

Sustainability Report

2025

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0. Revision History

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1. Introduction

1.1. Information about Cicar, S.A.

1.1.1. Company Activity

CICAR, S.A. is primarily engaged in the precision machining of metal parts in steel, cast iron and aluminium alloys. It also assembles and paints mechanical assemblies, such as reduction and power gearboxes. Its customers include companies in the automotive, agricultural and defence sectors, among others.

CICAR, S.A. has a Quality Management System certified by the accredited body Lloyd's Register (LRQA) in accordance with ISO 9001:2015.

The manufacture of made-to-order parts, based on customer designs and specifications, is carried out mainly in the following facilities:

- CNC lathe area
- CNC machining centre area
- Conventional machinery area (gear cutting machines, broaching machines, washers, etc.)
- Quality Control area
- Warehouse area (raw materials, semi-finished products, finished products and assembly materials)
- Assembly area
- Automatic paint line

Cicar has a strongly industrial activity profile and requires the use of production machinery, washing and painting facilities, drying ovens, heating systems, electrical installations and its own means of transport for certain logistics operations.

1.1.2. Identification Details

Company name: CICAR, S.A.
e-mail: cicar@cicar.es
Telephone: 91 642 28 13
Fax: 91 642 22 36 (Administration)
Tax ID No.: A28262301
CNAE: 29.32
Registration details: Registro Mercantil de Madrid, Volume 2717, General 2047, Section 3, Folio 1, Sheet No. 18395, entry 1 (22-07-1971)

1.1.3. Location and Site

Registered office: C/ Milano, 9
 "Los Gallegos" Industrial Estate
 28946 Fuenlabrada (Madrid)

1.2. Key Economic Figures

Indicator	2025
Revenue	11.976.837 €
Assets	8.735.827 €
Employees at 31/12/2025	88

2. Purpose

This report presents information for the 2025 financial year on environmental; social and governance matters related to the company's activities.

The purpose of the document is to provide a clear, data-based description of the company's situation, while avoiding statements that cannot be supported by the information available.

As an industrial company, we understand sustainability primarily as the responsible management of our resources, our people and our impacts. The aim is to measure what is relevant, comply with applicable obligations and establish improvements where there is a reasonable opportunity to do so.

For this reason, when reliable information is available, it is included in the report. When there is insufficient information to determine an indicator with an appropriate degree of reliability, this circumstance is expressly stated rather than making estimates solely for the purpose of completing the report.

3. Scope and Reporting Criteria

The report covers the financial year from 1 January to 31 December 2025.

The collection and structuring of the information have been carried out with reference to the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) developed by EFRAG for small and medium-sized non-listed companies.

For Cicar, the option combining the Basic Module and the Comprehensive Module has been used as a reference, since the company maintains business relationships with large industrial companies and may receive requests for environmental, social or governance information from customers, financial institutions or other related stakeholders.

In this case, the VSME serves as a reference for organising the information and facilitating its communication. This document has not been subject to an independent verification or assurance process.

3.1. General Data Treatment Criteria

A prudent approach has been followed for indicators where information limitations exist.

In particular:

- data without documentary support have not been included merely to complete fields;
- estimates have not been converted into measured data;
- consumption has not been considered renewable where its origin cannot be substantiated;
- Scope 3 emissions have not been calculated when sufficient information is unavailable;
- and limitations affecting the interpretation of certain data are expressly identified.

The approach applied can be summarised as follows:

**If we know the data, we include it. If we know that we do not know it, we state this.
And if we can measure it better in the future, we establish the conditions to do so.**

4. People and Employment

As of 31 December 2025, the company had 88 employees. The distribution by sex was:

Indicator	Number
Men	86
Women	2
Total	88

The workforce was composed of:

Contract type	Number
Permanent contract	65
Temporary contract	23
Total	88

During 2025, 35 employees left the company.

The workforce increased from 66 employees at the beginning of the year to 88 at year-end. Using the average workforce resulting from these two values as the reference, the turnover rate used in the VSME template is 45.45%.

