ASTILLEROS DE MALLORCA

EXECUTIVE REPORT 2024

ENVIRONMENTAL PERFORMANCE

The online version available at www.astillerosdemallorca.com/media

Contents

ENVIRONMENTAL POLICY

OUR COMMITMENT

After two decades of environmental care certified by Lloyds Register Quality Assurance according to ISO 14.001, our commitment to sustainability remains intact.

Our environmental policy is aligned with the UN Sustainable Development Goals, aimed at sustainable production and achieving more efficient and lower-impact yachts.

Therefore, ASTILLEROS DE MALLORCA commits to:


LRQA

Certificate of Approval

Astilleros de Mallorca, S.A.

Fighting against the climate change

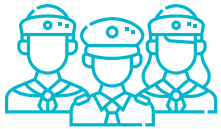
Increase the circularity and sustainability of processes and the eco-efficiency of our repairs

Practicing responsible resource consumption

Minimize our waste generation, segregate the waste, and maximize its reuse and recycling

Prevent air, water, and soil pollution

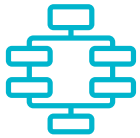
Reducing water consumption



Promoting sustainability within the nautical community especially among the crew

Encouraging sustainable solutions among our chain of suppliers

Complying with all the environmental legislation and other environmental requirements from the Port Authorities



Regularly reviewing our internal processes and facilities to ensure continuous improvement

Periodically reviewing our objectives and goals within the framework established by this present policy, maintaining an environmental plan that drives us to strive and improve upon ourselves

