the nature network

Science Based Targets initiative (SBTi)

Progress Report 2024

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1 Executive Summary

In 2024, the nature network/ MB-Holding (MartinBauer, Finzelberg, PhytoLab, Europlant Group) reaffirmed its commitment to climate action by aligning its strategy with the Science Based Targets initiative (SBTi). This report outlines our progress toward our near-term and long-term climate targets, focusing on emissions in Scopes 1, 2, and 3 and our alignment with the FLAG standard for land-based emissions. Our goal is to reduce absolute emissions along the entire value chain and to achieve net zero by 2040.

2 Our Climate Commitment

the nature network (tnn) climate targets are grounded in the principles of the Paris Agreement and the IPCC's 1.5°C pathway. In 2024, we submitted our climate plan to the SBTi for validation. Our targets include:

Near-term targets:

- Reduce absolute scope 1 and 2 GHG emissions 58% by 2030 from a 2020 base year.
- Increase annual sourcing of renewable electricity from 4% in 2020 to 80% by 2025 and 100% by 2030.
- Reduce absolute scope 3 emissions 56% by 2030 from a 2020 base year.
- Reduce absolute scope 3 FLAG GHG emissions 56% by 2030 from a 2020 base year.
- No deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025.

Long-term targets:

- Reduce absolute scope 1 and 2 GHG emissions 90% by 2040 from a 2020 base year.
- Reduce absolute scope 3 GHG emissions 90% by 2040 from a 2020 base year.
- Reduce absolute scope 3 FLAG GHG emissions 90% by 2040 from a 2020 base year.

Deforestation

- tnn also commits to no deforestation across its primary deforestation-linked commodities, with a target date of December 31, 2025.

These targets are supported by a comprehensive catalog of measures and are subject to annual progress reporting following SBTi validation.

3 Progress Overview

Our reporting covers all tnn companies and is based on the 2024 data set, as that represents the most recent greenhouse gas (GHG) emissions data available to us at that time. The following chapter provides a detailed breakdown of our GHG inventory, including the scope definitions and the methodological approaches that we applied when compiling the 2024 emissions figures.

3-1 GHG Inventory

As part of our commitment to science-based climate action, the nature network maintains a comprehensive greenhouse gas (GHG) inventory that serves as a basis for our emissions reduction strategy. The inventory covers Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from purchased electricity), and Scope 3 (all other indirect emissions in the value chain), including FLAG-related emissions from land use and agriculture. Emissions data is collected

annually and calculated using recognized databases such as ecoinvent, with methodologies that are aligned with the GHG Protocol and SBTi standards. This inventory enables us to identify emission hotspots, track progress against our targets, and prioritize reduction measures across our operations and supply chains.

*Table 1 – GHG inventory tnn**

Scope category	In Scope?	2020	2021	2024
Scope 1	YES	41,989	42,488	35,573
Scope 2 (Market-based)	YES	61,110	57,844	46,418
Scope 3.1 – Non-FLAG	YES	155,075	152,415	113,144
Scope 3.1 – FLAG	YES	62,629	46,709	54,164
Scope 3.2 – Capital goods	YES	13,919	11,182	7,646
Scope 3.3 – Fuel and energy-related activities	YES	14,345	10,286	15,188
Scope 3.4 – Upstream transportation & distribution	YES	14,555	14,131	13,344
Scope 3.5 – Waste generated in operations	YES	1,670	1,471	1,256
Scope 3.6 – Business travel	YES	635	261	1,815
Scope 3.7 – Employee commuting	YES	3,928	3,781	4,509
Scope 3.8 – Upstream leased assets	NO			
Scope 3.9 – Downstream transportation & distribution	YES	10,259	9,773	9,845
Scope 3.10 – Processing of sold products	NO			
Scope 3.11 – Use of sold products	NO			
Scope 3.11a – Downstream emissions from fossil fuels distributed but not sold by the company	NO			
Scope 3.12 – End-of-life treatment of sold products	NO			
Scope 3.13 – Downstream leased assets	NO			
Scope 3.14 – Franchises	NO			
Scope 3.15 – Investments	NO			

*SBTI validation in 2024 relates to our base year 2020 and the most recent year 2021. From 2024 onwards, we will report inventory data on an annual basis.

As can be seen from Table 1, we exclude the following subcategories from Scope 3:

- Scope 3.8 – Upstream leased assets
- Scope 3.10 – Processing of sold products
- Scope 3.11 – Use of sold products
- Scope 3.11a – Downstream emissions from fossil fuels distributed but not sold by the company
- Scope 3.12 – End-of-life treatment of sold products
- Scope 3.13 – Downstream leased assets
- Scope 3.14 – Franchises
- Scope 3.15 – Investments

Scope 3.8 – **Leased assets:** We currently have no leased assets from the upstream value chain that would need to be considered. Only our electric cars in our own vehicle fleet are leased (gasoline/diesel vehicles, on the other hand, are purchased). The electricity consumption required for the electric cars is considered in the CCF. We do not consider the manufacture of these cars to be material to our inventory.

Scope 3.10 – Processing of sold goods: The further processing of intermediate products such as tea blends is carried out in our customers' production facilities. Based on our calculations from 2024, the total GHG emissions associated with these processes make up 0.01% of our Scope 3 emissions (FLAG excluded). Since there have been no major changes and we have no new findings regarding this topic, we have continued to exclude it from the inventory.

Scope 3.11 – Use of sold products: The use of sold products is not considered "end customer's consumption" in our business model (B2B). Our products (e.g. tea blends) are only processed into end products by our customers.