This indicator should be interpreted taking into account that workforce growth during the year affects the relationship between employee departures and the average workforce.

4.1. Collective Bargaining Agreement

All 88 employees were covered by a collective bargaining agreement, representing 100% of the workforce.

5. Training and Professional Development

A total of 1,987 hours of training were recorded during 2025.

The recorded distribution was:

Group	Hours
Men	1.937 h
Women	50 h
Total	1.987 h

The resulting averages are:

- 22.52 hours per male employee;
- 25.00 hours per female employee;
- 22.58 hours per employee for the workforce as a whole.

The above figures correspond to total training hours by group, not hours per individual. Therefore, the averages were obtained by relating the total hours for each group to the corresponding number of employees.

6. Occupational Health and Safety

During 2025, the following was recorded:

Indicator	2025
Recordable occupational accidents	1
Fatalities resulting from occupational accidents	0

The company monitors the safety conditions of its facilities and workplaces in accordance with the obligations applicable to its industrial activity.

No additional numerical targets have been established in this report unless they have been formally defined by the company.

7. Material Flows

Cicar's activity involves material flows typical of a company engaged in machining and transforming metal components.

Most of the material processed - approximately 95% - arrives at the facilities already incorporated into cast or forged parts. Depending on the case, these parts are supplied directly by the customer or purchased from suppliers previously designated by the customer.

For this reason, inbound material flows cannot be characterised simply by a single figure for tonnes of steel, aluminium or other materials purchased directly by Cicar.

In addition, the company works with approximately 1,000 active product references. To calculate the total mass of incoming material accurately, homogeneous information would be required for each reference and production period on quantities produced, weight of incoming parts, weight of machined parts and, where applicable, scrap and other material movements.

This information is not currently structured in a way that allows a complete and sufficiently reliable mass balance to be prepared for the 2025 financial year.

For this reason, no estimate of tonnes of incoming materials has been made based solely on the production mix.

This limitation does not mean that material flows are irrelevant to the activity; it means that there is currently no data collection methodology that allows them to be quantified with a sufficient degree of accuracy.

Information is, however, available on a significant portion of the materials leaving the production process as waste, particularly metal chips and offcuts. This information is presented in the section on waste.

8. Energy and Facilities

Cicar's industrial activity requires the consumption of electricity, natural gas and diesel fuel.

During 2025, the total energy consumption recorded or calculated from the available data was approximately:

Energy source	2025 consumption	Main uses
Electricity	1.858,309 MWh	Production processes and facilities
Natural gas	191,074 MWh	Drying ovens
Diesel fuel	154,277 MWh	Heating of production buildings and own transport
Total	≈ 2.203,66 MWh	

The difference of approximately 0.003 MWh compared with the value of 2,203.663 MWh used in certain template calculations is due to rounding and conversion precision and is not material to the indicator.

8.1. Electricity

Electricity is the company's main energy source, with 1,858.309 MWh consumed during 2025.

It is used mainly for production processes, machinery, facilities and auxiliary services.

8.2. Natural Gas

Natural gas is used mainly in the drying ovens employed after the washing and painting operations carried out on parts.

The available consumption figure for 2025 was 191.074 MWh.

The VSME template requires certain fuels to be entered in physical units of volume. For this reason, the energy consumption originally expressed in MWh was converted to an equivalent quantity of 20,472.198 m³ using the conversion parameters included in the template itself.

This figure in m³ should be interpreted as a conversion of the available energy-consumption data, not as an independent measurement obtained directly from a volume meter.

8.3. Diesel Fuel

The equivalent energy consumption of diesel fuel was 154.277 MWh.

Diesel fuel has two main uses:

- Heating of the production buildings during the winter period.
- Own transport for certain deliveries to nearby customers.

The production facilities occupy an area of approximately 4,000 m², so conventional climate control of the entire volume of the buildings would entail considerable energy consumption.

Evaporative cooling equipment is used at the facilities during the summer months.

No quantified energy saving has been attributed to this system because no specific measurement is available to determine it.

Regarding transport, company-owned vehicles are used for certain deliveries, particularly to nearby customers and in just-in-time supply operations.

