



# Sustainability Report 2023



# Commitment from the Presidency

[2-22]

It gives me huge satisfaction to present this 2023 Edition of Grupo Cuñado's **Sustainability Report**; a faithful reflection of the **integration** of the Group's **Social Responsibility** with our own **intrinsic way of doing business** across the globe, which voluntarily goes beyond **regulatory requirements** and **contractual obligations**, to form part of our **Values**.

## Our Strategic Plan is based on the following points:

1. **Profitable and Sustainable** Growth
2. **Diversification** in all areas
3. **Innovation** in Supply Operations.
4. **School and Centre of Excellence** in the Training and Development of People
5. **Making life easier** for our employees, customers, suppliers, collaborators and improving their productivity.
6. **Supporting initiatives** to contribute to the well-being of the Community and our Society.
7. Net Zero Commitment 2030-2050 through the progressive improvement of established metrics.

Assuming that the best way to teach is by **example**, we invite you to read our Sustainability Report, detailing the most relevant facts and achievements of 2023.

Additionally, Grupo Cuñado is present in the supply chain of **numerous industries**, paying special attention to those customers in sectors where **energy transition** poses a greater challenge. To serve our customers, we are redefining the stocks of our distribution centres to help them in constructing and developing solutions for **decarbonisation technology plants**, for biofuel production, synthetic fuels and renewable gases, such as green hydrogen; as well as in solar, wind and geothermal plants and for energy sources in industrial plant decarbonisation projects.

I would like to congratulate the entire Grupo Cuñado team for their dedication towards **social activity** throughout 2023, including their effective **contributions** to various sports and training campaigns in **schools**, as well as **cultural promotion** projects in specialist centres for **groups with physical or integration limitations**.

I would also like to make a special request to **everyone** within Grupo Cuñado to continue their daily **commitment** to improve our environment and develop our operations, as a **driver** towards establishing increasingly ambitious objectives for **social**, environmental and economic sustainability, so they continue to have an **impact** throughout our supply chain and in our society.

Let's be aware that there is still a **long way to go** and that together with **transparency and confidence** we will continue to progress. During 2024, we intend to completely review our current **metrics**, by aligning their definition and calculation with the most recent **standards** developed in European and international forums, as a reflection of our **Strategic Sustainability Plan**.



**Carlos David Cuñado**  
Chairman

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**01**

Our essence and development



# 1.1

## Our history and essence

Grupo Cuñado began its journey in 1963 during the "Spanish economic miracle", a period of rapid economic growth and dynamism. During those years of industrial expansion, a young businessman from Burgos with great commercial vision, Máximo Cuñado Alonso, founded the company with the objective of supplying pipes, valves and accessories for national industrial use. The foundations of what today is a benchmark in the sector were laid by him and just six employees when Máximo Cuñado was just 32 years of age.

Throughout our six decades of history, we have grown and evolved along with the needs of our customers and the market; consolidating ourselves as a strategic partner for the development of large industrial projects both nationally and internationally.

Our essence is built from a constant dedication to excellence. We believe in the power of teamwork and the importance of building long-term relationships of trust with our customers, suppliers and collaborators. This way of working, with transparency and commitment, has been the base upon which we have consolidated our reputation as leaders in the sector.

The pioneering spirit that drove Máximo Cuñado in the beginning lives on in each of our current projects. With an eye on the future, we continue to innovate, adopt new technologies and improve our processes, guided constantly by our firm commitment to quality, sustainability and social responsibility. This is the essence of Grupo Cuñado: a traditional company, but one with the ability to adapt and lead change in a global environment.

### The principles that guide us

**Integrity**  
We act coherently, according to our values, and are honest with ourselves and others.



**Innovation**  
We anticipate changes; developing new solutions that increase our competitive edge.



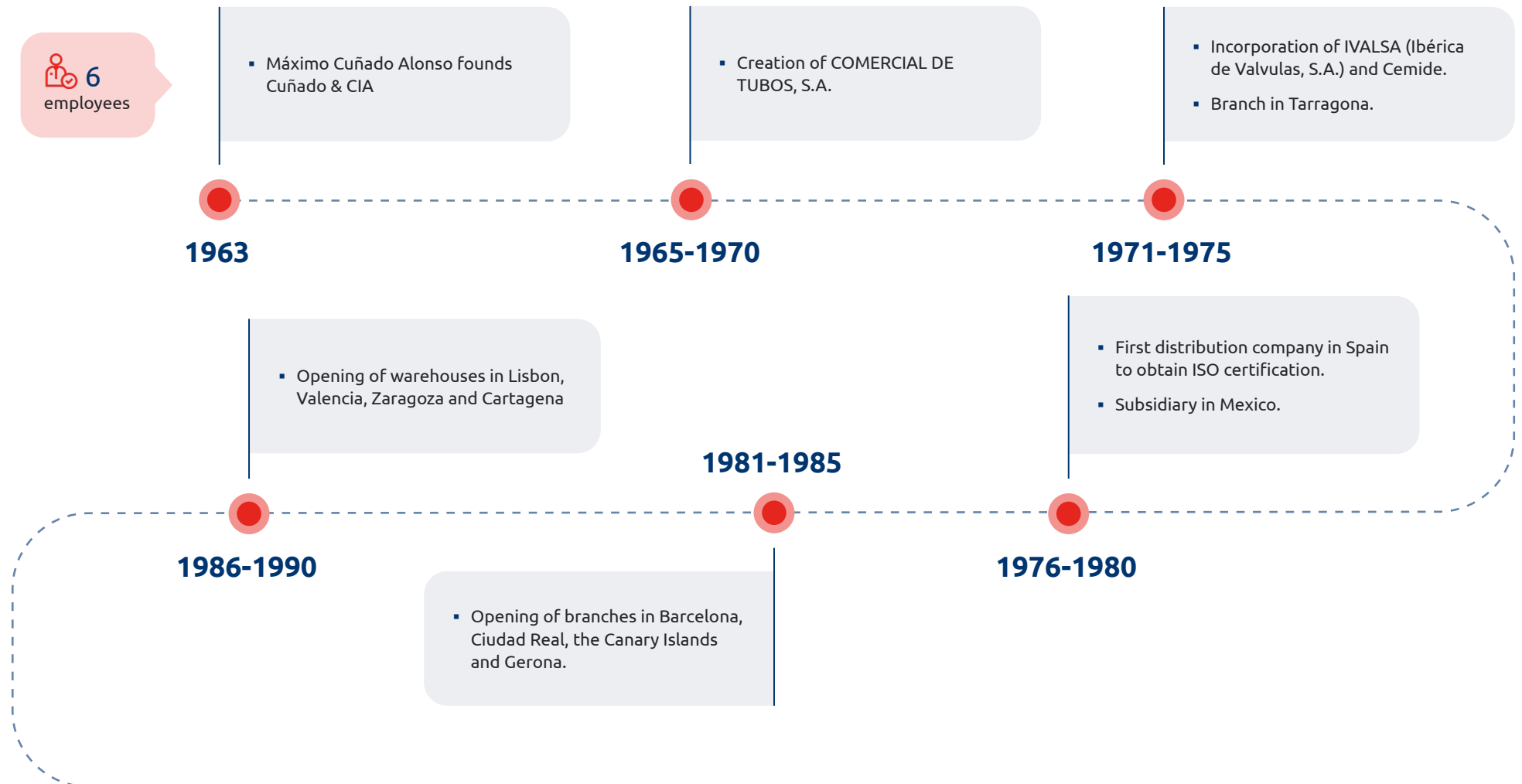
**Continuous improvement**  
We always look for ways to improve, ensuring quality and effectiveness in our actions.

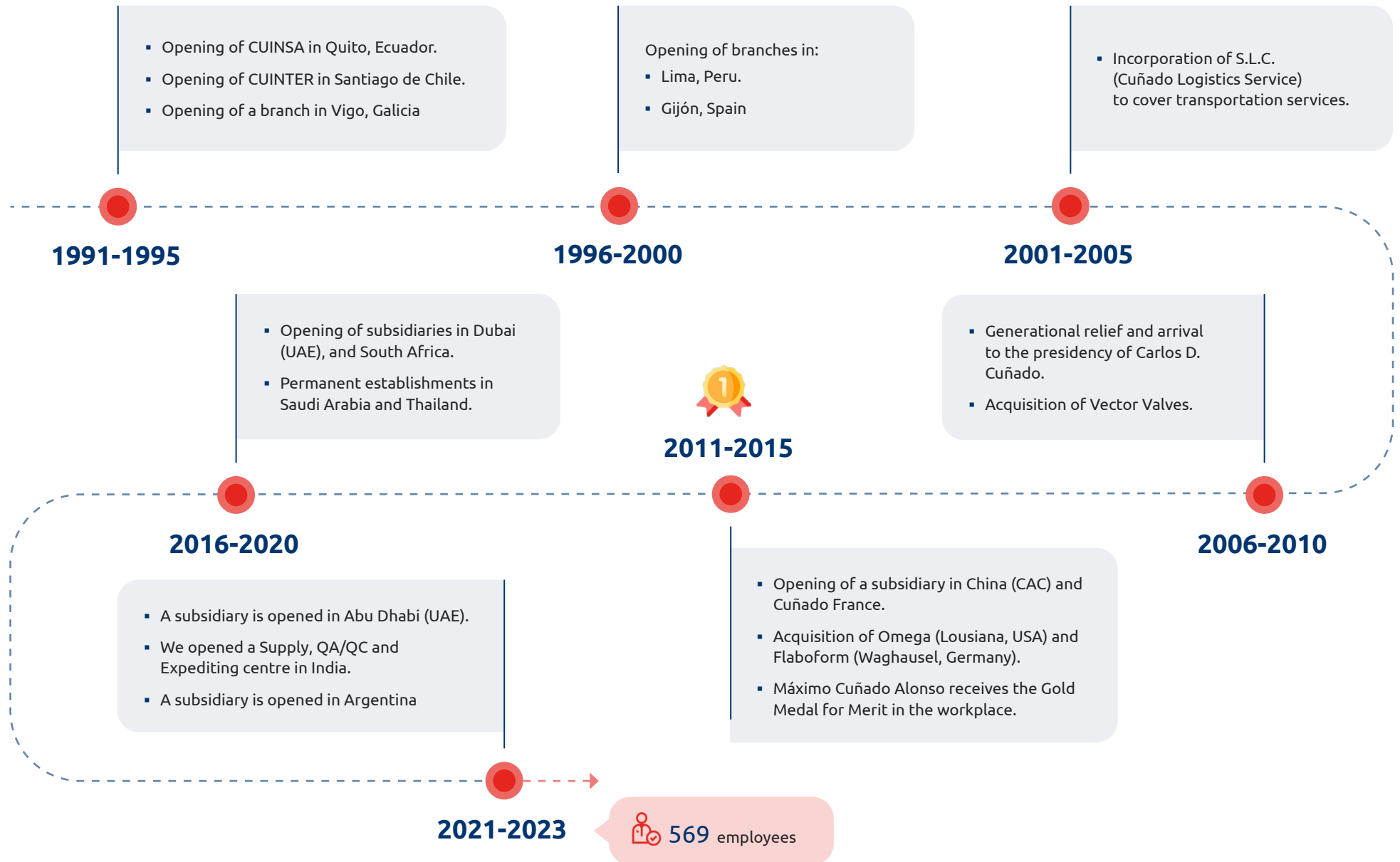


**Teamwork**  
We believe in collaboration; convinced that working as a team surpasses individual effort.



## ... over 60 years of experience







To celebrate **60 years of hard work**, commitment and dedication, GRUPO CUÑADO held a gala night on November 24, welcoming nearly a thousand people, including customers, suppliers and colleagues who are part of the company worldwide. The event was presided by Carlos D. Cuñado, president of Grupo Cuñado, and his daughter, Vivian Cuñado Esteban, representing the third generation. We also had the pleasure of welcoming the Mayor of Alcalá de Henares, Judith Piquet, the President of the Senate, Pedro Rollán, the President of the Assembly of Madrid, Enrique Ossorio, the President of the CEOE Foundation, Fátima Báñez and the President of AEDHE, the Association of Henares business people, Laly Escudero Ossorio. The art and music from our friends in WAH Show enlivened the evening with a magnificent display for the attendees during the dinner.





