



Decarbonization strategy and Carbon Border Adjustment Mechanism (“CBAM”)

SEPTEMBER 2023



**Together, innovating aluminium
to make modern life possible**



The largest 'premium aluminium' producer in the world



#1

'premium aluminium' producer worldwide in 2021



2.54 million

tonnes of metal sold in 2021



4%

of world aluminium production



50+

countries supplied



\$2.6 billion

net income in last five years



1st

Middle East headquartered company to join Aluminium Stewardship Initiative



1st

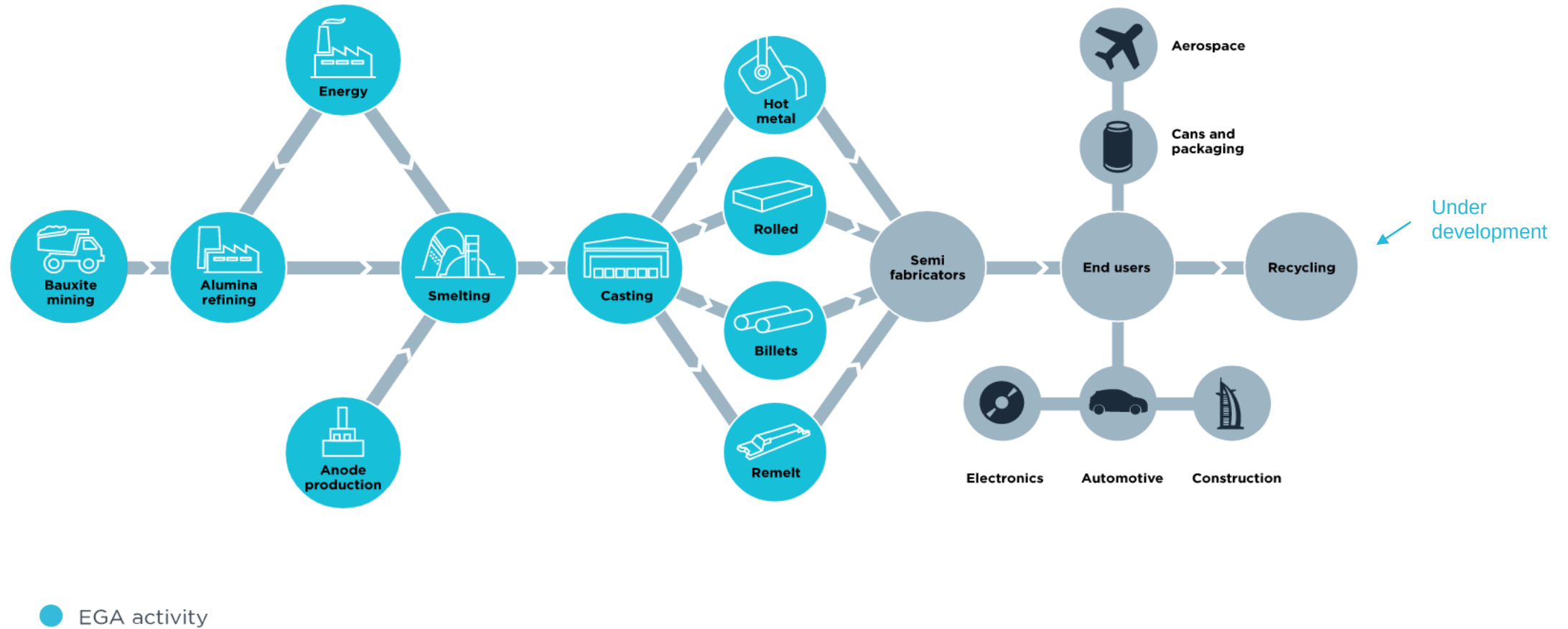
in UAE to sell our own industrial technology internationally



7,000+

people employed worldwide

EGA's activities cover mining to primary products



EGA's products are in four categories, and enable modern life

EGA Products

Billets



Sheet Ingots



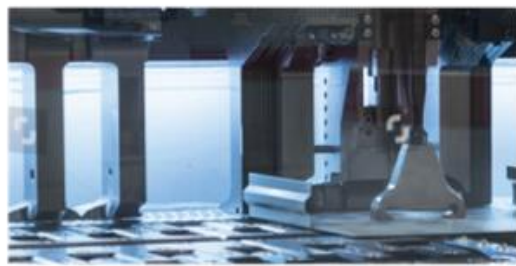
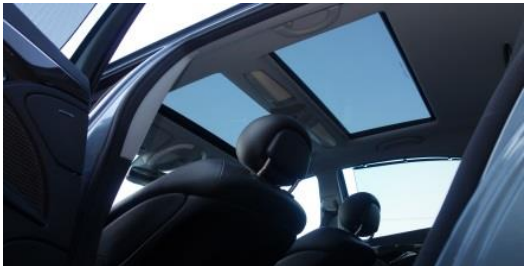
High Purity



