# MET GROUP CLIMATE IMPACT REPORT 2024

BRINGING
**NEW ENERGY**
TO **EUROPE**

MET GROUP

# What's Inside?



# About This Report

This report marks MET Group's second disclosure aligned with the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations. It aims to provide transparency on how we identify, assess, and manage the financial impact relating to climate-related risks and opportunities. By publishing this report, we indicate our commitment to focus on the transition to low carbon emission economy.

# Purpose of the Report

**This report aims to provide transparency into how we identify, assess, and manage climate-related risks and opportunities.** By sharing data on sustainable business practices and alignment with EU climate goals, MET Group offers its investors, customers, business partners and other stakeholders a clear view of how it addresses future challenges and positions itself to capture long-term opportunities, underscoring our commitment to a proactive approach to climate change.

The TCFD framework enables us to systematically identify, assess and disclose the impacts of physical risks, such as extreme weather events, and transition risks arising from the shift to a low-carbon economy on its finances and operations, thereby fostering trust and strengthening engagement with stakeholders.

# Scope and Boundaries

**Our second TCFD report, titled Climate Impact Report 2024, covers the reporting period of 2024.** Unless otherwise specified, all references in this report relate to us and our two segments: Sales and Trading Segment (including the following regional sales divisions: Western Europe, Central Europe and Eastern Europe) and the Asset Segment (including the Flexibility Asset Division and Green Asset Division). The ultimate parent company of all MET Group operating entities is MET Holding AG (METHO).

MET Sales and Trading Holding AG serves as the parent company for all operating companies within the Trading & Wholesale and European Sales divisions. MET International AG (METI) manages and optimises MET Group's positions across all geographical regions, value chains and commodities (including natural gas, electricity and EU Allowances) in an integrated manner.

MET Asset Management Holding AG is the parent company of the Flexibility Asset Division which oversees the development, operation and optimisation of our flexibility infrastructure. Our Green Asset Division, with MET Green Asset Holding AG as parent company, develops, operates, and monetises renewable energy projects—focusing on solar, wind, and BESS across Europe to maximise value. Learn more about MET Group's Organisational structure in our Company Fact Sheet.

In accordance with the scenarios provided by the International Energy Agency (IEA), we primarily provide medium-term outlooks (to 2030) for energy production and demand.

**Current presence of the European Sales division**

# Methodology

**Our report follows TCFD Recommendations, categorising risks into two main types: transition risks and physical risks.**

A scenario analysis is included to assess resilience across various climate futures, focusing on two scenarios from the International Energy Agency (IEA) outlook: **STEPS (Stated Policies Scenario) and APS (Announced Pledges Scenario).** Projections are based on IEA's 2024 outlook, using projections for 2030 (medium term) and 2050 (long term). Impacts of different scenarios are categorised into four levels—insignificant (less than 5% impact), low (5% – 15% impact), medium (15% – 30% impact), and high (more than 30% impact) — based on potential impacts on Gross Margin across business units and the anticipated pace of the energy transition.

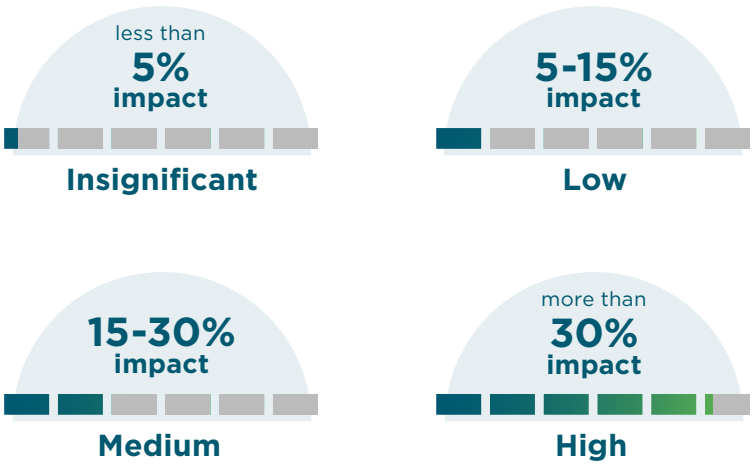
In our approach, stakeholder engagement is essential to ensuring that our climate impact assessment remains transparent, data-driven, and aligned with our core sustainability values. In our assessment, we paid particular attention to our main stakeholder groups, such as financial counterparties, our customers and suppliers.

MET Group is committed to transparency in its climate-related disclosures. We have provided clear, detailed information on our carbon intensity for the 2030 horizon. By openly sharing these figures, we enable stakeholders to assess our current emissions footprint and track our progress in managing our emissions profile.

Our climate assessment relies on verifiable and quantifiable metrics in line with industry standards and the latest scientific knowledge. We disclose key metrics to manage climate-related risks and opportunities, including Scope 1, Scope 2, and Scope 3 GHG emissions. We use carbon intensity as our primary metric to measure our emission performance. Carbon intensity is expressed as tonnes of $CO_2$ equivalent per MWh or [$tCO_2e$/MWh].

**Impact assessed on gross margin**

Impacts of different scenarios are categorised into four levels



# COMPANY OVERVIEW



MET GROUP

# Who We Are

MET Group is an integrated European energy company, headquartered in Switzerland, with operations spanning from natural gas to power-related activities. As a key player in Europe's evolving energy market, MET Group focuses on multi-commodity wholesale, trading, and sales, as well as energy infrastructure and industrial assets. We are 90% employee-owned, with the remaining 10% held by Keppel Infrastructure, a wholly owned subsidiary of Keppel Corporation, listed on the Singapore Exchange.

At our core we are an Energy Transition company. Our mission is to become a leading market player in the European energy sector by driving innovation and accelerating the energy transition to a lower carbon emission economy.

