

# Nippon Light Metal Group's Carbon Neutrality Strategy



November 14, 2023  
Nippon Light Metal Holdings Co., Ltd.

## Progress of Activities for Achieving Carbon Neutrality

### Nippon Light Metal Group's Carbon Neutrality Strategy

**By fiscal 2030, reduce emissions by 30% compared to fiscal 2013 (Scopes 1, 2, and 3)**

#### I. Risks and Opportunities Brought About by Decarbonization

→ Increased expectations for aluminum in the transition to a decarbonized society

#### II. Policy and Strategy

→ **Current analysis:** Understanding greenhouse gas emissions across the supply chain and identifying priority measures

→ **Strategy formulation:** Setting reduction targets and concrete implementation measures for Scopes 1, 2, and 3 emissions

[Addenda] ① Collaboration within the Group for establishing a closed loop supply chain

② Collaboration with customers for establishing a closed loop supply chain

#### III. Carbon Neutrality (CN) Promotion Structure

→ **Establishment of Green Growth Strategy Office (Command Center) and Metal Division (Execution Unit)**

→ **Future approach:** Creation and publication of a roadmap / Establishment of subcommittees within the Green Growth Strategy Office

**Fiscal 2050**

**Carbon  
neutrality**

# Carbon Neutrality Strategy

## 1. Risks and Opportunities Brought About by Decarbonization

### The increasing expectations for aluminum in the transition to a decarbonized society

#### Risks

#### Opportunities

SCOPE 1 & 2

Movement towards carbon tax implementation  
CO<sub>2</sub> emissions = increased costs

Taxation on energy costs according to CO<sub>2</sub> emissions

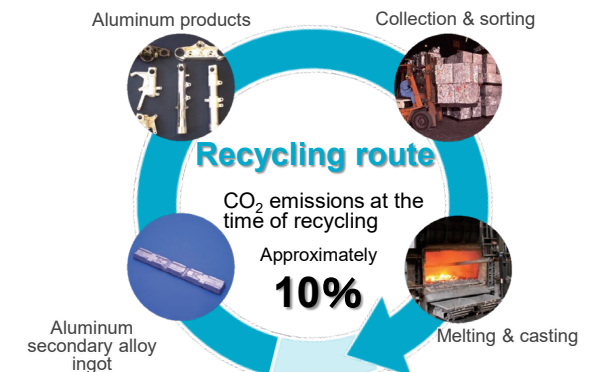
\* Based on precedents in Europe, there is a possibility of a 10,000 yen/t-CO<sub>2</sub> tax.

SCOPE 3

Low-carbon demand for materials through recycling

Aluminum is recycle-oriented material due to its low melting point. Aluminum can contribute to realizing a decarbonized society through the promotion of recycling.

#### CO<sub>2</sub> emission reduction through recycling



\*Based on 100% emissions during the production of aluminum primary alloy ingot

Market Demands

The progression of EVs in automobiles leads to increased vehicle weight due to batteries. Thus, lightening vehicles and parts through aluminum use.

Demand for lighter vehicles due to EV adoption

# Carbon Neutrality Strategy

## 2. Policy and Strategy Current Analysis

### Analysis summary

Simple methods for grasping the overall sense of CO<sub>2</sub> emissions\*

→ Identifying priority measures for each Scope

\*The target of CO<sub>2</sub> emission calculations is the domestic operations of the NLM Group.

