



Kelsen

ENDURING MATERIALS, LASTING PLANET

SUSTAINABILITY REPORT 2025



ENDURING MATERIALS, LASTING PLANET

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1 GENERAL INFORMATION

[24. a, b, c, d, e; 25]

This **2025 Sustainability Report** relating to the activities of Refractorios Kelsen, S.A. [hereinafter “Kelsen” or “the company”], whose main activity is classified under **CNAE 2320/ NACE 23.20** [Manufacture of refractory ceramic products], has been prepared for the purpose of reporting and communicating to the main stakeholders the company’s initiatives, actions, achievements, and challenges in environmental, social, and governance [ESG] matters. The company has its headquarters in Spain, at C/ Belén Industrigunea 1 Aduna [Gipuzkoa], where its single production plant is also located.

This is the **first edition of the report**, which is prepared voluntarily in accordance with the guidelines of the **Voluntary Sustainability Reporting Standard for non-listed SMEs** [VSME]. The report contains the information corresponding to OPTION B: Basic and complete module, covering all sections of that module. As is the first edition of the report, it includes the information requested in the module that does not allow extensions for reporting.

As this is the first edition of the report, it does not include comparative information for previous years. In addition, the scope of the report is limited exclusively to Kelsen, a private limited liability company, and does not include data from associated entities or the corporate group. The reporting period runs **from January 1 to December 31, 2025**.

It should be noted that Kelsen has a robust framework of certifications that supports its environmental commitment and sustainability approach.

Its **ISO 14001** certification demonstrates the company’s commitment to an effective environmental management system designed to minimize impacts and comply with current regulations. Additionally, the company holds the **ISO 14064** certification for **its 2023 organizational carbon footprint**, ensuring accurate measurement, calculation, and reporting of greenhouse gas [GHG] emissions across the entire organization. **It also has product** carbon footprint certification under **ISO 14067**, addressing the needs and expectations of stakeholders, particularly customers. Furthermore, the company has all the environmental authorizations required to ensure legal compliance and promote best practices in sustainability.

In recognition of its commitment to sustainability and corporate responsibility, Kelsen has been awarded the **EcoVadis gold medal**, placing the company among the top 5% of companies rated in ESG.



Site	Address	Postal code	Locations	Country	Coordinates
Industrial facility, offices, warehouse	Calle Belén Industrigunea, 1	20150	Aduna, Gipuzkoa	Spain	[43.2124, -2.2690]
Warehouse	Lasarte	20160	Lasarte, Gipuzkoa	Spain	-

2025 IN NUMBERS:

+80,000

TONS PRODUCED

+65

YEARS OF HISTORY

136

WORKERS

6

ISO CERTIFICATES
[14001, 9001, 45001, 50001, 14064, 14067]

2,582

TRAINING HOURS

64M€

TURNOVER

+50

PRESENCE IN COUNTRIES

+ 8,087

TONS OF REICLED MATERIAL

+ 3,488

LABORATORY TESTS
ON FINISHED PRODUCT

1.1 STRATEGY: BUSINESS MODEL AND SUSTAINABILITY

[47. a, b, c, d]



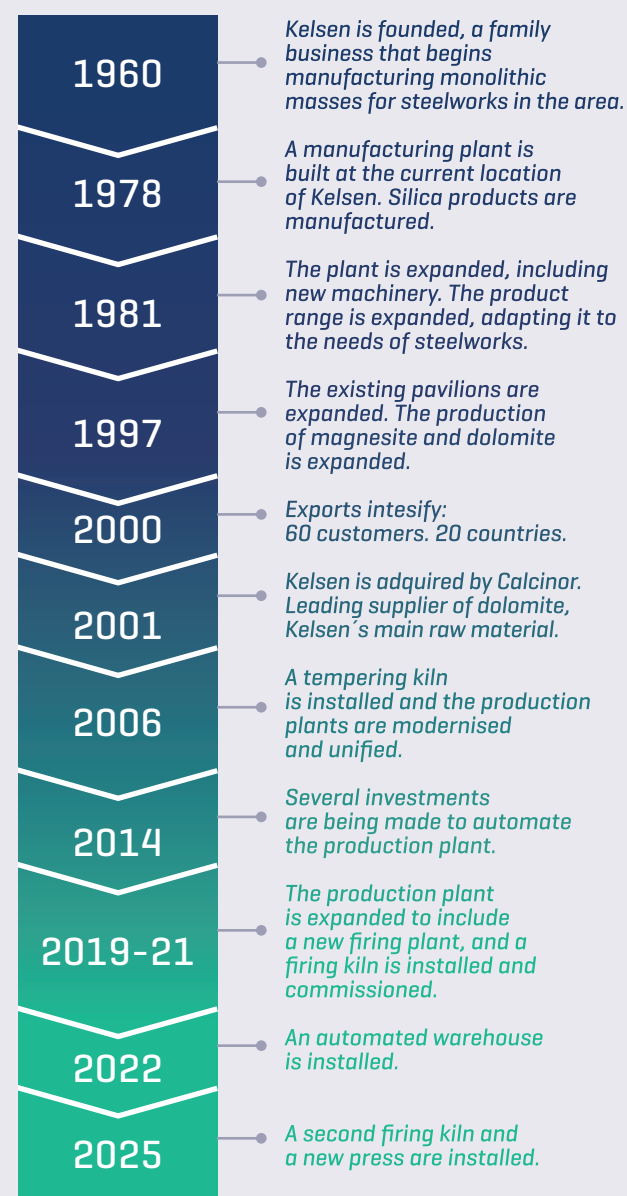
Founded **in the 1960s** as a **family business** in a valley of the Basque Country, Kelsen produced monolithic masses for coating casting ladles for local steelworks, meeting the needs of companies that had a significant impact on the Basque Country's economy at the time.

Over the years, as the demands of the market increased, the company **expanded its product range** to adapt to the new needs of oxygen and electric steelworks, incorporating both shaped and unshaped products.

In 2001, Refractarios Kelsen was **acquired by its main raw material supplier, Calcinor S.L.**, a company specialized in the production of industrial minerals used as chemical reagents. Within its business holding, Calcinor has a dolomite deposit mine, as well as a processing plant called Dolomitas del Norte, located in Bueras (Cantabria), where they produce **sintered dolomite with the highest chemical purity on the market**.

Calcinor has a diversified business structure, which, starting from mining activities at various deposits and through industrial processes based on the latest technologies, reaches multiple sectors with a wide range of products.

Calcinor is currently a holding company comprising around **42 companies, 52 plants** and approximately **2,400 employees**, with production facilities on **three continents** and serving markets on all **five continents**.



GLOBAL PRESENCE OF CALCINOR COMPANIES



Thanks to a continuous process of modernisation and improvement, Refractarios Kelsen has established itself as one of **Europe's leading manufacturers of dolomite refractory products**. Its strategic alliance with the group's parent company provides it with raw materials of exceptional quality,

guaranteeing the highest performance and durability in all its products. Its wide range includes refractory bricks and other materials designed to resist high temperatures and very demanding conditions, ideal for lining furnaces, ladles and converters in the steel industry.

KELSEN'S MISSION AND VISION

We are an industrial company that, capitalizing on its mining expertise, aims to lead the development of a chain of value-added products in its areas of influence, focused on satisfying our customers, social environment, staff and shareholders.

