



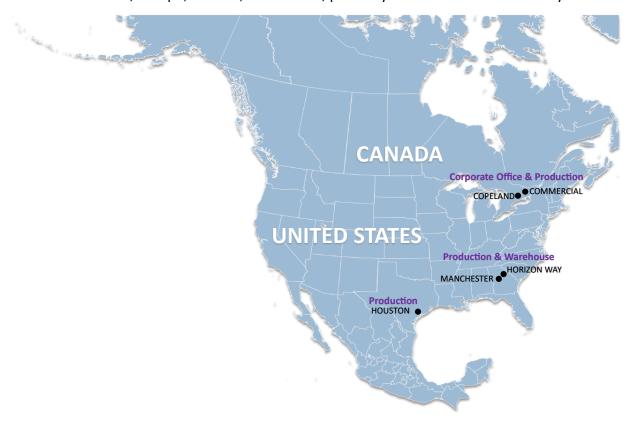
Eccomelt Sustainability Report 2024



COMPANY PROFILE

Built on the legacy of House of Metals, established in 1953 with locations in both the United States and Canada, Eccomelt produces a chemically pure, energy-efficient alternative to A356.2/AlSi7, positioning its solutions as having one of the lowest footprints in the industry, Globally.

Eccomelt utilizes 100% recycled consumer aluminum wheels. Through their patented non-thermal and chemically pure cleaning technology, they purify and repurpose aluminum scrap into high-quality alloy, reintroducing it to the supply chain and providing it to OEMs, Tier 1s, and foundries in the US., Europe, Canada, and Mexico, primarily in the automobile industry.



A. Governance

Corporate Governance is the cornerstone of effective organizational management, encompassing the structures, processes, and principles that guide decision-making, accountability, and transparency. Eccomelt ensures that as an organization it operates with integrity, fairness, and ethical conduct, while balancing the interests of all its stakeholders.

1.0 Business Integrity

Legal Compliance

House of Metals Company Ltd. and its subsidiaries (together "Eccomelt" or the "Company") conducts business in Canada and internationally. The Company is committed to comply with all applicable local, national, or federal and international laws and regulations.

Anti-Corruption

The Company is committed to conducting business in accordance with all applicable laws, rules, and regulations, including those relating to bribery and corruption in the jurisdictions where Eccomelt conducts business.

For further information refer to "ECC-POL-COR-003 Rev 2 Eccomelt Bribery, Fraud and Corruption Response Plan".

Code of Conduct

The way in which employees conduct themselves both on and off-duty can also have a significant impact on the Company, its business, reputation, customer relationships, and workplace environment. Eccomelt has a Code of Conduct to ensure that all employees are aware of the standards expected of them.

For further information refer to "ECC-POL-COR-001 Rev 1 Eccomelt Code of Conduct Policy".

2.0 Policy and Management

Eccomelt is committed to having a sound management practice of its environmental, social and governance processes. The company requires its employees to follow and contribute to environmental compliance, health and safety, and all other ethical practices that may impact people or the environment.

Environmental, Social and Governance Policy

At Eccomelt, we are dedicated to the principles of sustainable development and minimizing our impact on the environment in all our business activities. Our product, eccomelt356.2, is produced by an innovative non-thermal process, that recycles aluminum wheels without the need for melting. This maximizes the inherent potential of aluminum as a highly sustainable and ecofriendly aluminum alloy.

We are committed to a circular economy in all aspects of our business, and we have created benchmarks that we strive to always reach while reducing the environmental impact of both our product and our process. With this commitment, Eccomelt strives to recycle all scrap except where the technology does not exist to recycle them economically.

Eccomelt places the utmost importance on the health and safety of its employees and is committed to ensuring a safe and healthy environment and the prevention of occupational illness and injury. All employees must be dedicated to the continuing objective of reducing the risk of injury. The Company as the employer, is ultimately responsible for employee health and safety.

For further information refer to "ECC-POL-COR-002 Rev 1 Eccomelt Sustainability and Environmental Policy".

Leadership & Management Team

Senior Management of Eccomelt provides evidence of its leadership and commitment to the development and implementation of the management system and continually improving its effectiveness by setting targets for the organization, including quality, health & safety, environment, energy, sustainability, and financial and operational performance.



Eccomelt as an organization, adopts a customer-first approach which ensures that customer needs and expectations are determined, converted into requirements, and are met with the aim of enhancing customer satisfaction.

