



MATERIAL DILIGENCE REPORT

2025

SCOPE OF THE REPORT

- › This report is presented as a risk analysis of the supply chain of Waldaschaff Automotive Mexico S de RL de CV, applies to the main source of aluminum raw material, which corresponded to the major composition of our finish goods.
- › The scope of the analysis is human rights and environmental due diligence and to drive collaborative action.

The analysis is based on the guideline of the “Raw Material Outlook Platform” and the “Material Change – a study of risks and opportunities for collective action in the materials supply chains of the automotive and electronics industries”.



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RESPONSIBLE MINERAL INITIATIVE



Introduction to the RMI

- › Founded in 2008 by members of the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative (GeSI), the RMI serves as a collaborative, multi-industry platform that encourages and improves regulatory compliance and company due diligence through the development and broad application of tools, resources and guidance documents.
- › The RMI creates the enabling conditions for its member companies to identify, assess and mitigate salient risks in their material supply chains.
- › The RMI is developing a sensing and prioritization process to assist member companies to understand such demands for responsibly sourced materials, to prioritize efforts to meet it, and to manage associated commercial risks.

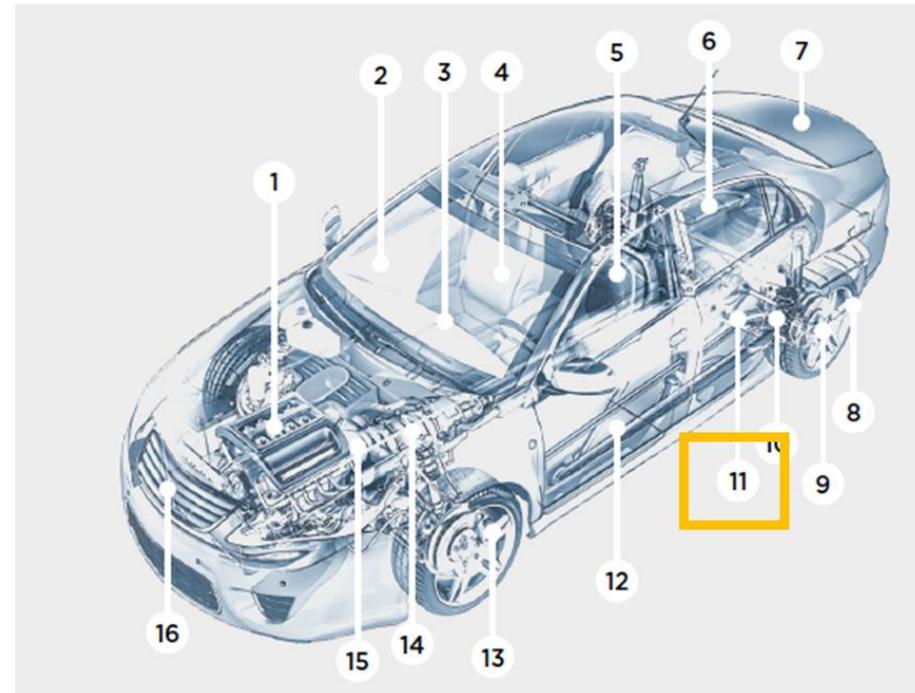
RESPONSIBLE MINERAL INITIATIVE



SELECTED MATERIALS IN A PASSANGER VEHICLE APPLICABLE TO WAM

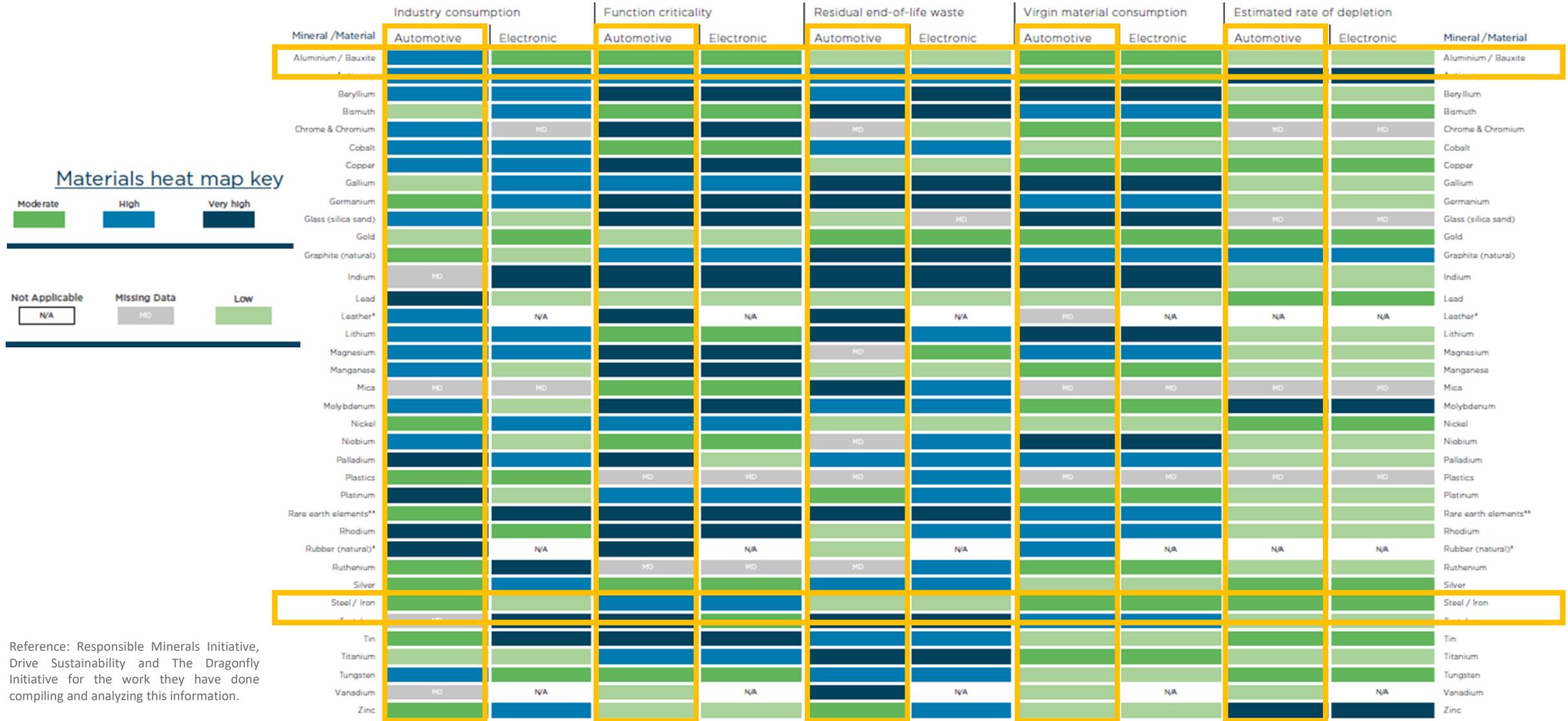
11 – Chassis (Crash Management System, Structural Parts)

