



2022

Task Force on Climate-related
Financial Disclosures Report

TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

An aerial photograph of a circular agricultural field with vibrant green and yellow crops, set against a dark blue background. A large, semi-transparent grey letter 'C' is overlaid on the left side of the image, framing the circular field.

Ready
for the
shift

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About this report

Cenergy Holdings (hereafter “Cenergy” or “The company”) is a subsidiary of Viohalco S.A., a holding company of several leading metal processing companies across Europe. The company’s primary objective is to generate long-term value by investing in top-tier industrial companies that operate in sectors experiencing significant growth, including energy transfer, renewables, and data transmission. Their investment strategy centers around identifying and supporting industrial firms that are leaders in high-growth sectors such as energy and telecommunications.

The portfolio of Cenergy Holdings comprises companies strategically positioned in rapidly expanding sectors, including energy, telecommunications, and construction. These companies possess a robust financial position, a proven track record of success, and a promising outlook for the future.

Hellenic Cables, Fulgor and Icme Ecab, which comprise the **cables segment of Cenergy Holdings**, have achieved recognition as prominent companies in Europe, renowned for their expertise in energy transfer and distribution, renewables and offshore wind, telecom, and data networks, as well as the construction and industry markets. The cables segment manufactures power, telecommunication and submarine cables and compounds. It serves major sectors such as energy transmission & distribution, oil and gas, renewables, telecommunications, and construction. The segment stands as a key player in these sectors. With over 70 years of successful cable manufacturing, it operates five (5) plants and facilities.

The cables segment is recognized for its robust focus on exports and establishing enduring partnerships and connections with prominent organizations in Denmark, Sweden, Belgium, Germany, the Netherlands, Canada, and the United Kingdom. Building long-term relationships with these key markets is a notable characteristic of the company’s business strategy.

Corinth Pipeworks, the **steel pipes segment of Cenergy Holdings**, holds a distinguished position as a global leader in manufacturing steel pipes and hollow sections for the energy and construction industries. With a track record of over fifty years, the company has successfully executed highly challenging projects in collaboration with renowned energy companies worldwide. Product solutions include:

- High depth offshore pipelines of high-end specifications
- Demanding onshore gas and liquid fuels pipelines
- Pipes for hydrogen transportation
- Specialized, hollow sections

Cenergy Holdings’ subsidiaries are dedicated to addressing climate change and assume responsibility for reducing their carbon footprint. The subsidiaries not only focus on minimizing emissions during the production of their products but also strive to develop technological solutions that facilitate the transition towards a climate-neutral economy.

TCFD implementation

Cenergy acknowledges that the effects of climate change pose significant risks and opportunities to its business. Consequently, Cenergy and its subsidiaries have assessed their climate-related risks and opportunities, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This is Cenergy's first TCFD report, which outlines its approach to managing climate-related risks and opportunities, including the measures taken to mitigate these risks and capitalize on the opportunities presented by the transition to a low-carbon economy. It also highlights the potential financial impacts of climate-related risks on our business and the metrics the company and its subsidiaries are using to track progress towards their climate-related goals.

Through this report, Cenergy and its subsidiaries aim to provide stakeholders with a transparent and comprehensive view of its climate-related risks and opportunities, and the actions the company and its subsidiaries are taking to address them. Cenergy Holdings recognizes the importance of climate-related financial disclosures in building trust with investors, customers and other stakeholders.

TCFD Recommendations

In 2017, the TCFD recommendations were introduced with the objective of promoting standardized and comparable reporting by companies to their stakeholders on the risks and opportunities related to climate change. These recommendations are based on four primary areas, namely Governance, Strategy, Risk Management, and Metrics & Targets, and include eleven recommendations that outline the necessary disclosures under each of these areas.

The report includes the Company's disclosures against the four core elements of TCFD recommendations, as presented in the table below, for all our operations and businesses.



Cenergy Holdings and its subsidiaries remain committed to addressing the challenges of climate change and transitioning to a more sustainable future and they believe that this TCFD report represents a significant step towards achieving these goals.

