

In line with our governance philosophy to report transparently, Metair has reported climate change disclosure in line with the Task Force for Climate-Related Financial Disclosure (TCFD) principles and guidelines. Metair actively manages climate change to ensure that the group collectively mitigates its contribution to greenhouse gas (GHG) emissions and adapts adequately to the changing climate and environmental conditions. Over and above being an emitter of GHGs, the group is also vulnerable to the consequences of climate change.

Metair participated in the 2022 CDP Climate Change project and achieved a B (2021: B) CDP score, indicating that we are currently at a ‘Management’ level regarding our approach to climate change. Metair is cognisant of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement which came into effect in 2020 and focuses on mitigation of GHG emissions and climate change adaptation.

| Recommended disclosures | Metair disclosure | | Integrated Annual Report Page references |
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| Governance | | | |
| <p>Disclose the organisation’s governance around climate-related risks and opportunities.</p> | <p>a. Describe the board’s oversight of climate-related risks and opportunities.</p> | <p>The Metair Board of Directors (Board) has the ultimate oversight of the group’s approach to considering, evaluating, and integrating climate-related risks and opportunities throughout the company. The social and ethics committee oversees the group’s impact on the environment. The committee brings matters within its mandate to the attention of the board.</p> | <ul style="list-style-type: none"> • Social and Ethics Committee report - 83 |
| | <p>b. Describe management’s role in assessing and managing climate-related risks and opportunities.</p> | <p>The board social and ethics committee monitors environment impact, health and public safety, pollution, waste disposal and protection of biodiversity.</p> <p>The Metair board is responsible for the identification of major risks, the total process of risk management, as well as for forming its own opinion on the effectiveness of the process.</p> <p>The board is committed to the highest level of compliance and declarations related to environmental issues. We are committed to green manufacturing efforts which are pivotal to the circular economy. This includes initiatives such as waste reduction by avoiding landfill, reusing materials and recycling. Our focus on manufacturing efficiencies, which includes reducing energy consumption, optimising the use of raw materials and minimising waste in the production process, remains the most effective means for reducing our carbon footprint. Metair is also investigating opportunities for energy storage solutions for alternative power generation, including solar support energy systems.</p> <p>Metair provides its OEM customers with information on the chemical composition of its products in line with the International Material Data System (IMDS). The IMDS is a global standard that contains a list of the components used in the production of the vehicles manufactured by every participating international vehicle manufacturer. These records include the weight, size and material composition of every component.</p> <p>We aim to ensure that all components manufactured across the group have a positive life-cycle and end-of-life impact on the environment. Our ability to reclaim products or packaging from end users is limited given that our OE products end up as components in vehicles that may be manufactured in, or exported to, other countries. However, we aim to control and eliminate as far as possible the use of Substances of Concern (SoC) in our products. We closely monitor the chemical composition of our products and have started submitting full material declarations for all the components we manufacture in line with the IMDS.</p> | <ul style="list-style-type: none"> • The natural environment – 52 • Risk management – 73 |
| Strategy | | | |
| <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and</p> | <p>a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> | <p>Risks:</p> <p>Risk 8 – Natural disasters and climate change events, explosions and conflagrations.</p> <ul style="list-style-type: none"> – Environmental impact and protection – Carbon footprint | <ul style="list-style-type: none"> • Risk management – 73 |

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| financial planning where such information is material. | | <ul style="list-style-type: none"> - Pollution - Waste disposal - Lead usage - Biodiversity - Water consumption <p>Opportunity: Dedicated focus on infrastructure, health and safety standards reduces the risk of supply stoppages and creates opportunity for insurance savings. Presents an opportunity for innovation.</p> <p>The rollout of renewable energy solutions at our operations will significantly reduce energy costs and carbon emissions. Shifting on energy mix to renewable energy will decrease our reliance on electricity generated from fossil fuel, reduce our carbon emissions and create ongoing savings.</p> | |
| | b. Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning. | <p>The nature of the manufacturing environment and high energy use requirements increase the risk of conflagrations, explosions and manufacturing failures. Natural environment risks increasing in ever-changing and deteriorating global warming conditions.</p> <p>The group constantly evaluates and undergoes evaluation processes on the material used in our production process. We aim to control and eliminate as far as possible the use of Substances of Concern (SoC) in our products. We closely monitor the chemical composition of our products and submit full material declarations for all the components we manufacture in line with the International Material Data System.</p> | <ul style="list-style-type: none"> • Risk management - 73 |
| | c. Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | <p>Technology and technology shifts are included in Metair’s strategic focus points. Recycling and reduction of all types of pollution coming from mobility options in our strategy form part of our strategic enablers.</p> <p>Tightening motor vehicle emissions regulations to address climate change have had a profound impact on the automotive industry, including driving the trend towards electric vehicles. The response of our OE customers changes the products we make, affects OE production profiles and had a fundamental impact on our strategic review.</p> <p>Climate change concerns have shaped the long-term trajectory of the automotive industry and Metair’s business. We continue to refine our understanding of the effect of climate change on the future of society and the company, and to mitigate and minimise our environmental impacts.</p> | <ul style="list-style-type: none"> • Chairman’s report – 10 • Our most Material Matters – 24 |
| Risk management | | | |
| Disclose how the organisation identifies, assesses, and manages climate-related risks. | a. Describe the organisation’s processes for identifying and assessing climate-related risks. | Risk management is the responsibility of the board with the reporting and monitoring function being delegated to the board audit and risk committee. | <ul style="list-style-type: none"> • Risk management - 73 |
| | b. Describe the organisation’s processes for managing climate-related risks. | We aim to manage this risk through a formalised risk identification and management plan and mitigate the cost of the damage by carrying comprehensive insurance. | <ul style="list-style-type: none"> • Risk management - 73 |
| | c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk | An enterprise-wide risk management policy framework forms part of the audit and risk committee charter which is available on the company’s website. | <ul style="list-style-type: none"> • Risk management - 73 |

