

Climate Policy

EMMA Safety Footwear B.V.

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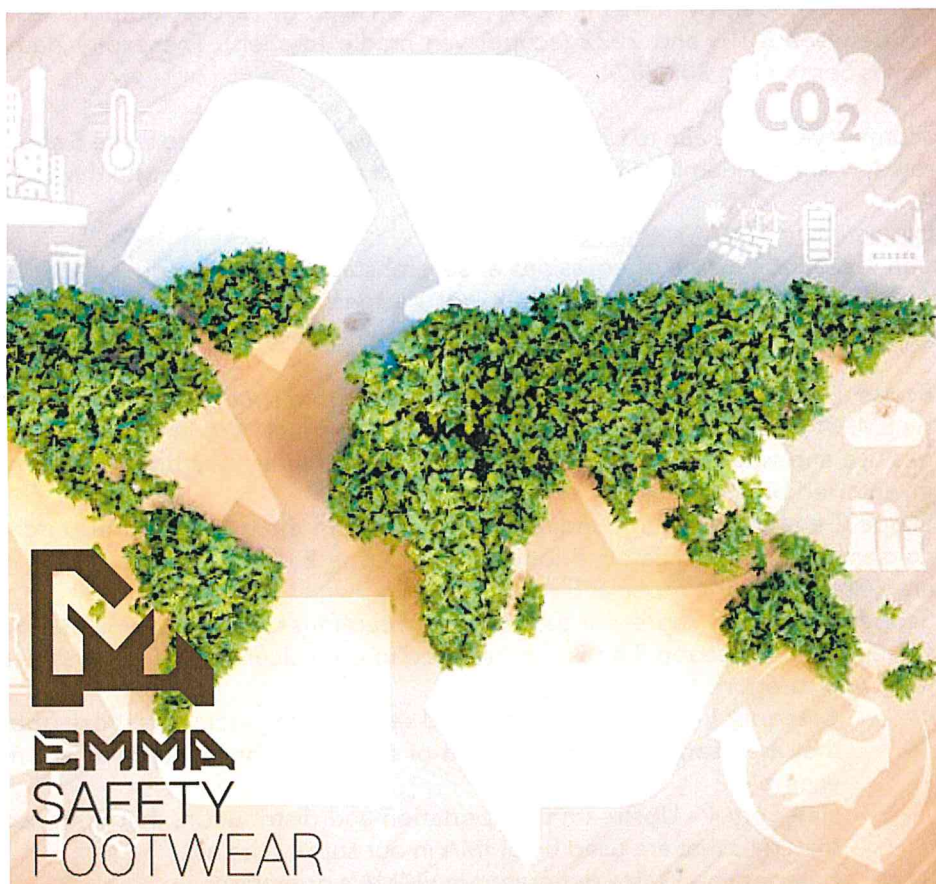
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Sustainability is an important strategic pillar for EMMA Safety Footwear. Probably, the most common definition of sustainability is to “fulfil the needs of the current generation, without impeding future generations, everywhere around the globe, to fulfil their needs in the future” (definition as stated by the Dutch Institute of Statistics, CBS, amongst others). Therefore, sustainability being part of EMMA’s strategy, EMMA wants to take responsibility to minimize its negative impact, which could impede future (and even current) generations to fulfil their needs. One of the negative effects we should act on are our emissions as these contribute to global warming, which causes big risks for current and future generations. Hence, we must reduce the carbon footprint (that is, the emissions of Green House Gases (GHG) caused by and related with our operations and products) as good as we can. As a leading manufacturer of safety shoes, we acknowledge our responsibility to reduce our carbon footprint and mitigate the effects of climate change.

To put our ambitions into action, we are included to our group's commitment to the Science-Based Targets initiative. In 2024, the Science-Based targets of the Hultafors Group (to which EMMA Safety Footwear belongs) will be validated and communicated. These targets will be aligned with the goals of the Paris Agreement. Once validated, EMMA Safety Footwear will actively participate in the implementation of these targets, integrating them into our business strategy and operations.