In other cases, customers themselves arrange collection using their own vehicles or transport companies contracted by them.

Therefore, fuel consumption associated with the company's own transport does not represent all product transport carried out from the company's facilities.

8.4. Photovoltaic Installation

Cicar has a photovoltaic generation installation with an installed capacity of 120 kW.

During 2025, incidents occurred relating to the installer/maintenance provider and the availability of the installation's monitoring and management equipment. As a result, a complete and sufficiently reliable record of the photovoltaic energy actually generated during the 2025 financial year is not currently available.

For this reason, no estimated figure for photovoltaic production in 2025 has been included in the report.

The decision not to estimate this figure reflects a reliability criterion: a figure calculated solely to complete the indicator could give an appearance of precision that the available information does not justify.

In June 2026, the company responsible for maintaining the installation was changed and production readings are now available again.

The company is monitoring these readings with the aim of obtaining a consolidated and reliable data series.

Once the information has been sufficiently validated, it may be used to improve the monitoring of photovoltaic generation in subsequent years.

Therefore, for 2025 the existence and capacity of the installation (120 kW) are reported, but no amount of generated energy is attributed unless it can be supported by documentary evidence.

Likewise, 2025 electricity consumption has not been artificially reduced on the basis of estimated photovoltaic production.

9. Greenhouse Gas Emissions

The greenhouse gas emissions calculated for 2025 are:

Indicator	tCO ₂ e
Scope 1	78,35
Scope 2 - location-based method	473,87
Scope 1 + Scope 2	552,22

The resulting emissions intensity, using 2025 revenue as the reference, is approximately: 46.1 tCO₂e per million euros of revenue.

Scope 3 emissions have not been calculated because sufficiently complete and homogeneous information is not currently available for the different categories that would need to be included.

This limitation is particularly relevant for an industrial company integrated into the supply chains of larger manufacturers, where emissions may be associated with raw materials, transport contracted by third parties, travel, product management and other elements of the value chain.

In the absence of sufficiently robust data, it is considered preferable not to present an estimated figure as though it were a complete calculation.

9.1. Emission Reduction Targets

During the 2025 financial year, Cicar did not have formally established quantified greenhouse gas emission reduction targets.

Accordingly, this report does not present future reduction percentages that have not been formally approved or established.

The company is considering the future development of a transition plan and improvement targets with a horizon up to 31 December 2030.

The definition of these targets should progressively be based on sufficiently consistent historical data, particularly regarding energy consumption, photovoltaic production and, where possible, value-chain emissions.

10. Water Consumption and Management

Cicar does not directly abstract water from water resources.

The water supply used at the facilities comes exclusively from the public network.

The value of 0 m³ shown in the VSME template should therefore be interpreted as the absence of direct abstraction or withdrawal of water resources by the company, not as the absence of water consumption.

This distinction is important to avoid an incorrect interpretation of the indicator.

11. Waste and Materials Management

Approximately 642,044 kg of waste were generated during 2025. The breakdown was:

Waste type	Quantity
Hazardous waste	69.165 kg
Non-hazardous waste	572.879 kg
Total	642.044 kg

11.1. Main Non-Hazardous Waste

Waste	Quantity
Iron and steel chips and offcuts	478.986 kg
Non-ferrous metals	59.628 kg
Wood	23.592 kg
Plastics	6.240 kg
Paper and cardboard	4.320 kg

11.2. Main Hazardous Waste

The main hazardous waste streams include:

- machining emulsions and solutions: 57,800 kg;
- waxes and greases: 1,820 kg;
- washing liquids: 4,060 kg;
- mineral oils: 1,300 kg;
- absorbent and contaminated materials: 2,260 kg;
- contaminated packaging: 550 kg;
- machining sludge and other waste associated with production processes.

11.3. Waste Management

Hazardous waste generated by production processes is collected by an authorised waste manager in accordance with the procedures established for this type of waste. The management of this waste entails a cost for the company.

Recoverable non-hazardous waste is collected by a company specialising in the recovery and valorisation of materials.

