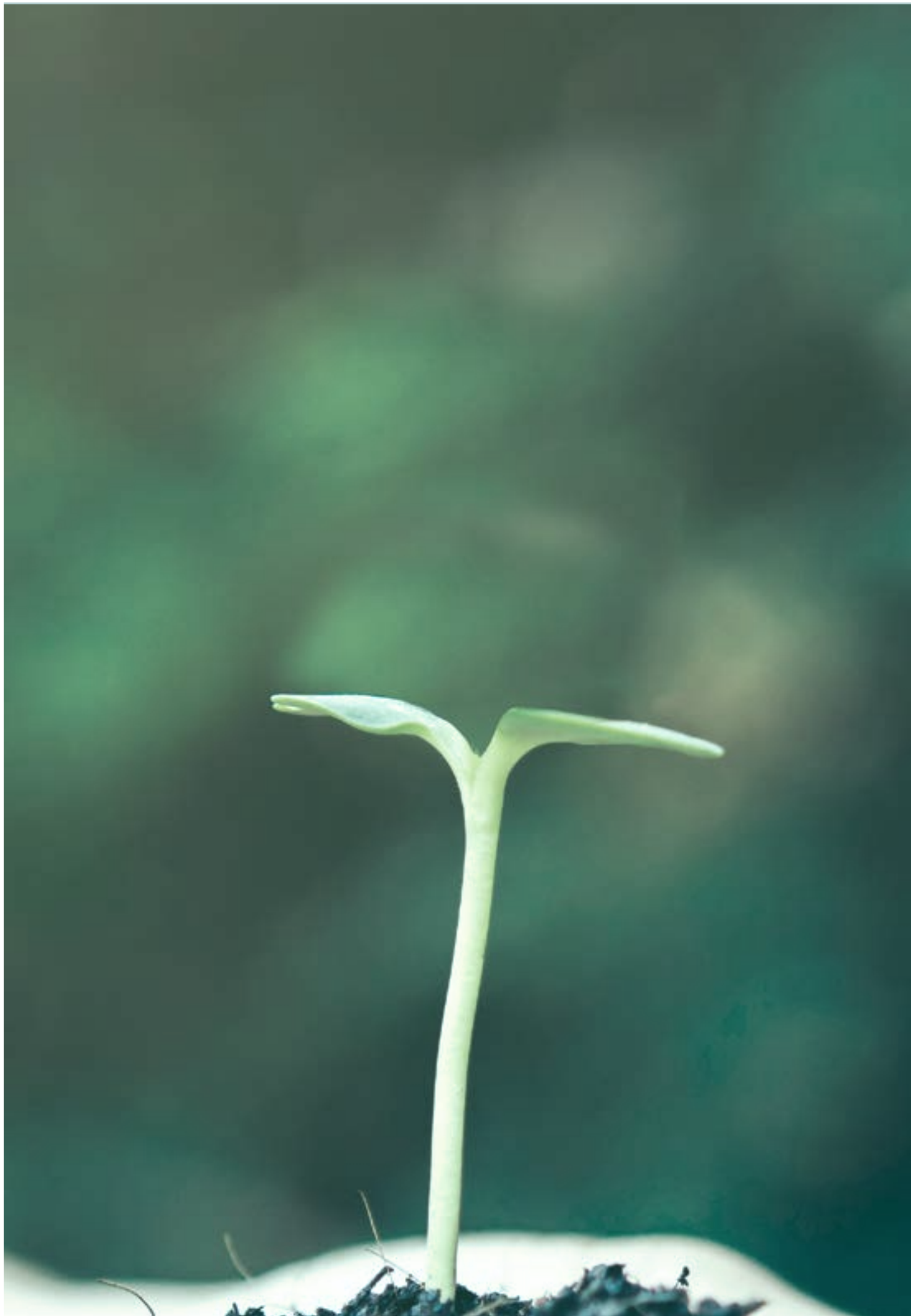


R e p o r t

2022

Non-financial status report



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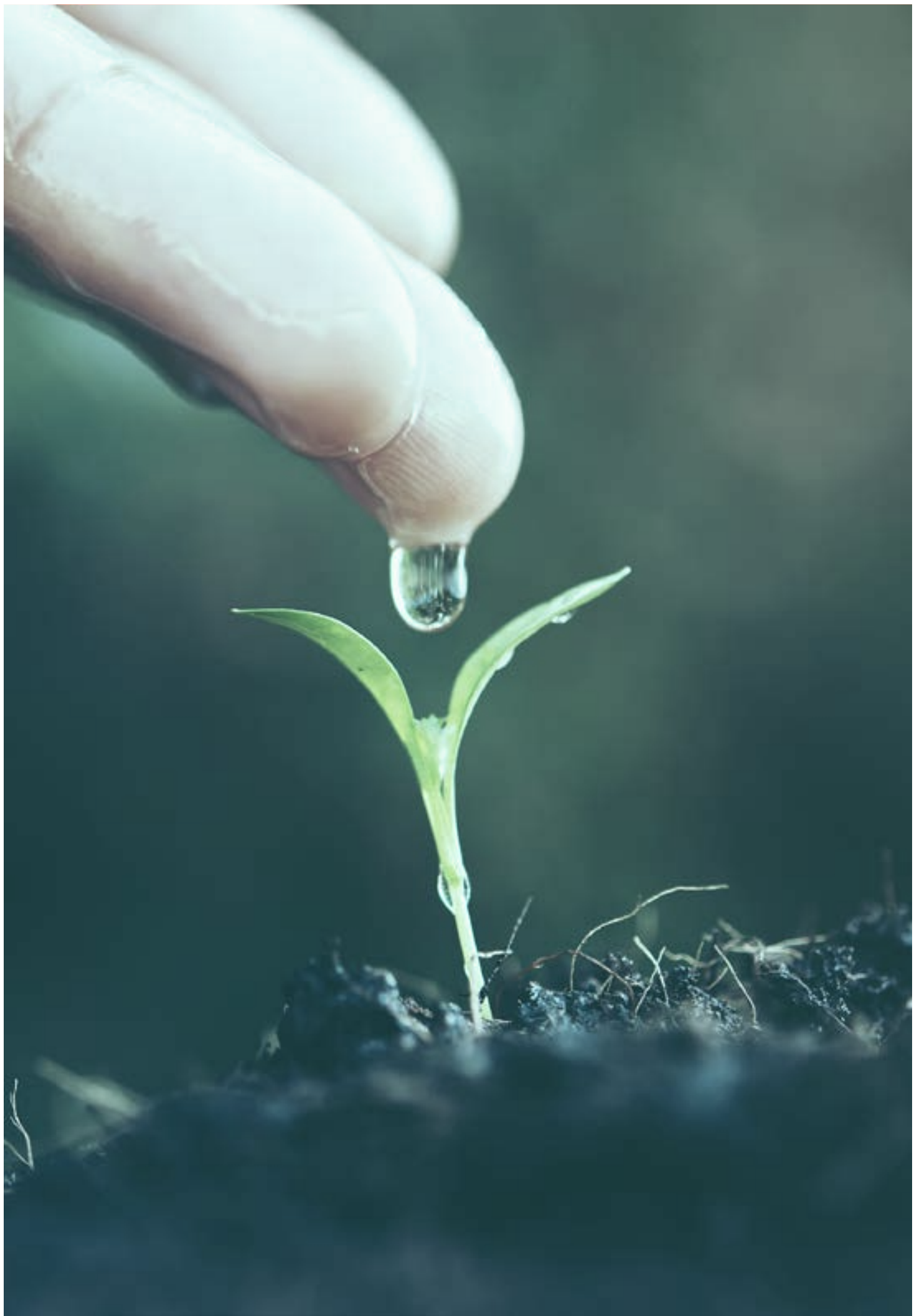
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PRESENTATION

Grupo Arania presents its second Non-Financial Status Report corresponding to the financial year 2022 with the purpose communicating its progress in sustainability on environmental, social and governance matters to our stakeholders with complete transparency.

This document is part of the Grupo Arania Consolidated Management Report for the financial year 2022. With its publication, Grupo Arania complies with the requirements established in Law 11/2018 of 28 December 2018, reporting information on environmental, social and workforce matters, as well as human rights, society and the fight against corruption and bribery.

The information includes all significant impacts within the period featured in the report, taking the model in the GRI method as a reference. Nevertheless, with the approval last December of the European Corporate Sustainability Reporting

Directive (CSRD) with respect to the presentation of information on sustainability, over time we seek to bring the sustainability report onto a level with the financial report, allowing access to reliable and comparable data.

The common reporting standards, which will be based on the technical work carried out by the EFRAG (European Financial Reporting Advisory Group) and are expected to be published in delegated acts in June 2023, will facilitate the alignment of reporting and content with the purpose of the future Directive on due diligence in business sustainability.

With its sustainability strategy as the driving force in this context, Grupo Arania is committed to developing good practices aimed at balanced economic growth, with an ESG focus, gaining efficiency and transparency.

“We’re a new style of steel transformation. We believe in people and the strength of teamwork. We are Grupo Arania”.

LETTER FROM THE CHAIRMAN

GRI 2-22

Grupo Arania began in 1940 as a modest stamping workshop. It is currently an industrial group made up of almost 1000 people, with four diversified business units; five factories, a technology centre and an R&D laboratory, as well as subsidiaries and offices in multiple countries.

It is my pleasure to present our second Non-Financial Status Report corresponding to 2022. In a very difficult context, in which we have experienced significant challenges in both geopolitical and economic fields: the war in Ukraine, pressure on the supply chain, adaptation to new legal requirements, inflation, to name the most significant.

Grupo Arania is committed to Sustainability as one of the mainstays of its growth strategy. As I mentioned in my previous letter, it is true that customers, suppliers, employees, shareholders and society in general expect more from companies. It is with good reason that social tensions, environmental catastrophes and economic crises pose a threat to the system. Companies are not immune to the challenges we

face as a society, and when these arise, at Grupo Arania we are convinced that companies can be a source of solutions and clearly contribute to the common good.

This last year, we created a new position in the group to lead the sustainability strategy, reporting directly to the Managing Director. That was an important pending task. This new sustainability manager is going to allow us to coordinate and make headway, with greater efficiency and speed at group level, on the already significant efforts we have been making at the level of each Business Unit.

As a steel processing industry, quite a few challenges lie ahead. Our ambition is, in close collaboration with suppliers, customers, universities, technology centres and administrations, is to be the launch point for the revolution that is happening in the industry.

There is the challenge of energy, its origin and its cost, which has been of paramount importance this year. We are continuing with our strategy

of reaching agreements with energy suppliers to consume only electrical energy guaranteed to be of renewable origin, the energy efficient management system ISO 50001 is being implemented and certified, and this year we have made the decision to invest in the installation of solar panels, which will allow us to take sustainability further, guaranteeing part of our use at a known and competitive cost.

There is the challenge we share with the whole steel industry, our carbon footprint. Apart from actively working to define and measure it accurately, the main challenges we have as an industry is “green” steel, or achieving zero-emissions steel in collaboration with the main European manufacturers. In this field, I would like to point out the investment we are going to make by 2026, on a par with other significant customers of a top level European steel producer, to have priority access to zero-emissions green steel. We think it will be a significant milestone in the decarbonisation of the steel industry and an example of collaboration within the industry.

There is the challenge of circularity, an area in which steel is notable. We are working on a sustainable production and consumption model, in which the raw materials are kept in the production cycles for longer and can be used repeatedly, generating less waste.

It would not have been possible to face up to all these challenges in 2022 without the daily commitment and dedication of the extraordinary team of people that make up Grupo Arania, to whom I am extremely grateful. As I do like to repeat, on our own we can do a bit, but together we can do a lot more.

MR. ERIC ARANA
CHAIRMAN

In Euba-Amorebieta, May 2023



ORGANISATION AND BUSINESS MODEL

Corporate identity

Innovation

Sustainability strategy

Commitments to stakeholders

Analysis of materiality

GRI 2-2 AND GRI 2-6

Over 80 years of experience.

5

production plants

AMOREBIETA, GALDAKAO,
VITORIA-GASTEIZ,
TUDELA AND SLOVAKIA

400,000

tonnes

PROCESSING CAPACITY
OF STEEL PER YEAR

968

employees

80%

export AVERAGE





THE GROUP COMPANIES

4 INDUSTRIAL
SECTORS

Cold rolled steel strapping

ARANIA

Welded steel pipes

ARATUBO

Industrial shelving

AR RACKING

Metal shelving

AR SHELVING

PRESENCE

+65 *countries*

Production centre in **Slovakia**.

Commercial offices in various countries:
France, UK, Chile, Peru, Colombia,
Germany, USA.

Sales almost all over **Europe and Latin**
America.



ARANIA

Arania is an expert in integrating our customers' needs into our own management and production processes, achieving maximum quality and reliability throughout the value chain.

The automobile ancillary industry and multiple steel consumers with the highest technical demands benefit from Arania's excellent adaptability.

Location:

AMOREBIETA, BIZKAIA

Production

100,000 tonnes/year

Employees

173

Installations

28,000 m²

Exports

65%

Note: to calculate the export data, intercompany operations are not considered.





ARATUBO

At Aratubo we manufacture, certify and process our precision-welded steel pipes to adapt them to the needs of each business.

At Aratubo we are committed to offering a global service, supplying each final part according to the requirements of each project.

Location:

VITORIA-GASTEIZ, ÁLAVA-ARABA

Production

95,000 tonnes/year

Employees

180

Installations

70,000 m²

Exports

90%

Note: to calculate the export data, intercompany operations are not considered.





AR RACKING

At AR Racking we are a company specialising in the design, manufacture, calculation and installation of industrial storage systems and metal shelving for all types of loads, complying with the strictest European standards.

The leading position of AR Racking in the manufacture of storage systems provides us with in-depth knowledge of our customers' intralogistics needs.

Location:
TUDELA, NAVARRA

Production

70,000 tonnes/year

Employees

288

Installations

35,000 m²

Exports

70%

Note: to calculate the export data, intercompany operations are not considered.





AR SHELVING

At AR Shelving we are a company specialising in the design and manufacture of light-load metal shelves, aimed at the hardware and DIY sector. The perfect partner for DIY retail all over the world.

Location:

GALDAKAO, BIZKAIA
BYTČA, SLOVAKIA

Production

24,000 tonnes/year

Employees

327

Installations

15,000 m²

Exports

80%

Note: to calculate the export data, intercompany operations are not considered.



Since 1940

1940

The company Arania began in Bizkaia.



1971

New Arania plant in Amorebieta, dedicated to cold rolling, profiles and welded pipes.



1991

Constitution of AR Systems specialising in the light shelving market.



1997

Launch of Aratubo in Vitoria-Gasteiz, Júndiz (Álava-Araba). Specialised in the manufacture of precision-welded steel pipes.



1998

Picking shelves launched by AR Systems.



2000

Comprehensive overhaul of the Arania installations in Amorebieta: New cold rolling mill.



2004

Creation of Arestant in Tudela (Navarra) and the activity of industrial storage systems.

2007

Opening of Arestec technology centre in Zamudio (Bizkaia).



2009

Arania receives the ERNST & YOUNG award for best internationalisation.

2015

Grupo Arania receives the Internationalisation Award from Bilbao Chamber of Commerce.



Since 1940

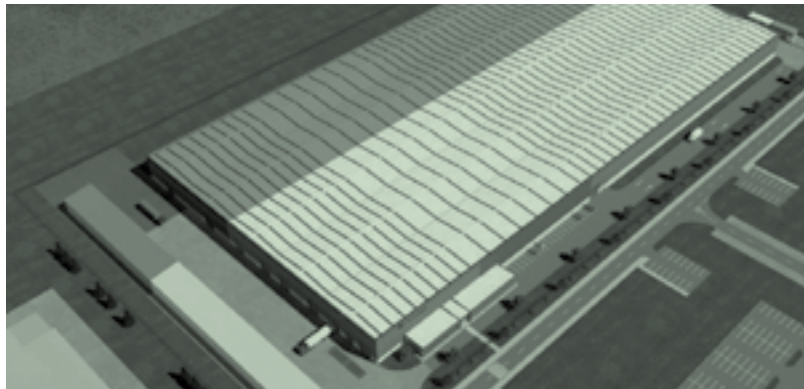
2016

Arania closes an order with Austrian manufacturer Ebner for the supply and installation of bell annealing furnaces.



2017

Expansion of AR Racking's production centre in Tudela to 21,000 m² in 2008, and 35,000 m² in 2017.



