

# Greenhouse Gas (GHG) Emission Reduction Policy

Ottobock is committed to leading by example in the fight against climate change by reducing our GHG emissions and promoting sustainable practices. Through this policy, we aim to contribute to a healthier planet for current and future generations, aligning our business practices with our core values of sustainability, responsibility, and innovation.

## Purpose

The purpose of this policy is to establish a framework for reducing greenhouse gas (GHG) emissions to mitigate climate change, improve public health, and ensure compliance with national and international environmental regulations. This policy outlines the commitments, strategies, and responsibilities necessary to achieve significant reductions in GHG emissions.

## Scope

This policy applies to all operations, facilities, and activities of OttobockIt encompasses direct (Scope 1), indirect (Scope 2), and other indirect (Scope 3) emissions resulting from our operations, including energy consumption, transportation, waste management, procurement processes, and employee commuting.

## Responsibilities

### 1. Executive Leadership:

- Ensure the integration of GHG reduction goals into the organization's strategic planning and decision-making processes.
- Provide the necessary resources and support for the implementation of this policy, including budget allocations and staffing.
- Lead by example by demonstrating a commitment to sustainability in executive actions and communications.

### 2. Global Sustainability Department:

- Implement a transparent reporting mechanism for GHG emissions and progress towards target, using recognized standards such as the Greenhouse Gas Protocol.

- Develop and oversee the implementation of GHG reduction strategies, including setting targets, developing action plans, and monitoring progress.
- Monitor progress and report to executive leadership.
- Serve as the primary point of contact for sustainability initiatives and coordinate efforts across departments.
- Conduct regular reviews of the policy and recommend updates as needed to ensure continued relevance and effectiveness.
- Ensure compliance with all relevant local, national, and international regulations, including the Paris Agreement and any relevant regional climate accords.
- Liaise with SBTi (e.g. for validation and review)

### **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 programs 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 organization's sustainability practices.

## **Goals and objectives:**

### **1. GHG Emission Reduction Targets:**

- Reduce Scope 1 & 2 GHG emissions by 63,7% by 2034, using 2021 as the baseline year.
- Reduce Scope 3 GHG emissions by 35% by 2034, using 2021 as the baseline year.

**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 2032.
- Implement on-site renewable energy projects.

**3. Sustainable Transportation:**

- Reduce emissions from airfreight transportation on TOP7 outbound lanes by ~25% until 2025 and max. 50% by 2030.

**4. Fleet Management**

- Promote the use of electric and hybrid vehicles within the organization's fleet.

**5. Waste Reduction and Management:**

- Reduction of waste from production sites.

**6. Sustainable Procurement:**

- Implement a sustainable procurement policy to prioritize low-emission products and services.
- Collaborate with suppliers to reduce emissions across the supply chain.
- Establish criteria for selecting and evaluating suppliers based on their environmental performance in addition to quality and competitiveness.

**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 behavioral change programs to encourage energy-saving practices among employees.
- Explore opportunities for energy recovery and utilization of waste heat.

**2. Transportation and Fleet Management:**

- Switch air freight volumes to sea containers to directly reduce GHG-emissions.
- Adjust service provider utilization (standard- vs. express-service) with customer demands to optimize carbon emission footprint.
- Provide annual CO<sup>2</sup>-transportation-report for all entities to enhance global transportation emission transparency.

**3. Fleet Management**

- Provide incentives for employees to use public transportation, carpooling, and biking.
- Transition company vehicles to low-emission alternatives, incl. regular reviews and updates with the latest low-emission technologies.

**4. Waste Management:**

- Implement a comprehensive waste reduction program 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.

**5. Sustainable Procurement:**

- Establish criteria for sustainable purchasing, including considerations for lifecycle emissions, resource efficiency, and supplier sustainability practices.
- Work with suppliers to reduce emissions throughout the supply chain.
- Prioritize local and sustainable products if competitive.
- Enhance the Supplier Code of Ethics to outline expectations for environmental performance.
- Regularly review and update procurement policies to ensure alignment with best practices in sustainable sourcing.
- Educate procurement staff on sustainable purchasing principles and practices.

**6. Employee Engagement and Training:**

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

**7. Monitoring and Reporting:**

- Establish a GHG inventory to track emissions across all scopes and operations, using recognized standards such as the GHG Protocol.
- Implement a data management system to collect, analyze, 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.
- Utilize third-party verification to ensure data accuracy and transparency, and participate in external sustainability reporting platforms.

**Review and Continuous Improvement**

This policy will be reviewed 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.

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