The main recovered materials include:

- iron and steel chips and offcuts;
- aluminium chips and offcuts and other non-ferrous metals;
- cardboard;
- wood;
- and other recoverable materials generated by the activity.

Metal waste constitutes the company's main non-hazardous waste stream.

In 2025, 478,986 kg of iron and steel waste and 59,628 kg of non-ferrous metals were recorded.

According to the recorded data, approximately 572,769 kg of waste were sent for recycling or reuse, compared with approximately 69,275 kg sent for disposal.

Overall, this represents approximately 89.2% of the recorded waste being sent for recycling or reuse.

For recoverable non-hazardous materials, collection by a specialised company enables materials such as iron, aluminium, cardboard and wood to re-enter recovery circuits and raw-material supply chains.

The company does not currently have a specific formal policy entitled "circular economy".

It is therefore considered more accurate to describe these operations as waste and materials management, recovery and valorisation, without attributing to them a formal circular-economy strategy that does not currently exist.

12. Biodiversity

According to the information available, Cicar's activities and facilities are not located in or near areas identified as sensitive for biodiversity.

No material impacts on protected areas or areas of biodiversity sensitivity associated with the company's facilities have been identified.

13. Pollution

Cicar's industrial activity is subject to the environmental obligations applicable to its processes and facilities.

According to the information available for the 2025 financial year, the company is not required to make specific disclosures on certain pollutants covered by the corresponding indicators in the VSME template.

No additional information on pollutant emissions has been included where a sufficiently established measurement or reporting system does not exist.

14. Working Conditions and Human Rights

Cicar recognises the importance of complying with labour regulations and fundamental rights applicable to employment relationships.

The company has internal mechanisms and documentation relating to conduct, human rights and working conditions.

During 2025, no confirmed serious incidents relating to human-rights violations were recorded.

15. Ethics and Compliance

The company maintains internal mechanisms designed to prevent and manage situations relating to non-compliance, business conduct and potential incidents.

During 2025:

- no convictions for corruption or bribery were recorded;
- no fines or penalties relating to corruption or bribery were recorded;
- no confirmed serious incidents relating to human rights were identified;
- and a mechanism exists for the submission and management of complaints or internal communications.

The information is presented in terms of the facts recorded during the financial year, without attributing to these mechanisms a level of effectiveness greater than can be demonstrated through specific indicators.

16. Sensitive Activities

During 2025, no revenue was identified from the specific activities or sectors considered sensitive in the VSME questionnaire.

This information is presented in accordance with the categories included in the methodology used to prepare the report.

17. Governance

The available information on management and governance bodies is distributed as follows.

17.1. Management Level

Sex	Number
Men	6
Women	2
Total	8

Women represent 25% of this management level.

17.2. Governing Body

Sex	Number
Men	5
Women	1
Total	6

Women represent 16.7% of the governing body.

The above percentages are calculated on the total number of people in each body or level.

18. Climate-Related Risks

The main climate-related exposure factors that may be relevant to an industrial facility include, among others, periods of high temperatures, energy availability and cost, potential supply interruptions and certain physical risks associated with weather events.

The company does not currently have a specific quantified climate-risk assessment that would allow probabilities and economic consequences to be assigned to each risk.

For this reason, this report does not present a climate-risk matrix with numerical values that have not been obtained using a formal methodology.

A more detailed identification and assessment of these risks may be incorporated progressively as the company obtains sufficient information and methodology.

19. Areas for Improvement

Based on the information collected during the preparation of this report, several areas have been identified where the availability and quality of data can be improved.

These areas for improvement should not necessarily be interpreted as investment commitments or quantified targets, but rather as areas where there is scope to improve the information available and monitoring capability.

19.1. Monitoring Photovoltaic Production

Consolidate the readings from the 120 kW photovoltaic installation following the change of maintenance provider in June 2026.

The immediate objective is to obtain reliable records that make it possible to understand actual production and its development over time.

19.2. Energy Monitoring

Maintain a clear separation between:

- purchased electricity;
- natural gas;
- diesel fuel;
- photovoltaic generation;
- and, where possible, self-consumed energy and energy exported to the grid.

