



ESG POLICY

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1 MX AMBITION

1.1 Statement from senior decision makers



**Mike
Lefton**
*Executive
Chairman*



Matt Rohm
CEO

This year marks an important step in our journey towards making the MX Holdings family of companies, more sustainable businesses. We launch our pioneer ESG policy document. This is a significant step for us, and it marks our understanding/awareness that sustainability is at the forefront of every business.

This policy document will illustrate our ambitions and goals with regards to becoming a resilient business in an everchanging world where we all need to play a part in safeguarding our people, our planet and our collective resources. To this end we support the 2030 UN Agenda for Sustainable Development and align with principles and values represented by the UN Sustainable Development Goals (SDG).

To do this we support the need to reduce energy intensity to counter climate change where possible and will review our methods through recently appointed working groups in the areas of Environment, Health & Safety and Community. These working groups serves to strengthen our governance in ESG and will be the driving force for our progress towards commitment to a circular economy whilst having a material impact to the communities we serve. Equally important, they will also bring opportunities which will support our vision for growth.

People and our workforce have been an integral part of our success, and we remain true to our core values of safety, integrity, caring and growth. Our focus remains providing a safe working environment, growth opportunities and well- being for all who work at MX Holdings. Our alignment to SDG 8, “Decent Work & Economic Growth” illustrates our values and principles.

We pride ourselves on our very strong recycling capabilities where we are able to manufacture products for the beverage industry which has reached near 100% recycling rates and secondary billet and high value-added product which carries a 70% recycling rate, feeding into OEMS and other consumer sectors.

Our decades of time, effort, sound investments in people, processes and technology have enabled us to operate as preferred supplier status with strategic customers. We employ state-of-the-art technology which enables us to make high precision products from secondary aluminium which is the future of our business. This has helped us achieve dual role as supplier and customer in our value chain.

By our activities in trading and recycling we play an important role in the circular economy since aluminium carries valuable properties which enable infinite recycling. By actively participating in this we stand by UN SDG 12 which safeguards and promotes “responsible consumption and production”.

We process and add value to hundreds of millions of pounds of aluminium which have a second, third and many more subsequent lives, given our closed loop operations at certain sites. Our role in the value chain propagates directly the reduction of extraction of minerals, contributing to a reduced carbon footprint.

Our foundations started in scrap trading and have evolved over time to include value-added products, supply chain management, processing, casting, extruding, fabrication and assembly. We continuously look for opportunities to de-risk our environmental impact and the start of this ESG journey reinforces our goal. We will review mitigation techniques and our responsible procurement division can only enhance our approach. We are discerning in our selection of suppliers in our value chain and will continue to only strengthen this.

Through our working groups we aim to put in place monitoring and review mechanisms to enable us to deliver greater transparency towards reaching sustainability.

In the meantime, we thank all our stakeholders and banking community for taking the time to review our ESG policy. It is only the beginning, and we fully appreciate there will be continuous improvement of our business processes and governance in order to meet the challenges which comes with Climate change. Our goal is to continue to build on our resilience and to look after what is most precious to us, and that is our people and our communities.

2 GENERAL DISCLOSURES

2.1 Organization Profile

MX Holdings and its associated subsidiaries are a family of companies operating in the non-ferrous industry, with capabilities across multiple areas: metal trading, casting, and manufacturing. While our corporate headquarters are located in St Louis, MO, our company has a wider presence: trading offices are based in the US, China and Switzerland and operate across 30+ countries, and our manufacturing arms are deployed across the US (with the exception of novALmec which is a billet casting plant based in Italy). We maintain our precedent as a global industry leader by leveraging the breadth of areas in which we operate, as well as a depth of experience, forged over our nearly 50 years in business.

MX Holdings operates at scale, with over 900 dedicated employees working across our 12 global offices. In 2023, our Trading group alone marketed, traded or processed over 2 billion pounds of non-ferrous products. Our trading entities operate both domestically (Metal Exchange LLC) and internationally (MEC Metal Exchange International GmbH), positioning the organization as a global interface between supplier and consumer. We focus on trading of primary and high-purity aluminum, as well as non-ferrous scrap and secondary remelt materials. Alongside futures contracts, we also distribute and transport our commodities, working with third party warehouses to ensure strategic staging and positioning of materials in locations where its most needed. Our trading offering is complemented by the deployment of risk management systems which are used to manage exposure to fluctuations in the terminal market and credit risk to our customers.

Our Manufacturing group is primarily Pennex Aluminum Company LLC ('Pennex'): a leading provider of aluminum cast billets, custom shape extrusions and precision engineered products, having produced about 220 million lbs of billet in 2022. Pennex has multiple state-of-the-art facilities across the US: two casting business units (in Wellsville, PA and Greenville, PA), two extrusion plants (Wellsville, PA and Leetonia, OH) and two fabrication facilities (in York, PA and Leetonia, OH), enabling supply to customers across a range of markets - predominantly the automotive, building and construction, recreation, and transportation industries. Within Pennex, we currently employ over 700 people. Pennex's breadth of offerings, combined with its subsidiary position within the wider entity of MX Holdings means that it has established a uniquely robust, vertically integrated supply chain. Our trading arm within MX Holdings supplies Pennex's casting division, which in turn supplies Pennex's extrusion division, which further supplies Pennex's fabrication division. In particular, the ability to leverage our trading arm to mitigate supply chain risk allows Pennex to optimise its supply chain, while the vertical integration of the wider organization allows for tighter quality control.