“Family company with a long-term industrial culture.”

**TECHNOLOGY + RESEARCH + CUSTOMER ORIENTATION +
SUSTAINABILITY + HUMAN TEAM + PROFESSIONALISM + STRENGTH**

KELSEN'S VALUES

CUSTOMER

It is the essence of our business, and therefore, we strive daily to be your trusted supplier.

RESPECT

We work as a team, ensuring respect for the truth, the law, commitments, ideas and cultures.

QUALITY

Satisfy the needs and expectations of our customers by providing them with the products, services and support they need for their applications.

SIMPLICITY

We carry out our activities in a simple and rational manner, generating added value with the appropriate resources.

RESPONSIBILITY

We act with initiative, tackling problems and solving them, making decisions and assuming our responsibilities individually and collectively.

LONG-TERM VISION

We build a solid and efficient organization, investing to endure and grow, developing and passing on our knowledge and experience.

OUR PRODUCTS

Kelsen offers **two distinct product lines** based on their main raw material: **dolomite and magnesite**.

DOLOMITE

The **dolomite line**, the company's real strength, stands out for its use of exceptionally **high-quality raw materials**, supplied directly by the group's parent company, which guarantees superior performance in the most demanding steelmaking processes. The range includes tempered and fired dolomite bricks, tempered dolomite-magnesia-carbon bricks, fired dolomite-magnesia bricks and dolomite masses for ramming

and filling. These materials not only **offer thermal and mechanical resistance but also optimize key processes**: they facilitate the desulphurisation and deoxidation of steel, improve castability by preventing inclusions, reduce recarburisation in low-carbon steels and increase energy efficiency thanks to their excellent thermal insulation.

Tempered and fired dolomite bricks
Tempered Dolomite-Magnesia-Carbon bricks
Fired Dolomite-Magnesia bricks
Dolomite masses for ramming and filling

MAGNESITE

On the other hand, the **magnesite line** expands Kelsen's solutions to cover different operational needs, with magnesite carbon bricks, magnesite concretes, alumina magnesite carbon bricks, and masses for spraying, shotcreting, and patching. These products stand out for their **resistance to low-basic slag, protection against slag fluidisers, high durability** against impact and mechanical attack, and **excellent**

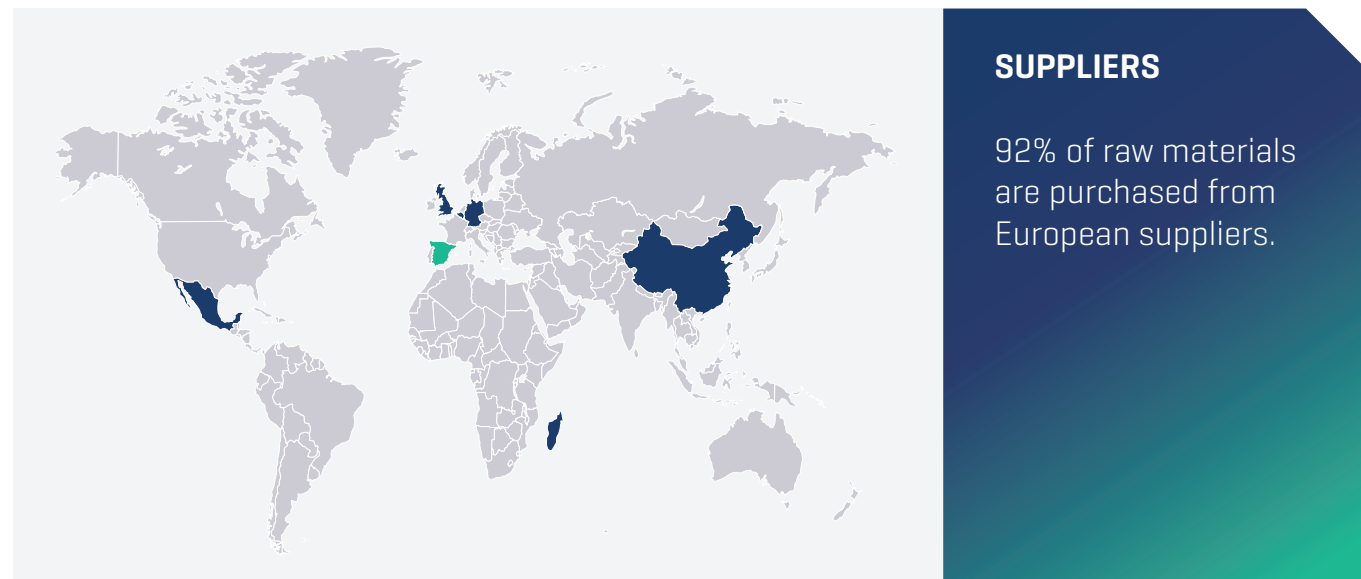
performance in thermal contrasts, ensuring safety and reliability in every operation.

This range of products is designed to offer refractory solutions suitable for working and safety linings in AODs, ladles, EAFs and BOFs, ensuring performance, durability and energy efficiency in all steelmaking processes.

Magnesia-Carbon bricks
Magnesite concretes
Magnesia-Alumina-Carbon bricks
Alumina- Magnesite-Carbon bricks
Magnesite masses for spraying, shotcreting, and patching

VALUE CHAIN AND PRESENCE AROUND THE WORLD

[47. b, c]



SUPPLIERS

Kelsen follows a hiring strategy that **aims to work with the best suppliers** and business partners to meet existing needs, including **ESG** (environmental, social and governance) **objectives** as long as they are linked to compliance with applicable internal and external regulations. In this regard, responsible value chain management aims to:

- Compliance with commercial criteria
- Full technical compliance with the requested scope
- Highest product quality
- The best possible economic conditions, contributing to the company's results
- Compliance with all legal obligations, including labour, environmental and activity-specific obligations
ales, ambientales y aquellas específicas de la actividad

In line with this strategy, Kelsen prioritises the **selection of local and European suppliers**. This is due to several factors: geographical proximity facilitates logistics and communication, supports the local economy, generates greater trust and security in transactions, and reduces risks associated with the supply chain.

Currently, **92% of raw materials are purchased from European suppliers**, with most transactions involving Spanish suppliers.

Kelsen also has a **Sustainable Purchasing Policy**, through which it is committed to select suppliers who share its ethical, social and environmental commitments. This policy seeks to ensure that all purchasing processes respect the principles of ethics, integrity, equal opportunities and free competition.

Priority is given to suppliers who demonstrate **good environmental practices** and a firm commitment to sustainability. The policy also guarantees **respect for human and labour rights** throughout the supply chain, ensuring fair and safe working conditions and expressly prohibiting child or forced labour.

In line with the Sustainable Purchasing Policy, given the importance of the value chain, in January 2025, the **Supplier Code of Conduct** was approved, which aims to define the minimum standards of ethical and responsible behaviour that suppliers must have in their business practices. In this regard, Kelsen is committed to provide the necessary resources for suppliers to know and understand this Code and to ensure compliance with it.

Kelsen also **evaluates all suppliers it works with**. Based on the results obtained, their continuity and alignment with Kelsen's values are assessed.



