

OUR TRANSITION PLAN

Aligned with TCFD, we have developed our first climate transition plan to provide full transparency on how we plan to deliver against our climate targets.

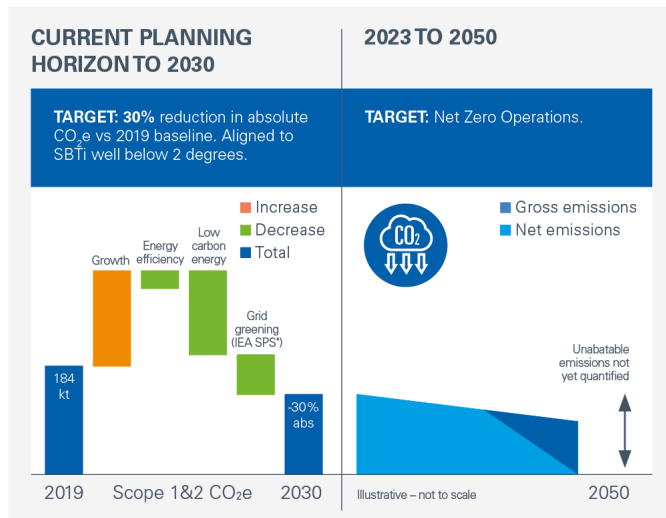
SCOPE 1&2 EMISSIONS (C0.5% OF OUR FOOTPRINT)

Our emissions reduction will continue to be achieved through:

- energy efficiency initiatives, with a focus on emissions hot spots, particularly our foundries;
- low carbon electricity supply, including on-site renewable generation, green contracts, power purchase agreements and, where necessary, Renewable Energy Certificates (RECs);
- purchase of offsets is not part of our transition plan to 2030.

We maintain an internal model to project forward emissions until our 2030 target timeline. The modelling indicates that our target is deliverable with efficiency and low carbon electricity supply actions. We are also exploring options for alternatives to natural gas.

To underpin delivery of our emissions reduction, scope 1&2 targets are now included within the annual incentive schemes for our Group Executive and managers across the business.



KEY MODEL INPUTS

2019-2030

- Rate of business growth aligned with our strategic plan.
- Impact of planned efficiency and energy supply initiatives.
- Emissions factors for purchased electricity aligned to the IEA Stated Policy Scenario.

2030-2050

- Unabatable emissions are not yet quantified, nor the potential level of offsets required beyond 2030.
- Requires economically viable low-carbon alternatives to gas and other fuels used within our facilities.

COSTS

- Annual capex and operating costs required to deliver the plan have been assessed at around £0.5-1m across the target period and are considered non-material to our financial plans.

SCOPE 3 EMISSIONS – (C.99.5% OF OUR FOOTPRINT)

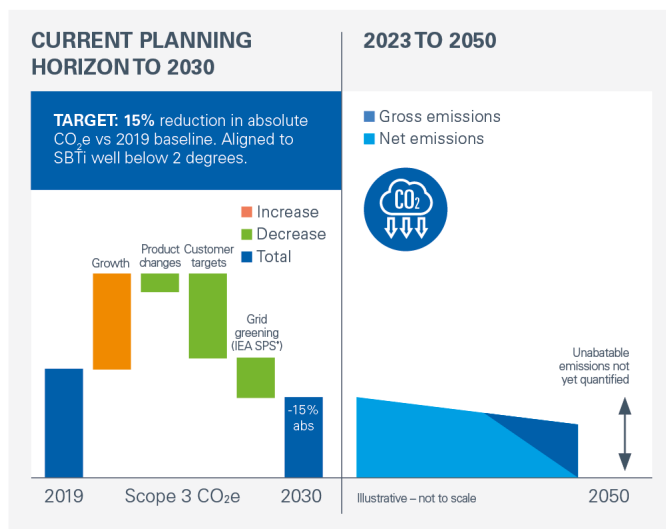
We have a compelling shared goal with our customers to reduce our scope 3 footprint:

- through our technology strategy (see pages 40-41), we are developing new or improved technologies to improve energy efficiency in key mining processes and we are developing our scope 4 value proposition to drive take-up by our customers;
- customers are increasingly moving to low carbon energy supplies;
- as a result, many miners are targeting substantial scope 1&2 reductions.

The majority of our equipment is powered by electricity and so grid decarbonisation will contribute substantially to our scope 3 reduction target. Indeed, a faster transition along the IEA's Sustainable Development Scenario (SDS) would enable a 1.5C trajectory.

We commit to engage with customers and other stakeholders in favour of the low carbon energy transition that would help create a virtuous circle, since it would lead to more demand from customers, as well as faster delivery of our scope 3 emissions target.

We are also increasing our investment in R&D towards 2% of sales to address our customers' biggest challenges and drive our future growth.



KEY MODEL INPUTS

2019-2030

- Rate of business growth aligned with our strategic plan.
- Impact of product changes and customer targets.
- Grid decarbonisation and emissions factors for our customers purchased electricity aligned to the IEA Stated Policy Scenario.*

2030-2050

- We have not yet set a scope 3 reduction target beyond 2030. Improving reliability of data and estimation of S3 use of sold products emissions will be a critical factor in future target setting, tracking and reporting.

COSTS

- R&D investment is built into our existing financial assumptions and no additional spend is required to deliver scope 3 savings as this is already core to our business strategy.

*Grid greening at faster IEA Sustainable Development Scenario (SDS) would enable 1.5C trajectory, while also driving growth in demand for mined commodities – creating a win-win