

→ www.magotteaux.com

+32(0)43617617
info@magotteaux.com

Sustainability Report



Process optimization services and products for abrasive and impact applications.



Table of Contents

| | |
|--|----------------|
| Introduction | PAGE 02 |
| Our Vision and Strategy | PAGE 04 |
| Sustainability Performance | PAGE 18 |
| Environmental | PAGE 20 |
| Social | PAGE 34 |
| Governance | PAGE 48 |

Introduction

We are delighted to welcome you to our first official annual Sustainability Report, marking a significant milestone in our ongoing commitment to sustainable practices and formalizing our journey towards a sustainable future.

At Magotteaux, innovation and sustainability are closely linked, shaping our evolution into what we are today. Innovation has been embedded in our DNA since our foundation over 100 years ago, leading us to relentlessly pursue product life cycle improvements to serve the markets more sustainably. This principle now plays a key role in shaping our operations and strategies, forming the basis of our future vision. We view it as important for addressing current needs while ensuring that future generations can meet theirs as well.

This report provides an in-depth view of our Environment, Social, and Governance (ESG) commitments and initiatives, outlining the actions taken, targets set, and progress made in implementing our comprehensive sustainability strategy. While shaping a sustainable future presents challenges, it also offers significant opportunities. We firmly believe that an organization like ours—with its global presence, innovative spirit, and deep sense of responsibility—can make a substantial difference.

We have already identified areas where we can create positive change and make a significant impact, driving us toward our long-term, clear, and measurable goals.

We view this report as the beginning of an ongoing dialogue about our sustainability efforts and eagerly anticipate providing insightful updates on our progress. Our stakeholders are vital to our business, and we deeply appreciate the trust you place in us.

Innovation and sustainability are embedded in Magotteaux's DNA, driving us to make a sustainable difference.

Our Vision and Strategy

Our vision

At Magotteaux, we acknowledge the importance of integrating sustainability within our strategic framework and business practices. We perceive sustainability as more than a responsibility, it is also an opportunity that enables us to produce better and more efficient solutions while reducing our environmental footprint.

As part of our sustainability journey, our commitment has a broad scope that encompasses our employees, customers, suppliers and the communities we serve. This journey is linked to the Environmental, Social and Governance (ESG) pathway initiated by our holding company, Sigdo Koppers which maintains a firm commitment to protect the environment and enhance sustainable development. The Sigdo Koppers Corporate Governance promotes a culture that seeks to introduce innovative processes and products within all our companies, showing our collective engagement toward a more sustainable future.

In 2022, we formalized our commitment by forming a team dedicated to sustainable development. Its purpose is to support the management in the creation of a comprehensive sustainability governance structure for Magotteaux and contributing to guide, manage, develop and improve our sustainability journey.

Strategy

Our vision is fully supported by our strategy and is fully embedded into our quest to contribute actively to building a sustainable world. We are convinced that equilibrium between social, environmental and economic values are central to everyone's concerns. The strategy expands beyond just serving our corporate interests to consider the welfare of the society.

As part of our ongoing commitment to sustainable development, we at Magotteaux have undertaken an initiative to align our actions with the broader global legislation and requirements set by international institutions. Towards this vision, we are sharpening our focus on six key United Nations Sustainable Development Goals (SDGs), those which directly align with our business and where we believe we can make an impact.

The United Nations Sustainable Development Goals (SDG), are a set of 17 international objectives established by the United Nations General Assembly in 2015, to be achieved by the year 2030. These goals cover various aspects including reducing poverty, improving healthcare and education, combating climate change, protecting the environment, promoting gender equality and fostering social and economic development.





We have identified 6 of these 17 SDGs that we consider relevant to our strategic decisions and on which we believe that we can have a positive and significant impact. We believe that with concerted efforts towards these goals, we are not just addressing key environmental issues, but also improving the quality of life for our employees and communities. These SDGs are:

SDG n°3

Good Health and Well-being, which involves promoting the health and well-being of our employees.

SDG n° 4

Quality Education, which we translate by Internal and external initiative.

SDG n°5

Gender Equality, where we commit to providing equal opportunities to all our potential and current employees.

At Magotteaux, innovation and sustainability are intimately linked as the two facets that have shaped our evolution into what we are today. Innovation is embedded in the DNA of Magotteaux since its foundation over 100 years ago and this has led us to relentlessly pursue “product life cycle improvement” for the purpose to better serve the markets in a more sustainable way. It has always been there and now it is a fundamental guiding principle that drives our operations and strategies and defines our vision for the future.

Gonzalo Cavada, CEO

SDG n°8

Decent Work and Economic Growth, which involves promoting inclusive and sustainable economic growth and providing decent work for all our employees.

SDG n°12

Responsible Consumption and Production within our business operations to ensure efficient use of our resources and minimizing waste.

SDG n°13

Climate Action, where we are committed to taking necessary measures to tackle climate change and its impacts.

Our decision to focus on these goals has been the result of thoughtful consideration. They have been identified because of their synergistic relationship with our reality, day-to-day operations and capabilities, as well as our long-term strategy. By implementing and working towards these goals, we are confident that we can make tangible contributions not only to Magotteaux, but also to our employees, our communities and the broader environment in the domain of sustainable development.

In the following section, we will have a closer look at each relevant SDG. For those identified, we provide insights over our commitment, our objective as well the Key Performance Indicators (KPIs) that we track on a regular basis.



SDG 3



Good Health and Well-being

We are committed to creating a safe and healthy work environment for our team by prioritizing safety and supporting the mental and physical welfare of all our employees.

At Magotteaux, we have a strong commitment to the well-being of our employees, seeing it as a fundamental driver of productivity, growth and job satisfaction. Our strategy is consequently centered on promoting good health through high safety standards. We focus on implementing and adhering to safety regulations, fostering a culture of safety awareness and promoting preventive health measures. One of our key targets is to achieve no harm in the workplace, reflecting our commitment towards the creation of a safe and healthy environment for all. We keep track of our progress in this area through key performance indicators like accident frequency rate, injury frequency, severity and the number of incidents per worked hours.

→ One key initiative we have taken for the well-being of our employees is the substantial reduction in silica dust exposure through the successful replacement of silica sand with ceramic sand at our Magotteaux Navarra plant (Spain) and Vaux plant (Belgium). In the same way, it also contributes to reduce environmental impact, aligning with our sustainability goals.

SDG 4



Quality Education

We believe in contributing to the communities we are part of, actively fostering a culture that encourages our team to support education-based initiatives actively.

Magotteaux firmly believes in the power of quality education and hence commits itself to making meaningful contributions towards this crucial cause. Each year, we set aside a part of our EBITDA for educational activities. This financial commitment represents our dedicated investment towards contributing education among youth within the communities we operate. Moreover, we are deeply invested in the impact caused by our initiatives, our goal extends beyond financial assistance, we strive to create opportunities that can make a real difference.

→ To demonstrate our serious commitment to this goal, we aim to establish a clear % of EBITDA per year dedicated to quality education.

SDG 5



Gender Equality

We consider diversity and inclusion to be core values at Magotteaux, recognizing that gender equality is essential to fostering creativity, innovation and resilience. We commit towards a balanced gender environment and pay parity across our employees.

As a part of our gender equality strategy, we work towards balancing the gender representation of people working at Magotteaux and ensuring equal pay for equal work. Our commitment to fostering an environment of equality is reflected in our initiatives such as the implementation of the Hay system for pay. The objective of this initiative is to ensure that we give the same opportunities to men and women and ensure equal pay. We track our progress towards achieving gender equality through key performance indicators including the percentage of employees by gender in each role and measures of salary equality. We also extend this principle more generally to no discrimination based on any criteria like age, origin, religion, ...

