2 MDR-A 68a-b-c)

Since 2018, TRG S.L.U. has been immersed in collaborative projects that promote the recycling of materials, minimising the consumption of natural resources and avoiding the transfer of waste for disposal.

As indicated, the implementation of the Group's single steel mill promises to generate significant economic, operational and environmental energy benefits. In this context, we have adapted the Productos mill to store scrap steel produced during the rolling process, facilitating its subsequent transfer to the Tubos mill, where the steel mill is located (ESRS E5-2 20f).

In addition, various projects launched in 2018, 2021 and 2022 have allowed us to make significant progress in sustainable waste management, contributing to reducing the environmental impact and promoting the circular economy in our value chain. These are long-distance programmes structured in different phases and developed in collaboration with various stakeholders.

Worth particular note is the **ECO2D4.0 project**, launched in 2022 and completed in 2024, in which we have collaborated with companies specialising in steel waste management, laboratories and technology centres. Its objective was to monitor the behaviour of different layers of asphalt constructed with different types of waste. In 2024, the last phase was undertaken with the manufacture of an experimental section in the port of Bilbao, in which more than 1,000 tonnes of black slag from the steel mill was used (ESRS E5-2 20b).

We continue to make progress in the possible conversion of waste into by-products for use in the plant or in other activities, such as the Burdino project, which seeks to facilitate the reuse of ferrous sulphate at cement plants.

In 2024, we completed the **Verticero project** for the recovery and reuse of refractory waste in the steel mill. The life cycle analysis carried out by the CTME (*Centro Tecnológico de Miranda de Ebro* – Miranda de Ebro Technology Centre) shows a reduction of 1,940 tonnes per year in CO_2eq emissions into the atmosphere, preventing about 2,476 tonnes of waste per year from ending up in landfill. This project has been recognised as an example of eco-innovation at the company by the Basque Government Public Environmental Management Company, IHOBE, on its website under the section on Industrial Initiatives for New Circular Solutions (ESRS E5-2 20b).

Another significant initiative is the reduction of waste and emissions in the management of white slag. Included in the environmental protection investment subsidies programme, the **Zepazuri project** has reduced the landfill disposal rate from 27.04 kg of waste per tonne produced to 6.6 kg in three years, thus reducing the waste sent to landfill by around 3,500 tonnes per year. Emissions decreased by 48,600 kg CO_{2eq}/year in relation to shipping abroad alone. This project, which was fully developed at TRG S.L.U., studies the reuse of white slag as part of secondary steel mill processes (ESRS E5-2 20b).

In addition to these major developments, we perform numerous initiatives in the productive and environmental areas, all monitored through waste management plans (ESRS E5-2 20d).

In November 2024, **TUBOS REUNIDOS joined a SCRAP** to which most of the UNESID (*Unión de Empresas Siderúrgicas* – Spanish Association of Companies Producing Steel and Primary Steel Processing Products) companies to which we belong have signed up. This partnership will make it possible to distribute waste management costs equally to producers, promoting greater responsibility for production and consumption.

The actions undertaken and their results are included in the monitoring indicators in the area of the environment and therefore in the indicators of the Industrial Committees. No corrective actions have been detected for injured staff due to material incidents. (ESRS 2 MDR-A 68d).

Goals related to the use of resources and the circular economy

(ESRS E5-3)

Steel pipes are 100% circular when completely recycled. (ESRS E5-3, 24a). The R&D division, in cooperation with the other divisions related to the design and development of piping solutions, strives to ensure the quality required for each type of steel, bearing in mind the characteristics of the materials used to guarantee their maximum service life once put on the market. (ESRS E5-3, 24a-d).

The main raw material of steel is scrap, accounting for more than 95%. Starting with the rolling process, pipes are subject to different finishing processes, which generate waste that is reintroduced in the steel melting process. This makes our pipes the raw material of our steelworks. (ESRS E5-3, 24a-b). Therefore, we reuse resources to minimise raw material use. (ESRS E5-3, 24c).

As mentioned in the previous sections, the goals and measures adopted have been developed primarily in the context of compliance with legal requirements (ESRS E5-3 27). We monitor and control the indicators related to hazardous and non-hazardous waste generation, their treatment routes (ESRS E5-2 24e) and the percentage of reuse (ESRS E5-3, 24b), linked to the circular use of materials (ESRS E5-3, 24.25). All the actions implemented have achieved their goals and have entered the monitoring and improvement phase (ESRS E5-3 24 a, c).

Our purpose is to maintain the levels achieved in the circularity and recovery of non-hazardous waste and increase the recovery of hazardous waste, thereby reducing the amount we dispose of (ESRS E5-3 25). We have implemented voluntary recovery targets (applicable to our operations at TRG, S.L.U.) (ESRS E5-3 25) of 95% of non-hazardous waste and 65% of hazardous waste. These values are analysed monthly by the Industrial Committees at the TRG S.L.U. plants, the main producers of waste.

We are in constant contact with managers, laboratories and developers of new technologies to identify opportunities to exploit these generated streams.

Within the framework of the SMP, actions and goals are being defined at the Supplies and Purchases sub-division of the Supply Chain division to include more sustainable materials in purchased, recycled and recyclable products. In addition, we collaborate with upstream and downstream service providers to meet all the needs and expectations in the plan to improve the rates we have achieved to date.

Inflow of resources

(ESRS E5-4)

The resources used to manufacture the pipes include raw materials, scrap metal and ferroalloys, followed by large volumes of consumables such as refractory material and steel mill electrodes, rollers, drilling tips, discs and secondary material such as oils and lubricants. Other materials are included in the packaging of pipes, such as strips and plugs. Industrial and potable water alike are vital resources for manufacturing. (ESRS E5-4 30)

Liquid steel produced at the steel mill is converted into ingots and billet, raw material for our rolling facilities at the Productos and Tubos mills respectively. The value of components, interim products and secondary materials is not considered significant to our activities.

TUBOS REUNIDOS (ESRS E5-4 31a-b) did not use biological materials or products at its facilities in 2024.

The data used for the inflow of resources is taken from direct measurements on orders and the documentation of materials supplied by suppliers, which are converted to the appropriate units for their use in calculation formulas. (ESRS E5-4 32).

The management of information from suppliers through to its inclusion into databases and calculations is fully controlled to avoid duplication or overlapping between recycling and reuse categories. (ESRS E5-4 AR25)

Below, data is provided on the weight and percentage of materials used to manufacture pipes at the Group's facilities, dividing between recyclable and non-recyclable.

	Non-recyclable materials		Recyclable materials	
	t	%	t	%
Tubos mill	56,411.17	63.22	223,609	81.97
Productos mill	89.16	0.1	48,859	17.91
TRPT	43.43	0.05	326	0.12
RDT	32,686	36.63	0	-

Table 22. Recyclable and non-recyclable materials. (ESRS E5-4 30c)

Resource outflows

(ESRS E5-5)

The total waste generated by TUBOS REUNIDOS in 2024 came to 297,416.65 tonnes, of which 2% was hazardous. We do not generate radioactive waste. (ESRS E5-5 39).

Total waste generated t 2024

Plant	t
Tubos mill	263,138.1
Productos mill	33,957.1
TRPT	321.8
RDT	N/A

Table 23. Total waste (ESRS E5-5 37a)

Hazardous waste (t)

	Hazardous waste not intended for disposal				**Hazardous waste intended for disposal**			
	Reuse	Recycling	Other recovery operations	**Total**	Incineration	Landfill	Other elimination tasks	**Total**
Tubos mill	-		2,829	2,829		1,144.4		1,144.4
Productos mill	-	12.57	164.55	176.6	9.66	16.76	374	400.42
TRPT	-	-	11.95	11.95	-	15.65	-	15.65
RDT	-	-	-	-	-	-	-	-
Total	-	12.57	3,005.83	3,017.55	9.66	1,176.8	374	1,560.47

Non-hazardous waste (t)

	Non-hazardous waste not intended for disposal				**Non-hazardous waste intended for disposal**			
	Reuse	Recycling	Other recovery operations	**Total**	Incineration	Landfill	Other elimination tasks	**Total**
Tubos mill	1,440	30,890	224,011	256,341	-	2,822	-	2,822
Productos mill	21,851	2,757	7,940	32,548	-	831	-	831
TRPT	-	284	11	295	-		-	-
RDT	-	-	-	-	-		-	-
Total	23,291	33,931	231,962	289,184	-	3,653	-	3,653

Table 24. Waste and its treatment (ESRS E5-5 37b)

The total amount of non-recycled waste is 5,239 tonnes, representing 1.76% (ESRS E5-5 37d).

Our piping solutions are durable and 100% recyclable.

Products and materials

Our 100% recyclable piping solutions (ESRS E5-5 34a-36C-40). Proof of this is that the surplus material from the production process at our plants is raw material for the steel mill. In addition, steel is known for its durability. Our piping solutions are designed for applications that demand the highest quality and strength (ESRS E5-5 36a) and can be reintroduced as a raw material in steel mills like ours (ESRS E5-5 35). Steel pipes leave our plant as a raw material for other activities and their use is not subject to the same conditions as other consumer goods. Therefore, the repairability feature is not applicable to our products (ESRS E5-5 35).

All the materials we use to manufacture the pipes are fit for manufacturing and boast the necessary qualities. To ensure this, we work with suppliers who understand our needs and guarantee the end product.

Pipe packaging products are 100% recyclable materials such as steel, polyethylene, polypropylene, paper and cardboard. (ESRS E5-5 36c).

Waste

We generate various hazardous and non-hazardous waste flows throughout the production process, with non-hazardous waste accounting for the highest volume. These include: metal waste, slag, steel powders, lubricants, oils and non-metallic solid waste. Managing them appropriately, prioritising their recovery, is key to minimising their impact on our environment (ESRS E5-5 38).

We understand the composition of our waste and, based on this, we prepare management and reduction plans, always looking for ways to recover the different materials (ESRS E5-534b). These are the materials present in the main waste generated by our production processes and in general in the sector (ESRS E5-5 38a):

- **Non-metallic solid waste**: includes materials such as worn refractories and other auxiliary components, which are once again integrated into the production process after re-manufacturing.
- **Metal waste**: mainly composed of steel leftovers that are introduced back into the process.
- **Slag and powders**: contain metallic oxides and other compounds resulting from melting and heat treatment. In the case of slag, waste is fully integrated into recovery streams and we work on the extraction of metals from powders for their recovery.
- **Lubricant residues and oils:** includes mineral and synthetic oils used in the manufacturing process. We are working to reduce the generation of these greases and oils at the source.

The characterisation of hazardous and non-hazardous waste is based on its chemical composition and is determined with all the hazard tests that establish the parameters for its classification in one category or another. The classification is included within the AAI and verified with the government. Waste generation calculations are based on accurate weighing data taken from exit scales and recorded in management platforms with the managers themselves, as well as on log data delivered annually as part of the Environmental Monitoring Plans to control such operations and as set out in the AAI. (ESRS E5-5 40).

TUBOS REUNIDOS reports that it does not generate radioactive waste. (ESRS E5-5 39)

The correct segregation and treatment of materials optimises our production processes, reduces costs of purchasing raw materials such as steel scrap and refractory materials, and reduces the consumption of raw materials and natural resources.

“Respect and care for the environment is fundamental to the way we work. It is a commitment shared by all the Group's companies and essential for everybody’s future”.

Andoni Jugo, Industrial Director at the Tubos mill

06

SOCIAL

6. SOCIAL

Our people, our best energy

"We want to ensure decent and stable work that takes place in a safe, diverse and inclusive environment, committed to its impact on the environment and on society".

Ekhi Etxeberria, HR Director

6.1 OWN STAFF - S1

Our people's talent and commitment are our primary asset in becoming key players in sustainable transformation.

All TUBOS REUNIDOS' staff (ESRS 2 SBM 3 14) are involved in the development and growth of the Group and are the architects of the industrial transformation that we are currently immersed in. They represent the talent that, each and every day, makes progress with our Strategic Plan possible and supports our business.

This Sustainability Report is disseminated to the Group's entire in-house staff (ESRS 2 SBM 2 12-14), which comprises all the contracted persons who work at the Group (ESRS 2 SBM 2 14a). In 2024, we had no non-employee workers. (ESRS S1-7)

Our social strategy is based on four pillars that reflect **our total commitment to the personal and professional development** of the TUBOS REUNIDOS team. This strategy is led by administrative, supervisory and senior management bodies, with the backing of the Human Resources Manager, who oversees the effective implementation of the development plan and respect for human rights amongst our own staff and the stakeholders with whom we interact (ESRS 2 SBM 2 12) (ESRS 2 SBM 3 13ai).

As part of the double materiality analysis carried out in 2023 and 2024, we considered the material topics that affect our own staff and other stakeholders. The results have highlighted actual and potential incidents on which we want to strengthen work actions and risk mitigation, and harness the opportunities offered by our business model and social strategy (ESRS 2 SBM-3 48 13a and b).

The negative material impacts detected as a result of the double materiality process involve possible incidents related to individual cases, specifically related to the professional development of in-house staff and the risk of accidents posed by the danger of any of the tasks carried out. (ESRS 2 SBM 3 14b).

The management of training and development programmes, the health and safety measures implemented and in development, awareness campaigns for occupational stress management and measures to reduce accidents at work are just a few of the activities planned by TUBOS REUNIDOS for our in-house staff to generate positive impacts as part of their professional activities at our facilities (ESRS 2 SBM 3 14c).

We have detected risks related to prevention and health and safety, as well as low production efficiency and high absenteeism rates. With the introduction of activities related to positive impacts, risks are minimised and we see opportunities for professional development, good practice management with health and safety programmes that generate confidence in our own staff (ESRS 2 SBM 3 14d). None of the IRO resulting from the double materiality process can be traced to the CTP at TUBOS REUNIDOS. (ESRS 2 SBM 3 14e).

No risks of forced or child labour have been identified in any of TUBOS REUNIDOS' operations or regions where it does business. (ESRS 2 SBM 3 14f-g).

TUBOS REUNIDOS has considered its entire in-house staff as part of the overall IRO assessment, analysing the potential impact on all people regardless of their characteristics (ESRS 2 SBM 3 15-16). None of the IRO identified specifically affect a particular group among the company's staff.

As a complement to the double materiality analysis, the HR division performed **a Group diagnosis** from this perspective in 2024. The study, the results of which were presented to the Board of Directors, is based on four main aspects (ESRS S1-4 39):

- **Contracted staff**: analyses the Group's human talent, taking into account its organisational culture, role structure, competencies, level of commitment, motivation and the ability of employees to adapt to changes and achieve the strategic objectives.
- **Processes and digital transformation**: considers the efficiency and effectiveness of the division's internal processes, as well as their degree of digitisation and automation. This involves using technological tools to streamline workflows, improve decision-making and increase productivity.
- **Data analysis and management information**: examines the area's ability to collate, analyse and use relevant data in the strategic decision-making process. It also assesses the quality of information systems, data accessibility and the ability to generate reports and metrics to guide management.
- **Working environment**: considers the physical and psychological environment in which the team works. Factors such as working conditions, available tools, safety, collaboration, well-being and work-life balance are taken into consideration.

In addition, we have conducted a **risk analysis** related to socio-occupational aspects and the training and retention of talent, based on the following aspects (ESRS S1-4 39):

- **Social and occupational risks**: refer to the possibility of failing to comply with laws, labour regulations or collective agreements governing labour relations within the Group. They include, but are not limited to, topics such as breach of contract, employment rights, social security, working conditions, equal opportunities and occupational risk prevention (ESRS 2 SBM 2).
- **Talent and commitment risks**: associated with the difficulty of attracting, retaining and developing talent within the organisation. They include problems such as lack of motivation, low productivity, high staff turnover, lack of professional development, a shortage of critical skills and a loss of commitment, which could affect the Group's continuity and operational efficiency.

Following the results of the double materiality analysis, the diagnosis of TUBOS REUNIDOS from a social perspective and the risk analysis, we have adapted our Social Strategic Plan to meet the needs and expectations of **a key group: our own staff** (ESRS S1-4 36-37-38-40-43-44). The process for establishing the actions and goals has been the design and planning of this Plan

(ESRS S1-5 47). In turn, the deployment of planned actions generates implementation processes for each action (ESRS S1-4 38b), with the corresponding monitoring and assessment. These are managed by the HR division and integrated into the SMP included in the Strategic Social Plan. (ESRS S1-5 47b). Some of the actions planned to mitigate impacts and risks, and to harness opportunities, are described in ESRS S1-14.

The resources used to manage all planned actions are materialised in the deployment of the HR division, which leads, either independently or with other areas, each action, with investments and expenses detailed in the budget for the division and reported in the resources section of the SMP (ESRS S1-4 43).

Our main commitment is to guarantee the well-being of our staff and, therefore, the entire value chain, ensuring **high-quality and stable employment**. In 2024, the market situation, which had begun in 2023, required us to keep the furlough in place at TUBOS REUNIDOS GROUP S.L.U. plants throughout the year, and for part of the year at TRPT. All divisions are working to reverse this situation and achieve strong and stable production that helps us to continue work in our production centres. The management, supervisory and governing bodies are working hard to overcome this situation by adapting to changes, seeking sustainable solutions in markets and strengthening our customer alignment (ESRS S1-4 38b).

In line with our commitment to people, we are making progress in implementing **well-being and working environment management platforms** (ESRS S1-4 38a-c), studying market alternatives that help us measure the level of satisfaction amongst our team and gather feedback on the climate in the working environment (ESRS S1-4 47c). These tools will also help us to prevent rotation problems or work stress (ESRS S1-4 38b). To this end, we want to encourage the use of benefit portals for our employees, enhancing their satisfaction and sense of well-being.

Digitisation (ESRS S1-4 38a-c) is one of our strategic pillars, and this transformation also extends to the HR division. We are promoting tools that reduce administrative management time and bureaucratic red tape at the plants, optimising the time spent by staff on developing their own tools and improving their skills. This is in addition to data analysis tools that will help us manage performance objectives, goals, KPIs and annual reports. We prepare ourselves to issue approved communications in order to streamline sign-offs, centrally and remotely, in terms of agreements, policies and legal processes. Improved document management and human resources management software facilitates the management of all job information and employee relations digitally.

The **development of our team** is a strategic priority. We are committed to improving capabilities by using learning and digital development platforms to properly manage ongoing training for staff through online courses that assess and track progress in developing the different skills. To this end, our aim is to facilitate **remote and scalable training** (ESRS S1-4 38a-c). We evaluate work performance by generating performance reports that, combined with continuous feedback, allow us to set goals to continue developing talent.

We work with recruitment and selection companies, keeping us **connected to the labour market**. We promote our **"Empowering Talent"** project (ESRS S1-4 38a-c) both internally and externally, at fairs, employment forums and via other networks. TUBOS REUNIDOS is a large-scale industrial group with an attractive professional development plan that, we believe, positions us as a benchmark for attracting talent that wishes to support us in the sustainable transformation that we have designed and are deploying globally.

We guarantee that all actions designed are aligned with our corporate policies, contributing to the mitigation and elimination of risks and negative impacts and enhancing opportunities for growth and development, safety and well-being. (ESRS S1-4 41). We take into account all the needs and expectations of our in-house staff through the existing communication channels. Meetings with representatives of in-house staff (see ESRS S1-2) generate two-way communication that the HR division and other participating areas transfer to the action plans. (ESRS S1-5 47a-b).

The goals of the plan's actions will be described and updated as progress is made with implementing actions and we obtain results that serve as a basis for decision-making (ESRS S1-5 47a-b).

Policies relating to internal staff

(ESRS S1-1 19)

As mentioned in Chapter 7, TUBOS REUNIDOS has a robust corporate governance model that has processes and mechanisms to manage any incidents that affect in-house staff.

Through our corporate website, we share policies that are mandatory for all staff and our stakeholders. These policies, along with other tools, help ensure decent and stable work that takes place in a safe, diverse and inclusive environment, committed to its impact on the environment and on society.

TUBOS REUNIDOS' **Corporate Policy of Respect for Human Rights**, approved by the Board of Directors on 25 July 2024, forms part of our Corporate Governance System. This is aligned with the Corporate Sustainability Policy in environmental, social and governance matters, with the Group's Code of Ethics, as well as with international standards such as the UN Universal Declaration of Human Rights, the Ten Principles of the Global Compact, the Sustainable Development Goals (SDGs), the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the OECD Guidelines on Responsible Business Conduct for Multinational Enterprises (ESRS S1-1 20-21). If there is a need to remedy human rights incidents, the process established at TUBOS REUNIDOS by the OIC, described in Chapter 7, is launched. (ESRS S1-1 20c).

TUBOS REUNIDOS does not have specific commitments related to inclusion or positive actions for persons belonging to groups with special risk of vulnerability, as our work is conducted in areas without special risk or effects on vulnerable groups (ESRS S1-1 24c).

The scope of this policy, the development of which can be found in Chapter 7 of the report, covers every company in the Group, including members of the Board of Directors, the management team, their own staff and any person who, directly or indirectly, maintains a relationship with the Group, regardless of their functional or hierarchical position (ESRS 2 SBM 2 12) (ESRS S1-1 19). All TUBOS REUNIDOS' staff must demonstrate complete respect for human rights as recognised by domestic and international legislation when working in any of the countries where we operate.

It is expected everyone working for the Group acts as a first line of defence for human rights, reporting any potential impact on rights or any breach of the Code of Ethics or of this policy, through the whistleblower channel enabled in the Internal Reporting and Whistleblower Protection System (ESRS S1-1 20b).

This policy sets out a series of principles that develop actions for the detection and treatment of human rights incidents, applying due diligence, respecting stakeholder relationships and extending the commitments undertaken throughout the value chain (ESRS S1 -1 20 c).

Finally, it explicitly addresses key issues such as equality, the prevention of harassment (ESRS S1-1 24a), the rejection of forced labour, and the use of child labour and modern slavery (ESRS S1-1 22). It also covers discrimination based on gender, age, race, disability or any other related circumstance or condition (ESRS S1-1 24b).

These matters are also included in our Sustainability Policy.

On 7 February 2024, we signed up to the UN Global Compact, an agreement broadly described in this report that reinforces our commitment to respecting human rights and applying all labour, environmental and anti-corruption standards (ESRS S1-1 20).

While we have specific policies in place to eliminate discrimination and harassment (ESRS S1-1 24a) in particular, we have an **Equality Plan**, with a time horizon of 2023–2027, signed by the Equality Committee in 2023 and applicable to all TUBOS REUNIDOS' in-house staff (ESRS S1-1 24c). This is an instrument with which we want to integrate real equality by coordinating different strategies and actions that encourage their incorporation, continuity and development. Our management, supervisory and governing bodies are actively engaged to ensure that the needs, interests and opinions of staff regarding potential incidents are core to the definition of our business model (ESRS 2 SBM2 12). As part of our equality plan, we adopt commitments related to the channelling of information, measures of work-life balance and joint responsibility and the review of the professional categories at the Group.

In this regard, we have designed **a Protocol for the Prevention of and Response to Moral Harassment, Sexual Harassment and Gender-Based Harassment**. This protocol, communicated to internal staff who are the stakeholders to which it applies directly, promotes the elimination of any harassment in the workplace as part of a confidential and guaranteed process, always in line with the regulations in force and our Code of Ethics, which is available on the corporate website. It reinforces our zero-tolerance harassment policy and helps us to promote a workplace that is free from this type of behaviour. It also offers guidelines for identifying possible cases of harassment, resolving them quickly and minimising their consequences, ensuring confidentiality and respect for the rights of all parties involved. This protocol is part of our Compliance System and forms part of our occupational risk prevention and equality initiatives, and applies to everybody at TUBOS REUNIDOS.

We also have an **Integrated Management Systems Policy**, aligned with the guidelines established in the main international standards such as ISO 14001 (Environmental Management System), ISO 50001 (Energy Management System), ISO 9001 (Quality Management System), ISO 45001 (Occupational Health and Safety Management System) and IATF 16949:2016 for the automotive sector (ESRS S1-1 23). Among its effects, this policy establishes worker health and safety as a priority objective and makes in-house staff and contractor employees responsible for the prevention of occupational risks, both individually and based on their jobs, integrating preventive actions into all of their activities and decisions.

Finally, our environment and climate change policies form part of the Group's corporate governance system and are in line with the Corporate Sustainability Policy regarding environmental, social and governance matters and with the Code of Ethics, as well as the principles of the UN Global Compact, the Sustainable Development Goals and the OECD Guidelines for Multinational Enterprises. Our commitment to respecting the environment and fighting climate change aims to establish the basis for minimising the impact of our business on the environment and our stakeholders.

For more information on the other policies and procedures, see Chapters 3 and 7 of the report.

Dialogue and participation

(ESRS S1-2)

At TUBOS REUNIDOS, our aim is to go beyond strict compliance with the law in relation to our reporting duty in the legally provided terms, fomenting the values of participation, commitment, responsibility and sense of belonging. We believe that strengthening these principles enhances maturity and transparency in decision-making processes.

During the implementation of the double materiality process, surveys conducted with the company staff have supplemented communications with their representatives with a view to establishing an action plan and correcting the real and potential impacts detected. (ESRS S1-2 27)

The Director of Human Resources is ultimately responsible for ensuring the collaboration, dialogue and participation of all TUBOS REUNIDOS' staff and for conveying the needs and expectations of its in-house staff to the Steering Committee, and as a result, to the CEO who then reports to the Board of Directors (ESRS S1-2 27 c).

As part of the collaboration with workers' representatives (ESRS S1-2 27a) on actual and potential incidents involving in-house staff, we have created spaces for dialogue and listening between management and our social services (ESRS S1-2 27 c) through the following channels and forums, the frequency of which differs depending on the applicable regulations (ESRS S1-2 27 a, b):

- Work committees
- Joint committee
- Equality Plan Negotiation Committee and the Equality Plan Monitoring Committee (ESRS S1-2 28)
- Occupational health and safety committee
- Ordinary meetings
- Extraordinary meetings

As part of the formalisation of each of these phases or systems of communication between workers' representatives and the Labour Relations division, interests and opinions are generated that are escalated to the division's management team, which guarantees collaboration and the handling of relevant issues in the lines of action designed for their management (ESRS S1-2 27e).

In relation to the areas in which internal staff are required to collaborate, we have online and two-way communication channels via email and the Sharepoint platform, face-to-face channels through departmental and multidisciplinary meetings etc. for contracted staff.

In the case of non-employee workers, in addition to any coordination and monitoring meetings for the provision of services that may be required by TUBOS REUNIDOS, the mandatory duty of compliance and cooperation in the coordination of business activities allow for the unification and centralisation of all relevant documentation and information on the business activity coordination platform, CAE. This ensures the performance of professional services that comply with the required safety standards and information that are essential for effective work.