CUSTOMERS

In relation to customers, Kelsen develops its main commercial relationships through a **model of direct interaction with customers**, based on technical proximity and personalized attention to the specific needs of each steelwork. Its strategy is based on the active presence of specialized technicians who regularly visit its customers' facilities, analyze the production process, the refractory material requirements and the specific characteristics of each steelmaking process on site, and then design the plans and combinations of product shapes and qualities that best suit their needs. Complementing this work, the sales team maintains constant contact with the purchasing departments of each steelwork, with the aim of consolidating stable relationships and identifying new opportunities.

Thanks to this dual technical and commercial structure, Kelsen has managed to establish a network of solid, diversified and long-term commercial relationships with a large number of steelworks around the world. Currently, products are supplied to more than **50 countries on 4 continents**, with a presence in both, established markets and regions undergoing continuous expansion. This extensive international coverage has enabled Kelsen to position itself as a benchmark in the sector, adapting to different production and regulatory contexts and strengthening its ability to respond to the demands of customers of very diverse scale and operational complexity.

QUALITY, RESEARCH AND INNOVATION

Kelsen has a strong quality department in order to offer customers top-quality products that perfectly meet their needs. This department has a technical team of refractory experts dedicated to the constant improvement and innovation of products to keep them up to date with the market. The organization firmly believes that it should offer the

market products of exceptional quality, continuously carrying out laboratory tests on both finished products and raw materials received, thus guaranteeing optimum quality at all stages of the process.

933

N° of raw
material tests

1,129

N° intermediate
product testing

3,488

N° final product
testing

1.2

FUTURE PRACTICES, POLICIES AND INITIATIVES FOR THE TRANSITION TO A MORE SUSTAINABLE ECONOMY

[26. a, b, c; 47.d; 27; 48; 49]

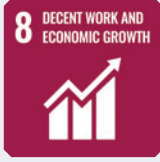
Kelsen recognizes that the responsible use of natural resources is a fundamental element in its manufacturing process, which means that **environmental management is a strategic priority integrated into all its operations**. The company places great importance on the constant monitoring of key performance indicators and sets clear objectives that enable it to move towards increasingly efficient and sustainable production.

With the aim of ensuring consistency with its corporate strategy, Kelsen has developed a **sustainability policy** that establishes a common framework for action, integrating environmental, social and governance [ESG] principles and commitments into all its activities, processes and decisions. This policy, available internally or upon request, aims to ensure that products are manufactured in a responsible, efficient and environmentally friendly way. It also serves as a guide for decision-making and establishes common criteria to guide organizational behaviour in key areas such as environmental protection.

Kelsen continuously assesses the current and future effects of its activities on the environment, as well as on the health and safety of its employees. The company **identifies and manages environmental risks** associated with the manu-

facture of its products, implementing measures to minimise impacts, optimise resource use and reduce emissions. To reinforce this commitment, the company has a **team specialising in ESG management** and has recently created a new position dedicated exclusively to sustainability.

In this context, Kelsen integrates **sustainability into its business strategy, aligning its initiatives and objectives with the SDGs** most relevant to the sector. With special emphasis on those linked to climate action, responsible production and consumption, the use of affordable and non-polluting energy, occupational health and safety, industrial innovation and quality education. The Sustainable Development Goals [SDGs] are a global initiative of the United Nations that seeks to promote economically, socially and environmentally sustainable development around the world. Established in 2015 as part of the 2030 Agenda, the SDGs include 17 goals from innovation and responsible industry to climate action and sustainable consumption.

SDG	How does Kelsen contribute to achieving this?	Kelsen's contribution in 2025
	Promoting the procurement of raw materials from local suppliers in order to generate a socio-economic impact in the communities in which it operates.	79% of raw material purchases from local suppliers.
	- Committing to occupational health and safety as a strategic pillar. - Having a robust Occupational Health and Safety System certified according to the ISO 45001 standard. - Training employees in Occupational Health and Safety.	- ISO 45001 Occupational Health and Safety Management System certification. - Culture of prevention.
	- Offering training tailored to employees' needs to help them maximise their skills and enhance their professional development. - Establishing agreements with universities and study centres to offer internships to students, maximising their employability and helping them integrate into the labour market.	19 average hours of training per employee per year. 14 students on work placements.
	- Guaranteeing equal opportunities and recognising people for their worth and professionalism. - Creating an inclusive working environment that respects diversity in all its forms.	- Equality plan. - Equality committee. - Protocol against sexual or gender-based harassment.
 	- Collaborating on R&D projects that contribute to achieve a more efficient use of energy resources. - Installing solar panels to increase the consumption of renewable energy. - Optimizing energy consumption in the production process.	- H-Acero Project. - Solar panel installation project. - Optimization of natural gas consumption in the firing furnace.
	Boosting the development of the local business community by promoting local purchasing and subcontracting and training professionals from the local community to increase their employability.	92% of the tonnes of raw materials purchased are bought from European suppliers. - In countries where the products are sold, local agents are available for their commercialization.

SDG	How does Kelsen contribute to achieving this?	Kelsen's contribution in 2025
 	- Promoting the circular economy. - Reducing the environmental impact of waste generated and air quality. - Implementing an Environmental Management System in accordance with ISO 14001 certification. - Promoting the selection of suppliers with best environmental practices.	10% of the raw materials used are recycled. - Periodic measurements of noise and particle emissions are carried out in compliance with current legislation. - ISO 14001 certified. - ISO 50001 certified. - All suppliers are evaluated.
	- Optimizing the use of energy resources in the Company's activities through measures such as: energy audits, preventive maintenance of machinery, installation of more efficient lighting, optimization of the production process. - Promoting the fight against climate change by setting emission reduction targets. - Collaborating in R&D projects that contributes to achieve a more efficient use of energy resources.	- ISO 50001 certified. - Annual energy audits. - Installation of more efficient lighting. - Definition of emission reduction targets in the Sustainability Policy. - H-Acero Project.
	- Having a Code of Ethics that reflects the Company's commitment to act in accordance with legislation, human rights and internationally accepted ethical practices in all its operations. - Providing a Whistleblowing Channel through which anyone can report activities that violate the Company's ethical and regulatory framework and other applicable legal provisions. - Demanding environmental, human rights and health and safety requirements on suppliers and subcontractors. All of this is set out in the Supply Chain Code of Conduct.	- Existence of a Code of Ethics. - Training for employees in the Code of Ethics and its content. - Existence of a Code of Conduct for suppliers. - Existence of a Whistleblowing Channel.

In addition to the company's initiatives aligned with the Sustainable Development Goals [SDGs], Kelsen has established **specific and measurable objectives in the main areas of action in terms of sustainability**, environmental, social and governance management

In the **environmental area**, Kelsen is committed to reduce its main energy consumption, such as electricity and natural gas, as well as increase the use of renewable energy and reduce the associated scope 1, scope 2 and scope 3 emissions by 2030, based on 2023 figures.

In the **social area**, the company seeks to promote a safe, inclusive and equitable working environment, to ensure that all employees receive the necessary training to perform their

duties safely and effectively, promote respect for labour and human rights, and ensure that working hours comply with the maximum limits established in the applicable agreement for at least the next five years.

Finally, in the **area of governance**, Kelsen ensures that all complaints received through the ethics channel will be addressed and resolved in an appropriate and transparent manner. It also undertakes to organize at least one annual meeting with the entire workforce to communicate the main milestones of the year, reinforcing the company's commitment to transparency and promoting the active participation of employees in the continuous improvement of corporate processes and practices.