This is accomplished by assuring:

- Both customer requirements and any applicable statutory and regulatory requirements are determined, understood, and consistently met.
- Risks and opportunities that can affect conformity of products and services and the ability to enhance customer satisfaction are determined and addressed.
- Focus on enhancing customer satisfaction is maintained.

Environmental and Social Management Systems

Eccomelt understands the fundamental link between long-term profitability and the sustainability of our operation and performance. We believe that business sustainability is dependent on integrating responsible and meaningful sustainability objectives that result in the sensible management of environmental and social systems into our business plan. Eccomelt currently maintains an ISO 9001:2015 certification to meet its quality objectives and targets. It is the intention of the Company to continue its environmental and sustainability goals by obtaining ISO 14001:2015 certification by 2025.

For further information refer to "Eccomelt's ISO14001 Letter of Intention 2025".

Responsible Sourcing

At Eccomelt, we are dedicated to the principles of sustainable development and minimizing our impact on the environment in all our business activities. Our commitment towards sustainability means showing responsibility towards Environmental, Social and Governance impacts in all aspects of our operations, including our supply chain. We recognize that our suppliers play a crucial role in our ability to achieve our sustainability goals. Our commitment to responsible sourcing requires us to consider how our suppliers uphold sustainability standards in their businesses.

For further information refer to "ECC-POL-COR-004 Eccomelt Supplier Sustainability Policy".

Environmental and Social Impact Assessments

Eccomelt understands the need for having evaluations to assess the environmental, social when planning a new project or when making major changes to its existing facilities. The Company on an on-going basis monitors its operations for any environmental and social impacts it may have and addresses any issues/gaps through defined plans.

Human Rights Impact Assessment

Eccomelt follows the United Nations Guiding Principles on Business and Human Rights and is committed to respecting human rights as outlined in ASI standards. Eccomelt will conduct Human Rights Impact Assessments, including a gender analysis to systematically identify, assess, and address the actual and potential human rights impacts associated with our activities when planning a new project or when making major changes to its existing facilities.

Emergency Response Plan

All Eccomelt facilities in USA and Canada have response plans in place based on their local legal requirements which define their responses to emergency situations, including those which could cause harm to humans or the environment. These plans are aligned with the local external emergency services, such as fire and police departments.

Suspended Operations

In the event a situation arises where the Company may need to suspend or significantly alter operations due to factors outside its control, the Company will, as prescribed in its Environmental, Social and Governance policies, engage as needed with any affected populations or organizations to ensure that it is not exacerbating any significant issues.

Mergers and Acquisitions

Eccomelt continuously monitors and reviews its business practices through constant engagement with its business partners and third-party external auditors. As part of due diligence activities in

mergers and acquisitions, Eccomelt reviews the environmental, social and governance impact of a potential transaction.

Closure, Decommissioning and Divestment

In the event of a closure, decommissioning or divestment of a business unit, Eccomelt will consult with and where possible include the participation of affected populations and organisations. Eccomelt is committed to developing a plan for the monitoring of material environmental, social and governance impacts, including any legacy Impacts, associated with such a closure.

3.0 Transparency

We are committed to being transparent with our stakeholders, including customers, partners, suppliers, investors, and the wider community. We recognize that transparency is essential for building trust and maintaining positive relationships with our stakeholders.

Sustainability Reporting

Eccomelt has adopted the following policies to support our environmental, social and governance goals:

- Code of Conduct Policy (ECC-POL-COR-001)
- Sustainability and Environmental Policy (ECC-POL-COR-002)
- Bribery, Fraud and Corruption Response Plan (ECC-POL-COR-003)
- Supplier Sustainability Policy (ECC-POL-COR-004)
- Corporate Social Responsibility policy (ECC-POL-COR-005)

These policies are publicly available on the Company website and is also shared with internal and external stakeholders.

Non-Compliance and Liabilities

We aim to protect the interests of the business, our stakeholders, and the communities in which we operate. Eccomelt has prioritized compliance with laws, regulations, and ethical standards to do so. Through our collective efforts to uphold our commitment to integrity, transparency, and accountability in all aspects of our business operations, we strive to remain in compliance and meet any statutory and regulatory requirements in the regions we operate.