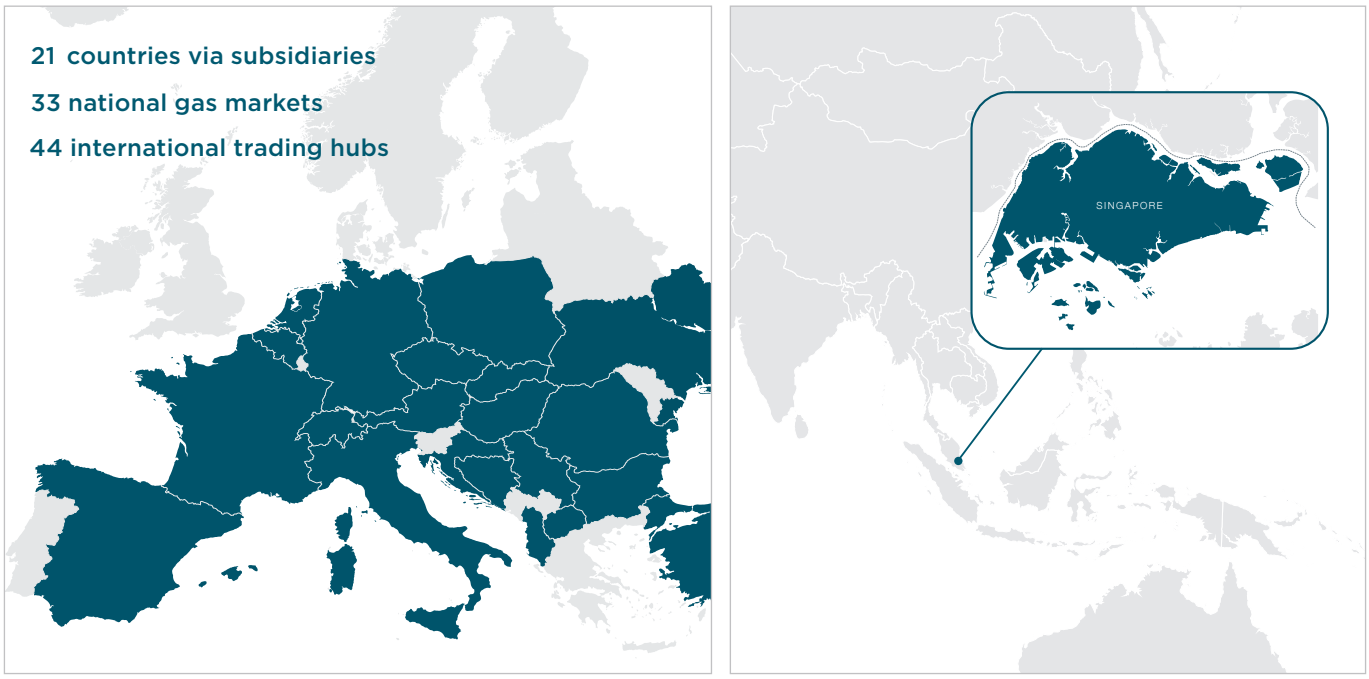
# What We Do

We act as a market intermediary and risk manager as well as energy and flexibility solution provider to our customers. Our core activities include wholesale and end-user sales of natural gas and electricity, trading of natural gas, LNG, electricity, carbon emission credits, and operation of power generation and energy storage assets. We own and operate both flexible (conventional) and green (renewable) energy assets. Flexibility Assets are clearly an essential part of MET Group's integrated strategy to support the energy transition via the management of renewable generation intermittency. We build, operate and own assets in the areas of combined-cycle gas turbine (CCGT) and combined heat and power (CHP) plants, battery storage (BESS), gas storage, and LNG shipping. Through our Green Assets Division, we develop, build, and operate wind and solar power plants across Europe, driving decarbonisation and expanding our renewable energy portfolio.

# Our Presence

We are represented in 21 countries: Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Czech Republic, Croatia, France, Germany, Hungary, Italy, Poland, Romania, Serbia, Singapore, Slovakia, Spain, Switzerland, the Netherlands, Turkey and Ukraine. We are active in 33 national gas markets and 44 international trading hubs. Founded in 2023, MET Asia is extending the Group's presence into Asia, aiming to globalise the Group's LNG portfolio and expand its asset base across the Asia-Pacific region. We have a significant end-consumer presence in Croatia, Italy, Hungary, Romania, Slovakia, and Spain.

**Current Presence of MET Group**




In 2024, we reported consolidated revenue of EUR 17.9 billion, with total traded natural gas volumes reaching 140 billion cubic meters [BCM] and electricity volumes totalling 76 TWh.

Our business model is supported by strong financial backing, having built robust relationships with a diversified pool of international banks.

**2024**

**Revenue**
EUR 17.9 billion

**Natural gas volumes**
140 BCM

**Electricity volumes**
76 TWh

MORE THAN
EUR 1.8 billion
**3rd party funding**

**MET Group is conducting business with integrity.** See our Code of Conduct on our website!

# Group CEO Statement

Benjamin Lakatos,
Chairman and CEO of MET Group

**I am pleased to introduce our second Climate Impact Report, reflecting our commitment to transparency and continued progress in climate change matters. This edition outlines our strategic Climate Approach, with a focus on the energy transition, an area where we aim to make a meaningful impact.**

We remain committed to our goal of supporting Europe's green transition and believe that MET Group plays a vital role, especially as the energy landscape evolves with greater emphasis on supply security and affordability. Achieving a greener future requires more than just expanding renewable energy generation. We believe it demands a balanced approach to the energy transition trilemma: decarbonisation, security of supply and affordability to ensure general acceptance within the European society without placing undue burden on its citizens.

Competitiveness remains a key issue, and I am glad that Europe is taking steps to frame this transition in a way that puts the EU in a better economic position in the long term and increases security of supply for consumers.

**We believe in natural gas as a transition fuel.** Gas will continue to play a vital role in the energy mix, remaining as an essential energy source for Europe in at least the next 20 years, as the most efficient way to manage peak energy demand.

