MYTILINEOS
Energy & Metals

Report

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Committed to SUSTAINABLE DEVELOPMENT GOALS

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Contents

▸ Introduction

The Financial Stability Board, responding to a request from G20 finance ministers and central bank governors, recognised the need for better information to improve understanding and analysis of risks and opportunities associated with climate change. To this end, the Financial Stability Board's Task Force on Climate-related Financial Disclosures developed a single framework of recommendations that companies can use to report climate-related risks and opportunities and disclose the corresponding information to investors, lenders, insurers, and other stakeholders.

This report constitutes the 3rd review of MYTILINEOS key business activities based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as a result of the in-depth analysis carried out by the Sustainable Development teams of the Company's Business Sectors, in close cooperation with the Central Sustainable Development Directorate, for the analysis, definition, management, and disclosure of existing/potential risks and opportunities from the impacts of climate change. This report supplements the information published in the Sustainable Development Report, in the Annual Report (EU TAXONOMY section), and in the MYTILINEOS CDP Climate Report.

The 4 pillars of recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Governance	Strategy	Risk Management	Metrics & Targets
Disclosing information on the governance of risks and opportunities from climate change.	Present information on the actual and potential risks and opportunities associated with climate change and how they affect the company's operations, strategy, and financial planning, to the extent that the related impacts are assessed as material.	Disclosure of the company's approach to identifying, assessing, and ultimately managing risks and opportunities from climate change.	Disclosure of indicators and targets used by the company to assess and manage material climate risks and opportunities.

▸ Governance

a) Describe the board's oversight of climate related risks and opportunities.

At MYTILINEOS, the responsible body for overseeing substantive issues of sustainable development is the Sustainable Development Committee of the Board of Directors (B.O.D.). The Committee assists the Board of Directors of the Company in integrating sustainable development parameters into the core processes and decision-making functions of the Company, including potential risks and opportunities related to climate change. The Committee oversees and monitors the implementation of the corporate Sustainable Development strategy, across its three levels [Addressing Climate Change, ESG Approach, and Corporate Responsibility] in line with domestic and international trends that may affect the Company's business activities and performance.

The Sustainable Development Committee (SDC) meets at least 3 times annually and additionally as necessary, concerning the management of Sustainable Development issues, particularly addressing climate change, which is a central pillar of its strategy. In the meetings, the SDC discusses and defines Sustainable Development strategy issues, evaluates overall progress, approves non-financial reports, monitors the ESG assessments and performances of the Company, validates new policies, approves related sustainability measures and initiatives, and submits recommendations for action to the Board of Directors when required. Specifically, the SDC's responsibilities include monitoring the progress made in achieving CO2 emission reduction targets and implementing related initiatives. The SDC is extensively informed about the progress of these initiatives by the General Directorate of Corporate Governance and Sustainable Development, twice a year, informs the Board of Directors, and proposes improvement measures where needed. Furthermore, the Committee monitors the Company's progress in actions or other significant climate initiatives that the Company participates in or undertakes to implement voluntarily, such as:

i) reporting based on the **European Taxonomy**.

ii) alignment with **TCFD recommendations,**

iii) participation in the international CDP **Climate Change initiative**,

iv) the calculation and publication of the indirect **CO2 emissions (scope 3).**

b) Describe management's role in assessing and managing climate-related risks and opportunities.

The General Division of Corporate Governance and Sustainable Development, through its critical and coordinating role, collaborates closely with all the Business Sectors of the Company to identify strategic priorities regarding the management of climate change issues. It informs the upper management of the Company and provides information to the Board of Directors, via the Sustainable Development Committee, about the managing of carbon emission reduction initiatives, the progress made towards achieving related targets, potential risks, and opportunities associated with climate change. Simultaneously, it supports the work of the Sustainable Development Committee concerning the oversight of corporate initiatives for adaptation and response to climate change.

Sustainable Development Operating Model
MYTILINEOS continues to align its core operating processes with the three main pillars of its Sustainable Development strategy, one of which is tackling climate change. Indicatively, the following are mentioned:

a) raising capital through the creation of the "MYTILINEOS Green Bond Framework", to finance projects that contribute both to the achievement of the corporate climate goals and commitments and to the energy transition in general, under which the Company can proceed with one or more Green Bond issues,
b) aligning capital allocation and major project approval processes with corporate climate goals and ESG criteria;
c) linking top management remuneration to KPIs linked to the evolution of CO_2 emissions.
d) the introduction of climate criteria & data in the assessment of key suppliers and
e) regarding disclosures of Sustainable Development information, their correlation with economic data is systematically promoted, through the integration of key hybrid intensity indicators.

Regarding the operating model of the Company, the General Division of Corporate Governance and Sustainable Development closely collaborates with the designated Sustainability Leaders in each Business Sector for monitoring the implementation of initiatives to reduce CO_2 emissions and achieve climate goals. Furthermore, the Sustainability Leaders have identified, according to the specificities of their Sector, responsible persons for each ESG pillar (ESG category Owners) with whom they maintain continuous communication and cooperation. The ESG category Owners coordinate and collaborate with the respective responsible parties for the implementation of specific initiatives for the climate and the broader spectrum of Sustainable Development (ESG initiative Owners), providing technical guidance for developing related action plans and implementing specific projects, the progress of which is the subject of special working meetings with the central Directorate of Sustainable Development of the Company. Regarding risks and opportunities related to climate change, the Sustainability Leaders of the Business Sectors, in cooperation with the Environmental Category Owners, are responsible for identifying and initially assessing these as well as for integrating the risks into the central Operational Risk Management System (ERM) of the Company.