ENVIRONMENTAL POLICY

alignement with

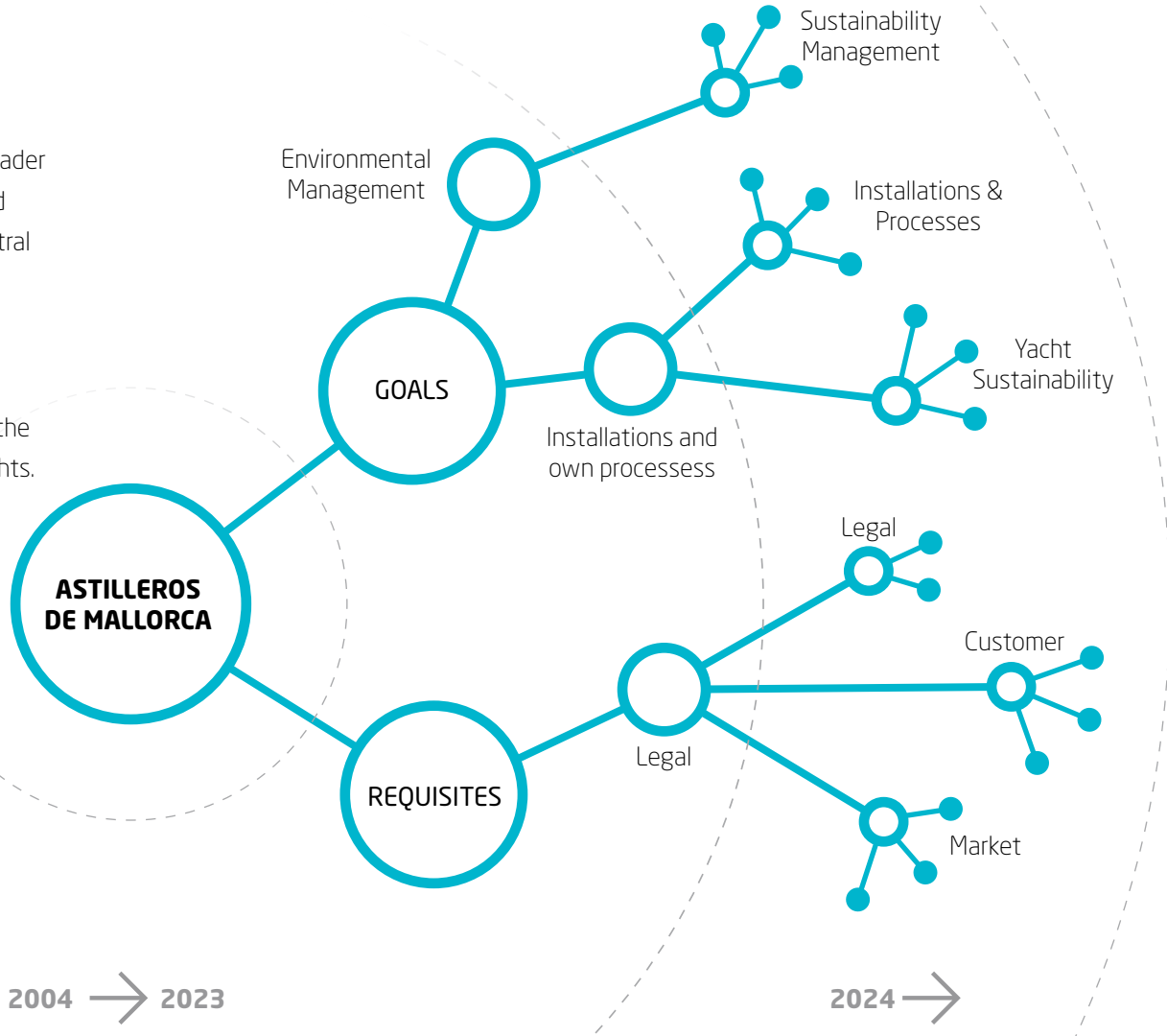
SUSTAINABLE DEVELOPMENT GOALS

A NEW MINDSET

The traditional approach to analyze the environmental context has been based on the analysis of legislation and the facilities themselves. We have evolved towards a broader approach where customer requirements and market demands on sustainability have central importance.

The analysis of the requirements of the facilities is complemented by that of the production processes and the reduction of the environmental footprint of the repaired yachts.

The search for circularity in the different processes is added as a directing force.

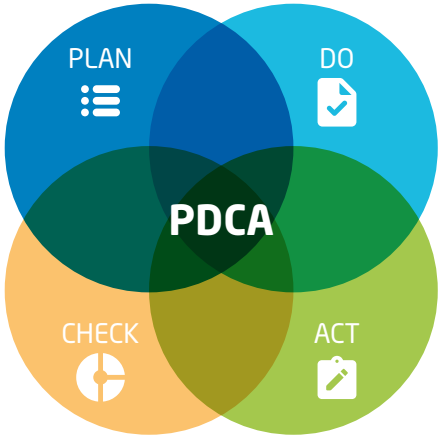


MANAGEMENT SYSTEM

We implement the PDCA cycle as our core management system to ensure efficiency, quality and continuous improvement in all our projects and operations.

This approach allows us to plan, execute, monitor and adjust our activities in a systematic way, ensuring that we meet the highest standards in the industry and are committed to operational excellence and customer satisfaction.

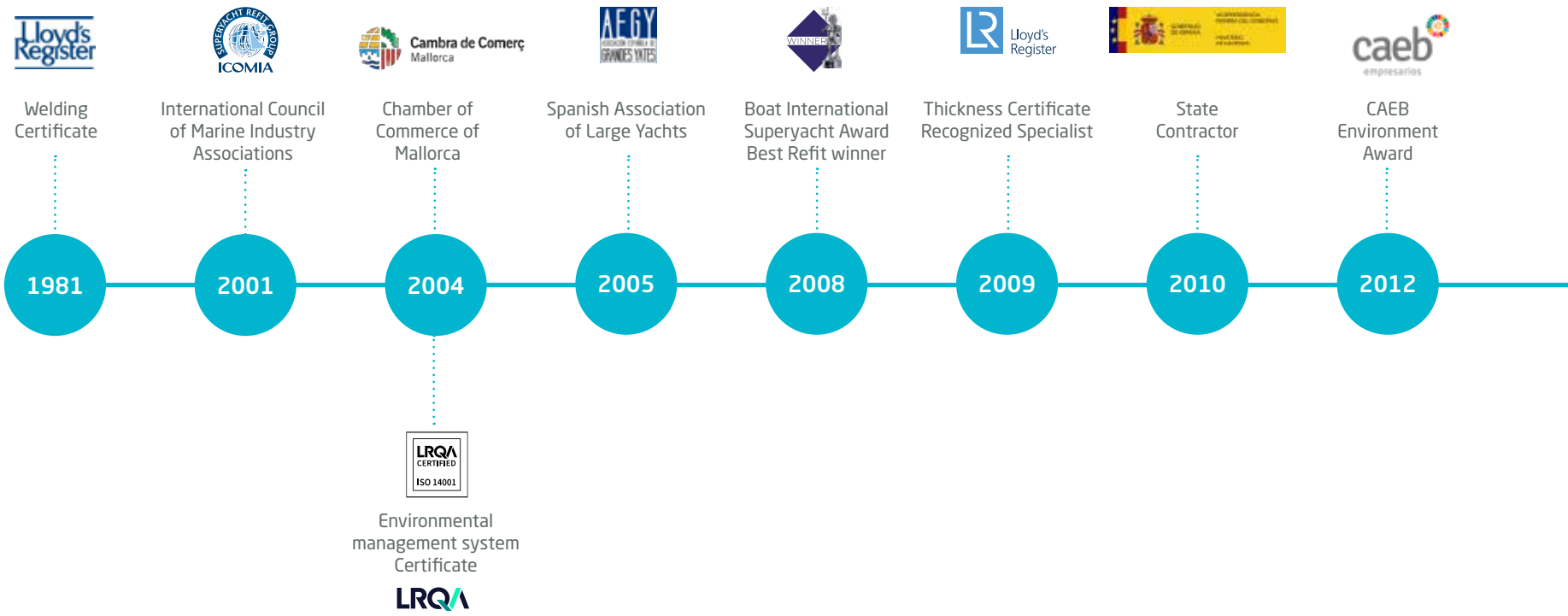
Our focus on continuous improvement enables us to adapt to market changes, overcome challenges and deliver outstanding results in construction and repair in the yachting sector.



