Climate Transition Plan 2045

1. Objectives and strategic framework

As part of its sustainability strategy, Hoenle AG is pursuing the goal of achieving **climate neutrality for all directly controllable greenhouse gas emissions (Scope 1 and Scope 2) by 2045**. The 2023 financial year serves as the base year for the implementation of the climate transition plan.
The Climate Transition Plan represents the long-term roadmap for the decarbonization of corporate activities. It defines the main measures, interim targets and organizational responsibilities for the gradual reduction of greenhouse gas emissions.
As a medium-term goal, Hoenle AG aims to reduce greenhouse gas emissions **to 500 t CO_2e** by 2030. Progress is regularly monitored on the basis of defined key figures and evaluated as part of sustainability management.

2. Initial situation

Hoenle AG has already implemented measures to reduce its greenhouse gas emissions in recent years and has made significant progress in doing so. Building on these developments, the decarbonisation path we have embarked on will be consistently pursued.
The Climate Transition Plan focuses on Scope 1 and Scope 2 emissions, as these can be directly influenced by the company. Scope 3 emissions are not currently collected. These include indirect emissions along the value chain, for example from purchased materials, logistics services, business travel, employee commuting, and the use and disposal of products. Due to the limited availability of data and the limited scope for influence, these emissions are currently not included in the target.

3. Decarbonisation strategy

Hoenle AG pursues a structured approach to measures based on the basic principles of **avoidance before reduction before compensation**.

3.1 Increasing energy efficiency

The continuous improvement of energy efficiency is a key lever for reducing emissions. To this end, production processes, technical systems and buildings are continuously analysed and optimised. The aim is to reduce energy consumption while maintaining or increasing added value.

The main measures include:

- Modernization of energy-intensive plants
- Optimization of production processes
- Introduction of energy-efficient building and control technology
- Improving energy monitoring and consumption transparency

3.2 Expansion of renewable energies

Hoenle AG is gradually increasing the share of renewable energies in its electricity supply. This is done both by purchasing certified green electricity and by expanding its own generation capacities.

The focus is on:

- Conversion of external power purchase contracts to renewable energies
- Expansion of photovoltaic systems at suitable locations
- Use of self-generated renewable energies for self-sufficiency
- Reduction of emission-related burdens from electricity consumption

3.3 Transformation of the vehicle fleet
Hoenle AG is pursuing the goal of gradually electrifying its vehicle fleet and thus reducing traffic-related emissions.

The following are planned:

- Replacing conventional passenger cars with electric vehicles
- Conversion of suitable transport vehicles to electric drives
- Expansion of the necessary charging infrastructure at the company's locations
- Integration of low-emission mobility solutions into the fleet strategy

3.4 Decarbonization of the heat supply
Another focus is on the gradual replacement of fossil fuels such as natural gas and heating oil.

Planned actions include:

- Use of heat pump systems
- Electrification of heat processes
- Use of renewably generated energy for heating purposes
- Examine the use of green hydrogen for suitable applications