▸ Strategy

Climate change is a fundamental pillar of MYTILINEOS' broader Sustainable Development strategy, and it is directly linked to the Global Goals for Sustainable Development (7: Affordable and Clean Energy & 13: Climate Action). Through its recent structural transformation, the Company strategically positions itself at the forefront of the energy transition as a leading and comprehensive 'green' utility on the international stage, and as a reference point in competitive 'green' metallurgy at the European level, thereby significantly contributing to the effort to decarbonize the global economy, which scientists agree must be achieved well before the end of the 21st century.

The Company's approach is characterized by:

- The ambitious **commitments** it has undertaken and the corresponding **goals** it has set to **tackle climate change**, which are directly linked to its business strategy.

- The adoption of the recommendations of the Task Force on Climate-related Financial Disclosures **(TCFD),** as well as the measures to strengthen the resilience of its production units, in the context **of its adaptation to climate change**.

- **Aligning its key administrative functions** with climate change issues.

- The **exploitation of business opportunities** in the context of the energy transition.

To this end, MYTILINEOS:

- committed to reducing its carbon footprint by 30%, using 2019 as the base year, by 2030, and to Net-Zero emissions by 2050.

- has developed a new central Environmental Policy with distinct reference to climate change, responsible use of energy and other natural resources, in order to promote its commitments and strengthen the effort to understand and manage its risks and opportunities as well as its climate-related impacts in the context of its activities.

- voluntarily participates in the global initiative Sustainable Development CDP - Climate Change, certifying, based on the results of the annual assessments by the Organization, that it undertakes coordinated actions to manage climate issues and in particular the potential risks and opportunities related to climate change in its activity.

a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

MYTILINEOS analyzes and prioritizes risks and opportunities associated with climate change that may affect the activities of its two main business sectors, Metallurgy and Energy, aiming at appropriate adaptation to address risks and capitalize on opportunities. The analysis primarily focuses on the industrial units and projects of the Company in Greece, as it was deemed that in these cases the assessment of climate-related risks and opportunities is of critical importance. The recognition of climate risks and opportunities is adjusted across different time horizons. This approach not only ensures that the company remains focused on current and imminent risks and opportunities but also incorporates preparation for future challenges and possibilities. Specifically: The time horizons that the Company considers for recognizing climate risks and opportunities are:

- Short-term [1 to 3 years]
  The Company focuses on the immediate identification and addressing of climate risks that can affect current operations and annual planning. This is directly linked to the 5-year business plans of the Activity Sectors, as it allows the company to maintain stability and respond promptly to short-term changes.

- Medium-term [3 to 10 years]
  The Company is preparing for potential changes in the climate and regulatory environment, by adapting its corporate strategy and developing products and services that meet future needs. This horizon is critical for achieving the medium-term objectives of the business plan and enhances the company's sustainability in this environment.

- Long-term [10 to 30 years]
  Finally, the long-term horizon allows the Company to fully integrate climate risks and opportunities into its planning and long-term corporate strategy. Here, the focus is on innovation and the creation of resilient solutions that will contribute to ensuring the company's long-term success and sustainability, beyond the 5-year business horizon.

MYTILINEOS' climate change-related risk categories include:

Transition Risks:
The company's response to extensive changes in policies, legislation, and technologies related to climate change adaptation and mitigation measures, within the broader context of transitioning to a lower-carbon economy at national, European, and global levels. Additionally, climate change is recognized as a potential source of reputational risk associated with changes in how Social Partners perceive the company's contribution to a lower-carbon economy.

Physical Climate Risks:
These are risks related to intense or more long-term natural changes that are considered significant for the operation of the Company's industrial units. These include, among others, the destruction of infrastructure due to extreme weather conditions, the reduction of available water resources due to decreased rainfall, sea-level rise, loss of workdays due to extreme temperatures, the need to strengthen measures and actions for environmental protection and restoration, etc. These physical risks may have economic impacts, such as direct damage to assets, as well as indirect effects due to supply chain disruptions.

Both transition risks and physical climate risks can affect MYTILINEOS and its activities. Regarding transition risks, such as new regulatory requirements, transitioning to a sustainable future with low carbon emissions entails the implementation of additional regulatory measures by policy-makers. As the Metallurgy and Energy Sectors incorporate technologies and processes that are difficult to decouple from fossil fuels (natural gas), new regulatory requirements related to climate and energy could have significant financial and other impacts on the Company. MYTILINEOS closely monitors compliance with regulatory requirements and actively participates in working groups for the development of new regulations, to ensure that all related risks are included in the Corporate Risk Management System.

At the same time, acute physical risks such as extreme weather events concern all activities of MYTILINEOS as they could affect the plants, facilities, construction sites, and regular operations of the Company. Depending on the Business Sector, some of these risks are more significant.

The following table presents the total climate-related risks identified in each of the Company's Business Sectors combined with the time horizons that were examined.

Table 1. Climate-related risks identified by MYTILINEOS' Business Sectors.