Appropriate  
emission  
monitoring

### Fiscal 2013 CO<sub>2</sub> emissions

Scope 1 & 2  
680,000  
t-CO<sub>2</sub>

### Scope 1 & 2 CO<sub>2</sub> emissions

Scope 1 **300,000t**  
Scope 2 **380,000t**

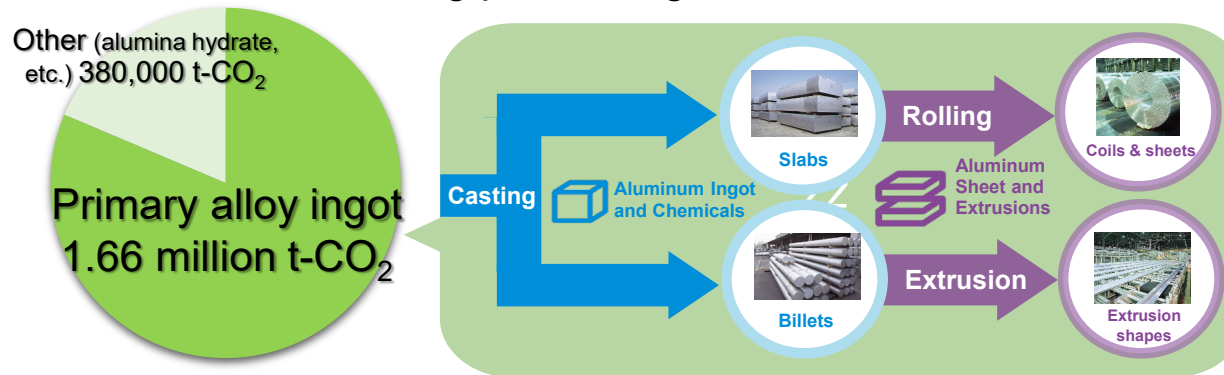
Energy saving +  
renewable energy  
transition