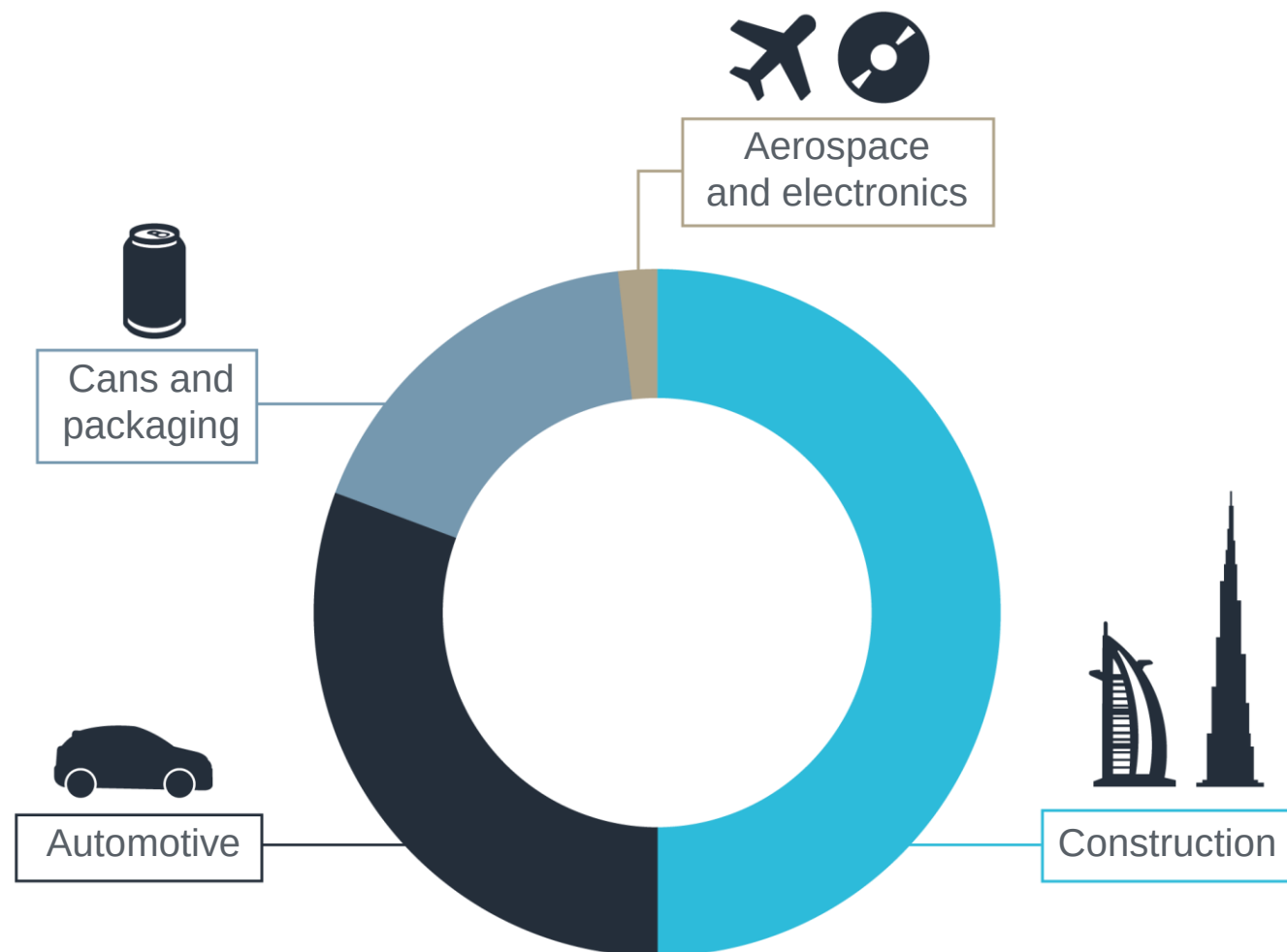
Foundry Alloys



End-usage example



EGA supplies globally-important industries

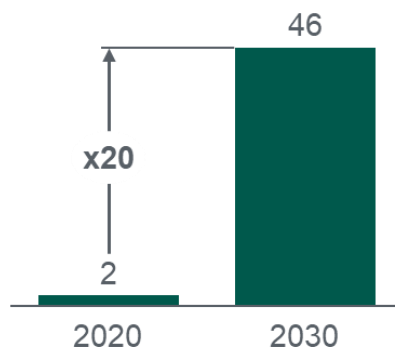


Aluminium is expected to play a key role in energy transition creating an opportunity for EGA and UAE

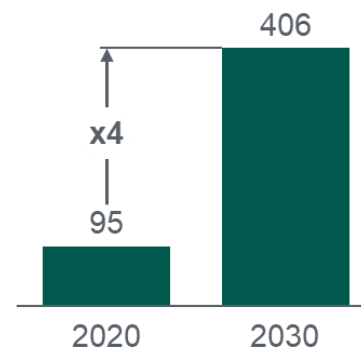
Increasing demand for new products / applications driven by the energy transition¹



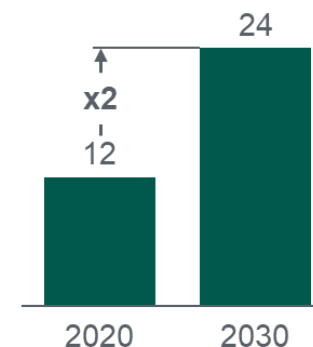
Electric Vehicle production
Million vehicles



