

Materiality



In 2020 we conducted our first materiality exercise to identify topics that are most material to our business and connected to our strategy

As part of this process, we conducted an extensive review of internal documents including our *Strategic Plan 2020-2024* and *Annual Report 2019*, as well as industry research reports such as the *GlobeScan Radar Report 2020*, *The State of Sustainable Business 2019*, *Yearbook SAM S&P 2020*, *GRI Sustainability Topics for Sector (Automobiles and Components and Mining – Iron, Aluminum, Other Metals)*, *Sustainability Accounting Standards Board – SASB (Auto Parts and Iron & Steel Producers)*, *MSCI ESG Rating* and *Bloomberg ESG*.

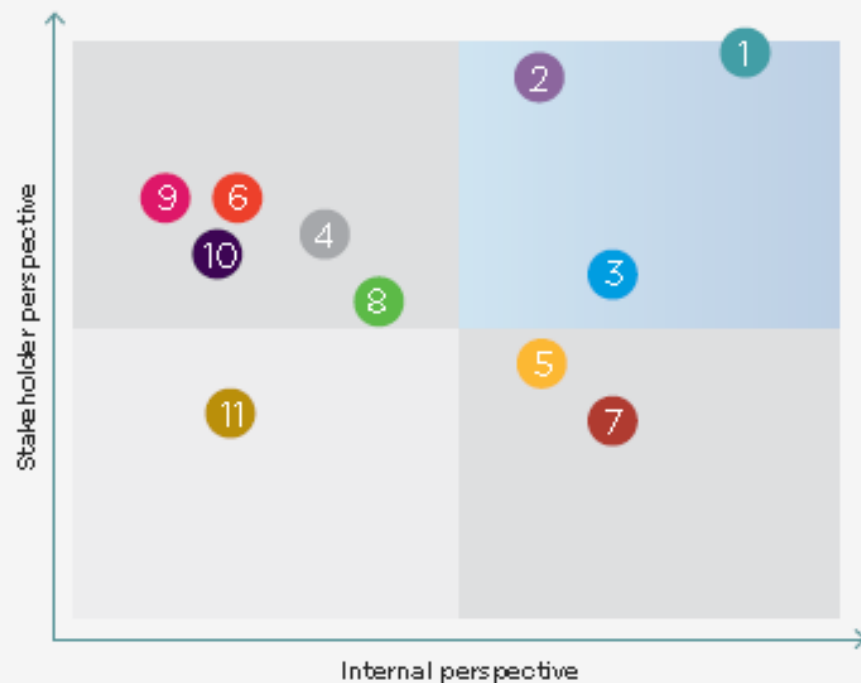
We also interviewed key management personnel (CEO, vice presidents and officers) and conducted an online survey of internal and external stakeholders, including the Board of

Directors, employees, customers, suppliers, governments and communities, investors and shareholders, society, the media, strategic partners, resellers (pipe fittings), labor unions, and universities, receiving a total of 735 responses. [GRI 102-40, 102-42, 102-43, 103-1](#)

The outputs from the survey informed the selection of 11 priority topics, which were then validated by the Board of Directors and Executive Board, and are addressed throughout this report.

Material topics were selected and assessed considering their alignment with our management approach and strategy, ESG aspects, and the Sustainable Development Goals ([SDGs](#))—see the table on the following page.

OUR MATRIX



OUR MATERIALITY TOPICS

- | | |
|---|--|
| 1 Air emissions | 6 Operational technologies |
| 2 Employee and contractor health, safety and well-being | 7 Supplier social and environmental criteria |
| 3 Decarbonization | 8 Impact on local communities |
| 4 Compliance, ethics, transparency and integrity | 9 Waste management |
| 5 Corporate governance | 10 People management and development |
| | 11 Diversity and inclusion |