2018

Expansion of Aratubo's production centre. 2nd building of 14,000 m² in 2016 and a 3rd of 24,000 m² in 2018.

Inauguration of the AR Lab Research Laboratory at the Mondragon University.

New offices in Peru, Chile, Colombia, France, UK, Belgium and Germany.





2020

Grupo Arania celebrates its 80th anniversary.

2021

Collaboration agreement with the UPV. AR Racking Research Centre: Storage Solutions.

2022

Grupo Arania publishes its Non-Financial Status Report 2021 (NFSR) for the first time.

Opening of new USA office of AR Racking Inc. and AR Shelving Inc. in Charlotte (NC)

On 15 September 2022 the annual Sustainability Committee reported the constitution of the new Sustainability Department of Grupo Arania, directed by Ana Guinea from January 2023.



Commitment to reducing the environmental impact of the companies.

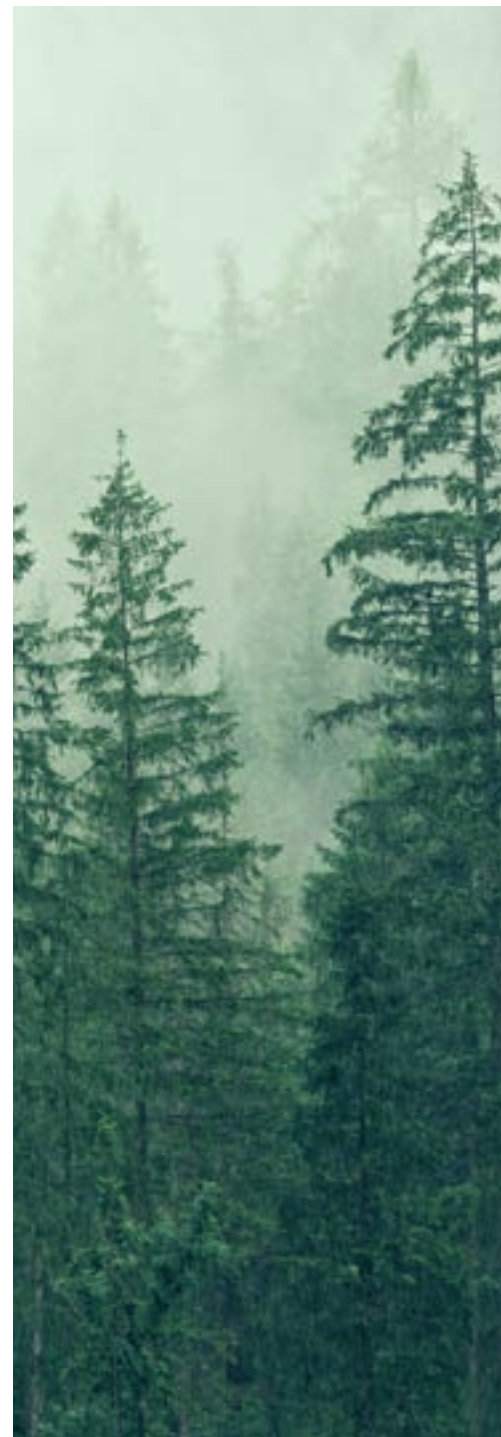
CERTIFICATIONS

GRI 2-29

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

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

In 2022, Aratubo and AR Racking reached the milestone of obtaining the ISO 50001 certification, thus incorporating energy management to reduce energy consumption, minimise their carbon footprint and decrease costs through sustainable energy use. Backing the commitment to reducing the environmental impact of the companies.





ARANIA ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 ISO 50001:2018 IATF 16949:2016	ARATUBO ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 ISO 50001:2018 IATF 16949:2016	AR RACKING ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 ISO 50001:2018 ISO 3834-2: 2021 EN-1090-1:2009 (CE marking)	AR SHELVING ISO 9001:2015 ISO 14001:2015 ISO 45001:2018 FSC Chain of custody
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European leader in steel processing.

MAIN MARKETS

GRI 2-2 AND GRI 2-6

Grupo Arania is one of the European leaders in the field of steel processing, consolidating its presence in the major international markets listed below:



COMPANY	PRODUCTS/SERVICES	GEOGRAPHIC SCOPE	CUSTOMERS
ARANIA	High and low carbon precision cold rolled steel Alloy and microalloyed steels with high yield strengths.	Spain Europe Mexico South America	Automotion Industry Electrical Furniture
ARATUBO	Manufacture of precision welded pipes	Spain Europe Northern Africa Mexico USA	Integral supplier for automotion Shopfitting Furniture (hospital, office, commercial) Warehousing Logistics (conveyor rollers)
AR RACKING	Design, manufacture, calculation and installation of industrial storage systems and metal shelving	Spain Europe USA Mexico Central and South America	Food & beverages Automotion Pharmacy and cosmetics Large distributors Industrial Transport and logistics
AR SHELVING	Design and manufacture of metal shelving for light loads.	Spain Europe USA Mexico Central and South America	Hardware DIY

CORPORATE IDENTITY

GRI 2

Mission

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

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

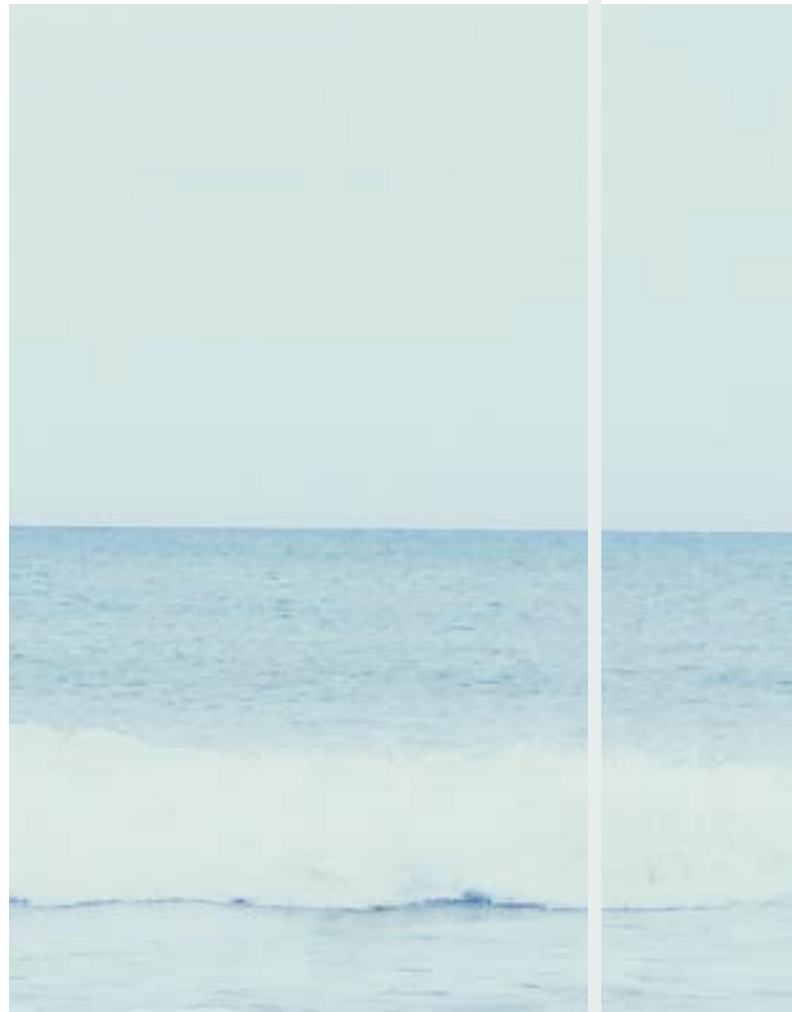
With special dedication to the impact that our operations may have on people's progress and on sustainable growth.

Vision

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

Values

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



HONESTY*Integrity in our approach*

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

Transparency

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

RESPONSIBILITY*Promotion of sustainable practices*

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

Supervision of our behaviour

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

Occupational safety and prevention

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

CONTRIBUTION*Relationship with the environment*

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

COOPERATION*Integration*

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

Expressed synthetically as leaders in conduct, they are as follows:

PEOPLE

Equality, health and safety, and commitment to individual and collective progress.

MANAGEMENT

Ethics, transparency and honesty.

ADAPTATION

Flexibility and involvement in changing situations.

CONTRIBUTION

Cooperation in and contribution to the achievement of the Sustainable Development Goals (SDG).

BUSINESS PLAN 2023-2026

FLEXIBILITY AND EFFICIENCY FRAMED BY SUSTAINABILITY

2023 will be a year marked by the flexibility necessary to adapt to the changes in pace and, at the same time, to be able to maintain the competitiveness the market requires.

The goals that Grupo Arania already has under way, aimed at safety, quality and efficiency, improving installations and processes and implemented automated systems, are complemented with the goals of digitisation and sustainability, to reducing CO₂ emissions at the forefront.

In 2023, a very volatile context, marked by uncertainty, has coincided with an economic forecast that is not very encouraging.

Despite the forecast of recession in the Eurozone for 2023, it is in our DNA to face the future with powerful, exciting projects, that make it possible to take on significant demand in the medium term, linked to a strategy that is already under way to boost new sectors and markets. We are going through a period of transformation and opportunity in which Grupo Arania hopes to continue to grow, encompassing the group's main values: commitment to sustainability, quality and resolution to continue to be a leader in the sector.

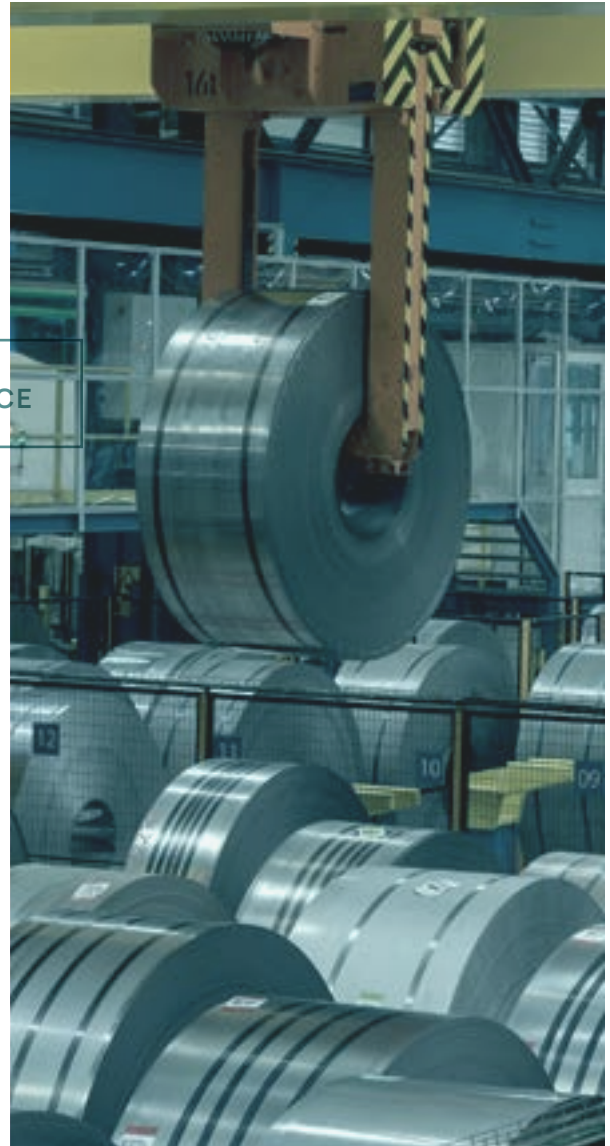
Without doubt, the coming years will be marked by major challenges that will be heightened by a context that is difficult to predict, that will require flexible relationships with customers,

suppliers and workers that will enable us to grow with continuity and keep improving quality, pursue technological transformation and digitisation and keep fighting to fulfil the next goals of reduced carbon emissions and energy efficiency.

DIGITISATION AND ARTIFICIAL INTELLIGENCE

Digitisation by implementing an innovative automatic warehouse at the heart of the Arania plant was one of 2022's major internal projects. It is an innovative logistics solution developed by our in-house engineering department, in collaboration with different divisions of the group, with participation from leading companies in the sector of digital technology and automation. It places us in an unbeatable situation to take on similar processes at other facilities.

Since December 2022, Grupo Arania has been part the Basque ecosystem of Artificial Intelligence when Aratubo became a member of BAIC, the Basque Artificial Intelligence Center.



INTERMODALITY IN TRANSPORT

During 2022, our intermodality increased in international transport to customers, exceeding the previous year's. Alongside intermodal transport, the supply of raw materials by rail will also play an important role in Grupo Arania's new sustainable logistics chain.

INNOVATION

The integration of **SDG 9 Industry, Innovation and Infrastructure** into Grupo Arania's business model and as well as the different targets related to it frame the structural management of innovation aimed at facing the major challenges of our sector.

The improved production efficiency through automation and continual improvement programmes and ongoing investment in R&D, with the aim of remaining at the forefront of technology and production in each of the business, are two key pillars to reinforce our competitiveness over the competition.



STRATEGY AND GOALS FOR INNOVATION

The evaluation and development of Grupo Arania's innovation projects incorporate a focus on social responsibility, creating products with direct impact on energy efficiency and, consequently, their CO₂ emissions, a key target in the EU energy strategy for the coming decades.

All of the projects entail a number of benefits that directly influence the environmental conduct of the companies in Grupo Arania, as they are more efficient in terms of energy and use of resources and raw materials.

We avoid wasting materials and energy with more effective production processes, so we generate a smaller amount of waste, and at the same time reduce CO₂ emissions and pollution in general.

These practices have a positive impact on staff as they minimise risks and accidents during production and significantly reduce the stress and workload they are subjected to.

POTENTIAL OF THE ENVIRONMENT FOR INNOVATION

For joint training and development on innovation, we actively collaborate with different stakeholders: customers, suppliers, clusters, universities, research centres, technology centres and business associations.

Innovation in products and processes (R&D+i)

The Hazitek R&D grant programme is noteworthy. It was designed to promote research and development projects with grants to provide the necessary resources for industrial research or experimental development. The innovation projects in 2022 can be grouped in 2 main categories:

DEVELOPMENT OF NEW PRODUCTS

Project: **Rad+**

Objective: making motor vehicles lighter

Project: **NoS-B**

Objective: manufacture, assembly and use in an automated environment

Project: **LOWHC**

Objective: development of electrical steels

Project: **AHSS**

Objective: development of steels with properties typical of third-generation steels

SIMULATIONS, PREDICTIVE MODELS

Project: **ACPRESS**

Objective: using simulations to predict the behaviour of materials

Project: **PILAR**

Objective: developing a model to simulate mechanical properties

Automated production line

In 2022 a new fully automated production line was implemented at AR Shelving. This project was partly subsidised by European funds for innovation.

SUSTAINABILITY STRATEGY

GRI 2-23

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

Grupo Arania's sustainability strategy is based on corporate culture sustaining the market value proposition, which is the key that will enable us to differentiate ourselves and prosper. This culture, expressed as the "spirit of Grupo Arania" in previous corporate statements, has also been presented in the definitions of **Mission, Vision and Values**.

Sustainability, considered a driving force of context, prior learning, the essential alignment with the 2030 Agenda and the SDG, as well as the recent restructuring of the group and presentation as a **consolidated group** for better dynamics, gaining efficiency and transparency, lead us to express the **commitments** to the **ESG focus: Environmental, Social and Governance**.

Commitment to good practices, based on integrity and ethics.

Commitment to people, based on equal treatment and opportunities in access to jobs and working conditions, as well as facilitating improvement in skills and capabilities for efficient fulfillment of the assigned responsibilities and roles so people can be promoted according to objective criteria based on their merits and experience.

Commitment to the environment, taking environmental protection as a key element and playing an active role in sharing values related to sustainable development, beyond the requirements of the applicable legislation.

Commitment to society, based on the principles of collaboration and transparency and providing social and labour insertion resources for disadvantaged groups.

Through the analysis of needs and expectations of our internal stakeholders, especially the people that comprise the organisation and our external stakeholders, that have a relationship with or are involved in any of the operations, we have launched **Living Sustainability**, which represents all the actions we are taking within the sustainability strategy on corporate governance and the economic, social and environmental areas of Grupo Arania.

