

SUSTAINABILITY REPORT
2023-2024

Executive Summary



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About us

Aluar Aluminio Argentino

We are an Argentinean company in constant innovation, managed according to the highest international parameters of the industry.

Our main activity is the production and commercialization of primary aluminum alloy products. These two units are complemented by the business units of energy and power generation, engineering services, and industrial construction and assembly.



Place of business



2 production plants

Most of the operations are carried out at Primary Division, where we produce primary aluminum at our plant located in Puerto Madryn, Chubut.

At Elaborated Products Division, located in Abasto, Province of Buenos Aires, we transform primary aluminum into extrusions and rolled products that supply a wide range of industries.

1 administrative office

Located in San Fernando, province of Buenos Aires.

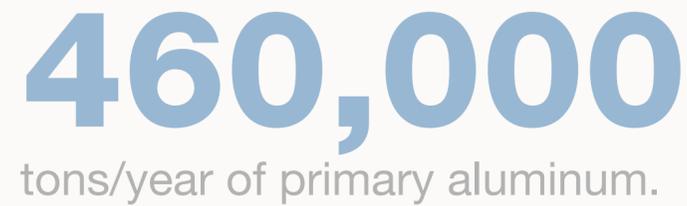
1 registered office

Located in the Autonomous City of Buenos Aires.

In figures

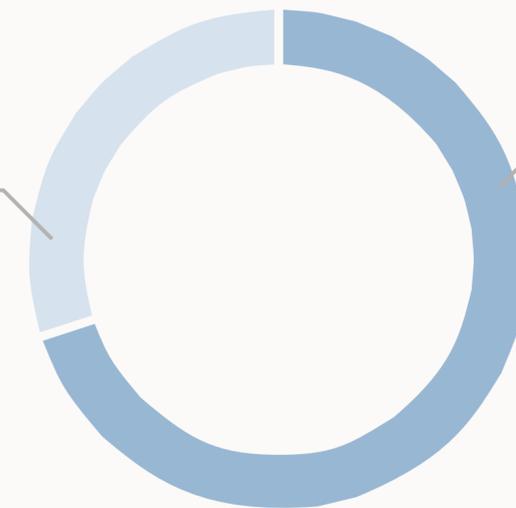


Production Capacity



We have an energy production capacity of up to **760 MW thermal energy** and **246 MW renewable energy**.

Produced Volume



Energy consumption

Energy is a key input for our production. We use:



renewable energy for the production of elaborated aluminum products



renewable energy for primary aluminum production

Particularly, we use:

- 3.730.952 MWh** › thermal energy
- 2.307.874 MWh** › hydroelectric energy
- 661.425 MWh** › wind energy

Relationship with the community



educational and touristic visits to our plant of Aluar Primary Division and Wind Farm.

Our commitment

Our strategy

Our sustainability
performance standards

Sustainability

Our commitment

We are committed to the sustainable growth of our operations, developing strategies and practices that create value for the business, people, and environmental care. We understand sustainability based on three ESG pillars (Environmental, Social, and Governance).

Our strategy

In order to proceed with the comprehensive implementation of our ESG strategy for the entire Company, the **ESG Management area was created in December 2023.**

Based on Integrated Management Policy and the Company's existing strategies, as well as the initiatives carried out by the Diversity, Equity, and Inclusion Committee (DEIC), we seek to consolidate and strengthen our comprehensive commitment to sustainable development as a framework and guide for the future.

Our sustainability performance standards

At the end of 2022, the decision was made to advance with the process to achieve the ASI (Aluminum Stewardship Initiative) Certification at Primary Division.

We subscribe the guidelines established by the International Labor Organization (ILO) and we commit to the United Nations Sustainable Development Goals (SDGs).

Aluar Wind Farm complies with the Environmental and Social Performance Standards of the International Finance Corporation (IFC).



Integrity Program

Diversity, equity and inclusion

Governance

We foster a transparent corporate culture based on ethical and legal principles, maintaining the highest standards of corporate governance.

Aluar's Board of Directors is the responsible body for the administration and management of the Company, with the necessary attributions and capacities to manage its business.



Integrity Program

Our rules and processes that ensure an ethical corporate performance are contained in the **Integrity Program** of the Company, under which a **Compliance Officer was appointed in 2018**. Supported by the Audit Management and Legal Affairs Management, this role is responsible for the proper implementation, interpretation and compliance of the Program and for implementing the rules and procedures to ensure the compliance with the **Code of Principles**.