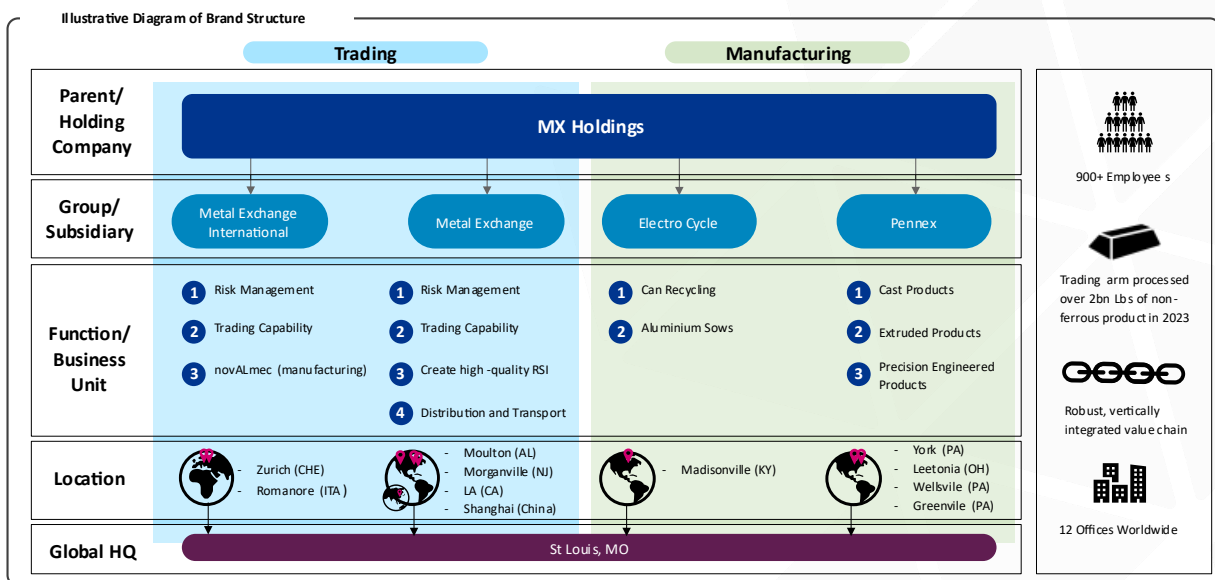
The scale of the manufacturing arm of our business will likely continue to increase, following a steady growth trend. Indeed, Pennex has been consistently expanding its operations, doubling the size of its York facility in 2011 and its Leetonia facility in 2015. There was also a \$23m expansion of the Leetonia Fabrication capabilities in 2019.

MX Holdings are committed to rigorous internal control and risk management practices: for this reason, there is an oversight mechanism in the form of an audit committee who provide internal supervision. The committee is empowered by senior management teams to carry out their work, which involves reviewing the organisation’s risk profile, ensuring appropriate anti-fraud procedures are implemented, providing due diligence on the organisation’s control framework and confirming rigorous compliance procedures with relevant laws and regulations.

Externally, we strive to play an active role in the development of the metal casting and manufacturing industries, via our affiliation with leading industry associations. In North America, we are members of the Institute of Scrap Recycling Industries (ISRI), the Aluminum Extruders Council (AEC), the Aluminum Association and the Metals Service Center Institute. We also hold membership of the Bureau of International Recycling, as well as the Material Recycling Association of India and China Nonferrous Metals Industry Association. We aim to be active members of these organisations, leveraging their networks and market knowledge, whilst contributing to a wider conversation around recycling and worker safety.

2.2 Brand Architecture:

About MX Holdings



2.3 Values, principles, and norms of behavior

2.3.1 Mission

MX Holdings was founded in 1974 as 'Metal Exchange Corporation', a regional aluminum scrap trading company whose small-scale beginnings belie its significant growth. A global leader in non-ferrous metal trading, casting and manufacturing for over 40 years, our family of companies operate with shared purpose and values.

Whether it's driving innovation within our industry, making the impossible possible for our customers or providing a safe, respectful workplace for our employees, we empower people to positively impact our world.

2.3.2 Values

At MX Holdings, our core values are not just a statement of intention: they're also a fundamental expectation of the kind of behaviors which we expect all staff to uphold with sincerity and intent. These values empower us to not only drive an innovative and growing business; they also allow us to perform business sustainably and responsibly in a way which is mutually beneficial for supplier and consumer alike. That's why we see these values materialize both in our relationships with our customers, and internally, within the teams across all areas of the business.

Core Value 1: Safety: Safety is more than just a slogan for MX Holdings: it's genuine commitment to the wellbeing of our employees, premised on a belief that the best businesses prosper when they create a secure environment for all employees. It's simple: there's nothing more important to us and we will always prioritize the well-being of our people.

Core Value 2: Integrity: Successful business is grounded in absolute trust: in order to operate at the highest levels, we have to demonstrate the highest level of integrity. This means being consistently reliable and continuously dependable – factors which contribute to the good name we have been building since 1974.

Core Value 3: Caring: The foundations of our 'one team' mentality stem from our continuous efforts to create an environment of mutual respect across all aspects of our business, internally and externally. This applies to our colleagues, customers, suppliers, industry, and the communities in which we work. It builds on the previous core values by ensuring that we go above and beyond – not only for our own staff, but also for participants at all levels of our value chain.

Core Value 4: Growth: Continuous pursuit of steady improvement is encapsulated by this final core value, representing a desire to encourage our employees to improve on a personal and professional level, whilst continuing to create new opportunities for our

business. In so doing, we hope to acknowledge our capacity to change and better our business over time through small, incremental steps.

Our core values are complemented by our 'people first' philosophy: a belief that personal, professional and company growth are fostered by the collective rather than the individual. This means that we hold employee development and environmental impact to be equally significant alongside financial growth.

2.3.3 Leadership principles

As with our core values, our leadership principles represent both a declaration of purpose, as well as a fundamental commitment to the standards which it details. Predicated on a belief that the best companies lead from the top; we have established these principles in order to set the course for a thriving organization. For the leadership team at MX holdings, management is not just a position; it represents a responsibility to drive the positive change which we seek to get out of our business.

Principle 1: Others before self

What we mean: Selfless leaders prioritize their team's needs over their own, aiming to serve rather than be served. They value individuals beyond merely their contributions to the organization, making others feel heard and respected. They actively listen, seek understanding of the business beyond their own remit, remain patient, and offer constructive feedback. By gathering input from team members, leaders are able to more comprehensively understand growth opportunities across the business.

The Principle in Practice:

- *Seek to serve rather than to be served*
- *Support, protect and advocate for your people to ensure a safe and healthy work environment*
- *Listen to your team in order to understand their wider needs*
- *Care for your team members personally*
- *Engage people with empathy and compassion*

Principle 2: Culture before profit

What we mean: Engaging leaders are guided by a firm moral compass, using this understanding to set a high standard of behavior for themselves and others to follow. Together with our shared values – Safety, Integrity, Caring and Drive – these ideals shape business practices and daily decisions. By modelling this behavior, they inspire their team to uphold these standards, ultimately fostering a sense of community and mutual respect across all teams.