Scope 3.12 – End-of-life treatment of sold products: Emissions from the end-of-life treatment of sold products to end consumers are not included in the Scope as it is not possible to gather reliable data on the associated emissions due to the vast number of ways that our end products are used, in numerous different sectors (beverages, food, pharma, to name but a few), coupled with non-homogenous consumer behavior with regard to waste treatment methods.

Scope 3.13 – Downstream leased assets: We have no leased assets from the downstream value chain that would need to be considered.

Scope 3.14 – Franchises: We do not have any franchise operations in our business model as a B2B producer.

Scope 3.15 – Investments: Investments in our company include equipment, buildings, facilities, fixed assets, and movable property. Investment decisions are made taking energy, CO_2e, and general environmental criteria into consideration. For this purpose, the company has introduced a separate CO_2e investment calculation. This is used to evaluate investments and, after the corresponding purchase, energy consumption is integrated into our CCF. The production of capital goods and the resulting CO_2e emissions are not considered in our CCF for reasons of materiality and complexity. Furthermore, the purchase of laboratory materials for the PhytoLab site is not considered due to its limited relevance for the overall footprint and to a shortage of data.

The nature network has developed a detailed emissions reduction pathway to guide our climate strategy and monitor progress toward our science-based targets. This pathway outlines the expected trajectory of our Scopes 1, 2, and 3 emissions from the base year 2020 through 2040, aligned with our near-term and long-term SBTi commitments. A visual representation of this pathway is included in the report to illustrate our planned reductions over time. Notably, in 2024 our actual emissions deviated from the projected path, which is mainly due to increased production volumes and procurement activities. The following sections provide a detailed breakdown of our greenhouse gas emissions across Scope 1, Scope 2, and Scope 3 categories.

3-2 Reduction Pathway, 2030 and 2040

Below is our linear reduction pathway as communicated to the SBTI in 2024. We are currently operating outside a strictly linear emissions reduction pathway, which reflects the real-world complexity of climate transformation rather than a lack of commitment or progress. Emission reductions do not always follow a steady downward curve; instead, they often occur stepwise, driven by technological innovation, infrastructure upgrades, and/or strategic shifts in operations.

Examples of this include the transition to renewable energy systems, which can generate significant reductions once implemented but may require upfront investment and a series of planning phases. Similarly, process optimizations and supplier transformations often unfold in stages, especially in diversified supply chains with varying levels of readiness and capacity.

We view this dynamic approach as a strength: it allows us to respond flexibly to opportunities, scale impactful solutions, and align reductions with long-term business development. Our commitment to climate targets remains unchanged, and we continue to pursue them with determination – guided by data, innovation, and collaboration.