Payments to Governments

Eccomelt has a Bribery, Fraud and Corruption policy and response plan to ensure its employees, vendors, customers, and the Company are aware of the legal requirements that govern its activities.

The only payments currently made by the Company are regulatory payments such as Income Taxes for normal business operations.

Stakeholder Complaints, Grievances and Requests for Information

At Eccomelt, we are committed to providing excellent service and maintaining strong relationships with our customers, employees, suppliers, and other stakeholders. We recognize that from time to time, concerns or complaints may arise, and we are dedicated to resolving them promptly and effectively. We have a developed a mechanism for handling grievance requests from all our Stakeholders.

For further information refer to "ECC-POL-COR-006 Rev 0 Complaints Resolution Procedure".

4.0 Material Stewardship

Eccomelt is dedicated to the principles of sustainable development and minimizing our impact on the environment in all our business activities. Our product, eccomelt356.2, is produced by an innovative non-thermal process, that recycles aluminum wheels without the need for melting. This maximizes the inherent potential of aluminum as a highly sustainable and eco-friendly aluminum alloy.

Our patented process has eliminated the melting step of creating ingots and in turn has helped our customers reduce their own impact on the planet. Our objective is to maximize our ability to recycle or up-cycle post-consumer wheels, while minimizing our waste and environmental impact. We strive to do this by recovering or recycling all parts of our wheel feedstock, reducing energy consumption and carbon generation in our process, and minimize any waste we generate.

We are committed to a circular economy in all aspects of our business and maintain targets that reduce the environmental impact of both our product and our process that we constantly strive to reach. As such, Eccomelt commits to recycle all scrap except where the technology does not exist to recycle them economically.

Our material environmental impact comes from energy use and process waste. Since our process does not use heat, the minimal greenhouse gases that we do emit, are generated from material handling and transportation. We are continuously looking to reduce this impact.

To minimize the overall environmental footprint of our process, we manage our consumables and recycle waste that is generated. This approach contributes to a circular economy that helps conserve the planet's resources.

Environmental Life Cycle Assessment

Aluminum is endlessly recyclable due to its high value and ease of processing. The recycling process uses only 5% of the energy required in the production of primary aluminum. As a result, the carbon footprint of recycled aluminum is only 5% of that of primary aluminum.

House of Metals Company Ltd., Eccomelt's parent company has been the business of recycling scrap aluminum since 1953. In the 2000's, when aluminum wheels were becoming more common, using decades of experience and industrial talent, Eccomelt developed an environmentally friendly, economical alternative to primary A356.2 ingot, called Eccomelt356.2. Eccomelt356.2 is produced by recycling A356.2 aluminum wheels using a proprietary crushing and cleaning process.



Eccomelt356.2 is made from 100% recycled aluminum that has not been re-melted into ingot form. It has the lowest possible carbon footprint for a high-quality aluminum alloy. As a commitment to a circular economy in all aspects of our business, the Company has partnered with Vertima (a leading solutions provider for corporate climate action) for an Environmental Life Cycle Assessment of its product, Eccomelt356.2.

Product Design

The process of making Eccomelt356.2 is patented and involves procurement of end-of-life aluminum wheels that are shredded, cleaned, and packaged into bulk bags for shipment. The process does not involve any design or fabrication steps.

Aluminum Process Scrap

Eccomelt operates in a closed loop system keeping in-line with its circular economy objectives. Eccomelt buys end of the life wheels, processes and converts the metal into our finished product for sale. Any waste metal generated during the process is separated and sold as a secondary product for further recycling. The estimated amount of dust produced in our process that is not recovered and recycled is approximately 2%. Eccomelt is currently exploring recycling options of this waste stream.



Collection and Recycling of Products at End of Life

The core business of Eccomelt is the recycling of End-of-Life aluminum wheels. Through its process, Eccomelt has helped its partners in their pursuit of zero carbon emissions by providing a world class recycled aluminum alloy with an extremely low carbon footprint.

B. Environment

Eccomelt is dedicated to the principles of sustainable development and minimizing our impact on the environment in all our business activities. Our product, Eccomelt356.2, is produced by an innovative non-thermal process, that recycles aluminum wheels without the need for melting. This maximizes the inherent potential of aluminum as a highly sustainable and eco-friendly aluminum alloy.

5.0 Greenhouse Gas Emissions

We recognize our responsibility to address the pressing challenges of climate change by reducing our greenhouse gas emissions. As a forward-thinking organization committed to sustainability and environmental stewardship, we are dedicated to minimizing our carbon footprint and mitigating the impacts of climate change.