The Principle in Practice:

- *Always act ethically*
- *Embody our shared values (Safety, Integrity, Caring, Drive)*
- *Support diversity, equity, inclusion and a sense of belonging for all*
- *Lead by example*
- *Foster a sense of community*

Principle 3: Empowerment before authority

What we mean: Effective leaders not only focus on continually improving their own leadership skills; they also empower their wider team to excel. They equip them with tools, knowledge, and resources for success while nurturing their potential and aiding career aspirations. Besides formal training, this involves coaching, guiding, and encouraging team members to work through challenging situations. They aim to foster teamwork and collaboration by providing valuable insight, seeking consensus rather than dictating solutions.

The Principle in Practice:

- *Champion the growth and development of your people*
- *Nurture potential leaders to reach their full potential*
- *Don't just fix it - coach your team through challenges*
- *Leverage your influence to build consensus*
- *Encourage a collaborative approach*

Principle 4: Vulnerability before comfort

What we mean: Vulnerable servant leaders exhibit emotional intelligence, humility, and a willingness to learn. They acknowledge imperfection in themselves and hence don't expect perfection from their wider team. They communicate openly, admitting to the mistakes, self-doubt or other personal challenges which are experienced by all but openly talked about by few. They take responsibility for actions, turning failures into learning opportunities. By sharing vulnerabilities, they forge deeper relationships, reduce anxiety, and foster self-awareness within their teams.

The Principle in Practice:

- *Step outside your comfort zone and be more open*
- *Express emotion and gratitude to your people*
- *Speak honestly and avoid hyperbole to reinforce trust*
- *Don't shy away from difficult topics – discuss them*
- *Treat failures as opportunities to learn*

Principle 5: Vision before movement

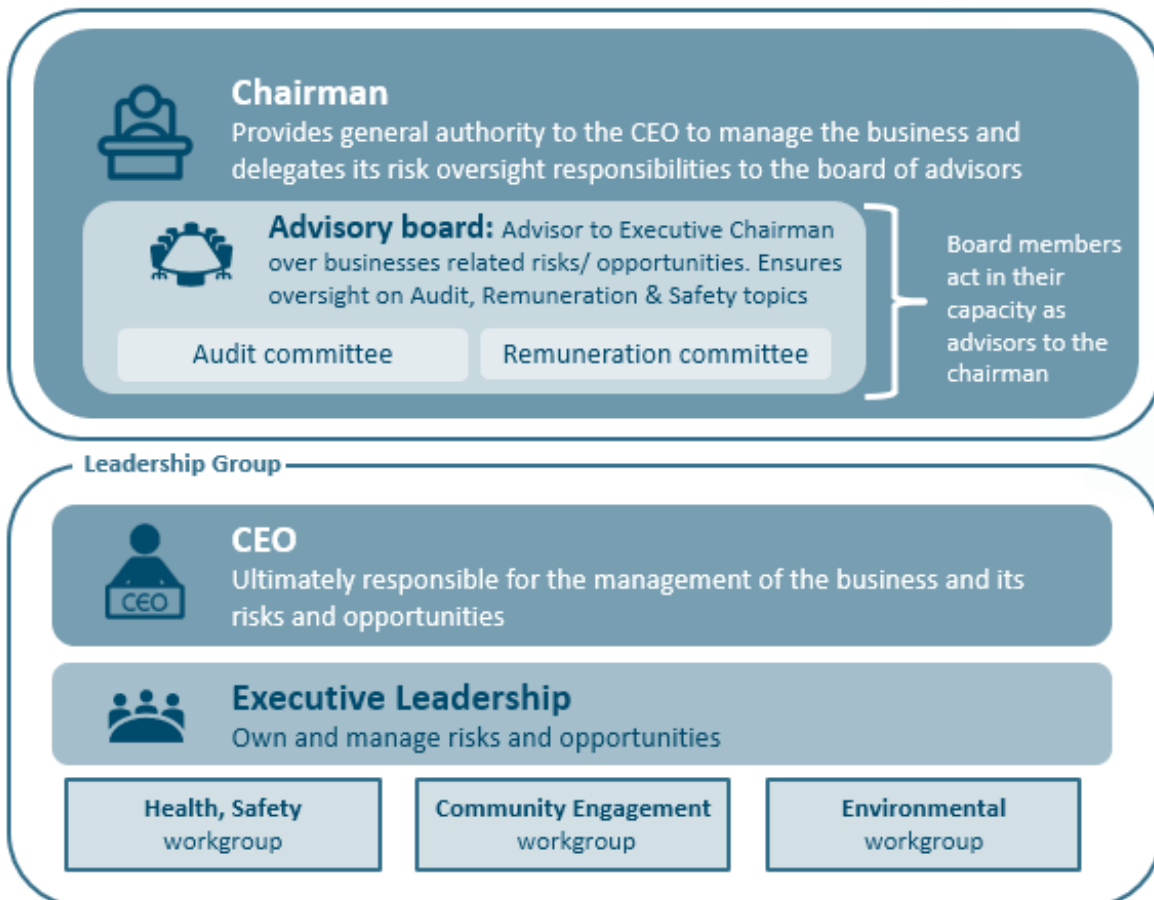
What we mean: Visionary leaders breathe life into the organization's vision by vividly portraying the future for their team. They think beyond the idiosyncrasies of tasks, articulating the importance of long-term goals by linking them back to the individual tasks. In so doing, they help team members to understand their roles in relation to the company's overall success, empowering team members to innovate and adapt when challenges arise. By communicating this conceptualization clearly and regularly, teams are aligned and more likely to move in the same direction.

The Principle in Practice:

- *Paint a clear picture of where your team is headed*
- *Show people why their job is important*
- *Think about the long term*
- *Balance focus with flexibility before decision making*
- *Empower people to develop innovative solutions*

3 GOVERNANCE PRINCIPLES

3.1 Governance Structure



At MX Holdings and its subsidiaries, the governance framework operates on a set of well-defined principles that ensure effective oversight, transparency, and accountability. This framework is structured around the delegation of authority process, which delineates responsibilities among key stakeholders. The Chairman, as a central figure, plays a pivotal role in this process by delegating specific responsibilities to various committees and the Chief Executive Officer (“CEO”) who in turn have oversight over the subsidiaries within MX Holdings.

The role of the Advisory Board is to provide guidance and expertise to the Chairman on strategy and enterprise-wide operations, when called upon to do so. Executive authority ultimately lies with the Chairman, who provides the final decision on significant company strategy, operations, and initiatives to the CEO.

