

TCFD disclosures

2023 Material opportunities and risks from climate change

Identifier	Main climate-related risk/opportunity driver	Time horizon	Likelihood	Magnitude of impact		Likely potential financial impact
				1.5 °C scenario	2.5 °C scenario	
Current regulation (Transition risk)	ESG reporting mandate, Renewable Energy Certificates, EU Green Claims Directive, Iceland's Paris Agreement carbon reduction target	Short-term	Very likely	High	Low	Increased compliance costs and increased access to markets
Emerging regulation (Transition risk)	Carbon tax and Carbon Border Adjustment Mechanism regulation	Medium-term	Very likely	Medium	Medium	Increased operating/compliance costs
Technology (Transition risk)	Increased cost for material substitution to low emission options	Short- to Medium-term	Likely	High	Low	Increased operating costs and increased revenues
Market (Transition risk)	Consumer pressure for sustainability leadership rises while aluminum costs increase due to emission reduction pressures	Medium-term	Very likely	High	Medium	Increased operating costs and potential reduced profitability
Acute (Physical risk)	Rising temperatures, shifts in wind patterns, floods, earthquakes, and volcanic eruptions	Short- to Medium-term	Very likely	Low	Medium	Increased operating costs
Chronic (Physical risk)	Sustained high temperatures and sea level rise	Long-term	Likely	Low	High	Increased operating costs
Products and services (Transition opportunity)	Development and/or expansion of low emission goods and services	Medium-term	Very likely	Medium	Medium	Increased revenues resulting from increased demand for products and services
Products and services (Transition opportunity)	Development of new products or services through R&D and innovation	Medium-term	Likely	Medium	Medium	Returns on investment in low-emission technology
Resilience (Transition opportunity)	Participation in renewable energy programs and adoption of energy-efficiency measures	Short-term	Very likely	Medium - low	Medium - low	Increased access to capital
Market (Transition opportunity)	Access to new markets	Medium-term	Likely	Medium - high	Medium - high	Increased revenues resulting from increased demand for products and services

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.