

Environmental & Sustainability Commitments

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ZODIAC sh.p.k. is an Albanian aluminum recycler and secondary smelter, operating production facility in Durrës. This document sets out the company's environmental and sustainability commitments as they stand today.

1. Our Business Model Is Inherently Sustainable

ZODIAC's core activity is the collection and recycling of aluminum scrap into secondary aluminum products — billets, slabs, ingots, and sows. Secondary aluminum production requires **up to 95% less energy** than primary aluminum smelting from bauxite ore, resulting in a significantly lower carbon footprint per tonne of metal produced. By diverting non-ferrous scrap from landfill and reintroducing it into industrial supply chains, ZODIAC contributes directly to the circular economy.

2. Renewable Energy

ZODIAC has invested in on-site solar photovoltaic infrastructure to reduce dependence on grid electricity and lower the carbon intensity of its operations. The solar installation contributes to powering facility operations and reflects the company's commitment to transitioning toward cleaner energy sources. The total installation power is 1MW which covers 100% of the company's electrical needs.

3. Emission Reduction Through Advanced Furnace Technology

ZODIAC operates modern furnace equipment designed to minimize natural gas consumption per tonne of aluminum processed. Key practices include:

- Optimized burner management systems to reduce gas consumption
- Controlled charge preparation to maximize thermal efficiency
- Continuous monitoring of combustion parameters to minimize incomplete combustion and associated emissions

4. Energy Recovery from Scrap Processing

Aluminum scrap often contains organic residues including coatings, paint, and lacquers. Rather than treating these as waste, ZODIAC's processing approach recovers the thermal energy released during the treatment of these materials within the furnace cycle. This practice:

- Reduces the total gas input required per melt cycle
- Lowers net CO₂-equivalent emissions per tonne of finished aluminum
- Avoids the separate disposal or incineration of organic residues

5. Regulatory Environmental Compliance

ZODIAC operates under **Albanian Environmental Permit Type B (PN-4045-10-2016)**, issued by the Albanian National Environmental Agency (AKM). Compliance obligations under this permit include:

- Annual environmental reporting to AKM
- Regulated management of industrial waste streams under applicable EWC codes
- Proper handling and disposal of hazardous by-products (including salt slag, EWC 10 03 08*) through licensed contractors

- Emission monitoring and compliance with national air quality standards

6. CBAM Readiness

As an exporter of aluminum products to EU-based customers, ZODIAC is actively engaged in Carbon Border Adjustment Mechanism (CBAM) compliance. The company tracks embedded emissions data for its aluminum outputs in line with EU Regulation 2025/2621, ensuring transparency on the carbon content of exported goods.

This document is publicly available at www.zodiac.al and will be updated as the company's sustainability practices develop.

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