The Chairman and the ultimate beneficiary owners have a proven track record of ensuring this family-owned business, MX Holdings (“MXH”) can be true to its core values of safety, integrity, caring and growth for generations to come.

Simultaneously, the Chairman entrusts the CEO with the general authority to lead and manage the day-to-day operations of the business. This empowers the CEO to make strategic decisions, foster innovation, and drive growth while keeping the organization aligned with its mission and values.

To further enhance governance and independence, selective members of the Advisory Board sit on these respective committees:

- **Audit Committee** – Is entrusted with overseeing financial reporting accuracy and internal controls, bolstering transparency and compliance.
- **Remuneration Committee** - Ensures equitable and fair compensation practices for executives and employees, fostering a motivated and engaged workforce.

Ultimately, the CEO shoulders the responsibility for managing the business, its risks, and opportunities. This role involves navigating challenges, harnessing growth prospects, and aligning actions with the company's strategic direction. The Executive Leadership team collaboratively takes ownership of both risks and opportunities, fostering a culture of proactive risk management and creative decision-making. This comprehensive governance framework collectively supports MXH's commitment to ethical conduct, sustainable growth, and long-term success.

In line with our dedication to responsible corporate practices, we have established three dedicated workgroups that collaborate seamlessly to bolster our Chairman and CEO's ability to manage sustainability-related risks and opportunities. These workgroups are pivotal in maintaining transparency, ethics, and responsibility throughout our operations, safeguarding the interests of all stakeholders, including shareholders, employees, customers, suppliers, and the broader community.

1. **Health & Safety workgroup** - The foundation of our responsible operations lies within the Health & Safety workgroup. This group is focused on ensuring employee well-being and upholding the highest safety standards across our activities. By prioritizing employee health, and adhering to rigorous safety protocols, we align our operations with sustainable practices that benefit both our business and our people.
2. **Community Engagement workgroup** - Recognizing that our impact extends beyond our business boundaries, the Community Engagement workgroup is dedicated to building strong connections with local communities. This group seeks to understand community needs, foster collaboration, and contribute to mutual growth. Through active engagement and the promotion of shared development, we

establish a harmonious relationship that transcends conventional business interactions.

3. **Environmental workgroup** – The Environmental workgroup seeks to continuously improve resource optimization, emissions reduction and sustainable procurement practices across the business. It speaks to who we are as a recycler and producer of secondary aluminum, feeding into high precision, high technology industries. With a focus on aligning business goals with sustainable practices, this group encompasses an extended scope that covers our entire supply chain. From sourcing raw materials to distribution, the workgroup assesses environmental impact, promotes responsible sourcing, reduces waste, and ensures ethical practices. By integrating sustainability into our supply chain, we aim to enhance operational efficiency, reduce our environmental footprint, and promote positive change throughout our value chain.

Chaired by members of our Executive Leadership Team, these workgroups meet on a quarterly basis. These meetings serve as vital platforms for setting direction, reviewing ongoing initiatives, and tracking progress towards our sustainability goals. By uniting the expertise of our leadership team and engaging in consistent evaluations, we ensure that our sustainability efforts remain aligned with our business strategy and values.

As an interim solution, while the workgroups are being set up, sustainability issues other than Health & Safety would be assessed by the Executive Leadership team, until such time as the workgroups are in a position to oversee their allocated sustainability themselves.

Through the combined efforts of these three workgroups, we are resolute in advancing our commitment to responsible business practices. Our overarching goal is to manage our company with utmost integrity, creating a positive and lasting impact on our stakeholders and the communities we operate within.

3.2 Governance Policies

Our sustainability strategy is upheld by the following publicly available Group policies:

3.2.1 Code of Ethics and Conduct

Our global policy spells out the core values of Safety, Integrity, Caring, and Growth to be demonstrated throughout the organization daily. It's our belief that we have a responsibility to all our stakeholders, employees, investors, customers, suppliers, and the communities in which we operate, to conduct business in a responsible manner. The code covers all Metal Exchange employees and is subject to applicable local laws. Compliance

with the Code is essential to preserving and enhancing MX Holdings' reputation as a responsible corporate citizen and, ultimately, to maximizing stakeholder value.

We are committed to investigate and follow up on all credible information which claims to identify a violation to the Code, regardless of the information source or origin.

3.2.2 Human Rights Policy

We fully support the Universal Declaration of Human Rights and the International Labour Organisation Core Conventions on Labour Standards. Our core values and principles reflect our support of these conventions, as well as consolidating our commitment to the well-being of our workforce.

3.2.3 Responsible Supply Chain Management Policy and Supplier Code of Conduct

This policy recognizes that vendors are an extension of the MX Holdings business model. It is the responsibility of our subsidiaries to ensure that appropriate procedures are in place to properly vet potential and monitor existing vendor relationships.

3.2.4 Whistleblower Mechanism

We have implemented a whistleblowing process and mechanisms to all locations and sites across the group. Employees are encouraged to use this either on an open basis for raising concerns or via a third party to retain anonymity.

3.2.5 Anti-corruption and bribery statement

We are committed to conducting business in an ethical and honest manner and are committed to implementing and enforcing systems that ensure bribery is prevented. MX Holdings has zero-tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country we operate.

3.2.6 Conflict of interest

We expect all employees to conduct themselves and company business in a manner that reflects the highest standards of ethical conduct and in accordance with all federal, state, and local laws and regulations. This includes avoiding real and potential conflicts of interests.

We encourage our employees to engage with management for guidance and advice if a situation arises in which there is a potential conflict of interest.

3.2.7 Diversity, Equity & Inclusion Policy

MX Holdings is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives. This commitment is embodied in company policy and the way we do business at the company and is an important principle of sound business management.

3.2.8 Transparency and Disclosure

At MX Holdings, we pledge to uphold a strong commitment to transparency in our Environmental, Social, and Governance (ESG) reporting. We strive to provide accurate, timely, and accessible information, maintaining the integrity of our reporting process. Our ESG data collection and performance metrics will be consistent and clear, with a focus on stakeholder engagement and feedback.

We are committed to continuous improvement by reviewing our processes, staying current with evolving standards, and openly reporting setbacks and challenges. This commitment reflects our dedication to fostering trust, accountability, and responsible ESG practices throughout our organization.

