



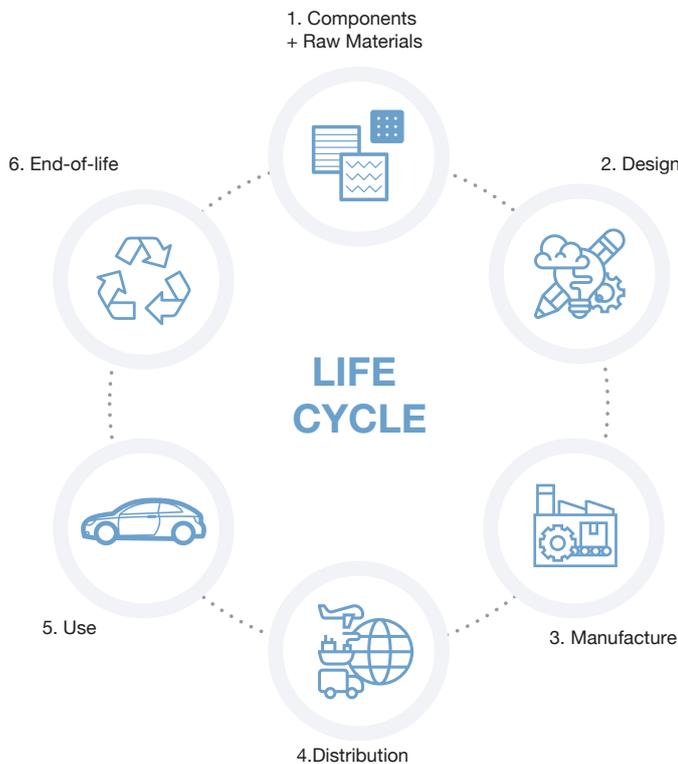
NON-FINANCIAL INFORMATION
ANNUAL REPORT 2020

INFORMATION CONCERNING ENVIRONMENTAL ISSUES

1.1 CURRENT AND FORESEEABLE EFFECTS OF ACTIVITIES ON THE ENVIRONMENT

Since the beginning of its activity, the ALUDEC Group has adopted an attitude that makes the company responsible for the environmental impact deriving from its productive and commercial activity, while striving to achieve efficiency in its processes.

As an integral part of the automotive sector, the ALUDEC Group analyses its environmental performance through a risk analysis approach according to Life Cycle of the product manufactured, considering the impacts and solutions in each of the stages on which the Group has the capacity to act.



Impactos ambientales asociados

Consumption of resources: Energy, water and materials

Generation of hazardous and non-hazardous waste

Atmospheric Emissions

GHG emissions

Wastewater discharges

In this report the environmental performance of the ALUDEC Group will be reported in all stages of the product life cycle. Impact analysis during the external distribution stage will not be included since, at the moment, there is no quantitative data available to measure the impact of logistic movements for the distribution of raw materials between supplier and our production plants, nor of distribution of the finished product to our clients' plants.

1.2 ENVIRONMENTAL ASSESSMENT OR CERTIFICATION PROCEDURES

ALUDEC ensures respect for the environment by establishing appropriate channels to guarantee its care both inside and outside its installations. To this end, since 2004 it has implemented an [Environmental Management System](#) regulated by the [UNE-EN ISO 14001 norm](#), obtaining the corresponding certification which establishes, on the part of the organisation, a commitment to improve its global environmental management as well as compliance with applicable legislation.

Currently, the scope of the UNE-EN-ISO 14001 certification includes 4 production plants of the ALUDEC Group: ALUDEC STAMPING, ALUDEC GALVANIC 1, ALUDEC GALVANIC 2 and ALUDEC COMPONENTES.

The rest of our production plants and headquarters, although not certified, follow the same environmental management principles in relation to compliance with all applicable environmental legal requirements.

As principles of its Environmental Policy ALUDEC has decided to implement an effective and efficient Environmental Management System by working on the continuous improvement of the environmental management system, the protection of the environment including pollution prevention, legislative compliance and adaptation to new changes. In this regard, ALUDEC is committed to:

- Integrate the Environmental Management System to all its operations, activities, products, and services.
- Respect and comply with the applicable environmental legislation, and the environmental requirements of clients and other environmental requirements to which the company subscribes, as part of a policy of constant commitment to complying with the legislation. Maintain and continuously assess compliance with the environmental policy, objectives and programmes, within the framework

of current legal requirements.

- Promote awareness and respect for the environment among its personnel, with the appropriate training and awareness programmes.
- Encourage contractors and suppliers to adopt an environmental management system consistent with our guidelines.
- Adopt the necessary measures to minimize the effects of or to prevent incidents and accidents that may cause environmental damage.
- Make public its Environmental Policy.
- Manage the raw materials and chemical substances used in our processes responsibly, promoting the use of other resources with less environmental impact, when economically viable, and working on plans to minimise consumption and waste generation.
- Reduce waste production, reusing and recycling as much waste as possible, on the basis of a commitment to continuous improvement and pollution prevention.
- Seek power efficiency, control air pollutant emissions and strive to put all the necessary resources into reducing them.
- Encourage responsible use of natural resources such as water, optimising their consumption and promoting the prevention of pollution after use..
- Define timeframes, resources and responsibilities for establishing and reviewing environmental objectives and goals.
- Review and update the Environmental Policy and its Management System, to ensure effectiveness and proper monitoring.

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

Our commitment to respect the Environment leads us to transmit to our Stakeholders, also through our corporate website, useful information on the possible environmental impacts associated with the life cycle of the products we put on the market, as well as quantitative data that reflect our environmental performance.

'Our objective is to make our clients and society in general participate in the commitment to protect the environment and prevent pollution, seeking the best solutions to carry out an efficient management.'

1.3 APPLICATION OF THE PRECAUTIONARY PRINCIPLE

The precautionary principle is reflected in the [Group's Environmental and Prevention Policies](#), both drawn up by the Management. As far as the environment is concerned, its practical application materialises in the commitment to protecting the environment by optimising the consumption of raw materials and energy.

The implementation of the Environmental Management System (whose central element is the analysis, prevention and mitigation of risks) is a key instrument for the implementation of the precautionary principle in the organization. Regarding Prevention, its practical application is reflected in the attitude of tackling risks in origin and substituting what is dangerous by other options that do not entail any danger.

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

Monitoring indicators have been incorporated in order to control all significant and non-significant environmental aspects. Operational control procedures are available to aid in control and better keep track of the management carried out.

Emergency Plans have been established in order to prevent environmental impacts associated with emergency situations. Furthermore, drills are periodically carried out to train our workers and raise awareness, and to ensure we have the necessary means (technical and human) to act in the event of an incident. In addition, to prevent possible incidents, analyses of the causes of environmental incidents are carried out.