When it comes to eccomelt356.2, our impact on the environment due GHG emissions is negligible due to our patented low carbon aluminum alloy production process.

Disclosure of GHG Emissions and Energy Use

We monitor our energy consumption each fiscal year for internal reporting. This year, we went a step further and partnered with Vertima for EPD reporting. Below is the consumption summary for our three facilities and two warehouses:

Energy and water consumption per DU of Eccomelt recycled aluminum and their transportation.

Items	Toronto	Manchester	Houston	Unit	Dataset
					market for electricity, medium voltage
					electricity, medium voltage Cutoff, U – CA-ON
					or 'market for electricity, medium voltage
Electricity	0.141	0.120	0.092	kWh	electricity, medium voltage Cutoff, U - US-TRE
					or 'market for electricity, medium voltage
					electricity, medium voltage Cutoff, U - US-
					NPCC
Propane	0.029	0.021	0.015	kWh	propane, burned in building machine propane,
					burned in building machine Cutoff, U -GLO
					diesel, burned in agricultural machinery diesel,
Diesel	0.038	0.012	0.089	MJ	burned in agricultural machinery Cutoff, U -
					GLO

For further information refer to Vertima's 'Life Cycle Assessment (LCA) report of Recycled Aluminum for Eccomelt'.

Aluminium Smelter GHG Emissions Intensity

Eccomelt does melt of smelt Aluminum as a part of its normal operations.

For further information refer to Vertima's 'Life Cycle Assessment (LCA) report of Recycled Aluminum for Eccomelt'.

GHG Emissions Reduction Plans

Eccomelt is committed to monitoring its GHG Emissions to minimize impact on the environment in all its business activities. We strive to be as close as possible to net zero emissions and we remain committed to taking proper measures to reach this target.

In order to meet our goal of continuously decreasing GHG emissions, we annually target net zero emissions. Our 2023 GHG emissions for all our facilities averaged $0.081 \, t/CO_2e$ per t Al. Our plans to maintain and further lower these emissions in 2023 include the reduction of diesel, propane and electricity. We anticipate reducing these consumables through active monitoring of our usage, changes in equipment, carbon offsets, and continuous demand monitoring.

GHG Emissions Management

Our energy consumption data for all our facilities is tracked and reviewed by the management team on an annual basis.

6.0 Emissions, Effluents and Waste

Controlling emissions, effluents, and waste is essential for mitigating environmental pollution, protecting human health, and conserving natural resources. At Eccomelt, we monitor and control any emissions, effluents, and waste generated in our production process to help minimize our environmental footprint. We are committed to a healthier, more sustainable future for all.

Emissions to Air

Our primary product, eccomelt356.2, is produced through a patented process that has the lowest carbon footprint of any A356 aluminum alloy. The emissions to air from this process is minimal and limited to dry waste dust. Each of facility operates within the requirements of its applicable permits for air emissions. Key process equipment such as shredders and blasters are equipped with dust collection systems to capture any dust generated during production.

Discharges to Water

Water at our facilities is only used only for sanitary purposes. Water consumption is monitored across all our facilities and best management practices are put in place to reduce water consumption.

Assessment and Management of Spills and Leakages

Eccomelt has developed a spill response plan to manage Spills and leaks effectively.

For further information refer to 'EHS-01-6.1.2.3-003 Eccomelt Industrial Spill Response Plan'.

Public Disclosure of Spills and Leakages

For the fiscal year 2022-23, Eccomelt did not experience any significant spills or leaks.

Waste Management and Reporting

Waste generated by our process comes primarily from packaging material that is received with our raw material or packaging waste generated during shipment.

In fiscal year 2022-23, we received 102 million lbs of raw material across all our facilities, of which less than 1%, or approximately 700,000 lbs, was packaging waste received from our suppliers.

Inbound Scrap & Waste	Toronto	Manchester	Houston	Total
Scrap vs Wheels Received	0.9%	0.5%	0.9%	0.7%

Some packaging material, primarily consisting of polypropylene FIBCs, is wasted during production and for our outbound shipments due to damage or process issues. This material is considered waste and disposed of. FIBC's we use can be recycled, however, end-of-use recycling is handled by our customers after they receive of our product. We continue to work on (a)

minimizing wastage of new FIBC's, (b) recycling/reusing of any of these materials (including encouraging customer to reuse the sacks for other products) and (c) developing more sustainable packaging options (e.g. bio-degradable, reusable boxes, open loads).



