Process optimization services
and products for abrasive
and impact applications.

Sustainability Report

—

2024

MAGOTTEAUX

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Introduction

We are pleased to share our second annual Sustainability Report, showcasing our dedication, progress and our ongoing journey toward increasingly sustainable practices.

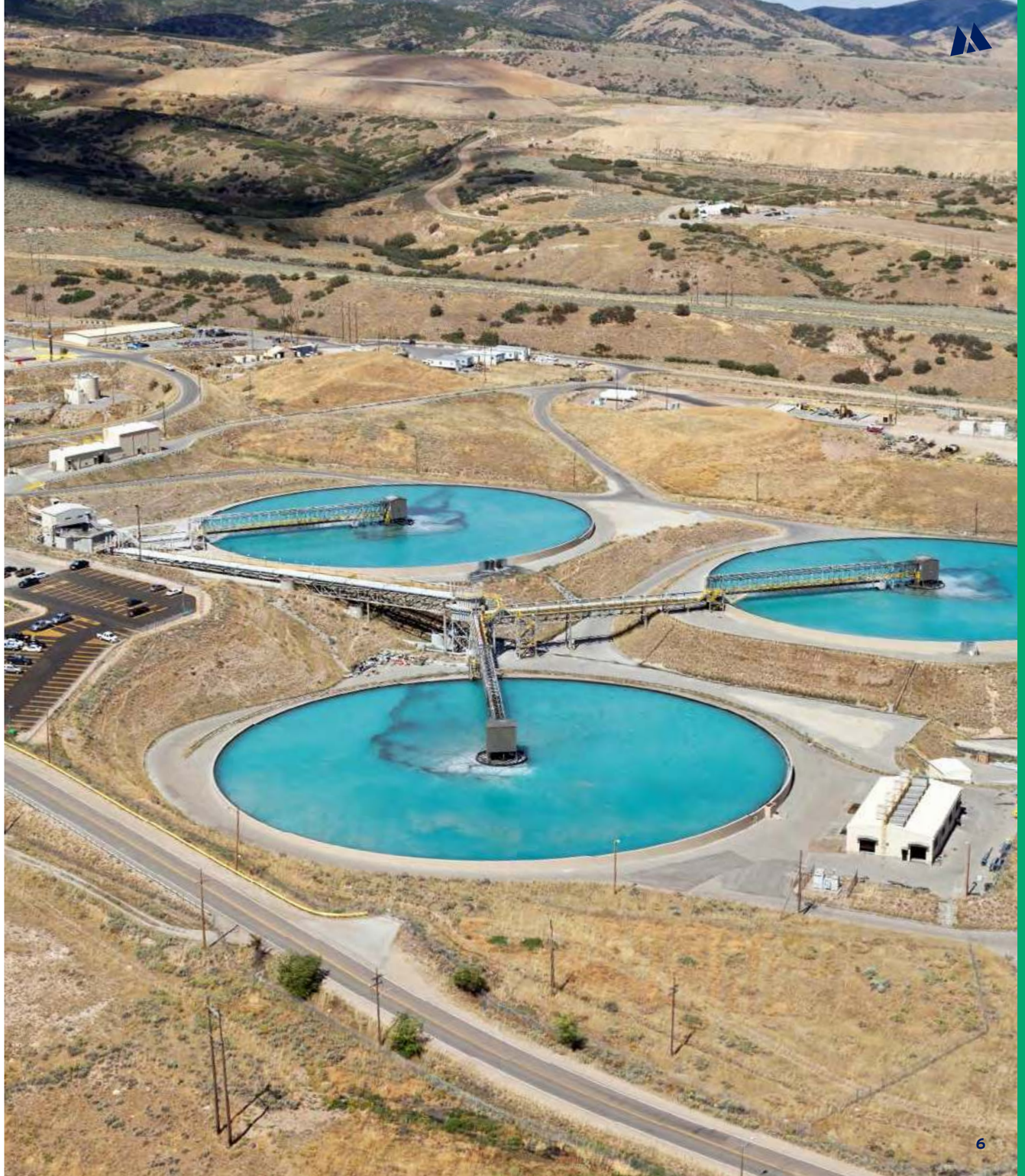
For over a century, innovation has been at the heart of our operations, allowing us to enhance product life cycles fulfilling market trends before they came into knowledge. We have always been like that. This guiding principle has become a foundational element of our strategies, satisfying markets and it is deeply rooted into our operations, shaping our vision and contribution to building a sustainable future.

At Magotteaux, sustainability is not just a principle—it's the outcome of how we operate. We aim to integrate sustainability by balancing economic performance with care for people and the environment, embedding this approach into both our commercial and operational strategies. In this report, you will find that Magotteaux is working towards being aligned with the European Sustainability Reporting Standards (ESRS).

This second report is another important step on our journey towards being legally compliant with the Corporate Sustainability Reporting Directive (CSRD) and will help us to further better serve our clients and anticipate our future needs. We hope that through this exercise of transparency and accountability to our stakeholders, we can present in detail our sustainability actions, initiatives, highlighting areas and opportunities where we can foster positive change and progress. We consider this report to be a continuation of a conversation with all our stakeholders on the topics, and we are happy and proud to share updates on our progress which is hopefully valuable to our stakeholders.
Our stakeholders are vital to our success, and we greatly appreciate the trust you place in us.

The information contained in this report pertains to the period from January 1, 2024, to December 31, 2024, unless otherwise specified.

This second report is another important step on our journey towards being legally compliant with CSRD and will help us to further better serve our clients and anticipate our future needs.



Magotteaux's Sustainability Strategy

Our Sustainability Vision

At Magotteaux, we recognize the importance of embedding sustainability into our strategic framework and business operations. We view sustainability not merely as a responsibility but as a valuable opportunity that empowers us to better serve our clients, develop improved solutions while simultaneously reducing our environmental impact.

Our commitment extends to ensuring the safety and well-being of our employees, visitors, and subcontractors, promoting social accountability with our stakeholders, and minimizing the environmental footprint of our activities. By aligning our Sustainability initiatives to our strategic goals, we enhance our ability to be competitive, deliver high-quality products, solutions, and services to our customers while being responsible and integrating our community's reality. We respect human dignity and contribute to the preservation of our planet for future generations, recognizing that our long-term success is intrinsically linked to our competitivity, the well-being of the environment and society.

Environment

In terms of environmental stewardship, Magotteaux aims to lead by example, demonstrating responsibility for future generations while actively working to minimize the environmental impacts of our operations. Our environmental commitments include reducing energy consumption, producing longer life cycle, value added products from recycling scrap metal, minimizing waste generation, fostering donut economy by reusing or recycling materials such as our own products, sand and slag, and conserving water and natural resources to limit our ecological footprint. Further information can be found on **page 89**.

Social

Magotteaux is committed to making business decisions that benefit not only our economic interests but also respecting society at large. Our social initiatives focus on preserving the health, safety, and well-being of all workers, striving for a no-harm environment, and adhering to the principles of fair competition guided by responsible business practices. We prioritize providing the necessary training to enhance the competencies required for the sustainable growth and performance of Magotteaux. Further information can be found on **page 103**.

Governance

Governance is also a key aspect of our sustainability strategy. Magotteaux has established proactive methods to analyze our activities, ensuring and enhancing the company's economic performance while achieving the required profitability on capital employed. Through these comprehensive efforts, we are working to create a sustainable future for our business and the communities we serve. Further information can be found on **page 119**.

Our approach

Magotteaux's proactive sustainability strategy revolves around three main pillars: Certification, Communication and Sustainability Commitments. Each of these elements is crucial to our sustainability action plan.

Certification
ISO Certifications

Our journey towards International Organization for Standardization (ISO) certification began in 1999, and we are now fully certified by TÜV Rheinland, an internationally recognized third party. We operate 22 production units in 12 countries, including 2 joint ventures in China. ISO 9001:2015, ISO 14001:2015 and ISO 45001:2023 for quality, environmental, and occupational health and safety management. Additionally, we are certified worldwide in ISO 50001:2018 specifically focusing on energy management, but China and Belgium. Such certification allows us to reduce the use of energy resources, decrease costs, and minimize environmental impact, further consolidating our position as leaders in sustainable and responsible practices.

On top of all these certificates, all manufacturing sites in Magotteaux also calculate their carbon emissions and verify these calculations by a third independent body (TÜV Rheinland) following the UNE-EN ISO 14064-1:2019 Standard *(Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals)*

All these 3rd body certifications and verifications underscore the commitment of our Shareholders, senior management to operational excellence and adherence to international standards, as well as the dedication of our employees, whose efforts are essential for meeting requirements and continuously improving our processes. It reinforces our corporate focus on maintaining high quality standards in our processes, ensuring the safety and health of our workers, minimizing the environmental impact of our operations, and meeting the expectations of our customers and stakeholders in a responsible way.

EcoVadis

EcoVadis, an independent provider of sustainability ratings (another 3rd body), plays a vital role in our certification journey. Recognized worldwide, this certification provides transparency and a reliable framework for measuring sustainability performance. It allows companies and stakeholders to compare their practices with others in the industry and obtain valuable data for informed decision-making.

Our first assessment by EcoVadis was in 2021. A benchmark was established to monitor advancements across four key sustainability dimensions: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.

Receiving EcoVadis recognition signals a strong commitment to sustainability and corporate responsibility, bolstering our corporate reputation among customers, investors, and partners alike. This certification not only validates our efforts but also reinforces our dedication to creating a sustainable future.

In 2024, we continued to demonstrate our commitment to this matter by receiving the EcoVadis bronze medal, placing us in the 76th percentile of companies evaluated, which signifies our dedication and progress in sustainable development.

In 2024, Magotteaux achieved recognition from EcoVadis, placing us in the 76th percentile of companies evaluated and earning the Bronze Medal.

In each of the assessed areas, we have identified gaps related to our policies, actions, metrics, and targets. Below are some of the most representative areas for improvement identified by EcoVadis, where we will focus our efforts to enhance our performance in these evaluated areas and our commitment to sustainability:

→ **Environment:** In our environmental policies, we are pleased to report that no areas for improvement have been identified. Looking for continuous improvement we recognize the importance of aligning our Key Performance Indicators (KPIs) with established sustainability reporting standards, which we will begin to implement with European Sustainability Reporting Standards (ESRS). We understand that this alignment will enhance our reporting capabilities and provide our stakeholders with a better understanding of the company's material impacts, risks, and opportunities.

→ **Labor & Human Rights**: To strengthen our commitment to human rights, we will work on improving our policies related to social dialogue. This will include setting specific targets related to labor and human rights issues, which will allow us to measure our progress effectively. Additionally, we will improve our report metrics related on training hours, ensuring that our workforce is well-informed and equipped to uphold and promote human rights standards across all our operations.

→ **Ethics:** We are committed to further enhancing our practices by monitoring corruption incidents and whistleblower procedures in a structured approach. Additionally, our efforts will be directed towards updating our Code of Ethics to our continuously changing world assuring relevancy, and effective guidance to our operations at large.

→ **Sustainable Procurement:** Recognizing the importance of sustainable procurement, we will work on developing a policy that outlines our commitment to integrating social and environmental sections into supplier contracts. Additionally, our efforts in this area will focus on identifying a process with our suppliers, products, or purchasing categories that could expose the company to sustainability risks. We will adapt and assure training processes for our procurement professionals to integrate social and environmental issues within our procurement function.

Based on 2024 EcoVadis results versus initial reference period (2021), we saw significant improvements in above three areas. We also maintained our performance in the area of Labor and Human Rights.

- Overall score ↑
- Environment ↑
- Labor & Human Rights →
- Ethics ↑
- Sustainable Procurement ↑

Based on this analysis, we are working to align our sustainability reporting and certification processes. This approach enables us to set clear objectives and outline pathways for our continuous improvement journey. We have demonstrated improvement year after year and we are poise to keep on progressing each year in our sustainability reports on the topics considered material for both Magotteaux and our stakeholders.

Communication

Our second pillar, communication, focuses on making our stakeholders aware of what we do in a structured and transparent manner according to CSRD guidelines. Communicating freely and openly about what we have done, what we do and keep on doing is the core of our communication and we recognize areas needing improvement as part of our journey. We are now broadening our communication channels make access easier to stakeholders. Our communication strategy, in conjunction with our certification initiatives with externally recognized 3rd body, ensures compliance with regulations with necessary transparency regarding our actions and accomplishments.

Sustainability Commitment

"Sustainability commitment principles is our third pillar of Magotteaux sustainability strategy. We participate in global initiatives such as world renowned Science Based Target initiative (SBTi). Magotteaux owners, Sigdo Koppers group, are engaged into in UNGC (United Nations Global Compact) initiative. Magotteaux, as part of Sigdo Koppers group aligns with it.