Another essential element of these management systems is training personnel on environmental aspects related to the activity, which enables the dissemination of the principles on which our environmental management system is based

throughout the organisation.

In order to encourage the environmental participation of its workers, ALUDEC has developed and implemented an internal environmental communication system (suggestion boxes) in which any worker can suggest, express their opinion, raise doubts, make observations, etc., on any environmental issue. ALUDEC commits to analyse and reply to all these communications and rewards workers' participation.

1.4 AMOUNT OF PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

The ALUDEC Group has general civil liability insurance and the ALUDEC Galvanic plant has specific insurance coverage against environmental accidents such as: third party claims for personal and material damages contemplated in and out of the insured risk situation, third party claims for pollution clean-up costs, additional pollution clean-up costs contemplated in the insured risk situation, prevention costs, damage to biodiversity in accordance with Directive 35/2004 and Law 26/2007 and activity halts due to pollution.

With regard to the time limits for constituting the financial guarantee, on the basis of the fourth additional provision of Law 26/2007 of 23 October 2007 on [Environmental Liability](#), the production process of the Galvanic plants is included in Annex III of Law 26/2007, section 2. Production and processing of metals, with level 3 priority. According to which, a financial guarantee must be provided within the period determined by TEC/1023/2019 Order of October 10, which sets the date as from which the provision of the mandatory financial guarantee could be required for the activities of Annex III of Law 26/2007, of October 23, on environmental liability of activities with Level 3 priority.

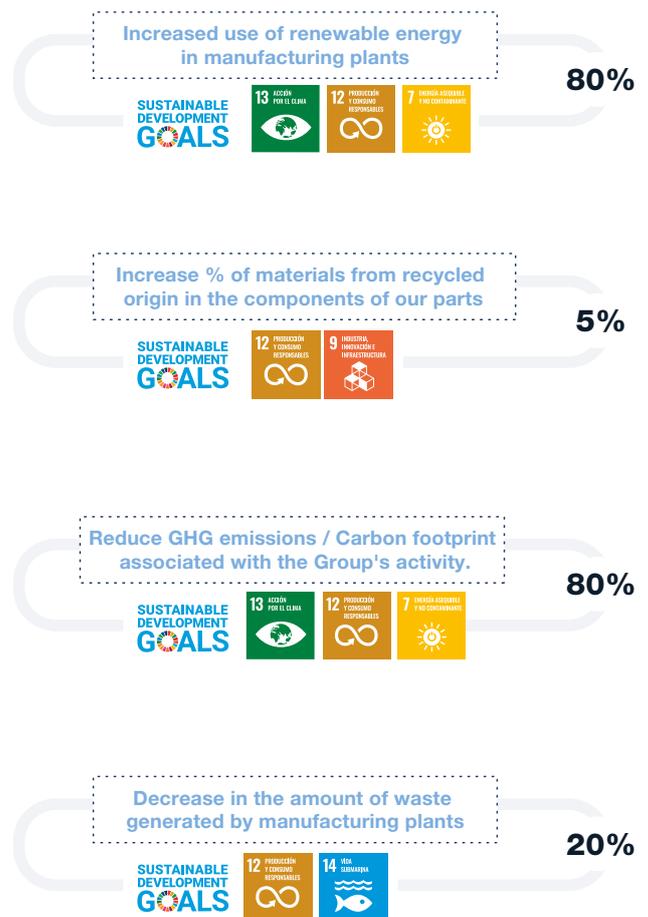
For all these reasons, the necessary measures will be established to carry out the Environmental Risk Analysis and its monetization, taking into account that the availability of a certified Environmental Management System, as is the case of the Galvanic 1 and 2 plants of the ALUDEC Group, constitutes an exertion factor.

1.5 THE GROUP'S ENVIRONMENTAL SUSTAINABILITY STRATEGY

The ALUDEC Group, faced with the challenges of environmental sustainability in the automotive industry, has defined its [Environmental Sustainability Programme](#) which includes the strategic objectives for the improvement of our environmental performance.

These [strategic objectives](#) are aligned with the environmental sustainability objectives of our main Clients, thus interacting in a meaningful way with our stakeholders and responding to common strategies to improve the environmental performance of the automotive supply chain.

In this sense, we intend to improve the use of renewable energy and reduce the carbon footprint associated with our activity. In addition, we aim to increase the use of recycled raw materials and reduce the amount of waste generated by incorporating circular economy criteria into our own waste.



1.6 MATERIAL ENVIRONMENTAL ASPECTS

As part of the Environmental Management System systematic according to the ISO 14001 standard, and taking into account the requirements established by the Law 11/2018 of information on environmental issues of Pollution, Circular Economy and waste prevention and management, Sustainable use of resources, Climate change and Protection of biodiversity, the ALUDEC Group has carried out a materiality analysis prioritizing those direct aspects of greatest relevance to the company and its stakeholders by selecting the following material issues to report on the Group's environmental performance:

- Sustainable use of resources: **Energy efficiency and Water consumption**
- Climate change: **Greenhouse gas emissions**
- Pollution: **Atmospheric emissions (VOCs)**
- Circular economy and waste prevention and management: **Waste by type and disposal method**

An identification of all the environmental aspects associated with our activities and services has been carried out; whether they are directly associated with our production processes in our facilities, such as those associated with the activities of our suppliers and contractors, those associated with the life cycle of the products we market, and the following is provided for each material aspect/issue:

- Information on the current and foreseeable effects of the Group's activities on the environment with a focus on describing impacts throughout the product Life Cycle.
- Description of the improvement actions implemented by the Group in this financial year 2020 aimed at reducing the environmental impact of the organisation and its stakeholders.
- Quantitative indicators associated to the previously indicated material issues that allow to assess the environmental performance of ALUDEC Group.

1.6.1. Environmental aspects in the supply chain: material and component obtention.



Our objective is to control and improve our environmental management in relation to environmental aspects in external stages of the product life cycle, we have established a series of actions to influence, to the extent of our capabilities, both downstream, towards our supply chain of suppliers, and upstream, towards our clients, users and end-of-life cycle product managers.

The main environmental impacts generated by this stage of the life cycle are those associated with our suppliers' manufacturing processes, the selection of materials used in their process/for their product, as well as the packaging of the products they supply to us and the transport of these materials to our facilities.

