



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) has reaffirmed its commitment to climate action by aligning with the Science Based Targets initiative (SBTi). This report outlines our progress toward near-term and long-term climate goals, focusing on Scope 1, 2, and 3 emissions, and our alignment with the FLAG standard for land-based emissions. Our ambition is to reduce absolute emissions across the value chain and 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 1.5°C pathway. In 2024, we submitted our climate plan to 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 measures catalog and are subject to annual progress reporting following SBTi validation.

3 Progress Overview

Our reporting covers all of tnn companies and is based on the 2024 data set, as it represents the most current greenhouse gas (GHG) emissions data available to us at this time. The following chapter provides a detailed breakdown of our GHG inventory, including scope definitions and methodological approaches applied in 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 the foundation 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 across 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 aligned to the GHG Protocol and SBTi standards. This inventory enables us to identify emission hotspots, track progress against our targets, and prioritize reduction measures across operations and supply chains.

Table 1- GHG inventory tnn*

Scope category	In Scope?	2020	2021	2024
Scope 1	YES	41989	42488	35573
Scope 2 (market-based)	YES	61110	57844	46418
Scope 3.1 – non-FLAG	YES	155075	152415	113144
Scope 3.1 - FLAG	YES	62629	46709	54164
Scope 3.2 - Capital goods	YES	13919	11182	7646
Scope 3.3 - Fuel and energy related activities	YES	14345	10286	15188
Scope 3.4 - Upstream transportation & distribution	YES	14555	14131	13344
Scope 3.5 - Waste generated in operations	YES	1670	1471	1256
Scope 3.6 - Business travel	YES	635	261	1815
Scope 3.7 - Employee commuting	YES	3928	3781	4509
Scope 3.8 - Upstream leased assets	NO			
Scope 3.9 - Downstream transportation & distribution	YES	10259	9773	9845
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 2024 was related 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 emission associated with these processes make up 0.01% of Scope 3 emissions (FLAG excluded). Since there have been no major changes and we have no new findings regarding this topic, we decided to continue excluding it from the inventory.

Scope 3.11 – Use of sold products: The use of sold products is not considered to be “end customer consumption” in our business model (B2B). Our products (e.g., tea blends) are first processed into end products by our customers.

Scope 3.12 – End-of-life treatment of sold products: The emissions of end-of-life treatment of sold products to end-consumers is out of scope as it is not possible to gather reliable data of associated emissions due to the abundance of application options of end products in various areas (such as the beverage industry, food industry, pharma industry - to name just a few) paired with the non-homogenous consumer behavior with regard to waste treatment methods being applied.

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. Investments are made with consideration for energy, CO₂e, and general environmental criteria. For this purpose, a separate CO₂e investment calculation has been introduced in the company. 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 CO₂e 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 low relevance to the overall footprint and low data availability.

To guide our climate strategy and monitor progress toward our science-based targets, tnn has developed a detailed emissions reduction pathway. This pathway outlines the expected trajectory of our Scope 1, 2, and 3 emissions from the 2020 base year 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. While we are currently operating outside a strictly linear emissions reduction pathway, this 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 in stepwise patterns, driven by technological innovation, infrastructure upgrades, or strategic shifts in operations.

Examples include the transition to renewable energy systems, which can lead to significant reductions once implemented, but may require upfront investment and 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.