Reporting on Other Sustainability-Related Topics

While this Report primarily emphasizes climate-related risks and opportunities, it is important to note that Cenergy Holdings has also disclosed information on its subsidiaries' sustainability practices encompassing a wide range of areas, such as environmental, social, and governance (Sustainability) issues. These additional aspects are covered in detail in the [2022 Annual Report](#).

Governance

Cenergy Holdings and its subsidiaries recognize that managing climate-related risks and opportunities is critical to the long-term sustainability of the business. The executive management team is responsible for overseeing the company's approach to climate-related issues. To facilitate discussions and decision-making on ESG (Environmental, Social, and Governance) matters, a ESG Working Group has been temporarily established. This group supports the Board by providing updates and insights on recent developments in sustainability. Together with the Audit Committee, they jointly report to the Board. To drive the implementation of the Sustainability Strategy and initiate new sustainability initiatives, an executive management team at Steelmet Corporate Services, a subsidiary of Viohalco, holds regular meetings. This team focuses on monitoring progress and addressing sustainability-related matters.

Furthermore, each subsidiary has designated a sustainability coordinator responsible for coordinating various functions, facilitating relevant actions, and providing semi-annual progress reports. These coordinators ensure that the Company's pursuit of organic growth and economic success is achieved without compromising fair competition, safe working conditions, or environmental compliance and protection. Cenergy Holdings recognizes that establishing a robust governance structure for climate-related issues is crucial not only for the company's own resilience and long-term success but also for its contribution to the global effort in mitigating climate change. The company is committed to implementing these governance measures and will provide updates on its progress in subsequent TCFD reports.

Strategy

The company integrates climate-related trends, along with their associated risks and opportunities, into its strategic perspective and planning for climate matters. Through extensive analysis, the most significant risks and opportunities related to climate, with the potential for material financial impacts on each business segment, have been identified. These risks and opportunities, detailed in the tables below, inform the company's strategy, financial planning, and day-to-day operations.

Cables segment

Climate-related risks					
Type	Category	Title	Description	Time horizon	Impact and management
Transition	Policy and Legal	Carbon taxes (CBAM)	Increased purchasing costs of aluminium and steel due to additional taxes imposed by CBAM. Competitors from abroad circumventing the costs of CBAM may gain competitive advantage.	Short/medium-term (0-10 years)	From CBAM's introduction, businesses are expected to face increased cost on raw materials pricing. In addition, competitors from abroad that are not subject to increased costs of raw materials may gain a competitive advantage. The cables segment companies are committed to preparing to adapt to the upcoming changes by mapping the different scenarios and implications of CBAM on the business while evaluating low carbon suppliers that will be subject to less CBAM related taxes. This will be achieved by reviewing the global supply chain, evaluating the overall impact on the business activity, and assessing carbon footprint of suppliers and potential effect of CBAM to the increased cost in the supply chain. The cables segment companies are monitoring the implementation of CBAM rules and how these may affect trade intensities and competitiveness with third country producers. These risks may be mitigated through close collaboration with trade associations and EU authorities in an effort to point out necessary adjustments to ensure a level-playing field.
Physical	Acute	Adverse weather events	Adverse weather events (such as extreme low/high temperature, flooding due to heavy rainfall, heavy snowfall) may lead to significant disruptions in the production process, supply chain and transportation routes, and customer deliveries.	Long-term (10+ years)	Risks related to increased severity of extreme weather events that may impact the company's activities and key customers/suppliers. The cables segment companies continue to implement a loss prevention program at all cables production plants, which seeks to foresee and mitigate material losses and stoppages, such as by monitoring changes in the weather.
Climate-related opportunities					
Type	Description	Time horizon	Impact and management		
Products & Services	Products enabling decarbonization of power through massive deployment of RES, electrification of transportation sector	Short/medium-term (0-10 years)	The cables segment manufactures amongst other power and telecom cables for energy transmission and distribution industries. A great opportunity presents itself for the cables segment to enable the decarbonization of power as their products are enablers of the development of smart grids, supporting the electrification of transport, expansion of RES, etc.		
Products & Services	Development of products which have comparatively lower emissions across their entire life cycle	Short/medium-term (0-10 years)	Shifts in consumer preferences in lower-carbon products is anticipated to significantly increase the demand for power cables with lower carbon footprint, including solutions with higher recycled content rates. A great opportunity presents itself for the cables segment to capitalize the market trend and place the Company in a better competitive position.		