Considering the previous environmental impacts, ALUDEC has focused its actions towards the control of the use of restricted substances or pollutants and the promotion of a **Circular Economy** acting on the Prevention and Management of Waste, through:

- Communication through the Supplier Manual of the requirements of good environmental performance requested from suppliers in our supply chain. ALUDEC aims to work with suppliers who have environmental management systems in accordance with ISO 14001 or EMAS which promote the implementation of good environmental practices in their processes and ensure the monitoring and compliance with environmental legislation affecting their activities.
- In addition, through the Supplier Manual, the requirements and good environmental practices that our suppliers must comply with to ensure an environmentally responsible and safe supply chain from the point of view of the substances used in their products and processes are conveyed. In this sense, ALUDEC requests the commitment of our suppliers and asks for the necessary information to give fulfilment to the environmental legal requirements of the Administration and sectorial requirements of our Clients such as:

- **Control of the use of restricted substances** by the current regulations (**REACH, ELV**) and by the criteria of the automotive industry such as the **Global Automotive Declarable Substance List (GADSL)**.

- Assurance of commitment to Non-use of minerals from war zones through traceability reports on the origin of the metals used according to the **Conflict Minerals Reporting Template (CMRT)** criteria developed by the **Responsible Minerals Initiative (RMI)**.

- We promote joint actions with our suppliers such as the Improvement Plan for cardboard packaging waste reduction by replacing it with **returnable packaging** for the transport of components from their facilities.

- During 2020, out of a total of 22,978 boxes used, 49.73% were replaced with returnable plastic boxes in the external supplier circuit, thus increasing their use by 19.4% compared to 2019.

1.6.2. Environmental aspects in the Group's production processes: Design and Production



Product and Process Ecodesign Criteria

For projects where our clients allow us freedom of design, ALUDEC has standards to promote, identify and quantify the degree of implementation of Ecodesign criteria in the product design and process phase. Our aim is to obtain the maximum information about the environmental impact associated with our products and to try to minimise their impact according to our technological capacity and requirements of our clients.

Our design teams can determine the degree of implementation of ecodesign criteria in a project offered and identify on which environmental aspects these ecocriteria are impacting, so that they can present various design alternatives taking into account the environmental criteria, offering our clients the possibility of selecting the design offer that represents the least environmental impact.

When implementing our **Ecodesign** methodology, the following criteria, among others, are prioritised:

- Designs involving fewer **industrial processes and prioritizing the lowest environmental impact**, such as:

- MIC (Molded In Color) injection technique instead of two industrial processes (injection and painting)

- Replacement of CrVI chrome processes with another Cr III chrome process or with another technology that gives the part a chrome appearance, such as our PVD or paint finishing processes.

- Incorporation of **recycled raw materials** through different materials:

- Metals. ALUDEC's various steel and aluminium suppliers use up to 70% recycled material.

- Plastic. ALUDEC is currently testing the incorporation of recycled natural ABS pellets for the parts that will later be chromed-plated or painted. By 2025, the strategic objective is to reach at least 5% of recycled plastic raw material in order to guarantee the quality standards established with each client.

- **Recyclability optimisation** through designs with fewer types of materials and alternatives to hard-to-recycle materials, such as:

- Use of ultrasonic welding or clipping techniques for assembly instead of using adhesive materials.

The degree of implementation of Ecodesign criteria is monitored by means of different performance indicators, among which the following data for the fiscal years 2018 and 2019 should be highlighted.

Indicator	2018	2019	2020
% of projects awarded per Client with freedom of design	5 %	5 %	13 %
% of projects with freedom of design that include Ecodesign criteria	67 %	56 %	68 %
% of projects that include Ecodesign in relation to the total number of projects awarded	3 %	3 %	8 %

Sustainable Use of Resources: Power Efficiency of Processes

Energy is one of the main resources needed to carry out the Group's activities. The technologies used to manufacture our products require considerable energy consumption, mainly in certain processes such as injection and galvanization lines of plastic parts. This production activity, like the air-conditioning activity of the group's facilities, is mainly fed by energy from purchased power and, to a lesser extent, from natural gas consumption.

ALUDEC maintains a proactive policy to get to know new energies and machinery with technologies that are less harmful to the environment, trying to implement them to the extent of the Group's possibilities.

With regard to the sustainable use of resources, special mention should be made of the use of **renewable energies** through the implementation, in September 2018, of **photo-voltaic solar panels** that power both the process operations and the air conditioning of the ALUDEC INYECCIÓN facilities, and which have been in operation throughout the fiscal year 2020, thus promoting self-generated renewable energies.

In addition, the **power purchased** by the ALUDEC Group comes from a trading company that **has an emission factor 0 kg of CO₂ / kWh as accredited** by the publications 'Acuerdo sobre el etiquetado de la electricidad relativo a la energía producida en el año 2020' (Agreement on power labelling for energy generated in 2020), published by the National Commission on Markets and Competition in April 2021, and 'Factores de emisión. Registro de huella de carbono, compensación y proyectos de absorción de dióxido de carbono' (Emission factors. Carbon Footprint Registry, compensation and carbon dioxide absorption projects), as of April 2021 by the Ministry for the Ecological Transition and the Demographic Challenge.

It is also our purpose to implement tools for detecting best consumer practices, to promote external and internal audits, as well as regular procedures for evaluating, controlling and preventing business activity in relation to the environment. In this regard, in order to ensure compliance with the framework of the Royal Decree 56/2016, all the Group's plants carry out third-party **energy audits** every four years, starting as of October 2016.

During 2020, the second cycle of energy audits was carried out by an external entity at the Group's various plants. Among the improvements proposed in these audits to optimise energy consumption, the following are being studied for feasibility:

- Contracted power optimisation and reactive power compensation equipment upgrade.
- Replacement of more energy-efficient logistic vehicle chargers.

Monitoring the consumption levels of individual equipment at all the Group's production plants facilitates the detection of critical consumption points and the assessment for the modification or replacement of equipment by lower-consumption alternatives.

In addition, during 2020, other actions have been implemented to optimise energy use in the various plants of the group, such as:

- Replacement of compressors with more energy-efficient equipment
- Further replacements of fluorescent lights with LED technology, thus reducing annual energy consumption as well as the thermal radiation released to the environment, as well as reducing CO₂ emissions and extending the life of the lighting system.

In order to monitor the impact of previous optimisation practices, each production plant establishes monthly electricity consumption indicators, which allow us to analyse the annual consumption trend and take the relevant actions to meet the improvement objectives.

