

SUSTAINABILITY STATEMENT 2023

> 'LEADING THE CIRCULAR TRANSFORMATION'



CONTENTS

Welcome from the General Manager	3
Introduction to CELSA	4
Voluntary production and company standards	7
United Nations Sustainable Development Goals	8
Production	10
Circular Economy	11
Net Zero 2030	13
Biodiversity	16
Community Engagement	17
External Engagement	20
Employee Engagement	21
Environmental Objectives and Targets	23
Environmental KPIs	24
Employee Profiles	30

WELCOME FROM THE GENERAL MANAGER



In 2022, we continued to make strong advances in our vision to be a sustainable business, with two key areas of focus, our Pathway to Net Zero, and to be a fully circular business.

Last year we implemented the first phase of CELSA UK's Net Zero by 2030 Pathway, having identified the efficiency improvements in each operational area, implementing these throughout the year and putting controls in place to maintain these efficiencies. Additionally, we mapped and published our Scope 3 emissions, resulting in CELSA UK having an overall understanding of our carbon footprint, we will continue to develop our emission reporting and look at all opportunities to reduce our environmental impact.

Furthermore, in 2022, we renewed our Environmental Product Declaration, through a Life Cycle Assessment, to demonstrate CELSA UK's ever improving environmental credentials and demonstrate to our customers CELSA's commitment to a sustainable and responsible business. Although we had a challenging year with external factors

influencing energy prices, I am pleased to report the operational teams worked very hard last year to make significant reductions in gas and carbon reductions, with our Melt shop excelling, reducing the operational unit's Scope 1 emissions by ~ 8%. Alongside this remarkable work, we have been detailing the pathway with new projects and engaging with external companies on future work streams. The governance process we put in place will be continued and will cover the new projects that we are developing to achieve our longer-term strategic target of Net Zero by 2030.



CARLES ROVIRA
MANAGING DIRECTOR
CELSA UK

INTRODUCTION TO CELSA

ABOUT CELSA

CELSA was founded in Barcelona in 1967 with its first rolling mill. A decade later, an electric arc furnace started producing steel at the Barcelona plant. The CELSA GROUP™ grew through reinvestment and successive acquisitions to become a well-recognised brand in steel manufacturing.

WHAT WE DO

CELSA Group employs more than 11,000 people across Europe. The group consists of eight large business divisions with steel producers, rolling mills, processing plants, distribution companies and recycling centres operating in 11 countries. CELSA Group has grown to be one of the largest steel manufacturers in Europe, producing more than 6 million tonnes of steel each year from its locations in Norway, Poland, France, Spain and the UK.

CELSA Group are dedicated to our people and our environment. We are committed to ensuring the highest standard of health, safety and welfare for our employees. We believe in sustainable development and are committed to minimizing our impact on the environment and being a sustainable supplier.

OUR SUSTAINABILITY GOALS INCLUDE:

- To eliminate our waste by 2030.
- By 2030, we have set ourselves the goal of reaching 98% circularity.
- Reduce our scope 1 and 2 CO₂ emissions by 50%.
- Become a net positive company by 2050.

› **CELSA**
BELIEVES THAT
SUSTAINABLE
DEVELOPMENT
IS THE KEY TO A
BETTER FUTURE.

CELSA believes that sustainable development is the key to a better future. We are committed to contribute to the solution of the depletion of natural resources and climate change. Circular economy is our business, taking waste and returning it as raw material for new products.

PURPOSE

We give infinite lives to non-infinite resources.

VISION

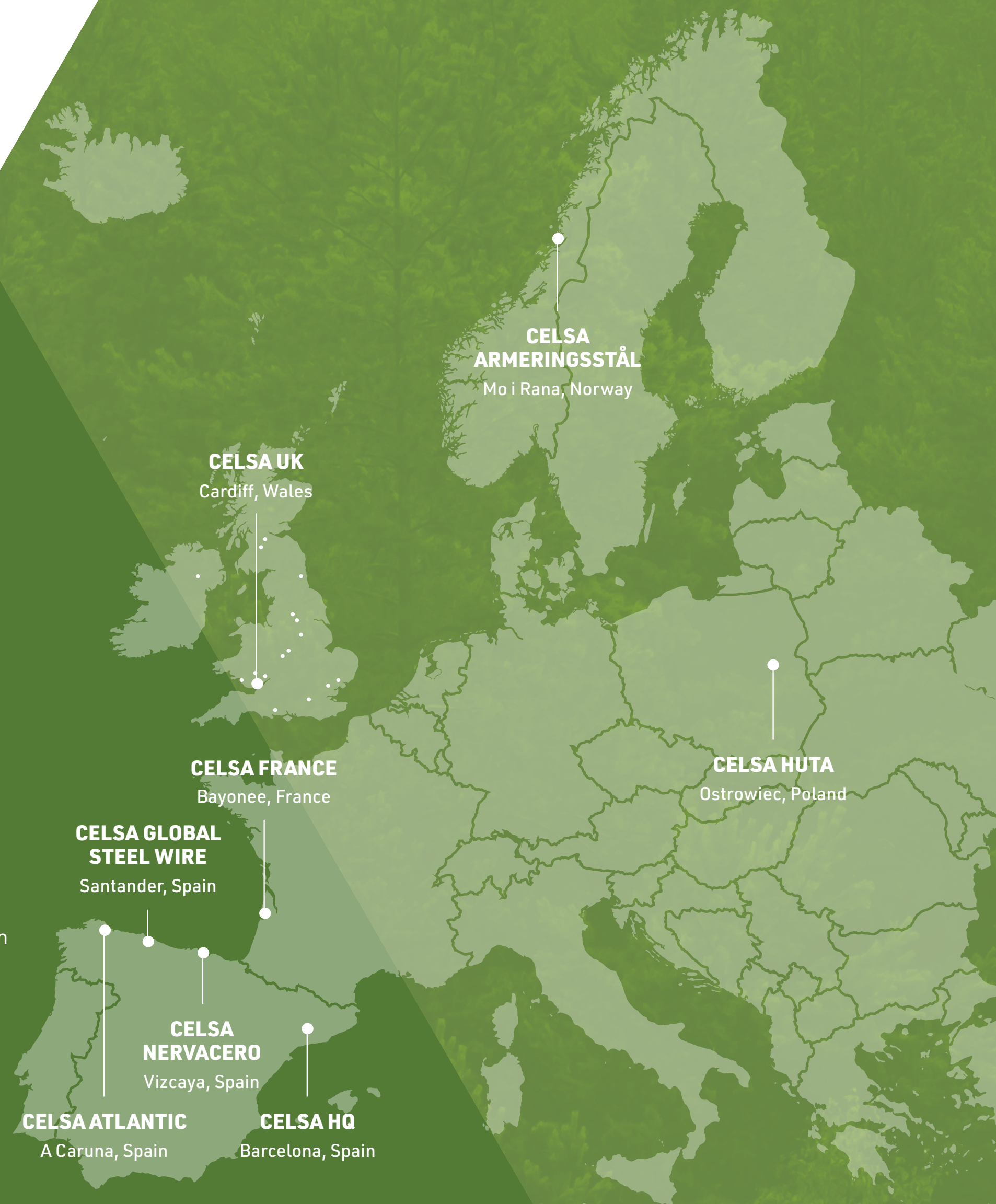
To be a leader in the generation of circular production chains to contribute to the transition towards a positive impact on the company.

MISSION

We are a family business, leader in the production of low-carbon recycled steel in Europe.

WE BELIEVE IN:

- Our people and our values.
- Challenging the status quo and the consensus.
- Providing value to our customers.
- Zero waste.
- Continuous improvement and innovation.
- Managing our business in an ethical, environmental and socially responsible way.



CELSA GROUP VALUES



HONESTY



TEAMWORK



HUMILITY



CREATIVE
PERSEVERANCE



PASSION



GROUNDBREAKING
APPROACH

Through over 50 years of business, CELSA has established strong business values that has helped the company become the successful business it is today.

We encourage our employees to live these values, recognise, and reward everyone that demonstrates these qualities. Our recognition schemes are one way that CELSA shows appreciation for the hard work and commitment our employees provide.

› **100%**
OF THE METAL
USED TO PRODUCE
CELSA UK STEEL IS
RECYCLED SCRAP.



CELSA MANUFACTURING (UK) LTD

The CELSA Group acquired CELSA Manufacturing (UK) Ltd (CELSA UK) in 2003. CELSA Manufacturing is the largest producer of steel reinforcement in the United Kingdom and one of the largest producers of long steel products.

From our facilities in Cardiff, we produce and deliver approximately 1 million tonnes of finished product each year, largely for the UK market. Our Cardiff location comprises a state-of-the-art Melt Shop built in 2006, and two hot rolling mills: one for rolling reinforcing products and wire rod, the other for rolling merchant bar and light sections. CELSA Manufacturing UK directly employs over 800 people, as well as several hundred sub-contractors.

All of the steel we produce in our Melt Shop is produced from scrap metal using the electric arc furnace (EAF) process. This process uses ferrous scrap material as the primary raw material. As a result of using recycled source materials, CELSA's EAF process is less carbon intensive and produces around 1/6 of CO₂ emissions when compared with more traditional steel making processes.

➤ **CELSA UK** PRODUCES AND DELIVERS APPROXIMATELY 1 MILLION TONNES OF FINISHED PRODUCT EACH YEAR.

➤ **CELSA UK**
IS ALREADY A
LOW CARBON
STEEL RECYCLING
COMPANY.



VOLUNTARY PRODUCTION AND COMPANY STANDARDS

CELSA UK is proud to be accredited by external institutions to the following standards.



ISO14001

This standard looks at the Environmental Management System a company uses, by encouraging the company to reduce waste, cost and risks whilst supporting the environment. The standard focuses on the commitment from all levels and being led by top management to ensure the company is complying with its environmental management system. It is assessed against a wide range of criteria to ensure a company is keeping reliable records of any activities, demonstrating environmental awareness and responsibility. Although many other manufacturing companies already adhere to this standard, there is unlimited potential for improvement, which CELSA aims for each year.



BES6001

CELSA adheres to this responsible sourcing standard, which ensures that we are able to prove our products are created from responsibly sourced materials. As an independent, third party assessed certification; it reinforces the credibility of the quality, which our products have.



Eco-Reinforcement

Eco-Reinforcement is a third-party accredited certification developed by the reinforcing steel industry to demonstrate compliance with Building Research Establishment (BRE) Global BES6001:2008 Framework Standard. Being steel industry specific means that exacting standards are used to assess compliance of CELSA products to responsible sourcing practises.



ISO 9001

CELSA's Quality Management System is certified to ISO 9001, which is one of the most widely recognised management systems. CELSA is proud to provide its customers with a wide range of high quality steel products. Each product and process is subject to stringent quality control to ensure that products conform to British and European Standards through CE marking.



SustSteel

CELSA is certified to the SustSteel mark. The mark is granted to companies producing steel products for the construction sector, complying with the defined requirements for the economic, environmental and social aspects of sustainability. Certification to the SustSteel mark demonstrates our continual improvement and commitment to the sustainability of all aspects of our operations.



ISO 45001

ISO 45001 provides a structure to monitor and measure our performance and ensure that we are never complacent about safety and continuously improve. Producing around a million tonnes of steel per year comes with inherent safety risks, and ensuring a safe workplace is central to CELSA's thinking, training and process management.



Supply Chain Sustainability School

CELSA has collaborated with Supply Chain Sustainability School to demonstrate our ongoing commitment to the sustainable sourcing of the materials in our supply chain and work towards a more sustainable decarbonised construction sector.

For more information [click here](#).

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



» CELSA GROUP IS COMMITTED TO ABIDE BY THE UNITED NATIONS TEN UNIVERSALLY ACCEPTED PRINCIPLES AND THE 17 SUSTAINABLE DEVELOPMENT GOALS.

CELSA's commitment to sustainability is the force that motivates us to keep growing and to keep caring for the world around us. We believe that all forms of progress, whether environmental, social and/or economic, should go hand in hand with achieving the global objectives proposed by international organisations.

The commitment that CELSA Group has entered into with the United Nations Global Compact implies a pledge on the part of our company to adhere to the ten principles that comprise the core of the Compact, in areas as diverse as human rights, employment regulations, the environment, the fight against corruption, and the adoption of measures to support the objectives of the United Nations as currently set out in the Sustainable Development Goals (SDG). The 17 global goals defined by the United Nations address the key challenges that we face as a society from an integrated

and cross-cutting perspective. SDGs defined by the United Nations to address the key challenges that we face as a society from an integrated and crosscutting perspective.

The SDGs emphasise the importance and relevance of the 'three pillars' model of sustainability – environmental, social and economic. CELSA UK are participating in a CELSA Group initiative to align our SDG mapping internationally in order to co-ordinate focus on the key areas where we can have the greatest impacts.



CELSA'S UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

At CELSA we believe that we cannot achieve success as a business without a sustainable environment. Only with the active engagement of governments, companies and citizens will it be possible to overcome the significant challenges facing humanity.

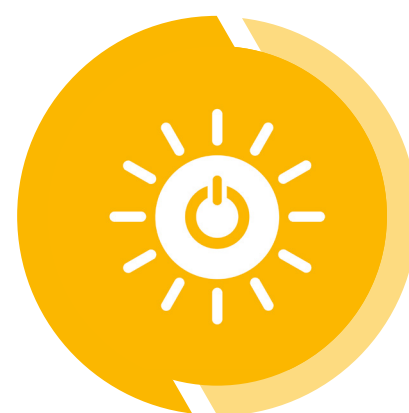
CELSA is currently prioritising 6 of the SDGs we feel we can impact the most within our business, once we have established our targets in these areas we will look to increase our outlook on the remaining equally important SDGs.