Living Sustainability

- ≈ Develop culture of sustainability inside within the company
- ≈ Integrate the 10 principles of the Global Compact and the SDG into the management
- ≈ Reduce risks and make the most of opportunities, taking into account the relevant issues
- ≈ Make voluntary progress in compliance with environmental and social requirements, which will be legally compulsory in future
- ≈ Maintain certifications for the environment (ISO 14001 and ISO 50001), safety (ISO 45001) and quality (ISO 9001 and IATF 16949)
- ≈ Respect and promote human rights, a healthy company and professional development
- ≈ Responsible innovation and supply
- ≈ Digitisation and cybersecurity
- ≈ Minimise our carbon footprint and progress towards a circular economy
- ≈ Collaboration with social initiatives
- ≈ Transparency and information on sustainability

With these lines of action, we are reinforcing our firm commitment to sustainable development and our belief in the transformational power of companies to create a better world.

COMMITMENTS TO STAKEHOLDERS

GRI 2-23

To meet the needs and expectations of all the groups involved in the activities of Grupo Arania, we must indicate some of these commitments, which can be consulted in the Sustainability Strategy.



Shareholders

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

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

Directors

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

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

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

Facilitate a work-life balance.

People

Maintain the confidentiality of the information generated by the activity of Grupo Arania.

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

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

Customers

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

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

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

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





Suppliers

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

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

Competitors

Grupo Arania competes in both the domestic and international market complying with the current regulations that guarantee free competition, avoiding price control, market sharing or the abuse of a dominant position.

Collaborators

Communicate and disseminate the Code of Conduct to all collaborators as a commitment to sustainability by Grupo Arania.

Request that collaborators use sustainable practices that are respectful of people and the environment, as well as full protection of the information and intellectual and industrial property to which they have access due to their relationship with Grupo Arania.

Social setting

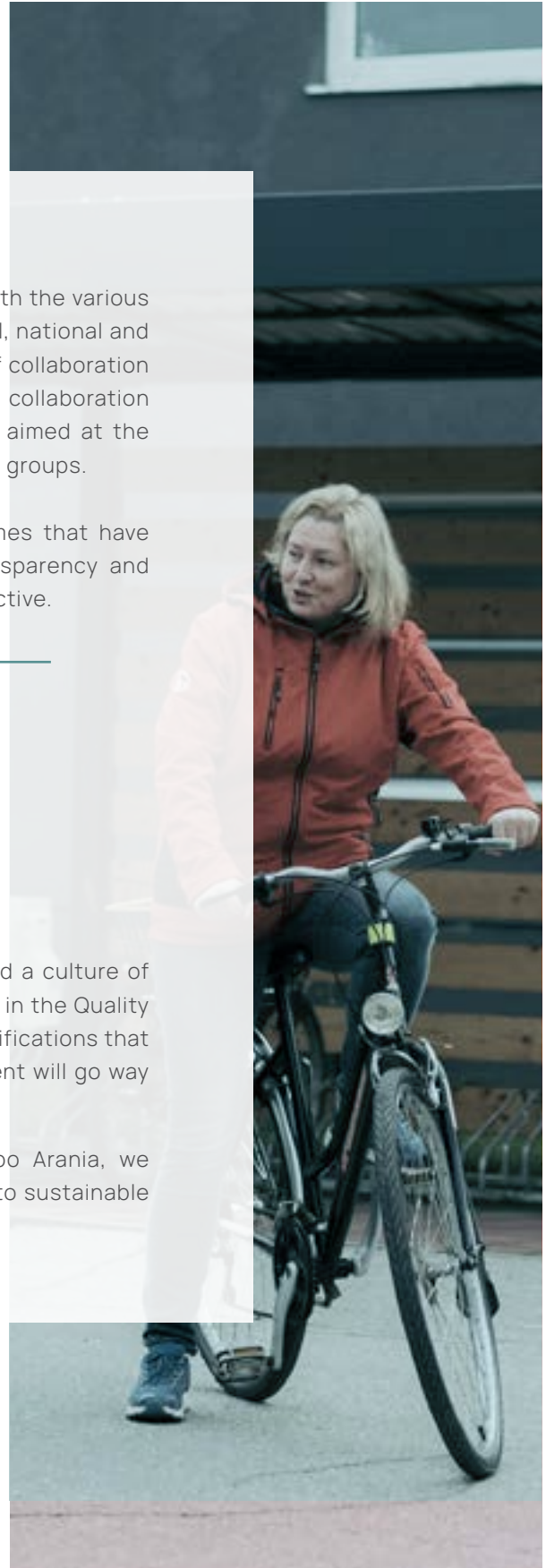
The relationships established through Grupo Arania with the various participants, organisations and institutions, on a local, national and international level, shall be based on the principles of collaboration and transparency and resources will be provided for collaboration agreements with local institutions,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

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

Environmental setting

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

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



ANALYSIS OF MATERIALITY

GRI 3

Grupo Arania continually determines the impact of its activities with regard to its ESG focus, aiming to achieve the best results in a sustained and balanced manner for all our stakeholders.

To do this, it references its sustainability strategy and actively listening to the needs and expectations of these stakeholders to enable it to adapt to the changes in the environment.

The mechanisms used to identify and evaluate the impacts are systematised through the various references and international standards that Grupo Arania assumes voluntarily, with express compliance with their certification by entities accredited for this purpose. Thus, the certifications ISO 9001, ISO 14001, ISO 45001 and ISO 50001 become basic management tools in the process of identifying and evaluating the significance of these impacts.

Finally, to prioritise actions, self-diagnostic reflections are made with participation from different groups and this internal vision is contrasted with publicly recognised entities to allow improvements to be made in the processes of both identification and prioritisation of the **material topics** on which to present information.

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

Participation in selecting and weighting the material topics has been specified in some of our

internal stakeholders (Directors and Staff assigned specific leadership) and the participation of some representatives of external stakeholders is still a challenge, which will be carried out progressively, led by the new sustainability management.

IMPACT IDENTIFICATION AND EVALUATION

The focus of the risk management and the identification methods for significant aspects of the areas of occupational health and safety and environment, including energy management, through the ISO certifications mentioned above, are practices that have been consolidated for a long time throughout Grupo Arania. In addition, the commitments of the Code of Conduct and Good Practices are a response to the Principle of Due Diligence as a preventive mechanism for the globalisation of economic activity and the consideration of the fields of respect for human rights and the fight against corruption and bribery.

The learning resulting from drawing up the first sustainability report last year has enabled us to select the list of material topics and verify the significance of the impacts for the commercial activities and relationships of the financial year 2022, featured in this report.

In addition to again making use of the regularity of the strategy appraisals, the SWOT analysis of the strategy and processes of each of the company plans of Grupo Arania's companies, one of the notable improvements in the identification of the material topics was the comparison of the internal vision expressed the previous year with the methods used by the Global Compact Spanish Network in the document "Contribution of Spanish

companies to the EU's sustainable development strategy 2030" and that expresses the level of implementation of aspects related to the SDG among Spanish companies in 2022.

With this, three blocks of Material Topics have been established, classified by ESG type:

The choice of this reference has taken into consideration the number and type of entities that have contributed to the consultation and the panel of experts who have participated in it.

	Scope GOVERNANCE	Scope ENVIRONMENT	Scope SOCIAL
1	Corporate policies of sustainability, human rights and anti-corruption	Decarbonisation and reduction of CO ₂ emissions	Promotion of health and welfare in the workforce
2	Evaluation of suppliers with environmental and social criteria	Measurement of carbon footprint and use of renewable energy	Development of the people management model
3	Certification of management systems for an integrated focus on risk management	Responsible management of natural resources and waste	Promotion of leadership and talent retention
4	Innovation, digitisation and cybersecurity	Alignment of activities and processes to the European Taxonomy	Alliances with universities and other knowledge management entities

Each of the fields of the Material Topics identified have been linked to their impacts, both positive and negative. For the negative impacts, the attributes of severity and probability have been considered, and for the positive, their scope and degree of benefit.

Code	Scope GOVERNANCE	Negative impacts	Positive impacts
G1	Corporate policies of sustainability, human rights and anti-corruption.	Absence of explicit references to commitments to stakeholders.	Awareness-raising for stakeholders and management framework for definition of the goals and objectives of compliance and improvement in legislative and regulatory fields.
G2	Evaluation of suppliers with environmental and social criteria.	Uncertainty and risks in the supply chain with impact on deadline fulfillment and customer loyalty.	General confidence in the long-term relationships and improvement of corporate image.
G3	Certification of management systems for an integrated focus on risk management.	The lack of unified criteria for approaching risks and opportunities blurs the efficacy of the planned resources and is source of constant uncertainty regarding the success and continuity of the company project.	The management approaches based on our stakeholders' needs and expectations facilitate taking action and proper resource planning to minimise incidents and potential harm in case of unforeseen events.
G4	Innovation, digitisation and cybersecurity	Obsolescence of processes, products and systems with the consequence of damaging the brand image and market positioning.	Improvement in competitiveness, confidence for business continuity and safeguarding of critical information.

Code	Scope ENVIRONMENT	Negative impacts	Positive impacts
M1	Decarbonisation and reduction of CO ₂ emissions.	This entails a focus contrary to the international sustainability strategies and compromises business continuity.	General opportunities to deploy innovation activities and improve the efficiency of production processes.
M2	Measurement of carbon footprint and use of renewable energy.	The international situation has demonstrates the vulnerabilities of using fossil fuels, the volatility of prices and their significance in the reduction of GHG emissions.	This enables the quantification of production processes throughout the value chain and taking measures to improve energy efficiency and the significantly contribute to mitigating climate change and the efficiency of operational costs.
M3	Responsible management of natural resources and waste.	The severity of irresponsible management of natural resources and waste generated impacts breach of legislation and exposure to administrative and penal sanctions.	It is the basis for improving the efficiency of production processes with good visibility for the brand image, generating strong corporate cohesion with all our stakeholders.
M4	Alignment of activities and processes to the European Taxonomy.	Possible contribution to significant damage to some environmental sustainability objectives.	Contribution to achieving the environmental objectives of the European legal framework on sustainability.

Code	Scope SOCIAL	Negative impacts	Positive impacts
S1	Promotion of health and welfare in the workforce.	This is compulsory to minimise incidents and accidents that may generating irreversible risks.	This generates cohesion both in the closest circle of the workforce and in the neighbouring social community, taking on the reputation of a “role model” to imitate.
S2	Development of the people management model.	Insufficient uniform criteria to consolidate the shared vision of the company project.	Systematisation of the key elements of people management, from incorporation to professional career development and recognition.
S3	Promotion of leadership and talent retention.	Inefficient management structure with bottlenecks for decision-making.	The management approaches based on our stakeholders' needs and expectations facilitate taking action and proper resource planning to minimise incidents and potential harm in case of unforeseen events.
S4	Alliances with universities and other knowledge management entities.	This can generate frustration and lead to loss of talent.	Reinforces corporate commitment and brings visibility to corporate policies on equal opportunities, improving the efficiency of training resources, learning and generation of innovative ideas.



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

Priority issues

These are four topics in which the weighting regarding the impact on the performance of Grupo Arania entails values of more than 80 out of 100 points and more than 50 out of 100 for the impact on the stakeholders.

- 1 Certification of management systems for an integrated focus on risk management.
- 2 Decarbonisation and reduction of CO₂ emissions.
- 3 Corporate policies of sustainability, human rights and anti-corruption.
- 4 Promotion of health and welfare in the workforce.

Material topics

(classified by ESG area)

Code

GOVERNANCE**Corporate policies of sustainability, human rights and anti-corruption**

G1

Evaluation of suppliers with environmental and social criteria

G2

Certification of management systems for an integrated focus on risk management

G3

Innovation, digitisation and cybersecurity

G4

ENVIRONMENT**Decarbonisation and reduction of CO₂ emissions**

M1

Measurement of carbon footprint and use of renewable energy

M2

Responsible management of natural resources and waste

M3

Alignment of activities and processes to the European Taxonomy

M4

SOCIAL

Promotion of health and welfare in the workforce

S1

Development of the people management model

S2

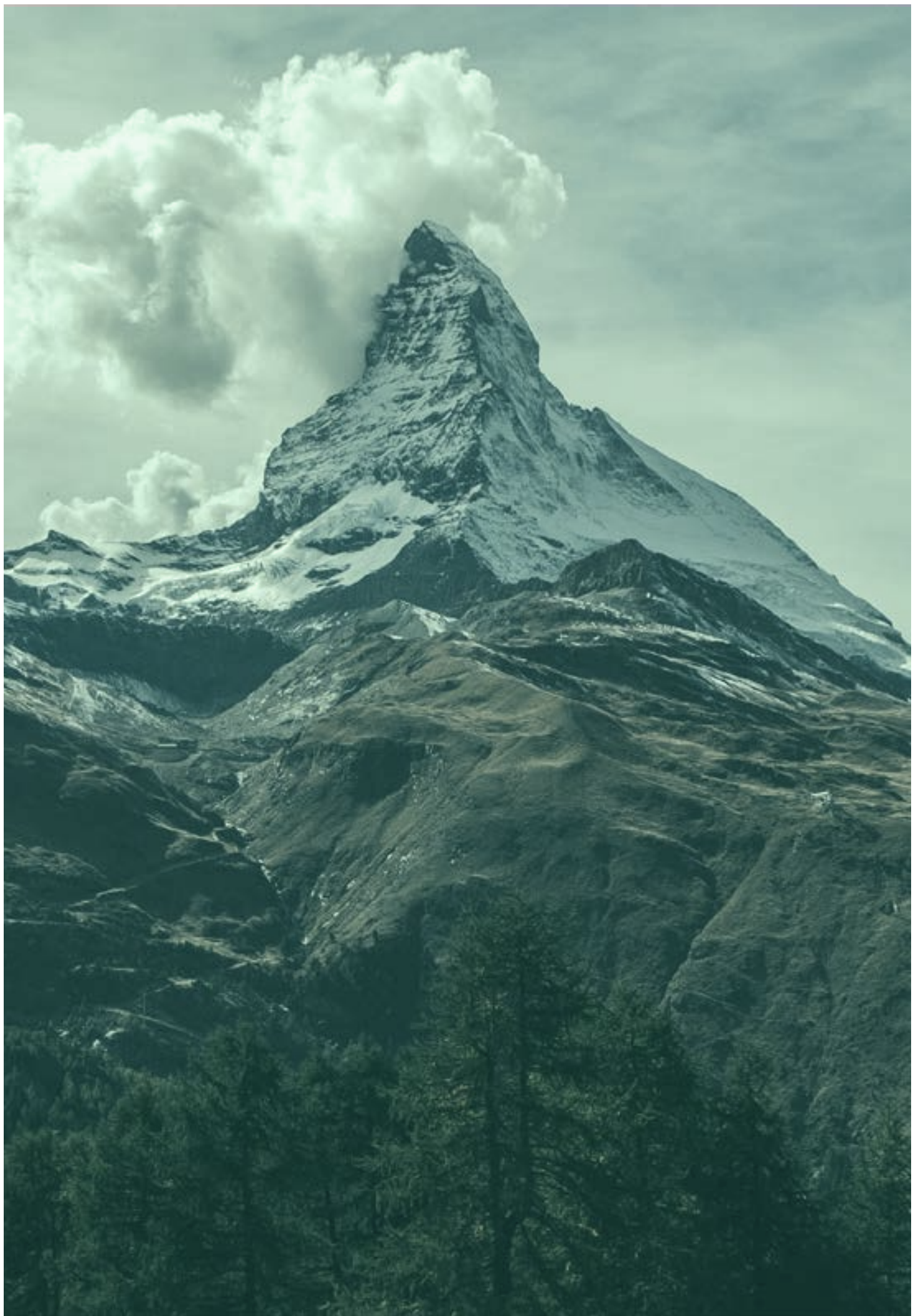
Promotion of leadership and talent retention

S3

Alliances with universities and other knowledge management entities

S4

Significant impact on the management and results of Grupo Arania (0 to 100, intervals of 5)	Significance for the stakeholders (0 to 100, intervals of 5)
80	60
74	50
90	60
65	40
90	70
60	50
75	30
50	40
75	40
80	60
75	50
75	40



GOVERNANCE

Ownership and legal form

Corporate and management structure

Code of conduct and risk management

Due diligence and general scheme of risks

Information on respect for human rights

Information on the fight against corruption and bribery

GRI 2-1, GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-13 AND GRI 2-14

OWNERSHIP AND LEGAL FORM

GRI 2-1, GRI 2-9, GRI 2-10 AND GRI 2-11

ACI (Arania Corporación Industrial) with head office in Euba-Amorebieta Spain (Ctra. N-634 km 88 48340) is a public limited company; on 31 December 2022 its share capital amounted to 11,988,328 euros, divided into 1,498,541 shares with a nominal value of 8.00 euros each.