# 1.2

## Our business model

[2-6]

Our business model is focused on the **supply of basic components for the development of all kinds of industrial applications**. We have an extensive catalogue including everything from small technical components to large ones, such as filters and pumps. We also work with a wide variety of materials, from carbon steel to more sophisticated types. This capacity means we can guarantee our customers a punctual delivery and the required quality at all times, covering all their needs for projects of any size.

However, our business is not limited to supplying materials. We also offer a wide range of additional services, which represent significant added value for our customers. One of the foundations of our business model is the **comprehensive logistics service for the supply of materials**, developed more than four decades ago. This service was a pioneer in the sector and has been essential to the success of our customers' projects and the growth of the Group.



### The strength of our model

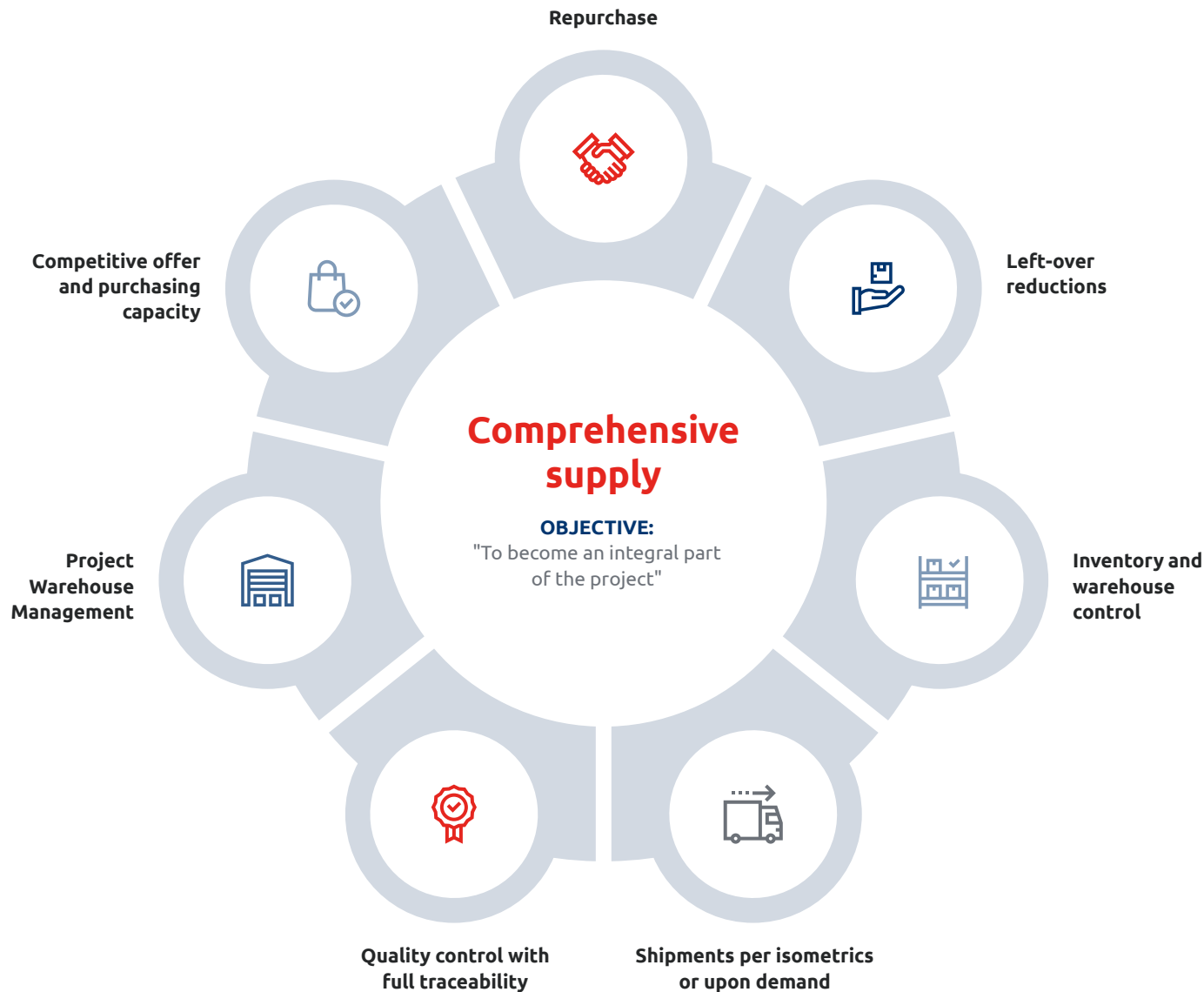
**60 years**  
of history

**Over 40 years**  
of experience in comprehensive  
supply

**Dozens**  
of industrial sectors served

**Wide catalogue**  
with hundreds of essential products





One of the foundations of our business model is the comprehensive logistics service for the supply of materials, developed more than four decades ago. This service, a pioneer in the sector, has been essential for the success of our customers' projects, allowing us to efficiently coordinate activities such as design, supply of equipment and materials and assembly of facilities, ensuring that the entire start-up process is under control.

Our **Comprehensive Supply System** allows us to efficiently coordinate activities such as design, supply of equipment and materials and assembly of facilities, ensuring that the entire start-up process is under control. This system is managed by software we develop and adapt to the specific needs of each customer, optimising the quality of the project and guaranteeing compliance with deadlines. This capability means we can facilitate the development of highly complex industrial projects, providing significant added value to our customers.

We serve a wide variety of industrial sectors:



Agriculture



Food and beverage



Biomass



Pulp and paper



Cement



Thermal plants



Combined cycle



Construction



Cosmetics



Data centers



Water treatment



Hydroelectric power



Nuclear energy



Wind energy



Equipment manufacturing



Pharmaceuticals



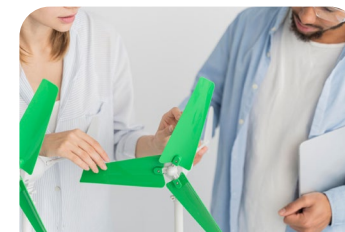
Fertilisers and pesticides



Photovoltaic



Geothermal



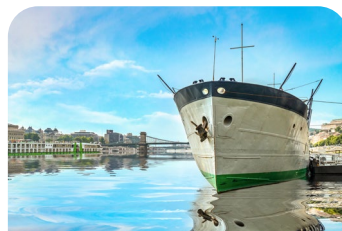
Green hydrogen



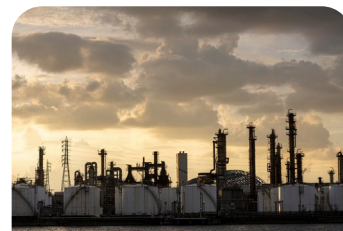
Tidal power



Mining



Marine



Oil & gas



Chemicals and petrochemicals



Sewage



Iron and steel industry



Solvents



Solar thermal



Waste management

Our supply chain is made up of different types of specialist providers, each covering key areas that ensure the proper functioning of our operations and product quality.



### Metallurgy and metal transformation

We collaborate with steel material manufacturers, who produce and supply pipes, fittings, valves and other products we sell. We also work with machinists who add value through cutting, assembly, coating and galvanisation services.



### Logistics and transport

We outsource part of our land shipment management to specialist road transport carriers. We also work with maritime transport agents and shipping companies as well as air shipment couriers. Additionally, we contract parcel services to ensure our logistics are efficient and timely.



### Basic supplies and vehicles

We include suppliers of essential services such as water, electricity and gas for the operation of our facilities. We also work with vehicle rental companies for our commercial fleet, guaranteeing availability and adequate maintenance.



### Office furniture and supplies

We work with suppliers of furniture and office supplies, such as stationery and toners, as well as packaging suppliers (for pallets, cardboard boxes and other materials) that facilitate the safe handling and shipping of our products.



### Technology and communication

We collaborate with providers of software, office tools and technology licences, along with telecommunications companies for mobile and landline telephone services. This guarantees efficient digital management and fluid communication both internally and out in the field.



### Advertising and marketing

We have suppliers of promotional and corporate material, as well as graphic designers and audiovisual producers for our campaigns. We outsource the design and assembly of stands for trade fairs, ensuring our presence at events is attractive and professional.



### Legal and financial advice

We outsource legal and advisory services for contracts and corporate matters and a tax consultancy to optimise international operations. We also have auditing services for reviewing and verifying our annual accounts.



### Maintenance and security

We contract maintenance services (gardening, exterior window cleaning) and 24-hour external security. We also outsource fire system maintenance and waste management; and we even work with local beekeepers to safely remove beehives.



### Training and temporary staff

We outsource training services for the development of our staff and work with Temporary Employment Agencies (ETTs) to hire specialist talent according to our operational needs.



### Travel agency

We outsource the management of business trips to a travel agency; ensuring efficient travel planning and solutions tailored to our needs.

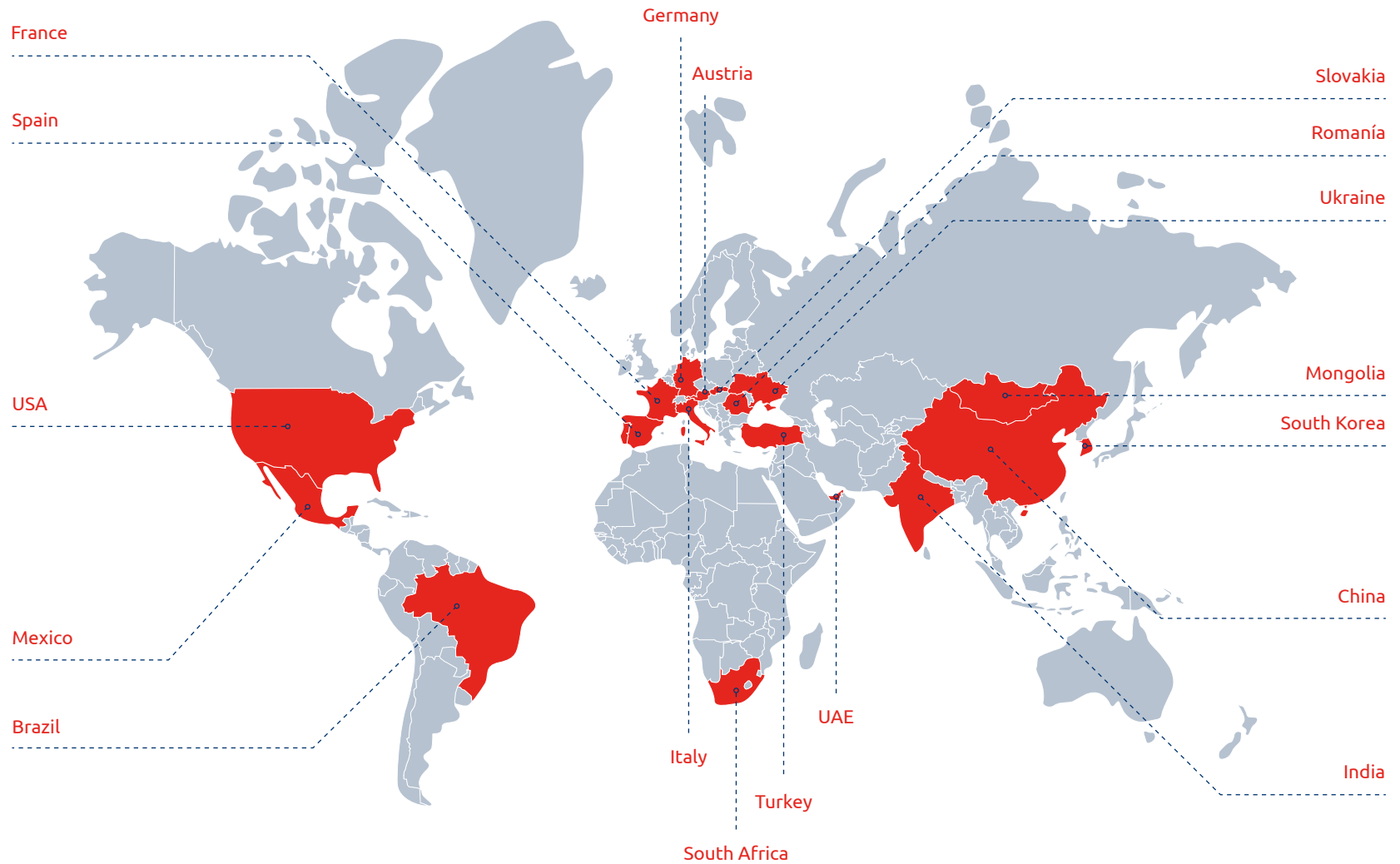


### Catering services

We offer catering services to our employees and visitors via external suppliers, ensuring a comfortable and quality dining experience at our facilities.