GOAL 3:
**GOOD
HEALTH**



GOAL 5:
**GENDER
EQUALITY**



GOAL 7:
**RENEWABLE
ENERGY**



GOAL 8:
**GOOD JOBS AND
ECONOMIC GROWTH**



GOAL 12:
**RESPONSIBLE
CONSUMPTION**



GOAL 13:
**CLIMATE
ACTION**



PRODUCTION



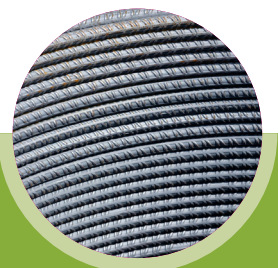
- 1 PRIMARY RAW MATERIALS**
The primary raw material used in the production of our steel is ferrous scrap metal that contributes in excess of 98% of the constituent raw materials by mass and volume.
- 2 SECONDARY RAW MATERIALS**
Other consumables include the mineral additions of ferro-alloys, coke and lime, which are added to control the chemistry and remove impurities from the molten steel.
- 3 ENERGY**
The use of energy in the form of electricity, natural gas and carbon additions is significant and is central to the process of recycling steel. Through our expansive network of experienced professional across the CELSA Group, we are continuously researching and trialling new techniques, working with external bodies to identify groundbreaking approaches to support our net zero aspirations.

- 4 BY-PRODUCTS**
By-products formed during the melting process include lime slag, which is utilised as a secondary aggregate, dust utilised for zinc extraction and mill scale, which is used in the manufacture of ferroalloys and cement.
- 5 WASTE**
Periodically we have to drain the process water either to the sewer system or to controlled waters, which we always try to keep to a minimum.
- 6 EMISSIONS TO AIR**
CO₂ emissions are significant due to the combustion of carbon bearing sources such as natural gas, coke and carbon, but within the steel industry, CELSA is one of the lowest carbon emitters through our Electric Arc Furnace process. In addition, the consumption of natural gas in our processes results in the release of SO_x, NO_x and CO, which we monitor and in line with our environmental permit requirements, with many controls systems in place to ensure this.

- 7 EMISSIONS TO WATER**
The water used in our cooling systems undergoes chemical treatment to prevent corrosion, the formation of legionella and to remove sludge. Stringent limits are placed on the quality of the water released from our systems and regular monitoring enables us to meet these requirements. CELSA UK has semi - closed loop water systems in place to recycle water through our processes, and so reduce fresh water consumption. Periodically we have to drain the process water either to the sewer system or to controlled waters, which we always try to keep to a minimum.
- 8 FINISHED PRODUCTS**
We produce a range of steel products predominantly for the construction sector, but also with various other applications.
- 9 TRANSPORTATION**
Our raw materials and our finished products require transport by either road, rail or sea. We are constantly working on ways to minimise the impact of transport.



EQUAL AND UNEQUAL ANGLES
Typically used as a structural steel element in construction.



HIGH YIELD COILS
For the reinforcement of concrete (Grade 500C).



PLAIN ROUND BARS
With various applications including construction.



REINFORCING BARS
For the reinforcement of concrete (Grade 500C).



WIRE ROD
For the production of reinforcing mesh and other applications including wire drawing.



CHANNELS, PARALLEL, TAPERED FLANGE AND UPN
Typically used in composite steel construction.



FLAT BARS
With various applications including construction, transport and machinery.



CIRCULAR ECONOMY

WHY CIRCULARITY?

The linearity of the current global economy is driven by extraction, consumption and waste of natural resources. In comparison, a circular economy encourages the generation of less waste by keeping materials within production cycles for longer.

For CELSA, circular economy is a system approach, which requires fundamental changes of mindset. The focus areas to move towards a circular economy as a company are: recycling, producing new products, and eventually providing a circular economy to wider industries.

FOR FURTHER INFORMATION:



Ellen MacArthur
Foundation:
→ [Click Here](#)

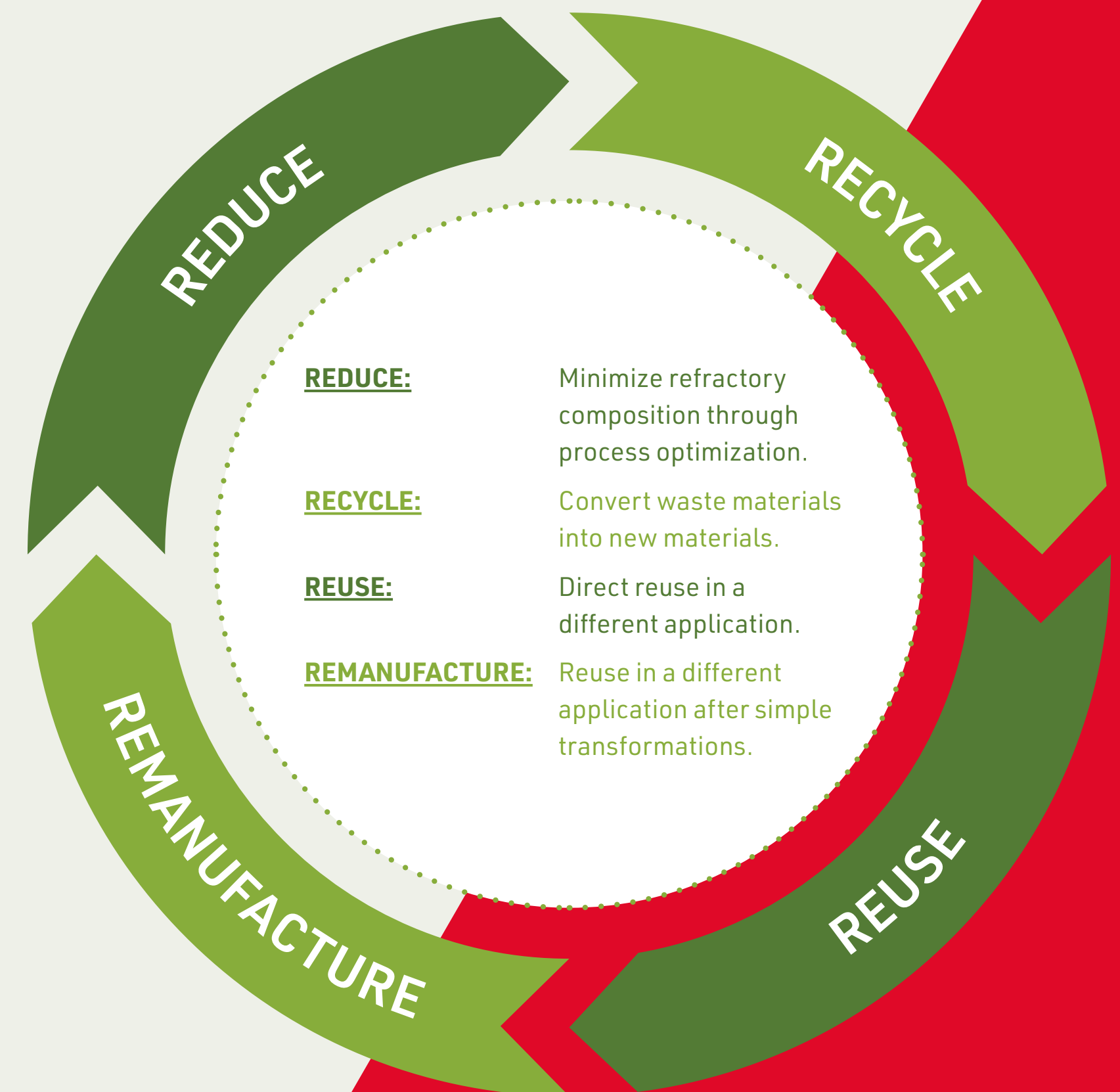


The Welsh Government –
Circular Economy Policy document:
→ [Click Here](#)

CIRCULAR ECONOMY CASE STUDY: MELT SHOP REFRACTORIES PROJECT

In 2022, a circular economy project of reusing refractories in our electric arc furnace began its trial phase. Refractories are materials that are resistant to decomposition by heat, pressure, and retain strength at high temperatures. This material type is hence used in our furnace process when producing steel. Previously waste refractories would be disposed of in landfill.

The project is trialling the crushing of used refractories from the quench tower into different sizes, and mixing this with 25% sol-bonded gunning material. The finished product is then bagged and ready for reuse in the furnace process for gunning. Following the start of this new exciting project, many different types of refractories are going to be trialled, with the aim to reduce our waste and increase our circular economy.



» **CEMENT 2 ZERO GOAL**
TO PRODUCE 20 TONNES
OF THE WORLD'S FIRST
ZERO EMISSIONS CEMENT.



CIRCULAR ECONOMY – INDUSTRIAL PARTNERSHIPS

CELSA UK is working in partnership with the following organisations to identify opportunities for ground-breaking approach.

NET ZERO INDUSTRY WALES (NZIW)

CELSA UK is proudly part of a new industrial partnership with Net Zero Industry Wales, a network for all industries interested in decarbonisation and circular economy. CELSA UK's CEO Carles Rovira is a member of the newly appointed board, showing our commitment to circular economy and the pathway CELSA UK want to lead to Net Zero.

Net Zero Industry Wales will have a number of priorities, including:

- Support future development of circular economy in Wales.
- Support new investments to create and retain high skilled jobs.
- Engage with stakeholders to support public and private investment.
- Enable industry to discover new economic growth opportunities by becoming a world leader in low carbon manufacturing.

CEMENT 2 ZERO (C2Z)

In 2022, we continued our partnership with the University of Cambridge, Materials Processing Institute and key players in the supply industry on a major £6.5m project to develop the world's first zero emission cement on an industrial scale.

The Cement 2 Zero project will investigate both the technical and commercial aspects of upscaling Cambridge Electric Cement (CEC) production to produce 20 tonnes of the world's first zero emissions cement by utilising end of life cement from demolition of buildings in the electric arc furnace steelmaking process.

The first phase of trial melts is currently being carried out by the Materials Processing Institute, before being scaled up to 6T in an Electric Arc Furnace (EAF).

Once the process has been substantially trialled, developed and de-risked effectively, industrial scale melts will follow in CELSA's EAF in Cardiff. If successful, it could not only further advance the cement, steel and construction industries, but influence how we recycle, construct and maintain our built environment and transport infrastructure, shaping the future of towns and cities, whilst simultaneously boosting economic development, and most importantly, reducing CO₂ emissions to help tackle global warming.

CELSA UK's role is to industrialise a technology developed by Cambridge University where demolition aggregate will be transformed into a lime replacement product for the EAF. The output from the EAF is a slag material that can be then used as a cement clinker product.



NET ZERO 2030

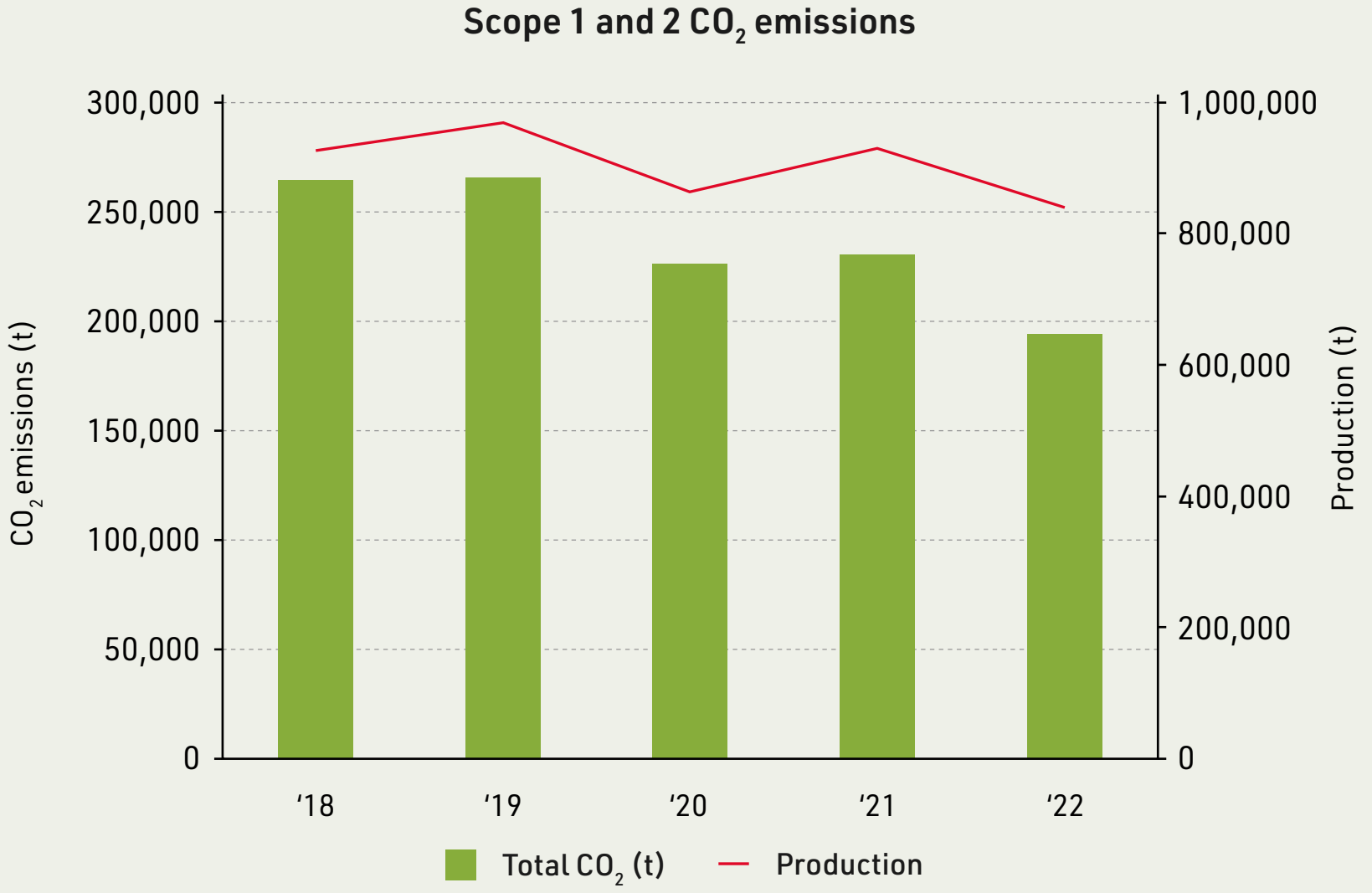
Our recycling-based Electric Arc Furnace process already allows us to produce steel with 86% lower carbon intensity compared with traditional blast furnace steelmaking. However, we are still fully committed to achieving our aspirations to be Net Zero in carbon emissions by 2030.

