

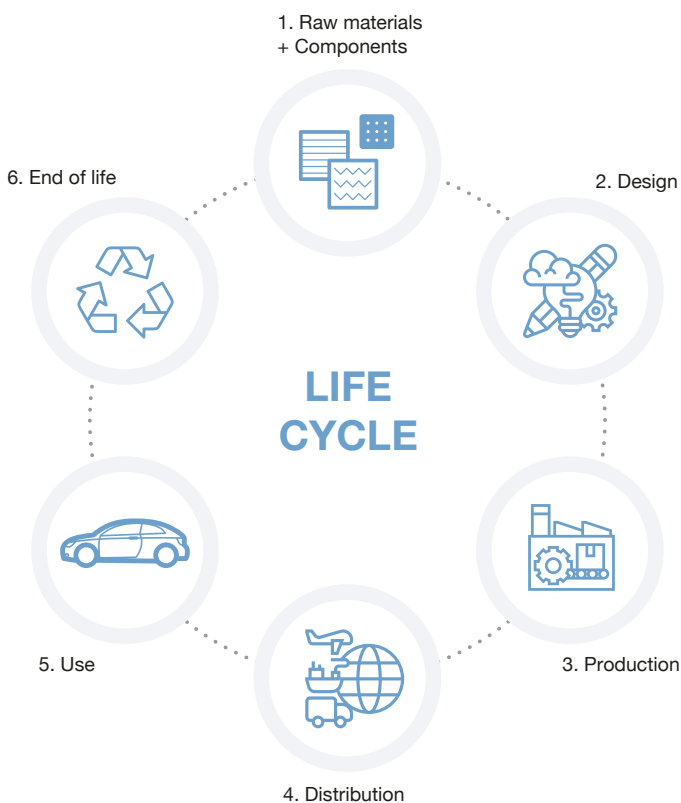


STATUS REPORT
OF NON-FINANCIAL INFORMATION 2022

INFORMATION ON ENVIRONMENTAL ISSUES

INFORMATION ON ENVIRONMENTAL SUSTAINABILITY

The ALUDEC Group analyses its environmental performance using a risk analysis based approach according to manufactured product's Life Cycle, taking into consideration the impacts and solutions in each of the phases in which the Group has the capacity to act.



Associated environmental impact

Resource consumption: energy, water, minerals

Generation of hazardous and non-hazardous waste

Atmospheric emissions

GHG emissions

Discharge of waste water

Illustration 11 1: Product Life Cycle Phases and Associated Impacts

As part of the Environmental Management System according to ISO standard 14001, and taking into account the requirements established by Law 11/2018 on information on environmental issues such as pollution, Circular Economy and waste prevention and management, Sustainable resource use, climate change and biodiversity protection; the ALUDEC Group has carried out an analysis of current and foreseeable environmental aspects, prioritising those environmental aspects of greatest relevance for the company and its stakeholders. As a result of this analysis, the information reported in this report will focus on the following material issues:

- Sustainable resource use: [Energy efficiency and water consumption](#)
- Climate Change: Greenhouse Gas Emissions(GEI)
- Pollution: [Atmospheric emissions \(VOCs\)](#)
- Circular economy and waste management: [Waste generation and management](#)

In addition to environmental information on the above material issues, primarily associated with the Manufacturing Life Cycle phase, an assessment has been carried out on environmental information associated with our product's life cycle phases:

- [Raw material supply chain](#),
- [Product and process design](#) and degree of implementation of Ecodesign criteria,
- Product life of products we market (Use and End of Life).

For each of these aspects, the following information is requested:

- Description of the current and foreseeable effects of ALUDEC Group's activities on the environment.
- Description of both improvement actions implemented in this financial year 2022 and future actions to reduce the organisation and its stakeholders' environmental impact.
- Quantitative indicators in accordance with the GRI (Global Reporting Initiative) standard, which allows reporting of the Group's environmental performance to be benchmarked on a global level and assessed against the Group's Sustainability Strategy.

1. INFORMATION SCOPE OF ENVIRONMENTAL ISSUES

The scope of the environmental information reported in the ALUDEC Group's non-financial reports prior to 2022 is limited to the production plants and facilities of the Group's headquarters, located in Spain.

The 2021 period marked the definitive internationalisation of the ALUDEC Group, embodied by the opening of new production plants in Mexico and Portugal and the acquisition of an existing plant in the USA.

This report will include information about ALUDEC Group companies' environmental issues as laid down in the corporate structure indicated in section 1. Organisational profile as shown in Illustration 11-2.

ALUDEC S.A., as the Group's parent company, does not have operational control capability for the ALUDEC USA INC. and Distribuidora Ibérica ALUDEC Automoción SA plants, and therefore, these companies are out of scope of the Greenhouse Gas Emissions Inventory and ALUDEC's Environmental Sustainability Strategy described in section 11.5.

The analysis of the impact associated with the External Distribution phase is out of scope of this report. At the moment, there is no quantitative data available to measure the impact of distribution logistics movements from suppliers to our production plants.

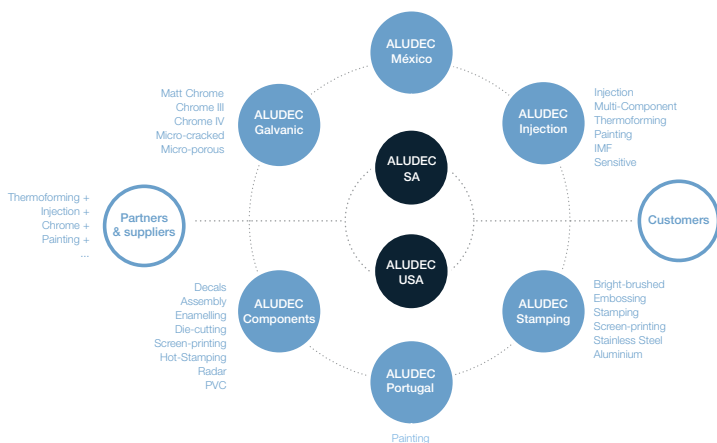


Ilustración 11 2: Estructura Corporativa Grupo ALUDEC

As for the external distribution of finished products to our Customers' plants, this is operationally controlled by the customer and is therefore also outside the scope of this report.

2. ENVIRONMENTAL ASSESSMENT OR CERTIFICATION PROCEDURES

ALUDEC ensures respect for the environment by establishing the appropriate channels to guarantee environmental care both inside and outside its facilities. To this end, its Environmental Management System has been in place since 2004, regulated by the UNE-EN-ISO 14001 standard. This certification involves, on the part of the organisation, a commitment to continuous improvement in its environmental management, in addition to compliance with applicable legislation.

Currently, five of ALUDEC Group's production plants are within the scope of UNE-EN-ISO 14001 certification: ALUDEC STAMPING, ALUDEC GALVANIC 1, ALUDEC GALVANIC 2, ALUDEC COMPONENTES 1 and ALUDEC USA.

The rest of our production plants and corporate headquarters, although they are not certified, follow the same environmental management principles in relation to compliance with all applicable environmental legal requirements and are also the subject of environmental analysis in this Report.

ALUDEC, as principles of its Environmental Policy, has decided to implement an effective and efficient Environmental Management System, working towards the continuous improvement of the environmental management system, and on environmental protection including pollution prevention, legislative compliance and adaptation to new developments.

3. APPLICATION OF THE PRECAUTIONARY PRINCIPLE

The precautionary principle is included in the Group's Environmental and Prevention Policies, both of which are drawn up by Management. In environment terms, its practical application is embodied by the ALUDEC Group's commitment to environmental protection by controlling and

minimising environmental impact associated with its processes.

The introduction of the Environmental Management System (whose central element is risk analysis, prevention and mitigation) is a key instrument for the implementation of the precautionary principle in the organisation. In terms of Prevention, its practical application is reflected in a combating risks at source mindset and replacing dangerous elements with other options that do not pose any danger.

The preventive approach is reflected in the implementation of the ISO 14001 based requirements of the Environmental Management System, which involves: the analysis of environmental risks associated with processes, the identification of environmental aspects with a Product Life Cycle approach, evaluation of the significance of the aspects, monitoring of environmental performance by means of indicators associated with these aspects and the establishment of improvement objectives for the most significant material aspects.

Likewise, we establish control of all significant and non-significant environmental aspects through monitoring indicators and we have operational control procedures that help us to control these aspects and to conserve evidence of the management activities carried out.

In order to prevent emergency situations affecting the environment, Emergency Plans have been defined, and there are periodic drills to train and raise awareness amongst our workers, and to guarantee that we have the necessary means (technical and human) to act in the event of an emergency. Additionally, analyses of the causes of environmental incidents are carried out in order to prevent possible incidents in the future.

Another essential element of these management systems is staff training in environmental aspects associated with the activity, allowing the principles on which our environmental management system is based to spread throughout the organisation.

4. AMOUNT OF FINANCIAL COVER AND GUARANTEES FOR ENVIRONMENTAL RISKS

All ALUDEC Group plants have general insurance with civil liability coverage and ALUDEC Galvanic and ALUDEC

Branch plants have insurance with specific coverage for environmental claims such as: third party claims for personal injury and material damage occurring inside and outside the insured risk event, third party claims for pollution clean-up costs, clean-up costs for new pollution within the insured risk event, prevention costs, damage to biodiversity according to Directive 35/2004 and Law 26/2007 and for interruption of activity due to pollution.

In relation to the deadlines for submitting the financial guarantee, on the basis of the fourth additional provision of Law 26/2007 of 23rd October, on Environmental Responsibility; the Galvanic plant's production process is included in Annex III of Law 26/2007, section 2. Production and processing of metals, with order of priority 3. Accordingly, it must be evaluated whether providing a financial guarantee is required as part of the activities included in Annex III of Law 26/2007 of 23rd October 2007 on environmental liability. Therefore, during the 2021 period, the Environmental Risk Analysis and its monetisation, applicable to the Galvanic 1 and 2 plants, has been performed. As a result of this analysis, a Declaration of Responsibility is issued for each of the plants according to which it has been verified that:

- The obligation to determine the regulated financial guarantee's amount has been fulfilled.
- In order to determine this guarantee, an environmental risk analysis of the activity was carried out, as provided for in Article 24.3 of Law 26/2007, of 23rd October, and which is expanded upon in article 34 et seq. of these regulations.
- The terms established in sections a) and b) of article 28 of Law 26/2007, of 23rd October, on Environmental Responsibility, remain exempt from submitting the obligatory financial guarantee.
- The documents accrediting this are available, and, where appropriate, any data or information required by the competent body in order to verify compliance with this declaration will be provided.

