

TCFD disclosures

2024 Material risks from climate change

Risk type	Identifier	Main climate-related risk	Value chain stage where the risk occurs	Time horizon	Likelihood	Magnitude of impact		Likely potential financial impact	Primary response to risk
						1.5 °C scenario	2.5 °C scenario		
Transition risks	Policy	Changes to legislation such as ESG reporting, Renewable Energy Certificates, EU Green Claims Directive, WEEE, EPR and Iceland's Paris Agreement carbon reduction target	Direct operations	Short-term	Very likely	High	Medium	Increased compliance costs	Greater compliance with regulatory requirements
	Emerging regulation	Carbon tax and Carbon Border Adjustment Mechanism regulation	Direct operations	Medium-term	Very likely	Medium	Medium	Increased operating/compliance costs	Sustainable procurement practices
	Technology	Increased cost for material substitution to low emission options	Upstream value chain	Short- to Medium-term	Very likely	High	Medium	Increased operating costs	Establish end-of-life infrastructure
	Technology	Plastic: Transition to lower emissions technology and products	Upstream value chain	Short-term	Very likely	Medium-high	Medium	Increased operating costs	Move from single-use plastic products/packaging towards reuse models
	Market	Consumer pressure for sustainability leadership and market competitiveness	Downstream value chain	Short-to Medium-term	Very likely	High	Medium	Increased operating costs and potential reduced profitability	Sustainability integration into business strategy and operations
Physical risks	Acute	Rising temperatures, shifts in wind patterns, floods, earthquakes, and volcanic eruptions	Direct operations	Short- to Medium-term	Very likely	Low	Medium	Increased operating costs	Business Continuity Planning
	Chronic	Sustained high temperatures and sea level rise	Upstream value chain	Long-term	Likely	Low	High	Increased operating costs	Supplier screening and supplier audits

Notes: Company information. Short-term <0-3 yrs, Medium-term 3-10 yrs, Long-term >10-30 yrs. Potential financial impact both positive and negative cannot be fully assessed and is likely to be integrated into Controlant’s day-to-day operations. Mitigating actions are being assessed and will be used going forward to align with Controlant’s business strategy to minimize negative effects and maximize opportunities, where possible.

Transition Risks: Risks related to the transition to a lower-carbon economy. **Physical Risks:** Risks related to the physical impacts of climate change.

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2024 Material opportunities from climate change

Risk type	Identifier	Main climate-related risk	Value chain stage where the risk occurs	Time horizon	Likelihood	Magnitude of impact		Likely potential financial impact	Primary response to opportunity
						1.5 °C scenario	2.5 °C scenario		
Transition opportunities	Products and services	Development and/or expansion of low emission goods and services	Direct operations	Medium-term	Very likely	Medium	Medium	Likely increased revenues resulting from increased demand for products and services	Life-cycle assessment to understand the carbon footprint of Controlant's solutions
	Products and services	Development of new products or services through R&D and innovation	Downstream value chain	Medium-term	Likely	Medium	Medium	Returns on investment in low-emission technology	Incorporating circular design thinking into future solutions
	Resilience	Participation in renewable energy programs and adoption of energy-efficiency measures	Direct operations	Short-term	Very likely	Medium-low	Medium-low	Likely increased access to capital	Measuring and reporting share of renewable electricity and renewable energy
	Market	Access to new markets	Downstream value chain	Medium-term	Likely	Medium-high	Medium-high	Likely increased revenues resulting from increased demand for products and services	Integrating sustainability criteria into Controlant's portfolio management framework

Notes: Company information. Short-term <0-3 yrs, Medium-term 3-10 yrs, Long-term >10-30 yrs. Potential financial impact both positive and negative cannot be fully assessed and is likely to be integrated into Controlant's day-to-day operations. Mitigating actions are evaluated to align with Controlant's business strategy to minimize negative effects and maximize opportunities, where possible.

Transition Risks: Risks related to the transition to a lower-carbon economy. **Physical Risks:** Risks related to the physical impacts of climate change.