

BEFESA

2024

Company & ESG Update

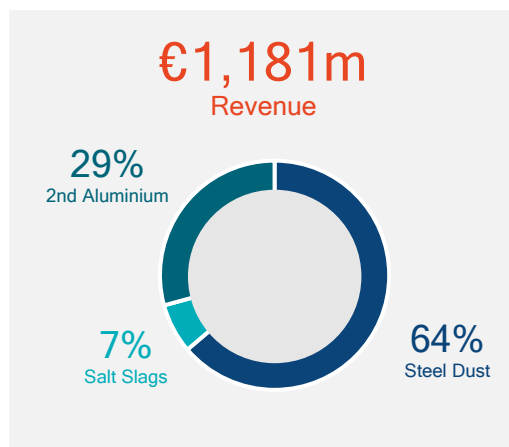
Befesa at a glance

Global leader in Europe, the US and Asia in providing regulated critical hazardous waste recycling services to the steel and aluminium industries

2023

Steel Dust Recycling

Aluminium Salt Slags Recycling

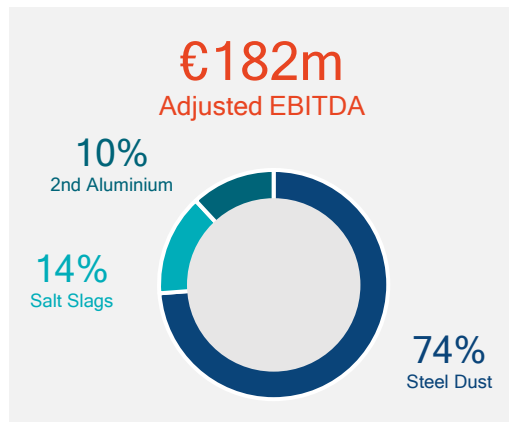


#1
Position global
(c. 40–50% market share)

#1
Position in Europe in salt slags subsegment
(c. 45% market share)

25%
EBITDA margin
(2020–2023 average)

29%
EBITDA margin in salt slags subsegment
(2020–2023 average)