In December 2022, the Group company ALUDEC COMPONENTES changed its Hazardous Waste Producer Authorisation from Small Producer to Producer. As stated by current legislation, the corresponding deposit has been made to guarantee liability for possible environmental damage resulting from this activity.

In addition, as provided for in Law 7/2021 of 20th May on climate change and energy transition, the ALUDEC Group is preparing to comply with the requirements of Article 32 Climate Change Risk Integration and to have, within the current legislation's indicated time frame, a Management Report that includes "an annual report assessing the financial impact on society of the risks associated with Climate Change".

5. THE GROUP'S ENVIRONMENTAL SUSTAINABILITY STRATEGY

According to the principles adhered to in our Environmental Policy¹ and within the framework of an Environmental Management System, the ALUDEC Group carries out its activity committed to environmental protection, pollution prevention, compliance with the applicable legislative requirements or other environmental requirements to which we subscribe, as well as to adapting to society's new demands in terms of environmental sustainability.

In this regard, the environmental management system is integrated throughout our organisation with a life cycle analysis focus that enables us to address environmental risks and implement economically viable methods that reduce our environmental impact throughout the life cycle phases of our

operations, products and services.

To this end, this Policy constitutes the framework for the definition and implementation of relevant environmental improvement objectives for society, and thus, advancing the continuous improvement of environmental performance.

One of the fundamental pillars of this improvement in environmental performance is the commitment to ensuring all employees respect the environment with appropriate training and awareness programmes, as well as motivating supply chain members to adopt an environmental management system consistent with the following principles and commitments of ALUDEC:

- Actively collaborate in the transformation from linear to circular consumption of resources; promote the consumption of recycled and/or renewable raw materials; and reduce, reuse and recycle the waste generated.
- Promote the responsible use of natural resources

such as water, optimising its consumption and the prevention of its pollution after use.

- Managing the chemicals used safely and responsibly, whilst actively working on identifying and gradually substituting any restricted substances identified in our process/product.
- Adopt available and technically feasible technologies in manufacturing processes to contribute to improving air quality in the areas of activity and to control polluting atmospheric/acoustic emissions.
- Contribute to energy efficiency by monitoring and encouraging the reduction of energy consumption and/or promoting the use of renewable energy sources.
- Contribute to tackling climate change by promoting a low-carbon economy through the development of strategic objectives and plans focused on reducing GHG emissions.
- Promoting transparency by informing stakeholders of our efforts regarding environmental sustainability, especially in relation to our contribution to tackling climate change.
- Developing our activity by taking into account the biodiversity of ecosystems and habitats, as well as preventing harmful changes to the land we occupy.

In short, ALUDEC is committed to carrying out its industrial activity in an environmentally friendly manner and to making rational use of natural resources in order to contribute to sustainable development.

Today's society is facing important challenges in relation to sustainability and climate change. In response to these challenges, the automotive sector is defining business strategies and improvement targets along its entire supply chain and in alignment with development goals promoted by the UN and international climate agreements.

The ALUDEC Group, as a committed player in the supply chain, and in order to respond to the common strategies for improving the sector's environmental performance, has defined its **Environmental Sustainability Programme** which includes the [Strategic Objectives](#).

Environmental Sustainability 2025-2038.

As shown in Illustration 11-3, one of the Sustainability Objectives will focus on the [reduction of the Group's Greenhouse Gas \(GHG\)](#) emissions and which outlines two temporary milestones:

- **By 2025, an 80% reduction in GHG Scope 1 and 2**

emissions is targeted

- **And, by 2038, we aim to achieve carbon neutrality**, thus contributing to the Paris Agreement and the European Green Pact's strategy to make the EU the first climate-neutral continent by 2050.

Additionally, the ALUDEC Group has two other strategic goals to

- **Increase our capacity to manufacture products from recycled raw materials**
- **To reduce the amount of waste** generated by including in our processes the principles of the [Circular Economy](#).

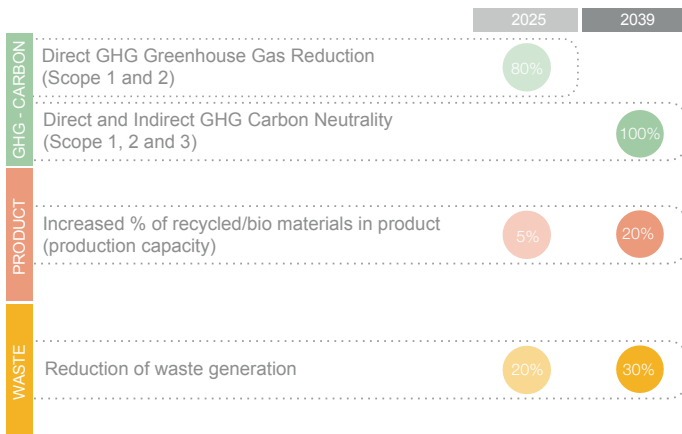


Illustration 11 3 Environmental Sustainability Strategic Objectives 2025-2039

The scope of strategic objectives includes the corporate headquarters ALUDEC SA and the European production plants: ALUDEC Inyección, ALUDEC Galvanic I y II, ALUDEC Componentes I y II, ALUDEC Stamping and ALUDEC Portugal. As indicated above, the ALUDEC Mexico and ALUDEC USA plants are outside of the operational control of the parent company ALUDEC S.A. and, therefore, follows its own strategic line in terms of Environmental Sustainability.

2018 has been taken as the baseline year for calculating the evolution of our performance against strategic objectives.

6. CURRENT AND FORESEEABLE EFFECTS OF ACTIVITIES ON THE ENVIRONMENT

6.1 Raw materials and components supply chain



The main environmental impacts generated at this stage of the life cycle are those associated with extraction processes and the manufacture of raw materials and components that we select for our own processes, as well as the means of transport and packaging used to deliver these materials to our facilities.

Taking into consideration the above environmental impact, the ALUDEC Group has focused its actions on the supply chain to promote the implementation of responsible purchasing criteria through:

- The control and [reduction to a minimum](#) of restricted or polluting substances.
- The promotion of a [Circular Economy of materials](#).

To this end, we base our strategies on the following pillars:

Supply chain awareness and traceability

A Code of Conduct with Sustainability criteria is communicated through the Supplier Manual Sustainability criteria Code of Conduct indicating the mandatory and desirable requirements to be met by our Supply Chain to ensure a safe, ethical and environmentally responsible supply chain from the point of view of substances used in its products and processes.

Compliance with the communicated criteria allows us to align our entire value chain with the ALUDEC Group's Sustainability Strategy and its Stakeholders.

In this sense, ALUDEC requests the commitment of our suppliers and requests the necessary information to comply with both the government's and our customers legal environmental requirements, such as:

- Controlling the use of substances restricted by current regulations (REACH, ELV) and by the automotive sector's standards such as Global Automotive Declarable Substance List (GADSL).
- Ensuring commitment to non-use of minerals from conflict zones by supplying traceability reports showing the

origin of metals used in accordance with the criteria Conflict Minerals Reporting Template (CMRT) and Cobalt Reporting Template (CRT) developed by the Responsible Minerals Initiative (RMI).

Additionally, general Environmental Protection requirements and specific requirements relating to the following areas are also applicable:

- Climate Change: Greenhouse Gas Emissions
- Climate Change: Energy efficiency
- Circular economy and waste management
- Air quality
- Responsible water management

In order to strengthen traceability of sustainability information, during 2023 we intend to develop a tool to monitor the performance of our main suppliers in the above aspects, which will enable us to gather qualitative and quantitative data. In this way we will be able to assess progress on the Group's strategic objectives that depend directly on our value chain. For example, having information or Environmental Product Declarations that indicate the % of recycled materials in products supplied to us, or having data on their GHG emissions to complete the GHG Scope 3 calculation of our organisation/products.

Selection of raw materials and components with circularity and sustainability criteria

Some examples of the application of responsible purchasing criteria would be:

- Inclusion of environmental criteria in the purchase of packaging components such as FSC (Forest Stewardship Council) certification, which allows us to accredit that 100% of the 1,613,776 cardboard boxes purchased from our usual supplier have been manufactured using wood from forests with responsible forest management in accordance with a Chain of Custody management system in INDIVIDUAL mode as established in the FSC-STD-40-004 V3.0 standard(s).
- Promoting the search for and collaboration with suppliers that include circularity criteria in their processes, such as recycling materials instead of using virgin materials. In this sense:
 - o We are currently working with steel and aluminium suppliers who use up to 70% recycled raw materials in their manufacturing processes.
 - o All the bubble wrap used in final product packaging is

supplied by suppliers using 30% recycled material in their packaging.

The criteria for the selection of raw materials has allowed us to reach agreements with our customers and consolidate projects in the 2022-2023 financial year to:

- Replace PELD packaging and containers with biodegradable plastic packaging and containers. In October 2022, for example, one of our customers successfully implemented a project to eliminate foamed PELD in engines.

6.2 Product Design and Manufacturing Technologies: Product-Process Ecodesign Criteria



For projects in which our clients allow us freedom of design, ALUDEC has standards to encourage, identify and quantify the degree of implementation of Ecodesign criteria in the product and process design phase.

Our aim is to obtain as much information as possible about the environmental impact associated with our products and to try to minimise their impact in accordance with our technological capabilities and our customers' requirements.

Our design teams can determine the degree of implementation of eco-design criteria in a tendered project and identify the environmental aspects on which the project is based the effect of these eco-criteria is that several design alternatives can be offered taking into account the environmental criteria, giving our clients the opportunity to select the design offer that represents the lowest environmental impact.

