



Steel
building
the future

Sustainability
Report 2022

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We are cognizant that our journey towards sustainability is ongoing, and we remain committed in our pursuit of continuous improvement. We have set concrete pathways to achieve this, prioritizing digitalization and energy reduction actions, two areas that we consider critical for our future growth. Together, we will continue to drive positive change, embrace innovation, and contribute to a more sustainable and inclusive future.

The main highlight of 2022, with a significant impact on our industry and our business, was the invasion of Russia in Ukraine and the ensuing war. Despite disruptions in supply chains and sky rocketing energy costs, we managed to navigate effectively through the various challenges, serving our customers and further developing our business in existing and new markets.

In this peculiar context, throughout the year and across our activities, we also continued our journey to strengthen our impact to the society and the economy while reducing our environmental footprint. We took steps to inject greater rigor into the identification of functional metrics, we prioritized data reliability, and we were able to better track our progress.

We strive to play a significant role in driving the transition

to a low carbon economy. By utilizing scrap as the sole source material for steel production, rather than using (extracted) iron ore, we minimize our carbon emissions and promote circular economy practices. Our commitment to environmental responsibility remains unwavering: in 2022, we continued to invest in innovative technologies and processes that enhance energy efficiency, reduce greenhouse gas emissions, and follow further the conservation of natural resources.

The sustainability matters relating to our employees and to the society are also of great importance. We are deeply committed to maintain a safe and healthy working environment for our employees and partners. We recognize that this is crucial for our people and the overall sustainability of our operations. Therefore, this year, we placed great

emphasis on further improving the occupational health and safety of our employees, directing significant investments towards initiatives that enable us to prevent incidents in the workplace and ensure a proactive safe environment for our people. Additionally, talent attraction, retention and employee development have been defined as essential components of our HR strategy. Considering our people our key asset, we acknowledge that our success lies on our workforce and their outstanding capabilities. Thus, we invest further on their development through comprehensive trainings, and we strive to foster a culture of continuous learning and growth while providing a supportive and collaborative working environment.

George Michos
CEO





Focusing on embedding sustainability in every aspect of our operations

“... Sidenor aspires to be at the forefront of steel industry’s efforts for a better, circular and safer environment”.



2001

Aeiforos SA Greece is established, in order to process Greek plants by-products and wastes and promote circular economy, by providing raw materials for other industries (e.g. cement industry).



2004

Aeiforos SA Bulgaria is established, in order to provide in Bulgaria similar services like in Greek plants.



2006

Installation of electric arc furnace direct scrap charging system (ConSteel) in Sovel plant, in order to reduce electricity consumption, by scrap preheating.



2009

Installation of New Compact Rolling Mill in Sovel plant, in order to reduce natural gas consumption, by directly feeding billets from the casting machine.



2014

Installation of Induction Furnace in Sovel Rolling Mill, in order to reduce natural gas consumption, by directly feeding billets from the casting machine.



2016

Installation of Induction Furnace in Sidenor Rolling Mill, in order to reduce natural gas consumption, by directly feeding billets from the casting machine.



2021

- Replacement of Reheating Furnace fuel in Dojran plant, from heavy oil to natural gas, in order to improve carbon footprint.
- Photovoltaic panels installation of 4MWp capacity in Dojran plant, in order to increase energy consumption from renewables and reduce its carbon footprint.



**Our
profile**

At a glance



GRI Indicators: 2-1, 2-6

Our companies

Sidenor S.A., Stomana Industry and their subsidiaries (hereafter the companies”) are prominent manufacturers of various steel products, based on the Electric Arc Furnace production route (scrap recycling) they consist steel recycler in Southeastern Europe. With over six decades of expertise in steel production and distribution, the companies, have been established themselves as leaders in the industry. Their comprehensive range of products encompasses long, flat, and downstream steel products. The companies have operating facilities in Greece, Bulgaria, and Republic of North Macedonia and their presence in Greece and abroad includes a network of industrial units and distribution centers.

Our products and operations

We present a diverse range of steel products in our portfolio. Our products have gained widespread recognition for their exceptional quality, excellent customer service, and innovative characteristics. Sovel and Stomana Industry products are certified with Environmental Product Declaration (EPD), demonstrating their commitment to responsible operations and addressing their environmental impact. The companies are renowned for their manufacturing expertise, adaptability, extensive distribution network, and the provision of high-quality services through their representatives.

Key markets

We provide a variety of solutions in the steel sector, to deliver the needs of our clients in Greece and abroad. Our products are used in major technical – construction works, both in Greece and globally. Steel products are core elements in various applications, including infrastructure projects, mechanical applications, transportation, shipbuilding, mining, and the energy sector.



**Building
and construction**



**Transportation,
automotive**



**Industrial
applications**



**Energy, power
and network**



Shipbuilding

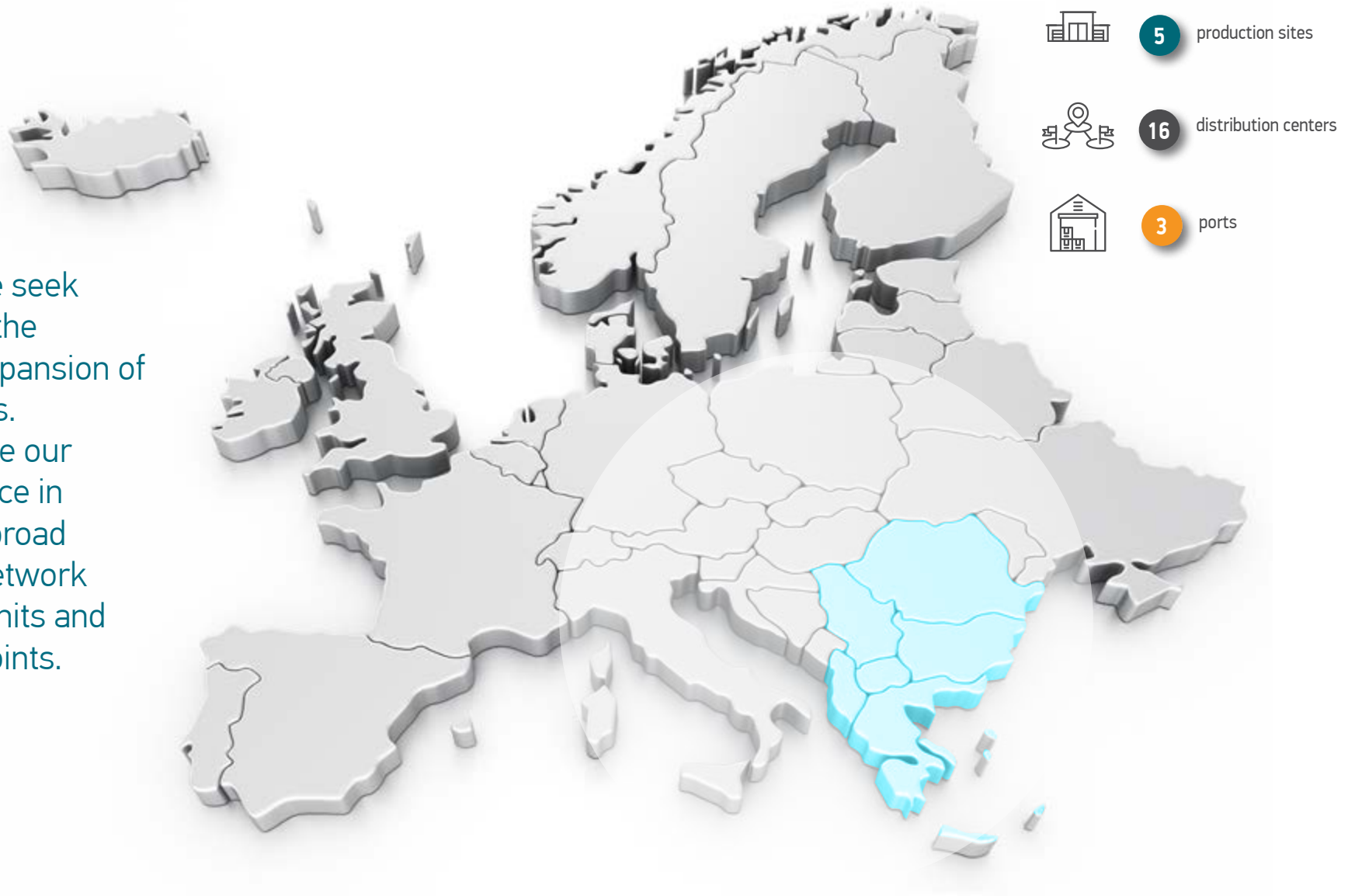


**Other markets:
mining and tunneling**





At Sidenor, we seek flexibility and the continuous expansion of our operations. We consolidate our strong presence in Greece and abroad with a wide network of industrial units and distribution points.



Production sites

We operate five (5) production units, sixteen (16) distribution centers, and three (3) ports. Our plants cover all stages of production, processing, and distribution. We have significant presence in European, as well as we maintain sales foothold in North African, North American, and Asia-Pacific markets, constantly striving for progress through process enhancements and the expansion of its product portfolio. Our overarching goal is to meet customer demands, adapt to emerging trends, and sustain our competitive advantage in the long term.



Location
Pernik, Bulgaria

Production focus

- Hot rolled quarto plates
- Special bar quality steels (SBQ)
- SD concrete reinforcing steel
- Steel balls
- Continuous cast semi-products (billets, blooms and slabs)
- Welded hollow sections



Location
Thessaloniki, Greece

Production focus

- Wire rod
- SD concrete reinforcing steel (bars and coils)
- Casted billets
- Merchant bar



Location
Nikolic, North Macedonia

Production focus

- Merchant bars
- SD concrete reinforcing steel
- Wire mesh
- Double-twist hexagonal mesh (serasanetti)
- Galvanized mesh in rolls and sheets
- Galvanized concrete reinforcing mesh for offshore fuel pipes



Location
Almyros, Greece

Production focus

- Billets
- SD concrete reinforcing steel
- SD spooled coils
- SD wire mesh
- SD stirrup reinforcing mesh
- Sidefit special mesh
- Sidefor and Sidefor Plus prefabricated stirrup cages



Location
Thessaloniki, Greece

Production focus

- Welding electrodes
- Copper-plated wires
- Galvanized wires
- Galvanized steel wire armor for power cables, including submarine power cables (round and flat)
- Galvanized mesh in rolls and sheets
- Black hard and annealed wires
- Concrete reinforcing steel fibres



Shared value creation



GRI Indicators: 2-6

Our primary goal as a business is to ensure the secure manufacturing of steel products, deliver value-added services to our customers, generate satisfactory returns for our investors, foster a sense of pride and rewards for our employees, establishing enduring partnerships with our suppliers, and promoting environmental sustainability and community development for the benefit of society at large.



Business model

Input	
	<p>Financial capital</p> <p>Companies equity</p>
	<p>Manufactured capital</p> <ul style="list-style-type: none"> • 5 production units • 16 distribution centers • 3 ports
	<p>Intellectual capital</p> <p>Strategic partnerships with organizations and institutes: ELKEME University of Chemical Technology and Metallurgy, Sofia University of Patras</p>
	<p>Human capital</p> <ul style="list-style-type: none"> • 2,454 employees • 33,040 hours of training
	<p>Social and relationship capital</p> <p>CSR Initiatives</p> <ul style="list-style-type: none"> • €1,986,617,040 total suppliers spending • €1,164,466,860 spent on local suppliers • 59% of budget spent on local suppliers
	<p>Natural capital</p> <ul style="list-style-type: none"> • 1,881,775 MWh total energy consumption • 2,231MI water consumption • Non renewable materials: 136,361 tn • Renewable materials: 1,836,100 tn

Value creation

Vision

To be the leading producer of steel products through our people and our technological excellence.

Mission

The safe production of steel products and the provision of added-value services to our customers, satisfactory returns to our investors, rewards and a sense of pride to our employees, long-term relationships with our suppliers, and environmental sustainability and development for local communities and society in general.

Values

- Ownership
- Integrity
- Striving for excellence
- Team spirit
- Innovation
- Continuous development

Key markets

- Building and construction
- Transportation, automotive
- Industrial applications
- Energy, power, and network
- Shipbuilding
- Other markets: mining and tunneling

Output

Financial capital

Revenues

Manufactured capital

Sidenor plant

Meltshop: 800,000 tn/year

Long products rolling mill: 800,000 tn/year

Sovel plant

Meltshop: 1,350,000 tn/year

Long products rolling mill: 1,200,000 tn/year

Compact mill: 350,000 tn/year

Stomana Industry plant

Meltshop: 1,400,000 tn/year

Long products rolling mill: 1,000,000 tn/year

Plate products rolling mill: 400,000 tn/year

Welded Hollow sections mill: 45,000 tn/year

Erlikon plant

Electrodes: 4,000 tn/year

Copper-plated wires: 3,000 tn/year

Galvanized wires: 32,000 tn/year

Drawing machines: 40,000 tn/year

Steel Fibres: 1,300 tn/year

Dojran Steel plant

Long products rolling mill: 200,000 tn/year

Wire mesh production: 20,000 tn/year

Lattice girders: 10,000 tn/year

Intellectual capital

Product/process development/improvement projects

Steel processing improvement

Quality excellence

Human capital

282 new hires

8% turnover

Collaboration with universities and academia:

Institute of Metal Science, Bulgarian Academy of Science, Sofia | National Technical University of Athens | University of Thessaly | Laboratory for Manufacturing Systems and Automation

Social and relationship capital

Corporate responsibility programs, i.e., Blood Donation,

Educational visit to Sovel - Almyros Vocational high school,

Workshop on "Preparation tips for a successful interview"

– Almyros Vocational high school

Natural capital

2.5% reduction of total energy intensity

(compared to 2021)

(Scope 1) Total direct emissions: 201,761 tCO₂e

(Scope 2) Total indirect emissions: 658,008 tCO₂e

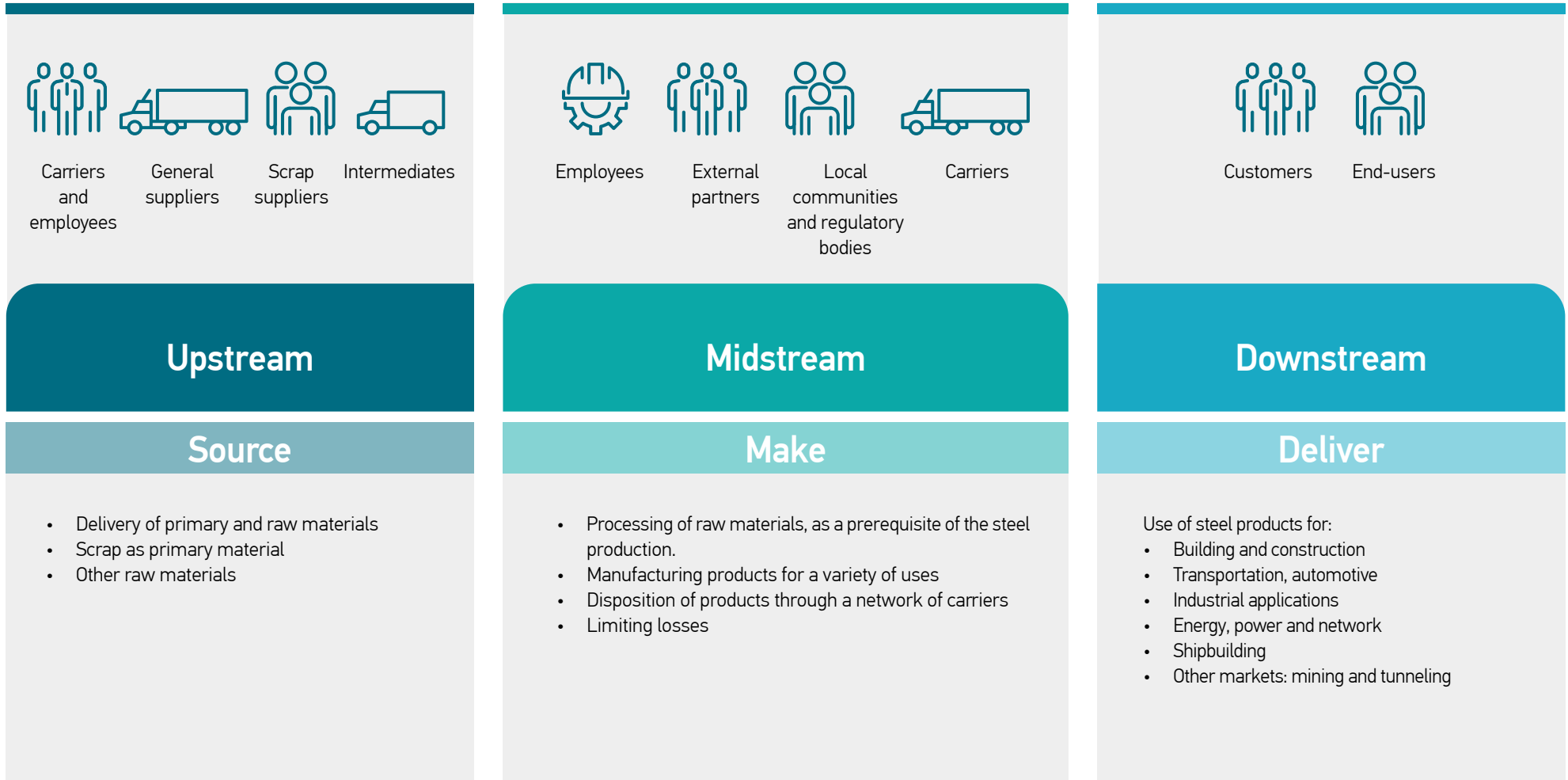
Non hazardous waste: 242,075 tn

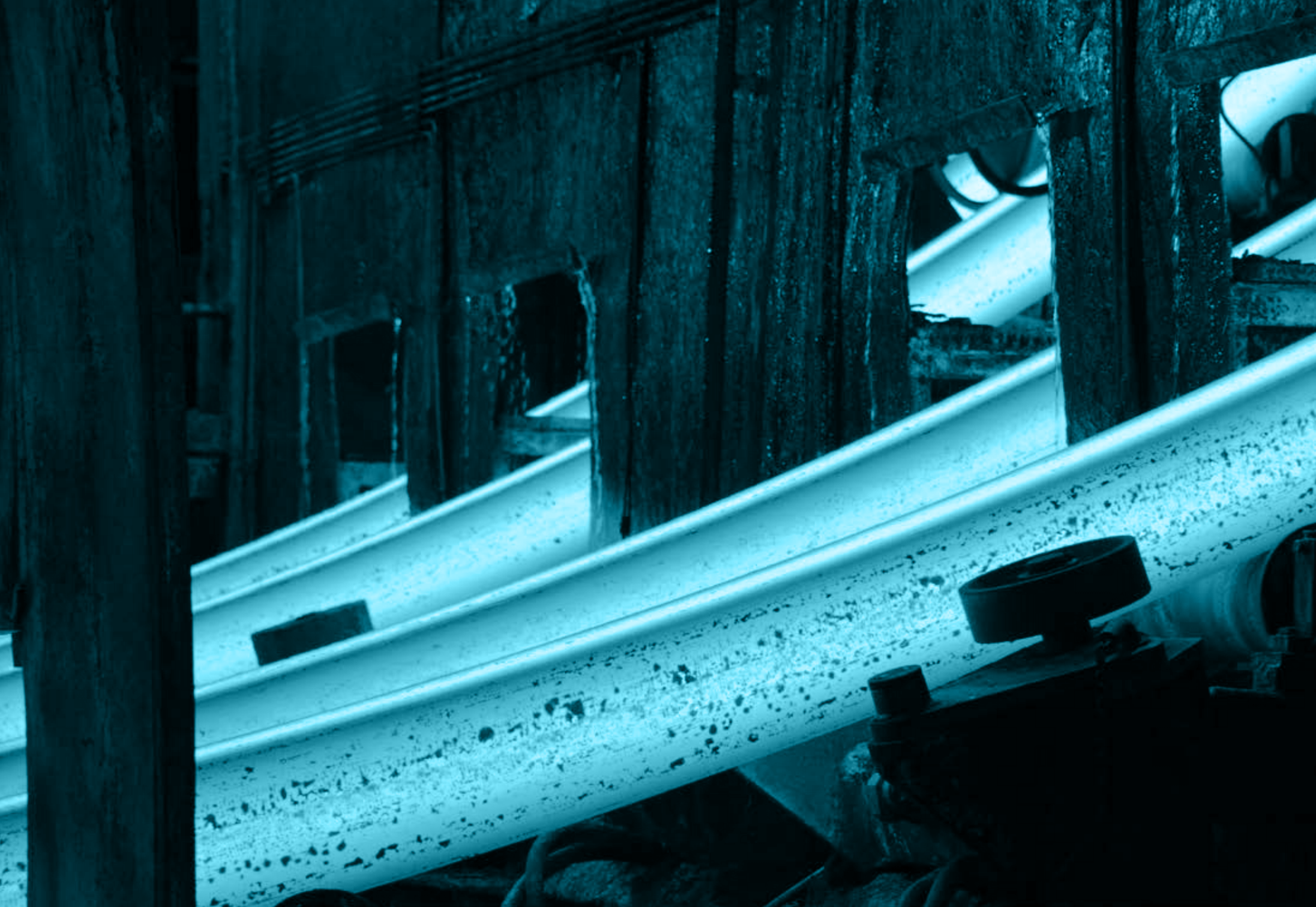
Hazardous waste production: 31,261 tn

Value Chain

We embrace a comprehensive value chain including upstream, midstream and downstream processes. Through the designed value chain, we ensure efficient delivery of quality products. In the upstream process, we focus on the collection and sourcing of materials (scrap material). The midstream process involves the production, where the

raw materials are transformed into steel products. In the downstream process we emphasize on the importance of providing sustainable products of high quality to our customers and end users. The following graph examines in more detail how we integrate sustainable practices and quality through our value chain.