The shareholders are:

Eric Arana Lahitte

Holder of 819,485 shares that represent 54.69%.

International Steel Business, S.A.

Holder of 679,056 shares that represent 45.31%.





CORPORATE STRUCTURE AND GOVERNANCE

GRI 2

The recent consolidation of Grupo Arania is shown in the following diagram.



Arania Corporacion Industrial S.A. is the head of the group regulated by its articles of association.

The foundations for governance are as follows:

- ≈ Delegation of the daily management of the group to the executive team.
- ≈ The four business lines assume the executive responsibilities in a decentralised, autonomous manner, and the effective management of each production plant.

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

ORGANISATIONAL CHART OF RESPONSIBILITIES

Family-owned capital group, independent

CHAIRMAN

Eric Arana

EXECUTIVE VICE-CHAIRMAN

Carmelo Bilbao

CEO

Alberto Lejarreta

BUSINESS UNITS

ARANIA
ARATUBO
AR RACKING
AR SHELVING

CORPORATE ADDRESSES

CYBERSECURITY
PURCHASING
EXPANSION
FINANCE AND ADMINISTRATION
IT SYSTEMS
LEGAL
PEOPLE
SUSTAINABILITY

CODE OF CONDUCT AND RISK MANAGEMENT

GRI 2-15, GRI 2-16 AND GRI 2-23

To provide a unified response to the natural different perceptions of the values and commitments, a document has been drawn up to set out the identity and culture. This document has been named the **Code of Conduct and Responsible Practices of Grupo Arania** and aims to strengthen links with our stakeholders through a transparent statement of our values and commitments, and as a procedural guide in the development of our activity.

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

The **Code of Conduct and Responsible Practices of Grupo Arania** is available on the website: grupoarania.com/personas.



INTERNAL BODIES AND CONTROL AND VERIFICATION PROCEDURE

CSR Coordinator

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

Their functions are as follows:

- ≈ The internal communication of this Code of Conduct to all Grupo Arania staff.
- ≈ Its external communication to customers, suppliers and colleagues, either directly or through the people with the closest link to and trust with these stakeholders.
- ≈ Collect, analyse and respond to all the matters that affect the application of the Code of Conduct, informing the CSR Committee of all the breaches detected.
- ≈ Advise the responsible parties in the different departments on CSR.
- ≈ Monitor and evaluate the markers linked to CSR in Grupo Arania.

CSR Committee

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

The composition of the CSR Committee is as follows:

Chairman

Director general / CEO

CSR Coordinator

INTERNAL BODIES AND CONTROL AND VERIFICATION PROCEDURE

Procedure

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

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

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

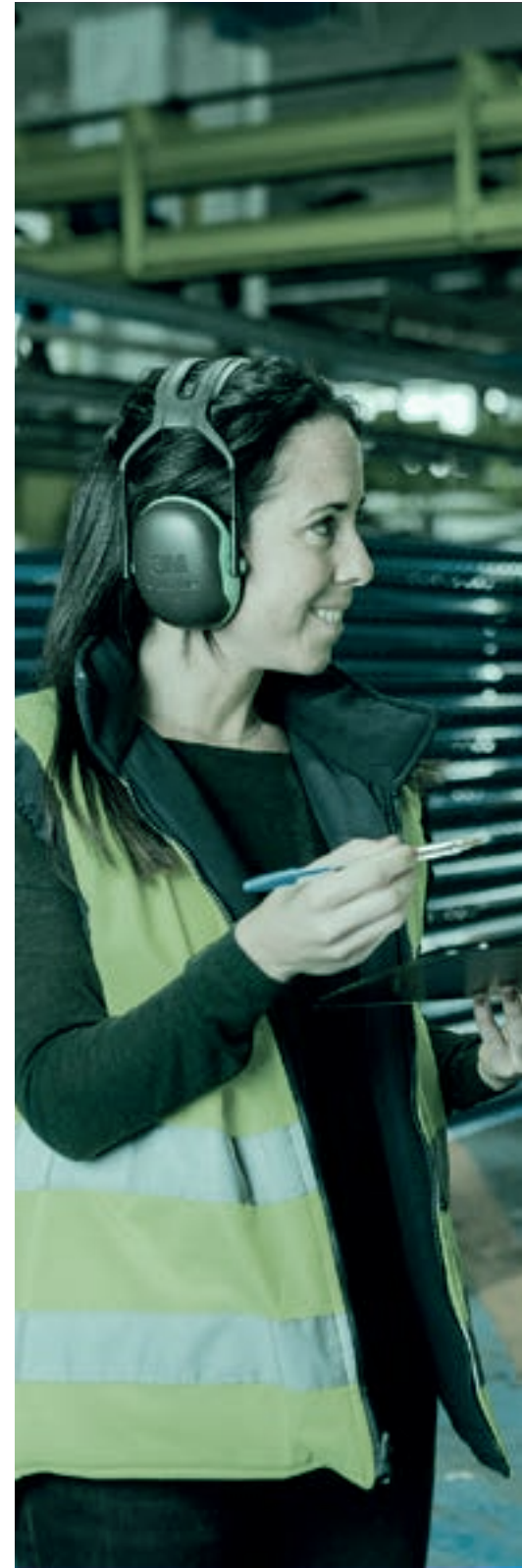
The CSR Coordinator will inform the CSR Committee of all matters handled.

Internal communications

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

All people who comprise Grupo Arania have the obligation to comply with the Code of Conduct, as its principal objective is to guarantee that the Group's practices are based on honesty, integrity and sustainability, an essential part of our corporate reputation. A copy of the Code of Conduct is distributed to all people in Grupo Arania and direct access to the document is provided.

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





External communication

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

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

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

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

In September 2022, a new forum was established at group level with the start-up of the **Grupo Arania Sustainability Committee** with the

ES Spanish	FR French	NO Russian
EU Euskera	DE German	
EN English	SK Slovak	

purpose of promoting and coordinating the group's sustainability policy. This Committee meeting reported the creation of a new Group Directorate, the **Grupo Arania Sustainability Management**, headed by Ana Guinea Moraza, with a career of more than 18 years in one of the group's companies.

DUE DILIGENCE AND GENERAL SCHEME OF RISKS

GRI 2-25

The alignment of Grupo Arania with the principle of **due diligence** as a preventive mechanism is expressed in the declarations of the **Code of Conduct** and in the implementation of its **documented and certified Management Systems**.

The fields of information on **respect for human rights and the fight against corruption and bribery** are set out in Law 11/2018, which has been used as a reference framework for this report, and are specifically covered in the Code of Conduct that defines the management approach and deployment of actions for its prevention and monitoring.

In the fields of quality, energy and environmental management, and occupational health and safety, specific declarations are made that support the definition of quantifiable goals and objectives and the availability of resources to achieve it.

They express the effort, within our possibilities, to identify and evaluate potential or real adverse effects and adopt policies and measures to stop, prevent, mitigate, monitor, disclose, approach and repair such effects, and to explain how this is done.

Grupo Arania formalises its reflections on Macro- and Microenvironment in its documented Management Systems. Resulting from all the analyses, the general scheme of risks managed during the period of this report is the following:

Financial risks

Operational risks

Cybersecurity risks

Risks of environmental impact

Risks related to occupational health and safety



Financial risks

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

CREDIT RISK

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

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

LIQUIDITY RISK

Prudent management of liquidity risk entails the maintenance of sufficient cash and tradable securities, availability of financing through a sufficient level of committed credit facilities and the capacity to settle market positions.

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

- ≈ Liquidity of cash assets: surplus disposal is always carried out with very short timelines.
- ≈ Diversification of maturing credit lines and control of financing and refinancing.
- ≈ Control of the remaining life of lines of financing.
- ≈ Diversification of financing sources, of which banks are the most fundamental, due to the easy access to this market and its cost, on many occasions, without competition with other alternative sources.

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

EXCHANGE RATE RISK AND INTEREST RATE RISK

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

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

Operational risks

This industrial group is a multi-sector group, which means it consists of companies in very different sectors of activity with very geographically diverse customers. Risk diversification is something that is in the DNA of this corporation and that it applies to its business focus, purchasing, sales and financing. In addition, to reduce business risks Grupo Arania has powerful management tools including the following:

Annual strategy appraisal per business:

Yearly meeting of the executive teams of each company in which the SWOT of the businesses are drawn up and a management plan designed for the ordered development of each company. The strategy appraisals have identified the following as the main risks to manage:

SUPPLY RISKS

The principal business risk lies in the supply of steel. To reduce this risk it is the Group's policy to diversify suppliers both within and outside of Europe, continuously working on standardisation (see section on supply chain and supplier management) and development of new purchasing alternatives.

MARKET RISKS: GEOGRAPHIC, SECTORIAL AND PRODUCT

The Group's policy in this section is the diversification of geographical markets, sectors and products. Once the European markets were developed, we continued to progress in the diversification of advanced markets outside of Europe with sales in Latin America and United States. The group has four different business lines and each of the companies is working with strong teams to develop new products, with the aim of maintaining our leadership in the markets.

RISK OF LOSS OF COMPETITIVENESS COMPARED TO THE COMPETITION

In addition to managing purchasing and markets, to remain competitive we rely on two important aspects. Improvement of production efficiency through automation and continual improvement programmes. Ongoing investment in R&D to remain at the forefront in terms of technology and product in each of the businesses.

Cybersecurity risks

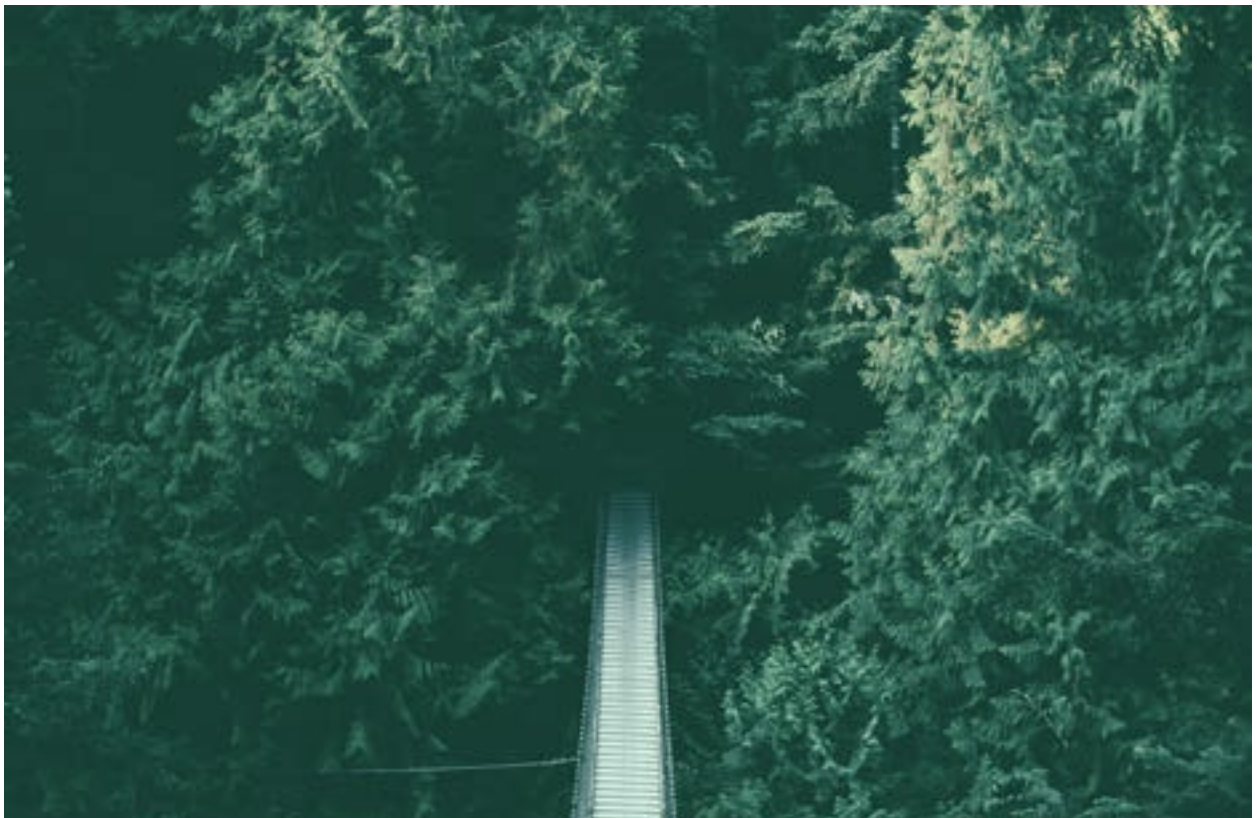
The current panorama of threats in cyberspace mark an upward trend in which adversaries have become more sophisticated, relentless and harmful in their attacks.

Grupo Arania's cybersecurity department invests in the implementation of advanced defence systems to protect its resources, such as the protection of endpoints, perimeters and networks.

It continues to promote cybersecurity knowledge with awareness-raising sessions as an initial

protection measure. It provides a friendly service to clear up doubts among its employees, promoting non-action in the event of risk among users ("think before you decide and, if in doubt, ask").

Given the importance of cybersecurity in the operational area (OT), an area in which due to its complexity and obsolescence the same security measures cannot be applied, Grupo Arania has started to analyse and apply good practices in this area, creating the OT Cybersecurity Committee.



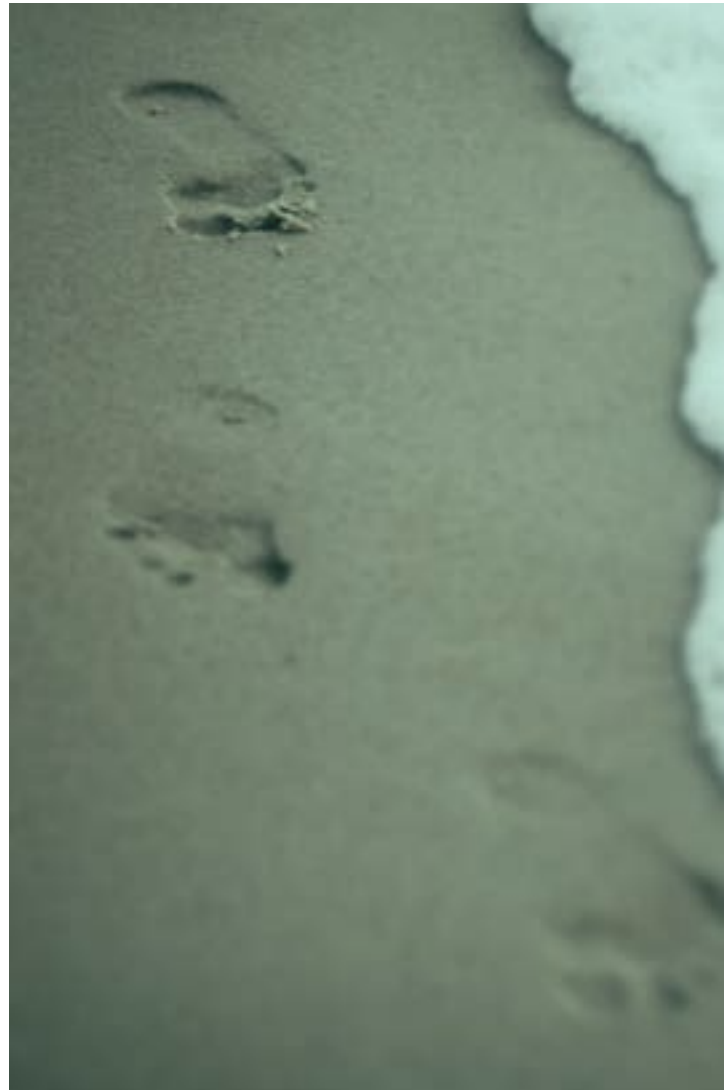
Risks of environmental impact

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

- ≈ Compliance with legal requirements related to the environment
- ≈ Identification and evaluation of important environmental aspects
- ≈ Prevent or reduce undesired effects, including the possibility of external environmental conditions affecting the organisation

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

Updating periodical internal and external audits and monitoring specific environmental objectives make it possible to ensure operational control, a response in the event of emergencies and ongoing improvement in the performance of activities.





Risks related to occupational health and safety

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

Zero communications of human rights violations in the activities of the group.

