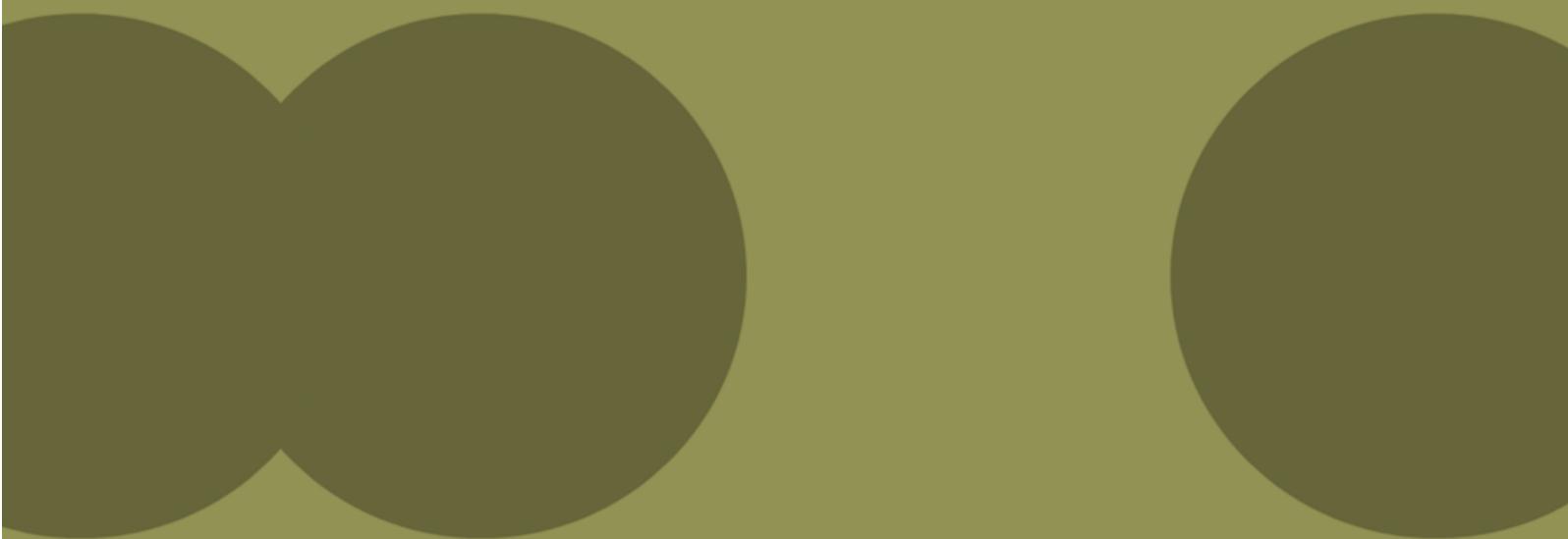**dsm-firmenich** ●●●

Climate and Nature Approach

Owner: Group Sustainability VP Climate and Nature

Effective date: December 2025

1. Introduction

At dsm-firmenich, we see sustainability differently. We bring progress to life by combining the **essential**, the **desirable**, and the **sustainable**, meaning that sustainability never stands alone or on the sidelines. Instead, it lives in our purpose; at the heart of what we do and who we are. The combination of these three forces, the essential, the desirable and the sustainable, is our unique contribution to the world. It's what drives the **progress** we bring to **people** and **planet**.

To bring Progress to Planet, our focus is on three interlinked areas that anchor our work in Climate and Nature:

- **Accelerate climate action**: including climate mitigation and adaptation in our own operations and value chains, as well as supporting our customers on their own climate journeys.
- **Safeguard nature and biodiversity**: responsible sourcing, including sourcing commodities that are not linked to deforestation; and targeted ecosystem protection and restoration.
- **Conserve our planet's resources**: including water stewardship, waste management, and biodegradability.

2. Purpose

The purpose of this Climate and Nature Approach is to set out the requirements that dsm-firmenich employees must follow to embed Climate and Nature into our business operations and supply chains.

3. Our approach

The requirements in this Approach are set out as follows:

- Overarching requirements that apply universally across all elements of Climate and Nature.
- Requirements specific to our four key areas within Climate and Nature:
  - Climate action
  - Water stewardship
  - Forest protection
  - Biodiversity safeguarding

Overarching requirements
To ensure our business operates in alignment with our purpose and values and can deliver Progress across our three Planet focus areas, we work according to the following overarching requirements.