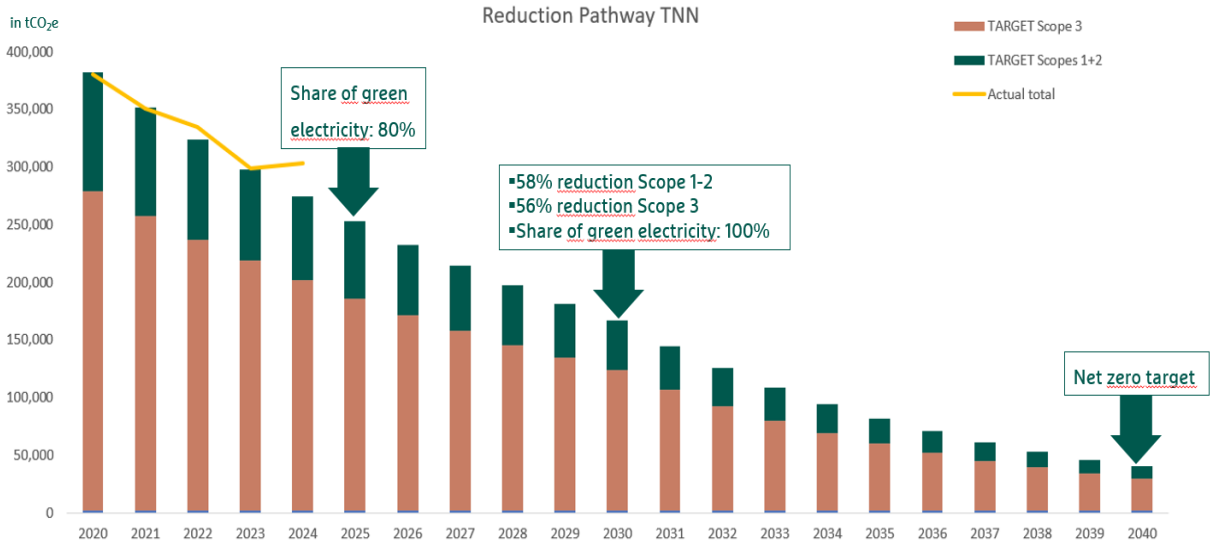


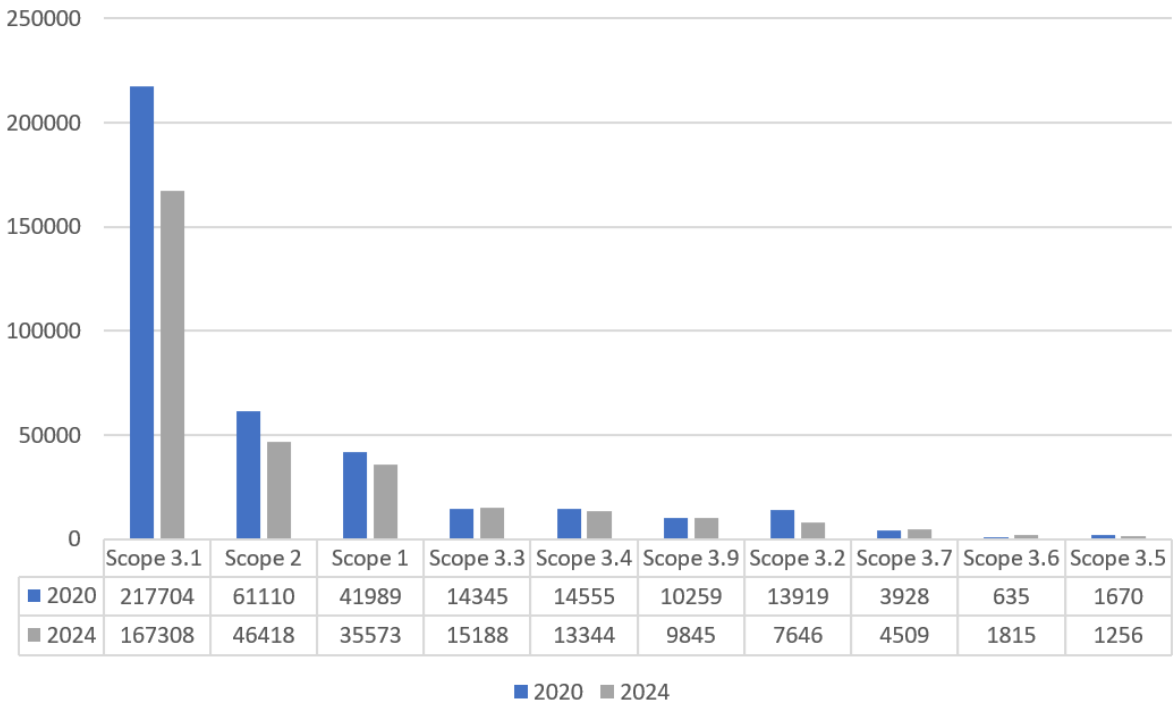
Fig. 1 – tnn reduction pathway

3-3 Development, Scopes 1-3 (2020 vs. 2024)

The following chart compares our most recent year's GHG emissions (2024) with our base year GHG emissions (2020). In total, our GHG emissions have decreased by 20.31% across all three scopes. Emissions from purchased goods and services (3.1) have decreased by 23% compared to 2020. This is partly due to our endeavors to reduce emissions at our supply chain partners. Also, driven by our ambition to strengthen data integrity, we have gradually shifted from generic assumptions to authentic, field-specific supply chain data. This leap in data quality is another reason for the observed changes in our emissions figures.

Our Scope 2 emissions in 2024 were 24% lower than in 2020 – a result of our strategic investments to significantly increase the share of renewable electricity across multiple sites worldwide. However, emissions from steam, which are also classified as Scope 2, 7are counterproductive, as they increased by 6.74% compared to 2020.

In 2020, the share of renewable electricity was 9% as opposed to 57% in 2024. Out of this total share of renewable electricity in 2024, 8.73% was generated by our own photovoltaic plant.



	Scope 3.1	Scope 2	Scope 1	Scope 3.3	Scope 3.4	Scope 3.9	Scope 3.2	Scope 3.7	Scope 3.6	Scope 3.5
2020	217704	61110	41989	14345	14555	10259	13919	3928	635	1670
2024	167308	46418	35573	15188	13344	9845	7646	4509	1815	1256

Fig. 2 – GHG Inventory 2020 vs. 2024

3-4 Scopes 1 and 2

Stationary combustion accounts for the largest share of our Scopes 1 and 2 emissions, contributing approximately 41%. This is closely followed by steam usage at our site in China, which also represents a significant portion (34%) of our direct and indirect emissions. Electricity consumption is responsible for nearly one quarter of our total Scope 1 and 2 emissions.

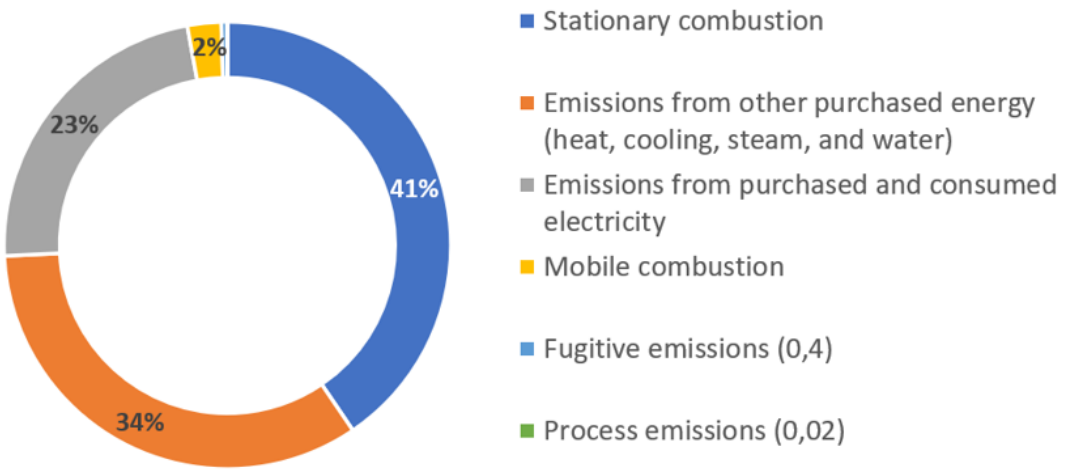


Fig. 3 – GHG Inventory 2024, Scopes 1+2 categories

3-5 Scope 3

Approximately 80% of our total Scope 3 emissions fall within Category 3.1 – Purchased Goods and Services. This distribution is typical for companies in our sector, where raw material sourcing and upstream agricultural production are the most significant contributors to the overall carbon footprint.