SBTi

The SBTi - Science Based Targets initiative - supports companies in establishing emissions reduction targets that are scientifically validated. The SBTi ensures that our GHG emissions reduction targets are in line with the latest climate scienc e, with the goal of limiting global warming to well below 2 degrees Celsius above pre-industrial levels (aiming at 1,5º as per the Paris agreement). Despite all worldwide set back in this matter, Magotteaux keep on going reducing its CO_2 footprint. Our collaboration with the SBTi will guide us in setting verified emissions reduction targets that are consistent with global climate objectives.

In July 2024, Magotteaux made a significant commitment to SBTi. After two years of calculating and externally verifying the Scopes 1,2 and 3 of GHG emissions in absolute terms (tCO_2e/year) and calculated on a market-based basis, we committed to SBTi. Our targets of 42% reduction in scope 1 and 2 and of 25% reduction in scope 3 are in line with the ambition to limit global warming to 1.5 degrees. We are now focusing on developing a congruent action plan to meet those defined targets with SBTi.

Our contribution to building a sustainable world

As part of our commitment to sustainable development, Magotteaux has launched several initiatives aligned with global regulations and international standards. We adhere to the United Nations Global Compact (UNGC) – a voluntary initiative that encourages businesses to adopt sustainable and socially responsible practices. By committing to the UNGC, we reinforce transparency and accountability throughout our sustainability journey. Also, in line with this approach, we focus on six key United Nations Sustainable Development Goals (SDGs) that align with our business activities and where we believe we can have a meaningful impact.

The SDGs consist of 17 global objectives established by the United Nations General Assembly in 2015, with a target for achievement by 2030. These goals tackle a range of issues, including poverty alleviation, healthcare enhancement, educational improvement, climate change action, environmental conservation, gender equality promotion, and social and economic development. We view the SDGs and the Ten Principles of the UNGC as avenues for our ecosystem to foster growth, manage risks, enhance social capital, and advocate for a vision of value creation.

As part of our strategy—and to demonstrate our commitment to living it—we have aligned our actions with six key Sustainable Development Goals (SDGs) where Magotteaux can make a meaningful impact. Initially focused on five SDGs, we added a sixth in 2024 to reflect our growing emphasis on education and knowledge sharing. These goals guide our efforts to address environmental challenges, support our employees and communities, and ensure responsible business practices. This focus is fully embedded in our Environment – Quality – Security – Health & Safety – Sustainability Policy.

[1] Environment – Quality – Security – Health & Safety – Sustainability Policy, Magotteaux Group. Available at: Magotteaux Integrated Policy EQSHSS 2024 (2).pdf

SDG #3
Good Health and Well-being:

Promoting the health and well-being of our employees. Additionally, we commit to:

- No harm finality.
- Preserve the health, safety, and wellbeing of all our workers, people working on behalf Magotteaux or under its authority and other stakeholders.
- Prevent safety accidents.

SDG #5
Gender Equality:

Ensuring equal opportunities for all potential and current employees. Additionally, we commit to:

- Ensure to give men and women the same opportunities in a diverse environment.
- Ensure equitable pay structure.

SDG #8
Decent Work and Economic Growth:

Promoting inclusive and sustainable economic growth and providing decent work for all employees. Additionally, we commit to:

- Continuously satisfy our customer requirements in terms of quality, timing, assuring necessary profitability respecting our code of in our business operations.
- Continuously adapt the company's products, process, and systems to satisfy stakeholders.
- Promoting innovations, encouraging the capacity to generate ideas and value the contributions of employees as a fundamental pillar. We aim to test fast, fail fast, learn fast and scale up.
- Improve the company's economic performance based on the Operating cash flow (EBITDA) and ensure the profitability of the invested Capital (ROCE) at consolidated level.

SDG #12
Responsible Consumption and Production:

Ensuring efficient resource use and minimizing waste in our operations. Additionally, we commit to:

- Reduce claim, complains, and reject rates through active structured management process, monitoring and control, establishing plan for continuous improvement.
- Minimize consumption of natural resources and limit our environmental impacts.
- Prevent accidental situations (pollution, industrial accidents...)
- Promote that Magotteaux's operations are carried out complying to the applicable environmental regulations, as well as encourage the adoption and compliance to voluntary environmental commitments such as SBTi and the priorities defined among the 17 SDGs of United Nations.
- Promote where possible, Circular Economy strategies based on optimizing on improved yield, product life cycle, resources usage, fostering, when possible, buy back of our own products or competitors ones increase stainless steel scrap consumption as well as the reduction, reusage and recovery of process by-product avoiding when possible final waste disposal.

SDG #13
Climate Action:

Taking necessary measures to address climate change and its impacts. Additionally, we aim to:

- Implement strategies which reduce, according to the nature and impact of Magotteaux operations, our carbon footprint and associated impacts.
- Implement strategies to reduce GHG emissions by promoting the use of renewable energies, energy efficiency aiming towards a low carbon economy.
- Communicate to create awareness among our employees and clients.
- Monitor energy consumption (as part of ISO 50001:2018) and measure CO_2 impact in our investments balancing between cost and energy efficiency.

As a routine part of our strategic operational review, we have decided to include an additional priority that holds high value for Magotteaux as well as Mother company Sigdo Koppers. In 2024, we added, SDG #4 Quality Education: this objective is fully coherent with the identified need to standardize our "Community engagement activities". Education is a long-term endeavor and a vital cornerstone for progress.

Thus, it was decided that half of the allocated "community/social" funds must be dedicated to educational activities. This reinforces our alignment with our stakeholders, as well as our solid commitment to a sustainable future.

SDG #4 Quality Education:

Implementing internal and external educational initiatives. Additionally, we commit to:

- Offer personnel the necessary training to ensure right competencies required for their work at Magotteaux as well as understanding Magotteaux's sustainable growth and performance.
- Promote education throughout association with local universities, colleges and technical - professional institutes to promote and enhance educational pathways.

Adding the **SDG#4**, was one of our main focus in 2024, resulting into the following initiatives:

1. In 2024, the Public University of Navarra (UPNA) recognized Magotteaux Navarra for its collaboration in providing internships to students. These internships can be either curricular (integrated into the study plan) or extracurricular. Over the past five years, Magotteaux Navarra has hosted a total of 18 students.

2. At Magotteaux, our people are our most valuable assets. More specifically in Spain, we take pride in promoting the professional development of our workforce through official certificates issued by the Ministry of Education. These certificates acknowledge the skills acquired by our employees and enhance their employment opportunities. This year, 24 employees have enrolled in this initiative.

3. In 2024, our plant in Brazil selected four individuals from the local community to study Electromechanics. Each day, they spend four hours at school and four hours at Magotteaux as trainees, gaining hands-on experience in maintenance. This initiative serves two main purposes: to support the development of these young individuals and to strengthen the connection between education and industry.

4. In 2024, Magotteaux Andino in Chile continued its strong commitment to education within local communities, particularly through its partnership with students from technical high schools. The company offers professional internships and hands-on training, working alongside Fundación Chile Dual to provide both technical and socio-labor courses that complement academic studies.

   The goal of this initiative is to improve students' employability by equipping them with practical skills for the job market. Aligned with a shared value approach, Magotteaux ensures the long-term sustainability of the program. The company also benefits—employees who serve as mentors take pride in guiding young talent, and Magotteaux gains early access to potential future hires.

   In total, 136 students from three schools received training, and 16 students across eight fields—Mechanics, Electrical, Accounting, Human Resources, Metallurgy, IT, and Logistics—completed their professional internships at Magotteaux.

Sustainability Performance

Sustainability Milestones 2024

FIRST	First Sustainability Report Publication
SBTI	Successfully Submitted into the Science Based Targets Initiative (SBTi)
76%	76% percentile = Bronze Medal - EcoVadis
SLL	Sustainability Linked Loan (SLL)

Key sustainability highlights in 2024

In June 2024

Magotteaux released its 2023 Annual Report, which includes its inaugural Sustainability Report. This Sustainability Report is a demonstration of our integration of sustainable practices and our commitment. It is a milestone that reflects our continuous efforts and achievements.

In August 2024

Magotteaux was ranked in the 76th percentile of companies evaluated. This leads us to a Bronze medal from EcoVadis. This global platform evaluates corporate sustainability performance across four critical areas: environment, labor practices and human rights, ethics, and sustainable procurement. In three of these areas, we have made improvements compared to our previous performance, while successfully maintaining the same position in the fourth area. Later in the "Our Approach" section, we describe in more detail the areas evaluated by EcoVadis. In three of these areas, we have made improvements compared to our previous performance, while successfully maintaining the same position in the fourth area. Later in the "Our Approach" section, we describe in more detail the areas evaluated by EcoVadis.

In July 2024

Magotteaux made a commitment to the World-renowned Science Based Targets Initiative (SBTi). After two years of calculating and externally verifying Scopes 1,2 and 3 GHG emissions in absolute terms (tCO_2e/year) and calculated on a market-based basis , we have successfully submitted and was accepted into the SBTi, which assists companies in establishing Greenhouse Gas (GHG) emission reduction targets aligned with the objectives of the Paris Agreement.

In 2024

Magotteaux signed a Sustainability Linked Loan (SLL), showing once more a significant milestone in our commitment to sustainability. A SLL is a financial instrument that incentivizes companies to achieve specific sustainability targets, with loan conditions linked to their performance in these areas. For Magotteaux, this loan is closely tied to our commitments to reduce Scope 1 and 2 GHG emissions and to improve our EcoVadis rating.

Magotteaux's awards – 2024

In 2024, Magotteaux proudly received numerous awards that reflect its outstanding performance across various dimensions of corporate and business responsibility. Each recognition underscored a distinctive aspect of the company's dedication to quality, sustainability, and its contributions to society. We want to highlight three prestigious recognitions received by Magotteaux Brazil in 2024 (based on 2023 performance): the "Best Overall Supplier" and the "Best Supplier on the Optimization Pillar – Consumables Category," both awarded by Anglo American Brazil. Additionally, at one of the most significant mining events in Latin America held in Minas Gerais, Brazil, Magotteaux was honored for the third consecutive year with the award for "Best Stand," as determined by public voting. Beyond Brazil, we are also proud to announce that our Pulaski plant received the TGSP Partnership Award, granted in January 2025. This recognition highlights our strong commitment to sustainability management.

In 2024, Magotteaux proudly received numerous awards that reflect its outstanding performance across various dimensions of corporate and business responsibility. Each recognition underscored a distinctive aspect of the company's dedication to quality, sustainability, and its contributions to society.

Anglo American Brazil Awards:

In 2024, Magotteaux Brazil received two awards from Anglo American Brazil, one of our most important customers and renowned Mines in the world, for supplying them with High Chromium (HiCr) grinding media for their VTMs, which represented 100% market share. Following a careful and competitive evaluation, Magotteaux was awarded the "Best Overall Supplier in 2023" and the "Best Supplier on the Optimization Pillar – Consumables Category." To achieve this recognition, several key factors were evaluated: security of supply of high-quality grinding media, on-time delivery, and the best total cost of ownership. Additionally, the strong technical and after-sales support from Magotteaux was highlighted, bringing significant value to their operations. A Scrap Buy-Back (SBB) program (balls and liners) was also implemented, aligned with Anglo American Brazil's Sustainability objectives, providing an important cost reduction.

Recognition at the Expo & Brazilian Mining Congress (EXPOSIBRAM):

In early September 2024, Minas Gerais, Brazil, hosted one of the most important mining events in Latin America: the Expo & Brazilian Mining Congress (EXPOSIBRAM), held annually by IBRAM, with the participation of key entities from the mining sector. This international event is recognized as one of the largest if not the largest platform for business generation in the mining industry. Magotteaux, partnering with other SK group companies (Enaex and SKIC), participated in the event and, for the third consecutive year, Magotteaux, Enaex and SKC won the "Best Stand Award" award given to the most outstanding exhibition booth as voted by the public. This event, essential for Magotteaux, provided an opportunity to strengthen relationships, discuss innovations and trends, and foster new business development, ensuring the continuation of strong partnerships with our strategic customers.

General Information

Our business model and value chain

We produce high chrome grinding media as our main product and have a global footprint close to main markets in Thailand, Canada, the United States, Brazil, and South Africa.

Additionally, Magotteaux operates low chrome and steel forged grinding media plants, also strategically positioned close to large markets/clients in Chile, South Africa and China (through a joint venture). Magotteaux also has several casting plants similarly position in key parts of the world (Belgium, France, Spain, the United States, Mexico, Brazil, India, Thailand, and China). Magotteaux also has a ceramic beads plant in China through a local joint venture. Research and development centers with pilot plants in Belgium and Australia, South Africa, Brazil, along with partnerships with leading research centers and universities, further bolster Magotteaux's innovative capabilities. The company's success is also driven by its highly committed professional competent employees.