Our supplier network is strategically organised locally and globally to optimise logistics planning and respond to the specific needs of each project. Local suppliers provide us with basic support services, such as energy, a vehicle fleet, office supplies and telecommunications, essential for the daily operation of our facilities. We also have a network of specialist steel material suppliers located in various regions of the world, selected according to their manufacturing specialisation and logistics capacity. This segmentation ensures we maintain an unbroken supply chain, adapted to the specifications of each customer and optimised in terms of time and cost.

Large **network of suppliers** worldwide,  
according to manufacturing speciality, reach and geography



# 1.3

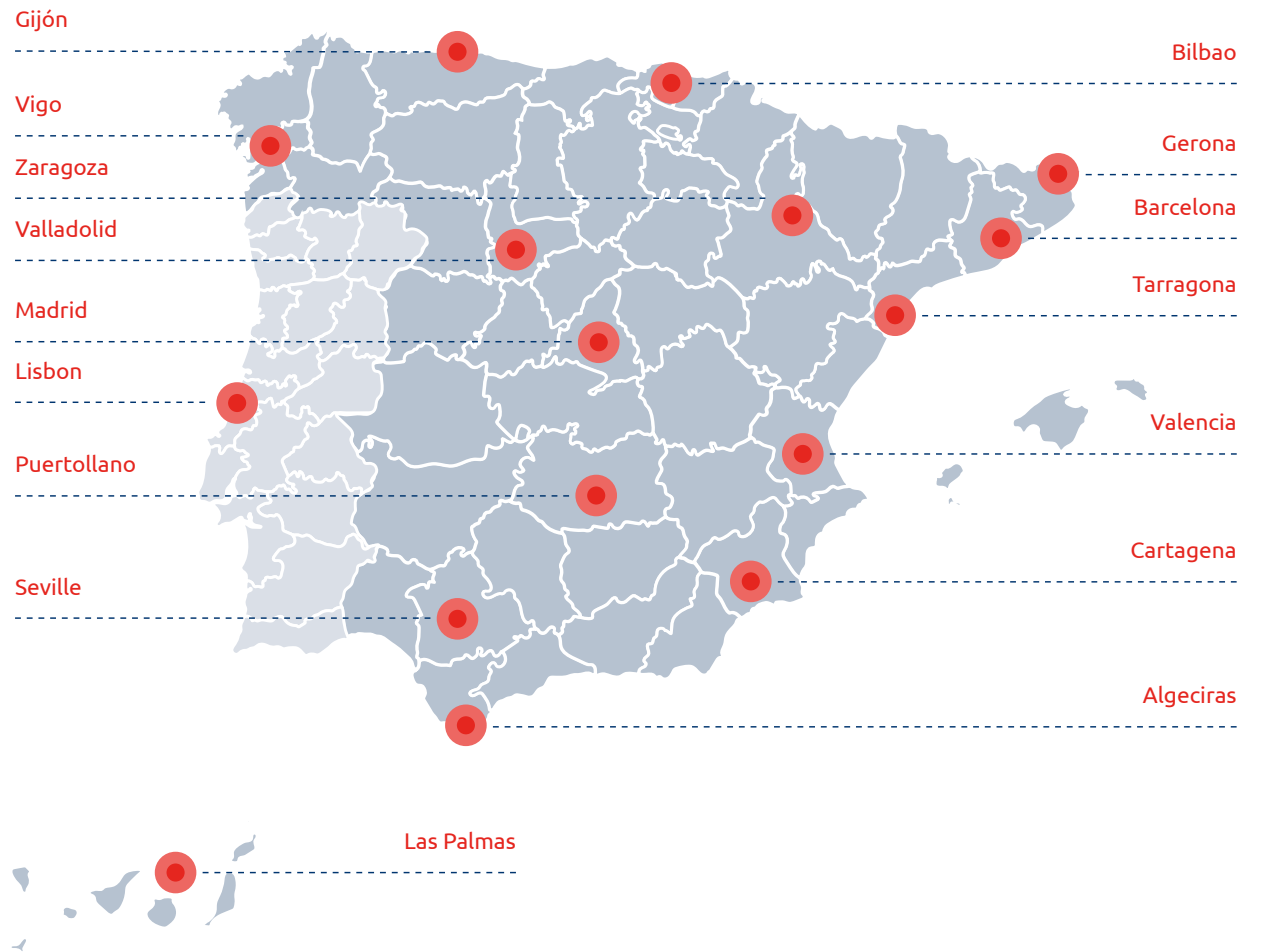
## Presence in the market

[2-1][2-2]

Our extensive experience and business model at Grupo Cuñado have ensured our establishment as a benchmark in the supply of industrial solutions. This growth and success are reflected in our solid market presence, which extends beyond national borders. With a robust infrastructure and network of operations spanning a host of countries, we are well positioned to serve the needs of our customers.

Our central headquarters is located in Alcalá de Henares (Madrid) and we have offices and warehouses in 15 locations distributed throughout the national territory, with a total warehouse surface area of 265,000 m<sup>2</sup>. In addition, our branch in Lisbon in neighbouring Portugal strengthens our ability to serve nearby markets.

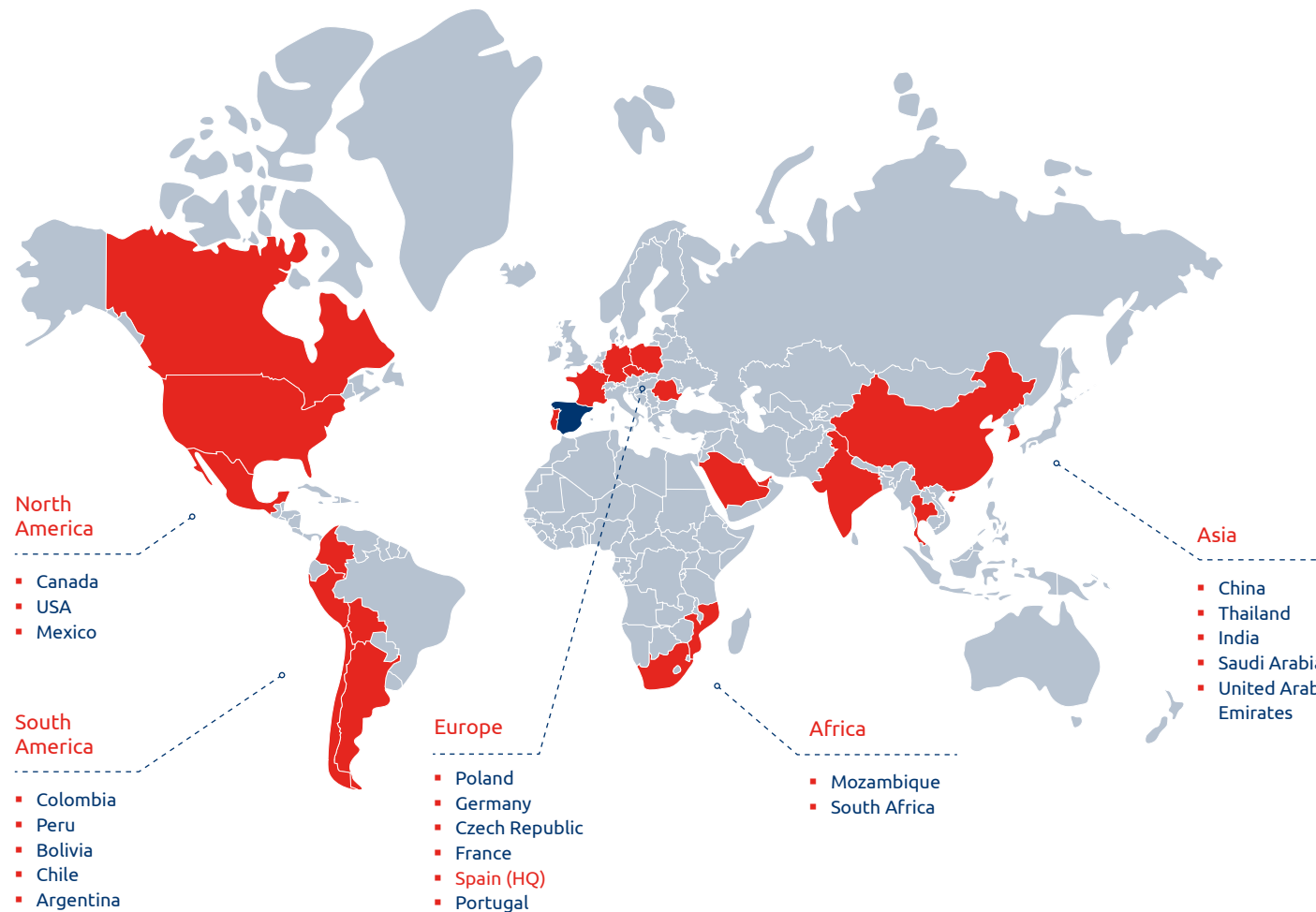
Spain and Portugal





We are proud to be the Spanish company with the widest commercial network in the Americas, allowing us to offer supply solutions to a wide spectrum of customers and projects.

[2-2] We have a solid corporate structure of 25 entities located in 15 countries, specialising in different areas of industrial supply, to cover this extensive market. Each of these entities and their respective functions are detailed in Annex II of this document.



**18**  
Warehouses

**42**  
Business offices

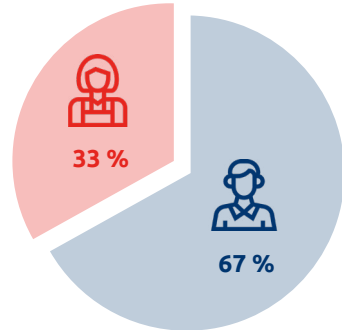
**21**  
Countries

# 1.4

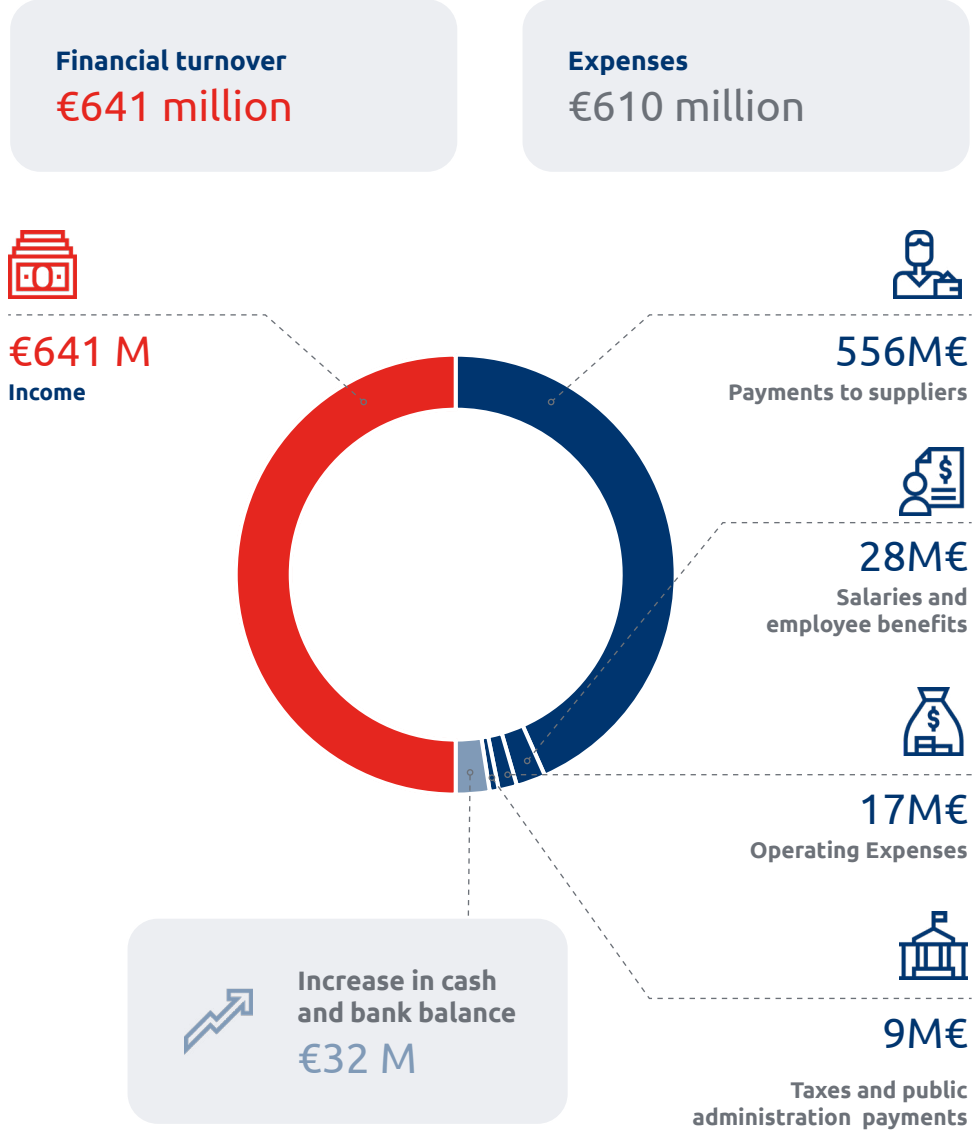
## 2023 in figures

At Grupo Cuñado, all our financial assets derive from commercial transactions with private companies, both suppliers and customers, and we receive no public financial backing, thus reaffirming our commitment to the independence and sustainability of our operations.