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

Taking into account the type of fuel and origin of the power purchased, the distribution of energy consumption in 2018, 2019 and 2020 for the ALUDEC Group is shown in the following graph:

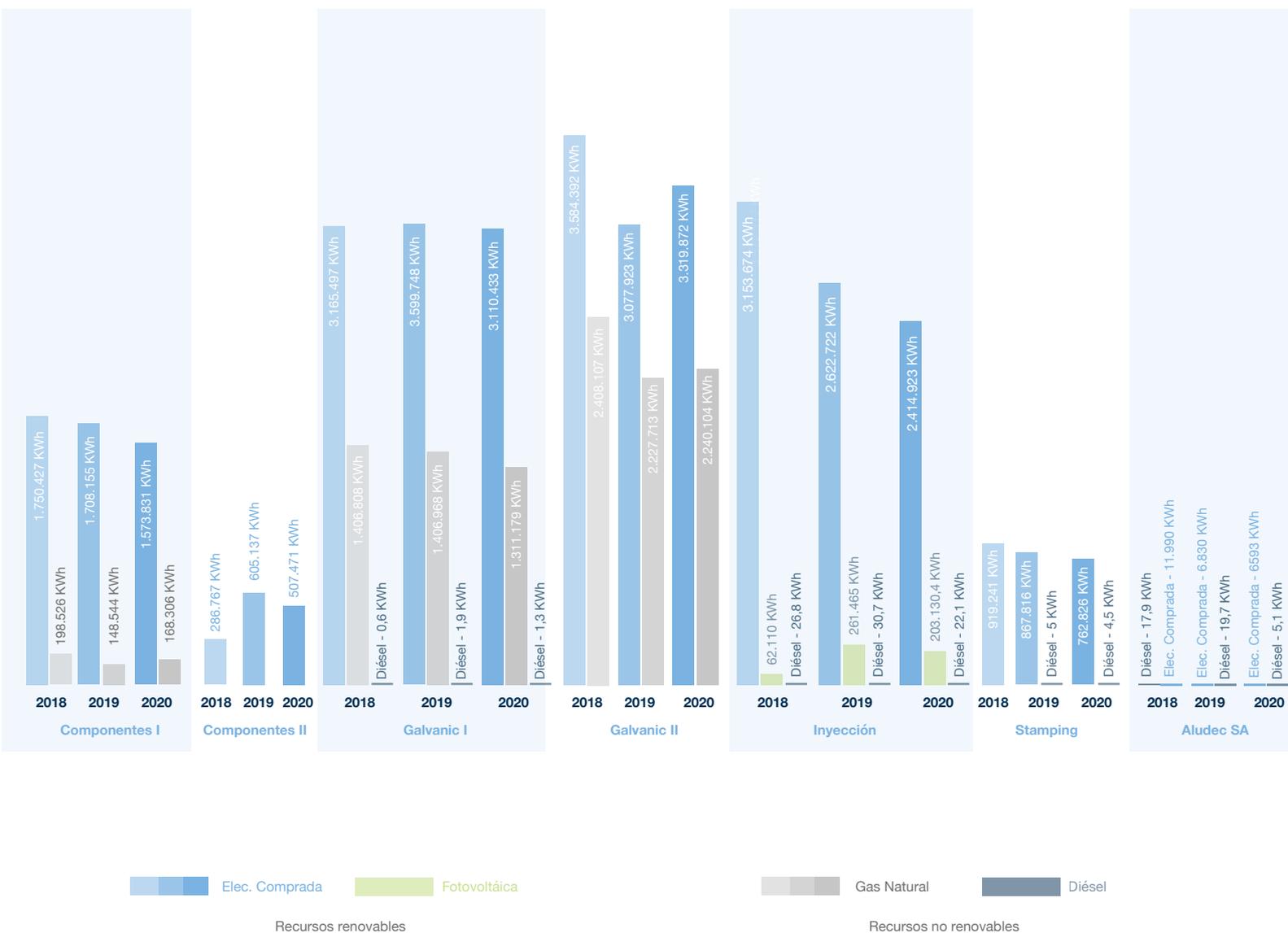
EVOLUTION OF ANNUAL ENERGY CONSUMPTION BY PLANT



Over the years 2018-2019-2020, the Group has managed to reduce its total energy consumption by 7.7% compared to the base year 2018. This enables us to make progress in the 2018-2025 Sustainability Strategy in which the

ALUDEC Group has set as one of its objectives to **reduce by 80% the Greenhouse Gas emissions that contribute to the Group's Carbon Footprint.**

EVOLUTION OF ENERGY CONSUMPTION BY PLANT AND TYPE



Over the years 2017-2018-2019, the Group has managed to reduce its total energy consumption and significantly increase its renewable energy consumption. This has been made possible mainly due to the use of self-generated power from photovoltaic solar panels installed in the A.

Inyección plant, as well as the incorporation of electricity trading companies with a guarantee of renewable origin, thus increasing our renewable energy consumption from 14% in 2017 to 77.1% in 2019.

EVOLUTION OF RENEWABLE/NON-RENEWABLE ENERGY CONSUMPTION



In this ratio of renewable energies versus non-renewable energies, the following have been considered as non-renewable energy sources: consumption of fuels for own vehicles and natural gas for processing; and as renewable energy sources: solar energy and purchased power with a guarantee of origin and/or emission factor from zero-emission trading companies.

During the 2020 period, a 76.2% ratio of renewable to non-renewable energies has been achieved. The decrease

of almost one percentage point is due to the fact that in the 2020 period, the energy consumption data has been corrected to include, in addition to the internal transport vehicles, staff vehicles and the consumption of laboratory equipment that uses conventional diesel fuel.

The ALUDEC Group has set the goal of achieving that 80% of energy used be from renewable sources by 2025, compared to the base year 2018.