**Benjamin Lakatos,** Chairman and CEO of MET Group

**We are convinced that the success of any European player in the energy industry depends on the balanced management of the energy transition trilemma,** and we have positioned our business strategy and investment profile accordingly, with a clear strategic focus on advancing the energy transition through significant investments in renewable energy, **battery energy storage systems (BESS),** and other flexibility solutions.

- Our business structure ranges from gas and LNG trading, power trading, selling natural gas and electricity to customers across Europe, to investments into gas storage, gas-fired power plants and battery energy storage systems (BESS), allowing us to develop a strong competence in natural gas supply and gas-based power generation. Our diversified portfolio of activities contributes to the security of supply in Europe.

- We have significantly developed business activities in the sectors of solar and wind power generation and acquired extensive experience in operating renewable assets, contributing to decarbonising Europe's energy mix. Within the framework of our strategy, in 2024 we increased our green electricity generation by 16% and reduced our emission intensity by 12%.

- We contribute to maintaining the affordability of Europe's energy mix by providing innovative solutions to European consumers and industries, so they benefit from competitive energy supplies.

The energy transition is not only about what we do, but also about how we do it. It is our mission to explain the transition to our clients – for example, by participating in industry conferences and providing advisory services to customers. We also support clients in reducing their energy consumption through our Energy Efficiency Service Line, which launched in Hungary and is now expanding to Italy and other EU markets.

**This second Climate Impact Report highlights our continued commitment to the energy transition and the extent to which MET Group is geared to take a leading role.**

# MANAGING CLIMATE RISKS AT THE HIGHEST LEVEL

11 Governance Structure

METGROUP

# Managing Climate Risks at the Highest Level

At MET Group, we are committed to integrity and accountability, while fostering a strong sustainability mindset. Our management structure promotes transparency and facilitates coherent decision-making throughout the organisation, and on-going evaluation of risks and opportunities.

**Governance Structure**

### BOARD OF DIRECTORS

The Board of Directors (BoD) of MET Holding AG defines the Group's strategic direction and supervises its operations in line with MET Group's corporate governance framework. The BoD ensures the Group's long-term goals are met through the Sales and Trading Segment and Asset Segment. The BoD holds ultimate responsibility for our Climate Approach and sets the direction of our climate-related actions. It also monitors compliance with the applicable climate-related reporting frameworks and formally approves our Climate Impact Report.

At least once per year, the BoD convenes for a dedicated climate-related session to review our GHG emissions trends, scenario planning and key risks.

### EXECUTIVE BOARD

The Executive Board (EB) is responsible for the operational management and risk oversight delegated by the BoD, on the basis of key deliverables such as the GHG inventory assessment ensuring their quality, relevance, and alignment with corporate objectives. During 2024, the EB discussed the progress of climate change matters as part of ESG matters on four occasions.

### ESG STEERING COMMITTEE (ESG STEERCO) AND ESG MANAGER

The ESG SteerCo is composed of the Holding CFO, Group General Counsel, and Division Leaders, consolidates inputs across business units and acts as the primary interface between operations and the EB. The ESG SteerCo's responsibilities include approving climate scenario assessments, reviewing GHG accounting practices and ensuring alignment with legislative requirements. In 2024, the ESG Steering Committee became fully operational as it held five dedicated sessions.

To support the ESG Steerco, the ESG Manager's role is to coordinate the management of the ESG activities and oversee the Group-wide assessment of climate risks and opportunities. He prepares strategic updates for senior leadership, supports alignment with regulatory frameworks, in close coordination with Divisional Leaders.

### DIVISIONAL LEADERS

Divisional Leaders are responsible for implementing climate-related actions, assessing climate-related risks and opportunities, and tracking relevant metrics at the business unit level. Divisional Leaders report directly or indirectly to the EB.

# OUR CLIMATE APPROACH

# A pragmatic and responsible approach: balancing the energy trilemma

At MET Group, our Climate Approach is guided by a pragmatic, forward-looking strategy that seeks to responsibly navigate the energy transition. We believe any credible strategy must balance the **energy trilemma** — ensuring security of supply, maintaining affordability, and advancing decarbonisation — while remaining **flexible and responsive in a dynamic global context.**

As an energy transition company fully committed to a lower-carbon future, we aim to remain resilient amid future changes while actively leveraging the opportunities presented by the evolving transition. Our ambition is to become a leading player in the European energy sector by driving innovation and helping shape a sustainable energy future.

We formulate our climate approach in line with the **EU Fit for 55 framework** and its forthcoming updates toward the **2040 climate target in mind,** ensuring that MET Group remains responsive to future regulatory, market, and stakeholder expectations. We also recognise the growing emphasis on **affordability, competitiveness, and energy security** as key priorities in today's transition landscape.

We view **natural gas** as a critical transition fuel for ensuring energy security and affordability, particularly in the medium term. It provides flexibility to **balance seasonal demand,** stabilise **peak generation,** and shield consumers from **price volatility** as renewable infrastructure scales up. This approach supports Europe's shift away from coal while bridging the gap until renewable energy infrastructure is fully capable of meeting system-wide needs.

Our growing LNG portfolio further underpins this approach. In 2024, we secured a **10-year Free-On-Board LNG agreement with Shell,** ensuring stable access to US LNG. Our partnership with Celsius for a **new LNG vessel,** to be commissioned in 2027, reflects our ambition to optimise lifecycle emissions across the LNG value chain.

At the same time, we continue to advance our climate objectives by steadily growing our renewable energy portfolio, and are now advancing **our pipeline of 1 000+ MWp of renewable energy projects,** in addition to **our 130 MWp of battery storage systems (BESS) in operation/construction across Europe,** with a short-term focus on high grid-emission countries such as Italy, Serbia, and Germany, further supporting Europe's decarbonisation goals.

# TCFD Alignment and Scenario Analysis

Our climate approach follows the TCFD Recommendations and integrates insights from scenario analysis to strengthen strategic planning and risk management.

Transition risks relevant to MET arise from our commitment to supporting the green transition by providing affordable and reliable natural gas as a transition fuel. These risks include evolving regulations, carbon pricing, subsidy schemes, technological advancements, and changing market dynamics for gas, LNG, and renewables, alongside increasing expectations from investors, lenders, and customers.