Solar PV
Capacity additions, GW



Offshore wind
Capacity additions, GW

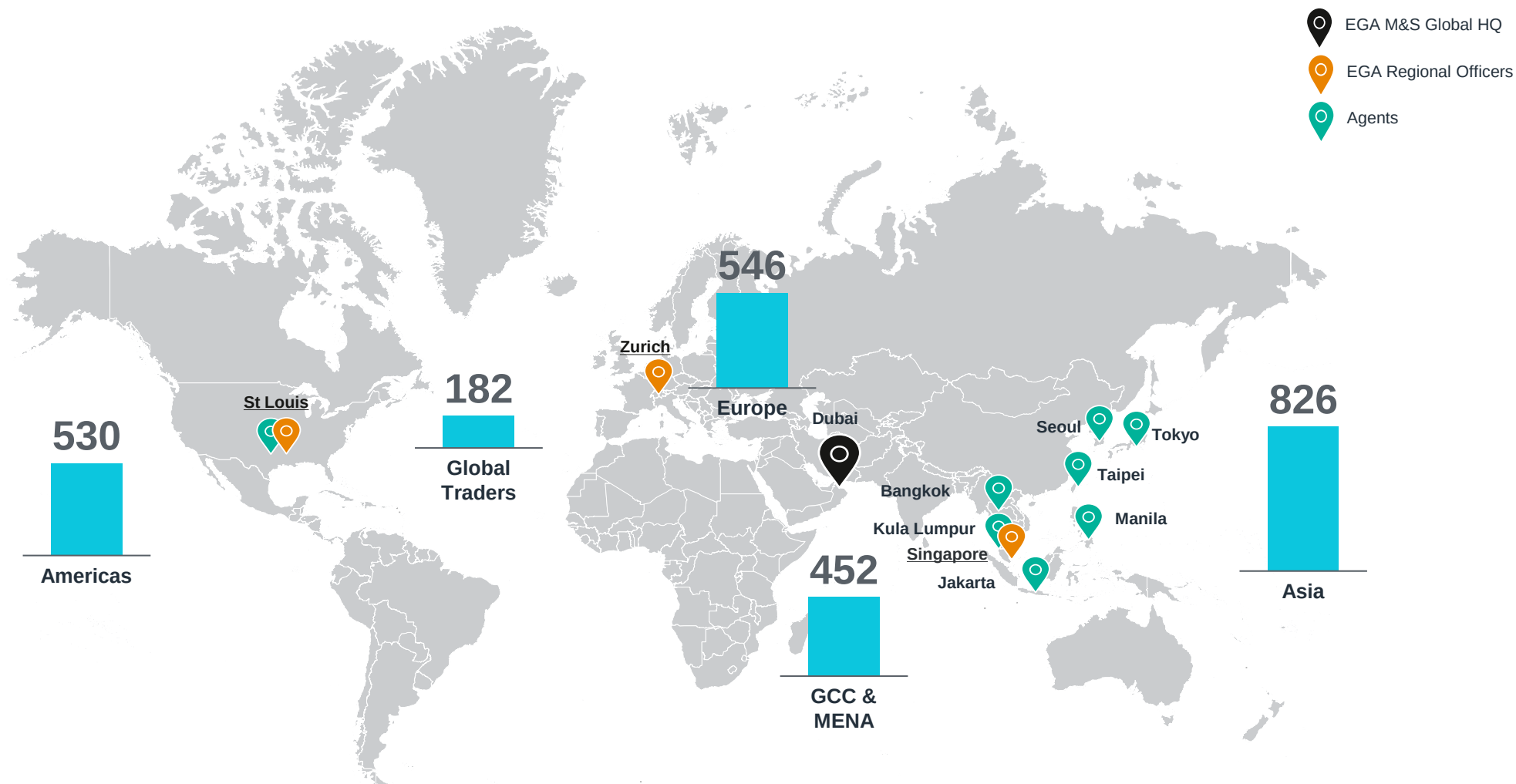


Customer needs

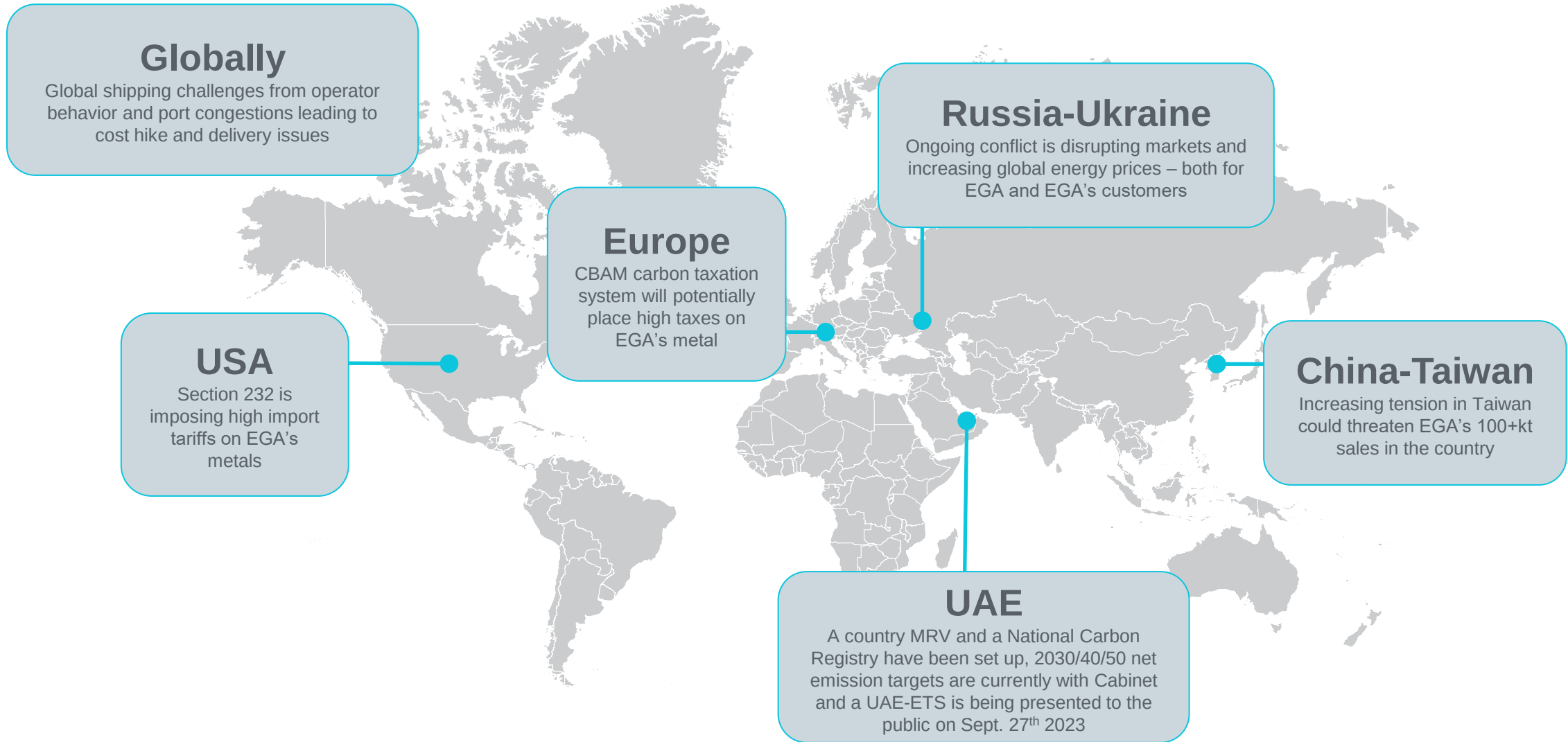
Request for low-carbon offerings with high share of recycled content
Steer towards full supply chain traceability