Customer relations are a vital aspect of Magotteaux's business model. The company employs specialized sales teams and provides customized on-site technical support and staff to ensure meeting market needs and customer satisfaction. Regular satisfaction surveys help Magotteaux gauge customer satisfaction and improve delivering quality services.

Magotteaux's key activities include the manufacturing of a comprehensive range of high chrome and low chrome grinding media and casting, steel forged balls, ceramic beads, and high-strength low alloy (HSLA) steel. The company also specialized in high chrome castings for various applications, such as tube mills, vertical mills, crushers, impellers, anvils, VSI tables, blow bars, impact plates for HSI crushers, hammers for clinker and auto shredders, refractory grates, and other parts for cement plants, mines, and incinerators. Additionally, Magotteaux focuses on optimizing customer processes through mill audits and monitoring tools, offering connected products and services, driving technological development and innovation.

The company's customer base spans multiple industries, including mining, cement, aggregates, power stations, original equipment manufacturers, and product recycling. Magotteaux serves customers worldwide, ensuring a broad market reach.

Customer relations are a vital aspect of Magotteaux's business model. The company employs specialized sales teams and provides customized on-site technical support and staff to ensure meeting market needs and customer satisfaction.

Key partners play a crucial role in Magotteaux's operations. These partners include suppliers of inputs and technology, drivers of innovation, research and development entities, Sigdo Koppers S.A. group companies, legal counsel, audit firms, domestic and international banks, customers, the Board of Directors, shareholders, and sales agents.

Magotteaux's global footprint position it close to final market enhancing distribution efficiency. When needed to ship product assured by distribution channels and supported by comprehensive logistics that facilitate the efficient distribution of products and services.

The start of our journey with the DMA

In 2024, we have initiated our Double Materiality Assessment (DMA), in which we have been identifying the material impacts, risks, and opportunities (IROs) most significant for our business.

During this year, we focused our efforts in identifying and creating engagement strategies with each of our stakeholder groups, establishing communication channels that allowed us two-way dialogue with them. We brought this initiative to life through the progress made in our double materiality assessment, which enabled us to identify and evaluate material Impacts, Risks, and Opportunities (IROs) in collaboration with our stakeholders.

The DMA is a process for identifying material impacts, risks and opportunities linked to sustainability. This process helps us identify sustainability issues and information that are relevant to both our business and our stakeholders. It provides valuable insights that we can leverage for strategic decision-making, aligning Magotteaux's projects and operations with our sustainability objectives. Additionally, DMA enables us to more effectively identify and manage sustainability-related risks, thereby strengthening our long-term resilience. Finally, this exercise ensures that we meet the disclosure requirements set forth by the CSRD and helps us to determine the key sustainability matters and information that need to be reported under ESRS (European Sustainability Reporting Standards).

The DMA methodology used by Magotteaux consisted of six main steps:

1. Identification of the Sustainability Landscape: This step defined the specific sustainability landscape for Magotteaux, identifying key stakeholders and their contributions. It involved mapping the business relationships within the upstream and downstream value chain, detailing the type and nature of these relationships. The process also included understanding the affected stakeholders and their potential interests, consulting published information from peers, and analyzing the relevant legal and regulatory landscape for Magotteaux.

2. Stakeholder Engagement: Defining key stakeholders was crucial in the DMA process, as they helped identify and assess actual and potential IROs, informing the evaluation of material topics. Stakeholders were involved through interviews and workshops, to understand their interests and concerns. These workshops played a fundamental role in the dialogue between Magotteaux and its stakeholders, facilitating a deeper exploration of the IROs related to sustainability and the identification of key themes for them. This information allowed us to identify Sustainability challenges and opportunities in the early stages and serves as a valuable input for the formulation of Sustainability.

   Additionally, to facilitate this participatory approach, Magotteaux conducted interviews with a diverse range of internal and external stakeholders, including clients, suppliers, and employees. We aimed for geographical representation in this exercise, ensuring that voices from various regions were heard. Participants included representatives from South Africa, Germany, Australia, Chile, Brazil, Hong Kong, Spain, Thailand, and India. This global perspective enriched our understanding of the different sustainability challenges and opportunities that exist across our operational landscape.

   Internally, we engaged with specialized employees across various topics, including value chain dynamics, affected communities, and governance. This comprehensive engagement allowed us to gather insights from our workforce, ensuring that we considered the perspectives of those directly involved in our operations and sustainability efforts.

3. Identification of IROs: In this step, we considered Magotteaux's operations and value chain, ensuring that the development of a comprehensive long list of sustainability topics and related IROs was both complete and cohesive. This process was supported by an in-depth review and analysis of various information sources, including the list of sustainability matters outlined in the topical ESRS, specifically in accordance with AR.16, which served as a foundational starting point, as well as additional specific topics that are unique to Magotteaux, reflecting the company's particular context and operational realities.

4. Assessment of Impact and Financial Materiality: After the identification of IROs, these were scored using a specific methodology to determine their impact materiality and financial materiality.

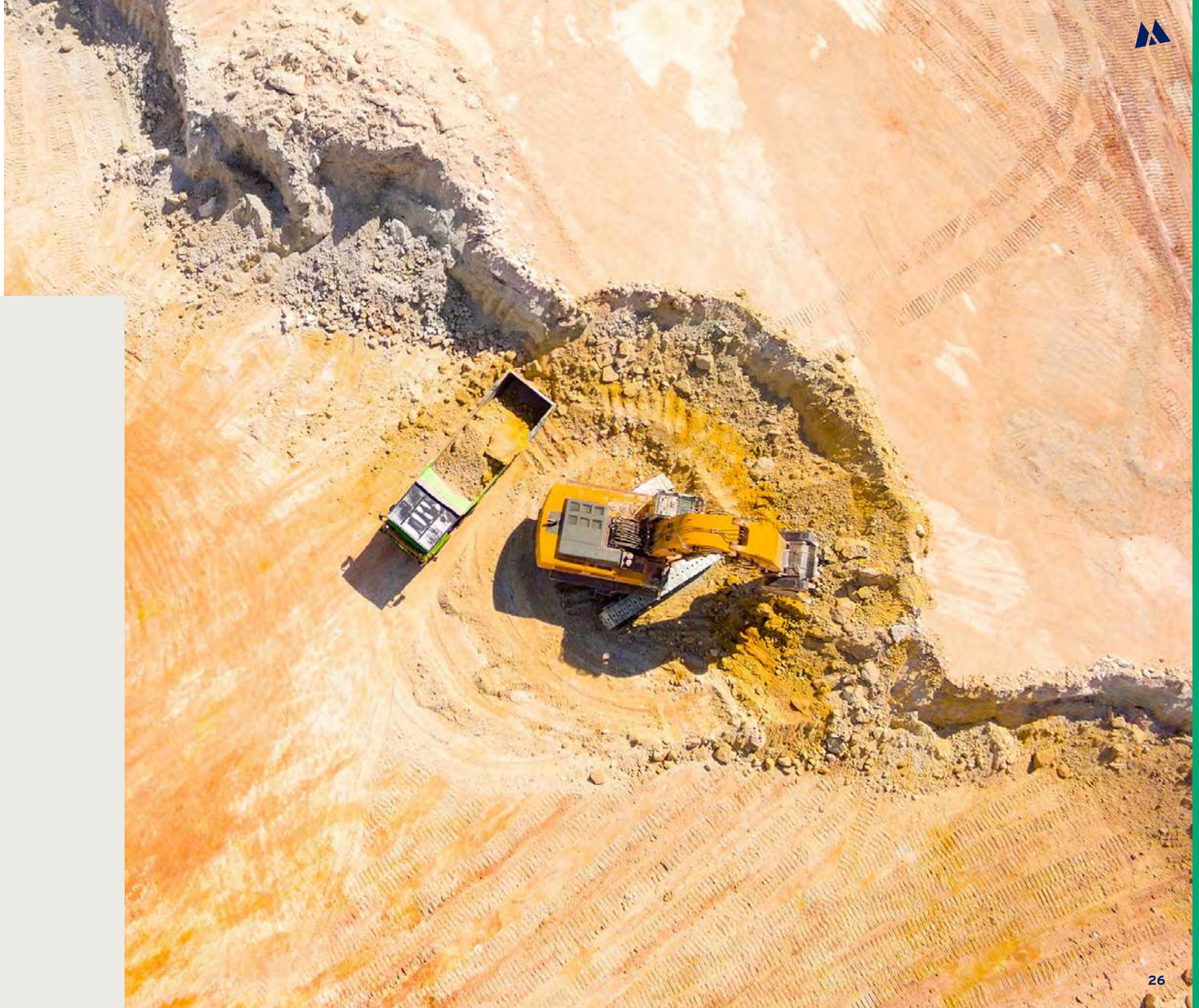
5. Consolidation of Sustainability Topics and Material IROs: At this stage, the material IROs are planned to be grouped into sustainability topics. As of the writing of this report, this process is ongoing, and we expect to finalize it in fiscal year 2025.

6. Final validation Material sustainability Topics: As a final step in the DMA process, the validation of the findings will be conducted with the executive managers of Magotteaux. This involves a thorough review of the assessments and scoring performed during both the impact materiality and financial materiality phases. The executive committee will validate the material sustainability topics along with the related IROs to ensure they align with the company's strategic objectives and stakeholder expectations.

As such, we conducted our DMA in 2024, determining our material topic and disclosure requirements, and will concentrate our efforts in 2025 to align progressively with the CSRD requirements.

Sustainability Information

In the upcoming section, we will delve into an overview of Sustainability initiatives and commitments developed throughout 2024. It outlines the actions we have undertaken, the ambitions and targets we have established, and the progress we have achieved in executing our sustainability strategy. While the journey towards a sustainable future is full of instabilities, changes and other challenges, we believe it might also present considerable opportunities. We are confident that our global presence, innovative mindset, and strong sense of responsibility will enable us to make a right impact.



Environmental Information

At Magotteaux, our focus is on reducing our environmental footprint, be profitable, and fostering a culture that balance environmentally responsible practices; this commitment ensures that sustainability is integrated into our operations and aligned with our strategic objectives. In the following section, we present the initiatives we developed in 2024 that allowed us to advance in managing IROs related to the environment.

In this edition of the report, we share with our stakeholders, Magotteaux's performance, initiatives, progress, and challenges in four fundamental environmental topics: Climate Change, Water, Resource Use and Circular Economy. Reporting on these specific topics is part of our intention to advance in accordance with the ESRS as outlined by the CSRD.

Each of our plants operates with a degree of autonomy that empowers them to set and pursue environmental goals and performance metrics aligned with corporate target. This partially decentralized approach allows for tailored strategies that address specific environmental challenges while aligning group sustainability strategy. Our environmental performance throughout all plants is tracked through key metrics and indicators, enabling Magotteaux to assess and enhance our environmental impact continuously across the organization.

Policies

Policy name

Environment - Quality - Security
- Health & Safety Sustainability Policy

Objectives

- Establish and communicate the organization's commitment to environmental management, quality assurance, security, health, and safety.
- Minimize the environmental footprint of the company's operations.
- Contribute to SDG #12 and SDG #13 by optimizing resource use, minimizing waste, and ensuring compliance with environmental regulations.

Scope

Own operations: applicable to all employees worldwide, ensuring that every individual associated with Magotteaux understands their role in promoting a sustainable future.

Through its initiatives, Magotteaux seeks to rationalized resource use, minimize waste, and ensure legal compliance with local environmental regulations. The company is working to reducing its carbon emissions, implementing circular economy strategies that focus on resource efficiency and waste reduction.

The policy, updated in 2024, and actions undertaken by Magotteaux in environmental matters are congruent with the Sustainability Strategy outlined in **section 3 (page 75)** in accordance with the commitments established in this policy, the environmental actions presented in this section actively contribute to SDGs, particularly SDG #12 and SDG #13. Through its initiatives, Magotteaux seeks to rationalized resource use, minimize waste, and ensure legal compliance with local environmental regulations. The company is working to reducing its carbon emissions, implementing circular economy strategies that focus on resource efficiency and waste reduction.

Climate Change

At Magotteaux, we acknowledge the importance of a climate change. We do so both within our operations and throughout our extended value chain. A portion of our impact on climate change arises from the energy consumption associated with our manufacturing processes. Understanding this challenge, we recognize that improving sustainability requires an energy transition plan. We aimed at more renewable energy sources, along with measures to enhance energy efficiency where viable. We have launched various initiatives aimed at increasing our certified green energy providers. We are also actively exploring the feasibility of incorporating renewable energy into our operations where viable.

Our initiatives are centered on minimizing our environmental footprint while enhancing energy efficiency, aligning with our commitment to SDG #13. We calculated and externally verified during two full years our carbon emissions and we applied and committed into SBTi.

Gross Scopes 1, 2, 3 and Total GHG emissions

We acknowledge GHG emissions generated by our operations stem from our energy consumption, transportation, purchases and operational activities.