INFORMATION ON RESPECT FOR HUMAN RIGHTS

GRI 2-23

Grupo Arania is fully committed to respecting, supporting and protecting human rights in all of its activities, in any of the countries in which it operates, in coherence with [Corporate Code of Conduct](#).

Grupo Arania actively promotes these commitments among all the professionals that comprise it and its commercial partners, and does not participate in actions that compromise universal human rights, respecting the internationally recognised standards in the International Bill of Human Rights, in the fundamental rights established in the International Labour Organisation Declaration and in the 10 principles of the Global Compact.

For Grupo Arania, the identification, prevention and mitigation of risks in human rights is a central axis within its strategy for contribution to the 2030 Agenda, particularly regarding its most social dimension:

- ≈ Preventing its own activities causing or contributing to negative consequences for human rights and facing these consequences should they occur.
- ≈ Attempting to prevent or mitigate the negative consequences for human rights directly related to operations, products or services provided by the group's commercial relationships, even when it has not contributed to generating them.



In the workplace, human rights include the right to a safe work environment, fair and equal remuneration for equal work, the right to organise and take part in collective bargaining, the right to be protected against forced labour, and the right to privacy.

Grupo Arania encourages a commitment to respect for human rights, and extends this to its suppliers by establishing specific requirements in its approval process.

During the financial year 2022, there were no reports of potential or real violations of human rights in the group's activities.

Zero Reports for Corruption and Bribery in 2022.

INFORMATION ON THE FIGHT AGAINST CORRUPTION, BRIBERY AND MONEY LAUNDERING

GRI 2-23, GRI 205-1, GRI 205-2 AND GRI 205-3

Within the framework of Governance, the Grupo Arania Code of Conduct constitutes the development and formal expression of the values and principles that must govern the conduct of all the companies that it comprises and the people subject to it, while fulfilling their responsibilities and in their labour, commercial and professional relationships.

Compliance with the Code is understood without detriment to strict compliance with the current legislation and common practices in each location where the group conducts its activity. In no case does the application of the Code of Conduct imply failure to comply with the current legal obligations.

With the fundamental objective of preventing corruption, bribery and money laundering, Grupo Arania establishes the following Guidelines:

≈ Grupo Arania does not authorise anyone to request, receive or accept any Items of Value that may induce them to conduct disloyal or improper occupational obligations, or offer to give or authorise the delivery of any Items of Value to influence another person to conduct disloyal or improper occupational obligations.

≈ The group respects its employees' participation in activities outside of the group, provided they are conducted within the applicable legal framework and do not entail competition or confrontation with their duties as employees of the group or the companies that comprise it, nor used them as a means to carry out corrupt practices.

≈ Grupo Arania processes its stakeholders' information with maximum discretion and privacy; it will not be used improperly by people within the group, to benefit themselves or third parties.

≈ The group does not facilitate money laundering nor the funding of terrorist activities; it collaborates with the competent authorities of each country to provide all information requested in accordance with the current regulations on the matter.

≈ Grupo Arania does not show support or make economic contributions or donations of any type to politicians and/or political parties.

- ≈ The group may collaborate with non-profit entities, provided a clear reciprocal benefit is guaranteed and documented between the parties involved, and never to cover up unlawful acts of corruption or bribery.
- ≈ All operations carried out by the group will be clearly and accurately noted in the appropriate accounting records, which represent a true image of the transactions made. This is approved, documented and recorded according to the group regulations, and the established internal control model.

Grupo Arania promotes the application of these guidelines against Corruption and Bribery among its main suppliers and collaborators.





COMMITMENT TO OUR PEOPLE

Employment

Training

Health and safety

Equality and accessibility

GRI 2-7

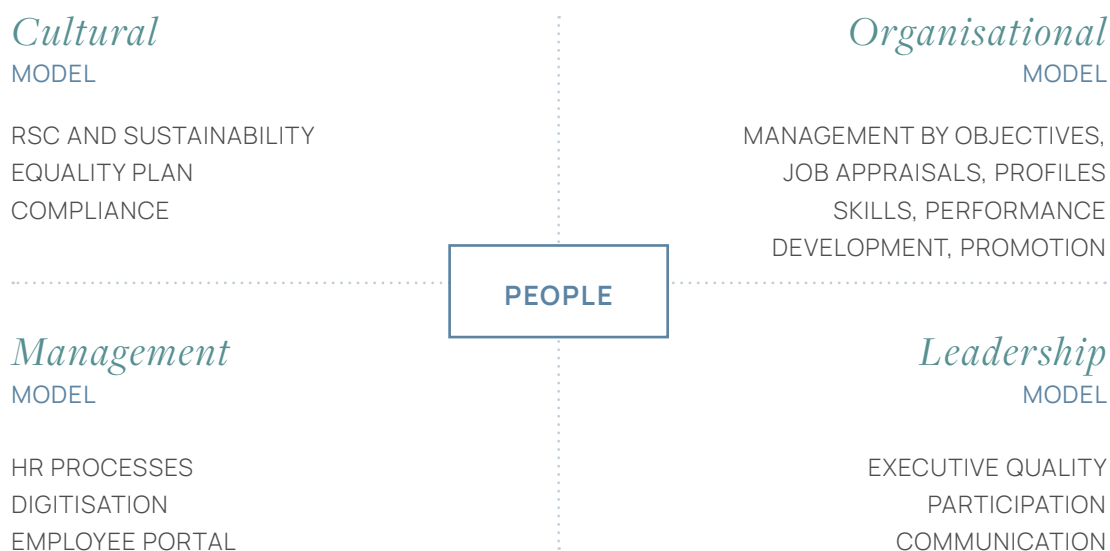
People are the centre of Grupo Arania's business model and represent its true competitive advantage.

In 2022 the group has continued to invest in development, as well as in training for the Grupo Arania workforce, without forgetting its commitment to safety in the workplace, motivation and commitment.

As already explained in the NFSR 2021, value for people is based on the group's management, leadership, organisational and cultural models.



VIEW OF THE STRATEGIC MAP



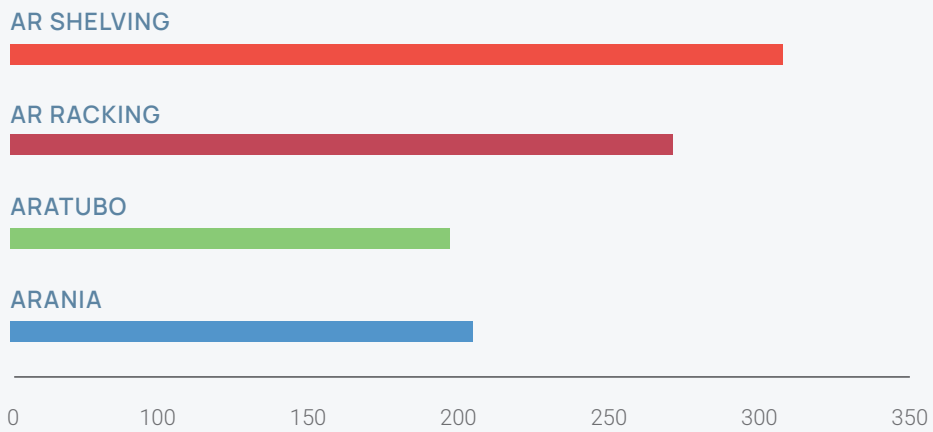
The firm commitment to occupational safety, motivation and commitment of all staff has made the human factor one of the foundations on which Grupo Arania is built. There is also a reference framework to which they all commit, and that is transmitted to customers, suppliers and collaborators: the Code of Conduct and Responsible Practices of Grupo Arania.

The training and personal development policies give rise to a value map where equality, directive development and management by skills have come to develop the people management model.

EMPLOYMENT

GRI 2-7

AVERAGE WORKFORCE 2022



PEOPLE GRUPO ARANIA 2022

Company	People
ARANIA	173
ARATUBO	180
AR SHELVING	327
AR RACKING*	288
Total people	968

*Note: the data include staff in subsidiaries.

PEOPLE GRUPO ARANIA 2021-2022

Company	People 2021	People 2022	Vertical percentages 2021	Vertical percentages 2022	Relative variation
ARANIA	190	173	19.63%	17.87%	↓ 1.76%
ARATUBO	175	180	18.08%	18.60%	↑ 0.52%
AR SHELVING	349	327	36.05%	33.78%	↓ 2.27%
AR RACKING	254	288	26.24%	29.75%	↑ 3.51%
Total	968	968	100%	100%	= 0%

CONTRACT TYPES BY AGE RANGE

Age	Temporary	Permanent	Total
Over 50	50	183	233
30 to 50	130	496	626
Under 30	63	46	109
Total	243	725	968

CONTRACT TYPES BY GENDER

Gender	Temporary	Permanent	Total
Women	119	166	285
Men	124	559	683
Total	243	725	968



PERFORMANCE ASSESSMENT

Within the framework of management by skills and performance assessment, in 2022 the following number of assessments were carried out in the categories indicated:

Group	Strategic level	Management level	Technical level	Operational level	Total
Grupo Arania	15	72	123	25	235

To create high-performance teams, before searching externally, an initial step is to identify and develop the existing talent within the companies to manage development plans.



NEW CONTRACTING

GRI 401-1

Trust in people and a good workplace climate mean the staff turnover rate in Arania Group companies can be interpreted as favourable. In addition, it implies monitoring and minimisation of:

- ≈ Costs associated with the need to select and contract new workers.
- ≈ Costs linked to the necessary training for new workers.
- ≈ Cost of opportunity of the resources and time dedicated by the company to replace staff leaving.
- ≈ Costs linked to the lower level of productivity of new workers.

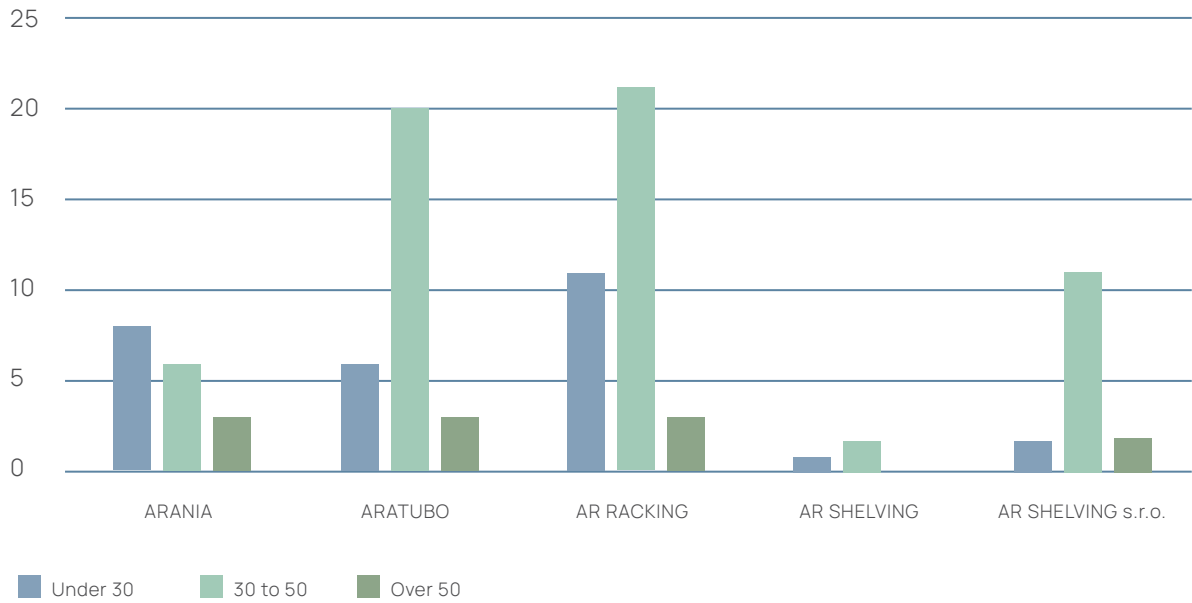
Company	No. of new staff members	Annual staff turnover rate (%)
ARANIA	17	3.8
ARATUBO	29	3.7
AR RACKING	35	1.6
AR SHELVING	3	3.1
AR SHELVING s.r.o.	15	4.08

Annual staff turnover formula

$$\text{ANNUAL STAFF TURNOVER RATE \%} = \frac{\text{Quantity of employees leaving}}{(\text{Initial quantity of employees} + \text{Final quantity of employees}) / 2} \times 100$$

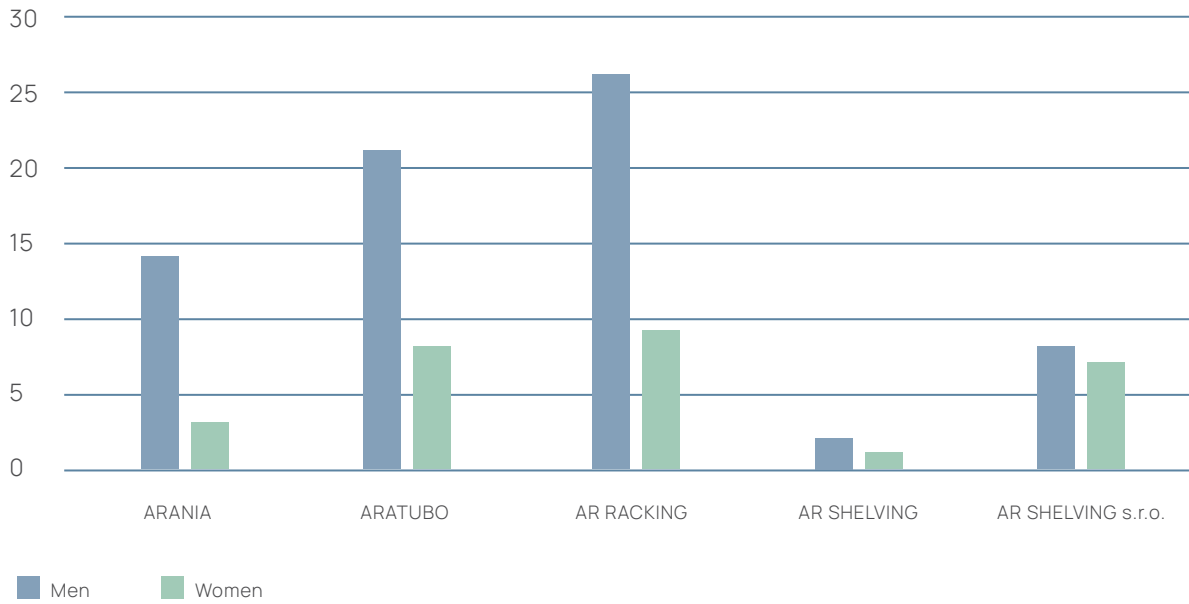
The data segmented by age group and gender for each of the group's companies is as follows:

New contract by age range



Age	ARANIA	ARATUBO	AR RACKING	AR SHELIVING	AR SHELIVING s.r.o.
Under 30	8	6	11	1	2
30 to 50	6	20	21	2	11
Over 50	3	3	3	0	2

New contracts by gender



Gender	ARANIA	ARATUBO	AR RACKING	AR SHELIVING	AR SHELIVING s.r.o.
Men	14	21	26	2	8
Women	3	8	9	1	7

GRI 2-41

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

MATERNITY AND PATERNITY LEAVE

GRI 401-3

At Grupo Arania we support quality time with our families. In 2022 the following people took parental leave, with a return rate of 100%:

No. of people	Women	Men
No. of people with the right to leave	8	17
No. of people taking leave	8	17
Total no. of people who returned to work in 2022	3	16
No. of people who returned after finishing their leave and continued working for the following 12 months	7	17
Return rate	100%	100%

ABSENTEEISM DATA

In 2022 a group Absenteeism Committee was set up to monitor action in this field.

The absenteeism data for 2022 was:

Absenteeism 2022

ARANIA	12.62%
ARATUBO	13.30%
AR RACKING	7.70%
AR SHELVING	14.59%
AR SHELVING s.r.o.	14.19%

TRAINING

The human team is the driving force behind the organisation, so 2022 more than 10,000 hours of training are planned to show our real commitment to developing talent, allowing the people that make up Grupo Arania to continue to grow professionally in an environment that promotes innovation and initiative.

Value for people, value for the organisation. One of Grupo Arania's principles is internal promotion, covering new jobs with from our own talent pool.

Training	ARANIA	ARATUBO	AR RACKING	AR SHELVING	AR SHELVING s.r.o.	Total
Actions	58	66	93	23	25	265
Hours	2,738	1,956	2,160	935	2,478	10,267



VALUE FOR PEOPLE,
VALUE FOR THE
ORGANISATION.