EGA's strategy is centered around a diversified global sales footprint

2021 Sales volume, 000 mt, (Total: 2.54m mt)

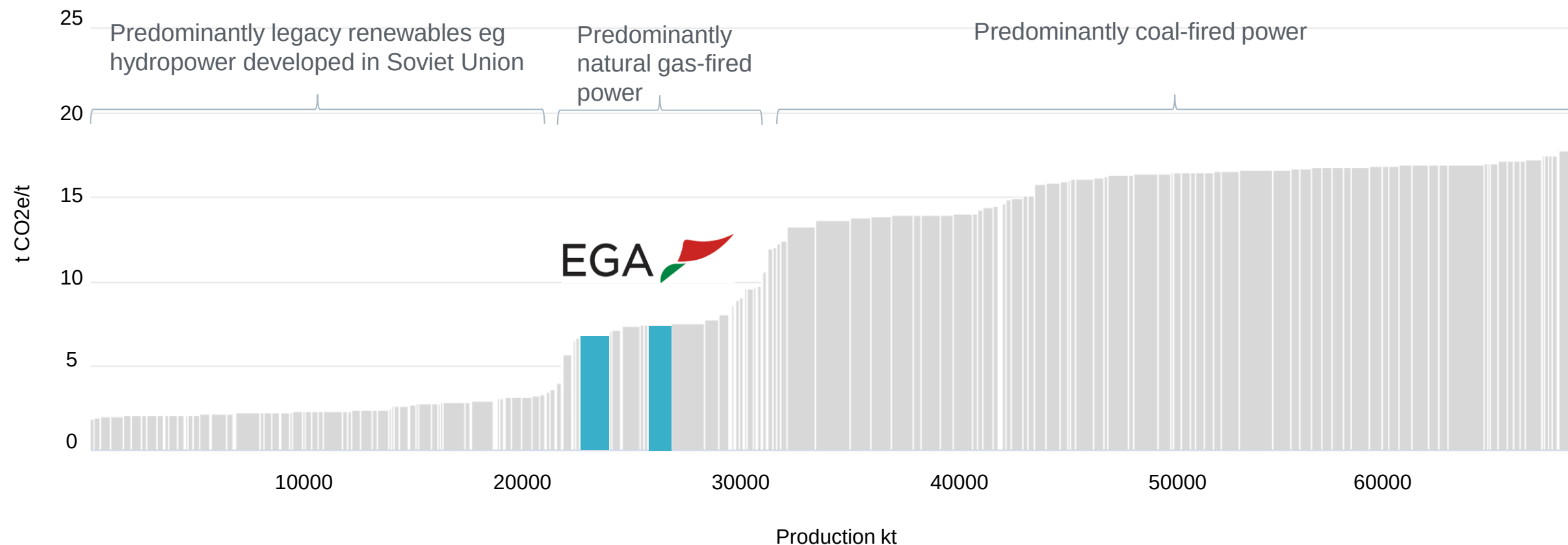


EGA's global sales operations is facing multiple challenges

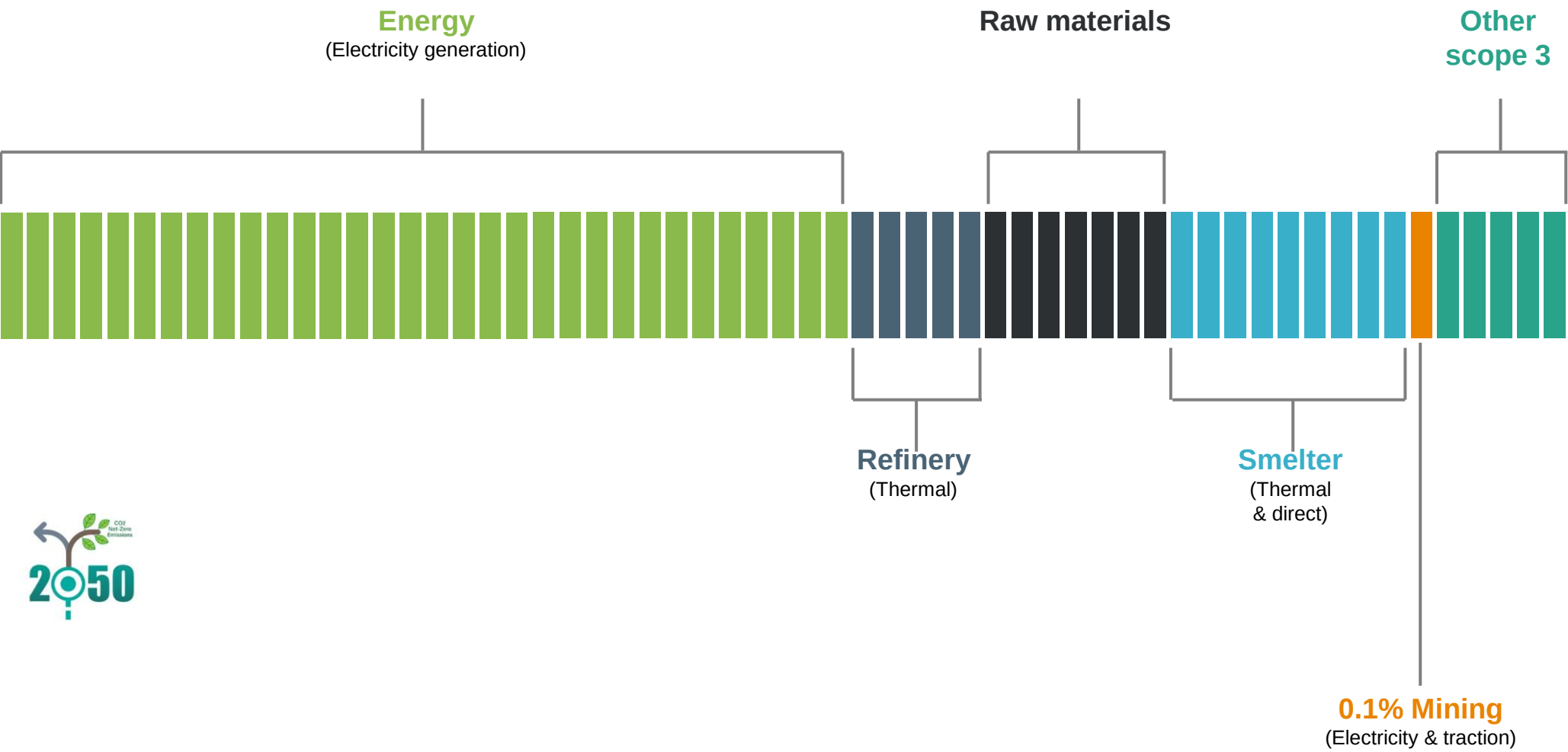


EGA is well-positioned on the global aluminium industry carbon curve, and aims to strengthen its position significantly