- We take accountability at the highest level of the organization. Our Board of Directors and Executive Committee oversee our Climate and Nature agenda. This includes strategy, targets, and target delivery, as well as the management of principal risks related to Climate and Nature. The committees' responsibilities also include reviewing the effectiveness of our risk management and internal control processes.
- We embed the structures needed to fulfil any Climate and Nature ambition, target, or goal as "business as usual," not only in Group Sustainability but in all our functional teams (Finance, Science & Research, Regulatory, Marketing & Sales, Procurement, Group Operations, etc.).
- We include Climate- and Nature-related risks and opportunities in our company-wide risk and opportunity identification and mitigation processes. We report on the principal risks and opportunities related to Climate and Nature in our Integrated Annual Report.
- We ensure compliance with relevant regulatory or voluntary frameworks (e.g., Greenhouse Gas (GHG) Protocol).
- We operate in line with the Climate and Nature requirements as laid out in other Group policies, standards, and guidelines:
  - Code of Business Ethics
  - Group Policy Operations
  - Group Policy Safety, Health, & Environment
  - Group Policy Procurement and Group Standard Responsible Sourcing
- We continuously improve our Climate- and Nature-related reporting systems and processes to improve performance in our operations and value chains.
- We set ambitious internal and public targets, supported by clearly defined metrics.
- We monitor and report transparently on our annual progress against any public targets.
- We make our Climate and Nature impact visible to the internal organization through mechanisms including regular internal reporting and tools such as Internal Carbon Pricing.
- We provide clearly defined roles and responsibilities to all employees who are engaged in Climate and Nature activities. We engage our employees on Climate- and Nature-related issues, ensuring those responsible for adhering to this Approach and delivering our ambition have the relevant skills and competencies to lead and support our agenda.
- We actively engage and partner with public and private entities – including governments, nongovernmental organizations (NGOs), other businesses, suppliers, academia, and local communities – to advance environmental stewardship initiatives, engage in capacity building, and reduce our environmental footprint.
- We promote a culture of excellence through science and research, knowledge sharing, and continuously evaluating and benchmarking our performance against best-in-class industry players.
- We constantly monitor external issues, customer needs, and public concerns relating to Climate and Nature, and respond accordingly.

Climate action

Climate change is one of the most pressing issues of our time. To mitigate and adapt to its impacts, we need urgent and decisive action. At dsm-firmenich, we acknowledge these challenges and will meet them head on by fulfilling our responsibility to accelerate climate action throughout our business, value chain, and beyond.

By adhering to the following requirements, we will ensure dsm-firmenich maintains its leading position as an organization committed to ambitious climate action.

- We are guided by the latest 1.5°C global warming science in developing emission-reduction roadmaps and will strive to reduce emissions in our operations and value chains to achieve our 2045 net-zero emissions commitment, by:
    - Reducing direct emissions in our own operations through operational efficiency improvements and waste reduction.
    - Expanding our use of renewable energy technologies to reach 100% purchased renewable electricity in the short term while striving to deliver 100% total renewable energy in the medium to long term.
    - Reducing indirect emissions in our value chain (Scope 3) by engaging and collaborating with our suppliers, driving additional value chain improvements, and greening our logistics.
    - Collaborating with our customers to avoid emissions in their own operations through the products and services we offer.
    - Using carbon removal technologies, in alignment with Science Based Target initiative (SBTi) standards, to deliver our net-zero target.
- We use biogenic fuels for energy generation (e.g., heat, steam, and cogeneration), contributing to the responsible decarbonization of dsm-firmenich's operations and the transition to renewable energy, by:
    - Adhering to applicable regulations and legislation and applying the highest global standards, including the GHG Protocol and guidelines from CDP.
    - Addressing concerns around not only GHG accounting and reporting but also other aspects of sustainability, following the guidance of institutions like the World Resources Institute (WRI), the European Academies Science Advisory Council (EASAC), the European Renewable Energy Directive (RED II), and the Roundtable on Sustainable Biomaterials (RSB).
    - Using biogenic feedstocks produced from waste or residues rather than purpose-grown crops or biomass diverted from higher-value alternative uses (e.g., food, feed, and bio-based materials).
    - Prioritizing biogenic feedstuffs for end applications where there is no sustainable alternative.

- o Evaluating feedstocks on a case-by-case basis, with experts following clear guidance on what is acceptable and what is not.
  - o Striving to follow best practices that suggest that post-2026 bioenergy installations for electricity, heating, and cooling should bring 80% upstream reduction in GHG emissions compared to fossil-fuel alternatives.
  - o Sourcing residues from crops or forestry-management activities in line with RSB recommendations, to maintain soil health, conserve water quality and quantity, minimize air pollution, preserve biodiversity, and respect the traditional land rights of indigenous and local communities.
- We are continually developing our purchased renewable electricity portfolio to prioritize contracts that bring additionality.

Water stewardship

Water is a priority for us. Water is vital to human and community development and is key to our business manufacturing processes, as well as those of raw material suppliers. Ensuring sufficient quantities of water – of good ecological and chemical quality – and access to clean water, sanitation, and hygiene is essential: to the health of people and ecosystems, for sustaining communities, and for supporting economic growth.

