



Conflict of interest management policy

**Approved by the Board of Directors
CELSA STEEL S.A. on 28 January 2025**

Important information about this document

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|--|---|
| Identification of the Policy | <i>Conflict of interest management policy</i> |
| Global or national implementation policy | Global |
| Rules it replaces | Conflict of Interest Policy |
| Rules it repeals | None |
| Related standards | <i>Code of Ethical Conduct, Criminal Compliance Policy, Crime Prevention and Response Manual, Prevention of Corruption and Bribery Policy</i> |
| Business unit or function concerned | All business units and functions of the <i>CELSA</i> Group |
| Staff concerned | <i>All Members of the Organisation and Business Partners, as appropriate.</i> |
| Mainly responsible for its monitoring | <i>Ethics Committee</i> |
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1 Definitions

For clarification purposes, the following definitions are provided to clarify the scope of this *Policy*:

- **CELSA / Organisation:** for the purposes of the *Criminal Prevention Model*, it shall refer to the company CELSA STEEL, S.A. and the rest of the entities that make up the *Criminal Control Perimeter*. Hereinafter, also referred to indistinctly as "CELSA" or the "Organisation".
- **Criminal control perimeter:** includes entities adhering to CELSA's *Criminal Prevention Model*.
- **Board of Directors:** CELSA's governing body, to the extent that it has primary responsibility and authority for activities, governance and policies, and to which CELSA's *Steering Committee* reports and is accountable.
- **Steering Committee:** a group of members within CELSA, with management and control functions within the *organisation* at the highest level.
- **Audit and Control Committee:** a permanent body made up of several members of the *Board of Directors*, of an informative and consultative nature, without executive functions, with full powers of information, advice and proposal within its scope of action, which is responsible, among other competencies, for supervising the *Criminal Prevention Model*.
- **Members of the Organisation:** members of the *Board of Directors*, members of the *Steering Committee*, employees, workers or temporary employees or employees under collaboration agreements and all other persons under the hierarchical subordination of any of the above.
- **Business partners:** any legal or natural person, other than *Members of the Organisation*, with whom the *Organisation* has or plans to establish some kind of business relationship. By way of example, but not limitation, this includes installation companies, agents or commission agents, suppliers, external advisors, *joint ventures*, customers and, in general, natural or legal persons contracted by CELSA to deliver goods or provide services.
- **Third party:** a natural or legal person or body independent of the *Organisation*.
- **Criminal Prevention Model:** an organisational and management system for the prevention of crime, whose objective is the prevention, detection and management of *criminal risks*, and whose essential basis is represented in the *Criminal Compliance Policy* and in the *Crime Prevention and Response Manual*.
- **Ethics Committee:** CELSA's internal collegiate body with autonomous powers of initiative and control, which is entrusted, among other tasks, with the responsibility of supervising the operation and observance of the *Criminal Prevention Model*. The existence of this body responds to the requirements established in Spanish criminal law (article 31 bis of the

Spanish Criminal Code) regarding the supervision of the *Criminal Prevention Model*. Likewise, the *Ethics Committee* performs the role of *Head of the Internal Information System*.

- ***Conflict of interest management policy***: set of provisions contained in this document, hereinafter also referred to as the "*Policy*".
- ***Family Member(s)***: includes the family of the *Member of the Organisation* up to the fourth degree of consanguinity or affinity, i.e. spouse or partner, children, parents, siblings, aunts, uncles, nieces, nephews, in-laws, grandparents and grandchildren.

2 Object

The purpose of this *Policy* for the management of conflicts of interest is to establish the rules and guidelines to be followed by *CELSA* Members and *Business Partners* in the event of conflicts of interest.

As set out in the *Code of Ethical Conduct*, such conflicts of interest can arise when the private interests of a *Member of the Organisation* or a person close to them, *family*, friends or business contacts, differ from the interests of *CELSA*. Poorly managed conflicts of interest can constitute or be perceived as a particular form of corruption, where an individual gives him/herself or appears to give him/herself an improper advantage by exercising decision-making power for his/her own benefit (or that of a person close to him/her).

In this way, the *Code of Ethical Conduct* and this *Policy* aim to establish the appropriate channels to prevent situations that could be interpreted as a potential conflict of interest. Similarly, in the event that a real conflict of interest arises in *CELSA*, the purpose of this *Policy* is to ensure that it is managed, disclosed and, finally, that the necessary measures are taken to mitigate the risks that may arise.