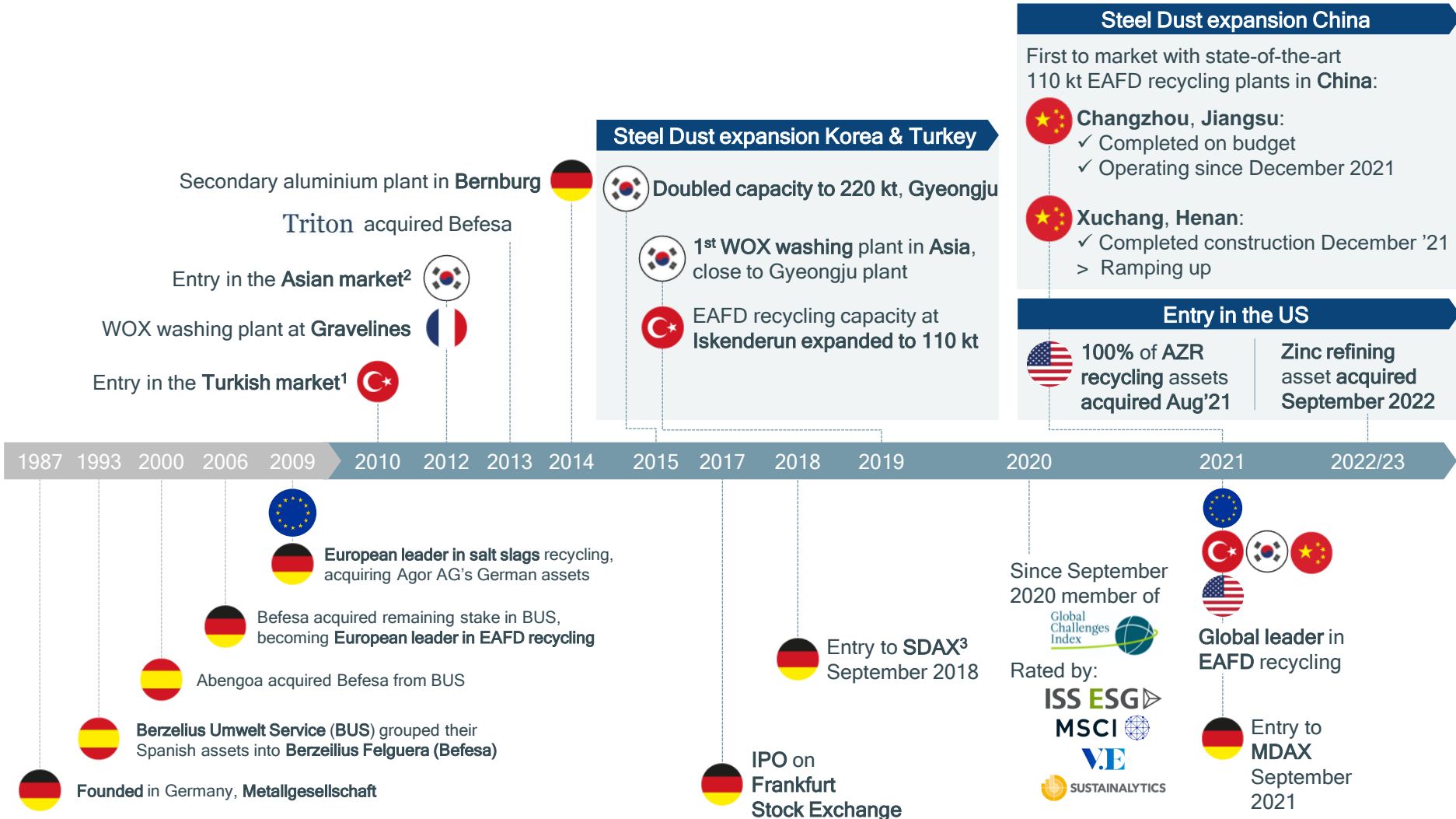


>15 years
relationships

>15 years
relationships

Key milestones

Befesa has grown successfully through organic initiatives and acquisitions



1 Through 51/49 JV with Canadian Silvermet

2 By acquiring subsequent stakes in the Korean Hankook

3 Free-float at 100% after Triton's exit on 6 June 2019

3 Business Update - Post Q1 2024 Earnings

Highly regulated and critical service model

Befesa is the leading environmental services partner in the circular economy of the 2nd steel and aluminium industry by recycling and avoiding the landfilling of around 1.9 Mt hazardous residues and recovering around 1.7 Mt of new valuable materials