Material: Steel/ Iron & Aluminum



CRITICAL MINERALS

Materials heat map according to their importance in the Industry (Automotive- Applicable to WAM)



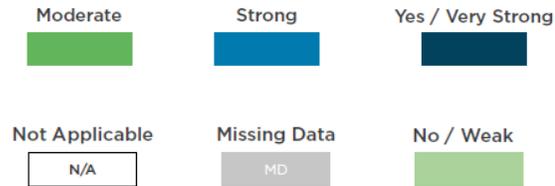
Reference: Responsible Minerals Initiative, Drive Sustainability and The Dragonfly Initiative for the work they have done compiling and analyzing this information.

CRITICAL MINERALS

Materials heat map according to their association with Environmental, Social, and Governance Issues (Automotive- Applicable to WAM)

Mineral /Material	Artisanal and small-scale mining (ASM)	Child labour and forced labour	Countries with weak rule of law	Countries experiencing corruption	Countries experiencing high-intensity conflict	High CO2 emissions	Incidence of conflict with indigenous peoples	Incidence of overlap with areas of conservation importance	Potential of acid discharge to the environment	Potential for harm from hazardous materials and chemicals	Preconditions for radioactive materials in ore/datings	Mineral /Material
Aluminium / Bauxite												Aluminium / Bauxite
Antimony						MD		MD				Antimony
Beryllium						MD	MD	MD				Beryllium
Bismuth						MD	MD					Bismuth
Chrome & Chromium						MD		MD				Chrome & Chromium
Cobalt												Cobalt
Copper												Copper
Gallium			MD	MD	MD							Gallium
Germanium	MD					MD	MD	MD		MD	MD	Germanium
Glass (silica sand)								MD			MD	Glass (silica sand)
Gold												Gold
Graphite (natural)	MD					MD		MD				Graphite (natural)
Indium												Indium
Lead												Lead
Leather	N/A							MD	N/A		N/A	Leather
Lithium												Lithium
Magnesium	MD											Magnesium
Manganese						MD						Manganese
Mica						MD						Mica
Molybdenum						MD	MD	MD				Molybdenum
Nickel												Nickel
Niobium	MD					MD						Niobium
Palladium								MD				Palladium
Plastics	MD					MD	MD	MD	N/A	MD	MD	Plastics
Platinum												Platinum
Rare earth elements**	MD					MD						Rare earth elements**
Rhodium			MD	MD	MD	MD	MD					Rhodium
Rubber (natural)	N/A								N/A		N/A	Rubber (natural)
Ruthenium			MD	MD	MD	MD	MD					Ruthenium
Silver												Silver
Steel / Iron												Steel / Iron
Tantalum						MD	MD					Tantalum
Tin						MD						Tin
Titanium	MD											Titanium
Tungsten						MD						Tungsten
Vanadium	MD						MD	MD		MD	MD	Vanadium
Zinc												Zinc

Materials heat map key



Reference: Responsible Minerals Initiative, Drive Sustainability and The Dragonfly Initiative for the work they have done compiling and analyzing this information.

CRITICAL MINERALS

Automotive Industry Consumption – Association with artisanal and small-scale mining (ASM)