Our approach to Sustainability



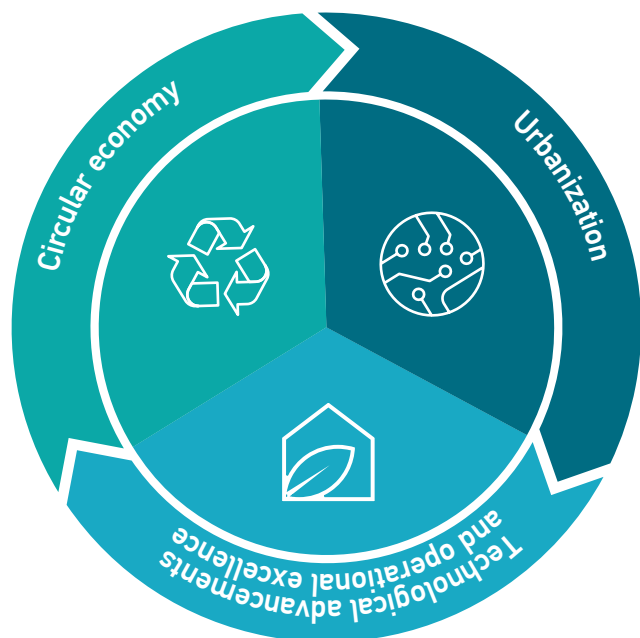


Megatrends

We acknowledge the significant impact of key megatrends on the industries we operate in and we are actively integrating them into our sustainability journey. The sustainability megatrends, prompt us to proactively monitor and incorporate them into our core sustainability strategy and operational practices. As such, we ensure our ability to adapt and thrive in an ever-evolving landscape, while aligning our sustainability efforts with the demands of the current and future industry dynamics.

Due to its versatile nature steel has significant importance, as it serves as a fundamental building material, supports critical infrastructure and forms the backbone of numerous industries worldwide. Steel offers inherent advantages that make it a sustainable option for an increasing range of applications. The use of steel in the global economy will keep expanding, given its significance in various fields such as building and infrastructure, automobiles, shipbuilding, railways, machinery and equipment, as well as the generation, distribution, and storage of energy.

Steel aligning with megatrends



Circular economy

- 100% recyclable products without losing properties
- Long duration of useful life

Our approach

- >98% recycled content in raw materials
- By-products and waste recycled as raw materials for other industries

The EU Circular Economy Action Plan is a key element of the European Green Deal and the 2030 Agenda for Sustainable Development aimed at achieving the climate neutrality by 2050. Our companies, with their products and overall approach, are well positioned to lead the transition to a circular economy and close the loop in the steel ecosystem. As the largest steel scrap recycler in Greece and one of the largest in the Balkans. We incorporate a significant amount of recycled raw materials into its production process, reducing the carbon footprint of our products and decreasing our reliance on natural resources.

Urbanization

- Sustainable buildings and certification schemes

Our approach

Concrete reinforcing steel and prefabricated stirrup cages for buildings and constructions

According to estimates, the urban population worldwide will increase by 2.4 billion over the next 30 years, which will necessitate the expansion of existing cities and the construction of new buildings. To mitigate the environmental impact of construction, sustainable buildings have emerged as a sustainable and environmentally friendly approach to urbanization and

construction, reducing greenhouse gas emissions during construction and during their lifecycle. As a major provider of steel materials for the construction and buildings sector, we offer products with a lower carbon footprint such as concrete reinforcing steel and prefabricated stirrup cages suitable for buildings and constructions.

Technological advancements and operational excellence

- Digitalization
- Industry 4.0
- Participation in EU funding programs

Our approach

Adopting of lean techniques across all functions: from suppliers (evaluation and auditing), process optimization through Integrated Working System Techniques, Safe Production using Industry 4.0 techniques, lean and optimum distribution through warehouse management systems, clients' opinion and satisfaction assessment.

The advent of digitization has become a driving force behind the transition towards a circular, low carbon economy and a key factor in the implementation of the Paris Agreement, presenting significant prospects and challenges for the steel industry. Industry 4.0 is a novel industrial technology that promotes intelligent connectivity among manufacturing processes to enhance performance, productivity, economic growth and sustainability for manufacturing firms. Nowadays, smart solutions are essential to ensure market competitiveness. We recognize the potential of the industry's evolution and digitalization and is allocating resources and attention towards this development.

Sustainability strategy

We have implemented a Sustainability Strategy aimed at directing our sustainability plans and initiatives. This Strategy provides a path for improvement in terms of material sustainability matters, for all companies. It also creates an extensive monitoring system to evaluate performance and progress over time.

The Sustainability Strategy serves as a comprehensive framework that assesses potential risks and opportunities related to environment, social, and governance aspects and incorporates them into our business strategy. It takes into account various factors, including the regulatory landscape, the challenges caused by climate change and its impact, the availability of water resources, health and safety concerns, human capital, as well as recent challenges in the energy industry.

Within the scope of the Sustainability Strategy, we have adopted seven policies relating to the most material sustainability matters:

- Environment
- Energy and Climate Change
- Health and Safety
- Labour and Human Rights
- Supplier Code of Conduct
- Business Code of Conduct
- Sustainability

To ensure that those matters are handled in compliance with regulations and with transparency and accountability, every policy undergoes careful monitoring through the use of key metrics, internal and external controls, and appropriate governance measures.

Moreover, the Strategy mandates the establishment of goals on strategic matters, such as:

- Gradual replacement of all electricity supply with Renewable

Energy Sources (RES) as soon as technically and economically feasible

- Commitment to set specific near and long-term carbon reduction targets
- Evaluation of top tier suppliers on sustainability matters
- Establishment of a five-year concrete, improvement action plan for health and safety for industrial companies

In addition, the Sustainability Strategy includes other areas of focus, notably:

- Environmental performance with water, waste, and chemicals management at the forefront
- Gender equality
- Working conditions
- Labour and human rights
- Business ethics
- Whistleblowing mechanism

More information on our policies: <https://sidenor.gr/en/sustainability/esg-policies/>

Sustainability Strategy

- Energy transition: Progressive transition to RES
- Carbon footprint: Commitment to reducing our CO₂ emissions
- Health and Safety: Development of a 5-year continuous improvement program
- Supply chain: Assessment of the supply chain in terms of sustainability topics





Double materiality assessment

In a rapidly changing business and social environment, the materiality assessment is critical in prioritizing responses to our stakeholders, mitigating risk, and improving our sustainability performance. As part of this Sustainability Report, a double materiality assessment has been performed to identify, analyze and prioritize the sustainability topics that are most important for the companies. The evaluation of the topics was based on the actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term time horizons (impact materiality) and on whether it triggers or may trigger material financial effects on our business (financial materiality).

The methodology of the double materiality assessment is based on the adjacent three steps approach.

Material topics and contribution to UN SDGs

We have adopted the UN 2030 Agenda as expressed through the Sustainable Development Goals (SDGs). Our priority is to contribute to the fulfillment of the goals that are directly linked to our activities and challenges of our sector and the topics we recognized as material.

1 step

Identification and understanding of the material topics

Identification and understanding of sustainability topics.

A survey and analysis of the sector and the SASB guidelines, in line with Sidenor strategic approach and priorities.

2 step

Assessing and ranking the sustainability topics with the evidence on their social and environmental impact as well as the impact in the company's value

Assessing and ranking the sustainability topics with evidence on their social and environmental impact as well as the impact on the company's value.

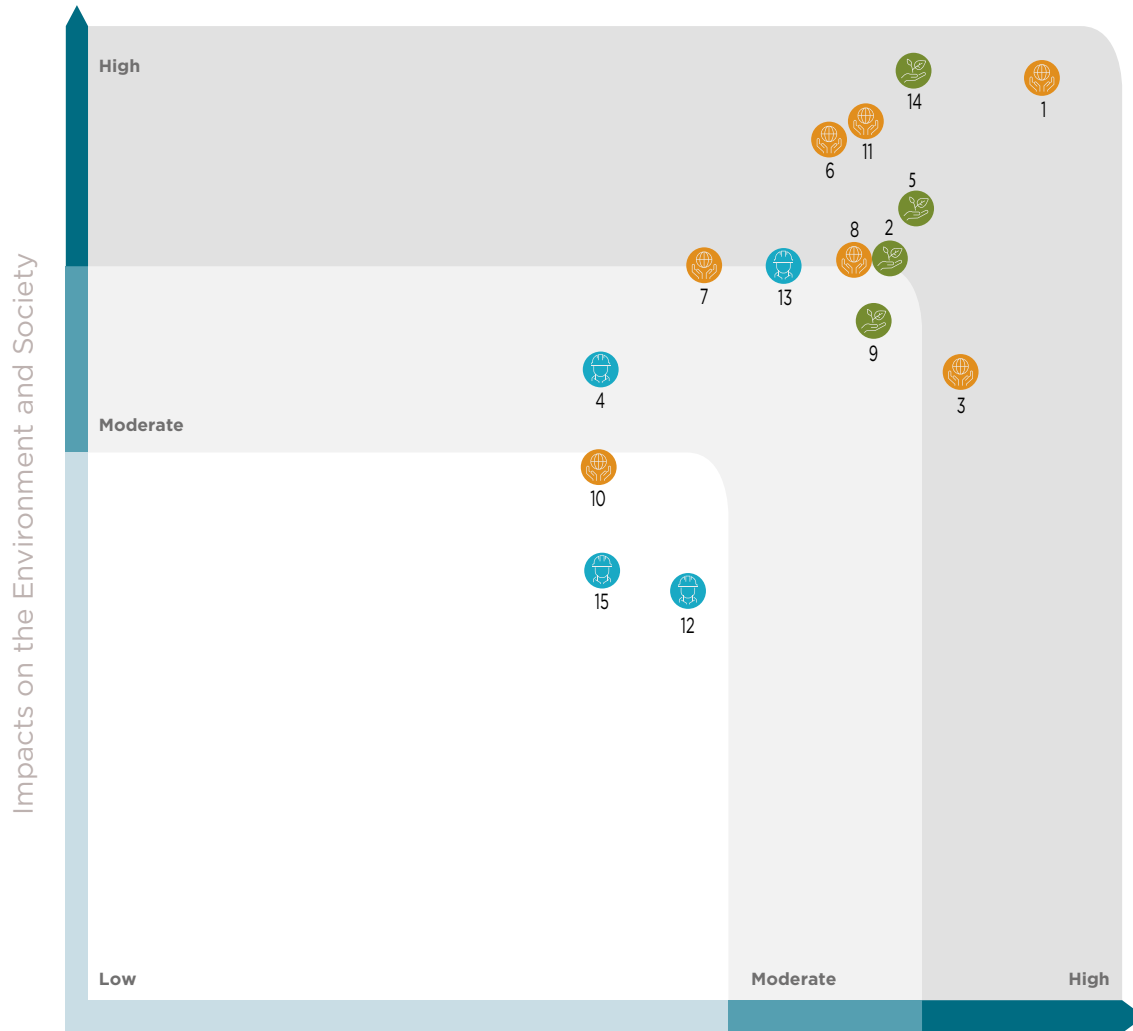
A specialised workshop with the Company's sustainability team has been conducted, to holistically assess the various topics of the Company's sustainable development, based on specific criteria. For the evaluation and prioritization process were considered the EU Non-Financial Reporting Directive (2019) perspective on double materiality and the Global Reporting Initiative (GRI Standards) standards.

3 step

Validation of material topics and their evaluation from the top management

Validation of material topics and their evaluation from the top management.

Validation of material topics and their evaluation from the top management and review of relevant targets in order to align with the Company's strategic approach and priorities.



Top priority topics

- 1 Occupational health and safety
- 14 Waste management
- 11 Local community affairs
- 6 Learning, development and employee retention
- 5 Climate change and energy transition
- 8 Responsible supply chain
- 2 Circular economy
- 3 Customer satisfaction

High priority topics

- 7 Local employment
- 13 Business ethics and integrity
- 9 Water management
- 4 Innovation and technology

Emerging topics

- 10 Human rights
- 15 Data security and privacy
- 12 Geopolitical uncertainties



Stakeholder engagement



GRI Indicators: 2-29

We consider that the impact we have on our stakeholders is critical for our operation. We have recognized as stakeholders, the natural and/or legal entities who are directly or indirectly linked to, influence or are affected by our decisions and operations. We understand that our decisions have an impact on all our stakeholders and our goal is to foster ongoing and meaningful communication with them. By engaging in open dialogue, we aim to ensure that the voices of our stakeholders

are heard and that their input shapes our decision-making process.

Recognizing the uniqueness of each stakeholder group and their specific priorities, our engagement approach is tailored accordingly. For us, active engagement, and ongoing communication are vital in effectively addressing the challenges we encounter. By gathering insights through stakeholder engagements, we gain

valuable perspectives and insights that shape our future endeavors. Emphasizing these interactions allows us to understand diverse perspectives, improve cooperation, and adapt our strategies to meet the needs of all stakeholders involved.

We engage with these stakeholders through several communication channels and forums, compiling their feedback and enumerating the ways in which we respond to their needs.

Stakeholder Groups	Channels of communication	Topics raised
Shareholders	<ul style="list-style-type: none"> Regular shareholder meetings with senior management Press releases, announcements and Reports Publication of the annual financial statements Sidenor's website (www.sidenor.gr) 	<ul style="list-style-type: none"> Achieving economic growth Expansion into new markets Strengthening our competitiveness and openness Sound corporate governance and transparency Personal data protection
Employees	<ul style="list-style-type: none"> Intranet Ongoing communication between management and workforce Updating via e-mail and bulletin boards Social media Employee engagement 	<ul style="list-style-type: none"> Employee development and career opportunities Employee benefits Insurance coverage Equal opportunities Occupational health and safety Personal data protection
Customers	<ul style="list-style-type: none"> Customer satisfaction survey Constant communication Participation in expositions Participation in sector/customer conferences and events Targeted communication actions (marketing) Sidenor's website (www.sidenor.gr) Social media 	<ul style="list-style-type: none"> High-quality, competitive products and products certification processes High-quality services Prompt and reliable project execution Policies and procedures for immediate customer service Information on products and services Compliance with international environmental protection and occupational health and safety practices Compliance with anti-corruption regulations Personal data protection

Stakeholder Groups	Channels of communication	Topics raised
Suppliers	<ul style="list-style-type: none"> • Communication via the Procurement Department • Communication via the Accounting Department on financial issues • Suppliers expositions and events • Systematic updating of suppliers on market developments • Sidenor's website (www.sidenor.gr) • Social media 	<ul style="list-style-type: none"> • Merit-based/objective assessment • Supporting local suppliers • Updating suppliers on market developments • Incorporation of responsible operation criteria
Local communities	<ul style="list-style-type: none"> • Ongoing communication with local organizations and associations • Participation in activities of local organizations and associations • Participation of companies' representatives in events, aimed at facilitating exchange of views • Sidenor's website (www.sidenor.gr) • Social media 	<ul style="list-style-type: none"> • Supporting local entrepreneurship • Working with and supporting NGO • Responding to local community issues (e.g. supporting associations)
State and institutional bodies	Participation in: <ul style="list-style-type: none"> • Shaping policies and decisions (through SEV) • Conferences • Events organized by state agencies • Recycling and waste management issues through SEPAN (Federation of Recycling Industries) • State surveys and expert opinions • Local organizations such as the Federation of • Sidenor's website (www.sidenor.gr) 	<ul style="list-style-type: none"> • Compliance with applicable legislative framework and regulations • Support State actions and programmes • Timely meeting of the state's requirements • Cooperation on strengthening Greek exports • Personal data protection
Financial institutions	<ul style="list-style-type: none"> • Meetings with representatives • Sidenor's website (www.sidenor.gr) 	<ul style="list-style-type: none"> • Sustainability • Liquidity • Strategic planning
Academic institutions	<ul style="list-style-type: none"> • Participation in conferences • Collaboration with competence centers • Knowledge dissemination and information exchange • Sidenor's website (www.sidenor.gr) 	<ul style="list-style-type: none"> • Linking academic research with applied practices • Backing and support of scientific work • Internships for university students

Reducing our impact on the environment and actively participating in circular economy is fundamental to our business practices



E Environmental
Impact



Environmental impact



12.5%

Water intensity decrease*



3%

Electrical energy intensity decrease*



1.5%

Thermal energy intensity decrease*



80%

Waste recycling rate



0.54

Total Emissions Intensity (Scope 1 and Scope 2 tons CO₂ e/tons of product)



2,5%

Total energy intensity decrease*

* 2022 versus 2021



Circular economy



GRI Indicators: 301-1

Our commitment

The steel industry is known for its substantial environmental impacts, including high energy consumption and carbon emissions. Reducing our environmental footprint and contributing to circular economy are integral components of our strategy. We strive to adopt circular economy principles and practices in order to promote the circular economy model. By adopting such practices, we aim to minimize our environmental footprint, conserve valuable resources and reduce costs. In addition, the proper environmental management of our resources and raw materials is a necessary element to promote circular economy. On top of this, we are committed to promote the transition to a circular economy and close the loop in the steel ecosystem, through its products and overall approach.

Our impacts

We seek to make efficient use of the raw materials we use in our production process, placing particular emphasis on the quality of the recycled scrap, in order to actively contribute to the value chain in the context of circular economy. Steel is a versatile material, with the advantage of being 100% recyclable and in combination with its range of applications is crucial in the transformation of the economy towards a circular future with low carbon emissions.

“Circularity is a path to sustainable prosperity.”

Our approach

Guided by our environmental policy and aligned with our purpose to reduce our environmental footprint, we are applying the principles of the circular economy in our production.

Sustainable production

We recognize that decarbonizing steel production, requires massive involvements in the production lines of our plants, as it is a great challenge. We apply Best Available Techniques (BATs) established in the EU to minimize its environmental impact. Our plants utilize the Electric Arc Furnace technology (EAF), also else known as the most energy efficient and lowest in carbon emissions machines in the production process of secondary steel.

EAF slag, LF slag and mill scales

By-products of production process such as EAF slag, LF slag and mill scales can improve the EAF scrap route for a sustainable value chain in the EU Circular Economy. Furthermore, EAF slags are easily recovered, and in general by-products reduce our overall environmental footprint.

Our performance

In 2022 we achieved a 3% reduction in the use of non-renewable materials as we increased the use of renewable materials for the production and packaging of primary products.

Total materials used to produce or package primary products	Unit	2020	2021	2022
Non-renewable materials	tn	136,361	151,780	159,475
Renewable materials	tn	1,569,755	1,779,342	1,836,100

Data for 2020/2021 are not available

Climate change and energy transition



GRI Indicators: 302-1, 302-3, 305-1, 305-2, 305-4

“Our production process contributes to the global effort to mitigate climate change, as over 98% of our raw materials is post-consumers’ scrap.”