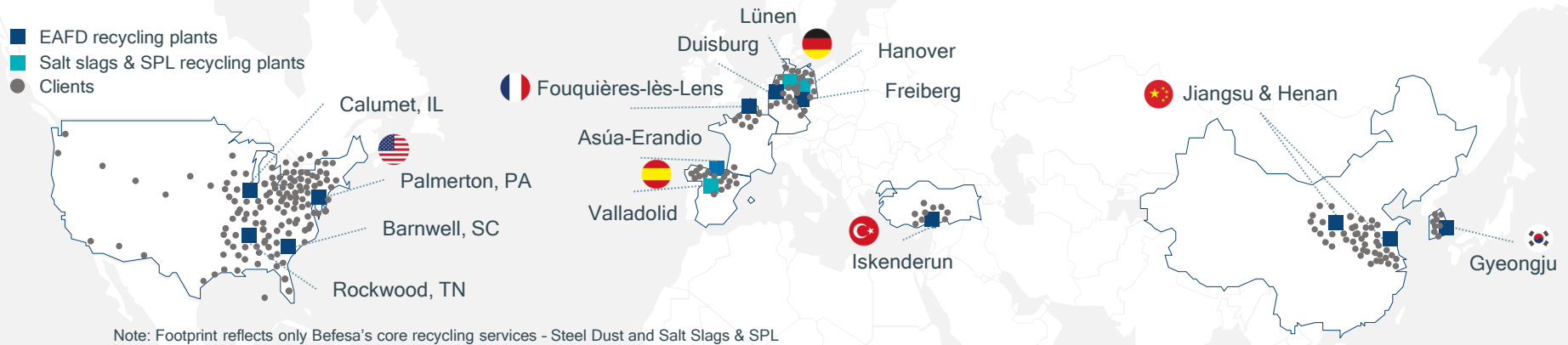
All figures are of the year 2023

Value chains are simplified and only reflect Befesa's core business segments, i.e. Steel Dust and Aluminium Salt Slags:

- Within the Steel Dust Recycling segment Befesa manages a Stainless sub-segment (88 kt stainless-steel dust throughput) and the US zinc refining plant (115 kt SHG zinc output)
- Within the Aluminium Salt Slags Recycling segment Befesa manages a Secondary Aluminium sub-segment (168 kt secondary aluminium alloys produced)

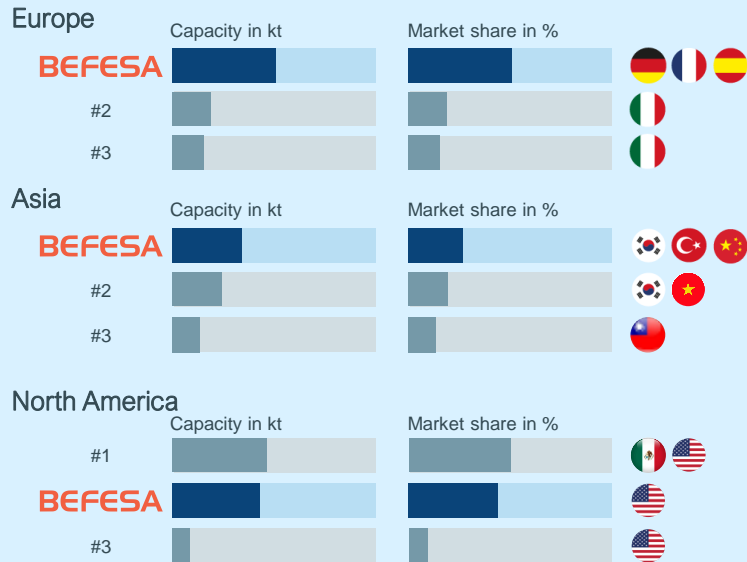
Global leader in Europe, North America and Asia

Befesa is the global leader in steel dust and the European leader in salt slags recycling services with a competitive advantage due to its close-proximity to key clients; 24 plants globally

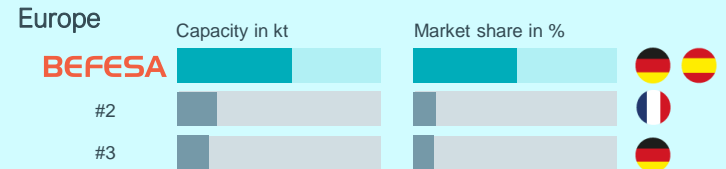


Note: Footprint reflects only Befesa's core recycling services - Steel Dust and Salt Slags & SPL