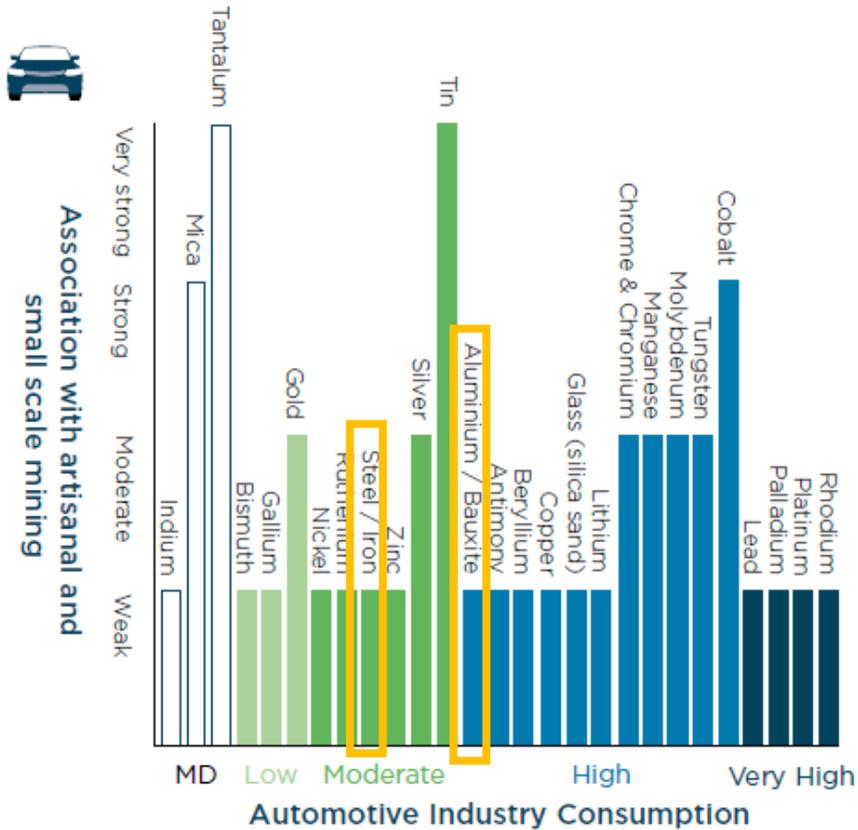


Figure 9: Ratings of materials' association with ASM and by automotive industry % of total global consumption

Automotive Industry Consumption – Association with child labour and forced labour

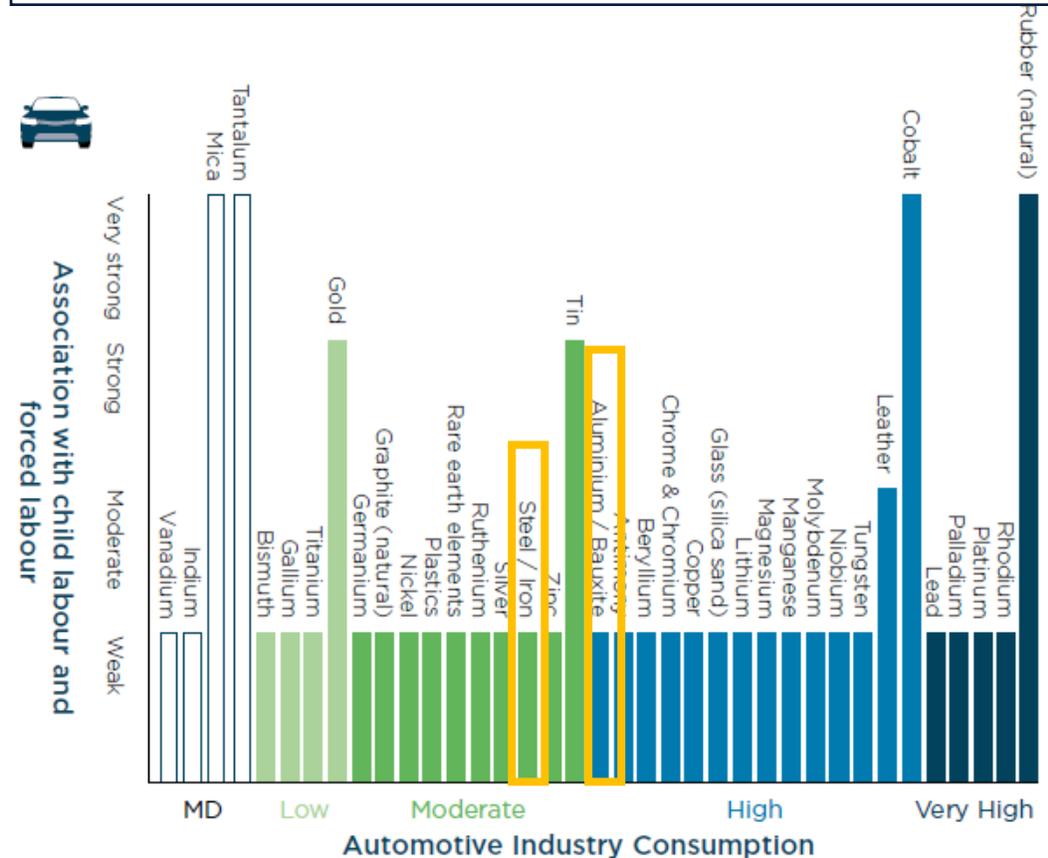


Figure 11: Ratings of materials' association with child labour and forced labour and by automotive industry % of total global consumption

CRITICAL MINERALS

Automotive Industry Consumption – Association with countries with weak rule of law