Although most physical risks are primarily borne by upstream operators and grid companies, we continue to assess our own exposure to climate-related hazards. For example, Dunamenti Erőmű is particularly sensitive to radical fluctuations in Danube water levels while heatwaves, droughts, and other extreme weather events can affect solar output, battery performance, and infrastructure resilience.

We manage physical risks through regular assessments, enhanced climate-related data collection and reporting, and by maintaining a flexible, diversified asset portfolio. At the same time, we actively seek to leverage emerging opportunities in low-carbon technologies, renewable energy, and energy efficiency services as part of our long-term strategic positioning. To support this, the **CLIMET** process launched in 2024 provides a consistent, group-wide methodology to ensure that physical and transition risks are systematically addressed as part of our enterprise risk management.

# Targeted Scenario Review in 2024

To address the current geopolitical and market environment with its high implications on gas supply and energy security priorities, we conducted a targeted review and update of our 2023 assessment in 2024 using our CLIMET framework. The review started from division-level results, which were re-assessed by Divisional Leaders to ensure that our scenario analysis remains relevant, robust, and actionable.[1]

## Impact of STEPS and APS Scenarios on 2030 Time Horizon by Business Divisions

**Summary of the revisited analysis**

| Segment/ Business Division | STEPS-Slower Transition Scenario | | | | APS - Faster Transition Scenario | | | |
|---|---|---|---|---|---|---|---|---|
| | Not Significant (below 5%) | Low Impact (5-15%) | Medium Impact (15-30%) | High Impact (30%-) | Not Significant (below 5%) | Low Impact (5-15%) | Medium Impact (15-30%) | High Impact (30%-) |
| Sales and Trading Segment | | | ● | | | | ● | |
| Flexibility Asset Division | ● | | | | ● | | | |
| Green Asset Division | | | ● | | | | | ● |

● not significant impact on Gross Margin (below 5%) ● positive impact on Gross Margin

While the overall conclusions of the 2023 assessment remain valid, the 2024 review identified shifts in certain divisions' exposure and strategic positioning. Based on these findings, three key messages emerged that reflect the evolving transition dynamics and our readiness to respond through strategic investment and operational agility:

### 1. Transition to renewables creates both volatility and opportunity for Sales & Trading

Revised modelling confirmed that the shift toward solar and wind will increase price volatility and balancing costs, but also open opportunities for us to offer flexibility services and manage renewable energy sources. This enables MET to support end-customers in optimising their renewable sourcing and consumption, positioning MET Group as a key facilitator of the energy transition. The continued role of gas as a transition fuel, particularly until 2030, supports stable margins in the near term, despite increased import dependency and geopolitical risks.

[1] The methodology for the original analysis is detailed in our 2023 TCFD Report.

### 2. Gas remains a key transition fuel, but supply risks and margin volatility will grow

The projected decline in gas demand by 2050 under the STEPS scenario may reduce the long-term profitability of gas storage assets, possibly requiring reinvestment or adaptation. In response, we are actively shifting towards shipping infrastructure and expanding our portfolio of grid-stabilising assets. These flexibility investments remain critical to ensuring energy system resilience as intermittent renewables grow.

### 3. Flexibility and green assets remain resilient under transition pathways

The review reinforced the assumptions and conclusions of the previous scenario assessment for renewable energy assets. The expected continued growth of green energy production across Europe supports MET's expansion strategy and confirms a positive long-term impact on the Green Asset Division. While the STEPS scenario is expected to exert some pressure on Flexibility assets — mainly due to a projected short-term increase in emission costs and a decline in gas storage profitability over the medium-term — these impacts are expected to be offset by ongoing investments in battery energy storage systems (BESS) and other innovative flexibility solutions.

## Building Resilience and Unlocking Opportunities Through Portfolio Diversification

We continue to play a meaningful role in advancing Europe's climate and energy objectives by developing a resilient and future-ready portfolio that supports an affordable, and secure energy transition. Our multi-technology strategy integrates **natural gas, renewable energy, and energy storage solutions** — enabling us to remain agile in volatile markets while progressing toward a low-carbon future.

Diversification helps reduce reliance on traditional energy markets and unlocks new growth opportunities in cleaner, more sustainable segments. Revenues generated from traditional activities are strategically reinvested in renewable power generation and battery energy storage systems (BESS), enhancing grid resilience and enabling a greater share of variable renewables. These investments form the foundation for our long-term growth in low-carbon infrastructure.

**Innovation** is central to our strategy. Our Flexible Assets Division focuses on technological readiness for the adoption of emerging clean fuels and other low-carbon solutions, positioning us to capitalise on regulatory incentives, evolving market signals, and decarbonisation trends.

Meanwhile, our trading and generation activities are enhanced by **cross-commodity optimisation** across gas, LNG, electricity, and carbon markets. This integrated model enables efficient portfolio management, price risk mitigation, and value creation across the energy value chain.

Through these initiatives, we are steadily building the capabilities and flexibility needed to operate competitively in a net-zero future, while actively contributing to Europe's transition goals.

# RISK MANAGEMENT

Our climate-related risk management contributes to MET Group's strategic decisions and portfolio development. By combining insights from the CLIMET assessment with our long-term energy strategy, we actively align investments with evolving transition dynamics. While the gradual decline in gas demand presents long-term risks, our integrated approach leverages opportunities in renewables, battery energy storage systems (BESS), and flexible assets to maintain resilience and competitiveness. This ensures that risk management is not only about mitigating exposures but also about enabling growth in low-carbon and innovative energy solutions, strengthening our role as an energy transition company.

# Enhancing Resilience and Competitiveness

We apply a centrally coordinated risk management approach that supports operational resilience and informed, responsible decision-making in a dynamic energy landscape. All Group Risk and Finance Management functions are centralised in Baar, Switzerland, under the oversight of the Holding and Sales & Trading Segment CFOs. We monitor risks through daily and weekly meetings, strict internal controls, centralised reporting, and regular management reviews, using customised systems to enhance oversight and efficiency.