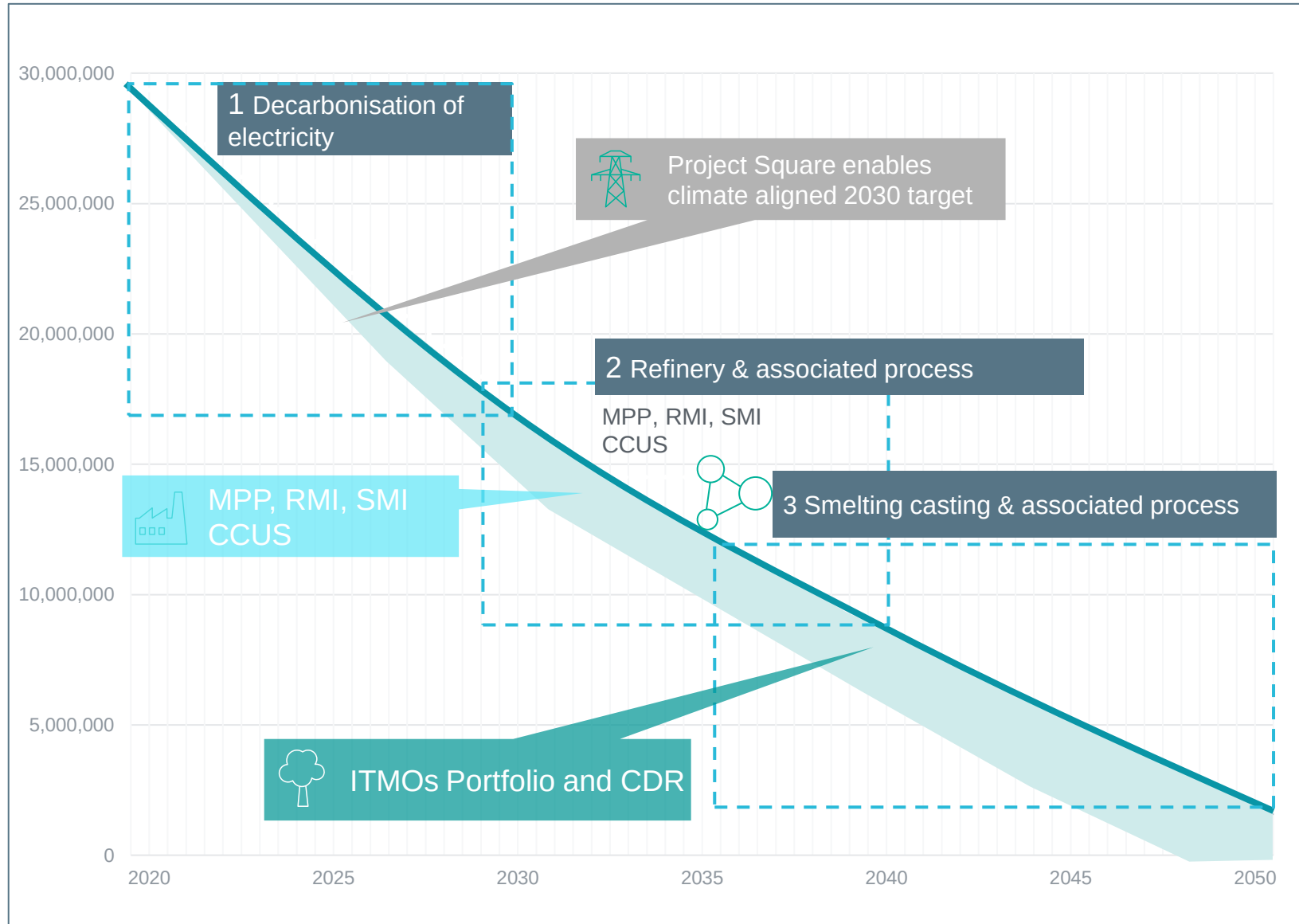
2021



The carbon abatement challenge

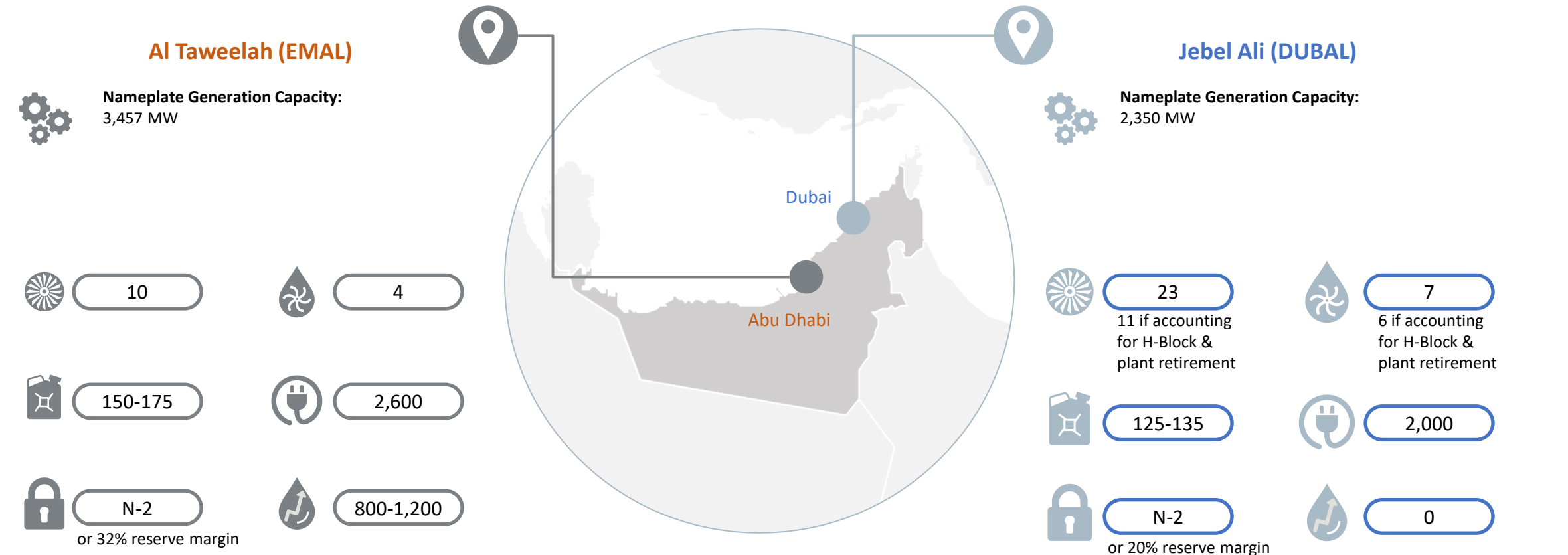


EGA has mapped a decarbonisation trajectory



EGA Power and Steam Assets

EGA’s generation assets consist of 2 fleets of gas-fired power generators which are currently used to meet EGA’s electricity requirement for aluminium smelting and supply to aluminium refining/industrial activities



CelestiAL solar aluminium

- World's first metal produced with solar power, a UAE global milestone
- 560,000 MWHs of solar power yearly from DEWA
- >40,000 tonnes of aluminium
- Sales to BMW Group, tier 1 suppliers of Mercedes-Benz and Nissan



Growing a business in recycling



- Planned 150,000 tpa recycling facility in UAE, producing billets from post-consumer and pre-consumer scrap
- Feasibility study underway, tenders for main work packages issued. Could begin production as soon as 2024
- EGA is also exploring a re-melt facility of around 30kmt per year to sweeten primary Foundry products up to 30 per cent for individual customers
- Plus interested in pursuing recycling projects with customers around the world

• **Transition Phase from 2023** **Report 'embedded emissions' of imported Products**