Part of our commitment to reducing GHG emissions, in 2024, we continue to conduct a comprehensive assessment of our carbon footprint. This analysis considers not only the emissions produced directly through our operations but also those generated indirectly throughout our value chain. We utilize the GHG Protocol methodology to evaluate our Scope 1, 2, and 3 emissions. Scope 1 emissions primarily arise from the consumption of natural gas and diesel in our manufacturing facilities. Scope 2 emissions are mainly associated with the electricity consumed in our operations. Meanwhile, Scope 3 emissions encompass both upstream and downstream indirect emissions. This includes, but is not limited to, emissions related to Purchased Goods and Services, Upstream and Downstream transportation and distribution, as well as those generated during Processing and Use of sold products and their End-of-life of sold products. Through this detailed analysis we aim to establish our base case and look for improvement opportunities. We look to implement right and viable strategies to reduce our overall carbon footprint in line with our STBi goals working closely with our suppliers.

The table presented below illustrates the comparison of our emissions between the years 2023 and 2024:

GHG Emissions	Units (Tons)	% 2023	Units (Tons)	% 2024	% Reduction 2024 vs 2023
Scope 1	71,978	4,6	**69,400**	**4,6** [2]	**3,6**
Scope 2	282,752	18	**262,113**	**17,5**	**7,3**
Scope 3	1,226,711 [1]	77,6	**1.169,295**	**77,9** [3]	**4,7**

[1] In 2023 we reported 1.220.638,20 but the right figure is 1.226.711
[2] Last year we published 4.5%.
[3] Last year we published 77.5.

Energy consumption and mix

At Magotteaux, our operations are fundamentally supported by two primary sources of electricity. The first is the conventional electrical power obtained directly from the national grid, which forms the backbone of our energy supply. The second comes from the integration of renewable energy sources into our operations. This being coherent with our commitment to improve our environmental practices. We have installed solar panels across several manufacturing units and are backed by green certificates that demonstrate our ongoing use of renewable energy sources. During 2024, Magotteaux had a total electricity consumption of 615,327 MWh across our manufacturing plants.

Electricity Consumption	Units	2023	2024
Grey electricity consumption	MWh	600,830	**556,964**
Direct Purchase renewable sources	MWh	26,290	**49,796**
Green Electricity (Own production)	MWh	2,695	**8,567**
Total Electric Energy consumption	**MWh**	**629,816**	**615,327**

While a substantial portion of our electricity is sourced from the national grid, we are making progress so that our energy consumption from renewable sources increasingly grows, this includes direct purchases of wind energy, hydroelectric power, and other renewable options, alongside the solar energy we produce ourselves. In 2023, Magotteaux reported Scope 1 GHG emissions totaling 71,978 tons, which accounted for 4.6% of the company's total carbon footprint. By 2024, these emissions were reduced to 69,400 tons, maintaining the same percentage of 4.6% of the total footprint. This represents a 3.6% reduction in Scope 1 emissions year-on-year. This decrease can be attributed to Magotteaux's ongoing efforts to improve energy efficiency and optimize manufac turing processes, which have a direct impact on reducing emissions.

About Scope 2 GHG emissions, which include indirect emissions from purchased electricity, were recorded at 282,752 tons in 2023, making up 18% of the total carbon footprint. In 2024, these emissions decreased to 262,113 tons, accounting for 17.5% of the total footprint. This signifies a 7.3% reduction in Scope 2 emissions compared to the previous year. The reduction also is a result of Magotteaux's commitment to enhancing energy efficiency across its global manufacturing plants and transitioning to more sustainable electricity sources.

As mentioned, we are dedicated to improving environmental record increasing our use of renewable energy. We have a targeted goal of reducing our emissions of scope 1 and 2 by 42% in 2030. To achieve

this target, we are actively pursuing a range of projects. For the last 2 years, all electricity consumed in our Spain and Belgium facilities is derived from renewable certified sources. In Canada, grid electricity is fully renewable (hydroelectricity), as well as in Brazil. In France we consume nuclear electricity from the grid.

In 2024, we have acquired renewable electricity in India, China, and South Africa. In India, we have successfully integrated both wind and solar energy into our operations. We installed 100 kW solar panels on the rooftop decreasing the company's carbon footprint.

In Thailand, we developed phase 2 of our solar roof project, which allowed us to reduce CO_2 emissions by 1,128 tons equivalent per year for 2024.

Our dedication to environmental conservation extends beyond our production facilities to include our office environments as well. We have installed solar panels on our Australian DP lab in Adeliade as well as in our commercial office in PTY South Africa.

In relation to Scope 3 emissions, encompassing all other indirect emissions such as those from upstream and downstream activities, were 1,226 kTons in 2023, representing 77.6% of the total carbon footprint. In 2024, these emissions were reduced to 1,169 kTons, making up 77.9% of the total footprint. This reflects a 4.7% reduction in Scope 3 emissions year-on-year. Magotteaux's efforts to standardize and ensure the reliability of Scope 3 reporting have been crucial in achieving this reduction, as the company works towards defining and meeting reduction targets in line with the Science-Based Target initiative (SBTi).

Leading Sustainability through the Tennessee Green Star Partnership

At Magotteaux Inc. (Pulaski), we are an active member of the Tennessee Green Star Partnership (TGSP), a program that not only recognizes but also connects organizations dedicated to sustainable practices.

The Tennessee Green Star Partnership is a voluntary environmental leadership program designed to recognize industries in the state of Tennessee that are committed to sustainable practices.

Our partnership with the TGSP underscores, once more, our real commitment to energy efficiency, waste reduction, and active community engagement. By adopting innovative practices and fostering collaboration, we establish Magotteaux in the industry for sustainability, demonstrating that it is possible to integrate sustainability at the core of our activities.

During the past year, we have implemented several significant actions. One of our most notable achievements was the energy management process for non-productive equipment, which allowed us to save approximately 1,600 MWh annually by timely deactivating equipment such as baghouses during non-productive hours.

For 2024, we advanced in different areas, including:

- **Direct Pour Casting:** This innovative method (already in place in other Magotteaux production sites) aims to increase yield eliminating useless gating section by pouring directly into molds, with anticipated energy savings of >1,000, MWh annually.
- **Air Leak Repair Campaign:** Detecting and repairing air leaks saving an estimated 270, MWh annually.

Thanks to our efforts during this period, we are proud to announce that Pulaski plant has received the TGSP Partnership, award granted in January of the year 2025. This recognition is a showcase to our dedication to sustainability management. It is highly motivating to continue advancing in our strategy and to be a leader in sustainable practices within the industry.

Water

Regarding water management, at Magotteaux, we consider freshwater resources as essential for ensuring life and their availability for future generations. In addressing this topic, we refer to water consumption, water recycling, and storage.

Water consumption

Currently, Magotteaux is tracking water consumption based on invoiced usage, ensuring that we maintain a record that allows us to understand our consumption patterns. The following table shows the performance of this Key Performance Indicator (KPI) over the last two years.

Fresh water Consumption	Units	2023	2024
Total water consumption from public water supply	m^3	444,784	**463,525**
Total freshwater withdrawal from groundwater	m^3	145,107	**127,539**
Total freshwater withdrawal from surface bodies: rivers, lakes, others	m^3	2,485[2]	**11,449**
Total discharge*	m^3	713	**337**
Total freshwater Consumption **	**m^3**	**591,663[3]**	**602,176**

* Water returned to the source of extraction with a quality similar to or higher than that of the raw water extracted (water bodies).
** Total Freshwater Consumption = Total water consumption from public water supply + Total freshwater withdrawal from groundwater + Total freshwater withdrawal from surface bodies: rivers, lakes, others – Total discharge.)
[2] Correction of the data presented in 2023 report (413 m3) due to last year's data didn't include GMSA's consumption (2024 GMSA data only covers July to December).
[3] Correction of the figure presented in the 2023 Report (589591 m3)

In 2023, Magotteaux's total water consumption from the public water supply was 444,784 cubic meters. This figure increased to 463,525 cubic meters in 2024, indicating a rise in water usage from public sources. Magotteaux is actively monitoring water consumption to ensure efficient water use and to identify opportunities for reduction.

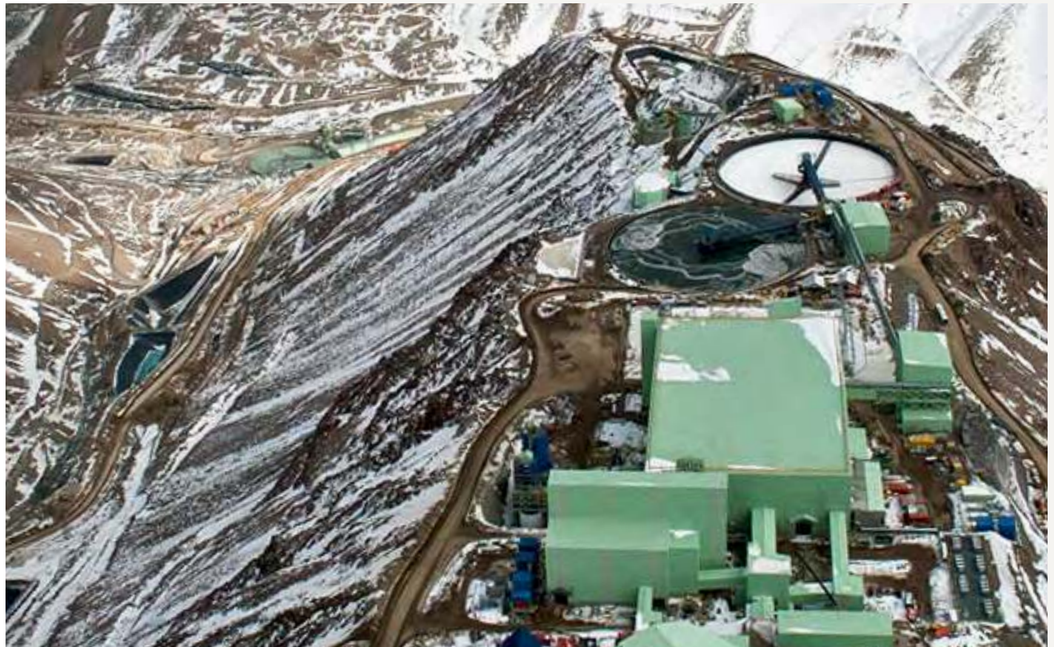
Magotteaux's total freshwater withdrawal from groundwater sources was 145,107 cubic meters in 2023. This figure decreased to 127,539 cubic meters in 2024, reflecting a reduction in groundwater usage. The decrease is a result of Magotteaux's efforts to optimize water usage and reduce dependency on groundwater sources.

As we announced in our report from the previous year, for 2024 we keep on progressing in our commitment to water conservation through the transition to a closed-circuit (dry) cooling system. This design eliminates water evaporation thus consumption as well as eliminating risk and chemical treatment to reduce Legionella.

Dry cooling systems are already operational at our plants in Canada, France, South Africa, China, and Thailand. In 2024, we installed one in Mexico and one in Brazil and have approved new ones for 2025 in Chile, Pulaski and Spain. We also identify the water reduction as an opportunity.

At Magotteaux, we recognize the critical importance of sustainable water management in our operations. Our commitment to minimizing environmental impact is reflected in our wastewater management practices and continuous improvement efforts. For example, the newly approved 40,000-ton capacity expansion in Brazil will include a recovery system to condense vapors generated during the die cooling phase, reinforcing our focus on responsible water use in industrial processes.In 2023, we recycled or reused 30,065 m^3 of water and increased this to 30,899 m^3 in 2024. Additionally, we are actively working to reduce sewage generation, which decreased from 57,248 m^3 in 2023 to 38,702 m^3 in 2024. By prioritizing the recycling and responsible management of wastewater, we strive to contribute to a more sustainable future while supporting our operational efficiency and compliance with environmental standards.

Waste water	Units	2023	2024
Recycled or reused water	m^3	30,065	30,899
Sewage Generation	m^3	57,248	38,702



Resource Use and Circular Economy

Sustainability being part of our strategy, Magotteaux recognizes the importance of resource use and the principles of the circular economy. This chapter focuses on our commitment to responsible consumption and production. We are voluntarily disclosing information on significant resource inflows and outflows, including waste management.

Actions and resources related to resource use and circular economy

To demonstrate our commitment to SDG #12, we have implemented key initiatives that reflect our dedication to the circular economy.

Innovative approaches

Minimizing our carbon footprint, and ensuring responsible production is a complex challenge. At Magotteaux, we are enhancing the life cycles of our products while addressing the specific requirements of our clients. This customer-focused strategy encourages close collaboration to co-create innovative solutions leading to improve life cycle product and improve total cost ownership (TCO). Simultaneously, we actively partner with our suppliers to identify and utilize the best available resources. Below, we present effective collaboration initiatives with both customers and suppliers that materialized our Innovative Approach and were strengthened during 2024.