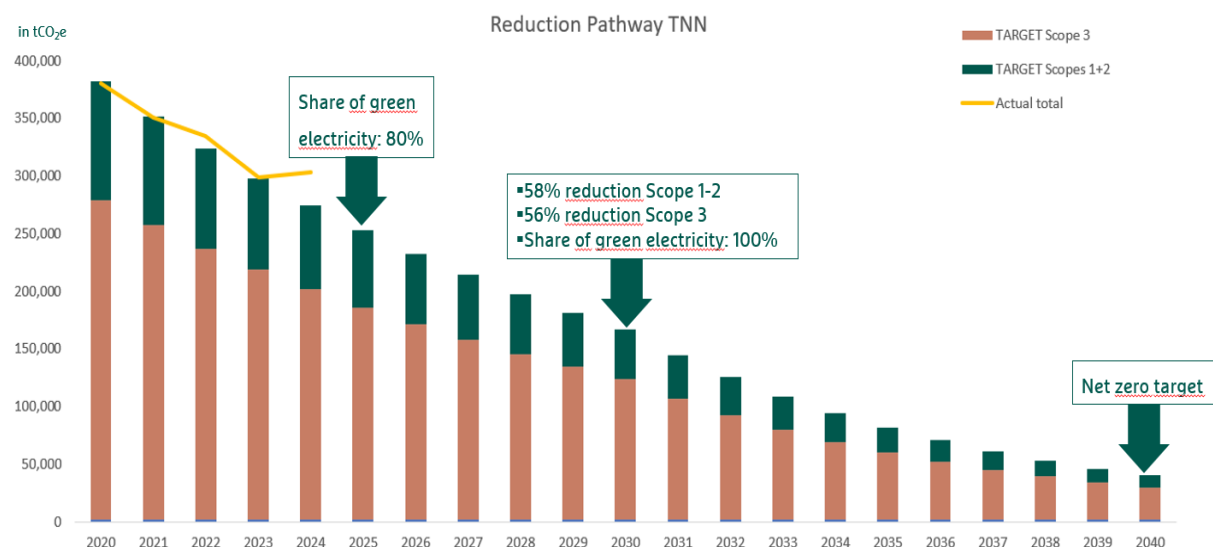


Figure 1 - tnn reduction pathway

3-3 Development Scope 1-3 (2020 vs. 2024)

The following chart shows the comparison between our most recent year's GHG emissions from 2024 and our base year GHG emissions from 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. Besides, driven by our ambition to strengthen data integrity, we 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.

In addition, 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, are counterproductive, as they have increased by 6,74% compared to 2020.

In 2020, share of renewable electricity was 9% as opposed to 57% in 2024. Out of this total share of renewable electricity in 2024, 8.73% were self-generated by Photovoltaic solar energy.