CEMENT



IRON & STEEL



ALUMINIUM



FERTILIZER



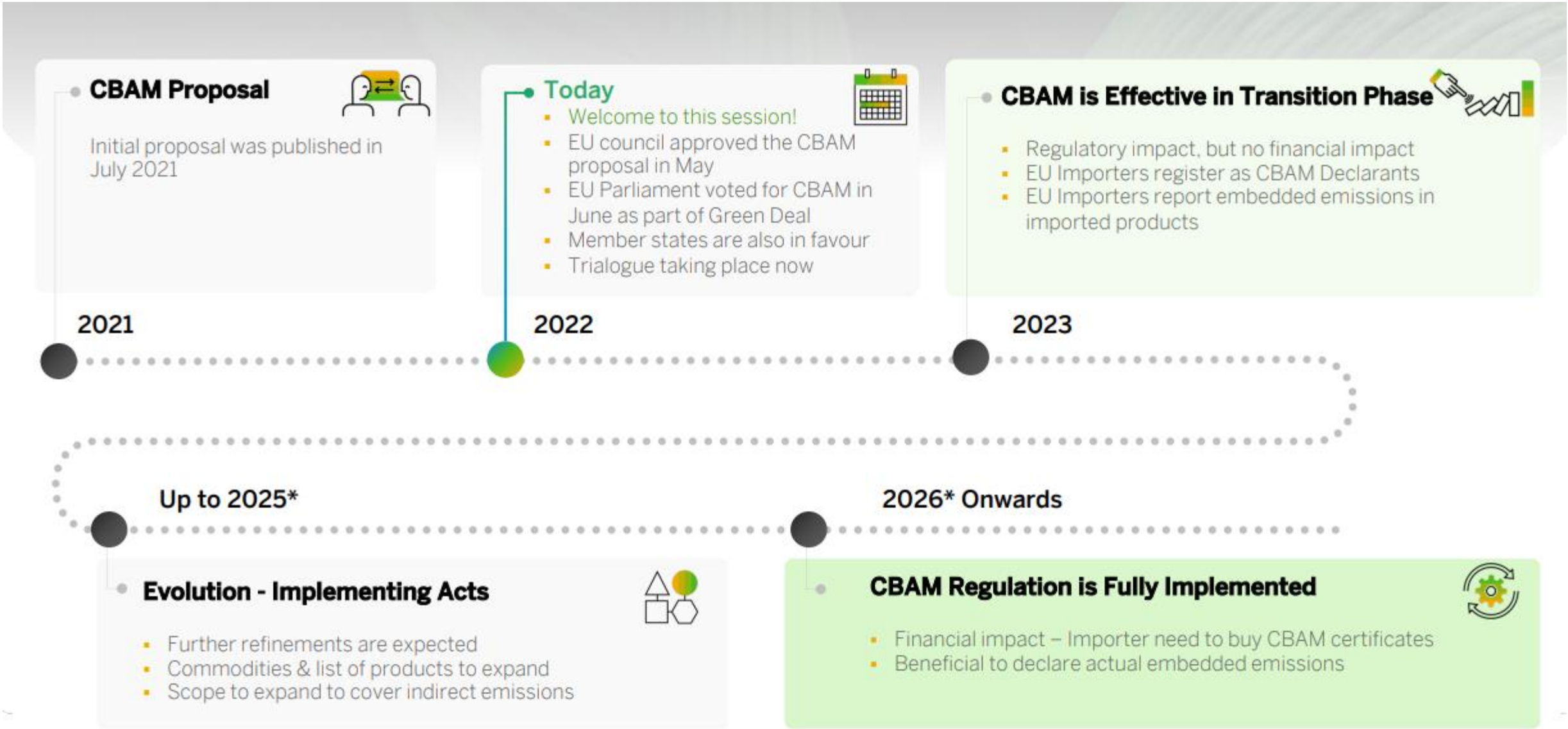
ELECTRICITY

Commodities selected for maximum impact, these contribute up to 45% of total EU emissions
Limited to products that are easily identifiable, hence only certain CN codes (Combined Nomenclature)

• **Regulation is Fully Implemented from 2026*** **Buy sufficient CBAM Certificates to cover Product footprint**

More products, commodities and sectors such as chemicals will be impacted by CBAM, aligned with EU ETS

The scope of emissions will also expand to cover the product lifecycle, including upstream, transportation & recycling



Practical guide for CBAM reporting – what our declarants need to know

Laying down the rules for the application of Regulation (EU) 2023/956 of the European Parliament and of the Council as regards reporting obligations for the purposes of the carbon border adjustment mechanism during the transitional period.



1. Reporting Declarant for CBAM purpose

- **reporting declarant'** means any of the following persons:
 - (a) the importer who lodges a customs declaration for release for free circulation of goods in its own name and on its own behalf;
 - (b) the person, holding an authorization to lodge a customs declaration referred to in Article 182(1) of Regulation (EU) No 952/2013, who declares the importation of goods;
 - (c) the indirect customs representative, where the customs declaration is lodged by the indirect customs representative appointed in accordance with Article 18 of Regulation (EU) No 952/2013,



2. EGA Export Documents

- EGA has updated its suite of export documentation to include an ESG Certificate showing the Co2 emissions for the products being imported.



3. EGA Freight Forwarder Portal

- With effect from **1 October 2023**, EGA has enhanced their Freight forwarder portal to include two additional mandatory fields in order to comply with CBAM.



4. Reporting for CBAM

- For each quarter from 1 October 2023 until 31 December 2025 the reporting declarant shall submit the CBAM reports to the CBAM Transitional Registry no later than one month after the end of that quarter. The first filing for all declarants will fall due by no later than **31 January 2024**.



KEY POINTS

All declarants must register with the **CBAM Transitional Registry** once the portal has been made available by the EU Commission

If EGA the declarant for CBAM purposes, then both will complete their own reporting. However, where the Freight Forwarder is a declarant for CBAM purpose then the reporting obligation will fall under their scope.

EGA will endeavor to provide each declarant with a report with the details contained in **Annex III** of the regulations to each declarant for reporting prior to the filing date of 31 January 2024.

An ESG certificate will be included in EGA suite of export documentation.

Scope 1 and 2 emissions will be reported during the transitional period. An example ESG certificate is shown below.


الإمارات العالمية للألمنيوم
EMIRATES GLOBAL ALUMINIUM

Environmental, Social and Governance (ESG)

Date : 28.08.2023 07:38

Sales Order / Item No.: 75716 / 60

Delivery / Item No. : 80531048 / 60

Production Plant : Al Taweelah

Material: 981402 - Primary Aluminium Sheet Ingot in EGA Alloy 81402 (equivalent to AA8000)

GHG Values

HS Code	Quantity	GHG scope 1&2 tCO2e/t of Al		
		Scope 1	Scope 2	Total
7601203000	286.963 MT	7.71		7.71

1. GHG calculation methodology: GHG Protocol (revised edition) developed by WRI and WBCSD, the IAI addendum developed for the aluminium sector by the International Aluminium Institute (IAI, 2006) and the IPCC Guidelines 2006.

This is a computer generated document and if issued without alteration does not require a signature.



Emirates Aluminium Company Limited PJSC | شركة الإمارات للألمنيوم المحدودة شركة مساهمة خاصة
PO Box 111023, Abu Dhabi, United Arab Emirates | ص.ب. 111023، أبو ظبي، الإمارات العربية المتحدة

T +971 2 509 2222 | E sales@ega.ae | www.ega.ae

Dr Feras Allan
SVP - Product & Casting Operations, Marketing & Sales

EIMAN AHMAD AL OBAIDLI
Manager - Environment

Page 1 of 1

Emirates Global Aluminium

19

An aerial photograph showing a dense green forest on the left and a cleared, sandy area with scattered small green bushes on the right.