→ One of the key long-standing initiatives we have undertaken to ensure equality is the implementation of the Hay system for pay.



SDG 8



Decent Work and Economic Growth

We believe in the value of decent work, fair compensation and the opportunity for growth for all our employees and we are committed to promoting local economic development in the communities where we operate.

We uphold local and global employment standards and aim to provide good working conditions. Magotteaux has a proven track record promoting local economies. The sound business development, investment in technology, new products development to meet market requirement have contributed to the economic stability of Magotteaux and local communities over the years.

SDG 12



Responsible Consumption and Production

Embracing the circular economy principle, we are consistently looking for ways to enhance our manufacturing methods to reduce waste and maximize resource utilization.

We are conscientious consumers and producers who are dedicated to innovating our practices for the respect of the planet. We strive for sustainably improvements in our operations, not only in the interest of the company, but also for the benefit to the environment and people. We work actively on driving down reject rates, reducing waste and increasing recycling of used products into new products. Collectively, these actions help us significantly reduce our carbon footprint by lowering the usage of new raw material. In monitoring our progress, we pay attention to key indicators such as total tons of scrap per finished ton, tons of waste and the reject rate (%).

The key initiatives we have undertaken to foster sustainable consumption and production is:

- Our 'scrap buy-back' initiative, we initiated a buy-back program to recycle end-of-life products into new items.
- Our transition from mineral oil to bio oil used in quenching process.
- Our Innovative 'Expand One' project which doubles the lifespan of wear parts for vertical mills and significantly reduces the carbon footprint and operational costs of our customers.

SDG 13



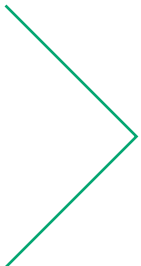
Climate Action

We are taking important steps to reduce our environmental footprint through energy efficiency measures, sustainable sourcing and promoting the use of renewable energy in our activities.

At Magotteaux, we are actively working towards reducing our greenhouse gas emissions and promoting the use of renewable energy. We keep track of our energy consumption patterns, allowing us to understand where significant impacts can be made and subsequently decrease our CO₂ emissions. We measure our progress against climate change by monitoring indicators such as our total energy consumption, the proportion of green energy used and our overall carbon footprint.

Some key initiatives we have undertaken to reduce our environmental footprint:

- In our approach to renewable energies, some of our plants have chosen green certificates (representing 4.2% of the total annual electricity consumption), some others use green electricity produced from solar panels, specifically plants located in India, Belgium and Thailand (representing close to 0.5% of the total annual electricity consumption) and some plants in Canada and Brazil are supplied mainly by Hydroelectricity (26% of the total annual electricity consumption).
- Our energy recovery project in Canada, a significant initiative focused on energy efficiency, that will help us to reduce our gas consumption by 44%.
- We committed in 2023 to participate in the Science Based Target Initiative (SBTi). With plans to formally become a part of it in 2024. This initiative will guide our emissions reduction efforts in all areas: Scope 1, 2 and 3.



These goals align with our operational capacity, allowing us to leverage our influence effectively in areas where we can have the most significant positive impacts while mitigating negative impacts. As we progress on our sustainability journey, these goals guide our actions and decisions, shaping a future where growth and sustainability go hand in hand.

Our approach to sustainability

Our proactive approach to driving sustainability at Magotteaux is centered around three key pillars: Certification, Communication and ESG (Environmental, Social and Governance) Commitments. Each of these elements plays an important role in our sustainability action plan.

Certification
ISO certificates

We initiated our journey with ISO certification back in 1999 and we are now fully certified by a recognized Internationally third party (TÜV Rheinland). We operate 22 production units in 12 countries with 2 Joint Ventures in China.

All Magotteaux factories are proud to be certified respectively ISO 90001, ISO 14001 and ISO 45001 for quality, environment and occupational health and safety management, with additional ISO 50001 certification for management of energy held by factories in Canada, the United States, Mexico, Brazil, Spain, France, India and Thailand and planned for Chile in 2024.

EcoVadis

EcoVadis, an independent provider of sustainability ratings, is another integral part of our third party certification journey. We participated in our first EcoVadis assessment in 2021, which provides us with a baseline to track improvements in the 4 sustainability areas: Environment, labor and human rights, ethics and sustainable procurement.

In 2021, we obtained the EcoVadis bronze medal. Obtaining this medal was an important achievement for us demonstrating our commitment and progress in sustainable development. Our next step is to focus on improving in the four areas of sustainable development that EcoVadis assesses. Through the implementation of our sustainability strategy, we aim to improve our performance in these four areas and achieve even better results.





Communication

Our second pillar, communication, emphasizes the power of transparency. Open, honest dialogues about our strategy, successes and the areas where we can further improve form a substantial part of our communication strategy. Historically Magotteaux took a conservative approach on the topic despite being very active on it, having sustainability inherently and deeply embedded into its DNA. We are now expanding communication channels to all stakeholders. Magotteaux still prioritizes accuracy and validation of information over 'greenwashing' narratives.

Our communication strategy combined with our certification strategy also keeps us in line with relevant legislation and allows us to be more transparent on our actions and achievements. On the path to be compliant with new regulation like Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy, we are prepared to share even more data on progress and details about our sustainability efforts.

The next step in the process will entail evaluating the ESG impacts, risks and opportunities associated with Magotteaux's operations in accordance with the CSRD (Corporate Sustainability Reporting Directive) ESRS 1 (European Sustainability Reporting Standards) requirements. The double materiality assessment is scheduled for the second quarter of 2024, setting the stage for Magotteaux to report following the CSRD guidelines. The double materiality exercise will also provide significant insights to pursue sustainable value creation that goes beyond compliance.

ESG commitment

Our ESG commitment shapes the third pillar. In line with this commitment, we have been exploring joining global initiatives such as the United Nations Global Compact (UNGC) and the Science Based Targets initiative (SBTi) by the second quarter of 2024.

UNGC

The United Nations Global Compact is a voluntary initiative launched by the United Nations in 2000 to

encourage businesses and organizations worldwide to adopt sustainable and socially responsible policies and practices and to report on their implementation.

By aligning ourselves with the UNGC initiative, we uphold our commitment to these universally acknowledged principles and commit ourselves to report on their implementation, ensuring transparency and accountability in our sustainability journey.

SBTi

The Science Based Target initiative is a collaborative effort between CDP (Carbon Disclosure Project), UNGC (the United Nations Global Compact), WRI (World Resources Institute) and WWF (World Wildlife Fund) aimed at assisting companies in setting scientifically grounded emissions reduction targets. SBTi is one of the most accepted references to validate the individual initiatives to reduce the organization's emissions. Indeed, SBTi ensures that a company's greenhouse gas reduction goals are in line with the latest climate science, helping to limit global warming to well below 2 degrees Celsius above pre-industrial levels (aiming at 1,5° as per the Paris agreement). Companies that adopt SBTi-approved targets commit to taking concrete actions to reduce their CO₂ emissions and align their business practices with the imperative to mitigate climate change.

Our partnership with the Science-Based Targets Initiative (SBTi) is central for our sustainable development efforts. It guides us in setting scientifically verified emissions reduction targets consistent with global climate goals.

An active assessment of our environmental footprint is an integral part of this process. We are committed to assessing, formulating and setting our emissions targets with the critical validation from the SBTi. This calculated approach supports our commitment to making significant progress towards a sustainable and resilient future by actively contributing to the global fight against climate change.