	Existing practices and policies	Practices, initiatives, future policies	Sustainability goals	Public availability
CLIMATE CHANGE	• Management System Policy • Sustainability Policy • Sustainable purchasing policy • Significant investment in energy efficiency improvements [heat exchangers, lighting, etc.] • Prioritising suppliers who demonstrate best practices in energy efficiency	• Promote the use of renewable energy • Maintain investment in new energy efficiency solutions	• 15% reduction in electricity consumption • 10% reduction in gas consumption • 8% reduction in A1 emissions • 15% reduction in A2 emissions • 15% reduction in A3 emissions	Available upon request
POLLUTION	• Management System Policy • Sustainability Policy • Compliance with current regulations [Regulatory Emissions Control Report]	• Implement measures to minimise NOx, SOx and particle emissions		Available upon request
WATER	<i>Aspect considered immaterial in Kelsen's own operations.</i>			
BIODIVERSITY AND ECOSYSTEMS	<i>Aspect considered immaterial in Kelsen's own operations.</i>			
CIRCULAR ECONOMY	• Management System Policy • Sustainability Policy • Use of 13% recycled raw materials	• Increase the use of recycled dolomite • Start-up of the waste management and recovery plant		Available upon request
OWN STAFF	• Management System Policy • Sustainability Policy • Code of Ethics • Whistleblowing Channel • Equality Policy • Equality Committee • Implementation of anti-stress shifts • Promote training • Reduce health risks by replacing raw materials	• Encourage automation investments to improve plant safety conditions	• Maintain the percentage of employees with disabilities at 2% • Use 100% of available training credits • Guarantee a maximum working day of 1,681 hours during the term of the agreement	Available upon request
WORKERS IN THE VALUE CHAIN	• Code of Conduct for suppliers • Sustainable purchasing policy • Code of Ethics • Evaluate all suppliers • Ensure that all suppliers comply with the provisions of the Supplier Code of Conduct	• Implement more criteria in supplier evaluations		Available upon request
AFFECTED GROUPS	<i>Aspect considered immaterial in Kelsen's own operations.</i>			
CONSUMERS AND END USERS	• Code of Ethics • Whistleblowing Channel			Available upon request
BUSINESS CONDUCT	• Management System Policy • Code of Ethics • Whistleblowing Channel • Annual meetings with all staff members		• Resolve 100% of complaints received through the whistleblowing channel • Hold an annual meeting with all staff members • 100% attendance by employees at annual meetings	Available upon request

DOUBLE MATERIALITY ASSESSMENT

Despite not being mandatory, taking into account its size and characteristics, Kelsen has carried out a study based on the Double Materiality proposed by CSRD, in line with the company's scale and activity. Kelsen considers that the materiality analysis is essential in order to identify and reflect the company's strategic priorities and its most relevant impacts in terms of sustainability.

In line with the CSRD Double Materiality analysis proposal, the analysis has been carried out from a dual perspective; impact materiality and financial materiality:

- **Impact materiality:** assesses how the Company's activities affect, both positively and negatively, the environment and people over the short, medium, and long term.

- **Financial materiality:** assesses how the external environment influences the Company's development, financial position and performance, cash flows, access to finance, and cost of capital.

The double materiality assessment was conducted in the following phases:

PHASE 1: Analysis of the Company's internal and external context, value chain, and stakeholders

The objective of this phase was to develop a comprehensive understanding of Kelsen's business context and operations. To this end, both an internal and an external analysis were carried out. The internal analysis reviewed Kelsen's activities and their implications, while the external analysis assessed the industry's current landscape, including competitors, market analysts, sustainability initiatives, and other relevant external developments.

As part of this process, Kelsen's value chain was mapped, covering both upstream and downstream activities. This analysis provided an initial identification of the potential impacts, risks, and opportunities (IROs) to be assessed in the subsequent phase, as well as the value chain stages where they are expected to occur.

PHASE 2: Identification of potentially material impacts, risks, and opportunities

Based on the findings of the contextual analysis, a list of potential impacts, risks, and opportunities was established and subsequently assessed. Impacts were classified according to whether they are positive or negative, actual or potential, while the relevant time horizons and the value chain stage where each IRO occurs were also determined.

PHASE 3: Assessment of potentially material impacts, risks, and opportunities

The IROs identified in the previous phase were assessed by integrating the evaluations carried out by Kelsen's different areas of expertise.

For impact assessment, the severity of each impact was first evaluated on a scale from 1 to 5, indicating the extent to which an impact is, or could be, adverse or beneficial. Subsequently, impacts were assessed against additional criteria, also on a scale from 1 to 5, including irremediability (measuring the degree of difficulty in remedying the consequences of a negative impact), likelihood (indicating the probability that a potential impact will occur), and scope (measuring the geographical area or the number of people potentially affected by the impact).

For the assessment of risks and opportunities, both the magnitude and the likelihood of each risk and opportunity were evaluated. Magnitude was assessed on a scale from 1 to 5, reflecting the extent to which each risk or opportunity could have a financial effect on Kelsen, while likelihood measured the probability of it materialising.

Finally, based on the analysis carried out, the following result was obtained:



2 COMMITTED TO THE PLANET



2.1 ENERGY AND GREENHOUSE GAS EMISSIONS

ENERGY CONSUMPTION AND USE OF RENEWABLE ENERGIES

[29]

Kelsen uses **various energy sources** in its production process, like natural gas, electricity, and diesel or gasoline, used in both fixed facilities and mobile equipment. Currently, natural gas represents 80% of the energy mix, followed by electricity at 19% of the total, while gasoline consumption is minimal, representing only 1% of the total.

With the aim of improving energy efficiency, Kelsen closely **monitors the consumption of each source**, identifying optimization opportunities and designing specific measures for savings and efficiency. The following table provides a consolidated overview of Kelsen's energy consumption by source in kWh.

Source	Renewable	Non-renewable	Total
Electricity	330,059	9,026,525	9,356,584
Diesel and Gasoline	-	80,316	80,316
Gas	-	38,444,197	38,444,197

As part of its efforts to reduce non-renewable energy consumption, Kelsen invested in 2024 in the **installation of photovoltaic** panels at its facilities. This initiative aims to increase the use of renewable energy and contribute to decarbonization. Thanks to this investment, **electricity from renewable sources now represents 3.5%** of the company's total consumption, equivalent to 330,059kWh.

Following its commitment to continuous improvement in energy efficiency, Kelsen obtained the ISO 50001 certification [Energy management] in 2025.



GREENHOUSE GAS EMISSIONS

[30. a, b; 31; 50; 51; 52; 53]

The carbon footprint describes the total amount of CO₂ and other greenhouse gas emissions (GHG emissions) directly or indirectly generated by Kelsen's activities. There are different methodological frameworks that outline emission calculation methods. In Kelsen's case, the guidelines of **ISO 14064-1:2019** and the recommendations provided by the **GHG Protocol** were followed to calculate the organization's carbon footprint.

In line with the company's sustainability commitments, Kelsen has calculated all **direct and indirect emissions generated at its facilities** and across the cradle-to-gate value chain, up to the Kelsen's client door.