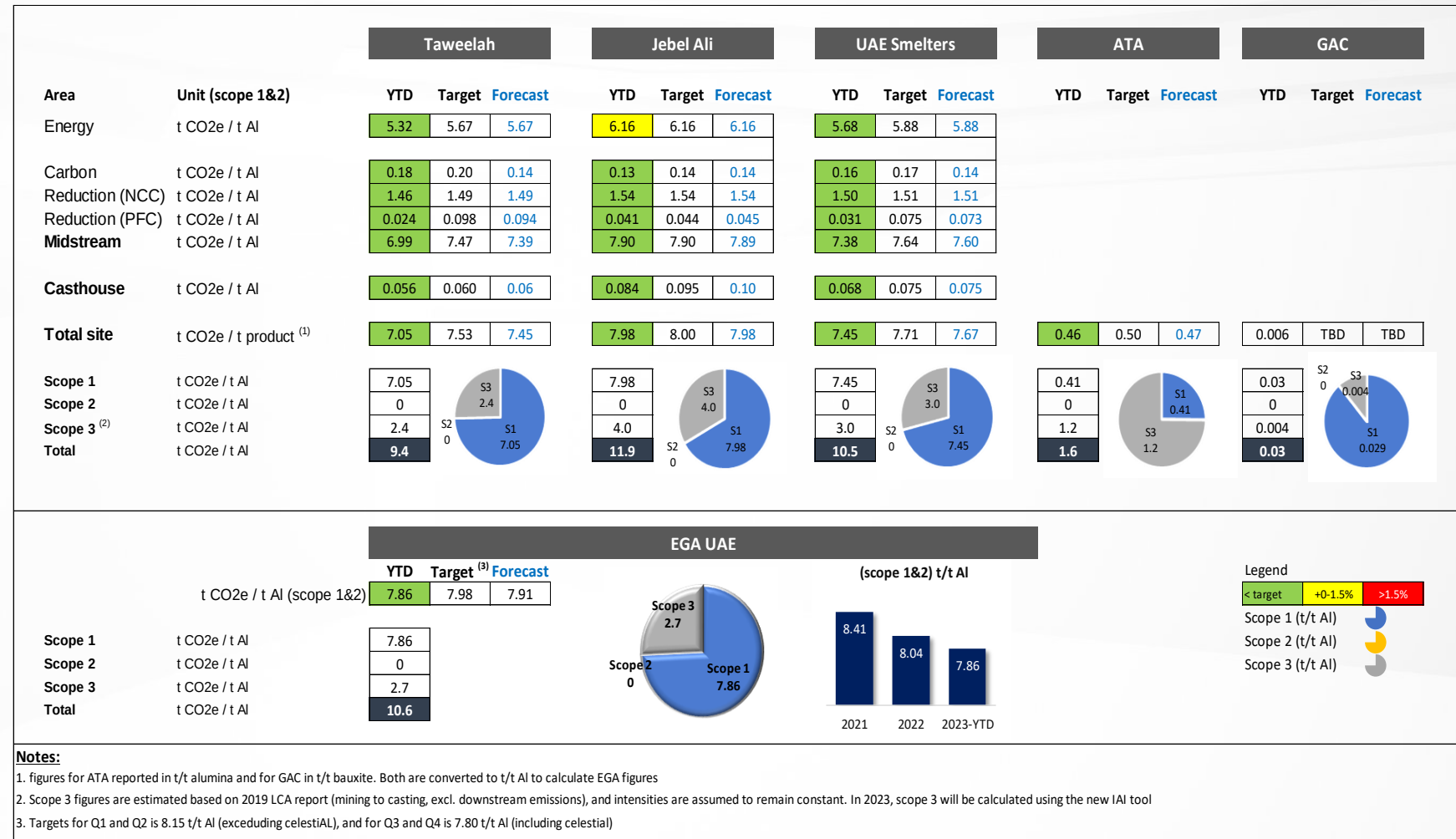
Introduction – What is the MRV?

- EGA reports its CO2 emissions to different entities across the world, in different formats and approaches
- Currently, the process is managed using excel worksheets, as does the rest of the world
- The use of excel has been widespread as Verifiers (auditors) review such worksheets and need to see how numbers are computed
- The Carbon Border Adjustment Mechanism (CBAM) has been a turning point globally and imports now have to submit CO2 data for shipment clearances
- EGA's exposure to CBAM is several 1000s of orders every year and as such needs to implement a robust and verifiable CO2 data management system