According to our standard system, the projects awarded in 2022 have been previously assessed during the tender phase against the following eco-design criteria:

- Designs that involve fewer industrial processes, such as MIC (Molded In Colour) injection technique, allowing us to obtain coloured plastic parts without using two industrial processes (injection and painting). Or parts that have been over-injected and thus avoid a subsequent assembly phase with adhesives or double-sided tape.
- Substitution of traditional processes by manufacturing

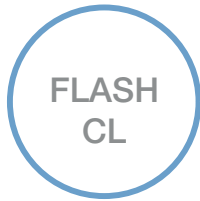
with a lower environmental impact that allows the same finish to be obtained. Along this strategic line, the ALUDEC Group has managed to develop chromium VI-free chromium plating processes that allow us to have up to 8 different finishes (4 gloss and 4 matt) for our chromium-plated parts.



TWILITE

Dark

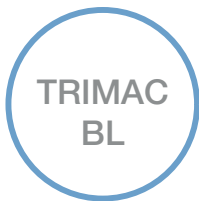
Fully Implemented and operative since 2016



**FLASH
CL**

Chloride based high gloss

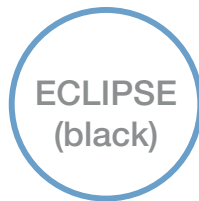
Fully Implemented and operative since 2014



**TRIMAC
BL**

Sulphate based high gloss

Validated in January 2022



**ECLIPSE
(black)**

Deep dark

Validated in January 2022

- In line with the use of chrome VI-free processes, the finishes of chrome effect paints (especially matt chrome) are being improved. The number of projects using this finish without chrome plating is increasing.
- Optimising recycling through material substitution, such as the use of ultrasonic welding or clipping assembly techniques instead of adding adhesive materials that are difficult to recycle at end of life.
- We have also taken into account the concept of dematerialisation (reducing the weight of material in the final product).
- Finally, reduction of types of materials used both in the final product design and in packaging materials by using as far as possible single-material designs. Facilitating the management/recycling of our products at the end of their useful life.

- For the second consecutive year, we have an indicator that allows us to measure tool reuse (moulds, tooling, etc.) from previous projects in the references awarded this year. In this way we reduce material, economic and energy costs associated with the creation of these tools. In relation to this criteria, we have encouraged technology use for the creation of flexible parts.

In awarded projects with design freedom, the client is presented with possible development options indicating which choice would have least environmental impact. The customer usually takes this factor into account but it is not always decisive; sometimes, for technical, final appearance or economic reasons, the customer chooses another option. Therefore, the indicator's evolution is determined by the customer's final selection..

The degree of Ecodesign implementation is monitored by different performance indicators, amongst which the following data should be highlighted:

Indicator	Result 2020	Result 2021(**)	Result 2022
% Projects awarded by Client with design freedom	13%	32%	49%
% Projects with freedom of design that include Ecodesign criteria	63% (*)	55,5%	44%
% Projects with Ecodesign with respect to the total of projects awarded	8%	18%	21,6%
% reuse of moulds, tooling	-	53%	21%

Product design is key to furthering our organisation's performance, so one of the strategic objectives of Environmental Sustainability is directly related to the final product design.

An initial process testing phase was carried out with positive results in which it was possible to test whether our chrome plating and painting processes can handle up to 20% recycled ABS without it affecting either the visual/defective aspect or the test results of the final product's required technical specifications.

A second phase of trials to incorporate recycled ABS natural granules for parts has been started in 2023 which will subsequently be chromed or painted in order to validate the results and progress made towards the defined strategic goals. To this end, a market study has been carried out with possible viable alternatives (especially in

terms of availability), which are currently being tested. The recycling rate of tested materials ranges from 50% to 100%. The results will be analysed taking into account the defective % as well as the laboratory tests.

Additionally, in order to make progress towards meeting the 2038 target, in the second half of 2022 we have launched several R&D projects focused on improving our products' environmental impact:

An agreement has been reached with a plastic granule supplier to test injection moulding + painting of ABS with a certain

% of biopolymers. The suitability of this material will be verified after analysis of the defective % as well as by laboratory tests.

- Along this same strategic line, we have continued to work with steel and aluminium suppliers whose manufacturing processes use up to 70% recycled material, and where we are also gathering information on the geographical location of their furnaces, the energy source they use in their processes, etc.

- We have initiated, together with an external consultant, the Life Cycle Assessment (LCA) of one of our standard references, in order to be able to systematically calculate our products' environmental impact in a quantitative way, as well as the impact savings each time we choose one route or another in the manufacturing process.

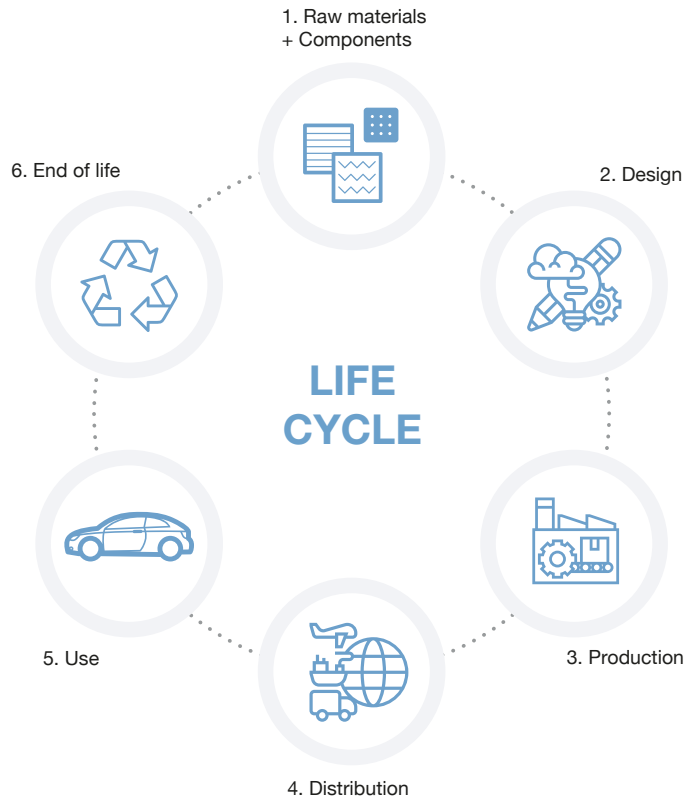
- We have added another line to flex chrome technology, with which we produced parts adaptable to all body geometries/curvatures: flexible resin injection. The result is a part with the same appearance as a rigid plastic part but with reduced impact associated with the manufacture and transport of tools (moulds, checking fixtures, etc.)

6.3 Climate Change: Greenhouse Gas (GHG) Emissions

Maintaining our life cycle phases approach, the main ALUDEC Group activities that contribute to GHG generation are:

- Manufacture and transport of raw materials,
- Energy consumption in the company's own production process and in conditioning the facilities,

-Distribution of intermediate products between the Group's subsidiary plants, as external distribution to our customers' plants is not within ALUDEC's operational control.



Inventory of GHG emissions - carbon footprint

The following is a [Greenhouse Gas Inventory](#) to inform stakeholders of the impact of our activity on Climate Change as well as the measures carried out during the period 2022 and the future lines of action that will allow us to contribute to reducing climate risk and become a carbon neutral organisation by 2038.

Reference standards: "Corporate Accounting and Reporting Standard. Greenhouse Gas Protocol" published by the Greenhouse Gas Protocol (GHG Protocol), "Guidance for Carbon Footprint Calculation and for creating an Organisational improvement plan" published by the Ministry for the Ecological Transition.

Year of calculation: 2022

Organisational Boundaries: Companies in the

consolidated ALUDEC Group over which 100% operational control is exercised are listed below together with their principal activities:

- Parent Company (ALUDEC S.A.) where the Group's Management, Commercial Management, Human Resources Management, Financial Management, Raw Material Purchasing Management, subcontracted processes and services, Design and Development of Products and Processes, Development of Products and Processes Quality Management, Supplier Quality Management, Customer Quality Management and Supply Chain and Shipping Logistics Management are centralised. These central facilities also include a physical and chemical testing laboratory.

- Manufacturing Plants: A. INYECCIÓN (manufacture of plastic parts by conventional injection), A. GALVANIC 1 and 2 (manufacture of chromed plastic parts), A. ALUDEC PORTUGAL (manufacture of painted plastic parts), A. STAMPING (manufacture of metal parts and final product assembly) and A. COMPONENTES (manufacture of films and final product assembly), Systems and Development Logistics management of the component supply chain and deliveries to end customers, both OEM and Tier 1.

Base year: 2018

Base year recalculation considerations:

Taking into account that in order to maintain consistency between datasets, base year emissions need to be recalculated when structural changes occur in the company that change the inventory boundary (such as acquisitions or divestments), we highlight the following considerations to help decide whether base year emissions recalculation is appropriate:

- The A. ALUDEC Portugal paint plant is a newly built factory and was therefore not operational in 2018. This plant started series production as of September 2021, so its emissions inventory for 2021 is not fully indicative, whilst the emissions inventory for 2022 is representative.

- An inaccuracy has been detected in the previous inventories regarding the A. Inyección plant. Fuel consumption (butane) associated with a production phase that is not continuously active had not been included. This represents a variation in the plant's GHG calculation of 6% and a 1% variation in the ALUDEC Group's GHG. Europe.

- Also at the A. ALUDEC Portugal paint plant, an error has been detected in the 2021 inventory with respect to emissions associated with natural gas consumption. The conversion factor (HCV) was not used to convert m³ to kWh used by the supplier depending on the "quality" of the gas supplied, which means that it went from 1,653kWh to 1,818,811kWh, accounting for 24% of the ALUDEC Europe Group's footprint. In the current 2022 inventory, this was calculated correctly and accounts for 29% of the ALUDEC Group's footprint. Europe.

Therefore, in the 2022 inventory, the base year 2018 has been recalculated including GHGs for butane and data included in this report has been corrected for both 2021 and 2022.

Operational Limits: Direct or Scope 1 emissions and indirect or Scope 2 emissions.

The direct or Scope 1 emissions inventory includes:

- Consumption of natural gas for plant air conditioning and the production process.
- Vehicle diesel consumption for internal transport, ALUDEC S.A. laboratory equipment.
- Consumption of refrigerant gases in plant air-conditioning systems and processes.
- Consumption of butane gas used in the injection production process.