Our commitment

We aim to contribute in the global efforts to combat climate change, through minimizing our carbon emissions and reducing our energy consumption. We are committed to using energy in a responsible, efficient and cost-effective manner, with the aim of minimizing our carbon footprint. We have already established an Energy and Climate Change Policy which affirms our commitment to address and mitigate the climate challenge.

Our impacts

We are seeking to mitigate potential negative climate impacts by complying with the applicable environmental regulatory landscape. Moreover, we work closely with our supply chain on environmental issues. On that front, the evaluation according to several environmental criteria by EcoVadis has supported us to manage our supply network, either by monitoring suppliers’ environmental performance or assessing our suppliers using environmental screening criteria. We are also committed to continuously improve our energy and overall environmental performance by implementing both an integrated environmental and energy management system to reduce the negative effects of climate change to support all operations and, at the same time, provide a safe and healthy working environment.

Our approach

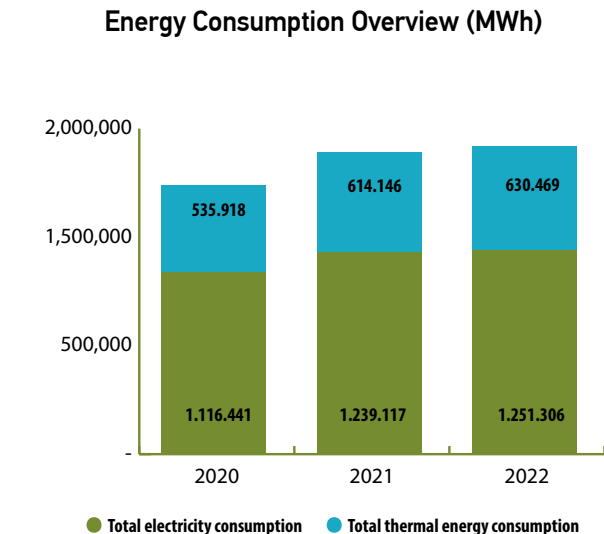
In 2022, we focused our effort to GHG emissions reduction and mitigation of potential negative impact to the environment. Combating climate change is our priority and for this reason we have ensured our compliance with the, energy management system ISO 50001 which we apply in all of our activities. The implementation of the energy management system is particularly important for reducing energy consumption and carbon emissions along the value chain. The management system is annually audited by external certification bodies to ensure transparency and quality in their application.





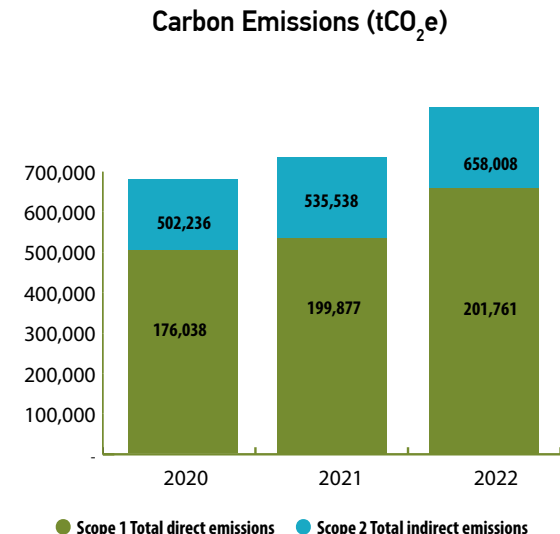
Actions to improve energy footprint

We set environmental targets that are harmonized with the findings of the respective energy audits. As per energy audits in our premises, energy efficiency measures were identified for the projects and separated based on projected payback time depending on the corresponding energy savings. In 2022, there was a replacement of electrical motors and the application of new inverters in order to reduce Sidenor Thessaloniki plant's energy consumption. Additionally, we consume compressed air by newly installed air compressors, which assist in improving production and energy consumption costs. Moreover, in 2022, 40 electrical car chargers were installed in some premises' parking lots and started the process of transitioning to electric vehicles for our fleet, while 4,500 LED units replaced fluorescent lamps resulting in energy savings, reducing our total annual electricity by 6,100MWh. Some production units have two reheating furnaces, one induction, powered by electricity and one powered by natural gas. As part of reducing emissions and energy consumption programs, plants operate both furnaces in a hybrid manner (indicatively Thessaloniki plant), which results in automatic energy savings. We are planning to enter into green PPAs to drastically reduce overall GHG emissions. We are also considering the use of alternative fuels, as well as technically and economically feasible, in order to reduce the direct emissions (Scope 1) of the steel mills. Some additional carbon reduction measures are described further.



In 2022, photovoltaic panels were installed at Dorjan steel plant to reduce carbon emissions from the use of electricity that derives from fossil fuels. Photovoltaics had a total capacity of 2.1MW and was installed in the roof of the plant. The project is still in progress with the installation of more panels, namely, a 1.5MW panel, and a plan to install another 0.5MW panel. Moreover, it is scheduled photovoltaic panels to be installed at Stomana and Sovel plants in order to add 6MW each one of these.

Stomana Industry proceeded to gradually replace the ladle preheaters with new ones that reduce consumption of natural gas by 30%.



We evaluate the potential of gradually decarbonizing our operations, as steelmaking, which represents 80% of our operations emissions, is the most carbon intensive process of the plants.

Our carbon emissions mitigation actions include:

- Electrification of thermal processes, where possible
- Orientation to energy efficient investments
- Emphasis to energy conservation
- Switch to Renewable Energy Sources (RES)
- Decarbonization of our production by replacing carbon-intensive raw materials with biomass or other lower-carbon sources

Environmental protection measures

We prioritize technological measures and environmental protection through a range of initiatives, and we recognize opportunities for improvement for each company. We seek to enhance our performance by implementing pollution reduction projects, operational efficiency, work process changes in line with our core values.

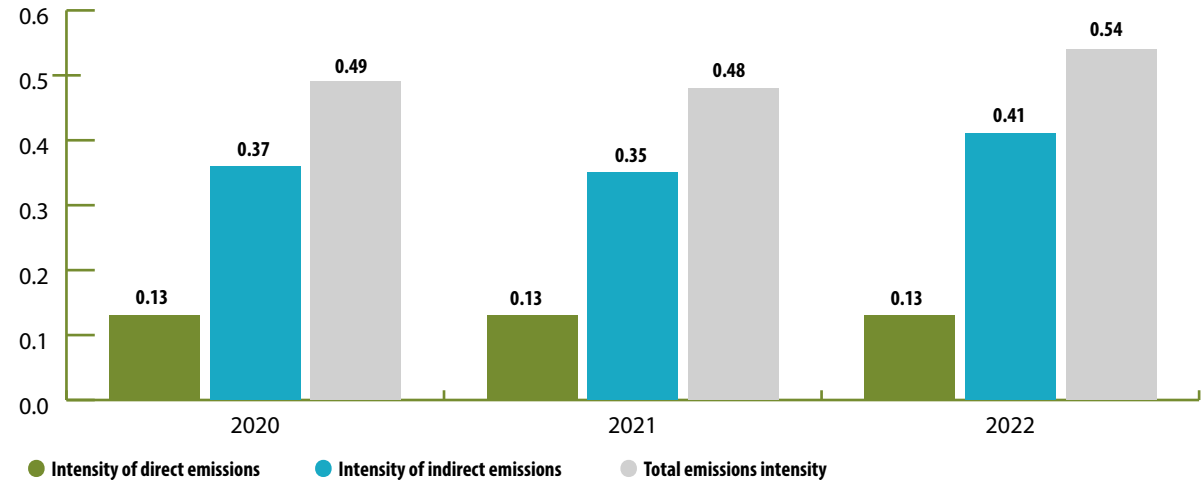
Our environmental protection measures applied include:

- Continuous monitoring of environmental, water, carbon and energy performance
- Radioactivity control of all raw materials
- Analysis and monitoring of all wastes and by-products and evaluation of waste produced

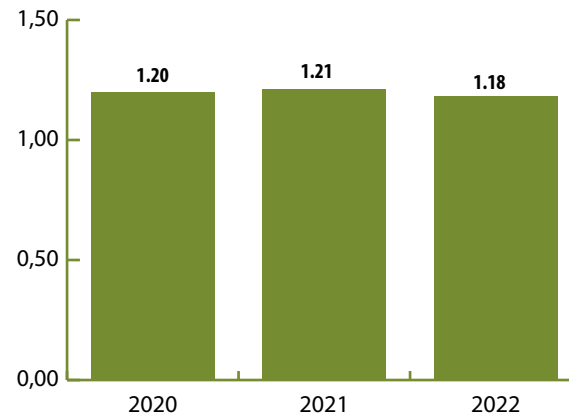
Our performance

There were no incidents of non-compliance with any environmental regulation. In general, in the last two years, the GHG emissions were kept at similar levels. Due to the better quality of scrap, energy consumption was drastically reduced as each furnace spent less energy coagulation of the scrap. This reduction is also due to optimizations of the previous year, such as for example the improvement of the recipe and ingredients of the scrap. Furthermore, energy audits were conducted in our operations to seek new energy saving opportunities.

Emissions Intensity (tCO₂e/product volume)



Energy intensity ratio (MWh/t product volume)



Fuel from non-renewable sources	Unit	2020	2021	2022
Diesel	MWh	6,652	3,444	7,192
Natural gas	MWh	493,137	397,024	553,582
Petrol	MWh	0	0	0
Heavy Oil	MWh	28,726	21,463	0
Total	MWh	528,514	421,932	560,775
Energy consumption	Unit	2020	2021	2022
Total electricity consumption	MWh	1,116,441	1,239,117	1,251,306
Total thermal energy consumption	MWh	535,918	614,146	630,469
Total cooling consumption	MWh	0	0	0
Total steam consumption	MWh	0	0	0
Total energy consumption	MWh	1,652,359	1,853,264	1,881,775
Energy intensity ratio	kWh/kg	1.20	1.21	1.18

For the conversions we relied on the UK Government GHG Conversion Factors for Company Reporting for each respective year.

For the calculation of energy intensity we included electricity and heating energy.

The ratio uses energy consumption within the organization.

Emissions	Unit	2020	2021	2022
(Scope 1) Total direct emissions	t CO ₂ e	176,038	199,877	201,761
(Scope 2) Total indirect emissions	t CO ₂ e	502,236	535,538	658,008
Intensity of direct emissions	tCo ₂ /product volume	0.13	0.13	0.13
Intensity of indirect emissions	tCo ₂ /product volume	0.36	0.35	0.41
Total emissions intensity	tCo₂/product volume	0.49	0.48	0.54

We included CO₂, CH₄, NO_x, Sox gases in the calculations of the CO₂ equivalent and based in the GHG Protocol for the calculation of the emissions. Sum of all consumptions that are burned Ngas, raw materials, additives and consumables translated into CO₂ weight based on their composition.

For Scope 1 emissions, the GHG Protocol has been used and for Scope 2 emissions, a location-based approach has been followed by using the AIB European Residual Mix 2022 methodology.

Waste management



GRI Indicators: 306-1, 306-2, 306-3, 306-4, 306-5

Our commitment

We are committed to implementing a comprehensive waste management process to minimize the generation of hazardous and non-hazardous waste. Our aim is to direct most of our waste towards energy recovery and recycling and for this reason, we cooperate with certified external partners for the collection, transport, and responsible management of waste. Addressing the environmental footprint of production is the cornerstone of our operational model. As stated in our Environmental policy, we operate responsibly, with the aim of minimizing potential impacts on the environment and biodiversity, as well as establishing mechanisms to monitor environmental aspects and risks.

Our impacts

Reducing the volume of waste is not always possible. Efforts are being made to find sustainable solutions to treat waste. We implement policies and procedures to avoid any incidents of pollution and reduce our environmental footprint. Various metrics relating to waste generation and management are closely monitored. We manage our wastes in accordance with the principles of the circular economy, as per its environmental policy. During the reporting year, we focused and improved on the pollution prevention part by creating relevant infrastructure. The 93.6% of waste are monitored and major part of this is recovered by certified third parties, while the remaining is deposited for landfilling.

Our approach

We updated our operational plan, and we try to manage waste from the beginning of their journey. We initially separate waste into different waste stream in our facilities and work with licensed waste management partners. Our partners usually collect wastepaper and plastic. In each production unit, there is a subsidiary which processes the various waste streams/by-products. Sidenor S.A. and Stomana Industry also possess shredders, i.e., scrap milling unit.

‘We have set the waste management as a priority.’



Zero liquid system

Erlikon generates a waste effluent in its production process that requires on site treatment. Therefore, Erlikon operates a Zero liquid treatment plant that recycles 100% of the generated waste water. The industrial waste water is ultimately treated at an evaporator allowing for the complete recycling of the water to the production process. Some of the benefits of this system is the minimization of wastewater discharge and optimization of water recovery.

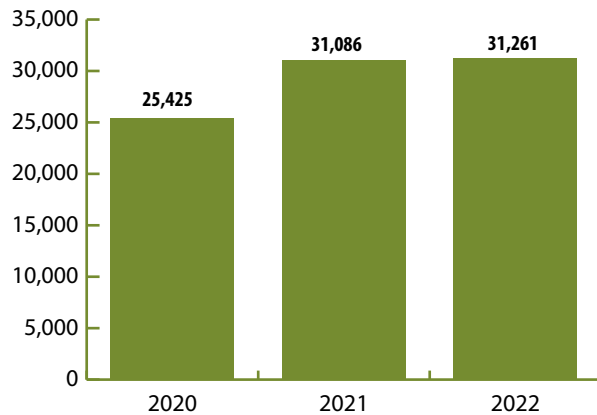
Prevention system

Sidenor S.A. introduced a small dedusting filter into its electrode unit, and as part of its environmental awareness, a prevention system was installed. This initiative is part of the facility's continuous improvement. Through the system, the plant managers are informed so that they can intervene in the operation of the filter and achieve the lowest possible gaseous particulate emissions.

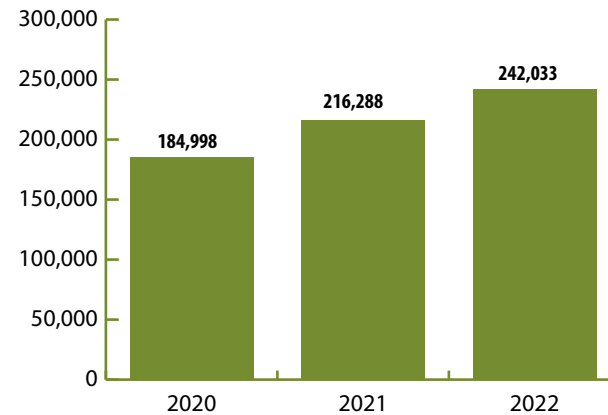
Filter waste

We seek to minimize internal waste storage in order to decrease the possibility of an environmental incident. In the context of continuous improvement, we shipped waste filter dust generated in previous years to certified waste recovery plants in order to decrease the quantity of waste stored over time at the plants. Through the management of such waste, zinc is recovered and recycled, while the remaining metals are inactivated by the process.

Hazardous waste (tn)



Non-hazardous waste (tn)





Environmental protection measures

We apply several measures to reduce waste. We analyze and monitor all waste streams and by-products in-house or by using external laboratories. We also evaluate the waste produced to identify new ways to turn it into useful products.

Our performance

Waste generated	Unit	2020			2021			2022		
		Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous waste	tn	25,425	25,266	159	31,086	28,001	3,085	31,262	23,966	7,295
Non-hazardous waste	tn	184,998	160,433	24,599	216,288	193,844	22,482	242,033	231,882	10,194
Total waste	tn	210,423	185,699	24,758	247,375	221,846	25,567	273,295	255,848	17,488

Hazardous waste diverted from disposal	Unit	2020			2021			2022		
		Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Preparation for reuse	tn	0	7	7	0	82	82	0	49	49
Recycling	tn	28	28,880	28,908	381	27,524	27,905	411	29,742	47,169
Other activity	tn	0	10	10	0	0	0	0	276	276
Total hazardous waste diverted from disposal	tn	28	28,898	28,926	381	27,606	27,988	411	30,066	47,494

Non-hazardous waste diverted from disposal	Unit	2020			2021			2022		
		Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Preparation for reuse	tn	0	81,752	81,752	0	111,648	111,648	0	111,537	111,537
Recycling	tn	108,740	92,420	201,160	116,064	128,347	244,411	83,091	144,763	227,853
Other activity	tn	0	0	0	0	0	0	0	0	0
Total non-hazardous waste diverted from disposal	tn	108,740	174,172	201,209	116,064	239,995	356,060	83,091	256,300	339,391

Hazardous waste directed to disposal	Unit	2020			2021			2022		
		Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Incineration with energy recovery	tn	0	0	0	0	0	0	0	0	0
Incineration without energy recovery	tn	0	0	0	0	0	0	0	0	0
Landfilling	tn	0	7,823	7,823	0	5,881	5,881	0	11,752	11,752
Other activity	tn	0	0	0	0	0	0	0	0	0
Total hazardous waste directed to disposal	tn	0	7,823	7,823	0	5,881	5,881	0	11,752	11,752

Non-hazardous waste directed to disposal	Unit	2020			2021			2022		
		Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Incineration with energy recovery	tn	0	0	0	0	0	0	0	0	0
Incineration without energy recovery	tn	0	0	0	0	0	0	0	0	0
Landfilling	tn	0	23,986	23,986	0	22,434	22,434	0	10,194	10,194
Other activity	tn	0	0	0	0	0	0	0	0	0
Total non-hazardous waste directed to disposal	tn	0	23,986	23,986	0	22,434	22,434	0	10,194	10,194

Water management



GRI Indicators: 303-1, 303-2, 303-3, 303-4, 303-5

Our commitment

We recognize that water is a precious natural resource that should be preserved and aquatic life protected. Water is critical in steel production as it is used for cooling purposes in the production process. We are committed to decrease water needs by using wastewater treatment plants and we are striving to improve water consumption of products. As per our Environmental Policy, we use water efficiently across operations and we make massive efforts to reduce water consumption, as well as increase water recycling. Parameters such as water availability, environmental performance relating to water use, waste and chemical management are also considered by our Sustainability Strategy. Furthermore, Stomana Industry and Sovel have a two-year budget of €1.5m, for 2023-2024, for projects regarding decreasing water network leakages.

Our impacts

We comply with the provisions of the Environmental Policy, as well as with the applicable national legal framework and regulations. Thanks to the implementation of specific water reduction initiatives and programs in the production process, the reduction in water consumption has been noticeable in recent years. In 2022, no significant environmental incidents occurred related to water.

Our approach

In line with our commitment to use water efficiently, reduce consumption and increase recycling, during the reporting period there was an ongoing effort for various water projects, i.e., isolation of water reservoirs and relevant network maintenance. In 2022, multiple water flow meters were installed, to monitor water consumption in each sub-installation and enable us, consequently, to enhance our monitoring of water consumption. In addition, water flow meters will be installed to control water returns in the industrial water treatment circuit. This essentially means that we will calculate a water mass balance without making assumptions but based on thorough evidence. The project will enable the monitoring of water consumption indicators and the detection of any leaks.

“By conserving water, we preserve life”

We are also intensifying efforts to reduce water consumption, proceeding with various new applications such as replacing old worn pipes and cooling towers, to avoid any water leaks. Our goal is to eliminate water leakages and maximize water reuse. The amount of water lost is mostly due to evaporation in the cooling towers or during direct cooling of production lines. In the cooling towers, the water goes through several cooling cycles, where conductivity increases and it eventually becomes unsuitable for use. In Stomana Industry we recently insulated the incoming water basin, so water is not lost due to its absorption from the ground.



Water Management

The risks associated with water availability, quality, and adequate treatment of wastewater before its disposal are critical to our business continuity. We also examine water supply-related risks from a financial and environmental perspective.