ENVIRONMENTAL MANAGEMENT SYSTEM PROCEDURES

P01	Identification, and management of Environmental Aspects with Associated Environmental Impacts
P02	Identification of applicable legislation and management of legal requisites
P03	Environmental Objectives and Plans for Achieving Them
P04	Document control
P05	Residues Management
P06	Cleaning procedures
P07	Hydrocarbon tanks use and care
P09	Storage and use of hazardous materials
P10	Training, Experience and Qualifications
P11	Communications
P12	Emergency plan
P13	Operational Control records
P14	Audit Program
P15	Management of Nonconformities and Corrective actions
P16	Management Review
P17	Company structure and responsibilities
P18	Contractor and client control
P19	Control of emissions to the atmosphere
P20	Waters management
P21	Resources Management
P22	Fuel transfer procedure
P23	Treatment Plant management
P24	Firefighting System maintenance
P42	Context of the Organization, stakeholders, risks and opportunities

INTEGRATED MANAGEMENT SYSTEM CERTIFICATES



2013 — Thickness Certificate Recognized Specialist

2015 — Thickness Certificate Recognized Specialist

2016 — Thickness Certificate Recognized Specialist

2018 — Granting AEO Authorization

Ramón Llull Award

2019 — Member of Balearic Marine Cluster

Carbon Footprint Certification

2022 — Member of Industria Local Sostenible

2023 — Innovative SME

2024 — Innovative SME INNOBAL

PATH TOWARDS SUSTAINABILITY

Our strategic plan is organized around six pillars that represent the direct impacts on nature: carbon footprint, regeneration of nature, sustainable use of resources, prevention of air and water pollution and waste reduction. With a transversal contribution to all environmental aspects, we work on five cross-cutting areas: supply chain, stakeholders, internal process improvement, industrial safety and yacht sustainability.

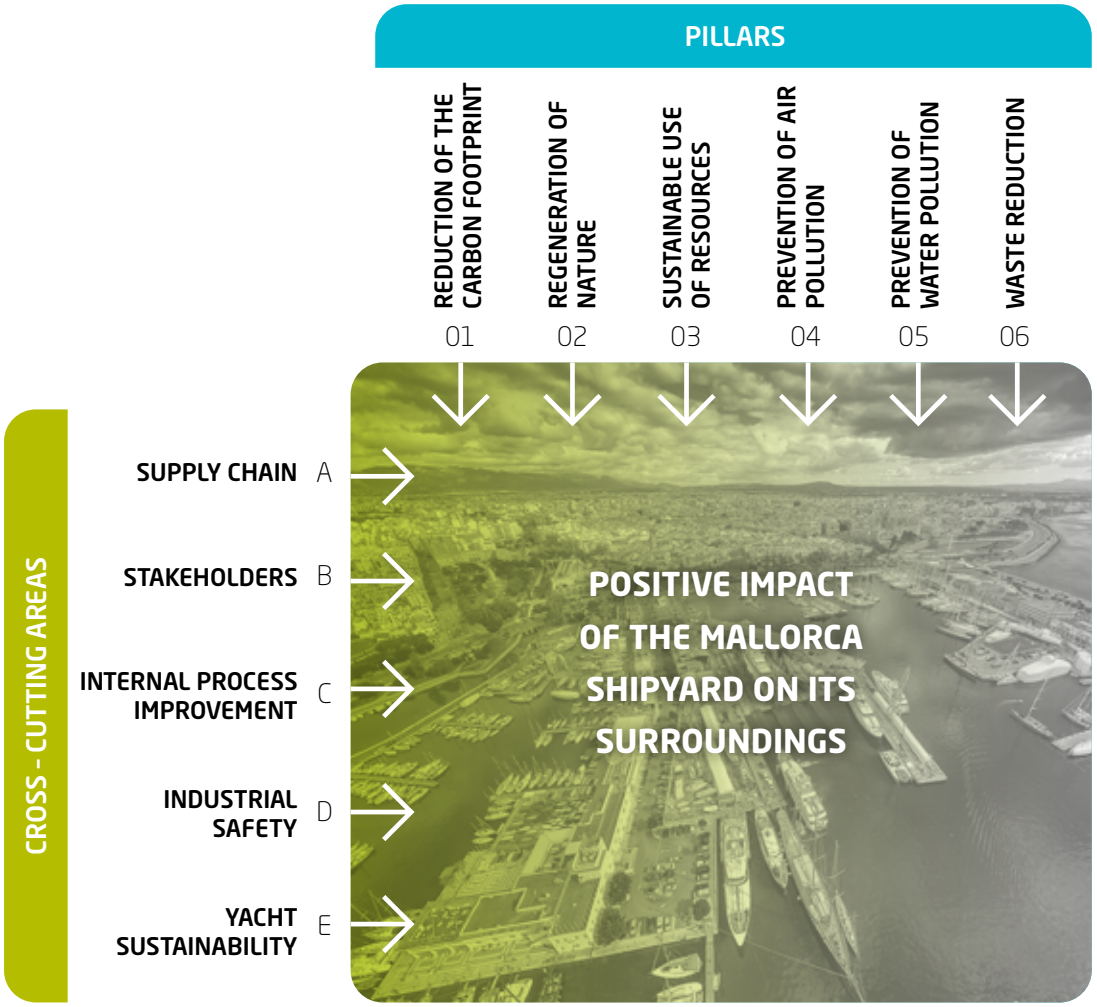
We challenge ourselves by defining GOALS and SMART* objectives framed on those pillars and transversal areas. More than 75 objectives have been achieved in the past years.