### Scope 3 emissions

2.04  
million  
t-CO<sub>2</sub>

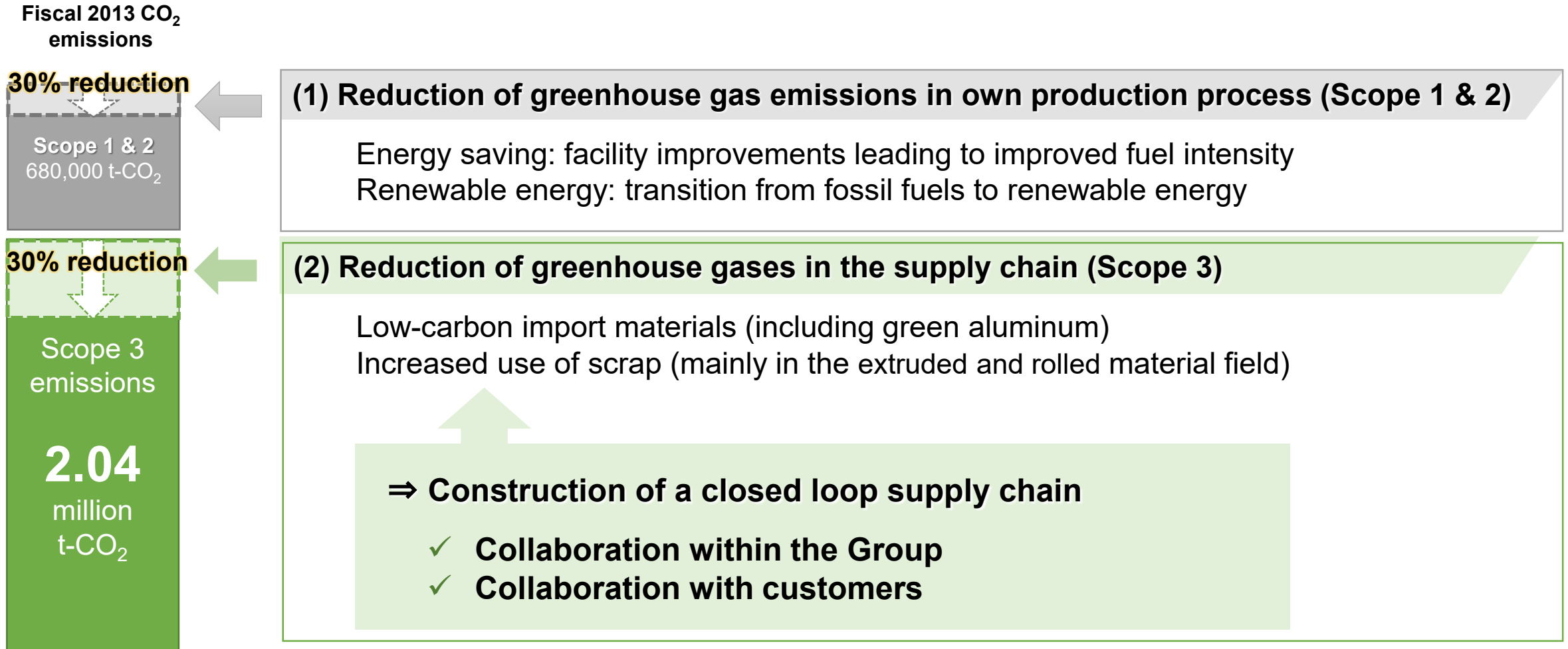
### Scope 3 CO<sub>2</sub> emissions

81% of emissions originate from aluminum primary alloy ingot  
Aluminum primary alloy ingots are almost exclusively used for  
extrusion and rolling processing



Low-carbonization  
of extruded and  
rolled materials

Building a closed loop supply chain is important to our decarbonization strategy as well

