



Non-Financial  
Information  
Reports  
(EINF)

**2024**

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## NON-FINANCIAL INFORMATION REPORTS (EINF)

### 1. INFORMATION ABOUT THE COMPANY

The group led by Cemide, S.L.U. hereinafter referred to as **Grupo Cuñado or Group**), is composed of a series of companies dedicated to the supply of **pipes, valves, fittings, and miscellaneous items**, necessary for certain industries: chemical and petrochemical industries, oil and gas exploitation projects, nuclear power plants, thermal power plants, metallurgical and steel industries, shipbuilding, combined cycle and renewable energy plants, the paper industry, food sector, water treatment plants, gas processing plants, etc...



The scope of our activity ranges from **material distribution** to complete projects, as well as **the provision of value-added services** (Comprehensive Supply), mainly of a logistic nature.



We are an organization with a strong international presence, **operating commercially on 5 continents** and in more than 30 countries, having carried out projects worldwide, and with active presence in 18 countries: Germany, Bolivia, Canada, Chile, China, Colombia, UAE, France, United States; Mexico, Poland, Portugal, Peru, Czech Republic, South Africa, Mozambique and Thailand.

Since its foundation, the Group has strived to meet the increasingly high standards demanded by both its clients and the relevant national and international authorities. To this end, it has a team of expert professionals in its quality division who, independent of the commercial organization, are responsible for ensuring the **QUALITY** of the products supplied.



The work of these technicians consists of the evaluation and approval of suppliers with active monitoring during manufacturing processes, the reception and storage of materials, the verification of certificates and tests, as well as the control of supply to customers. Since its inception, Grupo Cuñado has demonstrated its responsibility to the social environment of every one of its companies.

Grupo Cuñado continues its sponsorship and community support efforts, promoting values and contributing to different areas of society.

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Although the Group does not carry out transformations or manufacturing in its production process, it maintains a **strict approval process**, demonstrating its commitment to quality, serving as a market reference and achieving continuous recognition. ”



## **2. INFORMATION REGARDING RESPECT FOR THE HUMAN RIGHTS**

Grupo Cuñado has implemented an **Ethical Code of Conduct** (hereinafter, the “Ethical Code”) that includes a catalog of Ethical Principles and Conduct Standards that must govern the actions of all employees of the Group in Spain and those of its subsidiaries or affiliated companies, in everything that is applicable, which complements these regulations.

### **What is our Fundamental Ethical Principles?**

Our Fundamental Ethical Principle is the rejection of any form of corruption, ensuring unequivocally that within the companies of Grupo Cuñado and in their relationships with third parties, honest and integral behavior is observed, without any discrimination, and always complying with the established legal precepts. This is done in such a way that it is no doubt about its ethical and legal commitment, also playing special attention to those rules and recommendations specific to its business activity, while committing to permanently updating and reviewing all its internal processes to adapt them to the circumstances of each moment.

### **What is its nature?**

The nature of this **Ethical Code** is to provide a reference framework against which **any activity or violation can be measured**. All managers and employees must seek advice from their immediate superior in case of doubt regarding the ethical framework and always avoid any conduct that could harm or endanger the company or its reputation, **acting in a legal and honest manner**.

There shall be equal opportunities in access to work and in professional promotion, ensuring at all times the **absence of situations of discrimination on grounds of sex or sexual orientation, race, religion, origin, marital status or social condition**. Workers will always abide by the principle of equality and will not discriminate against colleagues, workers, managers or people with whom they interact during the development of their work activity, for any reason.

The **processes of hiring**, selection and/or professional promotion will be guided by criteria of objectivity and impartiality, always promoting equal opportunities, identifying those people who are most in line with the profile and needs of the position to be filled. Harassment, abuse, intimidation, discrimination or any other type of physical or verbal aggression will not be allowed or tolerated at work.

The company will always ensure that **people with disabilities are not discriminated against**, rejecting any conduct contrary to this principle. All employees must ensure that these situations do not occur and, those who perform management functions, will promote relationships based on respect for the dignity of others and reciprocal collaboration, maintaining a respectful work environment to achieve a positive work environment, without distinction based on position, age or any other that may be contrary to the ethical principles of Grupo Cuñado.

### **3. INFORMATION ON THE FIGHT AGAINST CORRUPTION AND BRIBERY**

The **delivery, promise or offer of any kind of payment, commission, gift or retribution to any authorities, officials or public bodies is prohibited, whether made directly to them or indirectly through persons or companies linked or intermediated to them, or whether it is addressed to the public official or employee himself or to another person indicated by him.**

This prohibition affects both **employees** of GRUPO CUÑADO, as well as **collaborators, agents, intermediaries, brokers, advisors** or any other person.

