

# Tackling Climate Change

[SASB EM-CM-110a.2] [SASB EM-MM-110a.2] [SASB IF-EU-110a.3]

In August 2021, the Intergovernmental Panel on Climate Change (IPCC), in its Sixth Climate Change Assessment Report (AR6 WGI - The Physical Science Basis), stressed that the climate system is facing changes at an unprecedented scale. According to the IPCC, climate change is already affecting many extreme weather and climate conditions around the world with rising temperatures expected to exceed 2°C unless greenhouse gas emissions are significantly reduced, achieving net zero carbon footprint and significant reductions in emissions of other greenhouse gases. According to the IPCC, between 3.3 and 3.6 billion people live in areas particularly vulnerable to climate change.

The European Commission, in the framework of the implementation of the **European Green Deal**, and the achievement of the greenhouse gas emissions reduction target of at least 55% by 2030, adopted in July 2021 a relevant package of proposals. The Commission emphasizes that it is crucial that the transition to a greener economy is done in a fair way, which was also highlighted at the United Nations Conference on Climate Change in November 2021 (CoP 26). At CoP 26, the **Just Transition Declaration** was signed by more than 30 countries worldwide, including Greece. Through this Declaration, countries are committed to securing the support of employees, businesses and communities in the transition to a greener economy.

MYTILINEOS, as a modern Company, recognized the need to move to a more sustainable business model early on. At the end of 2020, the Company made the strategic decision of the energy transition as this approach was considered correct, both economically, socially and environmentally. This decision was based on:

- the desire of the Company to contribute, to the extent possible,

to tackling climate change, as one of the greatest challenges facing humanity in the 21<sup>st</sup> century, which requires the participation of all in the transition to a net zero economy based on renewable energy sources, and

- to the realization, after conducting the relevant analysis and identifying the different needs arising from its expanded activities, that in order to remain resilient and competitive in the current challenges, the Company must integrate sustainability in the core of its activity, developing ambitious goals reducing CO<sub>2</sub> emissions and achieving a net zero carbon footprint, separately for each Business Unit.

The new vision of the Company was outlined by the Chairman and CEO of MYTILINEOS, Evangelos Mytilineos, at the beginning of the "ESG Summit Net Zero Action" organized by the Company in February 2021:

"Today, the need for urgent action to tackle climate change, is driving us at MYTILINEOS to take a big step towards this direction, wishing to contribute to the drastic response to the phenomenon. The time has come **to set the ground for a 100% sustainable and green industrial activity, and we are committed to achieve 30% reduction in emissions across our entire business activity by 2030 and net zero emissions by 2050.** Our ambitious climate targets are embedded in our corporate DNA, and have become a strategic pillar, a decision-making criterion, and a driver to every business operation. Moving forward, sustainable growth is and should be a priority for all. Only by aiming high and setting bold targets, all industries - including us - can ensure the creation of long-term value for all and a collective sustainable future for generations to come."

## MYTILINEOS Climate Targets

Overall target 2030*	-30% reduction on total CO <sub>2</sub> e (Scope 1 & 2) emissions		
Business Uni	Targets	Climate scenario	Core initiatives
Metallurgy	Total emissions kt CO <sub>2</sub> e (Scope 1 & 2)	-65% ↓	Well below 2°C
	Relative emissions t CO <sub>2</sub> e/t Al	-75% ↓	
Power & Gas	Relative emissions kg CO <sub>2</sub> e/MWh	-50% ↓	• Production of 7,600GWh from RES
Renewables & Storage Development	Net zero carbon footprint		• Use of electric power from RES
Sustainable Engineering Solutions			• Use of electric vehicles
			• Replacement of gas-based office space heating installations with electric heat pumps
			• Use of batteries for energy storage at work sites
<b>Overall target 2050</b>	<b>Net zero</b>		

