
Sustainability Policy

Duro Felguera Group





Date	Version	Author(s):	Approved by:	Description
27/12/2022	V1	Sustainability Department	Board of Directors of Duro Felguera	Final version



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I. INTRODUCTION

The Sustainability Committee is responsible for overseeing compliance with the Sustainability Policy, social transparency and the Code of Conduct including implementation and dissemination of the same.

Accordingly, Duro Felguera Group reaffirms its ongoing commitment to compliance with the applicable sustainability-related regulations and with the highest recognised standards in all its activities. This commitment is embodied in the Group's inescapable duty to ensure sustainable development clearly reflected in the commitments acquired under this Policy.

Duro Felguera Group encourages use of the best market practices in the course of its activities with special attention to sustainability-related issues. Consequently, this Policy reflects the benchmark standards in the field and represents the foundation for all our internal and external activities. This means that Duro Felguera Group is committed to implementing the practices defined in the aforesaid regulations in its internal governance.

II. PURPOSE

The purpose of Duro Felguera Group's Sustainability Policy is to lay down the basic principles and general framework of action that will act as the foundation of the Group's sustainability strategy and practices in accordance with the currently applicable regulations, internal management rules and best corporate governance practices. All the above is intended to ensure that its activities are carried out in a manner that fosters long-term value creation for all stakeholders.

This Policy should be understood as constituting a fundamental tool for performance of the Group's activities, acting as a differentiating aspect and an example of sustainability in practice, contributing to achievement of the U.N. Sustainable Development Goals. In a nutshell, this Policy establishes the action criteria and defines the sustainability strategy for all Group companies.

III. SCOPE OF APPLICATION

Duro Felguera Group understand sustainability as the manner in which we manage all our activities, guiding the organisation's strategy, decision-making and operations management. In this context, Duro Felguera Group strives to minimise the detrimental effects and maximise the positive impacts of its activities wherever it operates.






Therefore, this Policy applies to all employees and representatives of Duro Felguera Group regardless of the company or country in which they work. Without prejudice to the above, Duro Felguera Group will require compliance by its suppliers, business partners and related third parties with the principles set forth in this Policy.

IV. GENERAL PRINCIPLES OF ACTION

Duro Felguera Group's general principles of action have been developed on the basis of the Sustainable Development Goals (SDG) promulgated by the United Nations, proposing the following commitments to enable us to ensure present requirements without compromising future needs while safeguarding the environment, fostering economic growth and promoting social development:



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Reduce environmental impacts: Duro Felguera Group will apply the precautionary principle to reduce the environmental impact and boost the environmental friendliness of its activities in all areas in which it operates.
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Improve the energy efficiency of the Group's activities: Duro Felguera Group will drive decarbonisation of its business model in order to mitigate the effects of climate change, conserve the natural environment and promote the circular economy and energy efficiency.
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Foster awareness of environmental protection: Duro Felguera Group will encourage initiatives that strengthen its commitment to raising awareness among its employees, representatives and related third parties concerning climate change, environmental protection and the conservation of biodiversity.
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Ensure product quality: Duro Felguera Group will ensure compliance with all applicable legal and customer-based requirements with a commitment to operate at the highest standards of excellence to design, manufacture and provide safe, high-quality products and services that enhance customer satisfaction and the satisfaction of other stakeholders.
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Support a responsible supply chain: Duro Felguera Group will uphold ethical standards and respect for the environment, health and safety and human rights throughout the entire supply chain by instilling similar commitments in its suppliers.
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Assure health and safety: Duro Felguera Group will use all means at its disposal to attain safe, healthy working environments for its employees, representatives and business partners. Training and informative measures will be encouraged and the required resources provided to ensure safe and healthy working environments.
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Attract, retain and develop human capital: Duro Felguera Group is aware that its human capital is its main asset for performance of its activities and is firmly committed to attracting, retaining and developing the same, applying practices that ensure equality, non-discrimination and respect for diversity and inclusion.

-  **Contribute to the protection of human rights and communities:** Duro Felguera Group is committed to the protection of human rights and to engaging with the communities where it operates, addressing the concerns of all stakeholders in accordance with the terms set forth in this Policy.
-  **Comply with the applicable regulations and cooperate with the public authorities in the countries and regions in which the Group operates.** Duro Felguera Group will not only act in accordance with the legal requirements and rules of conduct required in all countries in which it operates while prioritising strict compliance with the applicable regulations, but will also foster and review ethical behaviour, applying the most demanding domestic and international practices of efficiency and productivity regardless of where the operations take place.
-  **Ensure responsible corporate governance:** The Board of Directors of Duro Felguera Group is committed to achieving its key diversity and equality goals while practising a transparent, independent, responsible management model. Consequently, remuneration policies in line with the employee's dedication and contribution to Group sustainability will be encouraged.
-  **Foster responsible behaviour:** Duro Felguera Group has implemented an anti-corruption policy, the fundamental principles of which include combating money laundering and corrupt, anti-competitive or fraudulent practices. As set forth in the Group's Compliance Model, Duro Felguera practices transparent fiscal management and regulatory compliance under a zero-tolerance approach to the aforesaid conduct.
-  **Fiscal responsibility:** The Group's fiscal model is fully aligned with internationally-applicable fiscal standards. The established model is based on application of the best practices. Consequently, we will foster full transparency in all markets in which the Group operates.