Sustainable Use of Resources: Water Consumption

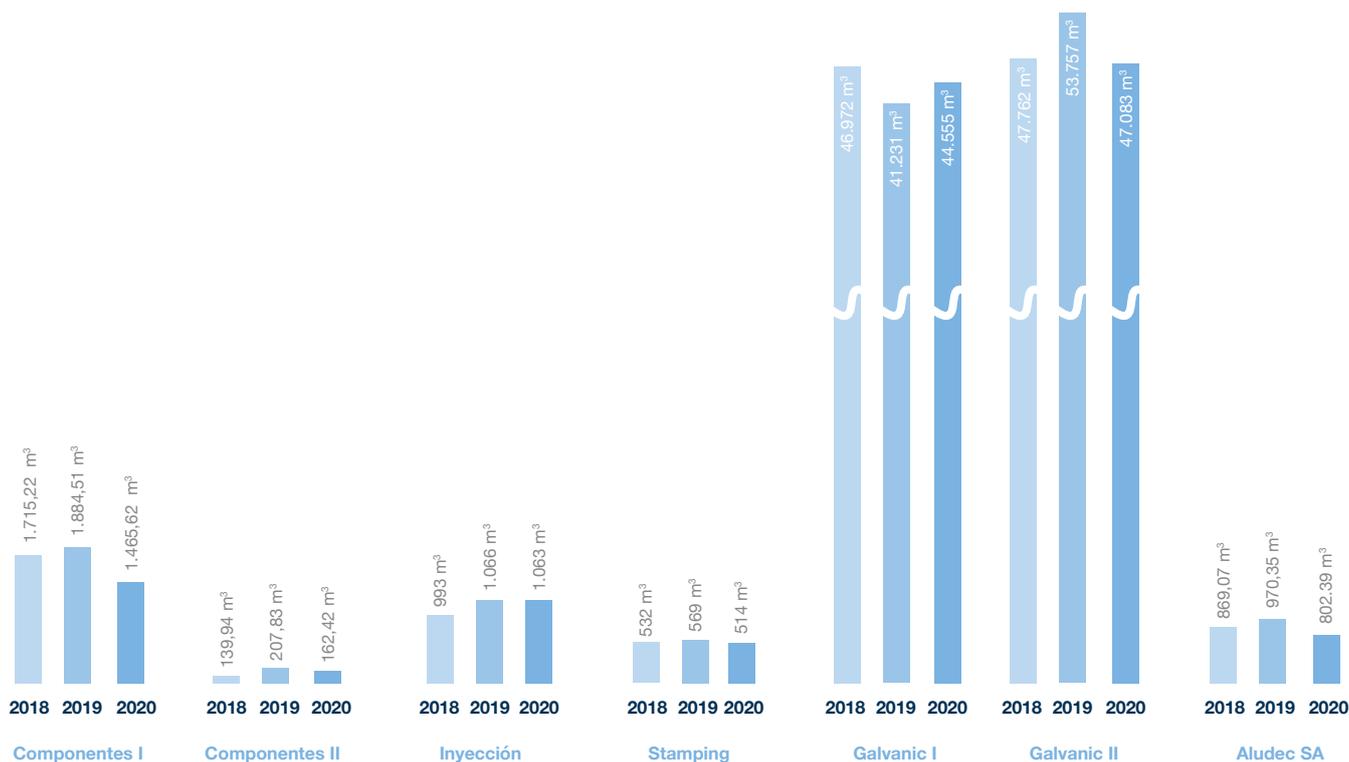
The main plants that use water for their production process are the A. Galvanic, A. Componentes and ALUDEC S.A. plants. The Inyección plant only uses water for the cooling systems; and for the rest of the plants, only one uses sanitary water.

The water consumed by the ALUDEC Group comes from the municipal water supply. Water consumption is monitored by means of certified meters and the evolution of this consumption is followed up by means of performance

indicators, thus observing consumption trends and the impact of consumption optimisation measures. These measures include preventive maintenance operations of the facilities to avoid leaks and the implementation of improvement plans focused on the reuse of the water consumed.

Water consumption by the Group's plants in recent years has been the following:

WATER CONSUMPTION EVOLUTION



In 2019, the Galvanic 1 Plant has set the goal of reducing its water consumption by 3%. To this end, the wastewater treatment plants have been adapted during the 2019-2020 period so that wastewater from the water purification process can be recirculated using osmosis. This improvement action has not had the expected impact due to the

fact that process maintenance actions had to be intensified, which meant significant water consumption. However, there has been a substantial decrease in the water consumption of Galvanic 2 due to the production shut-downs caused by COVID-19.

Climate Change: **Greenhouse Gas Emissions**

With regard to greenhouse gas emissions, the main activities of the ALUDEC Group that contribute to the emissions are the consumption and transport of raw materials, the energy consumption during the production process, the conditioning of facilities and the internal and external distribution of our product.

To measure the impact of the emissions associated with our activity, ALUDEC has followed not only the GRI (Global Reporting Initiative) indicators, but also the Guide for calculating the carbon footprint and for preparing an improvement plan for an organisation published by the Ministry for the Ecological Transition and the indications of the Greenhouse Gas Protocol (GHG). The emission factors used correspond to those published in the document 'Emission factors. Carbon footprint registry, compensation and carbon dioxide absorption projects' as of April 2021 by the Ministry for the Ecological Transition and the Demographic Challenge.

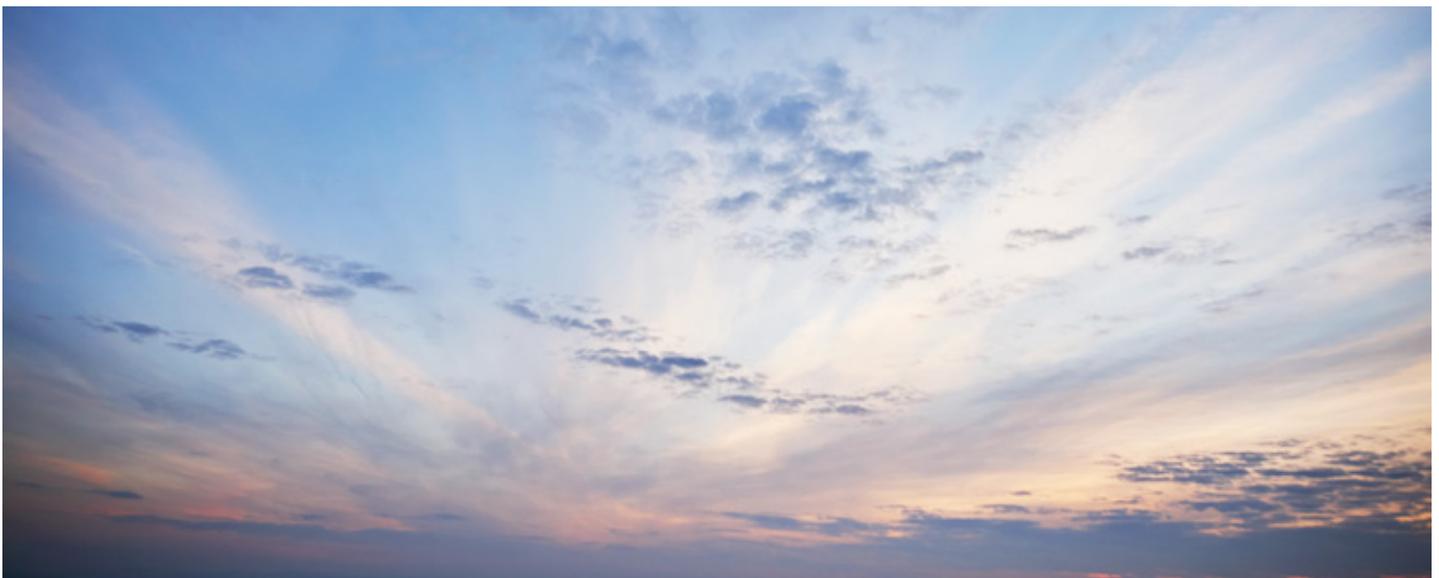
To perform the GHG inventory, the organisations in which ALUDEC has 100% financial and operational control have been considered, these are ALUDEC SA, ALUDEC Inyección, ALUDEC Stamping, ALUDEC Galvanic 1 and 2 and ALUDEC Componentes 1 and 2. Production, administration and internal transport activities carried out using in-house resources shall be considered within these plants. For the first time, the ALUDEC Group has calculated the carbon footprint associated with its activity for the 2018

period, so this period will represent the baseline data when it comes to assessing the progress of our carbon footprint due to GHG consumption.

