

DECARBONISATION STRATEGY



1. Purpose

Responsible behaviour towards society and the environment is highly relevant for Croma. Accordingly, the company is committed to complying with the 10 principles of the UN Global Compact and has integrated the objectives of the Sustainable Development Goals (SDGs) into the sustainability strategy published in 2023. This ensures a positive social and environmental impact along the entire value chain and promotes compliance with sustainability-specific aspects.

2. Decarbonisation Strategy

Croma is paying particular attention to improving its environmental footprint and combating the negative consequences of climate change. In order to reduce global warming, which is increasingly jeopardising the livelihoods of humans, animals and plants, it is necessary to reduce greenhouse gas emissions as quickly as possible. With its decarbonisation strategy, Croma aims to make a targeted contribution to reducing global warming and thus promote the achievement of SDGs 7 and 13. Environmental aspects are systematically monitored and continuously improved with the help of the environmental management system, which has been certified since April 2024. This enables the company to ensure optimisation and operational integrity in line with its environmental policy and to achieve the long-term goal of decarbonisation (net zero) by 2040 at the latest (target in Austria). This strategy is binding for all Croma locations including affiliates (100% share). The groups of people concerned undertake to comply with the decarbonisation strategy and thus make an important contribution to achieving the target on time.

3. Material impacts and risks

In accordance with the Corporate Sustainability Reporting Directive, Croma has conducted a double materiality analysis and identified the following material impacts and risks related to climate change.

Negative impacts	Climate change intensification through GHG emissions
	High energy consumption
Positive impacts	Climate protection through emission reduction
Risks	Political / legal transition risks
	Physical risks
	Transition risks in relation to the conversion of production processes

4. Accounting of emissions and fields of action

The corporate carbon footprint for 2023 was determined for the first time in 2024 as a starting point for the preparation of the decarbonisation strategy. It marked the beginning for further detailed analyses and supports the identification of improvement potential and the efficient effectiveness of the planned measures. The Austrian sites in Leobendorf and Tulln (outsourced laboratory) were analysed as the balance sheet boundary. Scope 1 (fuels) and 2 (electricity and district heating) were analysed in full. Scope 3 was partially analysed on the basis of the main categories for the company (1, 2, 3, 4, 5, 6, 7, 12). The greatest need for action in Scope 1 and 2 is in natural gas consumption, employee mobility and air travel. Of the indirect Scope 3 emissions, capital goods (especially laboratory equipment and warehouse logistics) account for

the largest share at 50.42%, followed by the categories of purchasing (especially raw materials and contract manufacturing) and inbound logistics and distribution (aircraft and lorry transport) with a total of around 24%.

5. Goal, milestones and measures

As the emissions from capital goods are fully included in the greenhouse gas balance in the year of purchase and this category is therefore subject to annual fluctuations, Croma's decarbonisation strategy focuses on the areas of fuel consumption (direct and indirect natural gas consumption), inbound logistics, purchasing and distribution, business travel, employee mobility, sales packaging and the associated reduction and optimisation of materials. Accordingly, quantitative and qualitative targets and milestones were defined and a catalogue of measures drawn up. Some measures, such as calculating the corporate carbon footprint and introducing an environmental management system in accordance with ISO 14001, have already been implemented.

Goal	Implementation by
Achieving climate neutrality of the company for scope 1+2	2035
Milestones	Implementation by
Creating a calculation model for company-wide GHG emissions and energy consumption	2025
Using 100% green energy throughout the company	2026
Introducing an energy management system	2028
Reducing transport emissions in the logistics sector by 50% (base year 2023)	2035
Measures	Implementation by
Identifying potential energy savings	2025
Introducing a green mobility policy	2025
Switching outsourcing locations and affiliates to the use of green energy	2026
Creating a concept for the use of waste heat from waste water	2026
Developing and measuring science-based targets	2026

From 2024 onwards, we will report on the progress made in achieving our targets and implementing measures in the annual Sustainability Report.

With this public commitment, we want to make an active contribution to combating climate change in line with our Sustainability Purpose: **It's a matter of treatment - embracing responsibility for a tomorrow worth living in!** and remain committed to reducing our emissions and energy consumption in the future.

Leobendorf, 1 October 2024



CEO, Andreas Prinz



CFO, Peter Haidenek