Our risk management practice addresses a wide range of exposures — including market, credit, liquidity, regulatory, legal, reputational, and climate-related risks — and is embedded into strategic planning and investment processes. This comprehensive approach helps us maintain competitiveness while navigating complex regulatory and market conditions.

**In line with the TCFD framework, we classify climate-related risks into two categories:**

**PHYSICAL RISKS**

such as extreme weather events

**TRANSITION RISKS**

associated with the shift to a low-carbon economy

# Climate-Related Risk Assessment Methodologies

**We apply two complementary methodologies to comprehensively identify and evaluate climate-related risks:**

### 1. BOTTOM-UP APPROACH:

Each divisions is required to annually update their assessments of climate-related risks and opportunities. This includes evaluating both physical and transition risks and rating their material impact on the division's activities.

### 2. TOP-DOWN APPROACH:

Our ESG Steerco assesses climate risk materiality against the latest scientific findings and projections, the energy transition trends and updates and the long-term climate scenarios issued by relevant bodies such as the International Energy Agency (IEA)

# Climate-Related Risks in MET's Business Model

Our updated assessment of climate-related risks in 2024 reflects an evolving energy landscape and MET Group's agile, forward-looking approach to risk management. Compared to our 2023 analysis, we expanded the framework to include reputational and infrastructure risks, while physical risks have been separated into acute and chronic risks for greater clarity. These updates enable us to more effectively evaluate how regulatory changes, market volatility, stakeholder expectations, and long-term energy system shifts may impact our operations and strategy. In response, we integrate transition and physical risks directly into decision-making processes through diversification, innovation, and investment in low-carbon and flexible infrastructure. At the same time, we leverage opportunities emerging from market volatility, green energy expansion, and grid flexibility needs — ensuring we remain competitive while supporting Europe's secure and sustainable energy transition.

| RISK TYPE | IMPACT | BUSINESS RESPONSE | OPPORTUNITIES |
|---|---|---|---|
| **Regulatory Risk** | Exposure to changing climate-related regulations, carbon pricing, gas phase-out mandates, and evolving permitting or subsidy frameworks may raise compliance costs or disrupt existing business models. | We continuously monitor climate policy developments across jurisdictions. ESG and legal teams support business units in scenario planning and timely compliance. | Supportive policy frameworks can accelerate flows in core commodities (e.g.: Italian Energy Release Scheme) and enhance our position in gas as a transition fuel. Regulatory focus on energy efficiency enables new service offerings. |
| | In parallel, accelerated decarbonisation and system transformation can strand existing infrastructure, particularly in gas and thermal sectors. | Infrastructure investment decisions incorporate carbon risk and policy outlooks, with a focus on system flexibility and local resilience through BESS and other innovative solutions. | Investments in hybrid systems, BESS, and decentralised generation future-proof our asset base and support a resilient, transition-ready portfolio. |
| **Market Risk** | Increasing electrification, renewable generation, and intermittency raise price volatility and demand for flexibility. Market fluctuations can affect asset profitability and customer behaviour. | Active positioning in core trading markets, investment in structured products, and services that provide value during high volatility. Adjusting customer strategies and hedging positions to support resilience. | Our agile trading model captures value from volatility. Growth in decentralised systems opens demand for balancing services and bundled energy solutions. |
| **Reputational Risk** | Rising public and investor scrutiny of fossil-based portfolios may affect our financing, partnerships, or customer perception. | Transparent climate-related risks disclosure, focus on gas as a transition fuel, and clear communication of renewables energy generation and BESS investment progress. | Increased stakeholder engagement - with investors, regulators, customers, and business partners - builds credibility. Sustainable finance and disclosure practices strengthen investor confidence and long-term positioning. |
| **Technology Risk** | Rapid innovation in clean energy and storage technologies may reduce competitiveness of legacy assets or delay returns. | Regular tech and asset reviews; new investments prioritise green, flexible, or fast-amortising technologies. Resilience of existing assets evaluated case-by-case. | Investment in renewables and BESS, hybridisation of PV assets. Technological adaptation supports competitive advantage and long-term asset value. |
| **Acute Physical Risk** | Extreme weather events (e.g. floods, heatwaves, wildfires) may impact power generation efficiency, asset reliability, employee safety, or LNG delivery and logistics. | Implementation of early warning systems, emergency response planning, and preventive maintenance. Insurance coverage and asset design increasingly reflect climate risk exposure. | Investment in more climate-resilient infrastructure and diversified routes. Enhanced business continuity measures reduce disruption and protect value. |
| **Chronic Physical Risk** | Long-term shifts in climate patterns may affect generation performance, create demand-supply imbalances, and disrupt upstream supply chains for green infrastructure projects. | Continuous monitoring of weather trends and supply chain risks, with scenario-informed adjustments to development timelines and sourcing strategies. | Resilient procurement strategies, local partnerships, and modular development approaches. Strategic supply chain oversight supports reliable project delivery and long-term growth. |


# METRICS

As the global community intensifies efforts to combat climate change, we, at MET Group, remain committed to supporting the energy transition. Our continuous investment efforts and improving carbon intensity profile reflects meaningful initiative and positions us as a constructive contributor to the energy transition of the European power system.

# Key 2024 Performance Highlights

**Emission intensity of electricity production**

↓ -12%

**MET Group renewable electricity production**

↑ +16%

**Total GHG emissions across own operations and value chain**

↑ +3%

**CAPEX spent on energy transition enabling investments [2]**

34%

[2] CAPEX spent on energy transition enabling investments refers to capital expenditure allocated to renewable energy and battery energy storage system (BESS) projects that support decarbonisation, grid flexibility, and long-term alignment with energy transition objectives.

