

Aludium Sustainability Update

May 2022



*At Aludium, we know that Sustainability requires serious commitments, actions and investment from actors across our society, including companies. For that reason, we have published the **Aludium Sustainability Framework** in Q1 2022 to formally communicate our company's multi-year Sustainability program, governance, and key projects.*

As part of this journey, we commit to providing regular updates on our progress and highlight the contributions of our team members and partners on this important topic. On behalf of our company, I invite you to read this first Aludium Sustainability Update.

I am confident that transparency and communication are cornerstones to progress on Sustainability and look forward to the quarters and years ahead of working together to shape Aludium's impact on our environment and communities.

Lionel Chapis, CEO Aludium

Accelerating the low-carbon transition

Good progress has been made in recent years to reduce carbon emissions across the economy, yet it remains clear the world must *increase the pace of change* to combat climate change.

Aludium views accelerating the low carbon transition as a guiding sustainability principle. We are well prepared to double our efforts on Sustainability, with a track record of successful sustainability-related projects such as our strategy to re-use existing metal and save energy through scrap recycling. Today, Aludium is a leader in Europe with a recycling mix of over 70%.

As with any continuous improvement program, we must establish our 'baseline' and are excited to communicate an Aludium team led by Jose Antonio Baeza are working during Q1/Q2 to measure full Aludium's emissions profile for the first time.

The measurement is being done according to the international GHG (greenhouse gases) Protocol corporate standard, that classifies emissions into three types called Scope 1, Scope 2, and Scope 3

Scope 1: Direct emissions from on site activities.

Scope 2: Indirect emissions from the generation of purchased electricity (ex. from fuel source of utility provider).

Scope 3: All other indirect emissions, including full supply chain emissions.



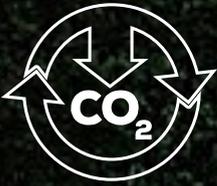
Sustainability Actions

Climate Transition



TRANSITION TO CLEAN ENERGY

Aludium is geographically well-positioned with operations in Spain and France to grow its consumption of renewable energy and lower its Scope 2 carbon emissions. A project team has worked with energy partners throughout Q4-21 and Q1-22 to develop a solar panel installation in Alicante as the first phase of this company-wide project.



LOW-CARBON PRODUCT INNOVATION

Aludium's Cindal R&D center is at the forefront of research and customer advisory to promote recycling friendly alloys, and reduce the carbon footprint of the products that Aludium's customers buy. This project is highly interconnected with our metal purchasing and cast house teams, with a goal to further improve Aludium's overall recycling mix.



PROMOTE CARBON TRANSPARENCY

The Emissions Measurement Project was launched to measure full Scope 1, 2, and 3 emissions for the first time in Aludium's history. Data collection and analysis will be performed throughout Q1 -22 and Q2-22. The summary report including the findings and recommendations is expected in the second quarter. Based on these findings Aludium will launch the process to set the CO2 reduction goals for the next years.



INCREASE RECYCLING

Diverse teams across Aludium have collaborated during Q4-21 and Q1-22 to develop a project to expand Aludium recycling even further, contributing to a significant improvement in Scope 3 emissions. At the close of Q1, the project team is finalizing a proposal to invest in additional recycling capacity and capabilities in Alicante.



ENVIRONMENTAL CERTIFICATION

In 2019, Amo and Ali received the ASI Performance Standard (PS) certification. In Q1 2022, Amo and Ali plants began preparing to re-certify the PS and add the ASI Chain of Custody (COC) certification in Q4 2022. Furthermore, the Cas plant team began preparation for its first ASI certification in Q4 2022 (both PS and COC are planned). Aludium views ASI as the market standard for responsible environmental management systems.



Sustainability Actions

People & Community



SAFETY AT WORK

During Q1-22 we invested in 547 hours of training in safety matters (main focus continues to be mobile equipment). We also continue with the program of eliminating the incident risk at the machines through training and machine guarding. The project includes close coordination by EHS & maintenance departments.



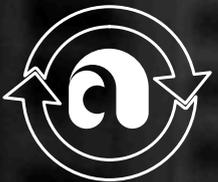
PROMOTE RECYCLING IN OUR COMMUNITIES

We are investing further to promote individual recycling in our facilities, by increasing the number of recycling bins and recyclable materials.



ENHANCED WELL-BEING & INCLUSION

In line with promoting overall employee health & wellness, gender diversity and education we have celebrated many activities such as the city half marathon in Alicante and International Women's Day. In Bilbao we participated on the employment day at the School of Engineering. Finally, we sponsored and participated in some humanitarian actions to help refugees impacted by the Ukraine war.



ALUDIUM SUSTAINABILITY LEADERSHIP PROGRAM

We are on the final round of identifying the partner who will work with Aludium on this talent development organization. This program will start in September, and will have a sustainability focus, where it will be required that the participants develop sustainability actions.

CBAM What is it?

On 14 July 2021, the Commission adopted a proposal for a new Carbon Border Adjustment Mechanism ("CBAM") which will put a carbon price on imports of a targeted selection of products so that ambitious climate action in Europe does not lead to 'carbon leakage'. This will ensure that European emission reductions contribute to a global emissions decline, instead of pushing carbon-intensive production outside Europe. It also aims to encourage industry outside the EU and our international partners to take steps in the same direction.

Climate change is a global problem that needs global solutions. As we raise our own climate ambition and

less stringent environmental and climate policies prevail in non-EU countries, there is a strong risk of so-called 'carbon leakage' – i.e. companies based in the EU could move carbon-intensive production abroad to take advantage of lax standards, or EU products could be replaced by more carbon-intensive imports.

The CBAM will equalize the price of carbon between domestic products and imports and ensure that the EU's climate objectives are not undermined by production relocating to countries with less ambitious policies.

More info : [Link](#)

People and Community highlight

City Half Marathon in Alicante

The first activity carried out to promote sports practice among our team in 2022, where 15 people of our Alicante plant participated in the Alicante half marathon.

[Link](#): See More



Aludium promotes the education among young people of Bizkaia for STEM careers

On Industry Day celebrated in Bizkaia, Aludium's Amorebieta plant collaborated with FVEM, the Biscayan Federation of Metal Companies to expose 3,000 young people to careers in STEM vocations.

[Link](#): See More



International Women's Day

Aludium pays tribute to its workers on International Women's Day with a video called 'The color of aluminium'.

[Link](#): See More