Identified climate-related risks	Business Sectors		Time horizon		
	METALS (M)	**ENERGY (E)**	*Short-term*	*Medium-term*	*Long-term*
Transition risks					
• Increased carbon emission allowance prices	O	O	(M) - (E)	(M) - (E)	(M) - (E)
• Increased electricity and gas prices	O	O	(M) – (E)	(M) - (E)	(M) - (E)
• Enhanced reporting requirements for GHG emissions	O	O	(M) - (E)	(M) - (E)	(M) - (E)
• Increased selling prices of electricity and natural gas		O	(E)	(E)	(E)
• Reduced access to capital and inflated cost of capital	O	O		(M) - (E)	(M) - (E)
• Removal of renewable energy supporting programs		O		(E)	(E)
• Energy conservation improvements in Building codes		O			(E)
• Increased raw material prices	O			(M)	(M)
• Shifting customer preferences (primary versus secondary cast aluminium, electricity from renewables versus electricity from fossil fuels, etc.)	O	O		(M) - (E)	(M) - (E)
• Shortage of raw materials due to global recycling trends	O		(M)	(M)	(M)
• Reductions in the marginal price of electricity due to increased penetration of RES		O	(E)	(E)	(E)
• Network management challenges related to the integration of RES		O		(E)	(E)
• Increased shareholder's and other stakeholders' pressure due to sales of fossil-fuel electricity and natural gas and due to carbon intensive products (e.g., primary aluminium)	O	O		(M) - (E)	(M) - (E)
• Transition to low-carbon technologies in primary aluminium production	O			(M)	(M)
• Reduction of production process efficiency, until the optimal integration of new technologies that the company will adopt mandatorily	O			(M)	(M)
Natural risks / chronic					
• Rising temperatures and decreasing machine performance/employee productivity		O			(E)
• Rising temperatures and reducing energy demand		O			(E)
• Reduced precipitation and problems in water availability in infrastructure	O	O		(M) - (E)	(M) - (E)
• Sea level rise and infrastructure flooding	O	O			(M) - (E)
• Changes in wind data and wind farm productivity		O			(E)
Natural risks / extreme events					
• Increased frequency of extreme weather events (heatwaves, storms, fires, floods, etc.)	O	O	(M)	(M) - (E)	(M) - (E)
• Extreme precipitation and flooding of mining sites or waste disposal sites	O		(M)	(M)	(M)

After identifying the overall risks, the further analysis process[1] identified **the following most important** ones that may have an impact on the Company's revenues and/or operating costs.

▸ **Potential Transition Risks**:

[R1] - Increased carbon emission allowance prices.

[R2] - Transition to low-carbon technologies in primary aluminium production.

[R3] - Increased electricity and gas prices.

[R4] - Increased selling prices of electricity and natural gas.

[R5] - Increased raw material prices.

[R6] - Shifting customer preferences (primary versus secondary cast aluminium, electricity from renewables versus electricity from fossil fuels, etc.)

▸ **Potential Natural Climate Risks**:

[R7] - Rising temperatures.

[R8] - Increased frequency of extreme weather events.

Regarding opportunities, MYTILINEOS is strategically positioned to capitalize on energy megatrends primarily through the development and operation of Renewable Energy Sources, with network upgrading projects internationally, and by leveraging the developing markets of hydrogen production (H2) and Carbon Dioxide Capture, Utilization, and Storage (CCUS). Additionally, benefits for the company's business strategy arise both from the various ways of utilizing natural gas within the context of the energy transition and from the increasing incorporation of recycled aluminum into its product mix, aiming for greener outputs.

The following table presents the total climate-related opportunities identified in each of the Company’s Business Sectors combined with the time horizons that were examined.

[1] Considering: a**) The criterion of materiality of the consequences likely to result from the climate risks identified,** in relation to: •The time horizon and •Their economic impact. **(b) The criterion of the level of assurance that the risks identified will occur**, in relation to: •The extent to which the risk can be quantified; •The variability of operating parameters related to climate risks, based on the different climate scenarios considered. •The direction and/or rate of change of parameters related to climate risks.

Table 2. Climate-related opportunities identified by MYTILINEOS' Business Sectors.

Identified climate-related Opportunities	Business Sectors		Time horizon		
	METALS (M)	**ENERGY (E)**	*Short-term*	*Medium-term*	*Long-term*
• Investments on energy efficiency and more efficient production processes	O		(M)	(M)	(M)
• Increased use of recycled or low-carbon materials	O	O		(M) - (E)	(M) - (E)
• Investment in secondary aluminium production	O			(M)	(M)
• Investments on renewables or non-carbon materials	O		(M)	(M)	(M)
• Investments on renewables & storage systems and Grid Solutions		O	(E)	(E)	(E)
• Electrification of final demand		O	(E)	(E)	(E)
• Demand for RES guarantees of origin		O		(E)	
• Increased demand for products with low emissions (energy and secondary aluminium)	O	O	(E)	(M) - (E)	(M) - (E)
• Participation on projects aiming to protect infrastructure and restore climate-related damages		O			(E)
• Development of new products enabling the transition to low/zero carbon economy	O			(M)	(M)
• Use of more efficient mode of transport	O			(M)	(M)
• Growing demand for products that contribute to carbon reductions as well as to climate impacts adaptation and damages restoration	O			(M)	(M)
• Best use of the Company's diversified business model	O			(M)	(M)
• Financing using new financial mechanisms	O	O	(M)	(M) - (E)	(M) - (E)
• Investments in technical development efforts: develop battery storage capacity and prediction technology for renewables.		O		(E)	(E)

Collectively, the **most significant** opportunities that may have an impact on the Company's revenues and/or operating costs are:

▸ **Potential Opportunities:**

[O1] - Investments on renewables & storage systems and Grid Solutions.

[O2] - Investment in secondary aluminium production.

[O3] - Investments in energy efficiency and more efficient production processes.

[O4] - Increased use of recycled or low-carbon materials.

[O5] - Development of new products enabling the transition to low/zero carbon economy.