In the 2025 year, Kelsen's total carbon footprint reached **132,572 tCO₂e**, with Scope 3 emissions being the most significant at 123,156 tCO₂e, or 92.9% of the total. Scope 1 emissions followed with 7,150 tCO₂e, representing 5.4% of the total, while Scope 2 emissions accounted for 1.7%, equivalent to 2,266 tCO₂e.

For the calculation of **Scope 1 emissions**, the following sources of combustion were considered:

- Stationary combustion
- Mobile combustion
- Refrigerant gases

For the calculation of **Scope 2 emissions**, electricity consumption was taken into account.

Finally, regarding the **Scope 3 emissions**, the following categories¹ were included, the purchase of raw materials being the most significant source [84.2% of total emissions]

- Purchased goods and services
- Fuel and energy related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travels
- Employee commuting
- Downstream transportation and distribution

To promote transparency and ensure that Kelsen's emissions are publicly available, the emissions are submitted annually to the Spain's Environmental Agency-Ministry for Ecological Transition and the Demographic Challenge (MIT-ERD) for its publication. The carbon footprint calculation [Scope 1, Scope 2 and Scope 3] for 2023 is currently published and the 2024 and 2025 data will be reported once they become available.

Additionally, greenhouse gas emission intensity is a key indicator for evaluating the environmental performance of Kelsen's operations, as it relates emissions to the level of production activity. During the period under review, the emission intensity was 0.002 t CO₂e per € million of revenue², serving as a reference value for monitoring and analyzing environmental performance.



¹ The remaining categories of the GHG Protocol were not included in the calculation, as a **cradle-to-gate approach** up to Kelsen's warehouse was followed, and due to the low relevance of certain categories and the difficulty of obtaining reliable data. Efforts are underway to consider expanding the scope in future calculations.

² **Formula used:** GHG gross emissions [tCO₂] / € million of revenue

2.2 GHG REDUCTION AND CLIMATE TRANSITION GOALS

[54]

Decarbonization in the refractory industry represents a particularly complex challenge, as the production process requires intensive energy use and raw materials with a high environmental impact. In this context, Kelsen has established carbon footprint reduction targets linked to its environmental performance and aligned with its **Management System Policy** and **Sustainability Policy**, in line with the United Nations Sustainable Development Goals (SDGs) and the recommendations of the Intergovernmental Panel on Climate Change (IPCC). These targets are based on 2023 as the baseline year and project goals through **2030**, covering all **three emission scopes** defined by the GHG Protocol, with Scope 3 being the most critical due to the high emissions associated with the purchase of goods and services.

Additionally, Kelsen has an Industrial Decarbonization Plan 2025–2026, which defines emission reduction targets along with the actions and investments required to achieve them, the implementation timeline, and the monitoring and control mechanisms.

To ensure that the data are as representative as possible, the emissions reduction indicator has been calculated based on production volumes [tonnes produced] and product type, classified as fired and other. This approach has been adopted because the firing process requires significantly higher natural gas consumption than the remaining production processes.

Reduction goals

Scope	Emissions Intensity Indicator per Tonne of Product 2023 [tCO _{2e} / t prod.]		Emissions Intensity Indicator per Tonne of Product 2025 [tCO _{2e} / t prod.]		Variation compared with the Base Year		2030 Reduction target
	Fired	Rest	Fired	Rest	Fired	Rest	
Scope 1	0.263	0.047	0.244	0.043	-7.3%	-6.9%	8%
Scope 2	0.027	0.027	0.027	0.030	-0.1%	-0.1%	15%
Scope 3	1.555	1.555	1.446	1.446	-4.1%	-4.1%	15%
TOTAL	1.85	1.63	1.72	1.52	-4.5%	-4.1%	-

As shown in the table, Scope 1 emissions intensity per tonne of product decreased by 6.9%–7.3% for both fired and other product categories. This reduction was achieved through improvements and optimisation of the production process, bringing the Company close to meeting its 2030 emissions reduction target.

Regarding Scope 2, a slight decrease [-0.1%] was observed, driven by improvements in the energy efficiency of the company's processes. These improvements resulted from the implementation of various mitigation and effi-

ciency measures, including the replacement of compressors, the upgrade of conventional lighting to LED technology, and the optimization of logistics processes to reduce electricity consumption.

However, the reduction in emissions was lower than expected due to an approximate 4% increase in electricity emission factors during the reporting period, which partially offset the benefits achieved through the energy efficiency improvements.

In addition to measures aimed at reducing the plant's overall energy consumption, two electric vehicle charging points have been installed to encourage sustainable employee mobility and prepare the facilities for future demand.

During 2025, these initiatives delivered positive results, reflected in a 4.6% reduction in specific electricity consumption per tonne of product manufactured, demonstrating an improvement in the energy efficiency of the Company's operations.

Regarding Scope 3 emissions intensity per tonne of product, a 4.1% reduction was achieved compared with the base year, meeting the Company's established emissions reduction target.

Alongside these efforts, the company is transforming its production processes through innovative practices that promote a circular economy and help significantly reduce its carbon footprint. A key focus is on **increasing the use of recycled dolomite**, since dolomite sinter accounts for 77% of Scope 3 emissions from purchased goods and services in 2025, representing 92.9% of the company's total Scope 3 emissions. Thanks to the planned waste recovery plant, dolomite recycling will be possible, increasing the proportion of secondary raw materials in production formulas and substantially reducing emissions associated with raw material extraction.

Kelsen is also involved in the H-ACERO research project, funded by the Basque Government (Hazitek) and co-funded by the European Regional Development Fund (ERDF), which aims to achieve climate neutrality in the steel industry through innovative technologies and processes that make intensive use of hydrogen. Supported by the Basque Hydrogen Corridor and the sectoral hydrogen forum, leading Basque companies, including Kelsen, have come together to address the challenge of reducing CO₂ emissions in steelmaking.

The strategic goal of H-ACERO is to advance the decarbonization of the steel sector by using hydrogen as an alternative energy source at various stages of steel production. To this end, the consortium is developing advanced technologies and new materials, including refractories, to enable more sustainable steel production.



2.3 CLIMATE RISKS

[57; 58]

Kelsen has identified that one of the main climate-related transition hazards affecting the company is the **increase in environmental temperature**, considered a chronic hazard resulting from long-term climate change. This hazard creates physical risks both for employee health and for the production process: sustained temperature increases can cause heat stress or other health issues for employees, while higher temperatures and humidity can affect the efficiency of refractory manufacturing processes and product quality.

Kelsen also remains alert to potential **acute hazards**, such as extreme heat waves, which could temporarily impact worker safety and product quality.

To assess the exposure and sensitivity of its assets, operations, and value chain, Kelsen has monitored temperature and humidity conditions across its production facilities and

analyzed how these variations affect both refractory production and employee well-being. Over the past 2–3 years, these analyses have highlighted a clear trend of rising temperatures within the facilities.

In response to this situation, the company has implemented **climate change adaptation measures**, including actions to protect employee health, such as the use of wristbands to detect potential heat stress, the installation of air-conditioned cabins, the addition of new windows in production areas, and the development of a heat management protocol.

On the production side, adjustments have been made to formulas and manufacturing processes to mitigate the effects of higher temperatures and humidity levels, ensuring both the continuity and quality of production.

2.4 AIR, WATER AND SOIL POLLUTION

[32]

At Kelsen, air emissions, noise, and soil pollution are carefully controlled to comply with local environmental regulations and to protect the surrounding environment. To support this, the company has made several **strategic investments** at the plant, including the automation of additive dosing and the reorganization of production areas, among others. Currently, no pollutants are discharged into water or soil.

