



### 3.2 HOCHLAND IS COMMITTED TO REDUCE CARBON FOOTPRINT

**PURPOSE: CARBON FOOTPRINT REDUCTION**

**KPI: emissions reduction in scope 1 & 2 by 50% until 2025 [t CO<sub>2</sub>e/t FG]**

(base year 2019)

**Scope 1 and 2**

The entire Hochland Group has made a commitment to climate protection. **Hochland Poland is actively pursuing the target in Vision 2025 to reduce CO<sub>2</sub>e emissions from its production plants (Scope 1+2) per tonne of finished product produced by 50% by 2025 compared to the base year 2019.**

Thanks to the measures implemented, CO<sub>2</sub>e emissions (calculated for Scopes 1 and 2) were **reduced by 62.7% in 2023** compared

to the 2019 base year per tonne of finished goods.

Emissions from the Scope 1 and 2 by component, including fuels consumed in production processes, fuels for company cars, and the amount of released refrigerants found during cyclical leakage checks are presented in the table:

Emissions in scope 1 and scope 2 [t CO <sub>2</sub> e]	2019	2023
Natural gas		10 088,97
Stationary combustion of diesel		8,80
Woodchips		0,15
Company cars - Diesel		59,40
Company cars - Petrol		333,93
Refrigerants		0,00
<b>Total Scope 1</b>	9 101,00	10 491,24
Consumption of purchased or acquired electricity (location based)		0,00
<b>Total Scope 2 (market based)</b>	16 581,90	0,00
<b>Total Scope 2 (location based)</b>		15 503,80
<b>Scope 1 and 2 (market based)</b>	25 682,90	10 491,24

Hochland Poland aims to reduce energy consumption by 1.5% per year. Over the years from 2017 (base year) to 2023 energy consumption has been significantly reduced. Optimisation process is continuing through implementing of the decarbonization roadmap, developed in 2022, for production plants.

**Technical and organisational measures implemented at production plants in 2023 to reduce CO<sub>2</sub>e emissions:**

**Energy efficiency:** e.g. replacement of compressors with highly efficient ones, replacement of blowers at the Kaźmierz wastewater treatment plant with highly efficient ones with low noise levels, modernisation of the burner at the Kaźmierz gas boiler, purchase of an acoustic monitoring camera to reduce compressed air losses

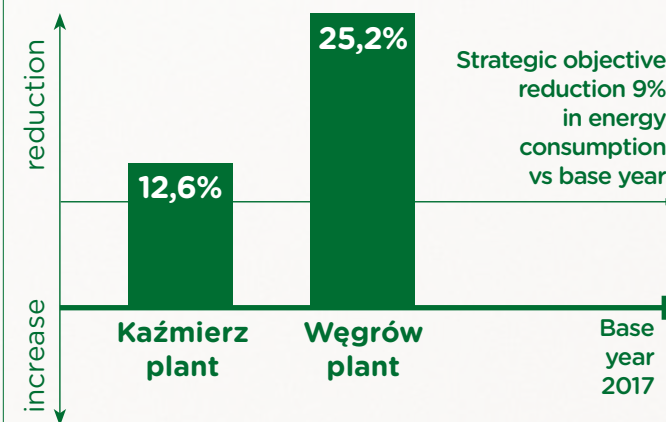
**Replacing conventional sources of electricity and heat with renewable sources** (such as photovoltaics)

**Heat recovery** (e.g. compressor heat recovery)

**Cogeneration** - efficient use of source fuel

**In 2023, the purchased electricity and consumed at the Kaźmierz and Węgrów plants and at the Poznań headquarters come from 100% renewable sources: a mix of RES sources.**

Reduction in energy and gas consumption per tonne of product in 2023 vs. base year 2017 [%]



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### Scope 3

Most of Hochland's CO<sub>2</sub>e emissions, around **90%**, come from the raw materials used in production, mainly milk. Dairy farms are therefore Hochland's most important partners in implementing the decarbonisation strategy.

Together with selected milk suppliers, new concepts are being tested that will enable a sustainable reduction in emissions, in particular: carbon dioxide (CO<sub>2</sub>), methane and nitrous oxide.

The calculation of the Corporate Carbon Footprint in terms of emissions from scope 3 for year 2023 is in progress. Planned completion in the second half of 2024.

### PILOT

**In 2023, Hochland, in collaboration with 10 milk suppliers, piloted a carbon footprint calculation on farms to estimate emissions per kilogram of milk. The farm owners provided the primary data for 2022 necessary for the carbon footprint calculation. Milk collection coordinators were also involved in the process to support our Partners and provide clarification on an ongoing basis.**

On-farm emissions (Scope 3 emissions) from raw milk were calculated using a methodology in line with the Greenhouse Gas Protocol (GHG Protocol).

Milk emissions are mainly influenced by the following factors:

- digestive process of cows,
- production and purchase of feed,
- manure storage,
- energy consumption.

An important factor influencing emissions is the feeding of cows. Emissions related to feed include fertilisers for own and purchased feed and the transport of purchased feed. Manure storage can cause methane and nitrous oxide emissions. The magnitude of emissions varies depending on the manure management: whether the manure is covered and used for biogas production. Nutrition and calf rearing issues were also taken into account for the calculation. The results obtained form the basis for Hochland to implement the next steps in terms of calculation and reduction measures for emissions from milk.