Although 2022 was a challenging year with the devastating fallout of the Ukraine war and the subsequent energy prices hikes, CELSA UK, despite being an intensive energy user, started on the path to Net Zero, with the aim of becoming the first steel recycling company to achieve Net Zero Carbon by 2030.

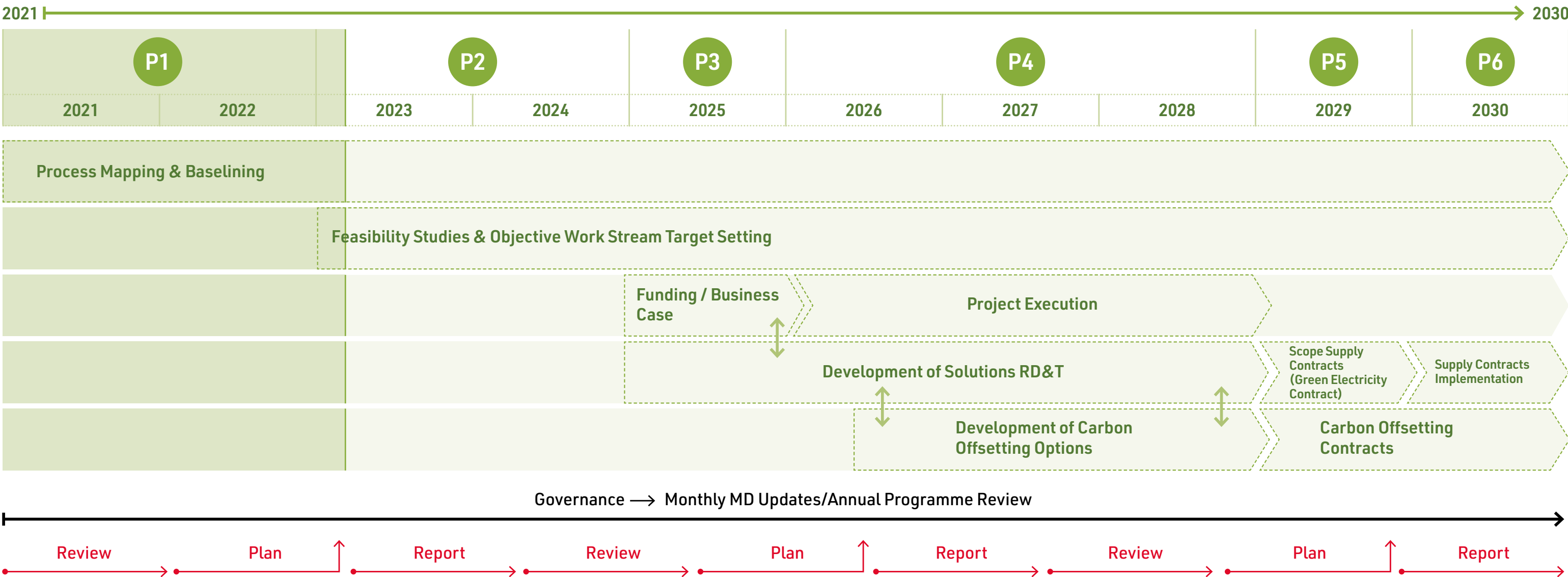
The project teams will continue to progress with the development of the overall pathway, identifying new projects and fine-tuning current operations through operational efficiencies and investments.

Significant reductions have been made in our Melt shop operation through a number of projects including:

- A new Tundish lining process using cold-setting material, removing the use of natural gas from the process. This will save approximately 300m³ of natural gas a day.
- Reduction of charge carbon through optimising the furnace.
- Gas fired burners are only used at the start of the scrap melting process instead of throughout.
- Increased alignment across departments to optimise conditions to ensure melting of scrap is as efficient as possible.



NET ZERO CARBON PATHWAY - OVERVIEW



*Figures are indicative and will be confirmed after Phase 1 of the Pathway. Commencement of opportunities A, B & C will be confirmed after Phase 1 of the Pathway.



CELSA UK ENVIRONMENTAL PRODUCT DECLARATION (EPD) 2022

In 2022, CELSA UK updated existing EPD's for the Rod & Bar Mill products and Sections Mill products.

An Environmental Product Declaration is a document that provides transparent information about the environmental performance or impact of any product or material over its lifetime.

Within the construction industry, EPDs support carbon emission reduction by making it possible to compare the impacts of different materials and products in order to select the most sustainable option, and so drive companies to improve their environmental performance.

We have seen significant improvements from our 2018 EPD through to 2022. This demonstrates CELSA UK's commitment to sustainability, working on operational efficiency, process optimisation and decarbonisation of energy consumed from the National Grid. Over the coming years, as we progress on our Net Zero journey, we expect to see a continued improvement and decrease in carbon intensity of all our products. CELSA UK is proud that our standard product offering is 40% less carbon intensive than the UK CARES sector average.

› **CELSA UK**
IS PROUD THAT
OUR STANDARD
PRODUCT OFFERING
IS **40% LESS CARBON**
INTENSIVE THAN
THE UK CARES
SECTOR AVERAGE.



SUPPLIED PROJECTS

HIGH SPEED 2 (HS2)

HS2 is Britain's new high speed rail line being built from London to the North-West, with HS2 trains linking the biggest cities in Scotland, Manchester, Birmingham and London. It is the largest infrastructure project in Europe and an important economic and social regeneration project in the UK.

HS2 is being designed and built to be the most sustainable high-speed rail network in the world. The trains will be powered by zero carbon energy from day one of operation, offering a cleaner alternative to long distance car journeys and domestic flights.

CELSA UK supplied the HS2 project with over 5,000 tonnes of steel to construct sections of the rail network in 2022 and plan to continue supporting this venture in the future.

➤ **CELSA UK** SUPPLIED THE HS2 PROJECT WITH OVER 5,000 TONNES OF STEEL.

➤ **OVER 14,700 TONNES OF MATERIAL HAS BEEN SUPPLIED BY CELSA UK TO EXTEND THE NORTHERN LINE.**

THE BATTERSEA DEVELOPMENT

In 2022, CELSA UK supplied steel product to build the Battersea development.

At its peak, Battersea Power Station was supplying a fifth of London's electricity. After decades of sitting derelict, it is now open to the public as one of London's most exciting and innovative new destinations. The building, which once produced the energy that enabled people to eat, drink, shop and play in the City, now provides the venue for a new generation to do the same.

FLO – NORTHERN LINE EXTENSION

The Northern line extension to Battersea is an extension of the London Underground from Kennington to Battersea in South West London, terminating at the redeveloped Battersea Power Station.



BIODIVERSITY BIODIVERSITY

In 2022 CELSA UK renewed their ongoing partnership with the Wildlife Trust of South and West Wales.

CELSA UK continue their partnership with the Wildlife Trust of South and West Wales (WTSWW) as a way of meeting a number of its corporate social responsibility objectives.

Our Gold membership supports conservation work, thereby helping to offset CELSA UK's impact on biodiversity.

COMMUNITY ENGAGEMENT



GREEN SQUIRREL

In 2022, CELSA UK contributed aggregate construction materials to the Green Squirrel project to create pathways at their community hub. The hub is located down the road from us on disused land. This space is a wonderful addition to the local community, providing a space for meetings, classes and community gatherings. Recently the environment and sustainability team have attended coffee mornings at the hub to recognise the community's needs and interests and build relationships with local people.



CHARITY OF THE YEAR 2022 THE UKRAINE HUMANITARIAN APPEAL

Each year CELSA UK employees nominate a Charity of the Year. For 2022, Disasters Emergency Committee - Ukraine Humanitarian Appeal was chosen. The Ukraine Humanitarian Appeal is a charity aiding in the humanitarian crisis currently inflicting the Ukraine. The charity provides essential hygiene supplies, blankets, and emergency food to those fleeing the devastating conflict. Several fundraising events were planned throughout the year including a charity raffle, teams participating in a 'Tough Mudder' obstacle course and a football tournament.



13 DEC charities are responding to the crisis, providing emergency aid and support to families in Ukraine and in neighbouring countries. With funds raised through the appeal, they are supplying essential items like food, water and shelter for displaced families and medical support including incubators for babies in Ukrainian hospitals. DEC charities and their local partners are also supporting vital protection work to ensure vulnerable people are kept safe, and helping them settle into their new lives.



THE FINANCE FOOTBALL TOURNAMENT TEAM

Members of the team organised and took part in the 'Business Fives' Football Tournament. The team won the Europa Conference League trophy and **£100** award for The Ukraine Humanitarian Appeal.



COMMUNITY ENGAGEMENT CONTINUED

THE SECTIONS MILL TOUGH MUDDER TEAM

Members of the Sections Mill team organised and took part in the 'Tough Mudder' obstacle course this Summer.



LIVE CHARITY RAFFLE DRAWN BY THE MANAGING DIRECTOR

The charity raffle took place in December and included winning prizes such as holiday vouchers, hampers, spa escapes, vouchers and gift cards. Prizes were kindly donated by our contractors. The raffle was a huge success and raised **£3940** for the Ukraine Humanitarian Appeal.



» **CELSA UK** DONATED A TOTAL OF **£4,715** TO THE DEC UKRAINE HUMANITARIAN APPEAL THROUGHOUT 2022.



CARDIFF FOODBANK

In December, CELSA UK employees arranged a Christmas collection for Cardiff foodbank. CELSA UK employees donated over **173kg** of food. Which is approximately **140 meals** or the equivalent of providing 16 local people in crisis with 3 days' supply of food.

As the cost of living continues to soar, food banks are experiencing an accelerated crisis across the UK, with many more families being forced to the doors of food banks in need of emergency food. CELSA UK believes this is an opportunity to make a huge difference by supporting local people in the area. All food and stock items that were donated to Cardiff Foodbank were redistributed locally to help alleviate food poverty in Cardiff.



THE CARDIFF COMMITMENT

Investing in the local community is an important part of what we do at CELSA. We are active participants in The Cardiff Commitment, supporting young people into STEM-related work, and have forged long lasting links with local primary and secondary schools in the area.

WILLOWS HIGH SCHOOL BUSINESS ENTERPRISE PROJECT

This year CELSA UK donated steel products including angle iron and a galvanised sheet for Willows High School entrepreneurial and skills project to convert a horsebox into a working street food van.

The students will learn skills along the way which are not normally taught in school but will aid them in securing employment upon leaving school. CELSA UK hope to continue to support projects like this and any upcoming programs to help students maximise their achievements and employability in the future.



WILLOWS HIGH SCHOOL LASER PRINTER DONATION

Following on from our laser cutter to Willows High School in 2021, pupils have since been utilising the state-of-the-art equipment to help develop their Computer Aided Design (CAD) and Computer Aided Manufacturing (CAM) skills.

The donation proved to be an invaluable asset to the department, especially for the Product Design class of 2022. The laser cutter allowed pupils to produce prototype designs of their work. The pupils' grades contributed to the department's best A*-C grade with an impressive overall performance of 77%. Prototype designs created using the donated equipment (including a tie rack and belt hanger, storage box and a shoe rack).

EXTERNAL ENGAGEMENT

OUTREACH EVENTS

Throughout 2022, CELSA UK attended and exhibited at several outreach events and shows.

UNIVERSITY OF SOUTH WALES CAREER FAIR

This year our recruitment team attended the University of South Wales Career Fair. CELSA UK partnered with the University of South Wales to meet, chat, explore future employment opportunities with students and graduates.

Events like these provide an opportunity to network with leading graduate employers, associations, and universities from across Wales.

Circularity Collaboration

We have created a platform for circularity collaboration that supports efficiency and carbon reduction across the built environment supply chain.



UK CONSTRUCTION WEEK

Our innovation team attended UK Construction Week in Birmingham. At this event, we exhibited, and our UK Innovations Manager delivered a presentation on 'Supply Chain Circularity – From Risk to Resilience'. During this event, CELSA UK won the Best Innovation Prize 2022.

Throughout this year, we also attended and supported events such as the Supply Chain Sustainability School Summit, Concrete Expo, Future build and many more.

THE CAREER TRANSITION PARTNERSHIP (CTP) EMPLOYMENT FAIR

Additionally, the CELSA UK team attended The Career Transition Partnership (CTP) Employment Fair in Bristol. The CTP are the official provider of resettlement and have supported leavers of the Armed Forces for over 20 years, as they transition from the military into civilian life. These events are held throughout the year in cities across the UK, and offer a fantastic opportunity to network and meet with potential employers ranging from multi-nationals to smaller regionally based companies, across a wide range of different industries.



EMPLOYEE ENGAGEMENT



octopusenergy

ELECTRIC VEHICLE (EV) SCHEME - OCTOPUS ENERGY

In 2022, CELSA UK launched the Octopus Electric Vehicles' EV electric car salary sacrifice scheme as a new employee benefit. This promotes sustainable living and gives employees the opportunity to save up to 40% on the monthly cost thanks to saving on National Insurance and Income Tax.

One of the primary benefits of driving an electric car is that they have zero carbon emissions in comparison to petrol and diesel. Due to the renewable fuel, choices such as wind, solar or even hydro, electric cars can be even more sustainable.