**569**  
Staff members



- 92 % | Materials consumed from renewable sources
- 5.2 % | Reduction in electricity consumption
- 100 % | Waste for recovery
- 2,457 | Training hours
- 52 % | ISO 14001-certified suppliers
- 160 | New starters





02

Responsible leadership



## 02

# Responsible leadership

At Grupo Cuñado, we firmly believe that responsible leadership is essential to ensure sustainable growth and ethical management of our operations. Our approach to governance is based on transparency, accountability and strategic orientation towards the creation of long-term value for our stakeholders. The governance structure is designed to provide clear and effective leadership, ensuring our decisions and actions are aligned with our principles of integrity, innovation, continuous improvement and teamwork.

The commitment of senior management to sustainability is demonstrated by the consideration of financial, social and environmental criteria in the decision-making process. In addition, business ethics and transparency are fundamental factors in building relationships of trust with our collaborators and the rest of our stakeholders.



## 2.1

# Governance structure

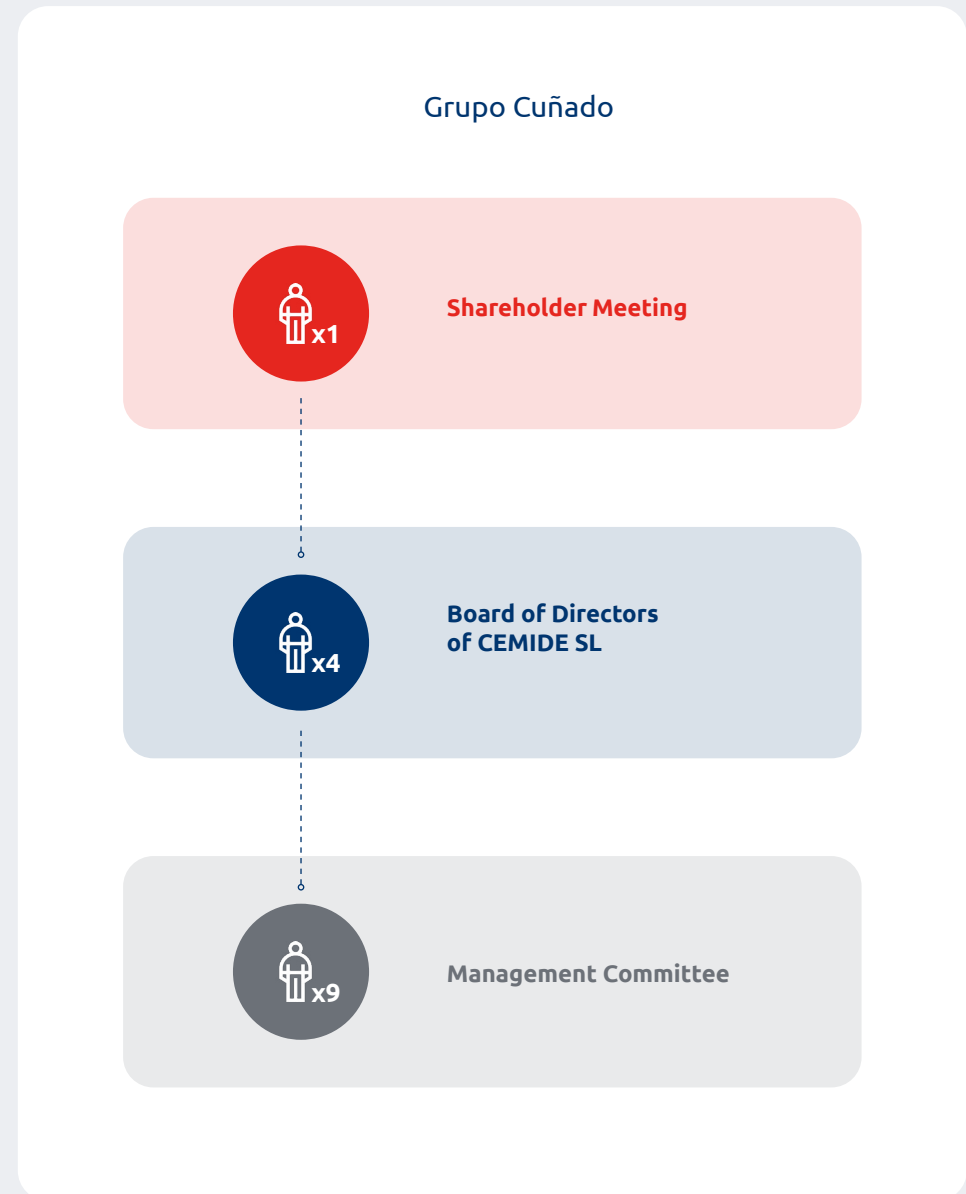
[2-9][2-12][2-11] [2-13]

The Grupo Cuñado governance structure is designed to ensure effective, transparent management aligned with the principles of sustainable development. Our governance model consists of three bodies: the Shareholder Meeting, the Board of Directors and the Management Committee, each with clearly defined responsibilities in strategic and operational decision-making.

The **Shareholder Meeting** is a single-member body with the highest authority in the organisation. Its main function is to approve the Annual Accounts and elect the members of the Board of Directors, ensuring that key decisions are aligned with the company's long-term objectives, including those related to sustainability and respect for the environment. The person that presides the Shareholder Meeting does not perform direct executive functions within the organisation, but ensures an independent focus on high-level decision-making.

The **Board of Directors** consists of four members who meet every quarter to establish and oversee corporate strategy, including the integration of sustainability principles in all business areas. The Board draws up the Annual Accounts, establishes strategic objectives and assesses their compliance, ensuring that sustainability is an essential component in the decision-making process. The Board oversees compliance with social and environmental responsibility policies, promoting initiatives that contribute to minimising environmental impact and creating social value.

The **Management Committee** consists of nine members and is responsible for the daily company operations. It reports directly to the Board of Directors, ensuring that strategic decisions related to sustainable development are implemented at all operational levels.

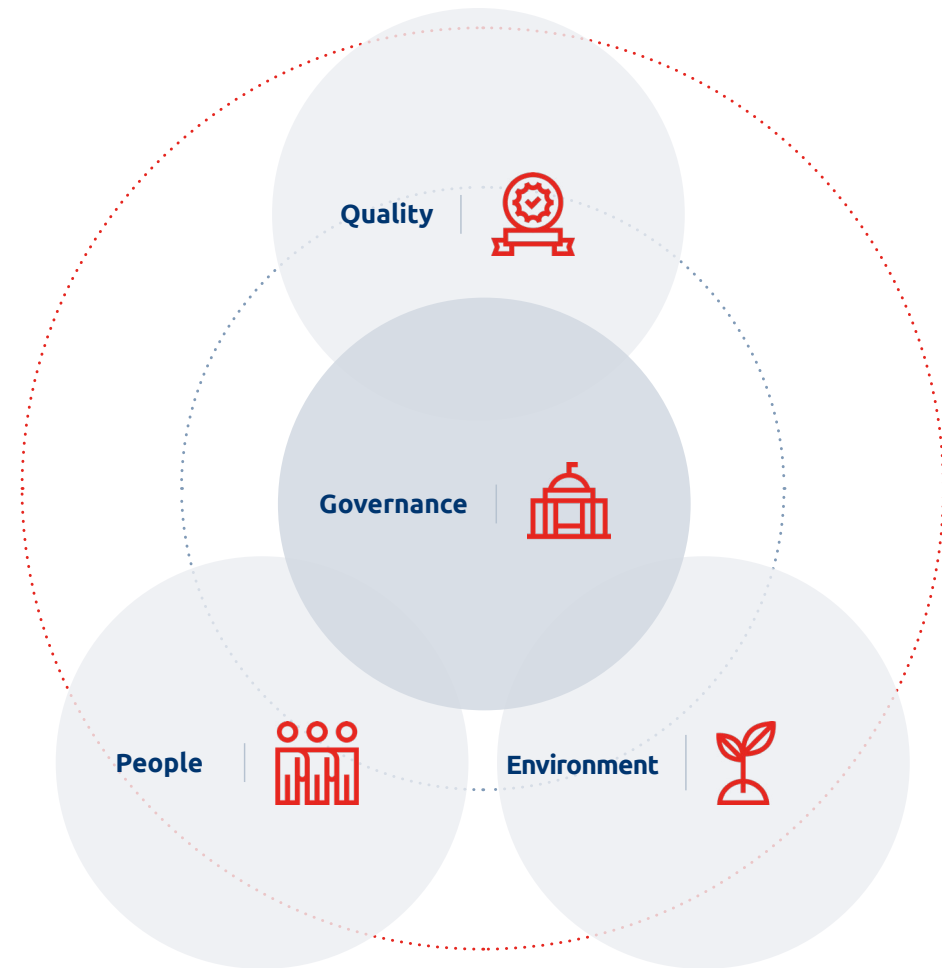


## 2.2

# Commitment to sustainability

Through **strong governance**, we promote quality, the welfare of people and environmental protection, while working together to create long-term value and contribute positively to society.

At Grupo Cuñado, we recognize that sustainability is not only a responsibility, but an opportunity to transform our operations and contribute positively to society and the environment. Our approach is based on integrating sustainable principles into every aspect of our business, from resource management to the relationship with our employees and other stakeholders. Our recognized certifications demonstrate we are committed to identifying and managing our financial, environmental and social impacts proactively, while always seeking to improve and adapt to global challenges.





### Commitment to quality

For us, quality is not limited to the technical specifications of our products; it is a comprehensive commitment to our customers, society and the environment. Maintaining high quality standards helps us to build trust and create value beyond financial considerations. We have been certified to the **ISO 9001** standard since 1994, ensuring excellence in all our processes through internal and external audits. We work closely with suppliers, customers and external inspection agencies to ensure compliance with market requirements.



### Commitment to people

People are the true driving force of our company, and our success depends on their dedication and talent. Therefore, we create an environment where each employee feels valued and happy, promoting their wellbeing and personal development. To guarantee the safety of our workforce, we adopted the **ISO 45001** standard, which ensures a safe working environment aligned with the best practices. We also implement policies that promote an inclusive and motivating environment, where everyone can grow and contribute positively.

[2-30] All suppliers contracted by **Grupo Cuñado** must first pass an approval process to ensure compliance with human rights. In addition, all our employees are covered by a collective agreement that also guarantees their rights.



### Commitment to the environment

We recognize our industrial activities impact the environment, so we work to reduce our footprint by adopting more responsible practices. We are certified to **ISO 14001**, which helps us to manage our processes efficiently, minimise negative impacts and continuously improve. We implement initiatives to reduce resource consumption, optimise energy use and minimise waste, thus contributing to a more sustainable future.



### A shared commitment

At Grupo Cuñado, we extend our commitment to sustainability to our entire value chain. We evaluate our suppliers not only in terms of compliance with environmental, industrial and safety regulations, but also in social and ethical aspects.

Through this sustainability report, we call on suppliers, customers, employees and partners to join this effort, adopting responsible practices that contribute to a more sustainable and ethical future.

Together, we can have a positive impact beyond our operations, promoting transparency and commitment at all levels.

## 2.3

# Ethics and transparency

[205-2]

We firmly believe that acting with integrity, honesty and responsibility is not only an obligation, but an opportunity to strengthen our reputation and build trust with all our stakeholders. Ethics is not an option for us; it is a principle that guides all our decisions and actions, from internal relations with our employees to our commercial interactions with suppliers and customers.