At the same time, we see increasing pressure on many water catchments around the world. This pressure is caused by the impacts of climate change and by rising demand for freshwater resources, as well as the growing challenges relating to water quality. Along with local water communities, national and local regulators, and local and international organizations, we play a key role in finding solutions for sustainable water catchments.

At dsm-firmenich, we regularly assess the future availability of water in relevant high-risk water catchments. We also evaluate the actions necessary to eliminate or mitigate the environmental and social risks linked to our use of water. We carry out water stewardship activities – in our own operations, in our value chains, and at the landscape or ecosystem level – according to the following requirements.

  i. *Water in our operations*
- We continuously reduce the amount of water we consume and withdraw, especially in high-risk water catchments.
- We ensure that our wastewater is treated according to the requirements laid out in local laws and regulations. We strive to exceed minimum requirements for water discharge to minimize our impact on local freshwater ecosystems.
- We comply with our commitments to phase out substances of concern as expressed in our Policy on Product Stewardship (in development).

ii. Water in our value chain

- We communicate our expectations of suppliers through our Responsible Sourcing Standard and work closely with suppliers, specifically in high–water–risk areas, on responsible water by advocating for:
    - Bold water requirements, which are included in our policies and our supplier contracts.
    - Independent, third–party, annual audits, monitoring of responsible water practices.
    - Improving access to clean water, sanitation, and hygiene (WASH) at work and in selected high–water–risk communities.

iii. Water in our landscape or ecosystems

- We work on collective action in certain high–risk water catchments, recognizing that this is critical to achieving the scale, scope, and speed of change required to address shared water challenges in these catchments.
- We play an active part in sector and industry initiatives and work with governments, NGOs, and other partners to drive progress.
- We engage in activities around and set targets on improved product biodegradability.

Forest protection

Forests cover 31% of the land area on our planet and are home to more than 75% of the world's plant and animal species. Over 1 billion people around the world rely on forests for shelter, livelihoods, water, fuel, and food. They help people thrive and survive by purifying water, improving the oxygen content in the air, and sequestering carbon dioxide. Forests even help mitigate climate change by soaking up carbon dioxide that would otherwise be free in the atmosphere.

In line with our Position Statement on Protecting Forests & Land–based Natural Ecosystems, we are committed to only sourcing commodities that are not linked to deforestation or land–based natural ecosystem degradation, including land conversion. We recognize the definitions of deforestation and conversion of the Accounting Framework Initiative (AFI) and Food and Agriculture Organization (FAO) of the United Nations.

Within scope are commoditized products derived from palm oil, soybean, corn, sugarcane, wood, cocoa, coffee, or rubber. These must be grown sustainably and should not contribute to the degradation of forests or land–based natural ecosystems. We regularly monitor the many agricultural ingredients we source – and the associated risk of deforestation and/or land conversion in the areas from where we source them – with a view to the possible inclusion of other agricultural ingredients in the scope of this policy.

To achieve this, we work according to the following requirements within our value chain and at a landscape or ecosystem level. We also play an active part in sector and industry initiatives and work with governments, NGOs, and other partners to drive compliance and progress.

i. Forests in our value chain

- We communicate our expectations of suppliers through our Responsible Sourcing Standard, as well as working closely with suppliers to adopt similar standards, specifically in areas at high risk of deforestation and land conversion. We also advocate for bold deforestation and land conversion requirements, which are included in our policies and supplier contracts.
- We use annual, independent, and third-party audits and technology to actively monitor deforestation and conversion in our supply chains.

ii. Forests in our landscape or ecosystems

- We support the protection, restoration, and regeneration of forests through multi-stakeholder action in carefully chosen ecosystem restoration or landscape initiatives.

Biodiversity safeguarding (in development)

Biodiversity is essential to life on Earth. It includes life of all kinds: the wide variety of animals, plants, fungi, and even microorganisms like bacteria that make up our natural world. These species and organisms work together in ecosystems, resulting in, for example, pollination, climate regulation, flood protection, soil fertility, and the supply of food, fuel, shelter, and medicines. It is therefore crucial to protect and conserve the healthy ecosystems we rely on to grow our agricultural ingredients.

Our measures to protect and conserve biodiversity in our value chain and ecosystems are currently in development and will be published in a future version of this Approach. In the meantime, please see our Position Statement on Safeguarding Biodiversity.

4. References

This Approach should be read in conjunction with the following documents:
Code of Business Ethics
Group Policy Operations
Group Policy Safety, Health, & Environment
Group Policy Procurement
Group Standard Responsible Sourcing
Position Statement on Protecting Forests & Land-based Natural Ecosystems
Position Statement on Safeguarding Biodiversity