STEEL DUST RECYCLING

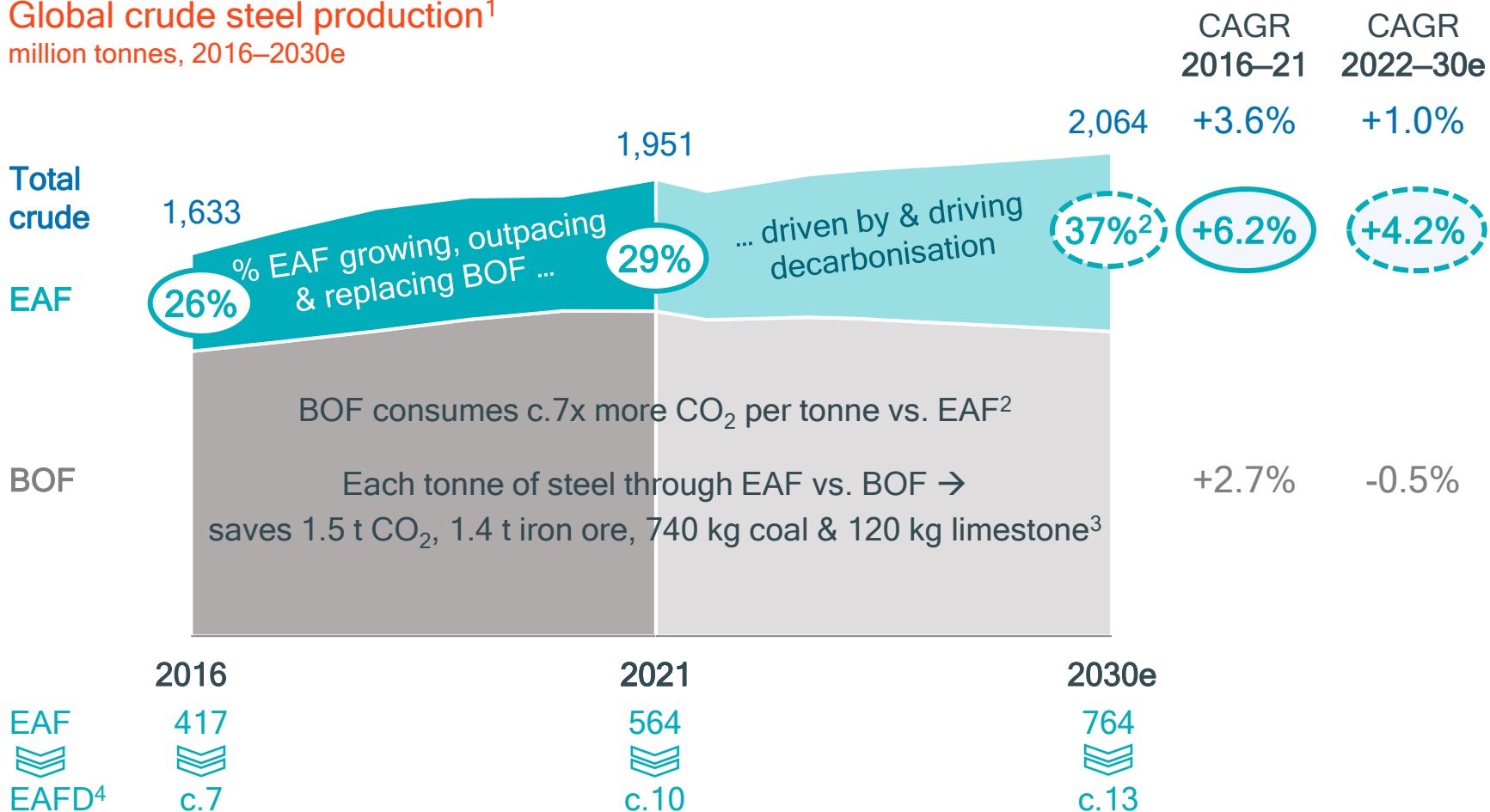


ALU SALT SLAGS RECYCLING



Decarbonisation megatrend favouring and driving EAF steel growth

Global crude steel production¹
million tonnes, 2016–2030e



¹ 2016-21 actuals from Worldsteel; 2022-2030e from “Steel - Eye of the Storm”, Morgan Stanley (September 2022)

² “Net Zero by 2050: A Roadmap for the Global Energy Sector”, IEA (May 2021); Green Steel for Europe Consortium (June 2021)