This *Policy* is aligned with *CELSA*'s culture of integrity and respect for the rules, as expressed in the *Criminal Compliance Policy* and the *Prevention of Corruption and Bribery Policy*, and takes into consideration not only the interests of the *Organisation* but also the needs and expectations of the *Members of the Organisation*, as well as its *Business Partners* and other *Third Parties*.

3 Scope of application

3.1 Companies and affected persons

This *Policy* is mandatory and applies globally to *CELSA*, as well as to its subsidiaries that have adhered to this *Policy* and that make up its *criminal control perimeter* for the purposes of this text.

Members of the Organisation shall comply with its contents, regardless of the position they hold and the territory in which they are located, unless the applicable law in the jurisdiction in which they operate provides for more stringent provisions, which shall prevail over this *Policy*.

As proof of delivery and acceptance of this document, the formal declaration of conformity, which appears as **Annex I** and **Annex II**, is provided to the *Members* of *CELSA* and the companies that make up its *criminal control perimeter*.

CELSA may also provide this *Policy* to those natural and legal persons who, in their commercial or industrial activity, are related to it, who must assume the commitment to comply with it.

3.2 Activities concerned

The activities affected by this *Policy* are all those that *CELSA* performs, or may perform in the future, during its business activities.

In this regard, this *Policy* applies to all areas and functions that have been carrying out such activities.

4 General principles

To achieve the *Object* of this *Policy*, *CELSA* assumes the general principles described below:

- 1 Develop, maintain and update internal regulations, controls and organisational arrangements designed to prevent *Conflicts of Interest* that may arise and, where appropriate, mitigate the risks associated with them.
- 2 Inform and train *Members of the Organisation* so that they can identify, escalate and manage *Conflicts of Interest*.
- 3 Establish specific governance mechanisms or processes for reporting and resolving *Conflicts of Interest*, and if necessary, apply appropriate disciplinary sanctions to those who breach this *Policy*.
- 4 Implement the necessary structure that allows for clear allocation of roles and responsibilities, ensuring an internal control environment.
- 5 Segregate obligations for the provision of services, or attribution of monitoring and reporting responsibilities for activities that may generate *Conflicts of Interest* between different affected persons.
- 6 Establish and continuously review appropriate procedures for operations with *Business Partners*.

5 Types of conflicts of interest

Through this *Policy*, *CELSA* aims to establish basic criteria for the management of the different conflicts of interest that may arise within the *organisation*.

There are three different types of conflicts of interest:

- **Actual conflict of interest:** this type of conflict occurs when the affected person has the power to make a decision on behalf of *CELSA* and is in a situation where they have a *private interest*. In these cases, there is an actual risk that may affect the *Organisation*.
- **Potential conflict of interest:** in these cases, the affected person does not have the power to make a decision on behalf of *CELSA*, but can influence the person who may have to do so in the future. There would thus be a future risk to the *organisation*.
- **Perceived conflict of interest:** in these cases, the affected person is not in an actual or potential conflict of interest situation, but it is possible that for some reason it could be interpreted that he or she may have a conflict of interest. As this is an apparent conflict, it can be resolved by providing information about it.

In this context, the most common situations in which such conflicts of interest may arise are the following:

- **Contracting *relatives*, friends and other persons related by a similar affective relationship with *Members of the Organisation* and *Business Partners* as *CELSA* suppliers:** contracting with these related persons will only be possible in those cases in which: (i) the *Organisation* has been duly informed through the Conflict of Interest Declaration and the corresponding prior approval has been obtained, and (ii) the suitability of the *Business Partner* and the goods or services provided have been accredited for the purposes of the contract, under the terms established in *CELSA*'s policies and procedures in this area.
- **Interests in companies:** in the event that it is intended to enter into a business relationship with a supplier or, in general, with any other *Business Partner* in which a *Member of the Organisation*, their *Family members* or friends have or may have a *private interest*, the *Organisation* must be informed in advance through the Conflict of Interest Declaration.
- **Gifts and presents:** as established in the *Code of Ethical Conduct* and the *Prevention of Corruption and Bribery Policy*, *CELSA Members* may not receive, request or accept, directly or indirectly, gifts or presents from any person or entity, whether from the private or public sector, national or foreign, that may compromise the independence in decision-making inherent to the exercise of their profession. It is only permitted to offer or accept gifts provided that this is permitted by the legislation in force and applicable to each jurisdiction, is done in accordance with the provisions of the *Policy for the Prevention of Corruption and Bribery*, and may not be interpreted as incentives to alter the independence in decision-making inherent to the business activities.