7.0 Water Stewardship

Water stewardship embodies our duty to responsibly manage and protect water resources for the well-being of both people and the environment. There is no industrial water usage in our manufacturing operations. Water consumption is strictly limited to drinking and sanitary purposes. Our commitment towards to a sustainable future also includes adopting mindful practices such as reducing water wastage due to leaks and practice conscientious consumption.

Water Assessment and Disclosure

Plant operations do not use water for industrial purposes. Water usage is limited to office and general sanitary consumption.

Water Usage (in liters)	Water Input (Drinking & Sanitation)	Water Output (Sewer)
Toronto	38,000	38,000
Manchester	53,507	53,507
Houston	18,612	18,612
Total	110,119	110,119

Management reviews water usage during its management review meetings. As its consumption is strictly limited to sanitary purposes, any water discharge is directly to municipal sewage systems. There is no discharge to ground, minimizing any risk of contamination into watersheds and areas where we operate.

Water Management

Eccomelt is committed to monitoring and managing its water usage. Our water consumption data for all Eccomelt facilities is tracked and reviewed by the leadership team on an annual basis.

8.0 Biodiversity and Ecosystem Services

Eccomelt in Toronto has been operating in an area that has been a designated site for industrial purposes for many decades. The newer Eccomelt facilities in the USA are also located in industrial zones and have operating permits based on national and local laws and regulations. The impact of our operations on biodiversity from emissions to air, water and waste have been reviewed and considered while obtaining legal operating permits.

Biodiversity and Ecosystem Services Risk and Impact Assessment

Eccomelt does not use new land nor has activities in areas that are designated as non-industrial zones. Impact assessments were carried out prior to acquiring the legal permits for all Eccomelt facilities.

Biodiversity Management

Eccomelt is committed to its environmental and sustainability goals. Impacts on biodiversity are reviewed at the time of seeking permits when establishing new facilities.

Alien Species

Eccomelt operations involve sourcing raw materials (wheels) from local or regional dealers that have operating permits based on the national and local laws and regulations. Therefore, the risk of deliberate introduction of unwarranted parts/species that may cause disruption to the local environment and habitat is considered minimal.

Commitment to "No Go" in World Heritage Properties

Eccomelt does not have any properties near world heritage sites.

Protected Areas

Eccomelt does not have nor intends to have any properties in or near designated Protected Areas.

C. Social

Eccomelt has three operating facilities, two warehouses and headquarters located in USA and Canada. Eccomelt employees at all our locations are held to the same expectations of behaviour and standards as defined by our values and in our Code of Conduct. Central to Eccomelt's values is striving for excellence and a strong sense of responsibility towards our customers, colleagues, suppliers, and our local communities.

9.0 Human Rights

Respect for human rights is an integral part of our business culture. Eccomelt is committed to maintaining a work environment that is inclusive and free of barriers based on citizenship, race, place of origin, ethnic origin, colour, ancestry, disability, age, creed, sex (including pregnancy), gender identity, gender expression, family status, marital status, sexual orientation, receipt of public assistance and record of offence. We affirm our commitment to fairness, justice, and equality for all, ensuring that every person has the freedom to live with dignity, security, and opportunity. We also expect our business partners and our suppliers to share the same views and interests when it comes to Human Rights practices.

Human Rights Due Diligence

Eccomelt has conducted a review of its human rights compliance using the United Nations Global Compact Self Assessment tool and has determined that there is no indication of material or systemic non-compliance with our Code of Conduct and human rights in general.

Gender Equity and Women's Empowerment

Eccomelt maintains a work environment free from barriers that promote equity and diversity. Our diversity in the workplace policy includes promoting gender equity and women empowerment. Today more than thirty percent of the management & office staff positions across all the three of our facilities within Canada and United States are occupied by women.

Indigenous Peoples

Eccomelt does not operate in lands or territories that belong to Indigenous Peoples. The Company, however, stands committed to respecting the rights and interests of Indigenous Peoples in any jurisdictions where we operate.

Free Prior and Informed Consent (FPIC)

As a part of due diligence on any new project, the Company will consult the with local and federal bodies for all new projects to assess impacts to Indigenous Peoples.