The indirect or Scope 2 emissions inventory includes:

- Consumption of purchased electricity.

The strategic emissions reduction target to 2025 is defined for Scope 1 and 2 direct emissions, so this result will indicate our progress.

Indirect Scope 3 emissions are not included in the Inventory. ALUDEC is working on implementing tools that allow us to:

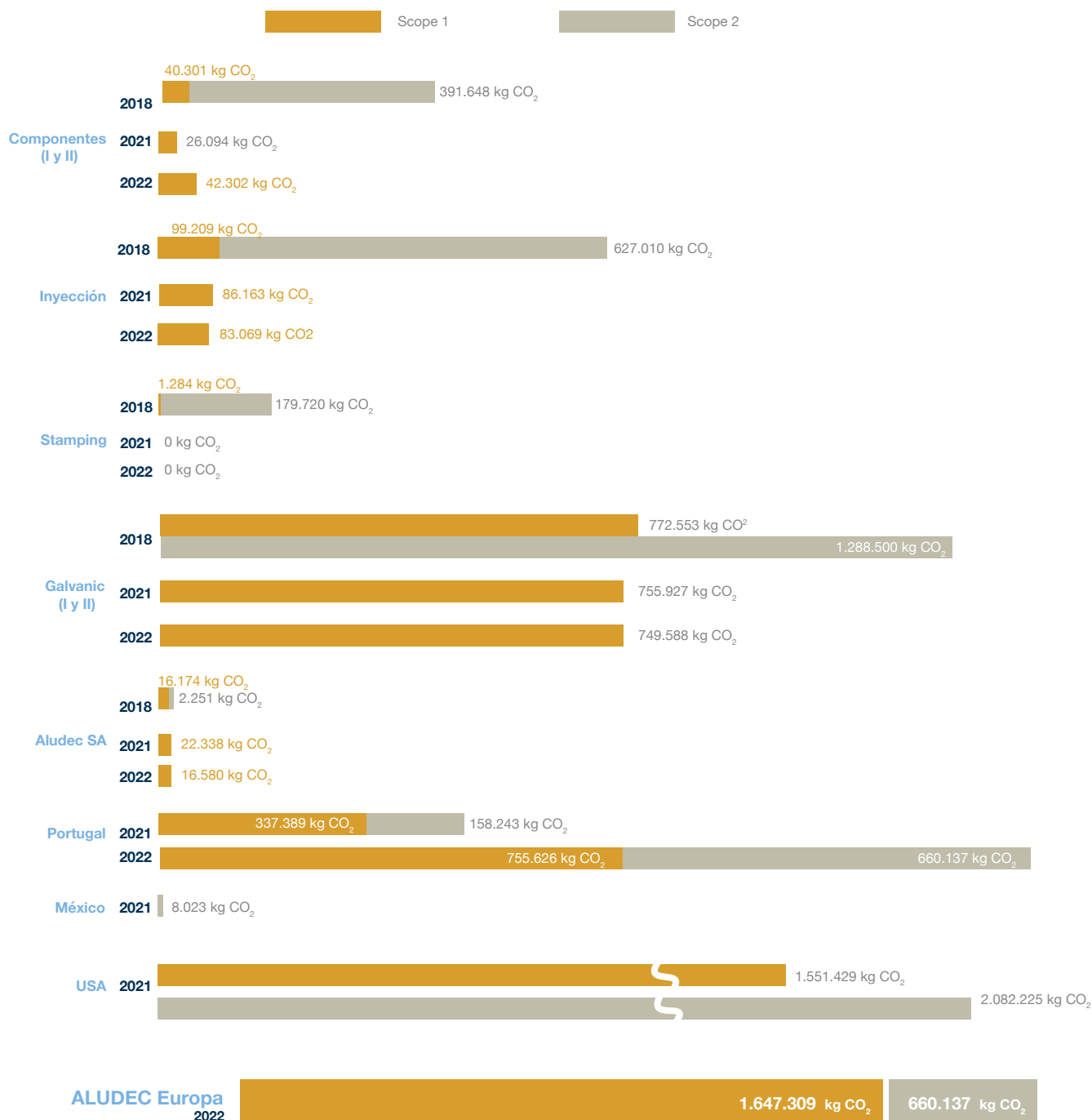
- Obtain emissions data associated with our supply chain for manufacturing and transporting the raw materials we consume, either by sending direct questionnaires or by using recognised databases that will be available with the LCA tool in development.
- Assess the significance of Scope 3 emissions

associated with our activity, such as logistics operations carried out by third parties, transport and travel of employees, waste management, etc.

Emission Factors: For plants in Spain, the emission factors used correspond to those published in the document "Emission factors. Carbon footprint registry, offsetting and carbon dioxide absorption projects" as of May 2023 from the Ministry for Ecological Transition and the Demographic Challenge. In the case of the Portuguese plant, greenhouse gas emissions are a figure that is indicated on the company's own energy bills, both for electricity and natural gas.

GHG inventory data associated with Scope 1 and Scope 2 is reported below:

Evolution of direct and indirect GHG emissions



Based on the results of the 2022 inventory for the [Group companies under operational control](#), we can conclude that the ALUDEC Europe Group has reduced its carbon footprint by 33% compared to the base year 2018.

There are two very significant changes in the inventory compared to the 2021 reporting period.

An inventory error at the A.INYECCIÓN plant has been corrected by including the butane fuel consumption of its production process. This change means that the inventory in the base year 2018 will change by 6%, in 2021 by 60% and in 2022 by 57%. Furthermore, this correction in the 2022 inventory makes Inyección's GHG emissions contribute 3.6% to the total GHG emissions of the ALUDEC Europe Group when in the base year (after recalculation) they accounted for only 1.6%.

The A. ALUDEC PORTUGAL plant has already been operating at full rate for the entire 2022 period, whilst it began production in September 2021 at a low rate. With the corrections made to the inventory, the GHG emissions associated with this paint plant account for 61% of the ALUDEC Europe Group's total GHG emissions in 2022.

These two factors have meant that the ALUDEC Europe Group's emissions have increased by 40% compared to 2021, which means a slowdown in reaching the strategic objective of an 80% reduction of GHG emissions by 2025, as we have gone from a reduction of 59% in 2021 (applying natural gas inventory correction ALUDEC Portugal) to 33% in 2022.

On the other hand, we must point out that for the second consecutive year the A. STAMPING production plant continues to be CARBON NEUTRAL, its classification as carbon neutral depending solely on the recharge of its refrigeration installations.

6.4 Sustainable Resource Use: Energy Efficiency of Manufacturing Processes.

Among the main resources necessary for the development of the Group's activity, we would highlight Energy. The technologies used for the manufacture of our products require significant energy consumption, mainly in certain processes such as the production lines:

painting and galvanising of plastic parts. This production activity, like the air-conditioning activity of the group's facilities, is mainly powered by bought electricity and, to a lesser extent, by natural gas consumption.

ALUDEC maintains a proactive policy towards learning about new energies and machinery with technologies that are less harmful to the environment, trying to implement them in the Group's activities wherever possible.

To make further progress towards sustainable energy use, we use internal and external audits as tools for detecting best consumption practices, as well as regular evaluation and monitoring procedures. In this sense,

- Within the compliance framework of Royal Decree 56/2016, all the Group's plants carry out third-party energy audits every four years, beginning this cycle in October 2016. During 2020-2021, the second cycle of energy audits was carried out by an external entity at the Group's various plants.

- All of the Group's domestic plants have individualised equipment consumption monitoring, which allows the detection of critical consumption points and the evaluation of modifications or swapping equipment for alternatives with lower consumption.

In order to improve the impact of energy consumption, actions have been implemented to optimise energy use in the group's various plants, such as:

In ALUDEC GALVANIC,

- In 2022, an agreement has been signed with CEAGA as a collaborating company in the FLEX-AUTO project, whose objective is to develop an experimental platform for energy flexibility in industrial processes for companies in the Galician automotive sector. Through this platform, which will use a modelling of grouped management systems, in a laboratory environment and subsequent field experimentation, it will be possible to detect patterns and recommend forms of more flexible consumption, which will allow us to operate in more flexible markets. The project is currently in the initial data collection phase, so it has not had any impact during this reporting period.
- A work group continues to evaluate possible reductions in gas consumption through the use of heat waste or the installation of more efficient systems to

replace or support existing ones.

- Fluorescent luminaires continue to be replaced by LED technology in office facilities, as this upgrade has already been completed in the plants.

At ALUDEC INYECCIÓN,

- Comparative energy efficiency studies have been carried out between the older injectors in the machine pool and equivalent injectors available in the current market. With the results obtained (Injectors in plant: 0.60kwh/kg injected plastic vs. Injectors in the market: 0.35 kwh/kg plastic injected) an action plan has been implemented with the aim of expanding/renewing the plant's machinery and during 2022 and 2023 four more efficient injectors have been incorporated.
- On 15 injection moulding machines, the technical feasibility of thermally insulating the energy dissipating machine components is being evaluated, which will reduce energy consumption in the thermal conditioning of these elements. During 2022 and 2023 six injectors have been insulated.
- A compressed air storage has been installed to optimise air consumption and therefore reduce energy consumption.
- Additionally, the plant is part of the project "FLEXIndustries: Digitally-enabled FLEXible Industries for reliable energy grids under high penetration of Variable Renewable Energy Sources (VRES)" (hereafter FLEXIndustries). This project is part of the Horizon Europe Programme (HORIZON-CL4-2021-TWIN-TRANSITION-01). Within the framework of the project, energy efficiency solutions will be developed for industrial processes, enabling companies to monitor, analyse and optimise their energy consumption while reducing their environmental footprint. As part of the project, a Process and Energy Management Platform will be created before being tested in seven plants of different companies in the automotive, biofuel, polymers, steel, paper, pharmaceuticals and cement sectors. Once these pilots have been tested, the acquired knowledge will be used to replicate the solutions in other companies. The project is currently in the initial data collection phase, so it has not had any impact during

this reporting period.