Likewise, we have a **Compliance Line** and foster its use to receive queries, requests for guidance, or reports of situations or behaviors contrary to the Code of Principles.

Diversity, equity and inclusion

In 2023, we strenghtened our commitment to ensure the full and inclusive participation of all personnel and promote a culture of equity based on respect through **the creation of the Diversity, Equity, and Inclusion Committee (CDEI)**.

In 2023 and 2024, CDEI elaborated Policies on Human Rights, Anti-Harassment and Workplace Violence.

In accordance with it, the **Protocol for the prevention and handling of Workplace Harassment and Violence situations** aims to prevent and address any form of harassment, cyberbullying, violence, and/or discrimination in the workplace.



Renewable Energy and energy efficiency

Emissions and Air Quality

Water and Effluents

Materials and Waste Management

Biodiversity Care

Environment

The protection of the environment is a guiding principle in our production. In our daily management, we comply with performance standards to meet sustainability requirements, achieving the highest standards in environmental protection and care. To this end, we invest in technological improvements that enable more efficient processes, support the development of renewable energy sources, and we are committed to preserving biodiversity. At our industrial plants, we maintain an Environmental Management System certified under ISO 14001.



Renewable Energy and energy efficiency

At the Primary Division, 44% of the energy we use comes from renewable sources, and 94% at the Elaborated Products Division.

We achieved a carbon footprint for primary aluminum of 5.43 t CO₂eq/t Al and 0.55 t CO₂eq/t Al for elaborated aluminum (scope 1 and 2).

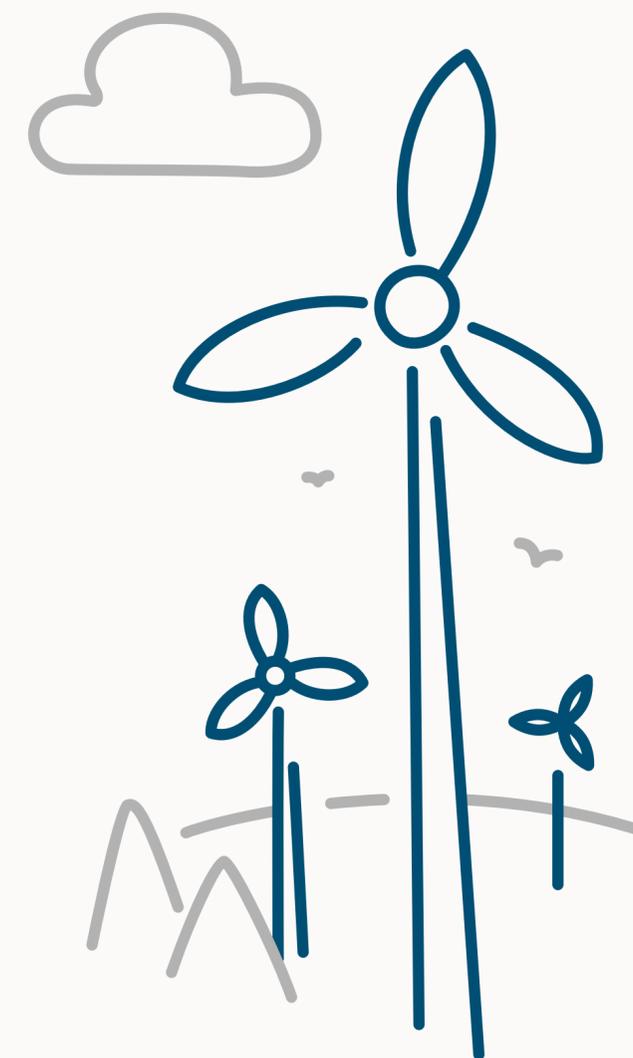
We have a Wind Farm located at approx. 20 km from the city of Puerto Madryn. **Aluar Wind Farm (PEAL) has 63 wind turbines** in operation with a total installed capacity of 246 MW.

Early in 2024, with an additional investment of USD 125 million, we completed Stage 2 Phase III of PEAL with the incorporation of 18 wind turbines, anticipating and exceeding the renewable energy requirements for 2025. The energy produced in this expansion **will reduce greenhouse gas emissions by approximately 150,000 tons of CO₂ per year**, and also contribute to the diversification of the national energy matrix by using the wind potential of the region to generate renewable energy.

In 2024, we also began planning the construction of the fifth stage (Stage 2 Phase IV), which involves the addition of 56

wind turbines that will add 336 MW of additional capacity to the existing wind farm. With an investment of USD 400 million, this will double our commitment to renewable energy.