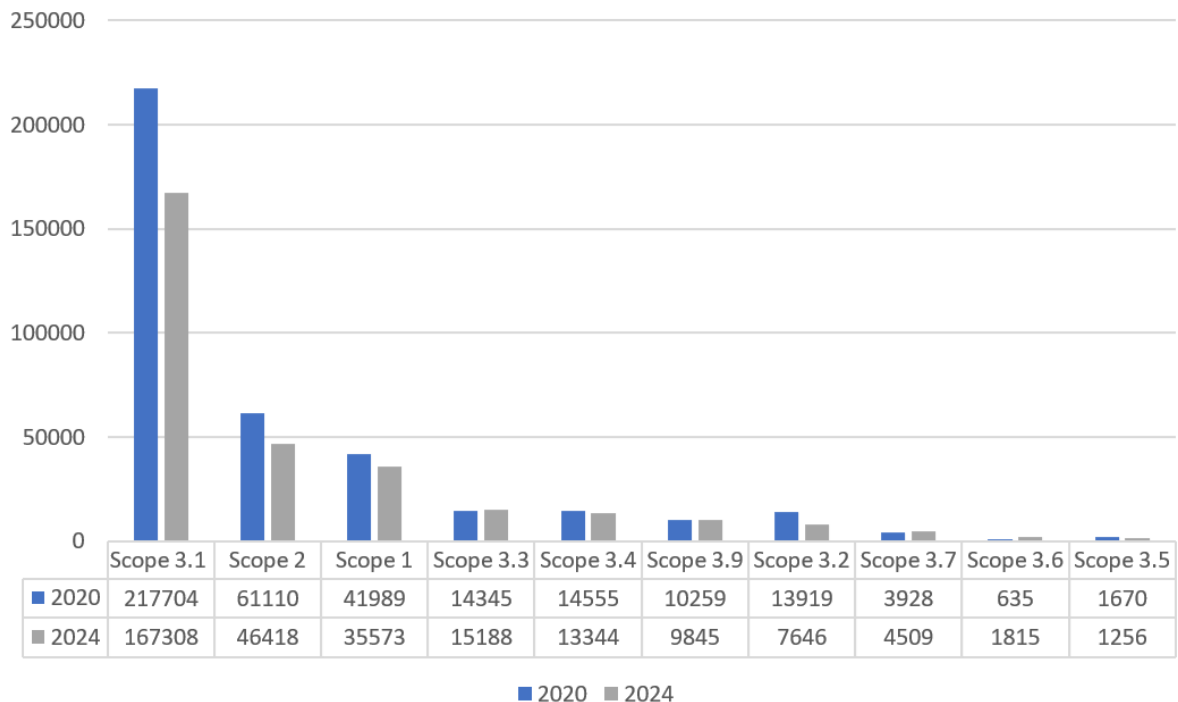


Figure 2 - GHG Inventory 2020 vs. 2024

3-4 Scopes 1 and 2

Within our Scope 1 and 2 emissions, stationary combustion accounts for the largest share, contributing approximately 41 percent. This is closely followed by the 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.

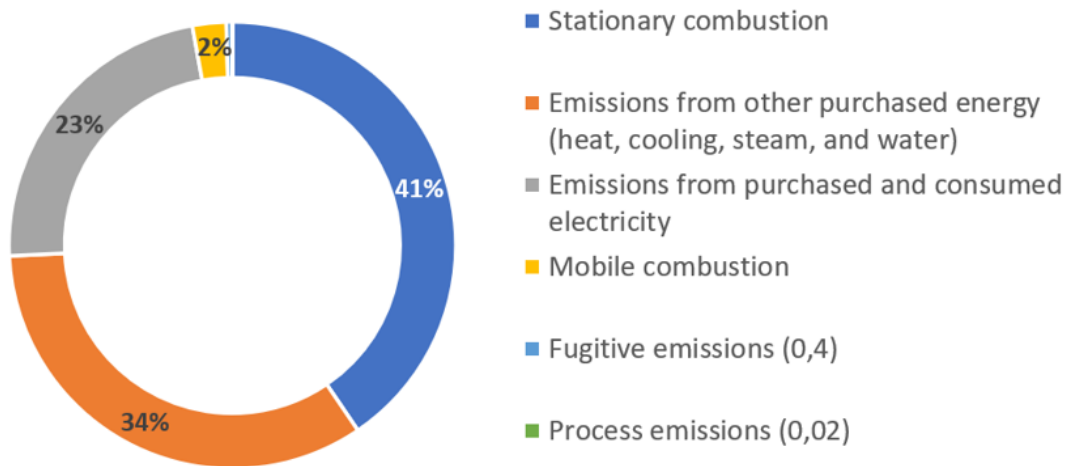


Figure 3 - GHG Inventory 2024 - Scope 1+2 categories

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 represent the most significant contributors to the overall carbon footprint.

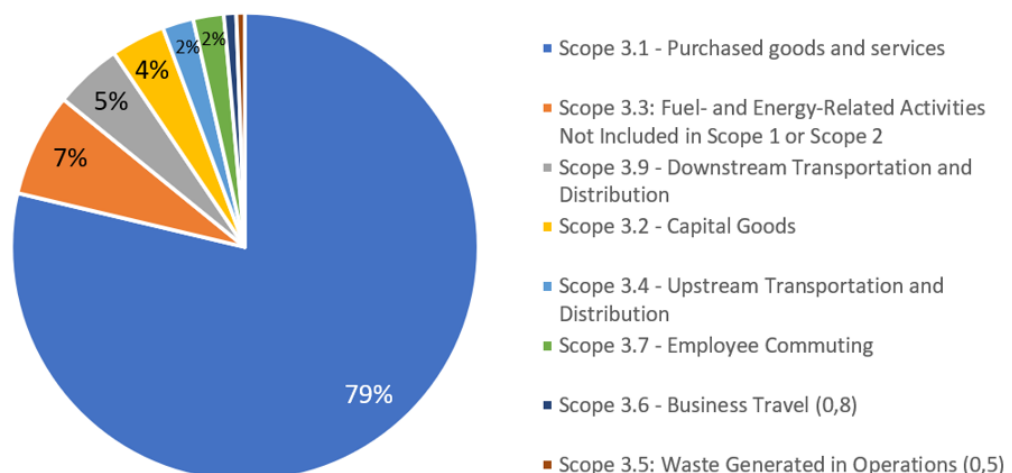


Figure 4 - GHG inventory 2024: Scope 3 emissions by category

Given our business model, which is 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 with about 80% of total Scope 3.1 emissions (see figure below).