N **PILLAR** added to our estrategic p**l**n.

LIVE GOALS **s**tructured in SMA**R**T* objetives and targets.

Permanent **w**ork on TRANS**V**ERSAL AREAS OF **I**NTEREST.

*SMART: Specific, Measurable, Attainable, Realistic, Time-bound



PILLAR
01 CARBON FOOTPRINT REDUCTION

ACHIEVED GOALS

- Solar power installation
- Green mobility: Use of cycles and motorbikes, acquisition of Electric motorcycles, Gasoline vans
- APP to enhance Sustainable mobility among our personnel
- Installation of LED lighting
- Installation of Solar Water heaters
- Automatization of lighting switch on/off
- Good practices in maintenance of AC units and use of Ac gases
- Good practices in the use of AC units

COMMITMENT GOALS

2% annual reduction commitment on scopes 1 & 2

3% annual offset of yacht CO_2 repair footprint

S3 SCOPE 3 measurement

KPI and ON GOING GOALS

Gradation in terms of effort, from highest to lowest

ILS Indústria Local Sostenible

SYMBIOSIS BALEAR

The SYMBIOSIS balear project supporting Balears Verd regenerative aggriculture

YEAR	Emission factor $KgCO_2/kWh$	CARBON FOOTPRINT (tCO_2 - tCO_2e)				
		SCOPE 1	SCOPE 2	TOTAL	Ratio $KgCO_2/€$ revenue	Ratio $KgCO_2/€$ revenue
2021	0,457	46,73	618,84	665,57	0,01527	-23%
2020	0,659	43,98	772,07	816,05	0,01990	-17%
2019	0,493	48,58	1048,14	1096,72	0,02390	

PILLAR
02 REGENERATION OF NATURE

ACHIEVED GOALS

- Manual extraction of plastic from the sea

- SEABIN project

- Support to "Save The Med" association

- The SYMBIOSIS BALEAR project

KPIs

Collaborative project based on the combination of regenerative agriculture with the concept of food forest gardens.

- Soil regeneration
- Reforestation
- CO_2 absorption
- Food Security
- Rural Employment
- Biodiversity Enhancement
- Eco-Education
- Promoting the Balearic Sustainable Islands Brand

PILLAR
03 SUSTAINABLE USE OF RESOURCES

ACHIEVED GOALS

- Reasonable use of paper and toner

- Use of certified FSC paper

- Reasonable use of water

PILLAR
04 PREVENTION OF AIR POLLUTION

ACHIEVED GOALS

- Annual VOC emissions declaration and reduction plan
- Containment Methods for underwater hull
- VOC and particles filtration on paint booths
- Promotion of paints with less COV content
- VOC and particles filtration on Containment Tents
- Carbon footprint measure since 2019

COMMITMENT GOALS

→ **2%** **annual reduction commitment on VOC emmissios by transfering difussed emisions related to cleaning activities to confined spaces with suitable VOC**