The Company sees **innovation** as a strategic tool to address the challenges in all areas of the Company and to meet the needs and expectations of key stakeholders. Therefore, it is committed to integrating innovation into all the processes that comprise the Company's business as a means to better achieve the goals set in this Policy.

The **Sustainability Committee** will monitor compliance with the commitments acquired herein by tracking the activities related to the environmental, social and governance areas, enabling regular assessment of the situation and achievement of the objectives.

V. PRINCIPLES OF ACTION REGARDING STAKEHOLDERS

In addition to the general principles of action, Duro Felguera Group identifies its **stakeholders** as a fundamental component in all its activity. For this reason, specific principles of action have been designed for its stakeholders in order to highlight the social contribution that the Group makes to its stakeholders.



Duro Felguera Group defines stakeholders as people, groups or institutions that are affected by the Group's activities and could have a real or potential reciprocal impact on us.

Duro Felguera Group considers that the following groups constitute its **main stakeholders**:

df Clients: Duro Felguera Group provides technical support to convert its clients' projects into reality with the aim of achieving customer satisfaction by respecting deadlines, ensuring the durability and reliability of its product and strictly complying with all its legal and contractual obligations. The relationship of trust with our clients is demonstrated by the following measures:


- We provide our clients with advanced technical solutions.
- We pursue continuous improvement of the services provided by the Group in all the areas in which we operate.
- We implement procedures to enhance the quality of the services we provide.

df Shareholders: Maximising return on investment for our shareholders is a priority for Duro Felguera Group. We protect their integrity by applying management based on personal attention and transparency. This prioritisation is demonstrated in the following actions:


- Applying the principle of equal treatment in responsible exercise of the rights and obligations of the Group's shareholders.
- Encouraging informed shareholder participation by providing them with the accurate information required to exercise their rights.
- Exercising responsible communication, avoiding attitudes that could be construed as disinformation and protecting the accuracy of the information we disseminate.
- Adoption of a Stakeholder Communication and Engagement Policy by the Company's Board of Directors with special focus on shareholders to ensure transparency in the information provided to both shareholders and the markets.

df Government agencies and watchdogs: The goal is to set up appropriate communication channels in all countries where the Group operates in order to conduct activities while minimising their environmental impact and strictly complying with the applicable legal requirements. The Group's commitment to government agencies and watchdogs is demonstrated by the following actions:


- Complying with the currently applicable legislation in all countries where Duro Felguera Group operates.
- Cooperating with the authorities in all requirements of which we are notified.
- Developing and implementing initiatives and mechanisms that foster information transparency and a proper control framework for the Company.

 **Society:** We actively cooperate with the society within which we work, minimising detrimental impacts and always promoting job creation and sustainable development. The Group's collaboration with the community is demonstrated in the following actions:

- Developing strong bonds with society to generate trust.
- Supporting initiatives that contribute to a healthier, more equitable and fairer society.

 **Suppliers and subcontractors:** We will ensure that all our business partners are aligned with the commitments acquired in this Policy, actively participating in responsible supply-chain management and enriching our value chain while complying with the principles laid down in the Code of Conduct. Our commitment to suppliers and subcontractors is demonstrated by the following measures:

- Adopting responsible practices in supply-chain management in accordance with the principles set forth in this Policy.
- Aligning the conduct of suppliers with the principles that govern Duro Felguera Group's activities, especially those stated in the Third-Party Code of Conduct.

 **Employees:** The well-being of Duro Felguera Group's human capital will be safeguarded at all times. We will foster continuous training and recognition of excellence at work through the appropriate communication channels to encourage career advancement and job stability in a safe and healthy working environment at all locations. Our commitment to ensure well-being of the human capital in Duro Felguera Group is demonstrated by the following measures:

- Respecting human and workers' rights recognised in domestic and international legislation in accordance with the principles of action established in the Code of Conduct.
- Recruiting, selecting and retaining talent based on a scheme that ensures equal opportunities and non-discrimination.
- Promoting training and qualification of workers.
- Ensuring a safe and healthy working environment in all Group companies.

df Communications media and other stakeholders: We will strive to achieve transparent communication to convey all the positive impacts resulting from our good practices, proactively addressing the expectations of the aforesaid stakeholders.

VI. DISSEMINATION OF THE POLICY

Duro Felguera Group will take the measures required to disseminate and notify all its employees, representatives and related third parties of the goals and content of this Policy. The training and informative activities required to make the content of the same known will also be implemented. In accordance with the above, the Sustainability and Investor Relations Department will be responsible for implementation, dissemination and application of the Policy within the Group including planning, coordination and monitoring of the measures required in a variety of areas and departments.

It will be distributed to all stakeholders by publication on the corporate website and intranet to drive dissemination.

VII. ADOPTION AND FOLLOW-UP

This Policy was approved by the Board of Directors of Duro Felguera on 27 December 2022 and replaces the Corporate Social Responsibility Policy approved on 23 December 2015, now repealed by adoption of this Sustainability Policy.

This Policy may be updated and reviewed periodically upon proposal by the Sustainability and Investor Relations Department, considering the suggestions and proposals made by the areas or departments involved in the Group's ESG management and its commitments in terms of sustainability and good governance.