At ALUDEC COMPONENTES,

- Fluorescent luminaires continue to be replaced by LED technology in office facilities, as this upgrade has already been completed in the plants.
- At the end of 2022, the project for the installation of photovoltaic panels to supply electricity to the plant was approved and their installation was completed at the beginning of 2023.

In ALUDEC PORTUGAL,

Improvements in energy consumption are focusing on the consumption of natural gas by the boilers that supply heat to the process, such as:

- The additives required for degreasing in the pre-wash stage have been modified to allow the line to be fed with water at room temperature instead of having to be conditioned at 60°C for the additives to be effective.
- A study is currently under way to modify air conditioning installations by replacing the natural gas boilers with heat pumps that would allow heat exchange and not have to condition 100% of the air entering from outside, which is strongly affected by changes in the outside temperature.
- There are also plans to install consumption analysers for each process area, which will provide us with quality data to identify consumption peaks and define reduction strategies.

In order to monitor the impact of the optimisation practices mentioned above, monthly energy consumption indicators are established in each production plant, allowing us to analyse the annual consumption trend and take appropriate actions to meet the improvement targets.

The energy sources that power the Group's processes and facilities and that have been taken into account in the following consumption indicators are: diesel fuel, natural gas, purchased electricity and electricity self-generated by photovoltaic panels.

Taking into account the type of fuel and origin of the electricity purchased, the distribution of energy consumption in 2018 (base year), 2021 and 2022 for the

ALUDEC Group are shown in the following graph:

Evolution of energy consumption

2018



2021



2022



Aludec Europa 2022 **22.317.048** KWh

Grupo Aludec 2022 **37.562.330** KWh

The ALUDEC Europe Group, has experienced an 8% increase in energy consumption compared to 2021 and a 24% increase compared to 2018. This is mainly due to the acquisition and production at full capacity of the painting plant and the correction in this plant's natural gas consumption, as well as the correction made in the injection plant due to butane consumption.

In relation to the sustainable use of energy used in processes and activities, it is worth highlighting the efforts that the ALUDEC Group has been making in promoting energy consumption from renewable sources. The data has been monitored since 2018 and, taking this year as the base year, a strategic target of 80% increase in the use of renewable energy sources has been included.

When quantifying the use of renewable and non-renewable energies, the following energy sources associated with the ALUDEC Group's activities and processes have been taken into consideration:

Non-Renewable Energy Sources:

- Diesel consumption of our own vehicles,
- Consumption of process natural gas,
- Process butane gas consumption, and
- Part of the purchased electricity used in Aludec Portugal, Aludec USA and Aludec Mexico plants;

Renewable Energy Sources:

- Energy from self-consumption solar panels in the A. Inyección, A. Aludec Portugal and A. Componentes 1 plants,
- 100% of the electricity purchased with a renewable origin guarantee for A. Inyección, A. Stamping, A. Galvanic 1 and 2, A. Componentes 1 and 2.

% purchased electricity according to official data on the energy mix of each country from the A. USA, A. Mexico and A. Aludec Portugal plants.

New manufacturing plants, such as the ALUDEC PORTUGAL paint plant, have already incorporated partial energy supply by means of photovoltaic panels in their original design.

Additionally, in December 2022, the photovoltaic panels installation project at ALUDEC COMPONENTES 1 was approved, and installation began in January 2023 and has been supplying the facility with renewable energy since February 2023.

Additionally, the electricity purchased by the plants ALUDEC COMPONENTES 1 and 2, ALUDEC INYECCIÓN, ALUDEC STAMPING, ALUDEC GALVANIC 1 and 2, and

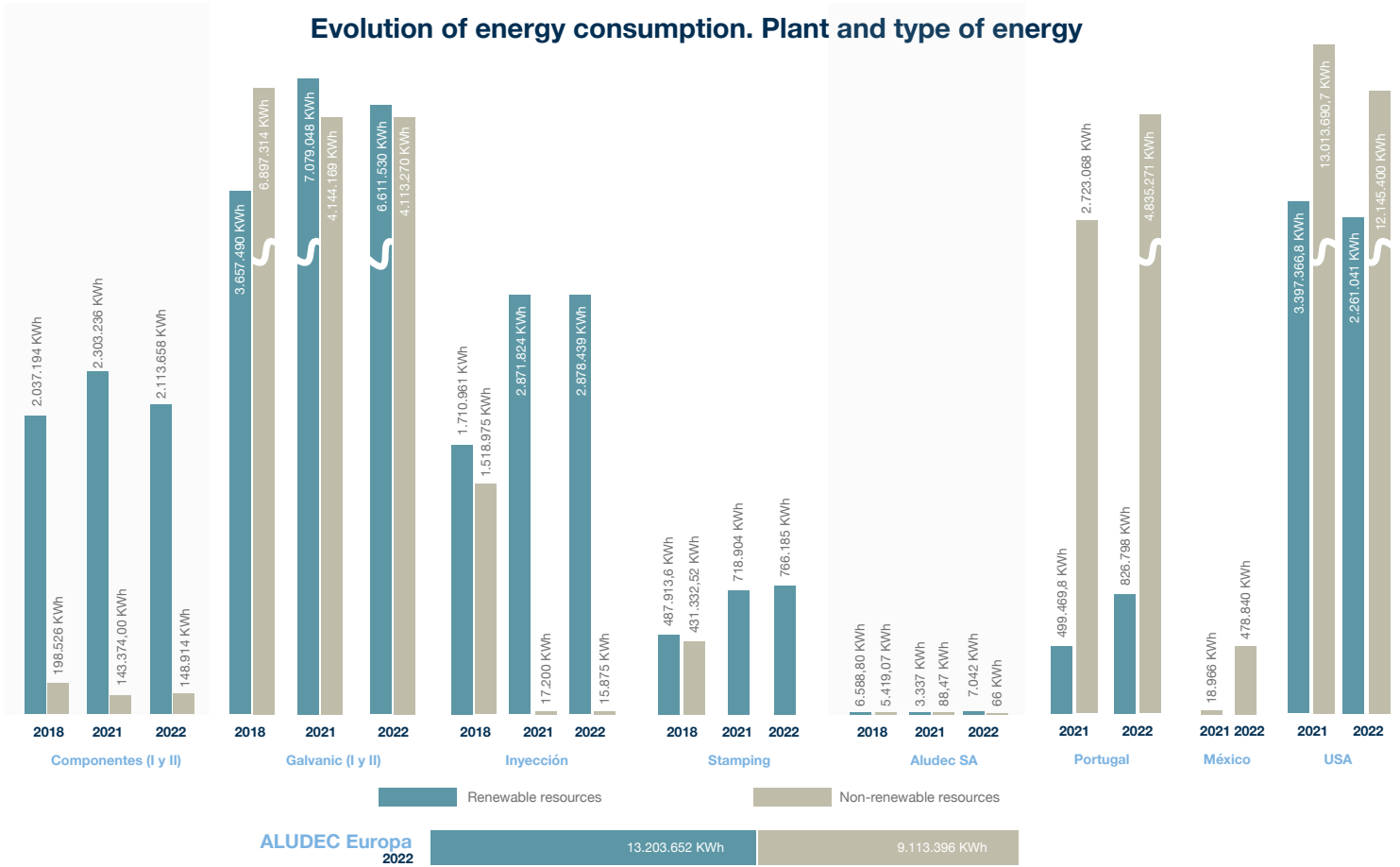
ALUDEC S.A. Headquarters, comes from a supplier that has an emission factor of 0 kg of CO₂ per kWh as accredited by the publications "Results of electricity suppliers' electricity labelling in relation to energy produced in 2021 (published by the Spanish National Markets and Competition Commission in April 2022) and "Emission factors. Carbon footprint registry, offsetting and carbon dioxide absorption projects" as of May 2023 of the Ministry for Ecological Transition and the Demographic Challenge.

During the period 2022, ALUDEC Group Europe has achieved 59% usage of renewable energy as opposed to non-renewable energy. There has been a decrease compared to 2021 period due to the increase in natural gas consumption in chrome plating plants, the inclusion in the inventory of butane consumption by the injection plant and the increase in natural gas consumption due to full production at the paint plant.

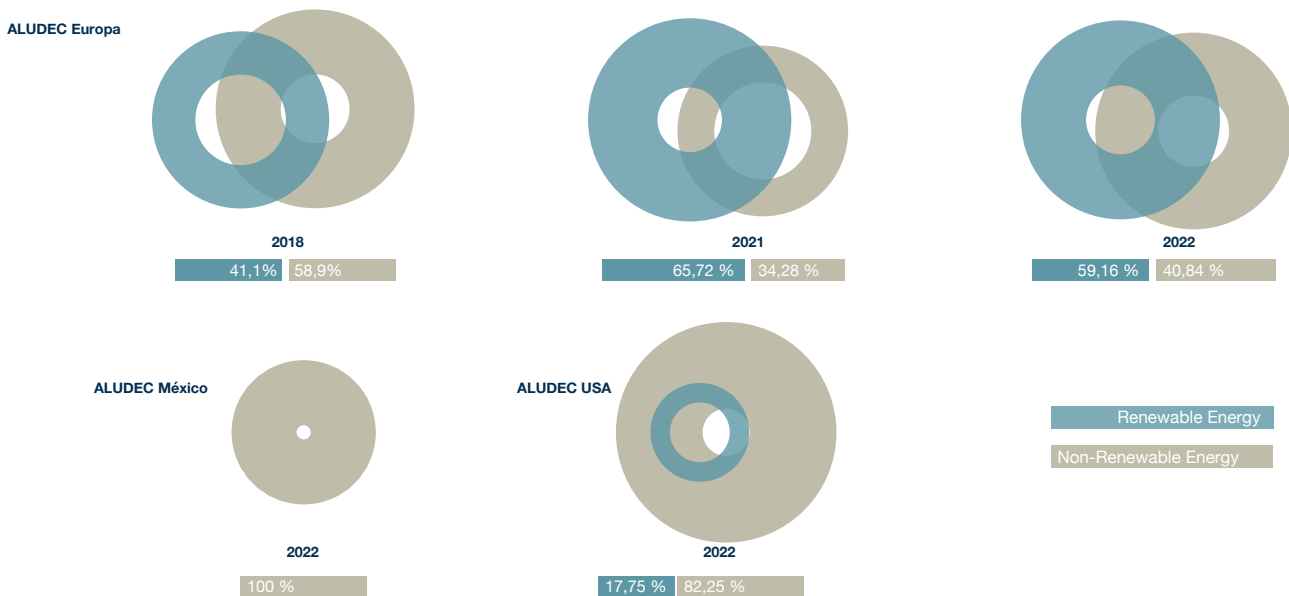
In 2022, the A. Inyección and A. ALUDEC Portugal plants obtained 358,953 kWh from self-generation equipment (photovoltaic panels), representing 3% of the total consumed renewable energy.