KPIs

PUNCTUAL EMISSIONS:
PAINT SHEED EXTRACTIONS

PARAMETER	EMISSIONS	LINIT VALUE	UNIT	PERFORMANCE (% Emissions vs Limit)
VOC	16,5	75	mgC/Nm3	22%
Particulate matter	7,1	50	mgC/Nm3	14%

BUREAU VERITAS REPORT Nº 46-07-M01-2-017213

PILLAR
05 **PREVENTION OF WATER POLLUTION**

ACHIEVED GOALS

- Wastewater Treatment for Slipways and hard standing area
- Sewage water collection installation
- Cleaning of spills coming from other areas of the port
- PCB's containment tanks for High Voltage transformers
- Actions to promote Sewage water collection in Palma
- Development of a standard for Yacht Containment Covers
- Bio grease use on our slipways
- Bio oil information and offer
- Descaler use area with collection/containment tank
- Emergency boom Emergency plan
- AI spill control cameras
- Stock of Spill control material

COMMITMENT GOALS

2% **annual impact reduction on water contamination**

PILLAR
06 WASTE REDUCTION

ACHIEVED GOALS

- Recycling of organic waste of our Canteen
- Reduction and recycling of descalers
- Reduction of plastic use
- Reduction of sorbents and rags
- Reduction and recycling of degreasers
- Viability study to reuse 5 major residues
- Reuse of sawdust Reuse of wood
- New Containment tens with less one-use plastic
- Selective waste collection

COMMITMENT GOALS

5% reduced on waste generation of plastics and sorbents

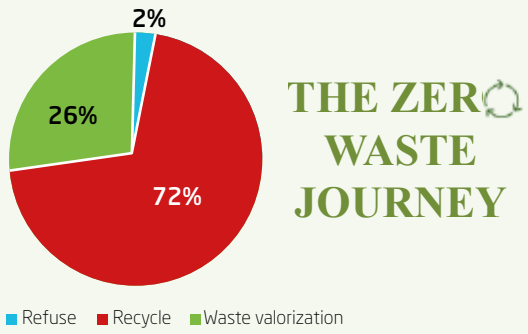
1% increase of recycled waste

58 types of residues separately collected and treated

98% of the generated waste is recycled or valorizated

KPIs

Waste treatment



THE ZERO WASTE JOURNEY

CROSS - CUTTING AREAS

A SUPPLY CHAIN

ACHIEVED GOALS

- Suppliers verification and audit program
- Suppliers sustainable solutions database
- Suppliers segmentation by types of works and its potential impact to environment

COMMITMENT GOALS

Measure of Astilleros' supply chain sustainability

- Astilleros de Mallorca sustainability assessment for suppliers and improvement plan
- Sustainable solutions data base

1%

- reduction of potential energy comsumption

CROSS - CUTTING AREAS

B STAKEHOLDERS RELATIONSHIP

ACHIEVED GOALS

- Local and international campaign to raise awareness of plastic waste, non-recycled waste and electricity comsumption
- We have completed the installation of 220 photovoltaic modules of 545wp
- In collaboration with UIB, we provide expert professors to the Naval Repair & Planification Master
- For the first time in all editions of Congreso Náutico, a round table with five women took place
- Astilleros de Mallorca together with Freire SHipyard and ASTANDER study the use of hydrogen cells to obtain electricity
- Within the HIDRAM consortium we carrying out research and prototypes that enable the synthesis of green amonia on a small scale
- "Astilleros 4.0" an Smart Shipyards event that proposes tools and success stories about new technologies in the naval sector
- We has been working on a project focused on using mussels as bioremedation agents to regenerate the waters of the port
- We promote solidarity initiatives and actions with "Save the Med Foundation", "Tapones solicarios ARKA" and "Fundación NPH" at Honduras

CROSS - CUTTING AREAS

C INTERNAL PROCESS IMPROVEMENT

ACHIEVED GOALS

- Suppliers verification and audit program
- Semi-annual audits
- Yearly context analysys
- Yearly Management Review
- Suppliers segmentation by types of works and its potential impact to environment
- Digitalization of procedures and controls
- **Future Goal:** Adaptation to Non-Financial Reporting Directive

CROSS - CUTTING AREAS

D INDUSTRIAL SAFETY

ACHIEVED GOALS

- Maintenace programs
- Technical installation compliance
- Periodical audits
- Control of industrial safety certification:
  - Fire-fighting
  - Low voltage
  - High Voltage
  - Air Compressors
  - Dangerous goods storage
  - Cooling Towers

