

Greenhouse Gas (GHG) Emissions Reduction Statement

Ottobock is committed to reducing its greenhouse gas emissions and embedding climate action into its business practices. Through this statement, Ottobock defines the principles, responsibilities, and actions required to support a lower-carbon future.

Ottobock aligns its decarbonisation efforts with the objectives of the Paris Agreement, including the ambition to limit global warming to 1.5°C above pre-industrial levels.

Purpose

This statement defines Ottobock's framework for reducing greenhouse gas emissions, supporting climate change mitigation, and meeting applicable environmental and sustainability reporting requirements, including the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), in particular ESRS E1 Climate Change.

Scope

This statement applies to all Ottobock operations, facilities, and activities and covers Scope 1, Scope 2, and relevant Scope 3 emissions.

Scope 3 emissions covered by this statement include, where relevant and where data is available, purchased goods and services, capital goods, fuel- and energy-related activities not included in Scope 1 or Scope 2, upstream and downstream transportation and distribution, waste generated in operations, business travel, employee commuting, the use and end-of-life treatment of sold products, and investments.

Responsibilities

1. Executive Leadership:

- Integrate GHG reduction targets into strategic planning and decision-making.
- Provide the necessary resources and support for the implementation of this statement, including budget allocations and staffing.
- Review progress against GHG reduction targets at least annually and ensure that corrective actions are defined and implemented where progress deviates from the planned reduction pathway.

2. Global Sustainability Department:

- Coordinate GHG accounting, target setting, reporting, and progress monitoring in line with the GHG Protocol, applicable CSRD/ESRS requirements, and SBTi criteria.
- Ensure alignment with relevant local, national, and international climate-related regulations and frameworks, including the objectives of the Paris Agreement.
- Assess climate-related risks and opportunities and support their integration into business planning and decision-making.
- Develop and oversee the implementation of GHG reduction strategies, including setting targets, developing action plans, and monitoring progress.

3. Department Heads / Subject-Matter-Experts:

- Implement GHG reduction practices within their departments.
- Support and encourage employee participation in sustainability initiatives.
- Monitor and report on departmental progress towards GHG reduction targets.

4. All Employees:

- Participate in training and awareness programmes related to sustainability and GHG reduction.
- Adhere to practices that support the reduction of GHG emissions, such as conserving energy, reducing waste, and making sustainable transportation choices.
- Provide feedback and suggestions for improving the organisation's sustainability practices.

Goals and objectives:

1. GHG Emission Reduction Targets:

- Reduce Scope 1 and Scope 2 GHG emissions by 67.2% by 2036, using 2025 as the baseline year.
- Reduce Scope 3 GHG emissions by 40% by 2036, using 2025 as the baseline year.
- Maintain science-based reduction targets and review them periodically to ensure continued alignment with the latest climate science, business developments, and applicable SBTi criteria.
- Track progress against defined milestones and use the results to inform management decisions, investment priorities, and corrective actions.

2. Energy Efficiency and Renewable Energy:

- Improve energy efficiency across all operations by at least 2% YoY.
- Increase the use of renewable energy sources to 100% of total energy consumption by 2036 at the latest.
- Implement on-site renewable energy projects, such as photovoltaic systems at key sites, by 2030.

3. Sustainable Transportation:

- Review the achieved reductions from air freight transportation on the top seven outbound lanes against the 2025 target and define an updated reduction pathway towards 2036.

4. Fleet Management

- Transition the company fleet towards zero-emission vehicles where operationally feasible by 2030.

5. Waste Reduction and Management:

- Reduce waste from production sites by at least 0.5% year on year.

6. Sustainable Procurement:

- Implement a sustainable procurement policy to prioritize low-emission products and services.
- Establish criteria for selecting and evaluating suppliers based on their environmental performance in addition to quality and competitiveness.
- Encourage suppliers to measure, manage, and disclose their greenhouse gas emissions.
- Prioritize supplier engagement for emission-intensive categories and strategic suppliers, particularly where Scope 3 emissions are material.
- Encourage suppliers to set science-based or equivalent greenhouse gas reduction targets and to provide primary emissions data where feasible.