Sustainability performance

Magotteaux's awards

In 2023, Magotteaux has been at the forefront of industrial excellence, garnering multiple awards that illustrate its performance across various dimensions of business and corporate responsibility. Each award highlights a unique aspect of the company's commitment to quality, sustainability and societal contribution.

Magotteaux India achieved an esteemed milestone by securing the star status holder certificate, an award predicated on the export turnover of any Indian entity. Delivering a remarkable export sales figure of \$50 million across three financial years—2020-21, 2021-22 and 2022-23—Magotteaux India has consistently met and surpassed the benchmark turnover criteria. This triumph has accorded them a distinguished three-star rating, attesting to their dominance and steadfastness in the export sector.

In Brazil, Magotteaux has been named as the best overall supplier for the year 2023 by Anglo American Brazil and also stood out as the best supplier in the Pilar Optimization, specifically in the consumables category. These awards underscore Magotteaux's role as a strategic partner in the global supply chain, well-appreciated for their unwavering pursuit of operational excellence.

Our Pulaski plant in USA has been certified in 2023 by Doxicom for "Recognition for Recycling" rewarding the efforts made by Magotteaux and its dedication to sustainable and eco-friendly practices within the industry.

Overall, these awards in 2023 not only celebrate Magotteaux's business achievements but also highlight their role as a corporate citizen dedicated to quality, sustainability and community engagement.

In 2023, Magotteaux has been at the forefront of industrial excellence, garnering multiple awards.

Key sustainability highlights in 2023

Carbon baseline 2023

Alignment with SBTi

Own products buy-back

33,091 tons of scrap reused

Silica sand substitution

Decrease silica dust exposure at work

Transition to Bio Oil

Lower emissions and safer environment

Energy recovery system

Significant reduction of gas consumption

189 kUSD invested for our local communities

Environmental

Environmental management

At Magotteaux, our primary goal is to provide products and services that benefit our customers, while minimizing our ecological impact on the planet. One of the first actions taken in this regard is the ISO 14001 certification of all our manufacturing plants since 2008. To promote this goal, we have fostered a culture of sharing environmentally responsible practices above the traditional exchange of good practices within all our plants. Each plant has the necessary autonomy to define and implement stricter objectives and environmental performance indicators than the corporate targets. When one innovative initiative proves successful, it is shared in the Magotteaux group and applied where possible. A good example of this approach is our successful heat recovery project in Canada. The objective of this project is to achieve up to a 44% reduction of natural gas consumption. Building on this success, we are actively studying ways to replicate this initiative in other production plants.

To underscore our commitment to integrating ESG both in our strategy and business case decisions for capital expenditures, we ensure that each new initiative is evaluated from an environmental perspective prior to its validation and implementation. Before launching any project, we consistently carry out an Impact Assessment, which includes evaluating the project's CO₂ emissions. In addition to complying with environmental regulatory obligations, it is

crucial for us to ensure that our projects align with our commitment to responsible and sustainable environmental management.

Our environmental performances are monitored through key metrics and indicators that allow us to evaluate and continually improve our environmental impact across the group.

Climate change

A large part of our contribution to climate change results from the energy consumption and its nature associated with our manufacturing processes. In this context, sustainability calls for a transition to more renewable energy sources combined with energy efficiency measures. In relation with this objective, we have implemented initiatives aimed at increasing the use of certified green energy providers and evaluating the adoption of hydroelectric, solar, and wind power.

Conscious of the significant impact that energy consumption has on climate change, we are committed to establishing an ISO 50001 energy management system and to adopting a series of sustainable measures aimed at minimizing our environmental footprint while enhancing our energy efficiency, thereby aligning with our commitment to the SDG 13 - Climate Action and our partnership with SBTi.

Energy use

At Magotteaux, our operations primarily rely on the utilization of two main forms of electricity. Firstly, we rely on the usual electrical power supplied directly from the grid. Secondly, we are proactively enhancing our environmentally friendly practices using renewable energy sources. This includes producing our own electricity at our plants through installed solar panels and we have signed agreements, supported by green certificates, which guarantee our sustained use of certified green energy.

This year, Magotteaux has reported a total electricity consumption on its manufacturing plants of 629 816 MWh. While most of our total electricity is sourced from the national grid, a significant portion is generated through renewable sources. This includes direct purchases of wind energy, hydroelectric power and other sources of renewables, as well as self-generated solar power.

| Electricity Consumption | Units | 2023 |
|-------------------------------------|-------|---------|
| Grey electricity consumption | MWh | 600,830 |
| Direct Purchase renewable sources | MWh | 26,290 |
| Green Electricity (Own production) | MWh | 2,695 |
| Total Electric Energy consumption * | MWh | 629,816 |

*Total Electric Energy = Electrical consumption from the national electrical grid + Electricity consumption from RE (direct purchase)
+ Electricity consumption from RE (Self-generated)

We are committed to enhance our environmental stewardship by increasing our consumption of renewable energy, with the ambitious target of sourcing 60% of our total electricity consumption from renewable energy by 2027. As part of this green initiative, we are proactively embarking on a series of projects to harness renewable energy.

In Spain and Belgium, we have ensured that all electricity consumed in our facilities comes from renewable sources, validated by certificates of origin. Additionally, in 2023, in Thailand we have embraced renewable energy progress with the initiation of new solar roof panel installations and the development of a pioneering floating solar system; we are anticipating the completion of this project during 2024.This ongoing project is expected to generate 3.160 MWh/ year of green electricity, resulting in a reduction of 1.485 tons of CO₂ emissions.

Furthermore, we have efficiently merged the utilization of both wind and solar energy into our operations in India. But our commitment to environmental conservation is not limited to production sites but also extends to our office spaces. An example of this commitment was seen in South Africa, where we covered the roof of our office with solar panels in April 2023.

Energy efficiency

In addition to our efforts towards transitioning to more renewable energy, we are working to increase energy efficiency in all our manufacturing plants.

In September 2023, our plant in Canada has successfully launched a new heat recovery system. This system is specifically designed to harness the heat generated by polymer quenching baths and to efficiently use this recovered heat to preheat the make-up air in the manufacturing building. Before this initiative, natural gas was used to preheat make-up air. We are on the way to significantly reducing our natural gas consumption at this plant, with a planned reduction of 44% by 2024, highlighting a pivotal move in our commitment to sustainability.

60%

The ambitious target of sourcing 60% of our total electricity consumption from renewable energy by 2027.



downstream transport (13,6% of total emissions) and Ferro Chromium procurement (24,4% of total emissions) emerged as the most significant contributors to greenhouse gas emissions.

GHG emissions

We performed a detailed calculation of our carbon footprint in the perspective of our engagement in reducing greenhouse gas emissions. This analysis accounted not only for emissions generated directly through our operations but also those indirectly produced along our value chain.

We followed the GHG Protocol methodology to assess our Scope 1, 2 and 3 emissions. Scope 1 emissions primarily results from the consumption of natural gas and diesel in our factories. Scope 2 emissions, on the other hand, is primarily derived from electricity consumption in our operations. Regarding Scope 3 it encompasses emissions linked to on both upstream and downstream indirect emissions. This includes emissions stemming from purchased goods and transport, as well as those resulting from the logistics of our finished products, their usage and end-of-life treatment.

Our analysis revealed that 4,5% of our global emissions are generated in Scope 1, 18% in Scope 2 and 77,5% of our emissions are generated in Scope 3. Within the Scope 3 category, upstream and

This evaluation has clearly highlighted key areas where efforts need to be concentrated to significantly reduce our CO₂ emissions. To guide us in our progress, Magotteaux has opted for the scientific approach provided by the Science Based Target Initiatives (SBTi). This initiative assists companies in setting targets for reducing their greenhouse gas emissions, ultimately contributing to the global objective of limiting global warming to 1,5°C above pre-industrial levels.