The payment of commissions, delivery of gifts or any other direct or indirect remuneration made to a third party with whom business relations are maintained constitutes a **very serious crime** that can have very harmful consequences for the company.

Therefore, the delivery, promise or offer of any kind of payment, commission, gift or remuneration to any employee, manager or administrator of other companies or entities, whether made directly to them or indirectly through persons or companies linked to them, with the aim of favoring GRUPO CUÑADO, is prohibited.



Such deliveries, promises or offers are prohibited whether they are made directly by any company of Grupo Cuñado or if they are made indirectly through partners, collaborators, agents, intermediaries, brokers, advisors or any other intermediaries.

**Any employee who becomes aware** of the commission of an allegedly unlawful act or a breach of the Code of Ethics, Employee Manual or any internal regulation, by another worker, external collaborator, supplier or customer, **must report it** immediately and directly through the Ethics or Complaints Channel in the [compliance@grupocunado.com](mailto:compliance@grupocunado.com) email.

Complaints will be dealt with in accordance with the provisions of the rules that regulate it.

- **The Compliance Body** will guarantee the confidentiality of the complaints received, without in any case adopting measures that constitute a reprisal or any type of negative consequence for having made a complaint.
- **The Compliance Body**, in view of the communication of the complaint made, will initiate the investigation procedure as established in the rules of the Whistleblowing Channel.

**All departments of the company have a duty to collaborate in this process.**

## 4. INFORMATION ON ENVIRONMENTAL ISSUES

### 4.1. Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety; Environmental assessment or certification procedures

**Environmental Management System certified according to ISO 14001:2015 by LRQA.** Certified company since 21/04/2009. Certification valid until: 20/04/2024. Certification renewal audit planned for 2-4/04/24.

The **ISO 14001 certification** guarantees strict compliance with the environmental legislation applicable to the Company (quarterly legal compliance assessment is carried out), as well as the adoption of actions aimed at continuously improving its environmental performance and minimizing possible damage to the environment.



**Grupo Cuñado's Environmental Policy** is based on the commitment to develop the company's activities with adequate respect for the environment, through compliance with all applicable environmental legal requirements and others that are voluntarily subscribed, the continuous improvement of the Environmental Management System (EMS) and the company's performance. the prevention of pollution, the commitment to protect the environment against damage and degradation, the sustainable use of resources, the development of EMMS in a way that is compatible with the company's business processes, the commitment of all the company's personnel as a key factor for the success of the Environmental Management System and the Organization, the promotion of continuous improvement in the environmental performance of the Organization, etc.

It has **15 Environmental procedures**.

**Main impacts on the environment during 2023** derive from the following environmental aspects:

- Electricity consumption: **446,180 kWh**
- Water consumption: **1,081.7 m3** (about 24.2 litres per person per day)
- Generation of non-hazardous waste: **54,925 kg**
- Hazardous waste generation: **184 kg**
- Fuel consumption: **29,730.8 litres**
- Paper consumption: **3,941.8 kg** (790,000 pages)
- Consumption of packaging raw materials (cardboard, plastic, wood, steel, PP composite textile polyester strip): **50,600.5 kg**

**Environmental incidents:** In 2023 (09/01/23) there was an outbreak of fire in a used paper and cardboard container located in the outdoor field, which was quickly extinguished, without any repercussions on the environment. No other relevant emergency has occurred, such as fire, spillage of chemicals or stored fuel, or leakage of fluorinated greenhouse gases from the air conditioning circuits (ecological gas R407C, R410A).



The Organization has been actively working over the last 5 years through **specific action plans aimed at** ensuring that the vast majority of identified environmental risks are in a tolerable situation (more than 90% as of 12/31/23), so that the **current risk level is lower than the target risk**.

#### 4.2. Some environmental achievements of the brother-in-law group

**Some actions implemented by Grupo Cuñado with significant environmental impact are presented, as an example, which can be used by suppliers, customers and other interested parties to implement these measures in their respective organizations:**

- Contracting of electricity supply with marketing companies that guarantee the supply of energy of 100% renewable origin since February 2014, with zero associated emissions of CO2 and radioactive waste in its production.

*\*Data validated by the National Commission on Markets and Competition (CNMC).*

Exceptionally, in the period 01/01/23-25/04/23 the energy consumed was not 100% renewable, but **corrective actions were taken**, and in the remaining period **until 31/12/23 100% renewable energy was consumed**, specifically from wind power.