Strategies and Actions**1. Energy Management:**

- Conduct regular energy audits to identify opportunities for improvement.
- Invest in energy-efficient technologies and infrastructure upgrades.
- Transition to renewable energy sources, such as solar, wind, and bioenergy.
- Implement behavioural change programmes to encourage energy-saving practices among employees.
- Explore opportunities for energy recovery and utilization of waste heat.

2. Transportation and Fleet Management:

- Shift air freight volumes to sea freight where feasible to reduce GHG emissions.
- Align the use of standard and express services with customer requirements to optimise the transportation emissions footprint.
- Provide an annual GHG transportation report for all entities Provide incentives for employees to use public transportation, carpooling, and biking.
- Transition company vehicles towards low- and zero-emission alternatives, supported by regular reviews of relevant technologies.

3. Waste Management:

- Implement a comprehensive waste reduction programme that includes waste audits, reduction strategies, and employee engagement initiatives.
- Enhance recycling and composting programs within all facilities by providing appropriate bins, signage, and training.
- Work with waste management companies to ensure that waste is disposed of in the most environmentally friendly manner possible.

4. Sustainable Procurement:

- Establish criteria for sustainable purchasing.
- Integrate climate-related criteria into supplier evaluation and engagement processes where relevant and feasible.
- Support suppliers in developing decarbonization plans and improving the availability and quality of supplier-specific emissions data.
- Strengthen collaboration with suppliers on low-emission materials, product design, logistics, and packaging solutions.
- Prioritise local and sustainable products where they meet business, quality, and cost requirements.
- Educate procurement staff on sustainable purchasing principles and practices.

5. Employee Engagement and Training:

- Provide training programmes on sustainability and GHG reduction practices.
- Encourage employee participation in sustainability initiatives.
- Recognize and reward contributions to GHG emission reductions.

6. Monitoring and Reporting:

- Establish a GHG inventory to track emissions across all scopes and operations, using recognised standards such as the GHG Protocol.
- Implement a data management system to collect, analyse, and report on GHG emissions and reduction progress.
- Regularly review and report on progress towards GHG reduction targets, including an annual sustainability report that is publicly available.
- Use third-party verification to ensure data accuracy and transparency, and participate in external sustainability reporting platforms.

Climate-related risks and opportunities

Ottobock will periodically assess climate-related risks and opportunities, including physical climate risks and transition risks, and consider their potential relevance for strategy, operations, supply chains, financial planning, and product development. Relevant findings shall be incorporated into appropriate governance, risk management, and decision-making processes.

Carbon credits and offsets

Ottobock prioritizes direct decarbonization within its own operations and value chain. GHG removals, carbon credits, or offsetting mechanisms shall not substitute direct emission reductions.

Such mechanisms may only be considered in accordance with applicable corporate standards, regulatory requirements, and recognised best practices.

Internal carbon pricing

Ottobock does not currently apply internal carbon pricing mechanisms.

They may be considered as a management tool to support investment decisions, evaluate decarbonization opportunities, and strengthen the integration of climate considerations into financial and operational planning.

Review and Continuous Improvement

This statement will be reviewed at least annually to ensure its effectiveness and relevance. Adjustments will be made as necessary to align with new scientific findings, technological advancements, and changes in regulatory requirements.

The review shall consider progress against GHG reduction targets, changes in regulatory requirements, developments in climate science and SBTi criteria, stakeholder expectations, data quality improvements, and lessons learned from implementation. Where necessary, the statement and related action plans shall be updated accordingly.

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Date:		Author:	Revision details
1.0	September 2024	Christin Franzel, Head of Global Sustainability & Human Rights Officer	
2.0.	August 2026	Christin Franzel, VP Global Sustainability & Human Rights Officer	Linguistic and consistency adjustments Climate governance and reporting updates Updates to targets, Scope 3, supplier engagement, and carbon-related provisions