| | management. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Metrics and targets (monitoring and control) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p> | <p>a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> | <ul style="list-style-type: none"> - Number of natural disasters - Safety incidents (first aid cases) - Environmental incidents | <ul style="list-style-type: none"> • Risk management - 73 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> | <p>Metair’s total carbon footprint increased by 0.3% to 614 258 tCO₂e in 2022 (2021: 612 616 tCO₂e) as increased production at Mutlu Akü offset closures and short-time at several South African subsidiaries due to the floods. Scope 3 emissions increased by 1%. There were some adjustments to the 2021 Scope 3 emissions report to account for FNB's recycled lead purchased, Hesto's water purchased, Rombat's recycled lead and ATE's recycled lead.</p> <p>Metair’s carbon footprint is calculated using the GHG Accounting Protocol (World Resources Institute, World Business Council For Sustainable Development) as a guideline, and includes CO₂, CH₄ and N₂O. Refrigerant gases included hydrofluorocarbons (HFCs) and hydrochlorofluorocarbons (HCFCs R22). The Scope 1 carbon footprint calculations use emission factors from the Intergovernmental Panel on Climate Change (IPCC). Scope 2 emissions since 2019 used the grid emission factor specific to the country of operation. Scope 3 emissions were calculated using the relevant DEFRA emission factors.</p> <p>58% of the group’s carbon footprint arises from consumption of raw materials, 27% from electricity consumption and 6% from stationary fuels.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2022</th> <th>2021</th> <th>2020</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Scope 1 tCO₂e</td> <td>52 666</td> <td>50 467</td> <td>43 944</td> <td>47 031</td> <td>44 800</td> </tr> <tr> <td>Scope 2 tCO₂e</td> <td>163 146</td> <td>166 687</td> <td>146 062</td> <td>173 311</td> <td>153 767</td> </tr> <tr> <td>Scope 3 tCO₂e</td> <td>398 445</td> <td>395 462</td> <td>306 549</td> <td>421 099</td> <td>423 946</td> </tr> <tr> <td>Total</td> <td>614 258</td> <td>612 616</td> <td>496 554</td> <td>641 441</td> <td>622 513</td> </tr> </tbody> </table> | | 2022 | 2021 | 2020 | 2019 | 2018 | Scope 1 tCO ₂ e | 52 666 | 50 467 | 43 944 | 47 031 | 44 800 | Scope 2 tCO ₂ e | 163 146 | 166 687 | 146 062 | 173 311 | 153 767 | Scope 3 tCO ₂ e | 398 445 | 395 462 | 306 549 | 421 099 | 423 946 | Total | 614 258 | 612 616 | 496 554 | 641 441 | 622 513 | <ul style="list-style-type: none"> • Carbon Emissions – 52 • Our most Material Matters – 24 |
| | | 2022 | 2021 | 2020 | 2019 | 2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Scope 1 tCO ₂ e | 52 666 | 50 467 | 43 944 | 47 031 | 44 800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Scope 2 tCO ₂ e | 163 146 | 166 687 | 146 062 | 173 311 | 153 767 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Scope 3 tCO ₂ e | 398 445 | 395 462 | 306 549 | 421 099 | 423 946 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 614 258 | 612 616 | 496 554 | 641 441 | 622 513 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance.</p> | <ul style="list-style-type: none"> - All companies to maintain all quality management system (QMS) accreditation. - Reduce total energy consumption per PHW by 2% - Reduce total water consumption per PHW by 2% - Target 10% year on year improvement on renewable energy mix - Target 1% improvement on site-specific production scrap percentages across all companies - Energy storage businesses to improve yield at recycling facilities by 2%, especially at lead recycling facilities - Reduction of carbon emissions by 2% by volume unit across Metair. - Improve water consumption per PHW by 2% across all companies. - Increase recycling of non-hazardous waste across the group by 2% | <ul style="list-style-type: none"> • The natural environment – 52 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |