



fagorederlandgroup

**SUSTAINABILITY POLICY**



# SUSTAINABILITY POLICY

## 1. Purpose

The Sustainability policy, and the associated set of ESG (Environmental, Social and Governance) management elements, form a reference framework that guides the Fagor Ederlan Group towards adopting responsible and sustainable environmental practices. This framework promotes social progress, respect for the environment and economic growth by creating sustainable, long-term value for its stakeholders.

The sustainability policy establishes the commitments to respond to the material or priority issues in sustainability, materialised through specific goals, strategies and lines of action integrated within the Fagor Ederlan Group's Strategies and Management.

## 2. Scope of application

This Sustainability policy is applicable to all activities, businesses and employees of the Fagor Ederlan Group, including its relations with the value chain and other stakeholders.

## 3. Commitments

The commitments adopted by the Fagor Ederlan Group constitute the cultural basis and management style that guides the development of our activities.

### Environmental Aspects

#### ***Climate Change and Circular Economy***

Commitment to the fight against climate change and promote a circular economy by:

- Reducing Greenhouse Gas Emissions, controlling them from their three scopes and monitoring a Decarbonisation plan.
- Ensuring Efficient Use of Energy and Fuels, promoting the use of Renewable Energy.
- Rational and efficient use of natural resources and the responsible design of products and processes, promoting the circular economy (use of recycled materials, efficient transport, waste recovery, etc.) throughout the value chain.

#### ***Pollution***

Comply with environmental quality standards and applicable regulations wherever we operate, in addition to:

- taking actions to minimise air, water and soil pollution in our operations.
- managing Chemical Products responsibly, identifying, minimising and, where possible, eliminating the use of restricted substances in manufacturing processes.
- managing noise pollution by incorporating minimisation criteria in new projects and periodically monitoring our emissions.

#### ***Biodiversity***

Protect and preserve biodiversity, land use and deforestation by analysing ecosystems impacted by our operations, and minimising our impact.

## Social Aspects

### **People at the Centre**

We believe in the co-operative legacy and strive to leave future generations, in addition to stronger, better co-operatives, a better development model for both people and the planet. Accordingly, we shall work to:

- encourage full participation, generating greater commitment, motivation and identity.
- guarantee a safe and healthy working environment for our employees.
- empower staff to develop professionally and personally by promoting a business model that generates equity, quality of life and equal opportunities.
- promote equality, diversity and inclusion, establishing measures to prevent and mitigate any type of discrimination.

### **Workers in the value chain**

Respect human rights and working conditions in all of our operations along the value chain. Efforts shall focus on:

- Rejecting any form of discrimination, retaliation or harassment.
- Not tolerating forced labour or child labour.

### **Affected groups**

Work together with the relevant agents (educational, social/cultural, business and public administrations), both locally and globally, to generate a favourable social and environmental impact for the environment in which we operate.

### **Consumers and end users**

Unfailingly promote, together with the customer, the responsible design, manufacture and use of our products, ensuring that the reduction of their environmental impact and passenger safety is taken into account at all stages of the development of automotive components.

## Governance Aspects

### **Ethical Conduct**

Develop our professional activities with respect for current legislation and internal regulations, including the code of conduct, in all the territories where we operate. Accordingly, we shall:

- Promote our code of conduct in our relations with the different stakeholders.
- Establish analysis and control mechanisms to prevent and mitigate the risks of committing criminal offences, including any form of corruption or bribery.
- Implement due diligence processes to identify, prevent and mitigate risks of negative effects on human rights and the environment related to the company's own operations and the operations of its subsidiaries and business partners in the chain of activities.
- Establish internal whistleblowing channels or systems so that anyone can safely report practices that they consider criminal or unethical, guaranteeing the confidentiality of their identity.

### **Management of impacts, risks and opportunities**

Identify, assess, manage impacts, risks and opportunities, both in our own operations and in the value chain, considering the recommendations of benchmark organisations.

### **Responsible, transparent communication**

Develop a responsible, transparent communication strategy based on the following principles:

- Actively listen to our employees, customers, suppliers, local communities and other stakeholders, encouraging participation and constructive dialogue with all of them.
- Transparently communicate financial and non-financial information, including ESG aspects, complying with legal requirements and standards regarding public information.

- Produce responsible communications for the different stakeholders, providing a truthful, balanced and respectful vision of the reality of our organisation.

#### 4. Approval and monitoring

- **Approval:** This policy has been prepared and approved by the Fagor Ederlan Group **Board of Directors**, which is responsible for its implementation, reflecting the commitment of top management to the Sustainability Strategy and ensuring its integration into the company’s global strategy.
- **Monitoring:** A **Sustainability Committee** exists to supervise the implementation of this policy, comprising representatives from different areas of the company, and which reports directly to the Fagor Ederlan Group Board of Directors.
- **Review:** This policy shall be reviewed periodically and, where appropriate, updated, always seeking to reflect the Fagor Ederlan Group’s ambitions in this area and taking changes in legislation as well as comments and suggestions from stakeholders into account.

Date	Approved by
12/2024	Board of Directors of Fagor Ederlan Group