Cultural and Sacred Heritage

Eccomelt does not operate in areas identified as cultural heritage sites or are considered sacred. The Company will perform its due diligence when working on a new project to ensure that it does not affect areas of cultural or heritage importance.

Displacement

Eccomelt facilities operate in industrial zones. When working on any new project, the Company will consult with local and federal jurisdictions to ensure that it does not lead to economic displacement of people living in those areas.

Affected Populations and Organisations

Eccomelt is aware of the legal and customary rights and interests of our local communities. The Company presently has its facilities in areas or regions that bear a minimal to zero negative impact on the communities where we operate.

Conflict-Affected and High-Risk Areas

Eccomelt does not engage in or nor support the use of forced labor or abuse of human rights in any form. The Company only sources post-consumer scrap from local and regional dealers for its facilities in Canada and USA. Our supplier due diligence process helps us identify partners who engage in clean and ethical business practices.

For further information refer to "ECC-POL-COR-004 Eccomelt Supplier Sustainability Policy".

Security practice

Our business practices are transparent, we do not engage in nor support any form of abuse of human rights. Our policy handbook also states the Company's commitment towards respect in the workplace and the respect of human rights.

10.0 Labour Rights

At Eccomelt, we are committed to upholding Human Rights of workers by providing them safe working conditions, fair wages, condemning violence and harassment at workplace, and treating all workers with dignity and respect.

Freedom of Association and Right to Collective Bargaining

Eccomelt recognizes the principle of freedom of association and the right to join employee organizations. Our policies and procedures do not restrict our employees from doing so.

Child Labour

Eccomelt does not employ workers under the age of 18 years. The hiring of minors (under 18) is only allowed for summer internship positions in an office environment.

Forced Labour

Eccomelt neither engages in nor supports the use of forced labour. We do not engage in or support Human Trafficking. Our employment processes do not require any form of deposit, Recruitment Fees, Costs or Charges from Workers, either directly or employment or through recruitment agencies. We do not tolerate slavery and forced or compulsory labour and human trafficking. We also expect and require this of our suppliers as referenced in our Supplier Sustainability Policy.

Non-Discrimination

Eccomelt is an equal opportunity employer and does not engage in or support Discrimination in the workplace. We encourage a diverse workplace and aim to develop the full potential of all our employees without discrimination.

Communication and Engagement

Eccomelt is committed to communicating openly with our employees and their representatives. Our goal is to keep employees informed on important issues We strive to engage in constructive dialogue with our employees with the goal of improving the workplace while remaining competitive and sustainable in the marketplace.

Violence and Harassment

Eccomelt maintains a corporate wide policy to make a work environment that is inclusive, safe, and non-discriminatory for everyone. We hold all our employees to adhere to these expectations.

For further information refer to "ECC-POL-COR-006 Rev 0 Complaints Resolution Procedure".

Remuneration

Employees at Eccomelt are paid as per the industry standards in regions where the facilities operate. Overtime compensation per week is at a rate of one and one-half times the employee's

regular hourly rate and is paid to employees in accordance with local regulations. Eccomelt has also implemented various incentive programs to help align performance to business strategy. We strive to maintain equal pay, with no discrimination due to gender, race, or other protected status.

Working Time

Eccomelt remains compliant with all local jurisdictional regulations and restrictions on working time limits as prescribed by the local authorities. These restrictions include limits on total hours worked per week, weekends, overtime hours, public holidays, and paid annual leave.

Informing Workers of Rights

Eccomelt is committed to open communication with all its employees and their representatives. We strive to keep our employees informed on all important issues as early as possible. As the Company faces new challenges we believe in working together with our employees to successfully overcome these challenges while remaining competitive and sustainable.

11.0 Occupational Health and Safety

Eccomelt considers workplace health and safety of the utmost importance in the day-to-day activities of all our employees. We are committed to continuously improving our management systems to achieve an ultimate goal of zero injuries.

Occupational Health and Safety (OH&S) Management System

Eccomelt currently employs an internal OH&S Management System and is developing its systems along the guidelines of ISO 45001 with the ultimate goal of achieving this certification.

Employee Engagement on Health and Safety

Eccomelt actively encourages continual engagement and participation in workplace health and safety. Our employee representatives participate regularly in joint health and safety committee meetings that review upcoming issues and initiatives.