In 2018, we obtained the ISO 50001 Certification for the Energy Management System at our Primary Division, with the purpose of establishing systems and processes to improve the company's energy performance, energy efficiency, and the use and consumption of available energy.



Emissions and Air Quality

We routinely monitor the evolution of gas emissions from electrolysis potrooms, gas treatment centres, power generation turbines, solidification furnaces, and treatment filters for compounds of interest, following international standards (USEPA 14A, USEPA 13A, USEPA 429, UNE-EN1911:11).

In parallel, we monitor air quality (immissions) at 13 locations in the city of Puerto Madryn, which make up our Air Quality Monitoring Network. In these stations, we monitor the concentration of fluoride in the air, among other parameters of interest.

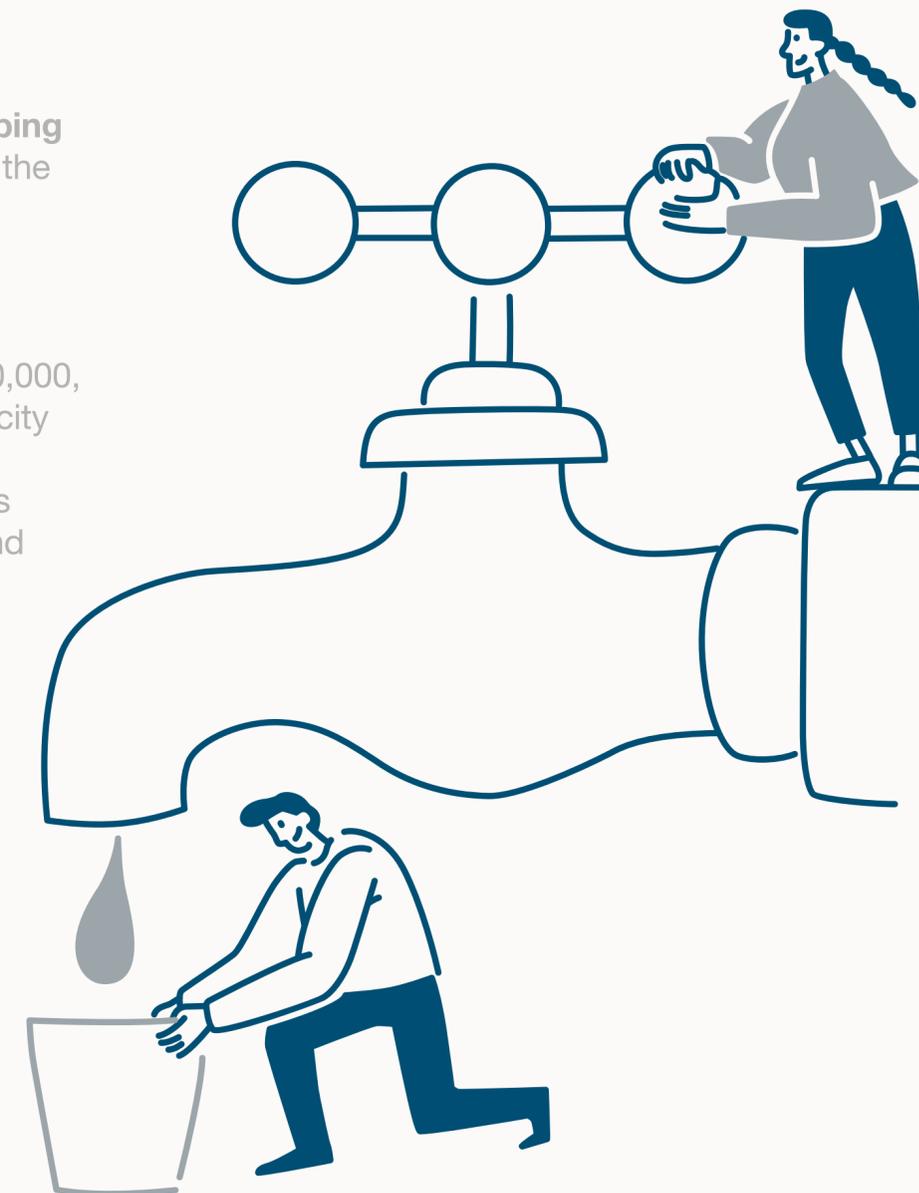
The measured concentration values are well below the current reference values.