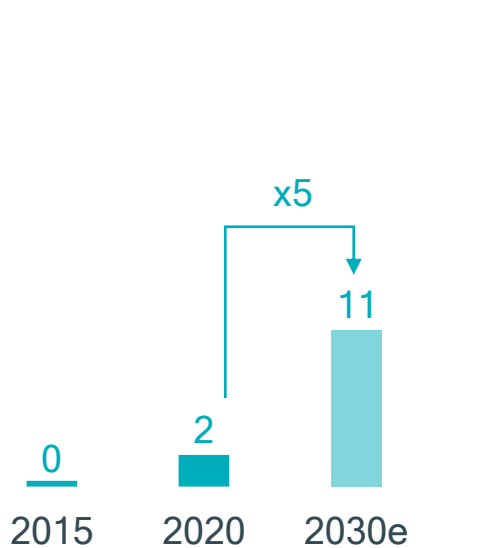
³ Bank of America Research (November 2022)

⁴ Total EAFFD addressable market based on the assumed mid-point 17.5kg EAFFD generation per tonne of EAF steel output

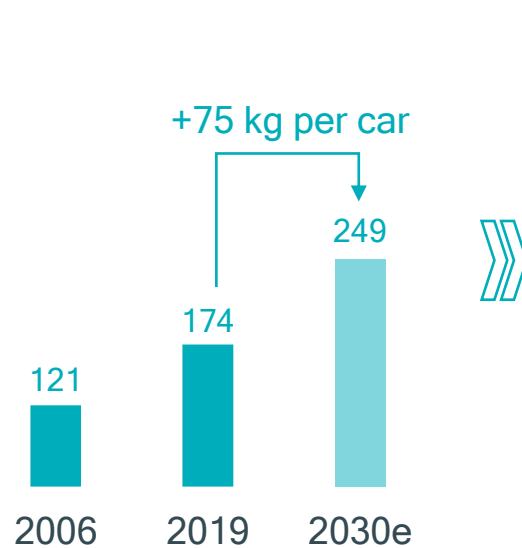
⁶ Business Update - Post Q1 2024 Earnings

Decarbonisation and EV driving aluminium market growth in Europe

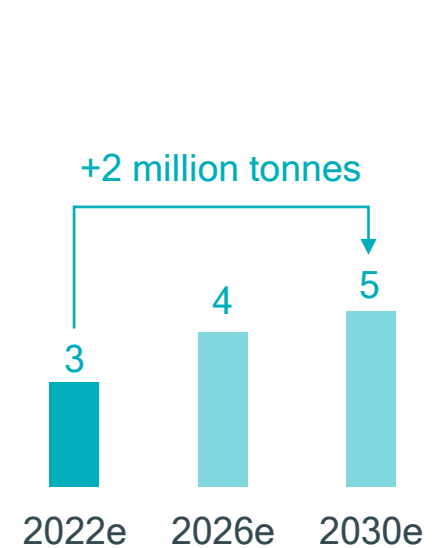
EV unit sales in Europe¹
million units



Alu content per vehicle²
kg per passenger car



Auto alu demand in Europe²
million tonnes



- **Decarbonisation trend drives** transition to Electric Vehicles (EV)
- EV requiring **higher aluminium content per car** to achieve light-weight targets
- ... driving **higher aluminium demand** in Europe and increased **need for secondary aluminium and salt slags recycling capacity**