3.3 Community Engagement & Impact

MX Holdings is proud to serve the communities in which we have a physical presence. We are committed to being a responsible corporate citizen and actively engaging with these communities to foster positive relationships and make a meaningful impact. We understand that our operations have both environmental and social implications, and we take our role in these communities seriously.

We have established a range of community engagement initiatives to demonstrate our commitment to the well-being of our host communities. This includes providing local employment opportunities, investing in education, and training programs, and supporting local organizations.

We value the input of our community members and actively seek feedback to improve our operations. MX Holdings maintains an open line of communication with residents, businesses, and government agencies to address concerns and explore opportunities for collaboration. By working together, we can continue to build a mutually beneficial relationship that supports the prosperity and sustainability of our communities.

3.3.1 SDG Alignment

We identify with the United Nations Sustainable Development Goals (SDGs) and its "blueprint for peace and prosperity for people and the planet, now and into the future."

They form the framework for our community engagement initiatives and guide our efforts in creating a more sustainable business. The SDGs provide a comprehensive and universally recognized set of goals and targets that address a wide range of social, economic, and environmental challenges.

By aligning our community engagement strategies with specific SDGs, we not only ensure that our actions are globally relevant but also that we are enabling a structured and holistic approach to making a positive impact.

We have undergone extensive analysis of our future goals and juxtapose these with our principles, core values and mission. These have naturally aligned to the most material SDGs which will deliver a clean, circular, sustainable business and economic growth for all.

UN SDG	Alignment to the Goals
<p>8: Decent work & economic growth <i>"Others before self"</i></p>	<p>Within our society and our community, we are committed to the elimination of all forms of forced labor, abolition of child labor, all forms of discrimination in employment and occupation, supporting freedom of association and collective bargaining.</p> <p>Through our various business lines from trading to recycling and finally to high precision manufacturing, we strive to provide prospects for job and career development. We foster this by enabling a platform where people can make a contribution as a valued employee and can expect to receive fair compensation to better their lives and the community in which they live and serve.</p>
<p>12: Responsible Consumption & Production <i>"Culture before profit"</i></p>	<p>This goal has connectivity across all three ESG criteria which is material to our operations and our eco system. Sustainable consumption and production is about promoting resource and energy efficiency, sustainable infrastructure and providing access to basic services, decent jobs and a better quality of life for all.</p> <p>Through our track record of finding solutions and being creative, we have demonstrated the value of recycling and sustainable production. We are reviewing technological and investment opportunities which will expand our contribution, making working more efficient, providing better resources to our workforce, increasing recycling rates and reducing carbon footprint.</p> <p>We have a collective code of conduct and ethics which steer us in our procurement and supply chain assessment. These collective principles promote sustainable lifestyles for consumers, society and communities.</p>

UN SDG	Alignment to the Goals
<p>SDG 7 & 13: Clean and Affordable Energy for all and Climate Action <i>“Global Corporate Citizen”</i></p>	<p>Our brand essence and leadership principles, forces us to always aspire to be a good corporate citizen. To fulfil this aspiration, we fully support urgent action to combat climate change.</p> <p>Through our success in recycling which feeds into the circular economy, we absolutely know resource efficiency lowers carbon footprint and is less burdensome to the planet.</p> <p>We acknowledge there is more work to be done and will look at viable options presented to us with regards to access to increasing recycling rates and access to renewable energy where possible.</p>

4 RISK MANAGEMENT

4.1 Principles for Risk Management

MX Holdings through its trading group (which includes Metal Exchange and Metal Exchange International) has been working in dynamic metal markets for both our primary and secondary products for decades. We have mature risk management and governance practices which we have deployed to manage compliance, credit, market and liquidity risks.

While at Electro Cycle and Pennex, our recycling and manufacturing arms, we have fine-tuned mitigation techniques to cope with operational, social and environmental exposures. Our recent reorganization calls for transfer and consolidation of these skills to utilize the best resources at executive and middle management levels to manage our ESG risks in the most effective way.

To enable this (and as described earlier), we have established three core working groups, Health and Safety workgroup, Community Engagement workgroup and Environment workgroup which will focus on taking a “risks, opportunities and materiality” based approach in addressing key topics within ESG or sustainability areas. These areas of materiality have been identified via our double materiality assessment. Having the governance in place allows us to review, report, progress and adapt our behaviour and actions according to the agenda and strategy set by these workgroups.

4.2 Assessing Sustainability Risks

At MX Holdings, we are committed to transparency, responsible business practices, and meaningful engagement with our stakeholders. As part of our dedication to sustainability, we employ a comprehensive approach known as "double materiality analysis" to guide our sustainability reporting efforts. This approach underscores our recognition of the interconnectedness between financial and sustainability (or impact) considerations, driving us to make informed decisions that contribute to both our business success and the health of society and the environment.

4.2.1 Financial Materiality:

In our pursuit of sustainability, we understand that the financial implications of environmental, social, and governance (ESG) factors are critical. Our financial materiality analysis involves a rigorous examination of ESG risks and opportunities that could impact our financial performance. By assessing factors such as regulatory or legislative changes, market trends, and supply chain resilience, we ensure that we are well-prepared to navigate the evolving business landscape.

4.2.2 Impact Materiality:

Equally important to us is our commitment to the well-being of our stakeholders and the planet. Our impact materiality analysis entails identifying and prioritizing ESG issues that matter most to our stakeholders and have a broader societal impact. We engage with our employees, customers, investors, communities, and other partners to understand their concerns and expectations. This helps us address issues such as diversity, equity, and inclusion, environmental conservation, and ethical sourcing that align with our values and contribute positively to the world.

4.2.3 Double Materiality assessment process

Across each of the ESG categories of Environment, Social and Governance, there are 15 topics which are likely to have an impact on our group. Topics covered during the assessment are listed below.