Current GHG Data Status

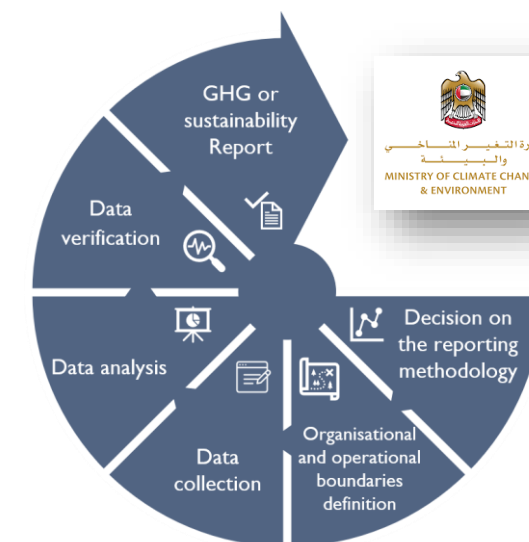
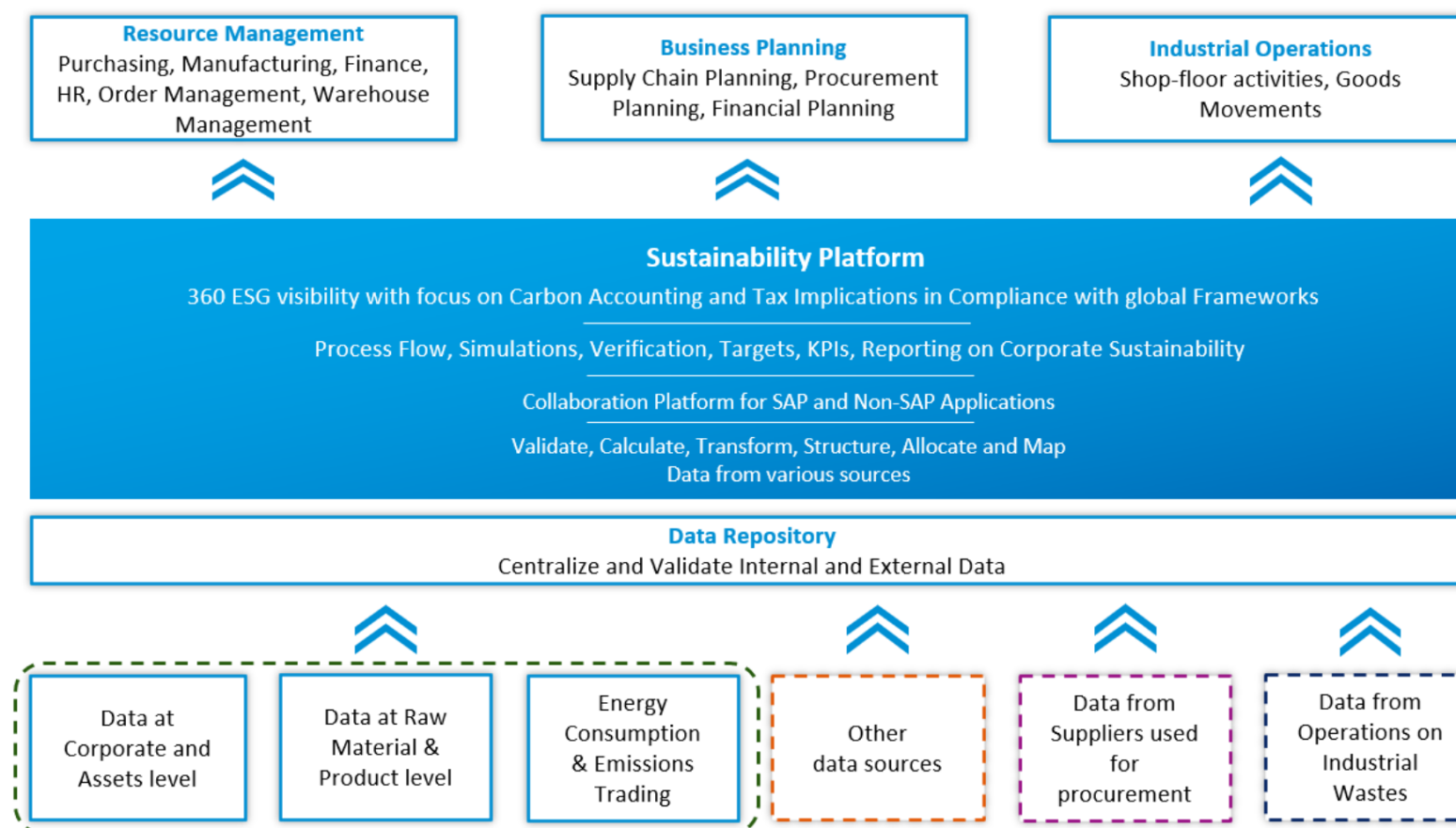
Currently EGA has a semi automated process whereas on monthly bases data, verified by the respective units, is aggregated and processed into a GHG dashboard and viewed in Power BI. Data is annually verified by 3rd party to meet CBAM timelines (31MAY)

as of: June-2023



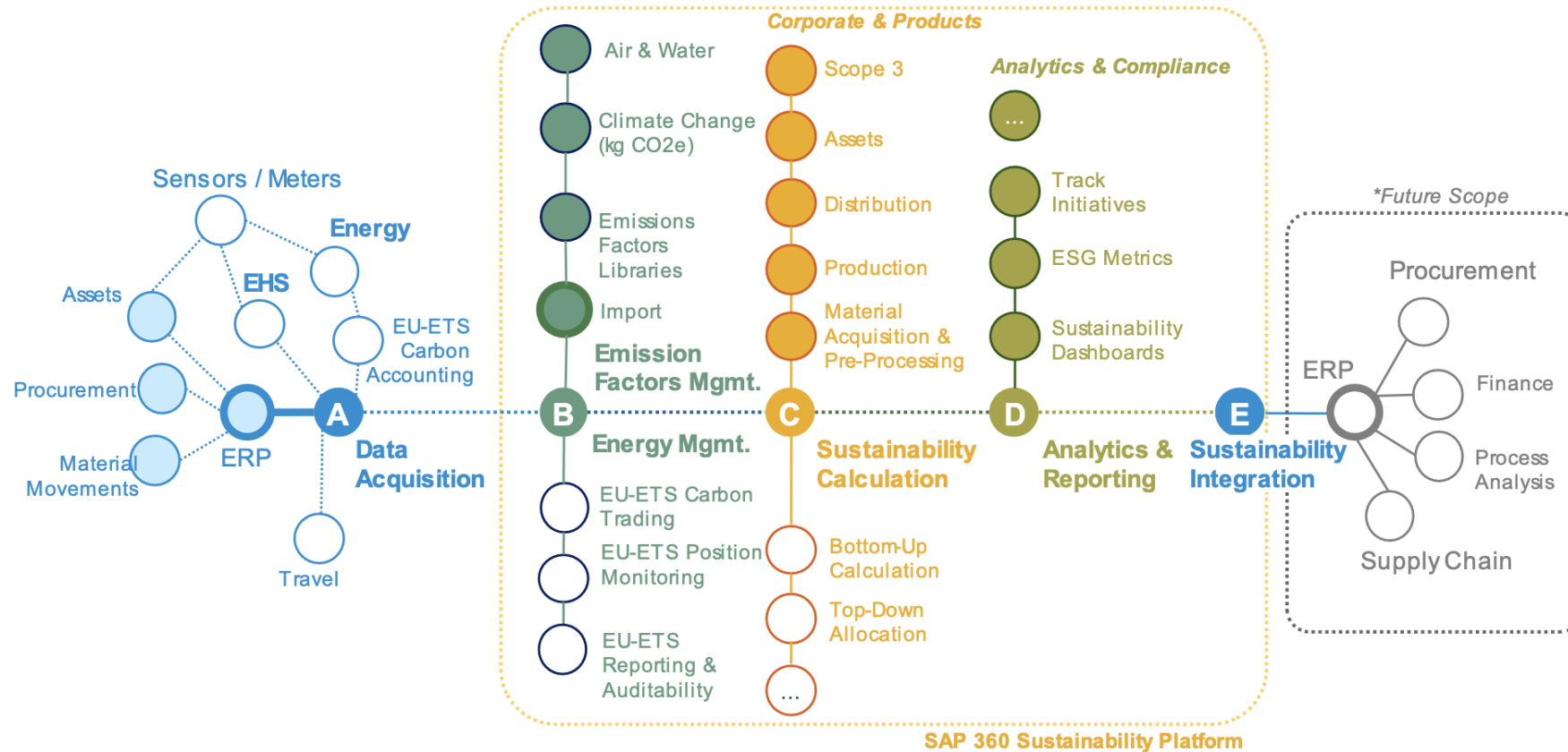
The MRV will automate the process of data aggregation and process it in many different outputs and reports

Once implemented, the MRV will have real-time data and be capable of issuing CO2-related reports, LCAs, EPDs, and certificates with proper disclosures and auditability.



What is a data Lake

A data lake is a centralized repository designed to store, process, and secure large amounts of structured, semistructured, and unstructured data. It can store data in its native format and process any variety of it, ignoring size limits.





Thank You