[O6] - Electrification of final demand

[O7] - Investments in technical development efforts: develop battery storage capacity and prediction technology for renewables.

[O8] - Use of more efficient mode of transport.

b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.

The potential key impact of climate risks and opportunities on MYTILINEOS may include the following:

▸ **[O1], [O2], [O4], [O5], [O6], [O7] - Increase revenue from:**

- the sale of low-carbon products (e.g. recycled aluminium) or products and services essential for the green transition. MYTILINEOS is active in the dynamic development of projects necessary for the energy transition at an international level and is expected to play, in the next critical decade, an important role by scaling up its positive impact to become one of the leading companies in the global market in this field.

- the expansion of the market share in electricity supply, increasing the services and products provided with a customer-centric approach, in the context of increasing electricity demand where it will be the main source of energy in the new era due to the rapid electrification of the market (electromobility, installation of heat pumps, etc.).

- strengthening the Company's strong position in the EPC market for the construction of natural gas power plants.

- the design and gradual entry into new developing markets of hydrogen (H2) production and carbon dioxide retention (CCUS) and maximizing the availability of our thermal plants and integrating more and more the possibilities given by the progress of technological tools and especially through the development of in-house customized IT tools for energy production and management.

- the increasing demand for aluminium as a key component of the energy transition. To achieve carbon neutrality by 2050, it is necessary to install energy-efficient infrastructure in buildings, with aluminium making a significant contribution.

▸ **[O3], [O8] - Reduction of operating costs from:**

- the greater utilisation of lower carbon intensive production processes and increased production to maximum capacity.

- the reduction of transport costs will reduce procurement costs.

▸ **[R2]** - **Increased investments from:**

- the transition to low-carbon technologies in the production of primary cast aluminium, such as the mining process that requires investment in mechanical equipment, and increased research and development costs. This impact is likely to increase as emission reduction requirements are maximised.

▸ **[R4], [R6], [R7], [R8] - Decrease in revenue from:**

- the reduced demand for electricity and natural gas due to increased selling prices that may result from the implementation of climate change mitigation policies.
- the reduced demand for primary cast aluminium due to changes in the preferences of final consumers and consequently of the Company's customers.
- the reduced efficiency of thermal plants due to rising temperatures

▸ **[R2], [R7], [R8]** - **Reduction of production efficiency**:

- in specific periods (possibly in the medium term) with the introduction of new technologies and the gradual optimization of operational parameters in its production processes.
- due to reduced efficiency of thermal plants as a result of rising temperatures

▸ **[R1], [R3], [R5], [R7]** - **Cost increase due to**:

- increased carbon emission allowance prices that may cause the Company's position in the global cost curve of aluminium plants to deteriorate against competition.
- Increased transportation costs, due to carbon containment measures, can affect the cost of raw materials, resulting in increased production costs
- reduced efficiency of the Company's natural gas power plants due to rising temperatures.
- increased electricity and gas prices that may result from the selection of specific climate mitigation solutions that burden the energy costs of production processes.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

MYTILINEOS monitors and manages the impacts of climate change through the analysis of different climate scenarios. The socio-economic parameters of these 'scenarios[2]' are derived from the **Network for Greening the Financial System (NGFS),** while the future climate parameters for a region of interest for each of these scenarios are sourced from the European climate service **COPERNICUS**.

More specifically, the Company has developed three different scenarios, each describing a different climate future in terms of greenhouse gas (GHG) emissions, their concentrations in the atmosphere, and ultimately the severity and intensity of the noted climate change as a function of related mitigation policies. These scenarios, designed with the contribution of a consortium of academic research institutions, aim to cover a wide range of physical risks and transition risks under different future conditions, considering the latest economic and climate data and policy commitments as of March 2023. They generally follow the key RCP (Representative Concentration Pathway) scenarios and their assumptions, which were developed within the framework of the 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), and provide a significant scientific basis for the development of the NGFS scenarios, allowing the integration of climate science and financial analysis:

i. **Week policies Scenario:** This scenario reflects the assumption of a world where action to mitigate climate change is delayed. As a result, greenhouse gas emissions continue to rise in the 21st century and the global average temperature rises above 3°C at the end of the century. Climate risks and opportunities are mainly related to natural impacts as both chronic and acute consequences of climate change are significant. For the quantitative analysis of these risks and opportunities, climate and economic data are included in scenarios developed under the **RCP8.5.**

   Key potential risks, based on their financial assessment, for MYTILINEOS' activity until 2030:

   Natural Risks:

   ⇒ **[R7], [R8]** - Rising average temperatures and heatwaves may affect the reduction in efficiency of the company's thermal plants. It is a high risk for the Energy Sector as it can lead to reduced production and revenues.

   Transition Risks:

   ⇒ **[R1]** - Emission allowance prices constitute a very high potential risk in Energy activities and a high potential risk in Metallurgy's activities related in both cases to the increase in costs for their purchase.

   ⇒ **[R3]** - The increased prices of electricity and natural gas that may result from the selection of specific solutions for climate mitigation constitute a very high risk for the Metallurgy Sector, increasing the energy costs of production processes.