Internal reporting channel

(ESRS S1-3)

Pursuant to Law 2/2023 of 20 February on the protection of persons reporting breaches, we implemented and disclosed an internal **information system** at TUBOS REUNIDOS in 2023 (see ESRS G1-3-18 in Chapter 7), which was designed, set up and managed securely. This system (ESRS S1-3 32a-e-33):

1. Ensures the **confidentiality** of the whistleblowers' and any other parties' identity mentioned in the communication, as well as the actions undertaken, ensuring data protection and preventing access by unauthorised employees.
2. Enables written or **verbal communications, or both**.
3. **Integrates** the various internal information channels.
4. Sets out the **guarantees** to protect whistleblowers.
5. Establishes **a procedure for managing** the information received.

One of the pillars of this internal information system is the **whistleblower channel** (ESRS G1-1 10ci) (formerly known as the complaints channel), which was implemented in 2023. It can be accessed via our corporate website (ESRS S1-3 33), which has a prominent place in our training (ESRS G1-3-20). In-house staff are provided with information through internal communications and intranet publications.

Staff are aware of and trust these communication channels to raise their needs and expectations, as disclosed in ESRS S1-2 on dialogue and participation.

We have a policy that can be consulted on the corporate website on our internal reporting and whistleblower protection system, which complies with the requirements of Law 2/2023 on the protection of whistleblowers with regard to regulatory violations and the fight against corruption. Through this policy, which forms part of the Group's compliance system, the Board of Directors determines the essential elements of the reporting system and the operating principles that govern it. It promotes a culture of active communication with our in-house staff and other stakeholders, thus guaranteeing the protection of whistleblowers against possible reprisals. (ESRS S1-3 33). One of its guiding principles is the protection of whistleblowers reporting any serious or very serious administrative or criminal violations in good faith.

For more information (ESRS S1-32a-32e), refer to the *Prevention and Detection of Corruption and Bribery* section (ESRS G1-1 ESRS G1-3) in Chapter 7.

Characteristics of contracted employees

(ESRS S1-6)

TUBOS REUNIDOS is aware that the success of our business and our future strategy is based on people, which is why we are committed to the talent of our team. In 2024, we had more than 1,400 employees distributed across our plants in Spain and the United States, the highest number of which were in Spain (ESRS-S1-6-50a).

We understand that job stability is key, so **88% of our workforce is permanent staff**, while only 12% are on a temporary contract (ESRS-S1-6-50b-i-ii-iii-AR55). Compared to 2023, the proportion of workers on permanent contracts has decreased slightly, mainly due to the furloughs applied during several periods of the year at the Spanish plants (ESRS S1-6 e).

Ninety-eight percent of contracted employees work full time and the remaining 2% work part time, mostly on relief contracts.

Temporary contracts are mainly used to for people covering for long-term temporary disability or family leave (ESRS-S1-15-93b).

The workforce at TUBOS REUNIDOS is largely made up of workers aged between 30 and 50. Workers over 50 make up the next biggest group. Twenty percent of employees under the age of 30 perform duties in one of the positions classified as manager, supervisor or technician (Appendix 1.1).

We believe in equal opportunities and support initiatives that promote the participation of women in the steel sector. Today, we have more than 130 women at our plants, mainly in the administrative area. However, despite being a traditionally male sector, the presence of women amongst operational staff is on the up (23 women in 2024 compared to 22 in 2023). In total, 9.63% of our workforce is female (ESRS-S1-6-50a-AR55).

The workforce data reflects the situation at the end of the reference period, taking into account only active contracted staff as at 31 December 2024. The data presented represents the total number of people, with no distinction in relation to the working day category, i.e., without applying the equivalence to the number of full-time employees. For this calculation, relief contracts are considered part-time temporary contracts (ESRS S1-6-50d).

The Group's average workforce and the number of members on the Board of Directors are as follows

		2024	2023
Contracted employees		1,384	1,399
Directors		11	11
	TOTAL	**1,395**	**1,410**

Table 25. Average total number of employees (ESRS S1-6-50f):

Table 26 represents the distribution by category between men and women amongst the Group's own staff and directors at 31 December 2024 and 31 December 2023. Staff as at 31/12/2024 are indicated in note 21 of the Consolidated Report, which reflects staff at year-end by gender, and Note 1 of the Consolidated Management Report. (ESRS S1-6 50f).

	31/12/2024			31/12/2023		
	Women	Men	Total	Women	Men	Total
Contracted employees	135	1,267	1,402	132	1,244	1,376
Directors	4	7	11	4	7	11
TOTAL	**139**	**1,274**	**1,413**	**136**	**1,251**	**1,387**

Table 26. Distribution by category between men and women

EMPLOYEES BY GENDER AT THE END OF THE REFERENCE PERIOD

Gender	Contracted employees		Percentage representation	
	2024	2023	% 2024	% 2023
Men	1,267	1,244	90.37%	90.41%
Women	135	132	9.63%	9.59%
Other	0	0	0.00%	0.00%
Not communicated	0	0	0.00%	0.00%
TOTAL	**1,402**	**1,376**	**100.00%**	**100.00%**

Table 27. Employees by gender at the end of the reference period *ESRS-S1-6-50a-AR55 ESRS 2 SBM 1-40aiii*

EMPLOYEES BY COUNTRY AND GENDER AT THE END OF THE REFERENCE PERIOD

COUNTRY	2024			2023		
	Men	Women	Total	Men	Women	Total
Spain	1,205	129	1,334	1,178	125	1,303
United States	62	6	68	66	7	73
TOTAL	**1,267**	**135**	**1,402**	**1,244**	**132**	**1,376**
% TOTAL	**90.37%**	**9.63%**	**100.00%**	**90.41%**	**9.59%**	**100.00%**

Table 28. Employees by country and gender at the end of the reference period (ESRS-S1-6-50a-AR55)

EMPLOYEES, BY CONTRACT TYPE AND GENDER, AT THE END OF THE REFERENCE PERIOD

TYPE OF CONTRACT	2024				2023			
	MEN	WOMEN	TOTAL	% TOTAL	MEN	WOMEN	TOTAL	% TOTAL
Permanent contracted employees	1,120	120	1240	88%	1130	121	1251	91%
Temporary contracted employees	147	15	162	12%	114	11	125	9%
Employees with unsecured hours	0	0	0	0%	0	0	0	0%
TOTAL	**1,267**	**135**	**1,402**	**100%**	**1244**	**132**	**1,376**	**100%**

Table 29. Employees by contract type and gender (ESRS-S1-6-50b-i-ii-iii-AR55)

EMPLOYEES BY COUNTRY AND CONTRACT TYPE AT THE END OF THE REFERENCE PERIOD

TYPE OF CONTRACT	2024				2023			
	SPAIN	UNITED STATES	TOTAL	% TOTAL	SPAIN	UNITED STATES	TOTAL	% TOTAL
Permanent contracted employees	1172	68	1240	88%	1178	73	1251	91%
Temporary contracted employees	162	0	162	12%	125	0	125	9%
Employees with unsecured hours	0	0	0	0%	0	0	0	0%
TOTAL	**1334**	**68**	**1402**	**100%**	**1303**	**73**	**1376**	**100%**

Table 30. Employees by country and contract type (ESRS-S1-6-51-AR55)

EMPLOYEES, BY WORKING HOURS, GENDER AND COUNTRY, AT THE END OF THE REFERENCE PERIOD

WORKING HOURS CATEGORY	2024				2023			
	SPAIN		UNITED STATES		SPAIN		UNITED STATES	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Part time	22	4	0	0	17	7	0	0
Full time	1183	125	62	6	1161	118	66	7
TOTAL GENDER	**1205**	**129**	**62**	**6**	**1178**	**125**	**66**	**7**
TOTAL COUNTRY	**1334**		**68**		**1303**		**73**	

Table 31. *Employees by working hours, gender and country* (ESRS-S1-6-52a-b)

Turnover of contracted staff

(ESRS-S1-6-50c-AR59)

Staff turnover is a key indicator for assessing job stability, employee satisfaction and the effectiveness of talent retention policies. During 2024, the turnover rate stood at 3.76%, equivalent to approximately 52 departures, attributable to different reasons, including:

- Resignation
- Leave of absence
- Dismissal
- Retirement
- Death

TOTAL DEPARTURES	
2024*	2023
52	90

Table 32. Total departures *(*ESRS-S1-6-50c AR59*)*

** Compared to the data for 2023, the total number of departures in 2024 includes only resignations, leaves of absence or those arising from dismissal, death or retirement, excluding departures involving persons who had exhausted the total time allowed for temporary disability.*

TURNOVER RATE	
2024	2023
3.76%	6.41%

Table 33. Turnover rate (ESRS-S1-6-50c AR59)

The turnover rate is calculated by dividing the total number of departures during the reference period by the average contracted staff during the same period, multiplying the result by 100.

Right to collective bargaining, association and social dialogue

(ESRS S1-8)

In general, our attractiveness as an employer is reinforced by the application of **collective company agreements and/or pacts** that improve the provisions established, both in terms of employment legislation and industry agreements.

As such, relationships between the company and workers' representation are based on mutual respect, openness to listening and dialogue, as well as on recognition of the legitimacy of the parties, pillars that strengthen negotiation, providing the collective agreement (ESRS S1-2 27d) of effectiveness and priority for the establishment of rights and duties between the parties. Consequently, collective agreements seek to:

- Promote **fair and equitable labour relations**;
- Foment **job stability**;
- Contribute to the **economic and social well-being** of employees.
- Adapt **working conditions** to the reality of the company.

All of our workers have a collective company agreement as their reference framework or, failing that, a company agreement (ESRS S1-8 60a). Note that the existing collective agreements and pacts at Group companies apply to all persons who are subordinate and provide a service, regardless of the type of contract, professional group or job position.

DISCLOSURE OF INFORMATION ON THE COVERAGE OF COLLECTIVE BARGAINING AND SOCIAL DIALOGUE

COLLECTIVE BARGAINING COVERAGE			SOCIAL DIALOGUE
COVERAGE RATE	EEA CONTRACTED EMPLOYEES	NON-EEA (US) CONTRACTED EMPLOYEES	WORKPLACE. REPS*
0–19%		United States (0%)	
20–39%			
40–59%			
60–79%			
80–100%	Spain (88.23%)		Spain (98.88%)

**Spain only*

Table 34. Collective bargaining coverage (ESRS-S1-8- 60 a: b: c; 63a – AR70)

TUBOS REUNIDOS has no agreement in place with its employees for representation by a European Company, European economic interest grouping or European cooperative society committee (ESRS S1-8 63 b).

Social benefits

(ESRS S1-11)

We improve the protective action of our staff with a **voluntary component and a complementary one**. The first stems from the joint desire expressed in the collective agreement to increase the basic protective action of the social security system. The second relates to an improvement in the benefits granted by the public system, whether extending their scope or covering the protection of excluded cases.

By doing so, we offer our employees a series of social benefits including life and medical insurance, disability or disability coverage, temporary disability improvement and a pension fund (ESRS S1-11 74 AR75).

Work-life balance metrics

(ESRS S1-15)

TUBOS REUNIDOS is firmly committed to promoting the well-being of our people by encouraging a work-life balance. We strive to promote shared responsibility in the exercise of family obligations through work-life balance and flexibility measures that facilitate a balance between both areas (professional and personal), taking into account the specific circumstances of each case, both in terms of the activity carried out, the complexity of the work system recognised or where the activity is undertaken.

These measures are reflected in the current labour regulations, in the conventional framework applicable in each case, as well as in individual agreements. The main measures taken include flexibility in relation to starting and finishing times, adaptation of the working day and, in relation to corporate positions, the option to choose the most appropriate working location.

All employees at TUBOS REUNIDOS are entitled to work-life balance measures for family reasons. (See their breakdown by gender below) (ESRS-S1-15-93b).

% OF EMPLOYEES ENTITLED TO TAKE LEAVE FOR FAMILY REASONS

TOTAL CONTRACTED EMPLOYEES	ELIGIBLE CONTRACTED EMPLOYEES	% ENTITLED
1,402	1,402	**100.00%**

Table 35. Family leave (ESRS-S1-15-93a)

% ENJOYMENT OF LEAVE FOR FAMILY REASONS

TYPE OF LEAVE	MEN	WOMEN	TOTAL	% MEN	% WOMEN	% OF TOTAL EMPLOYEES
maternity leave	0	6	6	0.00%	0.43%	0.43%
paternity leave	55	0	55	3.92%	0.00%	3.92%
parental leave	22	2	24	1.57%	0.14%	1.71%
leave for caregivers	0	0	0	0.00%	0.00%	0.00%
TOTAL	**77**	**8**	**85**	**5.49%**	**0.57%**	**6.06%**

Table 36. Family Leave (ESRS-S1-15-93b)

Adequate wages

(ESRS S1-10)

All the Group's employees are subject to a collective agreement or company agreement, which means **more favourable salary conditions** than those established in industry-wide agreements or in the necessary minimum right rules. In short, they have improved remuneration compared to the applicable benchmarks (ESRS S1-10 69).

We offer competitive remuneration, governed by agreements approved in 2023, and scaled according to the duties and responsibilities associated with each position.

Remuneration parameters

(ESRS S1-16)

Average remuneration was €54,038, compared to €54,685 in the previous year. In this sense, the salary at all Group companies considerably exceeds the sector average and, in all instances, far exceeds the corresponding minimum wage level (ESRS S1-10 68).

When breaking down this data by gender, the pay gap between men and women stood at -3.23%, after being -3.29% in 2023 (ESRS S1-16 97a).

PAY GAP (€)

YEAR	GAP IN €	% GAP
2024	€-1,738.48	-3.23%
2023	€-1,794.00	-3.29%
2022	€816.00	1.75%

PAY GAP (€) 2024 BY COUNTRY

Country	Gap in €	% gap
Spain	€-2,269.98	-4.51%
United States	€12,231.31	17.73%
TOTAL	**€-1,738.48**	**-3.23%**

Table 37. Pay Gap (ESRS S1-16 97a)

This data reveals significant progress in salary equity and professional development within the Group, reflecting our recognition of our workforce's professional performance.

Diversity and equal opportunity

Equality parameters

(ESRS S1-9)

Equality is essential to creating a diverse and inclusive work environment. To this end, as we have mentioned, our **Equality Plan** (ESRS S1-1) ensures respect and non-discrimination within our organisation.

TUBOS REUNIDOS values and promotes diversity in all its forms, including gender, culture, thinking, origin, religion and ethical principles. This commitment extends not only to our team, but to all parties involved, including suppliers and contractors, encouraging mutual respect and dialogue in every interaction at all times.

Chapter 7 explains the gender distribution in senior management, comprising the Board of Directors and the Steering Committee (ESRS S1-9 66a-AR71), in the section on Structure and Functions of Governing Bodies.

Female role models

The General Secretary, Legal Advisory Director and Head of the Group's Internal Information System, Inés Núñez de la Parte, has participated over the course of the year in different forums organised by institutions such as Deusto Business School and the IESE School of Trustees, amongst others. On these, she has had the opportunity to share her vision and experience in key areas such as corporate governance, international commercial procurement and updating internal information systems, contributing to the dissemination of knowledge in society and the training of new generations of professionals who are committed to business innovation.

This year, as part of our collaboration with UNESID, we have formed part of the **"Women of Steel" programme,** an initiative that showcases the achievements and challenges of women's employment in the iron and steel sector, traditionally known for its strong male presence. As part of the 2024 edition, a women's discussion forum on equality in this area was set up and we have spoken out, with other professionals, as part of a workshop to analyse how this industry tackles digitisation processes, in which TUBOS REUNIDOS' Data and AI Manager, Monica Martin, spoke about the main lines of work in our digital transformation strategy.

CONTRACTED EMPLOYEES BY AGE AND GENDER

YEAR	UNDER 30				30 TO 50				OVER 50			
	MEN	WOMEN	TOTAL	% TOTAL	MEN	WOMEN	TOTAL	% TOTAL	MEN	WOMEN	TOTAL	% TOTAL
2023	49	8	**57**	**4%**	883	96	**979**	**71%**	312	28	**340**	**25%**
2024	45	10	**55**	**4%**	870	89	**959**	**68%**	352	36	**388**	**28%**

Table 38. Employees by age and gender (ESRS-S1-9-66b)

Persons with disabilities

(ESRS S1-12-77;80)

We are aware of the challenges we face in relation to our contribution to the integration and accessibility of people with functional diversity. Although our activity is not accessible to people with disabilities, integration is the clear focus for more administrative positions.

In 2024, we had seven workers with officially recognised disabilities in the workforce, the same number as in 2023.

TUBOS REUNIDOS complies with legal regulations in force, ensuring an accessible work environment for all.

To disclose the data concerning disabilities, we only include persons with a degree of disability of more than 33%, who are officially recognised as having a disability. Permanent disabilities are not included in the data (ESRS S1-12AR-79).

CONTRACTED EMPLOYEES WITH DISABILITIES

YEAR	CONTRACTED EMPLOYEES WITH DISABILITIES			% OF TOTAL EMPLOYEES		
	MEN	WOMEN	TOTAL	% MEN	% WOMEN	% TOTAL
2023	6	1	**7**	0.48%	0.76%	0.51%
2024	6	1	**7**	0.47%	0.74%	0.50%

Table 39.40 Contracted employees with disabilities (ESRS-S1-12-79)

Training and skills development metrics

(ESRS S1-13)

In line with our commitment to the continuous professional development of our own staff, we have implemented a comprehensive series of training and awareness-raising activities aimed at enhancing their skills and increasing their employability over time (ESRS S1-13 82).

The main focus in regard to the development and training of our employees is on the Group's strategic principles**: leadership, digitisation, occupational risk prevention and sustainability.** These were the main pillars of our training strategy in 2024 (ESRS S2 SBM2 12).

This holistic approach not only improves individual competencies, but also strengthens our collective capacity to successfully face the challenges of the future.

All staff have had access to these training activities, with a particular emphasis on contracted employees. Sessions were imparted in the form of face-to-face, online and mixed sessions, adapting to the needs at any given time.

The **highly specialist programmes** that we developed during this year in key areas are worth particular mention. These areas include:

- **Occupational risk prevention**: with a focus on security and regulatory compliance.
- **Specific technical courses**: to strengthen the capabilities of our factory staff, such as the TIA Portal training programme.
- **Training in compliance with preventive requirements provided by law**: such as those established in the metalworks collective bargaining agreement.
- **Specific training in R&D**: aimed at expanding knowledge and skills in the development of innovative products.
- **Programmes focused on digitisation**: a strategic pillar of our organisational transformation.
- **Training in electrical hazards**: specifically aimed at our electrical maintenance staff.

All programmes offered are certified by official authorities and have contributed to the improvement of the technical skills and employability of participants.

In terms of investment and dedication, the training hours reflects the Group's continuous commitment to our workers' education; in 2024, **more than 15,480 hours of training were imparted** across all of our plants, equivalent to around 11 hours of training per employee.

All non-union staff participated in performance assessments, maintaining an annual quantitative assessment. Assessments in the industrial area are performed in relation to promotions, changes in position and the like so that we can reflect on-the-job learning and professional development.

% OF PARTICIPANTS IN PERIODIC PERFORMANCE AND CAREER DEVELOPMENT ASSESSMENTS

GENDER	2024		2023	
	No. PARTICIPANTS	% PARTICIPANTS BY GENDER	No. PARTICIPANTS	% PARTICIPANTS BY GENDER
men	434	75.74%	180	75.63%
women	139	24.26%	58	24.37%
TOTAL PARTICIPANTS	**573**		**238**	
% OF PARTICIPANTS OF TOTAL EMPLOYEES	**41%**		**17%**	

Table 41. Gender-based professional development assessments (ESRS-S1-13-83a)

AVERAGE HOURS OF TRAINING PER GENDER

GENDER	2024			2023		
	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING
men	13559	1267	11	10296	1244	8
women	1922	135	14	1747	132	13
TOTAL	**15481**	**1,402**	**11**	**12043**	**1376**	**9**

Table 42. Training hours by gender (ESRS-S1-13-83b)

HOURS OF TRAINING BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2024			2023*		
	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING
operations staff	9,321	976	10	1,869	956	2
administrators and middle management	4,295	264	16	7,075	268	26
managers, supervisors and technicians	1,865	162	12	3,100	152	20
TOTAL	**15,481**	**1,402**	**11**	**12,043**	**1,376**	**9**

Table 43. Training hours by professional category (ESRS -S1-13-84)

% OF PARTICIPANTS IN PERIODIC PERFORMANCE AND CAREER DEVELOPMENT ASSESSMENTS BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2024		2023	
	No. PARTICIPANTS	% PARTICIPANTS	No. PARTICIPANTS	% PARTICIPANTS
operations staff	354	**61.78%**	104	**43.70%**
administrators and middle management	68	**11.87%**	35	**14.71%**
managers, supervisors and technicians	151	**26.35%**	99	**41.60%**
TOTAL PARTICIPANTS	**573**		**238**	

Table 44. Career development assessments by professional category (ESRS-S1-13-8)

Health and safety

(ESRS S1-14)

Respect for the health and safety of our staff is one of our core values, as well as one of our top priorities and strongest commitments. It is a crucial material issue in the double materiality analysis (detailed in Chapter 4) and a core aspect of our Strategic Plan. This scope includes all the key elements of developing our business and activities.

Our principles:

- Health and safety as values, with the goal of "**zero accidents**" and working safely at all times.

- Committed management overseeing health and safety as a business aspect (ESRS 2 SBM2 12; SBM3 13).
- Health and safety as a **factor** in all decisions taken. (ESRS 2 SBM2 12; SBM3 13).
- The occupational health and safety **training** of all staff, as well as the training and integration of the value chain (ESRS S1-13 81) (ESRS S2-4 32 33b).
- **Compliance with current legislation**, achieving objectives and obtaining health and safety certifications.
- Commitment to the **community and the environment**.

TUBOS REUNIDOS works closely with regulatory authorities and specialised agencies to ensure our policies and procedures not only align with regulatory requirements but also with industry best practice. In this sense, we recently collaborated with a renowned organisation that had developed and promoted different models and methodologies aimed at improving workplace safety. This collaboration provided safety training programmes, risk assessment tools and management practices that have contributed significantly to improving our occupational health and safety performance.

Since 2020, we have been running the **"Excellence in Safety**" project, implementing new safety management tools and optimising existing tools. This is with a view to strengthening the preventive culture at the organisation to achieve better loss ratios, with the firm conviction that all accidents are preventable.

The list below details some of the work we did in 2024 as part of this framework (ESRS-S1 and S2, ESRS-2 SBM-2 12, SBM-3 (48) 13) (S1 ESRS SMB-2 12 SBM-3 13) (ESRS S1-4 38–40):

- **10 rules that save lives**: Once the 10 key regulations to avoid potentially serious accidents were defined, outreach, communication and awareness-raising actions were implemented to ensure that 100% of the workforce is aware of them and to incorporate them into the preventive culture at TUBOS REUNIDOS.
- **European Week for Safety and Health at Work**: With the aim of increasing visibility and raising awareness about occupational health and safety, we once again took part in this awareness-raising week in October, with preventive activities being carried out at all levels across the Group. As part of this initiative, we stepped up our dedication to achieving ever safer workspaces. The scheduled activities included drills, information campaigns on the use of PPE (Personal Protective Equipment), inspections and information meetings.
- **Safety dialogues**: a tool based on communication and observation with which we aim to motivate, promote dialogue and improve integration. This is done with a view to making real and potential risks evident so we can attack them at the root.
- **Pre-shift talks:** regular talks between line managers and their respective teams to promote a health and safety culture and enhance awareness of existing risks, relaying incidents, improvements and lessons learnt, along with other preventive material across all levels of the company.
- **Pre-task talks:** For particularly hazardous activities, pre-task talks are held to analyse the existing risks and measures to be taken, and to reinforce the rules to be followed, based on the life-saving rule: "Think, evaluate and act" (ESRS S1, ESRS SMB-2 12, SBM-3 13) .
- **Awareness campaigns**: In accordance with a pre-established plan, we periodically launch awareness campaigns to increase awareness of the risks involved in relatively everyday situations that can cause minor accidents (S1 ESRS SMB-2 12, SBM-3 13; ESRS S2-2 21 S2-3 25–27).

- **Work permits for particular hazards:** We have implemented a specific process to obtain permits for work defined as "particularly hazardous" to ensure optimum safety conditions for the work before it begins (ESRS S2-2 21 S2-3 25-27).
- **Drills:** we hold numerous drills at our plants to practise the procedures to follow in the event of an emergency. Should one occur, we can respond quickly and effectively, minimising any potential damage to people and property.
- **Safety tips:** Different tools have been implemented for staff members to inform the company or highlight any safety-related issues or improvements, deploying specific action plans (S1 ESRS SMB-2 12, SMB-3 13).
- **Communication plan:** an annual plan is available, which is deployed monthly, to inform and raise awareness on occupational safety and health matters among all workers (ESRS SMB-2 12, SBM-3 13; ESRS S2-2 21 S2-3 25–27).

OHS Policy and Management System based on ISO 45001

TUBOS REUNIDOS has an **Integrated Quality, Environment, Occupational Health and Safety and Energy Policy**. This policy is consistent with the Group's principles mentioned above and with the established indicators, to which annual objectives are assigned and monitored in different forums.

We have been managing prevention for a number of years, based on internationally renowned standards like ISO and OHSAS. We are currently working under an ISO 45001 inspired Occupational Health and Safety Management System, certified by an accredited body that assists us in audits on the process of continuously improving our health and safety system.

Identification and assessment of health and safety risks

We have procedures to detect, assess and prevent risks at our facilities, which are continuously reviewed and updated. These procedures assign different risk-related parameters to routine or specific tasks, such the likelihood of occurrence and potential severity levels of a hypothetical accident.

Consolidation of in-house prevention services

The consolidation of prevention services at our different work centres has enabled us to adopt best practices and generate synergies, thereby increasing our internal response capacity and making it more efficient.

Health and safety for workers in the value chain

We continue to make progress towards establishing comprehensive accreditation for contractors, covering different areas of particular consideration, from coordinating business activities to designing performance assessments and establishing joint routines in high-risk activities.

We have implemented a variety of preventive measures in coordination with our subcontracted companies, such as regular meetings with the main contractors. We exercise significant control over health and safety through the implementation of internal audit programmes, ensuring compliance with established standards and programmes. Moreover, we have an incident and accident communication tool that facilitates rapid responses to and prevention of occupational risks, promoting a safe and healthy environment for the entire workforce.

As part of the previously established business activity coordination process, service companies performing work at TRG S.L.U. facilities are kept informed at all times of our occupational risk prevention and other policies. They are also informed of the risks to which their workers may be exposed as a result of the services they provide, as well as the joint measures to follow in line with the basic prevention rules.

Health and Safety Committee and other committees

(ESRS S1-3)

TUBOS REUNIDOS plants have a **Health and Safety Committee** consisting of prevention delegates and managers from the different areas. Its main objective is to improve conditions at work with a view to minimising accidents, with the firm conviction that all accidents can be prevented.