“We aim to mitigate water management risk and improve our water footprint by continuously monitoring water usage and try to optimize its consumption by eliminating losses and reusing water wherever possible”

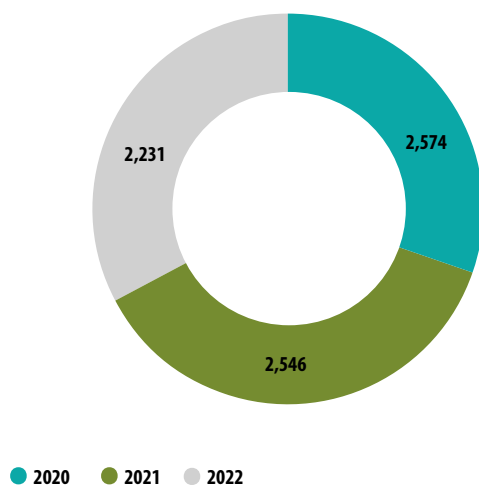


Our performance

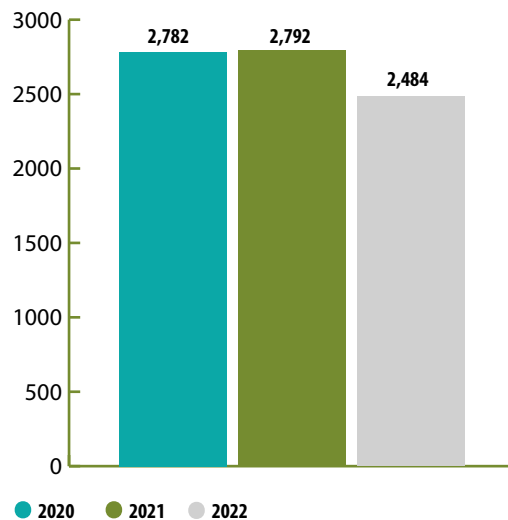
In terms of water management, there have been no significant changes during the reporting year, while the water consumption intensity was significantly reduced by 12% compared to 2021.

Water Consumption	Unit	2020	2021	2022
Total water withdrawal	MI	2,782	2,792	2,484
Total water discharge	MI	208	246	253
Total water consumption	MI	2,574	2,546	2,231
Water withdrawal per tn of product	m ³ /t	2.02	1.82	1.56

Total water consumption (MI)



Total water withdrawal (MI)



Data was collected, reported and analyzed from the total water consumption on a monthly basis, according to the readings from water flow meters. Water relating data is also collected from the recirculation system for processing technological water on a daily basis. There are daily records with specific indications for each water circuit. There is no water withdrawal from water stress areas, as we have not identified any areas with water stress. The substances' discharge limits are set in accordance with national regulations and there are no incidents of non-compliance with discharge limits. We also conducted an environmental study which describes all usages and effluents which has been submitted to local authorities and the authorities have issued the environmental terms that we have to comply with. Water storage has not been identified as having a significant water-related impact.

Sovel uses brackish (not fresh) water.





“We seek to operate responsibly towards society.”

Our contribution to the UN Sustainable Development Goals:



Social impact



2,454

employees



282

new hires



87%

increase in total training hours (versus 2021)



100%

full time employees



79%

domestic suppliers



30%

increase of health and safety training hours per employee (versus 2021)

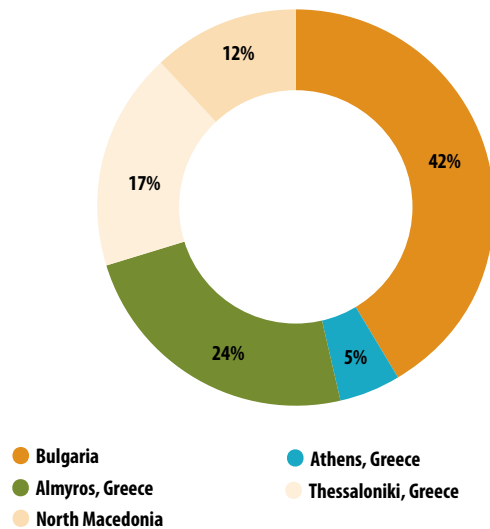
Our People



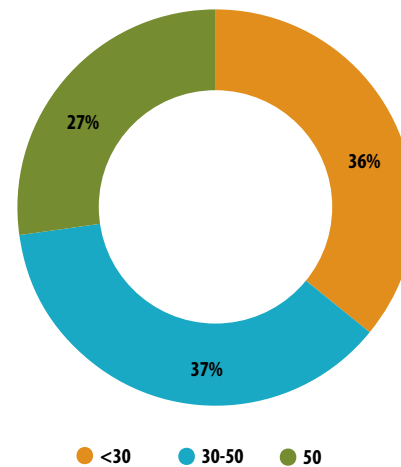
GRI Indicators: 2-7, 2-8, 2-30

“Our people are the heartbeat of our business, driving its success and growth”

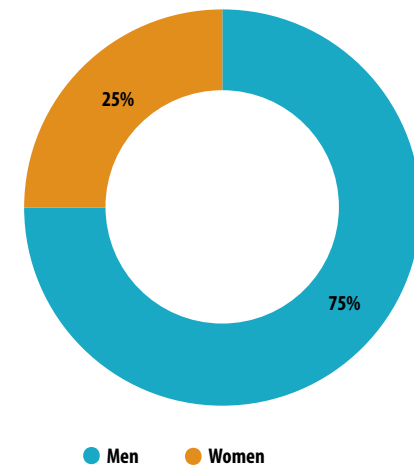
Employee distribution by region



New Hires by age



Turnover by gender



	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees (#)	1,737	307	2,044	1,823	349	2,172	2,068	386	2,454
Employees covered by the National Collective Labour Agreement (%)	100%			100%			100%		
Employees in Bulgaria									
	2020			2021			2022		
Number of employees	675	235	910	681	269	950	745	277	1,022
Number of permanent employees	673	232	905	673	262	935	740	275	1,015
Number of temporary employees	2	3	5	8	7	15	5	2	7
Number of non-guaranteed working hours employees	0	0	0	0	0	0	0	0	0
Employees in Athens, Greece									
	2020			2021			2022		
Number of employees	78	22	100	86	26	112	82	37	119
Number of permanent employees	78	22	100	85	26	111	81	37	118
Number of temporary employees	0	0	0	1	0	1	1	0	1
Number of non-guaranteed working hours employees	0	0	0	0	0	0	0	0	0
Employees in Almyros, Greece									
	2020			2021			2022		
Number of employees	455	17	472	487	19	506	561	22	583
Number of permanent employees	449	15	464	482	16	498	552	22	574
Number of temporary employees	6	2	8	5	3	8	9	0	9
Number of non-guaranteed working hours employees	0	0	0	0	0	0	0	0	0
Employees in Thessaloniki, Greece									
	2020			2021			2022		
Number of employees	297	16	313	305	16	321	415	24	439
Number of permanent employees	288	16	304	289	15	304	407	22	429
Number of temporary employees	9	0	9	16	1	17	8	2	10
Number of non-guaranteed working hours employees	0	0	0	0	0	0	0	0	0
Employees in North Macedonia									
	2020			2021			2022		
Number of employees	237	12	249	268	15	283	265	26	291
Number of permanent employees	152	10	162	211	10	221	196	12	208
Number of temporary employees	85	2	87	57	5	62	69	14	83
Number of non-guaranteed working hours employees	0	0	0	0	0	0	0	0	0

Data are presented in headcount format, measured at the end of the reporting period (the numbers were collected at the end of each year).

Learning, development, and employee's retention



GRI Indicators: 401-1, 401-2, 401-3, 404-1, 404-2, 404-3

Our commitment

Our people are our driving force. We are committed to promoting a merit-based work environment with appropriate working conditions and with respect for all. Major emphasis is placed on attracting, retaining and developing talented people who share our vision and values.

Business Code of Conduct

Our core principles, operating framework and corporate culture are reflected in our Business Code of Conduct, which is based on international BEST practices and high standards of corporate responsibility. The Code encompasses the expected conduct of our employees, the principles we uphold, and our approach to managing our business while considering the interests of all stakeholders. Employees engage in training sessions focused on the Business Code of Business Conduct and Business Ethics, fostering comprehension and familiarity with the culture and fundamental values of the organization.

Our impacts

We treat our people with professionalism, dignity, and respect. We foster an environment where people can contribute, innovate, and thrive. We cultivate a highly skilled workforce, investing in their growth, and offering tailored learning and development programs that align with their roles and individual needs. These initiatives aim to enhance their knowledge, skills, and abilities. Through consistent training and support practices, we promote employee development, effective management, and long-term retention, all of which significantly contribute to employee engagement and serve as crucial factors in retaining our valuable talent.

Our approach

Employee attraction and retention

We consider attracting and retaining as strategic pillars for achieving growth and enhancing performance across all areas. We recognize that the recruitment and retention of exceptional individuals require the development of core skills, leadership abilities, and a shared strategic vision that aligns with our goals and values. For this reason, we follow specific practices for attracting and hiring new employees, applying reliable and objective criteria, with emphasis on experience, skills and competencies.

Furthermore, we actively attract and engage new and talented employees by investing in youth and early career development. Each year, we provide opportunities for young individuals to participate in internships, enabling them to gain practical experience and bridging the gap between academia and the professional market.

In addition, we implement information programs on the variety and perspective of career opportunities in the steel industry. We have taken part in career guidance days of universities and other bodies, while we have also participated in initiatives such as ReGeneration and Skills4Jobs of SEV. In the near future, we intend to broaden our actions in this area. These initiatives aim to nurture their growth and bring them closer to real-world business scenarios.

Overview of the deliverables

OSB-ON

- Field assessment**
 - High-level documentation review
 - Field tasks
 - Individual interviews
 - Design interviews, focusing on specific topics
 - Final quick feedback session at the end of the site visit with site management
- Strategic workshop**
 - To discuss and evaluate assessment findings
 - Actions for site (including action plan and quick wins)
- Structured report**
 - Deliverable
 - Strengths & gaps
 - Recommendations for improvement



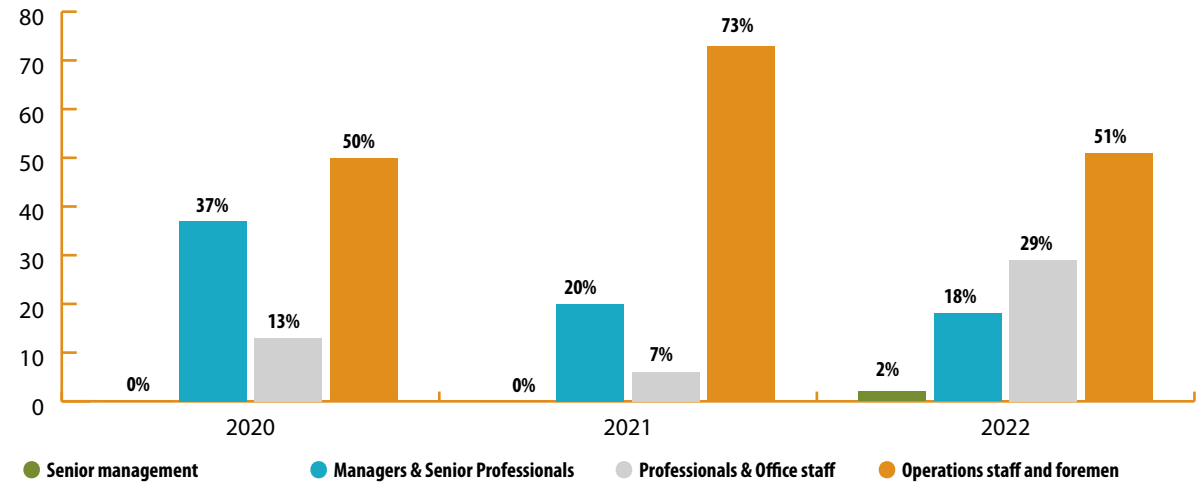
“The high commitment and retention of our people is a challenge for us. We are an organization that has maintained commitment at very high levels for decades, resulting in even third-generation employees.”

Employee learning and development

The development of employees plays a crucial role in the success of an organization. The skills and expertise possessed by each employee are essential for achieving business objectives. We provide our people with learning opportunities, professional development programs and growth prospects to enable them to effectively fulfill their current responsibilities and prepare for future business challenges. Moreover, we place great value on feedback and performance evaluations to design personalized and respectful training programs for every employee. These programs encompass a diverse range of subjects, including specialized training and the cultivation of soft skills. By tailoring our training schemes to the unique needs of each employee, we strive to enhance their capabilities and contribute to their overall professional growth.

The number of training hours completed in 2022 was 33,040 increased by 88% compared to the previous year. In addition, the number of training hours per female employee was amounted to 28.2, while per male employee was amounted 10.7 in 2022.

Total hours of training by employee category (%)

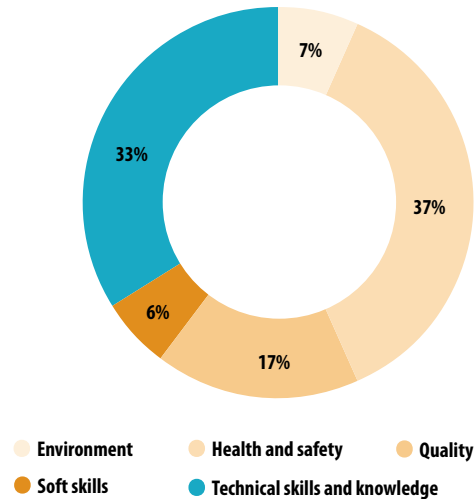




→ Focus areas covered by trainings provided to employee, in 2022:

- LinkedIn learning SuccessFactors
- Anti-bribery and anti-corruption
- Diversity & inclusion
- Health & safety
- Quality management
- Soft skills development

Training hours 2022 (%)

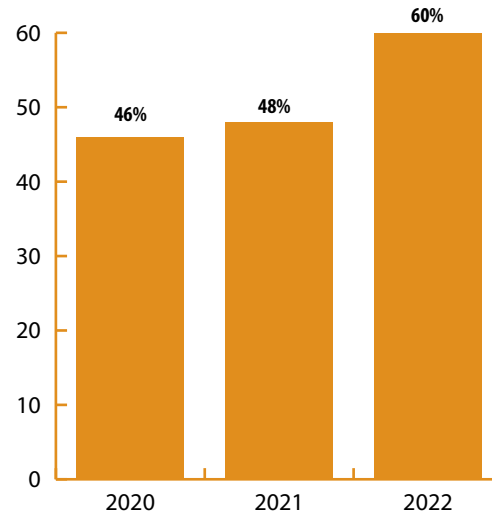


Onboarding

We have developed and implemented structured and comprehensive educational trainings and as part of a development program that is delivered to all new employees, based on their respective role and responsibilities. Moreover, we are delivering an induction training to any new employee as an effort to simplify their integration to our business and familiar themselves with the culture and principles of the organization.

In 2022, we established a new orientation program for managers, professionals, and office staff, with representatives from all functions describing the scope and mission as well as useful processes and policies for each division. We are committed to further enhance this program and extend it to the total workforce in the future.

Employees who received evaluation



Performance management

Our performance management framework aims to align our mission, vision, and objectives with the employees' performance. It is a process to establish a common language for WHAT will be achieved and HOW it will be achieved, through developing the competencies and the commitment to work towards the achievement of shared, meaningful objectives in a supportive and encouraging organization.

The performance appraisal campaign was implemented in 2022 with all employees participating from Greek facilities and all managers, professionals and office staff participating from our facilities abroad. Currently, we are working on the expansion of the process to all employees.

Communication and engagement

Regular employee communication and engagement play a central role in our human resources culture. We strive for continuous, two-way and substantial communication with our people, and we have implemented a flexible internal communication system, based on our open-door policy.

The most important communication channels we apply are:

- Email notifications and announcements
- Our intranet (My Steel connect)
- Regular staff meetings
- Townhall meetings
- Bulletin boards at production facilities and other spaces
- Corporate events
- 1:1 feedback meetings with Management and HR
- Breakfast with HR
- Employee engagement survey

Employee engagement survey

Our high employee engagement is ultimately linked to individual and team performance, customer satisfaction and loyalty, employee retention, quality of service, safety metrics, profitability, and market share growth. We are committed to conduct an employee engagement survey, periodically, enabling consistent feedback on matters such as autonomy, freedom of opinion, employee well-being, management, and organizational support. Upon the completion of the survey, we organize focus groups to discuss the results and identify improvement actions.



Employee benefits

We consider compensation and benefits to be critical components of what attracts and motivates employees to join and stay with the companies. In all regions where we operate, the compensation and benefit plans offered to our employees are as a minimum in full compliance with the labour legislation and the corporate collective bargaining agreements, where applicable. Moreover, we aim to ensure employees' welfare by offering a wide variety of benefits available to all employees, beyond the provisions of the law. In this direction, we offer the following competitive packages of benefits to our employees:

- Private medical and hospital insurance
- Psychological support through dedicated phone line
- Meals
- Food vouchers
- Transportation of employees
- Wedding gifts
- Childbirth gift

- Allowance for children summer camps
- Allowance for preschool fees
- Academic programs funding
- Awards to employee children continuing vocational and university education
- Private pension programs, company cars, and phones to managerial staff

Employee wellbeing

Creating a positive working environment is a top priority for us, and we strive to ensure the well-being of our employees. We consider their welfare to be an integral aspect of our relationship with them. We have created a secure line that offers free of charge psychological support to our people 24 hours a day, 365 days a year. Through this initiative, we seek to support its employees' personal issues that are related to stress, tension, anxiety, depression, illness and other. Furthermore, we offer the opportunity of remotely working for certain roles, promoting work-life balance.

“We have accelerated the transition to flexible forms of work and, by extension, the adoption of new working practices. We intend to continue to improve our hybrid work model for jobs as possible so employees can maximize their performance while maintaining work-life balance.”

Our performance²

New hires		2020		2021		2022	
		number (#)	Rate (%)	number (#)	Rate (%)	number (#)	Rate (%)
By age	<30	55	36%	107	30%	153	29%
	30-50	57	37%	178	50%	293	55%
	>50	42	27%	73	20%	84	16%
By gender	Men	124	81%	275	77%	427	81%
	Women	30	19%	83	23%	103	19%
By region	Athens, Greece	14	9%	19	5%	37	7%
	Almyros, Greece	30	19%	62	17%	111	21%
	Thessaloniki, Greece	15	10%	29	8%	153	29%
	Bulgaria	78	51%	186	52%	192	36%
	North Macedonia	17	11%	62	17%	37	7%
Total		154		358		530	

Turnover		2020		2021		2022	
		number (#)	Rate (%)	number (#)	Rate (%)	number (#)	Rate (%)
By age	<30	75	16%	56	24%	31	17%
	30-50	187	39%	110	48%	82	44%
	>50	214	45%	65	28%	73	39%
By gender	Men	367	77%	191	83%	139	75%
	Women	109	23%	40	17%	47	25%
By region	Athens, Greece	30	6%	10	4%	14	8%
	Almyros, Greece	52	11%	29	13%	23	12%
	Thessaloniki, Greece	32	7%	18	8%	17	9%
	Bulgaria	323	68%	146	63%	118	63%
	North Macedonia	39	8%	28	12%	14	8%
Total		476		231		186	

² Data are presented in headcount format, measured at the end of the reporting period (the numbers were collected at the end of each year).

Trainings	2020	2021	2022
Average hours of training per year per employee			
Total	4.62	8.09	13.46
Average hours of training per year by employee category			
Senior Management	0.71	3.59	24.48
Managers and Senior Professionals	17.21	16.97	31.16
Professionals and office staff	7.04	6.38	36.66
Operations staff and foremen	2.87	7.25	8.50
Average hours of training per year by gender			
Men	1.42	2.79	10.68
Women	22.72	38.80	28.17

Employee appraisal	2020	2021	2022
Employees who received appraisal (%)			
Men	89%	87%	88%
Women	11%	13%	12%
Board of Directors	0%	0%	0%
Senior Management	2%	2%	1%
Managers and Senior Professionals	17%	24%	13%
Professionals and office staff	60%	52%	18%
Operations staff and foremen	21%	22%	68%
Total employees who received appraisal	46%	48%	60%

Human rights, diversity, and inclusion



GRI Indicators: 2-9, 405-1, 406-1

Our commitment

We are committed to upholding human rights, promoting diversity, and fostering an inclusive workplace culture. We recognize the importance of respecting and promoting the fundamental rights of all individuals and are dedicated to creating a diverse and inclusive work environment that values and leverages the unique perspectives and talents of our employees.

Our respect to human rights is reflected in our Business Code of Conduct and in our Labour and Human Rights Policy, which outline our principles and values regarding ethics and human rights.

Our impacts

Our impacts on human rights can be significant and far-reaching, both within our own operations and across our supply chain. We recognize and address these impacts and we ensure that we do not contribute to or become complicit in human rights abuses. In addition, promoting a diverse, equitable, and inclusive work environment we make our employees feel valued for their uniqueness and safe to speak up, which benefits our business. Finally, we use our influence to promote respect for human rights in the wider community and support efforts to advance social justice and equality.