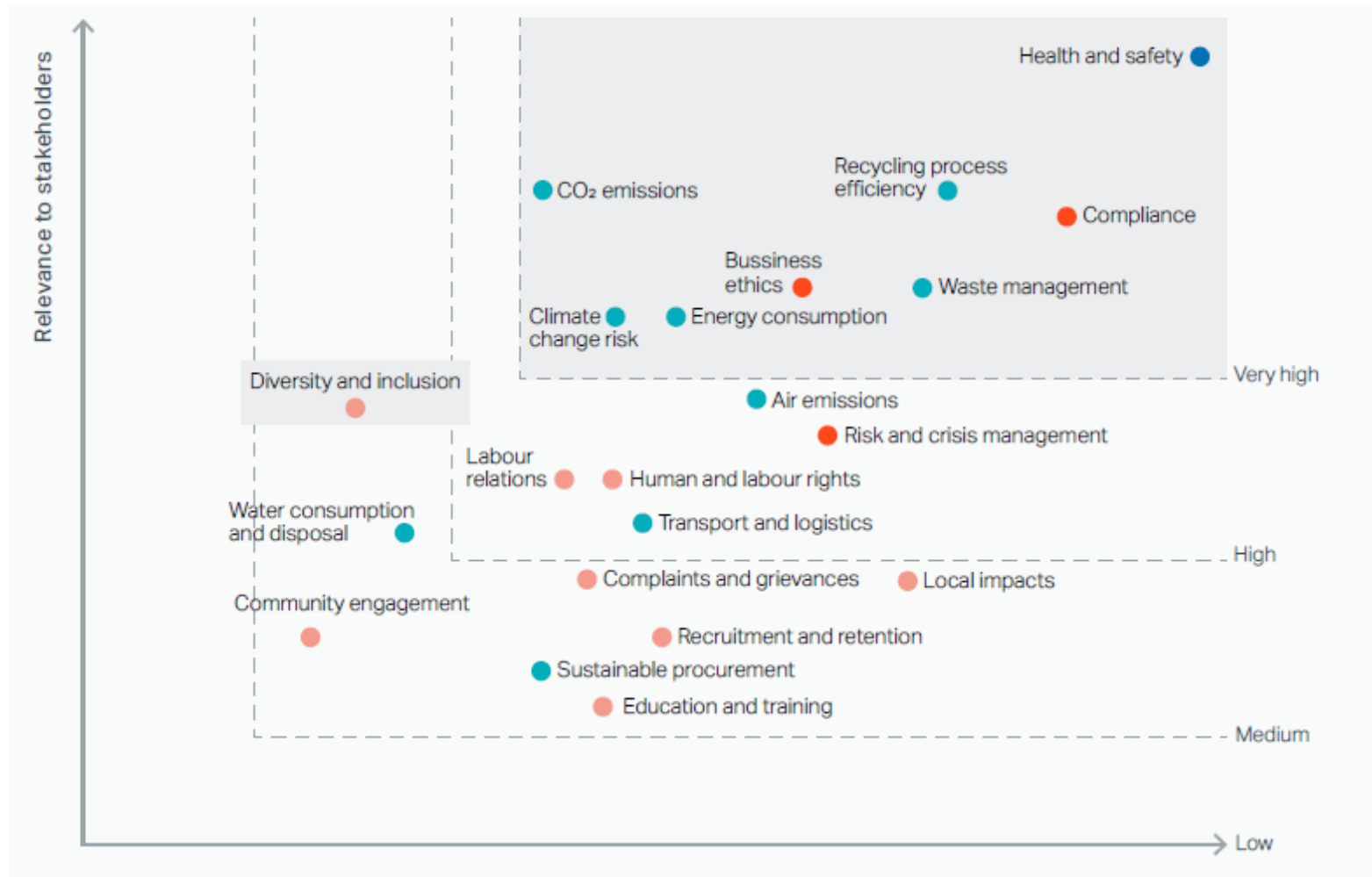
1 CRU (January 2022)

2 Ducker (October 2022)

Material topics

- Environment
- Social
- Governance
- Health and safety
- Material topics

Befesa materiality matrix



ESG highlights

Lost Time Injury Rate (LTIR)¹

0.45 LTIR in 2023 (all time low)

-18% yoy (2022: 0.55)

-92% vs baseline (2015: 5.71)