As a joint body, the committee's main duty is to identify any occupational health and safety incidents, acting as a reinforcement and supervisory element for actions implemented.

Each Health and Safety Committee meets at least quarterly. Thirteen meetings were held during the reporting year across all committees.

In addition, as part of the “Excellence in Safety” programme, we hold regular meetings with project management and prevention officers to keep them informed about progress and any new tools, all of which is part of our consultation and participation activities.

In addition to this legally established participation and consultation body, regular meetings are held in the different production areas on specific prevention subjects, where incidents, improvements or any matters related to safety are addressed. They involve employees, employee representatives and the managers of the different areas.

In addition, an **Executive Safety and Health Committee was created** in 2024 with senior management. It focuses exclusively on occupational health and safety and meets periodically to analyse incidents, assess risks, and generate corrective actions and processes for their remediation (ESRS S1-3 26; ESRS S1-8).

Prevention training

Throughout 2024, we significantly strengthened health and safety training. This included coaching sessions to increase the preventive culture, more specific technical sessions on particularly hazardous activities and managing work teams.

Our **Training Plan** includes a section dedicated exclusively to occupational health and safety.

All new recruits receive comprehensive training as part of the onboarding plan, ensuring that the fundamental principles of prevention and care in the workplace are understood and applied from day one.

Human rights-related incidents, complaints and serious incidents

There were no serious human rights-related incidents, complaints or events in 2024 (ESRS S1-17) (see Chapter 7. Governance ESRS G1-4-22:24). As a result, the total cost of fines, penalties and compensation for 2024 came to €0.00 (ESRS S1-17 103c).

2024	Contracted workers	Non-employee workers	Total in-house staff
Percentage of in-house staff members covered by the company's health and safety management system, based on recognised legal requirements or standards or guidelines	100%	100%	100%
Number of deaths resulting from work-related injuries and health problems	-	-	-
No. of accidents resulting in sick leave	63	-	63
No. of accidents not resulting in sick leave	84	-	84
Total no. of accidents	147	-	147
Total no. of hours worked	1,868,552	-	1,868,552
Rate of recordable work accidents	79		79
Number of occupational diseases declared in 2024	3	-	3
Days of leave due to work-related accidents and occupational illness	3,025	-	3,025

Table 45. Health and Safety Metrics (ESRS S1-14 88a-b-c-d)

6.2 VALUE CHAIN WORKERS - S2

We know that the workers in our value chain play an important role in the success of our operations. Their well-being, safety and development are essential to strengthening TUBOS REUNIDOS' resilience and competitiveness.

As part of the double materiality analysis performed in 2023 and 2024, we considered the material topics that affect both our own staff and these workers, as well as other stakeholders. The results obtained enabled us to understand the real and potential issues we wanted to focus on to strengthen our actions, mitigate risks and harness the opportunities that our business model and our social strategy provide (ESRS 2 SBM 3 48 10a and b).

The double materiality process includes the IRO related to all people who work in the supply chain. Through the channels set up and surveys carried out, we ensure that their needs and expectations are also heard, considered and incorporated in the PDS and Group strategy (ESRS 2 SMB-3 10 a, b).

Goods and services suppliers, employees in our main business and downstream managers make up this group. Due to their importance (ESRS 2 SBM 3 11a), suppliers of scrap metal and iron are worth particular mention, along with those who supply other raw materials, consumables and essential services. Elsewhere, our core business includes all contractors operating at our facilities, performing activities such as treating raw materials for management in the steel mill, safety, maintenance, cleaning, slag treatment and internal waste management.

As mentioned in the following section, our corporate policy of respect for human rights and the Code of Ethics for Suppliers place measures against child or forced labour in the hands of the corresponding managers (ESRS 2 SMB 3 -11b).

Negative IRO detected in the double materiality process are covered by the application of corporate policies and the contracting process at TUBOS REUNIDOS, as part of which we seek to promote, protect and ensure compliance with human rights throughout the value chain (ESRS 2 SMB-3 11c). As the IRO have been identified for the Group as a whole, these conditions extend to all groups, without distinction as to the country or region (ESRS 2 SMB 3 -12-13). (See table listing IRO in Chapter 4).

Positive IRO, in turn, reflect our efforts to establish strict supplier selection and approval processes to ensure a decent, safe and reliable working environment. In short, the purpose of our business model is to promote the creation of quality jobs not just in-house but also for external staff (ESRS 2 SMB-3 11d).

Policies related to value chain workers

(ESRS S2-1)

Through our corporate website, we share mandatory compliance policies for our own staff, suppliers and contractors. We seek to ensure dignified, stable, diverse and inclusive work that is committed to its impact on society and the natural environment.

As reflected in section S1-1, our Corporate Human Rights Policy is aligned with the Corporate Sustainability Policy on environmental, social and governance matters and the Group's Code of Ethics, as well as the highest international standards in this field (ESRS S2-1 19).

This policy applies to any person who has a direct or indirect relationship with TUBOS REUNIDOS, irrespective of their functional or hierarchical position (ESRS 2 SBM2 12) (ESRS S2-1 19). It therefore includes workers in the value chain. (ESRS S2-1 17a). It explicitly addresses key issues such as equality, the prevention of harassment, rejection of forced labour and the ban on child labour, as well as any form of human trafficking under the umbrella of modern slavery (ESRS S2-1 18 AR15).

In Chapter 6, Communication Systems, we have developed information and work systems that ensure collaboration with all workers at TUBOS REUNIDOS. We establish a relationship management system with our suppliers as reflected in ESRS G1-2-12. (ESRS S2-1 17b).

In 2023, we approved the **Code of Ethics for Suppliers**, thus reaffirming our commitment to the human rights recognised in national and global legislation. This code defines the principles that we apply for the purposes of due diligence in this matter, which involve both Group companies and value chain workers (ESRS S2-1 18 AR15).

This code, based on the Group's Code of Ethics, aims to require and encourage suppliers to perform their activities in accordance with business best practices and subject to the highest ethical standards. This is binding on all suppliers, contractors, advisers and other companies that partners with any TUBOS REUNIDOS companies.

We are committed to promoting workforce inclusion by improving the minimum percentage stipulated for the recruitment of vulnerable or marginalised groups and to meeting the highest standards of human rights.

The main process for correcting incidents related to non-compliance with human rights for workers in the value chain, which is also included within the Code of Ethics for Suppliers, is related to the TUBOS REUNIDOS Code of Conduct and the company's ethics channel, extensively developed in Chapter 7, Governance. (ESRS S2-1 17c).

As for the other corporate policies, the Board of Directors approved the Code of Ethics for Suppliers in 2023, to be rolled out across the Group. (ESRS 2 MDR-P 65c).

TUBOS REUNIDOS reports that there were no breaches of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises that address value chain workers in 2024 (ESRS S2-1 19).

For more information on the Group's other policies and procedures, see Chapters 3 and 7.

Incident management processes

(ESRS S2-2 S2-3)

The management of the Supply division is responsible for ensuring smooth communication and effective collaboration with the workers in our value chain. The management of this division is the channel for reporting incidents to the Group's Senior Management, as it is part of the Steering Committee. (ESRS S2-2 22c).

We maintain an up-to-date and close dialogue with all these groups so that they report any actual or potential incidents, which can be properly and efficiently managed (ESRS S2-2 21).

It is important to note that all suppliers and subcontractors that work at our facilities do so as part of a process of approval and coordination of business activities where they are informed about the working procedures they must respect and share as part of their activities (ESRS S2-2 22b) (ESRS S2-3 25). Our processes aside, we have no other means of collaborating with value chain workers. (ESRS S2-3 24).

To ensure the effective management of the relationship, we hold regular meetings (ESRS S2-2 22b) (ESRS S2-3 25) addressing specific performance issues and the resolution of potential incidents (ESRS S2-2 21-22a) (ESRS S2-3 27a). These meetings are actively attended by representatives as well as workers of the companies contracted, thus promoting an environment of dialogue and continuous improvement (ESRS S2-2 22e).

Meetings with companies in the value chain are handled from first contact, as part of the Group defining the service and setting out the scope of the activity to be performed at our facilities. These companies are also informed of the procedures and codes of mandatory compliance that they must assume to establish a contractual relationship with us. The tender award phase and definition of the activity is part of the following commitment established between the two parties. Entry into our facility requires full acceptance of our entire work and partnership system. (ESRS S2-2 22b).

We also encourage visits to our suppliers. This helps us gain first-hand insight into their commitment to human rights and incident management protocols, while auditing their processes under our Integrated Management System.

We have no general procedure for reviewing incidents in the value chain. Instead, we work on a case-by-case basis to make them more effective. (ESRS S2-3 27a). However, the TUBOS REUNIDOS whistleblower channel is available to anyone in the value chain and is referenced in the Code of Ethics for Suppliers. This a safe space for reporting possible breaches of the Code of Ethics or the law (ESRS S2-3 25-27b-c-d) and the incident is handled as per the regulations governing the channel (see Chapter 7) .

The Code of Ethics for Suppliers and the associated Group Code with its whistleblower channel generate confidence in the contractual relationship between workers in the value chain and TUBOS REUNIDOS, ensuring the correction of all incidents. (ESRS S2-3 28 see ESRS G1-1)

Adopting measures to address incidents, risk mitigation and opportunities

(ESRS S2-4) (ESRS 2 MDR-A 62)

No specific actions were taken in 2024 based on the outcome of the double materiality process. The only negative impact identified relates to potential human rights violations, which did not occur as we can see in this section.

We are analysing how to strengthen the supplier approval system in order to make it more robust and comprehensive. This is with a view to ensuring compliance with the Procurement Code and the integration of sustainable criteria in all purchases managed by the Supply division. This commitment is key to ensuring alignment with our standards of excellence across all processes. In this regard, we contribute to compliance with the environmental requirements set out in the Code of Ethics for Suppliers, as well as guaranteeing the basic health and safety principles set out in the code.

The SMP approved by the Board for 2024 includes a series of actions to strengthen the collaboration and integration of value chain workers with the Group's activities and sustainability. The actions are planned with a time horizon similar to that of the SMP, including the resources required for their development. (ESRS 2 MDR-A 68c)

Goals related to managing negative and positive incidents and managing risks and opportunities (objectives and goals)

(ESRS S2-5) (ESRS 2 MDR-T 81)

We have no defined, detailed goals for managing IRO with the value chain.

The ESG Committee will make a proposal for actions in line with our corporate policy and the Code for Workers, which will contain actions to avoid impacts and risks and to harness existing opportunities and synergies in our joint work. The inclusion of the value chain in the double materiality analysis guarantees the review of the IRO related to material topics for the Group.

We want to work on developing monitoring systems for compliance with ESG requirements by our suppliers, establishing criteria indicators integrated into procurement processes, environmental criteria into consumables, information on the carbon footprint, traceability and transparency in information management etc.

07

GOVERNANCE

7. GOVERNANCE

Solid, transparent governance that drives change

7.1 STRUCTURE AND FUNCTIONS OF THE GOVERNING BODIES

Our corporate governance aims to ensure the proper functioning of TUBOS REUNIDOS' governing bodies and to protect the interests of the Group and our stakeholders, ensuring that these bodies act in a diligent, comprehensive, transparent and responsible way. Good governance is essential to ensuring long-term profitable and sustainable business, which takes into account the preservation of the environment, social equity and ethical resource management, and is aligned with our strategy.

TUBOS REUNIDOS is governed by the principles of efficiency and transparency defined in the principles and recommendations of the Code of Good Governance of Listed Companies of the National Securities Market Commission (CNMV), undertaking advanced practices in this area. This is all in the corporate interests of the Group and is understood as *"the common interest of all shareholders of a public limited company aimed at creating sustainable value, through the development of the activities included in its company purpose and the achievement of a profitable and sustainable long-term business that promotes continuity and maximisation of the economic value of the company in the long term, while taking into account other stakeholders related to its business activity and its institutional situation"*, as defined in the Regulations of the Board of Directors.

The proper functioning of the corporate governance system contributes to greater transparency, efficiency, momentum and control in the management, oversight and representation functions of the Board of Directors. Also, it is certainly fundamental to the attainment of the Group's objectives set out in our Strategic Plan. The framework that we have defined regulates the performance of our governing bodies, establishes mechanisms for mitigating possible risks and frames relations with our stakeholders.

General Shareholders' Meeting

The General Shareholders' Meeting (GSM) is the highest representative body for shareholders and is the main channel of communication between shareholders and the Group's governing bodies. Its functions are regulated by the Articles of Association and by the GSM Regulations.

On 30 May 2024, the Ordinary General Shareholders' Meeting was held in person. Pursuant to the GSM Regulations, the possibility of exercising representation and voting rights electronically was provided to facilitate communication, participation and the exercise of the political rights of shareholders.

Key agreements reached by the GSM on 30 May 2024:

- Approval of the annual accounts, the Tubos Reunidos S.A. management report and the 2023 management report for the Consolidated Group.
- Approval of the Company's Non-Financial Information Statement for 2023.
- Approval of the social management carried out by the Board of Directors during 2023.
- Approval of the proposed distribution of earnings for 2023.
- Appointment and re-election of members of the Board of Directors. At the proposal of the Appointments and Remuneration Committee, and following a report from the Board of Directors on the proposal, ratification of the appointment by co-optation of Mr Josu Calvo Moreira as a member of the Board of Directors as an Independent Director, and new appointment by the GSM for the statutory period of four years.
- Re-election for one year of the accounts auditor of the Company and its Consolidated Group for 2023.
- Approval of the new Directors' Remuneration Policy for 2025, 2026 and 2027.

Board of Directors

After the GSM, the Board of Directors is the next most senior decision-making body of TUBOS REUNIDOS, S.A. and its Group. The Board is fully committed and firmly convinced that our Strategic Plan will be fulfilled.

Pursuant to Regulations of the Board of Directors, the Board as a whole collectively assumes direct responsibility for the corporate administration and supervision of the Company's management, with the common purpose of promoting the corporate interest. In addition, it is responsible for achieving the corporate purpose, protecting general interest and ensuring that value is created for the benefit of all the shareholders.

At the core of its mission, it approves the Company's strategy and the organisation necessary for its implementation. It also monitors and checks that senior management is meeting the stated objectives and pursues the attainment of the corporate purpose and corporate interest and creates long-term value for the shareholder. To this end, the fully convened Board holds the power to approve the Company's general policies and strategies.

The Board of Directors stands out on account of its balance and diversity. It comprises 11 members, including the non-executive chairperson and the non-executive directors, 55% of whom are independent and 36% of whom are female (4 women and 7 men) (ESRS 2 GOV1 21a–21d-21e-22a). Note that the specialised committees of the Board (Audit Committee and Appointments and Remuneration Committee) are chaired by female directors and the role of Secretary of the Board of Directors is also held by a woman. The Board of Directors also approved the appointment of the Secretary to the Board and the two aforementioned specialised committees on 29 February 2024.

The members of the Board of Directors boast a wide range of knowledge, as can be seen from their CVs available on our website and in the Annual Corporate Governance Report, with experience in fields such as industry, energy, sustainability, as well as finance and legal affairs, including compliance training and business conduct, in line with the principles inherent in the role of director such as the duty of loyalty and due diligence (ESRS 2 GOV1 5b 21c–AR5 ESRS G1-3 21c). We round off this point with a description of the training and experience of each member of the Tubos Reunidos Board.

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
Mr Josu Calvo Moreira	Non-Executive Chairman and Independent Director	2023	Mr Josu Calvo Moreira studied Economics and Business Studies at the University of the Basque Country, holds a Master of Arts in Economics of the European Community from the University of Exeter, United Kingdom, and has several postgraduate degrees, including IESE's PDG (*Programa Dirección General* — General Management Programme). He started his career in 1993 as Senior Industrial Operations Consultant at Andersen Consulting, after which he joined Gonvarri Industries in 1997 as deputy to the Managing Director of Gonvarri Burgos. Since then, he has held various managerial positions at Gonvarri, including COO in 2008. Since 2010, he has been CEO of Gonvarri Industries. In turn, he is currently a member of the Fundación SERES Board of Trustees and a member of the Board of Directors at Unesid. He also collaborates as an academic at IE Business School. He has vast experience on boards of directors in the industrial sector. He served as a proprietary director of Logesta from 2008 to 2010 and is currently a board member of several subsidiaries and investee companies of Gonvarri Industries, including Joint Ventures Internacionales, as well as joint CEO of the company Green Cold Storage, S.L.
Mr Emilio Ybarra Aznar	Deputy Chair and Proprietary Director	1999	He holds a degree in Law from the Complutense University of Madrid, a certificate in Business Administration from Harvard University in Boston and a Senior Management Programme certificate from IESE. In his professional activity, he has combined international and national experience, and has held various positions of responsibility in listed companies and financial institutions. He began his career as a Corporate Finance analyst at JP Morgan in Madrid, New York and London. In 1993, he joined the international expansion area of Prisa Group in Madrid and began a career in the communications sector, which continued when he moved to Vocento in 1995, where he stayed for 20 years. At Vocento he held responsibilities in the sales and marketing area. He was Managing Director of the daily newspapers La Rioja and El Correo (Bilbao) and assistant to the Managing Director of the newspaper ABC. He was also Chairman of CMVocento and Managing Director of Communications for the group. He is founding partner of and currently runs Kemet Corner, a strategic communications, brand image and public relations consultancy firm. He is Chairman of the Board of Directors of Mezouna S.L., and independent director of Elecnor, S.A., where he was a member of the Audit Committee until May 2022 and is currently Chairman of the Appointments and Remuneration Committee.
Mr Jorge Gabiola Mendieta	Independent Director	2013	A lawyer with a degree from the University of Deusto, he began his professional career in the audit division of Arthur Andersen, later moving to the legal and tax department of the same firm. In 1986, he joined Tubos Reunidos, where he assumed various responsibilities until 1996, when he was appointed Secretary of the Board of Directors of the parent company, a position he held from 2009 until 15 October 2018 as an independent freelancer with no employment or executive relationship with the Company. He has been a director of Tubos Reunidos S.A. since 30 May 2013, and was appointed Non-Executive Chairman of the Board of Directors on 15 October 2018. On 28 April 2020, he was appointed Coordinating Director of Tubos Reunidos, S.A. and has also been the

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
			Secretary and a Member of the Board of Directors of the Group companies Productos Tubulares and Almacenes Metalúrgicos. He is registered in the Official Registry of Accounting Auditors (ROAC) as non-practising. He is currently a Director of the company Vicinay, S.A. and Vicinay Marine, S.L. He is also a Director of Inmobiliaria del Club de Campo de la Sociedad Bilbaina, S.A.
Mr Enrique Migoya Peláez	Proprietary Director	2018	He holds a degree in Economics and Business Administration from the Autonomous University of Madrid; Management Development Programme and Corporate Management Programme at IESE. He is currently the Head of Industrial and Real Estate Equity Holdings (Strategy & M&A) at BBVA, where he manages the bank's investment portfolio. His professional career has been mainly in M&A, spending 7 years at the investment bank Goetzpartners, and the last 16 in various positions at BBVA in both private equity and industrial portfolio management. He represents the bank as a director on several boards, including Informa D&B (where he is Chairman of the Audit Committee), CESCE, S.A. (where he is Chairman of the Appointments and Remuneration Committee), Corporación IBV Participaciones Empresariales S.A. (where he is Chairman of the Board of Directors), Neotec Capital Riesgo SCR, Coinversón Neotec SCR, PECRI Inversión S.L. (where he is Chairman of the Board of Directors), Inverahorro S.L. (where he is the Joint Administrator) and Crea Madrid Norte, S.A., and has participated on other boards such as at Occidental Hoteles and Textil Textura. He is also a Director of listed company METROVACESA, S.A.
Mr Cristóbal Valdés Guinea	Proprietary Director	2018	He holds a degree in law and a certification in economics from the University of Deusto (Bilbao) and an MBA from the Instituto de Empresa. He has extensive industrial and international experience. He began his professional career at companies such as Carrefour Spain, Leroy Merlin Spain, where he was Purchasing Director, and the Adeo Group in France, where he was International Product Director. In 2008, he joined Bergé Marítima as Chief Executive Officer for seven years, also managing the companies in which the Group has holdings and sitting on eight Boards of Directors linked to the Group. He was also Deputy Chairman of the port employers' association ANESCO. From 2015 to 2020, he was the Chairman of Venanpri Tools, the Tools division of the Venanpri Group, a Canadian-owned multinational group resulting from the merger of the former Ingersoll Tillage Group and Corporación Patricio Echevarría, which has more than 1,400 employees and a significant presence in Europe, North America (main market) and Latin America. He was a member of the Executive Committee of ADEGI (Employers' Association of Guipuzkoa). From 2020 to 2023 he was Managing Director and Sole Administrator of Jealsa Corporación Alimentaria, the second largest European manufacturer of canned food and other food products, with its own fleet and plants in Spain, Brazil, Chile and Guatemala. Between 2023 and 2024 he was CEO of Alvic Group, a leading global corporation in the design, production and marketing of kitchen, bathroom, office and general decoration furniture, fixtures and fittings, owned by KKR, Arta

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
			Capital and the founding family. It has 8 industrial plants in Spain, France and the United States and a commercial presence in over 100 countries. He is currently the Managing Director of the Deoleum Group, the world leader in olive oil, the sole administrator of Deoleum Global and director of Deoleum Financial Limited (United Kingdom) and Carapelli, SPA. He is also an Independent Director at Melia Hotels International, S.A. and Chairman of CIFASA (Centre for Initiatives for Agrarian Training, S.A).
Mr Alfonso Barandiarán Olleros	Proprietary Director	2013	Graduate in Law from the University of Deusto in Bilbao. MBA from the University of Houston, Texas. Creating Value Through Financial Management Program, University of Pennsylvania, The Wharton School. He began his professional career in 1995 at Tafisa in the financial department, moving in 1997 to the French consulting firm Cap Gemini and Gemini Consulting in the strategy area. At the beginning of 2005 he joined the start-up Secosol as Director of national and international expansion, and at the end of 2005, he joined Kroll as Managing Director for Spain and Portugal until 2012. For more than two decades, he has been a director of several subsidiaries at the Elecnor Group, a director at Santa Ana de Bolueta and a director at Tasdey, S.A. He is currently a director at Gapara S.L. (Inmobiliaria), Gesluran (financial investments), Inversiones Berrueco (investment company in Search Funds), Effective Seaborne Engineering Solution, S.L. (start-up involved in the container shipping industry); positions which he combines with the Chair of the Board at Mapex (the leading technological company for production control of the MES sector in Spain) and he is a trustee of the Gondra Barandiaran Foundation.
Ms Leticia Zorrilla de Lequerica Puig	Proprietary Director	2004	Degree in Law from the University of Deusto in Bilbao. MBA from the Universidad Pontificia de Comillas, ICADE Madrid. She began her professional career as a corporate banking manager at Santander Central Hispano. In 2000, she joined Payma Móviles. In 2003, she joined Euroquality as a sales consultant and Boxnox in 2005 as head of organisation and sales.
Ms Ana Muñoz Beraza	Independent Director	2015	Degree in Economics from the University of Zurich (Switzerland). Executive MBA from the University of Chicago. Member of the Advisory Committee of the University of Chicago. Member of the IWF Board (International Women's Forum) and Member of the Advisory Council of Spain Start Up. She has completed training courses for directors and corporate governance at the Instituto de Consejeros y Administradores (ICA), as well as the High Performance Boards course at IMD in Switzerland. She has spent her career in the financial markets working at Merrill Lynch in Switzerland, England, the United States and Spain. She has led teams and sat on the Steering Committee in both Zurich and Madrid. Subsequently, she managed a family office in Spain. As a result of her international career, she speaks seven languages. She has been an independent director and Chairwoman of the Audit Committee of NATRA, S.A. and the representative of the corporate advisory company PIZMARGNA SERVICIOS DE CONSULTORIA S.L., in the unlisted company LANINVER S H C, S.L. She is currently an independent director of the company Ernesto Ventos, S.A.

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
Mr Jesús Pérez Rodríguez-Urrutia	Independent Director	2020	He has extensive experience of over 36 years in management roles in large companies, working as a CEO, managing director and finance director. Throughout his long professional experience, he has been Chairman of BNPP Real Estate in Spain, CEO of Occidental Hotels, CFO of Metrovacesa, Corporate Managing Director of Ence Group and CEO of Planeta DeAgostini, as well as CFO and Company Secretary at Abengoa. Within his leadership responsibilities in his executive functions, he has extensive experience working with financial institutions, regulators, investors and public institutions. He has also led corporate transformation processes in coordination with financial institutions, managing their financial and operational restructuring to recover profitability. He has extensive experience on boards of directors, having sat on the boards of Abengoa, Befesa, Telvent, Logista, French real estate investment trust Gecina, GMP, Levantina de Mármoles and Denarius, among others. He has also served as Chairman of BNPRE in Spain and as a director at Project Qsar Investments and Rio Narcea Recursos SA. He is currently a member of the Schindler Advisory Board in Spain, Senior Advisor for Denarius Metals in Spain and Managing Director of CESUR (Southern Spain Business Circle) in Madrid.
Ms María Sicilia Salvadores	Independent Director	2021	She holds a degree in Law from the Complutense University and in Business Administration from San Pablo-CEU University, a Master's degree in Public and Economic Policy from the National Institute of Public Administration/ENA and the London School of Economics and Political Science (LSE), respectively, and she also has executive training from Harvard Business School and is a fellow at Aspen Spain. She has been Deputy Director-General of Energy Planning for the Spanish government, head of prospection at Iberdrola Renovables, Senior Analyst for Electricity Markets at the International Energy Agency at the OECD and Regulatory Economist at Ofgem, the regulatory authority of the UK's electricity and gas markets. Additionally, as a career officer within the central government, she was an Advisor for Energy Affairs at the Secretary of State for Economy and Energy Director for the Permanent Representation of Spain to the EU. María is a member of the Scientific Committee of the Royal Elcano Institute, the Editorial Committee of the Journal of Foreign Policy and the Spanish Chapter of the European Council of International Relations (ECFR). She is currently Director of Programming and Project Control at Enagas, a global gas infrastructure company listed on the IBEX35 and Co-Chair of the European Hydrogen Backbone initiative.
Ms María Teresa Quirós Álvarez	Independent Director	2021	Degree in Economics and Business from the Faculty of Economics at Málaga University (1976–1981), the IESE Directors Programme (April–July 2021), the Executive Programme for Women in Senior Management at ESADE (October 2014–June 2015), the Executive Program at Harvard (May 2013), PDD at IESE (January–May 2010). The W2W Program (PWC) to help women in senior management become directors (October 2017–June 2018); she has been connected to the electricity industry, carrying out various duties at RED ELECTRICA CORPORACIÓN, where she has been CFO for the past seven years, and a member of the board and committees at various subsidiaries, carrying out duties related to risk management, administration and accounting, strategy and management control.