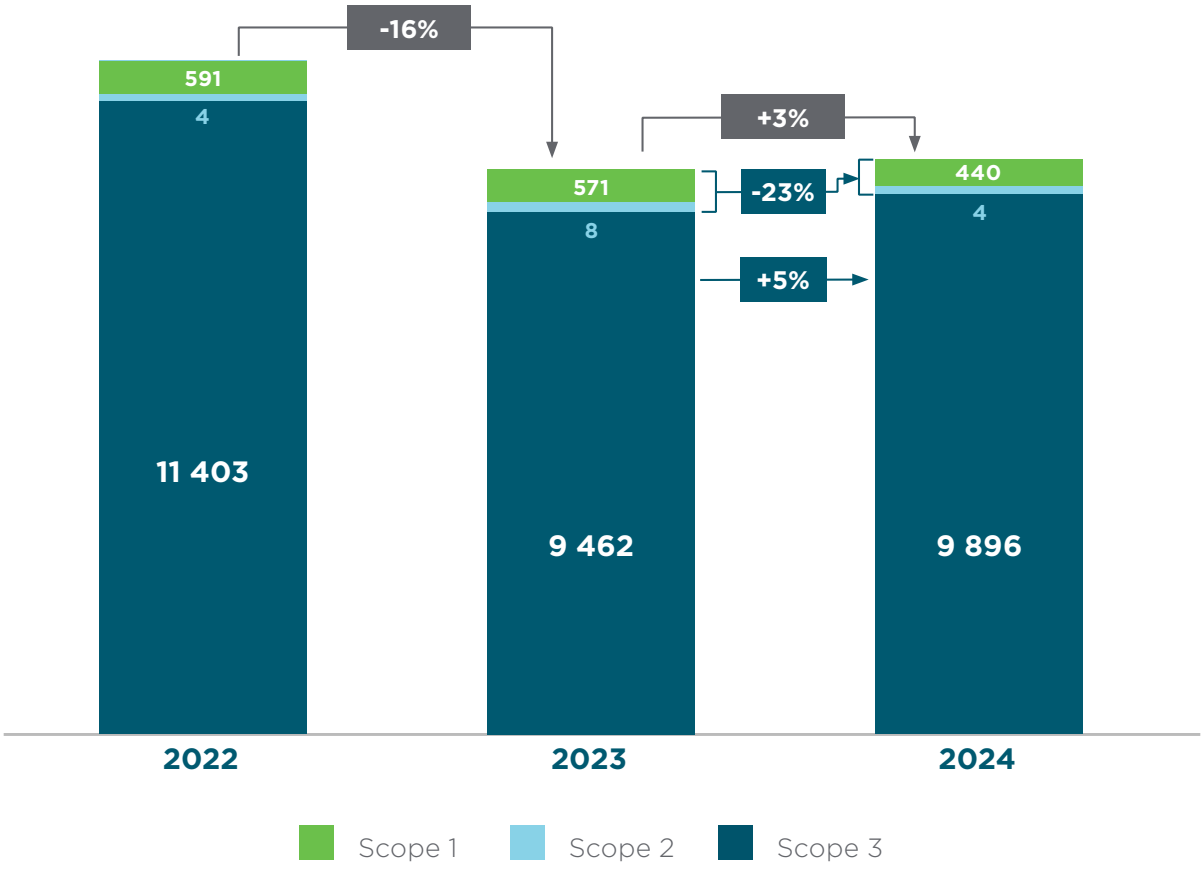
# MET Group's GHG Inventory

In 2024, our total emissions reached 10 341 ktCO₂e, marking a 3% year-on-year increase. This was primarily driven by a 15.5% rise in downstream emissions due to higher natural gas volumes —particularly in Germany, Italy, and Romania, and a 29.6% surge in Scope 3 emissions from fuel and energy-related activities linked to expanded retail gas and power sales. These increases were partially offset by a ~59% reduction in upstream LNG-related emissions, mainly attributable to lower traded volumes.

### MET Group's GHG Inventory 2024

| GHG Emission Scopes | GHG emissions [ktCO₂e] | % of total emissions across the value chain | YoY change % ('24/'23) |
|---|---|---|---|
| **Scope 1** | 440.4 | 4.3% | **-22.9%** |
| **Scope 2** | 4.3 | 0.04% | **-48.7%** |
| **Scope 3** | 9 896.3 | 95.7% | **4.6%** |
| **Total GHG emissions** | 10 341.0 | 100% | 3.0% |

### Year-on-Year Evolution of MET Group's GHG Inventory (2022-2024) [ktCO₂e]



| GHG Emission Scopes (as per the GHG Protocol) | MET Emissions | Operational Boundaries and Data Points |
|---|---|---|
| **Scope 1** | We report direct GHG emissions from sources we own or control, primarily related to gas-fired cogeneration operations, natural gas consumption in offices, company cars and emissions in connection with gas storage operation. | Power plant emissions included based on volumes we report to official registries such as EU ETS. Other emissions calculated based on purchased natural gas volumes, fuel consumption, and operational losses in our German gas storage assets. |
| **Scope 2** | Indirect GHG emissions from the generation of purchased electricity and thermal energy used by us for its own operations and power used for self-consumption of power plants. | Power plant self-consumption is based on metered data. Calculation also includes electricity and district heating used at offices. Data is collected from energy bills and supplier invoices.<br>Emissions are calculated using location-based emission factors where available. |
| **Scope 3** | All other indirect emissions that occur across our value chain — both upstream and downstream — as a result of its activities but from sources we do not own or control. | Key categories include:<br>Category 1<br>**Purchased Goods and Services**<br>Includes upstream emissions of LNG up to the regasification point when we sell the cargo as wholesale (excluding shipments only temporarily owned during transit), upstream emissions of sold natural gas to retail customers, natural gas and fuels used in our operations, and emissions related to other purchased services or project-related expenses.<br><br>Category 3<br>**Fuel- and energy-related activities**<br>Includes well-to-tank (WTT), generation, and transmission losses associated with sold electricity (based on location-based emission factors), as well as WTT and transmission losses from purchased electricity for self-consumption in our power plants and offices, T&D losses from consumed district heating, and WTT emissions of consumed fuels; emissions from electricity generated by our own assets are excluded from Scope 3 and reported under Scope 1.<br><br>Category 6<br>**Business travel**<br>Calculated based on costs related to employee flights, trains, taxis, accommodation, meals, and entertainment during work-related trips, using activity-specific emission factors<br><br>Category 11<br>**Use of sold products**<br>Emissions from combustion of natural gas sold to retail customers.<br>Continuous improvements to the calculation methodology for reported categories, along with the measurement of currently unspecified emission categories, will be carried out in 2025 to ensure full alignment with the GHG Protocol. |