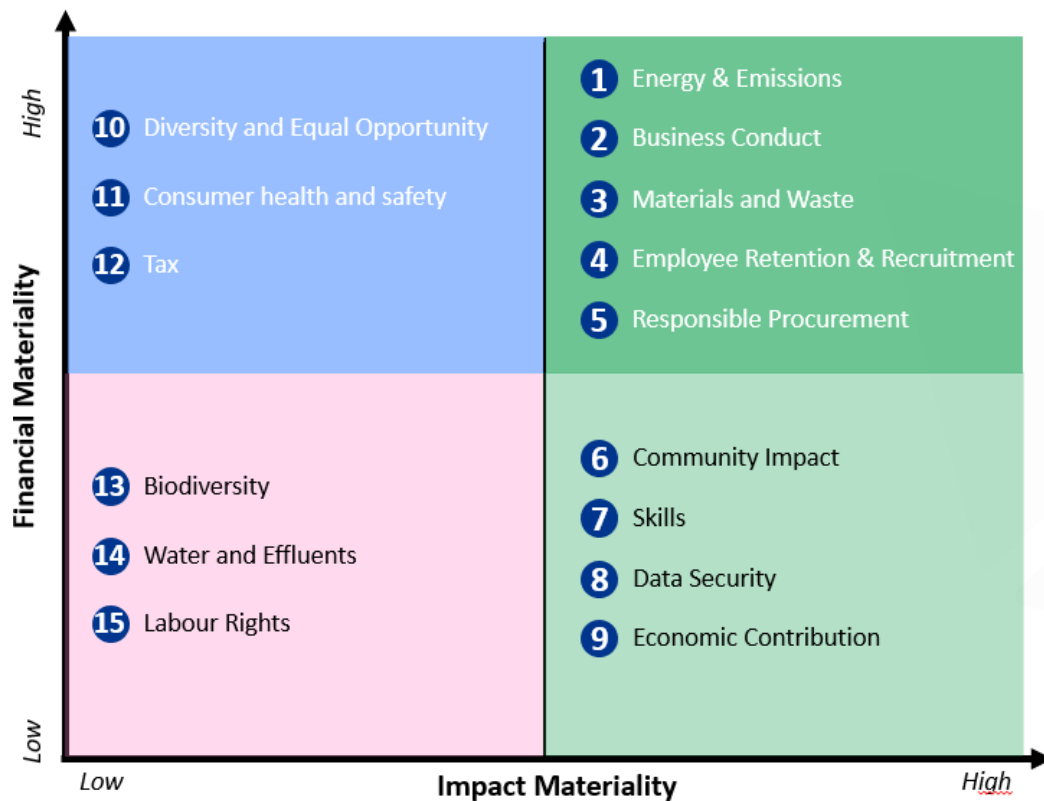
E	S	G
<ol style="list-style-type: none"> 1. Energy and Emissions 2. Biodiversity 3. Materials and Waste 4. Water and Effluents 	<ol style="list-style-type: none"> 1. Employee Retention and Recruitment 2. Data Security 3. Skills 4. Diversity and Equal opportunity 5. Consumer health and safety 6. Community impact 7. Labour rights 	<ol style="list-style-type: none"> 1. Business Conduct 2. Economic Contribution 3. Responsible Procurement 4. Tax

The process itself saw us engaging with our internal stakeholders who have the most comprehensive view of the group and its activities. Our ELT members provided input and insight into the assessment. To have the best outcome, we reviewed the status quo of current approach and project what is required of us from a sustainability standpoint. An illustration of our approach is below:

Current State	Criteria	Future State
Review and analysis: <ul style="list-style-type: none"> • Legislation • Industry Trends • Existing Policies 	The 15 topics were tested with stakeholders, including shareholder, key management and selection of strategic customers. The objective was to understand their perceived importance. This was achieved via <ul style="list-style-type: none"> • Interviews and • review of initial double materiality outcomes 	Validation of double materiality outcomes through workshops with ELT, in which: <ul style="list-style-type: none"> • The double materiality matrix was refined and given priority. • Top 5 focus areas were validated. • Level of ambition assessed.

4.2.4 Double materiality matrix

Our stakeholders qualified each topic as High, Medium or Low, depending on level of financial and impact materiality to the group. Our findings revealed that the most material of topics which scored both High on financial materiality and on impact materiality are Energy and Emissions, Business Conduct, Materials and Waste, Employee Retention and Recruitment, and Responsible Procurement. Please refer to the matrix below.



ID	Area
1	Company's energy and emissions, waste & recycling activities & green product offering.
2	Disclosure of policies externally and internal measurement or monitoring of various conduct and governance codes.
3	The organization's policy around recycling activities in addition to handling of waste according to regulation.
4	Areas of governance, policies and practice which support employees and recruitment.
5	Relates to corporate, procurement of energy sources, supply chain engagement and assessment.
6	The measurable change or influence on a local communities' well-being, progress and economic betterment.
7	Training, education, learning and development
8	The safeguarding of information from unauthorized access, ensuring confidentiality, integrity, and availability while preventing breaches and leaks
9	The company financial influence on regional growth
10	Promote fairness, inclusion, and representation, fostering a more equitable/inclusive business.
11	Ensures the products and services meet rigorous standards, protecting wellbeing of consumers
12	Organizations are encouraged to adhere to tax rules whilst being as a transparent as possible regarding their approach to taxation (tax strategy, policies and practices)
13	Ensures the business and business processes promote and safeguard biodiversity
14	Safe management of clean water supply and wastewater treatment systems
15	Ensuring fair treatment, compensation, and safe conditions for all workers

Our three workgroups will concentrate efforts on addressing gaps identified with regard to these top 5 areas.

4.2.5 Risks and Opportunities

As mentioned earlier, the extensive double materiality assessment process allowed us to explore the risks and opportunities inherent in the 5 key topics which are our areas of focus. The illustration below provides an insight to this.

There are also considerable opportunities to be gained from our work. The targets we set for ourselves dovetails with our strategic expansion plans, which will have a positive impact to both internal and external stakeholders.

5 CLIMATE AND ENERGY

5.1 Committed to circular economy

At MX Holdings we are fully committed to operating according to the principles of the circular economy. Our core objective is to continually improve recycling rates, aiming to achieve and surpass a rate of 70% in our aluminum VAP extrusion operations. We believe that by doing so, we can make a significant contribution towards building a sustainable and waste-free future.

In order to achieve our recycling rate target and deliver a high-quality aluminum product, we actively collaborate with various stakeholders, including manufacturers, suppliers, and customers. By fostering strong relationships and partnerships, we endeavour to create a closed-loop system that allows aluminum resources to be recycled and reintroduced into the supply chain, rather than being wasted or discarded.

We take into consideration environmental impact priorities that relate to our production process starting with our own cast extrusion billet and proceeding through extrusion, fabrication, packaging and shipping.