To ensure this commitment is maintained over time, we have developed our **Code of Ethics**, which includes the principles and guidelines of conduct governing the actions of everyone linked to Grupo Cuñado; this includes employees, managers, interns, trainees and all external collaborators such as suppliers and advisors. The main objective of this code is to promote a culture of responsibility and ethical behaviour, beyond legal requirements, leading to transparency and respect in everything we do.

The **Code of Ethics** not only establishes how we should act within the company, but also seeks to transmit these values to our customers and suppliers, fostering relationships based on honesty, regulatory compliance and mutual trust.



### Key ethical principles

#### Rejection of corruption:

At Grupo Cuñado, we reject any form of corruption, ensuring our operations are carried out with integrity and transparency. We are committed to ensuring that honesty and regulatory compliance prevail in all our relationships, both internal and external. [205-3] To date, there is no record or knowledge of incidents of corruption or lobbying activities at Grupo Cuñado.

#### Regulatory compliance and transparency:

We strive to ensure that relationships with our customers and suppliers are based on clarity and compliance with established requirements, ensuring that all information shared is truthful and transparent. [2-27] We have also not received any significant fines or non-monetary sanctions arising from non-compliance with applicable laws or regulations.

#### Equal opportunities and non-discrimination

We promote an inclusive work environment, where there is no room for discrimination based on sex, sexual orientation, race, disability, religion, origin or any other circumstance. We believe in equal opportunities in all aspects of working life.

#### Environmental protection:

We promote efficient use of resources and pollution prevention. Each employee is actively committed to preserving the environment, in line with the company's quality and sustainability policies.



[2-26]

All company personnel have been given the Code of Conduct and are obligated to be aware of the principles established, as well as to comply with and promote them. Acting with professionalism, integrity and diligence is an individual responsibility that we must all assume to guarantee an ethical and respectful environment. In addition, the company ensures that the Code of Ethics, as well as all other rules and policies, are clearly explained in the onboarding process for each employee.

To facilitate communication and the resolution of doubts, employees have a suggestion box on the intranet, as well as additional communication channels, such as emails and internal contact platforms. In addition, there are forms available for training requests or personal issues. We also have a **Reporting Channel** for confidential notification of any breach of the code or illicit conduct; thus guaranteeing the protection of any employees or collaborators reporting such situations.

The **Compliance Body** is responsible for proper application, interpretation and updating of the Code of Ethics and for supervising compliance with it. This body is responsible for properly communicating these ethical principles to everyone associated with the company and for making decisions on their implementation. It is also responsible for continuously reviewing and improving internal processes in accordance with regulatory changes and best business practice.

At **Grupo Cuñado**, we are committed to continuing to build a future based on ethics and transparency. We know that our success depends on maintaining our ability to act with integrity, guided by solid ethical principles that reflect our values, in complying with regulations. Our Code of Ethics will change as we adapt to new environmental demands, thus ensuring our actions continue to be aligned with the highest standards of integrity and responsibility.



## 2.4

# Relations with stakeholders

[2-29]

At Grupo Cuñado, we understand that the active and continuous participation of our stakeholders is essential to maintain coherence between our business activities and the social, economic and environmental expectations of our environment. We are committed to establishing strong and constructive relationships to both better understand their needs and respond effectively, in line with our vision of sustainability.

Our priority in the relationship with these groups is to maintain an open and constructive dialogue that allows us to understand their concerns and expectations. This ongoing process helps us improve our decision-making, detect potential risks and create opportunities for growth and improvement. This approach strengthens our long-term relationships which benefit not only the company, but also our stakeholders.

Our stakeholders are identified based on the relevance and influence they exert on our operations:



To ensure that this participation is effective and valuable, we have implemented several interaction mechanisms according to the features and needs of each group. Some of the main actions are below:

- **Customers:** We conduct periodic satisfaction surveys to evaluate the quality of our services and products, so we can adapt to their needs and continuously improve.
- **Suppliers:** We hold regular meetings to discuss key aspects, improve the supply chain and explore new opportunities for collaboration.
- **Employees:** We provide several communication channels, such as a suggestion box and specific email addresses, so our employees can express their concerns or proposals for improvement. In addition, issues related to their welfare and development can be discussed openly during performance appraisals. Moreover, there are forms available for training requests or personal issues.
- **Banks and financial institutions:** We work closely with them to ensure our financial decisions are aligned with our sustainability and responsible growth goals.
- **Industry associations:** We participate actively in forums, workshops and meetings to promote best practice in the sector, to discuss the challenges and opportunities of the steel industry and to ensure regulatory compliance.



**03**

**The value of  
people**



## 03

# The value of people

At Grupo Cuñado, we know that our personnel are the true driving force of our company. Since our foundation 60 years ago, the motivation of our employees has been a fundamental principle that has allowed us not only to achieve their loyalty, but also to provide excellent service to our customers and establish solid, lasting relationships with them.

Over the years, we have built a group of highly qualified professionals with a high moral value and excellent technical skills. This combination has established us as leaders in our sector in Spain and given us a solid international reputation. Our more than 550 employees share fundamental values such as professionalism, commitment and excellence, which are essential to maintain a constant synergy with our customers, suppliers and collaborators.

Our **Human Resources Policy** is based on a people-centred, comprehensive management approach, ensuring transparent management committed to the development of each employee. We offer a work environment where each team member can feel valued and grow, both personally and professionally, aligned with our values at all times.

Human Resources management is carried out at the corporate level, unifying criteria and procedures for all our subsidiaries; this allows us to maintain consistency and alignment in all the countries we operate in. In addition, we focus on the continuous improvement of work teams, creating an inclusive and respectful environment that encourages professional development.

The human and professional quality of our employees has led us to build a solid, committed and motivated team, prepared to face challenges and contributing to the sustainable development of the company and society in general.

Highly qualified  
professionals



Motivation:  
our guiding principle



People  
at the centre



## 3.1

# Structure of our staff

[2-7] [401-1]

STAFF NUMBERS			
Sex	2021	2022	2023
Men	339	349	380
Women	136	159	189
<b>Total</b>	<b>475</b>	<b>508</b>	<b>569</b>

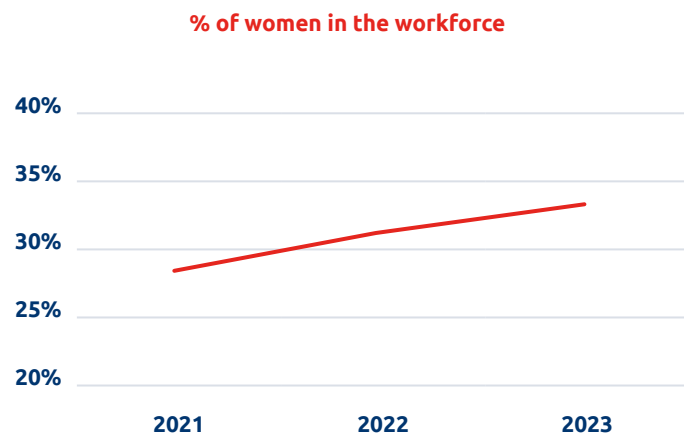
NEW STARTERS 2023				
Sex	<30	30-50	>50	Total
Men	36	59	14	109
Women	16	31	4	51
<b>Total</b>	<b>52</b>	<b>90</b>	<b>18</b>	<b>160</b>

LEAVERS 2023				
Sex	<30	30-50	>50	Total
Men	26	56	11	93
Women	11	14	5	30
<b>Total</b>	<b>37</b>	<b>70</b>	<b>16</b>	<b>123</b>

## 3.2

# Equality and diversity

At **Grupo Cuñado**, we firmly believe that diversity and equal opportunities are essential to building an inclusive, fair and respectful work environment. Our Code of Ethics guarantees that all employees, regardless of their sex, sexual orientation, race, disability, religion, origin or any other circumstance, have access to the same opportunities in their professional development.



Although the percentage of women has progressively increased, we continue to work to promote equal opportunities at all levels of the company.

We are committed to ensuring a work environment where **equal opportunities** is a guiding principle in all processes, from hiring to promotion. No type of discrimination is tolerated at Grupo Cuñado, whether based on sex, sexual orientation, race, religion, disability, marital status, origin or social condition. We believe that diversity enriches our work environment and allows us to be more competitive and innovative.

To ensure continuous evaluation of our equality and equity policies, we regularly monitor **average salary** by job category, broken down by sex:

AVERAGE SALARY 2023				
Professional	Women	Men	Average	Difference
Managers	€68,454.68	€81,761.17	<b>€79,614.96</b>	<b>16 %</b>
Managers/Engineers	€47,369.86	€59,970.65	<b>€56,739.68</b>	<b>21 %</b>
Warehouse manager/supervisor	€31,642.61	€28,821.91	<b>€28,922.65</b>	<b>-10 %</b>
Technicians	€32,337.48	€39,119.90	<b>€36,345.27</b>	<b>17 %</b>
Administrative	€15,451.40	€15,732.04	<b>€15,590.50</b>	<b>2 %</b>
Operational staff	€27,900.00	€20,012.67	<b>€20,214.91</b>	<b>-39 %</b>
Cleaning	€20,745.00	€12,203.00	<b>€14,338.50</b>	<b>-70 %</b>
Drivers/others	- €	€14,969.03	<b>€14,969.03</b>	<b>N/A</b>
<b>Average</b>	<b>€27,536.57</b>	<b>€36,637.28</b>	<b>€33,614.37</b>	<b>25%<sup>1</sup></b>

<sup>1</sup> The salary difference is calculated as the percentage difference between the average salary of men and women, and the average salary of men. To ensure the accuracy of the calculation, we have excluded the category "Driver/Other" as it is not represented by both sexes.

We foster a work environment where everyone can develop fully, without any form of harassment, abuse, intimidation or verbal or physical violence. The latter is not acceptable and will not be tolerated in our work environment.

[401-3] We also recognize the importance of a balance between work and personal life. Therefore, we promote an environment that allows our employees to exercise their right to effective enjoyment of both aspects of their lives. We ensure that our work-life balance policies are accessible to all, adapted to the specific needs of each employee and comply with current legislation at all times.

**PARENTAL LEAVE 2023 (PEOPLE)**

Sex	2021	2022	2023
Men	12	11	11
Women	11	7	7
<b>Total</b>	<b>23</b>	<b>18</b>	<b>18</b>

Our managers are committed to creating and maintaining a work environment that both promotes the professional development of employees and is compatible with their personal wellbeing. This commitment allows us to attract and retain talent, while fostering a positive and motivating work environment.

**EMPLOYEES WITH DISABILITIES**

Sex	2021	2022	2023
Men	2	2	2
Women	3	3	2
<b>Total</b>	<b>5</b>	<b>5</b>	<b>4</b>



## WORKFORCE DIVERSITY (SEX) 2023

Professional	Women	Men	Medium
Managers	5	26	31
Managers/Engineers	20	58	78
Warehouse manager/ supervisor	1	27	28
Technicians	90	130	220
Administrative	58	57	115
Operational staff	2	76	78
Cleanliness	1	3	4
Drivers/others	12	3	15
<b>Average</b>	<b>189</b>	<b>380</b>	<b>569</b>

## WORKFORCE DIVERSITY (AGE) 2023

Professional	<30	30-50	>50	Total
Managers	0	10	21	31
Managers/Engineers	6	46	26	78
Warehouse manager/ supervisor	0	19	9	28
Technicians	27	121	72	220
Administrative	25	75	15	115
Operational staff	10	49	19	78
Cleaning	1	2	1	4
Drivers/others	3	4	8	15
<b>Average</b>	<b>72</b>	<b>326</b>	<b>171</b>	<b>569</b>



## 3.3

# Professional development

[404-2]

Developing our employees is essential for the sustainable growth of the company. Via training programmes, career plans and clear appraisal and promotion mechanisms, we ensure that each person in the organisation has the opportunity to advance and develop professional skills in his/her career.

For us, professional development begins with ensuring quality employment. This involves offering job stability and adequate conditions so our employees can grow within the company. Most of our contracts are permanent and full-time, which demonstrates our commitment to creating long-term, mutually satisfying employment relationships.