The activity of the ALUDEC Group generates both direct and indirect emissions and therefore generates Scope 1, 2 and 3 emissions. Within this inventory, only Scope 1 emissions will be considered:

- Diesel consumption of own vehicles, including staff vehicles and laboratory equipment in the 2020 period.
- Consumption of natural gas devoted to facility and process heating
- Consumption of refrigerant gases in the air conditioning systems of facilities and processes and Scope 2:
- Consumption of power purchased from trading companies.

At the moment, there are no data available to quantify GHG emissions associated with Scope 3, such as emissions associated with the transport of raw materials from our suppliers or transport of our products to our Clients. These activities with Scope 3 emissions are not organised or controlled by the ALUDEC Group



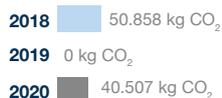
EVOLUCIÓN DE EMISIONES GEI DIRECTAS E INDIRECTAS

Alcance 1
 Alcance 2

Componentes I



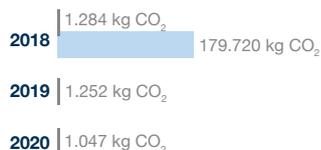
Componentes II



Inyección



Stamping



Galvanic I



Galvanic II



Aludec SA



Taking into account the above premises, the GHG emissions inventory for 2020 has been updated, showing that the ALUDEC Group's carbon footprint was 733.458 tn of

CO₂, representing a decrease of 78.29% compared to the footprint associated with the base year 2018.

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

The direct atmospheric emissions generated by ALUDEC's activity are essentially those derived from the process of enamelling chrome-plated parts and from the serigraphy and varnishing of plastic, steel and aluminium elements. The parts, after the serigraphy or enamelling process, undergo a curing process in drying ovens, where the evaporation of solvents takes place in the form of Volatile Organic Compounds (VOCs) that are channelled through chimneys outside the facilities.

The emission of these compounds mainly affects one of our plants, ALUDEC Stamping, where the bulk of the serigraphy and varnishing of parts takes place. In this plant, VOC measurements are taken every three years for type C emission sources (classification according to applicable legislation) and every five years for sources without assigned group. The results of these controls are carried out by a Control Body authorised by Management and communicated to the relevant environmental body of the Autonomous Community of Galicia.

It should be noted that all VOC measurements carried out by the Authorised Control Body have always been below the legal limits established in Royal Decree 177/2003, section 3 of Annex II for the VOC limit value. With the purpose of further minimising these emissions, the decision was made to introduce an emission reduction system based on the implementation of consecutive activated carbon filters, characterised by their capacity to absorb the polluting substances contained in a gas or liquid.

Regarding the other plants, and following the initial estimation of their sources, the emission sources of ALUDEC GALVANIC (production line emissions and natural gas combustion boilers) and ALUDEC COMPONENTES (emissions coming from the serigraphy and enamelling rooms), the Administration determined that these are now exempted from periodic controls by Authorised Control Bodies.

Regarding the A. Inyección and ALUDEC S.A. plants, their activities do not generate atmospheric emissions, except for the GHG emissions indicated in the previous section.



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

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

The ALUDEC Group promotes sustainable practices with the aim of reducing the waste generated both upstream, towards our suppliers, and downstream, towards our Clients and the end-of-life cycle managers of our products, trying to reduce our impact on the entire Life Cycle of our productive activity. (These practices on the supply chain are developed in sections 1.5.1 and 1.5.3 associated with the corresponding Life Cycle stage).

During the operations associated with the production life cycle stage, one of the main environmental aspects is the generation of waste, both hazardous and non-hazardous. During the raw materials reception and finished products dispatch operations, waste is mainly generated from plastic, cardboard and wood packaging. The various operations that make up the production processes generate waste from raw materials such as plastic, metal, inks and varnishes, films, adhesive materials and rejected manufactured products.

The ALUDEC Group is carrying out practices to promote reuse, recycling and minimisation in the generation and management of waste, in order to progress in the strategic objective of reducing waste generation by 20% in the 2018-2025 period. Among these measures we can highlight the following actions:

- Promote the use of returnable containers in the internal transport circuits between the different plants of the ALUDEC Group. Currently there is an action plan to replace cardboard boxes, which have a relatively short life cycle, with returnable plastic boxes and thus minimise the consumption of cardboard and the generation of its waste. During the 2020 period, out of a total of 104,021 boxes used in the internal transport circuit, **97.067% of them were returnable boxes**, thus achieving **an increase of their use in 1.56% compared to 2019**

- The change from small volume metal containers with a highly-concentrated solid reagent to larger volume plastic containers with more diluted reagent and adapted to the loading conditions in the process line is being promoted at A. Galvanic plants. This change enables us to reduce the risk of environmental impact and generate less packaging.
- Standardised recirculation of packaging components between plants, extending their useful life and reducing the generation of packaging waste. For example, cell-air plastic components, separators and plastic or cardboard lids that are delivered to the group's plants as packaging for intermediate products are returned to the plants of origin to be reused until the end of their useful life.
- Implementation of compacting practices on site to minimise the volume of waste generated (mainly the plastic and cardboard waste fraction) and reduce the frequency of collection and therefore the impacts associated with transporting it. For example, plastic compactors have been installed in the A. Componentes plants and cardboard compactors in the A. Stamping plant.
- Reduction of paper consumption and generation of its waste through:
 - Digitalisation of documents and records used both during the process and by the administration, through the production management software and the use of mobile devices by the staff.
 - Reuse of paper printed on one side for a second use.