Steel pipes segment

Climate-related risks					
Type	Category	Title	Description	Time horizon	Impact and management
Transition	Policy and Legal	Carbon taxes (CBAM)	Increased purchasing costs due to additional taxes imposed by CBAM on steel.	Short/medium-term (0-10 years)	CBAM's impact on steel raw materials will affect the supply chain of steel in steel pipes. Corinth Pipeworks, the steel pipes company of Cenergy Holdings, is committed to preparing to adapt to the upcoming changes by mapping the different scenarios and implications of CBAM on the business. This will be achieved by reviewing the global supply chain and its carbon footprint, evaluating the overall impact on the business activity. Steel pipes segment company is monitoring the implementation of CBAM rules and how these may affect trade intensities and competitiveness with third country producers. These risks may be mitigated through close collaboration with trade associations and EU authorities in an effort to point out necessary adjustments to ensure a level-playing field.
Physical	Acute	Adverse weather events	Adverse weather events (such as extreme low/high temperature, flooding due to heavy rainfall, heavy snowfall) may lead to significant disruptions in the production process, supply chain and transportation routes, and customer deliveries.	Long-term (10+ years)	Risks related to increased severity of extreme weather events that may impact the company's activities and key customers/suppliers. Steel pipes segment company continues to implement a loss prevention program which seeks to foresee and mitigate material losses and stoppages, not least by monitoring changes in the weather.
Climate-related opportunities					
Type	Description	Time horizon	Impact and management		
Products & Services	Development and/ or expansion of low emission product portfolio. Development of new products or services through R&D and innovation	Short/medium-term (0-10 years) Long-term (10+ years)	The steel pipes segment aims to increase the proportion of low/reduced carbon alternative solutions production, utilizing low-carbon raw materials, securing long term PPAs for RES for electricity demand and by increasing post-consumer secondary materials in the manufacturing process. Furthermore, steel pipes segment develops innovative solutions on main pillars of energy transition such as Gas, Hydrogen and Carbon Capture and Storage (CCS) and a great opportunity presents itself for increased revenues through access to new and emerging markets.		

Cables segment companies are on the process of evaluating risks related to water availability which is necessary for the production activities. More specifically water availability risks will be examined in relationship to changes in precipitation patterns and facilities expansion activities which would increase the needs for water resources. This analysis serves as the foundation for assessing the resilience of the organization's strategy, considering various climate-related scenarios, including a

2°C or lower scenario. Cenergy Holdings and its subsidiaries recognize the importance of monitoring and addressing a wide range of external factors to achieve success. To gain further insights into the potential effects of different climate scenarios on the company, while maintaining consistent financial metrics, scenario analysis has been employed.

To evaluate the impact of climate risks on the company's assets and operations, climate risks have been assessed under two distinct climate scenarios across multiple time horizons. Additional information regarding these scenarios is provided in the table below.