In 2024, we saw our direct **(Scope 1) emissions decline by 22.9%,** primarily reflecting the temporary shutdown of the Dunamenti Erőmű Power Plant (DERT) for scheduled overhaul activities under its modernisation programme, alongside reduced output from COGEN Energia España's combined heat and power (CHP) assets. The modernisation of DERT is expected to improve energy production efficiency and reduce emission intensity, supporting continued reductions in Scope 1 emissions going forward. Emissions from COMAX's portfolio — acquired at the end of November 2024 — are only considered for December 2024.

**Scope 2 emissions** — indirect emissions from purchased electricity for self-consumption at power plants and from electricity and district heating used in own operations — **remained immaterial in 2024,** accounting for less than 0.05% of total emissions. However, they showed a significant decrease compared to 2023, primarily due to the temporary downtime of DERT.

**Scope 3 downstream emissions rose by 15.5% in 2024,** primarily driven by increased volumes of natural gas delivered to end customers. The most significant growth was observed in Western and Eastern Europe, with Germany, Italy, and Romania each accounting for more than 1 TWh of additional volume. By contrast, while Scope 3 emissions related to electricity sales did increase, the growth was lower than the 78.3% rise in sales volumes — reflecting the positive impact of our growing share of low-carbon electricity production, particularly in key markets such as Hungary and Spain.

**Scope 3 upstream value chain emissions declined by 8.4% in 2024,** driven primarily by a ~27% reduction in total traded LNG volumes. This decrease was further driven by improved data accuracy, as we used actual traded volumes instead of previous estimates. Additionally, a growing share of LNG cargoes were sold prior to unloading, placing them outside our value chain emissions boundary in accordance with GHG Protocol standards.

In contrast, **emissions from fuel- and energy-related activities (Scope 3, Category 3) increased by 29.6% in 2024.** This rise was primarily driven by higher volumes of natural gas and electricity sold to retail customers. The expansion of these activities, particularly in downstream markets, contributed to a notable year-on-year increase in associated well-to-tank and transmission-related emissions.

At the holding level, Scope 3 emissions primarily originate from business travel, external project-related expenses, and office operations. In 2024, **emissions from business travel decreased by 68.3%,** largely due to methodological updates that applied more granular, activity-specific emission factors. This refinement significantly improved the accuracy of emission estimates, contributing to a notable reduction in reported travel-related emissions.

**Composition of MET Group's Scope 3 Emissions [$ktCO_2e$]**

| Scope 3 GHG Emission Categories | 2022 | 2023 | 2024 | YoY change % ('24/'23) |
|---|---|---|---|---|
| 1. Purchased goods and services | 3 310.3 | 2 719.1 | 1 888.9 | **-30.5%** |
| 3. Fuel and Energy | 1 194.7 | 1 592.3 | 2 063.0 | **29.6%** |
| 6. Business Travel | 0.2 | 3.6 | 1.1 | **-68.3%** |
| 11. Use of Sold Products | 6 897.7 | 5 146.6 | 5 943.2 | **15.5%** |
| **Total Upstream** | **4 505.2** | **4 314.9** | **3 953.0** | **-8.4%** |
| **Total Downstream** | **6 897.7** | **5 146.6** | **5 943.2** | **15.5%** |
| **Total Scope 3 GHG emissions** | **11 402.9** | **9 461.5** | **9 896.3** | **4.6%** |

As an energy trading and retail company, most of our emissions are attributed to the Sales & Trading Segment. This reflects the substantial indirect emissions associated with the sale of natural gas and electricity, which is fully aligned with our business model and value chain focus.

**MET Group's GHG inventory per Divisions in 2024 [$ktCO_2e$]**

| GHG Emission Scopes | Sales & Trading | Flexibility Asset | Green Asset | Holding | Total GHG Emissions |
|---|---|---|---|---|---|
| **Scope 1** | 0.1 | 439.9 | - | 0.4 | **440.4** |
| **Scope 2** | 0.0 | 3.6 | 0.4 | 0.2 | **4.3** |
| **Scope 3** | 9 816.0 | 77.9 | 0.1 | 2.4 | **9 896.3** |
| **Total** | 9 816.1 | 521.3 | 0.5 | 3.0 | 10 341.0 |

# Reducing Downstream Emissions Through Customer Energy Efficiency

Through our Energy Efficiency Service Line (EESL), we help customers lower their energy use and reduce GHG emissions. In 2024, we expanded the programme to Italy, with further EU markets in scope.

A key focus is reducing natural gas consumption, which we achieve by optimising steam systems, recovering waste heat, improving building efficiency, and upgrading industrial processes. We also support broader decarbonisation by improving electricity and transport efficiency through LED lighting upgrades, compressed air system optimisation, cooling efficiency, and eco-driving. While these do not reduce Scope 3 emissions, they strengthen our overall impact on climate action.

In 2024, EESL projects delivered a total of 10 800 $tCO_2e$ savings — a strong result that reflects our commitment to enabling a more efficient, lower-carbon future for our customers.