**The Company's goal for the future is to continue to bet on the consumption of electricity from renewable sources to reduce its carbon footprint.**

Some of the achievements are:

1. Use of paper with the **EU ECOLABEL- European Flower ecolabel**, which guarantees lower emissions during the paper production process (100% of the paper consumed in 2023).
2. **Donation of** used computer equipment **to NGOs (296 kg in 2023)** as long as it can be used for a second useful life, instead of being managed directly as waste (92.2% of all electronic devices discarded in 2023).
3. **Management of 100% of hazardous waste** through authorised managers who use it for recovery through recycling or energy recovery, instead of disposal in a safety deposit. For example: empty aerosols, contaminated metal and plastic empty containers, WEEE (waste electrical and electronic equipment), contaminated absorbents, etc. **It is 184 kg in 2023.**
4. 100% of non-hazardous waste is delivered **to authorised managers to be subjected to recovery-recycling** (paper-cardboard, plastic, wood, metal scrap, debris from small works, pruning and vegetable waste from gardening, mixed packaging/mixing of containers, etc.).
5. **Reuse** of 100% of **empty toners** by 2023 through authorised companies (SIG Tragatoner), so that they do not constitute hazardous waste.
6. **Separation of pruning waste** for composting in a recovery plant, instead of being disposed of in landfill **(9,680 kg in 2023).**



7. Waste management through recovery plants instead of landfill disposal (6,520 kg in 2023).
8. **Freight transport** mainly with trucks with **ADBLUE technology** to reduce polluting atmospheric emissions.
9. Strict **compliance with** 100% applicable **environmental legislation**. Assessment of compliance with applicable environmental legal requirements carried out every 3 months.
10. **Zero environmental complaints, complaints or claims from the Administration or other interested parties in the last 10 years.**
11. 100% of the Company's employees have received **training and environmental awareness**.
12. Significant **reductions in waste generation** and raw material consumption. For example: a reduction in paper consumption **from 2,312,500 pages in 2008 to 790,000 pages in 2023**.
13. **52.0%** of Grupo Cuñado's approved suppliers already have **ISO 14001 environmental certification** (as of 12/31/23).
14. **99.1 % of the own packaging** that Grupo Cuñado put on the market during 2023 **is recyclable**.
15. **100%** of the pallets purchased for the supply of material to the customer are **reused/recovered**.
16. **Reduction** in 2023 of **5.2%** in **electricity consumption** in absolute value (kWh) compared to 2022, and 10% of electricity consumption measured in kWh/employee.
17. **Reduction** in 2023 of **51.5% in water consumption** in absolute value (m3) compared to 2022, thanks to the location and repair of leaks, and correction of the erroneous registration of the consumption meter. The reduction in this period measured in m3/employee is 54.0%.
18. **Reduction of the trend in water consumption per employee**. It has gone from a consumption of 42 L/employee.day in 2013 to **24.2 L/employee.day** in 2023.
19. **Reduction** in 2023 of **48.6%** in the **generation of non-hazardous waste** (kg/million euros in sales) compared to the average for the period 2008-2022.
20. Reduction in 2023 of **16.5%** in packaging consumption (kg/million euros in sales) compared to 2022, and **32.9%** in the period 2008-2023.
21. The **percentage of chemical substances** used that have a **hazard pictogram** has increased from 92.6% in 2018 to **13.7%** in 2023, based mainly on the replacement of solvent-based paint with environmentally friendly water-based paints, and the use of machining fluids not classified as hazardous.

In addition, in 2023 the amount (kilograms) of chemical substances used has been reduced by 1.8% compared to 2022.

22. Publication of a **Sustainability Report**, which includes relevant information aimed at promoting an improvement in the environmental performance of suppliers, customers and other stakeholders in the supply chain.

4.3. The resources dedicated to the prevention of environmental risks and the application of the precautionary principle, the number of provisions and guarantees for environmental risks.



## CONTAMINATION

Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution.

Electricity supplied by a marketing company that certifies that it is produced with renewable sources is preferentially consumed. There are therefore no CO<sub>2</sub> emissions or generation of radioactive waste associated with such energy generation.

The only CO<sub>2</sub> emissions are derived from the Company's transport vehicles. In this regard, it should be noted that vehicles with EURO V approval and ADBLUE technology are mainly used to reduce emissions. Delivery routes to customers have been optimised to minimise emissions into the atmosphere and fuel consumption. All vehicles pass the required regulatory inspections.