The Science-Based Targets (SBT) will be applicable to all our GHG emissions. Aligned with the SBT but applicable to a more limited scope, one of our commitments is to have a selection of our shoe models Climate Neutral Group (CNG) certified. In 2023, our shoe models: Clyde, Himalaya, Lukas, Merula, Ranger and Vera obtained the CNG certificate as we proved to have reduced the carbon footprint of these models by more than 25% (based on average carbon footprint reduction across all 6 models) between 2016 and 2022 (scope: van cradle to shelf). The expiry date of the current certification is September 30th 2024.

In the upcoming years, we aim to further reduce the emissions related to these 6 shoe models, which could provide valuable learnings to reduce our overall emissions in line with the SBT.

Short introduction to EMMA's emissions

Our carbon footprint consists of emissions at several stages of the product lifecycle and related to several emission categories. Together with our partner Ecochain, we measure and analyse our emissions in scope 1, scope 2, and crucial categories within Scope 3.

- Scope 1 emissions encompass direct emissions from sources that are owned or controlled by EMMA Safety Footwear. The scope 1 emissions included in our calculations are: natural gas use and water use at EMMA¹. Refrigerants and emissions from our own machines were inventoried but non-existent.
- Scope 2 emissions include indirect emissions from the generation of purchased electricity consumed by EMMA Safety Footwear. The scope 2 emissions included in our calculations are: (Green) electricity use at EMMA.
- Scope 3 emissions represent the indirect greenhouse gas emissions that occur across our value chain. The scope 3 emission included in our calculations are emissions related to the following categories:
 - o Category 1 - Purchased goods and services, only including those goods and services that are used for the production of our shoes (office supplies are not included for example).
 - o Category 4 - Upstream transportation and distribution, that is, transportation of the materials that are used by EMMA in our supply chains.
 - o Category 5 - Waste generated in EMMA's operations.
 - o Category 9 - Downstream transportation and distribution, that is, transportation of our products to our central warehouse. For the calculation of the carbon footprint of the Climate Neutral Group certified shoe models, we also included the transportation from Poland to our customers (assuming an average distance).

For the emission calculations for the Climate Neutral Group certified shoe models, information related to abovementioned emissions is included.

¹We did not include emissions caused by our company cars.

Our sustainability activities

At EMMA Safety Footwear, we are committed to continually reducing our carbon footprint and advancing our sustainability goals. For a complete overview of our sustainability ambitions, targets, performance and projects, we refer to our annual sustainability report that is published each year at our [website](#).

As part of our overall sustainability program, we are implementing a series of targeted measures aimed at reducing emissions across our operations. In this policy document, we will present the most important sustainability activities related to our GHG emissions. Activities taken in the past and present, and future measures will be presented.

In the time period between 2016 and 2022, EMMA predominantly focused on emission reductions of our internal operations. But we also critically looked at the material use of the particular 6 shoe models. Examples of measures taken in our operations:

- Using a more energy-efficient compressor
- Using the heat of the compressor to heat other parts of production
- Purchasing renewable energy
- Use of heat pumps to lower our gas use

Examples of measures taken related to our material use:

- Use of water-based glues
- Increased use of recycled materials and materials with a lower carbon footprint
- Avoiding the use of PVC

For the CNG shoe models, EMMA set emission reduction goals for 2030 together with the Climate Neutral Group: Compared to 2016 (baseline year), we realise a minimal yearly reduction of 1.8% (proportional reduction in scope 1 and 2 and own accountable emissions in scope 3). Due to the beforementioned measures that were taken in the past, we already reached the goal to reduce the average GHG emissions of the Climate Neutral Group shoe models by more than 25% in 2022 (compared to the average emissions of the particular shoe models in 2016). Consequently, we also already reached the objective of an annual reduction of 1.8%. However, this does not mean that we are ready. The aim is to continuously reduce the emissions related to these 6 CNG shoe models.



Our GHG reduction targets

Overall targets (baseline: 2022)²

43% reduction by 2030 for scope 1 and 2

25% reduction by 2030 for scope 3³

Targets for Climate Neutral Group certified shoe models (baseline: 2016)

25% reduction by 2030 among all emissions⁴

50% reduction by 2050 among all emissions⁴

² These targets are preliminary and likely to change in 2024 based on the validation of Hultafors Group's Science-Based targets.