Our workforce data for the last three years is below, broken down by the type of work contracts:

PERMANENT/TEMPORARY				
Contract	Sex	2021	2022	2023
Permanent	Men	298	317	348
	Women	119	147	175
	<b>Total</b>	<b>417</b>	<b>464</b>	<b>523</b>
Temporary	Men	41	32	32
	Women	17	12	14
	<b>Total</b>	<b>58</b>	<b>44</b>	<b>46</b>

FULL/PART TIME				
Working day	Sex	2021	2022	2023
Full time	Men	334	338	371
	Women	123	142	172
	<b>Total</b>	<b>457</b>	<b>480</b>	<b>543</b>
Part time	Men	5	10	8
	Women	13	18	18
	<b>Total</b>	<b>18</b>	<b>28</b>	<b>26</b>

[404-1] Continuous training and performance appraisal are essential tools to ensure our employees develop the skills necessary to perform their duties effectively. Each employee participates in training programmes tailored to their professional category and specific needs, to ensure they are trained to meet the challenges of their job.

#### TRAINING HOURS BY SEX

Sex	2021	2022	2023
Men	1580	1423	1682
Women	909	691	775
<b>Total</b>	<b>2,489</b>	<b>2,114</b>	<b>2,457</b>

#### TRAINING HOURS BY JOB CATEGORY

Professional	2021	2022	2023
Managers	141	52	142
Managers/Engineers	322	251	330
Warehouse manager/supervisor	134	103	532
Technicians	805	795	712
Administrative	752	629	421
Operational staff	278	239	300
Cleaning	14	10	10
Drivers/others	42	36	10
<b>Total</b>	<b>2,489</b>	<b>2,114</b>	<b>2,457</b>

[404-3] An annual performance appraisal is conducted to evaluate the performance of our employees and the effectiveness of the training programmes. This process identifies opportunities for improvement and helps to design personal development plans. Evaluation focuses on four key areas: management skills, results orientation, technical knowledge and service orientation.

#### PEOPLE RECEIVING PERFORMANCE EVALUATION, BY SEX

Sex	2021	2022	2023
Men	236	253	277
Women	76	105	128
<b>Total</b>	<b>312</b>	<b>358</b>	<b>405</b>

#### PEOPLE RECEIVING PERFORMANCE EVALUATION, BY JOB CATEGORY

Category	2021	2022	2023
Managers	21	11	21
Managers/Engineers	38	43	59
Warehouse manager/supervisor	22	23	23
Technicians	84	101	120
Administrative	98	127	123
Operational staff	40	46	45
Cleaning	2	2	2
Drivers/others	6	7	12
<b>Total</b>	<b>311</b>	<b>360</b>	<b>405</b>

## 3.4

# Health, safety and wellbeing

Grupo Cuñado's Health and Safety at Work Policy is based on proactive prevention, continuous improvement and a commitment to the wellbeing of our employees. We strive to create a safe and healthy environment for everyone, promoting the identification, evaluation and control of risks to prevent incidents. We encourage the active participation of all workers in health and safety initiatives and align our efforts with the most demanding standards in the sector.

[403-1] We have a Health and Safety at Work Management System (HSMS) certified under the ISO 45001 standard to comply with current legislation and ensure continuous improvement in risk management, reducing accidents and downtime.

[403-8] Current system certification specifically includes our work centre in Alcalá de Henares, where 56% of our workforce in Spain works. However, because the system is implemented similarly in other centres and applies also to subcontractors, its scope is actually 100% of the workforce in Spain.

[403-4] The HSMS promotes the consultation and active participation of employees in all matters related to health and safety at work through the H&S Department. Workers can exercise their participation through the H&S participation form, available both in physical and digital format at the H&S office mailbox or dedicated email address. Proposals and queries are reviewed and responded to in a reasoned manner, ensuring that workers' concerns are taken into account.

[403-5] Training is an important part of guaranteeing the safety of our employees. All Grupo Cuñado staff receive initial training on the specific risks of their job when joining the company, as well as ongoing and refresher training throughout their career. This training includes essential aspects of health and safety at work, such as the proper use of equipment, knowledge of emergency plans and identification of occupational risks. Employees designated for emergency teams receive specific training in first aid, firefighting and evacuation.

Health and safety management is based on:



The Health and safety at Work policy



The ISO 45001-certified management system



Active participation of the workforce



Continuous training

[403-9] [403-10]

Despite the efforts made in preventing occupational hazards, the number of work accidents has increased in recent years. We are analysing the main causes and conditions underlying accidents to propose effective measures in reversing this trend. We have preliminarily identified a risk factor associated with lack of experience in the job and have proposed measures for the close supervision of people with less than 12 months' experience in the most complex and risky activities.

[403-6] In addition to periodic health monitoring for employees, we provide access to medical services for all workers, which covers not only occupational hazards, but also general health measures. These services include regular medical check-ups, primary care and health monitoring programmes, so our employees can receive medical care without leaving the work environment.

We promote a healthy lifestyle and believe that sport contributes to the physical and mental wellbeing of our employees. For example, various sporting activities have been organised since 2015, which include establishing a football team and padel tennis team at our headquarters in Alcalá de Henares. These activities not only promote health, but also reinforce teamwork and collaborative values within the company.

We have also arranged a reduced rate for Grupo Cuñado employees at the San Gabriel Sports Centre. This initiative expands the options for our employees to take care of their physical health in an accessible environment nearby.

ABSENTEEISM (HOURS)			
Sex	2021	2022	2023
Men	810	1793	3060
Women	0	120	0
<b>Total</b>	<b>810</b>	<b>1,913</b>	<b>3,060</b>

WORKPLACE ACCIDENTS				
	Sex	2021	2022	2023
Without leave	Men	12	11	13
	Women	0	1	0
	<b>Total</b>	<b>12</b>	<b>12</b>	<b>13</b>
With leave	Men	4	10	17
	Women	0	1	0
	<b>Total</b>	<b>4</b>	<b>11</b>	<b>17</b>

OCCUPATIONAL DISEASES				
	Sex	2021	2022	2023
Without leave	Men	0	0	0
	Women	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
With leave	Men	2	2	2
	Women	0	0	0
	<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>



04

Environmental  
commitment



## 04

# Environmental commitment

At Grupo Cuñado, our commitment to protecting the environment is a strategic one aligned with our sustainable growth objectives. We focus on respecting natural resources, minimising environmental impact and continuous improvement in all our operations; thus ensuring our activities contribute positively to the environment.

We have established a clear **Environmental Policy**, based on compliance with current environmental legislation, optimisation of resource consumption and pollution prevention.

Our Environmental Policy is integrated into all areas of the company and is made known to all employees and stakeholders. We use different means of communication to disseminate it, such as the intranet, internal notifications and warehouse notice boards. It is also available in Spanish and English on our website for all stakeholders outside the organisation.

We have an **Environmental Management System (EMS)**, based on the ISO 14001 standard, which helps us apply the principles set out in our Environmental Policy. This system is essential for identifying and assessing the significant environmental aspects of our business, ensuring compliance with applicable regulations and establishing improvement objectives. Our continuous improvement approach in EMS results in greater operational efficiency and a reduction in the environmental impact of our business activities.

The commitment of all staff is essential to the success of our environmental management. Therefore, we encourage all our employees to actively participate in annual training programmes and provide continuing notification of our objectives and progress in environmental matters. We believe the involvement of everyone in the organisation is essential for achieving our objectives and improving environmental performance. **100% of the staff has complete environmental training and awareness.**

Our **environmental objectives** include waste minimisation, energy use optimisation and the sustainable use of raw materials.

*The commitment of all staff is essential to the success of our environmental management.*



## Extension of our Environmental Commitment to the Value Chain

Our environmental commitment is not limited to our own operations, as we also promote and extend these principles to our entire value chain; actively involving our suppliers and business partners.

### Environmental Commitments Required from Suppliers



#### Legal compliance

Suppliers must comply with all applicable environmental, industrial and health and safety at work legislation.



#### Good Environmental Practice

Proper waste management and minimisation, water and energy use optimisation and the use of environmentally friendly materials are required.



#### Specific Transport Requirements

Transport service providers must comply with emissions regulations and carry out proper vehicle maintenance.





[308-1] Los compromisos ambientales son integrados en los cuestionarios de homologación, los procesos de compra, y a través de cláusulas contractuales específicas.

- En el proceso de homologación, se priorizan proveedores con certificación ISO 14001 o que puedan demostrar prácticas ambientales sostenibles.

In 2023, 52% of our approved suppliers had ISO 14001 certification.

- En la adquisición de bienes y servicios se tiene preferencia por proveedores locales y materiales reciclables, y se optimiza la logística, seleccionando siempre que sea posible los medios de transporte con menor impacto ambiental.



### Key Results of Our Environmental Commitment

- **Zero** environmental complaints or claims in the last 10 years.
- **Zero** non-conformities in external audits in the last 11 years.
- **Zero** non-compliances with current environmental regulations recorded.

*The environmental data presented in this chapter correspond exclusively to our Alcalá de Henares centre, which reflects the initial structuring phase we find ourselves in for corporate social responsibility and measurement of results. We are still developing and consolidating monitoring tools to compile and report environmental data globally and uniformly in all our centres in the future.*

*We are aware of the importance of presenting a full and accurate view of the environmental performance of the entire group and are committed to implementing the necessary mechanisms for this. Obtaining global data in all our facilities is one of our priorities in this phase of growth and continuous improvement. We will work so that future reports can reflect the environmental impact of the group as a whole.*



## 4.1

# Responsible use of materials

[301-1] [301-2]

At Grupo Cuñado, we are aware that responsible use of materials is an essential aspect of our commitment to sustainability and minimising environmental impact. Since our main business is the distribution of industrial products, the material we mainly use is for product packaging. Our strategy in this area is not only to optimise the use of resources, but also to ensure they come from sustainable sources and are managed efficiently throughout their life cycle.

During 2023, 100% of the paper we used had the EU Ecolabel ecological certification, which guarantees that production processes with lower emissions and lower environmental impact have been followed. In addition, 100% of the pallets used to supply materials to our customers were reused or recovered, contributing to the reduction of waste. 88.6% of the cardboard and 17.9% of the plastic we use come from recycled sources, and we continue to work to increase this amount in all the raw materials we use.

Our material consumption policy throughout 2023 has been to prioritise renewable materials, such as paper, cardboard and wood, which together accounted for 92% of the total weight of materials purchased. We are committed to continued optimisation of the use of recycled materials and to evaluate new opportunities to improve the sustainability of our packaging processes, while maintaining the functionality and quality required for our products at all times.

The consumption of materials in the last three years is below:

WEIGHT OF MATERIALS USED (KG)			
Material	2021	2022	2023
Paper	4,613.04	4,867.98	3,941.78
Cardboard	2,729.82	3,924.02	2,780.40
Plastic.	3,811.95	3,009.67	3,354.64
Wood	31,388.80	43,772.00	43,628.00
Metal	73.60	272.00	381.50
Cordstrap	288.00	152.00	456.00
<b>Total</b>	<b>42,905.21</b>	<b>55,997.67</b>	<b>54,542.33</b>



### Achievements 2023

- 100% of the paper used is EU Ecolabel certified.
- 100% of the pallets reused or recovered.
- 88.6% of the cardboard used comes from recycled materials.
- 92% of the total materials consumed are of renewable origin.

## 4.2

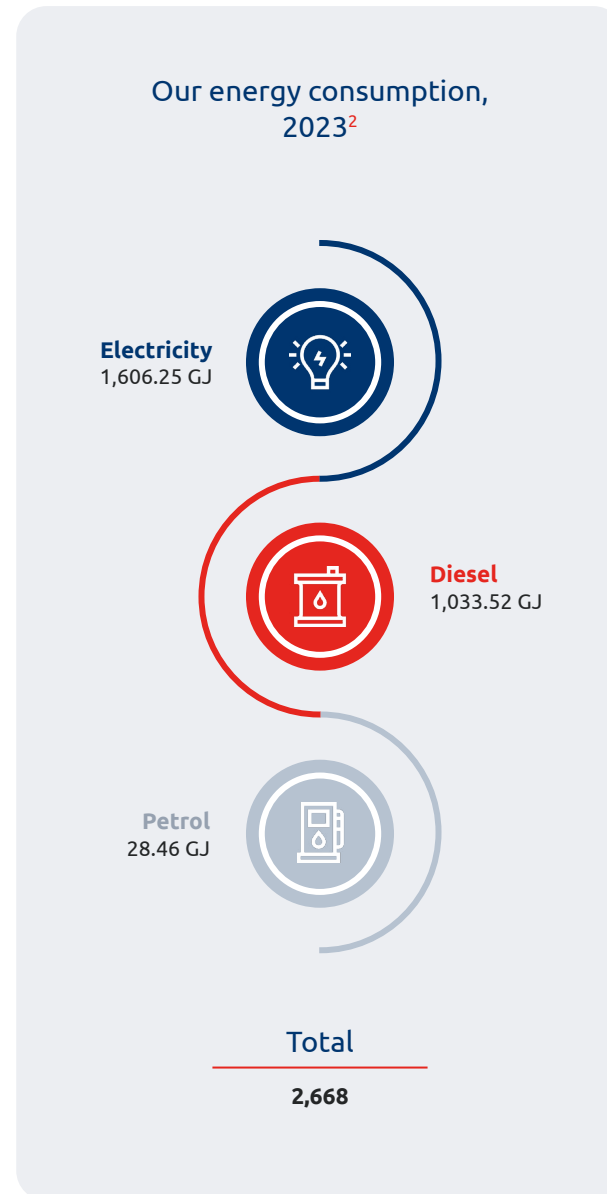
# Efficiency and energy

We manage our energy resources responsibly, aligning our operations with sustainability principles. We believe that efficient energy management not only minimises our environmental impact, but also contributes to optimising our operating costs. We have closely monitored our energy consumption and adopted various measures to improve our efficiency throughout the year.