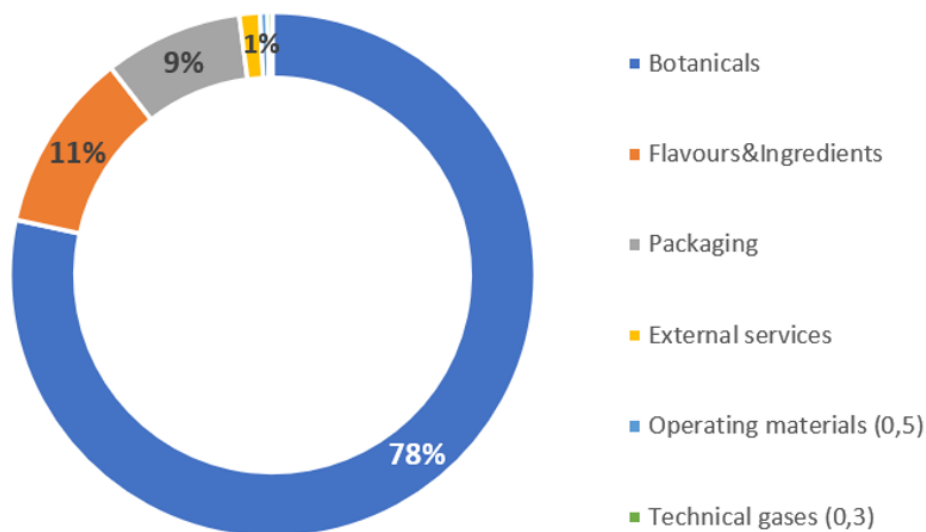


Figure 5 - GHG inventory 2024: Scope 3.1 categories

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, which 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 engaged and supported in meeting deforestation-free sourcing standards. This includes supplier development and 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 CO₂e 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 countries where our botanicals are sourced, we leverage our influence to improve specific social and ecological conditions in those countries through our projects. mabagrown, our active, sustainable supply chain management, underscores our commitment to this goal.

With our botanicals being sourced from over 80 countries around the world, our actions have a positive, global impact. In the following, we will provide more details for three best-practice projects.

Best Practice: energy-efficient drying

A large proportion of fossil energy consumption and CO₂e emissions in our supply chains is caused by 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.



Figure 6 - Drying plants, supply chain MartinBauer

Best practice: solar energy for efficient irrigation

Besides, irrigation represents a significant source of CO₂ emissions, stemming from the substantial energy demand associated with pumping systems which are mainly operated via fossil fuels.

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



Figure 7 - Solar energy for 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 272kWp PV system enabled energy production of 550 MWh per year, leading to a long-term reduction in carbon emissions of up to 460 tons CO₂e. 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 material partner we were able to effectively reduce CO₂e emissions in the supply chain. Based on a profitability study, we have introduced elements of a circular economy with hazelnut shells and composting, installed PV systems on roofs and open spaces, set up natural drying systems and converted artificial drying to renewable energies.

In the meantime, 8 drying tunnels and a 750kWp PV-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 fossil gas by 75%.



Figure 8 - PV-system at Georgian raw material partner

4-2 Site-related GHG reductions

Global Energy Management

In order to reduce our site-related CO₂e emissions (Scope 1+2), we have launched a global energy efficiency program. 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 our share of renewable energy for electricity, reaching approximately 57 percent by 2024. By the end of 2025, we aim to raise this ratio up to 80% and based on current forecasts from our global energy management team, we will reach this target on time.

Energy Efficient Spray Drying Tower

The construction of a new spray drying tower in Kleinostheim, Germany (2022-2024) emerged as part of the global energy efficiency program. We have made this significant investment because we wanted to use 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 enable us to make a major contribution to reduce energy and corresponding CO₂e emissions – a decisive factor in our decision. The new spray drying tower not only reduces the energy required for drying, but also cuts transport costs and saves over 800 tons of CO₂e annually.