Regarding the air emissions, the company carries out regular inspections to obtain the **Regulatory Atmospheric Emissions Control Report**, an official document verifying that emissions comply with legal limits. The report specifically measures carbon monoxide (CO), nitrogen oxides (NO_x), total volatile organic compounds (TVOCs), and particulate matter. This monitoring helps to **ensure regulatory compliance** and supports the company's sustainability commitments by reducing the environmental impact of operations. The data is publicly available at the following link: [Other air emissions](#)

2.5

BIODIVERSITY

[33; 34]

The production plant of Kelsen is **not located within a protected area**. According to the official mapping of the Natura 2000 Network, the plant is not located within any SCI/SAC/SPA. The closest protected sites are:

- Hernio- Azume: 7.4 km from the plant [SAC/SCI ES2120008]
- Pagoeta: 9.2 km from the plant [SAC/Natural Park ES2120006]

Based on this assessment, the impact on **biodiversity is not considered a material issue** for Kelsen.

Regarding land use, Kelsen operates a refractory manufacturing plant covering approximately 20,310 square meters. The following provides details on how the land occupied by this plant is utilized.

Type of land use	Area [m2]
Total sealed surface	20,310 m2
Total on-site surface classified by natural cover	-
Total off-site surface classified by natural cover	-
Total land use	20,310 m2

2.6

WATER CONSUMPTION

[35; 36]

Water use at Kelsen **is not considered a significant environmental issue**, as it is not required at any stage of the production process. Water is used only for routine office activities, making its overall consumption insignificant compared to other resources. Additionally, Kelsen’s operations are not located near areas of high water stress.

Given the low-intensity nature of this water use, there is currently no need to set specific reduction targets in this area. Nonetheless, in line with the company’s commitment to sustainability and regulatory compliance, URA, the Basque Water Agency, conducts **periodic measurements** of water discharged into the public network. The results **confirm that Kelsen complies with the legal limits for effluent quality**, ensuring responsible and sustainable management of this water resource.



2.7

RESOURCE USE, CIRCULAR ECONOMY, AND WASTE PREVENTION AND MANAGEMENT

[37; 38. a, b, c]

WASTE

Waste management and treatment is a key pillar of Kelsen’s operations. The company is currently undergoing a production transformation to adopt innovative practices that promote a circular economy, focusing on increasing the use of valorized dolomite. In recent years, the use of secondary dolomite has steadily grown, reaching 10% in 2025, in line with the market trend towards products with a higher content of secondary raw materials.

Additionally, all material rejected on-site for quality reasons is reused in the production process, preventing waste generation. These initiatives places Kelsen as a strategic partner for customers seeking sustainable solutions that align with their own environmental objectives.

As part of this strategy, Calcinor, the group’s parent company, has invested in the installation of a **waste management and valorization plant** designed to transform industrial waste into new construction products, including the recycling of refractory materials. The plant is expected to enable dolomite recycling, allowing it to be reused in the production process and increasing the proportion of recovered material in product formulations.

The valorization of refractory waste involves a process of sorting, crushing, proper storage, and subsequent quality control, ensuring that the valorized material meets the technical standards required for reuse. Through this approach, Kelsen aims to **reduce the environmental impact** associated with the processing and transport of virgin raw materials, decrease the amount of waste sent to landfill, improve the traceability of material flows, and promote circular economy solutions and practices.

In addition to valorized refractory waste, other types of waste are generated during Kelsen’s production process, which are classified as hazardous or non-hazardous.

All waste is collected and managed by local waste operators located near Kelsen’s facilities, helping to minimize emissions from transportation. These operators apply the most appropriate treatment for each type of waste, based on its characteristics and potential for valorization or recycling. Thanks to this approach, **63.63% of the total waste generated** (both hazardous and non-hazardous) **is valorized**, contributing to a reduction in environmental impact.

Hazardous waste	Non-hazardous waste
70.2 t	483.5 t

RAW MATERIAL CONSUMPTION AND MEASURES TO IMPROVE THE EFFICIENCY OF THEIR USE

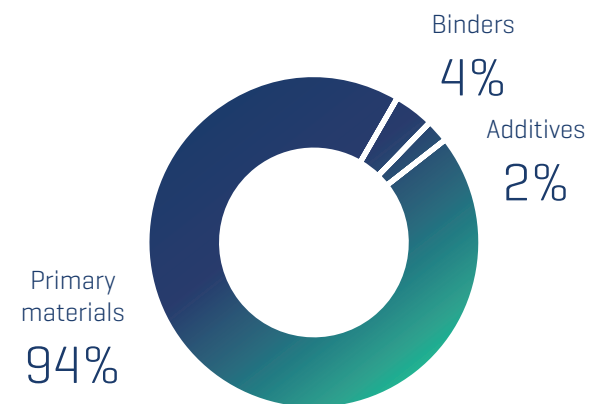
Raw materials are at the **heart of Kelsen's operations**, forming the basis of its products and directly influencing the performance of bricks and refractory masses. All incoming raw materials are carefully **tested in the laboratory** to ensure they meet the required quality standards for production.

Among the raw materials used, sintered dolomite stands out. It is supplied by Calcinor, the group's parent company, which provides the **highest-purity sintered dolomite** on the market. This intra-group relationship ensures full material traceability and allows for operational synergies, positioning Calcinor as a benchmark in the sector thanks to its strong energy efficiency performance.

As a result, the environmental impact associated with sourcing is reduced, and CO₂ emissions per unit of product are minimized, further establishing Kelsen as a reference point for sustainability and efficiency within its sector.

Besides dolomite, Kelsen uses a range of raw materials, which can be grouped into: primary materials (magnesite, alumina), binders (carbochemical, petrochemical, paraffinic), and additives (antioxidants, catalysts, lubricants, plasticizers, etc.). Ensuring high quality across all these materials is essential to maintain the consistency and performance of the final products. The following section shows a **breakdown of consumption by material type**.

Consumption by raw material type



In line with Kelsen's sustainability strategy, secondary raw materials are also incorporated into its products. Currently, **10% of the raw materials used are of recycled origin**.



3 WE ARE PEOPLE



3.1 GENERAL CHARACTERISTICS OF THE WORKFORCE

[39. a, b, c; 40; 59; 60]

Kelsen's main focus is to attract and retain talent by promoting equal opportunities, diversity, and inclusion throughout the company. The organization also aims to make a positive impact on local communities by providing jobs and growth opportunities for people in the surrounding

area. On average, employees live just 27 kilometers from the plant, which helps strengthen ties with the community and support local development.

KEY INDICATORS



On 31 December 2025, Kelsen employed a total of **136 people**, all working in Spain at the Aduna [Gipuzkoa] facility. The following table provides a breakdown of employees by gender and contract type, including the gender distribution at management level¹, which is 71.5% men and 28.5% women.

Gender	Temporary employees	Permanent employees
Male	1	115
Female	-	20
Total	1	135

As shown in the table, one of Kelsen’s key commitments to its employees is providing secure employment, reflected in the high proportion of permanent contracts, which accounts for **99% of the workforce**.

³ **Formula used:** number of female employees at management level/ number of male employees at management level.
⁴ In Spain, current legislation recognizes only **two gender categories: “male” and “female”**, so this report presents data classified under these two categories only.