Evolution of energy consumption. Plant and type of energy



Evolution of % consumption of renewable and non-renewable energies



6.5 Sustainable Resource Use: Water Consumption

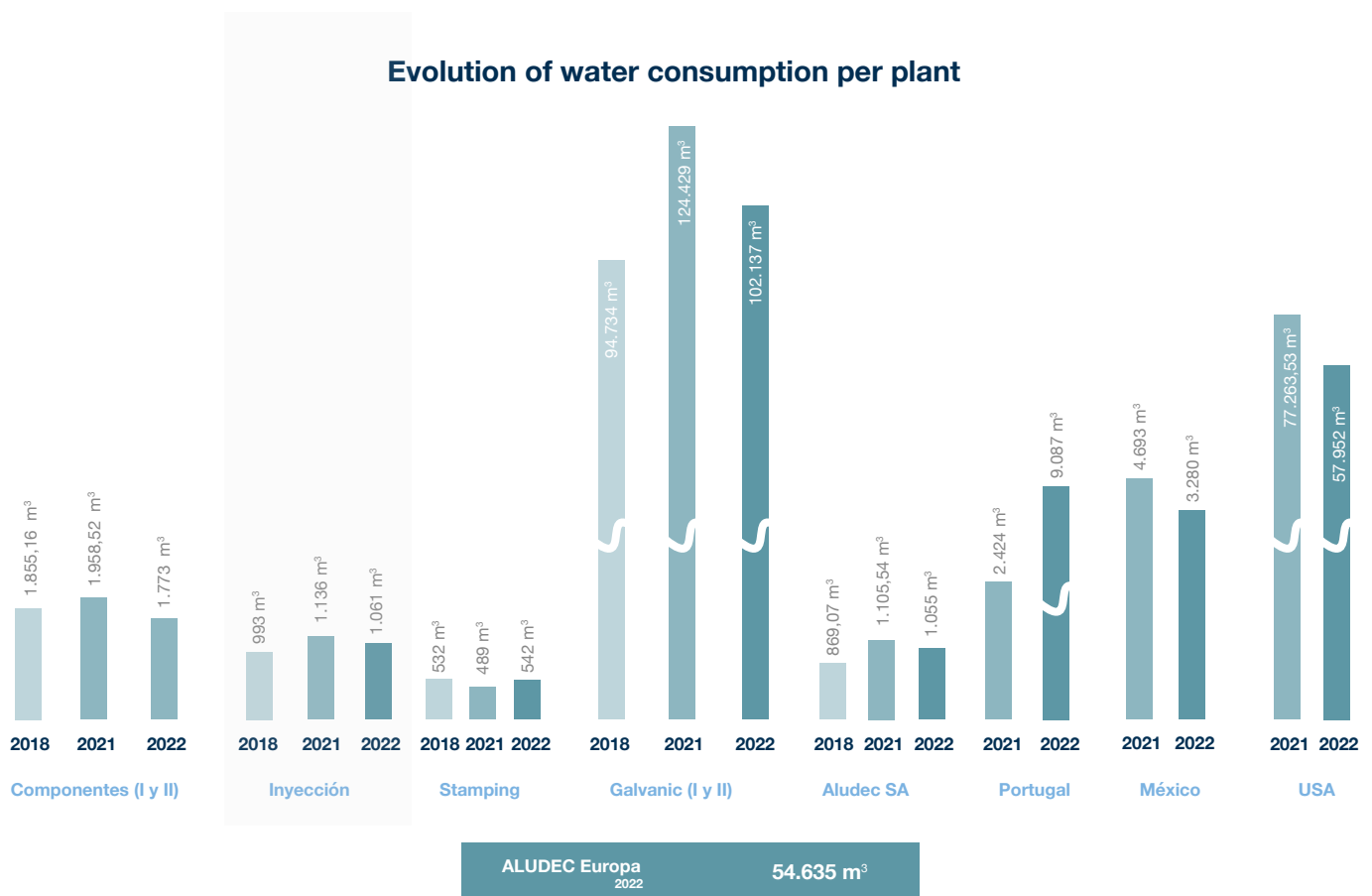
The plants that consume water for use in the production process are A. Galvanic, A. Componentes, A. Aludec Portugal, A. USA and A. Mexico plants. The Injection plant only consumes water for the cooling installations, and the rest of the plants only consume sanitary water. Water consumption at ALUDEC S.A.'s facilities includes the testing laboratory facilities that support all the plants. All the Group's plants use water from municipal sanitation networks and are located on sites classified as industrial.

Water consumption is monitored by means of approved meters and the evolution of this consumption is tracked by means of performance indicators in order to observe consumption trends and the impact of consumption optimisation measures. These measures include preventive

maintenance operations within the facilities to avoid leaks and the implementation of improvement plans focused on the reuse of consumed water.

The European plants' water consumption is lower than in 2021, with a significant decrease in water consumption at the Galvanic 1 plant due to implementing recycling of osmosis reject water within the plant. Initially, a target of a 5% reduction in consumption was set for 2022 with an estimated production by 2022. Due to part production not meeting the target, this goal was not achieved. However, an analysis of the data without taking into account the parts produced shows a 24% reduction in water consumption in chrome plating processes in Europe compared to 2021.

Water consumption by the Group's plants in recent years was as follows:



6.6 Pollution: Atmospheric Emissions: Volatile Organic Compounds (VOCs) Emissions

The direct atmospheric emissions caused by the ALUDEC Group's activity are essentially those derived from the processes of enamelling chrome parts, painting plastic parts, screen printing and varnishing of plastic, steel and aluminium elements. Once the parts have been painted, screen-printed, varnished or enamelled, they undergo a curing process in drying ovens, where solvents evaporate in the form of Volatile Organic Compounds (VOCs), which are channelled through chimneys to the outside of the installation.

The emission of these compounds mainly affects the plants of A. STAMPING, A. ALUDEC PORTUGAL and

A. USA. These plants carry out emission controls in accordance with current legislation and are carried out by Control Bodies authorised by the relevant authorities in each country. ALUDEC COMPONENTES, which also has emissions from the screen printing and enamelling processes, has been exempted, after having carried out initial measurements of these sources, by the relevant authority from carrying out periodic controls by approved inspection bodies.

Similarly, the emission sources of the chrome plating lines of the ALUDEC GALVANIC plants, with emissions in the production line and natural gas combustion boilers, have also carried out initial measurements of these sources, and have been exempted by the relevant authority from carrying out periodic controls by approved inspection bodies.

With regard to the A. INYECCIÓN and ALUDEC SA plants, their production processes do not generate atmospheric emissions.

As for the ALUDEC Group's international plants, the A. ALUDEC PORTUGAL plant stands out for its implementation of RTO systems for treating atmospheric emissions of VOCs from the painting process. This system allows a very significant reduction in VOC emissions contained in the finishing mixtures' components and more than complies with the established legal limits, as accredited by the reports carried out by an entity accredited by the Portuguese environmental administration (APA).

6.7 Circular Economy and Waste Management: Waste by Type and Disposal Method

ALUDEC works towards sustainable development, one of its objectives being to reduce environmental impact through the efficient use of resources in all our activities. An efficient use of raw materials leads to a reduction of waste production and therefore minimises the impact of our waste on the environment.

The ALUDEC Group promotes sustainable practices in order to reduce the waste generated both upstream, by our suppliers, and downstream, towards our customers and end-of-life managers of our products, thus trying to reduce our impact on the entire Life Cycle of our product. (These supply chain practices are further developed in sections 1.6.1 and

1.6.3 associated with the corresponding Life Cycle phase).

During operations associated with the Production life cycle phase, one of the main environmental aspects is waste production, both hazardous and non-hazardous. During the reception of raw materials and dispatch of finished products, mainly plastic, cardboard and wooden packaging waste is generated. In the different operations that make up the production processes, waste raw materials such as plastic, metal, inks and varnishes, films, adhesive materials and rejected manufactured products are generated.