Figure 9 – New spray drying tower MartinBauer, Germany

Internal company carbon fund

Besides, we have created an internal company carbon fund that aims to create financial incentives to carry out investments which reduce our total carbon emissions. For this purpose, we have developed a specific investment calculation tool that helps automatically calculate expected carbons savings and that determines the funding amount based on a pre-defined internal carbon price.

We have already supported several reduction projects through this fund, e.g. the construction of a photovoltaic plant at our site in Sri Lanka (see image below). This PV plant enables us to save around 1500 MWh per year which corresponds to a reduction of around 850 t CO₂e per year.



Figure 10 - PV plant MartinBauer, Sri Lanka

Renewables

Scope 1 greenhouse gas emissions are directly associated with the consumption of fuel for energy purposes. Out of total energy consumption (heat, electricity, fuels) in 2024, 21% came from renewable sources, such as biomass. Switching from fossil energy to renewable energy is one of the key measures to reach our climate targets. This enables us to ensure that future production growth does not go hand in hand with an increase in CO₂e emissions. One example is shown by one of our production sites in Germany.

At our site in Andernach, Germany a new biomass cogeneration plant has gone into operation in January 2025 (see figure 10), fueled by certified wood from the region. It helps reduce CO₂e emissions by approx. 9,000 tons CO₂e per year. It is fired with hardwood forest chips sourced from broken wood or forest maintenance wood from the region. The new power plant generates up to 80 percent of the thermal energy required for extract production and building heating and thus replaces almost completely the use of natural gas.

Energy efficiency

In addition to these individual large-scale projects, however, we are primarily focusing on continuous 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 hot air for spray dryers with a saving potential of around 1300 GJ per year (see figure 11). Another example is the modernization of the extraction line at our site in Andernach, Germany which helped save around 2200 MWh since 2024. The E-Saver (low-pass filter method and software for energy saving) and insulating mats in the extraction area in Vestenbergsgreuth are additional projects that significantly reduce CO₂ 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 the consumption of energy needed to provide chill water for the cooling process in the production facility -i.e. by adjusting maintenance cycles and improving load management.

