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# Sustainability Policy

Duro Felguera Group





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**INDEX**

<b>I.</b>	<b>INTRODUCTION .....</b>	<b>4</b>
<b>II.</b>	<b>OBJECTIVE .....</b>	<b>4</b>
<b>III.</b>	<b>SCOPE OF APPLICATION .....</b>	<b>4</b>
<b>IV.</b>	<b>GENERAL PRINCIPLES FOR ACTION .....</b>	<b>5</b>
<b>V.</b>	<b>STAKEHOLDER ENGAGEMENT PRINCIPLES.....</b>	<b>7</b>
<b>VI.</b>	<b>POLICY DISSEMINATION .....</b>	<b>9</b>
<b>VII.</b>	<b>APPROVAL AND FOLLOW-UP .....</b>	<b>9</b>

## **I. INTRODUCTION**

The Sustainability Committee is responsible for supervising compliance with the sustainability policy, social transparency and the Code of Conduct, as well as its application and dissemination.

In this regard, the Duro Felguera Group reaffirms its constant commitment to compliance with sustainability regulations and the application of the highest recognised standards in its activity. As a materialisation of this commitment, it has as an unavoidable obligation the sustainable development that it demonstrates through the commitments of this Policy.

The Duro Felguera Group promotes the use of the best market practices in the development of its activity and, especially, in the area of sustainability. For this reason, this Policy is a reflection of the reference standards in this area and on which the foundations of our activity are based both internally and externally. In this way, the Duro Felguera Group undertakes to reflect the practices defined in the above regulations are reflected in the Group's internal regulations.

## **II. OBJECTIVE**

The Sustainability Policy of the DURO Felguera Group aims to establish the basic principles and the general framework of action that will serve as the basis for the sustainability strategy and practices assumed by the Group, in accordance with the applicable regulations, internal management standards and best corporate governance practices. The purpose of all this is to ensure that its activity is carried out in a way that promotes the creation of long-term value for all stakeholders.

This Policy should be understood as a fundamental tool of the Group's activity that stands out as a differentiating element and an example of sustainability, favouring the achievement of the Sustainable Development Goals. In short, this Policy establishes the Group's principles of action, defining the sustainability strategy for all the companies that comprise it.

## **III. SCOPE OF APPLICATION**

Sustainability is understood in the Duro Felguera Group as the way we manage our activity, affecting the design of the organisation's strategy, decision-making and operations management in the same way. In this context, the Duro Felguera Group strives both to minimise the negative effects and to maximise the positive effects of its activity in those areas where it is present.

Therefore, this Policy is applicable to all employees and Representatives of the Duro Felguera Group regardless of the company or country in which they are located. Without prejudice to the foregoing, the Duro Felguera Group will require its employees and related third parties to follow and comply with the principles set out in this Policy.

## IV. GENERAL PRINCIPLES FOR ACTION

The general principles of action of the Duro Felguera Group are developed on the basis of the Sustainable Development Goals established by the United Nations (SDGs), establishing the following commitments that allow us to ensure the needs of the present without compromising those of the future, ensuring environmental protection, economic growth and social development:



- **Reduce environmental impacts:** The Duro Felguera Group will apply the precautionary principle to reduce the environmental impact and improve the environmental performance of its activities in all the areas in which it operates.
- **Improve energy efficiency in the Group's activities:** The Duro Felguera Group will promote the decarbonisation of its business model, thus mitigating the effects of climate change, conserving the natural environment and promoting the circular economy and energy efficiency.
- **Promote awareness of environmental protection:** The Duro Felguera Group will promote initiatives that enhance its commitment to raising awareness among its employees, representatives and third parties of the phenomenon of climate change, environmental protection and the conservation of biodiversity.
- **Ensuring Product Quality:** The Duro Felguera Group will ensure compliance with all applicable legal and customer requirements, with the commitment to operate with the highest standards of excellence, generating safe and quality products and services that maximise the satisfaction of the Customer and the rest of the interested parties.
- **Strengthening a Responsible Supply Chain:** The Duro Felguera Group will guarantee ethical standards and respect for the environment, health and safety and human rights in all links of the supply chain, instilling similar commitments in suppliers.
- **Ensuring Health and Safety:** The Duro Felguera Group will use all the means at its disposal to achieve safe and healthy working environments for its employees, representatives and collaborators. The training and information of those involved will be promoted by providing them with the appropriate means to guarantee safe and healthy working environments.
- **Attracting, retaining and developing Human Capital:** The Duro Felguera Group is aware that its human capital is the main asset for the development of its activity and continues to be highly committed to attracting, retaining and developing its human capital, applying practices of equality, non-discrimination and respect for diversity and inclusion.

-  **Contribute to the protection of Human Rights and Communities:** The Duro Felguera group is committed to the protection of Human Rights and understanding with the communities in which it operates, attending to the concerns of all interested parties and in the terms expressed in this Policy.
  
-  **Comply with the applicable regulations in the countries and territories in which the Group operates and with the public authorities.** The Duro Felguera Group will act not only in accordance with the legal requirements and performance standards required in each of the countries in which it operates, prioritising strict compliance with the applicable regulations, but also encouraging and reviewing ethical conduct, applying the most demanding national and international practices of efficiency and productivity regardless of where operations are carried out.
  
-  **Ensuring Responsible Corporate Governance:** The Duro Felguera Group has a Board of Directors that is committed to maintaining the key objectives of diversity and equality, as well as practising transparent, independent and responsible management, which is why remuneration policies in line with the dedication and contribution to the Group's sustainability will be promoted.
  