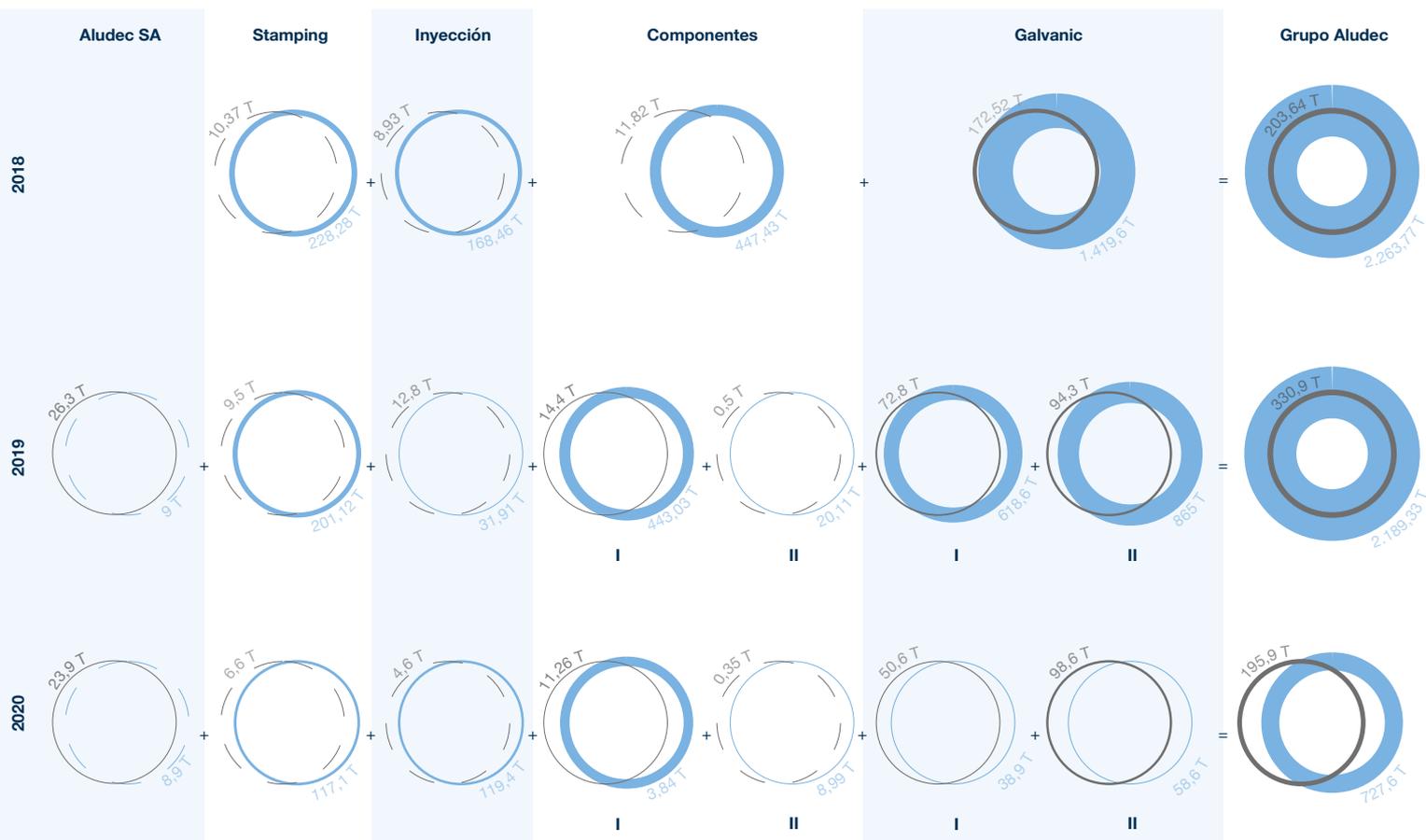
In order to evaluate the impact of the previous practices and to carry out an operational control, a monthly weight control of all types of waste generated in each production plant is carried out, and environmental indicators are available in order to follow the evolution of waste generation according to the production activity.

The total volume of waste (Dangerous and non-dangerous) generated by each of the plants and by the entire ALUDEC Group is summarised below.

EVOLUTION OF HAZARDOUS AND NON-HAZARDOUS WASTE GENERATION

RP - Residuos Peligrosos

RNP - Residuo No Peligroso



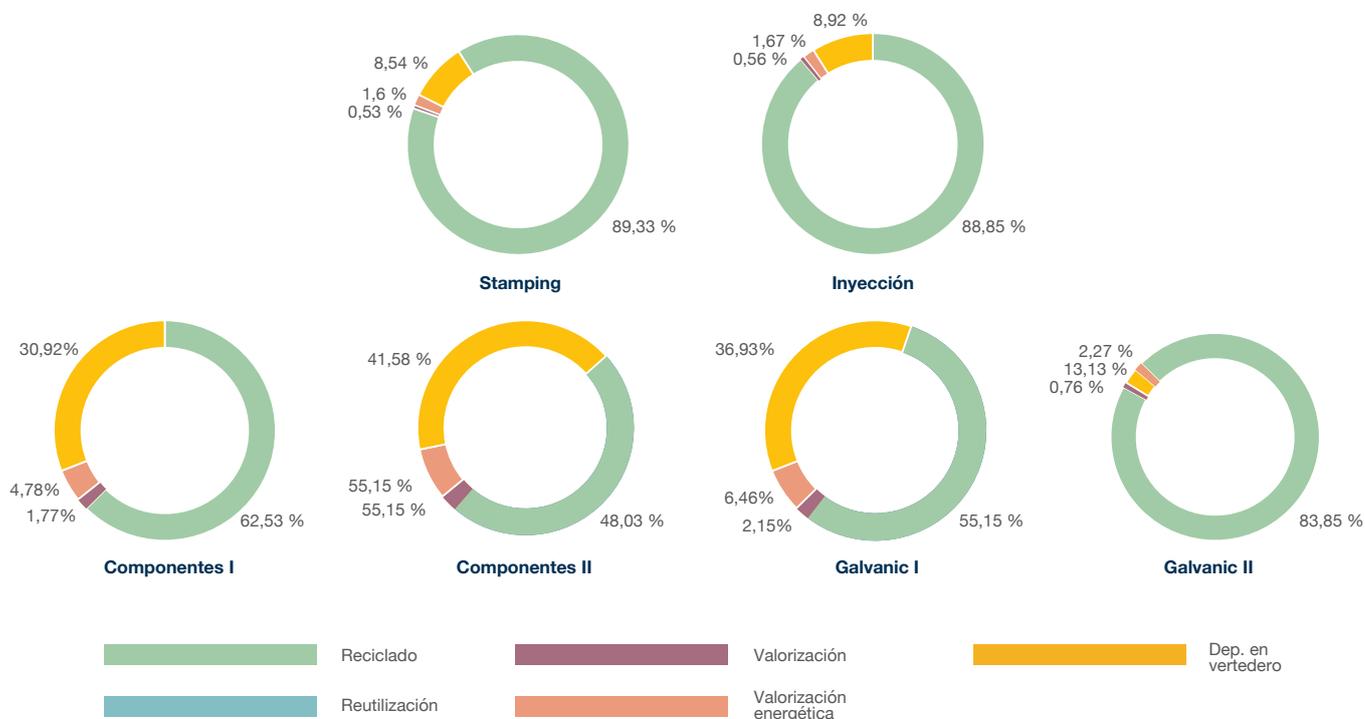
The evolution of the strategic objective with respect to the generation of total waste by the activity of the ALUDEC Group has had the following annual evolution:

The [systematic application of the ecodesign criteria](#) described in section 1.6.2 encourages a gradual reduction in the generation of waste at each of the group's manufacturing plants. In turn, and as part of an ongoing project, circular economy principles have been established to recycle natural ABS waste which, once pelletised, is reused in certain percentages in parts that will subsequently be chromed-plated or painted.