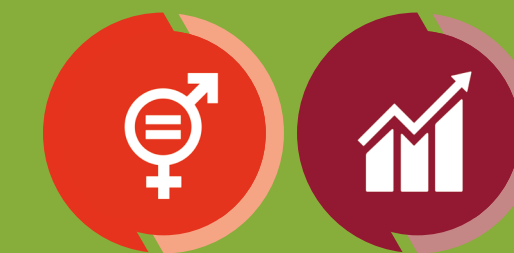
STEM Women Congress

Create opportunities through science

STEM WOMEN CONGRESS – CELSA GROUP

Women are an essential part of the STEM field and also in the steel sector. In November 2022, two of our professionals from CELSA Group took part in the STEM Women Congress to promote the presence of women in STEM. This is the fourth edition of the congress that CELSA Group professionals have attended. CELSA is proud to actively support and encourage women in STEM within the steel industry.

The congress included several discussions with other female directors from companies of different sectors, talking about the challenges ahead of us and the actions that can be taken to increase the number of women in our workforces. At CELSA Group during the last 5 years, we have increased by 17% the number of women in our workforce. A number that we will keep pushing and promoting to increase the number of #WomenOfSteel in the sector!



ENVIRONMENTAL & SAFETY MOMENTS

Our people are our most important asset and the environment we live in needs to be cared for.

CELSA believes both safety and the environment should be at the forefront of our focus as a company. This is why the environment and health and safety teams send out monthly communication emails for all employees focusing on different themes each month.

Some examples of the Health & Safety moments include Noise at work, Training in the Use of Machinery and Office Safety. Similarly, the environment team communicate environmental matters to raise awareness and refresh our employee's knowledge on the importance of these topics including Oil Spill Response, Waste Segregation and Environmental Reporting.

August 2022

ENVIRONMENTAL MOMENT

Waste Segregation

Why is it important?

- Separating wastes into different types minimises costs and maximises the ability to recover and recycle the waste
- Recovery and recycling are key parts of the waste hierarchy, they prevent waste going to landfill
- Please familiarise yourself with the skip colour coding that is in practice around site

Celsa UK Waste Recycling Colour Coding:

- Scrap metal
- General Waste
- Wood Recycling
- Cardboard Recycling
- Scale
- Electrical items/WEEE
- Wire Recycling

Incorrect waste in skips can result in cross contamination and in some cases waste going directly to landfill instead of being recycled

For further information, please contact the Environmental Department: environment@celsauk.com



What is WEEE?

- Waste Electrical and Electronic Equipment
- Contains metals that could leach into soil and water, therefore recycled separately

Fluorescent Tube Container

- Only place used fluorescent tubes in the appropriate containers around site



celsa manufacturingUK

SAFETY MOMENT

Partly Cloudy | 13°C | 11 mph DAYS SINCE LAST LTA: 40 Date: 24/10/2022



Office Safety

Office areas are generally considered to be safer places than the operational units on site. They can be, however, dangerous places if simple safety precautions are not considered or taken seriously. There are some simple safety precautions that should be taken to keep offices safe.



Display Screen Equipment
To prevent musculoskeletal disorders you should sit with a neutral body position. This should consist of adjusting your chair and desk so that your forearms, hands and wrist are straight and parallel to the floor. Your head should be level with the computer screen. Your shoulders should be relaxed and your elbow should be close to your body.

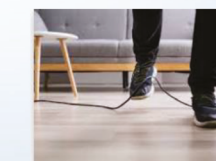
Fire hazards:

- Never overload electrical sockets
- Keep all sources of flame away from paper waste bins.
- Ensure that your switch off and unplug any electrical items when not in use.



Trips, falls and collisions:

- Ensure all dangling cables are housed in protectors.
- Clean up any spillages as soon as they happen.
- Be aware of, and report, any loose carpets and tiles.



Office equipment:

- Do not leave filing cabinets open.
- Ensure cabinets are attached to each other and secured to wall.
- Do not overload the top of a cabinet.
- Distribute the weight evenly top to bottom.



celsa manufacturingUK





APPRENTICESHIP PROGRAM

INVESTORS IN PEOPLE®
We invest in apprentices Gold

▼ Building your future together. ▲

CELSA currently supports over 65 apprentices within the UK and wider CELSA Steel Services Group.

In 2022, we retained our gold award for We Invest in Apprentices certification, as part of the Investors in People standard. We were the first steel company in the world to receive this award! This recognises CELSA UK's support for the development of high-quality education and training schemes. This year has been our strongest year to date with 14 apprentices indenturing and moving into full time roles within the company.

This year three of our high achieving apprentices reached the final of the Make UK Manufacturing awards, with Maurice Drane, our Electrical Apprentice Craftsman, winning the Engineering Apprentice Rising Star Award! We also had success in the Apprenticeship Awards Cymru 2022, with Chrystalla Moreton, our Sections Mill Apprentice Mechanical Craftswomen, winning the Tomorrow's Talent Award. Thus making 2022 an extremely successful year for our apprentices!





ENVIRONMENTAL OBJECTIVES AND TARGETS

CELSA UK is committed to setting ambitious targets to continuously improve our environmental performance. Objectives and targets are set on an annual basis to ensure sustained improvement in our operations. CELSA UK continues to make progress in all its target areas, and drive effort in all units towards our goal of producing net zero carbon steel by 2030.

MELT SHOP TARGETS



Target
Consume no greater than **47.78 kWh/tonne of gas per month**

2022 Actual
Consumed **54.99 kWh/tonne**



Target
Reduce oil consumption to **0.112 litres/tonne per month**

2022 Actual
Consumed **0.124 litres/tonne**



Target
Consume no greater than **408 kWh/tonne (EAF + LF electricity)**

2022 Actual
Consumed **409.00 kWh/tonne**



Target
Reduce commercial water consumption to **0.54 m³/tonne**

2022 Actual
Consumed **0.54 m³/tonne**

ROD AND BAR MILL TARGETS



Target
Consume no greater than **365.19 kWh/tonne of gas per month**

2022 Actual
Consumed **394 kWh/tonne**



Target
Reduce oil consumption to **0.48 litres/tonne per month**

2022 Actual
Consumed **0.44 litres/tonne**

› **CELSA UK**
ACHIEVED OUR ROD AND BAR MILL OIL TARGET BY CONSUMING ON AVERAGE **0.44 LITRES/TONNE** A MONTH IN 2022.

SECTIONS MILL TARGETS



Target
Consume no greater than **420.9 kWh/tonne of gas per month**

2022 Actual
Consumed **441.68 kWh/tonne**



Target
Reduce oil consumption to **0.57 litres/tonne per month**

2022 Actual
Consumed **0.91 litres/tonne**

› **CELSA UK**
ACHIEVED OUR SECTIONS MILL ELECTRICITY CONSUMPTION TARGET BY REDUCING CONSUMPTION TO **84.52 KWH/TONNE** PER MONTH IN 2022.



Target
Consume no greater than **99.4 kWh/tonne of electricity per month**

2022 Actual
Consumed **105.69 kWh/tonne**



Target
Reduce general waste production to **6.81 tonnes per month**

2022 Actual
Produced **7.7 tonnes**



Target
Reduce commercial water consumption to **0.0195 m³/tonne per month**

2022 Actual
Consumed **0.0159 m³/tonne**



Target
Consume no greater than **85.0 kWh/tonne of electricity per month**

2022 Actual
Consumed **84.52 kWh/tonne**



Target
Reduce commercial water consumption to **0.35 m³/tonne per month**

2022 Actual
Consumed **0.38 m³/tonne**



Target
Reduce general waste production to **4.6 tonnes per month**

2022 Actual
Produced **15.35 tonnes**



Target
Reduce general waste to **32.1 tonnes per month**

2022 Actual
Produced **34.00 tonnes**



Target
Reduce LF + EAF Electrode consumption to **1.30 kg/tonne per month**

2022 Actual
Consumed **1.28 kg/tonne**

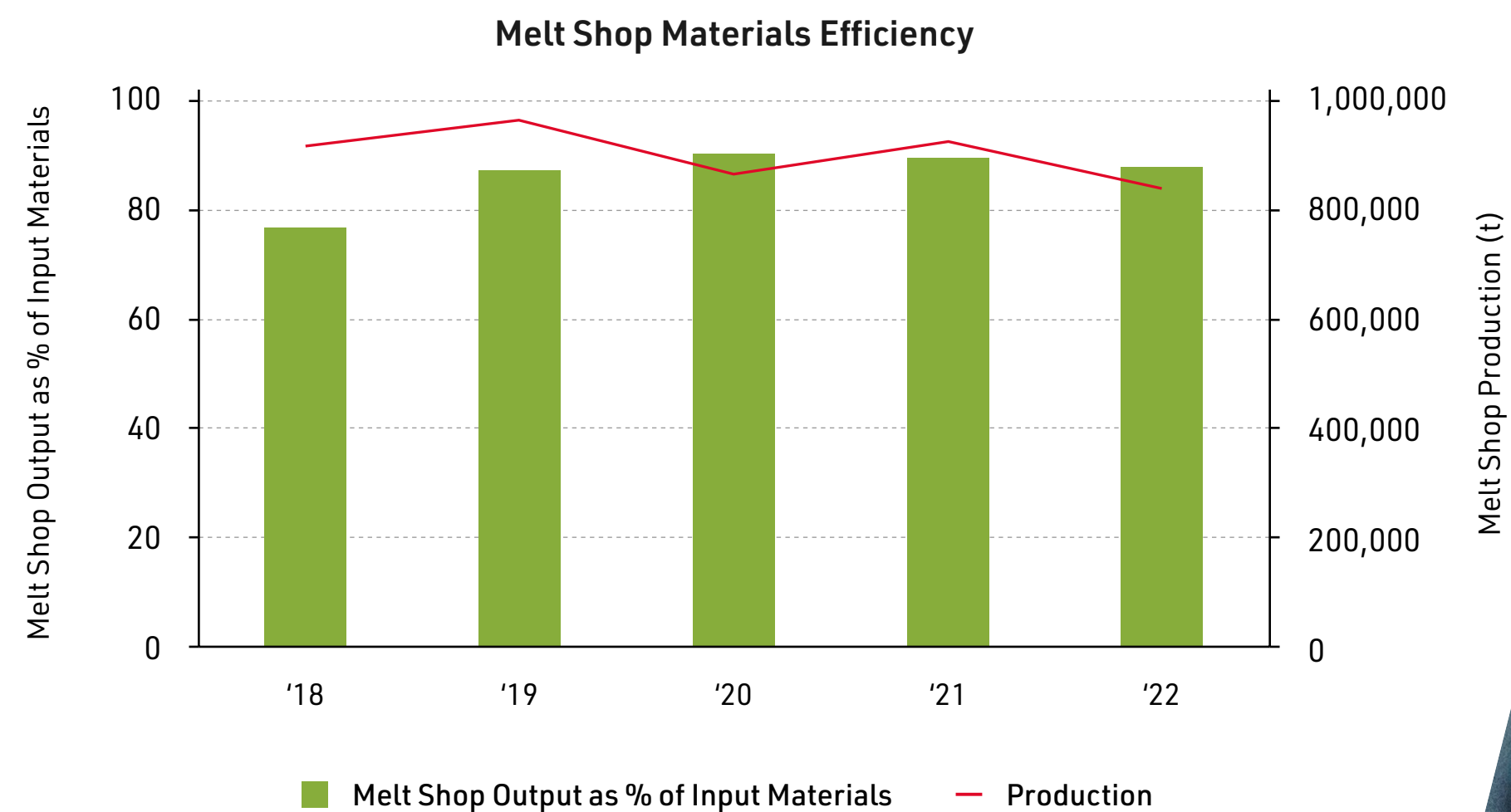


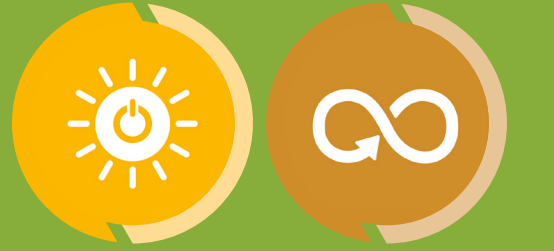
ENVIRONMENTAL KPIs

EFFICIENCY

The CELSA UK manufacturing operation is a metal recycling process.

The principal feedstock is steel scrap, which is consumed in the process to make new steel, but there is a need to provide certain additives to achieve the right quality of recycled steel to meet the customers' requirements. The process is over 87.9% efficient and produces a number of useful by-products including EAF flue dust, slag and mill scale.