Given the nature of the company’s operations, with a large proportion of staff working in the plant compared to the offices, there is a clear difference in gender distribution across the workforce. Currently, men represent 85% of all employees, while in the office, women represent 46%, showing a stronger female presence in that area.

To promote greater gender balance across the company, Kelsen is actively working to increase female representation in plant roles.

During the period, some workforce adjustments were made, resulting in an employee turnover rate of 3.01%⁵.

Additionally, a breakdown of temporary workers hired through temporary employment agencies and who provided services to the company during the reporting period is included.



Workforce categories	Number of workers
Total number of self-employed workers dedicated exclusively to the company	-
Total number of temporary workers supplied by employment agencies	13

3.2
HEALTH AND SAFETY

[41. a, b]

Employee health and safety is one of **Kelsen’s core priorities**, with a strong focus on employee wellbeing and maintaining a safe working environment. To support this, Kelsen has implemented an occupational health and safety management system, certified under **ISO 45001**, ensuring compliance with the most demanding international standards.

RISK MANAGEMENT AND
PREVENTIVE PLAN

Kelsen conducts **general and job-specific risk assessments** that enable the identification of potential hazards and the establishment of appropriate preventive measures. It also maintains a comprehensive **emergency plan** that is periodically updated.

To reduce the risks associated with handling hazardous substances, Kelsen has developed detailed **safety procedures**, which provide clear guidance on accident response, proper material handling, and protection against chemical and physical hazards. The company is also working to **replace hazardous raw materials with safer alternatives**, further reducing employee exposure and ensuring safer handling practices.

⁵ **Formula used:** [Number of employees who left de company during the reporting year/Average number of employees during the reporting year] * 100

In addition, all employees receive **ongoing health and safety training**, covering:

- General workplace risks
- Noise exposure risks
- Preventive measures for employees, including PPE use, medical check-ups, specific analyses, and personal hygiene recommendations
- Chemical exposure risks

This training is mandatory for all employees and is regularly updated to incorporate new safety practices and regulatory changes.

To identify potential risks and ensure that appropriate preventive measures can be taken, Kelsen conducts regular **medical check-ups** for all employees, ensuring they are in optimal condition to perform their duties.

In addition to its own staff, Kelsen has **implemented measures to safeguard the health of external workers**, managed through an internal platform to ensure that they are properly trained and comply with the company's health and safety requirements on-site.

WORK-RELATED ACCIDENTS AND ILLNESSES

Regarding accidents, a total of 5 accidents were recorded during 2025.

The recordable incident rate is presented below, reflecting all workplace incidents reported during the reporting period. It is worth to mention that no serious injuries were recorded, demonstrating the company's ongoing commitment to employee safety and wellbeing.

Recordable incident rate⁶:

4.8

⁶ Formula used: [number of work-related accidents during the reporting year/ total annual hours worked by all employees] * 200.000

3.3 COMPENSATION, COLLECTIVE BARGAINING, AND TRAINING

[42. a, b, c, d]

COMPENSATION AND COLLECTIVE BARGAINING

Kelsen's compensation model is based on the principles of pay transparency, equality and non-discrimination, full compliance with applicable legal requirements, and the adoption of the best national standards and practices in this area.

The **compensation of plant employees is determined in accordance with the current collective bargaining agreement signed in 2024**, which is valid for a four-year period. The collective bargaining process is conducted through a collective bargaining committee that includes employee representatives. Nine company employees are members of the bargaining committee, ensuring the direct representation of the workforce's interests throughout the negotiation process with the company and the trade unions.

In the case of Kelsen, the company has its own collective bargaining agreement covering plant employees, who represent approximately **70%** of the total workforce. The remaining employees, primarily office staff, are employed under individual employment agreements that include provisions similar to those set out in the company's collective bargaining agreement.

The agreement guarantees the right to fair remuneration in accordance with applicable law. The **average salary exceeds Spain's minimum wage**, and the lowest salary under the agreement is set at 89.6% above the statutory minimum wage.

EQUALITY

Regarding gender equality, Kelsen's commitments are outlined in the **Equality Plan**, in force until 2025. This cross-cutting plan sets out an organized set of objectives and measures covering areas such as career development, training and skills development, and working conditions, among others. The plan is overseen by the **Joint Equality Committee**, which includes representatives from both Kelsen and the trade unions.

In addition, to ensure a safe, respectful, and harassment-free working environment, Kelsen has implemented an **Anti-Harassment Protocol** and a confidential, accessible **Whistleblowing Channel**, available to all employees as well as external stakeholders. The channel includes dedicated

procedures for reporting and handling cases of workplace harassment, sexual harassment, harassment or violence based on sex, and harassment or violence against LGBTI individuals, while ensuring the protection of reporting persons and the prompt and diligent handling of all reported cases.

Considering average salaries by gender, pay parity between men and women has been verified. A slight difference in salaries exists, which is primarily due to the fact that the majority of plant operators are men. Because of the nature of plant work, such as shift work, hazard pay, and other position-related allowances, their remuneration is higher than that of office staff, where there are more women.

TRAINING

Training and professional development are essential at Kelsen, as they provide employees with the knowledge and skills needed to perform their tasks safely and efficiently. To this end, an **annual training plan** is developed, outlining all the training needs of plant employees. The plan schedules courses throughout the year, covering topics such as occupational health and safety, quality, and equipment-specific training [e.g., forklifts, overhead cranes, etc.].

For office employees, the training plan is tailored to the specific requirements of each role.

In addition, Kelsen maintains close collaboration with academia through cooperation agreements with universities and educational institutions. These partnerships enable the **placement of interns**, the development of joint projects, and knowledge exchange, helping to identify young talent and build a pipeline of future professionals. Furthermore, these collaborations strengthen the company’s connection with the educational environment, fostering innovation and supporting the development of skills aligned with the real needs of the labour market.

DETAILS OF TRAINING HOURS DELIVERED

Gender	Hour per employee
Male	11.4
Female	62.9

3.4 HUMAN RIGHTS POLICIES, PROCEDURES AND SERIOUS INCIDENTS

[61. a, b, c; 62. a, b, c]

Kelsen has a **human rights framework** designed to **prevent, mitigate, and manage any risk of violations**. The framework is structured around three key elements:

- **Code of Ethics:** Sets out the company’s ethical principles, values, and commitments, promoting a responsible corporate culture. Approved in 2021 by the Board of Directors, it is regularly updated and publicly available on the website of Kelsen’s parent company, Calcinor. The Code outlines commitments in the following areas:

- **Professional development:** Promoting growth and training opportunities for all employees.
- **Equality and non-discrimination:** Ensuring fair treatment and inclusion.
- **Respect for individuals:** Maintaining a safe, harassment-free work environment.
- **Social responsibility and sustainability:** Integrating environmental and social considerations into daily management practices.

- **Supplier Code of Conduct:** Sets out the ethical principles and standards of conduct that all suppliers must follow, ensuring alignment with Kelsen’s values. All suppliers working with Kelsen are required to sign the Code. Key areas covered include:

- **Ethical principles and compliance:** Respect for applicable regulations, prohibition of extortion, bribery, or corruption, provision of accurate information about operations, and cooperation with Kelsen’s information requests.
- **Social responsibility:** Respect for international human rights, prohibition of child or forced labour, ensuring safe working conditions, and integration of equality principles and freedom of association.