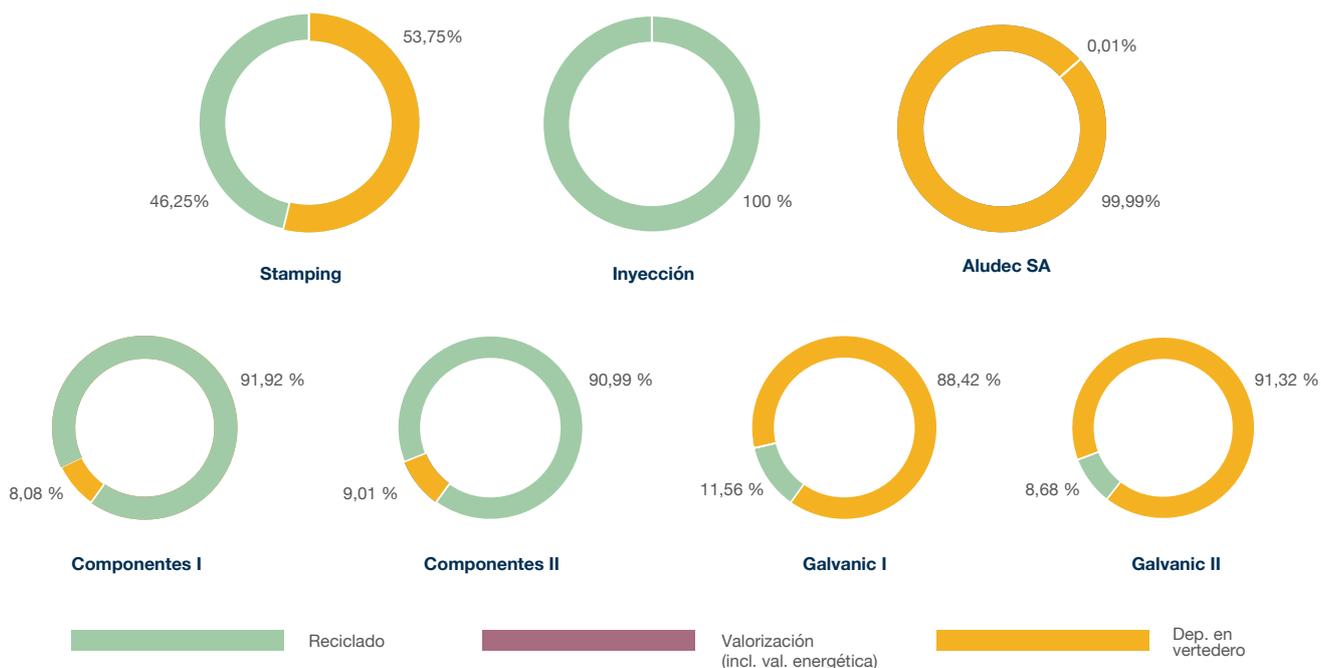
The Aludec Group has set the target of [reducing waste generation by 20% by 2025](#). Although a 3% reduction was achieved in 2019, corresponding to the expected evolution, the financial year 2020 was distorted by the production shutdowns caused by the COVID-19 pandemic, reaching a decrease of 63% compared to 2018.

Based on the information provided by the authorised waste management services with whom we collaborate and the categories established in GRI indicators, the waste management treatments have been classified in the following categories: [Reuse](#), [Recycling](#), [Recovery](#), [Recovery including energy recovery](#) and [Landfill](#).

MANAGEMENT OF NON-HAZARDOUS WASTE IN 2020



MANAGEMENT OF HAZARDOUS WASTE IN 2020



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 neither characterised by the light intensity nor by the generation of noise outside the limits set by the applicable legislation, so these are not considered within the scope of significant impacts for the Group or for any of our stakeholders.

Protection of biodiversity

All the plants of the ALUDEC Group are located in Industrial Estates and the environmental impacts generated by the activity are not received by any protected natural area.

1.6.3. Environmental Aspects in the Use and End-of-Life Stages



One of the most important aspects to consider during our product's use and end-of-life cycle is the identification and management of the materials that make up the product. The Client has all the information on its composition, as the ALUDEC Group communicates this composition

through the IMDS System (International Material Data System), a tool used by the companies that make up the automotive supply chain. In this way, information is available regarding restricted or potentially dangerous substances and information on the recyclability of the materials that make them up.

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

With regard to end-of-life-cycle waste, our parts are components of the car from the client's assembly line until the end of its useful life. The authorised managers in charge of the management at the end of a vehicle lifetime, are in turn

responsible for the correct treatment of derived waste generated during their activity, always acting under the environmental legislation in force. To improve this management, ALUDEC marks each part with the symbol of the plastic polymers used in its manufacture, thus simplifying its recyclability.

Furthermore, with the purpose of minimising the environmental impact of our products, the ALUDEC Group carries out informative actions to the stakeholders involved in these stages of the Life Cycle, such as: our Clients, Users and Managers of vehicles at the end of their life cycle. To reach these Stakeholders, the corporate website www.aludec.com is used, where the necessary environmental information is published so that, at each stage of the life cycle, a 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 the use of the product and to contribute to the objectives of reuse, recycling and recovery through the end-of-life cycle management of our products by providing information on:

- o E.g.: information on the design of the product and materials for the correct management of the waste generated in the use and installation of the product in the vehicle, as well as the management of the waste generated at the end of its life cycle.
- o E.g.: information on the type of packaging material accompanying our products to encourage the use of reusable and recyclable materials and have sufficient information for their proper management.

In addition to relevant information documents on the impacts of our product throughout its Life Cycle, the ALUDEC Group complements the information provided to its stakeholders on our environmental performance by publishing the [Environmental Information included in this Statement of Non-Financial Information on its website](#).





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