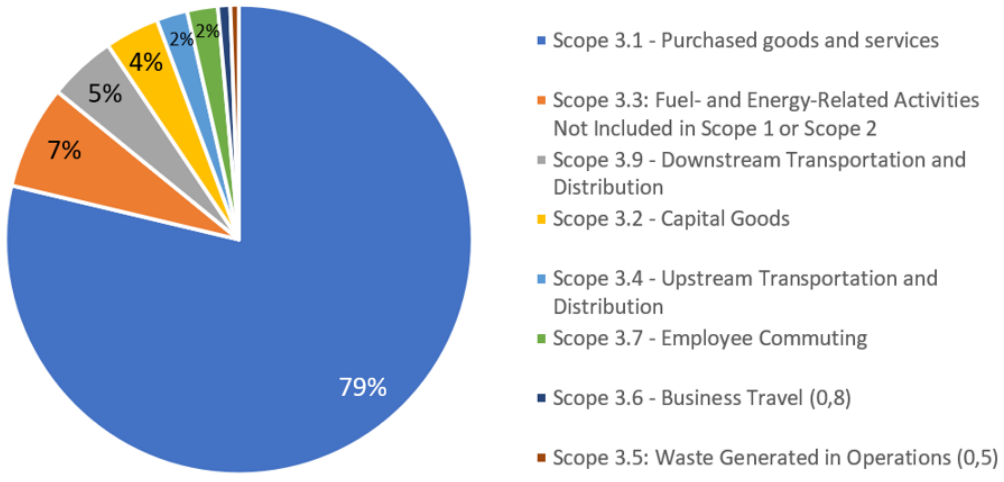


Fig. 4 – GHG inventory 2024: Scope 3 emissions by category

Given our business model, strongly rooted in the processing of botanical raw materials, the emissions intensity of purchased goods – especially those linked to cultivation, harvesting, and initial processing – plays a central role in our climate impact. This includes factors such as fertilizer production and application, land-use practices, and energy consumption in early-stage processing.

While this concentration of emissions presents challenges in terms of influence and measurability, it also offers clear opportunities for targeted reduction strategies, particularly through supplier engagement, agricultural transformation, and data-driven optimization.

Within Scope 3.1 the sourcing of botanicals makes up the greatest share, about 80% of total Scope 3.1 emissions (see figure below).

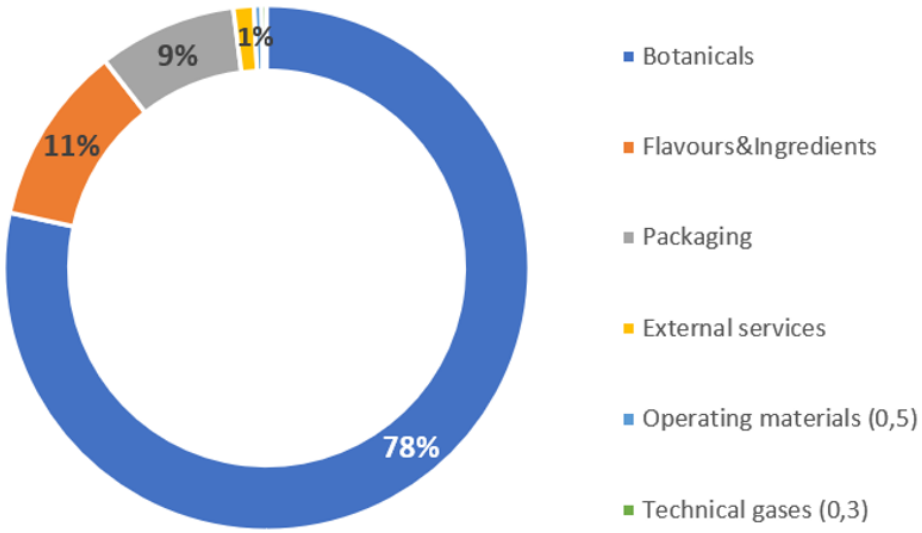


Fig. 5 –- GHG inventory 2024: Scope 3.1 types

3-6 Deforestation Target

As part of our broader climate strategy, we have formally committed to the SBTi's no-deforestation target. To ensure compliance with both SBTi requirements and the upcoming EU Deforestation Regulation (EUDR), we have launched an internal project focused on systematically assessing and managing deforestation risks across our botanical supply chains. This initiative includes:

A multi-level risk assessment methodology that screens all sourcing countries using tools like Global Forest Watch and the EU Commission's EUDR risk list. Countries identified as medium to very high risk undergo further analysis through macro-level and supply chain-specific evaluations.

A structured approach to supply chain compliance, ensuring that our partners are encouraged and helped to meet deforestation-free sourcing standards. This includes supplier development and the integration of deforestation criteria into procurement and sustainability assessments.