- **Other outside activities:** in the event that any *Member of the Organisation* performs other professional activities that may potentially involve a conflict of interest, such activities must be disclosed to the *Organisation* through the Declaration of Conflict of Interest.
- **Other cases:** in the event that any *Member of the Organisation* becomes involved in a situation that could potentially be considered as a possible conflict of interest, he/she must inform the *Organisation* through the Conflict of Interest Declaration.

Some illustrative examples of such situations can be found in **Annex III** of this document.

6 Management of potential conflicts of interest

To address potential conflicts of interest that may affect *CELSA*, it will be necessary for the *Members of the Organisation* to take appropriate measures in each case, including the following:

- **Avoid** putting yourself in a situation that could be considered a conflict of interest, for example, by resigning from a position in a competing business or selling your interest in a supplier.
- **Disclose** the situation: if a conflict of interest is known to all parties involved (including the *Third Party* concerned), because it has been disclosed in a timely manner, decisions can be made in full transparency, e.g. by disclosing that a family member is applying for a job at *CELSA*.
- **Refrain** from taking part in the decision-making process where there may be a conflict of interest. For example, when a family member of a *Member of the Organisation* is involved in the selection process for a job in *CELSA*, it must be ensured that he/she is not involved in or able to influence the decision whether or not to hire his/her family member.
- **Rejecting or eliminating** the circumstance that creates the conflict of interest, as this will effectively exclude the existence of the conflict of interest altogether, e.g. by refusing a personal gift.

The process of dealing with situations that could potentially be considered as a conflict of interest goes through four stages:

6.1 Identification and communication

Although complying with all the provisions of this *Policy* is the responsibility of each *Member of the Organisation*, the potential conflict of interest situation must be immediately reported to the *Ethics Committee*, by means of the Conflict of Interest Declaration through the *Integrity Hub* platform, accessible from the *CELSA* Employee Portal, *SuccesFactors* or through the following link: integrityhub.gcelsa.com.

Likewise, *Business Partners* and *Third Parties* have at their disposal the *Ethics Line*, accessible through *CELSA*'s corporate website, to file complaints or perform consultations on a potential conflict of interest situation.

CELSA will then contact the reporting person and take any necessary or appropriate action or precautions to deal with the reported situation.

6.2 Register

All declarations and communications must be recorded and maintained in a consolidated record that is accurate, complete and up-to-date through the *Compliance Cockpit* tool

The *Ethics Committee* is responsible for managing the *Compliance Cockpit*. The management of the register will be performed independently by the person responsible.

6.3 Evaluation

The Manager of the *Person* who has declared a potential conflict of interest shall perform a detailed and specific analysis for each case, assessing the roles of all affected persons relevant to the conflict of interest in question, as well as the potential impact on *CELSA*, and shall report his or her assessment to the *Ethics Committee*.

The assessment will determine whether the situation described is within acceptable limits of responsible behaviour or whether there is an unacceptable conflict of interest that needs to be addressed.

Documentation of such analysis should be retained in order to provide evidence of the assessment performed.

6.4 Resolution and monitoring

Upon individual assessment of the potential conflict of interest situation, the *Ethics Committee* will make a decision on the matter and inform the Manager who will communicate the outcome of the decision and inform the *Person* concerned of the appropriate steps to be taken to mitigate the conflicting activity.

The measures to be taken to resolve the potential conflict of interest should be reasonable and proportionate, trying to reduce the risk to *CELSA*. Among them, the following could be considered:

- Separate the affected persons from the decision-making process.
- Restrict access to information or decision-making positions in a given case.
- Bring in independent third parties to monitor the conflict situation.
- Eliminate the causes of the conflict of interest.

7 Obligations of *Members of the Organisation*

Under this *Policy*, *CELSA Members*:

- They are committed to conduct themselves in accordance with the laws, regulations and internal rules of the *organisation*, as well as *CELSA's* ethical standards.
- All decisions taken by *CELSA Members* and/or *CELSA Business Partners* should always be in the best interests of the *Organisation*.
- All *Members of the Organisation* must inform *CELSA*, through the Declaration of Conflict of Interest submitted to the *Ethics Committee*, that they are or could be in a situation of potential conflict.
- All *Members of the Organisation* shall refrain from participating in discussion, voting or any other decision-making process or activities that may involve a potential conflict of interest.
- No *Member of the Organisation* should take advantage of business opportunities belonging to *CELSA*.
- The members of the *Board of Directors* undertake to promote conduct in line with this *Policy* and to promptly correct infringements of this *Policy*.

