



Dear Customer,

One of Arconic's major priorities is to build upon our legacy as a responsible corporate citizen by advancing environmental sustainability, advocating for social equity and implementing ethical and transparent corporate governance practices. As part of our recent Environment Social and Governance (ESG) efforts, we have achieved Aluminium Stewardship Initiative ("ASI") Performance Standard certification for the Arconic Corporate Center in Pittsburgh, as well as our plants in Arconic-Kőfém (Hungary) and Bohai (China). We will continue to pursue certification in all of our locations as we advance our environmental goals moving forward. We will also continue to annually complete CDP (Carbon Disclosure Project) global disclosure system reporting, which is globally considered as the gold standard of environmental reporting and helps companies and cities disclose their environmental impact. It aims to make environmental reporting and risk management a business norm, driving disclosure, insight, and action towards a sustainable economy.

High quality, safety and sustainability starts with responsible sourcing. Our global procurement experts source primary metals with the lowest possible footprint. Seventy to eighty percent of the primary aluminium we purchase comes from hydro-electricity powered facilities in Canada and Iceland. Hydro-electric plants release approximately 2 tons of CO₂ equivalents per ton of aluminium, compared to coal-powered plants that release up to 18 tons per ton of aluminium.^{[1],[2]} Recycled or secondary aluminium has an even lower footprint with up to 95% energy-related emissions savings. We're working with our customers, supply chain partners and industry associations to further advance recycling capabilities and increase the availability of recycled aluminum. For example, in the U.S., Arconic supports the Recycling Partnership's program through the Aluminum Association, which works to increase participation in curbside recycling programs.

Our greenhouse gas (GHG) strategy currently focuses on three main elements – energy management, product sustainability and supply chain management. We've developed strategic energy-reduction goals and initiatives to minimize our energy use and, in turn, reduce our GHG emissions. Products that our customers manufacture from our advanced materials and technologies use less energy and emit fewer GHGs than those produced from heavier and less recyclable materials. GHG emissions avoided by using and recycling aluminum-based alloys are substantial relative to the emissions generated in the manufacturing phase because of the materials' light weight, infinite recyclability and other emissions-reducing benefits.

Since our most material emissions are related to our purchases of primary metals, it's imperative that we use suppliers that are focused on energy efficiency, renewable energy and advanced technologies to minimize their GHG impact. You can find further

^[1] <https://www.reuters.com/article/us-aluminium-sales-environment-idUSKBN1A11CF>

^[2] <https://agmetalmminer.com/2021/01/21/green-aluminum-gains-momentum/>

detail on our Environmental, Social and Governance performance in our 2021 sustainability report, available here: [2021-Sustainability-Report^{\[1\]}](#)

Based on Arconic's policy, **Arconic-Köfém Mill Products Hungary Kft.** is committed to operate in a responsible manner, focusing on environmental sustainability. Hereby, we declare that the **average plant-related direct (Scope1) and indirect (Scope2) carbon footprint** of producing flat rolled products – calculated from direct and indirect CO₂ emission of the total processing route – is given for remelting-casting and rolling operation separately as follows:

Remelting-casting:	193 kg CO ₂ per ton
Rolling operation:	384 kg CO ₂ per ton
Total:	577 kg CO₂ per ton

This data is an average value, related to the produced finish goods at Arconic-Köfém Mill Products Hungary Kft. in 2021.



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^[1] <https://www.arconic.com/documents/42106/101796/Arconic-ESG-Report-2021.pdf/8bf6c36b-2c29-82ec-3d3f-0348fac5db36?t=1660574172095&download=false>