[2] These scenarios are not predictions, but explorations of possible future developments that help to understand the courses of action leading to each climate future they represent and to assess potential risks and opportunities. They incorporate the latest trends in renewable energy technologies, such as solar and wind, and examine the impact of the war in Ukraine on the energy market. The NGFS also improved the modelling of natural hazards, providing more detailed scenarios of how acute natural hazards, such as heatwaves and droughts, could materialise over time and at the country level.

ii. **Current/Existing policies Scenario:** This is an intermediate scenario, assuming a market-driven transition to a lower carbon future, in line with the Paris Agreement. Climate change mitigation policies are stronger than in the previous scenario and lead to increases in global average temperature between 2°C and 3°C at the end of the century. The climate data used for the quantitative analysis of risks and opportunities are those derived from scenarios developed in the context of the **RCP4.5.**

Key potential risks, based on their financial assessment, for MYTILINEOS' activity until 2030:

Natural Risks:

⇒ **[R7], [R8]** - Rising average temperatures and heatwaves may affect the reduction in efficiency of the company's thermal plants. This risk persists, but to a lesser extent (within the limits of moderate risk), since the cost, under this scenario, is lower than the scenario of weak policies due to climate change mitigation and therefore less impact on the efficiency of thermal plants.

Transition Risks:

⇒ **[R1]** - The increased prices of CO_2 emission allowances, according to this scenario, constitute a very high potential risk for the activities of Metallurgy and Energy since they may lead to a further increase in the cost for their purchase.

⇒ **[R3]** - Increased electricity and gas prices represent a very high potential risk of increased operating costs for the Metallurgy Sector, also in this scenario, based on projected electricity and gas consumption.

⇒ **[R4]** - Increased electricity and natural gas sales prices, due to mitigation policies to tackle climate change, constitute a high potential risk for the Energy Sector. It is related to the possibility of reduced demand and consequently possible revenue losses.

iii. **Strong Policies Scenario (Net-Zero):** The Net Zero scenario incorporates robust climate change mitigation policies and indicates a carbon evolution path for the global energy sector to reach net zero CO_2 emissions by 2050. It goes hand in hand with limiting global warming to 1.5°C by the end of this century without any (no overshot) or limited overshoot temporarily exceeding the predetermined level of warming. The climate data used for the quantitative analysis of risks and opportunities are those derived from scenarios developed within the framework of the **RCP2.6.**

Key potential risks, based on their financial assessment, for MYTILINEOS' activity until 2030:

Transition Risks:

⇒ **[R1]** - Elevated emission allowance prices continue to pose a potentially very high risk to both of the Company's core Business Sectors. The cost increase, in this scenario, based on the projected CO2 emissions of each Sector appears to be much greater than the scenario of existing policies.

⇒ **[R3]** - Increased electricity and gas prices continue to pose a very high potential risk of increased operating costs for the Metallurgy Sector.

⇒ **[R4]** - The increased selling prices of electricity and natural gas due to mitigation policies to address climate change, in this scenario, are higher, therefore further reduced demand is expected, which may entail a very high risk for the Energy Sector, mainly in relation to natural gas, with greater potential revenue losses.

In conclusion, although the analysis revealed risks with varying degrees of intensity per scenario, MYTILINEOS' diversified business model can be characterized as resilient to the effects of climate change for the following reasons:

i) has strong synergies between the Business Sectors and vertically integrated production with strict cost control, ensuring strong financial performance despite volatility in energy prices,

ii) has a strong financial profile with high profitability, low leverage, prudent financial policy and proven resilience.

iii) It has the structures, strategies and policies that enable it to adapt and continue to function effectively despite the growing challenges caused by climate change,

iv) It is characterised by flexibility in resource management, review of supplies and supply chains, and the ability to adapt to best practices that reduce environmental footprint and enhance resilience,

v) has a broad international reach with leading domestic positions and a diversified customer base,

vi) is at the forefront of the energy transition, integrates Sustainable Development into its core activities and operations, promotes innovation, capitalizes on technological progress, and actively manages risks.

▸ Risk Management

a) Describe the organisation's processes for identifying and assessing climate-related risks.

MYTILINEOS initiated a thorough analysis to identify (identify) climate-related risks and opportunities in its Business Areas. The identification of these risks and opportunities was achieved after a systematic documentation control of MYTILINEOS' activities.

All risks and opportunities identified were assessed against two main criteria and the following sub-criteria.

- **The materiality criterion** of the consequences that may arise from the risks and opportunities identified, with the following sub-criteria:
  1) The time horizon: short term (2022-2025), medium term (until 2030), and long term (until 2050) and
  2) their economic impact.

- **The criterion of the level of certainty** that the risks and opportunities identified will indeed occur, with the following sub-criteria:
  1) trust: to what extent the risk or opportunity can be quantified through the considered climate scenarios, and reliable data found.
  2) sensitivity: what kind of variability the operating parameters related to climate risks and opportunities present, based on the different climate scenarios considered.
  3) Concrete Outcome probability: direction and/or rate of change of parameters related to climate risks and opportunities.

Following the implementation of the criteria, risks and opportunities were classified into 4 groups for each of MYTILINEOS' Business Sectors:

1. **Risks/opportunities of high importance and high certainty.** To the extent possible, these risks and opportunities are analysed in quantitative terms, using key information from the various climate scenarios as well as available data on MYTILINEOS' future growth. For these risks and opportunities, proactive actions are foreseen in order to integrate them into future policies of MYTILINEOS.
2. **Risks/opportunities of high importance and low certainty.** These risks and opportunities are systematically monitored, and to the extent that they appear to constitute a significant risk or opportunity for MYTILINEOS, appropriate management plans will be developed. However, no immediate action is required.
3. **Risks/opportunities of low importance and high certainty.** These risks and opportunities are monitored without further need to develop appropriate management plans.
4. **Risks/opportunities of low importance and low certainty** considered as non-material.