Long-lasting VRM Wear Parts

A prime illustration of our distinctive approach is our partnership with one of our clients, a cement plant in the Middle East. For years, they relied on high chrome rollers, but changing quarry conditions and increased abrasiveness began to compromise the durability of these essential components. This resulted in shorter casting life and higher resource investment in hard facing.

In this way, we embarked on a collaborative journey with the client to find a joint solution to their challenge based on circular solutions. Our customer tested our previous Xwin technology, which significantly improved operations by providing a service life of 5,000 hours. Encouraged by this success and through regular audits, detailed sample analyses, and continuous wear profile monitoring, we worked closely together to enhance their performance. This commitment fostered a dynamic partnership aimed at achieving exceptional durability. Ultimately, our Expand One solution effectively addressed the client's challenges.

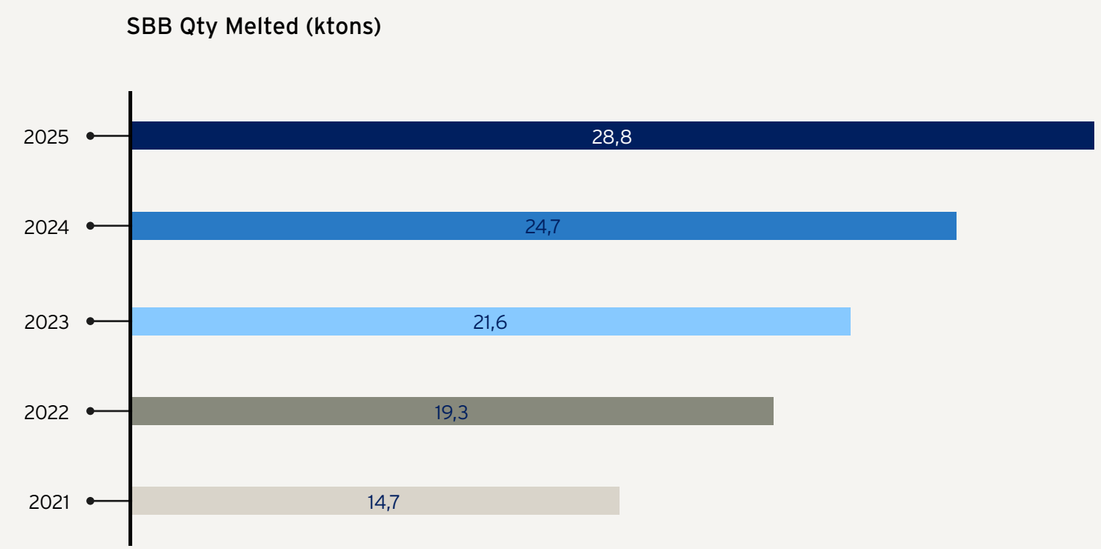
The initial Expand One set achieved an impressive 10,500 operational hours, effectively doubling the lifespan of already performant Xwin. This represents a remarkable threefold increase compared to traditional high chrome solutions. Not only we satisfied customer with improved Total Cost Ownership (TCO), we improved life cycle and we acted on scrap buy back towards a circular economy and customer satisfaction through product innovation.

Scrap Buy-Back (SBB) initiative

Our SBB initiative, combined with our footprint reduction efforts, is a cornerstone of our sustainability strategy—cutting costs, lowering carbon emissions, and improving energy efficiency. Recognizing that a significant share of Scope 3 emissions comes from raw materials like Ferro Chrome and other Ferro Alloys, we've increased the use of end-of-life products and locally sourced stainless-steel scrap—making local sourcing a key lever in reducing our impact.

A comprehensive set of actions was implemented to nearly double the use of SBB in 2024, achieving the highest consumption ever recorded. Key initiatives included the preparation of monthly SBB purchase prices to provide quick offers to customers, the establishment of a network of specialized scrap dealers for regional gathering, and enhancements in utilization capacity. Additional resources were allocated to increase scrap classification capacity, which means sorting and categorizing different types of scrap materials effectively. This involves processes and resources dedicated to identifying, separating, and classifying various grades and types of scrap, such as stainless steel and other alloys. A First In, First Out (FIFO) system was also introduced to ensure rapid turnover of stocks, further optimizing the efficiency of our operations. This multifaceted approach not only underscores our commitment to sustainability but also highlights our dedication to continuous improvement in material management. In 2024, we successfully melted down and recycled 25 Ktons, transforming end-of-life products into new products, showing an important increase compared to the previous four years as well as a clear commitment to resource efficiency.

Moreover, this initiative fosters stronger relationships with our customers by assisting them in managing their end-of-life products. Our manufacturing footprint is strategically located near our primary markets, allowing us to offer a unique advantage by purchasing scrap while supplying new products. This not only helps improve our customers' carbon footprints but also cultivates deeper partnerships through local sourcing, setting us apart from our competitors.
To facilitate seamless transactions, our IT team developed a mobile application for our sales force. This application serves as a comprehensive tool for managing the end-of-life/ SBB program and highlights the corresponding CO_2 emissions reductions, reinforcing our commitment to sustainability.



Replacement of silica sand with Cerabeads
In line with the above, in 2023 / 2024, one of the most remarkable initiatives undertaken was the significant improvement in the selection and use of raw materials at our plants in Navarra Spain, and Vaux in Belgium through the replacement of silica sand with ceramic sand. Silica sand, being brittle, tends to break during usage generating free silica fines breathable particles. Therefore, this move not only improves employee health and safety by eliminating hazardous particles but also reduces environmental impact by reducing dust waste disposal, aligning with our sustainability goals.

Focusing on eliminating the root cause is always the preferred approach. We collaborated closely with Itochu, the supplier of the ceramic sand, conducting numerous studies and trials that demonstrated the effectiveness and sustainability of this change, balancing health considerations with technical and economic viability.

After months of the implementation, we are pleased to report a significant decrease in exposure levels of hazardous particles, specifically free silica fines, throughout our plants. This improvement extends beyond the molding line section where we transitioned to ceramic sand from regular silica sand. We've also noticed positive effects, aligning with Magotteaux's sustainability strategy, including reduced energy consumption costs, environmental benefits from decreased coating usage and waste sand disposal, and a reduction in new sand purchases, lessening the strain on natural resources. We're considering expanding this solution to other units.

The implementation of this innovative projects reinforces our commitment to contributing to Magotteaux's sustainability strategy, generating a direct impact on 3 of the 6 SDGs pursued by Magotteaux: SDG #3, SDG #8 and SDG #12.

Partnership with CODELCO and Magotteaux Andino
In 2024, Magotteaux Andino, in Chile, achieved a significant milestone in its commitment to the circular economy through an innovative partnership with CODELCO's El Teniente Division in Chile. According to our client, this project involved the successful usage of cast grinding balls made from recycled scrap, resulting in a remarkable reduction of over 20% in the carbon footprint of production compared to traditional forged balls. This collaboration not only reflects our commitment to sustainability but also sets a precedent in the mining industry, demonstrating that it is possible to combine operational efficiency with responsible practices.

The contract signed in early 2024 between Codelco and Magotteaux Andino, which has a duration of five years, establishes a circular economy model in the supply of grinding media. This agreement includes a pilot program in which Magotteaux Andino will manufacture inputs using metallic waste and worn balls from Codelco, translating, according to Codelco calculation, to a reduction of approximately 40,000 tons of CO_2 per year of Codelco's Scope 3 emissions. This initiative is a clear example of how the circular economy and local footprint can be integrated into mining operations, aligning with our sustainable development commitments and contributing to the reduction of Codelco's GHG emissions.

This achievement is the result of rigorous testing and certifications conducted in collaboration with renowned Chilean universities. The results validated that our cast balls match the mechanical and chemical properties of forged balls, ensuring top quality and reliability while offering a sustainable alternative for the mining industry.

The collaboration between Magotteaux Andino and Codelco has been made possible through mutual trust and joint efforts. This synergy not only benefits the companies involved but also has a positive impact on local communities, by contributing to cleaner air and a healthier environment. The local mayor of Til Til highlighted the importance of reducing the carbon footprint, not only at a global level but also within the community, recognizing Magotteaux as a good neighbor that contributes to the well-being of the municipality.

As part of this circular economy model, Magotteaux Andino committed to remove and recycle between 50 and 75 tons of worn grinding balls and scrap each month at the CODELCO facilities, specifically from the El Teniente Division in Chile. Magotteaux will revalue them as raw material for the manufacture of new balls. This reuse scheme reduces waste management costs for Codelco and generates significant economic benefits, aligning sustainability with profitability. It also reflects Magotteaux's sustainability principles by striking the right balance between economic performance, human well-being, and environmental responsibility..

According to Codelco calculation, the cast balls, called Ecomax, manufactured by Magotteaux feature a production process that generates a carbon footprint 53% lower compared to the input previously used at El Teniente. These balls match the operational performance of traditional forged balls thus also cost-competitive price but also offering the added value of circularity and sustainability. This success highlights Magotteaux's footprint, leadership in greener solutions and circular economy practices, positioning us as a key partner for more sustainable mining. Together, we are shaping the future of responsible and efficient operations without compromising performance.

Transition to bio-oil in manufacturing
As part of our ongoing commitment to responsible consumption and production, as mentioned in our 2023 report, we continue the transition to using bio-oil in our manufacturing processes. This initiative has represented a substantial step toward minimizing our carbon footprint, health and safety for our employees, and enhancing our role in the circular economy. Traditionally, our quenching process relied on fossil-derived mineral oil, which could have an impact on the environment, health and safety. By investigating and adjusting our internal processes and equipment, we have successfully implemented bio-oil, a renewable and less carbon-intensive alternative. This transition not only improves the quality of our final products but also allows us to recycle the used bio-oil into biofuel instead of dangerous waste disposal with former mineral oil, turning potential waste into a valuable resource.

Our facilities in Mexico, China, Spain, Belgium, Thailand, and Brazil have successfully transitioned from using fossil-derived mineral oil to using bio-oil into new quenching processes, with plans for the remaining plants to follow suit in the coming years. In addition to the environmental and health benefits, we are also experiencing significant advantages such as reduced fire risk, decreased CO_2 e emissions during production, and cleaner surroundings. In this regard, in 2024, we have taken another important step towards sustainability by incorporating bio-oil as part of our production process in one additional heat treatment furnace in Thailand. This bio quenching oil minimizes impact on Carbon emissions as well as on health and safety, aligning with some of our sustainability priorities.

Waste Management

To manage the waste generation, we apply the principles of the waste hierarchy by focusing on reducing consumption, reusing materials, and recycling products. Our business model is centered on the continuous pursuit of more sustainable materials and designs and reducing transportation distances by being closer to the markets we serve.

In terms of hazardous and non-hazardous waste management, we have once more made substantial progress. In 2024, we calculated a total of 9,282 tons of hazardous waste, which represents 8% of the total waste generated by Magotteaux. Our disposal methods for hazardous waste include incineration with energy recovery, landfill disposal, and other responsible methods. We are proud to report that we recycled 39% of our hazardous waste, demonstrating our strong commitment to sustainability, while increasing reuse 1%.

Through these initiatives and commitments, Magotteaux is dedicated to maximizing resource efficiency and minimizing our environmental impact, contributing to a sustainable future for all.

As we mentioned in the Climate Change section, during 2024, the Pulaski plant received the TGSP partnership for its efforts in energy efficiency and was also recognized for its commitment to waste reduction. It was realized through various initiatives implemented at the plant, such as the "Zero Waste to Landfill" partnership with Doxicom, where together we recycled over 0.9Tons of grinding abrasives monthly, along with super sacks, cardboard, and municipal waste, thereby reaffirming our commitment to final waste reduction. The plant also made progress by collaborating with Waste Optima, where Magotteaux plans to eliminate baghouse dust from landfills, through the "Zero Waste to Landfill Expansion" initiative.

Hazardous waste	Units	2023	2024
Total Hazardous Waste - Sent for Final Disposal	Tn	10,635[4]	**5.525**
Recycled Hazardous Waste (Internal/external)	Tn	1,019[5]	**3,662**
Reused Hazardous Waste	Tn	40	**95**
Total Hazardous Waste[2]	Tn	11,695[6]	**9,282**

[4] Correction of the figure presented in the 2023 Report (3.387 Tn)
[5] Correction of the figure presented in the 2023 Report (8.396 Tn)
[6] Correction of the figure presented in the 2023 Report (11.823 Tn)

Non-Hazardous waste	Units	2023	2024
Total Non-Hazardous Waste - Sent for Final Disposal	Tn	52,862[7]	**56,335**
Recycled Non-Hazardous Waste	Tn	56,314	**56,365**
Reused Non-Hazardous Waste	Tn	1,243	**1,035**
Total Non - Hazardous Waste*	**Tn**	**110,419[8]**	**113,736**

* Where Total Hazardous Waste = Total Hazardous Waste (sent for final disposal) + Recycled of Hazardous waste (internal/external) + Reused Hazardous waste
[7] Correction of the figure presented in the 2023 Report (52.946 Tn)
[8] Correction of the figure presented in the 2023 Report (110.503 Tn)

Social Information

At Magotteaux we firmly believe in the importance of fostering trust-based relationships with our stakeholders, partners, and employees, and in adopting sustainable business practices as our path to long-term success.