MEMBER	POSITION AND CATEGORY	YEAR FIRST APPOINTED	TRAINING AND EXPERIENCE
			She has also served as a Director and Chairwoman of REE Finance BV, an Independent Director and a member of the Audit Committee of Grenergy Renovables and an Independent Director and Chairwoman of the Audit Committee of Singular People, S.A. She is currently an Independent Director and a member of the Audit Committee at Corporación Acciona Energías Renovables S.A (Acciona Energy) and an Independent Director, Chairwoman of the Audit Committee and member of the Sustainability Committee at Promotora de Informaciones, S.A. (PRISA).
Ms Inés Núñez de la Parte	Non-director secretary	2018	She holds a degree in Law from the University of Deusto (Bilbao), has a master's degree in Legal Practice from the Pedro Ibarreche School of the Bilbao Bar Association and a master's degree in Business Legal Advice from Deusto. She has completed the Advanced Management Programme at the Instituto de Empresa (IE), the Expert in Arbitration Course by the ICAV, the Corporate Governance and Boards of Directors Programme at Deloitte and Spencer Stuart, and holds a Leadership in Corporate Counsel Program from Harvard University (Boston). She has also completed the Board in Progress Programme Challenges for the Boards of Directors at Deloitte and Talengo. Since 2018, she has served as Secretary to the Board of Directors and Director of the Legal Advisory Department at the Tubos Reunidos Group, and Chairwoman of the Independent Control Body at Tubos Reunidos in the field of compliance. She is also currently the Joint Director at Tubos Reunidos Group, S.L.U, director at the US subsidiaries RDT. Inc and Tubos Reunidos America, Inc, Director of the joint venture with Japanese firm Marubeni-Itochu Tubos Reunidos Premium Threads, S.L. and joint administrator of Tubos Reunidos Services, S.L., Clima, S.A. and Aplicaciones Tubulares S.L. Before joining Tubos Reunidos on 2 January 2018, between 2007 and 31 December 2017, she was Corporate Legal Services Manager (General Counsel) of the Basque industrial group INGETEAM. From 2014 to September 2017, she was also the Secretary of the INGETEAM Compliance Committee. Before being appointed as a Corporate Director, she was a lawyer at the Legal Services Department at INGETEAM (2005–2006), she headed up the legal services department at engine and generator manufacturer INDAR ELECTRIC (2004–2006) and previously worked as a lawyer advising companies and defending them before the courts for 5 years as an associate lawyer with IUSFINDER LAWYERS (1998–2003). From 1999 to 2001, as commissioned by the firm, she was legal adviser to the ERHARDT Group, which is dedicated to international logistics and transport, and to the multinational BRIDGESTONE Group. Likewise, since 2004, she has combined her professional work with educational activities at the Universities of Deusto and ICADE and at the Business School of Eseune, and since 2022 has been an arbitrator of national and international trade matters.

Table 46. Board of Directors Training and Experience (ESRS 2 GOV-1 5b)

During 2024, the Board of Directors as a whole received specific training (GOV1 23 AR5) in relation to the new Sustainability Reporting Directive. This training has covered the ESRS 2 and specifically the double materiality analysis, in which information was reported on the application context, methodology, IRO determinations and IRO materiality as a result of the assessment. Finally, the training covered the material IRO relating to the three ESG pillars plus the transversal pillar, in relation to which TUBOS REUNIDOS disseminates MDR information in Chapter 8 of this Sustainability Report (ESRS 2 GOV1 23a-23b).

As a result of this training, the Board members acquired the necessary knowledge and skills to interpret the results of the double materiality, approve the material IRO and their integration into the Sustainability Master Plan through actions, targets and objectives to mitigate material impacts and risks and to harness opportunities (ESRS 2 GOV1 23a-23b).

Composition of the Board of Directors at 31 December 2024

MEMBERS	POSITION AND CATEGORY
Mr Josu Calvo Moreira	Non-Executive Chairman and Independent Director
Mr Emilio Ybarra Aznar	Deputy Chairman and Proprietary Director
Mr Jorge Gabiola Mendieta	Independent Director
Mr Enrique Migoya Peláez	Proprietary Director
Mr Cristóbal Valdés Guinea	Proprietary Director
Mr Alfonso Barandiarán Olleros	Proprietary Director
Ms Leticia Zorrilla de Lequerica Puig	Proprietary Director
Ms Ana Muñoz Beraza	Independent Director
Mr Jesús Pérez Rodríguez-Urrutia	Independent Director
Ms María Sicilia Salvadores	Independent Director
Ms María Teresa Quirós Álvarez	Independent Director
Ms Inés Núñez de la Parte	Non-director secretary

Assessment of the Board

In accordance with recommendation 36 of the Code of Good Governance of listed companies, the Board of Directors is assessed once a year and, where appropriate, adopts an action plan that corrects any deficiencies detected with respect to:

1. The quality and efficiency of the operation of the Board and its committees, including the effective use by these committees of member contributions.

2. The size, composition and diversity of the Board and its committees.

3. The performance of Board positions: non-executive chairman and secretary/legal counsel. Questions about the chief executive CEO are also included.

4. The directors' performance and contribution, paying close attention to those responsible for the different Board committees.

5. The frequency and duration of meetings.

6. The content of the agenda and the adequacy of the time spent addressing the different matters according to their importance (taking into account examples or specific cases).

7. The quality of the information received.

8. The breadth and openness of discussions, avoiding group thinking.

9. Whether the Board's decision-making process is dominated or strongly influenced by a member or a small group of members.

10. A review of much of the 2024 action plan that resultant from the 2023 Board assessment was achieved.

11. Setting out recommendations for 2025.

The aim of the assessment is to ensure an efficient, cohesive and sustainable management body that is aligned with our corporate strategy.

The assessment process of the TUBOS REUNIDOS Board was based on the CNMV's recommendations and technical guidelines, on international good governance codes and on best practices currently applied in this field, taking the latest trends and studies in domestic and international corporate governance into consideration. It also considered the new powers conferred on each body in the Board regulations, the Audit Committee Regulations, the Appointments and Remuneration Committee Regulations and the new duties of directors imposed by said internal regulations.

Audit Committee

This internal body has five members, two of whom are women (40%), and operates as a specialised, informative and consultative internal body with no executive functions (ESRS 2 GOV1 21a–21d-21e-22a) and with powers to inform, advise and propose within its scope of action. Its **main responsibilities** include:

- **As regards information and internal control systems:** supervising and assessing the preparation process and the integrity of financial and non-financial information; monitoring the effectiveness of internal control systems; reviewing the Risk Policy; ensuring that the internal control policies and systems established in general are effectively implemented in practice etc.

- **In relation to the external auditor:** submitting to the Board, for submission to the GSM, proposals for the selection, appointment, re-election and replacement of the external auditor, and for supervising and preserving the auditor's independence; ensuring that the Company and the external auditor respect existing rules on the independence of audit services etc.

A section in Chapter 5 is dedicated to the sustainability role of the Committee as a supervisory body and point of contact between the executive and the Board of Directors.

Note that 29 February 2024, the Board of Directors approved the appointment of the secretary to the Board, Ms Inés Núñez de la Parte, as secretary of the Audit Committee.

Composition of the Audit Committee at 31 December 2024

MEMBERS	POSITION
Ms María Teresa Quirós Álvarez	Chairwoman
Mr Enrique Migoya Peláez	Member
Mr Jorge Gabiola Mendieta	Member
Mr Jesús Pérez Rodríguez-Urrutia	Member
Ms María Sicilia Salvadores	Member
Ms Inés Núñez de la Parte	Secretary

Appointments and Remuneration Committee

This committee comprises three directors, two of whom are women (67%). It also operates as an internal body of a specialist, informative and advisory nature, without executive functions but with powers to inform, advise and propose within its remit (ESRS 2 GOV1 21a–21d-21e-22a).

Its main mission is to contribute to the acquisition and retention of talent, ensuring that TUBOS REUNIDOS has the best professionals on its governing bodies and in senior management. This committee is governed by the principles established in the Corporate Policy for the selection of directors and diversity on the Board of Directors.

Similarly, the Appointments and Remuneration Committee is responsible for verifying that the selection and remuneration policies applicable to the Board, Senior Management and other workers are consistent with the Group's strategy. This includes aspects related to sustainability, diversity, long-term profitability and risk-taking, notifying the Board of any inconsistencies (ESRS 2 GOV1 23a-23b).

On 25 January 2024, the internal regulatory framework was extended and refined when the Board of Directors approved the Regulations of the Appointments and Remuneration Committee, which constitutes a specific standard that sets out the highest standards applicable to listed companies and regulates the proper functioning of the committee. The regulations include the basic rules of its organisation, its powers, its principles of action, the system for its operation and duties, and the rules governing relations with other Company bodies and management, and the obligation to assess how they are operating In addition to considering the Board Regulations, when preparing the new regulations consideration was given to the mandatory regulations incorporated into the current Capital Companies Act and other applicable legal provisions and the recommendations of the Code of Good Governance of Listed Companies revised in June 2020.

On 29 February 2024, the Board of Directors approved the appointment of the secretary of the Board, Ms Inés Núñez de la Parte, as secretary of the Appointments and Remuneration Committee.

Composition of the Appointments and Remuneration Committee at 31 December 2024

MEMBERS	POSITION
Ms Ana Muñoz Beraza	Chairwoman
Mr Cristóbal Valdés Guinea	Member
Ms María Sicilia Salvadores	Member
Ms Inés Núñez de la Parte	Secretary

Steering Committee

The Board has delegated the ordinary management of the Company to a Steering Committee chaired by the CEO, although in no case may those powers legally or statutorily reserved directly for the Board, or those necessary for the responsible exercising of its functions, be delegated. Note that on 27 June 2023, the Board of Directors formally approved the separation of the posts of non-executive chairman and chief executive, in line with best good corporate governance practice and with the aim of strengthening the Board's independence.

Also in 2022, the director of sustainability and business development was appointed as a member of the Steering Committee, reflecting our conviction that the business must be intrinsically sustainable, integrating sustainability and business development issues.

All the members of this committee are executives. At 31 December 2024, it comprised 11 members – 1 woman and 10 men (9% women versus 91% men) (ESRS 2 GOV1 21a–21d-21e-22a).

The participation of directors on the Steering Committee ensures the representation of all workers by incorporating their needs and expectations into the areas represented and into the decisions taken by the Committee (ESRS 2 GOV 1-21b).

The Company has notified the CNMV of the members of management who hold positions with management responsibilities for the purposes of Regulation (EU) no. 596/2014 on market abuse.

MEMBERS	POSITION
Carlos López de las Heras	CEO
Inés Núñez de la Parte	General Secretary and Director of the Legal Advisory Department
Ignacio Barón	Chief Financial Officer
Pedro Rodriguez	Sales Director
Ekhi Etxeberria	Human Resources Director
Jagoba Hernández	Supply Chain Director
Antón Pipaón	Director of Sustainability and Business Development
Andoni Jugo	Industrial Director, Tubos Mill
Jon Bikandi	Industrial Director, Productos Mill, and Innovation
Francesc Ribas	Director of Tubos Reunidos America
Alberto Santamaría	Internal Audit Director
Sergio Sáenz*	Director of Digital Transformation

**The director of Digital Transformation served until 30 November 2024, when he left the Group.*

Directors' Remuneration Policy

On 30 June 2022, the GSM approved the reworded Board Remuneration Policy for 2022, 2023 and 2024. This update eliminated the variable remuneration of non-executive directors, in line with the recommendations of the Code of Good Governance for Listed Companies and our statutory provisions.

Subsequently, on 30 May 2024, at the proposal of the Appointments and Remuneration Committee and the Board of Directors, the GSM approved the new Directors' Remuneration Policy, available on our website, for 2025, 2026 and 2027.

The main changes to this policy are as follows:

- Elimination of the regulation of the remuneration system for executive directors, referred to in Article 3.2. of the policy in force, given that the Board of Directors currently does not have any executive functions, nor is it expected that the director will be appointed in the coming three years.

- As the chairman of the Board is a non-executive, the exception established in Article 3.1.d of the current policy, whereby the chairman of the Board did not receive a fee for attending Board and committee meetings, is removed. It is now expressly established that, like the chairs of the supervisory committees (Audit and Appointments and Remuneration), the chairman of the Board's fee, by virtue of his position, will be doubled.

In accordance with the company bylaws, the remuneration system for directors in 2024 for their supervisory and collegial decision-making responsibilities, was structured as follows:

1. Annual fixed remuneration for the role of member of the Board of Directors and proportional to the period of their mandate during the year.

2. Annual fixed remuneration in addition to the above for the chair of the Board of Directors by reason of the chair's position.

3. Fixed annual remuneration in addition to the foregoing for some external directors for their greater dedication.

4. Attendance fees for Board and committee meetings. In the case of the chairs of the Board and the Supervisory Committees (Audit and Appointments and Remuneration), the allowances by reason of their positions is double.

   No variable remuneration, compensation or pension contributions are provided for the termination of the role of director as such.

   Under Article 529(17) of the Spanish Companies Act, the maximum amount of remuneration to be paid to all directors in their capacity as such, with the addition of all items indicated above, is a maximum of €800,000 per year.

   It is important to note that the maximum limit does not need to be used in its entirety. It is established in order to cover changes that may arise during the term of our Remuneration Policy to payments related to the responsibilities and services provided by each Board member.

The agenda of the ordinary GSM submits the Annual Report on Board Remuneration for the meeting's consideration in an advisory manner. The content of the report is provided in advance and includes the remuneration policy for the Board members, as well as the amounts received individually by each member for each item. Note that the 2023 report was approved by a large majority (98.39% of the votes) at the GSM on 30 May 2024.

7.2 MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

(ESRS 2 IRO-1)

Description of processes for determining and assessing incidents, risks and opportunities of relative importance.

As developed in the double materiality analysis, we have a robust process in Chapter 4 of the report to determine the sustainability-related IRO concerning governance, focusing on four fundamental areas:

- Code of Conduct.
- Business ethics and governance.
- Business risk management.
- Corruption, bribery and money laundering.

This chapter describes all the processes available to us to mitigate material negative impacts, minimise risks and enhance opportunities.

7.3 CORPORATE CULTURE AND CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

(ESRS-2 GOV 1 5 ESRS G1-1)

Ethics, integrity and good governance

(ESRS 2 GOV1-5 ESRS G1-1)

Our decision-making, strategy and culture are based on ethics, integrity and good governance. To ensure that all the staff at TUBOS REUNIDOS behave in a way that is in line not only with current legislation but also with the Group's **Code of Ethics** and other internal regulations, we rely on a series of processes and mechanisms that help us to prevent, identify and correct unwanted behaviour within the organisation.

Compliance

(ESRS 2 GOV1-5 ESRS G1-1. 9-10a)

In order to identify any inappropriate behaviour, not only of staff, but also of the Group directors or staff who have been delegated specific roles, we use a complete and robust Compliance Management System. It consists of a series of documents (listed below) that are mandatory for all persons who work for TUBOS REUNIDOS. It is worth mentioning here the **Criminal Risk Prevention and Compliance Policy**, which underpins and sets the basis for the entire system, and the criminal risks and controls matrix, which sets out the Group's main risks in this area and the control measures used to mitigate or lower the probability and impact of a risk to an acceptable tolerance level for the Group before it arises (commission of the offence) (ESRS 2 GOV1-5 ESRS G1-1-7).

- Criminal risk prevention and compliance manual.
- Corporate Internal Information System and Whistleblower Protection Policy (ESRS G1-1-10d).
- Code of Ethics.
- Gifts and Invitations Policy.
- Whistleblower Channel Regulations.

- Internal Regulations of the Criminal Risk Prevention Model.
- Criminal Risk and Associated Controls Matrix (ESRS G1-1-10h).

Following the comprehensive overhaul performed in 2023 to adapt in time to the requirements of the new Law 2/2023, of 20 February, regulating the protection of persons reporting regulatory breaches and the fight against corruption, we have continued to develop and update our compliance system.

Specifically, in 2024 we implemented **the project to update the Criminal Risk Matrix** to the legislative developments and to the changes in the corporate and organisational structure that have occurred since 2021.

The approval and dissemination of the Protocol for the Prevention of and Response to Harassment at TUBOS REUNIDOS S.A. and TUBOS REUNIDOS GROUP S.L.U. on 26 March 2024 and 20 December 2024, respectively, is worth particular note. This Protocol was implemented after consulting the Equality Plan Negotiation Committee. In both cases, it was duly communicated to the workforce via email.

Note that, at the GSM on 30 May 2024, the shareholders, directors and executives present were informed of the TUBOS REUNIDOS Compliance Management System and, more specifically, the internal information system.

In addition, in line with the training plan on this area, a training session was held in 2024 for members of the Steering Committee on prevention of and action against harassment and digital disconnection (ESRS 2 GOV1-5 ESRS G1-1-10g).

Furthermore, in June 2024, TUBOS REUNIDOS PREMIUM THREADS S.L. signed up to this system. As a result, internal communication was sent to staff informing them of the system's fundamental pillars, and the existence of the internal reporting system and the whistleblower channel.

Finally, the approval of the Travel and Entertainment Expense Policy in July 2024 is worth mentioning. It regulates the procedure to be followed for managing expenses incurred for travel undertaken by the Group's staff as part of their responsibilities. In line with the Communication Plan, this policy has been disseminated throughout the organisation, in compliance with the regulations.

Code of Ethics

(ESRS G1-1)

The current Code of Ethics, approved by the Board of Directors on 25 May 2023 and published on the corporate website, is binding on the entire workforce and replaces the Code approved in 2021.

This code encompasses the set of principles, values and rules of conduct that should guide the ethical and responsible behaviour of all staff in their activities, regardless of their hierarchical level, location or duties, or the company where they provide their services. This internal regulatory compliance standard helps to consolidate a shared culture and establishes common, accepted and respected guidelines for action.

In short, it constitutes a core element of the rules of responsible conduct for all persons directly or indirectly affected at the Group.

The conduct guidelines are part of our culture and are set out in our Code of Ethics as follows:

- Respect for the dignity of individuals and their inherent rights.
- Respect for the equality of individuals and for diversity.
- Respect for the environment.
- Occupational health and safety.
- Quality.
- Strict legal compliance.

Our entire workforce, including all new hires, adheres to this Code of Conduct. Moreover, employees who hold roles that are particularly exposed to compliance risks strengthen the obligations established by our internal regulations.

Similarly, we have a Code of Ethics for Suppliers and we encourage them to follow it, with the desire to extend our best practices to third parties related to the Group.

Fight against corruption and fraud

(ESRS G1-1-10b) (ESRS G1-3)

We strongly reject any unethical actions aimed at obtaining illicit profits, especially conduct related to accepting bribes, corruption and money laundering, or similar practices, whether involving individuals, companies or authorities.

In line with the Group's commitment to the fight against corruption and fraud, on 31 October 2024 the Board of Directors approved the **Corporate policy against corruption and fraud** (ESRS G1-1 7). This policy, based on the most demanding international standards, aims to guarantee an ethical and honest business culture, demonstrating the staunchest opposition to corruption and fraud and applying the principle of zero tolerance to them in all its manifestations.

It is also aimed at developing **a culture of zero tolerance for and prevention** of corruption and fraud. All the Group's companies commit to ethical conduct and honesty. They fundamentally oppose corruption and fraud in all their forms and pledge to eradicate them as part of their activities in any of the countries in which they operate. In assuming these commitments, the Board of Directors approves this Corporate policy against corruption and fraud, which extends to all stakeholders, with a view to sharing and enforcing this determination in the Group's relations with them.

The purpose of this policy is to contribute to the development of a business culture of ethics and honesty at our organisation,. The policy also seeks to formalise and project the commitment of the Group's companies to the fight against corruption and fraud and to define the principles to be applied at TUBOS REUNIDOS to promote this fight. The policy operates under the OECD guidelines for multinational companies, the principles on which Goal 16 of the UN Global Compact's Sustainable Development Goals are based; the Code of Ethics and the Company's Gifts and Invitations Policy and, finally, any documents or texts that replace or supplement them.

The workforce must totally reject corruption and fraud, and ensure compliance with this corporate policy. All staff are expected to act as the first line of defence against corruption and fraud. They are expected to report on any potential conduct of this kind or any breach of the Code of Ethics or of this policy through the whistleblower channel enabled in the Internal Information System and Whistleblower Protection (ESRS G1-1 10e). In addition, all third parties that participate with, collaborate with, mediate for or act on behalf of TUBOS REUNIDOS in operations and undertakings must comply with the principles set out in this corporate policy.

The Group's Independent Control Body for compliance matters (ICB) is responsible for the development and periodic review of the Corporate Policy, supervising its implementation and formulating for the Board any observations or proposals for amendment or improvement that it deems appropriate.

Within its criminal risk matrix and associated controls, TUBOS REUNIDOS identifies the divisions that are most susceptible to corruption and bribery (ESRS G1-1 10h). Specifically, the positions most exposed to this risk are General Management, the Finance Division, the Corporate Development and Sustainability Division, the Legal Advisory Division, the Procurement Division, the Sales Department and the Industrial Division at the production plants.

Defence of human rights

TUBOS REUNIDOS defends the rights inherent to all people as universally recognised and enshrined in the Universal Declaration of Human Rights.

To this end, we joined the United Nations Global Compact on 7 February 2024, which leads business sustainability around the world. The companies and organisations that form part of this initiative have strategies and operations aligned with the 10 Universal Principles on human rights, labour standards, the environment and anti-corruption.

To be members, we have been subject to an assessment, which will be repeated annually and assesses the following values:

- The promotion and application of the 10 Universal Principles of the Global Compact.
- Compliance with ethical business practices.
- Contribution to the Sustainable Development Goals.
- Demonstration of transparency and accountability.

Furthermore, our Group is aligned with the application of the content of other agreements and treaties of international bodies, such as the OECD and the ILO. We condemn child and forced labour and discrimination in employment; we foster respect for the freedom of association and the right to collective bargaining; and we comply with the legislation of the countries in which we operate.

TUBOS REUNIDOS' commitment to respect for human rights has been strengthened and formalised by Board of Directors' approval of the corporate policy on this matter on 25 July 2024 (ESRS G1-1 7).

The Human Rights Policy is part of the Group's Corporate Governance System and is aligned with the Corporate Sustainability Policy on ESG matters and with the Code of Ethics. It is also in line with the UN's Universal Declaration of Human Rights, the principles of the Global Compact and the SDGs, ILO's Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

This policy applies to all Group companies, as well as to all members of the Board, management team and staff, or persons who, directly or indirectly, have a relationship with TUBOS REUNIDOS regardless of their functional or hierarchical position.

Its aim is to respect the human rights recognised internationally in international legislation, treaties and standards, as part of all our activities and commercial relationships. To achieve this goal, TUBOS REUNIDOS establishes a series of commitments and undertakes to make reasonable efforts to:

i. Identify any risks that are in breach of human rights,

ii. to prevent the Company's activities from negatively impacting human rights; and

iii. Should any risks occur, do everything possible to mitigate them or repair the damage caused.

It is worth noting here that the Group’s production centres are located in Spain and the United States, where respect for human rights is ensured by both labour regulations and collective bargaining agreements (ESRS S1-8). Similarly, the fact that a large part of our supply chain is domestic or European means that compliance with human rights is a reality in all of the Group's activities (ESRS S2-8).

We also encourage our supply chain to adhere to the Group's Code of Ethics for Suppliers, as mentioned above. In this way, our aim is to ensure that there are no operations or providers at significant risk of forced or compulsory labour or child labour (ESRS G1-2).

As is the case of the Anti-Corruption and Fraud Policy, the Group's ICB for compliance matters is responsible for the development and periodic review of the policy, supervising its implementation and formulating for the Board any observations or proposals for amendment or improvement that it deems appropriate.

7.4 MANAGEMENT OF SUPPLIER RELATIONS

We aim to strengthen sustainability throughout our value chain by compiling reliable data and improving practices at suppliers. We therefore want to reduce the negative environmental impact, improve social conditions and promote ethical governance (ESRS G1-2-12).

We prioritise working with local suppliers from the sites of our facilities to add value to the local industry, work closely with them in the event of any type of setback and minimise our environmental footprint.

Due to the nature of our business, certain suppliers are single source suppliers. We are working hard to look for feasible certification alternatives that minimise the negative impact of potential shortages, always considering resource optimisation and the reduction of environmental impact with ESG as a starting point (ESRS G1-2-15a).

When searching for and selecting new suppliers, and periodically re-certifying them, social and environmental criteria are taken into consideration. These criteria include certificates in environmental management and safety, training and information on health and safety, knowledge of our policies etc. This is because it is mandatory for suppliers to understand, accept, and comply with the **Code of Ethics for Suppliers**, which explicitly includes these criteria (ESRS G1-2-15b).

Managing supplier relationships and their impact on the value chain

(ESRS G1-2-12)

In the process of searching for a new supplier, whether for a new good or service, or an alternative supplier, the required certifications are requested according to the requirements of ISO, IATF, API etc. based on the work they will perform (ESRS G1-2 15b). The production facilities are certified under ISO 9001, EN ISO 14001, ISO 45001 and ISO 50001. We develop procedures to approve suppliers or value chain workers with environmental, energy and safety criteria.

In addition, we share the Code of Ethics for Suppliers, which covers aspects related to ethics, integrity, compliance, human rights, social rights, labour, health and safety, environment and quality that any new supplier must be aware of, accept and comply with.

For suppliers that are already approved in the system, this code is attached to the purchase order as part of the General Purchase Conditions. The same is true for new suppliers, with acceptance of the order implying knowledge, acceptance and fulfilment of the code.

Payment Policy

(ESRS G1-2-14)

TUBOS REUNIDOS is committed to the agreed payment policies and supplier invoice control, committing to the digitisation of invoice management and applying artificial intelligence to increase the efficiency of the process.

At the same time, we are working with suppliers to eliminate all invoice submission methods other than email, thus avoiding the printing and mailing of invoices, implementing electronic billing in advance for all our procurement processes.

7.5 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

(ESRS G1-1-10c-10e) (ESRS G1-3) (ESRS S1-32a 32e)

Following the new Law 2/2023 of 20 February on the protection of whistleblowers, TUBOS REUNIDOS implemented and disclosed an **internal information system** (ESRS G1-3-18) in 2023, designed, established and managed in a secure manner, which:

1. **Protects** the identity of the whistleblower and any third party mentioned in the communication, ensures the confidentiality of the actions that take place and ensures data protection, preventing access by unauthorised employees.
2. **Enables written or verbal communications**, or both.
3. **Integrates the various internal information channels**.
4. **Sets out the guarantees** to protect whistleblowers.
5. **Establishes a procedure** for managing the information received.