In addition to the analysis of the scenarios**,** the following **Tables 3 and 4** present the picture of the climate risks related to the various activities of the Company, and their evaluation based on the quantitative and qualitative analysis carried out. The various risks are classified into the following categories:

- **Very High (VH):** in cases where the respective economic impacts are critical, estimated to **exceed €50 million.**
- **High (H):** where the respective economic impacts are significant and range **between €10 and €50 million.**
- **Moderate (M):** where the respective economic impacts range **between €1 and €10 million.,**
- **Low (L):** where the economic impact is insignificant to minor and, in any case, **less than €1 million.**

Table 3. Assessment of the key natural climate potential risks identified and assessed for MYTILINEOS' various activities.

KEY PHYSICAL RISKS	Business Sector METALS	Business Sector ENERGY[3]
Chronic effects (Rising average temperatures)		
Weak policies		
Current Policies		
Strong Policies		
Extreme effects (heatwaves)		
Weak policies		
Current Policies		
Strong Policies		

Regarding other natural phenomena, such as long-term decrease in rainfall, sea level rise, changes in wind patterns, intense frosts, storms, fires, atmospheric instability with frequent lightning (CAPE index), strong winds and periods of apnea, are considered as low risk phenomena for all activities of the Company.

[3] In the Energy Sector, this risk is mainly found in the activity of energy production from natural gas thermal plants. In the other activities of the Sector, these risks are characterized as Low.

Πίνακας 4. Assessment of the key climate potential transition risks identified and assessed for MYTILINEOS' various activities. The white cells refer to the Unrelated Risks to the Company's activity.

KEY TRANSITION RISKS	Business Sector METALS	Business Sector ENERGY
Increased carbon emission allowance prices[4]		
Weak policies		
Current Policies		
Strong Policies		
Increased electricity and gas prices leading to increased operating costs		
Weak policies		
Current Policies		
Strong Policies		
Increased electricity and gas sales prices due to mitigation policies leading to reduced demand and revenue losses[5]		
Weak policies		
Current Policies		
Strong Policies		

b) Describe the organisation's processes for managing climate-related risks.

To adapt to climate change and reduce the impact of related potential risks, the Company follows these steps:

i) examines different climate scenarios on the ground to identify potential risks,

ii) analyze and evaluate these risks to understand their significance and potential financial implications for the Company,

iii) integrate adaptation (to climate change) into business decision-making to avoid or mitigate climate change-related damage and, where possible, seize opportunities to adapt to changing circumstances, and

iv) implement appropriate measures as a result of the above procedures.

[4] In the Energy Sector, this risk is mainly found in the activity of energy production from natural gas thermal plants.
[5] In the Energy Sector, this risk mainly concerns the activity of electricity and gas supply.

Existing measures and strategies to mitigate and manage the aforementioned risks and strengthen the Company's resilience.

- **MYTILINEOS has a comprehensive strategy to address climate change,** which guides its initiatives to reduce carbon dioxide emissions as outlined in the Kyoto Protocol, the Paris Agreement on Climate Change (CoP21), and the corresponding National Plan for Energy and Climate (NPEC) of Greece, which defines Greece's contribution to the European Green Deal. MYTILINEOS is the first Greek industrial company to set specific, measurable, and ambitious targets for reducing CO2 emissions by 2030 and 2050, thus highlighting carbon footprint reduction as a priority in its Strategy for Sustainable Development. The strategy for emission reduction targets for each Business Sector of MYTILINEOS was made public in February 2021, in line with the International Energy Agency (IEA) scenario to limit the increase in the planet's average temperature to well below 2 degrees Celsius. (Detailed information about the CO2 emission reduction initiatives is presented in the Company's 2023 Sustainable Development Report in the section 'Climate Change, Energy & Gas Emissions'».
- The Company's Business Sectors are in close cooperation with the Central Regulatory Affairs Division, **which has a strong presence in the EU, participating in initiatives or associations that take positions on any policy, law, or regulation that may affect the climate**. Specifically, the Company's Central Regulatory Affairs Division interacts with policy makers by sending relevant documents or occasionally through direct meetings, to ensure that they are aware of and understand the Company's positions and the proposed improvements to legislation. More information is available in the Company's CDP Climate Change Report.
- **MYTILINEOS implements pre-purchase compensation mechanisms** through its Central Finance Division, while enhancing synergies between its Business Activity sectors, such as supporting the Metallurgy Sector for the formation of an alternative energy "basket" and the transition to green energy from the Energy Sector.
- **The Company expands its own portfolio of Renewable Energy Sources,** aiming to increase its share of the electricity market.
- Finally, the Metallurgy Division has designed **actions to improve energy efficiency as well as process design to improve direct emissions,** while regarding the risk of increasing raw material costs, as calculated, it does not particularly affect the financial data and business planning of the Sector. Although it is constantly monitored, no actions are currently being recorded.

Additionally, apart from the measures to manage and address significant risks that have arisen, **the following adaptation and protection measures against various physical risks are implemented in each Sector:**

For the management of extreme weather and natural phenomena, MYTILINEOS adopts a range of risk management approaches that include insurance coverage, identification of potential weaknesses, and planning corresponding action plans (both proactive and reactive, such as reinforced constructions), as well as a crisis management framework with clear roles, responsibilities, and escalation/notification protocols for managing unforeseen events.