4 Strategic Measures

4-1 Supply Chain-Related GHG reductions

Scope 3 emissions account for approximately 73% of our total CO_2e emissions, and the majority of these come from the raw materials we purchase. We are working intensively on international projects and in collaboration with our raw material partners, customers, external experts, and universities to reduce our greenhouse gas footprint.

Since our supply chain extends all the way back to the countries where our botanicals are sourced, in those places we leverage our influence to improve social and ecological conditions through various collaborative projects. Our active, sustainable supply chain management, known as mabagrown, underscores our commitment to this goal.

Since our botanicals are sourced from over 80 countries around the world, our actions have a positive, global impact. In the following, we provide more details on the basis of three best-practice projects.

Best practice: energy-efficient drying

A large proportion of the fossil energy consumption and CO_2e emissions in our supply chains comes from the drying of our raw materials. In a collaborative project with a German university and mabagrown raw material partners in Croatia, Serbia and Germany, we are working to improve the efficiency of artificial drying in our supply chain and lessen its environmental impact. Real-time monitoring sensors are integrated into the dryers, airflow distribution is optimized, and sustainable energy sources like photovoltaic plants are installed. These improvements lead to significant energy savings – up to 40% of primary energy – reduced carbon emissions, and enhanced dryer performance. The innovations enable producers to achieve lower operational costs and make a positive contribution to environmental protection.

Fig. 6 – Drying plants in the MartinBauer supply chain

Best practice: solar energy for efficient irrigation

Irrigation is another significant source of CO_2e emissions due to the substantial energy consumption associated with pumping systems, which mainly operate using fossil fuels.

One project, implemented in cooperation with a Germany university, has focused on replacing diesel-powered water pumps with solar pumps at a supplier farm in Egypt with more than 500 hectares of cultivated land, 15 wells, and a range of irrigation systems.

Fig. 7 – Solar energy for energy-efficient irrigation in Egypt

Based on the study, recommendations were made to implement a hybrid irrigation system combining solar and diesel-powered water pumps, without the need to store energy in batteries. Investment in a 272 kWp photovoltaic system enabled energy production of 550 MWh per year, leading to a long-term reduction in carbon emissions of up to 460 tonnes of CO_2e. Based on this experience, the system will gradually be implemented for additional wells and farms in our supply chain.

Best practice: drying with renewable energy

In cooperation with our Georgian raw materials partner, we were able to effectively reduce CO_2e emissions in the supply chain. Based on a profitability study, we introduced elements of a circular economy incorporating hazelnut shells and composting, we installed photovoltaic systems on roofs and open spaces, we set up natural drying systems, and we switched to renewable energies for artificial drying.

In the meantime, eight drying tunnels and a 750 kWp photovoltaic system have been installed. As a result, the product carbon footprint of the products supplied to us was reduced by 47% and the consumption of natural gas by 75%.

Fig. 8 – Photovoltaic system at the premises of our Georgian raw materials partner

4-2 Site-Related GHG Reductions

Global energy management

We have launched a global energy management program to reduce our site-related CO_2e emissions (Scopes 1+2). We are consistently implementing energy-saving measures such as thermal insulation of equipment and heat recovery systems. In the area of electricity, we rely on photovoltaics on the roofs or in the vicinity of our production sites.

In conjunction with the purchase of green electricity, we have been able to significantly increase the share of renewable electricity generation, reaching approximately 57% by 2024. By the end of 2025, we aim to raise this to 80%. Based on current forecasts from our global energy management team, we should reach this target on time.

Energy-efficient spray drying tower

Construction of a new spray drying tower in Kleinostheim, Germany (2022-2024) was one part of the global energy efficiency program. We made this substantial investment because we wanted state-of-the-art spraying technology and a high degree of automation to achieve more stable drying processes with tight product tolerances.

The sustainability aspect was particularly important to us: we knew that this investment would greatly reduce our energy consumption and the corresponding CO_2e emissions, which was a decisive factor behind the step. The new spray drying tower not only reduces the energy required for drying, but also cuts transport costs and saves over 800 tonnes of CO_2e annually.

Fig. 9 – New spray drying tower at the premises of MartinBauer, Germany

Internal company carbon fund

In addition, we have established an internal carbon fund to create financial incentives for investments that reduce our total carbon emissions. For this purpose, we have developed a specific investment calculation tool that gauges the expected carbons savings and determines the funding amount, based on a pre-defined internal carbon price.

The fund has already supported several reduction projects, e.g. construction of a photovoltaic plant at our site in Sri Lanka (see image below). This plant enables us to save around 1,500 MWh per year, which corresponds to a reduction of around 850 tonnes of CO_2e per year.

Fig. 10 – Photovoltaic plant at the premises of MartinBauer Sri Lanka

Renewables

Scope 1 greenhouse gas emissions are directly associated with the consumption of fuel for energy purposes. Twenty-one percent of our total energy consumption (heat, electricity, fuels) in 2024 came from renewable sources such as biomass. Switching from fossil fuels to renewable energy is a key measure helping us to reach our climate targets and it enables us to ensure that future production growth does not go hand in hand with an increase in CO_2e emissions. One example comes from our production site in Andernach, Germany:

A new biomass cogeneration plant went into operation here in January 2025 (see Fig. 10), fired with certified hardwood chips that are sourced from waste timber from local woodland. The plant helps reduce CO_2e emissions by approx. 9,000 tonnes per year. The new power plant generates up to 80% of the thermal energy required for extract production and building heating; the woodchips thus replace natural gas almost completely.