One of the pillars of the internal information system is the **whistleblower channel** (previously known as the complaints channel), which was implemented in 2023. It is accessible on our website and featured in our training (ESRS G1-3-20). This channel is managed by the head of the internal information system (Secretary of the Board) and permanently available to staff and third parties to report violations of the Code of Ethics or the law, in three ways:

1. **Email**: canaletico@tubosreunidosgroup.com.
2. **Hotline**: A hotline is available to all individuals to report any complaint or enquiry with a call, a recording or a message. The hotline is available on the Group's website. As of the date of publication of this regulation, the number is: **+34 667 412 930.**
3. **Face-to-face meetings**: Individuals may also report any breach verbally, by requesting a face-to-face meeting with the head of the internal information system.

The Internal Reporting System was established to communicate or report ethical and/or legal violations, and one of its main guiding operational principles is to protect people who report any serious or very serious administrative or criminal violations in good faith.

The **Regulations of the Ethics Channel** establish the procedure for managing the channel and ensure that the whistleblower's details remain confidential and that no reprisals will ensue (ESRS G1- 1-10cii) (ESRS G1-1-10e). Following the receipt of a complaint through the whistleblower channel, the first phase begins in which the complaint is accepted or rejected for processing. Once the complaint is accepted for processing, the investigation phase begins. Here, all necessary actions and queries are carried out to ascertain the accuracy and truthfulness of the information received, and to clarify the facts, with full respect for the presumption of innocence and the honour of the persons concerned.

The persons are designated and the appropriate means available, whether internal or external, are used to investigate and study the complaint, always respecting the respondent's fundamental rights. Likewise, all information and documentation that the system manager deems appropriate at any given time for investigating the complaint may be collected from the whistleblower, the accused or other employees, ensuring confidentiality, the correct processing of personal data and the prohibition of reprisals at all times. (ESRS G1-3 18b).

Once the investigation is complete, the instructor issues an investigation report and the person responsible for the internal information system issues a resolution confirming (i) the archiving of the complaint, (ii) the proposed disciplinary measures to be taken and (iii) the protection measures applicable to the whistleblower.

If there is a case for action, any actions shall be focused on repairing the damage or impact caused. (ESRS S1-32a-b).

The secretary of the ICB monitors the measures taken and works with the manager for the safekeeping of the file, to ensure that no unauthorised third party has access to it. Compliance with the resolution is monitored by acting in the event of any breaches, delays or deviations. (ESRS S1-32a-b).

The chair of the ICB and supervisor of the Internal Information System periodically reports to the Audit Committee on the activities of the ICB and the whistleblower channel. The chair also prepares an annual Activity Report for the ICB, which reports on the complaints and queries received during the financial year. This report is submitted to the Audit Committee for review and subsequent approval by the Board of Directors. (ESRS G1-3 18c)

In 2022, compliance training – including training on the fight against corruption and bribery – was provided to all members of the Board, the Steering Committee and areas most exposed to compliance risks. (ESRS G1-3-21) These training sessions were given by the General Secretary, the Board and a third-party expert in the field. The following topics were covered: business ethics and compliance, regulatory context, criminal responsibility, risks of corruption (gifts and invitations, business partners, facilitation payments, donations and sponsorships, conflicts of interest and anti-competition) and obligations arising from the Internal Code of Conduct in Securities Markets. Specific training was provided in 2023 for the HR division and in 2024 compliance training was continued, as indicated.

7.6 CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

(ESRS G1-4-22:24)

As in the previous year, no complaints were received in 2024 regarding corruption, bribery, money laundering and/or human rights violations through the whistleblower channel (ESRS G1-4 24a). Also note that we received no fines or penalties and therefore no action has been necessary (ESRS G1-4 24b). Thus, there are no cases involving our own staff or staff in the value chain. (ESRS S2-1 19)

7.7 POLITICAL INFLUENCE AND LOBBYING

(ESRS G1-5-28-29-30)

We took no measure to exercise political influence in 2024 or in the previous five years, including not using lobby groups related to their material IRO.

Direct or indirect political contributions are not prohibited by any of the Group's internal policies, nor are they expected to be made. Therefore, if the circumstances so warrant it and it is considered appropriate to provide direct financial or in-kind support to political parties, to their elected representatives or to persons seeking political office, the matter is subject to a case-by-case analysis. If a decision is made to provide such support, it shall be disclosed with full transparency, describing the type and purpose of the activity in question, and any information required by law.

No member of the TUBOS REUNIDOS Board or Steering Committee held a comparable position in government in the two years prior to their appointment.

7.8 PAYMENT PRACTICES

(ESRS G1-6)

As reflected in Note 18 of the 2024 consolidated annual accounts, the average payment period for suppliers during the financial year was 101 days (ESRS G1-6 33a). TUBOS REUNIDOS paid 18% (ESRS G1-6 33b) of the invoices received during year in less than 60 days, which accounted for 34% (ESRS G1-6 33b) of invoices by monetary volume. For the remaining invoices, the Group's working capital financing facilities are available to expedite collection (ESRS 2 G1-6 31-33).

At the close of 2024, we were not involved in any pending legal proceedings for late payment (ESRS G1-6 33c).

"In 2024, we continued to refine and strengthen our Corporate Governance System, an essential factor in value generation, improving economic efficiency, and strengthening investor confidence".

Inés Núñez de la Parte, General Secretary and Secretary of the Board

08

ENTITY-SPECIFIC

8. ENTITY-SPECIFIC

As part of the double materiality analysis described in Chapter 4, we detected three material topics that do not fit any of the standards implemented by the Directive:

- Customer relationships
- Digitisation and innovation
- Cybersecurity and data processing

Therefore, in accordance with 10.1. *Transitional provision related to the entity-specific information of* ESRS 1, we have developed the corresponding instructions below (ESRS 1-10.1-130-131, AR1:AR5).

Note that all the information included therein complies with Chapter 2 of ESRS 1. *Qualitative characteristics of the information*, 19–20, and with Appendix B of the ESRS (ESRS 1 10-131a).

The material topics have been evaluated in the same manner as the other topics and sub-topics indicated in ESRS 1 AR16. The double materiality methodology has been applied extensively to all sustainability issues or matters that affect our business. The transversal topics considered material pursuant to the double materiality analysis have been broken down into the corresponding IRO. In all of these, we have taken into consideration the same assessment parameters and metrics, values of scale, probability, scope and remedial action, as well as the same time horizons.

We then release each material topic following the same outline as the thematic ESRS.

We would like to stress that the strategy sections of each ESRS, such as SBM 1, 2 and 3, are addressed in Chapters 3, 4 and 5 of this Entity-Specific Sustainability Report. Our Strategic Plan includes levers for enhancing the customer relationship by strengthening sales activity, as well as the digital transformation of our current business model. Chapter 3 of the report describes new solutions that we innovate and design, and Section 3.5 describes the actions undertaken in 2024 (included in the Sustainability Master Plan), which allow the IRO relating to these entity-specific matters to be managed.

8.1 CUSTOMER RELATIONSHIPS

Our business model has specific characteristics regarding relationships with customers that do not fall under the definition of “customer” set out in Table 2 of Appendix II of Regulation 2772/2023, which implements the Directive. As a result, we decided to address this issue of sustainability as an entity-specific matter.

The material IRO resulting from the assessment of this material topic are described below, following the same analysis framework applied to the other sustainability issues included in this report.

IRO	Description	Value chain	Positive/negative Current/potential If IRO do not apply	Relationship with SBM3 ESRS 2
I	Customer satisfaction as the products purchased meet their expectations.	D	Current Positive	The main line of the TUBOS REUNIDOS Strategic Plan is commercial transformation, the fostering of closer relations with customers and their complete satisfaction in receiving the services that the Group provides. The sales area has been developing a new strategic plan since 2023 to strengthen communication with customers and improve communication channels. It has developed digitisation projects to improve market access to our products, for order management and for the processing of any claims. We also launched the O-Next™ product range on the market in 2024, which, thanks to its low emissions, allow our customers to adapt their climate transition plans towards decarbonisation.
I	Full and accurate knowledge of customers about the features of the products and services offered, promoting the use of responsible advertising.	D	Current Positive	
I	Increased customer satisfaction for improved order management in terms of time and access to information.	U+C+D	Current Positive	
I	Assistance/acceleration in the decarbonisation of the economy by manufacturing more sustainable solutions.	U+C+D	Current Positive	
R	Loss of customers due to the high price of products compared to foreign companies. Possible loss of competitiveness.	C+D	N/A	The entry of competing products from other markets is a factor that is constantly monitored by the Sales division and the Business Development division. We participate in forums, industry meetings and meetings with industry associations at both national and international levels to protect markets and borders.
R	Loss of customers due to the improper handling of claims received.	D	N/A	A new complaint management tool has been rolled out to improve claim handling and speed of resolution. With the Sales division's Strategic Plan, a system of consultations with our customers has been developed, revealing that their relationship with TUBOS REUNIDOS is positive, placing an emphasis our quality and service.
O	Reputational improvement and customer loyalty due to the correct handling of complaints.	D	N/A	The Sales and Quality divisions have developed a digital tool that immediately resolves communications between the customer and the Group with a view to investigating possible claims caused by a fault in the service. This development, together with the rollout of the Strategic Business Plan, has enabled excellent customer relations and our service to be improved to meet their needs and expectations.
O	Increased profits meeting the specific needs of each customer.	D	N/A	

Notes: Value chain: U – Upstream, C – Core and D – Downstream

Table 47. IRO Relations with customers

Policy

(ESRS 2 MDR-P 63:65)

TUBOS REUNIDOS has no specific policy in relation to customer relationships.

Note that all the Group's corporate policies apply across all areas of the organisation, including the Sales division, the management and handling of all orders and relations with the services offered.

All our corporate policies are available to our customers on the website, making access immediate.

Actions

(ESRS 2 MDR-A 66:69)

All the actions highlighted here, which are consistent with the Group's strategy, as reflected in Chapters 2 and 3 of this report, are aimed at improving the service we offer our customers by placing more sustainable products on the market that meet their expectations and needs, supported by robust information management systems and the processing of all data.

In 2023, the Sales division presented an important strategic plan that met the needs of the Group's Strategic Plan, also strengthening a vision for the future based on the offering of piping solutions in line with market developments and the climate situation.

To address all the material needs and issues of our customers, we have deployed a communication strategy that includes developing regular satisfaction surveys. These surveys allow us to assess customers' perception of TUBOS REUNIDOS and its services in relation to the most relevant aspects considered, in order to generate an environment of total satisfaction in our relations with the market.

Following the 2021 and 2023 surveys in which our customers placed a particular emphasis on good quality products and compliance with delivery times, we ran a new survey in 2024. This will serve as a basis for the annual monitoring of control parameters, including the Net Promoter Score (NPS), which allows us to carry out a benchmark, both with other companies and with the sector in general. We have also taken advantage of customer meetings to address all material aspects to improve the system from this first year of application.

The NPS result in 2024 was 53%. In the absence of previous references, it is not possible for us to perform a comparison with previous data and the context. However, our goal (ESRS MDR-T) is to improve this indicator in upcoming surveys. As an action, we held a follow-up meeting with the only "detractor" detected during the survey this year, with the expectation of obtaining a positive assessment in the coming years. The results of the survey are available on the TUBOS REUNIDOS CRM platform, Salesforce.

This CRM platform represents our commitment to digitising processes and tools in the Sales division, providing centralised access to key information for the day-to-day management of our customers. This includes everything from making offers and logging visits, to managing complaints and consulting essential data to meet the needs of the area. Integrating satisfaction surveys into Salesforce enables us to see the responses in detail, which enables us to address any outstanding aspects – whether impacts, risks or opportunities – and establish concrete actions for improvement and growth.

We also implemented a claims management tool, Kaytec in 2024. This connects our systems by improving process management in a timely and appropriate manner, entailing significant progress in the following aspects:

• Direct communication channels between the sales area and the departments involved at the different production plants.

• Improved definition and detailed description of incidents.

• Coordination and supervision of actions between different areas.

• Management of non-quality costs.

• Monitoring, analysis and supervision of indicators.

Once all our management systems have been strengthened, we face the biggest risk posed in terms of the competitiveness of our products: the increase of imports into the European Union, mainly from Asian manufacturers. This is becoming our greatest competitive disadvantage, especially in relation to the more standard products or commodities, given their low cost. To this end, we are strengthening our strategy towards premium quality and low CO_2 products under the O-Next™ brand (see Chapter 2) (ESRS 2 SBM 1 and 2).

Thanks to the in-depth technical metallurgical knowledge of our professionals and our integrated manufacturing process (from steel production to final product), we have direct control over the products and their qualities to adapt to the real needs of our customers. This allows us to offer a wide range of high value-added solutions, both in terms of quality and size.

The data that demonstrates the low environmental footprint of O-Next™ products is obtained through a new environmental footprint measurement tool that we started working on in 2023 and continued to improve in 2024. This year, we certified the process for generating product environmental declarations at the Tubos mill, and we hope to do so at the Trápaga plant in the first half of 2025. We have also continued to work on calculating the environmental footprints of our references and have certified the first orders for O-Next™ tubes. In this way, we are responding to the growing demand from our customers for piping solutions that reduce their environmental footprint, generating a framework of trust.

All the initiatives described in this section are detailed in the Strategic Plan of the Sales division and are aligned with the Sustainability Master Plan within its time frame.

The implementation of the different tools is supported by financial resources such as OpEx and CapEx, which are described on the annual budgets of each department and integrated into the SMP.

Parameters

(ESRS MDR-M, 73:77)

In the previous section, we described all our customer-related actions and provided information regarding the measurement parameters against which we continuously monitor: satisfaction surveys with their corresponding indicators.

These are the specific control parameters used in **satisfaction surveys**:

- Sustainable solutions. Pipes with a small environmental footprint

- Time to respond to orders

- Access to information. Transparency

- Company with values

- Innovation

The Quality division has also established a series of **specific control indicators** to manage customer complaints:

- Type of complaint

- Cost of the claim

- Tonnage affected by anomalies

- Internal rejection percentage

- Other

All of these are controlled and analysed by each division and incorporated into the integrated management system at the Tubos and Productos mills for the quality, environment, occupational health and safety, and energy ISOs. Therefore, they are reviewed and certified each year as part of the audits carried out on the plants at which these systems are in place and from which all Group data is consolidated.

Objectives and goals

(ESRS 2 MDR-T 78:81)

The monitoring of all the actions described above is supervised and evaluated by the Sales and Quality divisions and integrated with the Sustainability Area.

One of our main objectives in 2024 was **to update all commercial information** for our customers and other stakeholders. To that end, we have renewed our website and reviewed all the product data sheets, digitising all the information. It is worth mentioning that **83% of users expressed a positive response** regarding access and availability of the Group's information during this financial year.

Moreover, as we mentioned above, we are in the process of drafting up the environmental product declarations. This project, with a financial resource detailed in OpEx, is part of the 2024–2028 Sustainability Master Plan and its time horizon is aligned with the aim of achieving 100% of the references by the end of 2028. However, customers' specific needs could speed up deadlines to respond quickly to their demands.

We **continuously monitor** the customer surveys that we regularly report to management of the area to implement measures required to minimise risks and negative impacts. We believe that maintaining close communication with our customers and immediately addressing their concerns is essential for effective action.

8.2 DIGITISATION AND INNOVATION

One of the fundamental pillars of the TUBOS REUNIDOS Strategic Plan is the **integrated digitisation of our business**. Since 2022, the year in which we created a reinforced area for digitisation and innovation, we have been developing a structured process that will extend throughout the duration of the plan, to improve all production processes and integrate them across the different business areas.

TUBOS REUNIDOS understands that technology is key to improving production. Thus, by introducing digital tools, we have managed to optimise operations through monitoring variables linked to the manufacture process. This allows us to improve the quality of our products and increase energy efficiency for operations.

Our priority is to foster a **culture of continuous innovation** at the organisation, driving growth and excellence on the path towards sustainability.

Chapter 4 of this Sustainability Report describes some of our main actions in 2024 in the area of digitisation and innovation.

The material IRO resulting from assessment of this entity-specific matter are shown below, using the same scheme as the other sustainability issues included in the report.

IRO	Description	Value chain	Positive/Negative Potential/Current If IRO do not apply	Relationship with SBM3 ESRS 2
I	Increased customer satisfaction for improved order management in terms of time and access to information.	D	Potential positive	The main line of the TUBOS REUNIDOS Strategic Plan is commercial transformation, the fostering of closer relations with customers and their complete satisfaction in receiving the services that the Group provides.
I	Assistance/acceleration in the decarbonisation of the economy by manufacturing more sustainable solutions.	U+C+D	Current Positive	Since 2023, the sales area has been developing a new strategic plan to strengthen communication with customers and improve communication channels. It has developed digitisation projects to improve market access to our products, for order management and for the processing of any claims. We also launched the O-Next™ product range on the market in 2024, which, thanks to its low emissions, allows our customers to adapt their climate transition plans towards decarbonisation.
O	Lower costs due to the optimisation of manufacturing processes.	U+C+D	N/A	As a result of the series of actions developed in the Sustainability Master Plan and the Climate Transition Plan, we are highlighting all the great opportunities detected to contribute to mitigating and adapting to climate change. The energy efficiency of our facilities minimises the risks exposed above, improving plant productivity and making us more competitive. This improvement in competitiveness is a determining factor as regards our position in the market and with our customers. The launch of products with lower CO_2 emissions during the manufacturing process makes a contribution across the entire value chain.
O	Customer loyalty and engagement, offering a more sustainable and less polluting product range.	U+C+D	N/A	

Notes: Value chain: U – *Upstream*, C – *Core* and D – *Downstream*

Table 48. Digitisation and innovation IRO

Policy

(ESRS 2 MDR-P 63:65)

We have a specific policy on digitisation, innovation and customer relationships.

Note that all the Group's corporate policies apply across the different scopes and areas of the organisation, including the Digitisation division, and in the management and handling of all data.

Our corporate policies are available to all stakeholders on our website, meaning they can be accessed immediately.

Actions

(ESRS 2 MDR-A 66:69)

All the actions highlighted here, aligned with the Group's strategy, as reflected in Chapters 2 and 3 of the report, are aimed at optimising data systems, capturing information and integrating systems, with a view to improving processes and production; this benefits all areas of the organisation.

In the previous entity-specific matter dealing with customer relations, we reported on new business tools, such as the complaint management platform and the development of new sustainable piping solutions. These achievements could not have been possible without the implementation of the Group's digitisation plan.

Throughout 2024, we implemented a comprehensive digital transformation that has completely revolutionised our operating and administrative processes. One of our most ambitious projects has been **the digitisation of invoice management** by implementing an end-to-end system that automates the entire life cycle of these invoices. This system uses advanced technologies such as optical character recognition (OCR) and natural language processing (NLP) to automatically extract relevant information from invoices, validate it against our management systems and process it for approval and payment. With this solution, **we have been able to reduce invoice processing time by 80%** and virtually eliminate manual data entry errors.

The digitisation of **the goods receipt and entry process** has had a particularly significant impact on the scrap metal division. Specifically, we have implemented automated weighing and visual recognition systems to classify and register incoming materials. These developments have not only improved the accuracy of inventory management but have also significantly optimised processing times and reduced the associated operational costs.

A particularly relevant achievement has been **the standardisation of critical processes at all our plants**. This standardisation project covers the entire business and production cycle, from budget generation to final billing. The adoption of a unified supply and order management system has significantly improved visibility and control over our business pipeline, allowing better demand forecasting and optimal resource allocation. Similarly, the standardisation of manufacturing orders has facilitated the transfer of knowledge between the plants and improved production flexibility, allowing us to balance workloads between different locations in response to needs.

There has also been significant progress with internal and external logistics with the implementation of **real-time traceability systems** using RFID technologies and QR codes to track the movement of materials and products. This integrated system provides complete visibility over the supply chain, from raw material receipt to end-customer delivery, optimising transport routes and reducing waiting times.

Finally, another key milestone in 2024 was **the standardisation of payroll processes at the main operating centres**. The new centralised system incorporates all the variables that affect payroll calculation, from controlling presence to shift management and salary supplements, ensuring consistency and regulatory compliance across all locations. As a result, time spent on administrative tasks has been significantly reduced and errors in payroll processing have been minimised.

The implementation of these projects is supported through financial resources such as OpEx and CapEx, which are included in the division's annual budgets.

Parameters

(ESRS MDR-M, 73:77)

Above, we described all projects and actions rolled out by the Digitisation division. To ensure control and monitoring of the progress of each of these projects, the division manages a dashboard that reflects its transversal state of development.

Objectives and goals

(ESRS 2 MDR-T 78:81)

In 2025, our digitisation and innovation objectives include studying the use of **artificial intelligence technologies** to predictively optimise processes. analysing the potential increase in our **automation capabilities** towards new areas of the business and continuing to make progress **in identifying opportunities** for continuous improvement. These objectives are aligned with our digital transformation strategy and supported by specific performance and efficiency metrics. The metrics are managed by the division through data collection and internal reporting methodologies, and the results are reported to industrial committees with a view to keeping stakeholders informed, most of whom are internal.

8.3 CYBERSECURITY AND DATA PROCESSING

Data processing and security also fall within the remit of the Digitisation department and are material factors at TUBOS REUNIDOS. This issue includes the practices and measures implemented to protect our information systems and ensure the security and privacy of the data that the Group handles.

Chapter 3 includes a number of the initiatives performed in 2024 in the field of digitisation and innovation.

The following table lists the IRO resulting from assessment of this entity-specific matter, using the same scheme as the other sustainability issues included in the report.

<table>
<tr><th>IRO</th><th>Description</th><th>Value chain</th><th>Positive/Negative
Potential/Current
If IRO do not apply</th><th>Relationship with SBM3 ESRS 2</th></tr>
<tr><td>O</td><td>Increased customer confidence due to proper private information management.</td><td>U+C+D</td><td>N/A</td><td rowspan="2">Implementation of the Cybersecurity and Digital Transformation Plans within the framework of the Strategic Plan.</td></tr>
<tr><td>O</td><td>Implementation of additional cybersecurity measures, within a voluntary framework, that increases stakeholder trust.</td><td>U+C+D</td><td>N/A</td></tr>
</table>

Notes: Value chain: U – *Upstream*, C – *Core* and D – *Downstream*

Table 49. IRO Cybersecurity and data processing

Policy

(ESRS-2 MDR-P 63:65)

2024 marked a turning point in our management of data security and privacy, with the implementation of a **Comprehensive Information Security Policy**. This policy, supported by a comprehensive regulatory framework, establishes the foundations for the effective protection of all our stakeholders' information. The associated regulatory development has allowed clear and auditable procedures to be established for each facet of data management, from collection to secure disposal.

Note that all the Group's corporate policies apply across all scopes and areas of the organisation, including the Digitisation division, and in the management and handling of all data.

Our corporate policies are available to all stakeholders on our website, meaning they can be accessed immediately.

Actions

(ESRS 2 MDR-A 66:69)

The actions highlighted here, aligned with the Group's strategy, as reflected in Chapters 2 and 3 of the report, are aimed at optimising data systems, capturing information and integrating systems, with a view to improving processes and production, benefiting all areas of the organisation, above all, securely.

In the previous entity-specific matter covering Digitisation and Innovation, we disclosed a series of relevant actions aimed at promoting the digital transformation of our Group. It is not possible to talk about data processing without looking at data security.

A key achievement this year was the implementation of an **Automated Employee Management System**, which has radically transformed the management of access and permissions at our organisation. This system covers the full life cycle of the credentials of users, from the onboarding process through to their departure. It ensures that every employee has exactly the right permissions for their role, no more or less. With process automation, the risks associated with orphan accounts and obsolete permissions, problems that have traditionally been critical points in corporate security, have been virtually eliminated. The system performs daily checks on consistency between the assigned roles and the active permissions, generating automatic alerts in the event of a discrepancy.

Another fundamental pillar in our security strategy has been the **standardisation of output to the internet**. This project has centralised and standardised all outbound connections at the organisation, implementing a layered security model that includes advanced content filtering, intrusion detection and prevention (IDS/IPS), and real-time traffic analysis. As a result, we've significantly improved our ability to detect and prevent threats, **reducing malicious connection attempts by 75%** and speeding up the response to security incidents.

Also of particular importance was **the securing of networks and the implementation of trigger devices** for new projects in the context of the separation of IT/OT networks. This segregation has created effective barriers between corporate information systems and industrial control systems, significantly reducing the risk of a security incident in one area compromising another. Trigger devices act as fortified checkpoints by registering and auditing each access between zones, with advanced session monitoring and control capabilities.

In addition, to ensure the traceability and control of our information assets, we have deployed an **Asset Management System** based on the Proactivanet platform. This solution has not only enabled us to conduct an automated and exhaustive inventory of our technology assets, but also facilitates centralised management and the implementation of security policies. The system periodically scans the network to detect new devices and configuration changes, maintaining an up-to-date and accurate record of our technological infrastructure.

The implementation of these projects is supported through financial resources such as OpEx and CapEx, which are included in the division’s annual budgets.

Parameters

(ESRS MDR-M, 73:77)

Above, we described the projects and actions rolled out by the Digitisation area during the year. To ensure control and monitoring of the progress of each of these projects, the division manages a dashboard that reflects its state of development. This table is reviewed monthly by the Industrial Committees at the Tubos and Productos mills, the TRPT Committee and management at RDT.

Objectives and goals

(ESRS 2 MDR-T 78:81)

Looking towards the future, we have set ourselves ambitious targets for 2025. They include implementation of a **Security Information and Event Management** (SIEM) system, continuing with the actions set out in our **security awareness programme** and obtaining **data protection certifications**. These goals are supported by specific and measurable KPIs that allow us to continuously monitor our progress and adjust strategies as needed**.**

These metrics are managed within the area, using data collection and internal reporting methodologies. The results are reported to the industrial committees to keep a group of mostly internal stakeholders informed.

09

TAXONOMY

9. TAXONOMY

9.1 EU TAXONOMY: KEY FIGURES

The **European Green Deal** is a comprehensive strategy aimed at transforming the European Union into an equitable and prosperous society with a greenhouse gas emission-neutral economy by 2050.

To achieve this goal, the EU has introduced a number of levers, including the Sustainable Finance Action Plan, the aims of which include boosting investments in sustainable activities. To this end, a common framework is required that defines which activities can be deemed sustainable and the criteria to be followed.

In response, the EU has enacted the **Taxonomy Regulation**, which sets out a system that classifies economic activities as sustainable based on their contribution to six objectives related to different environmental aspects: climate change, pollution, circular economy, water and marine resources, and biodiversity.

These objectives include a series of activities considered, given their nature and impact on the environment, key to the fight against climate change and the preservation of nature. It is these activities, and not others, that companies must analyse to determine whether they form part of their business model (Taxonomy-eligible activities) and, if so, whether they meet the criteria established by the Taxonomy to be considered sustainable (Taxonomy-aligned activities).