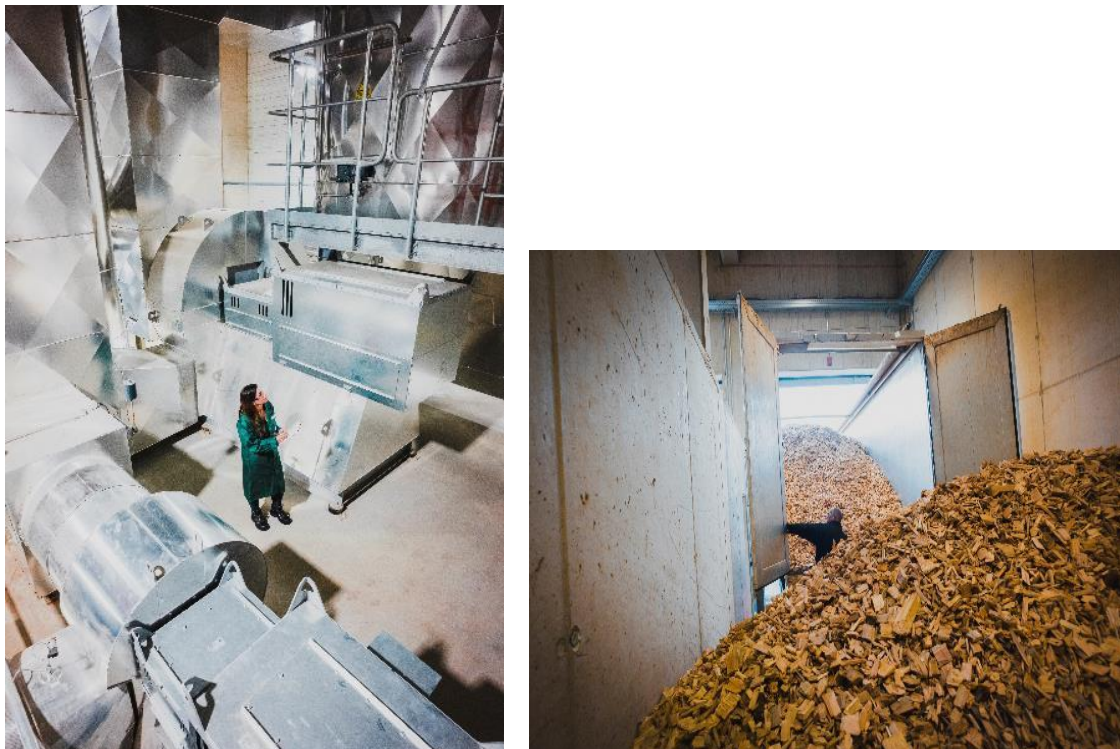


Figure 11- New Biomass plant Finzelberg, Germany



Figure 12 – example for stream condensate re-use, MartinBauer, China



Figure 13 - Energy efficiency through insulation mats, MartinBauer, Germany



Figure 14 - Chiller system, 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 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 CO₂e related high-impact extraction sites.

To support robust CO₂e calculation and emission factor modeling, we utilize internationally recognized databases such as ecoinvent (currently version 3.11). These databases provide the foundation for calculating emissions across scopes and categories, including fossil, biogenic, and land-use-related impacts.

To calculate our company-wide direct and indirect CO₂e emissions, we apply the KlimAktiv software, which allows for structured categorization according to Scope 1, Scope 2, and Scope 3. This tool ensures consistency in reporting and supports 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. A corresponding process certification in accordance with the principles of the GHG Protocol has already been initiated. Additionally, we incorporate 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.