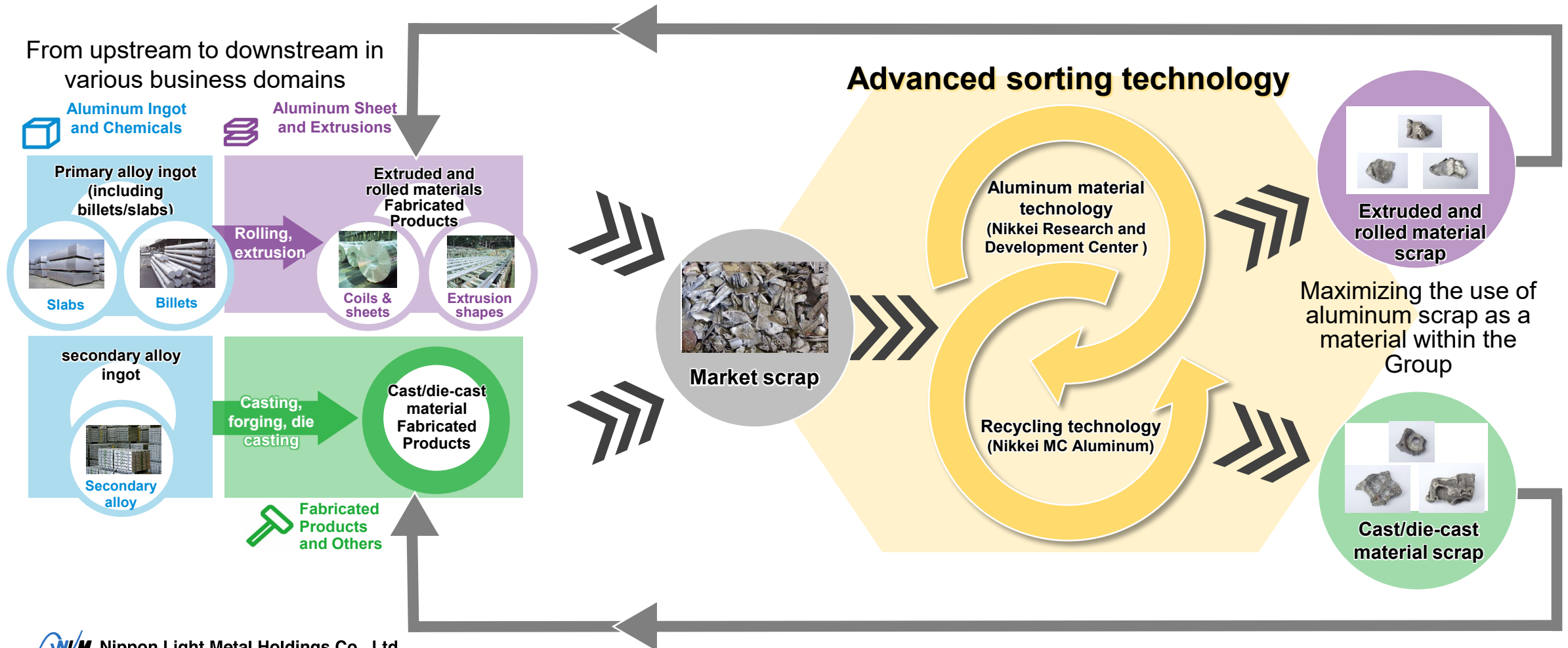


# Carbon Neutrality Strategy

## 2. Policy and Strategy

Collaboration Within the Group for Establishing a closed loop supply chain

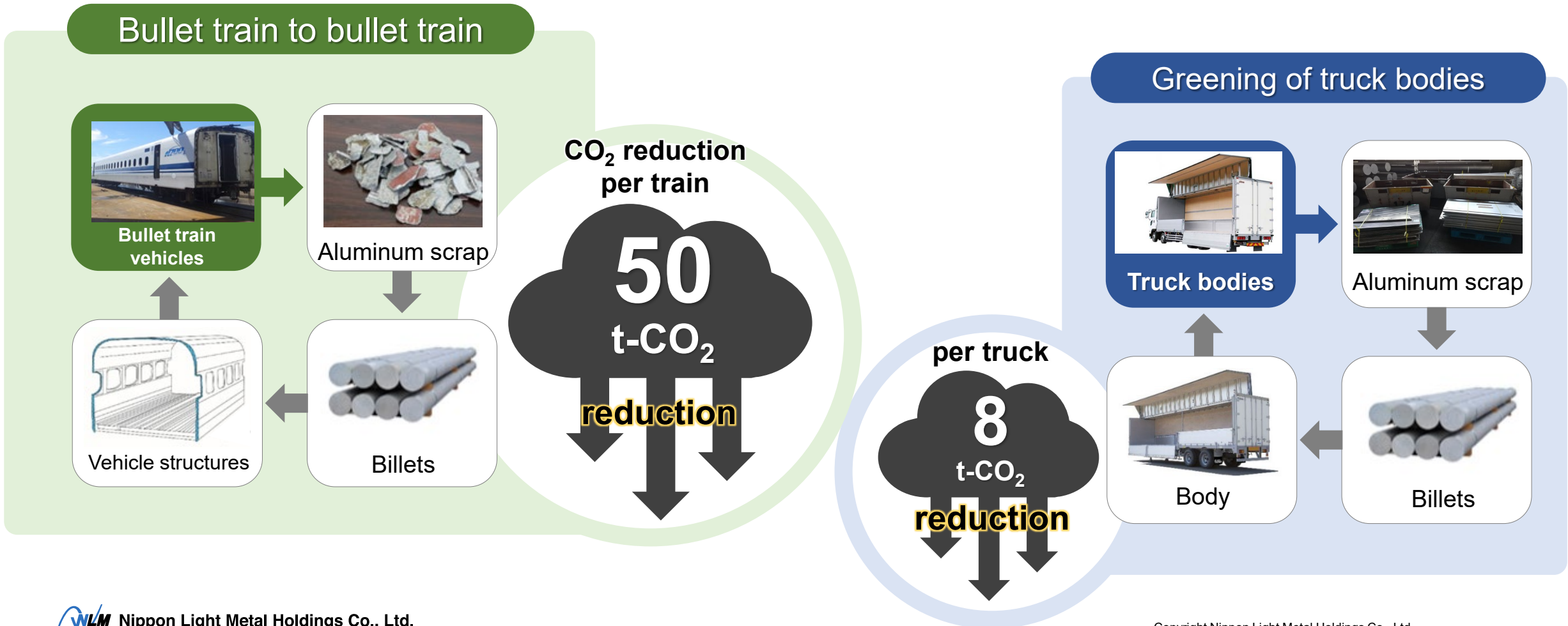
Business operation in diverse field would be a strength to build to a closed loop supply chain