We have completed our calculations in 2023, for Scope 1, 2 and 3 emissions across all our manufacturing sites. Please refer to the table below for the detailed figures. While we are still in the process of having these figures validated and receiving certification for this data according to ISO 14064-1:2018 standards, we do not anticipate any significant changes of the value presented in the table below. We are committed to transparency and will keep our stakeholders informed once the validation process will be completed and the certification has been obtained.

| Green House Gases Emissions | Units (Tons) | 2023 |
|-----------------------------|--------------|-------|
| Scope 1 | 71,978.45 | 4,5% |
| Scope 2 | 282,752.77 | 18% |
| Scope 3 | 1,220,638.20 | 77,5% |

Waste

Waste generation, tied to human consumption habits, leads to environmental issues like pollution and landfill overflow.

At Magotteaux, to address this we apply the circular economy principles and focus on reducing consumption, reusing materials and recycling products. Magotteaux’ business model is driven by the continuous search for more sustainable material and design, minimizing packaging, reducing transport distance being closer to the markets we serve and recycling materials in our production lines. One of our production units, in Pulaski Tennessee, USA is aiming to be certified, ‘zero-final waste’ plant.

Hazardous and non-hazardous waste

In the following table, we present our waste management figures for the year 2023. These figures illustrate our efforts, plans and strategies for handling on a responsible manner both hazardous and non-hazardous waste generated during our operations.

Starting with our hazardous waste management, we calculated a total of 11,823 tons of hazardous waste. This represents 10 % of the total waste generated by the group. The disposal of hazardous waste includes diverse processes, such as incineration with energy recovery, landfill disposal and other methods. We have recycled 71% of our hazardous waste, showing our strong commitment and reused 0.3%.

| Hazardous waste | | 2023 |
|---|----|--------|
| Total Hazardous Waste - Sent for Final Disposal | Tn | 3,387 |
| Recycled Hazardous Waste (Internal/external) | Tn | 8,396 |
| Reused Hazardous Waste | Tn | 40 |
| Total Hazardous Waste* | Tn | 11,823 |

*Where Total Hazardous Waste = Total Hazardous Waste (sent for final disposal) + Recycled of Hazardous waste (internal/external) + Reused Hazardous waste

| Non-Hazardous waste | | 2023 |
|---|----|---------|
| Total Non-Hazardous Waste - Sent for Final Disposal | Tn | 52,946 |
| Recycled Non-Hazardous Waste | Tn | 56,314 |
| Reused Non-Hazardous Waste | Tn | 1,243 |
| Total non-Hazardous Waste | Tn | 110,503 |

*Where Total non-Hazardous Waste = Total Hazardous Waste (sent for final disposal) + Recycled of Non-Hazardous waste + Reused Non-Hazardous waste

Concerning the non-hazardous waste, we calculated a total of 110,503 tons. Here, we also disposed of a large proportion of this waste through landfill disposal and other methods. We recycled 51% and reused 1% of non-hazardous waste.

It demonstrates the willingness of Magotteaux to proactively address waste management by adopting various methods notably recycling a significant portion of both hazardous and non-hazardous waste in line with our sustainability efforts.

Circular economy

In this section, we will outline two key initiatives reflecting our commitment to SDG 12 (Responsible Consumption and Production). By deploying innovative solutions and best practices in the field of the circular economy, our aim is to reduce our environmental footprint and maximize resource efficiency.

Scrap buy-back Initiative.

Our commitment towards reducing the carbon footprint of our production is driven by the significant emissions associated with Scope 3, which largely originate from raw materials like Ferro Chrome and other Ferro Alloys. As a result, one of the strategic measures we have implemented is the increased utilization of end-of-life product as well as using Stainless Steel scrap materials to reduce consumption of Ferro Chrome.

Our scrap buy-back initiative is a key part of our sustainability strategy. Through this worldwide cross departmental initiative program, we help our customers handling their end-of-life product, thus local waste production, by implementing a repurchasing/buy-back scheme and by recycling their used material or 'scrap'. In 2023, we successfully melted down and recycled 21,552 tons of end-of-life product into new products. This approach not only reduces our dependency on carbon-intensive materials like Ferro alloys, but it also notably lowers our carbon footprint, our energy consumption while optimizing the utilization of resources and freeing our customers of end-of-life product.

More than just an environmental endeavor, the reuse of end-of-life products scrap buy-back program reinforces and creates additional contacts towards improved relationships. Our manufacturing footprint being close to our main markets, we offer a unique advantage through the purchasing of end-of-life products/scrap while re-supplying them with new products. We not only help improving our customer's own carbon footprint but are also fostering deeper partnerships through local sourcing which sets us apart from our peers.

This program doesn't stop there. To ensure seamless transactions and prevent errors that could result in greenwashing perception, our IT team developed a mobile application for our sales force to offer a comprehensive end-of-life/scrap buy-back program and its corresponding CO₂ emissions reduction. This application serves as a didactical tool, enabling us to demonstrate our commitment and the additional value provided by our recycling initiative to our customers.

Longer life cycle product and recycling scrap/end-of-life products has always been part of the intrinsic nature of Magotteaux. Today we call it circular economy! At Magotteaux, we continuously develop new solutions and improve our existing products for our customers benefits enabling efficient processing and circulation of raw materials, for ultimately contributing on a responsible way to global human development.

21,552t

In 2023, we melted down and recycled 21,552 tons of end-of-life product into new product.

Transition to bio oil in manufacturing

In building on our commitment to responsible consumption, production and climate action, we always look for innovative solutions. In this perspective, we have now implemented the usage of bio oil in our manufacturing process. This initiative is undoubtedly another substantial step towards minimizing our carbon footprint and enhancing our role in the circular economy.

Conventionally in the industry, our quenching process was dependent on fossil-derived mineral oil. Given the significant environmental and potential health concerns associated with such fossil-derived products, combined with our true desire to shift towards greener operations, Magotteaux investigated, tested and adjusted both its internal processes as well as equipment so we could transition to bio oil - a renewable, less carbon-intensive alternative.

No doubt that bio oil plays a crucial role in enhancing our recycling initiatives. It is different from conventional mineral oil in the sense that it decreases drag out during processing and enhances the quality of the final product delivered to our customers, thanks to its superior mechanical properties. Furthermore, after bio oil is used in the quenching process, it can be recycled again and transformed into biofuel. This allows us to turn what could have been waste into a valuable resource that can be reused. Although it incurs a higher operating cost in comparison to traditional mineral oil, it is an investment we see as pivotal in advancing towards our sustainability objectives. Magotteaux is truly committed to sustainability, investing real resources into tangible actions.

Our plants in Mexico, China, Spain, Belgium, Thailand and Brazil have already made the switch in their quenching processes (the rest of the plants are planned to change in the following years). On top of the environmental and health benefits we also see better advantages like lower fire risk, lower CO₂ emissions during production and cleaner surroundings.

Water

Water refers to the responsible management of freshwater resources to maintain ecological life and ensure that this essential resource remains available for future generations. This comprises efforts to efficient use of water, enhance water quality and equitable distribution to avoid future shortages.

Although the Magotteaux process is not a significant consumer of water, we understand the importance of

water conservation. Fresh water is scarce on Earth. Our water consumption is calculated on an annual basis, based on invoiced usage, ensuring we maintain accurate records and awareness of our consumption patterns

The following table provides a detailed overview of our water consumption and withdrawal, as of December 31, 2023:

| Freshwater Consumption | Units | 2023 |
|--|-------|---------|
| Total water consumption from public water supply | m³ | 444,784 |
| Total freshwater withdrawal from groundwater | m³ | 145,107 |
| Total freshwater withdrawal from surface bodies: rivers, lakes, others | m³ | 413 |
| Total discharge* | m³ | 713 |
| Total freshwater Consumption ** | m³ | 589,591 |

* 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.)