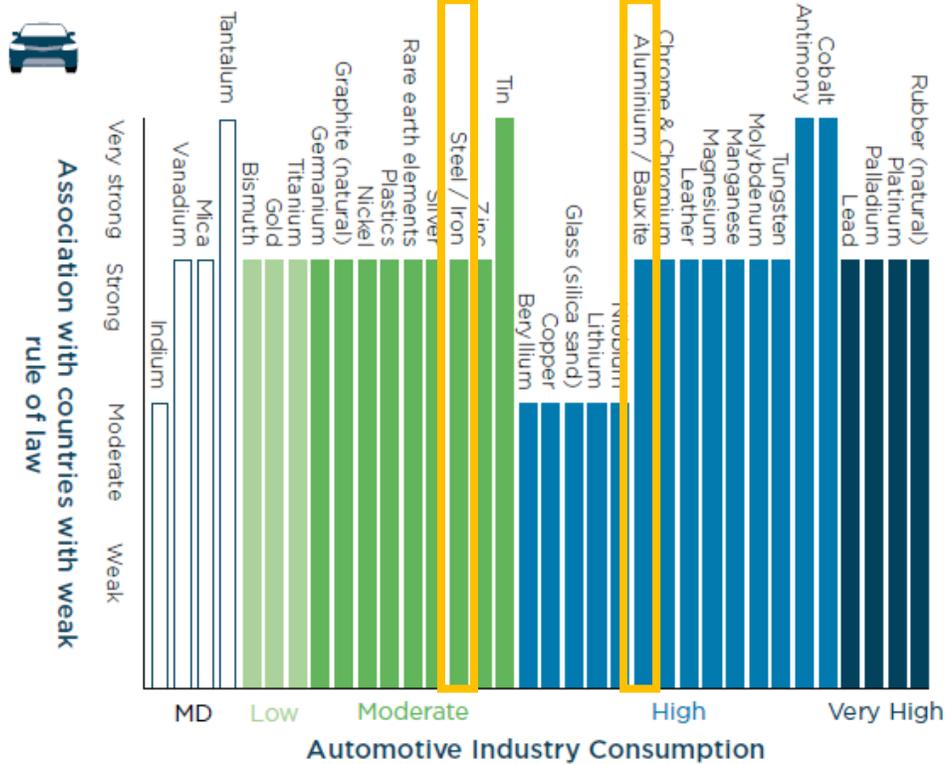


Figure 13: Ratings of materials' association with countries associated with weak rule of law and by automotive industry % of total global consumption

Automotive Industry Consumption – Association with countries experiencing corruption

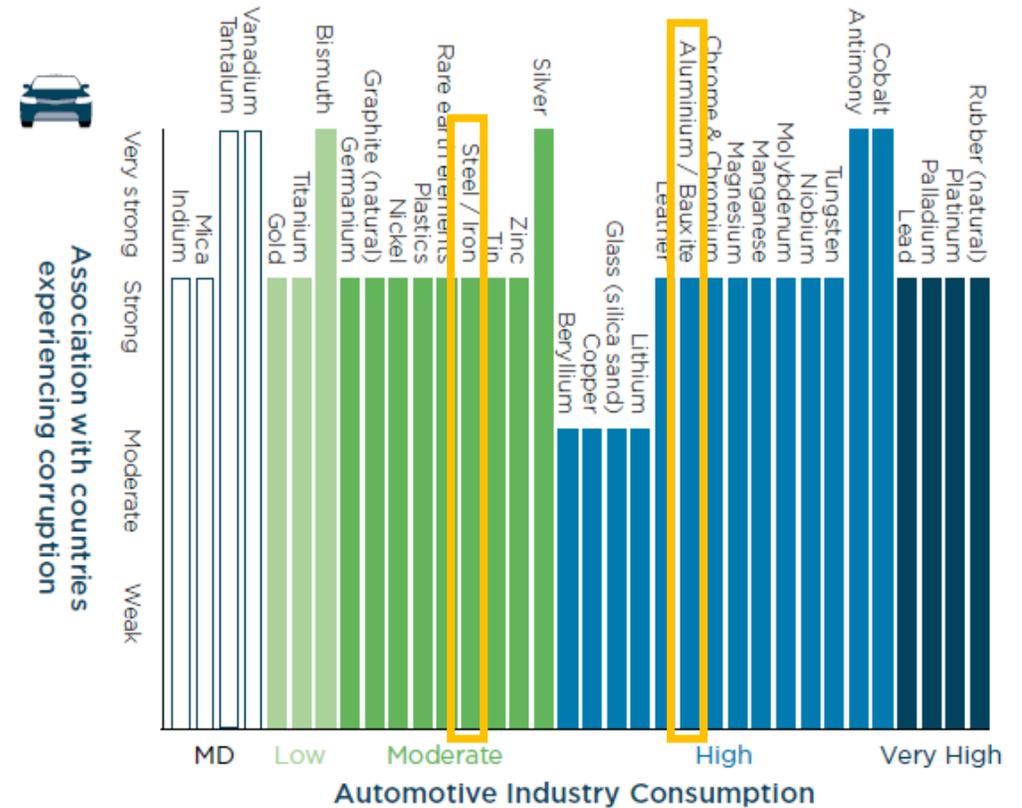


Figure 15: Ratings of materials' association with countries experiencing corruption and by automotive industry % of total global consumption

CRITICAL MINERALS

Automotive Industry Consumption – Association with countries experiencing high-intensity conflict