ENVIRONMENTAL KPIs

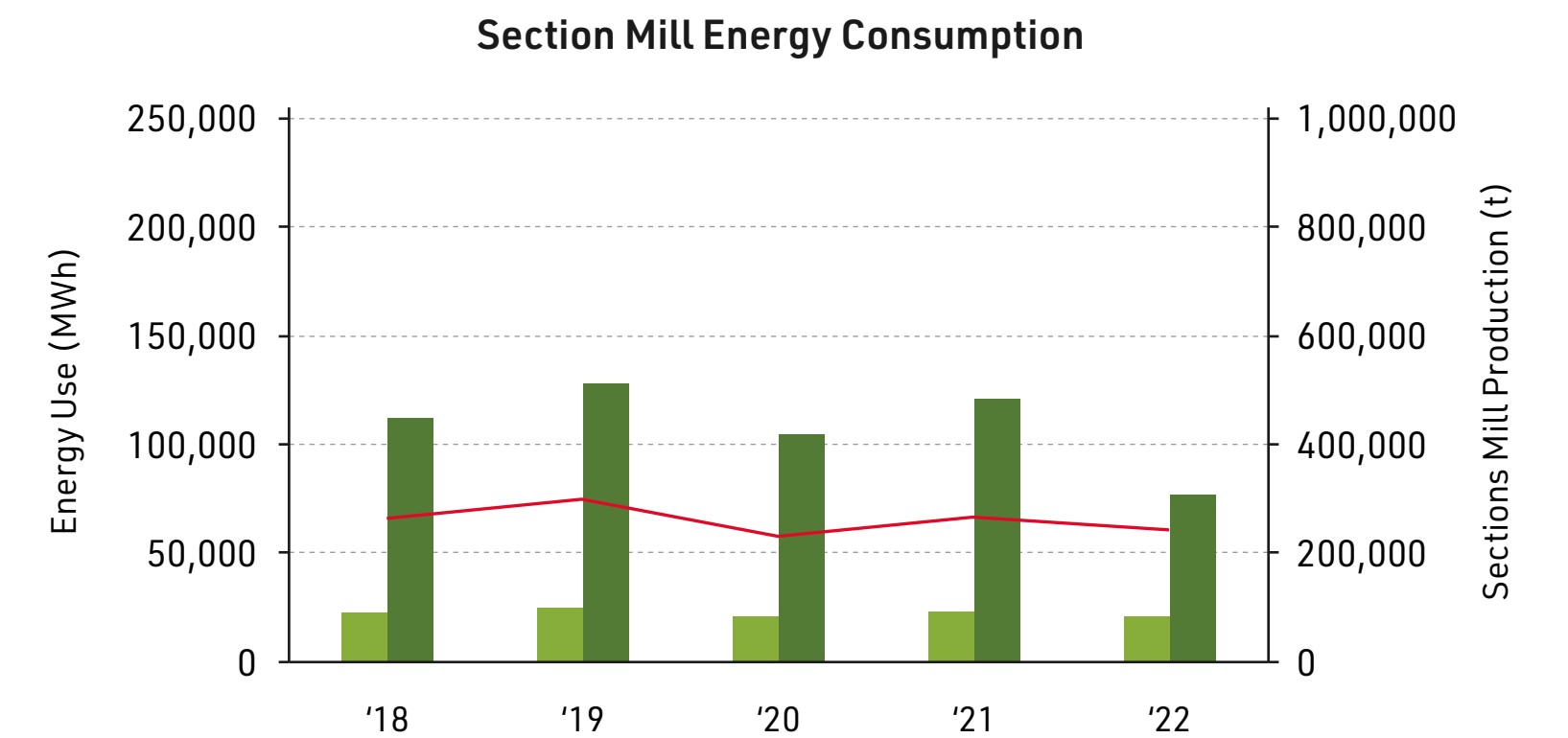
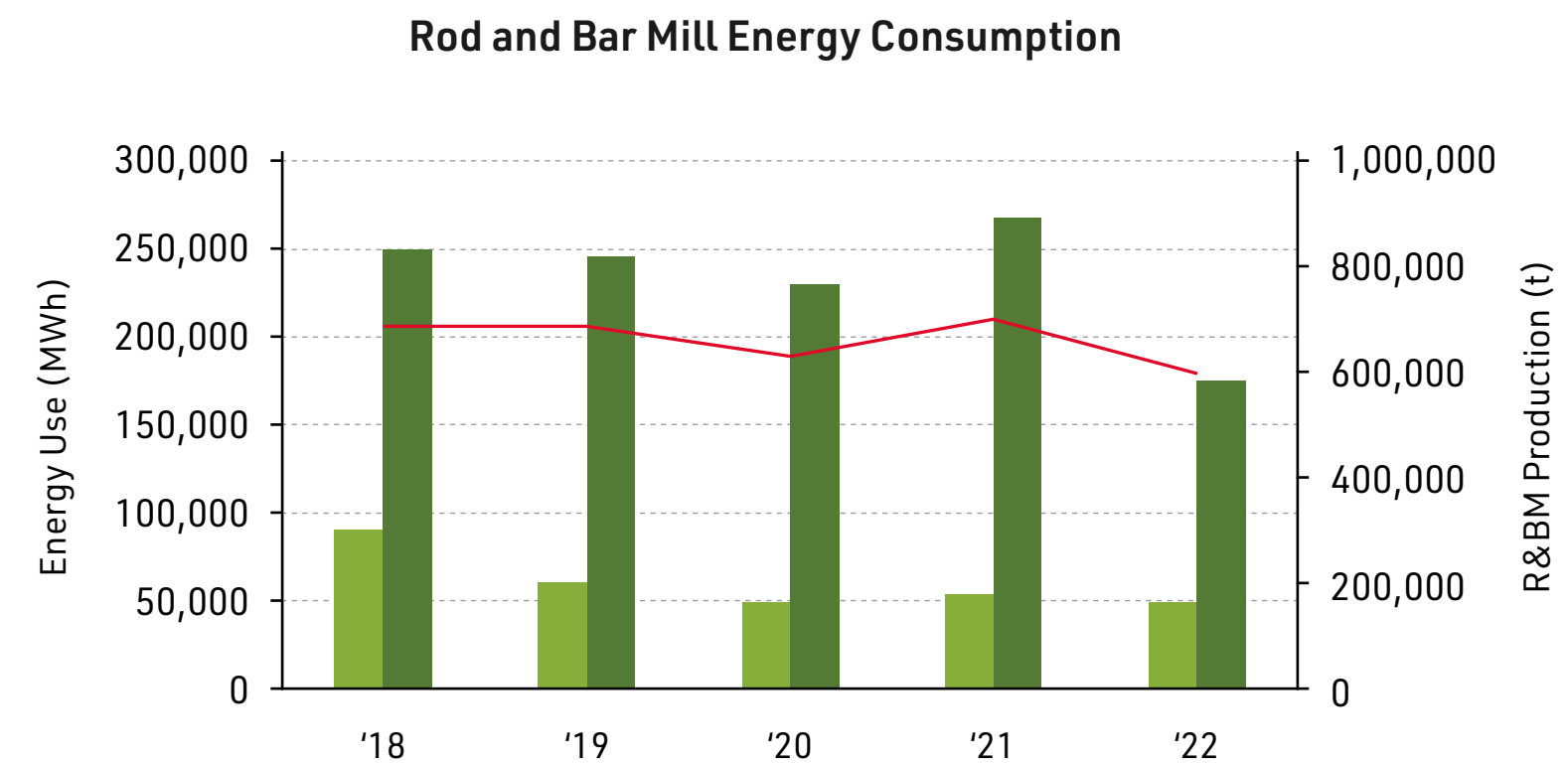
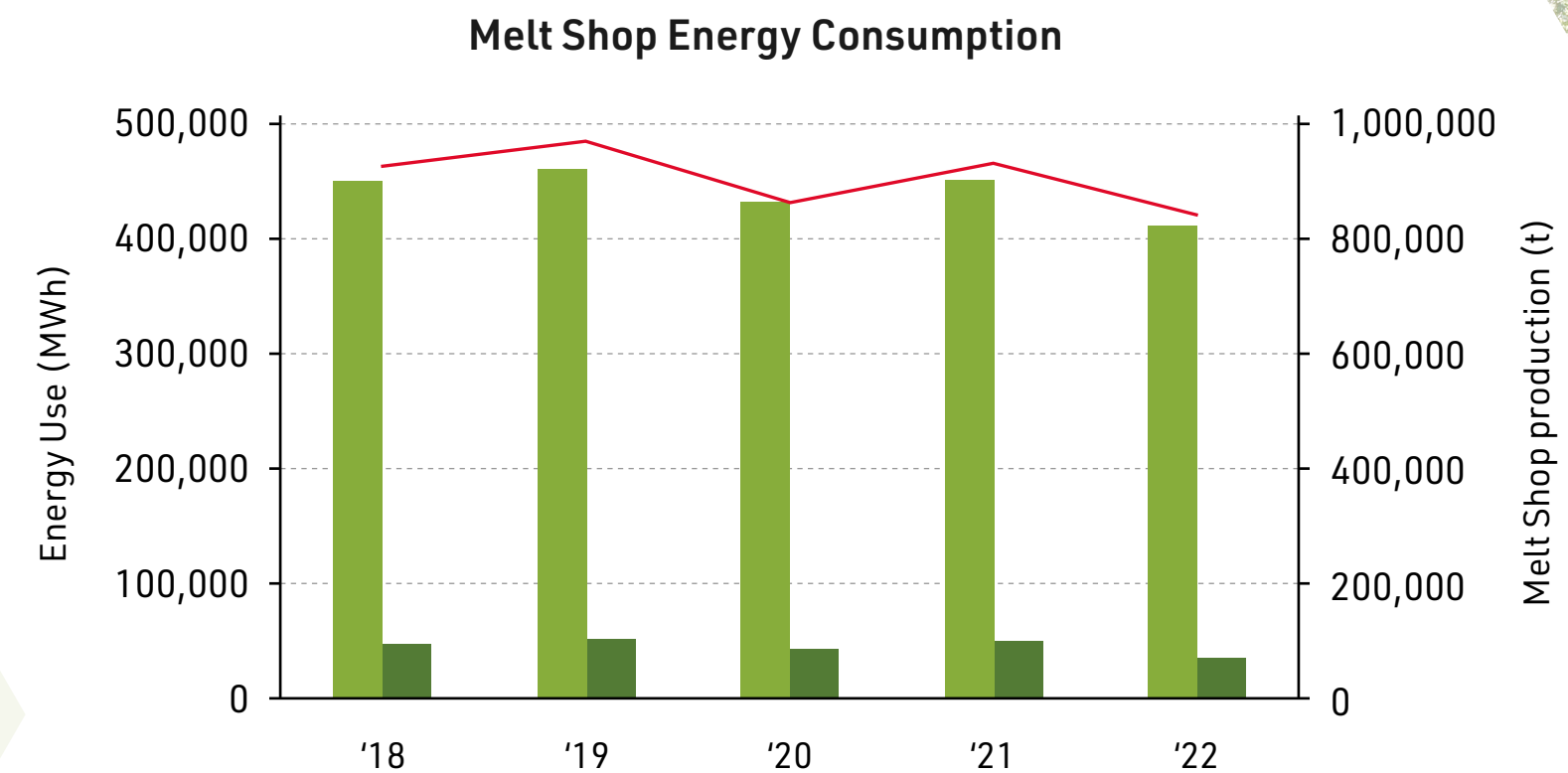
ENERGY USE

A proportion of the energy CELSA UK uses to manufacture its products comes from natural gas. CELSA UK continues to support initiatives that seek to solve this issue by replacing natural gas use across heavy industry.

As part of CELSA UK's participation in the South Wales Industrial Cluster Roadmap initiative, supplying hydrogen gas as an alternative to natural gas is being explored for the future, with hydrogen furnace feasibility studies still ongoing. The remaining proportion of energy that CELSA UK uses is electricity, and it is important that we use it as efficiently as possible.

The use of energy is one of our greatest environmental impacts. Therefore, energy efficiency is fundamental to our business strategy, and is continuously monitored and measured. In the future CELSA UK aspires towards 100% renewable energy on our site, as we continue to develop towards a greener future for the steel industry.

CELSA UK
AIMS TO USE
100% RENEWABLE
ENERGY.



Electricity consumption Natural gas consumption Production



ENVIRONMENTAL KPIs

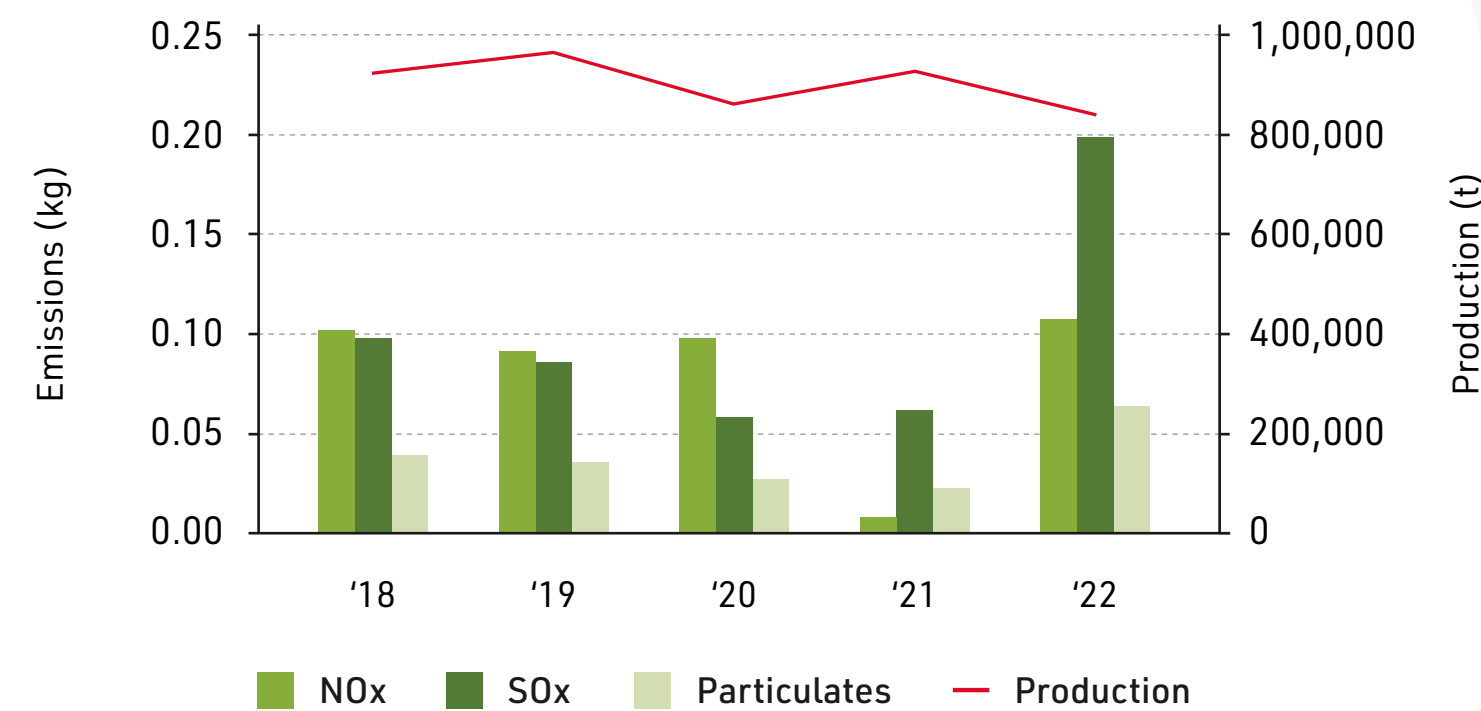
ATMOSPHERIC EMISSIONS

CELSA UK recognises that our processes have the potential for significant releases of atmospheric emissions. Therefore, it is an aspect of the business that is strictly monitored and controlled. Each of our Environmental Permits regulates our significant air emissions.