ESG Ratings²

ISS ESG 

31 March 2024

B / Prime

 **SUSTAINALYTICS**

#13 / 74

V.E

#7 / 103

MSCI 

BBB

arabesque s-ray

Top 5%

S&P Global

Top 9%

ESG Report 2023

The Befesa ESG Report 2023 will be issued in **June 2024**

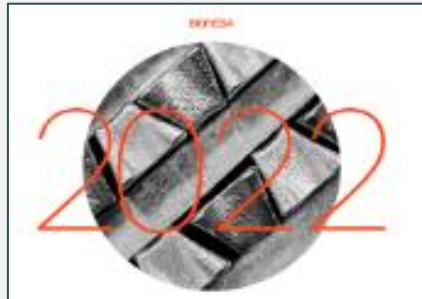
¹ Befesa's own employees and contractors

² Industry groups under which Befesa is ranked by the respective ESG rating companies: ISS ESG (Metals processing & production); Sustainalytics (Commercial services, subindustry facilities management); V.E (Business services); MSCI (Commercial services & supplies); arabesque-sray (Industrial services); S&P Global (Commercial & professional services)

ESG: Enhanced transparency and performance

Transparency / reporting

Detailed ESG Report



External ratings



Health & safety

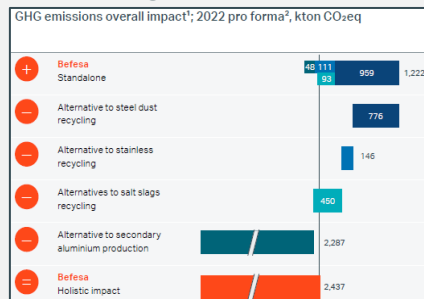
LTIR¹ improved by 92% since 2015



¹ Lost Time Injury Rate (LTIR) of Befesa's own employees and contractors, 2023 vs 2015 baseline

CO₂ holistic approach

Saving >2mt CO₂_{2eq} vs. virgin production



CO₂ intensity targets

-20% by 2030
Net zero by 2050



Sustainability Committee



Reviews and monitors sustainability strategy, policies, guidelines, plans and progress on a quarterly basis

Sustainability at the core of Befesa

Befesa's operations have a direct net positive environmental impact as well as multiple positive indirect effects by enabling EAF steel and aluminium recycling

BEFESA

Direct environmental benefits



Avoidance of GHG emissions



Reducing landfill of hazardous residues



Recovery and production of new valuable materials



Best-in-class technology (BAT)