Water and Effluents

We carry out a Strategic **Plan for the Management of Potable Water and Liquid Effluents** with a comprehensive approach to both environmental variables. This plan not only deals with technical and operational aspects, but also incorporates social and environmental considerations, taking into account all stages of each circuit (transport, treatment, reuse, and/or final disposal).

In this regard, **in 2023 we started a project development for the construction of a Reverse Osmosis Plant** to supply internal water consumption of the plant using seawater, thereby increasing the availability of this resource for the community. We also worked with the local scientific community to carry out a Baseline Study to gather more information about the environment prior to the project's operation.

Additionally, **we started the revamping of the Sewage Treatment Plant** at the Primary Division, updating activated sludge technology to membrane bioreactors (MBR system), a unique installation in the region. With an approximate investment of USD 500,000, this improvement will increase capacity and improve the removal of the parameters of interest. The project is expected to be completed by the end of 2024.



Materials and Waste Management

We foster circular economy based on the following principles:

Reduction: Minimize waste generation as much as possible while still being compatible with the task at hand.

Recycling: Seek economically and technically feasible alternatives that permit the capture and reuse of waste, either in the same process or in another process that may require them as raw material, energy source, or complementary materials.

Recovery: Obtain from waste or effluents all possible elements, materials, or energy within a technically and economically viable framework.

For this, we continuously work on analyzing

alternatives for material reuse, extending their useful life or transforming them for other processes.

At Primary Division, progress was made with the bagging of fine carbonaceous powders from the anode process in order to reuse in other external processes and reduce the amount of waste sent for final disposal. Additionally, a chipper machine was incorporated to reduce the volume of pruning waste, allowing chips to be used in the organic waste composting process.

On the other hand, at Elaborated Products Division, we began recovering a fraction of used oils from fine rolling through distillation and reuse. This initiative, with an investment of more than USD 450,000, reduced the generation of over 10 tons of waste per month in the Y8 category (used oils).



Biodiversity Care

We are committed to preserving biodiversity at all the areas where we operate. In the analysis of our activities and projects, we integrate the recognition and protection of protected areas and natural environment, acknowledging the importance of these areas in ecosystem services.

During the period of this report, **we completed the Biodiversity Monitoring Plan** at the Primary Plant, Semi-elaborated 1 and 2, Aluar Safety Landfill, and Aluar Wind Farm. The purpose was to assess the current status of the areas where the plant operates, evaluate the positive and negative impacts of activities on biodiversity, and establish monitoring parameters over time.

Additionally, we afforested 3 hectares, which, added to already wooded areas, reach a total of **30 hectares of reforestation and green spaces**. Apart from environmental benefits of restoring and improving soil quality, preventing erosion, absorbing more CO2, and creating new habitats, afforestation allows us to expand irrigation area using water reclaimed from plant processes, improving water consumption efficiency.

Furthermore, we have made long-term commitments by creating alliances with organizations that work on biodiversity care in the Patagonian region.