Our approach

Accelerating diversity, equity, and inclusion

We place a strong emphasis on diversity, equity and inclusion within our workplace culture. We aim to foster an environment that respects individual differences, including social and ethical background, political and religious beliefs, age, sexual orientation, physical ability, and gender. Employee selection and evaluation are not based on these factors, as we recognize that diversity is a valuable asset that drives positive change across the organization. We also ensure that all employees within our organisation have equal opportunities for growth and development and provide them with the necessary support. Through our commitment to diversity and inclusion, we strive to create a welcoming and inclusive workplace that benefits everyone. Our goal is to establish and strengthen equal representation of all genders in all of our workplaces, by recording, monitoring and working towards improving representation rates.

10%

of women in positions of high responsibility

10.6%

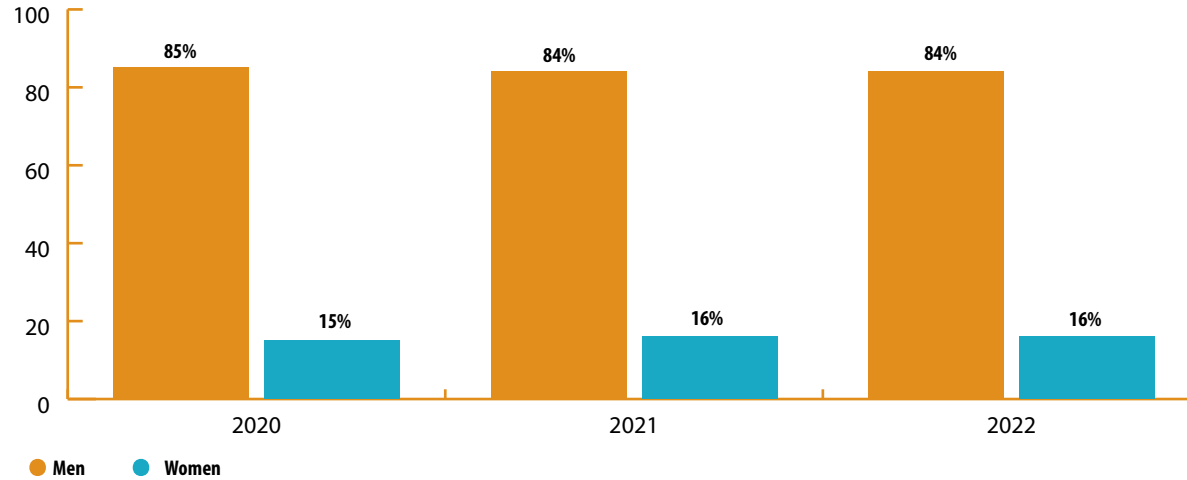
Increase of women in the workforce compared to 2021



IRON

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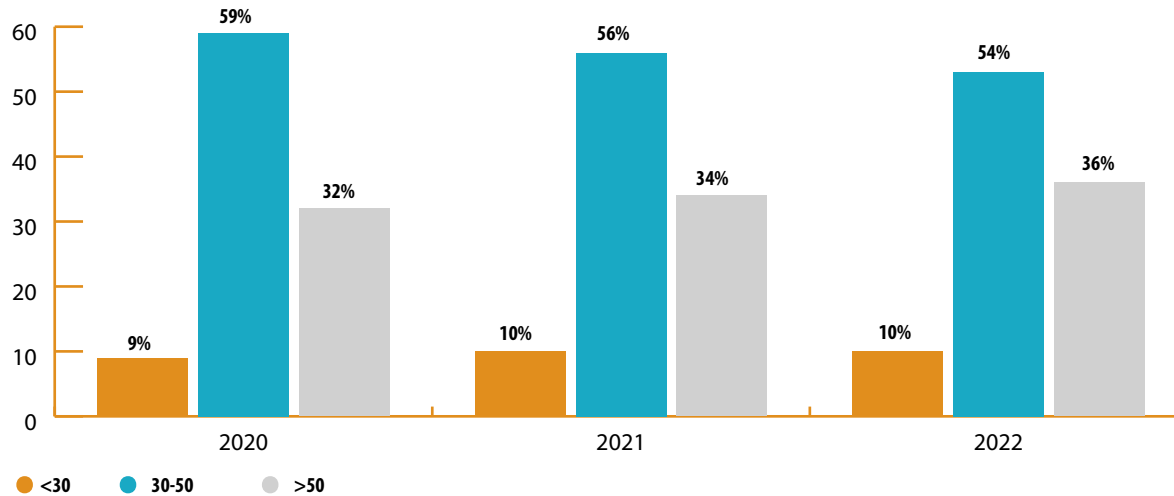
Employee distribution by gender (%)



Our performance

In 2022, as in previous years, there were no complaints or cases of violation of human rights in our organisation, whether it was related to issues of unequal treatment and/or incidents of discrimination in the workplace, or child and forced labour, and we are taking all necessary measures to ensure that there is no possibility of such incidents occurring in the future.

Employee distribution by age (%)



Employee's diversity by gender and age	2020		2021		2022	
	number (#)	Rate (%)	number (#)	Rate (%)	number (#)	Rate (%)
Men	1,737	85%	1,823	85%	2,068	84%
Women	307	15%	349	15%	386	16%
<30	186	9%	213	10%	252	10%
30-50	1,214	59%	1,217	56%	1,311	56%
>50	644	32%	742	34%	891	36%

Distribution of employees by hierarchy level and gender	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board of Directors (BoD members are not counted on the total number of employees)	17	1	18	17	1	18	20	0	20
Senior Management	17	0	17	17	0	17	24	3	27
Managers and Senior Professionals	169	34	203	172	38	210	152	39	191
Professionals and office staff	72	96	168	77	101	178	124	137	261
Operations staff and foremen	1,479	177	1,656	1,557	210	1,767	1,768	207	1,975
Total	1,737	307	2,044	1,823	349	2,172	2,068	386	2,454

Distribution of employees by hierarchy level and age	2020			2021			2022		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Board of Directors (BoD members are not counted on the total number of employees)	0	1	17	0	1	17	0	3	17
Senior Management	0	3	14	0	2	15	0	5	22
Managers and Senior Professionals	9	120	83	12	119	79	4	118	69
Professionals and office staff	15	120	54	13	107	53	35	145	81
Operations staff and foremen	162	971	493	188	989	595	213	1,043	719

Parental leave ³	2020		2021		2022	
	Men	Women	Men	Women	Men	Women
Employees entitled to parental leave (#)	41	12	33	1	45	16
Employees who took parental leave (#)	41	12	33	1	45	16
Employees back to work after parental leave (#)	41	12	33	1	45	16
Employees back to work after parental leave, and continued to be employed 12 months after returning (#)	40	12	31	1	44	16
Percentage of employees back at work after parental leave (%)	100%	100%	100%	100%	100%	100%
Retention rates of employees that took parental leave (%)	98%	100%	94%	100%	98%	100%

Incidents of discrimination and corrective actions taken	2020	2021	2022
Discrimination incidents (#)	0	0	0
Status of incidents			
Incident reviewed by the organization	0	0	0
Remediation plans implemented	0	0	0
Remediation plans implemented, reviewed through internal management review processes	0	0	0
Incident no longer subject to action	0	0	0

³ Please note that according to bulgarian law the duration of parental leave for women is three years, so the information about women that returned back to work is not applicable yet for Stomana.



 **SOVEL**
DINAMISNI STAPAN TEKNOLOGI DAN MANAJEMEN

Occupational health and safety



GRI Indicators: 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

Our commitment

As a responsible organization, we firmly believe in providing every employee with the right to work in a safe and healthy environment. To fulfill this commitment, we take proactive measures to prevent accidents, injuries, and illnesses. Our dedication extends beyond our employees and encompasses the well-being of our colleagues, customers, suppliers, and anyone utilizing our premises. We prioritize the establishment of a secure and healthy working environment that safeguards both physical and mental health for all individuals involved. By implementing a comprehensive Health and Safety Policy, we create a safe work environment for our employees, while also ensuring compliance with relevant laws and regulations, minimizing risk, and improving productivity and organizational success. We work towards fulfilling our Health and Safety Policy by implementing occupational health and safety management systems that adhere to the ISO 45001:2018 international standard.

“We are committed to a zero accident vision at our premises and to create an injury free workplace.”

Our impacts

By maintaining consistent and ongoing efforts, it is possible to prevent incidents and occupational illnesses while promoting sustainable and productive employment, along with the provision of decent work. Management’s active involvement is crucial in fostering a proactive health and safety culture across all sites where employees, contractors, and visitors engage in business activities on behalf of us.

Furthermore, we place significant emphasis on continuous health and safety training for our employees, which cultivates a heightened level of safety awareness. Coupled with the implementation of technical and organizational measures, these training initiatives form the essential pillars for accident prevention and the preservation of a safe work environment. Ultimately, these practices not only prioritize the well-being of individuals but also contribute significantly to enhancing the competitiveness of our activities.

Our approach

Health and safety management

We recognize our responsibility to safeguard individuals from potential harm that may arise from our daily business operations. To fulfill this obligation, we have implemented a proactive health and safety management system and maintain effective control measures across all aspects of our business. These measures are in place to mitigate risks and ensure the well-being of everyone involved in our operations.

We have developed an ambitious Safety Plan to enhance Occupational Health and Safety (OHS) performance. The Occupational Health and Safety Management System is in accordance with the ISO 45001:2018 standard and is designed to identify and control health and safety risks, prevent accidents and incidents, and continuously improve performance in this area.

This Plan comprises significant building blocks and is customized to the unique characteristics and improvement prospects of each company. It has received approval for execution over the next five years and includes the following five elements:

- Safety culture assessment
- Safety and risk assessment
- Risk management
- Equipment modernization
- OHS monitoring



“Sidenor's Health and Safety Policy is based on the principles of prevention, risk assessment, continuous improvement, compliance with legal requirements, and employee involvement.”

Risk minimization and incident investigation

Addressing Health and Safety risks

We prioritize prevention of incidents by consistently identifying and assessing all operational risks and hazards, and taking necessary measures to eliminate, reduce, or manage them. This approach is aimed at creating a safe and healthy working environment, free from accidents, and conducive to overall well-being. We prepare our people as much as possible to identify and manage the potential safety risks they might face while working in our facilities. This preparation includes adherence to clear standards, processes for issuing work permits, education, training, auditing and follow-ups to reinforce accountability.

An important tool for the effective monitoring and assessment of potential risks is the Occupational Risk and Hazard Assessment Study. We apply operational and safety criteria that are in line with Greek and European legislation and develop solid action plans. In 2022, all Occupational Risk and Hazard Assessment Studies' updates were completed and all job positions underwent re-evaluation of relevant information such as legislative

requirements, procedures, work instructions, provision of PPE, safety signage, and other related factors. All findings of the renewed assessments were translated into solid action plans to be implemented within the next five years.

Incident investigation

Thorough investigations are conducted into accidents and incidents to identify their root causes and implement corrective actions. Safety engineers and relevant departments lead these investigations, and occupational doctors and other personnel may be involved as needed. To improve efficiency in reporting and managing health and safety incidents and action plans, companies rely on a dedicated digital platform (Intelex). Most of our plants are utilizing tools of Operational Excellence towards the safe work, such as the Behavior Observation System, which is a part of the Incident Elimination Daily Management System.

Measurements and monitoring

All companies regularly report, record, investigate and analyze incidents using internationally recognized indicators in order to take the appropriate corrective and preventive measures. Employees that are exposed to such potentially hazardous conditions are additionally monitored by the occupational doctor, and medical examinations are provided to prevent occupational diseases.

Internal and external audits

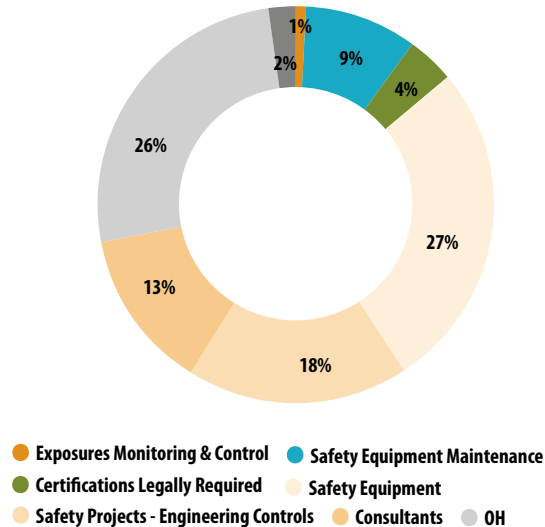
As part of the implementation of their OHS management systems, all companies carry out regular internal safety audits. These audits are conducted by specialized personnel and/or members of staff and management, with varying frequencies ranging from daily routines to extensive in-depth audits. In addition to internal audits, the companies also conduct external audits to verify that their management system is appropriate for their needs and promote a strong safety culture.

The last management system health check was carried out in 2021 by DuPont Sustainable solutions, and the findings of the specialized assessment were included into the 5-year Safety implementation Plan.

Health and safety best practices

In addition to the above, we implement several of programs aimed at continuously improving the way we handle Health and Safety issues.

Expenses for health and safety in 2022



5 WHYS Root Cause Analysis

During 2022, as part of the implementation of the Safety Plan, we implemented a 5 WHYS Root Cause Analysis, to identify the root causes of problems and improve our H&S processes. The 5 WHYS technique is a simple brainstorming tool that can help H&S teams identify the root cause(s) of a problem. It involves asking the question “why” repeatedly until the root cause of the problem is identified. The technique typically involves the following steps:

- **Define the problem**
Clearly articulate the problem that needs to be solved.
- **Ask “why” five times**
Ask “why” repeatedly until the root cause of the problem is identified. Each “why” question should be based on the answer to the previous question.
- **Identify the root cause**
The root cause is the underlying reason why the problem occurred.
- **Develop a solution**
Once the root cause has been identified, develop a solution that addresses it.
- **Implement the solution**
Implement the solution and monitor the results to ensure that the problem has been resolved.

HAZOP (Hazard and Operability Analysis)

In 2022, we also completed a Hazard and Operability (HAZOP) Analysis, identifying potential problems that were uncovered by reviewing the safety of designs and revisiting existing processes and operations.

HAZOP is a Process Hazard Analysis (PHA) method recognized by Occupational Safety and Health Administration's (OSHA) Process Safety Management (PSM) standard and it is a form of risk management to identify, evaluate, and control hazards and risks in complex processes.

This analysis helped our organization address:

- Potential hazards in business operation
- Past incidents that had likelihood for catastrophic consequences
- Human-controlled factors
- Consequences of failure of applied control measures including the range of the possible health and safety risks

ATEX study (Atmosphères Explosibles)

In addition, in 2022 we carried out the ATEX study, a risk assessment that evaluated the hazards and risks associated with using electrical or mechanical equipment in areas where flammable gases, vapors, or dusts were presented.

ATEX is a European Union directive that sets out safety guidelines and requirements for equipment used in potentially explosive environments. The Explosion Protection Document – ATEX Study, concerns the protection of the health and safety of the workers who may be at risk at work, from explosive atmospheres.

As part of the ATEX Study the following were evaluated:

- The probability of creation of explosive atmospheres and their duration
- The likelihood of ignition sources being present and activated
- The facilities, the substances used and the work methods, and their possible interactions

Additionally, the following were referred in the ATEX Study

- The explosion hazards
- The necessary measures to protect workers
- The sites classified in zones (area classification)
- The technical and organizational measures and the areas to which they apply

Based on the findings of the study, recommendations were made for modifications to the equipment or changes to operating procedures in order to reduce the risk of explosion. The study also identified equipment that were not suitable for use in explosive environments and suggested alternative equipment that meets ATEX safety requirements.

Employee engagement and participation

We value and foster employee involvement by holding regular meetings with employees across all Companies to facilitate open communication on health and safety matters, and to promote engagement among employees and line managers. Line management participates in monthly discussions on health and safety issues. Employees are encouraged to express their opinions during meetings or through 'open door' communication with their supervisors at any time. Additionally, anonymous feedback can be submitted through suggestion boxes.

Safety trigger program

To ensure that all individuals in the workplace are aware of potential hazards and risks, we have implemented the Safety Trigger program. The program is designed to provide prompt and accurate information about any situation that may create a temporary hazardous condition at a production site. Using various scenarios, the program assesses the level of caution that should be exercised in each area, with the aim of reducing incidents related to non-standard operating conditions. The Safety Trigger program plays a crucial role in maintaining a safe work

environment for all employees, visitors, and third parties.

Training for health and safety

In order to establish a uniform safety culture across all industrial facilities within the organisation, a comprehensive safety training program is implemented annually and revised every 3 years, covering basic safety procedures such as fire safety, rescue techniques, first aid, work in confined spaces, work at height, work close to electrical circuits, molten metal, hot surfaces etc. Additionally, leadership seminars are conducted for all levels of hierarchy, as well as job-specific training, including general OHS awareness to new employees, with the goal of reinforcing and solidifying a safety-focused culture.

10,461

Health and Safety
training hours

4.4

Health and Safety training
hours per employee

Our performance⁴

Workers covered by an occupational health and safety management system*

2022

	Number (#)	Percentage (%)
Employees who are covered by an occupational health and safety management system (#)	2,454	100%
Employees that have been internally audited (#)	2,454	100%
Employees that have been audited or certified by an external party (#)	474	19%

*Data for 2020/2021 are not available

⁴ Data are presented in headcount format, measured at the end of the reporting period (the numbers were collected at the end of each year). The hires and dismissal rates have been calculated by dividing the total hires and dismissals for each year respectively by the average number of employees for the year.

Customer satisfaction

Our commitment

Our major priorities are achieving customer satisfaction and maintaining their preference and trust. As we strive to cultivate a culture that revolves around our customers, we have made a steadfast commitment to comprehending their requirements and responding in a direct and efficient way. We uphold our promises and provide inventive solutions, accompanied by high-quality products and services.

Our impacts

Customer satisfaction is a key performance indicator for us, as satisfied customers are more likely to become long-term customers. It also helps identify areas for improvement and make necessary changes to increase customer loyalty and retention. By prioritizing customer satisfaction, we build long-term relationships with our customers, increase brand loyalty, and ultimately drive business growth. In today's competitive market, customers have a wide range of choices, and our commitment to their satisfaction can be a key differentiator.

Our approach

We are characterized with customer-centric culture, which means that every team and department works to foster a positive customer experience. To ensure and achieve our commitment to customer satisfaction, we have developed a specific process based on the following axes:

- Systematic assessment of customer satisfaction: Our customer-centric philosophy is reflected through our customer satisfaction surveys conducted periodically. The survey examines and records the evaluation and satisfaction of customers regarding products and services, as well as points for improvement.
- Ensuring a high level of product services: We apply strict operating standards in all our facilities aiming at customer satisfaction. Our major priority is to offer innovative, high-quality products with a competitive value for our customers.
- Continual interaction with our customers, obtaining their feedback on comments, and taking action to make improvements: Our goal is to consistently optimize our customers' satisfaction, and we achieve this by maintaining frequent communication with them to systematically gather their feedback, opinions, comments, and complaints. To that end, we apply several methods, such as claims management, claims scorecard, root cause analysis, cost of claims on-time-in-full deliveries etc.

Our performance

Customer Privacy	2020	2021	2022
Substantiated complaints concerning breaches of customer privacy and losses of customer data			
Complaints received from outside parties and substantiated by the organization (#)	0	0	0
Complaints from regulatory bodies (#)	0	0	0
Identified leaks, thefts, or losses of customer data (#)	0	0	0
If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient	No non-compliance with regulations and/or voluntary codes have been identified		




SIDENOR
SIDERURGIA S.A.
MEXICO

Responsible supply chain



GRI Indicators: 204-1



Targets 2023

→ Vendors responsible for 90% of our 2022 spend to sign our SCoC

Achieved up to now is 89% of this target.

→ Vendors responsible for 80% of our 2022 spend to be evaluated by ECOVADIS

Achieved up to now is 78% of this target.

Our commitment

At the core of our endeavors to generate long-term value across our business activities lies the responsible management of its supply chain. We are dedicated to conducting all its business operations in a sustainable manner across all the countries it operates in. Additionally, it anticipates that its business partners and suppliers will exhibit a similar level of responsibility and conduct their operations and request all materials' suppliers to adopt our Supplier Code of Conduct.