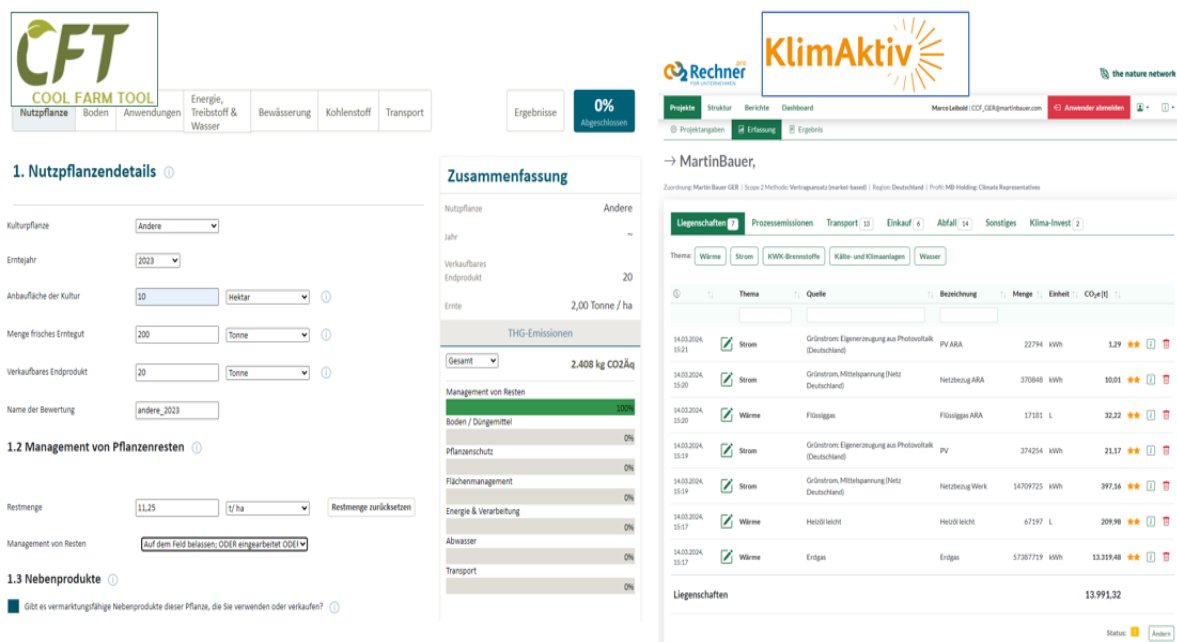


Figure 15 - CO₂e Data collection via recognized tools

5 Challenges and solutions

5-1 Challenges

Low Impact on Supply Chain Emissions

Achieving our climate targets presents a range of structural and operational challenges, particularly in relation to Scope 3 emissions which make out by far the greatest share of total emissions. Within Scope 3, Scope 3.1 – Purchased Goods and Services – remains the largest driver of our overall CO₂e footprint, yet our ability to influence reductions in this category is significantly lower compared to other scopes. This is primarily due to the highly diversified nature of our supply chain, which is composed largely of small-scale raw material partners with limited financial and technological resources. These resources are essential to invest in equipment which enables more energy-efficiency and usage of renewable energy. Also, resources are needed to adopt regenerative agricultural practices which in turn lead to CO₂e emission reductions in our supply chain.

In many supply chains, our influence is constrained as we often lack direct access to emissions data, and implementing reduction measures through supplier engagement or project-based initiatives proves difficult. The complexity and fragmentation of specifically the Camelia sinensis supply chain make it particularly challenging to drive measurable 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

Moreover, our reduction pathway is not linear. In some cases, we observe stepwise or disruptive reductions, 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 CO₂ reductions in our international supply chains requires targeted investments. These include, for instance, the implementation of efficient and carbon-free drying technologies, the application 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 those operating within smallholder structures. It is therefore essential to foster a shared understanding that all stakeholders across the value chain must jointly contribute to advancing climate-friendly and climate-resilient production of our natural products.

Climate Targets Influenced by External Factors

Our ability to achieve long-term climate targets is significantly shaped by external factors beyond our direct control. This applies both to key operating regions such as China and the United States, and to sourcing regions in Asia and Africa, where a large share 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 energy and logistics systems. The pace of decarbonization at country 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 sustainability frameworks, and constrained technological capabilities among suppliers. As a result, our progress is closely linked to broader systemic developments and requires collaborative approaches across the value chain.

5-2 Solutions

To address the multifaceted challenges in achieving our climate targets, we have developed a set of strategic solutions that span 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 use of tools like the Cool Farm Tool and batch-level PCF calculations via SAP-based software supports this precision.

Supplier Development Through Funding Models

Recognizing the limited financial and technological capacity of many small-scale raw material 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 experts to enable and advise raw material partners on adopting 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 emissions and business expansion, we are intensifying the use of renewable energy across operations. This approach supports the decoupling of CO₂e emissions from production volume and procurement growth, ensuring that sustainability scales with the business.

Technology-Driven Climate Protection

Climate protection is intrinsically linked to technological innovation in production processes and sustainable agricultural practices. We aim to continuously investing in advanced systems such as biomass power plants, waste heat recovery, and plant-based carbon sequestration. In agriculture, we see substantial potential in regenerative practices as well as plant and soil-based carbon sequestration, which aligns closely with our business model centered on plant-derived raw materials. Given that soil and plants offer a great potential for CO₂ sequestration, our engagement in sustainable land management offers a powerful lever for climate action.

Raising Awareness for the Necessity to Act Now – and Together

In our communication with customers and suppliers, we emphasize the urgency of taking decisive action to reduce emissions. This includes not only highlighting the opportunities of climate protection—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 risks and 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 underline that effective climate protection 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 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.

Global climate protection, however, can only succeed if governments continue to strengthen their commitment within international climate alliances and 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 our science-based targets. Only through shared commitment and joint action can we ensure progress toward a climate-resilient future that safeguards both our business and our shared environment.

6 Responsibilities

Our climate strategy is anchored in 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 implement 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

Climate action is driven by a company-wide initiative that brings together diverse teams and expertise. This includes central functions such as Sustainability, Global Energy Management, and Global Sustainable Supply Chain Services, as well as Climate and Energy Representatives at site level. A dedicated interdisciplinary working group ensures cross-functional collaboration, while a corresponding Steering Committee—composed of subject matter experts and senior leadership—provides strategic oversight and decision-making authority. Through 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 empower 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 against 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 line with the regular reporting cycle.