HEALTH AND SAFETY

GRI-3 AND GRI 403

ISO 45001 is the international standard for occupational health and safety management systems, aimed at protecting workers and visitors from accidents and illnesses in the workplace.

All Grupo Arania companies hold the ISO 45001 certification and their Occupational Health and Safety policies explicitly expressed the following commitments:

- ≈ Prevent harm and impaired health of the people related to the activity.
- ≈ Ensure healthy and safe working conditions, eliminate hazards and reduce risks to the extent possible.
- ≈ Encourage consultation and worker participation.
- ≈ Improve performance regarding safety.

Safety

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

ARATUBO	2018	2019	2020	2021	Target for 2022	2022	Target for 2023
Frequency index	59.7	102	64	102.4	<=60	94.37	<=60
Severity index	1.4	1.7	2.2	3.4	<=1.4	2.6	<=1.4
No. of accidents with leave	12	19	11	17	<=12	25	<=12

ARANIA	2018	2019	2020	2021	Target for 2022	2022	Target for 2023
Frequency index	73.7	86.3	88.6	77.4	<=65.8	93	<=65.8
Severity index	1.2	1.9	3.2	3.5	<=0.8	2.5	<=0.8
No. of accidents with leave	23	24	24	23	<15	26	<15

indicators

Safety

ARRACKING	2018	2019	2020	2021	Target for 2022	2022	Target for 2023
Frequency index	27.4	30.6	13	40.4	<=38.4	26.9	<=25
Severity index	0.39	0.55	0.15	0.35	<=0.32	0.21	<=0.19
No. of accidents with leave	4	5	2	7	<=5	5	<=4

indicators

ARSHELVING	2018	2019	2020	2021	Target for 2022	2022	Target for 2023
Frequency index	39.9	89.2	34.1	103.5	<=22.5	30.64	<=22.5
Severity index	0.6	0.6	1.6	3.5	<=0.3	3.22	<=0.3
No. of accidents with leave	2	5	2	6	<=2	2	<=2

AR SHELIVING s.r.o.	2018	2019	2020	2021	Target for 2022	2022	Target for 2023
Frequency index	30.95	21.4	13.11	32.62	x	39.01	0
Severity index	0.43	0.55	0.34	0.36	x	0.88	0.4
No. of accidents with leave	4	6	4	11	x	17	0



WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

GRI 403-5

In 2022 training has been carried out in the area of Health and Safety with purpose of integrating occupational risk prevention at all levels of the company.

Occupational Health and Safety (OHS) and Environment (E) Training Plan 2022

Hydrogen and nitrogen safety

Given by: LIQUID AIR
Duration: 1h

Pit access C4

Given by: GYC
Duration: 2h

Shelves

Given by: SGS
Duration: 1h

Collective agreement on metal, core part + 3 trades

Given by: IMQ PREVENCIÓN
Duration: 20h (3 courses throughout the year)

Basic occupational risk prevention course

Given by: IMQ PREVENCIÓN
Duration: 60h

Cranes

Given by: TEKNODIDAKTIKA
Duration: 6h

First aid

Given by: FORMASEM
Duration: 5h

Defibrillator and CPR

Given by: FORMASEM
Duration: 4h

Noise

Given by: IMQ PREVENCIÓN
Duration: 4h



Heights

Given by: TEKNODIDAKTIKA
Duration: 8h

*PPE campaign
Sensitisation*

Given by: FULLMARK
Duration: 9.5h

Back school

Given by: FULLMARK
Duration: 4h

Hand trucks

Given by: FULLMARK
Duration: 8h

*Fire prevention and
extinguishing*

Given by: FULLMARK
Duration: 4h

*Internal training by
area*

Given by: FULLMARK
Duration: 2h

*Storage and handling of chemical
products*

Given by: FULLMARK
Duration: 3h

*Waste: management, separation,
storage, labelling*

Given by: FULLMARK
Duration: 3h

EQUALITY AND ACCESSIBILITY

GRI 405

REMUNERATION AND WAGE GAP

The Human Resources management model of all the companies that form part of Grupo Arania defend and promote non-negotiable values that affect people's personal and professional development. For this reason, it creates a relationship of respect and trust, where tolerance, equality and diversity are values that enrich us.

Grupo Arania declares its commitment to establishing and developing policies that integrate equal treatment and opportunities between women and men, without directly or

indirectly discriminating by reason of sex, as well as to boosting and promoting measures to work towards real equality within our organisations, establishing equal opportunities between women and men as a principle and strategic value of the group and that is led from the corporate human resources policy.

Grupo Arania's Code of Conduct clearly reflects our commitments and values, and forces us to act in accordance with them in our relationships with our stakeholders.



GENDER REPRESENTATION

Grupo Arania's production lies in the metal sector, a very male-dominated sector where only 18% of the workforce are women. This female presence in the metal sector is unlike the rest of the labour market, where women occupy 45.5% of jobs.

It is important to indicate the female presence of 30% in Grupo Arania, explained by the incorporation in the data of this report of the Slovakian subsidiary AR Shelving s.r.o. and the path set by Grupo Arania to encourage effective measures and actions to attract more women into the metal sector, for example establishing a collaborative network with training centres and open activities to show the work carried out at the different plants.

NFSR classification	No. of people	Mean	Men	Mean men	Women	Mean Women	Wage gap
Strategic Level	52	89,480.77	43	94,751.64	9	64,297.73	-32.14%
Management Level	126	50,527.07	100	51,487.72	26	46,832.27	-9.04%
Technical Level	176	32,049.82	109	34,754.55	67	27,649.60	-20.44%
Indirect Operational Level	82	25,834.47	27	20,589.09	55	28,409.48	37.98%
Direct Operational Level	532	28,223.81	404	34,932.44	128	12,908.21	-63.05%
TOTAL	968	71,294.01	683	83,560.55	285	46,101.60	-44.83%

The calculations in the table have been made according to the theoretical gross salary.

The administrator's salary is not included as it is in the annual accounts.

REMUNERATION

Remuneration within the group is established based on levels of responsibility, avoiding differences between men and women, beyond the merits achieved in the performance of their work.

In 2022, the mean wage gap between men and women, taking as base the mean remuneration paid comparing positions of a similar level of responsibility, has exceeded 25% in two categories (strategic and direct operational).

The differences are due to the composition of the workforce in each of the professional groups and the incorporation, this year, of the data from the workforce in Slovakia.

With this incorporation, the consolidated information for 2022 generates a positive impression of the total gender representation of 30% women compared to 2021 with 20%, although there is a considerable increase in the wage gap at direct operational level due to and the structure of the Slovakian labour market.

The remuneration is applied by category according to the collective agreement, regardless of age.





PROMOTING FEMALE TALENT

To promote female talent, attempt to reduce the majority in male-dominated sector and ensure the development of technical skills and conduct, we have an internal promotion and professional career development system that has led to women taking on greater responsibilities at strategic and management levels.

Grupo Arania has equality plans in place and specific actions to be carried out over the next four years, with all equality plans culminating in 2023.



COMMITMENT TO THE ENVIRONMENT

Circular economy and waste management
Climate change, carbon footprint and decarbonisation

Protection of biodiversity

Sustainable use of resources

GRI 3-1, GRI 3-2 AND GRI 301

Our environmental commitment is essential for us to continue innovating and working towards sustainable development.

Grupo Arania recognises the transformational power of companies through the rational and conscious use of natural resources, respecting and valuing the environment, which can be verified with the certifications ISO 14000 and ISO 50001.

Our environmental commitment is essential for us to continue innovating and working towards sustainable development.

Throughout 2022 we have been consolidating our environmental lines of action indicated in the NFSR 2021:



≈ ISO 50001 Certification for AR Racking and Aratubo, seeking energy efficiency in the installations

≈ Purchase of green electricity: guarantee of renewable origin

≈ Approval of investment in photovoltaic panels

≈ Sustainable Mobility: installation of charging points for electric vehicles.

≈ *Green steel*, towards a world without carbon emissions

≈ Logistics model, seeking more sustainable options

≈ Carbon Footprint of the organisation

≈ Digitisation to reduce environmental impacts in production

With these actions we are working to minimise the environmental impact of our activities through efficient use of resources.

CIRCULAR ECONOMY AND WASTE MANAGEMENT

GRI 3-1, GRI 3-2 AND GRI 301

At Grupo Arania we are conscious of the benefits of integrating a circular outlook.

A circular economy strategy seeks to reuse as much as possible of the materials and create a circular production and consumption system that minimises waste.

The group has a competitive advantage as the largest percentage of waste generated is scrap

metal. It is an infinitely recyclable material, an example of the circular economy due to its long life cycle.

We encourage preventive action exceeding the applicable regulatory standard by making efficient use of resources.

WASTE

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

Grupo Arania	2018	2019	2020	2021	2022
HW (Tn)	6,099	4,797	4,373	5,868	5,429
NHW (Tn)	529	508	494	541	810
Scrap metal* (Tn)	28,433	25,097	21,704	25,471	21,852
GROUP TOTAL	35,061	30,402	26,571	31,880	28,091

SUSTAINABLE USE OF RESOURCES

GRI 302

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

- ≈ Certification ISO 50001 "Energy Management Systems".
- ≈ Guarantee of Origin Certification

As already reported, Arania, Aratubo and AR Racking are ISO 50001 certified, which entails implementing an energy policy and appropriate management of the energy aspects arising from their activities.

The objective is that in 2024 all the Group's companies will be EN ISO 50001 certified.

Similarly, in 2022, Grupo Arania ratifies its commitment to an environmentally responsible corporate culture with the activation of the Guarantee of Origin (GO) certification, which confirms that the electrical energy consumed in its production centres is generated from renewable energy sources.

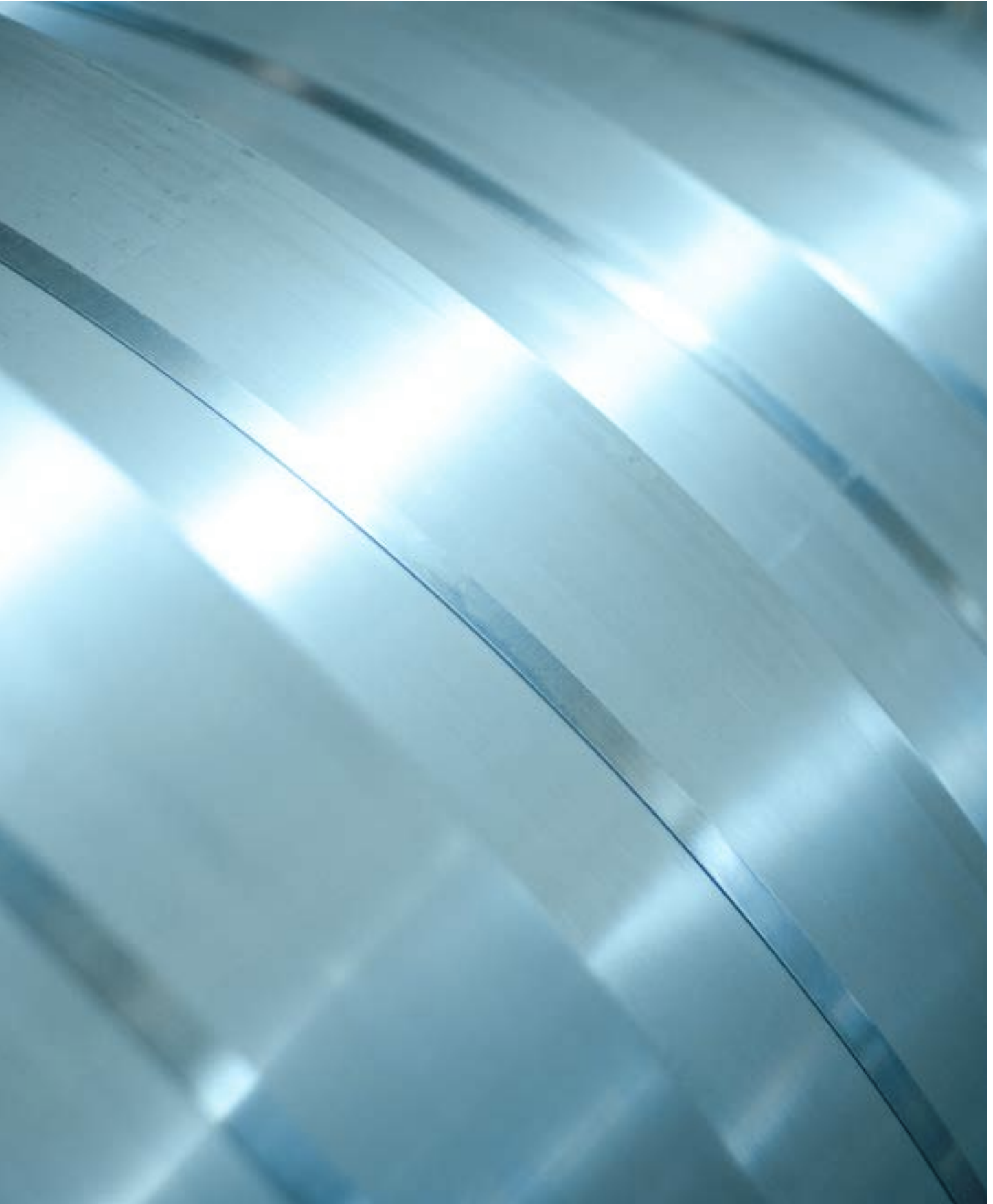
Issued by the Spanish National Commission of Markets and Competition (CNMC), the GO certificate guarantees that Grupo Arania carries out its production processes using renewable energy. Thus, the corporation can provide detailed information to its customers on the origin of the energy used and the environmental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

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

CONSUMPTION

Providing continuity to the monitoring of use, we present the main materials consumed in 2022:

Grupo Arania					
CONSUMPTION/ RESOURCES	2018	2019	2020	2021	2022
Electricity (MWh)	28,033	26,963	25,467	28,432	26,213
Gas (MWh)	55,741	48,000	43,262	53,251	50,150
Petrol (litres)	9,852	4,077	4,764	3,710	6,739
Mains water (m ³)	119,364	110,233	108,123	151,291	135,684
Wood (t)	2,967	2,623	2,169	2,420	17,141
Plastic (t)	190	163	172	195	374
Metal strapping (t)	719	352	241	315	424
Coolant (t)	181	163	201	159	143
Hydrochloric acid (t)	3,200	2,837	2,306	2,455	2,585
Nitrogen (m ³)	508,186	357,100	356,337	438,280	359,905
Hydrogen (m ³)	662,697	510,908	468,240	712,317	620,904
Paint (t)	75,635	81,366	83,449	97,143	77,083
Cardboard (t)	9	7	14	16	700
Plastic strapping (t)	3	4	11	3	50



CLIMATE CHANGE, CARBON FOOTPRINT AND DECARBONISATION

The carbon footprint describes the total amount of CO₂ emissions and other GHG* directly or indirectly caused by an organisation. In other terms, it is a snapshot of the GHG emissions involved in the processes in a certain year. The calculation of the carbon footprint is more than merely GHG emissions data, as it makes it possible to identify the greatest sources of GHG emissions in an organisation, providing a global image of its impact on climate change. Similarly, it is the necessary basis for taking on actions to reduce this impact and continuing them over time.

Grupo Arania aims to learn its impact on the climate to be able to properly manage it over the course of time, while being able to respond to its customers' requirements.

To do so, the calculation of the carbon footprint has been established in two of the group's companies, Arania and Aratubo, as an indicator of their annual GHG emissions, to be able to know where it stands against climate change and to be able to manage it.

*Greenhouse gases

Carbon footprint of the organisation

Attempting to quantify the GHG emissions involved in the activity flows of a company over a one-year period with the result expressed in tonnes of CO₂ equivalent (t CO₂e).

For the method, we have followed the Standard [UNE-EN ISO 14064-1: 2019] also taking into account the GHG Protocol Corporate Accounting and Reporting Standard. In addition, the calculations are based on the regulations and standards for drawing up national inventories of the Intergovernmental Panel on Climate Change.

In 2022 we have **calculated and verified** the organisation's carbon footprint in scope 1 and 2 for the years 2020 and 2021 of the companies Arania and Aratubo. Data for 2022 is not indicated.

Our objective for 2023 is to have calculated the organisation's footprint for all of the companies for the 3 scopes and to establish a decarbonisation plan for the group.