Indirect sustainability benefits



Circular economy pure player



Decarbonisation of steel and aluminium, and energy transition



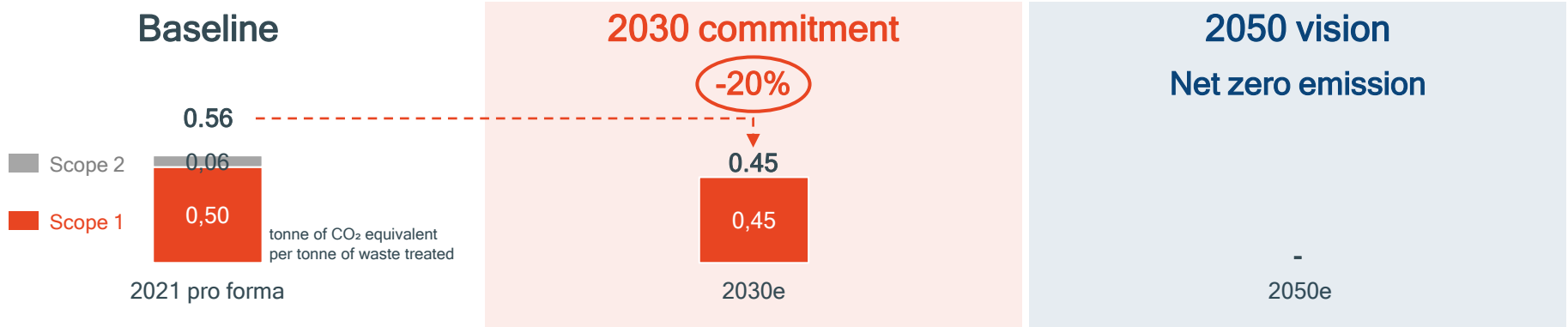
Natural resources depletion rate



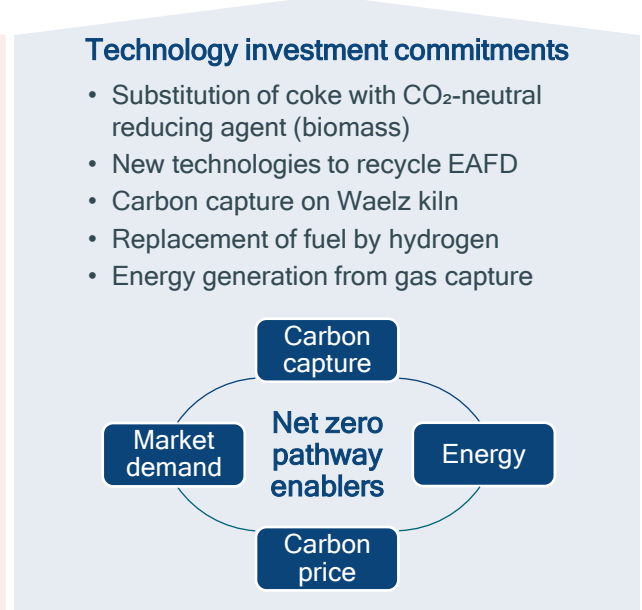
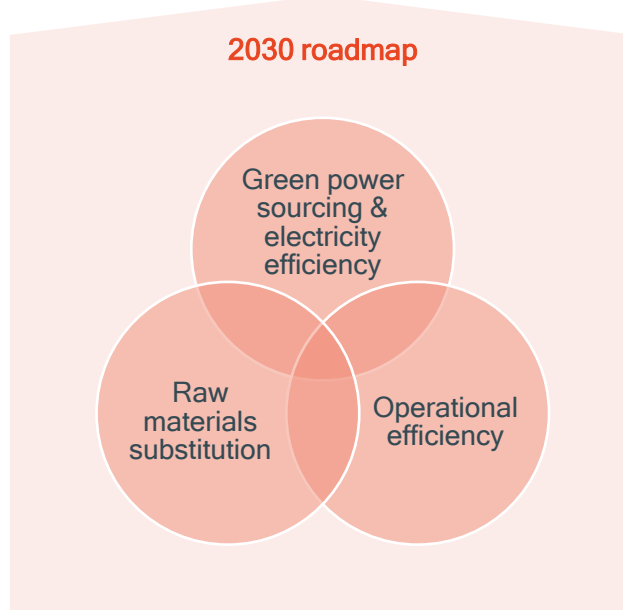
Growth ambition to increase recycling capacity

Climate action plan

Committing to a 20% GHG emissions intensity reduction by 2030 and aiming at net zero emission by 2050



- ✓ Recognised sustainability leader in the circular economy
- ✓ Befesa Climate Change Policy
- ✓ Sustainability Committee established
- »»» Further increase transparency on sustainability metrics
- »»» Continuous dialogue with all stakeholders to better understand materiality of sustainability topics



Selected ESG targets

Environmental

>2.4mt¹



waste recycled by 2025

>1.8mt²



new materials recovered by 2025

ISO



ISO certification schedule (China & US)



-20% by 2030
net zero by 2050

¹ Updated from the target set in 2020 of >2 Mt
² Updated from the target set in 2020 of >1.6 Mt

Social

-50%³



LTIR by 2024

BEzero

maintain zero fatalities



HR policies & procedures

full integration across US business



boost initiatives for people with disabilities



HR digitalisation



continue leadership training programmes

³ Compared to 2019

Governance

IT



improve CIS assessment rating until 2023

≥90%

admin employees trained in compliance each year



continue training for all employees



continue roll-out and ≥90% coverage by 2022



continue annual risk assessment



establish Sustainability Committee in 2022 ✓



women in Board 2022 ✓