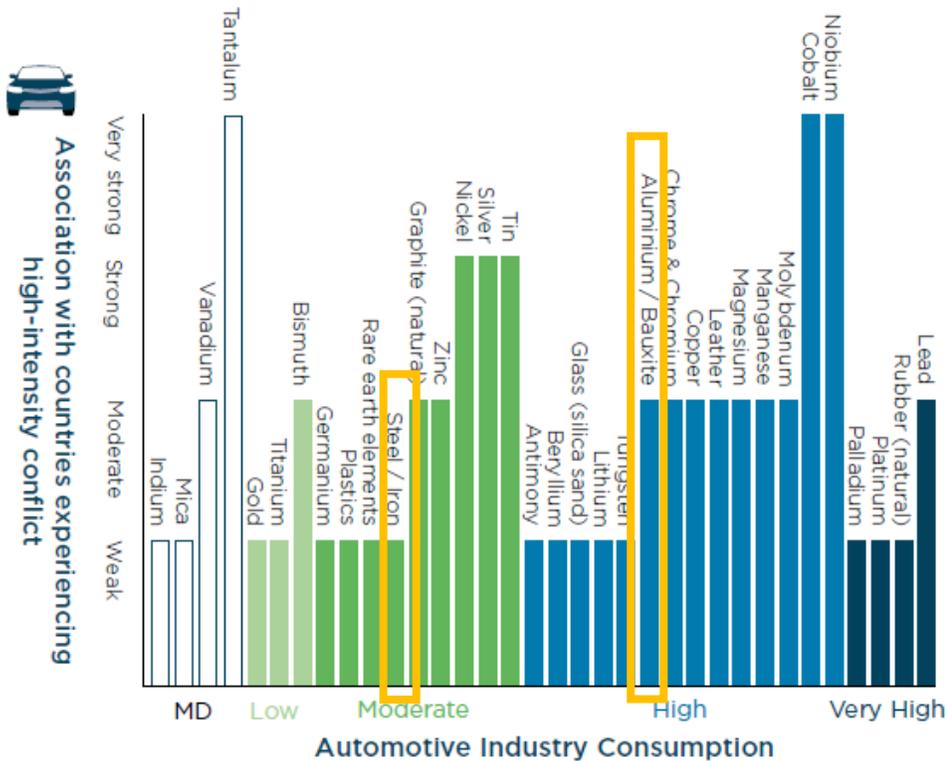


Figure 17: Ratings of materials' association with countries experiencing high-intensity conflict and by automotive industry % of total global consumption

Automotive Industry Consumption – Association with high CO2 emissions

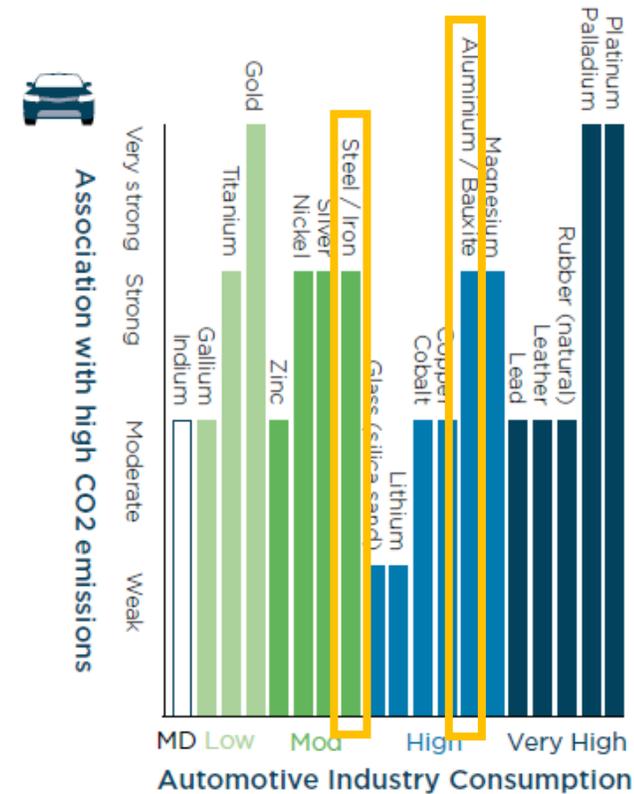


Figure 19: Ratings of materials' association with high CO2 emissions and by automotive industry % of total global consumption

CRITICAL MINERALS

Automotive Industry Consumption – Association with incidences of conflict with Indigenous People

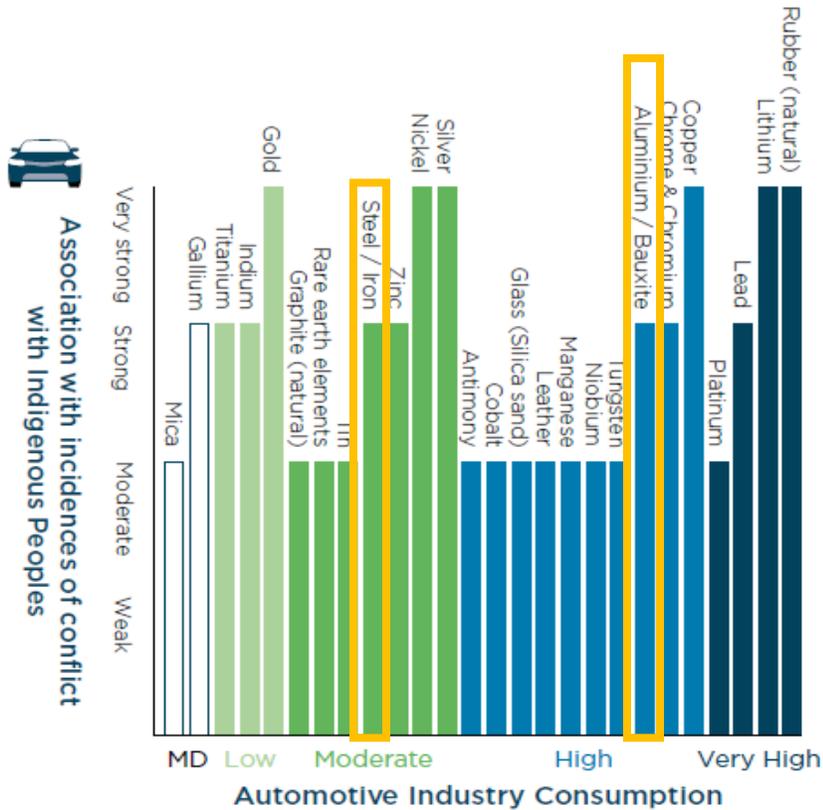


Figure 21: Ratings of materials' association with incidences of conflict with Indigenous Peoples and by automotive industry % of total global consumption