Our impacts

Responsible supply chain impacts refer to the effects that we create by ensuring that our supply chain operates in a socially and environmentally responsible manner. This includes promoting fair labour practices, reducing environmental impact, and supporting local communities. By prioritizing responsible supply chain impacts, we demonstrate our commitment to sustainable and ethical business practices. This enhances our reputation and brand value over the long term, as well as enables us to foster stronger relationships with our suppliers and other partners.

Our approach

As part of our Sustainability Strategy, which places renewed emphasis on responsible sourcing, we implement two initiatives aimed at enhancing its supply chain practices:

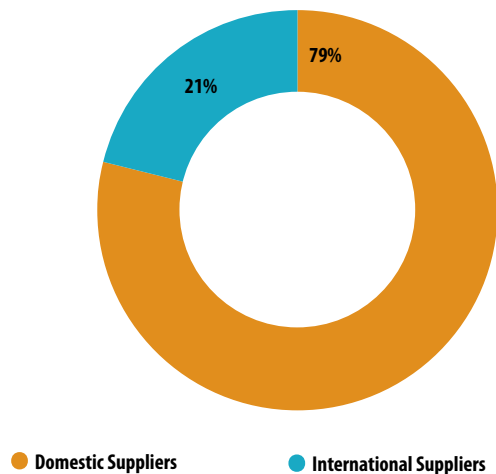
1. We have adopted a Supplier Code of Conduct, which is a set of ethical and operational guidelines that we provide to our suppliers to ensure that they comply with the our values and standards. The purpose of this Code is to establish a framework for responsible behavior, prevent unethical practices, and promote sustainability and social responsibility in the supply chain. The Supplier Code of Conduct covers the following areas:
 - Business ethics and anti-corruption criteria
 - Labour and human rights criteria
 - Environmental protection criteria
 - Personal data protection criteria

Suppliers responsible for 65% of our spent have signed our Supplier Code of Conduct

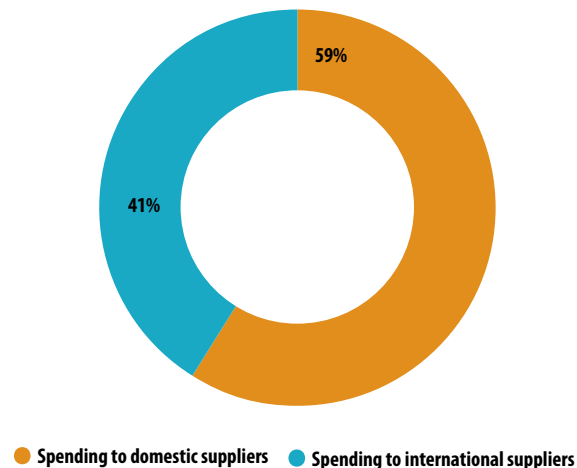
2. We have partnered with EcoVadis, a leading provider of sustainability and supply chain services, to assess the sustainability practices of all "A" suppliers of raw materials. This evaluation includes various sustainability criteria such as environment, labour and human rights, ethics, and responsible procurement, and it is aimed at enhancing sustainability across our supply chain. We intend to extend this evaluation process to a broader range of suppliers in the future.

Suppliers responsible for 60% of our spent have been rated by EcoVadis

Distribution of active suppliers



Distribution of spending



Our performance

Although we rely heavily on raw and ancillary materials produced in foreign countries for our production activity, we strive to support local communities by sourcing products and services from local suppliers and contractors wherever possible. This commitment to sourcing locally helps to balance the high percentage of supplies that come from international suppliers.

Proportion of spending on local suppliers	2020	2021	2022
Total spending (€) (in billions)	0.83	1.38	2.00
Budget used for significant locations of operation that is spent on suppliers local to that operation (€) (in billions)	0.50	0.80	1.60
Ratio of budget spent on local suppliers (%)	61%	58%	59%
Ratio of products and services purchased locally (%)	36%	37%	87%



Local community affairs

Our commitment

We consider social contribution as a crucial element of its Corporate Responsibility Framework. We support local communities in which we operate by actively responding to their needs and developing social programs that create value for both the society and the organisation. Our initiatives include community outreach programs, employee volunteer programs, charitable donations, and other activities aimed at improving social well-being and promoting sustainability.

“We prioritize enhancing the well-being and quality of life of the local community members where we operate.”

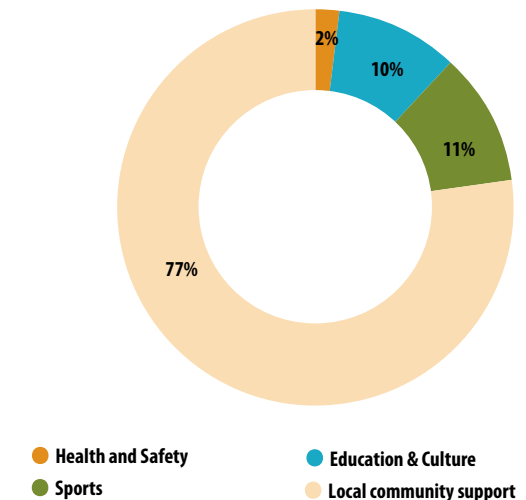
Our impacts

Through social initiatives and engagement with local communities we actively contribute to the creation of resilient, sustainable and safe communities. Our impacts on local communities include improved quality of life for community members, increased access to education and healthcare, environmental sustainability, economic growth, through job creation, and support for local businesses.

Our approach

We strive to be close to the local communities and respond to their needs, through open communication with local authorities and NGOs. We offer financial assistance and implement targeted initiatives in critical areas such as health and safety, education, culture, sports and community support.

Social Contribution



Health and Safety

One of our priorities is to ensure a better quality of life for people in the communities that we operate. We implement local health initiatives, by supporting local hospitals and health clinics through financial and in-kind aid. Our efforts aim at improving the health and safety of our local stakeholders, as we recognize the vital role it plays in promoting human well-being.

Blood Donation

Blood donation plays a critical role in the health of a society as it has multiple life-saving purposes. By organizing blood donations, we help save lives, support medical treatments, and make a positive impact on the lives of others. During 2022, we collected 78 transfusion bottles in total.

Education and culture

We acknowledge the significance and worth of education and culture in nurturing the intellectual and cultural growth of the younger generation. We actively participate in supporting diverse activities and events aimed at preserving and promoting education and culture within the local communities we serve. Our commitment extends to wholeheartedly backing the educational system, which fosters creativity and learning among children and young individuals, through various means. We strive to establish robust partnerships with schools and universities, offering both financial and in-kind assistance to address essential needs such as stationery and technological equipment shortages.

Educational visit to Sovel – Almyros Vocational high school

In the context of supporting future generation and bridging academic community with private sector, in May of 2022, the departments of

the third grade of specialties of Almyros Vocational high school, made an educational visit to Sovel. The students showed particular interest in their first contact with an industrial space and addressed many questions to the company's executives.

Workshop on “Preparation tips for a successful interview” – Almyros Vocational high school

In May of 2022, an interactive workshop on “Preparation tips for a successful interview”, lasting 3 hours, was carried out at Almyros Vocational high school. The purpose of this activity was to provide knowledge and comprehensive professional education to the students, providing them with the opportunity to envision their future in the place they grew up.

More specifically, executives of Human Recourses department, shared their knowledge and experience with the students on how to conduct a successful CV, as well as on interview best techniques.

Promoting culture

We also support initiatives such as sponsoring events, exhibitions, or festivals, supporting local artists or cultural institutions, and participating in community programs aimed at preserving cultural traditions. Illustratively, during 2022, we sponsored the “Anderfest” rock festival as well as the “Mandra” festival in Dojran.

Sports

Sports can have a significant impact on individuals and communities, promoting physical health, teamwork, and personal growth. We encourage the local community to engage with sports, recognizing its vital contribution to the human physical and mental health.

Within this context, we support actions and initiatives which include the aid of local sports clubs in meeting their objectives, as well as the donation of sports equipment. Illustrative initiatives during

2022 include the financial and in-kind aid to a variety of sports clubs, such as the Football Team in Dorjan and the “Metalurg” volleyball club in Pernik.

Local community support

Our foremost focus lies in providing support to the local communities where we operate through our social initiatives. In pursuit of this goal, we actively engage in collaborations with a range of local entities, such as non-profit organizations, local governments, and others. Through these partnerships, we aim to extend assistance to individuals within the community who may be in need or vulnerable.

In this context, during 2022, we responded to the needs of our local communities, by undertaking initiatives such as offering support to groups in need through its program “Together for solidarity”. The program took place in December for all companies in Greece. Together with our volunteers we managed to collect 70 boxes of food, clothes, toys, books and 500 food vouchers for the causes of various local bodies such as the Community grocery of Agios Nikolaos, Almyros, Organization of Social Policy and Solidarity – Municipality of Marrousi and the “Smile of the child”, which supports families and children in need.

In addition, with sense of compassion, we supported the Parents' Association of Children with Cancer in Greece, “Floga”, taking the organization's handmade presents for our employees for the Eastern holidays.

Local employment



GRI Indicators: 202-2

Our commitment

We are committed to promoting local employment and contributing to the economic development of the communities in which we operate. We actively seek to recruit qualified individuals from the local workforce and provide them with training and development opportunities. We also prioritize the use of local suppliers and contractors to support the growth of local businesses and economies. Our focus on local employment fosters a sense of community engagement and promote social inclusion.

“Understanding our role in the larger social and economic ecosystem, we promote local economic growth and social inclusion.”

Our impacts

We have made a significant contribution to the national economy and society, operating responsibly as a lever for sustainable development and social welfare. Each of our jobs has a multiplier effect on the country's employment. Our products are available in more than 50 countries with significant contribution to development, such as reinforcing steel for building and infrastructure projects, shipbuilding and various other industrial applications. Our commitment to local employment has a positive impact on the local economy by reducing unemployment rates and stimulating economic growth. It also helps build stronger relationships with local stakeholders and improve our reputation as a responsible and engaged organization.

Our approach

We are dedicated to fostering the growth and well-being of the local communities in which we operate. We achieve this by prioritizing local employment and establishing collaborations with local suppliers. The impact of our efforts encompasses our entire value chain. This includes the creation of new job opportunities, with a focus on recruiting individuals from neighboring communities surrounding our production plants. Additionally, we provide internship programs to empower the youth, utilizes the human resources available within the local community, and prioritizes employee retention. Through these initiatives, we actively contribute to the development and prosperity of the communities we operate.

Supporting youth employment

Our goal for the future is to collaborate with educational institutions to orient young people towards the industry and encourage them to recognize the importance of the opportunities it offers.

Our future vision entails creating partnerships with educational institutions to guide and inspire young individuals towards the industrial sector, while emphasizing the significance of the opportunities it presents.

Our performance

90%

**of senior managers by
local community**

We hire people from the local communities wherever possible. Specifically, 5% of total human resources come from Athens, 18% from Thessaloniki, 24% come from the prefecture of Magnissia, 42% come from Pernik and 12% come from Dojran region.







Governance impact



Tax transparency and strategy



Sustainability decision-making structure



Sustainability data controls



Policies



Establishment of whistle-blowing mechanism

Business ethics and integrity

Our commitment

We believe honesty and ethics are essential elements of our success and we conduct our operations in a fair, honest, and responsible manner. We are committed to setting high standards in our business activities and with our stakeholders. Our governance structures and processes strive to promote accountability, transparency and ethical behavior and we regularly evaluate and enhance them to help us operate at the highest levels of performance in everything we do.

Our commitment to ethics and integrity are integrated in our purpose and values, our corporate business principles as well as in our Code of Business Conduct. The Code expresses our basic attitudes and indicates how we will relate to colleagues, customers, shareholders and society in general and is regularly updated in line with national and international developments.

“Integrity and fairness are part of everything that we do, enabled by robust governance, monitoring and risk management.”

Our impacts

We recognize that corruption, bribery, fraud and unhealthy competition are extremely important matters that can have a detrimental effect on the ethical environment of its businesses. These activities have far-reaching negative consequences, such as violating human rights, harming the environment, distorting fair competition and hindering economic progress. All business activities are conducted under the prism of ethics, integrity and regulatory compliance. We prioritize ethics, integrity and regulatory compliance at environmental, social, and product aspect. This promotes a trustworthy environment between our companies and stakeholders. Failure to comply with regulations could have severe consequences, impacting our profitability, financial position, and cash flows, and ultimately, our ability to meet our obligations.



GRI Indicators: 2-9, 2-12, 2-13, 2-14, 2-15, 2-23, 2-26, 2-27, 205-3

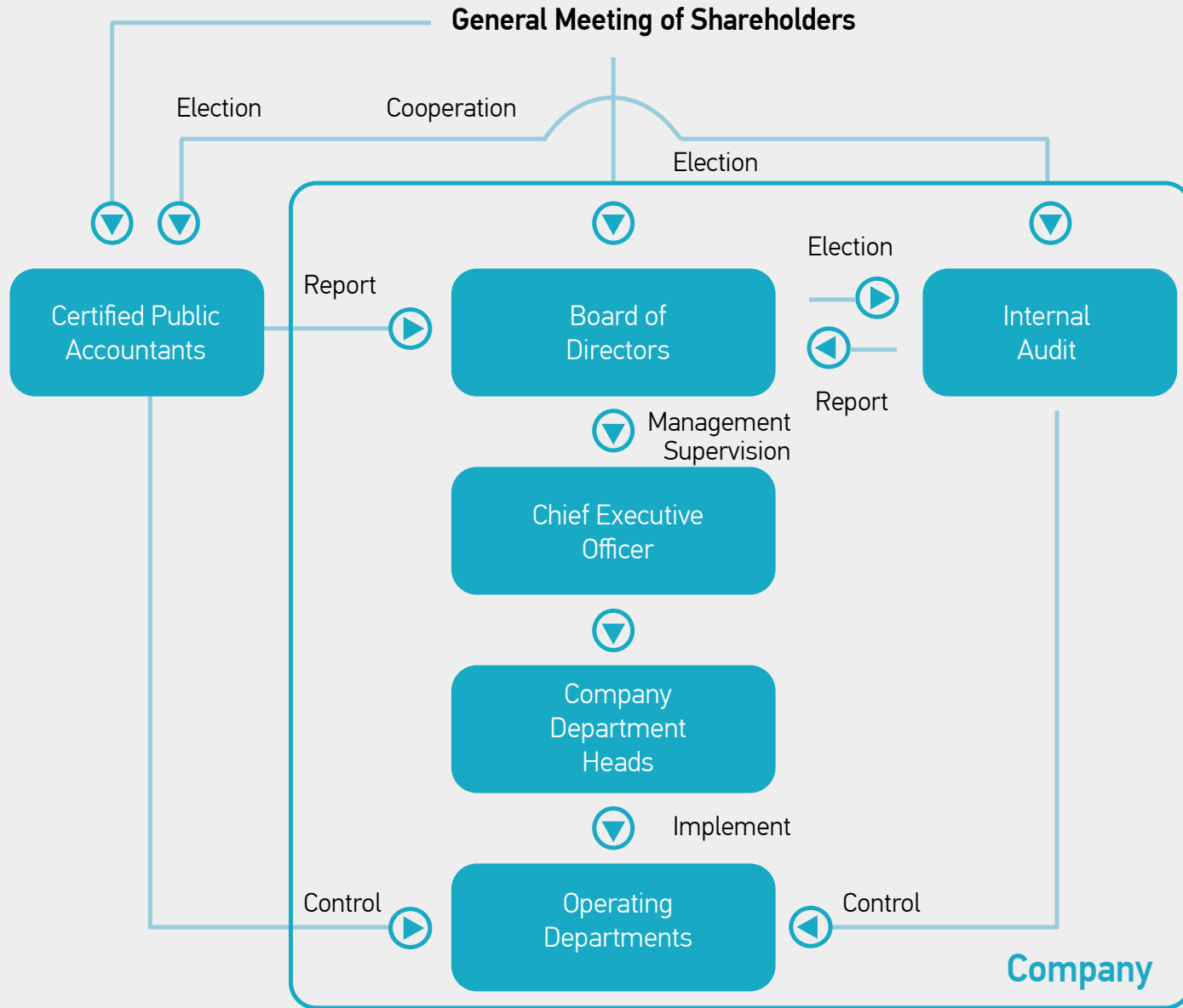
“We strive to always uphold high ethical standards in all aspects of our business”

Our approach

Governance framework

We are committed to upholding the principles and policies of sound governance, along with responsible operations, as longstanding objectives, as well as to high standards of governance that are consistent with regulatory expectations and evolving best practices and that are aligned with our strategy and risk appetite. In this context, we have implemented a distinct corporate process and an organizational structure, which are reinforced by our management, an internal control mechanism, legal department, and other departments within our companies.

In 2022, we established an Internal Control System to ensure consistency as well as fairness and clearly allocate responsibilities at all levels. In the context of transparency and responsible operation, we have set this process in order to ensure the engagement of the responsible executives in the whole operation process.



Board of Directors

For us, Board of Directors oversees the strategic direction of our business to advance the long-term interests of the organization and our various stakeholders. Assessing the efficacy of corporate governance principles and decision-making is among the responsibilities of the Board of Directors, in addition to:

- Assuring that no conflicts of interest exist within the governing structure
- Examining potential cases of deviation from the Private Information Policy
- Securing the integrity of the Company's financial statements prior to their approval from the Shareholders' General Meeting

Regular board meetings are conducted to ensure the alignment of implemented initiatives with our principles, policies, and overall strategy, as well as to address diverse responsibilities and relevant issues. Our Board of Directors our responsible for managing all aspects of governance.



Sidenor S.A. Board of Directors

1. Panagiotis Aggelis, Chairman
 2. Athanasios Athanasopoulos, Vice-chairman
 3. Vasileios Papantoniou, Member
 4. Nikolaos Mariou, Member
 5. Michael Ivos, Member
 6. Efstratios Thomadakis, Member
 7. Efstratios Pasatzis, Member
 8. George Michos, Member
 9. Aris Gkiouroulian, Member
 10. Nikolaos Karathanasis, Member
 11. Michael Sotiriades, Member
-



Stomana S.A. Board of Directors

1. Athanasios Athanasopoulos, Chairman
 2. Anton Kirilov Petrov, Member
 3. Elias Stassinopoulos, Member
 4. Vasileios Papantoniou, Member
 5. Nikolaos Mariou, Member
 6. Stavros Theodoropoulos, Member
 7. Ioannis Papadimitriou, Member
 8. George Michos, Member
 9. Efstratios Patsatzis, Member
-



Sustainability Governance

Responsibility for oversight and management of sustainability matters are defined at multiple levels within the organisation. We aim to adopt robust governance structures to foster sound management and a culture of accountability on sustainability matters. Our Sustainability Strategy guides our efforts in advancing sustainability and responsible business practices.



Sustainability Policy

We have incorporated sustainability principles into its decision-making processes, encompassing various aspects such as responsible production, energy and raw material procurement, human capital, human rights as well as overall business practices. Our commitment to sustainability extends to supporting local communities in the areas where its companies operate and actively engaging with stakeholders, respecting human rights. In line with these efforts, we have implemented a Sustainability Policy that serves as a guiding framework for our companies, outlining the key priority areas and objectives.

Risk management system

We acknowledge that we face several risks that could impact the achievement of our strategy. We seek to monitor, control, and minimize the impact of risks to profitability while maximizing the opportunities they present. In this context, we monitor aiming at understanding how they will hinder the achievement of our strategic, financial and operational objectives. The implementation of this risk management system enables the identification and analysis of potential risks, as well as the implementation of appropriate preventive and corrective actions. It also enables us to make informed decisions, prioritize its resources, and become more resilient to risks.

“Our strategy involves the continual assessment of the effectiveness of its risk management processes, as well as the continuous improvement and expansion of the range of risk monitoring and detection.”

We comprehensively analyze risks from operational, financial, environmental, and social perspectives to gain a holistic understanding of the complete range of impacts caused by non-financial issues. The main risks that we have identified are the following:



Transparency and Corruption

Our commitment to preventing corruption and upholding high ethical standards in all expands across all aspects of our operations. To actively demonstrate our commitment to anti-corruption, we have implemented various measures aimed at preventing and detecting such incidents.

We have established a Code of Business Conduct that outlines its expectations from employees, suppliers, and other stakeholders regarding ethical conduct and anti-corruption measures. Additionally, the Code provides detailed guidance on how to handle situations that may lead to corruption. We also conduct regular risk assessments, based on our corporate procedure, to identify areas where corrupt practices may occur and takes measures to mitigate those risks.