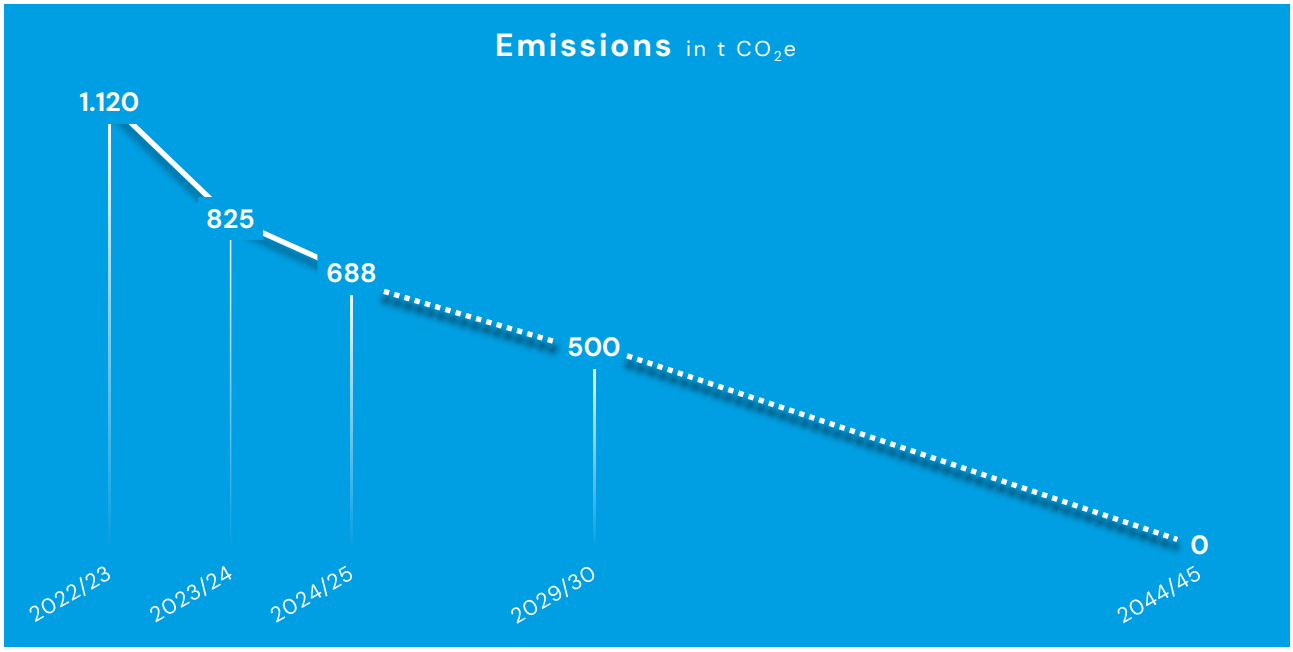
3.5 Offsetting unavoidable residual emissions
Despite comprehensive avoidance and reduction measures, residual emissions are expected to remain in the long term. These are to be offset by financing high-quality climate protection and compensation projects. Offsetting measures are only used after technically and economically sensible avoidance and reduction potentials have been exhausted.

4. Time path and milestones

Period	Objective
2023	Base year of the climate transition plan with 1,120 t CO_2e[1]
2024–2030	Implementation of priority energy efficiency and decarbonisation measures
2030	Reduction of emissions to 500 t CO_2e
2031–2045	Implementation of further energy efficiency and decarbonisation measures
2045	Completing the decarbonisation of remaining emission sources and offsetting unavoidable residual emissions
2045	Climate neutrality for Scope 1 and Scope 2

1) The figure refers to the largest companies in the Group (Hoenle AG, Hoenle Adhesives GmbH and Hoenle UV Disinfection GmbH), which are active at five locations in Germany (excluding vehicle fleet and industrial trucks).

Hoenle has worked in recent years to reduce the Group's emissions and has made good progress in doing so. As a medium-term goal, emissions are to be further reduced to 500 t CO_2e by 2030.



5. Integration into corporate management

To ensure that the targets are achieved, the climate transition plan will be integrated into the existing investment and financial planning. Key decarbonisation measures will be incorporated into medium-term corporate planning.

In particular, the following are taken into account:

- Investment needs for energy efficiency measures
- Expansion of renewable energies
- Conversion of mobility and heating systems
- Impact on net assets, financial position and results of operations

6. Risks and Opportunities

The transformation to climate-neutral corporate governance is associated with risks and opportunities.

Key opportunities

- Reduce energy and operating costs through increased efficiency
- Reducing dependence on fossil fuels
- Improved resilience to energy price fluctuations
- Strengthening competitiveness
- Positive contribution to environmental and climate protection goals

Significant risks

- Technological uncertainties in new energy solutions
- Stricter regulatory requirements
- Rapidly rising energy and CO_2 costs
- Investment and financing risks

7. Resources and governance

Sustainability is the responsibility of the Chief Financial Officer. The implementation of the climate transition plan is accompanied by continuous monitoring. To this end, relevant performance indicators are recorded and evaluated annually. The results are incorporated into sustainability reporting and strategic corporate management.

By regularly reviewing progress, Hoenle AG ensures that the decarbonisation path it has embarked on up to climate neutrality in 2045 is consistently pursued and, if necessary, adjusted.