Energy efficiency

In addition to these individual large-scale projects, we have primarily focused on ongoing energy-efficiency measures. One example in the area of heat recovery is a project at our production site in China, where steam condensate is used to pre-heat the air for spray dryers, with a saving potential of around 1,300 GJ per year (see Fig. 11). Another example is the modernization of the extraction line at our site in Andernach, Germany, which has helped save around 2,200 MWh since 2024. eSaver (a low-pass filter method and software for energy saving) and insulating mats in the extraction area at Vestenbergsgreuth are additional projects that will significantly reduce CO_2e emissions and save money in the long term. Our production site in Sri Lanka has optimized the performance and efficiency of its chillers by finding a way to reduce consumption of the energy needed to provide chilled water for the cooling process in the production facility – that is, by adjusting maintenance cycles and improving load management.

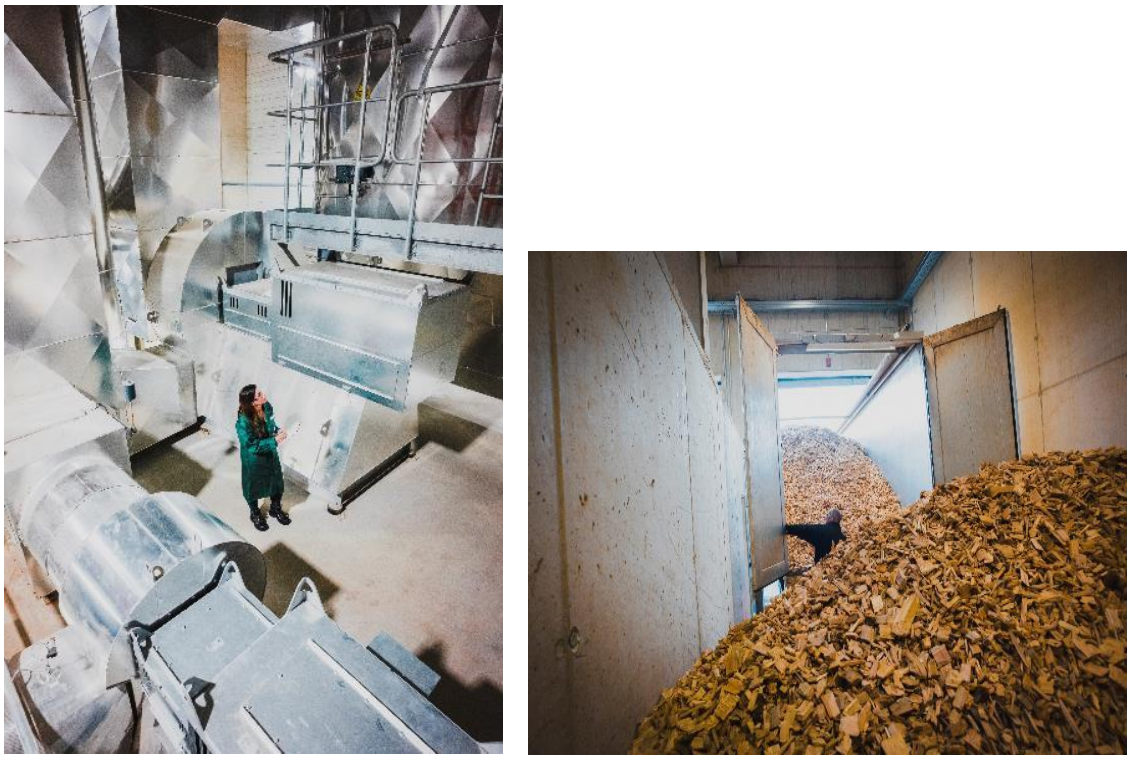


Fig. 11 – New biomass plant at the premises of Finzelberg, Germany

Fig. 12 – Example of stream condensate re-use at MartinBauer China

Fig. 13 – Energy efficiency through insulation mats at MartinBauer Germany

Fig. 14 – Chiller system at MartinBauer Sri Lanka

4-3 Data Management & Methodologies

Our data management approach is designed to ensure transparency, accuracy, and traceability across all greenhouse gas (GHG) accounting activities. The methodologies applied are aligned with recognized standards and are continuously refined to reflect technological advancements and evolving reporting requirements.

We employ a combination of sensor-based measurement technologies and automated data collection systems to monitor energy consumption and production processes in real time. These systems enable precise tracking of emissions-intensive operations such as drying, extraction, and combustion, particularly at our extraction sites, which produce relatively high levels of CO_2e emissions.

To support robust CO_2e calculation and emission factor modeling, we utilize internationally recognized databases such as ecoinvent (currently version 3.11). These databases are the basis for the calculation of emissions across scopes and categories, including fossil-fuel, biogenic, and land-use-related impacts.

To calculate our company-wide direct and indirect CO_2e emissions, we apply the KlimAktiv calculator, which allows for structured categorization according to scope. This tool ensures consistency in reporting and supports our alignment with SBTi and GHG Protocol requirements.

For product-level carbon footprinting (PCF), we rely on an SAP-based proprietary software that enables batch-specific PCF calculations. This system integrates production data with emission factors and supports traceable reporting across our supply chain. Corresponding process certification in accordance with the principles of the GHG Protocol has already been initiated. Additionally, we implement the Cool Farm Tool to assess agricultural emissions and support supplier engagement in climate-smart practices.

Together, these tools and methodologies form a comprehensive framework for managing our GHG data, ensuring that our reporting is both scientifically sound and operationally feasible.