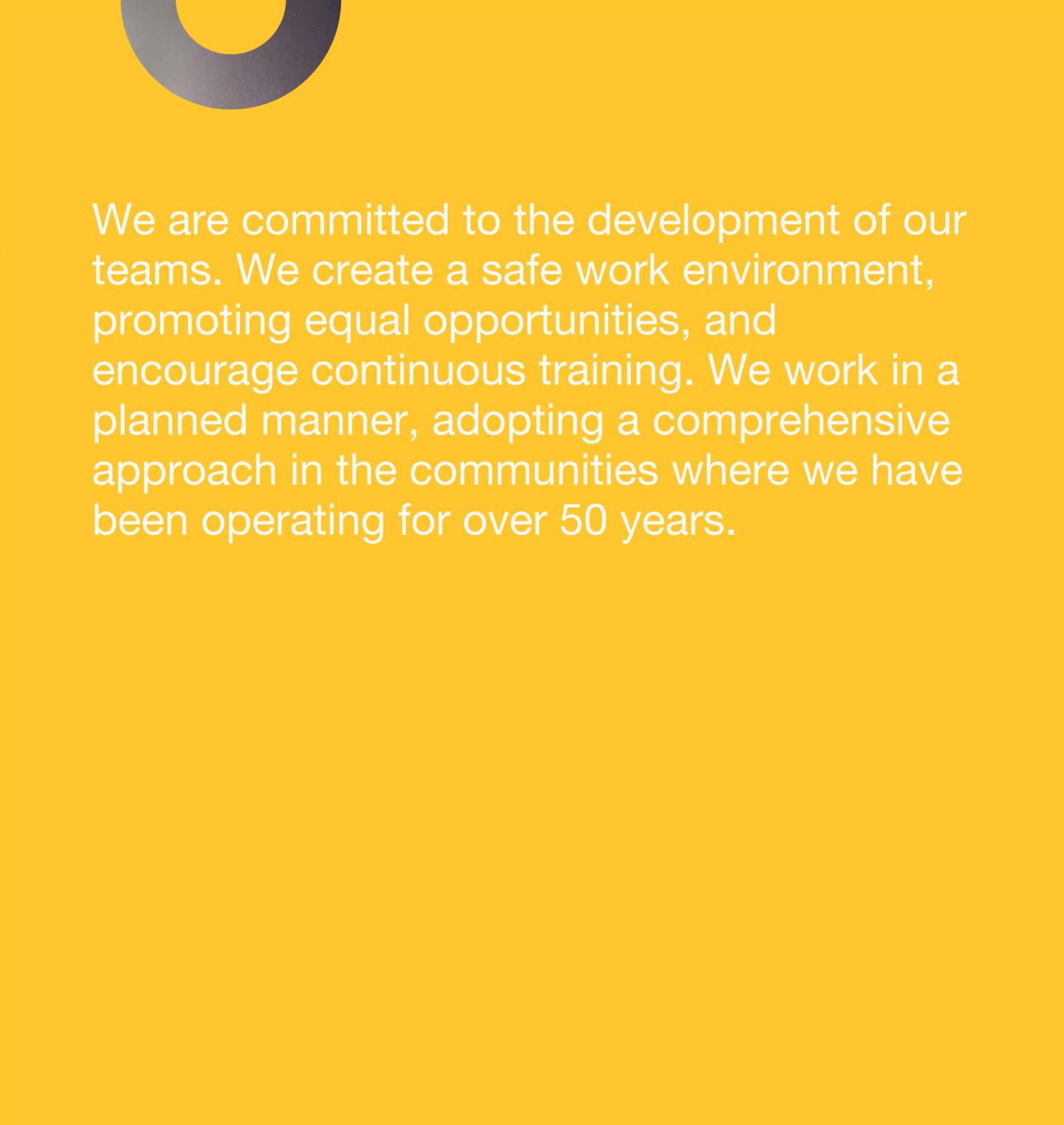
Did you know...?

We have **63 environmental improvement projects** underway.