As part of our ongoing commitment to sustainability, we have not only assessed our water consumption but have also conducted an exercise to pinpoint water-stressed areas. This guides us in assessing our influence on local water supplies and leads us to implement solutions like dry cooling systems.

In the spirit of our water conservation strategy, we are considering a significant decision: transitioning to a closed-circuit (dry) cooling system. This system design eliminates the need for water-air contact, thereby negating water consumption and mitigating the need for Legionella control prevalent in evaporative circuit cooling towers.

Dry cooling systems are already operational at our plants in Canada, France, South Africa, China, Thailand and Mexico. The aim is to incorporate this innovative technology across all our manufacturing sites, with ongoing implementation projects in Spain, Chile and Brazil paving the way for this expansion.

In addition to our existing efforts, we are exploring opportunities to implement polymer-based quenching systems where feasible, as in Canada, to further decrease water consumption through the reduction of evaporation losses.



Biodiversity

Biodiversity is about preserving the wide array of life on earth to maintain a certain equilibrium balanced and functioning ecosystem.

Although biodiversity considerations are not yet integrated into our policy, we are actively exploring ways to integrate it and evolve our sustainable practices.

As responsible company, we embarked on an exercise to identify potentially sensitive areas for biodiversity around our factories, leveraging on local authorities and reliable sources of information on protected areas. For example, in Spain we used a comprehensive map created by local authorities that identifies sensitive areas using GPS coordinates.

Our first investigation highlighted that although our manufacturing sites are in industrial zones according to the authorities, they are also often close to a natural environment.

This inventory is the first step in understanding our relationship and our potential impact on local biodiversity. Our next steps will consist in preparing a strategic action plan to ensure that biodiversity conservation becomes a priority area for the future.

Next steps

Preparation of a strategic action plan to ensure biodiversity conservation.

Innovative solutions

We recognize that achieving environmental responsibility, reducing our carbon footprint and ensuring sustainable production require innovative and ad-hoc approaches. At Magotteaux, we strive for improving the life cycles of our products. We are also dedicated to meet specific needs of our customers. This customer-centric approach fosters close collaboration to co-develop innovative products, always with sustainability in mind. At the same time, we also actively engage with our suppliers to identify and use the best resources. To illustrate, below we provide a respective example of effective collaboration with both a customer and a supplier.

Innovative longer-lasting VRM wear plants.

An example of our unique approach is our collaboration with a customer, a cement plant in the Middle East. For many years, they had used high chrome rollers. However, changing quarry conditions and increased abrasiveness began to affect the durability of these vital components. In turn, this led to shorter casting life and increased resource investment in hard facing.

To find a sustainable solution, our customer tested our previous Xwin technology, which transformed operations by offering a service life of 5,000 hours. Spurred by this success, we initiated a collaborative journey with the customer.

Through constant audits, in-depth sample analyses and relentless wear profile monitoring, we worked closely with our customer to optimize performance. This dedication led to a dynamic partnership focused on attaining extraordinary durability. In the end, our Expand One solution successfully addressed the customer's challenges.

The application of our Expand solution exceeded our expectations. The first Expand One set boasts an impressive 10.500 operational hours, doubling the lifespan of Xwin. This represents more than a significant threefold increase compared to traditional high chrome solutions. In this way, we are demonstrating our commitment to fostering a symbiosis between environmental sustainability and customer satisfaction through product innovation.



Used Xwin roller after 5,000 hours



Used Expand One roller after 10,500 hours

ADVANTAGES



Increased lifetime
X2



Downtime maintenance
:2



Reduced operating costs

Transition from silica sand to ceramic sand

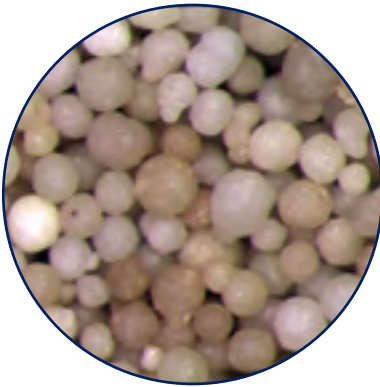
With the health of our employees as a priority and in response to the evolving trend to move away from silica sand usage in foundries, we have initiated a shift towards using silica-free ceramic sand. Our commitment to this transition was marked by a successful pilot project in two plants, located in Spain and Belgium. Further studies are underway to expand this initiative to three more plants, situated in France, Thailand and in Chile, demonstrating our proactive approach to employee wellbeing and regulatory compliance.

We opted to adopt Alumina base ceramic sand a more health-conscious choice. Such a change required a co-development with the ceramic sand supplier, Itochu.

The successful implementation of this change in September 2023 demonstrates our commitment to adopt proactively sustainable solutions. After having spent half a year and having conducted two comparative studies, we have significantly decreased the level of exposure across the plant. This achievement also generates other positive - side-effects such as the cost reductions in energy, coating, waste and the new sand acquisition. Moreover, this new development which is consistent with Magotteaux' s sustainability strategy has a direct impact on 3 of the 6 SDGs objectives pursued by Magotteaux: SDG 3 (Good Health and Wellbeing), SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production).



Siliceous sand



Ceramic sand

Social

Introduction

We consider that sustainability is the junction point between economical, environment and social considerations while enabling that our environmental commitments embrace the social component of sustainability. At Magotteaux, we believe in nurturing relationships based on trust with our stakeholders, partners and employees coupled with adopting sustainable business practices as our path to long-term success.

To evaluate our progresses and monitor our commitments, various Key Performance Indicators (KPIs) have been identified; they are regularly measured locally and reported at a global level. For our 2023 results, the monitoring extends to a comprehensive range of our operations worldwide, encompassing 22 productions units and 2 Joint Ventures.

As previously mentioned in the section 'Strategy', an important element of our social commitment is our alignment with the United Nations Sustainable Development Goals (SDGs) and particularly with SDG 3 (Good Health and Well-being), SDG 4 (quality education) and SDG 5 (gender equality). In line with these commitments, we are committed in providing a safe working environment, supporting equal opportunities without any form of discrimination and endorsing education as an indispensable contributor for sustainable progress and growth.

Workplace culture

Our workplace culture embodies our shared values, beliefs and behaviors. It sets the standard for how we interact, make decisions, solve problems and ultimately, achieve our common goals. It underlines our commitment to creating a dynamic, inclusive and collaborative environment that motivates everyone to give their best.

Our values

We prioritize values and behaviors that set us apart. First, we ensure that every offering from us is packed with real value, not just selling products but providing true benefits to our customers. We are constantly innovating, always in search of better ways to tackle challenges. And perhaps most importantly, we believe in the power of collaboration, where working together multiplies our success.

Our goals are clear and progressive. We tackle today's important tasks with the next year in view, setting priorities that demand our immediate attention. Yet, we also look further ahead, focusing on projects that will come to fruition in the following years. And beyond that, we set our ambitions high, those larger goals that, while dependent on our current efforts and focus, will guide us to even greater achievements in the future.

We are a team that values innovation and unity, working tirelessly toward a future that promises growth and success.



Our principles

At Magotteaux, our business practices, conduct and relationships are based on a core set of guiding principles. These principles reflect our dedication to our values and the goals we strive to achieve.

Customer focus is at the cornerstone of our principles. We prioritize understanding our customers needs and aim to exceed their expectations by offering exceptional service, innovative solutions and continuous support - thereby building long-term relationships.