As mentioned in the environmental section, our comprehensive policy "Sustainability Policy on Environment, Quality, Security, Health, and Safety and Sustainability" serves as a complete framework that reflects our commitment not only to the environment but also to social issues.

In this chapter, we will share information related to our own workforce, communities, and consumers and end-users.

In line with our sustainability strategy, specifically aligned with 'Our Contribution to Building a more Sustainable World,' the initiatives and actions we develop from a social perspective particularly contribute to the specific SDGs (SDG #3, SDG #4, SDG #5, SDG #8) and help us fulfill our commitments as a corporate group.

Through these efforts, Magotteaux reaffirms its commitment to the social dimension of sustainability and the well-being of all stakeholders, establishing a clear path towards a more responsible and equitable future.

At Magotteaux, our business practices and relationships are guided by a core set of principles that reflect our commitment to our values and goals. These principles are crucial for understanding the social topics that we will discuss in the following pages:

Safety and well-being are also prioritized, as we strive to maintain a safe work environment and promote health.

Customer focus is paramount; we prioritize understanding our customers' needs through exceptional service, innovative solutions, and continuous support, thereby fostering long-term relationships.

Excellence and innovation drive our operations, as we are dedicated to delivering high-quality products that surpass industry standards while encouraging creative thinking among our employees.

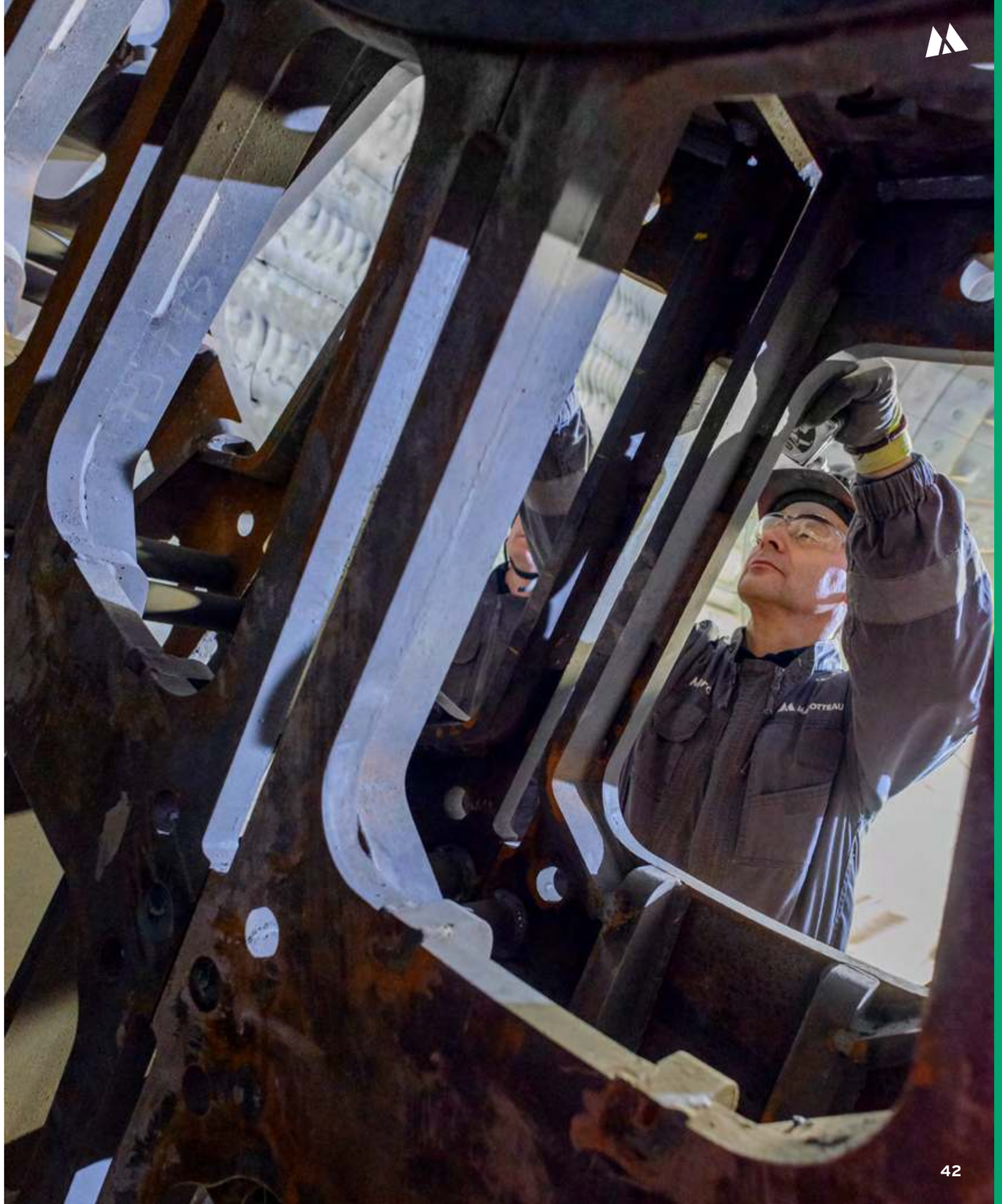
Teamwork and collaboration, recognizing that collective effort and knowledge sharing are essential to our success.

Accountability and responsibility form the foundation of our culture, taking ownership of their actions and promoting integrity and ethical conduct.

Continuous learning and development by investing in our employees through training and mentorship opportunities.

Environmental responsibility by integrating sustainable practices and seeking eco-friendly solutions.

Diversity and inclusion are fundamental to our workforce. We respect and appreciate contributions from individuals of various backgrounds, fostering an environment of equality, respect, and fairness.



Social Information

Own Workforce

The following section will focus on specific areas that encompass essential topics such as gender diversity, inclusion of people with disabilities, training and development, health and safety, work-life balance and the prevention of discrimination. Through these initiatives, Magotteaux seeks to strengthen its commitment to responsible workforce management and sustainable practices.

Gender diversity

At Magotteaux, diversity, equity, and inclusion are part of our vision and approach, and we firmly believe in providing equal opportunities for all.
As a result of our efforts, an increasing number of women are occupying significant roles within our organization, including decision-making and leadership positions. Our focus is to assure we provide equal opportunity with appropriate conditions and roles.

At Magotteaux, diversity, equity, and inclusion are part of our vision and approach, and we firmly believe in providing equal opportunities for all.

We understand that fostering an inclusive workplace goes beyond mere representation where possible; it requires implementing the necessary changes and improvements. This includes highlighting the roles of women within the company, managing facilities that cater to their needs, and adapting the work environment to accommodate gender diversity.

Another critical aspect of our commitment to diversity is addressing gender pay gaps. Our goal is to ensure that compensation is equivalent for similar roles, regardless of gender. To achieve this, we employ an appropriate methodology to organize our pay scale and define the different job roles within the overall company structure. This approach helps to reduce the gender pay gap.

These initiatives align with our commitment to the SDG #5, which is a fundamental pillar of our sustainability strategy. Having diversity, equity, and inclusion, Magotteaux is not only enhancing our workplace culture but also contributing to a more sustainable future for all.

Below, we present the metrics showing actual situation. We can find Gender Diversity by Role and Gender Diversity by Seniority. We present the evolution of these metrics during the years 2023 and 2024.

Gender diversity by role (indefinite term contract)	2023 (Unit)	2024 (Unit)
Women	**295**	**305**
Senior Management	2	1
Management	27	31
Administrative staff	108	102
Supervisors	31	42
Operators	83	54
Sales forces	23	31
Others	21	44
Men	**2,233**	**2,152**
Senior Management	34	34
Management	105	111
Administrative staff	200	158
Supervisors	253	171
Operators	1,478	1,382
Sales forces	51	80
Others	112	216

Gender diversity by seniority (indefinite term contract)	2023 (Unit)	2024 (Unit)
Women	**295**	**305**
Women under 3 years of seniority	97	98
Women between 3 and 6 years of seniority	56	51
Women between 6 and 9 years of seniority	13	14
Women between 9 and 12 years of seniority	28	38
Women over 12 years of seniority	101	104
Men	**2,233**	**2,152**
Men under 3 years of seniority	431	456
Men between 3 and 6 years of seniority	377	271
Men between 6 and 9 years of seniority	259	182
Men between 9 and 12 years of seniority	239	236
Men over 12 years of seniority	927	1,007

Throughout 2024, in various locations around the world, we conducted a series of activities aim at improving where existing gender gaps. Below is a summary of the most notable activities in this area during 2024, starting with the commemoration of International Women's Day, an event we organized worldwide to honor the contributions of women at Magotteaux, along with some actions related to female empowerment through knowledge generation.

National Women's Day in South Africa

AUGUST 8, 2024

In honor of South Africa's National Women's Day, the women at Magotteaux Grinding Media came together to celebrate on August 8, 2024. This event was designed to empower, recognize, and appreciate the beauty and strength of all the women within our organization. National Women's Day commemorates the significant 1956 march of 20,000 women to the Union Buildings in Pretoria. This historic protest, organized by the Federation of South African Women (FEDSAW), challenged the oppressive Pass Laws of the apartheid era, which restricted the movement of black women. The march aimed to amplify women's voices in the struggle against apartheid and featured a petition with over 100,000 signatures. Participants stood in silence for 30 minutes outside the office of Prime Minister JG Strijdom, concluding the event with the powerful song "Wathint' Abafazi, Wathint' Imbokodo!" ("Now you have touched a woman, you have struck a rock"), symbolizing their unwavering resilience. Today, this day serves as a national holiday, honoring the vital contributions of women to the establishment of democracy in South Africa.

Empowering Women through Training in Chile

OCTOBER 28, 2024

In 2024, we proudly supported the development of 16 talented women from the Til Til community in Chile, who successfully completed their training as part of our 2024-2025 Apprenticeship Program. This initiative, developed in collaboration with @SK Capacitación, aims to improve access to technical skills for women, reflecting our dedication to community integration and sustainability. Through this program, participants received comprehensive training in Heat Treatment, which included essential components such as safety protocols, psychosocial skills, and the technical expertise required to excel as Heat Treatment Operators. On October 28th, these committed individuals celebrated a significant milestone in their careers as they received their diplomas, marking a pivotal moment in their professional journeys.

Persons with disabilities

At Magotteaux, we recognize that diversity encompasses much more than gender representation; it includes commitment to ensuring equal treatment and opportunities for all individuals and underscores our dedication to fostering an inclusive workplace where every employee can thrive.

We understand that this commitment enriches our organizational culture. We have established KPIs that track the representation of persons with disabilities within our workforce. One of our primary KPIs is the number of employees with disabilities categorized by role. We also strive to provide a breakdown of this percentage by gender, further enhancing our understanding of diversity within our organization.

Gender diversity by role	Women 2023 (Unit)	Men 2023 (Unit)	Women 2024 (Unit)	Men 2024 (Unit)
Senior Management	-	-	-	**1**
Management	1	-	**1**	-
Supervisors	-	4	-	**3**
Operators	-	19	**1**	**16**
Sales forces	-	-	-	-
Administrative staff	1	6	**2**	**2**
Support staff	1	-	**1**	-
Other professionals	-	1	-	**1**
Other Technicians	-	-	-	**1**
Total	**3**	**30**	**5**	**24**

Training and skills development metrics

At Magotteaux, employee development management extends beyond conventional job-related training. We are firmly committed to cultivating skills that enable our teams to excel in their roles and effectively contribute to our sustainability objectives.

Given our global presence, it is essential that we abide by local legislation and obligations when designing our training programs. This enables us to consider the diverse cultural realities and circumstances of each site, ensuring that our development initiatives are effective and pertinent. The Magotteaux Academy is a great example of this and continues to stand as a key tool each year, in our training strategy, offering a wide range of learning programs accessible to all our employees. This platform provides technical training and allows each location to autonomously develop training sessions that cater to the specific needs of its environment. For example, the academy addresses topics such as safety protocols, sustainability and technical training in areas like metallurgy and cement grinding, ensuring that the content is relevant and applicable.

In addition to the Magotteaux Academy, we have established multiple channels to share best practices and training, including innovative solutions such the one mentioned in our section on resource use and circular economy, as our product buy-back program at the end of its life cycle.