- Energy Sector: Emergency Action Plans have been developed for the Company's thermal stations to address the occurrence of extreme natural phenomena (heatwaves, frost, storms, floods, etc.), while special flood studies have also been conducted in locations where streams are near the Company's stations. Regarding transition risks, the Company participates in an energy exchange through which increased costs for purchasing emission rights or other expenses related to climate change can be incorporated into the price of the electricity sold in the market. In terms of renewable energy unit operations, wind turbines are equipped with safety systems that, in case of very strong winds, stop the operation of the generators and move their blades to a safe position, while the surfaces (panels) of solar collectors are designed to be hail resistant. Additionally, regarding the Company's business activities abroad, appropriate protective measures are established and implemented within the boundaries of the facilities and construction sites to ensure that all conditions leading to deviations from normal operation are effectively addressed.
- Metals Sector: Studies were conducted on the risks of floods, accidents, and disasters, while existing infrastructures were improved, and new ones were constructed to address the most extreme weather phenomena. Relevant emergency action plans were also developed. In the context of mining activities to date, no impacts have been identified on the Company's underground facilities that would necessitate the implementation of specific adaptation measures. Additionally, a study of climate risks related to water was conducted.

c) Describe how processes for identifying, assessing, and managing climaterelated risks are integrated into the organisation's overall risk management.

MYTILINEOS has developed an internal control system for effective risk management, consisting of a set of policies, procedures, standards, and rules designed to promote the principles, expected inflows and outflows of business processes, and safety valves that must be performed to ensure the accuracy and completeness of information. The internal control system enhances awareness and understanding of risk management and provides opportunities for improving operations and performance. Lastly, the methodologies of the Internal Audit and the Business Risk Management Division regarding the assessment of the internal control system consider the principles of the COSO Internal Control-Integrated Framework (2013). More information is available in the 'Business Risk Management' section in the company's Annual Report 2023 .

In relation to climate change-associated risks, MYTILINEOS is in the process of evaluating and integrating the most substantial risks into the registry of its Business Risk Management System, which is overseen by the Business Risk Management Directorate. Appointed Risk Owners in each Business Sector of the Company are responsible for identifying and assessing climate risks and opportunities, in collaboration with the General Directorate of Corporate Governance and Sustainable Development. In this context, new/emerging risks can be gradually included in the risk registry that reflects current conditions and a dynamic risk environment for the Company, which continuously seeks new investments and innovative products. Specifically, 'Extreme and unpredictable weather phenomena and natural disasters,' in the context of climate change, have been identified as one of the emerging risks related to the threats faced by MYTILINEOS' activities that can disrupt operations, cause damage to assets, lead to losses, and affect the local communities in which the Company operates. The impact and speed of these events suggest a trend of continued occurrence of uncontrolled events, requiring the attention of MYTILINEOS' senior management. More specifically, the risk from severe weather phenomena such as rising temperatures, heatwaves, fires, floods, and natural phenomena like earthquakes and landslides can impact the company's ability to maintain

critical operations such as those of thermal units and foundries, the ability to meet contractual obligations for services and products, as well as lead to damage to equipment, legal expenses, and operational costs for managing risks. The general principles governing risk identification and management are described within the Company's Annual Report 2023 .

▸ Metrics and Targets

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

The following table shows the measurable indicators that are most relevant to the risks and opportunities identified. These indicators facilitate the analysis of trends, highlight the results of actions taken in response to risks, and allow understanding of the potential economic impact of the risks and opportunities involved.

Table 5. Key metrics

Metrics	Relation to Risks & Opportunities
S1 emissions / entire Mytilineos Group (kt CO2e)	GHG emissions
S1 emissions / Metallurgy BU (kt CO2e)	
S1 emissions / PG and NG BU (kt CO2e)	
S2 emissions / entire Mytilineos Group (kt CO2e)	
S2 emissions / Metallurgy BU (kt CO2e)	
S1&2 emissions / entire Mytilineos Group (kt CO2e) [1]	
S1&2 emissions / Metallurgy BU (kt CO2e) [1]	
S3 emissions / entire Mytilineos Group (kt CO2e)	
Installed capacity of fossil-fueled power plants (MW)	Transition risks
Installed capacity of RES (MW)	Climate-related opportunities - Capital deployment
Installed capacity of storage systems (MW)	Climate-related opportunities - Capital deployment
Electricity generated by fossil-fueled power plants (GWh)	Transition risks
Percentage of total fossil-fueled electricity in the country generated by Mytilineos (%)	Transition risks
Electricity generated by RES (GWh)	Climate-related opportunities
Total sales of electricity (GWh)	Transition risks, Physical risks
Total sales of natural gas (GWh)	Transition risks
S1 intensity / P&G BU (t CO2e/MWh) [1]	Transition risks Physical risks (electricity generation) Climate-related opportunities
Primary aluminum production (t)	
Secondary aluminum production (t)	
S1 intensity / Metallurgy BU / Primary Al production (t CO2e/t Al)	
S1&2 intensity / Metallurgy BU / Primary Al production (t CO2e/t Al)	
S1 intensity / Metallurgy BU / Secondary Al production (t CO2e/t Al)	
S1&2 intensity / Metallurgy BU / Secondary Al production (t CO2e/t Al)	
S1&2 intensity / Metallurgy BU (t CO2e/t Al) [1]	
% revenues Metallurgy BU to Group revenues	
% revenues Primary Al to Metallurgy revenues	
EU taxonomy revenues, Climate change mitigation, Mytilineos Group (%) [2]	Climate related opportunities

Metrics	Relation to Risks & Opportunities
EU taxonomy revenues, Climate change mitigation / Metallurgy BU (%) [2]	Climate related opportunities
Carbon price ($/t CO2e)	

[1]: Metrics related to climate targets.

b) Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks..