Excellence and innovation are at the center of our operations. We are committed to deliver high-quality products and services that exceed industry standards. Our culture of innovation encourages creative thinking and the exploration of new ideas among our employees, fostering the development of cutting-edge technologies.

We attach great value to **teamwork and collaboration**. Recognizing the instrumental role that collaboration plays in our success, we emphasize knowledge sharing, mutual support and collective effort to achieve our common goals.

The principles of **accountability and responsibility** form the foundation of our culture. At Magotteaux, every employee assumes ownership of their work, actions and decisions - we promote integrity, ethical conduct and responsible business practices at all levels.

We acknowledge the significance of **continuous learning and development**. To facilitate personal and professional growth, we invest in our employees, providing numerous training opportunities, mentorship and career advancement prospects.

Safety and Well-being is another principle that Magotteaux prioritizes. The safety and well-being of our employees, contractors and stakeholders. We strive to maintaining a safe work environment, adhering to strict safety protocols and promoting a culture of health and well-being.

Magotteaux acknowledges its **environmental responsibility** and is dedicated to minimizing our ecological footprint. We integrate sustainable practices, promotes resource efficiency and actively seeks environmentally friendly solutions.

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

*Business practices,
conduct and relationships
are based on a core set
of guiding principles*



Transparency - raising concerns

Magotteaux is committed to creating and upholding a work environment and business practices that resonate with our core values and principles. As part of this commitment, we have introduced a channel for our collaborators, customers, shareholders and the wider community through which they can express their concerns freely and anonymously. This channel is easily accessible to all stakeholders via the following link: [Report a concern | Magotteaux](#).

Through this whistleblowing link, we invite concerns related to breaches of ethical standards, conflicts of interest, non-compliance with regulations or inappropriate behaviors. We understand that these issues might warrant the attention of our Top Management and the Board, thereby necessitating prompt and thorough investigations.

While the existing anonymous channel represents a significant step forward in terms of transparency, our commitment does not stop there. We are looking to implement the ISO 37000 standard for the purpose to reinforce our commitment in regards to ethical conduct and by providing us with a stronger basis for identifying and dealing with vigilance any wrongdoing.

Employee development

At Magotteaux, we understand the significant role continuous learning and professional growth play in the individual and collective success of our employees and the company respectively.

In line with this commitment, a few years back, we launched the Magotteaux Academy which is an online learning tool offering a broad spectrum of training programs accessible to our employees.

Magotteaux having an extended footprint we need to consider all local legislation and obligation as part of the training program and framework allowing to take into consideration different reality culture and circumstances of different sites. Hence, we offer each of our plants the autonomy to run their own training sessions that resonate with the specific needs of the site, for example and not limitative, such as safety protocols, technical training related to the job (i.e. Metallurgy, cement grinding). On top of the Magotteaux Academy several channels exist to share best practices and training such as our innovative solutions like the end of life/scrap buy-back program.

Recognizing the increasing relevance of sustainability in today's times, we rolled out a sustainability-focused training module in 2023. This module provides insights into the concept of sustainability. We are pleased to report that the initiative was well-received, with over 200 employees successfully participating in the sustainability module.

Furthermore, as part of our commitment towards sustainability, we have also drafted specialized information fact sheets for our sales forces to ensure that our company's sustainability commitment is presented to our customers in a consistent and effective way. These sheets cover key subjects like the Greenhouse Gas Protocol, the journey to zero emissions and other ESG (Environment, Social, Governance) topics. The purpose is to help our team to share and inform customers that are interested in this matter, by understanding these important areas and how Magotteaux is aiming to tackle them. Equipped with this knowledge, our sales team can then have constructive conversations with customers about these issues, presenting solutions that align with our sustainability efforts.

Employee development at Magotteaux goes beyond just job-related training. We are invested in fostering skills that help our teams excel in their roles and contribute effectively to our sustainability objectives. This multidimensional approach to training, we believe, not only empowers our team but also fortifies our contribution to a more sustainable future.

Please see below the results of the relevant KPIs as of December 31, 2023:

| Trainings | Unit | 2023 |
|--|--------|-------|
| Total amount of monetary resources allocated to education and professional development | kUSD | 893 |
| Total number of staff trained | Number | 1,669 |



Diversity, equity and inclusion

Magotteaux is a growing international company that is proud of its diverse workforce of more than 3,000 employees representing more than 20 nationalities worldwide. Diversity, equity and inclusion play an important part in the company's vision and approach and we firmly believe in equal opportunities for all.

Gender diversity

As we understand that traditionally industries like ours have more male candidates on the market, we want to change that and see more women in our teams. Our aim has always been to give the same opportunities to all people, regardless their gender. Magotteaux has seen an improvement over the years as the number of women at Magotteaux is on the rise. They now hold significant roles within our organization, including leadership positions such as plant managers and operators.

While addressing the gender balance at Magotteaux is a long-term commitment, the primary focus extends beyond simply increasing the number of women as we also aim to offer them appropriate conditions and roles. The key objective is to create an inclusive / supportive environment that welcomes diverse roles and abilities for all. The company continuously strives to evolve, make necessary changes and improvements, such as, highlighting roles for women within the company, managing facilities suitable to their needs and tailoring the work environment to accommodate gender diversity by design. This approach ensures that progress towards gender balance includes not just a quantitative growth in women representation, but also a qualitative enhancement in their working conditions, thereby fostering an inclusive and comfortable workspace for all.

Please see opposite the results of the relevant KPIs as of December 31, 2023:

| Gender diversity by role | | Unit | 2023 |
|--------------------------|--|--------|-------|
| Women | | Number | 451 |
| Senior Management | | Number | 4 |
| Management | | Number | 36 |
| Administrative staff | | Number | 150 |
| Supervisors | | Number | 25 |
| Operators | | Number | 137 |
| Sales forces | | Number | 51 |
| Others | | Number | 48 |
| Men | | Number | 2,650 |
| Senior Management | | Number | 35 |
| Management | | Number | 161 |
| Administrative staff | | Number | 142 |
| Supervisors | | Number | 255 |
| Operators | | Number | 1,892 |
| Sales forces | | Number | 80 |
| Others | | Number | 85 |

| Gender diversity by seniority | | Unit | 2023 |
|---|--|--------|-------|
| Women | | Number | 451 |
| Women under 3 years of seniority | | Number | 163 |
| Women between 3 and 6 years of seniority | | Number | 69 |
| Women between 6 and 9 years of seniority | | Number | 50 |
| Women between 9 and 12 years of seniority | | Number | 45 |
| Women over 12 years of seniority | | Number | 124 |
| Men | | | 2,650 |
| Men under 3 years of seniority | | Number | 731 |
| Men between 3 and 6 years of seniority | | Number | 397 |
| Men between 6 and 9 years of seniority | | Number | 265 |
| Men between 9 and 12 years of seniority | | Number | 272 |
| Men over 12 years of seniority | | Number | 985 |



Women Day across Magotteaux

8th March 2023

As part of our efforts to honor and support our female employees, we view International Women’s Day as an opportunity to celebrate their invaluable contributions. Several initiatives have been taken across the world from France to India, China, Canada and beyond.

In Belgium, we marked the day with a breakfast at Magotteaux for all our women team members, we held a conference on the theme of “Happiness at Work” and gave each attendee also small gifts.

Meanwhile, in India, we organized programs that involved not just our female employees but also the wives of some of our staff members. Several programs were organized and we had a talk given by a Doctor on Women’s health. After getting feedback from one such a session with the doctor, we started distributing free of cost sanitary napkins every month to our female employees because some of them were not adopting hygienic methods.