In 2024, we continued with the sustainabilit y-focused training module launched in 2023, with significant participation from employees. This effort is part of our strategy to equip our team with the necessary knowledge to engage in constructive conversations with customers about sustainability. Through the distribution of informational sheets that cover key topics such as the Gren House Gaz Protocol, we aim to ensure that our staff is well-informed and can effectively communicate our commitment to sustainability.

Below, we present the metrics we have been using to measure this important topic for Magotteaux:

Trainings	2023	2024
Total amount of monetary resources allocated to education and professional development (kUSD)	893	**655**
Total number of staff trained (Unit)	1,669	**1,208**

Health and safety metrics

We are committed to creating a no harm environment. To reach this we need to foster a culture of continuous awareness and responsibility regarding safety.

Our health and safety management system, which is ISO 45001: 2023 certified, is designed to cover our entire workforce comprehensively. Each site within Magotteaux is staffed with a dedicated safety manager who oversees all safety-related matters, ensuring that our safety rules and guidelines are fully understood and implemented. Please find below the main elements that are an integral part of our structured management system allows us to monitor health and safety-related topics.

1. **Coverage of Workforce:** Our health and safety management system is designed to cover all individuals working within our facilities, including employees, clients and subcontractors. This inclusive coverage allows us to implement consistent safety practices across all levels of our organization, ensuring that everyone is protected and informed about safety protocols.

2. **Incident Reporting:** We have established a robust internal reporting procedure for every security incident that occurs at Magotteaux site. This procedure includes the identification of the incident, effective communication, thorough follow-up, and closure of the case. This requirement applies not only to Magotteaux employees but also to subcontractors, clients, reinforcing our commitment to a safe working environment for all individuals present on our sites.

3. **Work-Related Injuries and Ill Health:** We track the number of incidents associated *with work-related injuries, illness, and fatalities. Our historical data demonstrates a commitment to high safety standards, with our Lost Time Accident Frequency significantly lower than the industry average. According to the U.S. Bureau of Labor Statistics, the average incidence rate for non-fatal occupational injuries and illnesses in the iron foundry industry is 3.1 In contrast, our own rate stands at 1.95, reflecting our effective safety measures.

4. **Lost Time Accidents (LTA):** Despite our strong safety record, we reported in 2024 that, regionally, 26% of LTAs occurred in America, 32% in EMEA, and 4% in Asia. By production plants, 39% of LTAs were in regular casting plants, 19% in ball plants, 3% in VRM plants, and 1% in offices. The most common types of LTAs involved upper limbs (45%) and lower limbs (30%), primarily due to strikes and cuts, particularly in foundry areas, heat treatment and molding. KPI's: To better understand our safety outcomes and implement mitigation actions, we utilize several KPIs.
The calculation behind these KPIs is based on the following formulas:
   - Accident Frequency: (Number of LTA / Total worked hours) x 200,000
   - Inefficiency: (Number of lost hours / Total worked hours) x 100
   - Severity: (Number of lost hours / Number of LTA)

These metrics provide valuable insights into our safety performance and help us identify areas for improvement. By continuously monitoring and analyzing these KPIs, we can enhance our health and safety management system, ensuring a safer working environment for all employees and subcontractors at Magotteaux toward a no harm environment.

Safety KPI's	2023 (Unit)	2024 (Unit)
Accident Frequency rate	1.65	**1,95**
Inefficiency	0.13	**0,19**
Incidents/accident ratio	113	**110**
Severity	158	**194**
Number of accidents	51	**62**
Number of fatalities of contractor workers due to work accidents or occupational diseases	0	**0**
Fatalities due to work accidents or occupational diseases	0	**0**

Below, we would like to share some of the actions we developed during 2024 within the framework of Health and Safety at Work:

Enhancing EHS Audits for a Safer Workplace
We continuously seek opportunities for improvement through our Environmental, Health, and Safety (EHS) audits. These internal audits are conducted by our EHS corporate department to monitor potential risks and prevent accidents, reinforcing our commitment to a culture of "No Harm" and assess compliance with legal requirements, review KPIs, and facilitate the exchange of information and best practices across our plants. Action plans for improvement are established based on priorities, driving positive change and enhancing our safety practices.

Below are our objectives for improving our audit processes each year looking for no harm environment.

Ensuring Safety First: Our top priority remains the safety and well-being of our people. By rigorously creating awareness, we facilitate adherence to safety protocols, creating a safe and sustainable environment for our employees.

Seeking Improvement Opportunities: We continuously evaluate our practices against Magotteaux's EHS standards as well as external benchmarks when available, which employees can find on our internal Magotteaux SharePoint. Identifying areas for improvement is essential for our ongoing progress.

Action Plans for Improvement: Based on priorities, we establish action plans for improvement. These plans drive positive change and elevate our awareness and safety practices.

Sharing Best Practices: Collaboration is key. We actively share successful approaches and best practices among our plants.

During the audit process, we utilize a comprehensive checklist comprising around 90 questions to assess the EHS performance of each manufacturing unit. Some of the key topics in the assessment include Permit-to-Work Procedures, Impact Assessment, Confined Space Safety, Working at Heights, Energy Isolation Protocols, among many others.

Health and Safety calendar
During the end of 2024, Magotteaux Navarra, in Spain, launched its internal Health and Safety Calendar - 2025, which will serve in 2025 as a vital tool for promoting various health and safety topics. This initiative was designed to actively engage our employees and foster a culture of awareness around health and safety practices.

The calendar provided to the employees, contains a wide range of topics, such as 'Healthy Habits for the New Year' and 'Early Detection of Colon Cancer,' providing resources and information to help employees understand the relevance of regular screenings and preventive measures. The calendar also stands out for addressing topics related to critical health issues, such as 'Skin Cancer Prevention' and 'Understanding Prostate Cancer Symptoms.' The intention behind the launch of this calendar is to equip our workforce with the necessary knowledge to protect themselves and their loved ones.

Preventive Culture Awards 2024
On another note, the Preventive Culture Awards 2024 were also held during 2024 in our facility at Magotteaux Navarra, in Spain. This initiative aimed to recognize and celebrate the dedication of our employees in promoting a safe work environment. The awards featured two main categories: "Best Safety Idea Proposed and Implemented" and "Best Safety Performance."

The first category highlighted the creativity and proactive efforts of employees who propose innovative safety solutions, with 80 safety-related improvement ideas anticipated throughout the year. The second category rewards individuals who exemplify a strong commitment to safety, awareness, and responsibility, inspiring their colleagues through their exemplary actions. The award winners were selected by a diverse team representing all levels of the company, ensuring that the recognition was meaningful and came from peers rather than management.

Incidents, complaints and severe human rights impacts

Incidents, Complaints, and Severe Human Rights Impacts are understood as a significant topic for both our organization and our stakeholders. To facilitate this, we have established a grievance mechanism that allows our collaborators, customers, shareholders, and the broader community to voice their concerns freely and anonymously.

This accessible channel enables individuals to report grievances related to work-related rights, including breaches of ethical standards, conflicts of interest, and non-compliance with regulations. By encouraging open communication, we aim to address any issues that may arise promptly and effectively, ensuring that all complaints are thoroughly investigated by our Top Management and Board.

Throughout 2024, we continued to uphold our commitment to transparency, going beyond simply providing a platform for reporting concerns. Additionally, we actively monitor and document the number of grievances received and resolved, which has helped us understand the effectiveness of our remediation efforts. Furthermore, we are working on implementing and reviewing remediation plans to address any incidents or complaints, ensuring that our actions lead to meaningful resolutions. We are also pleased to report that, to date, no incidents or complaints have been recorded.

Surrounding Communities

At Magotteaux, we understand that our responsibility extends beyond the boundaries of our business operations. We recognize that our activities are part of a broader social system that includes local communities.

Our goal is to understand how our operations relate to and coexist with local communities, especially in areas where close proximity requires attention. We aim to build strong, respectful relationships and continuously improve how we interact with and support these communities—ensuring our presence brings value without disruption. This includes both positive and negative impacts, whether current or potential. Through our initiatives, we foster indirect the benefits that our activities can bring to local communities.

We have allocated a budget of 180 KUSD to community activities in 2024, with the aim of creating meaningful opportunities. We have focused on key areas such as children and education, health and nutrition, and culture, ensuring that our initiatives are relevant and effective.

As mentioned in Section 4, Sustainability Strategy, during 2024 we incorporated a new commitment to SDG #4, and we have been considering education as the core of our community initiatives. Our objective is to foster partnerships with local institutions, such as universities, colleges, and vocational schools, to enrich educational opportunities and support young talents in their pursuit of knowledge and skills. Part of our resources are allocated to the development of initiatives selected by our teams, tailored to the specific needs of each community, while always respecting the legal requirements and the particular context of the countries in which we operate.

Taking action

Our commitment to investing in local communities is reflected in various initiatives aimed at empowering educators, enhancing communication across diverse cultures, and supporting vulnerable populations. Through strategic partnerships with educational institutions and local organizations, we strive to create meaningful opportunities for growth and development.

The highlighted actions below, reflect our efforts in 2024 to promote quality education, community well-being, and cultural harmony, demonstrating our dedication to making a positive impact both globally and locally.

Throughout 2024, we continue to commit to regularly evaluating our community activities, seeking improvement opportunities and identifying areas for expansion. We remain motivated by the potential positive benefits of our initiatives and work to manage and mitigate potential negative impacts, risks and opportunities related to our interactions and dependencies with surrounding communities. Through this proactive management, we aim not only to fulfill our social responsibilities but also to ensure the long-term sustainability of our operations and their contribution to the well-being of the communities in which we operate.

Community Engagement in Pulaski

TENNESSEE – USA

Magotteaux Pulaski is committed to investing in the local community and enhancing its educational ecosystem. As a responsible corporate citizen, Magotteaux recognizes the significance of investing in the local community and nurturing its educational ecosystem through:

1 **Empowering Educators:** We actively participated in community events, including the Expo for Educators, where we championed the cause of education. During Teacher's Appreciation Week, we provided nourishing lunches to educators, acknowledging their tireless efforts in shaping young minds. Additionally, we donated essential school supplies during the University of Tennessee Southern Week.

2 **Ethics at Work:** As a platinum sponsor of the Work Ethics Distinction Program, we underscored the importance of strong work ethics among students. By fostering integrity, responsibility, and professionalism, we contributed to a brighter future for our community.

3 **Empowering Our Workforce:** Collaborating closely with the University of Tennessee Southern, we designed a bespoke Industrial Management Certification Program tailored to Magotteaux's unique needs. Twenty-one of our dedicated employees earned University of Tennessee Southern Industrial Management Certificates, equivalent to 9.6 Continuing Education Units (CEUs). This investment in skill development ensured that our team remained at the forefront of industry practices.

4 **Leadership and Engagement:** Our management team actively participated in the chamber of commerce's board, advocating for business growth and community prosperity. Their insights contributed to strategic decisions that benefited Pulaski and its residents. We were honored to engage in an educational forum hosted by the advisory council at UT Southern. These dialogues fostered knowledge exchange, innovation, and collaborative solutions.

5 **Beyond Business:** Our commitment extended beyond the boardroom. Magotteaux employees were proud members of various community organizations, including:

- Giles Chamber of Commerce: For half a century, we stood alongside fellow business leaders, working collectively to enhance economic vitality.
- Women's Day Lunch: We celebrated International Women's Day by recognizing the remarkable contributions of women in our community.
- Giles County Humane Association: Our support for animal welfare reflected our compassion and commitment to making Pulaski a better place for all living beings.
- Beef County Festival: We savored the local flavor and culture, joining the festivities that united our community. At Magotteaux, community engagement wasn't just a corporate initiative—it was our heartfelt pledge to uplift Pulaski and create a thriving, interconnected community.

Magotteaux's Scholarship and Internship Initiatives

THAILAND AND SPAIN

Magotteaux Thailand presented a scholarship fund to support top engineering projects at Chulalongkorn University's 5G True Lab Auditorium. This initiative reflects Magotteaux's commitment to advancing education and supporting engineering excellence. Similarly, the Magotteaux Navarra plant in Spain has aligned its efforts with SDS 4 (Quality Education) by offering internships to students in collaboration with the Public University of Navarra, further enhancing educational opportunities in the region.

Magotteaux – Pro Til Til Corporation collaboration – "United for the territory, a shared task"

CHILE

The Value Proposal for Pro Til Til Corporation from 2024 to 2026 in Chile is the outcome of collaborative efforts among its partner companies, including Magotteaux, one of the founding members, united by a shared vision for an improved Til Til. With almost 30 years of presence in the region, Magotteaux will continue to foster management practices in 2024 that emphasize collaboration, prioritizing Local Economic Development, Culture, Education, and Infrastructure. Please find below some of the actions implemented:

- Agricultural innovation program
- Til Til agricultural clean production agreement
- Til Til community kitchen
- Local cultural actions
- Purified water at your school
- Infrastructure portfolio
- Convergence table

Magotteaux's Global Commitment to Community Support and Education

GLOBAL

For the Christmas and New Year celebration in 2024, the management team at Magotteaux adopted a unique approach by identifying local associations in each country where it operates. Through partnerships with these organizations, the company made donations to support their efforts in helping those in need, with a particular focus on education. By the end of 2024, Magotteaux contributed to 16 associations worldwide, including "The Sixth Child Organization" in Australia, "Fundación Lision Batuco" in Chile, and Ban Nai Muang School in Thailand. This initiative reflects Magotteaux's commitment to making a meaningful impact both globally and locally, embodying the true spirit of giving during the holiday season.