The emissions data for the two companies verified can be seen below.

Emissions (tCO₂e)

Scope	ARANIA		ARATUBO	
	2020	2021	2020	2021
1	5,110	6,703	373	388
2	1,828	2	1,060	38

PROTECTION OF BIODIVERSITY

At Grupo Arania, we acknowledge the intrinsic value of nature and the importance of preserving biodiversity, the ecosystem and its services, which allows the sustainable development of the company.

Aware of the importance of preserving biodiversity, and the impact of our activities on the ecosystem, our projects and operations are respectful of it, and we encourage our stakeholders to protect it also.

None of the production plants are within protected natural spaces although, due to their proximity to some spaces of interest, Grupo Arania evaluates any environmental impact its activity may generate on the surroundings of each of its production sites, implementing the preventive measures identified in the analysis, according to the Environmental Management System, ISO 14001, implemented and certified in all the group's companies.

Environmental management, and therefore the preservation of biodiversity, is considered at corporate level, working down through each of the companies and activities. Our everyday work ensures all of our activities are carried out in a way that is compatible with the protection and conservation of biodiversity.

The Environmental Management Model is based on the calculation of the Corporate Environmental Footprint backed by the Life Cycle Assessment of the product.

The calculation of the Corporate Environmental Footprint, which Grupo Arania will work on in the coming years, will enable us to quantify our the impact on the environment, which, within the context of the state of the biodiversity around the group's installations, will be one of the starting points for establishing specific environmental improvement objectives.

Knowing the interaction caused with biodiversity based on the impact of our activity, measured using indicators, will be an objective tool to enable us to qualitatively evaluate the damage and quantify the reduction in the biodiversity loss due to the group's activity, taking specific measures to minimise the impact that directly affect it.



**WE RESPECT THE
CONSERVATION
OF BIODIVERSITY
IN THE COURSE OF
OUR PROJECTS AND
OPERATIONS.**



COMPANY INFORMATION

*Grupo Arania's commitment to sustainable
development*

Suppliers and supply chain

Consumers and other social agents

*Fiscal information and activities aligned with the
European Taxonomy*

GRI 204, GRI 308, GRI 414, GRI 2-28 AND GRI 416

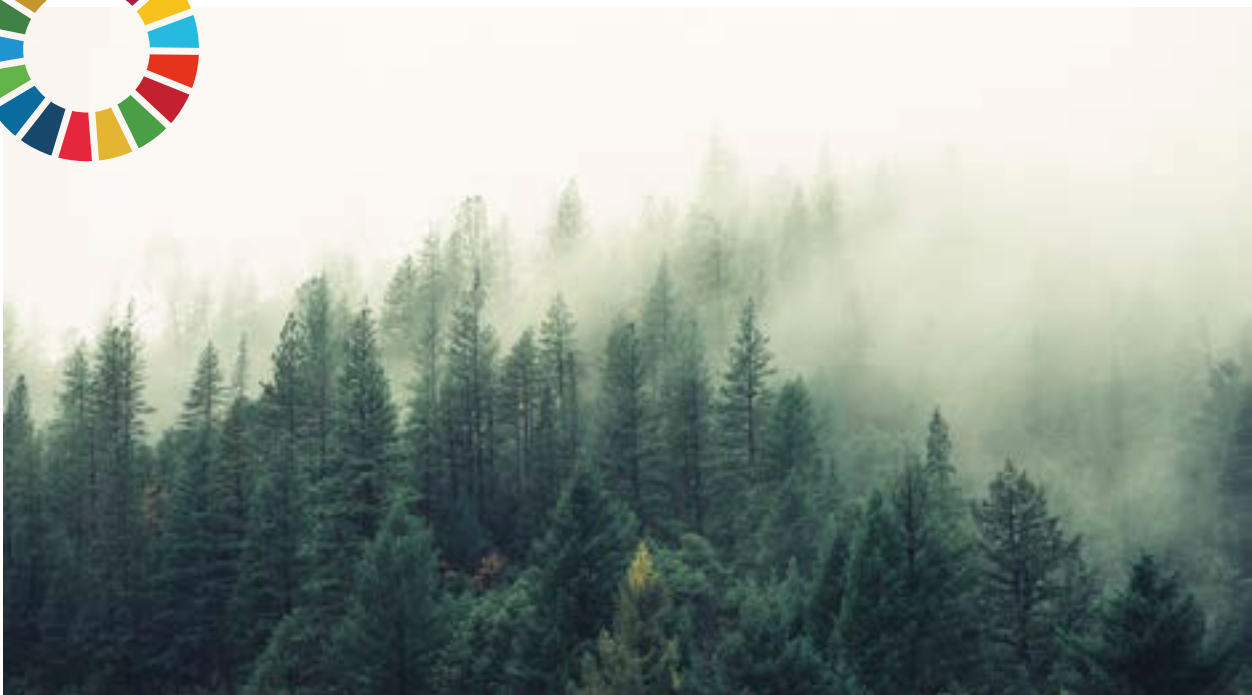
GRUPO ARANIA'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

The Code of Conduct and Responsible Practices of Grupo Arania establishes the commitment of assuming and incorporating as their own a number of Universal Principles and Commitments.

Living Sustainability represents all the actions that we conduct within Grupo Arania's sustainability strategy and demonstrates our involvement with the Sustainable Development

Goals set in the 2030 Agenda and with the 10 universal principles of the UN.

Actions defined after the analysis of the current context, identification and assessment risks and general opportunities as well as the needs and expectations of our key stakeholders.



Environmental responsibility



Respecting, caring for and valuing the environment through the rational and conscious use of natural resources. Putting into practice sustainable measures and that guarantee **ecological balance**. Examples include the acquisition of responsible materials, the selection of efficient techniques, recycling, the development of production processes that use renewable energy and the use sustainable resources.

Certification ISO 14001: Environmental management system.

Certification ISO 50001: Energy management system.

100% energy consumption from renewable sources and solar panels.

Sustainable mobility: Charging points for electric vehicles.

Circular Economy: reduction, reuse and recycling of consumption and waste.

Calculation and reduction of the Organisational Carbon Footprint.

Calculation of the Product Carbon Footprint.

Digitisation to reduce environmental impacts in production.

Logistic model: more sustainable options.

Social commitment



We believe in an **equal, diverse society**. Therefore, as part of our commitment to society, we are starting up initiatives to help contribute to **collective welfare** and favour **social balance**. In addition, we promote internal programmes that help improve the quality of life of the workforce, both within and outside of the company.

Committed to the Global Compact.

Promotion and respect of human rights.

Certification ISO 45001: Occupational Health & Safety System.

Healthy company: protection and promotion of health.

Effective equality plan between men and women.

Professional development: continuous training.

Sustainability training.

External social action: culture and inclusion, biodiversity and collaboration with educational centres.

Collaborations with sectorial organisations, business organisations, clusters and institutions.

Governance and sustainable economic growth



We base our sustainable economic development on the quality of our products, the efficiency of our processes, innovation, commercial ethics and collaboration with our suppliers. All of this with **responsible management of the impact of our activities** on the environmental and social setting.

Governance: sustainability culture, risk management and ESG opportunities.

Corporate Social Responsibility: active and voluntary contribution to sustainability.

Ethical business practices based on the Code of Conduct.

Responsible communication and reports.

Cybersecurity: prevention and trust for stakeholders.

Responsible innovation: making a positive contribution to the economic, social, and environmental field.

Responsible purchasing: assessment of technical, economic, social and environmental aspects.

Due diligence: identify, prevent and mitigate our own impact and that of our business partners.

SUPPLIERS AND SUPPLY CHAIN

GRI 204, GRI 308 AND GRI 414

Grupo Arania's Sustainability strategy gives significant weight to the concept of "sustainable supply chain". This focus on the supply chain considers two areas:

1 STEEL AS A
SUSTAINABLE RAW
MATERIAL

2 AWARENESS-RAISING AMONG
SUPPLIERS OF THE ESG FOCUS
FIRST STEPS TOWARD DUE
DILIGENCE



ARANIA, PIONEERS OF GREEN STEEL IN THE SOUTH OF EUROPE.

The use of steel produced with zero CO₂ emissions is a key objective in Grupo Arania's operational plans for the medium to long term. In 2022 a historical collaboration agreement for green steel was reached with one of the most important industrial groups in the steel sector in Europe, a leader in the technological change that green steel manufacture will entail. A strategic commitment that consolidates the Grupo Arania's commitment to sustainability.

SUPPLIER EVALUATION AND SENSITISATION WITH AND ESG FOCUS.

The management practices associated with these commitments to suppliers are rolled out as follows:

Approve suppliers incorporating sustainability criteria

As described in the procedures documented in the management system, the decision to approve a new supplier is made within the scope of the Raw Material Strategy Committee, involving the Director General, the Purchasing Director, Process Product Technology (PPT) and the Supply Chain Director.

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

1. Risk analysis

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

2. Management Systems Certificates

The suppliers will have at least the ISO 9001 certification. It is recommended to have the certificates ISO 45001, ISO 14001, ISO 50001 and IATF 16949.

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

In 2022 work began on a plan to audit key suppliers that will come to an end in 2023, which includes aspects of sustainability. To accomplish this, the staff responsible for purchasing and supplier management will receive training in human rights in the supply chain.

The system for approving and monitoring key suppliers based on environmental and social criteria consists of:

Compilation of information on their Internet presence regarding responsible management practices.

Self-evaluation questionnaires on governance, economic sustainability, environmental sustainability and social sustainability.

Adhesion to a code of conduct for Grupo Arania suppliers.

Verification of compliance with sustainability practices in supplier visits/audits.

The following will also be considered criteria of responsible supply: low-carbon steel, recycled plastic, energy from renewable energy sources, wood from protected forests, etc. This will all have support for the development of a Sustainability Management System.

CONSUMERS AND OTHER SOCIAL AGENTS

GRI 416

Grupo Arania's contribution to society can be seen in its line of internal and external social welfare, as already indicated in other sections of this NFSR, with a strategic line of sustainable investment in the community, aligning business goals with social and environmental needs. We communicate it responsibly, fostering the Group's values and promoting conduct that benefits society.

We must highlight the relationship with centres such as **Mondragon University** and the **University of the Basque Country**, as well as visits by different

education centres to Grupo Arania's production plants: Deusto Master, Colegio Etxebarri and Colegio Sagrado Corazón on Industry Day.

Grupo Arania continues to collaborate in work experience programmes with education centres and participates in conferences and talks in different professional and university training centres.

Awards:

Seal of Corporate Social Responsibility awarded by IkaSLan Bizkaia: the network of public vocational training centres of Bizkaia. Marian Berrocal, head of the Occupational Mediation Service IkaENPLEGU, presented this award to Jorge Lanchares, Personnel Director of Grupo Arania.

Award for large export business to Aratubo by the Chamber of Commerce, Industry and Services of Álava.

In 2022 we also celebrated the **25th anniversary of Aratubo** with two events throughout the year, one more institutional held in June and an open day of festivities for everyone in the Aratubo family.

Participation in associations:

GRI 2-28

ACICAE Basque Automotion Cluster	ADL Logistics Development Association	EAC Spanish Association for Quality	AEFAME Association of Family Businesses of the Basque Country	
AEFEM Spanish Association of Metal Shelving Manufacturers	AENOR Spanish Association for Standardisation and Certification	AER Association of Entrepreneurs of La Ribera	AIAS Association of Surface Finish Industries	
ALIANZA ALAVESA FOR SUSTAINABLE DEVELOPMENT 2030		ALOG Chilean Logistics Association	APD Association for Management Progress	
APPROLOG Peruvian Association of Professionals in Logistics	ATEG Spanish Technical Association of Galvanising	BAIC Basque Artificial Intelligence Center	ÁLAVA CHAMBER OF COMMERCE	CCL Lima Chamber of Commerce
CEBEK Bizkaia Business Confederation	CESOL Spanish Association of Welding and Joint Technologies		CIELFFA European Federation of the National Associations of Cold Rolled Narrow Steel Strip Producers and Companies	
ESTA European Steel Tube Association	FEM/AEM Spanish Handling Association	FVEM Bizkaia Federation of Metal Companies	ICHA Chilean Steel Institute	JUNDIZ Association of Companies of Jündiz
MHI Material Handling Industry	MLC-ITS EUSKADI Basque Country Mobility and Logistics Cluster		UN GLOBAL COMPACT	
GREEN DEAL Community of companies and organisations in business in Vitoria-Gasteiz working on the transition to business models that require fewer natural resources and have a lower climatic impact				
RMI Rack Manufacturers Institute	SEA Companies of Álava	SERNAUTO Spanish Association of Automotive Suppliers	SIDEREX Basque Country Steelworks Cluster Association	
UAHE Spanish Association of Iron Warehousing	UNESID Union of Steel Companies	VDKL Verband Deutscher Kühlhäuser & Kühllogistikunternehmen e.V.	VLB Verband für Lagertechnik und Betriebseinrichtungen	

CUSTOMER/CONSUMER HEALTH AND SAFETY

GRI 416

At Grupo Arania, our approach to health and safety for all our stakeholders is expressed in the CSR strategy we have taken on voluntarily, through the declaration of values in the field of health and safety and the explicit commitments to customers regarding transparent information on the features of products and/or services.

EVALUATION OF THE IMPACTS OF THE CATEGORIES OF PRODUCTS AND SERVICES ON HEALTH AND SAFETY

GRI 416-1

Throughout this document reference is made to the ISO certifications in the fields of Quality, Environment and Health and Safety for all the Group's companies, which allows a focus on processes, the application of the ongoing improvement cycle and integrated risk-based thinking.

Grupo Arania evaluates the impacts of products and services on health and safety to achieve improvements in the stages of the life cycle.

With a comprehensive product management service, we bring a wide range of solutions to the market with high levels of quality and safety, which are the result of constant technological development.

COMPLAINTS SYSTEMS, COMPLAINTS RECEIVED AND THEIR RESOLUTION

GRI 416-2

In 2022 no incidents due to failures to comply related to the impacts in health and safety of the products and services categories were recorded by the management information channels of the companies in Grupo Arania.



FISCAL INFORMATION AND ACTIVITIES ALIGNED WITH THE EUROPEAN TAXONOMY

FISCAL INFORMATION

COMPANY	TAXES: AVERAGE EFFECTIVE RATE
ARANIA S.A.U.	15.60%
ARATUBO S.A.U.	24%
AR RACKING S.A.U.	27.15%
AR SHELVING S.A.U.	0%
AR SHELVING S.R.O.	0%

Other information required in this section is compiled in the Fiscal Note of the Consolidated Annual Accounts Report of the financial year 2022 attached.



ALIGNMENT WITH THE EUROPEAN TAXONOMY OF ACTIVITIES

The regulation (EU) 2020/852 (hereafter, green taxonomy) establishes the criteria financial entities must use to determine whether an investment can be classed as sustainable.

The green taxonomy is part of the European Commission Action Plan on financing sustainable growth. This is an ambitious plan that aims to redirect the flow of capital, in other words, money, into sustainable investment.

To do so, the public information on companies' sustainability must allow this, through a legal requirement that companies have to report how sustainable their products and services are.

The taxonomy is a tool to help investors, companies, issuers and promoters of projects to focus their projects or business toward an economy with low carbon emissions and to use resources more efficiently.

The current Regulation (EU) 2020/852 establishes that an investment is only sustainable if it does not significantly harm any of the environmental or social objectives agreed within the same regulatory framework. These are:



- 1 MITIGATION OF CLIMATE CHANGE
- 2 ADAPTATION TO CLIMATE CHANGE
- 3 SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES
- 4 THE CIRCULAR ECONOMY
- 5 POLLUTION PREVENTION AND CONTROL
- 6 PROTECTION AND RECOVERY OF BIODIVERSITY AND ECOSYSTEMS

Two of Grupo Arania's activities are within the activities of the green taxonomy.

After analysing Grupo Arania's activity, we identified that two of its activities are within the green taxonomy and are therefore eligible activities.

ARANIA S.A.U. CNAE 2432 - NACE 24.32

Cold rolling

ARATUBO S.A.U. CNAE 2420 - NACE 24.20

Manufacture of steel tubes, pipes, hollow profiles and their accessories

These economic activities are identified in the current Delegated Regulation 2021/2139, focusing on the environmental objectives of mitigation of and adaptation to climate change of the following eligible activity: 3.9 Iron and steel manufacture.