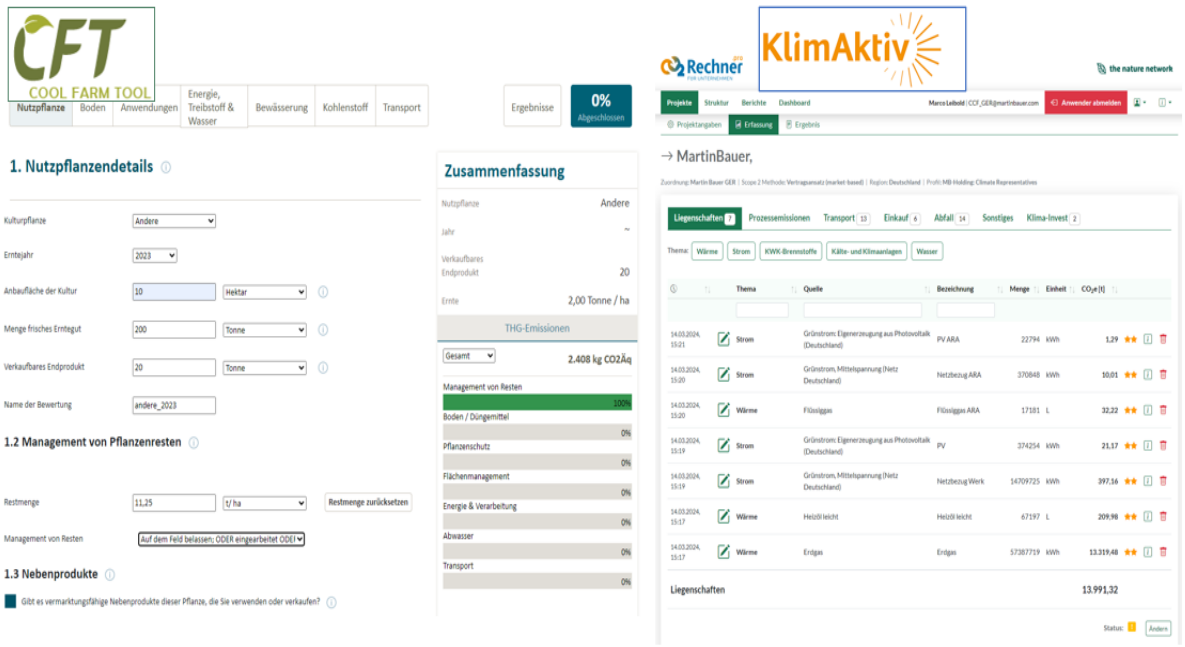


Fig. 15 – CO_2e data collection via recognized tools

5 Challenges and solutions

5-1 Challenges

Low impact on supply chain emissions

Our climate targets entail a range of structural and operational challenges, particularly in relation to Scope 3 emissions, which have the greatest share by far of total emissions. Within Scope 3, Scope 3.1 – Purchased Goods and Services – remains the largest contributor to our overall CO_2e footprint, yet our ability to influence reductions in this category is significantly lower than in the other scopes. This is primarily due to the highly diversified nature of our supply chain, which is composed largely of small-scale raw materials partners with limited financial and technological resources. Such resources are essential for investments in equipment that can enable enhanced energy efficiency and usage of renewable energy. Such resources are also needed to adopt regenerative agricultural practices that in turn lead to CO_2e emission reductions in our supply chain.

In many supply chains, our influence is restricted as we often lack direct access to emissions data, and implementing reduction measures through supplier engagement or project-based initiatives has proven difficult. The complexity and fragmented nature of the *Camelia sinensis* supply chain in particular make it particularly challenging to effect quantifiable change.

Across Scopes 1, 2, and 3, emissions tend to increase in parallel with rising production volumes, procurement levels, and overall business growth. This dynamic underscores the tension between scaling operations and maintaining climate performance.

Disruptive reduction path

Our reduction pathway is not linear. In some cases, stepwise or disruptive reductions can be observed, such as the transition to renewable energy, which significantly lowered Scope 1 emissions. Similar patterns are emerging within parts of our supply chain, where suppliers are beginning to adopt low-carbon technologies.

Bridging the financing gap for climate investments in smallholder farming

We acknowledge that achieving significant CO_2e reductions in our international supply chains requires targeted investments. These include, for instance, the implementation of efficient and carbon-free drying technologies, the use of low-carbon fertilizers, and the adoption of regenerative and climate-smart agricultural practices. Such investments, however, often exceed the financial capacity of suppliers, particularly smallholders. It is therefore essential to foster a shared understanding that all stakeholders across the value chain must contribute to advancing climate-friendly and climate-resilient cultivation of our natural products.

Climate targets influenced by external factors

Our ability to achieve long-term climate targets is significantly affected by external factors beyond our direct control. This applies to key operating regions such as China and the United States and to sourcing regions in Asia and Africa, where a large proportion of our raw materials originates.

Progress in these regions depends on national climate policies, the availability of low-carbon technologies, and the expansion of supporting infrastructure such as renewable energies and logistics

systems. The pace of decarbonization on the national level directly impacts our capacity to reduce emissions across Scopes 1, 2, and 3.

In sourcing regions, these challenges are amplified by limited access to clean energy, underdeveloped frameworks, and the constrained technological capabilities of suppliers. As a result, our progress is closely linked to broader systemic developments and requires collaborative approaches along the value chain.

5-2 Solutions

To address the multifaceted obstacles to achieving our climate targets, we have developed a set of strategic solutions spanning data management, supplier collaboration, technological innovation, and agricultural transformation.