The disclosure of Scope 1, 2 and 3 emissions, and their main impacts, are presented in detail in the section "**Climate Change - Energy & Air Emissions"** within Company's Sustainable Development Report 2023.

The CO_2 emissions of Scopes 1, 2 and 3 represent different emission categories related to MYTILINEOS' activities, and each Field has distinct risks. Direct Scope 1 emissions include those directly from the company's operations, raising risks such as increased operating costs due to carbon pricing and difficulties in complying with environmental legislation. Indirect Scope 2 emissions relate to energy use and pose risks such as dependence on volatile energy prices and increasing pressure to transition to clean energy sources. The other indirect Scope 3 emissions, related to emissions from the Company's value chain, introduce risks such as the need to manage suppliers' environmental impact and potential challenges to transparency and corporate disclosures. Taken together, these risks can lead to financial, legal and reputational implications, while reinforcing the need for transparent and sustainable business practices.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

MYTILINEOS has set absolute and specific emission reduction targets for both the medium-term and long-term horizons, covering all of its business activities. Overall, the Company commits to achieving a **30% reduction** in direct (Scope 1) and indirect (Scope 2) emissions by 2030, compared to 2019, and **Net Zero** emissions by 2050. These targets are broken down by Business Sector, taking into account the corresponding characteristics and potential of the various activities.

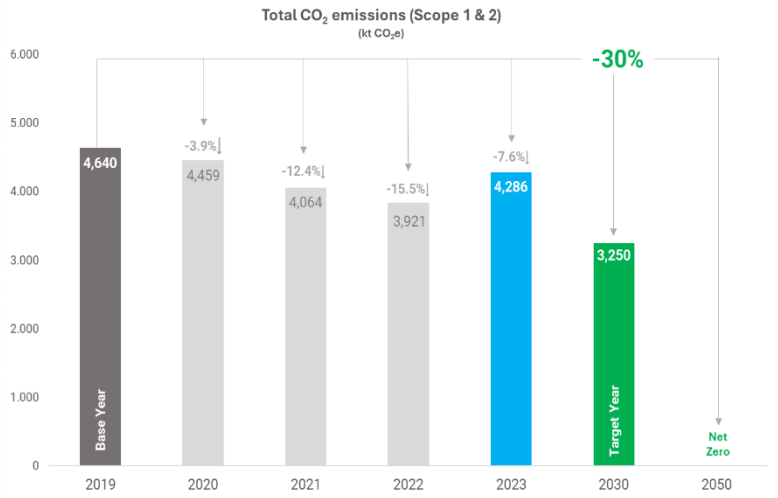
Regarding the progress of total CO_2 emissions (Scope 1 & 2) (primary target), from 2019 to 2023, MYTILINEOS recorded a total reduction of 7.6%, capitalizing on the decarbonization of Greece's energy mix, as well as the results of specific initiatives to reduce Scope 1 CO_2 emissions in the metallurgy sector's production process. Over the next two years, the Company anticipates that its total emissions will be at higher levels than those of 2023, primarily due to the full operation of the new natural gas-fueled thermal power plant and the undertaking of new conventional power production projects and infrastructure projects, covering the expected specific reduction in Scope 2 emissions. It should be noted that the estimate of these emissions has already been budgeted in the initial target-setting exercise, so it is not expected to have a significant negative impact on achieving the overall target of a 30% reduction by 2030. From 2026 onwards, the significant investment plan in Renewable Energy Sources (RES) of the Company is expected to substantially support the drastic reduction of indirect emissions by 2030, in conjunction with the implementation of

specific actions to reduce direct emissions, which will be at an advanced stage. [More information in the Company's Sustainable Development Report 2023]

MYTILINEOS Climate Targets

Emission categories	Climate scenario	Main Targets*	Sub-Targets* and main CO_2 reduction initiatives
COe Emissions Scope 1 & Scope 2	Well below 2°C	***By 2030:*** **-30%**	***Metals Sector*** 1) Total CO_2 emissions (Scope 1&2): **-65%** 2) Relative emissions (tCO_2/tAl): **-75%** ***Energy Sector*** 1) Relative emissions ($kgCO_2/MWh$): **-50%** **Key initiatives** • Continuation of the implementation of a RES investment plan. • Electrification from renewable energy sources. • Application of state-of-the-art technologies and the utilization of digital industrial methods in the stages of aluminum production. • Study of the application of new technologies (carbon dioxide capture, pilot use of hydrogen, etc.) • Increase of secondary aluminium production and increase of scrap use in primary aluminium production. • Use of electric vehicles. • Use of electric heat pumps in offices and buildings. • Use of Electricity Accumulators on construction sites.
		By 2050: **Net Zero**	**Long-term Net -Zero initiatives** • Production and use of green hydrogen. • Production and use of low-carbon fuels. • Use of carbon capture and storage technologies. • Use of inert anode technology in aluminium production. • Further increase in production of secondary aluminium.

Evolution of MYTILINEOS' Climate Targets



Business Sectors	Targets Categories	Base year 2019	Performance 2023	Target year 2030
➢ METALS Sector	*Total emissions kt CO_2e (Scope 1 & 2)*	3,056	2,716 (-11%) -16.5% -32.5% -48.7%	1.070 (-65%)
	Relative emissions (t CO_2e/t Al produced)	13.7	11.3 (-17.5%) -18.7% -37.5% -562%	3,43 (-75%)
➢ ENERGY Sector	*Relative emissions (kg CO_2e/MWh produced)*	329	296 (-10%) -12.5% -25% -37.5%	165 (-50%)