Total energy consumption in 2023 was **2.668 GJ**, from three main sources:

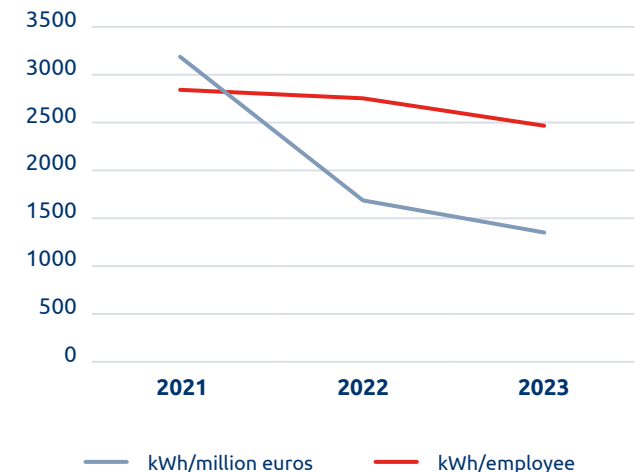
- **Electricity** made up the majority of our energy consumption and was used in various areas of our facilities, such as lighting, air conditioning, electric forklifts and other electrical machinery.
- **Diesel** was used mainly in transport and handling equipment, such as self-propelled cranes, diesel forklifts and transport trucks.
- **Petrol** was used in company vehicles and for small machines.

**66%** of the electricity used in our operations came from **renewable sources**.



[302-4] Electricity was our greatest energy expense; therefore, our efforts are focused on reducing it. This year, **we managed to reduce our electricity consumption by 5.2%**, despite the increase in the workforce. This progress is the result of implementing good environmental practices; these include adjusting the usage schedules for lighting and air conditioning, reducing the time it is switched on outside of working hours and using energy more efficiently.

In Alcalá de Henares, we monitor our electricity consumption in relative terms. In 2023, it was distributed as 1,371.4 kWh for every million euros invoiced and 2,492.6 kWh per employee, which represents a considerable reduction compared to recent years.



<sup>2</sup> To calculate the organisation's energy consumption, the following values provided by the Ministry for Ecological Transition and Demographic Challenge (MITERD) calculator were taken into account:

- Diesel: density 0.8325 kg/l and calorific value 43 GJ/ton.
- Petrol: density 0.7475 kg/l and calorific value 44.3 GJ/ton.

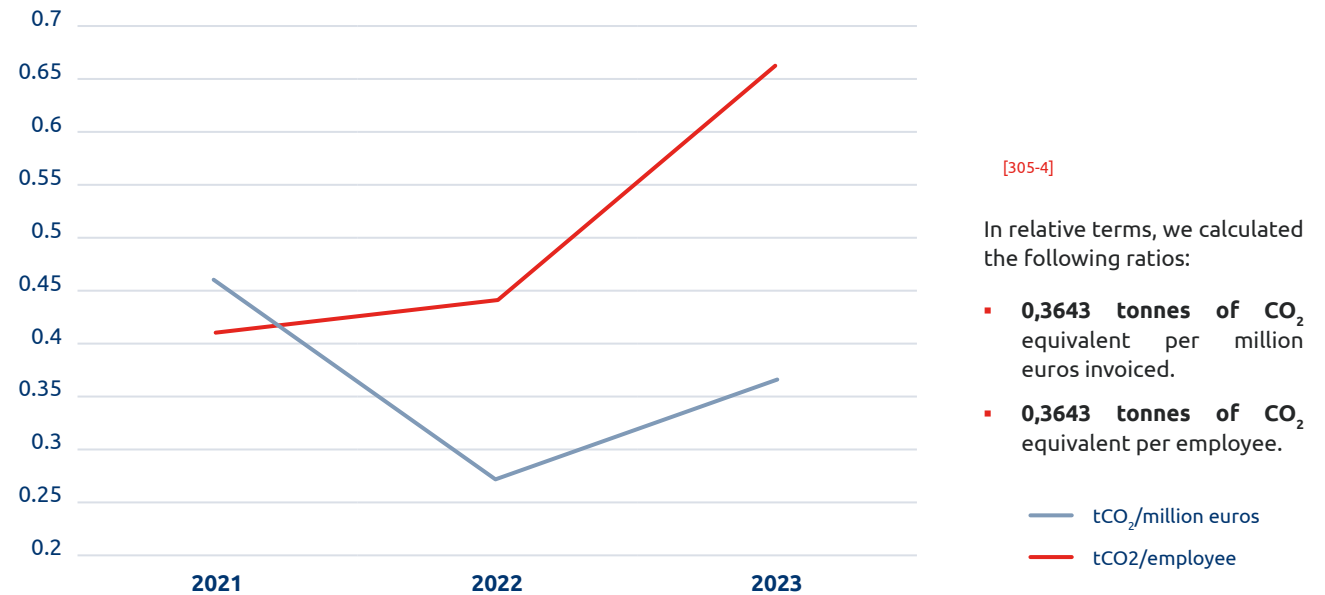
# 4.3

## Emissions control

[305-1] [305-2]

Our **carbon footprint** is calculated annually, so we can identify and reduce greenhouse gases (GHG) emitted from our operations. We are committed to continuous improvement in emissions management and to minimising our environmental impact.

CARBON FOOTPRINT (TM CO2) <sup>3</sup>			
Scope	2021	2022	2023
Scope 1	66.65	74.45	76.13
Scope 2	0	0	42.38
<b>Total</b>	<b>66.65</b>	<b>74.45</b>	<b>118.51</b>



[305-4]

In relative terms, we calculated the following ratios:

- **0,3643 tonnes of CO<sub>2</sub>** equivalent per million euros invoiced.
- **0,3643 tonnes of CO<sub>2</sub>** equivalent per employee.

— tCO<sub>2</sub>/million euros  
— tCO<sub>2</sub>/employee

In 2023, the significant increase in total emissions was mainly due to Scope 2 emissions, resulting from the change of electricity supplier during the first months of the year. This change is made annually to optimise the kWh cost, as the total consumption from all centres is considerable. Looking ahead to 2024, we are committed to prioritising a 100% renewable electricity supply in our facilities.

We do not currently calculate Scope 3 emissions, although **we have begun to control indirect emissions** related to materials imported from outside the EU; this is in line with the regulations associated with the Carbon Border Adjustment Mechanism (CBAM). This action will allow us in the future to better measure and manage indirect emissions derived from our supply chain.

Our main source of emissions is fossil fuels, to produce electricity used in the operation of cranes, forklifts, transport trucks and machinery in general. Therefore, **we are taking measures to reduce these emissions**, such as using lorries with AdBlue technology, to help reduce pollutants emitted to the atmosphere.

<sup>3</sup> Calculations made with the Carbon Footprint Calculator for Organisations of the Ministry for the Ecological Transition and the Demographic Challenge. Considers CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and other gases such as HFC from refrigerant gas emissions, if any.

## 4.4

# Waste management

[306-1] [306-2] [306-4] [306-5]

At Grupo Cuñado, we are aware our activities produce various types of waste, both hazardous and non-hazardous, and we are committed to minimising and managing them properly. We apply the best available practices and rigorously comply with current regulations to minimise their impact on the environment.

Our **Waste Management Procedure** establishes the steps to follow to identify, segregate and manage waste; prioritising recovery over disposal and promoting reuse and recycling whenever possible.



### Type of waste

#### Non-hazardous waste

Non-hazardous waste is mainly produced in offices, warehouses and packaging areas, as well as in maintenance and gardening work. These include paper and cardboard, mixed plastics, uncontaminated metal shavings, wood, pruning waste and other construction waste.

Proper segregation at source is essential to recovering this waste. There is a container control system for this and to plan removals efficiently; avoiding overloading and ensuring compliance with storage deadlines.

#### Hazardous waste

Hazardous waste comes mainly from industrial and maintenance processes, such as handling chemicals and using machinery. This waste includes absorbents contaminated by oils and solvents, plastic and metal containers with chemical residues, empty aerosols, electrical and electronic equipment (WEEE), fluorescent tubes and non-industrial batteries.

In all cases, this waste is segregated at source, packaged and labelled correctly. We work with authorised managers to ensure its proper disposal outside our facilities within a maximum period of six months. Since 2019, 100% of the generated hazardous waste has been sent directly to recovery, by means of recycling, or by means of energy recovery.

[306-3]

WASTE PRODUCED (KG)				
Material	Destination	2021	2022	2023
<b>Non-hazardous waste</b>		<b>43,340.00</b>	<b>45,918.00</b>	<b>54,925.04</b>
Wood	Recycling	12,860.00	17,960.00	17,580.00
Paper and Cardboard	Recycling	5,380.00	8,700.00	12,730.00
Plastic.	Recycling	4,820.00	3,660.00	3,490.00
Metal	Recycling	8,020.00	4,440.00	4,400.00
Rubbish	Recycling/disposal of non-recyclable fraction	9,220.00	7,720.00	6,520.00
Reusable toners	Reuse / recycling	40.00	18.00	35.04
Mixed packaging	Recycling	0.00	0.00	490.00
Pruning waste	Recycling	3,000.00	3,420.00	9,680.00
<b>Hazardous waste</b>		<b>581.00</b>	<b>152.00</b>	<b>184.00</b>
Non-reusable toners	Recycling	0.00	0.00	0.00
Hazardous WEEEs	Recycling	63.00	9.00	25.00
Cutting oil	Recycling	0.00	0.00	0.00
Contaminated paper and rags	Energy recover	356.00	66.00	65.00
Contaminated containers				
(metal and plastic)	Recycling	139.00	46.00	73.00
Empty aerosols	Recycling	23.00	31.00	21.00
<b>Total</b>		<b>44,502</b>	<b>46,222</b>	<b>55,109</b>

Rigorous monitoring of waste is essential to improve our management and reduce our environmental impact. All waste produced is traceable via logbooks, official identification documents (weight and signature/stamp of acceptance by the manager), invoices and collection receipts. A spreadsheet is also used to record the amount produced.

All waste produced by Grupo Cuñado is destined to be recovered; either through recycling or energy recovery (in the case of contaminated absorbents). The remaining waste fraction is sent to treatment plants for recovery as recyclable or compostable materials; although some unavoidably ends up in landfill.

Finally, it must be stated that our commitment to the environment does not end where our activities end, but also extends to the products we supply to our customers. Although packaging waste management is the responsibility of end customers, we actively promote its proper management, aligned with our Environmental Policy, available on our website.

We encourage the reuse of packaging such as pallets and boxes whenever possible, and recommend that non-reusable waste be recycled or recovered through authorised managers. At the end of their useful life, many products, such as pipes and valves, become metal waste that has to be managed properly. Recycling these materials can be profitable, in addition to being the most sustainable option. Also, when required, we provide User and Maintenance Manuals that help extend the useful life of products such as motorised valves and actuators.

### Waste recovery at Grupo Cuñado

All waste produced by Grupo Cuñado is destined to be recovered; either through recycling or energy recovery, complying with the highest sustainability standards.