Thus, the fact that certain company activities are not included in the regulation means that the European Commission has deemed their impact on the environment to be insignificant compared to all economic activities carried out in the EU.

Therefore, entities that perform activities covered by the Taxonomy (eligible activities) must focus their efforts on ensuring that they meet the established criteria in order to be considered sustainable (aligned activities).

For non-financial institutions, the Taxonomy has established three key results indicators to determine the extent to which their activities are potentially sustainable (eligible) and which can be considered sustainable (aligned) with respect to the regulation. These indicators are based on ratios compiled from information on turnover, CapEx and OpEx[5] linked to the performance during the year. They reflect the extent to which a company's activities are potentially sustainable (eligible) and, within these, how many meet the technical criteria set out in the regulation and can therefore be considered truly sustainable (aligned).

After this brief outline, an analysis of TUBOS REUNIDOS' activities from a taxonomic standpoint is provided below.

[5] The Taxonomy Regulation defines concepts that should be considered when using the figures associated with turnover, CapEx and OpEx, which differ from traditional working concepts. Therefore, they can be observed.

9.2 STUDY OF THE GROUP'S ACTIVITIES

Delegated Regulation (EU) 2021/2139 establishes a series of specific activities that may be deemed “eligible” for a set of environmental objectives. Each activity is associated with a description and series of NACE (statistical classification of economic activities in the EC) codes, which are intended to guide the eligibility analysis.

Our activities will therefore be considered eligible if they fit the descriptions activities provided by the EU Taxonomy.

An eligibility and alignment analysis of the six environmental objectives was carried out in 2024, taking into account Delegated Regulations (EU) 2023/2485[6] and 2023/2486[7] and considering every company within the scope of consolidation of TUBOS REUNIDOS. As required by the regulation, we have studied the eligibility and alignment of the six environmental objectives. Details of the analysis performed are presented in Appendix 3.

The main activities deemed eligible and/or aligned for each objective are shown below.

[6] amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.

[7] supplementing the Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

OBJECTIVE[8]	ELIGIBLE ACTIVITIES	ALIGNED ACTIVITIES
CLIMATE CHANGE MITIGATION	3.9. Manufacture of iron and steel. 6.6. Freight transport services by road. 6.10. Sea and coastal freight water transport. 7.2. Renovation of existing buildings.	3.9. Manufacture of iron and steel.
CLIMATE CHANGE ADAPTATION	3.9. Manufacture of iron and steel. 7.2. Renovation of existing buildings.	
TRANSITION TO A CIRCULAR ECONOMY	3.4. Construction of roads and motorways. 3.5. Use of concrete in civil engineering.	3.4. Construction of roads and motorways. 3.5. Use of concrete in civil engineering.
POLLUTION PREVENTION AND CONTROL	2.1. Collection and transport of hazardous and non-hazardous waste.	
WATER AND MARINE RESOURCES	2.2. Urban wastewater treatment.	
BIODIVERSITY	No eligible activities in relation to the biodiversity objective have been identified.	Since no eligibility has been detected, we cannot study alignment.

Table 50. Eligible and aligned activities 2024

9.3 RESULTS

Turnover

The percentage of eligible and aligned turnover for our core business *3.9. Manufacture of iron and steel* (climate change mitigation and climate change adaptation objectives) increased by 1.5% due to the decrease in the share of steel produced abroad versus domestic production compared to 2023.

OpEx

The percentage of eligible and aligned expenses for our core business *3.9. Manufacture of iron and steel* (*climate change mitigation* and *climate change adaptation targets*), remained stable, up by 0.3% compared to 2023.

[8] The table only lists the objectives where eligible and aligned activities were detected.

CapEx

The percentage of eligible and aligned investments for our core business *3.9. Manufacture of iron and steel* (objectives for climate change mitigation and climate change adaptation) during this year decreased considerably compared to 2023 due to the fact that most of the work on the new unified steel mill envisaged in the Strategic Plan was executed the previous year.

2024	REVENUE (€M)	OPEX (€M)	CAPEX (€M)
Eligibility in figures	173,195	8,293	3,319
% Eligibility	53.5%	22.1%	24.7
Alignment in figures	160,030	8,293	2,983
% Alignment	49.4%	22.1%	22%

2023	REVENUE (€M)	OPEX (€M)	CAPEX (€M)
Eligibility in figures	277,169	8,462	16,208
% Eligibility	52%	21.8%	52.1%
Alignment in figures	258,509	8,462	13,084
% Alignment	48.5%	21.8%	42%

Table 51. Eligibility and alignment figures

The Taxonomy calculation was performed this year by taking into account the regulation applicable at the time of analysis. As this is a recent regulation, with the European Commission currently publishing new supplementary regulations or amendments to existing ones, the calculation for the coming years will be made considering possible methodological changes that may result from regulatory amendments – additional regulations, question and answer documents etc. – (see Annex 3 for more information and a breakdown).

9.4 AMENDMENT OF DELEGATED REGULATION (EU) 2021/2139

Article 8 of the Amendment of Delegated Regulation (EU) 2021/2139 of 9 March 2022 sets out the need to report on activities relating to fossil gas and non-eligible nuclear energy according to the Taxonomy in the denominator of its key performance indicators.

This amendment establishes that the information must be presented in the form of tables using the templates in Appendix XII to that Regulation. These tables are attached below:

Nuclear energy-related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

10

GLOSSARY

10 GLOSSARY

5S: Approach to organising, cleaning and maintaining an efficient and safe work environment.

AAI: *Autorización Ambiental Integrada* (Integrated Environmental Authorisation)

BREF: BAT Best Available Technologies References

CF: Carbon footprint

CO_{2e}: Carbon dioxide equivalent

CSRD: Corporate Sustainability Reporting Directive.

DNSH: Do No Significant Harm. Establishes that economic activities should not cause significant damage to any of the six environmental objectives established by the European Taxonomy.

EAF: Electric Arc Furnace.

EF: Environmental footprint

EFRAG: European Financial Reporting Advisory Group

EPD: Environmental Product Declaration

ESG: Environmental , Social and Governance

ESRS: European Sustainability Reporting Standards

IRO: Impacts, risks and opportunities

LCA: Life cycle analysis

SDG: Sustainable Development Goals

TCFD: Task Force on Climate-related Financial Disclosures

APPENDICES

APPENDICES

APPENDIX 1: INDICATORS OF LAW 11/2018 NOT COVERED IN THE ESRS REPORTING REQUIREMENTS OF LAW 11/2018 NOT COVERED OR SUBJECT TO ESRS TRANSIENCE RULES

Appendix 1-1: Indicators of Law 11/2018 not covered in the ESRS

Information on social and staff-related issues

Organisation of working time

In terms of the organisation of working time, we currently have approximately 25 production schedules.

Generally speaking, we have established a three-shift system for operations staff, which runs Monday to Sunday from 6.00 am to 2.:00 pm, from 2.00 pm to 8.00 pm and from 8.00 pm to 6.00 am, with a one-hour lunch break. Office staff work daytime hours, with flexible start times between 8.00 am and 9.00 am, and finish times between 5.00 pm and 6.00 pm, with a one-hour lunch break. However, as a general rule, non-union staff have more flexibility when it comes to finish times.

In 2024, a total of 1,664 hours were worked at the Tubos mill and 1,680 hours at the Productos mill. At TRPT, 1,719 hours were worked. At RDT [text cut off]

Distribution of employees by professional category.

EMPLOYEES BY PROFESSIONAL CATEGORY, GENDER AND AGE

YEAR	OPERATIONS STAFF			ADMINISTRATORS AND MIDDLE MANAGEMENT			MANAGERS, SUPERVISORS AND TECHNICIANS			TOTAL WORKFORCE
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	
2023	934	22	956	209	59	268	101	51	152	1376
2024	953	23	976	210	54	264	104	58	162	1,402

Average annual number of permanent, temporary and part-time contracts by age and professional category.

ANNUAL AVERAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY AND CONTRACT CATEGORY

YEAR	OPERATIONS STAFF			ADMINISTRATORS AND MIDDLE MANAGEMENT			MANAGERS, SUPERVISORS AND TECHNICIANS		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
2023	868	113	981	248	17	265	147	9	156
2024	840	121	961	245	9	254	158	11	169

ANNUAL AVERAGE EMPLOYEES BY AGE, WORKING HOURS AND PROFESSIONAL CATEGORY

YEARS	UNDER 30			30 TO 50			OVER 50		
	FULL TIME	PART TIME	TOTAL	FULL TIME	PART TIME	TOTAL	FULL TIME	PART TIME	TOTAL
2023	60	0	60	986	6	992	343	9	352
2024	47	0	47	950	2	952	365	20	385

ANNUAL AVERAGE OF EMPLOYEES BY GENDER AND WORKING HOURS

GENDER	2024			2023		
	FULL TIME	PART TIME	TOTAL	FULL TIME	PART TIME	TOTAL
men	1229	19	1248	1262	7	1269
women	132	4	136	127	8	135
	1361	**23**	**1384**	**1389**	**15**	**1404**

ANNUAL AVERAGE NUMBER OF EMPLOYEES BY CONTRACT CATEGORY AND GENDER

GENDER	2024			2023		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
men	1120	128	1249	1143	126	1269
women	122	13	135	120	13	133
	1243	**141**	**1384**	**1263**	**139**	**1,402**

ANNUAL AVERAGE NUMBER OF EMPLOYEES BY CONTRACT CATEGORY AND AGE

AGE	2024			2023		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Under 30	17	30	47	24	33	57
From 30 to 50	871	81	952	906	88	993
Over 50	355	31	386	334	19	353
	1243	**141**	**1384**	**1263**	**139**	**1,402**

Average remuneration and its trends broken down by gender, age and professional category or equal value

AVERAGE REMUNERATION BY GENDER (€)

GENDER	2024	2023*
men	53,849.98	54,513.00
women	55,588.46	56,307.00

AVERAGE REMUNERATION BY AGE (€)

AGE	2024	2023*
Under 30	41,514.31	36,115.00
From 30 to 50	51,540.03	52,395.00
Over 50	61,721.40	64,053.00

REMUNERATION BY PROFESSIONAL CATEGORY (€)

PROFESSIONAL CATEGORY	2024	2023*
operations staff	47,628.52	47,586.00
administrators and middle management	59,292.34	61,107.00
managers, supervisors and technicians	82,385.70	88,176.00

* Average remuneration amounts in the 2023 financial year include items from 2022 and previous years, applied in 2023 due to different agreements having been reached with employees' legal representation to update salaries at certain plants from 2017 and 2018. Therefore, these amounts are not standardised for comparison with subsequent years.

Average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long-term pension systems and any other item broken down by gender

In 2024, the average remuneration for male directors was €77,036 and for female directors €70,375 (in 2023, it was €100,714 for male directors and €68,125 for female directors). The disparity in remuneration in 2023 was because until 31 August compensation for executive directors was considerably higher than for other directors.

In 2024, the average remuneration of our Steering Committee members was €191,994 (in 2023 it was €528,498). We do not provide gender-disaggregated information for the year for 2023 and 2024 due to confidentiality and personal data protection criteria, given that there is only one woman on the Steering Committee. Remuneration was established by considering the responsibility of each position within the organisation and comparable positions on the market.

Note that the difference in the average annual remuneration compared to 2023 is mainly due to the fact that total average remuneration in 2023 included, in addition to the fixed remuneration accrued in the year and the payment to long-term savings pension systems (items included in the average annual remuneration for 2024), other additional items such as the annual variable remuneration accrued in 2023, the fixed remuneration accrued in 2019, 2020, 2021 and 2022 whose payment was late and which was consolidated in 2023, and the multi-year variable remuneration accrued in the 2020–2023 periods and consolidated in the year 2023.

Occupational accidents, in particular their frequency and severity; occupational diseases; broken down by gender

IMPACTS ON HEALTH AND SAFETY

	2024			2023		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Total no. accidents	144	3	147	195	4	199
No. accidents with sick leave	62	1	63	86	4	90
No. occupational diseases with sick leave	3	0	3	2	1	3
Frequency rate (FR)	36.83	5.40	33.72	36.65	18.3	35.08
Severity rate (SR) or lost days rate (LDR)[9]	1.04	0.11	0.95	0.67	0.16	0.63
Incident rate of occupational disease (IROD)	2.39	-	2.16	1.63	7.81	2.21

Number of dismissals by gender, age and professional category

NUMBER OF DISMISSALS BY GENDER

GENDER	2024	2023
men	16	28
women	5	1
TOTAL	**21**	**29**

[9] Does not include accidents that occur while commuting.

NUMBER OF DISMISSALS BY AGE

AGE	2024	2023
Under 30	5	2
From 30 to 50	9	20
Over 50	7	7
TOTAL	**21**	**29**

NUMBER OF DISMISSALS BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2024	2023
operations staff	15	18
administrators and middle management	2	3
managers, supervisors and technicians	4	8
TOTAL	**21**	**29**

Number of hours of absenteeism

HOURS LOST DUE TO ABSENTEEISM

2024*	2023
250,886	278,858

**Hours lost due to accidents in transit are included*

Total training hours by professional category

HOURS OF TRAINING BY PROFESSIONAL CATEGORY

PROFESSIONAL CATEGORY	2024			2023*		
	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING	HOURS OF TRAINING IMPARTED	TOTAL CONTRACTED EMPLOYEES	AVERAGE HOURS OF TRAINING
operations staff	9,365	976	10	1,869	956	2
administrators and middle management	4,252	264	16	7,075	268	26
managers, supervisors and technicians	1,865	162	12	3,100	152	20
TOTAL	**15,481**	**1,402**	**11**	**12,043**	**1,376**	**9**

**2023 data recalculated according to ESRS S1-13-84*

Information related to the fight against corruption and bribery:

In 2024, 21 contributions to foundations and non-profit or sponsoring entities amounted to €164,688, compared to €130,522 in 2023, a year in which we made 13 contributions.

Monitoring and audit systems and results of the same

See Chapter 7.4 of the SR Supplier Relationship Management (G1-2).

Tax information

Profits obtained country-by-country

	2024 (thousands of €)			2023 (thousands of €)		
	SPAIN	USA	TOTAL	SPAIN	USA	TOTAL
TOTAL	38,797	-901	37,896	39,722	8,025	47,746

Tax on profits paid and public subsidies received.

Content 201-4:	2024 (thousands of €)	2023 (thousands of €)
Financial assistance received from the government	2,399	822
Impact on public coffers	40,078	47,819

Issues relating to affected groups

As part of the Group's double materiality process, this issue has been assessed as non-material.

However, TUBOS REUNIDOS spares no efforts in having a positive impact on the local communities with which we work.

We continue to run activities to contribute to the economic and social well-being and improvement of all the local communities and regions in which we operate. We do so by encouraging the hiring of local staff and nearby value chain workers, creating and maintaining direct, stable and quality employment, with equal pay for each position.

Our headquarters and main manufacturing activity remain in the Basque Country, with 100% of the workforce located in this region. This contributes to the social and economic well-being and improvement of the local community.

We continue to have a network of local and national suppliers for the supply of consumer goods and services required for our activities. This not only enables us to support the local economy, but also reduces the environmental impact associated with transport.

Our local contribution also involves the catering sector. We provide food vouchers to staff, thus encouraging visits to local restaurants. The Tubos Reunidos Group also partners each year with a number of non-profit companies (see Table 6 of this Appendix 1-1).

Environmental issues

Measures taken to prevent, reduce or repair noise emissions at the facilities.

We conduct regular checks aimed at ensuring that noise levels remain in line with the regulatory framework applicable to our business and location. Through our AAI, we have established the following thresholds:

Noise ratio (dB(A)): Ld75, Le75 and Ln65.

Measures taken to prevent, reduce or repair light pollution at our facilities.

We are not subject to any current regulations to control light pollution because our business has an insignificant impact in this area.

Appendix 1-2 Contents required by Law 11/2018

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
GENERAL INFORMATION				
A brief description of the business model that includes its business environment, organisation and structure	Material	3	(ESRS 2) SBM 1	
Markets in which the Group operates	Material	3	(ESRS 2) SBM 1	
Business objectives and strategies	Material	2 and 3	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Main factors and trends that may affect future performance	Material	3	(ESRS 2) SBM 2 SBM-3 IRO 1 IRO 2	
Reporting framework	Material	1	ESRS 1 ESRS 2	
Principle of materiality	Material	4	(ESRS 2) SBM-2 SBM-3 IRO 1 IRO 2	
ENVIRONMENTAL ISSUES				
Management approach: description and results of policies on environmental issues	Material	4 and 5	(ESRS 2) SBM 1 MDR-P MDR-A MDR-T	
Detailed overview				
Detailed information on the current and foreseeable effects of business activities on the environment and health	Material	4 5 and 6 5	(ESRS 2) SBM-3 IRO 1 E1 1 E2 1 E3 1 E5 1 E2 6 AR (31 b)	E4 not material
Environmental certification or assessment procedures	Material	5	E1 2 E2 2 E3 2 E5 2	E4 not material
Resources dedicated to the prevention of environmental risks	Material	4 and 5	(ESRS 2) SBM 3 E1 9 E2 5 E3 5 E5-6	E4 not material
Application of the precautionary principle	Material	Not applicable	(ESRS 2) SBM-3 E1-9 E2-5 E3-5 E5-6	E4 not material

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Amount of provisions and guarantees for environmental risks	Material	Not applicable	(ESRS 2) SBM-3 E1-9 E2-5 E3-5 E5-6	Not reported due to application of the transitional provision
Climate change				
Greenhouse gas emissions generated as a result of the company's activities, including the use of goods and services it produces	Material	5	E1-6	
Measures taken to adapt to the consequences of climate change	Material	5	E1-1 (SBM-3) E1-3	
Voluntarily established reduction targets in the medium and long term to reduce greenhouse gas emissions, and the methods implemented to this end	Material	5	E1-1 E1-4	
Direct and indirect energy consumption	Material	5	E1-5 (37) E1-5 (38)	
Measures taken to improve energy efficiency	Material	5	E1-2 E1-5	
Consumption of renewable energies	Material	5	E1-5 (37) E1-5 (39)	
Pollution				
Measures to prevent, reduce or repair emissions that affect the environment	Material	5	E2-2	
This includes noise and light pollution	Not material		Not applicable	
Sustainable use of water resources				**Marine waters do not apply**
Water consumption and supply pursuant to local limitations	Material	5.	E3-2 E3-4	
Consumption of raw materials and measures to improve efficiency	Material	5	E5-2 E5-4	
Circular economy and waste prevention and management				
Waste generated	Material	5	E5-5 (37a) E5-5 39	
Prevention, recycling, reuse, other forms of recovery and disposal of waste	Material	5	E5-2 E5-5	

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Actions to combat food waste	Not applicable	-	Not applicable	Our industrial operations do not cover food-waste-related activities
Protection of Biodiversity				
Measures taken to preserve or restore biodiversity	Not material	Our facilities are not located in protected areas.	Not applicable	
Impacts caused by activities or operations in protected areas	Not material	Our facilities are not located in protected areas.		
SOCIAL AND STAFF-RELATED ISSUES				
Management approach: description and outcomes of policies on these issues, as well as the main risks relating to these issues linked to the group's activities	Material	6	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Employment				
Total number and distribution of employees by country, gender, age and professional category	Material	6 and Appendix 1-1	S1-6 (50 a, b) S1-9 (66 b)	
Total number and distribution of employment contract formats and annual average number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification	Material	6 and Appendix 1-1I	S1-6 (50 a, b) S1-9 (66 b)	
Number of dismissals by gender, age and professional category	Material	Appendix 1-1	**Indicator not covered in ESRS**	The information to be reported according to CSRD does not require the disclosure of the total number of dismissals made or the breakdowns by gender, age and professional category
Average remuneration and its trends broken down by gender, age and professional category or equal value	Material	Appendix 1-1	**Indicator not covered in ESRS**	The information to be reported under the CSRD does not require the disclosure of workers' average remuneration, or changes broken down by gender, age or professional category.
Pay gap, remuneration for equal positions or the average at the company	Material	6	S1-16	
Average remuneration of directors and executives, including variable remuneration, allowances, compensation, payment to long-term pension systems and any other item broken down by gender	Material	Annex 1	**Indicator not covered in ESRS**	The information to be reported according to CSRD does not require the disclosure of the average remuneration of directors or managers.

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Implementation of work disconnection policies	Material	6	S1-1	
Number of employees with disabilities	Material	6	S1-12	
Organisation of work				
Organisation of working time	Material	6	S1 (SBM-3) S1-1 S1-8 S1-11 S1-15	
Number of hours of absenteeism	Material	Annex 1	**Indicator not covered in ESRS**	The information to be reported under CSRD does not require disclosure of the number of hours of absenteeism.
Measures aimed at facilitating work-life balance and shared responsibility	Material	6	S1-4 S1-15	
Health and safety				
Occupational health and safety conditions	Material		S1-1 S1-14	
Occupational accidents, frequency, severity and occupational illnesses	Material	Annex 1	**Indicator not covered in ESRS**	The information to report under CSRD does not require a gender breakdown of information on the number of accidents at work, and the formulas for calculating rates are different from those required by Law 11/2018. Nor is there a requirement to disclose information on the number of occupational diseases.
Social relations				
Organisation of social dialogue including procedures for informing and consulting staff and negotiating with them	Material	6	S1-2 S1-2 AR (24, 25) S1-3 S1-2 AR (28, 29)	
Percentage of employees covered by collective bargaining agreement by country	Material	6	S1-8 S1-8 AR	
Review of collective agreements, particularly in the field of occupational health and safety	Material	6	S1-8 S1-14 (88 a)	
Mechanisms and procedures available to the company to promote employee involvement in the management of the company, in terms of information, consultation and participation	Material	6	S1-1 S1-2 S1-3	

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Training				
Policies implemented in the field of training	Material	6	S1-1 S1-1 AR (17 a, c, f, h) S1-13	
Total number of hours of training by professional category	Material	Annex 1	**Indicator not covered in ESRS**	The information to be reported under CSRD does not fit in form with the training indicators in Law 11/2018, as they are broken down differently, the breakdown by professional category is not included and the methodology for calculating hours is not the same (average hours vs. total hours).
Universal accessibility				
Universal accessibility for persons with disability	Material	6	S1 1 AR (17 d) S2 2 (23)	S4 not material
Equality				
Measures adopted to promote equal treatment and opportunities between women and men	Material	6	H1 2 H1 3 H1 4 H1 15 H1 16	
Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment	Material	6	S1-1 (20, 24 a, b, c) S1-1 AR (14, 17 b) S1-17 (102, 103) S1-17 AR (104 b, c)	
Integration and universal accessibility for persons with disability	Material	6	S1-1 AR (17 d) S2-2 (23)	S4 not material
Anti-discrimination and, where appropriate, diversity management policy	Material	6	S1-1 S1-2 S1-3 S1-4	
Respect for human rights				
Management approach: description and results of policies related to these issues as well as the main related risks	Material	6.7	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
Application of due diligence procedures	Material	4.6	(ESRS 2) GOV-4 (ESRS 2) MDR-P S1-1 S1-17 S2-1	S3 and S4 non-material
Application of due diligence procedures vis-à-vis human rights and prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and remedy possible abuses committed	Material	6	(ESRS 2) MDR-A (ESRS 2) MDR-T S1 2 / S1 3 / S1 4 S2 2 / S2 3 / S2 4	S3 and S4 non-material

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Claims for cases of human rights violations	Material	6, 7	H1 17 S2 4 (36)	S3 and S4 non-material
Promotion and compliance with the provisions of the fundamental ILO conventions related to the freedom of association and the right to collective bargaining	Material	6.7	H1 8	
Elimination of discrimination in employment and occupation	Material	6.7	S1 1 (24) S2 1 (17)	
Elimination of forced or compulsory labour	Material	6.7	S1 1 (22) S2 1 (18)	S3 and S4 non-material
Effective abolition of child labour	Material	6.7	S1 1 (22) S2 1 (18)	S3 and S4 non-material
Anti-corruption and bribery				
Management approach: description and outcomes of policies on these issues, as well as the main risks relating to these issues linked to the group's activities	Material	7	(ESRS 2) SBM 1 MDR-P MDR-A MDR-T	
Information related to the fight against corruption and bribery				
Measures taken to prevent corruption and bribery	Material	7	G1 1 G1 3 G1 4	
Anti-money laundering measures	Material	7	G1 1 G1 3 G1 4	
Contributions to foundations and non-profit entities	Material	Annex 1	**Indicator not covered in ESRS**	The information to be reported under CSRD does not require the list of financial contributions to foundations and non-profit entities.
ISSUES RELATING TO AFFECTED GROUPS				
Information about the company				
Management approach: description and outcomes of policies on these issues, as well as the main risks relating to these issues linked to the group's activities	Not material	Not applicable	(ESRS 2) SBM-1 MDR-P MDR-A MDR-T	
The Company's commitments to sustainable development				
Impact of the Company's activity on local development and employment	Not material	Not applicable	S3 1 S3 2 S3 3 S3 4 S3 5	See Appendix 1-1
Impact of the company's business on local communities and land	Not material I	Not applicable	S3 1 S3 2 S3 3 S3 4 S3 5	

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
Relationships with local community actors and means of dialogue with them	Not material	Not applicable	S3 1 S3 2 S3 3 S3 4 S3 5	
Association and sponsorship actions		Annex 1	**Indicator not covered in ESRS**	The information to be reported under CSRD does not require the listing of affiliations with non-profit associations and the sponsorship of social or environmental causes.
Subcontracting and suppliers				
Inclusion of social, gender equality and environmental issues in the procurement policy	Material	6.7	SBM-1 (42) MDR-P (65 b) S2 1 18 S2 4 AR (30)	S3 and S4 non-material. We included suppliers in G1-2
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	Material	6.7	SBM 1 (42) MDR-P (65 b) S2 1 18 S2 4 AR (30)	S3 and S4 non-material. We included suppliers in G1-2
Monitoring and audit systems and their results	Material	Appendix 1-1 and G1-2	**Indicator not covered in ESRS**	The information to be reported under CSRD does not require details of the number of audits or other monitoring systems applied to suppliers, or the results of such audits.
CONSUMERS				
Measures to guarantee consumer health and safety	Not material	Not applicable	S4 1 S4 2 S4 3 S4 4	See Chapter 8: Entity-specific relations with customers.
Complaint systems, complaints received and their resolution	Not material	Not applicable	S4 3 S4 4	Despite the non-application of this DR, as it is not included in the ESRS, it is included in Law 10/20218, with details provided below. In 2024, we received 134 complaints, compared to 119 in 2023. For the breakdown of the complaint system, see Chapter 8: Entity-specific relations with customers.
TAX INFORMATION				
Profits obtained country-by-country		Appendix 1-1	**Indicator not covered in ESRS**	The information to be reported under CSRD does not require the details of the profits obtained on a country-by-country basis.
Tax on profits paid		Appendix 1-1	**Indicator not covered in ESRS**	The information to be reported under CSRD