# Intensity-Based Tracking and Advancing Green Energy Projects

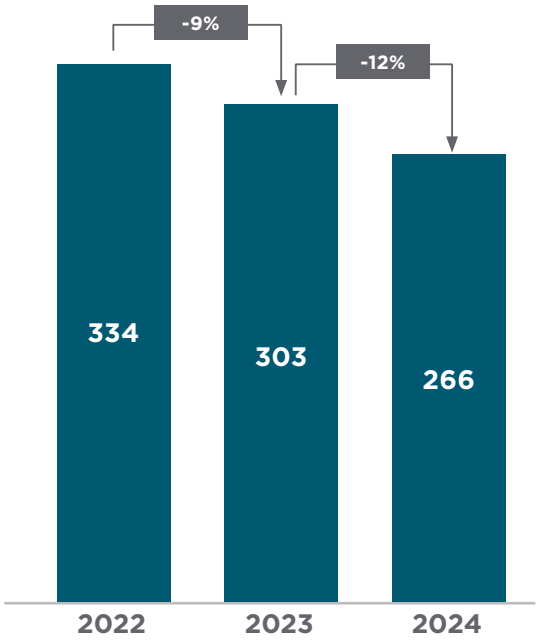
We continue to monitor energy-related carbon intensity [$tCO_2e$/GWh] as a key environmental performance metric. While total emissions may fluctuate with demand and portfolio shifts, intensity-based tracking provides a clear view of operational efficiency and emissions trends over time.

In 2024, we achieved an electricity production carbon intensity of **266 $tCO_2e$/GWh** — a **12% improvement** from 2023 (303 $tCO_2e$/GWh). This progress reflects the growing share of low-carbon electricity within our portfolio, supported by the commissioning of new solar assets and the ongoing optimisation of existing generation operations.

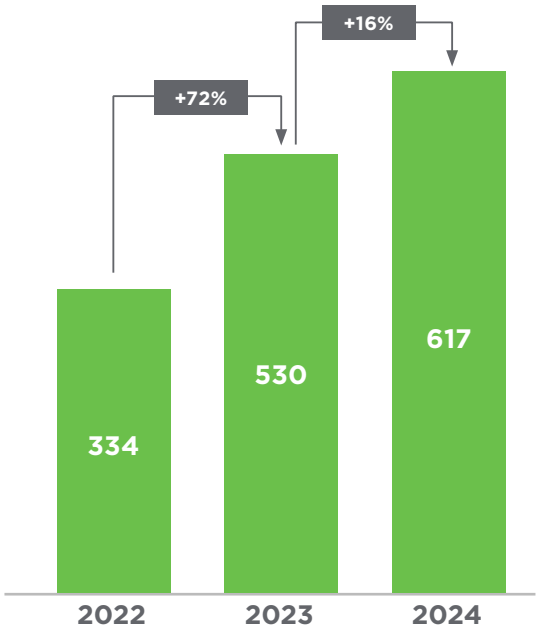
Two key photovoltaic projects contributed to this shift: the Hefesto solar park in Spain (50 MWp) and the Kaba II photovoltaic power plant in Hungary (23.4 MWp). These additions increased our total installed **renewable capacity to 414 MWp** and, together with **33 MW of operational battery energy storage systems (BESS)** by the end of 2024, further strengthened our position in low-carbon and flexible energy production. In total, our assets **generated 617 GWh of green electricity** in 2024.

Looking ahead, now we are developing **1 000+ MWp of renewable energy projects, in addition to our 130 MWp of battery storage systems (BESS) in operation/construction across Europe,** with a short-term focus on high grid-emission intensive countries such as Italy, Serbia, and Germany.

**MET Group electricity production emission intensity** [$tCO_2e$/GWh]




**MET Group green electricity production** [GWh]



**In 2024, 34% of MET Group's capital expenditure (CAPEX) was chanelled into energy transition initiatives,** underscoring our commitment to shaping a lower-carbon, flexible, and future-ready energy portfolio. This investment focus reflects our ambition to accelerate the integration of renewables and battery energy storage systems (BESS) as core pillars of our growth strategy.

**Renewable CAPEX accounted for 19% of total investments,** directed mainly towards the commissioning of the Kaba II photovoltaic plant and expanding our renewables development pipeline, which now totals 1 000+ MWp across Europe.

**BESS CAPEX represented a significant 15% of total investments,** reflecting a strong focus on grid flexibility and energy system resilience. Key milestones included:

- **The acquisition of COMAX,** which, while currently operating a 170 MW portfolio of small-scale thermal assets and 29 MW of BESS across France, has engaged a further 57 MW pipeline of BESS projects in various stages of development, positioning MET to capture future flexibility opportunities.
- **The commissioning of the MET Dunai Battery Energy Storage** (MET Dunai Energiatároló) in June 2025, now the largest operational battery storage capacity in Hungary with total nominal power output of 40 MW and storage capacity of 80 MWh, marking a major step forward in strengthening system stability.

> ***"The application of battery energy storage systems is a key element on the road to energy transition, as they allow to increase the penetration of new renewable sources into the power grid."***
>
> **Johannes Niemetz,**
> Chairman of the Flexibility Asset Division

Additionally, 21% of total CAPEX — allocated to flexibility-related investments outside the energy transition scope — was dedicated to modernisation and efficiency upgrades at Dunamenti G3, strengthening energy security and improving operational performance.

Through these strategic investments, MET Group continues to build a diversified portfolio of renewable and storage assets, positioning the company to capitalise on emerging opportunities in the energy transition while ensuring long-term competitiveness and resilience.

# Methodology Improvements

We have applied the GHG Protocol methodology since 2022, enabling comparability across jurisdictions. We continue to report Scope 1, 2, and 3 emissions with a focus on material categories such as natural gas and power trading and power generation.

**Since our 2023 report, our GHG accounting framework has evolved as follows:**

- Further embedded climate scenario analysis at the division level, based on International Energy Agency (IEA) outlooks and focusing on the STEPS and APS scenarios
- Strengthened the link between climate metrics and risk management
- Initiated development of methodologies to quantify Scope 3 reductions from client-side energy efficiency efforts
- Introduced a major refinement to our calculation approach: emissions from traded LNG are now calculated based on precise traded volumes, replacing the previous year's reliance on estimates. This refinement significantly enhances the accuracy and transparency of our emissions reporting.

MET GROUP

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