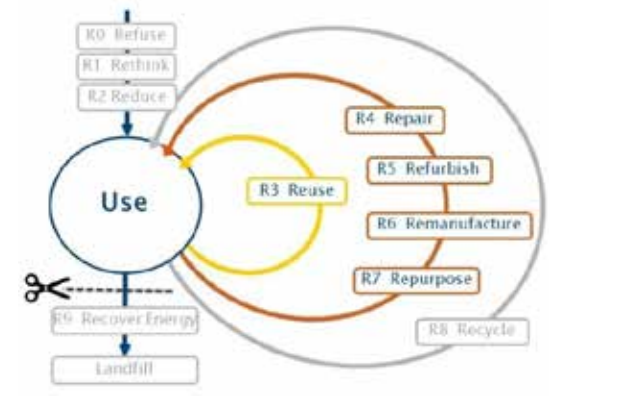
CROSS - CUTTING AREAS

E YACHT SUSTAINABILITY

COMMITMENT GOALS

ECO-Repair Decalogue

- Astilleros de Mallorca eco-repair decalogue to drive our personnel tasks



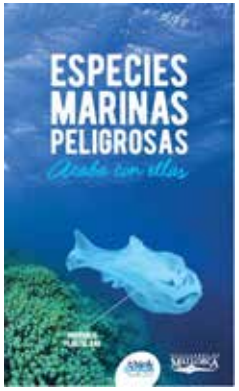
Sustainability integration

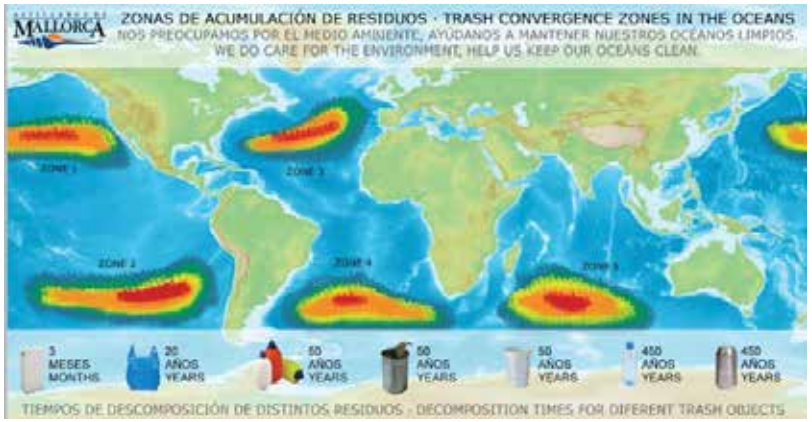
in repair offers and decisions

RAISING AWARENESS

Internal and external communication campaign

In our efforts to raise awareness of the serious problems caused by plastic waste, non-recycled waste as well as the abuse of electricity consumption and global warming, we designed a local and international campaign to raise awareness among our target audiences and society.





Contribution to shape public opinion

The activity of Astilleros de Mallorca regarding sustainable projects and actions are echoed in the local, national and international media through press articles not only in specialised media but also in general media.

Energía verde en Astilleros

SECTOR NÁUTICO

El hidrógeno podría ser el combustible del futuro

SECTOR NÁUTICO

Inventiva, innovación y comunicación

Inteligencia artificial contra la contaminación marina

Astilleros De Mallorca and the road ahead

Since 2020 the shipyard has been purchasing green energy. Last year, 2022, we looked to increase the percentage of that energy that is generated locally, in Mallorca. The local government is promoting an increase in green energy generation with a goal for 2030 of 35% of the generated energy to be green. The increase in demand from companies such as ourselves helps to speed up the change.

We have also signed a contract for the installation of 226 solar panels on the roofs of our Canteen and Metal workshop and offices. We estimate that this will provide a production of 170Mwh. The installation is due to start during the approaching Christmas Holidays. Unfortunately, the remainder of our roofs presents technical difficulties for solar panel installation; we are currently studying the feasibility of the installation.

Another project for this year is the cooperation with local entities in carbon offset projects. We would like to offer a reliable and local solution to clients who are interested in offsetting the carbon footprint generated by them during the repairs at the yard

Presence is Social Media, events and case studies on sustainable projects

We have participated in several sustainability events and written monographic articles on various topics according to our commitment to the SDGs that mainly concern us.

The Club Diario de Mallorca held last Tuesday the Blue Economy forum, with the presence of Carlos Morales, General Manager of Astilleros de Mallorca - Refit and Repair Shipyard Diego Colón de Carvajal as moderator along with leading experts from the nautical sector of the islands and competent authorities

HIDRAM Project Conference at ETSI Navales de la UPM organised by "IX Ciclo de conferencias Cátedra SOERMAR-UPM". Lucia Mingot, Director of Quality, Innovation and Sustainability of Astilleros de Mallorca commented that "ammonia is one of the alternatives to fossil fuels for marine use. The ammonia generated from green hydrogen is ZERO CARBON and has storage advantages over H2 that make it a candidate for the future".