Automotive Industry Consumption – Association with the potential for harm from hazardous materials or chemicals

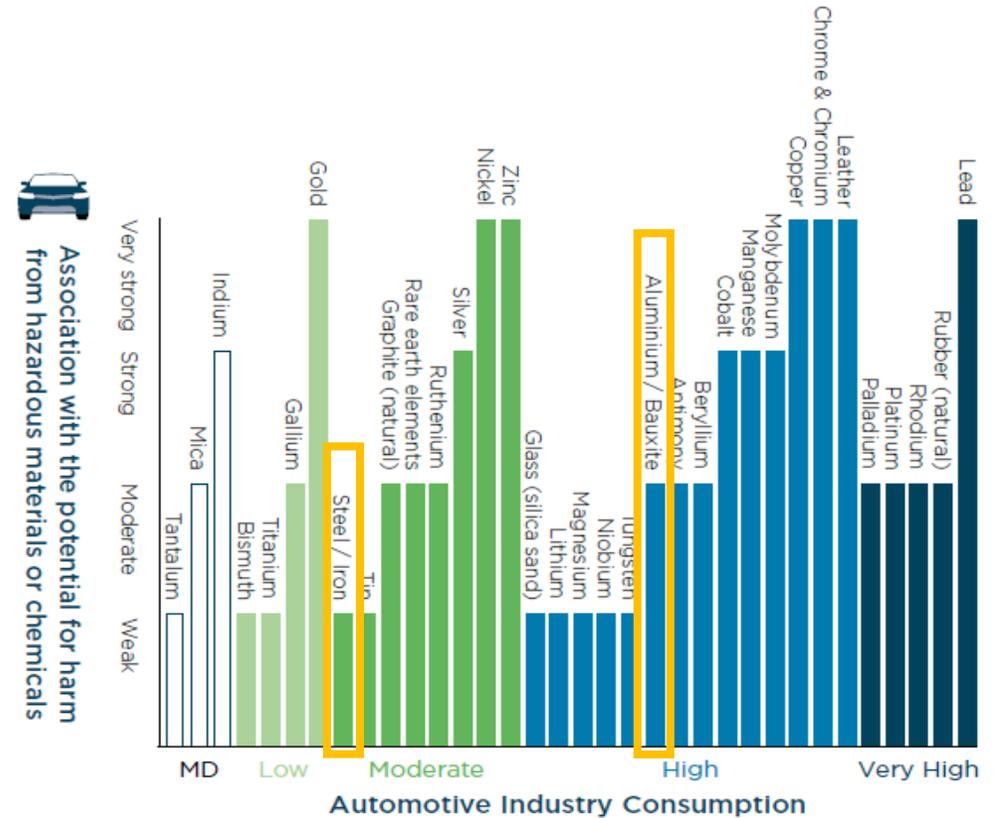


Figure 23: Ratings of materials' association with potential for harm from hazardous materials or chemicals and by automotive industry % of total global consumption

MATERIAL PROFILE: ALUMINUM

Please see www.thedragonflyinitiative.com/material-change-report for the methodology and a guide to the criteria and indicators used to generate the information in this profile.

Material uses	Passenger vehicle 	Smartphone 		
Applications of aluminium:	Chassis, engine, printed circuit board	Printed circuit board, casing		
Other profiled materials in these applications:	(chassis, engine:) steel	(printed circuit board:) copper, nickel, gold		
Material significance	Low	Mod	High	V. High
% content in a passenger vehicle and smartphone:				
Industry consumption:				

Top producer country information

	Australia	China	Brazil	India	Guinea
% Global Mined Production (Bauxite)	31	25	13	10	8
% Global Production (Alumina)	18	50	9	5	0
% Global Reserves	22	4	9	2	26
% Mining Sector Contribution to GDP	3.8	0.5	1.3	0.3	9.5
Human Development Index	0.939 V. HIGH	0.738 HIGH	0.754 HIGH	0.624 MEDIUM	0.414 LOW
Rule of Law	STRONG	WEAK	MODERATE	MODERATE	V. WEAK
Experience of Corruption	LOW	HIGH	HIGH	HIGH	V. HIGH
Experience of State Conflict (Heidelberg Conflict Barometer)	LOW (Dispute)	MODERATE (Violent Crisis)	HIGH (Limited War)	MODERATE (Violent Crisis)	MODERATE (Violent Crisis)

Types of environmental, social and governance issues

- Conflict with Indigenous people
- Potential for harm from hazardous material and chemicals
- Aluminum and livelihoods
- High CO2
- Potential for harm from hazardous materials and chemicals

MATERIAL PROFILE: STEEL

Material uses	Passenger vehicle 	Smartphone 		
Applications of steel:	Body panels, brakes, chassis, engine, suspension, transmission, wheels	Vibration unit, microphone / speaker		
Other profiled materials in these applications:	(steel alloys:) aluminium, copper, manganese, nickel			
Material significance	Low	Mod	High	V. High
% content in a passenger vehicle and smartphone:				
Industry consumption:				
Other top consuming industries:	Construction, other transport, consumer durables, machinery			
Function criticality:				