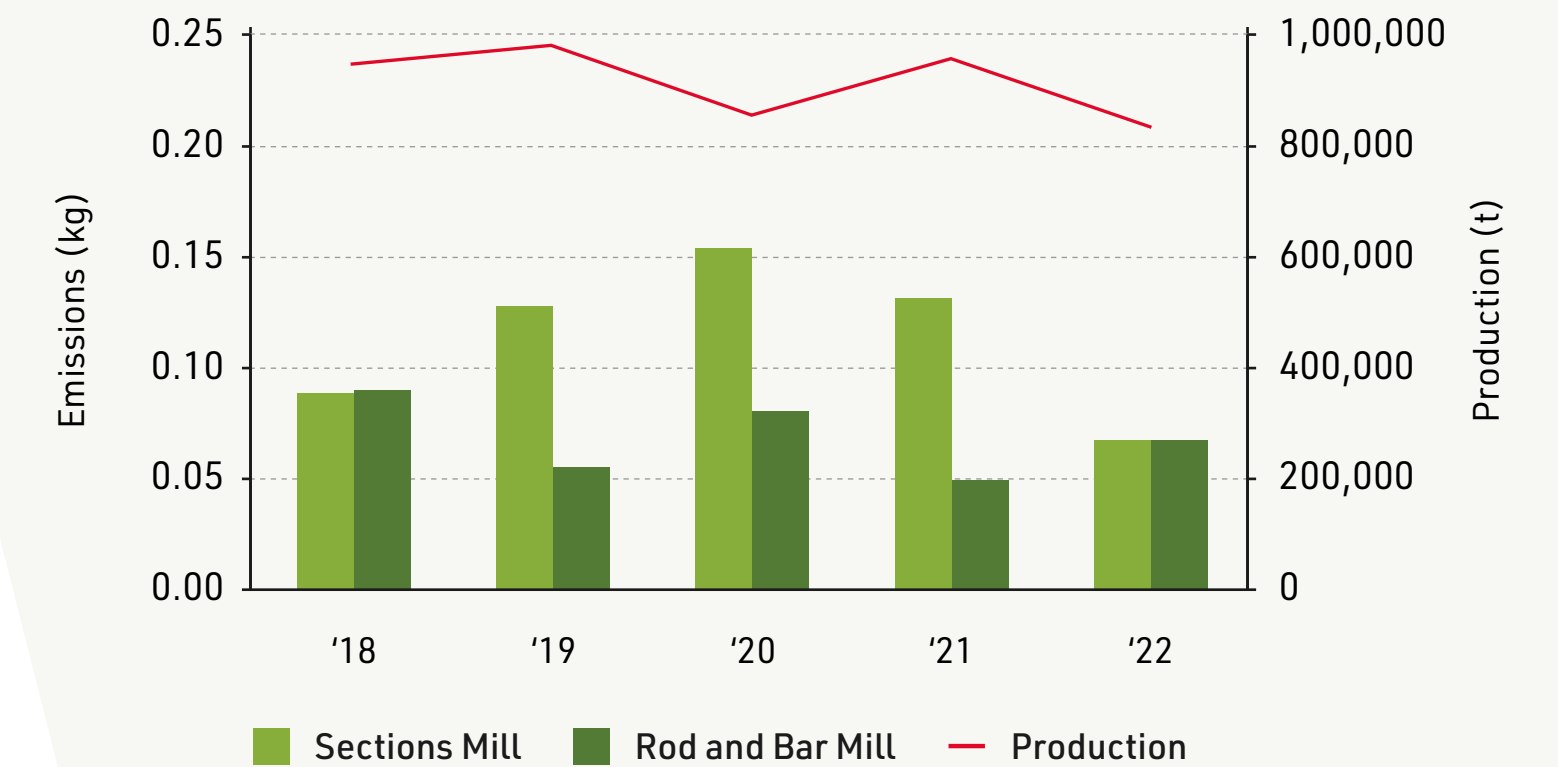
Our emissions are continuously measured and monitored to ensure they do not exceed permitted emission limit values. Permit values are determined in accordance with prevailing legislation and are rigorously enforced by Natural Resources Wales.

CELSA UK
IS COMMITTED TO BECOMING
A NET ZERO CARBON STEEL
RECYCLER BY 2030.

