



Corporate Climate Policy

VERSION 12/2024

Document history

Version	Date	Comments/ Key Changes	Owner	Author	Org. Unit
1.0	12/2024	New policy	Group Sustainability	Agnes Gergely	HBS

I. INTRODUCTION

The Heraeus Group is a broadly diversified and globally leading family-owned technology company, headquartered in Hanau, Germany. The company's roots go back to a family pharmacy started in 1660.

The Climate Policy confirms Heraeus' greenhouse gas mitigation commitments and climate change related activities. It includes Group-level commitments, decarbonization activities, governance & integration into decision making, including the scope of the policy.

As a family-owned company with over 165 years of tradition, Heraeus is committed to the principle of sustainability. Heraeus acknowledges that global warming caused by increasing concentrations of greenhouse gases (GHG) in the atmosphere is a material matter. Recognizing that industry has a relevant role to play, Heraeus intends to further align its activities with the goal of the 2015 Paris Agreement of limiting global warming to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

II. SCOPE OF APPLICATION

This Policy applies to all Heraeus Companies.

III. GOVERNANCE & INTEGRATION OF CLIMATE CHANGE INTO DECISION-MAKING PROCESSES

Climate Change related commitments, targets, actions and progress to target tracking is done decentrally by Heraeus Operating Companies and regularly discussed with the Group Management Committee. The incentive scheme of Operating Companies' Lead Teams should regularly include a decarbonization component.

Group Sustainability coordinates targets, derives Group-wide commitments, and defines minimum standards for all Operating Companies. It regularly reports to members of the Group Management Committee in the Environment, Social, Governance (ESG) Chapter.

IV. COMMITMENTS

Heraeus has aligned its decarbonization targets on a group level with the Science Based Targets initiative (SBTi). The SBTi provides a comprehensive framework to scientifically calculate and formulate greenhouse gas reduction targets that are aligned with the most current climate science and international climate goals. Heraeus has been using the cross-sector pathway to identify the most suitable target setting method within the SBTi framework.

Heraeus has set group-level near term Scope 1&2 GHG emissions reductions targets of 42% from 2021 to 2030 already in 2023, excluding compensation actions. This target is aligned with requirements to ensure a 1.5°C warming trajectory above pre-industrial levels. To reinforce

our efforts to decarbonize our own operations, we are committed to have 50% renewable electricity in the group's power consumption by 2030.

Our Scope 3 GHG emissions reduction target is to reduce our 2021 Scope 3 emissions by 37.5% until 2035. Our ambition is aligned with SBTi's near-term target setting requirements and is consistent with the level of decarbonization required to keep global temperature increase well-below 2°C compared to pre-industrial temperatures.

Our ambitions and commitments might be subject to adjustment and changes from several factors such as factual circumstances, regulations, innovations and available resources. They are not to be understood as legally enforceable undertakings.

V. DECARBONIZATION ACTIVITIES

Climate-related physical and transition risks assessment are conducted regularly to ensure transparency on risks and opportunities arising from climate matters. The results outline our group-level climate resilience, that enables us to address potential impacts on business operations and supply chains.

The actions for reducing GHG emissions are defined in the form of a CO₂ roadmap. Actions to reduce emissions are identified in close collaboration between the sites, Operating Companies, relevant corporate functions, and value chain partners.

Main levers for Scope 1 GHG emissions reduction are related to energy efficiency, electrification, and technical shift away from fossil fuel as well as evaluation of alternative energy sources such as hydrogen.

Scope 2 GHG emissions reduction measures include energy efficiency measures, on-site renewables, Power Purchase Agreements, and the use of Energy Attribute Certificates that need to be aligned with minimum standards defined in our internal guideline.

Scope 3 GHG emissions reduction measures are building on better data transparency. Key drivers are increasing recycling capacities, engagement with suppliers and sourcing practices supporting decarbonization.