Raw Steel

	China	Japan	India	USA	Russia
% Global Production	50	7	5	5	4
Human Development Index	0.738 HIGH	0.903 V. HIGH	0.624 MEDIUM	0.920 V. HIGH	0.804 V. HIGH
Weak Rule of Law	HIGH	LOW	MODERATE	LOW	V. HIGH
Experience of Corruption	HIGH	LOW	HIGH	LOW	V. HIGH
Experience of State Conflict (Heidelberg Conflict Barometer)	MODERATE (Violent Crisis)	LOW (Non Violent Crisis)	MODERATE (Violent Crisis)	MODERATE (Violent Crisis)	MODERATE (Violent Crisis)

Types of environmental, social and governance issues

- Conflict with Indigenous Peoples; Incidences of overlap with areas of conservation importance.
- Potential for harm from hazardous materials and chemicals and for acid discharge; High CO2 emissions.
- Steel livelihoods
- Association with countries experiencing high-intensity conflict.

PRODUCTION OVERVIEW - ALUMINUM

Production overview



Bauxite Mining



Aluminium Production
(alumina refining and
aluminium smelting)



Casting and intermediary
products



Semi-fabrication

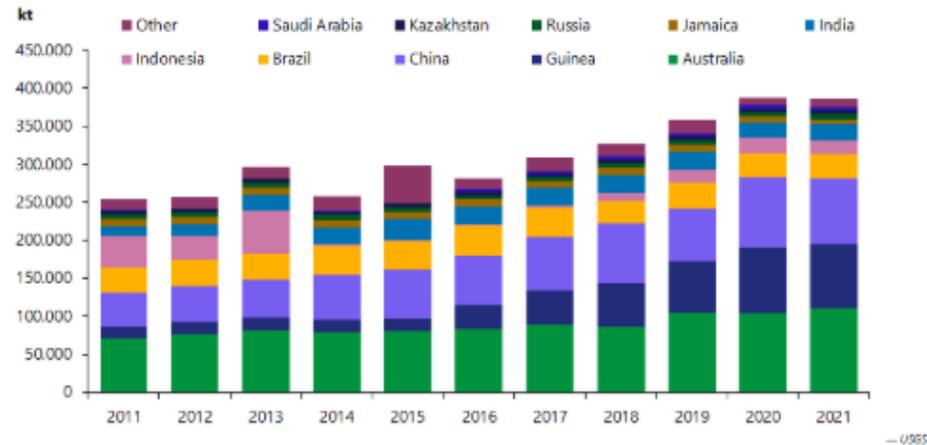


Recycling

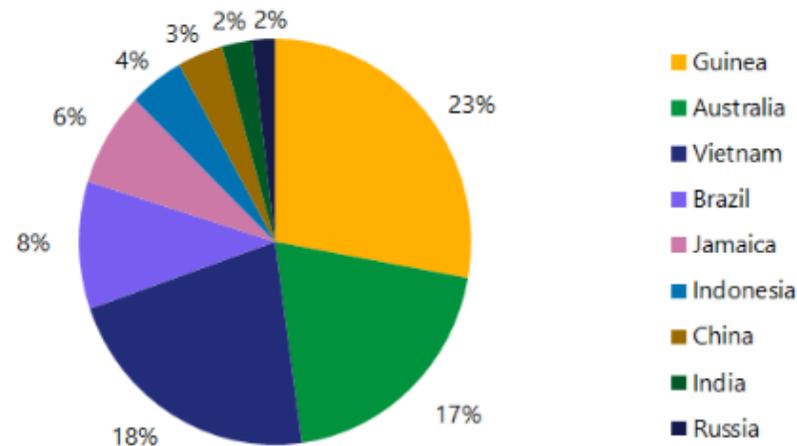


Trading, transport and
logistics

Top 10 producing countries



Reserves, 2021



Main mines and locations

Mine	Location
Huntly Mine	Dwellingup, Western Australia
Andoom/Amrun/East Weipa	Weipa, North Queensland, Australia
Porto Trombetas	Porto Trombetas, Para, Brazil
Boke (Sangaredi)	Boke, North-western Guinea
Kendawangan	West Kalimantan, Indonesia
Boffa	Western Guinea
Paragominas	Paragominas, Para, Brazil
Panchpatmali mines	Koraput district, Odisha, India
Jiakou Bauxite Mine	Shanxi Province, China

PRODUCTION OVERVIEW - STEEL

Production overview



Iron Ore Mining



Steel Production
(Iron and crude steel production, Refined steel and alloy production and Casting and rolling)