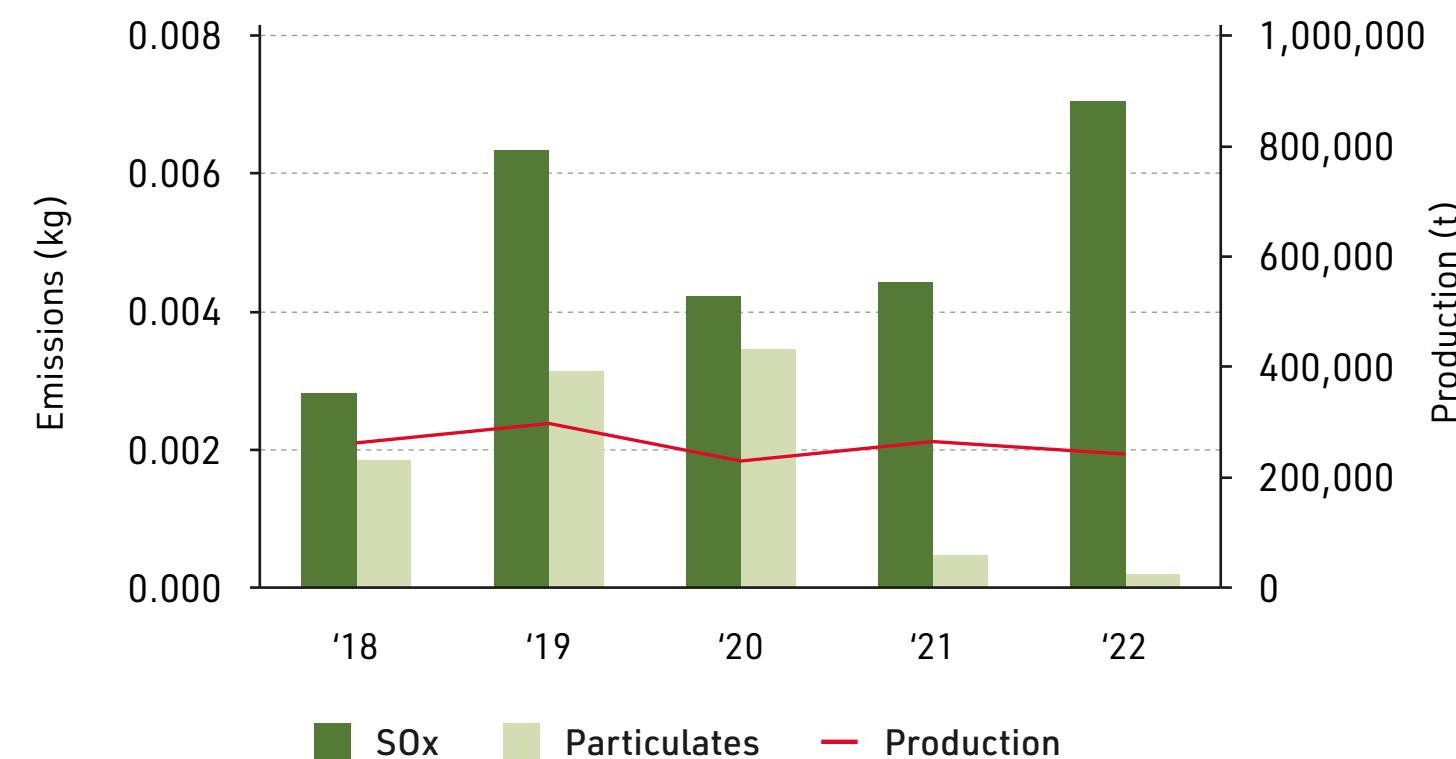
Melt Shop Air Emissions



Rolling Mills NOx Emissions to Air



Sections Mill Air Emissions





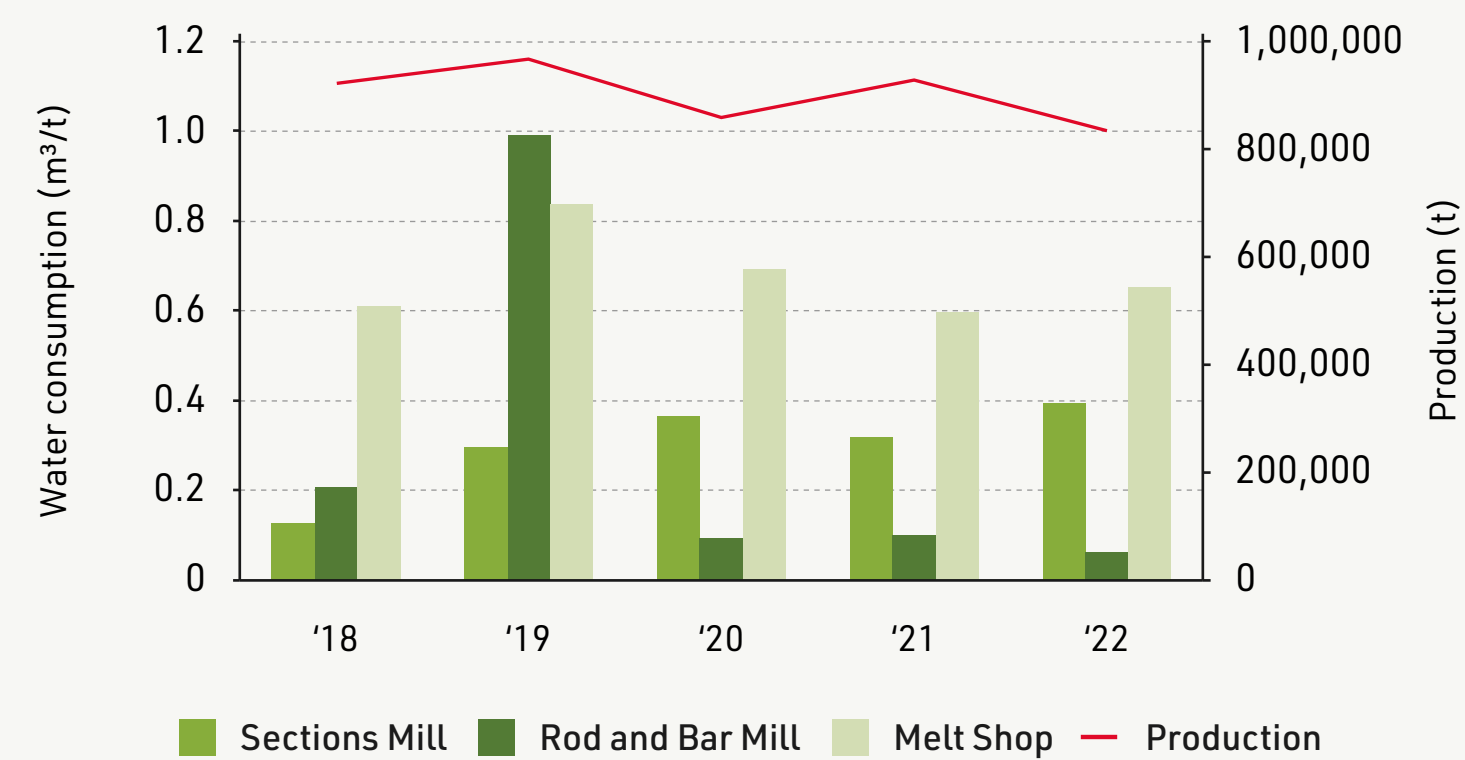
ENVIRONMENTAL KPIs

WATER CONSUMPTION AND QUALITY

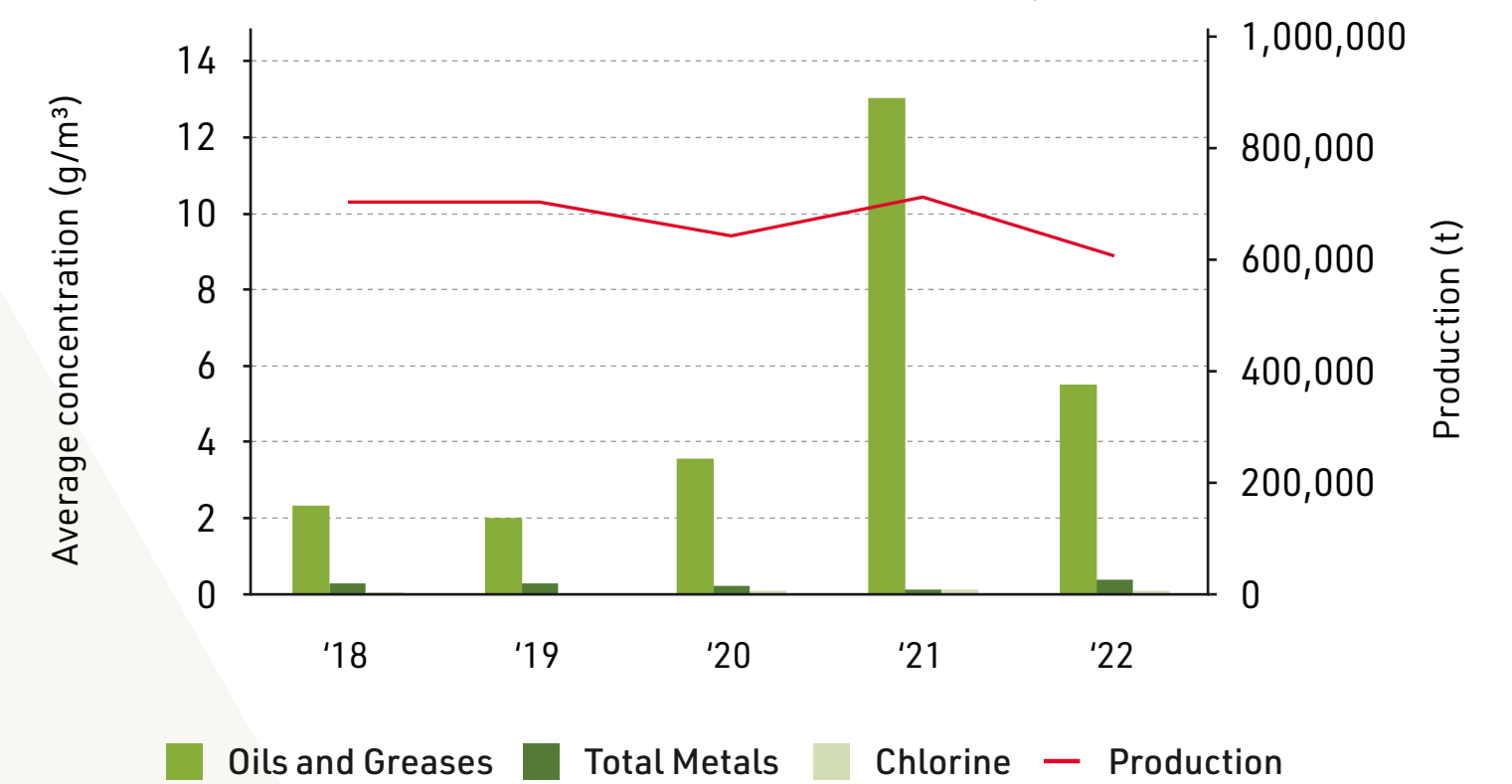
CELSA UK recognises that water is an important resource and the manner in which it is consumed and treated can directly influence the natural environment. CELSA UK takes its responsibility regarding water management very seriously, ensuring that the use and consumption of water is controlled and where possible, minimised by a system of recirculation and reuse.

Water used on the plants for cooling purposes requires treatment in order to prevent legionella. It is necessary to treat the water we use with biocides, as well as corrosion inhibitors and flocculants to aid in the removal of solids from the water. Stringent limits are set in our Environmental Permits and Consents to Discharge on the quality of the water that we release from the systems. In order to meet these requirements, we undertake regular monitoring and analysis of our effluent streams.

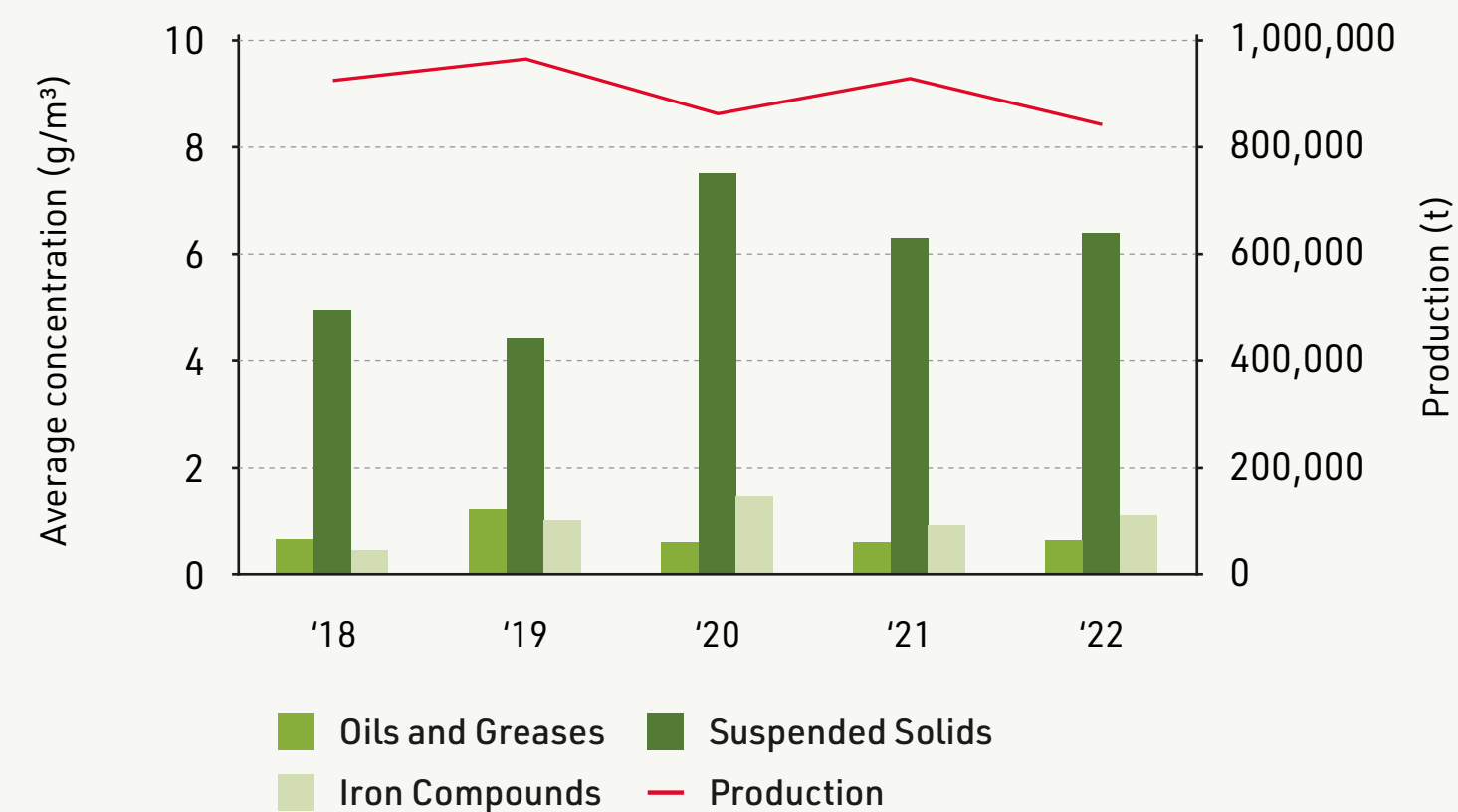
Annual Water Consumption: m³/tonne by Production Unit



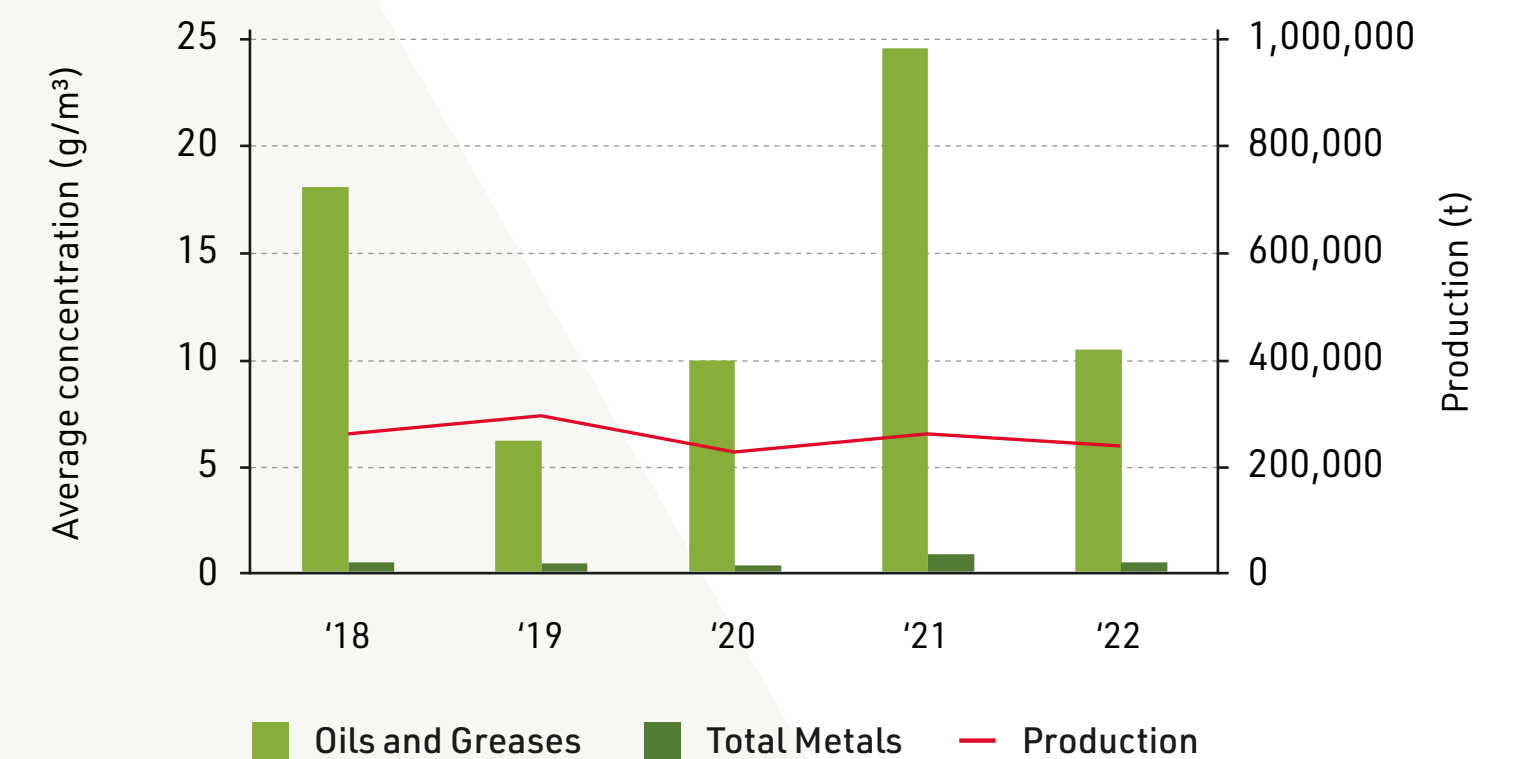
Rod and Bar Mill Wastewater Quality

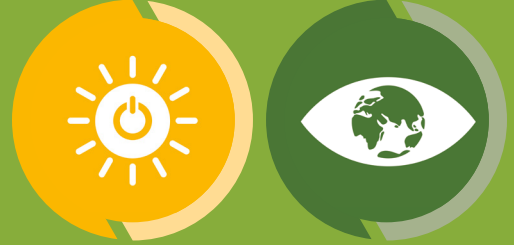


Melt Shop Wastewater Quality



Sections Mill Wastewater Quality





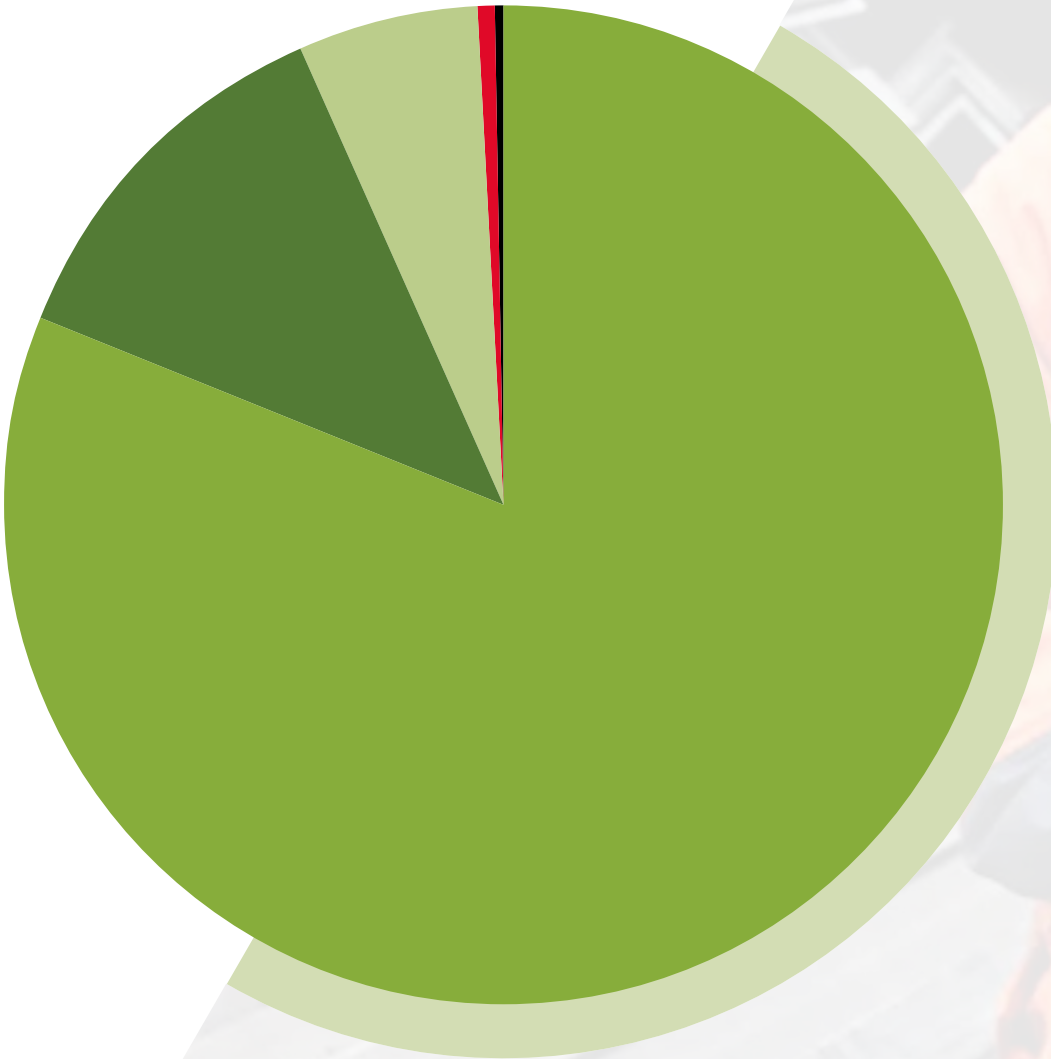
ENVIRONMENTAL KPIs

LOGISTICS

CELSA UK is committed to incorporating sustainability into all of its manufacturing and business activities and recognises the need to balance the requirements of environmental, social and economic obligations with business growth aspirations.