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
				does not require details of the income tax paid on a country-by-country basis.
Public subsidies received		Appendix 1-1	**Indicator not covered in ESRS**	The information to be reported under CSRD does not require details of public subsidies received on a country-by-country basis.
ENTITY-SPECIFIC				
Information about the company				
Management approach: description and outcomes of policies on these issues, as well as the main risks relating to these issues linked to the group's activities	Material	8	(ESRS 2) SBM-1-2-3 MDR-P MDR-A MDR-T	Three topics that are material to the Group have been disclosed in this chapter: relations with customers, digitisation and innovation, cybersecurity and data processing
REGULATION (EU) 2020/852 – TAXONOMY				
Qualitative information				
Accounting policy	Material	9	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	
Assessment of compliance with Regulation (EU) 2020/852	Material	9	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	
Contextual information	Material	9 and Appendix 3	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	
Information on activities related to nuclear energy and fossil gas	Material	9	Delegated Regulation (EU) 2021/2139	
Quantitative information				
Income volume eligibility and alignment	Material	9 and Appendix 3	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	
CapEx eligibility and alignment	Material	9 and Appendix 3	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	
OpEx eligibility and alignment	Material	9 and Appendix 3	Regulation (EU) 2020/852 Regulation (EU) 2021/2178	

Information requested by Act 11/2018	Materiality	Chapter SR 2024	Reference to CSRD DR	Explanatory comment
			Regulation (EU) 2021/2139 Regulation (EU) 2023/2486	

APPENDIX 2 CSRD DISCLOSURE REQUIREMENTS

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
General information					
BP-1	General basis for preparation of sustainability statements		Material	12, 13	
BP-2	Disclosures in relation to specific circumstances			12, 13	
GOV-1	The role of the administrative, management and supervisory bodies	Commission Delegated Regulation (EU) 2020/1816 (5), Appendix II.	Material	27, 41, 46, 162, 164	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies			44, 47, 57	
GOV-3	Integration of sustainability-related performance into incentive schemes			46	
GOV-4	Statement on due diligence			47	
GOV-5	Risk management and internal controls over sustainability reporting			71, 72	
SBM-1	Strategy, business model and value chain	Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1 Delegated Regulation (EU) 2020/1816, Appendix II	Material	16, 24, 26, 27, 28, 37, 130, 175, 178	
SBM-2	Interests and views of stakeholders			27, 29, 49, 121	

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		Material	56, 57, 121, 122, 144	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities			13, 27, 47, 49, 50, 52, 54, 56, 78, 80, 99, 109, 113, 164	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement			48, 8	
MDR-P	Policies adopted to manage material sustainability matters		Material	47, 145, 177, 182, 184	
MDR-A	Actions and resources in relation to material sustainability matters			114, 177, 182, 185	
MDR-M	Parameters in relation to material sustainability matters			47, 179, 183, 186	
MDR-T	Tracking effectiveness of policies and actions through targets			47, 90, 111, 179, 183, 186	
E1: Climate change					
ESRS 2 GOV-3	Integration of sustainability-related performance into incentive schemes		Material	46	
E1-1	Transition plan for climate change mitigation	Regulation (EU) 2021/1119, Article 2(1)		74	
E1-1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			56, 57, 121, 122, 144	

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
E1 IRO 1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities			76, 78	
E1-1	Companies excluded from the Paris-aligned benchmarks, Section 16 g)	Commission Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g), and Article 12(2)			Not applicable
E1-2	Policies related to climate change mitigation and adaptation			82, 83	
E1-3	Actions and resources in relation to climate change policies			83, 84	
E1-4	Targets related to climate change mitigation and adaptation	Delegated Regulation (EU) 2020/1818, Article 6		84, 89, 93	
E1-5	Energy consumption from non-renewable fossil fuels, broken down by sources (only high climate impact sectors)			90	For our business, only applicable to TRG SLU
E1-5	Energy consumption and mix			91	
E1-5	Energy intensity related to activities in high climate impact sectors			92	For our business, only applicable to TRG SLU
E1-6	Gross scopes 1, 2 and 3 and total GHG emissions	Delegated Regulation (EU) 2020/1818, Article 6		92–97	
E1-6	Gross GHG emissions intensity	Delegated Regulation (EU) 2020/1818, Article 7		97	

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Regulation (EU) 2021/1119, Article 2(1)		98	This type of activity was not carried out in 2024
E1-8	Internal carbon pricing			98	We did not apply this item in 2024
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities				We are not reporting on this in 2024
		E2, E3, E4, E5			
E2 IRO-2	Description of the processes to identify and assess material impacts, risks and opportunities		Material	99	
E2-1	Policies related to pollution			99–101	
E2-2	Pollution-related actions and resources			101, 102	
E2-3	Targets related to pollution			102, 103	
E2-4	Pollution of air, water and soil			103–106	
E2-5	Substances of concern and substances of very high concern			106	
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities				We are not reporting on this in 2024

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
E3 IRO-2	Description of the processes to identify and assess material impacts, risks and opportunities			109	
E3-1	Policies related to water and marine resources			110, 109	
E3-2	Actions and resources related to water and marine resources			110, 111	
E3-3	Targets related to water and marine resources			111	
E3-4	Water consumption			112	
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities				We are not reporting on this issue in 2024
E4 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				
E4 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities				
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		Not material		This issue is not material for the activity of TUBOS REUNIDOS
E4-2	Policies related to biodiversity and ecosystems				
E4-3	Actions and resources related to biodiversity and ecosystems				

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
E4-4	Targets related to biodiversity and ecosystems				
E4-5	Impact metrics related to biodiversity and ecosystems change				
E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities				
E5 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities			113	
E5-1	Policies related to resource use and circular economy			113, 114	
E5-2	Actions and resources related to resource use and circular economy		Material	114, 115	
E5-3	Targets related to resource use and circular economy			115, 116	
E5-4	Resource inflows			116, 117	
E5-5	Resource outflows			117–119	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities				We are not reporting on this issue in 2024

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
S1: Own workforce					
SBM-2	Interests and views of stakeholders			121, 122, 137, 139, 140	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			121, 122, 139, 140	
S1-1	Policies relating to own workforce	Delegated Regulation (EU) 2020/1816, Appendix II.		124–126	
S1-2	Processes for engaging with own workers and workers' representatives about impacts			126, 127	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns			127, 128, 142	
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions			122–124, 140	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities			123, 124	
S1-6	Characteristics of the undertaking's employees			128–131	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce			121	In 2024, we had no non-employee workers in our workforce

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
S1-8	Collective bargaining coverage and social dialogue			132, 133, 142	
S1-9	Diversity metrics			135	
S1-10	Adequate wages			134	
S1-11	Social protection			133	
S1-12	Persons with disabilities			136	
S1-13	Training and skills development metrics			136–139	
S1-14	Health and safety metrics	Delegated Regulation (EU) 2020/1816, Appendix II.		139–142	
S1-15	Work-life balance metrics			128, 133	
S1-16	Compensation metrics (pay gap and total compensation)	Delegated Regulation (EU) 2020/1816, Appendix II.			See Appendix 1-1
S1-17	Incidents, complaints and severe human rights impacts	Commission Delegated Regulation (EU) 2020/1816, Appendix II Delegated Regulation (EU) 2020/1818, Article 12(1)		143	
S2: Value chain					
SBM-2	Interests and views of stakeholders			144	
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model			144	
S2-1	Policies related to value chain workers	Delegated Regulation (EU) 2020/1816, Appendix II.		145	
S2-2	Processes for engaging with value chain workers about impacts			146	

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns			146	
S2-4	Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions			147	
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities			147	
S3: Affected communities					
SBM-2	Interests and views of stakeholders				This issue is not material to the TUBOS REUNIDOS business. The report on this subject is attached in Appendix 1-1
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				
S3-1	Policies related to affected communities	Commission Delegated Regulation (EU) 2020/1816, Appendix II Delegated Regulation (EU) 2020/1818, Article 12(1)			
S3-2	Processes for engaging with affected communities about impacts				
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns				

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
S3-4	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions				
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities				
S4: Consumers and end-users					
SBM-2	Interests and views of stakeholders		Not material		This issue is not material to the TUBOS REUNIDOS business. The relationship with customers is described in Chapter 8: Entity-Specific and Appendix 1-1
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model				
S4-1	Policies related to consumers and end-users	Commission Delegated Regulation (EU) 2020/1816, Appendix II Delegated Regulation (EU) 2020/1818, Article 12(1)			
S4-2	Processes for engaging with consumers and end-users about impacts				
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns				
S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and				

Disclosure requirement and related data point		Reference in the Regulation to benchmarks	Material	Page SR 2024	Reason
	pursuing material opportunities related to consumers and end-users, and effectiveness of those actions				
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities				
G1: Business conduct					
GOV-1	The role of the administrative, supervisory and management bodies			151, 158, 160-162	
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities			164	
G1-1	Corporate culture and business conduct policies			164–169	
G1-2	Management of relationships with suppliers			170	
G1-3	Prevention and detection of corruption or bribery			170–172	
G1-4	Confirmed incidents of corruption or bribery	Delegated Regulation (EU) 2020/1816, Appendix II.		172	
G1-5	Political influence and lobbying activities			172	
G1-6	Payment practices			173	

Appendix 3 EUROPEAN TAXONOMY

Introduction

We considered all companies comprising the TUBOS REUNIDOS GROUP's consolidated scope when conducting the analysis aimed at identifying and establishing the eligible and aligned activities which, in accordance with the Taxonomy criteria, we carry out and that will serve as a basis for calculating the Taxonomic indicators.

The main activities deemed eligible and/or aligned for each objective are indicated below.

Eligibility

Activity 3.9. Manufacture of iron and steel

Within the framework of the eligibility analysis carried out for 2024, as was the case the previous years, we maintain that the eligible activity is Taxonomic activity *3.9. Manufacture of iron and steel*, included in Appendix 1 of the environmental objective of mitigating climate change. This conclusion confirms the substantial contribution of this phase of the process to the environmental objectives set.

By contrast, the specific activity of seamless steel pipe manufacturing was not identified as part of the aforementioned activity 3.9. Although both activities form part of the same comprehensive process, the Taxonomy focuses specifically on the manufacture of iron and steel as a significant contributor to climate change mitigation.

This analysis highlights the importance of differentiating the different stages of the production process and underlines the need for continuous assessment, with a view to adapting the regulatory developments and guidelines established by the European Commission within the framework of the EU Taxonomy Regulation.

TUBOS REUNIDOS also carried out a series of activities in 2024 that, although not directly related to our main business, are focused on the Group's internal maintenance and therefore can be linked to a number of activities included in the EU Taxonomy. These are described below, objective by objective:

1. **Objective 1: Climate change mitigation and Objective 2: Climate change adaptation**
    a. Activity 6.6. *Freight transport services by road*: within the marketing work performed by TUBOS REUNIDOS AMÉRICA. The work has been identified as eligible for this activity (6.6.) as it includes everything related to transporting and selling pipes to the end-customer.
    b. Activity 6.10. *Sea and coastal freight water transport, vessels for port operations and auxiliary activities*: This occurs as part of the pipe marketing carried out by TUBOS REUNIDOS AMÉRICA. The work has been identified as eligible for this activity (6.10.) as it includes everything related to transporting and selling pipes to the end-customer.
    c. Activity 7.2. *Renovation of existing buildings.* Works were completed this year on the renovation of buildings (white hall at the steel mill etc.), which were considered as eligible for this activity (7.2.) based on the objectives of *climate change mitigation, climate change adaptation and circular economy.*

2. **Objective 3: Sustainable use and protection of water and marine resources**
    a. Activity 2.2. *Urban wastewater treatment*. In 2024, the internal networks of the Tubos mill were connected to prepare the connection to the external collector that will connect to the water treatment plant being built by the local city council. This is considered an eligible activity for this objective.
3. **Objective 4: Transition to a circular economy**
    a. Activity 3.4. *Construction of roads and motorways*: In 2024, we completed the internal road refurbishment work and this activity was considered eligible.
    b. Activity 3.5. *Use of concrete in civil engineering*. A series of renovations has also been performed at the facilities involving the use of concrete, meaning the investment in this material has been deemed eligible.
4. **Objective 5: Pollution prevention and control**
    a. Activity 2.1. *Collection and transport of hazardous waste*. Waste collection took place at the plants in 2024 and the waste was subsequently transported to its final destination, depending on its nature. TUBOS REUNIDOS is not responsible for the transport; rather, it is outsourced to an external company. This is considered an eligible activity.
5. **Objective 6: Protection and recovery of biodiversity and ecosystems**

Having analysed the activities under this environmental objective, TUBOS REUNIDOS is not considered eligible.

Eligibility results

Therefore, the table below summarises this eligibility section, detailing the eligible activities according to the specific environmental objective and analysing their alignment.

Objectives [10]	Eligible activities
Climate change mitigation.	3.9. Manufacture of iron and steel. 6.6. Freight transport services by road. 6.10. Sea and coastal freight water transport. 7.2. Renovation of existing buildings.
Climate change adaptation.	3.9. Manufacture of iron and steel. 7.2. Renovation of existing buildings.
Sustainable use and protection of water and marine resources.	2.2. Urban wastewater treatment.
Transition to a circular economy.	3.4 Construction of roads and motorways 3.5. Use of concrete in civil engineering.
Pollution prevention and control.	2.1. Collection and transport of hazardous waste.

[10] The table only lists the objectives where eligible activities were detected.

Alignment analysis

In order for an "eligible" activity to be considered "aligned", that is, environmentally friendly, it is necessary to demonstrate compliance with two basic criteria: firstly, that the Company complies with a series of minimum social safeguards and secondly that the eligible activity complies with a number of technical requirements established by the Taxonomy Regulation (EU). These technical criteria define when an activity generates a substantial contribution to an objective and when it is deemed to cause no significant harm to other objectives.

We then consider a study of the operations to verify the degree of compliance of these operations with respect to the technical selection criteria required by the European Taxonomy.

We understand that compliance with minimum social safeguards is equal for all environmental objectives. For this reason, we include it in a general way for all the objectives in this section. As part of the particular alignment study for each objective, we will explain the technical criteria and the principle of do no significant harm (DNSH).

Compliance with minimum social safeguards

Compliance with minimum social safeguards implies that a company implements practices and policies that protect and promote human rights and social welfare, in the context of the EU Taxonomy and other sustainability-related regulations. These safeguards are designed to ensure that economic activities are not only environmentally sustainable, but also socially sustainable.

Our respect for minimum social safeguards is manifested through:

1. **Policies and compliance:** We emphasise the importance of compliance policies and preventing criminal risks, ensuring that everyone in the Group is obliged to comply with them. These policies identify risks and implement control measures to reduce the likelihood and impact of crimes. In 2024, the following policies were published to strengthen corporate governance:
    - Corporate policy on respect for human rights
    - Corporate policy against corruption and fraud
    - Corporate environmental policy
    - Corporate policy on climate change
2. **Risk management systems:** We conduct an annual assessment to improve and adapt to recognised standards, addressing risks that could affect the Group's strategic objectives.
3. **Transparency and ethics:** We promote business transparency through a whistleblower channel available on the corporate website, allowing any person to report conduct that breaches the Group's principles and the law. In this area, we highlight the improvement in channel accessibility to drive early identification of wrongdoing.
4. **Independent control body:** We have established a body comprising key members to ensure independent and equitable oversight, thereby reinforcing the organisation's culture of ethics and compliance.
5. **Proven ethical commitment:** We underline the absence of existing complaints or convictions in matters such as human rights and corruption during 2024. This reflects

TUBOS REUNIDOS' proactive approach to ethical and socially responsible practices, ensuring operational integrity and respect for human rights.

Climate change mitigation

Activity 3.9. Manufacture of iron and steel

Study of the technical criteria for substantial contributions

To ensure a substantial contribution to climate change mitigation, two criteria must be met:

1. The first imposes strict limits on greenhouse gas (GHG) emissions at various stages of the iron and steel production process, from hot metal smelting to electric arc furnace fine steel manufacturing. In addition, we emphasise the importance of incorporating scrap steel in specific quantities, reinforcing the commitment to sustainable practices. The specific ratio of CO_2 emissions according to the appendix to Regulation (EU) 2019/331, for the production of fine steel from an electric arc furnace, is 0.266 t CO_{2e}/t of product. We managed to keep this ratio below the established threshold, thus guaranteeing a substantial contribution to climate change mitigation.
2. The second applies to the capture and underground storage of CO_2, which considers additional practices to mitigate emissions. We have not currently implemented any CO_2 capture processes; therefore, this criteria does not apply in this particular case given the absence of this practice in the operations of TUBOS REUNIDOS.

DNSH

In addition to contributing to mitigating climate change, the EU Taxonomy requires that activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	**Reason**
Climate change adaptation	During 2024, the analysis of the significant physical risks was updated considering the necessary requirements to ensure compliance with the DNSH of the *Climate change adaptation objective*. The actions planned for 2025 have been maintained due to the lack of CapEx and OpEx in 2024 following the Group's furlough procedures and financial situation. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
Sustainable use and protection of water and marine resources	The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress. The Group is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources.

Objective	Do no significant harm Reason
	An ESG work group has been created and is developing a project named "Sustainable Water Management", which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment. The RDT and TRPT plants are not subject to AAI. Environmental practices have been developed for efficient water use and management at TRPT, although consumption comes from the industrial network and the controls are carried out by ownership of the industrial estate. As RDT is also in an area with low rainfall levels, it has systems and good practices for using water. None of the plants has any impact on marine resources. The Corporate Environment Policy and the Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
Transition to a circular economy	The EU Taxonomy Regulation requires no additional criteria be met for the "*Climate change mitigation*" objective.
Pollution prevention and control	The Tubos mill is operated in such a way that atmospheric emissions do not exceed the emission limit values set out in its AAI and the technical requirements established by the Basque Government's Vice Ministry for Environmental Sustainability in its corresponding technical instructions. Compliance with emission values is assessed in accordance with the provisions of Article 9 in Decree 278/2011 of 28 December. The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preventing and controlling pollution in relation to the use and presence of chemicals. The RDT and TRPT plants do not have an AAI. The Tubos mill is operated in such a way that atmospheric emissions do not exceed the emission limit values set out in its AAI and the technical requirements established by the Basque Government's Vice Ministry for Environmental Sustainability in its corresponding technical instructions. Compliance with emission values is assessed in accordance with the provisions of Article 9 in Decree 278/2011 of 28 December. The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preventing and controlling pollution in relation to the use and presence of chemicals. The RDT and TRPT plants do not have an AAI. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
Protection and recovery of biodiversity and ecosystems	TUBOS REUNIDOS does not have an Environmental Impact Assessment (EIA) pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive. However, this facility has been subject to an ERA, based on the transposition of the MIRAT (*Modelo de Informe de Riesgos Ambientales Tipo* – Environmental Risk Report Model), approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Remediation of

Do no significant harm	
Objective	**Reason**
	Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the MITECO (*Ministerio de Transición Ecológica* – Ministry of Ecological Transition). The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk. TUBOS REUNIDOS' business is covered by the Industrial Emissions Directive (formerly the Integrated Pollution Prevention and Control Act – IPPC), and is therefore governed by an AAI granted by the competent authority of the autonomous community in which the facility is located. In addition to including guidelines on maximum emissions, discharge and waste that can be generated by the activity, the AAI also sets forth exemptions for measures to be undertaken in terms of biodiversity, due to the low impact the activity under analysis generates for the surrounding environment and ecosystem services. Furthermore, both the Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.

In conclusion, **our steel manufacturing business demonstrates our contribution to mitigating climate change** by complying with the criteria established by the EU Taxonomy, since the GHG emissions associated with the production of high-grade steel in an electric arc furnace are below the values established for this phase. Furthermore, by doing no significant harm to the rest of the objectives and complying with minimum social safeguards, this activity contributes to the objective of *climate change mitigation* and respects the fundamental principles of sustainability and social responsibility, contributing to sustainable and equitable economic development.

Activities 6.6. and 6.10. Service for land freight transport, and sea and coastal freight water transport, vessels for port operations and auxiliary activities

Technical criteria

Activities 6.6 and 6.10 relating to road or sea and coastal freight water transport were not considered as aligned due to the difficulty we faced in 2024 in obtaining sufficient information to analyse the substantial contribution technical criteria.

DNSH

As in the case of the search for evidence regarding the technical criteria, it has not been possible to collect DNSH evidence for the transition to a circular economy, or for the prevention and control of pollution.

Over the coming years, work must be performed with the value chain to obtain this information in a viable way, with a view to studying the alignment of these two activities to contribute to climate change mitigation.

Activity 7.2. Renovation of existing buildings

We believe that the investments made in the renovation of buildings are not significant enough to proceed with an analysis of the technical criteria and the DNSH for the alignment of activity 7.2. within the *Climate change mitigation* objective.

Climate change adaptation

Activity 3.9. Manufacture of iron and steel

Study of the technical criteria for substantial contributions

Four technical criteria must be met to ensure a substantial contribution to climate change adaptation:

1. The first criterion establishes the need to apply physical and non-physical solutions (adaptation solutions) that substantially reduce the most important physical climate risks that are material with respect to this activity. We do not believe that this criterion has been met.
2. The second criterion addresses the need to conduct a physical climate risk analysis, study vulnerability and review the corresponding climate projections. We have updated the analysis performed in 2023 on these aspects, although we have not noticed any substantial change in that regard.
3. The third criterion refers to the same risk analysis as carried out for technical criterion 2.
4. The fourth criterion determines the adaptation solutions applied. We did not develop any natural-based adaptation solutions in 2024.

DNSH

In addition to contributing to adapting to climate change, the EU Taxonomy requires that activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	**Reason**
Climate change mitigation	TUBOS REUNIDOS' business complies with the *climate change mitigation DNSH* for values obtained in the technical criteria of GHG emissions.
Sustainable use and protection of water and marine resources	The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress.

Do no significant harm	
Objective	**Reason**
	The Group is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources. An ESG work group has been created and is developing a project named "Sustainable Water Management", which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment. The RDT and TRPT plants are not subject to AAI. Environmental practices are developed for efficient water use and management at TRPT, although consumption comes from the industrial network and the controls are carried out by ownership of the industrial estate. As RDT is also in an area with low rainfall levels, it has systems and good practices for using water. None of the plants has any impact on marine resources. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
Transition to a circular economy	The EU Taxonomy Regulation requires no additional criteria be met for the "*Climate change adaptation*" objective.
Pollution prevention and control	The Tubos mill is operated in such a way that atmospheric emissions do not exceed the emission limit values set out in its AAI and the technical requirements established by the Basque Government's Vice Ministry for Environmental Sustainability in its corresponding technical instructions. Compliance with emission values is assessed in accordance with the provisions of Article 9 in Decree 278/2011 of 28 December. The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preventing and controlling pollution in relation to the use and presence of chemicals. The RDT and TRPT plants do not have an AAI. The Tubos mill is operated in such a way that atmospheric emissions do not exceed the emission limit values set out in its AAI and the technical requirements established by the Basque Government's Vice-Ministry for Environmental Sustainability in its corresponding technical instructions. Compliance with emission values is assessed in accordance with the provisions of Article 9 in Decree 278/2011 of 28 December. The Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preventing and controlling pollution in relation to the use and presence of chemicals. The RDT and TRPT plants do not have an AAI. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.

Do no significant harm	
Objective	**Reason**
Protection and recovery of biodiversity and ecosystems	TUBOS REUNIDOS does not have an EIA pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive. However, this facility has been subject to an ERA, based on the transposition of the MIRAT, approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Remediation of Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the MITECO. The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk. TUBOS REUNIDOS' business is covered by the Industrial Emissions Directive (formerly the IPPC), and is therefore governed by an AAI granted by the competent authority of the autonomous community in which the facility is located. In addition to including guidelines on maximum emissions, discharge and waste that can be generated by the activity, the AAI also sets forth exemptions for measures to be undertaken in terms of biodiversity, due to the low impact the activity under analysis generates for the surrounding environment and ecosystem services. Furthermore, both the Tubos and Productos mills have environmental management systems and keep them up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.

In conclusion, **both the minimum social safeguards and the DNSH are compliant in relation to the objective of *climate change adaptation***. However, taking into account that the technical criteria have not been addressed during 2024, we do not consider the activity aligned for this reason.

To ensure compliance with the technical criteria for a substantial contribution to the objective of *climate change adaptation* for the activities identified as eligible, we will continue to work over the coming years on identifying and implementing specific adaptation solutions to mitigate or reduce the impact of those physical climate risks identified.

Activity 7.2. Renovation of existing buildings

Study of the technical criteria for substantial contributions

As with the *Climate change mitigation* objective, we believe that the investments made in the renovation of buildings are not significant enough to proceed with an analysis of the technical criteria and the DNSH for the alignment of activity 7.2. within the *Climate change adaptation* objective.

Sustainable use and protection of water and marine resources

Activity 2.2. Urban wastewater treatment

The eligible activity in this case is the preparation of the connection of the sanitary water at the Amurrio plant to a future collector that will in turn be connected to wastewater treatment infrastructure. The investment allocated in 2024 is negligible. Taking this into account, together with the inapplicability of the DNSH, means that this activity is ultimately not aligned with Objective 3 of the Taxonomy.

Transition to a circular economy

Activity 3.4. Construction of roads and motorways

We completed rehabilitation work on internal roads throughout 2024.

Study of the technical criteria for substantial contributions

To ensure a substantial contribution to the transition to a circular economy, five criteria had to be met:

1. This does not apply to the aforementioned works.
2. The concrete used for this work is made from recycled material, consisting of the steel slag from the Amurrio plant.
3. We confirm that the transfer satisfies the requirements of 2.5.
4. This does not apply as it does not involve a private arrangement.
5. The raw materials used are black slag from the Group's steel mill.

DNSH

In addition to contributing to the transition to the circular economy, the EU Taxonomy requires that the activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	**Reason**
Climate change mitigation	Does not apply.
Climate change adaptation	During 2024, the analysis of significant physical risks was updated considering the necessary requirements to ensure compliance with the DNSH for environmental objectives. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
Sustainable use and protection of water and marine resources	The Tubos mill has and maintains its Environmental Management System up to date in accordance with the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection

Do no significant harm	
Objective	**Reason**
	and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress. TUBOS REUNIDOS is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources. An ESG work group has been created and is developing a project named "Sustainable Water Management", which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment. None of the plants has any impact on marine resources. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
Pollution prevention and control	Noise, vibration and emission reduction measures have been implemented.
Protection and recovery of biodiversity and ecosystems	TUBOS REUNIDOS does not have an EIA pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive. However, this facility has been subject to an ERA, based on the transposition of the MIRAT (*Modelo de Informe de Riesgos Ambientales Tipo* – Environmental Risk Report Model), approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Remediation of Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the MITECO (*Ministerio de Transición Ecológica* – Ministry of Ecological Transition). The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk. In addition, the Tubos mill has and maintains its Environmental Management System up to date according to the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.