This separation will improve energy traceability in future financial years.

19.3. Scope 3 Emissions

Progressively analyse which Scope 3 categories can be calculated with reasonable reliability, starting with those for which relevant information is available.

It is not considered necessary to calculate all categories using estimates whose reliability cannot be justified.

19.4.Quantified Targets

Once a sufficiently consistent historical series of consumption and emissions data is available, establish quantified and verifiable targets where technically and economically reasonable.

19.5.Materials and Waste

Progressively improve traceability between raw materials used, waste generated and recovery operations, particularly for the main metal flows arising from machining.

20. Key 2025 Indicators

Area	Indicator	2025
Company	Revenue	11.976.837 €
Company	Assets	8.735.827 €
Employment	Year-end workforce	88
Employment	Men	86
Employment	Women	2
Employment	Permanent contracts	65
Employment	Temporary contracts	23
Employment	Collective agreement coverage	100 %
Employment	Departures	35
Training	Total hours	1.987 h
Training	Average per employee	22,58 h
Safety	Recordable accidents	1
Safety	Fatalities	0
Energy	Electricity	1.858,309 MWh
Energy	Natural gas	191,074 MWh
Energy	Diesel fuel	154,277 MWh
Energy	Total energy consumption	≈2.203,66 MWh
Energy	Installed photovoltaic capacity	120 kW
Emissions	Scope 1	78,35 tCO ₂ e
Emissions	Scope 2	473,87 tCO ₂ e
Emissions	Scope 1 + 2	552,22 tCO ₂ e
Emissions	Intensity	46,1 tCO ₂ e/M€
Water	Direct water abstraction	0 m ³
Waste	Total	642.044 kg
Waste	Hazardous	69.165 kg
Waste	Non-hazardous	572.879 kg
Waste	Recycling/reuse	≈89,2 %

21. Information after Year-End

Certain actions undertaken after the close of 2025 are relevant to interpreting the development of specific indicators.

In June 2026, the maintenance provider for the 120 kW photovoltaic installation was changed. Since then, production readings have once again been obtained.

These data relate to the 2026 financial year and are therefore not included in the quantitative indicators for 2025.

Their purpose in this report is limited to explaining why reliable photovoltaic production data are not available for 2025 and to identifying the action taken to improve the availability of information in the future.

22. Final Methodological Note

The preparation of this report has shown that the quality of an indicator depends both on the final figure and on the quality of the information used to obtain it.

For this reason, Cicar has chosen not to complete certain indicators using estimates when the available information does not allow a sufficiently reliable result to be obtained.

This approach has been applied, among other cases, to 2025 photovoltaic production, the calculation of Scope 3 emissions and the quantification of incoming material flows.

Likewise, when a figure included in the template results from a conversion - as is the case with natural gas consumption expressed in m³ - its nature is identified to prevent a mathematical conversion from being interpreted as an independent measurement.

Waste information does, however, allow a detailed quantitative description to be provided, since records are available for the waste generated and its subsequent management.

The purpose of this approach is to ensure that the report is useful for understanding the company's actual situation and allows its development to be compared in subsequent years.

The objective is not for every indicator to be perfect in the first reporting year, but for the data to be traceable, understandable and progressively improved.

23. Final Statement

Cicar, S.A. considers that the information presented in this report provides a reasonably representative description of the main environmental, social and governance aspects related to its activities during the 2025 financial year, within the information limitations identified in each section.

The company will continue working to improve the availability and quality of data, particularly for indicators that currently have measurement or traceability limitations.

This document is not intended to replace the company's legal, accounting, environmental or employment records, but rather to organise and communicate in an understandable way some of the relevant information derived from those records and from the internal systems available.

Cicar considers that a report of this nature is more useful when it clearly distinguishes between:

- measured data and calculated data;
- facts and future objectives;
- legal obligations and voluntary actions;
- available information and existing limitations;
- and improvements actually implemented and improvements that are still planned.

The information for the 2025 financial year is presented in accordance with this approach.