Likewise, they undertake to contribute to maintaining or increasing the ethical culture in this area.

In addition:

- All affected persons who intend to join *CELSA*, who have been recently hired or appointed to a new position, must disclose any potential conflict of interest during the recruitment process, if possible before their appointment or, if it has been impossible to do so before, immediately afterwards.
- All members of the *Board of Directors* and the *Management Committee* must perform an annual declaration confirming that they are aware of the provisions of this *Policy* and that they are not in any situation that could be considered a potential conflict of interest. An example is attached as ***Annex II***.

8 Knowledge and declaration of conformity

This *Policy* is mandatory for new recruits and is available to all *Members of the organisation* on the [CELSA employee portal](#).

CELSA also makes this *Policy* available to its *Business Partners* through its [corporate website](#).

Members of the Organisation will be asked to sign their annual declaration of compliance with this *Conflict of Interest Management Policy* by means of the model attached as **Annex I** and **Annex II** available in **CELSA Docs**.

9 Disclosure of potential conflicts of interest

Members of the Organisation must immediately disclose to *CELSA* that they are or may be in a conflict of interest situation through the *Integrity Hub* platform, accessible from the *CELSA* Employee Portal, *SuccesFactors* or through the following link: integrityhub.gcelsa.com.

This regard, the *Organisation* has established the aforementioned specific procedure on the *Ethics Line* platform for the management of notifications and queries regarding irregularities or infringements of both this *Policy* and the other *Policies*, which will also be available to *Business Partners* or *Third Parties* through *CELSA's* corporate website.

10 Consequences of non-compliance

As compliance with ethical norms and standards is an *organisational* commitment and a strategic objective of the *Organisation*, all *Members of the Organisation* are expected to be aware of and respect the contents of this *Policy*.

Likewise, and with respect to the *Third Parties* with which *CELSA* maintains or intends to maintain business relationships, they are expected to develop behaviours aligned with the same.

CELSA will react immediately to any breaches of the provisions of this *Policy*, within the parameters established in the legislation in force.

Annexes

Annex I

Formal declaration of compliance with this *Policy*

Declaration of conformity

The undersigned hereby acknowledges that he/she has received the following document, has read it and is satisfied with its contents:

- *Conflict of interest management policy*

It therefore declares to be committed to its content and to develop the behaviours set out therein.

This document regulates an important matter for *CELSA* and, therefore, failure to comply with its provisions may have serious consequences in the workplace.

Name:

Signature:

Date of declaration:

Annex II

Formal declaration of compliance with this Policy of the Board of Directors and the Management Committee

Declaration of conformity

The undersigned hereby acknowledges that he/she has received the following document, has read it and is satisfied with its contents:

- *Conflict of interest management policy*

It therefore declares to be committed to its content and to develop the behaviours set out therein

They also declare that they are not in any situation that could be considered as a potential conflict of interest.

This document regulates an important matter for *CELSA* and, therefore, failure to comply with its provisions may have serious consequences in the workplace.

Name:

Signature:

Date of declaration:

Annex III

Examples which could give rise to conflict of interest situations

Examples

By way of example, but not limitation, a number of situations that could potentially be considered as conflict of interest situations are mentioned below:

- Examples of **real** conflicts of **interest**:
 - A member of the *Board of Directors* or a *member of his or her family holds* a relevant position at a *CELSA* supplier.
 - A *Member of the Organisation* or *Family Member* participates in the selection process for the contract of a *Family Member*.
 - A *Member of the Organisation* or *Family Member* uses an asset or takes advantage of *CELSA's* business opportunities for personal gain.
 - A *Member of the Organisation* with decision-making power selects a *relative* or friend as a *CELSA* supplier.

- Examples of **potential** conflicts of **interest**:
 - A *Member of the Organisation* or *Family Member* sits on the board of directors of a company, but *CELSA* does not currently have a business relationship with the company. This could lead to a potential conflict of interest if *CELSA* wished to contract with them in the future.
 - A *Member of the Organisation* or *Family Member* is a sibling of the CEO of *CELSA's* main supplier. This could give rise to a conflict of interest if this person were to become the person responsible for the contracting processes in *CELSA* and participate in such procedures or be part of the decision-making processes.

- Examples of **perceived** conflicts of **interest**:
 - *CELSA* hires a new employee whose surname happens to be the same as that of an important position in organisations or public offices, but because it is a commonly used surname and not because he is a *relative*.