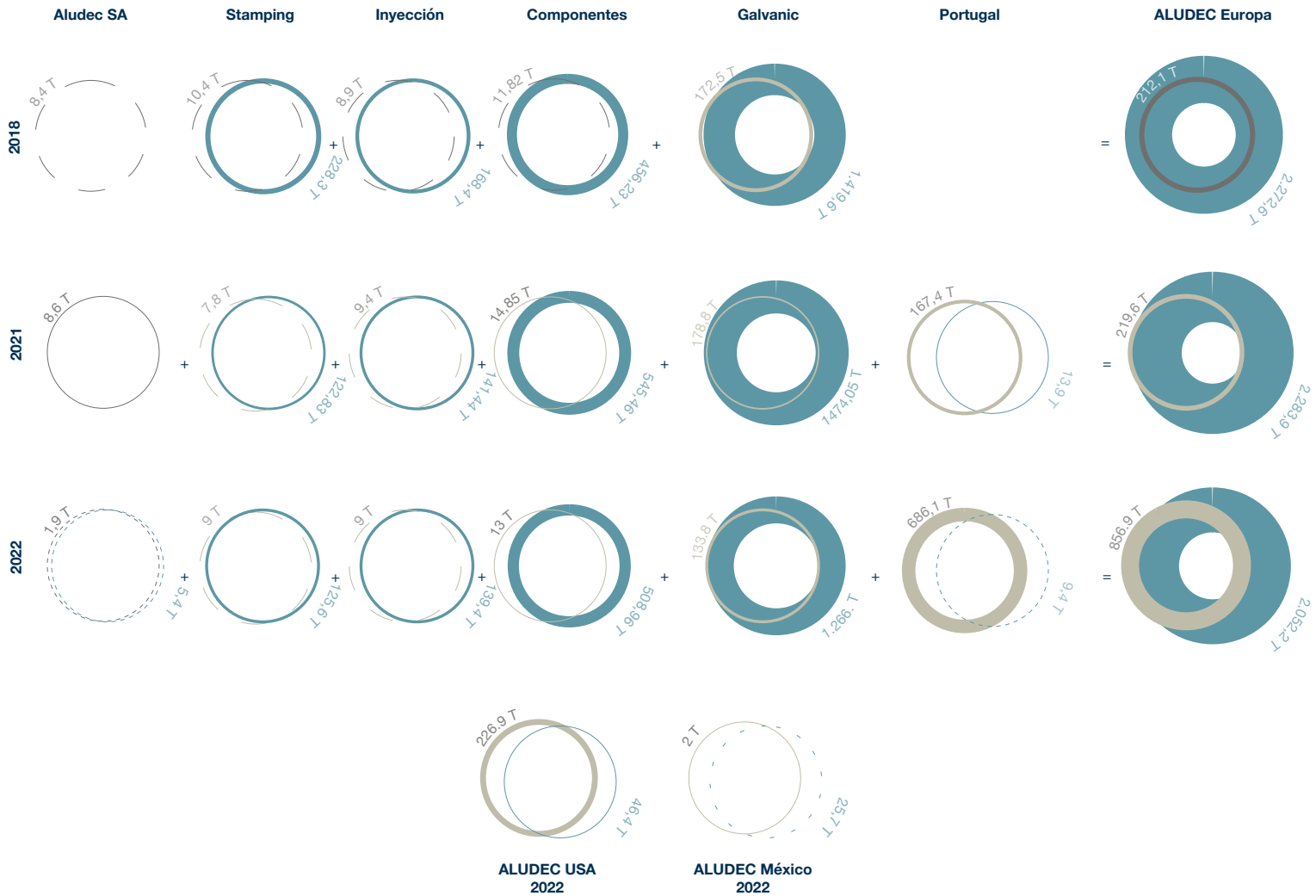
The ALUDEC Group is implementing practices to promote reuse, recycling and minimisation in waste generation and management, in order to advance the strategic objective of reducing waste generation by 20% in the period 2018-2025 and 30% by 2038.

The following practices are standardised in all the group's plants, which reduce waste generation in terms of both quantity and volume:

- Use of returnable packaging in internal transport circuits between Group plants.
- Reuse of packaging by recirculating components between plants, extending their useful life and reducing waste generation. For example, cardboard boxes, plastic cell-air components, plastic or cardboard separators and lids that arrive as intermediate product packaging at the group's plants are returned to the plants of origin for reuse until the end of their useful life.

Reduction of waste generation

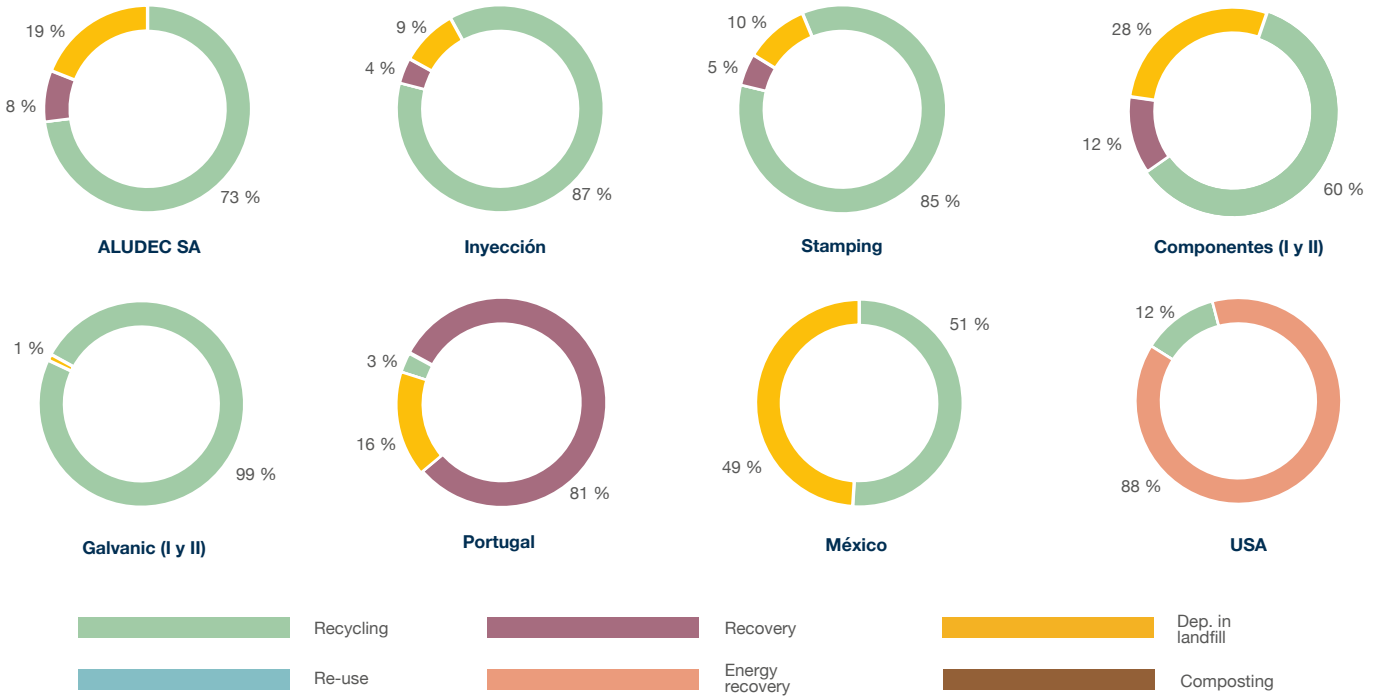
HW Hazardous Waste NHW Non-Hazardous Waste



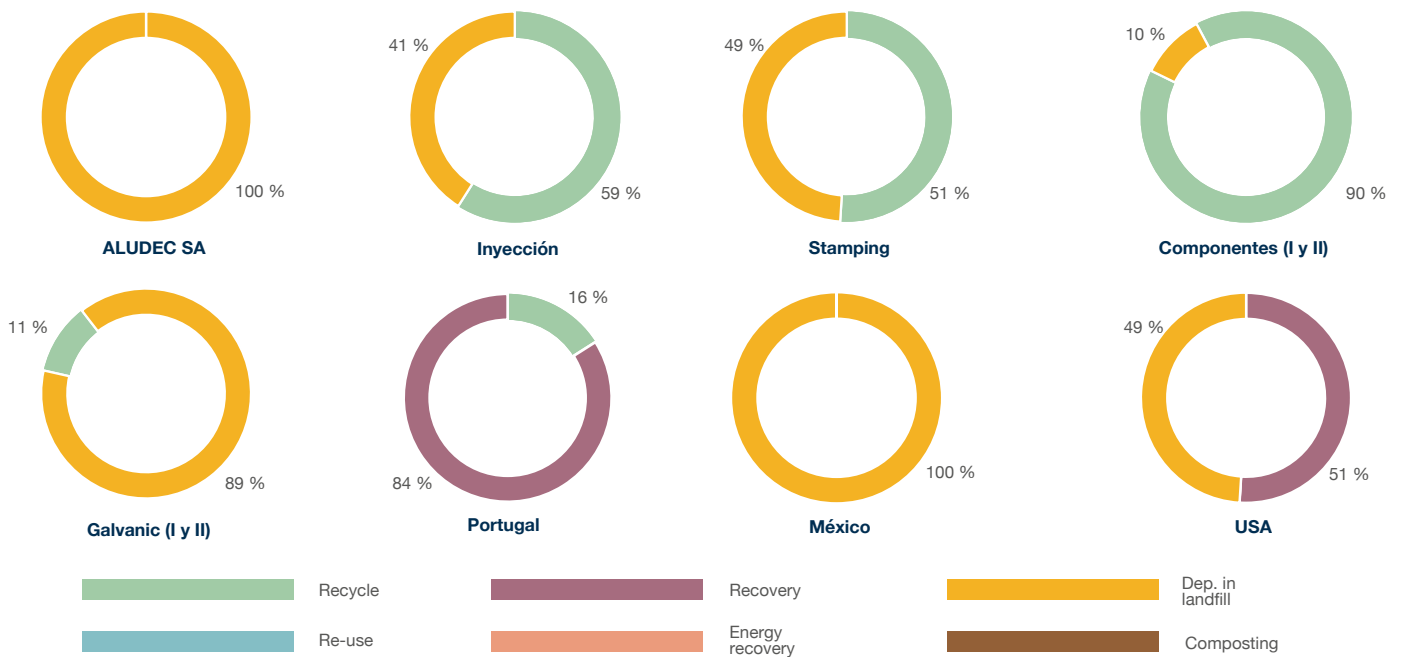
The evolution of the strategic objective regarding total waste generation by the ALUDEC Europe Group's global activity has increased waste generation by 14% compared to 2018. Although the generation of non-hazardous waste has been reduced by 10% compared to the base year, there has been a significant increase in the generation of hazardous waste mainly due to the painting plant's activity.

Based on the information provided by the authorised waste managers with whom we collaborate and the categories established in the GRI indicators, waste management treatment have been divided into the following categories: Reuse, Recycling and Recovery. Recovery includes energy recovery and landfill.

Non-Hazardous Waste Management in 2022



Hazardous Waste Management in 2022



6.8 Other environmental issues associated with Production: Justification for non-inclusion as a significant material aspect

Light or noise pollution

The activity carried out by the ALUDEC Group is not characterised either by its light intensity or by the generation of noise outside the limits set by the applicable legislation, so it is not considered within the scope of significant impacts for the Group or for any of our stakeholders.

Biodiversity protection

All ALUDEC Group plants are located in Industrial Estates and the environmental impacts generated by the activity do not affect any protected natural environments.