**05**

**Relationship with  
the environment**





## 5.1

### Participation in society

[2-28]

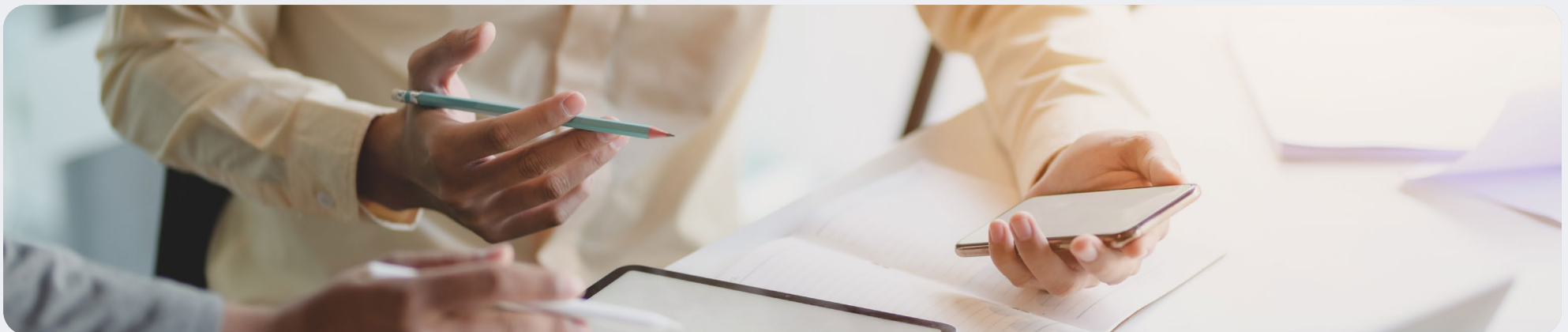
At Grupo Cuñado, we believe our participation in society is essential to promote development and strengthen the values of the business environment. Through strategic alliances, training professionals and collaborating in specialist forums, we work to actively contribute to the growth of our sector and to share the best practices in sustainability and business management.



Since 2018, Grupo Cuñado has been a member of the **Association of Family Companies (Instituto de la Empresa Familiar, IEF)**, which brings together the main family businesses in Spain. The organisation helps to preserve family values, learn from the experience of other companies and promote good governance practices.



As a prominent member of the **Association of Henares Businesses (AEDHE)**, Grupo Cuñado holds a key position on its Executive Committee and co-chairs the Industry, Energy and Environment Committee. Through AEDHE, we contribute to the socioeconomic development of the “Henares Corridor”, by adapting to the challenges of globalisation and technological change.



## Sector Development Training

At Grupo Cuñado, we have developed a useful training programme that contributes to the advancement of the sector and the professional growth of those participating. Our courses combine theory and practice and are taught both at our plant in Alcalá de Henares and at customer companies, allowing participants to work directly with materials and to observe live tests. The courses have a technical and practical orientation and are aimed at professionals in key sectors like petrochemicals, gas, energy and renewables.



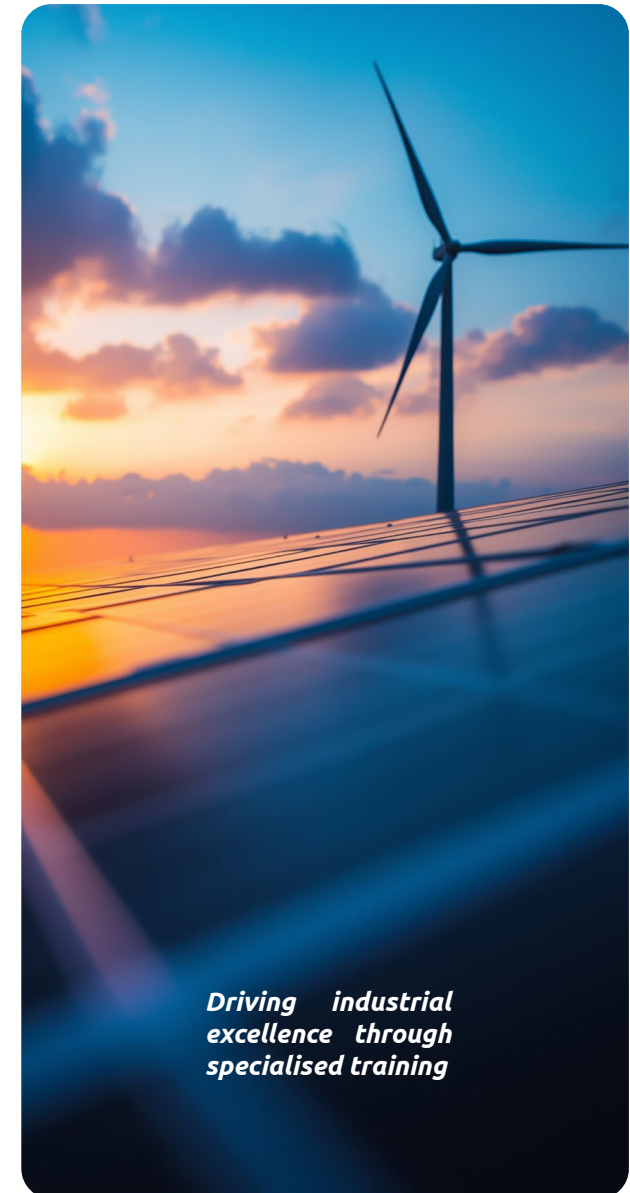
### Water Management and Energy Efficiency Workshop

In collaboration with our partner Grundfos, we organised a workshop in Zaragoza for customers in Aragon. This event addressed the importance of water management and energy efficiency in industrial plants, reinforcing our commitment to sustainability in the sector.



### The future of Energy 2023

This year we organised a workshop with prominent speakers from the sector, including Pilar Sanz, former Project Director at Repsol, and Andrés Aranda Ferreira, Purchasing Manager at ENAP. The meeting sought to discuss the future of energy in the sector and foster a shared vision among the participants.



*Driving industrial  
excellence through  
specialised training*

## 5.2

# Collaboration with the community

We consider that our responsibility is not limited to our business activities, but also includes an active commitment to the communities where we operate. Through social initiatives and local collaborations, we work to improve the wellbeing of our environment; fostering team spirit and togetherness in everything we do.

Our involvement in the community covers sponsorship activities, volunteering and social support events.



### KBR Charity Golf Tournament

Grupo Cuñado USA participated in the Charity Golf Tournament organised by KBR in Houston. This event brought together companies committed to social causes, and our participation included sponsoring a tent to support fundraising.



### San Gabriel School Race

We sponsored the 44th edition of this emblematic race in Alcalá de Henares. It began as a school event and has grown to become a benchmark competition in the region. This sponsorship strengthens our bond with the local community and promotes a healthy lifestyle.



### Collaboration with the El Olivar Residents Association

Grupo Cuñado collaborated with the El Olivar Residents Association, in Alcalá de Henares, by supporting its activities and local needs. This initiative reinforces our commitment to contribute to the wellbeing of our closest communities.



### Blood Donation Campaign in collaboration with the Spanish Red Cross

As part of our social commitment, we organised a blood donation campaign at our central offices in Alcalá de Henares. The campaign was attended by numerous employees, reflecting their team spirit and togetherness and a commitment to the wellbeing of those who need this lifesaving resource.



**06**

About this report

# 06

## About this report

[2-1] This sustainability report was prepared to document and communicate the sustainability performance of Grupo Cuñado, whose legal name is **Cemide, S.L.**; a privately owned and legally constituted company. As the group's parent company, Cemide, S.L. consists of 25 companies, as detailed in Annex II of this document.

This document was the first sustainability report prepared using the most recent version (2021) of the *Global Reporting Initiative* (GRI) Standards as a reference. Preparing this report involved a considerable effort in collecting data from all the group's entities. However, Grupo Cuñado is committed to continuous improvement in the systematisation and structuring of data for future reports. In those cases where it was not possible to include complete data from all the entities, such as in chapter 4, the group is committed to improving the information coverage in future reports.

[2-3] [2-4] The report covers the group's financial year from January 1 to December 31, 2023. As this is the first report based on GRI standards, no corrections to information from previous years are included.

[2-5] [2-14] This sustainability report was prepared as a voluntary initiative of the group and was not subject to external verification. The responsibility for its preparation fell to Vivian Cuñado Esteban, with the support of an external consultancy. In addition, the highest governing body of the group participated in the process by reviewing and approving the final draft of the document. The publication date of the report is XX xxxx 2024.

[3-1][3-2]

The information presented in this document was selected after an exercise of reflection in which the main impacts of Grupo Cuñado on the environment and its stakeholders were taken into account. The material issues identified as priorities for the group are the following:



### Governance

- Economic Performance
- Anti-corruption



### Environment

- Raw and auxiliary materials
- Energy
- Emissions
- Waste
- Supplier Environmental Assessment



### Company

- Employment
- Occupational health and safety
- Training and Education
- Non-discrimination

Looking ahead to 2024, Grupo Cuñado is committed to carrying out a more detailed double materiality analysis, with the participation of the main stakeholders to reinforce its commitment to transparency and corporate responsibility.

For any questions related to the report contents, please phone +34 918 878 700.

# Annex I

## Table of GRI indicators

### GRI 2: GENERAL CONTENTS (2021)

Code	Theme	Section	Page
2-1	Organizational details	6. About this report	16 - 53
2-2	Entities included in the organization's sustainability reporting	6. About this report	16 – 17
2-3	Reporting period, frequency and contact point	6. About this report	53
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3-2	List of material topics	6. About this report	53
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<b>GRI 305: EMISSIONS (2016)</b>			
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**SOCIAL PERFORMANCE**

<b>Code</b>	<b>Theme</b>	<b>Section</b>	<b>Page</b>
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# Annex II

## Companies that make up the group

	NAME OF THE ENTITY	LOCATION	FUNCTIONS
1	Cuñado, S.A.U.	Alcalá de Henares (Madrid)	Distribution of pipes, valves and accessories
2	Comercial de Tubos, S.A.	Alcalá de Henares (Madrid)	Distribution of steel pipes
3	Cuñado Internacional, S.A.U.	Alcalá de Henares (Madrid)	Distribution of steel pipes
4	Ibérica de Válvulas, S.A.U.	Alcalá de Henares (Madrid)	Distribution of valves
5	Edificios y Naves de Alcalá, S.L.U.	Alcalá de Henares (Madrid)	Real estate
6	Flaboform GmbH and subsidiary companies	Waghäusel (Germany)	Distribution of piping accessories
7	Servicio Logístico Cuñado, S.A.	Alcalá de Henares (Madrid)	Logistics services
8	Cunado North America Corporation and subsidiary companies	Houston, Texas (USA)	Distribution of steel pipes
9	Comercial de Tubos e Acessorios, Lda	Lisbon (Portugal)	Distribution of steel pipes
10	Cuñado Intercontinental, S.A.	Santiago (Chile)	Distribution of steel pipes
11	Cuñado México, S.A. de C.V.	Mexico D.F. (Mexico)	Distribution of steel pipes
12	Cuñado Colombia, S.A.S.	Bogotá D.C. (Colombia)	Distribution of steel pipes

<b>13</b>	Cuñado Perú, S.A.	Lima (Peru)	Distribution of steel pipes
<b>14</b>	I.T.F. de México, S.A. de C.V.	Mexico D.F. (Mexico)	Distribution of steel pipes
<b>15</b>	Shanghai CAC. Commercial Co Ltd	Shanghai (People's Republic of China (PRC))	Distribution of steel pipes
<b>16</b>	Ragen, S.A.	Province of Callao (Peru)	Distribution of filters
<b>17</b>	Cunado South África, Ltd	Grahanstown (South Africa)	Distribution of steel pipes
<b>18</b>	Cunado Canada, Ltd	Calgary (Canada)	Distribution of steel pipes
<b>19</b>	Cunado Piping and Valves, FZE	Dubai-United Arab Emirates	Distribution of steel pipes
<b>20</b>	Cunado France SAS	Aix en Provence (France)	Distribution of steel pipes
<b>21</b>	Cunado Mozambique Limitada	Maputo (Mozambique)	Distribution of steel pipes
<b>22</b>	Empresa Comercializadora Cunado Bolivia, S.A.	Santa Cruz de la Sierra (Bolivia)	Distribution of steel pipes
<b>23</b>	Cunado Middle East for Piping and Valves, LLC.	Abu Dhabi Emirate	Distribution of steel pipes
<b>24</b>	Cunado Piping and Materials, FZE	Dubai-United Arab Emirates	Distribution of steel pipes
<b>25</b>	Vector & Wellheads Engineering, S.L.	Utebo (Zaragoza)	Distribution of equipment machinery



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