-  **Promoting Responsible Behaviour:** The Duro Felguera Group has developed an anti-corruption policy, the fundamental principles of which are to avoid money laundering and corrupt, anti-competitive or fraudulent practices, carrying out a management of fiscal transparency and regulatory compliance under the principle of zero tolerance to this type of conduct, which is developed in the Group's Regulatory Compliance Model.
  
-  **Fiscal responsibility:** The Group's tax model is fully aligned with internationally applicable tax standards. The established model is based on the application of best practices and therefore full transparency will be promoted in all markets in which the Group operates.

The company considers **innovation to** be a strategic element in tackling the challenges facing all areas of the company and in responding to the needs and expectations of its main stakeholders. It is therefore firmly committed to developing innovation in each of the processes related to the Company's businesses, as a way of improving the achievement of the objectives set out here.

The **Sustainability Committee** will monitor compliance with the commitments established by monitoring the activity of the environmental, social and governance areas, enabling it to assess the situation periodically and the achievement of the objectives set.

## V. STAKEHOLDER ENGAGEMENT PRINCIPLES

Without prejudice to the application of the general principles of action, the Duro Felguera Group identifies **stakeholders** as a fundamental element of its activity. For this reason, and with the intention of promoting the social contribution that the Group makes to its stakeholders, the Group has defined specific principles of action for its stakeholders.

In this sense, the Duro Felguera Group understands stakeholders to be those parties (individuals, groups or institutions) that are affected by the Group's activity and can reciprocally cause a real or possible effect on us.

The Duro Felguera Group considers the following **stakeholders** to be relevant:

 **Client:** The Duro Felguera Group provides technical support to make its clients' projects a reality in order to achieve their satisfaction, respecting deadlines and ensuring the duration and reliability of the same, under strict compliance with the applicable legal and contractual regulations. The relationship of reliability with our clients is manifested in:

- Providing advanced technical solutions for our clients.
- To encourage continuous improvement of the services provided by the Group to its customers in all the areas in which it operates.
- Create procedures to increase the quality of the service provided.

 **Shareholders:** It is a priority for the Duro Felguera Group to maximise the investment of our shareholders by protecting their integrity and applying management based on proximity and transparency. This prioritisation is materialised in the following actions:

- Apply the principle of equal treatment in the responsible exercise of the rights and responsibilities of the Group's shareholders.
- Encourage the informed participation of shareholders, providing them with the necessary and accurate information to exercise their rights.
- Exercise responsible communication, avoiding attitudes that may involve manipulation of information and protect the integrity of such information.
- Approve by the Board of Directors of the Company a Policy of communication and contacts with stakeholders, especially with shareholders, facilitating the transparency of the information provided to shareholders and the markets.

 **Administrations and Regulators:** The objective is to establish appropriate communication channels in all the countries where we carry out our projects in order to carry out our activities while minimising the impact on the environment, always complying with the applicable legal requirements. The Group's commitment to Public Administrations and Regulators is materialised in the following ways:

- Comply with the legal regulations of all the countries in which the Duro Felguera Group is present.
- Collaborate with the Authorities in any request they may make.
- Develop and implement the necessary initiatives and mechanisms to promote information transparency and an adequate control framework for the company.

 **Society:** We actively collaborate with the social variable, minimising the negative impact on it and always favouring the creation of employment and sustainable development. The Group's collaboration with the environment and, specifically, with society is materialised in the following actions:

- Develop strong links with society in order to build trust.
- Support initiatives that contribute to a healthier, more equal and just society.

 **Suppliers and Subcontractors:** We will ensure that all collaborators are aligned with the commitments set out in this Policy, actively participating in the responsible supply chain and enriching our value chain by complying with all the principles set out in the Code of Conduct. The commitment to suppliers and subcontractors is manifested in the following actions:

- Adopt responsible supply chain management practices in accordance with the principles set out in this Policy.

To align the behaviour of suppliers with all the principles that govern the activity of the Duro Felguera Group, especially with those mentioned in the Third Party Code of Conduct.

 **Employees:** The well-being of the human capital that makes up the Duro Felguera Group will be looked after at all times, promoting continuous training and recognition of work through the establishment of appropriate communication channels to promote career advancement and job stability in a suitable health and safety environment at all sites. For the Duro Felguera Group, ensuring the well-being of its human capital is materialised in:

- Respect the human and labour rights recognised in national and international legislation, in accordance with the principles of action established in the Code of Conduct.

- Recruiting, selecting and retaining talent in accordance with a performance scheme based on equal opportunities and non-discrimination.
- Promote the training and qualification of workers.
- Ensure a safe and healthy working environment in the Group.

 **Media and other stakeholders:** Transparent communication will be established to communicate all the positive impacts of our good work, always proactively meeting the expectations of these stakeholders.

## **VI. POLICY DISSEMINATION**

The Duro Felguera Group shall adopt the measures that, where appropriate, are pertinent for the purposes of disseminating and communicating the content of this Policy to all its Employees and Representatives, as well as to its Third Parties. In addition, the necessary training and informative activities shall be established to make the contents of the Policy known. In accordance with the foregoing, the Sustainability and Investor Relations Department will be responsible for the implementation, dissemination and application of the Policy within the Group, including the planning, coordination and control of the execution of the precise actions of the various areas and departments.

In order to promote its disclosure, its dissemination to all stakeholders will be promoted through its publication on the corporate website and on the corporate intranet.

## **VII. APPROVAL AND MONITORING**

This Policy was approved by the Board of Directors of Duro Felguera on 27 December 2022, replacing the Corporate Social Responsibility Policy approved on 23 December 2015 and in force until the date of approval of this Policy.

This Policy may be updated and reviewed periodically at the proposal of the Sustainability and Investor Relations Department, which shall take into account the suggestions and proposals made by the areas or departments involved in the Group's ESG management, as well as the commitments acquired by the Group in the area of sustainability and good governance.