“We have zero tolerance for corruption in all its forms. We will not offer, accept, solicit, or pay a bribe, in any form or of any value, to any person—including to get business or secure any advantage in connection with the organisation’s business—and we will never ask a third party to do so on our behalf.”

Whistleblowing mechanism

A whistleblowing procedure has been established that facilitates transparent and secure communication channels. These channels enable individuals, both internal and external to the organization, to report instances of illegal behavior concerning labour or human rights practices, environmental compliance, and business ethics. The mechanism ensures anonymity for whistleblowers and provides extensive protection and support to encourage reporting.

The whistleblowing mechanism is fully compliant with the European Whistleblowing Directive and is designed to promote transparency and accountability within the organization. By establishing this mechanism, we aim to encourage a culture of integrity, where individuals feel safe and supported when reporting any violations or concerns.

“Our whistleblowing mechanism is a crucial component of our commitment to ethical business practices, providing individuals with a safe and confidential way to report any illegal behavior while ensuring their protection and support.”



Our performance	2020	2021	2022
Incidents of non-compliance with legislation and regulations (related to sustainability issues) (#)	0	0	0
Monetary value of fines for non-compliance with legislation and regulations (related to sustainability issues) (#)	0	0	0
Confirmed cases of corruption and bribery (#)	0	0	0
Incidents of non-compliance with legislation and regulations (related to sustainability issues) (#)	0	0	0
Monetary value of fines for non-compliance with legislation and regulations (related to sustainability issues) (#)	0	0	0
Confirmed cases of corruption and bribery (#)	0	0	0

SSQ
1, Vladaisk
2304 Pernik

1, Vladaisko Vastanie str.,
2304 Pernik, Bulgaria

STOMANA
INDUSTRY S.A.
O SCENAR GROUP

STOMANA
INDUSTRY S
O

Data security and privacy



GRI Indicators: 418-1

Our commitment

As an integral part of our governance framework in all business processes, we safeguard privacy and all confidential information that may arise from commercial transactions and exclusive partnerships. We are committed to protecting personal data and ensuring that it is collected, used, and processed in a lawful and responsible manner. We have robust internal controls, policies and security measures designed to keep information safe, and we require that third parties, such as our suppliers and vendors, preserve our high standards and protections for data.

We have established a Personal Data Privacy Statement which provides a comprehensive framework for protecting personal data, ensuring its confidentiality, integrity, and availability.

Our impacts

Data protection and privacy protection helps to prevent financial loss, reputational damage, and legal liabilities that may arise from data breaches. Customers are more likely to do business with companies that protect their personal information, which leads to customer loyalty and increased revenue. Therefore, we prioritize data security and privacy, building trust with our customers and ensuring compliance with regulations.

Our approach

Sidenor has acknowledged the importance of safeguarding personal data not just to comply with the EU General Data Protection Regulation of 2016/679 (GDPR) and other relevant laws, but also to gain a competitive edge and provide additional value. We are dedicated to protecting the personal information of employees, customers, suppliers, partners, and investors and strive to meet international standards and best practices. The goal is to reduce the risk of privacy violations and protect the personal data of individuals.

Our performance

No incidents of violations or data breach occurred, in 2022



Innovation and technology

Our commitment

Innovation and technology are key driving forces for business resilient growth. Sidenor is committed to pursuing innovation when developing its products, services, processes, and management across all markets where it operates.

We strive for continuous innovation to deliver exceptional product and service quality that caters to evolving demands and global sustainability trends. Finally, regarding research and innovation, we invest in the application of cutting-edge technologies and the exploitation of digital industrial methods in the production stages, examining in detail the future application of innovative technologies in our activities.

“Our century-long dedication to innovation continues as we develop products and processes with circularity in mind.”

Our impacts

Innovation and technology can lead to the creation of new products, services, markets as well as ensure a safe working environment for employees. This, in turn, can stimulate economic growth, create jobs, and increase business productivity. Striving innovation helps us contribute to the mitigation of environmental challenges, such as climate change and pollution, by enabling the development of new, more sustainable products and services such as high quality, low impact steel products with a high content in recycled input. Overall, Sidenor’s commitment to innovation and technology has helped us to stay competitive in the steel industry and continue to provide high-quality products and services to its customers.

Our approach

We bolster our product portfolios by incorporating innovative solutions that cater to the needs of the future. This is achieved through continuous research for enhanced products, quality assurance and optimization of both, technology and processes.

“We are steadily investing in the application of new, technologically advanced and more efficient systems.”



Research and development

We focus on research and development to contribute to the scientific research landscape, upgrade the technological capabilities of the country's industrial sector, and promote innovation. We are aware of our share of responsibility and invests in this area to ensure industrial diversification and add value to our products and services. We invest heavily in research and development to create new products and improve existing ones.

Collaboration with research centers

We work with universities, research centers, and other associations to stay at the forefront of technology and gain access to new ideas and innovations.

Teaching Factory Competence Center

From the beginning of 2022 we are collaborating with Teaching Factory Competence Center, where Sidenor is shareholder. The Teaching Factory was developed by Laboratory for Manufacturing Systems and Automation (LMS) and is applied on Greek as well as on European manufacturing industries. Teaching Factory is an effective way of interconnection between educational institutes and manufacturing. It is an innovative approach of both educational process and solution of real manufacturing problems. This model gives the opportunity of connection between academia and industry in worldwide scale and provides multiple benefits to students and industries.

Teaching Factory is our partner in EU Fundings tendering as well as provides us with services such as trainings in Industry 4.0 and First Aids.

Collaboration with ELKEME

ELKEME, Hellenic Research Centre for Metals S.A., was established in 1999 to provide support to the Greek metallurgical industry. The center has cutting-edge laboratories that specialize in applied industrial research and technological development of four major metals sectors, namely aluminium, copper, steel, and zinc. ELKEME offers a wide range of Research and Development and Investments (R&D&I) services and technical solutions for developing new products while optimizing existing ones.

Research Centre / Institute	Collaboration focus	Country
ELKEME	Product/process development/improvement projects	Greece
University of Chemical Technology and Metallurgy, Sofia	Training program in Metallography for STOMANA's laboratory experts	Bulgaria
Institute of Metal Science, Bulgarian Academy of Science, Sofia	Technical assistance for special steels processing in STOMANA's laboratory	Bulgaria
National Technical University of Athens	Projects for metallurgical engineering students practice	Greece
University of Patras	Assessment of products surface quality through video recognition software and of automatic attachment of labels on products	Greece
University of Thessaly	Research for possible collaboration on product development	Greece
Laboratory for Manufacturing Systems and Automation	Upskilling, training as well as development and implementation of advanced technologies in the manufacturing industry	Greece

Quality assurance

At Sidenor, we emphasize on upholding the highest quality standards in our operations and strive to develop sustainable products that meet the rigorous quality demands of our customers. We achieve this through the implementation and maintenance of a certified quality management system that adheres to the internationally recognized ISO 9001:2015 standard. In addition, we conduct stringent quality checks throughout every stage of production.

Our primary goal is to consistently deliver the highest quality products that match its customers' needs, within their preferred timelines.

In order to maintain high levels of quality throughout all stages of our operations, we utilize a comprehensive array of key performance indicators (KPIs) that cover the following areas:

- Quality System certification (internal/external audits performance, corrective actions implementation)
- Products certification (technical audits by external bodies, certificates retention¹)
- Customer satisfaction (claims management, claims scorecard, root cause analysis, cost of claims, customer satisfaction evaluation, on-time-in-full deliveries)
- Production and non-conforming products (production performance, rejected and downgraded products rates, non-conforming products statistical evaluation, production quality incidents, root cause analysis, corrective actions implementation)
- Cost of poor quality (Quantify the total cost of quality-related efforts and deficiencies)
- First Time Right indicator
- Incoming materials
- Training (training performance)

¹ Depending on the plant and the specific requirements for their products, additional product certifications include EN, DIN, ELOT, SR, SRPS, BDS, HRN, ASTM, JIS, BS, AWS, LRS, GL, ABS standards.

Achieving operational excellence – BEST IWS

Sidenor has set its sights on achieving operational excellence and digital transformation, with a particular focus on the holistic Operations Excellence program, known as BEST IWS. This program aims to ensuring the continuous improvement of our operations and processes, as well as enhancing the efficiency of production facilities, developing employees, and strengthening their job positions. Sidenor companies are actively working on the following pillars of the program:

→ Digital

→ Quality

→ Supply Chain

→ Leadership

→ Enterprise Strategy

→ Maintenance

→ Production Systems

→ Health and Safety Environment

→ Organization, Education & Training

In the context of the BEST IWS, the Run to target program (RTT) has been implemented at the Sovel plant, followed in early 2022 by Dojran and from September 2022 by SIDENOR. The following indicators are monitored under the RTT:

- Number of Quality Incidents (production of non-conforming products)
- Quality Losses (equivalent loss of production quantity due to occurrence of non-conforming products)
- Safety incidents and trigger
- Clean Inspect Lubricate
- Change of Production procedure
- Defect Detection and Handling
- Elimination of Breakdowns

“Sidenor’s operational excellence is a result of its focus on continuous improvement, lean manufacturing, digital transformation, employee engagement, and sustainability.”



**Sustainability
Report
Appendix**

Memberships

Sidenor participates in various European industrial research programs and associations. Being a member of relevant industry associations provides access to industry-specific knowledge, research, and insights and help us stay up-to-date with the latest trends, developments, and best practices through conferences, seminars and webinars offered by these associations.



GRI Indicators: 2-28

	<p>CSR Hellas CSR Hellas mission is the comprehensive integration of the principles of sustainability and responsible entrepreneurship into corporate strategy, governance and administration, to enhance sustainability, innovation and social cohesion at national and local level.</p>		<p>European Welding Association (EWA) The European Welding Association is an industrial association, which joins together manufacturers of welding equipment and welding consumables from across Europe and associations from the welding industry. Every EWA member agrees to respect the "EWA CODE of CONDUCT".</p>
	<p>Arab - Hellenic Chamber of Commerce The objective of the Chamber is to develop and promote economic and trade relations between Greeks and Arabs in all business sectors, mainly Construction, Industry, Agriculture, Energy, Technology, Tourism and Education.</p>		<p>EUROFER Steel Association (EUROFER) European Steel Association represents the entirety of steel production in the European Union.</p>
	<p>SEV – Hellenic Federation of Enterprises (SEV) SEV is dedicated to promoting entrepreneurship by lobbying for sound policies consistent with a business-friendly environment. SEV engages in the public debate by making recommendations, crafting policies and providing analyses of economic and business issues.</p>		<p>Federation of Recycling and Energy Recovery Industries and Enterprises (SEPAN) SEPAN's mission is the reinforcement of sustainable development through actions related to recycling and energy recovery.</p>
	<p>North American Export Grain Association (NAEGA) NAEGA's mission is to promote and sustain the development of commercial export. Through a reliance on member action and support, NAEGA acts throughout the world to promote policies, rules and commercial practices that support international trade in grains, oilseeds, and their derived products.</p>		<p>Hellenic France Chamber of Commerce With approximately 380 members, the French-Hellenic Chamber of Commerce and Industry develops and promotes economic and commercial relations between Greece and France.</p>
	<p>Athens Chamber of Commerce and Industry (EBEA) Chambers of Commerce main activities are, among others, safeguarding business interests and sharing business experiences and business interests, contact with governments, civil society, local media and the press and organizing trade shows and events.</p>		<p>Hellenic Union of Industrial Consumers of Energy (UNICEN) UNICEN's establishment and operation aims to promote changes that will strengthen Greek companies' competitiveness which will create jobs and contribute to the country's exit from the recession and economic decline.</p>
	<p>Bulgarian Federation Industrial Energy Consumers (BFIEC) BFIEC's mission is to develop energy markets. Its goals are to represent the industry before the executive and the legislature before energy companies and producers on issues related to electricity and natural gas.</p>		<p>Hellenic Bulgarian Business Council The Hellenic Business Council in Bulgaria is a private, non-government, non-profit organization founded in 2005, which offers its own network of contacts, mutual assistance and information exchange. It represents the interests of its members and assumes the role of accelerating the trade and investment between Bulgaria and Greece.</p>
	<p>Bureau of International Recycling (BIR) The BIR federation provides a dynamic forum for its members to share their knowledge and experience. It serves as a platform to establish successful business relations and to promote recycling among other industrial sectors and policy makers.</p>		<p>ICAP CRIF ICAP CRIF, through 6 companies, provides innovative solutions to a wide range of business challenges, which are grouped into 5 categories: Business Information & Credit Risk Solutions, Ratings & Analytics Services, Marketing & Sales Solutions, Consulting Services & Technology Solutions and Risk Training Institute.</p>
			<p>The World Steel Association (WORDSTEEL) Word Steel Association is one of the largest and most dynamic industry associations in the world, with members in every major steel-producing country. World Steel represents steel producers, national and regional steel industry associations, and steel research institutes. Members represent around 85% of global steel production.</p>

About the Report



GRI Indicators: 2-2, 2-3

This Report is the 2nd Sustainability Report including information relevant to the management and performance of sustainability matters. The purpose of this Report is to provide its stakeholders with more holistic information on our environmental, social and economic impacts. Furthermore, this Report highlights our strategic priorities, actions and targets towards Sustainability as well as it reflects its commitment to a sustainable and responsible operation.

Scope

The 2022 Sustainability Report covers the reporting year 01.01.2022 to 31.12.2022 and presents consolidated non-financial information, with minor exceptions in certain areas, and refers to the following companies: Sidenor Steel Industry S.A. (Sidneor), Sovel S.A., Erlikon S.A. in Greece, Dojran Steel in Republic of North Macedonia and Stomana Industry S.A. (Stomana Industry) in Bulgaria. In this Report, quantitative data for the reporting years 2020 and 2021 are also included, providing a better understanding of our performance through years. Where exceptions applied, it is clearly mentioned within the Report.

Methodology

We have prepared the current Sustainability Report in accordance with the GRI Standards 2021. Moreover, when drafting the Report, the ISO 26000, the 10 UN Global Compact Principles, the AA1000AP 2018 Accountability Principles Standard, the Greek Sustainability Code as well as the 17 UN Sustainable Development Goals (SDGs) have been taken into account.

The content of the Report is based on sustainability topics which

derived from the Double Materiality Analysis in accordance with the GRI Standards 2021. The relevant process followed, and its results are presented in section "Sustainability Approach". The process of evaluating and prioritizing material issues is based also on the analysis and ranking of the dimensions of the Sustainability Accounting Standards Board (SASB). The Sustainability Report 2022 was prepared with the support and guidance of Deloitte (Deloitte Greecel Consulting, Financial Advisory, Risk Advisory, Tax & Legal services, Audit and reports | Global).

Restrictions and significant changes

The necessary data and information for the calculation and presentation of the key performance indicators of the Report have been collected in accordance with the recording procedures applied in and from the databases maintained by the companies.

External assurance

An external assurance of the data relating to all material topics of the companies was carried out by an independent body, documenting the accuracy, completeness and reliability of the selected performance indicators. The conclusions and recommendations resulting from the external audit process are used to improve our processes. The External Assurance Report is cited on pages 112-113 of the Report. TÜV HELLAS (TÜV NORD) SA has been assigned for the external assurance of the Sustainable Development Report 2022.

Insights, identified areas for improvement, views, and further questions regarding the contents of the Report are particularly welcome and can be submitted to the contact point below:

Sidenor Group

Nikos Evangeliou, Supply Chain & Sustainability Senior Director
33, Amarousiou-Halandriou Str., Marousi, Greece, 15125
Tel.: +30 21 0678 7111, Fax: +30 210-6787740
E-mail: info@sidenor.vionet.gr



Global Reporting Initiative index

Statement of use	We have reported in accordance with the GRI Standards for the period 01.01.2022 – 31.12.2022, on an annual basis. The frequency of the Sustainability Report is different from the Annual Financial Report as it has been established in this way by the Management team.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	At present, there is no industry standard applied to the steel industry