	Scenario 1	Scenario 2
	Moderate climate change scenario	High climate change scenario
Scenario	RCP 4.5 / SSP2-4.5	RCP 8.5 / SSP5-8.5
GHG emissions	Intermediate GHG emissions. GHG emissions gradually decline after peaking in 2030-2050, then falling but not reaching net zero by 2100.	Very high GHG emissions. GHG emissions continue to grow up through 2100. CO ₂ emissions triple by 2075 compared with 2020.
Policy reaction	Transition risks are relatively high. <ul style="list-style-type: none"> Governments will meet their current commitments to reduce climate impact. Economic development goals are achieved despite a slowdown in the growth of resource consumption and energy consumption. Climate policy is likely to boost the demand considerably for metals by 22%. 	<ul style="list-style-type: none"> Transition risks are relatively low. Only currently implemented policies are preserved, leading to high physical risks. The global development patterns remain unchanged. Some countries introduce decarbonization measures, but this is not sufficient to reduce the resource and energy intensity of the global economy. Climate policy regulations are weak and insufficient to combat climate change and its adverse impacts.
Energy & Resources	Moderately intensive use of resources and energy. <ul style="list-style-type: none"> Global oil consumption would peak by 2030-2035, gas consumption would continue growing through 2022-2050 and coal consumption would continue to decline without recovery. The price of electricity will be in the middle range due to the use of various sources of energy production. The resource intensity and energy intensity of the global economy declines as a result of decarbonization measures taken by developed countries and subsequent similar actions introduced by developing countries with a delay of several decades. All metals face strong growth in annual demand, regardless of the scenario, mostly as a result of population and GDP growth. 	Intensive use of resources and energy. <ul style="list-style-type: none"> Usage of fossil energy sources will increase. Electricity prices will be lower compared to other scenarios. Economic development is achieved through intensive growth, which entails increased consumption of materials and energy and exploitation of natural resources. All metals face a strong growth in annual demand, regardless of the scenario, mostly as a result of population and GDP growth.
Sea level rise	A significant decrease in anthropogenic GHG emissions leads to moderate physical impacts of climate change. Average global sea-level rise will reach 0.44-0.76 m by 2100.	The increase in GHG concentrations leads to significant physical impacts of climate change. Average global sea-level rise will reach 0.63-1.01 m by 2100.
Relevant forecasts and scenarios used	<ul style="list-style-type: none"> <u>IPCC AR5 Representative Concentration Pathway (RCP) 4.5</u> <u>Shared Socioeconomic Pathway 2 (SSP 2)</u> <u>NGFS Nationally Determined Contributions (NDCs)</u> 	<ul style="list-style-type: none"> <u>IPCC AR5 Representative Concentration Pathway (RCP) 8.5</u> <u>Shared Socioeconomic Pathway 5 (SSP 5)</u> <u>NGFS Current Policies</u>

In the tables below, the evaluation of risks and their potential impact on financial performance, based on the climate scenario analysis performed for the transition and the physical risks per segment, is presented.

Climate impact legend

High ● | Medium ● | Low ●

Cables segment

Type	Category	Title	RCP 4.5 / SSP2-4.5		RCP 8.5 / SSP5-8.5	
			2030	2050	2030	2050
Transition	Policy and Legal	Carbon taxes (CBAM)	●	●	●	●
Physical	Acute	Adverse weather events (flooding due to heavy rainfall)	●	●	●	●
		Adverse weather events (heatwave)	●	●	●	●

Steel pipes segment

Type	Category	Title	RCP 4.5 / SSP2-4.5		RCP 8.5 / SSP5-8.5	
			2030	2050	2030	2050
Transition	Policy and Legal	Carbon taxes (CBAM)	●	●	●	●
Physical	Acute	Adverse weather events (flooding due to heavy rainfall)	●	●	●	●
		Adverse weather events (heatwave)	●	●	●	●

In this analysis, the results of the multiple climate scenarios are presented for assessing the climate-related risks identified for each segment. The potential impacts have been classified through 3 climate impact areas, namely high, medium, and low, in an effort to shed light on the potential consequences of climate change. It is important to note that these scenarios are based on current understanding and projections, and while they provide valuable insights, uncertainties in predicting the exact impacts still exist. Based on the results of the analysis, for both segments, under both scenarios and for all timeframes, the financial impacts identified, are considered to be low.

Risk Management

Risk management, incorporating market risk and operational risk, is mainly the responsibility of the Management of the subsidiaries. The managers of the subsidiaries report on risk assessment and risk mitigation to Executive Management on a regular basis; they provide the Board and the Audit Committee with a detailed business review which analyses risks and challenges. Among other managed risks, each subsidiary identifies, assesses, and manages climate related risks and opportunities across its operations and ensures alignment with TCFD recommendations and industry best practices.