Within the HIDRAM consortium, Astilleros de Mallorca is carrying out research and prototypes that enable the synthesis of green ammonia on a small scale, making local generation possible on an island, generating electrical energy for propulsion or on-board power plant using PEM and SOFC fuel cells (H2 or dual H2/NH3) and doing so with materials suitable for the naval environment.

For the first time in the 11 editions of the congress, a round table with five women took place. Felisa Ramos Figueroa, ambassador of Inspiring Girls Spain, presented this foundation and moderated the table where Lucia Mingot, Director of Quality, Innovation and Sustainability of Astilleros de Mallorca spoke about the need for qualified training, innovation in the sector and the challenge of climate change.

The IAT Marino-Marítima, Incubator of High Technology in Data Analytics and Artificial Intelligence applied to the marine-maritime environment, presents the event Smart Shipyards, Astilleros 4.0. that proposes tools and success stories about new technologies that respond to the new Digital Ecosystem, with the help of a wide variety of specialized professionals who will bring all the knowledge, concepts and successful applications in the naval sector.

Today was held at the Chamber of Commerce of Mallorca the presentation of the new Technical Office service of the Maritime Cluster of the Balearic Islands. Astilleros de Mallorca - Refit and Repair Shipyard is a member of the technical commission that works to ensure that the sector is not only up to date with the regulations but that it is ahead with voluntary projects to improve the sustainability of the sector and our islands. Lucía Mingot, Director of Quality and Innovation, attended as moderator of the round table on environmental regulations and trends.

Inside ASTILLEROS | **Digital transformation** has a leading role in the changes of today

Additive technology expands its range of applications.
Augmented reality is almost ready to be used and robots seem to be more affordable and applicable for companies other than automotive ones.

Astilleros de Mallorca moves forward with the "Astillero 4.0" plan .

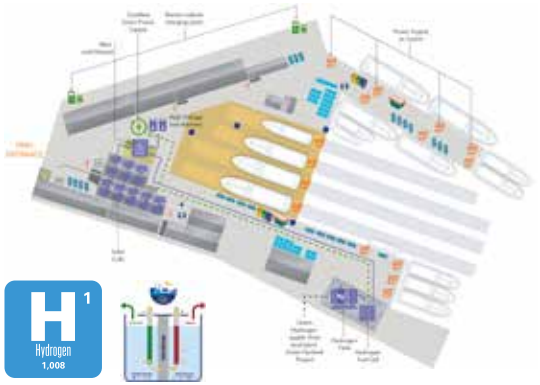
Additive technology expands its range of applications. Augmented reality is almost ready to be used and robots seem to be more affordable and applicable for companies other than automotive ones.

ASTILLEROS reseach collaborations | Astilleros de Mallorca together with Freire Shipyard and Astander

STUDY THE USE OF HYDROGEN CELLS TO OBTAIN

ELECTRICITY

The development of this future project, based on unprecedented technology at an industrial level in the shipbuilding sector, would position the participating shipyards at the forefront in the development of clean and sustainable energy for self-sufficiency.



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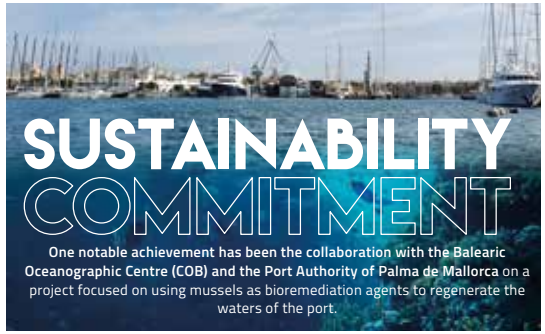
ASTILLEROS Sustainability | Astilleros de Mallorca has been working on sustainability since 2004 and continues to make progress towards long-term goals.



One notable achievement has been the collaboration with the Balearic Oceanographic Centre (COB) and the Port Authority of Palma de Mallorca on a project focused on using mussels as bioremediation agents to regenerate the waters of the port.

The mussels were placed in three positions inside the port (two of them around the yard) and a fourth one outside the port as a control point. Different analysis has proven the capacity of accumulation of various elements by the mussels, such as zinc or copper, that is always present wherever a boat is moored.

After this second experience the system may be ready to be applied to other Mediterranean ports with characteristics similar to the Balearic Islands.

Inside ASTILLEROS

Astilleros de Mallorca has obtained the AENOR EA0047 certification

Behind this hallmark is an integral group work involving the entire company that may go unnoticed even by the first performers. This is because when we think of innovation or R&D, disruptive inventions or well-known patents come to mind.