\* compared to 2019 levels

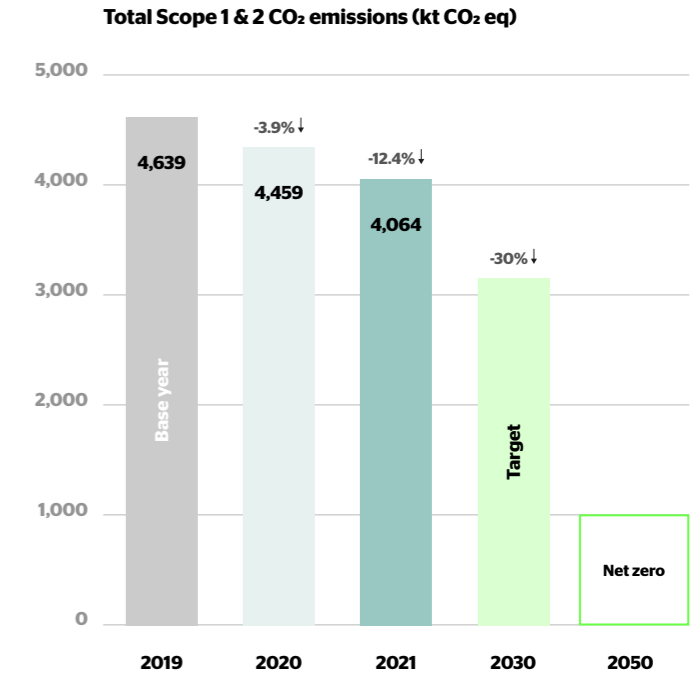
1. IPCC 2021, IPCC Sixth Assessment Report

In 2021, MYTILINEOS started the implementation of specialized action plans for each key initiative that contributes to achieving the ambitious goals of reducing its carbon footprint. **In total, 11 key initiatives and 50 sub-actions in all Business Units focus on the utilization of existing technology as well as on innovation and the development of pioneering solutions, taking into account the specific characteristics of each Business Unit and the current situation in the energy system.**

More specifically: the implementation of strategic collaborations in the field of RES, best practices, pilot programs and actions, specific technical actions applicable mainly to production activities, the optimization of existing processes and technological developments, participation in European programs, monitoring of new technologies for future application, are indicative categories of actions that began to be implemented in 2021.

The graph shows the progress against the main MYTILINEOS target to reduce total CO<sub>2</sub> emissions (Scope 1 & 2) by -30% in 2030 compared to the base year 2019. The Company has already recorded a decrease of almost 12.4% in 2021 through increasing its use of energy from renewable sources. However, due to the official start of the operation of the new natural gas fueled power plant, in mid-2022, the Company estimates that its CO<sub>2</sub> emissions will peak at the end of 2023, as 1.5 year of full operation of the new plant will have already passed. From this point onwards, the gradual reduction of CO<sub>2</sub> emissions is expected to begin as a large part of the individual actions of the key decarbonization initiatives in all Business Units will be at an advanced stage of implementation.

The progress against the individual targets per Business Unit is outlined below. The reduction of the total CO<sub>2</sub> emissions is mainly due to the reduction of Scope 2 emissions due to the optimization of the energy mix, through the gradual de-lignification and use of more energy from renewable sources.



## Progress against each individual target per Business Unit

Business Unit	Target categories	Base year 2019	Status 2021	Target year 2030	% difference compared to the base year
Metallurgy	Total emissions kt CO <sub>2</sub> e (Scope 1 & 2)	3,056	2,620 (-14.3%)	1,070	-65%
	Relative emissions (t CO <sub>2</sub> e/t Al)	13.7	11.2 (-18.2%)	3.43	-75%
Power & Gas	Relative emissions (kg CO <sub>2</sub> e/MWh)	329	322 (-2.1%)	165	-50%
Renewables & Storage Development	Total emissions kt CO <sub>2</sub> e (Scope 1 & 2)	7.64	6.0 (-21.3%)	Net Zero	
Sustainable Engineering Solutions					