Metrics & Targets

Cenergy Holdings and its subsidiaries are committed to transparently reporting on their progress in managing climate-related risks and seizing sustainable opportunities. To ensure clarity and accountability, Cenergy Holdings and its subsidiaries have established a comprehensive set of metrics and targets aligned with the TCFD recommendations. These metrics and targets are designed to track performance in key areas relating to climate change, such as greenhouse gas emissions and energy consumption. By consistently measuring and reporting on these indicators, we aim to demonstrate our progress towards achieving our sustainability objectives and contribute to the global effort in addressing climate change. Regular monitoring of the performance against these metrics, allow the subsidiaries to identify areas for improvement, implement targeted actions, and align their operations with emerging industry standards and best practices. The subsidiaries remain committed to refining the necessary metrics and targets to ensure meaningful and transparent reporting on the company's climate-related performance.

Cables segment - Metrics

Impact area	Unit	Indicator	2020	2021	2022
Energy	10 ³ Mwh	Total energy consumption	156	172	169
Energy	10 ³ Mwh	Renewable energy consumption	29	31	47
Energy	10 ³ Mwh	Non-renewable energy consumption	127	141	122
Energy	%	Share of renewable sources in total energy consumption	18.7	17.8	27.6
Energy	10 ³ Mwh	Purchased or acquired electricity, heat, steam, and cooling from non-renewable source	60	67	50
Direct energy consumption by type of fuel	10 ³ Mwh	Natural gas	63	70	64
Direct energy consumption by type of fuel	10 ³ Mwh	Crude oil and petroleum products	3	3	5
Direct energy consumption by type of fuel	10 ³ Mwh	Other non-renewable sources	1	1	0
Emissions	10 ³ t CO ₂ e	Total GHG emissions	51	50	49
Emissions	10 ³ t CO ₂ e	Direct (Scope 1) GHG emissions	14	15	14
Emissions	10 ³ t CO ₂ e	Indirect (Scope 2) GHG emissions	37	35	35

Cables segment - Targets

Target	Scope(s) covered	Base year	Target year	Targeted reduction from base year (%)
1	Absolute Scope 1 & 2 GHG emissions	2020	2030	50%
2	Absolute scope 3 GHG emissions	2020	2030	25%
3	Absolute Scope 1, 2 & 3 GHG emissions validated from the SBTi in line with the 1.5°C trajectory	2020	2050	90%

Steel pipes segment – Metrics

Impact area	Unit	Indicator	2020	2021	2022
Energy	10 ³ Mwh	Total energy consumption	48	34	37
Energy	10 ³ Mwh	Renewable energy consumption	10	6	6
Energy	10 ³ Mwh	Non-renewable energy consumption	38	28	31
Energy	%	Share of renewable sources in total energy consumption	21.8	18.8	15.4
Energy	10 ³ Mwh	Purchased or acquired electricity, heat, steam, and cooling from non-renewable source	30	20	23
Direct energy consumption by type of fuel	10 ³ Mwh	Natural gas	0	0	0
Direct energy consumption by type of fuel	10 ³ Mwh	Crude oil and petroleum products	6	7	6
Direct energy consumption by type of fuel	10 ³ Mwh	Other non-renewable sources	2	1	1
Emissions	10 ³ t CO ₂ e	Total GHG emissions	23	14	19
Emissions	10 ³ t CO ₂ e	Direct (Scope 1) GHG emissions	3	2	2
Emissions	10 ³ t CO ₂ e	Indirect (Scope 2) GHG emissions	20	12	17

Steel pipes segment - Targets

Target	Scope(s) covered	Base year	Target year	Targeted reduction from base year (%)
1	Absolute Scope 1 & 2 GHG emissions	2022	2030	50%
2	Absolute scope 3 GHG emissions	2022	2030	25%
3	Target not yet validated by SBTi	-	-	Not yet submitted targets for validation since no sector specific guidance has been developed for the particular industrial activity.



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