- **Environmental sustainability:** Compliance with environmental regulations, adoption of sustainable practices, and promotion of improvements in resource efficiency.

- **Whistleblowing Channel:** The reporting channel is accessible and confidential, enabling the reporting of any concerns related to human rights, ethical conduct, or regulatory compliance, whether involving Kelsen employees or third parties. The channel ensures that all reports are handled diligently and impartially, that appropriate corrective actions are taken where necessary, and that reporting individuals are protected. In particular, Kelsen expressly prohibits any form of direct or indirect retaliation against individuals who report potential misconduct in good faith. The company also ensures the confidentiality of the reporter’s identity and the information provided, in accordance with applicable laws and regulations. In 2025, no reports were received and no incidents were confirmed involving human rights violations [including child labour, forced labour, human trafficking, discrimination, or other related issues].

Through these mechanisms, Kelsen prevents, manages, and addresses potential negative human rights impacts, **ensuring compliance with fundamental ILO principles**, including the prohibition of forced or child labour, elimination of discrimination, freedom of association, and the right to collective bargaining. In doing so, the company fosters an ethical, safe, inclusive, and sustainable workplace, integrating human rights protection into all its operations.

4 GOVERNANCE



ANTI-CORRUPTION AND ANTI-BRIBERY

The prevention of **corruption, bribery, and money laundering** is one of Kelsen's key compliance priorities. Accordingly, the Company maintains a zero-tolerance approach towards any actual or suspected cases of corruption, bribery, or money laundering.

To uphold this commitment, Kelsen has adopted a **Code of Ethics** that requires all employees and business partners to act in accordance with the principles of integrity, honesty, and transparency in all business activities. The Code defines compliance responsibilities and includes specific guidance for the identification, prevention, and appropriate management of risks, including those associated with corrupt practices and money laundering.

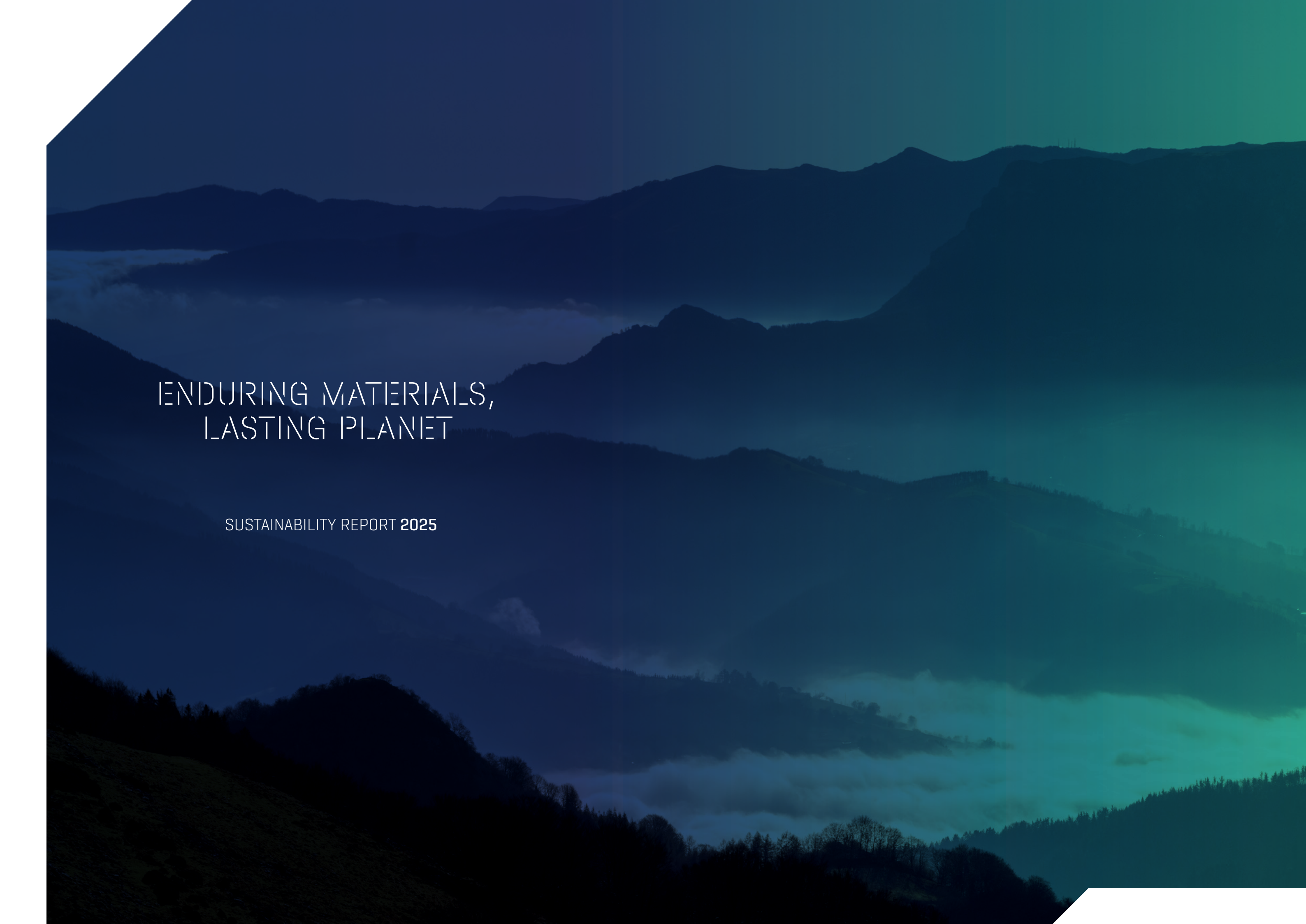
In addition, Kelsen has implemented a **Payment Control and Authorisation Procedure** designed to strengthen internal control mechanisms by ensuring due diligence, traceability, transparency, and compliance with applicable legal requirements for all financial transactions. Particular attention is given to the identification of unusual transactions or activities that may be associated with money laundering or terrorist financing risks.

As an additional control mechanism, Kelsen operates a confidential, accessible, and, where permitted by law, anonymous

Whistleblowing Channel, through which employees and external stakeholders may report any potentially improper conduct, including corruption, bribery, money laundering, or breaches of the Code of Ethics. The channel ensures that all reports are handled independently, impartially, and diligently, that appropriate corrective actions are implemented where necessary, and that reporting persons are protected. In particular, the Company expressly prohibits any form of direct or indirect retaliation against individuals who report concerns in good faith and guarantees the confidentiality of their identity and the information provided, in accordance with applicable legal requirements.

During 2025, no reports were received and no confirmed incidents relating to corruption, bribery, or money laundering were identified, reflecting the effectiveness of the Company's preventive measures and its commitment to fostering a strong culture of ethics, integrity, and compliance.

With regard to decision-making, and due to Kelsen's integration within the Calcinor Group, the Company's highest executive authority is the General Manager, who exercises executive functions within the limits of the powers delegated by, and under the supervision and direction of, Calcinor's governing body.



ENDURING MATERIALS, LASTING PLANET

SUSTAINABILITY REPORT **2025**

ENDURING MATERIALS, LASTING PLANET

SUSTAINABILITY REPORT 2025



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