



INVESTOR ANNOUNCEMENT

ESG Report 2021

Befesa publishes ESG Report 2021 including climate goals

Luxembourg, 29 June 2022 – Befesa S.A. (“Befesa”), the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, has published its ESG Report for 2021.

Following the publication of our 2021 Annual Report in March, Befesa has published its ESG Report, which provides an insight into the developments achieved in ESG during 2021 and an update on the main ESG performance indicators. This year, Befesa dedicates a special chapter to Climate Change, in which it is explained how Befesa is positioned regarding this important challenge. As a vital part of the circular economy, Befesa is fully committed to making a strong contribution towards creating a more sustainable world.

As a pure circular economy player, Befesa has been very successful in delivering its ambition to grow its recycling capacity and the volume of materials recovered over time.

Today, Befesa reduces landfill of hazardous materials by recycling more than 2 million tonnes of hazardous waste every year. By doing that Befesa helps in the preservation of biodiversity and avoids heavy metals leaking into soils and waterways causing pollution and environmental degradation.

Befesa’s main contribution to the world from the ESG point of view is its ability to recycle waste from EAF steel and secondary aluminium producers into zinc and aluminium, decreasing the cost of production by utilising secondary materials, and reducing the environmental impact of metals production by reducing the amount of mining that is necessary. But also, from the climate change point of view, Befesa has a positive impact on the environment.

The secondary materials created by Befesa’s recycling processes are a substitute for more carbon intensive processes used to mine and process virgin raw materials. Using a lifecycle analysis approach, Befesa evaluated the climate impact of its operations across its value chain. The conclusion of that analysis is that Befesa’s operations avoid around 2.4 million tonnes of CO₂ equivalent each year. You can find the details of the analysis in the ESG report.

Furthermore, Befesa’s operations help to close the loop within the steel and aluminium industries supporting a truly circular value chain. Befesa contributes to the decarbonisation of the steel and aluminium industries by enabling the transition to EAF steel and secondary aluminium production, which are much less CO₂ intensive than primary production.

Befesa is committing to a 20% GHG emission intensity reduction by 2030, supported by a roadmap to achieve the target, especially via green energy sourcing, electricity efficiency, process optimisation and raw material substitution. Also, Befesa is aiming at net zero emission by 2050 provided that certain technologies currently under development become technically viable and economically feasible by investing today into new technologies, partnering with relevant stakeholders, and reinforcing the sustainability ecosystem (biocoke, Hydrogen, Carbon Capture, etc.)

The Board of Befesa will discuss sustainability plans and progress within Befesa on a regular basis in a new Sustainability Committee which will be created comprising Directors of Befesa who have strong experience in ESG, technology and energy transition.

You can find all the details about Befesa’s Climate action plan in chapter 2.3.

Going forward, Befesa will benefit from global trends towards the shift to EAF steel production, waste reduction, and increasing focus on environmental impact, which will provide long term growth to Befesa in the future years.

The Befesa ESG Report 2021 is available on the Befesa website:
<https://www.befesa.com/sustainability/reports-policies-certifications>

About Befesa

Befesa is a leading player in the circular economy, providing environmental, regulated services to the steel and aluminium industries with facilities located in Germany, Spain, Sweden, France, as well as in Turkey, South Korea, China and the US. Through its two business units, Steel Dust and Aluminium Salt Slags recycling services, which are a critical part of the circular economy, Befesa manages and recycles more than 2 million tonnes of residues annually, with a production of around 1.5 million tonnes of new materials, which Befesa reintroduces in the market, reducing the consumption of natural resources. Further information is available on the Company's website: www.befesa.com

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