Compliant to Article 8 of Regulation (EU) 2020/852, there is the obligation to publish information on the proportion of turnover (CapEx) and operational expenses (OpEx).

The NFSR 2021 already described the deployment of Grupo Arania's voluntary targets to reduce

the impact of climate change, which include calculating the Carbon Footprint, according to the procedure in ISO 14064, for quantifying emissions and removals of greenhouse gases (GHG).

In addition, the initiatives of the Energy Management Systems ISO 50001 certification, the participation in the strategic partnership agreement for the supply of green steel and other activities aligned with adaptation to climate change enable us to present the required information on the proportion of turnover (CapEx) and operational expenses (OpEx).

CALCULATION OF INDICATORS

The indicators have been calculated based on the Delegated Act of article 8 of Regulation (EU)2020/852.

BUSINESS VOLUME

The proportion of business volume referred to in article 8, chapter 2, letter a), of Regulation (EU)2020/852 was calculated as the part of the net business volume derivative from products or services, including intangibles, related to economic activity that is aligned in the taxonomy (numerator), divided by the total net business volume (denominator).

The business volume includes the known revenue in accordance with the International Accounting Standard (IAS)1, paragraph 82, letter a), adopted by the Regulation (EC) n.º1126/2008 of the Commission. The numerator includes the sum of the business volume of the identified taxonomy-aligned activities and the denominator contains the total business volume of Grupo Arania.

CapEx

The proportion of CapEx (investment in fixed assets) referred to in Regulation (EU) 2020/852 have been calculated taking into account the

additions of tangible fixed assets, in intangible assets and property investments, excluding depreciation and impairment, of the consolidated annual accounts of Grupo Arania. Thus the total sum at group level of the additions mentioned above has been taken into account when calculating the denominator. The numerator is made up of investments (CapEx) related to assets or processes associated with economic taxonomy-aligned activities.

OpEx

The OpEx proportion mentioned in Regulation (EU) 2020/852 has been constructed as follows. Grupo Arania includes the more material entries for its activity and common within its accounting processes such as consumption expenses, staff costs, external work and supplies and depreciation, which is why materiality criteria have been used when selecting the items included in the calculation.

This indicator with reference to taxonomy reflects the associated costs of Grupo Arania to guarantee the correct functioning of an taxonomy-aligned activity.

Thousands of euros	Turnover	Investments (CapEx)	Operational expenses (OpEx)
Total eligible activities (Aratubo+Arania)	291,865,115.37	5,479,730.42	257,605,103.78
Total for Grupo Arania:	513,869,062.88	15,315,692.72	480,301,617.39
% of activities eligible	56.80%	35.78%	53.63%
% of activities not eligible	43.20%	64.22%	46.37%



APPENDICES

Appendix I: Statement of GRI standards

Appendix II: Index of GRI content

Appendix III: Content required by Law 11/2018 on non-financial information

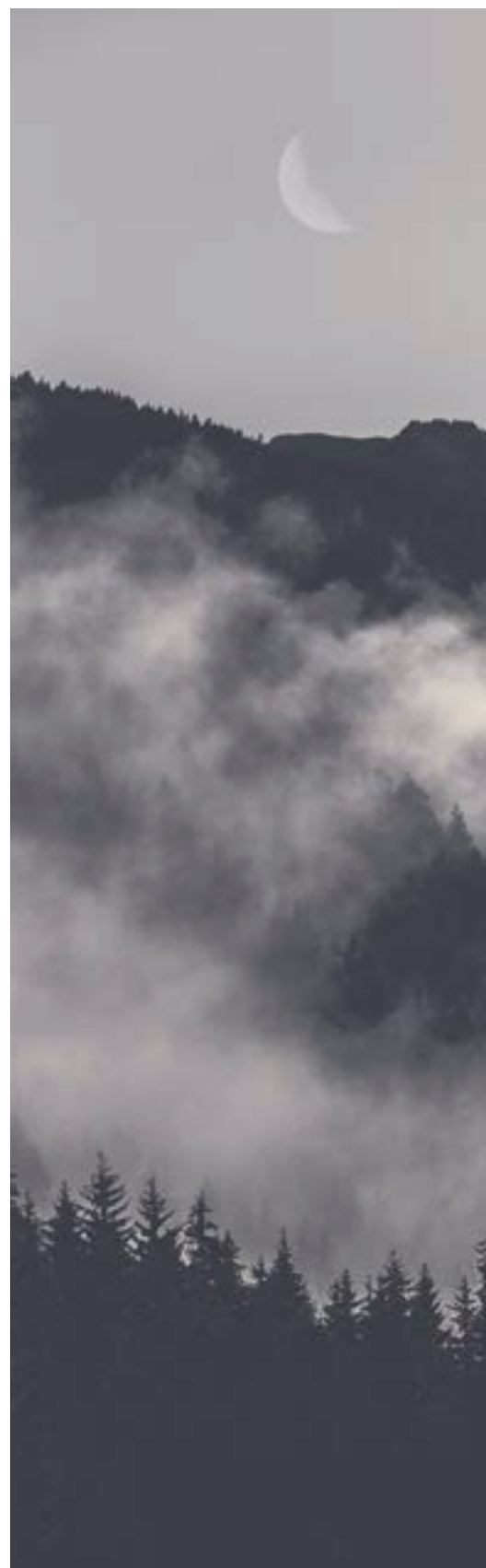
APPENDIX I: STATEMENT OF GRI STANDARDS

This report has been drawn up in accordance with *GRI 1 Foundation 2021*.

Grupo Arania has presented the aforementioned information in the index of GRI content (Appendix II) for the period between 1 January 2022 and 31 December 2022, using the GRI standards as a reference.

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

Assuming the commitment that the quality of the information provided by Grupo Arania is important for our stakeholders to be able to make solid and reasonable evaluations and to take the appropriate action, the principles set out in section 4 of *GRI 1 Foundation 2021 have been applied*.





Principles for preparing the report

1 ACCURACY

The accuracy and details of the qualitative information are backed by the different corporate statements (Code of Conduct, Integrated Policies) and the reliability of management system that is documented and certified by independent entities in the areas of quality, environment, occupational health and safety and energy management.

For the quantitative information, although a clear improvement was observed as a result of the learning from last year's report and the alignment with the GRI requirements, there is room for improvement in the system for data collection, which will be consolidated in the coming financial years.

2 BALANCE

Similarly, in the 2021 report, the information presented reflects all impacts of the performance of Grupo Arania, both positive points and others that, although without a consolidated rollout, are in the process of being implemented in some of the companies. Of these, note the implementation of equality plans, the certification of the origin of energy and the development of innovation projects that still have a way to go in development and logic learning due to the specific characteristics of each of the businesses in Grupo Arania.

3 CLARITY

The content of this report has been structured in the Contents page and with reference to legislative prescriptions and the GRI requirements.

Consolidated data and tables have been used for the main values of each of the ESG areas and infographics and diagrams to display some methods of management and performance.

Similarly, like version one last year, the report has been published in three languages (Spanish, English and Slovak) and will be publicly available on the website.

4 COMPARABILITY

Our learning from the experience of NFSR 2021 has enabled us to improve dynamics in the selection and compilation of data for this report for 2022.

To analyse comparability with other organisations, absolute values are presented, as well as percentages (turnover, employment, carbon footprint calculations, etc.) according to a standardised data in accordance with the ESG areas we are reporting.

5 EXHAUSTIVENESS

The focus used to consolidate the information on the companies in Grupo Arania in this NFSR, in accordance with requirement 2-2-c of GRI 2: General Disclosures 2021, is aligned with the consolidated financial information.

The description of impacts arising from management practices and the implication of Grupo Arania with regard to its activities, products and services has a solid base in the certification of their management systems.

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

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

6 CONTEXT OF SUSTAINABILITY

The principal reference in the context of sustainability in the preparation of this Report, corresponding to the activities of 2022, was the consideration of the European Taxonomy defined by Regulation (EU) 2020/852 and its corresponding delegated regulations.

This has enabled us to identify the alignment of the Grupo Arania's activities with the technical criteria oriented at achieving goals of mitigation and adaptation to climate change, under the criterion of "significant absence of harm" to the other objectives.

Similarly, the planning of actions aligned with the SDG and the commitments of the 2030 Agenda have been maintained, within the "Living Sustainability" strategy.

7 TIMING

The information presented corresponds to the activities and results of last year, 2022. In coherence with the rest of the accounting reports that Grupo Arania establishes in its management practices, it will be conducted annually.

8 VERIFIABILITY

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



APPENDIX II: INDEX OF GRI CONTENT

In compliance with the provisions of **GRI 1**, the following table specifies all the GRI standards used and lists all the content included in the report.

GRI standard	Contents	Page or URL	Omission if relevant
GRI 1 Foundation 2021	Principles for preparing reports Use of the GRI standards Statement of use of the GRI standards	Appendix I	
GRI 2 General Disclosures 2021	2-1 Organisational details	21 and 44	This content cannot be omitted
	2-2 Entities included in the organisation's sustainability reporting	8 to 13	
	2-3 Reporting period, frequency and contact point	Appendix I	

GRI standard	Contents	Page no. or URL	Omission if relevant
GRI 2 General Disclosures 2021	2-4 Restatements of information:		
	Incorporation of Slovakia	46	This content cannot be omitted
	Restatements on workforce	66 to 73	
	New calculations of CF	94 and 95	
	Fiscal information	110	
	Alignment with European taxonomy	111 to 113	
	2-5 External assurance	mooreamsauditores.com	
	2-6 Activities, value chain and other business relationships	21	
	2-7 Employees	64 to 73	
	2-8 Workers who are not employees		No up-to-date information available for 2022.
	2-9 Governance structure and composition	46 and 47	Organisational chart
	2-10 Nomination and selection of the highest governance body	48 to 51	
	2-11 Chair of the highest governance body	47	
	2-12 Role of the highest governance body in the overseeing the management of impacts	49 to 51	Delegation to the Sustainability Directorate
2-13 Delegation of responsibility for managing impacts	49 to 51		
2-14 Role of the highest governance body in sustainability reporting	4 and 5	Letter from the Chairman	

GRI standard	Contents	Page no. or URL	Omission if relevant
GRI 2 General Disclosures 2021	2-15 Conflicts of interest	48 to 51	Code of Conduct CSR Committee
	2-16 Communication of critical concerns	48 to 51	
	2-17 Collective knowledge of the highest governance body	48 to 51	Delegation to the CSR Committee
	2-18 Evaluation of the performance of the highest governance body	44	The Chairman is the controlling shareholder
	2-19 Remuneration policies		Information unavailable
	2-20 Process to determine remuneration		Information unavailable
	2-21 Annual total compensation ratio		Information unavailable
	2-22 Statement on sustainable development strategy	28 and 29	Sustainability strategy Code of conduct Integrated Policies of the certified management systems
	2-23 Policy commitments	30 to 33	
	2-24 Embedding policy commitments	18 and 19	Certified management systems Alignment with taxonomy Global Sustainability Plan
	2-25 Processes to remediate negative impacts	18 and 19	
	2-26 Mechanisms for seeking advice and raising concerns	18 and 19	
	2-27 Compliance with laws and regulations	18 and 19	
	2-28 Membership of associations	107	
2-29 Approach to stakeholder engagement	30 to 33		
2-30 Collective bargaining agreements	84		

GRI standard	Contents	Page no. or URL	Omission if relevant
Material Topics			
GRI 3 Material topics 2021	3-1 Process to determine material topics	34 to 41	This content cannot be omitted
	3-2 List of material topics	35 to 41	
Information on the fight against corruption and bribery (in Corporate Management and Code of Conduct)			
GRI 3 Material topics 2021	3-3 Management of material topics	30 to 41	Code of conduct
GRI 205 Anti-corruption 2016	205-1 Operations assessed	60 and 61	Inferred from the CSR Committee supervision procedure
	205-2 Communication and training about anti-corruption policies and procedures	60 and 61	
	205-3 Confirmed incidents of corruption and actions taken	60 and 61	
Certification of management systems for an integrated focus on risk management			
GRI 3 Material topics 2021	3-3 Management of material topics	19	Chart of certifications
GRI 2 General Disclosures 2021	GRI 2-23 Policy commitments	30 to 33	Inferred from the CSR Committee supervision procedure
	GRI 2-24 Embedding policy commitments	48 to 51	
	GRI 2-25 Processes to remediate negative impacts	48 to 51	
Promotion of health and welfare in the workforce			
GRI 3 Material topics 2021	3-3 Management of material topics	19	ISO 45001 Certifications Occupational Health and Safety Risk Management

GRI standard	Contents	Page no. or URL	Omission if relevant	
Promotion of health and welfare in the workforce				
GRI 403 Occupational occupational safety 2018	Management approach disclosures:		The management approach is based on the systems ISO 45001 certified by a third party.	
	403-1 Management System of health and the occupational safety	76 to 81		
	403-2 Hazard identification, risk assessment, and incident investigation	76 to 81		
	403-3 Occupational health services	76 to 81		
	403-4 Worker participation, consultation, and communication on occupational health and safety	76 to 81		
	403-5 Worker training on occupational health and safety	76 to 81		
	403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	76 to 81		
	Topic-specific disclosures:			
	403-8 Workers covered by an occupational health and safety management system	76 to 81		
	403-9 Work-related injuries	76 to 81		
403-10 Work-related ill health	76 to 81			
Decarbonisation and reduction of CO emissions				
GRI 3 Material topics 2021	3-3 Management of material topics	24 and 25 104 19 94 and 95	Business plan 2023-26 Innovation in green steel ISO 50001 Certifications Calculation of carbon footprint	

GRI standard	Contents	Page no. or URL	Omission if relevant
Decarbonisation and reduction of CO emissions			
GRI 302 Energy 2016	302-1 Energy consumption within the organisation	91 and 92	The information presented has been drawn up within the scope of the ISO 50001 certifications.
	302-2 Energy consumption outside of the organisation	91 and 92	
	302-3 energy intensity	91 and 92	
	302-4 Reduction of energy consumption	91 and 92	
	302-5 Reductions in energy requirements of products and services	91 and 92	
GRI 303 Water and effluents 2018	303-3 Water withdrawal	92	The information presented has been drawn up within the scope of the ISO 14001 certifications.
	303-4 Water discharge	19	
	303-5 Water consumption	92	
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	94 and 95	Calculation of carbon footprint
	305-2 Energy indirect (Scope 2) GHG emissions	94 and 95	
	305-5 Reduction of GHG emissions	94 and 95	
Corporate policies of sustainability, human rights and anti-corruption			
GRI 3 Material topics 2021	3-3 Management of material topics	grupoarania.com/personas	Statement of values Code of conduct Sustainability strategy Business plan 2023-26 Innovation in green steel ISO 50001 Certifications Calculation of carbon footprint

APPENDIX III: CONTENT REQUIRED BY LAW 11/2018 ON NON-FINANCIAL INFORMATION

The following table lists the content required by Law 11/2018 on non-financial information.

Contents	Pages	Criteria applied
Business model		
<ul style="list-style-type: none"> ≈ Business structure, internationalisation and main markets ≈ Corporate identity ≈ Innovation ≈ Plan 2022/2025 ≈ Strategy of sustainability and commitments to our stakeholders ≈ Analysis of materiality ≈ Governance ≈ Code of conduct and risk management 	4 to 61	<ul style="list-style-type: none"> Consolidated annual accounts Strategy appraisals Participation in innovation programmes with allies and partners in the sector GRI 2-44 and GRI 2-47 Principle of due diligence

Contents	Pages	Criteria applied
Information on respect for human rights	58 and 59	Code of Conduct and Responsible Practices Principle of Due Diligence European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) Art 21 EU Treaty
≈ Management approach	See Code of Conduct*	Commitments acquired in the Code of Conduct
Information related to the fight against corruption and bribery	60 and 61	Code of Conduct and Responsible Practices CSR Committee
≈ Management approach	See Code of Conduct*	Commitments acquired in the Code of Conduct
Social and staff-related matters		
≈ Management approach ≈ Employment ≈ Social relations ≈ Training ≈ Health and safety ≈ Equality and accessibility	63 to 85	Commitments acquired in the Code of Conduct ISO 14001 Certification
Company information		
≈ Management approach and commitments to sustainable development ≈ Suppliers and supply chain ≈ Consumers and other social agents ≈ Fiscal information	100 to 103 104 and 105 108 and 109 110	Commitments acquired in the Code of Conduct Alignment with Prioritised SDG

*www.grupoarania.com/personas