## 2. Policy and Strategy

Collaborating with Customers to Establish a closed loop supply chain

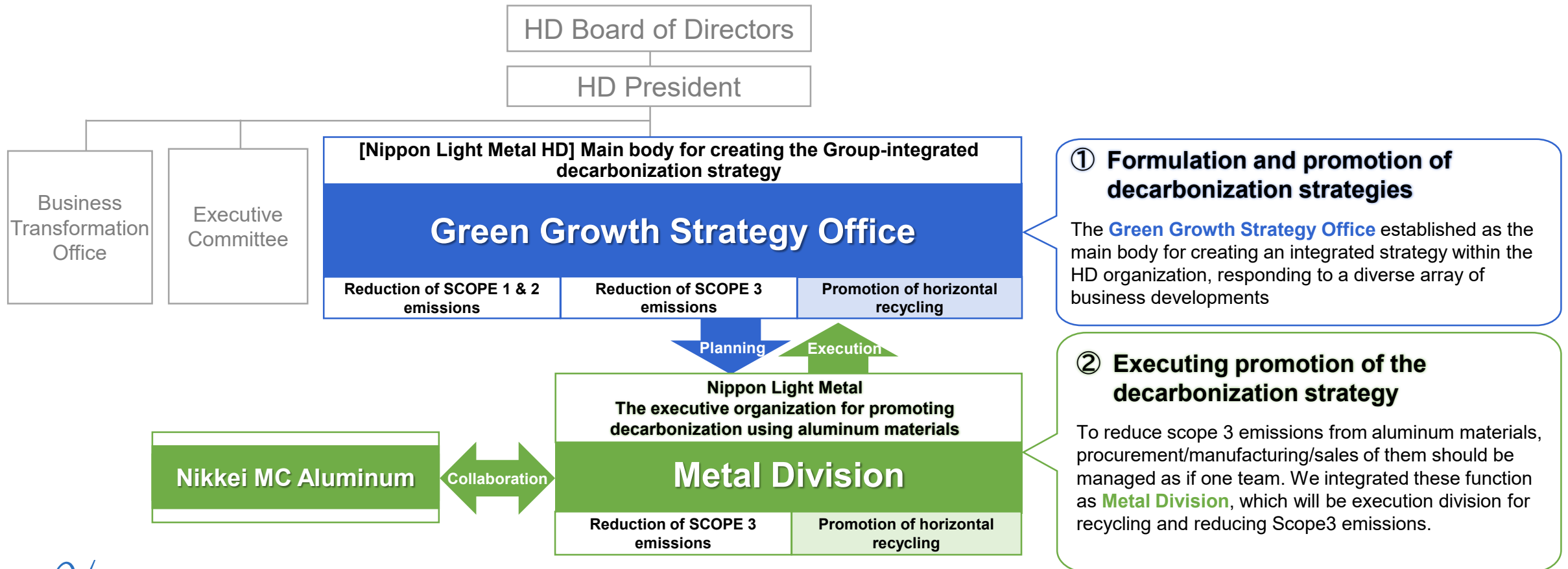
Building a collaborative closed loop supply chain **creates value for customers**



## 3. Establishing Structure to Promote Carbon Neutrality

- Establishment of Green Growth Strategy Office: creation of a Group-integrated decarbonization strategy
- Integration of Metal Division: reorganization of the Aluminum Material Department, key to decarbonization

### ➔ Establishing an integrated and agile decarbonization promotion structure





## 3. Establishing Structure to Promote Carbon Neutrality

Where to Go from Here