China organized activities that included a lecture from a teacher on health maintenance and motion control. Gifts were given to the female employees and they were allowed a half-day off.



Gender equity

At Magotteaux, we are also deeply committed to establishing equity and fairness, not just within the workforce, but also in the remuneration structures. Our aim is to ensure that remuneration is equivalent for similar roles, irrespective of gender. At Magotteaux, the pay scale/system is based on the Hay grading system since 1996 - a methodology that companies use to organize and define their different job roles within the overall structure of the company.

Our commitment to gender parity in pay aligns perfectly with our dedication to the SDG 5 - Gender Equality (see section ‘Strategy’). Pay equity with culture

of inclusion are key to tangibly progressing towards achieving gender equality and empowering all women.

Disability

Diversity, equity and inclusion goes beyond just addressing gender balance and the pay gap. At Magotteaux, we are equally committed to ensuring representation and opportunities for individuals with disabilities.

We have KPIs tracking the representation and inclusion of people with disabilities within our workforce. The table below give an overview of people with disabilities by role in 2023:

| People with disabilities by role | Unit | 2023 |
|----------------------------------|---------------|-----------|
| Women | Number | 3 |
| Senior Management | Number | - |
| Management | Number | 1 |
| Supervisors | Number | - |
| Operators | Number | - |
| Sales forces | Number | - |
| Administrative staff | Number | 1 |
| Support staff | Number | 1 |
| Other professionals | Number | - |
| Other Technicians | Number | - |
| Men | Number | 30 |
| Senior Management | Number | - |
| Management | Number | - |
| Supervisors | Number | 4 |
| Operators | Number | 19 |
| Sales forces | Number | - |
| Administrative staff | Number | 6 |
| Support staff | Number | - |
| Other professionals | Number | 1 |
| Other Technicians | Number | - |



We also believe in enriching our commitment towards this cause by fostering valuable partnerships. This commitment is reflected in our collaboration with our partners in Spain. We work with Ilunion, a company offering employment opportunities to people with disabilities; they supply us with work uniforms and oversee cleaning work clothes. Additionally, we also have a partnership with Eointegra, a firm that supports an inclusive work environment; that supplies us with recycled aluminum and copper. These collaborations underscore Magotteaux' s ethos of diversity and enable us to contribute positively to society in broader terms.

Health, safety and well-being

At Magotteaux, the health, safety and well-being of our employees is our top priority. We firmly believe that with careful attention and discipline, we can create a works environment free from harm and accidents. This belief is shared by our entire team, who work towards no harm in the workplace. Our commitment to high safety standards is also demonstrated by our historical track record and external benchmarking vs industry as well as ISO 45001 certification for occupational health and safety management systems at all our plants.

We understand that safety in the workplace is about creating a constant and permanent awareness. At Magotteaux, safety is a condition of employment. We strive to bring an environment where everyone is engaged and follows safety rules and where adequate behavior is a responsibility for each of us. We trust our leaders, managers, supervisors and workers to be accountable for the safety of our people. We need to take care of each of us. With this in mind, we are committed to creating a no harm, safe, secure and healthy working environment for everybody at Magotteaux.

Safety management

Every Magotteaux site has a dedicated safety manager who oversees all safety-related matters, ensuring that our safety rules and guidelines are fully

understood and applied. To help us keep a consistent track of potential risks and to prevent potential accidents, we run regular safety audit looking for improvement and ideas to achieve no harm working environment using a detailed 100-point checklist. Our safety practices also extend to every staff member. Our employees are encouraged to report any safety issues/behavior or concerns they notice in their work environment. By fostering an atmosphere of trust where safety comes first over anything, we ensure that potential problems are avoided, detected early, corrected promptly and learned from to prevent future occurrences. To further promote this culture of No harm, we conduct regular safety briefing, meeting, campaigns that outline the importance of a secure working environment. Our managers and supervisors are accountable for the safety of our people. They continuously review and update safety instructions and train employees on relevant procedures and guidelines.

Reporting procedures and performance indicators

Every safety incident that occurs at a Magotteaux site needs to follow an internal procedure for reporting. This includes the identification of the incident, communication reporting it, following up and closing

it. This methodology applies not just to Magotteaux employees, but also our subcontractors working in Magotteaux facilities. We hold a zero-tolerance policy to any non-compliance with safety procedures.

Over the years, Magotteaux has consistently worked towards reducing accidents and improving efficiency in our operations. Our efforts are reflected in the recent statistics, which highlight our commitment to a safer workplace. According to the U.S. Bureau of Labor Statistics, the most recent data from 2022 shows an average incidence rate¹ (of nonfatal occupational injuries and illnesses) in foundries of 3,6. Our own rate stands at 1.65, which is considerably lower. This shows we are doing a good job at keeping our workplace safe compared to the industry average.

Please see below the results of the safety KPIs as of December 31, 2023.

The presented data table delves into metrics that are essential for understanding productivity and safety outcomes in our organization. The calculation behind these KPIs is based on this following formula: Frequency: (Number of lost time accidents/Total worked hours) x200.000*Hours worked. Inefficiency: (Number of lost hours/Total worked hours)² 100. Severity: (Number of lost hours/numbers of lost time accidents).

| Safety KPI's | Units | 2023 |
|---|--------|------|
| Accident Frequency rate | Number | 1.65 |
| Inefficiency | Number | 0.13 |
| Incidents/accident ratio | Number | 113 |
| Severity | Number | 158 |
| Number of accidents | Number | 51 |
| Number of fatalities of contractor workers due to work accidents or occupational diseases | Number | 0 |
| Fatalities due to work accidents or occupational diseases | Number | 0 |

¹ The Kpi 'incidence rate' is similar as the 'Accident Frequency rate' used by Magotteaux.

² Where 200,000 = base for 100 equivalent full-time workers (working 40 hours per week, 50 weeks per year).

Local communities

At Magotteaux, we are convinced about the importance to integrate our surrounding and communities in our finality. Magotteaux responsibility extends beyond the boundaries of our business operations and we recognize that our activities are part of a larger social system which includes the local communities. This has inspired us to consider our societal impact and to play an integral part in various community initiatives.

We foster a culture that encourages all Magotteaux members to allocate resources and to actively participate in and contribute to educational initiatives. To further embed this commitment, we will set a target from 2024 onwards. We have allocated over 150,000 USD to community activities. Our goal is not just to provide financial support but to create meaningful opportunities/tangible results.

Education holds a special place in our community initiatives. To this end, we plan to invest at least half of our fund towards educational initiatives. We aim to foster partnerships with local institutions - universities, colleges and vocational schools - to enrich educational opportunities and to support the young talents in their pursuit of knowledge and skills.

At the same time, we acknowledge that every community has unique needs and potential. Therefore, the remaining funds are reserved for initiatives selected by our teams, tailored towards activities that they consider to be the best fit for the needs of the local community while respecting the legal requirements or specific context of the countries in which we operate.

Magotteaux has been involved for a long time in the communities where we operate. In 2022, we have decided to structure this further and have launched a range of activities tailored to local needs, from organizing blood donations, providing schools with musical instruments and reforesting urban areas to supporting low-income families and retirement homes. We have focused our initiatives around key areas - children and education, health and nutrition and culture.

Looking ahead into 2024, we are determined to intensify our efforts. We are committed to evaluating our community activities on a regular basis, looking for improvement opportunities and identifying areas for expansion. We are motivated by the potential positive impact of our initiatives, as we work to combine business success with social responsibility as the third pillar of sustainable development.