We believe that by continuously learning, adapting, and embracing creativity, we can make a significant difference in the recycling landscape. Hence, we seek to uncover new methods for efficiently recovering aluminum from various sources, including consumer products, industrial waste, and manufacturing byproducts. By pushing the boundaries of recycling, we aim to drive progress and maximize the value of aluminum throughout its lifecycle.

Recycling is part of our everyday life.

Beyond recycling, MX Holdings is committed to preserving our natural resources and protecting the air, water, and land of our environment. Further, we are committed to reducing, and where possible, eliminating the use and release of any toxic and hazardous materials from our plant operations. We support and encourage recycling and all actions to reduce the solid waste produced in our operations from both direct manufacturing operations and indirectly from materials contained in purchased supplies.

5.2 Climate change and our business

At MX Holdings, we believe that addressing the profound and far-reaching impacts of climate change is not just a moral obligation, but also a strategic imperative. We are committed to reducing our emissions, conserving resources, and promoting sustainable practices to ensure a greener, more resilient future for all.

We understand that climate change brings with it both new risks and opportunities. Rising temperatures, extreme weather events, and resource scarcity pose challenges to our operations, supply chains, and the communities we serve. However, we are committed to embracing the challenge and transforming it into an opportunity for positive change.

Our commitment extends beyond words alone. We are actively investing in innovative solutions to maintain our 99% recycling rates. Although further incremental benefits can be seen from post-consumer recycling, this will need review. This enables us to extend the lifecycle of the products we manufacture and simultaneously reduce our footprint.

We are looking to build a culture of sustainability within our organization which, over time, will integrate climate resilience into business.

At MX Holdings, we believe that addressing climate change is not just a moral obligation, but also a strategic imperative. We are committed to reducing our emissions, conserving resources, and promoting sustainable practices to ensure a greener, more resilient future for all.

5.3 Energy Intensity

At MX Holdings we are proud for having recycling at the core of our operations. Recycled aluminum is 95% less energy intensive than primary aluminum, which in turn puts MX Holdings in a privileged position when it comes to energy intensity of its products. This, however, is no reason for complacency when it comes to use of energy in our casting and extrusion processes. We are always looking for new opportunities to improve our energy efficiency credentials.

5.4 Metrics and Targets

5.4.1 2023 Commitments:

- Implement Environmental workgroup.
- Measure scope 1,2 and 3 emissions
- Set environmental related targets for Medium (2030) and Long term (2050)
- Improve training and awareness of environmental risks and opportunities across the business

5.4.2 Metrics to be tracked from 2024:

- Scope 1, 2 and 3 emissions
- Increase recycled content
- Establish process for supply chain assessment in terms of sustainability criteria
- Use of renewable energy in industrial operations
- Waste volumes to landfill
- Impact of community linked recycling awareness initiatives

- Review our certification of recycled billet and VAP products.

6 PEOPLE WORKFORCE LABOR PRACTICES AND WELLBEING

6.1 Workforce

We believe that to deliver the best services and products, our workforce must be invested, engaged and committed; this belief underlies our complete commitment to the well-being and growth of our workforce. Central to this commitment is a desire to make our workplace inclusive and open, regardless of the background of our employees. We acknowledge that fostering diversity and inclusion requires continuous dedication and consistent improvement, rather than viewing it as an isolated goal. For this reason, we have a wide range of programs and policies, detailed below, aimed at promoting equal opportunities and empowering our employees to learn, develop and most importantly, to feel safe in the workplace.

6.1.1 Commitment to responsible business via our Code of Conduct

As per the MX Holdings Code of Ethics and Conduct (see section 3.1.1.1.1), we uphold a commitment to the safety, health, and well-being of our employees, above all else. This is a responsibility which we take both seriously and universally, ensuring equally rigorous protocols across all locations. This principle of responsible business we also extend to our commercial transactions, which we commit to performing in an ethical, legal, and responsible way.

6.1.2 Equal Opportunity Policy

As an equal opportunity employer, we do not discriminate on the basis of race, color, religion, nationality, age, gender, sexual orientation, marital status, disability, or any other protected characteristic as defined by the law. Our management team is dedicated to this policy not only at recruitment and training state, but also with regards to treatment at all levels of employment. For this reason, we endeavour to make reasonable accommodation of an individual's physical or mental disability, sincerely held religious beliefs and practices, and/or any other reason required by applicable law, unless doing so would impose undue hardship upon Company business operations. We are committed to complying with the Americans with Disabilities Act (ADA), meaning that we will endeavour to make a reasonable accommodation to applicants and employees who have requested an accommodation.

6.1.3 Complaints and anti-harassment Mechanisms

MX Holdings has a set of rigorous mechanisms and procedures in place to prevent harassment or abusive conduct in the workplace. Firstly, supervisors and managers are obliged to report the issue to the VP of Human Resources. We also have a set of reporting procedures, including a third-party ethics hotline (Lighthouse) should the witness not be

comfortable reporting internally. We will endeavour to conduct a fair and thorough investigation into the facts and circumstances of any claim of a violation of their harassment or equal opportunities policy: this investigation will be as rigorous as possible, including a review of any relevant documents and interviews with all parties involved. Finally, all Employees are required to undergo harassment prevention training as required by applicable law.

6.1.4 Corporate Health and Safety Policy:

At MX Holdings, Safety is non-negotiable, and we are unwavering in our commitment to employee well-being and environmental responsibility. Management and staff have a safety system in place to implement an ideal working environment, which includes continuous improvement, a safety pledge, employee involvement, ongoing training and commitment to reduce safety-related impacts on our community. Our ultimate aim is a ZERO injury and illness incident rate, achieved through the collective commitment of every employee to their own safety, as well as that of their colleagues and the community.

To limit the likelihood of such injuries, we enforce the wearing of personal protective equipment (PPE), under threat of disciplinary action should employees fail to utilize appropriate equipment. The following items will be provided at the company's expense: safety glasses, steel capped safety shoes, earplugs and earmuffs.

6.1.5 Promotions and Job Posting:

We believe in the principle of promoting from within the company where possible, whilst also engaging in effective recruitment and selection practices in compliance with all applicable employment laws. This means that once an open position is approved for recruitment, HR will post the job on our internal career page and on the employee bulletin board. The position will be posted internally for at least five business days, during which time eligible employees may apply. Internal candidates may or may not be given preference depending on the circumstances. Employees are also entitled to transfer to other jobs as vacancies become available.