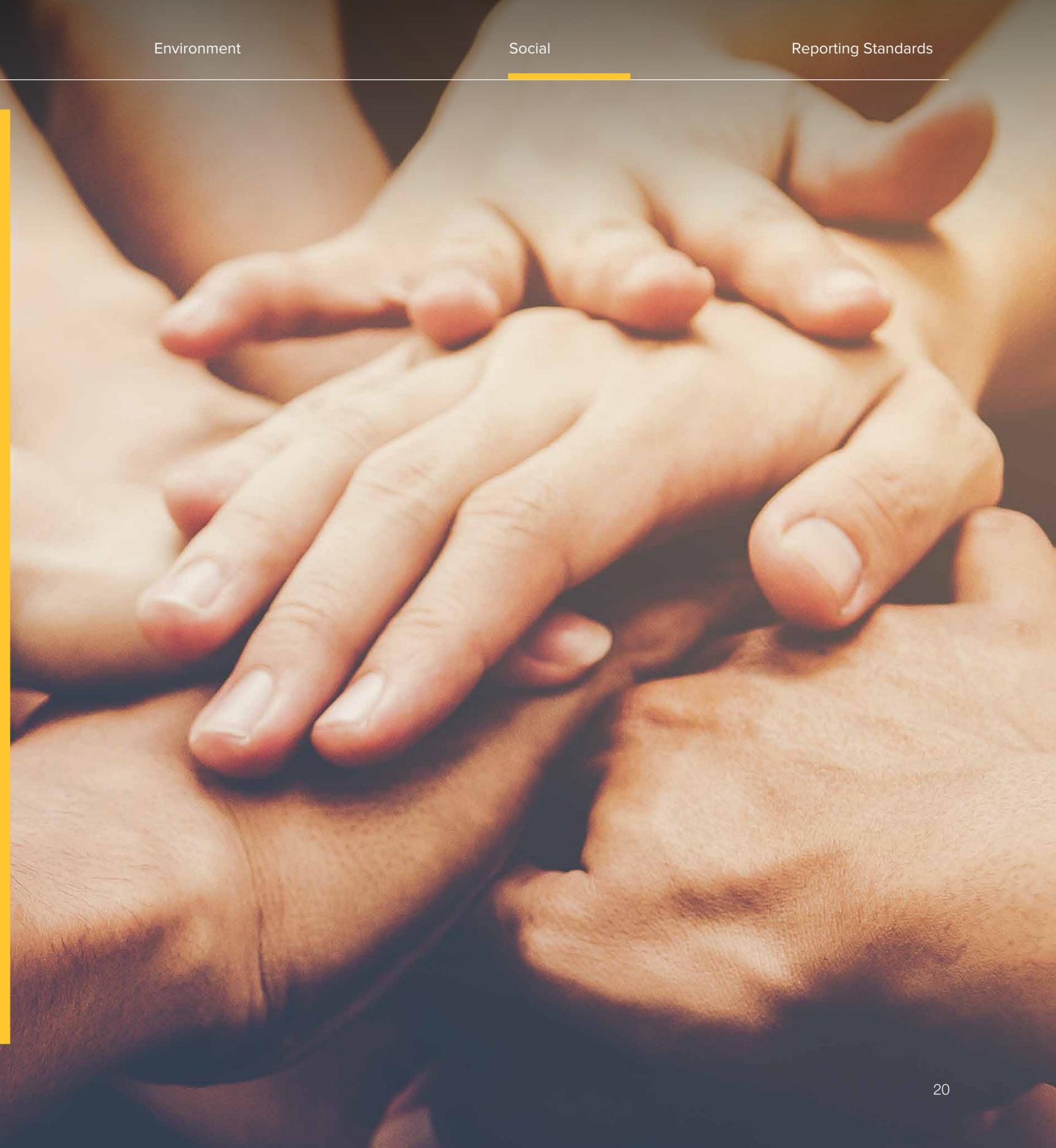
We had **0 significant environmental events**.