From generic estimates to real data

A cornerstone of our climate strategy is the shift from generic emission factors to real, site-specific data. This transition enables more accurate progress tracking and reveals actionable reduction potentials – particularly in areas such as fertilizer application and production, where origin and intensity significantly influence emissions. Our utilization of tools like the Cool Farm Tool and batch-level PCF calculations using SAP-based software supports this precision.

Supplier development through funding models

Recognizing the limited financial and technological capacity of many small-scale raw materials partners, we are actively pursuing funding models in collaboration with our customers. These models aim to support long-term, trust-based supplier relationships – especially in core supply chains such as mabagrown. Instruments include supplier loans, advance payments, and leasing models for renewable energy systems.

Empowering partners through knowledge transfer

We leverage our internal expertise and collaborate with academic institutions and experienced professionals to empower raw material partners and advise them on low-carbon agricultural practices. This includes optimizing drying technologies, improving energy efficiency, and transitioning to renewable energy sources.

Decoupling emissions from growth

To mitigate the correlation between CO_2e emissions and business growth, we are heightening the use of renewable energies across all our operations. This approach supports the decoupling of CO_2e emissions from production volume and procurement growth, ensuring that sustainability initiatives can align with business goals.

Technology-driven climate protection

Climate protection is intrinsically linked to technological innovation in production processes and sustainable agricultural practices. We aim to continuously invest in advanced systems such as biomass power plants, waste heat recovery, and plant-based carbon sequestration. In agriculture, we see significant potential in regenerative practices as well as in plant-based and soil-based carbon sequestration, which aligns closely with our business model centered around plant-derived raw materials. Given that soil and plants offer great potential for carbon sequestration, our commitment to sustainable land management offers a powerful lever for climate action.

Raising awareness of the necessity to act now – and together

In our communications with customers and suppliers, we emphasize the urgency of decisive action to reduce emissions. This includes not only highlighting the opportunities of climate action – such as efficiency improvements, innovation potential, and enhanced resilience – but also the tangible risks of inaction, including rising regulatory costs, supply chain vulnerabilities, and long-term reputational damage. By addressing both the risks and the opportunities, we seek to create a shared understanding that climate action is a strategic necessity for ensuring long-term competitiveness and value creation.

At the same time, we emphasize that effective climate action inevitably requires upfront investments in low-carbon technologies, process optimization, and the use of sustainable raw materials. These measures generate long-term environmental and economic benefits but they cannot be shouldered by a single stakeholder alone. Achieving meaningful emissions reductions across Scopes 1, 2, and 3 demands collective responsibility and coordinated investment along the value chain.

However, global climate action can only be a success if national governments continue to strengthen their commitment within international climate alliances and to create market conditions that enable companies to invest across value chains, over the long term, and with a shared interest in protecting our climate.

Through transparent engagement with our partners, we stress that every stakeholder in the entire value chain has a role to play in achieving the science-based targets. Only through shared commitment and joint action can we ensure progress toward a climate-resilient future that safeguards both our business interests and our shared environment.

6 Responsibilities

Our climate strategy is rooted in a clear leadership commitment, structured organizational governance, and robust monitoring mechanisms.

Executive commitment and corporate targets

Climate protection is a strategic priority at the highest level of our organization. The CEO actively supports and advocates for our climate goals, recognizing their relevance not only for environmental stewardship but also for long-term business resilience and competitiveness. Also, our entire management is committed to implementing the agreed climate protection targets. These targets apply across all scopes and are aligned with the Paris Agreement and the 1.5°C goal of the IPCC.

Organizational structure and governance

Our climate action is driven by a company-wide initiative that brings together diverse teams and expertise. This includes key teams such as Sustainability, Global Energy Management, and Global Sustainable Supply Chain Services, as well as our Climate and Energy Representatives at the individual sites. A dedicated interdisciplinary working group ensures cross-functional collaboration, while a corresponding steering committee composed of expert professionals and senior leadership provides strategic oversight and decision-making authority. Thanks to the steering committee, we can respond swiftly to changing requirements, including the need for investments in infrastructure or technology, as demonstrated in recent discussions on biomass projects and energy system upgrades.

Employee engagement

We believe that meaningful climate action requires not only technical solutions but also the active participation of our workforce. Through training, awareness campaigns, and opportunities for

involvement in sustainability initiatives, we encourage employees to integrate climate-conscious thinking into their daily work. This shared ownership fosters innovation, strengthens our corporate culture, and ensures that climate protection becomes part of everyday decision-making across all levels of the organization.

Monitoring and progress evaluation

Our monitoring framework is designed to ensure transparency and accountability. Expert teams collect emissions data using specialized software tools, as outlined above. At the holding level, the overall status and progress toward climate targets are regularly reviewed. This includes assessing the achievability of targets, identifying gaps, and implementing corrective measures where necessary.

Together, these structures and processes ensure that climate responsibility is not only a strategic ambition but also a measurable and actionable commitment across all levels of the organization.

7 Outlook

We remain firmly committed to pursuing our climate targets and continuously integrating sustainability into our core business strategy. This includes not only tracking progress toward our goals but also engaging deeply with the challenges and solution pathways that shape our climate journey.

Our approach is dynamic and adaptive – driven by data, collaboration, and innovation. We will continue to refine our methodologies, strengthen supplier relationships, and invest in technologies that enable meaningful GHG reductions across all scopes.

Our next SBTI progress report will be published in 2026 in accordance with the regular reporting cycle.