In short, we can conclude that **activity 3.4. is aligned with the EU Taxonomy.**

Activity 3.5. Use of concrete in civil engineering

The concrete used at the Amurrio plant has been used to cast slabs in the raw material and slag sorting areas.

Study of the technical criteria for substantial contributions

To ensure a substantial contribution to the transition to a circular economy, seven criteria had to be met:

1. All construction and demolition waste generated is treated pursuant to European waste legislation and the comprehensive EU Construction and Demolition Waste Management Protocol checklist.
2. The total waste generated during the concreting of the scrap and slag areas is managed as part of a management plan approved by the Environment division.
3. The third criterion establishes the application of circularity measures. In this regard, the concrete used for these areas is made from recycled material, consisting of the steel slag from the Amurrio plant.
4. The percentage of recycled product is 80%.
5. The raw materials come from black slag from the Group's steelworks, helping to minimise the CO_2 emissions generated by transporting these materials to the Amurrio plant.
6. Criterion 6 does not apply to the works in question.
7. This does not apply to the aforementioned works.

DNSH

In addition to promoting the transition to the circular economy, the EU Taxonomy requires that the activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	**Reason**
Climate change mitigation	The asset built is not dedicated to the extraction, storage, transport or manufacture of fossil fuels Furthermore, no cement is used in this activity.
Climate change adaptation	During 2024, the analysis of significant physical risks was updated considering the necessary requirements to ensure compliance with the DNSH for environmental objectives. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of the year. These policies will be relayed to the entire organisation and value chain.
Sustainable use and protection of water and marine resources	The Tubos mill has and maintains its Environmental Management System up to date in accordance with the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection

Do no significant harm	
Objective	**Reason**
	and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress. TUBOS REUNIDOS is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources. An ESG work group has been created and is developing a project named "Sustainable Water Management", which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment. None of the plants has any impact on marine resources. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
Pollution prevention and control	The components and materials used in concreting comply with the criteria set out in Appendix C of Delegated Regulation (EU) 2023/2486 for this environmental objective. No buildings were constructed; the works simply entailed the concreting of a previously unconcreted area. The concreting work is subject to a non-substantial modification (NSM) to the AAI in Amurrio; therefore, it is subject to the indications for compliance with the requirements set out in the resolution of the NSM.
Protection and recovery of biodiversity and ecosystems	TUBOS REUNIDOS does not have an EIA pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive. However, this facility has been subject to an ERA, which began the transposition of the MIRAT (Model Environmental Risk Report), approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Repair of Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the Ministry of Ecological Transition (MITECO). The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk. In addition, the Tubos mill has and maintains its Environmental Management System up to date according to the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.

We can therefore conclude that **activity 3.5. is aligned with the EU Taxonomy**.

Pollution prevention and control

Activity 2.1. Collection and transport of hazardous waste

Study of the technical criteria for substantial contributions

To ensure a substantial contribution to the transition to a circular economy, eight criteria had to be met:

1. Hazardous waste is separated at the source and collected separately from non-hazardous waste to avoid cross contamination. All waste is separated at the source and treated at the plant in a differential and controlled manner.
2. The environmental management system implemented at the plants has procedures for the treatment of waste during separation and preparation for transport. Likewise, the production areas have precise instructions for the correct identification, separation and action of waste in the event of an incident during handling. Proper collection and handling prevents the leakage of hazardous waste during collection, transport, storage and delivery to the facility authorised to treat hazardous waste, in line with Spanish legislation.
3. This third criterion establishes the need for the implementation of legislation on the transport of dangerous goods by road. We have classification procedures that comply with this regulation, implemented according to the type of waste. We train our staff to ensure their correct implementation. We perform the relevant audits every year and have a security advisor in place. Therefore, we fulfil the requirements set out in the ADR (Agreement concerning the International Carriage of Dangerous Goods by Road).
4. The activity involves the use of waste collection vehicles, which comply with Euro V as a minimum.
5. All waste is packaged and labelled in line with the international and EU standards in force.
6. We have a document control system, both for generators and for the operator, which guarantees traceability in the management of hazardous waste created by our business. This data is reported annually to the appropriate government.
7. We have a separation and classification system for waste electrical and electronic equipment (WEEE) in line with the requirements of applicable law.
8. Stored waste and its facilities comply with current regulations.

DNSH

In addition to contributing to the prevention and control of pollution, the EU Taxonomy requires that the activity do no significant harm to the other objectives. To this end, it sets out the following criteria for this activity:

Do no significant harm	
Objective	**Reason**
Climate change mitigation	Not applicable.
Climate change adaptation	During 2024, the analysis of significant physical risks was updated considering the necessary requirements to ensure compliance with the DNSH for environmental objectives. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of the year. These policies will be relayed to the entire organisation and value chain.
Sustainable use and protection of water and marine resources	The Tubos and Products mills have and keep their respective environmental management systems up to date, in accordance with the requirements of ISO 14001. They also have a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related to preserving water quality and preventing water stress. TUBOS REUNIDOS is under no obligation to develop a management plan for the use and protection of water for potentially affected water bodies. However, it does have an AAI, which guarantees that the most sustainable measures are adopted for our business to reduce its impact on water and marine resources. An ESG work group has been created and is developing a project named “Sustainable Water Management”, which will adopt measures to ensure the responsible use of this resource and establish effective measures for use and treatment. Appropriate procedures are also used by RDT and TRPT for managing hazardous waste. None of the plants has any impact on marine resources. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.
Transition to a circular economy	The components and materials used in concreting comply with the criteria set out in Appendix C of Delegated Regulation (EU) 2023/2486 for this environmental objective. No buildings were constructed; the works simply entailed the concreting of a previously unconcreted area. The concreting work is subject to an NSM to the AAI in Amurrio; therefore, it is subject to the indications for compliance with the requirements set out in the resolution of the NSM.
Protection and recovery of biodiversity and ecosystems	TUBOS REUNIDOS does not have an EIA pursuant to Directive 2011/92/EU, due to the subsequent entry into force of the aforementioned Directive.

Do no significant harm	
Objective	Reason
	However, this facility has been subject to an ERA, which began the transposition of the MIRAT (Model Environmental Risk Report), approved for the steel sector in December 2012 by the Technical Commission for the Prevention and Repair of Environmental Damage, under the General Directorate of Quality and Environmental Assessment and Natural Environment at the Ministry of Ecological Transition (MITECO). The scope of the analysis includes biodiversity and ecosystem services, assigning a probability and an estimate of damage, plus risk management recommendations that TUBOS REUNIDOS follows with a view to preventing and mitigating any impact on biodiversity and ecosystem services. Note that no measures to be addressed on biodiversity and ecosystem services have been identified due to low associated risk. In addition, the Tubos mill has and maintains its Environmental Management System up to date according to the requirements of the ISO 14001 standard. It also has a Quality, Environment, Occupational Health and Safety and Energy Policy that establishes commitments to legal compliance, environmental protection and pollution prevention, and reduction of the environmental impacts related protection and recovery of biodiversity and ecosystems. The Corporate Environment Policy and the Corporate Climate Change Action Policy were approved at the end of 2024. These policies will be relayed to the entire organisation and value chain.

Based on this information, we can conclude that **activity 2.1 is aligned with the EU Taxonomy.**

Calculation methodology

Turnover

In accordance with Article 8(2)(a) of Regulation (EU) 2020/852, turnover is assessed by calculating the numerator, representing the portion of net turnover linked to activities aligned with the EU Taxonomy, and the denominator, covering the total net turnover as defined in Directive 2013/34/EU.

In particular, the numerator for revenue associated with activity 3.9 *Manufacture of iron and steel* was calculated based on an estimate, since it is an integrated process that does not involve direct sales of steel billets and ingots to customers; they are used as raw material to manufacture piping.

The estimate was made by taking into account the cost percentage associated with manufacturing billets and ingots, and applying this percentage to the total revenue figure.

The taxonomic indicator for turnover was calculated by avoiding any double calculation in the final data and percentages, even though eligible activities are available under different objectives. Furthermore, the reporting instructions referred to in Appendix II to Regulation 2021/2178 were taken into account.

CAPEX

The provisions of Delegated Regulation 2021/2178 were taken into account when calculating the CapEx ratio. In this sense, items corresponding to the proportion of investments in fixed assets, i.e. tangible and intangible assets during the period in question, were taken into account, before considering depreciation, amortisation and possible new valuations. When applying the International Financial Reporting Standards (IFRS) adopted by Regulation (EC) 1126/2008, the indicator will cover the costs accounted for in accordance with:

- IAS 16 Property, plant and equipment, paragraph 73(e), subsections (i) and (iii).
- IAS 38 Intangible assets, paragraph 118(e), subsection (i).
- IAS 40 Property investment, paragraph 76(a) and (b), (for the fair value model).
- IAS 40 Property investment, paragraph 79(d), subsections (i) and (ii), (for the cost model).
- IAS 41 Agriculture, paragraph 50(b) and (e).
- IFRS 16 Leases, paragraph 53(h).

Leases that do not lead to the recognition of a right of use on the asset were not counted as taxonomic CapEx.

OPEX

In accordance with Article 8(2)(b) of Regulation (EU) 2020/852, the OpEx ratio is determined by dividing the numerator (these expenses include non-capitalised direct costs related to research, development, building renovation, short-term leases, maintenance and repairs) by the denominator (consolidated operating expense accounts associated with short-term leases, maintenance, repairs and other expenses related to the daily maintenance of tangible assets).

These metrics were calculated by considering the specifics of the integrated process and its involvement in the sales and financial operations for 2024, thus guaranteeing the accuracy and relevance of the indicators within the context of the EU Taxonomy and sustainability goals.

The version reported this year does not include expenses related to manufacturing contracts, the environmental, quality (laboratories, waste management) and technical assistance.

The taxonomic indicator for OpEx was calculated by avoiding any double calculation in the final data and percentages, even though eligible activities are available under different objectives. Furthermore, the reporting instructions referred to in Appendix II to Regulation 2021/2178 were taken into account (see Section 5.

Below are the tables containing the results for 2024.

Financial year N	2024			Substantial contribution criteria						DNSH criteria (Y/N)									
Economic activity (1)	Codes (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of turnover aligned to the Taxonomy (A.1) or eligible according to the Taxonomy (A.2), year N-1 (18)	Category (facilitating activity) (19)	Category (transition activity) (20)
(text)	*(objective acronym and activity number)*	*(€M)*	*(%)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(%)*	*(F)*	*(T)*
A. ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel	**CCM 3.9**	160,030	49.4%	**S**	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	48.5%		T
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		160,030	49.4%	49.4%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	48.5%		
Of which: facilitators		-	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%		
Of which: transition		160,030	100%	100%						S	S	S	S	S	S	S	100.0%		T
A.2 Eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not Taxonomy-aligned)																			
(text)	*(objective acronym and activity number)*	*(currency)*	*(%)*	*(EL, N/EL)*	*(EL, N/EL)*	*(EL, N/EL)*	*(EL, N/EL)*	*(EL, N/EL)*	*(EL, N/EL)*								*(%)*		
Road transport services	**CCM 6.6**	3,312	1.0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Sea and coastal freight water transport	**CCM 6.10**	9,854	3.0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
Turnover from eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not aligned)		13,166	4.1%	4.0%	0%	0%	0%	0%	0%								4%		
Total (A.1+A.2)		**173,195**	**53.5%**	**53.4%**	**0%**	**0%**	**0%**	**0%**	**0%**								**52.0%**		
B. INELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
Turnover from ineligible activities under the Taxonomy (B)		150,765	46.5%																
Total (A+B)		**323,960**	**100%**																

		PROPORTION OF TURNOVER/TOTAL TURNOVER	
		that is Taxonomy-aligned by objective	eligible under the Taxonomy by objective
Climate change mitigation (5)	**CCM**	49.4%	53.4%
Climate change adaptation (6)	**CA**	0%	0%
Water and marine resources (7)	**WTR**	0%	0%
Circular economy (8)	**CE**	0%	0%
Pollution (9)	**PPC**	0%	0%
Biodiversity and ecosystems (10)	**BIO**	0%	0%

Table 52. Tubos Reunidos Group Turnover 2024

Financial year N	2024			Substantial contribution criteria						DNSH criteria (Y/N)									
Economic activity (1)	Codes (2)	OpEx (3)	Proportion of CapEx. Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of OpEx aligned to the Taxonomy (A.1) or eligible under the Taxonomy (A.2), year N-1 (18)	Category (facilitating activity) (19)	Category (transition activity) (20)
(text)	(objective acronym and activity number)	(€M)	(%)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y, N, N/EL)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(F)	(T)
A. ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel	**CCM 3.9**	8,293	22.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	21.8%		T
OpEx for environmentally sustainable activities (Taxonomy-aligned) (A.1)		8,293	22.1%	22.1%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	21.8%		
Of which: facilitators		-	0%	0%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%		
Of which: transition		8,293	100.0%	100.0%						S	S	S	S	S	S	S	100.0%		T
A.2 Eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not Taxonomy-aligned)																			
(text)	(objective acronym and activity number)	(currency)	(%)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)	(EL, N/EL)								(%)		
OpEx for eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not aligned)		-	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Total (A.1+A.2)		**8,293**	**22.1%**	**22.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**21.8%**		
B. INELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
OpEx for activities ineligible under the Taxonomy (B)		29,215	77.9%																
Total (A+B)		**37,508**	**100%**																

		PROPORTION OF OPEX/TOTAL OPEX	
		that is Taxonomy-aligned by objective	eligible under the Taxonomy by objective
Climate change mitigation (5)	**CCM**	22.1%	22.1%
Climate change adaptation (6)	**CA**	0.0%	22.1%
Water and marine resources (7)	**WTR**	0%	0%
Circular economy (8)	**CE**	0%	0%
Pollution (9)	**PPC**	0%	0%
Biodiversity and ecosystems (10)	**BIO**	0%	0%

Table 53. OpEx Tubos Reunidos Group 2024

Financial year N	2024			Substantial contribution criteria						DNSH criteria (Y/N)									
Economic activity (1)	Codes (2)	CapEx (3)	Proportion of CapEx. Year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum guarantees (17)	Proportion of CapEx aligned to the Taxonomy (A.1) or eligible under the Taxonomy (A.2), year N-1 (18)	Category (facilitating activity) (19)	Category (transition activity) (20)
(text)	*(objective acronym and activity number)*	*(€M)*	*(%)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y, N, N/EL)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(%)*	*(F)*	*(T)*
A. ELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of iron and steel	**CCM 3.9**	2,983	22%	**S**	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	39.3%		T
CapEx for environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,983	22%	22.2%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	39.3%		
Of which: facilitators		-	0%	0%	*0%*	0%	0%	0%	0%	S	S	S	S	S	S	S	0%		
Of which: transition		2,983	100%	100%						S	S	S	S	S	S	S	100%		T
A.2 Eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not Taxonomy-aligned)																			
(text)	*(objective acronym and activity number)*	*(currency)*	*(%)*	*(EL, N/EL)*	*(EL, N/EL)*	*(EL, N/EL)*	*(EL, N/EL)*	*(EL, N/EL)*	*(EL, N/EL)*								*(%)*		
Construction of roads and motorways	**CE 3.4**	220	1.6%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								0%		
Use of concrete in civil engineering	**CE 3.5**	117	0.9%	N/EL	N/EL	N/EL	**EL**	N/EL	N/EL								0%		
Renovation of existing buildings	**CCM 7.2 / CCA 7.2 / CE 3.1**	-	0.0%	EL	EL	N/EL	**EL**	N/EL	N/EL								0%		
CapEx for eligible activities under the Taxonomy that are not environmentally sustainable (activities that are not Taxonomy-aligned) (A.2)		336	2.5%	0%	0%	0%	3%	0%	0%								0%		
Total (A.1+A.2)		**3,319**	**24.7%**	**100.0%**	**0.0%**	**0.0%**	**2.5%**	**0.0%**	**0.0%**								**39.3%**		
B. INELIGIBLE ACTIVITIES UNDER THE TAXONOMY																			
CapEx for activities ineligible under the Taxonomy		10,132	75.3%																
Total (A+B)		**13,451**	**100%**																

		PROPORTION OF CAPEX/TOTAL CAPEX	
		that is Taxonomy-aligned by objective	eligible under the Taxonomy by objective
Climate change mitigation (5)	**CCM**	22%	22%
Climate change adaptation (6)	**CCA**	0%	22%
Water and marine resources (7)	**WTR**	0%	0%
Circular economy (8)	**CE**	0%	3%
Pollution (9)	**PPC**	0%	0%
Biodiversity and ecosystems (10)	**BIO**	0%	0%

Table 54. CapEx Tubos Reunidos Group 2024

Independent Limited Assurance Report on the Consolidated Non-Financial Information Statement and Sustainability Information for the year ended 31st December 2024

TUBOS REUNIDOS, S.A. AND SUBSIDIARIES

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of **TUBOS REUNIDOS**, S.A.

Conclusion of limited assurance

In accordance with article 49 of the Commercial Code, we have performed a limited verification engagement on the Consolidated Non-Financial Information Statement ("NFIS") for the year ended December 31, 2024, of **TUBOS REUNIDOS, S.A.** (the "Entity") and subsidiaries (the "Group"), which is part of the Group's Consolidated Management Report.

The content of the NFIS includes information in addition to that required by prevailing company law in respect of non-financial information, specifically the Sustainability Information prepared by the Group for the year ended December 31, 2024 (the "sustainability information") in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, as regards corporate sustainability reporting (the "CSRD"). The sustainability information was also subject to limited verification.

Based on the procedures applied and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) The Group's NFIS for the year ended 31st December 2024 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria selected in European Sustainability Reporting Standards ("ESRS"), as well as other criteria described as explained for each subject matter in the Appendix "Contents required by Law 11/2018" of the NFIS.

b) The sustainability information, taken as a whole, has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying Appendix "CSRD Disclosure Requirements", including:

- That the description of the process for identifying the sustainability information to be disclosed included in chapter "4.5 Double Materiality" is consistent with the process implemented and that it enables the identification of the material information to be disclosed in accordance with the requirements of ESRS.
- Compliance with ESRS.
- Compliance of the disclosure requirements included in Appendix "European Taxonomy" on the environment in the sustainability information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

Basis of conclusion

We have performed our limited verification engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Guidelines 47 (revised) and 56 issued by the Spanish Institute of Chartered Accountants on non-financial information assurance engagements and considering the contents of the note issued by the Spanish Accounting and Auditing Institute (ICAC) on December 18, 2024 (the "generally accepted professional standards").

The procedures performed in a limited verification engagement are less in extent than for a reasonable verification engagement. Consequently, the level of assurance obtained in a limited verification engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those regulations are further described in the *Practitioner's responsibilities* section of our report.

We have complied with the independence and other ethics requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) of the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires us to design, implement, and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Directors

The preparation of the NFIS included in the Group's consolidated management report is the responsibility of the Directors of **TUBOS REUNIDOS, S.A**. The NFIS has been prepared in accordance with the content required by prevailing company law and the criteria selected in ESRS, as well as other criteria described as explained for each subject matter in THE Appendix "Contents required by Law 11/2018" of the NFIS.

This responsibility also includes the design, implementation, and maintenance of such internal control as considered necessary to ensure that the NFIS is free of material misstatement, whether due to fraud or error.

The Directors of **TUBOS REUNIDOS, S.A**. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFIS is obtained.

In relation to the sustainability information, the entity's Directors are responsible for developing and implementing a process for identifying the information to be included in the sustainability information in accordance with the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, and for disclosing information about this process in the sustainability information itself in chapter "4.5 Double Materiality". This responsibility includes:

- Understanding the context in which the Group carries out its activities and business relationships, as well as its stakeholders, in relation to the Group's impact on people and the environment.

- Identifying the actual and potential impacts (both negative and positive), as well as risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium or long term.

- Assessing the materiality of the identified impacts, risks and opportunities.

- Making assumptions and estimates that are reasonable under the circumstances.

The Directors are also responsible for the preparation of the sustainability information, which includes the information identified by the process, in accordance with the sustainability reporting framework used, including compliance with the CSRD, the ESRS, and compliance of the disclosure requirements included in Appendix "European Taxonomy" of the section on the environment in the sustainability information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors consider relevant to enable the preparation the sustainability information that is free from material misstatement, whether due to fraud or error.

- Selecting and applying appropriate methods for the presentation of sustainability information and the basis of assumptions and estimates that are reasonable, considering the circumstances, about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with ESRS, the entity's Directors are required to prepare forward-looking information on the basis of assumptions and hypothetical assumptions, which must be included in the sustainability information, about potential future events and possible future actions, if any, that the Group could take. Actual results may differ significantly from estimated results, as the reference is to the future and future events frequently do not occur as expected.

In determining the disclosures in the sustainability information, the entity's Directors interpret legal and other terms that are not clearly defined and that may be interpreted differently by others, including the legal conformity of such interpretations, and, accordingly, are subject to uncertainty.

Practitioner's responsibilities

Our objectives are to plan and perform the verification engagement to obtain limited assurance about whether the NFIS and sustainability information are free from material misstatement, whether due to fraud or error, and to issue a limited verification report that includes our conclusions. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this information.

As part of a limited verification engagement, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Design and perform procedures to assess whether the process for identifying the disclosures to be included in the NFIS and sustainability information is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed as required in the ESRS.

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.

- Design and perform procedures responsive to disclosures in the NFIS and sustainability information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary from the work performed

A limited verification engagement involves performing procedures to obtain evidence as a basis for our conclusions. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and sustainability information.

Our work consisted of making inquiries of management and of the Group's various business units and components that participated in the preparation of the NFIS and sustainability information, reviewing the processes used for compiling and validating the information presented in the NFIS and sustainability information, and applying certain analytical procedures and performing tests of details on a sample basis as described below:

For verification of the NFIS:

- Holding meetings with Group personnel to obtain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.

- Analyzing the scope, relevance and completeness of the content of the 2024 NFIS based on the materiality assessment performed by the Group and described in chapter "4.5 Double Materiality" of the NFIS, considering the content required in prevailing company law.

- Analyzing the processes used to compile and validate the data presented in the 2024 NFIS.

- Reviewing the disclosures relating to the risks, policies and management approaches applied with respect to the material matters presented in the 2024 NFIS.

- Checking, through sample testing, the information underlying the content of the 2024 NFIS and whether it has been adequately compiled based on data provided by information sources.

For verification of the sustainability information:

- Making inquiries of Group personnel:

  - To understand the business model, the policies and management approaches applied and the main risks related to these matters and to gather the information needed to perform the independent assurance work.

  - To know the source of the information used by management (e.g., interaction with stakeholders, business plans and documents on strategy) and review the Group's internal documentation on its process.

- Obtaining, through inquiries of Group personnel, insight into the entity's processes for gathering, validation, and presenting information relevant for the preparation of its sustainability information.

- Assessing whether the evidence obtained in our procedures on the process implemented by the Group for determining the disclosures to be included in the sustainability information is consistent with the description of the process included in that information, as well as assessing whether that process implemented by the Group enables identification of the material information to be disclosed in accordance with the requirements of the ESRS.

- Assessing whether all the information identified in the process implemented by the Group for determining the disclosures to be included in the sustainability information is effectively included.

- Evaluating whether the structure and presentation of the sustainability information is consistent with ESRS and the rest of the sustainability reporting framework applied by the Group.

- Performing inquiries of relevant personnel and analytical procedures on the disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.

- Performing, as appropriate, substantive procedures through sampling of selected disclosures in the sustainability information, considering those where material misstatements are likely to arise, whether due to fraud or error.

- Obtaining, as appropriate, reports issued by accredited independent third parties accompanying the consolidated management report in response to the requirements of European regulations and, in relation to such information and in accordance with generally accepted professional standards, verification, exclusively, of the accreditation of the practitioner and that the scope of the report issued corresponds to that required by European regulations.

- Obtaining, as appropriate, the documents containing the information incorporated by reference, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verification, exclusively, that in the document to which the information incorporated by reference refers, the requirements described in ESRS for the incorporation by reference of information in the sustainability information are met.

- Obtaining a representation letter from the Directors and management regarding the NFIS and sustainability information.

Other information

The persons in charge of the entity's governance are responsible for the other information. The other information comprises the consolidated financial statements and the rest of the information included in the consolidated management report, but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the sustainability information and attached to the consolidated management report.

Our verification report does not cover the other information and we do not express any form of verification conclusion on it.

Our responsibility in connection with our engagement to verify the sustainability information is to read the other information identified and consider whether it is materially inconsistent with the sustainability information or the knowledge we have obtained during the verification engagement that could indicate material misstatements in the sustainability information.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Miguel Mijangos Oleaga

February 28th, 2025

In signing this document, the Directors of the Company "TUBOS REUNIDOS, S.A.", with Tax ID No. A/48/011555 and registered office in Amurrio (Álava), in accordance with Article 253 of the Consolidated Text of the Spanish Companies Act, drew up the consolidated annual accounts and the consolidated management report of TUBOS REUNIDOS, S.A. AND SUBSIDIARIES for financial year 2024, all of which is detailed and identified as indicated below:

Consolidated Annual Accounts (Consolidated Balance Sheet, Consolidated Profit and Loss Account, Consolidated Comprehensive Income Statement, Consolidated Statement of Changes in Net Equity, Consolidated Cash Flow Statement and Consolidated Report), Consolidated Management Report, Annual Corporate Governance Report (ACGR), Annual Directors' Remuneration Report (ADRR) and Statement of Non-Financial Information and Sustainability Information (SI).

Furthermore, the directors of the Company state that, to the best of their knowledge, the consolidated annual accounts prepared in accordance with the applicable accounting principles give a true and fair view of the assets and liabilities, financial position and results of the issuer and the undertakings included in the consolidation taken as a whole, and that the consolidated management report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Mr Josu Calvo Moreira
(Non-Executive Chairman – Independent)

Mr Emilio Ybarra Aznar
(Deputy Chair – Proprietary Director)

Mr Alfonso Barandiarán Olleros
(Proprietary Director)

Mr Jorge Gabiola Mendieta
(Independent Director)

Mr Enrique Migoya Peláez
(Proprietary Director)

Ms Ana Muñoz Beraza
(Independent Director)

Mr Jesus Pérez Rodriguez-Urrutia
(Independent Director)

Ms Teresa Quirós Álvarez
(Independent Director)

Ms María Sicilia Salvadores
(Independent Director)

Mr Cristóbal Valdés Guinea
(Proprietary Director)

Ms Leticia Zorrilla de Lequerica Puig
(Proprietary Director)

Amurrio (Álava), 27 February 2025