Besides, in Cyprus, Magotteaux has demonstrated its commitment to the community by donating €2,000 to "St. John the Merciful," a local NGO that provides 3,000 daily meals to vulnerable populations, including the elderly, people with disabilities, and families facing economic hardships.

A fun day at Magotteaux Liège with local kids!

BELGIUM

On October 19th, 2024, Magotteaux Liège (Belgium) welcomed a group of ten eager young visitors, aged 10 to 12, as part of Chaudfontaine's "Place aux Enfants" initiative. This program encourages local businesses to open their doors, allowing children to explore diverse career paths in their communities. The kids learned about Magotteaux's global presence and explored our Liège plant.

Magotteaux Australia employees build bikes for children in need.

AUSTRALIA

At the end of 2024, Magotteaux Australia employees embraced the spirit of giving by participating in a unique corporate challenge to build bicycles for children in need. These bicycles were then gifted to children who have been removed from difficult circumstances and placed in foster care. For many of these children, receiving a bicycle represents their very first possession – a symbol of hope and something to call their own. This event provided a powerful reminder of the importance of giving back and making a positive impact on the local community.

Clients

At Magotteaux, our relationship and close contact with clients and consumers is fundamental to our business model and sustainability strategy. We serve a wide range of industries, including mining, cement, aggregates, power plants, original equipment manufacturers, and product recycling sector. This diversity allows us to have a global market reach, complying with the regulatory guidelines of each location, while ensuring that we strengthen our relationship with them by aligning with the specific needs and concerns of our clients in different contexts.

As mentioned in the introduction to this social section, client service is one of the cornerstones of our principles. We strive to understand our clients' needs and meet their expectations through right service, innovative solutions, and continuous support. This philosophy allows us to build long-term relationships based on trust and customer satisfaction. We conduct regular satisfaction surveys to assess our clients' needs and improve the quality of the service we provide. It also gives us the legitimacy to innovate alongside them, developing solutions that truly address their evolving challenges.

We strive to understand our clients' needs and meet their expectations through right service, innovative solutions, and continuous support.

Below are highlights of some actions developed during 2024, related to innovation and our commitment to clients.

One example of this was the project carried out by the Magotteaux Innovation Group, which involved developing a new configuration of Mag'Impact for mining to improve one of our flagship products, the Mag'Impact, through simulation. This digital approach not only accelerated the development cycle but also helped reduce costs by reducing the need for physical prototypes.

On the other hand, more and more clients are opting for our Metal Matrix Composite (MMC) solutions. During 2024, we identified several success stories that demonstrated the significant advantages of MMC solutions over traditional manganese steel, offering improved durability, efficiency, and overall performance.

Corporate Governance

Business conduct

At Magotteaux, we recognize that effective corporate governance is fundamental to ensuring transparency, accountability, and sustainable growth. Our commitment to upholding the highest standards of corporate governance practices is reflected in our dedication to ethical behavior, transparent communication, and a robust organizational culture. Throughout 2024, our commitment continues as we continue to provide stakeholders with a clear understanding of our strategy, processes, and performance in relation to ethical business conduct.

Corporate culture and Business conduct policies

Magotteaux is committed to establishing high corporate governance standards that foster an environment of integrity and trust. Our governance framework is designed to ensure that ethical considerations are integrated into our decision-making processes at all levels of the organization. This commitment is vital for maintaining stakeholder confidence and promoting sustainable business practices.

Central to our governance framework is the Magotteaux Code of Ethics, which serves as a comprehensive guide for ethical conduct throughout the organization. This code emphasizes the responsibility of every employee, to understand and adhere to its principles and corporate objectives.

The Magotteaux Corporate Ethics Committee plays a crucial role in maintaining our ethical standards. This committee is dedicated to addressing any issues or conflicts of interest that may arise, ensuring that our organization remains committed to the ethical guidelines outlined in our Code of Ethics. Through their oversight, we maintain a strong ethical foundation that supports our business operations.

Commitment to Fair Competition

At Magotteaux, we firmly believe in the principles of fair competition, which drive innovation and efficiency across the industry. Our commitment to fair business practices is reflected in our track record; last year, we had no legal issues related to unfair competition. In 2024, we also had no issues related to this matter, as shown in the following table. This demonstrates our interest in fostering a competitive environment that benefits all stakeholders.

Unfair Competition	2023 (Unit)	2024 (Unit)
Legal issues related to unfair competition	0	**0**

Management of relationships with suppliers

The value chain of Magotteaux includes all suppliers, including contractors, distributors, subcontractors, consultants, and agents. In this context, Magotteaux strives to set an example of sustainable supply chains and enable the development of communities that create value for future generations. In 2024, this commitment continued within the framework of our operations by including fair behavior with suppliers in the management of the procurement process and implementing policies to minimize late payments, especially to small and medium-sized enterprises (SMEs).

Magotteaux aims to build relationships with suppliers that are mutually beneficial for all parties, based on shared values, and social responsibilities. As announced in the 2023 Report, in 2024, we continue to work on standardizing Supplier Performance Evaluations (SPE). This standardization initiative has provided us with valuable insights into our operations, helping us foresee growth opportunities, reduce risks, and amplify the overall performance of our supplier network.

Using Supplier Segmentation, in 2024 we also successfully identified our fundamental suppliers and applied 10 sustainability KPIs. These sustainability KPIs contribute to achieving our internal goals and provide additional value to our customers and the suppliers themselves. These KPIs include Supplier CO_2 emissions, roadmap towards reducing emissions, Occupational Health and Safety (OHS) policy, whistleblowing policy, document retention, ethical trade platform, code of conduct, accident frequency

rate, number of incidents, and self-assessment on Sustainability controlled by a third party. This evaluation, in addition to helping us monitor other KPIs that ensure the quality of the services and products we need, such as on-time delivery, quality compliance, cost management, innovation sharing, and strategic alignment, allows us to ensure an efficient, sustainable, and ethically driven supply chain, aligning with Magotteaux's commitment to quality and sustainability.

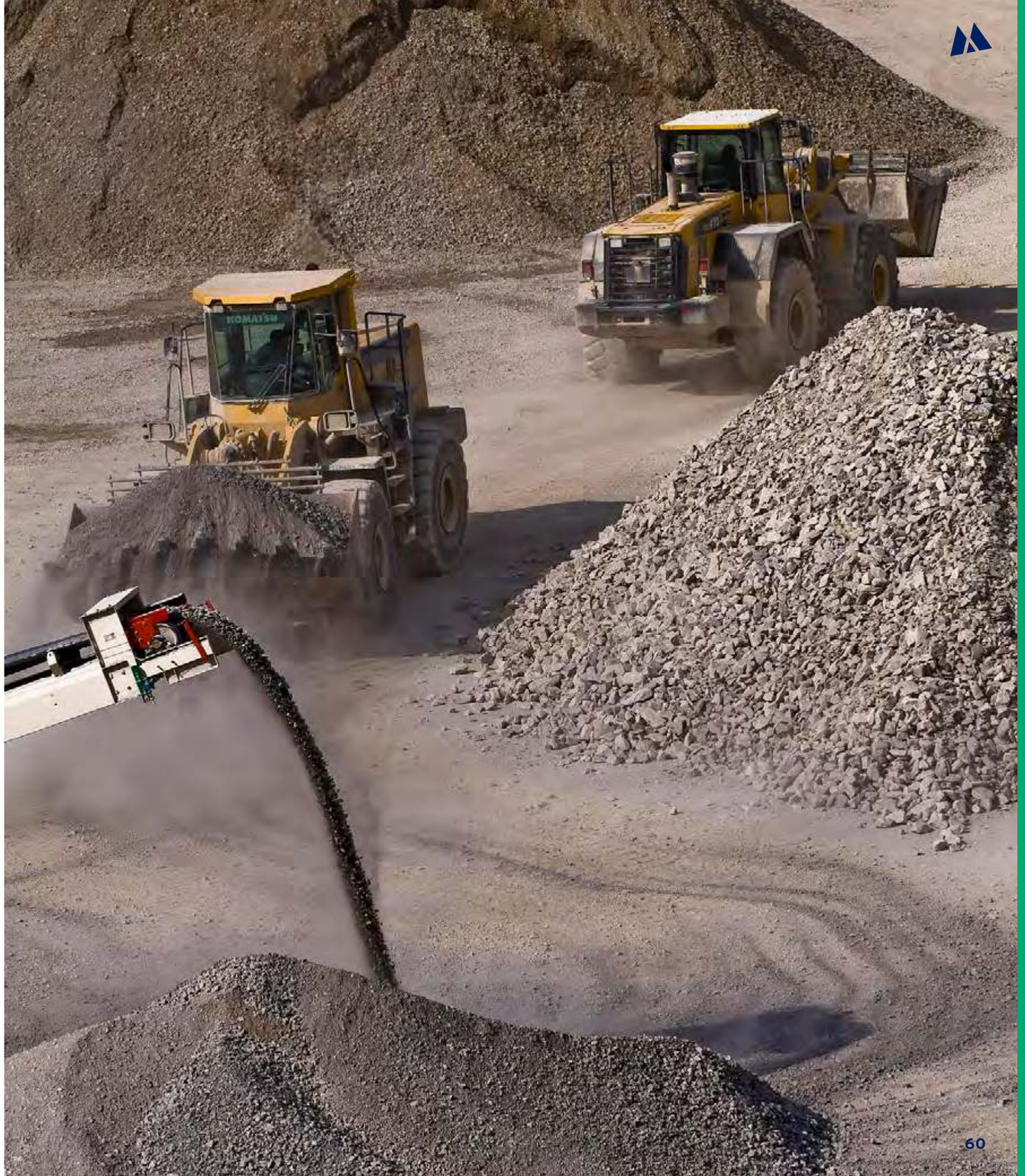
In addition to the above, and as an essential guideline for our relationships with suppliers, we have "The Supplier Code of Conduct," which is an extension of Magotteaux's Code of Ethics and also of the Code of Ethics and Conduct for Suppliers of our parent company, Sigdo Koppers. In accordance with this corporate guideline and guided by our principles, Magotteaux is committed to collaborating with suppliers to improve social, environmental, and ethical standards, supporting and prioritizing the identification of areas for improvement.

We expect all suppliers of Magotteaux and their associated entities to adhere to this Code of Conduct as the primary guideline for our relationships, actively pursuing the established standards. Non-compliance may require remediation plans, and persistent failures could jeopardize our partnership. Magotteaux prioritizes safety and well-being, expecting our suppliers to commit to a zero-accident culture and maintain health and safety standards similar to our own.

Finally, in line with our sustainability strategy and our commitment to the Sustainable Development Goals, this is another fundamental basis of our Supplier Code of Conduct. Through adherence to the Code, we aim to inspire our suppliers to align their actions with the SDGs, especially those that we emphasize in our sustainability strategy.

Furthermore, Magotteaux continues to advocate for ethical and transparent business practices, prohibiting any form of bribery or corruption. If suppliers encounter or suspect any violations of this Code, they are encouraged to communicate their concerns through the designated contact channels stipulated in their contracts with Magotteaux or through the Magotteaux website, ensuring discretion and prompt response whenever possible. We also consider human rights a priority, urging our suppliers to ensure respect for these values in all their operations. Lastly, environmental responsability is also a key focus, collaborating with suppliers who share our commitment to reducing the environmental footprint and combating climate change.

Finally, in line with our sustainability strategy and our commitment to the SDGs, this is another fundamental basis of our Supplier Code of Conduct. Through adherence to the Code, we aim to inspire our suppliers to align their actions with the SDGs, especially those that we emphasize in our sustainability strategy: SDG #3, SDG #4, SDG #5, SDG #8, SDG #12, and SDG #13.



Next Steps

Thank you for joining us once again on this journey of transparency and communication with our stakeholders. Sustainability initiatives are an integral part of our vision and strategy. We are committed to making continuous improvements. Together with our stakeholders, we want to remain committed to our pillars of no harm, innovation and excellence, offering timely quality products in an environmentally responsible way, ensuring long-term value, providing decent conditions for our employees, and engaging with communities where we operate. Thank you to all who read us for your continued support and for the trust placed in Magotteaux around the world. We look forward to another year of progress and positive impact.

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