6.1.6 Benefits:

In keeping with MX Holdings' principle that an engaged and healthy workforce delivers the best services and products, it is our policy to provide a combination of supplemental benefits to all eligible employees, and to continue to evaluate these benefits to ensure they meet the requirements of employees.

<p>Principle 1: Productivity over Face Time: where possible, we will seek to allow employees to work remotely if their job duties and work performance are determined to be eligible for remote work. We also aim to provide flexible workers with the specific equipment and technology which remote working demands.</p>	<p>Principle 2: Ensuring accessible pay packages: we appreciate that life can be unpredictable, and employees may need access to their salary before the designated company payday; for this reason we endeavour to set up a platform, through which employees can access a proportion of their earned wages prior to the regular payday.</p>	<p>Principle 3: Time to Recharge: Holidays are important periods of rest and recharge for all of our employees; for this reason, we will observe certain holidays each year as determined by management. Similarly, in order to promote a healthy work-life balance, we have designed a paid time off plan, to maintain quality performance and a positive work atmosphere. We also have a leave of absence scheme for eligible employees.</p>
<p>Principle 4: Disability Benefits (short and long term): MX Holdings endeavours to protect earnings for employees with a short term, or an extended-term disability. For example, we have a Long-Term Disability (LTD) plan designed to ensure that employees receive a proportion of their covered monthly earnings. Employees injured on the job will be covered by our insurance.</p>	<p>Principle 5: Access to flexible insurance policies: MX Holdings have a suite of insurance policies across a range of areas: medical, dental, vision, Health Savings Accounts, Health Reimbursement Accounts, Flexible Spending Accounts, and Life Insurance [subject to change].</p>	<p>Principle 6: Flexible Employee Assistance and Counselling: We aim to give employees access to trained professionals and to appropriate resources to help them cope with healthcare/administrative/personal issues.</p>
<p>Principle 7: Encouraging learning and self-development: we encourage full-time employees who wish to take credit classes from eligible school to apply for educational reimbursement. Subject to approval and performance during the classes, employees may be eligible for up to 100% of the cost of tuition.</p>	<p>Principle 8: Providing for Retirement: Eligible employees can participate in MX Holdings' retirement plan. The company will match contributions to your account at 100% of the first 4% you contribute.</p>	<p>Principle 9: Enablement of leaves of absence: MX Holdings appreciates that employees may require leaves of absence for a variety of different reasons (e.g. voting leave, bereavement, military, medical, family, pregnancy, crimes of violence, organ donation, volunteer emergency services or small necessities). Depending on the circumstances, efforts will be made to ensure the employee can take this leave.</p>
<p>Principle 10: Outside Employment: Employees are permitted to engage in outside work or to hold other jobs, as long as the job does not conflict with or compromise The Company interest, or adversely affect job performance.</p>	<p>Principle 11: Open Door Policy: MX Holdings strives to ensure that its working conditions/compensation) are competitive with those offered by other employers in the area and industry. If employees have concerns about working conditions or compensation, they are encouraged to voice these concerns directly to their supervisors.</p>	<p>Principle 12: Celebrations: MX Holdings aims to foster a culture where celebrations are welcomed, whilst treating all employees alike. We aim to recognise events which are important to our employees, including but not limited to: birthdays, weddings, births/adoptions and retirement.</p>

6.2 Charitable Initiatives:

Our commitment to empowering our employees to achieve the best version of themselves applies both within the workplace and externally: we demonstrate our commitment to this goal by supporting the communities in which our employees live and work. We organize Company-sponsored fundraisers and volunteer events, as well as providing volunteer paid time off and making contributions, including matching contributions, to qualified charitable, educational, and environmental organizations (Community Impact Organizations). Additionally, all employees are eligible to participate in the Employee fundraising program, as well as having the option to submit an individual volunteering request.

7 HEALTH AND SAFETY

We believe that integrating health and safety into every operation at our facility is of the utmost importance. To this extent, the company strives to comply with all applicable laws and regulations that govern our operations. In doing so, we conduct our processes and operations in a manner that strives to reduce or eliminate the conditions that are unhealthful or could cause injury to our employees. Employees are consistently urged to report unsafe conditions in their workplace and work with management to alleviate these conditions where they may exist.

Safety is non-negotiable. The commitment to the health, safety and wellbeing of our employees, as well as the environment, will not be compromised for the sake of quality or production. Management and staff have implemented and committed to a Safety system designed to ensure that all these goals are met. This system provides for:

- The continual commitment of improving safety at our workplace
- Implementation of a safety pledge
- Employee involvement and ownership of safety
- Awareness and continual training regarding safety and environmental issues
- A commitment to visitors, neighbours and our community to lessen or eliminate any safety-related impacts from our operations that could impact them

Within the scope and applicability of our Safety Management System, we have established a goal to have injury and illness incident rates of ZERO. To accomplish this goal, we ask each of our employees to commit not only to their own safety but to the safety of their co-workers and their community as well.

7.1 MX Holdings Safety recognition standards

	Not Good Standing	Good Standing	President's Level	Chairman's Level
<i>Safety Performance (Calendar Year)</i>	Requires:	Incident Rate \leq 4.00	Incident Rate \leq 2.00	Incident Rate \leq 1.00
	<ul style="list-style-type: none"> Facility conducts a LSA review of all events and corrective actions. Learning team to develop best practices or additional CA's Site Leadership Team established KRA and/or plan to reach Good Standing. 	(1 recordable incident or less if the facility works less than 50,000 hours per year) AND Frequency Rate \leq 2.00	AND Frequency Rate \leq 1.00 AND Previous Year at Good Standing Level or Better	AND Frequency rate = 0.00 AND Previous Year at President's Level or Better
OSHME (Formal audit in the last 3 years)		> 70%	> 80%	> 90%
Innovation			Innovative programs/events to motivate, educate or improve the safety system.	Innovative programs/events to motivate, educate or improve the safety system.

8 STAKEHOLDER ENGAGEMENT

As mentioned earlier, this is the start of our sustainability journey. Our ESG policy is very much a live document, and we will review and update annually to capture our most recent policy stance in the areas covered above. We acknowledge there is much progress to be made and will work with our stakeholders to achieve our ambitions. In this regard, we welcome feedback both from our internal and external stakeholders. The feedback received and subsequent dialogue will accelerate the pace of our journey.

REVISIONS

2026

- Remove Electro Cycle from the document due to business updates.