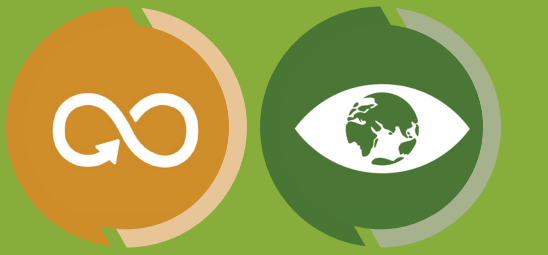
Transportation and logistics is a key area where CELSA UK seeks to continuously improve and adopt more sustainable transportation options. CELSA UK utilises a range of transport methodologies including road, sea and rail, depending on the geographical location of its customers and transport network availability. Where possible more sustainable methods of transport such as rail and sea are adopted as the preferred method of moving our raw materials and finished products. As part of the BES6001 and Eco Reinforcement Standard requirements, CELSA UK calculates the transport mileage and CO₂ emissions by mode of transport for both its raw materials and finished reinforcing product deliveries.

Mode of Transport Used 2022 (km)



TRUCK 5860223 – 81.26%	SEA ROLL ON/OFF 406212 – 5.63%	RAIL 24961 – 0.35%
DOCKS 890155 – 12.34%	VESSEL 30360 – 0.42%	



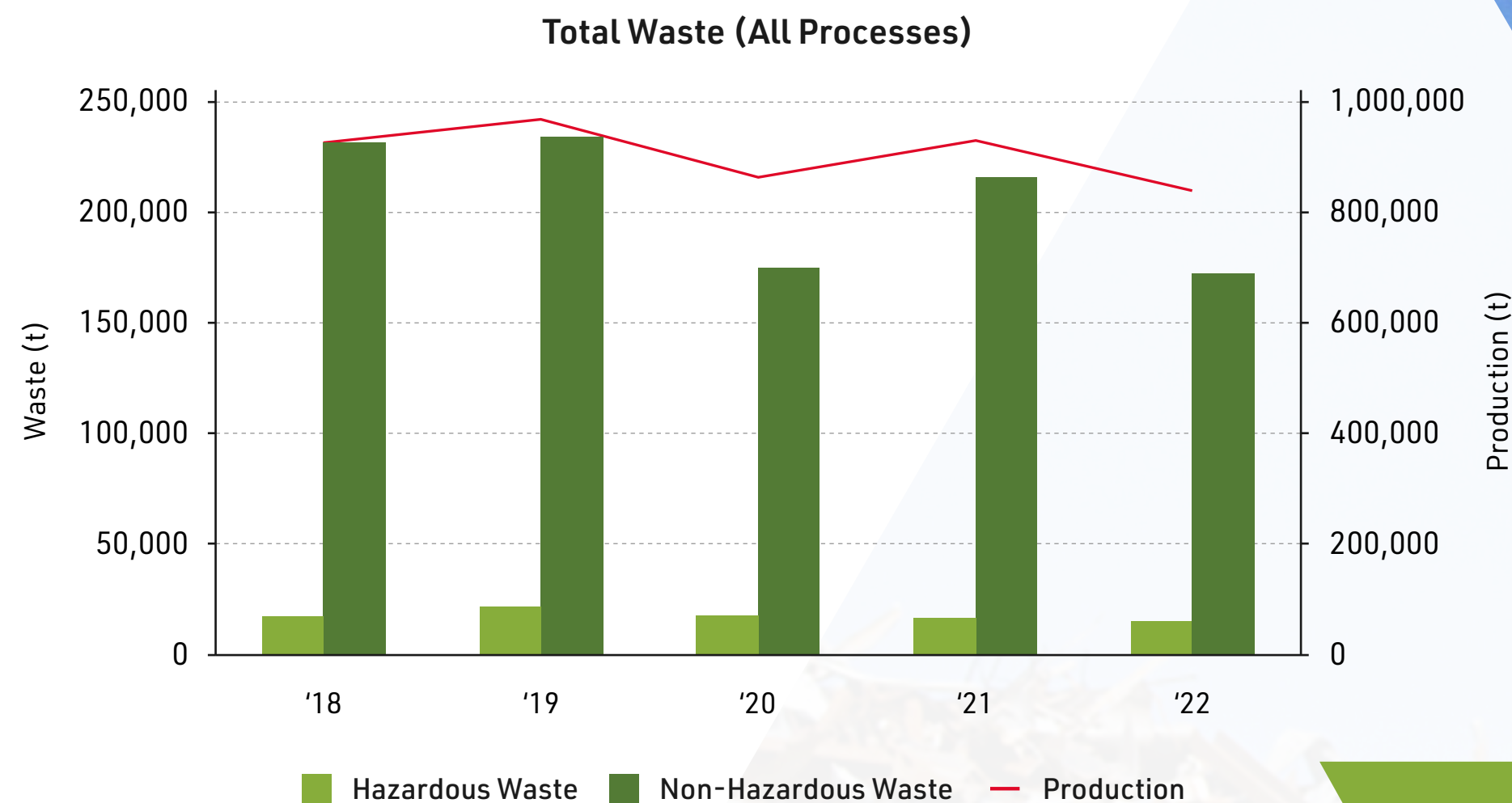


ENVIRONMENTAL KPIs

WASTE MANAGEMENT

CELSA UK's manufacturing process is zero production waste to landfill. We recycle or recover over 98% of our waste; however, we do end up sending a small amount to landfill as a result of our sourcing 100% of our metal materials from recycled scrap. We also employ the best available techniques in order to minimise the amount we send to landfill, and increase the efficiency of our manufacturing process.

All the other materials we produce as by-products from our manufacturing process are sold on for use in other sectors of the manufacturing industry. The dust from our EAF is sold for use in the manufacturing of white plastics, where it substitutes the use of raw materials for this purpose. We also market our slag by-products for use in road construction, and have an operational Asphalt Plant on site, operated by one of our permanent on site contractors, to ensure these products are of high quality. Our by-products are generated from the processing of scrap metal. There is a targeted reduction programme to improve resource efficiency by ensuring all waste generated is recovered or reused, where practical.



➤ **CELSA UK'S**
MANUFACTURING PROCESS IS ZERO
PRODUCTION WASTE TO LANDFILL.

➤ **CELSA UK**
RECYCLE OR RECOVER
OVER 98% OF OUR WASTE.



EMPLOYEE PROFILES

If you make a small improvement in this industry it can have a major positive impact on the environment.

HANNAH POWELL
ENVIRONMENTAL MANAGER



HANNAH POWELL
ENVIRONMENTAL
MANAGER

Why did you decide to work in the environmental sector?

Coming from an agricultural background, I have always had an appreciation for the natural environment and the preservation of it. Having studied BSc Geology at Cardiff University in 2014 and now working within the steel industry, I was once told "if you make a small improvement in this industry it can have a major positive impact on the environment" and with that my passion for improving one of the most environmentally challenging industries was ignited.

I am always looking for ways to expand my knowledge in environmental issues, and more recently the overall picture through sustainability, and have recently completed a Diploma in Sustainable Business Practices, which will help me take a holistic approach to CELSA's operations and the interactions with social and environmental factors.

What does sustainability at CELSA mean to you?

To me sustainability at CELSA means the running of the business in a way that improves social cohesion internally and within the local community, whilst positively interacting with the environment. CELSA is already a leader in the steel sector through its efficient scrap recycling process, but there is much more to do! Part of my role is to support the Pathway to Net Zero 2030 ambition; working with the operational teams to identify areas to reduce our consumption of carbon from natural gas and coal and in 2022, as a collective team, the reductions we have made are directly reducing our impact on the environment. I am proud of the achievement made through this project. Along with the main responsibility of environmental compliance, I also support CELSA in closing the gap to become a truly circular business, analysing waste streams and looking for alternative outlets to landfill.



GABRIELLA NIZAM
SUSTAINABILITY
MANAGER

What's your role at CELSA?

My role is predominantly external facing, looking at the long-term impact of policy and legislative change on the business. Key areas of focus include trade, energy and procurement, which are critical as without the correct market and business environment we will not have a thriving Steel Industry, here in the UK. I also work with the Environmental team, looking at the delivery of CELSA UK's Net Zero Strategy, as well as matters relating to climate risk and ESG, key areas of strategic importance.

Why did you decide to work in the sustainability sector?

Sustainability is dynamic, all-encompassing and forever evolving, as such, it gives me the opportunity to regularly learn new things and contribute to the strategic thinking of a business. Working in this field gives me a great sense of purpose, it harnesses a mind-set that encourages you to think beyond your immediate self, something every individual should do both in and out of work.

What does sustainability at CELSA mean to you?

It provides me with the opportunity to showcase what the sector has to offer to our future generations and the vital role it will play in allowing the UK to reach its Net Zero goals.



EMPLOYEE PROFILES CONTINUED



DAVE THOMAS
STANDS MAINTENANCE
MANAGER, SECTIONS
MILL

What's your role at CELSA?

As the Stand Maintenance Manager for the Sections Mill, I manage a team that carries out maintenance on stands and loopers. I also run the budget for the mill and buy in essential tools, parts and fittings to ensure optimum operation. Alongside my day-to-day job role, I am the environmental representative for the Sections Mill which includes waste management, ensuring compliance with environmental regulations and regular audits with the environment team.

Why is being the environmental representative for the sections mill important to you?

I am passionate about the environment and our role in preserving the environment into the future for my grandchildren. I believe that this requires changes in attitudes in how people view the importance of environment. It can be difficult to be environmentally friendly in a steel works, but there are steps that can be taken to achieve this. For example, the Sections Mill has improved their compliance with Oil Storage Regulations Wales through the buying of secondary containment and the construction of a large brick bund where waste oil can be stored.

How have your projects helped to improve the Sections Mill environmental performance?

I have been involved in several projects that have improved the Sections Mill environmental performance including the construction of the large brick bund, as well as pushing for the construction of a canopy over waste oil tanks to avoid oil leaks and reduce costs. I also push for change in the Sections Mill monthly environmental meeting which has improved significantly over the last few months. Encouraging staff in the area to understand the importance of environmental issues and how these can impact their day-to-day job role has been integral to this improvement.



MAURICE DRANE
ELECTRICAL CRAFTS
APPRENTICE

What's your role at CELSA?

My job role is to aid full time electrical crafts in break downs and maintenance jobs. Whilst doing this, I am also learning the job role and gaining experience for my NVQ and college work. My job role can be anything from resetting an electrical breaker to a full install of an electrical panel.

Why should you consider an apprenticeship?

There are many benefits that come alongside being an apprentice including obtaining a qualification, earning money whilst you learn, attaining on-the-job experience, having access to guidance and support and building a network of connections.

What's it like being an apprentice at CELSA?

Whilst working at CELSA, I feel very valued as an employee. I have been pushed and mentored to the best of my ability. I have been given the chance to improve on my grades and learn new qualifications. I have also had the privilege of being nominated and winning awards such as MAKE UK's Engineering Apprentice: Rising Star 2022. This recognition motivates me to do more and work even harder.



LEONIE BAUR
INTERNAL
RESOURCER

What's your role at CELSA?

As a member of the recruitment team, I attract and hire new talent to the business focusing on finding candidates that align with CELSA's mission and values. Part of my role is to attend career fairs whether they are with school, colleges, universities or local councils. It's great to be able to engage with the local community and attract new talent to CELSA. One of the key goals of attending these fairs is to promote CELSA and who we are.

What does sustainability at CELSA mean to you and how does it impact your job role?

In today's market, candidates looking for a new role often consider how environmentally responsible a company is so when I share the company's circular steel strategy and emphasize the focus we have on sustainability, this is something candidates are generally excited by. I personally enjoy promoting the company's values and passion for decarbonising the steel industry, as being environmentally responsible is something that aligns with my own values and I prioritize as much as possible in my own life.

CELSA VERIFICATION



11th March 2023

Ref. DCL1175L2

CELSA – 2023 Sustainability Statement.

Diagenesis Consulting Ltd (DCL) has been commissioned by CELSA to complete an independent review and verification of defined sustainability information for the data presented in their Sustainability Statement 2023 entitled "Leading the Circular Transformation".

DCL would consider that in their 2023 Sustainability Statement CELSA continues to demonstrate its commitment to its sustainability goals. The company maintains their commitment to detailed and reliable data collection and provides transparency with regards monitoring their performance against targets.

The review of the final version of the 2023 Sustainability Statement and the data presented therein identified no evidence of errors or anomalies. Data review and discussions with the Environmental Team indicate that data processes and systems in place appear to be comprehensive, robust and as a result create the transparency in reporting required in the appropriate sections of the responsible sourcing standards.

Signed on behalf of Diagenesis Consulting Ltd by,

A handwritten signature in black ink, appearing to read "David Richardson".

Date: 11th March 2023

David Richardson

Director.



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please visit www.celsauk.com

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All references to CELSA, CELSA UK and CELSA Steel UK
in this document refer to CELSA Manufacturing (UK)
Limited, Building 58, East Moors Road, Cardiff, CF24 5NN
(CRN: 04577881)