In the future, a truck renewal plan is beginning to be analyzed, to minimize fuel consumption and associated emissions, which tend to be higher as the age of these vehicles increases.

Energy saving and efficiency measures are implemented, such as replacing lighting with LED fluorescent tubes. Projects for the on-site generation of electricity using photovoltaic panels are beginning to be considered.



## CIRCULAR ECONOMY AND PREVENTION AND RESOURCE MANAGEMENT

Prevention, recycling, reuse, other forms of recovery measures and waste disposal; actions to combat waste foods.

100% of the waste generated, both hazardous and non-hazardous, is delivered to authorised managers for recovery (mainly recycling). No waste is delivered for disposal in landfill.

The packaging materials received with the product that are in good condition are reused by Grupo Cuñado, preventing them from becoming waste.

Objectives are set to improve the characteristics of the own packaging used to preserve the product delivered to the customer. The aim is for packaging to be preferably 100% recyclable, and in some such as packaging made of cardboard (boxes, sheets) or plastic (pallet cover, manual stretch film, automatic stretch film, raffia) it is a matter of acquiring those that contain the highest percentage of recycled raw material in their composition. In other words, it seeks to give circularity to waste to produce new raw materials.

Used computer equipment is donated to NGOs so that they can give them a second useful life and prevent them from becoming a waste of electrical and electronic equipment. For example, 296 kg of computer equipment was donated in 2023.

The toner used does not contain hazardous substances and are delivered to authorized companies that prepare them for reuse, thus avoiding the generation of hazardous waste.



## SUSTAINABLE USE OF RESOURCES

Water consumption and water supply in accordance with local constraints.  
The consumption of raw materials and the measures taken to improve the efficiency of their use.  
Direct and indirect energy consumption, measures taken to improve efficiency energy and the use of renewable energies.

Within the framework **of the Environmental Management System** implemented in the Company, water, energy and raw material consumption is continuously monitored, as well as waste generation. A **complete battery of KPIs is available to monitor the Company's environmental performance** and adopt measures towards continuous improvement. This has allowed important improvements such as the **reduction** in paper consumption indicated above.

Regarding water consumption, there has been a progressive reduction in consumption, going from 42 litres/employee. day in 2013 to **24.2 litres/employee. day in 2023**. Leak checks are routinely performed to minimize accidental water consumption.

An energy audit **has been carried out** on the facilities (last on 21/05/2021) to determine possible actions to improve their energy efficiency and reduce energy consumption. Conventional lighting has been replaced at various points in the facilities by **another type of LED to reduce consumption**. Likewise, presence/absence detectors or solar detectors are used at different points to determine the operating hours of the lighting systems.

The **company that maintains the air conditioning systems** carries out periodic controls to determine that their energy efficiency is adequate, as required by the applicable Regulations, as well as to determine that there are no refrigerant gas leaks from the circuits.



## CLIMATE CHANGE

The significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces; measures taken to adapt to the consequences of climate change; the reduction targets voluntarily established in the medium and long term to reduce greenhouse gas emissions, and the means implemented to that end.

**There are no direct greenhouse gas emissions**, since no manufacturing activities are carried out, and there are no combustion sources since electrical energy is used.

Periodic monitoring **of the air conditioning systems is carried out** to verify that there are no leaks of fluorinated greenhouse gases (R-407C, R-410A). These systems are subject to **regulatory inspections every 4 years by Authorized Control Bodies** and undergo preventive maintenance monthly.





## BIODIVERSITY PROTECTION

Measures taken to preserve or restore biodiversity; Impacts Caused for activities or operations in protected areas.

Given the nature of the activities carried out by Grupo Cuñado (it is a warehouseman, distributor and marketer, but does not carry out manufacturing activities), and the location of its work centers, impacts on protected areas are not foreseeable.

**All actions taken aimed at the recovery of the waste produced are aimed at preserving the environment, and therefore biodiversity.**



## 5. INFORMATION ON SOCIAL AND PERSONNEL ISSUES

The Cuñado Group has a notorious **commitment** to seeking **equality** and **non-discrimination** in its workforce.

For several years, Grupo Cuñado's workforce has exceeded **500 workers**, and it is the Group's policy to attract and develop talent without discrimination on the basis of birth, race, sex, religion, opinion or any other personal or social condition or circumstance.

The Cuñado Group is aware that the greatest capital it has is human capital, and therefore focuses part of its effort on improving the quality of work, as well as on encouraging employee participation in social activities or benefits.