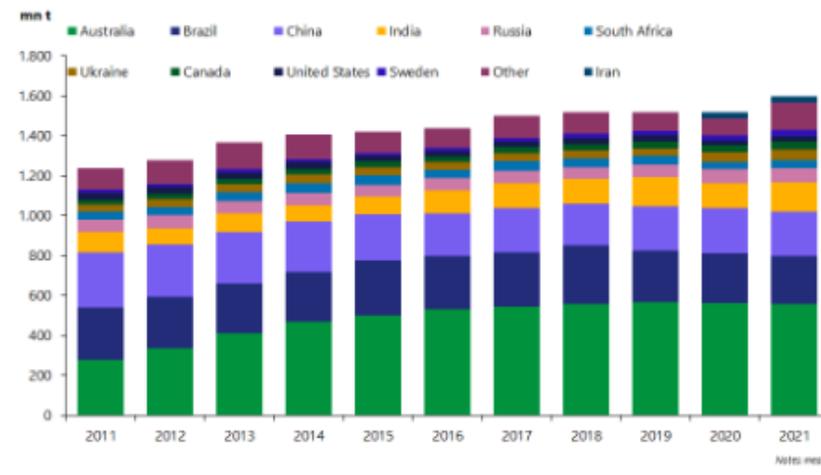


Fabrication and consumption

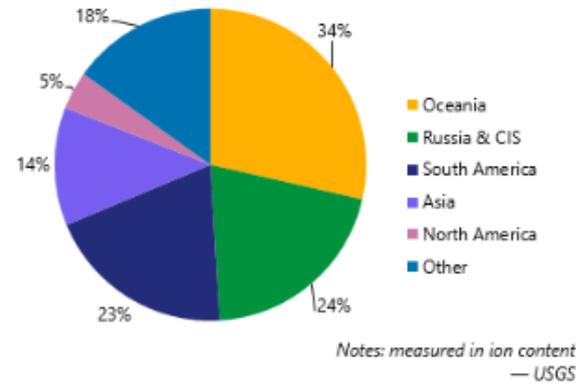


Recycling

Top 10 producing countries



Iron ore reserves by region, 2021



Main mines and locations

Mine	Location
Western Australia Iron Ore	Pilbara, Western Australia
Hamersley mine	Pilbara, Western Australia
Northern System	Curionópolis, Pará, Brazil
Chichester Hub	Pilbara, Western Australia
Southeastern System	Minas Gerais, Brazil
Solomon hub	Pilbara, Western Australia
Southern System	Itabirito, Brazil
Hope Downs	Pilbara, Western Australia
Sishen & Kolomela mines	Northern Cape, South Africa
Minas-rio	Minas Gerais, Brazil

WAM SUPPLIER CHAIN ANALYSIS

Waldaschaff Automotive Mexico (WAM) has a standardized procedure for supplier selection process which includes the environmental due diligence risk analysis (according to OECD Due diligence guidance for responsible supply chains).

The result of the analysis is presented as follows:

WAM has Aluminum profile suppliers (for confidential reasons the suppliers will be named A-B-C)

“A” Supplier is a Mexican company placed in Mexico City and Monterrey with ISO 14001 and ISO 45001, ESR (socially responsible company) and has an ethic code of conduct for their services and their supply chain. The raw material comes from United Arab Emirates so there is no major risk on their supplier chain nether in environmental, legal or safety topics.

“B” Supplier is a Mexican company placed in Baja California Norte with ISO 14001 and ISO 45001, ESR (socially responsible company) and has an ethic code of conduct for their services and their supply chain. The raw material comes from China and United States, but there is not a risk on their supplier chain nether in environmental, legal or safety topics, the mining place in China is not in the high-risk cities for forced job or underage job.

WAM SUPPLIER CHAIN ANALYSIS

“C” Supplier is a Bulgari company with ISO 14001 and ISO 45001, ESR (socially responsible company) and ASI standard certified and has an ethic code of conduct for their services and their supply chain. The certification on ASI already provides the evidence of the controls in placed for this supplier mining and acquisition processes.


Rec 3 3.32 Extracto de Guía de la Debida Diligencia de la OCDE para Cadena de Suministro

Supplier: [REDACTED]		Date: [REDACTED]	
Criteria		Yes	No
		1.0	Supplier Performance - ASI
1.	Do the minerals that are acquired by you come from a high-risk conflict zone? See Annex 1 Conflict zone (Requirement according to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected or High-Risk Areas)		0
2.	Within the country of origin of the minerals of: Gold, Graphite (natural), Leather, Lithium, Magnesium, Manganese, Mica, Molybdenum, Nickel, Niobium, Palladium, Platinum, Polysilicon, Rhodium, Natural Rubber, Steel/iron, Tantalum, Tin, Tungsten, Aluminum/Bauxite, Chromium, Copper, Cotton, Glass (silica sand); these countries have low reserves estimated resources or expected levels of production of the minerals. See Annex 1 Conflict zone. (Requirement according to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected or High-Risk Areas)		0
3.	Are there minerals originating in a country known to have transited Minerals from conflict and high risk areas? See Annex 1 Conflict Zone (Requirement according to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected or High-Risk Areas)		0
4.	Are there equity or other interests that suppliers of minerals from any of the locations with red flags on the origin and transit of minerals? See Annex 1 Conflict Zone. (Requirement according to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected or High-Risk Areas)		0
5.	Do you or your supplier operate in one of the affected mineral source and transit locations? see Annex 1 Conflict zones. (Requirement according to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected or High-Risk Areas)		0
6.	Have you sourced minerals from a mineral source or transit site affected by warning signs in the previous twelve months? (Requirement according to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals in Conflict-Affected or High-Risk Areas)		0

The Analysis are based on the OCDE standard, nevertheless the information is requested for analysis in a WAM checklist (Rec 3.3.2).

SUMMARY AND WAM COMMITMENT

The WAM's suppliers don't represent a risk and have an environmental and safe due diligence in place. WAM material composition considers mainly aluminum and steel, therefore the analysis based on other critical components are dismissed.

Waldaschaff Automotive Mexico itself has an environmental and safe due diligence in place with policies and procedure that establish all needed controls, WAM has its own ethic code for their personnel and suppliers to follow.

WAM is aligned with national, international and certification guidelines.

WAM commitment for 2026 is to evaluate all suppliers by an audit plan to confirm their management systems and risk analysis.



"SUSTAINABLE SOLUTIONS FOR A BETTER TOMORROW"