

Independent Limited Assurance Report

to the Management of MCB International B.V.

MCB International B.V. (“MCB”) commissioned DNV Business Assurance B.V. (“DNV”, “us” or “we”) to provide limited assurance over Selected Information used by MCB as the basis for issuing product carbon footprint certificates reflecting CO₂eq savings made during the reporting period in adherence with MCB’s CORE carbon bank methodology.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria. In our opinion the methodology for calculating product CO₂eq footprints and the stated CO₂eq savings have been prepared in general alignment with the WRI/WBCSD GHG Protocol for Product Lifecycle Accounting and Reporting. MCB customers that purchase CORE green certificates can report an equivalent reduction in their Scope 3 emissions reporting in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. This conclusion relates only to the Selected Information and is to be read in the context of this Assurance Report, in particular the inherent limitations explained overleaf.

Selected Information

The scope and boundary of our work is restricted to the **data** and **methodology** described below (the “Selected Information”):

- **Product CO₂eq footprints:** The amount of CO₂eq per tonne of product covered by the **methodology** relating to products handled by MCB at the company’s site in Valkenswaard, Netherlands (the “Entity”);
- **CO₂eq emission savings:** Lower CO₂eq emission intensities achieved through a combination of decarbonisation activities including: purchases of lower CO₂eq intensity steel / stainless steel / aluminium products or products with CO₂eq emission savings certificates; year on year improvements in the CO₂eq intensity of products purchased; purchases of renewable energy; generation of electricity from solar on the Valkenswaard site. The CO₂eq emission savings calculated between 2020 and 2023 are: **21784 tonnes CO₂eq**;
- **The methodology:** the detailed description developed by MCB of the processes and data sources used to calculate product carbon footprints and operation of the carbon bank;
- **Product carbon footprint tool:** the PowerBI system containing data from MCB operations and calculations to determine product carbon footprints in accordance with the methodology;
- The MCB **material groups** covered by the product carbon footprint tool are:
 - Steel (thin steel sheets, hot rolled sheet metal, tubes, bar steel)
 - Stainless steel (stainless sheets, stainless steel bars, stainless steel tubes)
 - Aluminium (aluminium sheets, aluminium bars).

Criteria

We assessed MCB’s methodology and data for calculating product CO₂eq footprints and issuing certificates against the following **Criteria** (the “Criteria”):

- The publicly available Greenhouse Gas Protocol for Product Life Cycle Accounting and Reporting Standard, as issued by WRI/WBCSD;
- MCB’s internal procedure for issuing certificates and tracking customer transactions;
- MCB’s methodology document [summary available on request from MCB] on the product CO₂eq footprint, including their following definitions and programme rules:
 - **Product CO₂eq footprints:** The amount in metric tonnes of CO₂eq associated with each tonne of product. The CO₂eq footprint calculation is conducted in alignment with the Greenhouse Gas Protocol for Product Life Cycle Accounting and Reporting Standard.
 - **Carbon emission savings:** Lower CO₂eq emission intensities achieved through a combination of decarbonisation activities including: purchases of lower CO₂eq intensity steel / stainless steel / aluminium material group products or products with CO₂eq emission savings certificates; year on year improvements in the CO₂eq intensity of products purchased; purchases of renewable energy; generation of electricity from solar on the Valkenswaard site. These savings are then allocated to reduce the product CO₂eq footprints for specific purchases by MCB customers, with clear separation of savings and allocation between the three material groups.
 - **Reporting period:** The CO₂eq savings have been calculated based on data over the time period January to December 2020, 2021, 2022 and 2023.

DNV will conduct periodic reviews of the certificates issued and use of the product carbon footprint tool after a twelve month period, at which point DNV will also assure data relating to calendar year 2024.

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion


We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Assessing the appropriateness of the Criteria for the Selected Information;
- Conducting interviews with MCB’s technical teams and other key personnel to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Remote review of specific site level data. We were free to request interviews, data and information to support the process;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- Reviewing that the evidence, measurements and their scope provided to us by MCB for the Selected Information is prepared in line with the Criteria.

For and on behalf of DNV Business Assurance B.V.,
Oliver Bley, Head of Sustainability and Supply Chain Services



Barendrecht, Netherlands
5th June 2024


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www.dnv.com

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Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by MCB have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Responsibilities of the Management of MCB and DNV

The Management of MCB have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within product carbon intensity certificates

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to MCB in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the certificates. We have not reviewed whether or how MCB customers have used the reported CO₂eq savings in their Scope 3 reporting.