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Our profile Our companies Shared value creation Sustainability Report appendix About the Report	pp. 6-14, 94			
	2-2 Entities included in the organization's sustainability reporting	Sustainability Report appendix About the Report	p. 94			
	2-3 Reporting period, frequency and contact point	Sustainability Report appendix About the Report	p. 94			
	2-4 Restatements of information	Sustainability Report appendix About the Report In 2022, there were no significant changes regarding the size, structure and ownership status of the companies. Moreover, there were no significant changes with respect to the geographical distribution of the organization's main suppliers or the structure of the supply chain.	p. 94			
	2-5 External assurance	Sustainability Report appendix Independent External Assurance Report	pp. 112-113			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Our profile Our companies Shared value creation	pp. 6-14			
	2-7 Employees	Social Our People	pp. 44-47			
	2-8 Workers who are not employees	Social impact Our People	pp. 44-47			
	2-9 Governance structure and composition	Social impact Human rights, diversity and inclusion Governance Business Ethics and Integrity	pp. 56-60, 78-84	a, b, cii, ciii	Not applicable	As a non-listed company these requirements (a, b, cii, ciii) are not defined in the articles of association.
	2-10 Nomination and selection of the highest governance body	-	-	a, b	Not applicable	As a non-listed company these requirements (a, b) are not defined in the articles of association.
	2-11 Chair of the highest governance body	Sidenor and Stomana Industry chairs of the highest governance body are not senior executives	-			
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Business Ethics and Integrity	pp. 78-84			
	2-13 Delegation of responsibility for managing impacts	Governance Business Ethics and Integrity	pp. 78-84			
	2-14 Role of the highest governance body in sustainability reporting	Governance Business Ethics and Integrity	pp. 78-84			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Governance Business Ethics and Integrity In 2022, there were no legal actions against the companies or against an employee or other partner related to corruption (bribery/conflict of interest) incidents.	pp. 78-84			
	2-16 Communication of critical concerns	Sidenor did not receive any critical concerns, in 2022. Critical concerns, if any, are communicated through respective reports.	-			
	2-17 Collective knowledge of the highest governance body	-	-	a	Not available	The companies are committed to implementing a sustainable development training policy for the highest governance bodies in the coming years.
	2-18 Evaluation of the performance of the highest governance body	-	-	a, b, c	Not available	The companies are committed to establishing an evaluation procedure of the highest governance body in coming years.
	2-19 Remuneration policies	-	-	a, b	Not available	As a non-listed company these requirements (a, b) are not defined in the articles of association.
	2-20 Process to determine remuneration	-	-	a, b	Not available	As a non-listed company these requirements (a, b) are not defined in the articles of association.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-21 Annual total compensation ratio	-	-	Confidentiality constraints	
	2-22 Statement on sustainable development strategy	CEO letter	p. 2		
	2-23 Policy commitments	Governance Business Ethics and Integrity https://sidenor.gr/en/sustainability/esg-policies/	pp. 78-84		
	2-24 Embedding policy commitments	The companies link their policies and their relevant commitments to each material topics. In the sections of the Report (where the material topics are covered), it is presented the way that these relevant commitments are embodied by the companies. Further insight is provided into how Sidenor implements its commitments to responsible business conduct, including its commitment to respect human rights in its operations and business relationships. This ensures that employees at all levels act responsibly and with awareness and respect for human rights.	-		
	2-25 Processes to remediate negative impacts	In the sections of the Report (where the material topics are covered), it is presented the mitigation of the negative impacts caused by the companies.	-		
	2-26 Mechanisms for seeking advice and raising concerns	Governance Business Ethics and Integrity	pp. 78-84		
	2-27 Compliance with laws and regulations	Governance Business Ethics and Integrity	pp. 78-84		
	2-28 Membership associations	Sustainability Report appendix Memberships and distinctions	p. 93		
	2-29 Approach to stakeholder engagement	Our approach to Sustainability Stakeholder Engagement	pp. 22-23		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-30 Collective bargaining agreements	Social impact Our People	pp. 45-47		
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our approach to Sustainability Materiality Assessment	pp. 20-21		
	3-2 List of material topics	Our approach to Sustainability Materiality Assessment	pp. 20-21		
Responsible supply chain					
GRI 3: Material Topics 2021	3-3 Management of material topics	Social impact Responsible supply chain	pp. 70-71		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social impact Responsible supply chain	pp. 70-71		
Circular Economy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental impact Circular Economy	pp. 26-27		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environmental impact Circular Economy	pp. 26-27		
Sidenor Indicator	Circularity in steel production	Environmental impact Circular Economy	pp. 26-27		
Water management					
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental impact Water management	pp. 40-42		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environmental impact Water management	pp. 40-42		
	303-2 Management of water discharge-related impacts	Environmental impact Water management	pp. 40-42		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Environmental impact Water management	pp. 40-42	c	Not available	A breakdown of total water withdrawal from each of the sources is not available.
	303-4 Water discharge	Environmental impact Water management	pp. 40-42	b	Not available	A breakdown of total water discharge to all areas is not available.
	303-5 Water consumption	Environmental impact Water management	pp. 40-42			
Climate change and energy transition						
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental impact Climate change and energy transition	p. 28			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental impact Climate change and energy transition	p. 28	c	Not applicable	Companies have no biogenic carbon dioxide (CO2) emissions, stemming from the combustion or biodegradation of biomass.
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental impact Climate change and energy transition	p. 28	b	Information unavailable/ incomplete	
	305-4 GHG emissions intensity	Environmental impact Climate change and energy transition	p. 28			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental impact Climate change and energy transition	p. 28	a, b, c, d, e	Not applicable	Energy consumption is measured in MWh.
	302-3 Energy intensity	Environmental impact Climate change and energy transition	p. 28			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Waste management					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental impact Waste management	pp. 34-39		
	306-2 Management of significant waste-related impacts	Environmental impact Waste management	pp. 34-39		
	306-3 Waste generated	Environmental impact Waste management	pp. 34-39		
	306-4 Waste diverted from disposal	Environmental impact Waste management	pp. 34-39		
	306-5 Waste directed to disposal	Environmental impact Waste management	pp. 34-39		
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Social impact Occupational health and safety	pp. 62-67		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Social impact Occupational health and safety	pp. 62-67		
	403-2 Hazard identification, risk assessment, and incident investigation	Social impact Occupational health and safety	pp. 62-67		
	403-4 Worker participation, consultation, and communication on occupational health and safety	Social impact Occupational health and safety	pp. 62-67		
	403-5 Worker training on occupational health and safety	Social impact Occupational health and safety	pp. 62-67		
	403-6 Promotion of worker health	Social impact Occupational health and safety	pp. 62-67		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social impact Occupational health and safety	pp. 62-67		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	403-8 Workers covered by an occupational health and safety management system	Social impact Occupational health and safety 2020/2021 data are not available	pp. 62-67		
	403-9 Work-related injuries	Social impact Occupational health and safety	pp. 62-67		
Learning, development and employees retention					
GRI 3: Material Topics 2021	3-3 Management of material topics	Social impact Learning, development and employees retention Human rights, diversity and inclusion	pp. 48- 55, 56-60		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social impact Learning, development and employees retention	pp. 48- 55		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social impact Learning, development and employees retention	pp. 48- 55		
	401-3 Parental leave	Social impact Human rights, diversity and inclusion	pp. 56-60		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social impact Learning, development and employees retention	pp. 48- 55		
	404-2 Programs for upgrading employee skills and transition assistance programs	Social impact Learning, development and employees retention	pp. 48- 55		
	404-3 Percentage of employees receiving regular performance and career development reviews	Social impact Learning, development and employees retention	pp. 48- 55		
Human rights, diversity, and inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	Social impact Human rights, diversity and inclusion	pp. 56-60		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social impact Human rights, diversity and inclusion	pp. 56-60		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Social impact Human rights, diversity and inclusion	pp. 56-60		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Social impact Human rights, diversity and inclusion There is no risk of incidents of child labour - The companies' recruitment policy has a minimum age limit for recruitment of 18 years. The companies are opposed to child labour, comply with the relevant legal requirements and have procedures in place to check relevant documents at the time of recruitment to ensure that employment of minors is avoided. Regarding suppliers, the companies communicate the Supplier Code of Conduct (which includes a relevant reference) to all suppliers for their awareness and signature. In this process, we received a very high response rate from our suppliers. No related incidents.	pp. 56-60			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social impact Human rights, diversity and inclusion There is no risk of incidents of forced or compulsory labour. The companies oppose forced or compulsory labour and complies with the relevant requirements of the law on labour and working hours. No related incidents.	pp. 56-60			
Local Community Affairs						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social impact Local Community Affairs	pp. 72-73			
Sidenor Indicator	Covering the needs of local bodies and associations through the provision of financial aid and targeted initiatives and actions	Social impact Local Community Affairs	pp. 72-73			
Customer satisfaction						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social impact Customer satisfaction	p. 68			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Sidenor Indicator	Systematic assessment of customer satisfaction	Social impact Customer satisfaction	p. 68			
Local employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social impact Local employment	p. 74			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Social impact Local employment	p. 74			
Sidenor Indicator	Attracting employees from communities neighboring its production plants, as well as sourcing materials and services from local suppliers	Social impact Local employment	p. 74			
Business ethics and integrity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Business ethics and integrity	pp. 78-84			
	205-3 Confirmed incidents of corruption and actions taken	Governance Business ethics and integrity In 2022, no incident was reported. No monetary sanctions.	pp. 78-84			
Sidenor Indicator	High standards of governance that are consistent with regulatory expectations and evolving best practices	Governance Business ethics and integrity	pp. 78-84			
Data security and privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Data security and privacy	p. 86			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance Data security and privacy During 2022, no incidents of violations or data forgery occurred / were recorded.	p. 86			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
Innovation and technology					
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Innovation and technology	pp. 88-91		
Sidenor Indicator	Research and development, operational and technological excellence	Governance Innovation and technology	pp. 88-91		
Geopolitical uncertainties					
GRI 3: Material Topics 2021	3-3 Management of material topics	Geopolitical uncertainties, including political instability and conflicts, led to global market volatility and uncertainty. This had impact on the demand for steel and metal products and economic conditions and investment decisions affected. Geopolitical uncertainties also disrupted global supply chains, affecting the availability and cost of raw materials, energy, and other resources required for companies' operations. Changes in trade routes, transportation infrastructure, or political tensions in key regions caused to delays, higher costs, or disruptions in the supply chain. Despite the implications of the Ukrainian war, the energy crisis and the disruptions to the global supply chain, we managed to minimize the impact to our operations, ensuring the continuity in our supply chain and minimizing any disruption to our customers.	-		



Alignment with the AA1000AP (2018)

Principle	Our approach	Report reference
Inclusivity	We strive to engage in productive and meaningful conversations with our stakeholders using established communication channels. Our goal is to enhance our understanding of their needs and expectations, fostering a stronger connection with them.	pp. 13-14, 17-23
Materiality	Identification, prioritization and publication of the topics which are most important (material) for the companies and their stakeholders, on an annual basis, according to predetermined criteria, as well as international sustainability guidelines, such as the GRI Standards, the AA1000AP (2018), and SASB.	pp. 13-14, 20-21
Responsiveness	We have implemented a well-organized approach to address significant concerns, ensuring transparency in key performance indicators. We prioritize aligning our response with the expectations and requests of our stakeholders, actively integrating their perspectives into our strategic action plans.	pp. 22-23, 27-28, 31-32, 34, 40-42, 48-53, 56-58, 62-66, 68, 70-73, 74, 78-83, 86, 88, 90-91
Impact	Our operations are analyzed and assessed to identify both direct and indirect impacts, leading to improved decision-making and the development of sustainable actions for continuous improvement.	pp. 22-23, 27-28, 31-32, 34, 40-42, 48-53, 56-58, 62-66, 68, 70-73, 74, 78-83, 86, 88, 90-91

Greek Sustainability Code table

Pillar	Criteria	Page number and/or URL
Strategy	Strategic analysis and action	pp. 22-23, 27-28, 31-32, 34, 40-42, 48-53, 56-58, 62-66, 68, 70-73, 74, 78-83, 86, 88, 90-91 The Sustainability Report is developed based on internationally recognized Standards, such as: GRI Standards, AA1000 and the ISO 26000 Standard
	Materiality	pp. 13-14, 20-21 22-23
	Objectives	pp.1 8, 70
	Value chain	pp. 7-10, 12-13, 14, 70
"Process Management"	Responsibility	pp. 2, 12-13, 14, 22-23, 27-28, 31-32, 34, 40-42, 48-53, 56-58, 62-66, 68, 70-73, 74, 78-83, 86, 88, 90-91
	Rules and procedures	pp. 18-19, 82 Sustainability Policy, Code of Conduct and Business Ethics, Quality policy, Occupational health & safety Policy, Environmental Policy, Suppliers Code of Conduct, Personal Data Privacy Statement
	Monitoring	pp. 25, 27, 31-33, 36-39, 42, 45, 46, 47, 50-51, 54-55, 58-60, 67-68, 71, 84
	Rewarding schemes and motives for Sustainable Development	pp. 12-13, 50-51
	Stakeholders' engagement	pp. 22-23
	Responsible products and innovation	pp. 7, 12-13, 86-91
Environment	Use of natural resources	pp. 25, 27, 34, 36, 38-39, 40-43
	Management of resources	pp. 27, 34, 36, 38-39, 40-43
	Climate change and air emissions	pp. 28-33,
Society	Employment rights	pp. 48-53, 56, 62-67
	Equal opportunities	pp. 56-57
	Qualifications	pp. 48-53
	Human rights in the supply chain	pp. 70-71
	Corporate citizenship	pp. 72-74
	Anti-Corruption	p. 83
	Initiatives and political influence	pp. 93

ISO 26000 and United Nations Global Compact index

"Relevant ISO26000 issue"	10 Principles of the UN Global Compact	Systems and procedures	Sidenor's approach	
6.3.3, 6.3.4 6.3.5, 6.3.6 6.3.7, 6.3.8 6.3.9, 6.3.10 Box 7	1	Businesses should support and respect the protection of internationally proclaimed human rights.	Sustainability Policy Code of Conduct and Business Ethics Internal Regulations Supplier Code of Conduct	We promote equal employment opportunities and upholds respect for human rights across all its activities. Specifically, we implement necessary measures to safeguard internationally recognized human rights, as outlined in the Code of Conduct and Business Ethics.
	2	Businesses should make sure that they are not complicit in human rights abuses.		
6.3 Box 7 6.3.3, 6.3.4 6.3.7, 6.3.8 6.3.10, 6.4 6.4.3, 6.4.4 6.4.5, 6.4.6 6.4.7, 6.6 6.6.4	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Sustainability Policy Code of Conduct and Business Ethics Quality Policy Environment Policy Occupational Health and Safety Policy Internal Regulations Personal Data Privacy Statement Reporting Management Process	We strive to cultivate a workplace environment characterized by mutual respect, efficient collaboration, and teamwork, aiming to prevent any incidents of harassment or discrimination in all aspects of our operations. We actively promote open dialogue between management and employees through an "open door" policy, encouraging transparency and fostering an environment where concerns can be openly addressed. Furthermore, our Code of Conduct and Business Ethics demonstrates its firm commitment to transparency and combating corruption.
	4	Businesses should uphold the elimination of all forms of forced and compulsory labour.		
	5	Businesses should uphold the effective abolition of child labour.		
	6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
6.5, 6.5.3 6.5.4, 6.5.5 6.5.6, 6.6 6.6.6	7	Businesses should support a precautionary approach to environmental challenges.	Sustainability Policy Quality Policy Environment Policy Occupational Health and Safety Policy Supplier Code of Conduct	We have implemented an Environmental Management System in accordance with ISO 14001:2015, as well as an Energy Management System aligned with ISO 50001:2018. Guided by our environmental policy, we consistently monitor both direct and indirect CO2 emissions with the goal of reducing its environmental impact. We place a strong emphasis on sourcing electricity from renewable energy sources (RES). Additionally, we prioritize effective waste management practices, aiming to increase the utilization of secondary raw materials in the production process and enhance product recyclability at the end of their life cycle. By adhering to the principles of the circular economy, we actively seek to minimize waste and promote sustainability.
	8	Businesses should undertake initiatives to promote greater environmental responsibility.		
	9	Businesses should encourage the development and diffusion of environmentally friendly technologies.		
6.6, 6.6.3 6.6.4, 6.6.6	10	Businesses should work against corruption in all its forms, including extortion and bribery.	Code of Conduct and Business Ethics Supplier Code of Conduct Internal Regulations Personal Data Privacy Statement Reporting Management Process	Acknowledging the importance of proactively addressing potential risks related to transparency and corruption, we adopt a Code of Conduct and Business Ethics that aligns with our unwavering dedication to conducting business with honesty, fairness, and integrity. This commitment extends to strict compliance with all applicable laws and regulations, emphasizing our determination to mitigate risks and uphold high ethical standards.

CREATIVE, GRAPHIC DESIGN AND EDITING

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*The photographs in this Report were taken by the photographers
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In case of any discrepancy, the English text shall prevail.

To: Management of SIDENOR S.A.

1. Scope of the External Assurance project of the Sustainability Report

SIDENOR S.A. Company with its subsidiaries SOVEL S.A., DOJRAN STEEL S.A., ERLIKON S.A. and STOMANA INDUSTRY A.E. (hereinafter referred to as SIDENOR), has assigned TÜV HELLAS (TÜV NORD) SA (hereinafter referred to as TÜV HELLAS) the limited external assurance of the Sustainable Development Report, which covers the period 1/1/2022-12/31/2022. SIDENOR with its subsidiaries, consist the steel manufacturing sector of the listed company on the Euronext Brussels Stock Exchange and the Athens Stock Exchange, Viohalco S.A.

SIDENOR has two (2) steel production units in Thessaloniki (Greece), one (1) in Almiros (Greece), one (1) in Nicolic (North Macedonia) and one (1) in Pernik (Bulgaria). The external assurance of the Sustainable Development Report 2022 addresses the actions, programs and objectives for Sustainable Development for all the aforementioned facilities.

The scope of the project consists of the following:

- A. The external assurance of the information disclosed in order to confirm that the Sustainability Report of SIDENOR for 2022 has been prepared "In Accordance" with the GRI Universal Standards 2021.
- B. The provision of external assurance service about the accuracy of the claims mentioned for the total of the numerical indicators (except financial data indicators) that SIDENOR reported at the Sustainability Report Chapters, based on the GRI Topic Standards (hereafter Total Reporting Indicators).
- C. The control of the adherence to the AA1000 AccountAbility

Principles (Inclusivity, Materiality, Responsiveness & Impact) against the criteria found in AA1000AP (2018).

The limited external assurance as it is defined by the above project scope, refers to the Sustainability Report of SIDENOR for 2022 and it was conducted based on the corresponding correlation table of GRI Standards Indicators stated by SIDENOR, in order to confirm that the Sustainability Report has been prepared "In Accordance" with the GRI Universal Standards 2021, as well as the requirements of AA1000AP (2018).

2. Project Criteria

The external assurance was based on the evaluation of conformity with the requirements of the following guiding standards:

- A. GRI Universal Standards 2021
- B. GRI Topic Standards
- C. AA1000AP (2018)

For the evaluation of conformity to the requirements of AA1000AP (2018), the provisions of the guide AA1000 Assurance Standard (AA1000AS v3) were followed. More specifically, the Type 2-Moderate level of external assurance was followed. According to this, the level of conformity to the Accountability Principles, as they are stated within AA1000AP (2018), was checked, while the reliability and quality of sustainability performance information based on basic sampling of limited range, was simultaneously assured.

3. Project methodology

Based on the conformance criteria of paragraph 2 and in order to draw conclusions, the external assurance team of TÜV HELLAS conducted the following (indicative and not restrictive) methodology:

- Reviewed the coverage of the "In Accordance" requirements as they are mentioned within the GRI 1: Foundation 2021.
- Reviewed the procedures followed by SIDENOR to identify and

determine the material issues in order to include them within the Integrated Sustainability Report.

- Interviews were conducted with selected executives of SIDENOR having operational role in Sustainability issues in order to understand the current state of sustainability development activities and progress achieved during the period under reference.
- Reviewed the SIDENOR consultation approach with their stakeholders through interviews with executives responsible for communication with the interested parties at company level and review of selected documents.
- Reviewed the claims mentioned to the Total Reporting Indicators, based on the GRI Topic Standards (referred in paragraph 1) in connection with the findings of the above steps. In addition, the methodologies and practices for extracting the results were reviewed and crosschecks were performed on the reliability and quality of the indicators reported in the report. These checks consist (not restrictively) of the following:
 - Understanding of the quality management and results collection processes related to the indicators under consideration
 - Review of the design of processes, systems and controls for managing reliability and quality of specified information
 - Sampling of management practices and operation control, as well as evidence gathering in order to sufficiently ensure the completeness and accuracy of the claims
 - Maintain of the appropriate documentation for all the aforementioned controls.

4. Review limitations

The range of the review was exclusively limited to the activities of SIDENOR in Greece, Bulgaria and North Macedonia. No visits and interviews in stakeholders of the SIDENOR have been conducted. In case of any discrepancy in the translation between Greek and English version of the Sustainability Report, the Greek version shall prevail.

5. Responsibilities of the Reporting Organization and Assurance Provider

The team for Sustainability of SIDENOR carried out the Sustainability Report, thus, is exclusively responsible for the information and statements contained therein.

The external assurance conducted, as it is defined in the project scope (paragraph 1), do not represent TÜV HELLAS' opinion related to the quality of the Sustainability Report and its contents.

The responsibility of TÜV HELLAS is to express the independent conclusions on the issues as defined in the project scope and in accordance to the relevant contract. The project was conducted in such a way so that TÜV HELLAS can quote to SIDENOR administration the issues mentioned in this report and for no other purpose.

6. Conclusions

Based on the project scope (paragraph 1) and in the context of the external assurance procedure followed by TÜV HELLAS, the conclusions are as follows:

A. External assurance of the information disclosed in order to confirm that the Sustainability Report of SIDENOR for 2022 has been prepared "In Accordance" with the GRI Universal Standards 2021.

- During the external assurance project carried out, nothing came to the attention of TÜV HELLAS, which would lead to the conclusion that the Report does not meet to the "In Accordance" requirements of the GRI Universal Standards 2021, as reflected on the corresponding correlation GRI content index.

B. Control of accuracy of the claims mentioned for the Total Reporting Indicators (except financial data indicators) that SIDENOR reported at the Sustainability Report

Chapters, based on the GRI Topic Standards

- Nothing has come to the attention of TÜV HELLAS that would lead to the conclusion of the incorrect gathering or transferring of data concerning the claims mentioned to the disclosures (indicators) of the GRI Topic Standards referred in paragraph 1, point B of this report.

C. Adherence to the AA1000 AccountAbility Principles (Inclusivity, Materiality, Responsiveness & Impact) against the criteria found in AA1000AP (2018)

Inclusivity: Dialogue on Sustainability Issues with the Stakeholders

- We have not realized any matter that causes us to believe that major stakeholder groups were excluded from consultation processes, or that SIDENOR has not implemented the principle of Inclusivity in developing its approach to sustainability.

Materiality: Focus on the material issues related to sustainability

- We have not realized any matter that causes us to believe that the material issues' definition approach which was followed by SIDENOR does not provide a comprehensive and balanced understanding of the material issues.

Responsiveness: Addressing the needs and expectations of stakeholders

- We have not realized any issue, which would lead us to believe that SIDENOR has not responded timely and adequately, through decisions and actions, to the needs and expectations that emerged from the material issues of sustainable development.

Impact: Impact of company's activities to the broader ecosystems

- We have not realized any issue which would lead us to believe that the SIDENOR has not understood and managed the direct and indirect impacts that the material aspects create to the broader ecosystems.

TÜV HELLAS did not realize anything that would lead to the conclusion of incorrect collection or transfer of data (qualitative & quantitative) concerning the allegations made regarding the fulfillment of the requirements of the Accountability Principles, as set out in AA1000AP (2018). Additionally, TÜV HELLAS did not realize anything that would call into question the reliability and quality of the performance indicators related to the Accountability Principles.

7. Impartiality and independence of the external assurance team

TÜV HELLAS states its impartiality and independence in relation to the project of SIDENOR's Sustainability Report external assurance. TÜV HELLAS has not undertaken work with SIDENOR and does not have any cooperation with the interested parties that could compromise the independence or impartiality of the findings, conclusions or recommendations.

TÜV HELLAS was not involved in the preparation of the text and data presented in the Sustainability Report of the SIDENOR.

Athens, June 27, 2023

For **TÜV HELLAS (TÜV NORD)**



Nestor Paparoupas
Product Manager





Sustainability Report 2022