6.9 Environmental Aspects in the Use and End-of-Life phases



One of the most important aspects to take into account during the use and end of life of our product is the identification and management of the materials of which it is made up of. The customer has all the information on its composition, since the ALUDEC Group communicates this composition

through the IMDS (International Material Data System), a tool used by the companies that make up the automotive supply chain. This provides information related to restricted or potentially hazardous substances and information on the recyclability of constituent materials.

Another impact of our products during customer use is the generation of waste from product components used for their incorporation into the vehicle and the generation of packaging waste from the supplied product. For example, as a result of the assembly of our parts on the customer's line, waste such as cardboard, plastic protective film, siliconised paper may be generated and, in accordance with current legislation, this waste must be correctly managed.

With regard to end-of-life waste, our parts form part of the car from its assembly on the customer's line until the end of

its life. The authorised managers responsible for vehicle end-of-life management are in turn responsible for the correct treatment of the derived waste generated during their activity, always acting in accordance with current environmental legislation. To improve this management, ALUDEC marks the parts individually with the plastic polymer symbol used in their manufacture, thus facilitating their recyclability.

In addition, with the aim of minimising our products environmental impact, the ALUDEC Group carries out informative actions for interested parties involved in these stages of the Life Cycle, such as: our customers, users and vehicle end-of-life managers. In order to reach these Stakeholders, we use the corporate website www.aludec.com where the necessary environmental information is published so that, in each phase of the life cycle, sustainable management of the materials that make up our product and the packaging that accompanies it is carried out.

In this way ALUDEC aims to minimise the environmental impact associated with product use and to contribute to the objectives of reuse, recycling and recovery in our products' end-of-life management by providing information on:

- Information on product and material design to enable the correct management of waste generated during the use and positioning of the product in the vehicle, as well as the management of waste generated at the end of the product's useful life.
- Information on the type of packaging material that accompanies our products in order to encourage the use of reusable and recyclable materials and to provide users with sufficient information for their correct management.

In addition to documents containing relevant information on the impact of our product throughout its Life Cycle, the ALUDEC Group completes the information provided to its stakeholders on our environmental performance with the publication on its website of the Environmental Information included in this Non-Financial Information Statement.

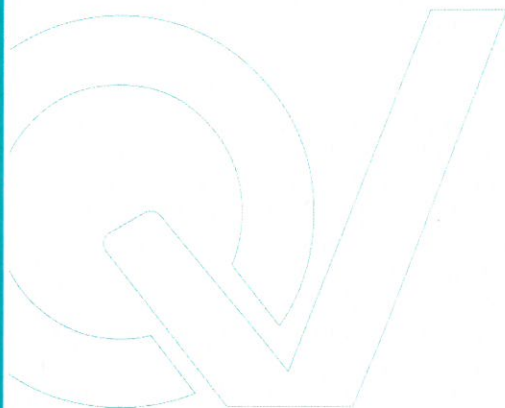
The period covered by this report is the financial year 2022. In accordance with the provisions of Law 11/2018 of 28th December on non-financial information and diversity approved as a result of the transposition of Directive

2014/95/EU of the European Parliament and of the Council of 22nd October 2014, this report will be made available on an annual basis. The report was prepared taking into account the non-binding guidelines issued by the European Commission "Guidelines EU 2017/C215/01" on 5th July 2017, as well as the GRI standards followed in their "core" GRI option. The GRI content index is included in Appendix

1 of this report (see appendix). This is the fifth year that the ALUDEC Group has submitted the report for external verification.

For interpretative issues, please contact the Head of HR, Alicia Pérez Fernández, at the following e-mail address: rsc@ALUDEC.com.





Declaración de Verificación Independiente del Estado de Información No Financiera de Aludec S.A. como la empresa matriz y sus filiales: ALUDEC Inyección S.A., ALUDEC Stamping S.A., ALUDEC Galvanic, S.A., ALUDEC Componentes S.L., ALUDEC S.A. Sucursal em Portugal, ALUDEC Automoción S.A. de C.V. y ALUDEC USA, INC) del ejercicio 2022

A los Socios/órgano de administración de **ALUDEC S.A.**

De acuerdo con el artículo 49 del Código de Comercio, hemos realizado la verificación, con alcance de seguridad limitada del Estado de Información No Financiera (en adelante EINF) correspondientes al ejercicio anual finalizado el **31 de DICIEMBRE de 2022**, de **ALUDEC S.A.** (en adelante "la organización") y sus sociedades dependientes que forma parte de su Informe de Gestión **consolidado** del mismo ejercicio.

El contenido del Informe de Gestión **consolidado** incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información identificada en el **ANEXO 1: Requerimientos de la Ley 11/2018 y de los GRI aplicados** incluida en el citado Estado de Información no Financiera.

Responsabilidad de la Dirección

La dirección de la organización, es responsable de la preparación, del contenido y de la presentación del EINF, según la Ley 11/2018, de 28 de diciembre. Esta responsabilidad incluye el diseño, la implementación y el seguimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente, seleccionados de acuerdo con lo mencionado para cada materia en el **ANEXO 1: Requerimientos de la Ley 11/2018 y de los GRI aplicados**, del citado EINF.

Asimismo, la dirección de la organización es responsable de definir, implementar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF, así como para el seguimiento del grado de cumplimiento de requisitos exigidos en la Ley 11/2018, de 28 de diciembre.

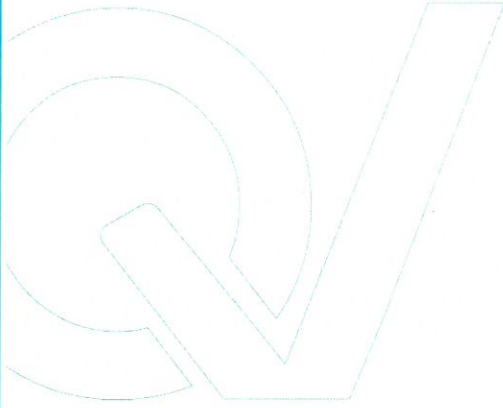
Independencia y Competencia

El equipo auditor ha cumplido los requerimientos de independencia, imparcialidad y demás exigencias de ética, basando sus actuaciones en los principios fundamentales de integridad, objetividad, competencia y diligencia profesional, confidencialidad y comportamiento profesional.

EQA es un prestador independiente de servicios de verificación tal y como se contempla en la Ley 11/2018.

Número: 11804

Fecha de Verificación: **03 / 11 / 2023**



Objetivo de la verificación

El objetivo de la verificación es asegurar que la información reportada por la organización en el Estado de Información No Financiera de **ALUDEC S.A.**, de EINF 2022_Social – MA del 10/10/2023, es precisa, completa, transparente y libre de errores u omisiones.

Nuestra responsabilidad

La responsabilidad de EQA se circunscribe en expresar nuestras conclusiones en una declaración de verificación independiente de seguridad limitada, basada en los procedimientos realizados y en las evidencias que se han obtenido. El encargo se ha realizado de acuerdo con una metodología propia y los requisitos de la Norma Internacional UNE-EN ISO/IEC 17029 "Evaluación de la conformidad. Principios generales y requisitos para los organismos de validación y verificación".

El alcance de un encargo de seguridad limitada es sustancialmente inferior al de un encargo de seguridad razonable y, por lo tanto, la seguridad proporcionada es menor.

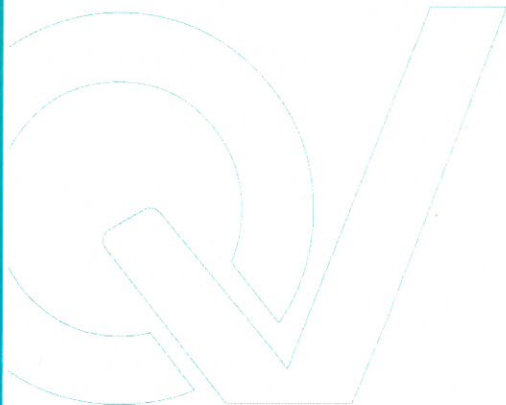
Los procedimientos realizados se basan en el juicio profesional de los expertos que han intervenido en el proceso e incluyen consultas, observación de procesos, evaluación de documentación, procedimientos analíticos, y pruebas de revisión por muestreo que, con carácter general, se describen a continuación:

- ✓ Reuniones con el personal de los diversos departamentos de la Organización involucrados para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener información necesaria para la revisión.
- ✓ Comprobación de los procesos de los que dispone la organización para determinar cuáles son los aspectos materiales en relación con sus actividades.
- ✓ Análisis de los procedimientos utilizados para recopilar y validar los datos e información presentada en el EINF.
- ✓ Análisis de la adaptación del EINF a lo señalado en Ley 11/2018.
- ✓ Comprobación de datos, en base a la selección de una muestra, y realización de pruebas sustantivas de la información cuantitativa y cualitativa contenida en el EINF.

Número: 11804

Fecha de Verificación: 03 / 11 / 2023

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Conclusiones de la Verificación

Como resultado de los procedimientos que se han realizado y de las evidencias obtenidas, no ha llegado a nuestro conocimiento ninguna cuestión que nos lleve a pensar que la información contenida en el EINF de **ALUDEC S.A.** y **sus sociedades dependientes** correspondiente al ejercicio anual finalizado el 31 de Diciembre de 2022, no está presentada de manera adecuada, ni que existan desviaciones ni omisiones materiales que nos haga pensar que el informe no cumple los requisitos de la Ley 11 del 2018 recogidos en **ANEXO 1: Requerimientos de la Ley 11/2018 y de los GRI aplicados**, del citado EINF, a excepción de:

2.1.4. Remuneraciones medias y su evolución desagregados por sexo, edad y clasificación profesional o igual valor [GRI 2-19].

2.1.5. Brecha salarial, la remuneración en puestos de trabajo iguales o de media de la sociedad [GRI 2-21].

Uso y distribución

La presente Declaración de Verificación se emite a la dirección de **ALUDEC S.A.**, de acuerdo con los términos del contrato suscrito entre ambas partes.

Esta declaración ha sido preparada en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.

Esperanza Martínez García
Directora de Certificación

Número: 11804

Fecha de Verificación: 03 / 11 / 2023

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BE CREATIVE TO BE UNIQUE