Suppliers

As part of our commitment to sustainability, trying to create more awareness on sustainability by trickling down the supply chain, we have noticed increased demand from our customers regarding our supply chain and associated sustainability efforts. Using Supplier Segmentation, we have successfully pinpointed our fundamental suppliers and applied 10 sustainability key performance indicators (KPIs) to their Supplier Performance Evaluations (SPE).

These sustainability KPIs contribute to achieving our internal goals and provide additional value to our customers and supplier themselves. Besides monitoring KPIs such as on-time delivery, quality compliance, cost management, innovation sharing, strategic alignment, we now also take into consideration these following ESG KPIs: Supplier CO₂ emissions - Roadmap toward reducing emissions - OHS Policy -Whistle Blowing Policy - Document retention - Ethical trade platform -Code of Conduct - Accident Frequency rate - Number of incidents - Self-assessment on ESG controlled by third party.

This comprehensive assessment ensures an efficient, sustainable and ethically driven supply chain, aligning with Magotteaux's commitment to quality and sustainability.

Standardization of SPEs across the Group is another stride towards integrating sustainability into our overall strategy. These evaluations, as part of our sustainable strategy, are being carried out regularly and consistently. This standardization initiative gives us beneficial insights into our operations, helps us foresee growth opportunities, lowers risks and amplifies the overall performance of our supplier network. This approach significantly enhances the resilience of our supply chain, better preparing us to adapt to shifts and potential challenges in our operational environment.

For a more detailed understanding of our relationships with suppliers, we encourage you to view our Supplier Code of Conduct available on our [website](#). Further information can also be found in the section 'Corporate Governance'.





Governance

Board of Directors



Juan Pablo Aboitiz Domínguez
Chairman of the Board

—
as permanent representative of
CERRO DEL AZUFRE LTDA



Alfredo Atucha
Director

—
as permanent representative of
ATUCHA & TOMULIC
INVERSIONES LIMITADA



Felipe Cerón
Director*

—
* Appointed as of June 2024



Juan Eduardo Errázuriz Ossa
Director

—
as permanent representative of
VOLCÁN CALLAQUI LTDA



Laurent Weerts
Director*

—
as permanent representative of
W CONSEIL SRL

* Appointed as of June 2024

Executive Committee



Gonzalo Cavada
Chief Executive Officer

—



Marc Babineau
Chief Operations Officer

—
as permanent representative of
IN ACTUM INTERNATIONAL SRL



Pablo Eltesch
Chief Financial Officer*

—
* Appointed as of January 2024



Fabrice Heughebaert
Group Controller*

—
as permanent representative of
CALEO SRL

* New role as of January 2024



Jean-Marc Xhenseval
Strategic Partnerships,
Corporate HR &
Secretary General

—
as permanent representative of
DOMARC SRL

Corporate Governance Practice

At Magotteaux, we recognize the critical importance of effective corporate governance in ensuring transparency, accountability and sustainable growth. As a leading provider of innovative solutions in the aggregates, cement, mining and power station industries, Magotteaux is committed to upholding the highest standards of corporate governance practices.

Through transparent communication and a culture of ethical conduct, Magotteaux strives to establish high corporate governance standards.

Managing our Risks

In the dynamic and often unpredictable global landscape where we operate, effective risk management is paramount to achieve business success. To this end, we have set up a Risk Management Framework rooted in internationally recognized standards such as COSO Enterprise Risk Management and ISO 31000, enabling us to navigate the spectrum of potential risks and opportunities arising from uncertainty.

Risk Management Process

Our Risk Management Process is an iterative process performed on a quarterly basis and consisting of:

- Risk Identification
- Risk Assessment
- Risk Response
- Risk Communication, Monitoring and Reporting

We undertake risk Identification through a blend of top-down and bottom-up approaches to capture both

strategic and emergent risks. This involves engaging top management for strategic risks and middle management for operational risks.

Subsequently, identified risks undergo thorough assessment, analyzing key risk drivers and evaluating existing controls to mitigate potential impacts on our exposure or vulnerabilities.

Our response to risks is guided by our risk appetite, with action plans formulated for risks exceeding predefined thresholds.

We employ a tailored communication and monitoring strategy, integrating Key Risk Indicators and escalation processes to facilitate well-informed decision-making.

Governance

Magotteaux follows an integrated risk management governance model structured into three layers, enhancing decision-making communication flow, and reinforcing alignment among strategy, performance and risk management.

The first layer is responsible for promptly addressing the risks our organization faces and is overseen by designated risk owners vested with heightened responsibility.

The second layer comprises risk oversight leads tasked with ensuring that risk exposure remains within acceptable tolerance levels and aligns with our risk appetite.

The third layer, Internal Audit, conducts independent evaluations of internal controls and risk management practices within the Group.

These layers are overseen by the Risk Committee, consisting of the Group Controller, as permanent representative of the Executive Committee, General Managers and the Group Internal Auditor.

Our governance model promotes a culture of employee and managerial responsibility and accountability, fostering operational efficiency and enhancing resilience to changes in our risk exposure. While all members of our organization play a role in our Risk Management Framework, the Board of Directors ultimately bears accountability for overseeing the risk management strategy.

Ethical Behavior And Organization

The Magotteaux Code of Ethics offers a comprehensive framework for ethical conduct across all levels of the organization, from top executives to frontline workers. It emphasizes the responsibility of every member to grasp and abide by its principles.

Moreover, the Magotteaux Corporate Ethics Committee assumes a crucial role in maintaining ethical standards. This committee is committed to promptly addressing any issues or conflicts of interest, thus ensuring the organization's commitment to the ethical guidelines outlined in the code.

Supplier Code of Conduct

At Magotteaux, we strive to set an example of sustainable supply chains and enable development of communities that create value for future generations. It is crucial





for us to build relationships with our suppliers that are reciprocal to all parties based on shared values, ethics and social responsibilities.

This Supplier Code of Conduct is an extension of Magotteaux's Code of Ethics and also the Supplier Code of Ethics and Conduct of our holding company, Sigdo Koppers SA. It provides general guidance over health and safety, ethical business practices, labor standards, environment, sustainable products and services development and community involvement,

All of our suppliers (including contractors, distributors, subcontractors, consultants and agents) are required to adhere to this Code of Conduct.

Our expectations resonate with the UN SDGs, emphasizing on SDG 3 (Health and Well-Being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work), SDG 12 (Responsible Consumption) and SDG 13 (Climate Action).

Our Supplier Code of Conduct is available on [our website](#).

Complaint Channel

Magotteaux has established a reporting channel to address any potential irregularities or illegal activities. Employees of the company, shareholders, suppliers, customers and third parties have access to this complaint filing procedure.

Complaints can be lodged on the company's website: www.magotteaux.com.

Moreover, the ethics committee plays a role in this process, taking responsibility for ethical matters, analyzing complaints and determining suitable solutions.

Magotteaux's Commitment to Fair Competition

At Magotteaux, we believe in fair competition, which drives innovation and efficiency for everyone involved. Last year, we had no legal issues related to unfair competition, demonstrating our dedication to honest business practices and fair play in the industry.

Magotteaux Board Of Directors

The Magotteaux Group's Board of Directors consists of five non-executive members and the CEO, convening monthly. Similarly, the Board of Directors of Magotteaux International, comprising six executive members representing the group management, meets weekly.

Furthermore, there are 28 subsidiary companies worldwide, each holding Board of Directors and General Meetings annually or as mandated by legal requirements.

Each Board member brings significant expertise in pertinent industries, enabling them to proficiently supervise the company's operations.

The Magotteaux Code of Ethics offers a comprehensive framework for ethical conduct across all levels of the organization.

→ www.magotteaux.com

+32(0)43617617
info@magotteaux.com