The certification scheme, of course, gives value to these new products or services, but it also brings to light (and values) the daily contribution to business innovation of the purchasing, sales, technical offices and production teams. Regarding management systems, we have recently implemented a new ERP that represents a technological leap compared to our previous system. Many of its capabilities are still untapped (IoT, B2B connections, RFid data acquisition) but we are already using API connections for integration with other systems.

Astilleros de Mallorca renewal of our ISO14001 environmental certification with LRQA for the 18th consecutive year. A landmark of 18 years of uninterrupted commitment to the environment above and beyond established legal requirements. And so, we will celebrate it as we always have, with a portfolio full of environmental projects. This year we have collaborated with a group of biologists from the Oceanographic Institute in a project to improve the quality of the port waters through bioremediation. We do not discharge hull washing water into the sea, or any other industrial effluent, and we supply connections for the

Yachts' sanitary water so they do not discharge either. In accordance with the UN sustainable development goals, we are proud to purchase 100% of our electricity from renewable sources, with a high component of locally generated energy.Over this past year our clients have seen the innovative work tents that are being used throughout the shipyard, made from reusable materials. These represent a reduction in the generation of plastic waste of 120 tons per year. Our aim is to make the most of waste, and this year we will be installing new collection containers for wood and textiles in addition to increasing the size of our plastic containers.

We have completed the installation of 220 photovoltaic modules of 545wp on the roofs of three of our buildings.

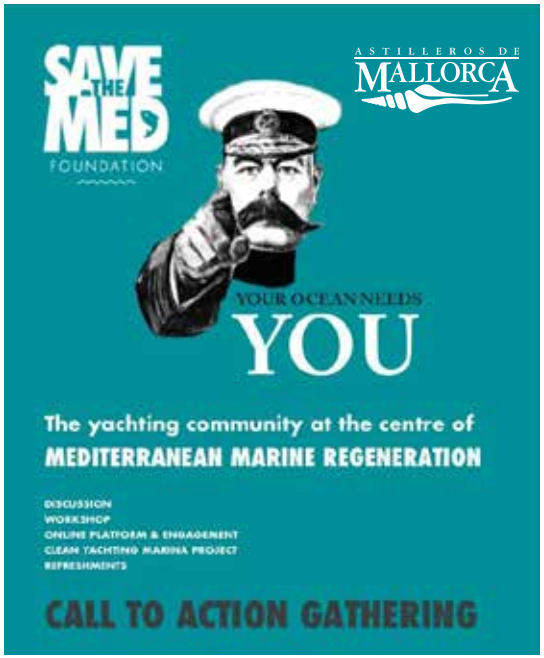
This will generate 170 MWh/year and reduce annual CO_2 emissions by 46 tonnes.We will continue to work on reducing our Carbon Footprint and thus taking care of our precious earth.

Astilleros de Mallorca continues to adapt ourselves by minimizing the use of single-use materials. We have repaired the wooden masts of a magnificent classic schooner protected by a cover made mostly of reusable rigid panels.

By doing so, we have avoided the consumption of more than 450m^2 of single-use plastic. We hope to be able to test new innovative solutions soon, in order to eliminate the plastic used for the roof covers, with help from our partners Undercover Solutions S.L

This visit, within our commitment to SDG 4 "Quality Education", in conjunction with our collaboration with UIB, where we provide expert professors like Lucia Mingot and our Production Manager, Paul Grünig, is an integral part of our ESG policy. It reaffirms our commitment to social development and the nautical industry.

Are you ready to delve into the world of ship repair and refit planning at Astilleros de Mallorca?



Astilleros de Mallorca will promote the "Dos Manos" program which collects data of plastic pollution on our beaches, educates students and promotes awareness about one of the growing threats the oceans are facing. Astilleros de Mallorca will follow the foundation's recommendations on best practices in the search of alternatives to single use plastics, developed through their programme 'Baleares sin Plástico' and will work together to raise awareness among all those who work in the facilities of the shipyard.

We collaborate with the association ARKA tapones solidarios. We started collecting caps in August and we have already collected several kilos.

We encourage you all to participate, on the one hand to workers and suppliers who work in the shipyard bringing the plastic caps that you can and the rest of solidarity people bringing their caps to the collection sites that the association has distributed throughout the island.

The NPH Honduras Foundation has been working in Honduras since 1985 to promote the rights of the most vulnerable children and improve their living conditions.We are very excited to have contributed to their toy donation campaign and to know that they have reached their destination.

From Astilleros de Mallorca we would like to warmly thank all those who have promoted and collaborated with their generosity in this solidarity initiative.

ASTILLEROS DE MALLORCA

SINCE 1942

REFIT & REPAIR SHIPYARD

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