In line with circular economy principles, we recycle 41% of waste, transforming it into useful materials for other processes.





We are committed to the development of our teams. We create a safe work environment, promoting equal opportunities, and encourage continuous training. We work in a planned manner, adopting a comprehensive approach in the communities where we have been operating for over 50 years.



Human Capital

Employment Opportunities. We are committed to local development by promoting employment, with clear and transparent recruitment processes based on equal opportunities and respect for diversity.

Staff Training. We annually plan our personnel training based on an assessment of business needs.

Competency Models. Our competency model outlines the knowledge, skills, and behaviors necessary to perform as expected and meet objectives.

Assessment. We assess the potential and performance of our employees. We assess leadership, management, and supervisory potential through activities and interviews. Our Performance Management System (SGD) provides tools to enhance the management of employees, their sectors, and the entire Company.



Risk Prevention

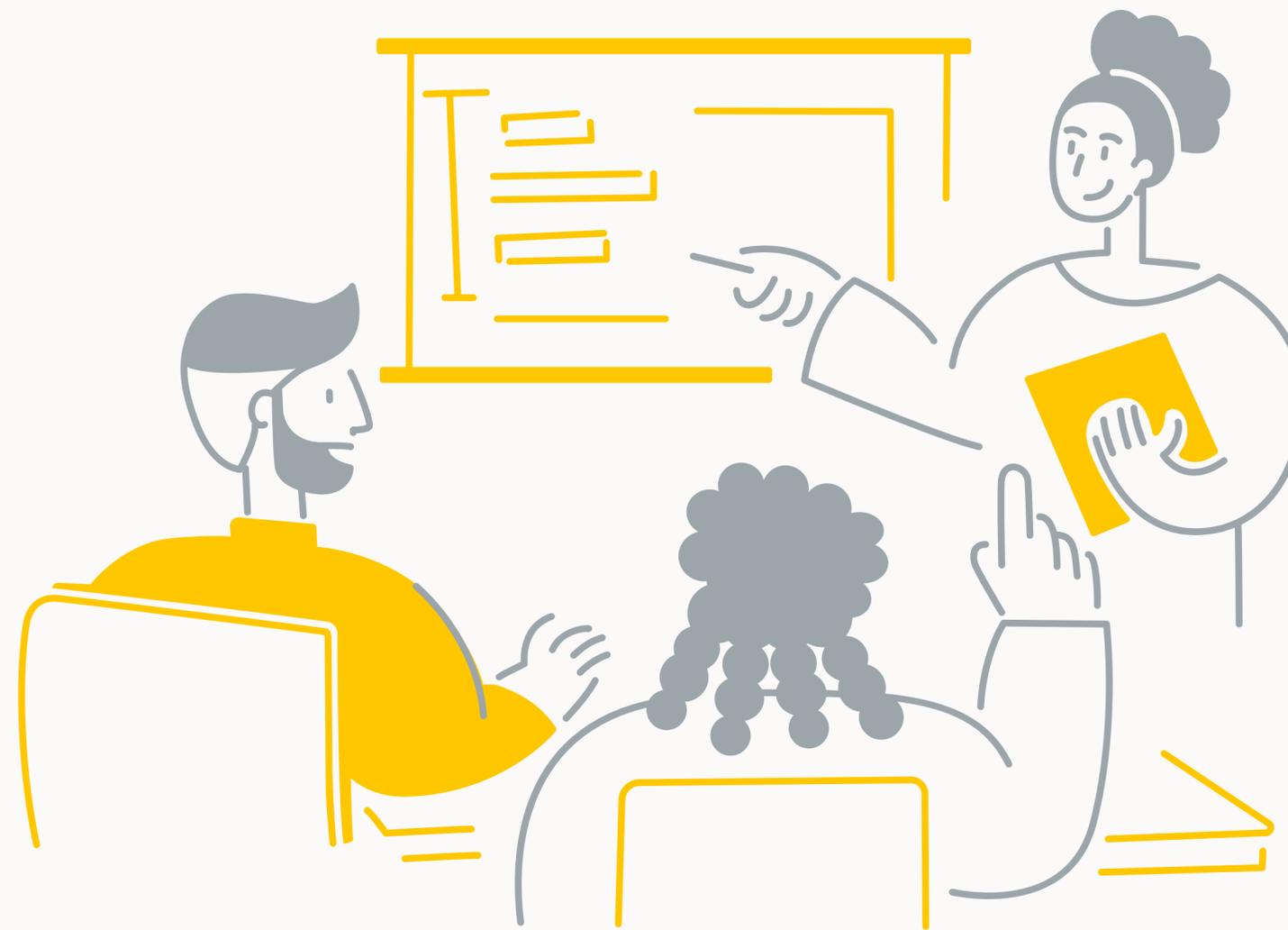
We are committed to achieving the highest standards in environmental protection, occupational safety and health in the development of our operations, in addition to ensuring compliance with environmental laws, regulations, and rules. We make a specific effort to reduce the number of accidents to zero, with special attention given to high-risk activities. This is supported by extensive training and awareness programs for our employees regarding the Company's zero tolerance policy for deviations from standards.

At Primary Division, Occupational Health and Safety Management System is certified under the international standard **ISO 45001**, and Risk Management under **IRAM 17550**, additionally using **ISO 31000** as a guideline.

During 2023, Elaborated Products Division carried out a gap analysis aimed at certifying under **ISO 45001** standard.

Additionally, we have a training program tailored to specific needs of each process, executed by the Industrial Health and Safety area.

We developed a Diploma in Occupational Health and Safety supported by the National Technological University (Chubut Regional Faculty) aimed at leadership and management roles, both within our Company and other organizations in the region.



Creation of Shared Value

In order to contribute to the development of communities where we operate, we invest in sustained programs with key actors in civil society. **We work in a planned manner, adopting a comprehensive approach through three action areas: social management, environmental protection, and economic development.**

*Among investment areas related to social responsibility, **education** stands out. We are convinced that it is essential to strengthen and promote quality education at all levels to support the sustainable and equitable development of communities.*

As part of the 71 education-related projects we had during the reporting period, we highlight:

Support for the **Provincial Plan for Technical and Professional Education, Technology, and Production 2024 of the Ministry of Education of Chubut**, which seeks effective coordination between training system, productive sector, and implementation contexts.

"Together for Good Causes" is a project competition we have developed since 2015 and is recognized by the Argentine Business Council for Sustainable Development (CEADS). Under this program, various community organizations select topics to work on, as reference of SDGs. In 2024, the call for "Quality Education" was launched. Based on this, 61 initiatives were submitted, and 8 projects were selected from 13 institutions across 5 cities in Chubut.



In addition, we carry out:

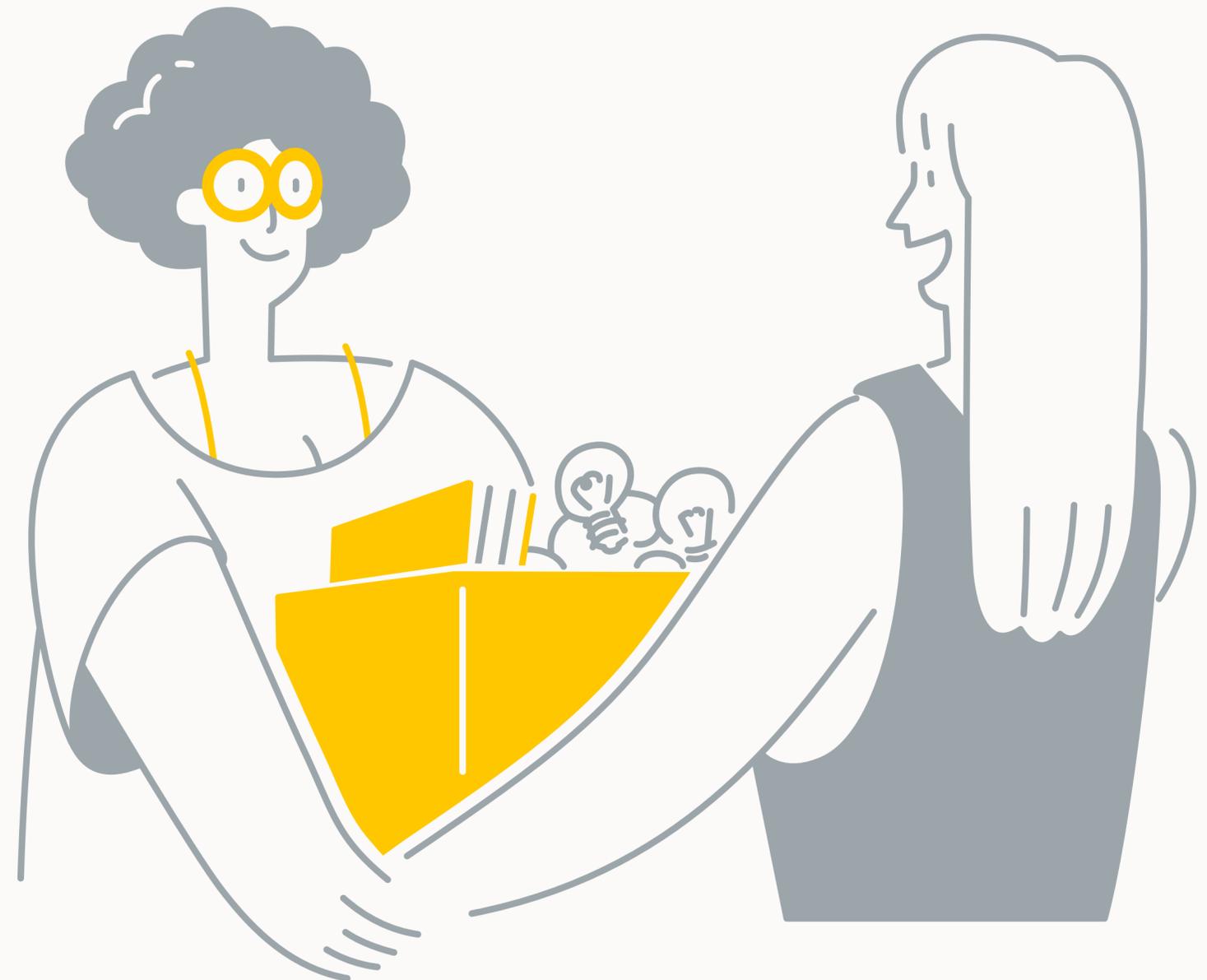
Guided free visits to the Plant and Wind Farm to promote general knowledge about aluminum production process and the generation and use of wind energy. During the reporting period, **2,728 persons visited the Plant over 110 visits.**

A Social and Technical/Specialized Volunteer Program that, since 2006, has integrated employees with community engagement activities and develops new social competencies and skills in volunteers.

The **donation of materials, supplies, and equipment** that are out-of-use at the Plant and can be utilized by various community institutions, aligning with

circular economy. **53 institutions benefited from the material donations made during this Report.**

53 institutions benefited from the material donations made during the period of this report.



Reporting Standards

This document was prepared based on Global Reporting Initiative (GRI) Standards, using GRI 14 Sectoral Supplement: Mining Sector 2024; SASB Standards related to Metals and Mining industry; and Aluminum Stewardship Initiative (ASI) Performance Standards. In addition, the contribution to the SDGs is highlighted in connection with the GRI Standards.



[Read the full Report](#)