³ Scope 3 emissions in the categories presented on page 2

⁴ Related to all emissions as presented on page 2

Our climate ambition

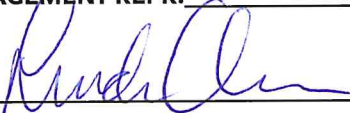
To achieve above GHG reduction targets, we want to implement the following reduction measures:

1. Increased use of recycled/biobased content with a focus on Poly Urethane (PU).
In general, we are increasing the use of recycled content in our safety shoes. In our analysis of Scope 3 emissions related to purchased goods and services (Category 1), we have identified key materials with significant carbon impact. Chrome-tanned leather, steel, and polyurethane emerged as the materials with the highest carbon footprint, accounting for substantial portions of our total emissions related to purchased products and services. Based on this analysis, we are investigating possibilities to incorporate recycled polyurethane (PU) materials, such as granulated PU waste of our own production process, into the production of our midsoles. An alternative to granulating PU, could be to press blocks of PU waste that could be placed in our midsole around which the virgin PU can be applied. By avoiding waste (because of reuse of production waste) and reducing the demand for virgin materials, we not only mitigate emissions but also contribute to the circular economy.
2. In addition to the use of granulated PU production waste, the use of biobased PU could be an interesting measure to lower our emissions. Biobased PU is made of materials derived from renewable sources, such as plant-based sources, This possibly, could be combined with the use of granulated PU. We are currently exploring possibilities together with our current and potential other PU suppliers.
3. Research to the replacement of leather by recycled polyester.
As mentioned at point 1, the analysis of materials contributing most to our carbon footprint, chrome-tanned leather came out as one of the materials with the highest carbon footprint. Therefore, we will study possibilities to replace chrome-tanned leather by other materials, such as recycled polyester.
4. Facility Isolation Enhancement - better isolation of the production hall.
We recognize the importance of energy efficiency in minimizing our emissions. To this end, we will implement better isolation measures for our facilities. By optimizing heating and cooling systems and reducing energy loss, we aim to significantly decrease our energy consumption and emissions associated with facility operations.
5. Increase efficiency of production.
Waste and emissions could be reduced by a better planning of the production process. For example, we could explore possibilities to reduce the amount of colour changes in the production process, which would decrease the amount of PU waste. Furthermore, we could re-evaluate our shoe collection to phase out less successful shoe model leading to a focused and perhaps more efficient production of a more limited shoe range.
6. Transition to LED lighting.
To minimize our energy usage and emissions, we are transitioning to energy-efficient LED lighting throughout our facilities. LED technology not only consumes less energy but also has a longer lifespan, resulting in reduced maintenance and operational costs.

Apart from the emission-reduction measures that are presented above, we will continuously look for additional measures that we could take to minimize our emissions. In general, we will aim for improvements with respect to the energy use (e.g., turning off equipment when not in use), the ecological impact of our materials (e.g., comparing materials and selecting materials based on their carbon footprint), and sourcing of materials (e.g., from suppliers who aim for lowering their emissions, and paying attention to their production techniques).

On the next page, future reduction measures are summarized in a table. This presentation is an extract from the *Reduction plan, vs 1.0, date 24-05-2024*.

Description of reduction measure	Envisioned CO2 reduction	Envisioned yr of implementation	Status (planned or committed)
Reducing emission of PU by using pre-consumer PU waste	Between 0.358 and 0.376 kg CO ₂ eq per pair of shoes (based on footprint measured in 2022).	2026 is envisioned to be the first full year of implementation	Committed
Use of biobased PU	Between 4.17% and 4.94% of the total Carbon footprint of a pair of shoes (based on footprint measured in 2022).	Still under investigation	Research
Roof renovation/isolation production hall	0.007 kg CO ₂ eq per shoe produced (based on footprint and production measured in 2022).	2024; 2025 is the first full year of implementation	Finished
Increase efficiency in production	Unknown yet	Unknown yet	Planned
Transition to LED lighting	0.019 kg CO ₂ eq per shoe produced (based on footprint and production measured in 2022).	2027 is envisioned to be the first full year of implementation	Committed
Use of more recycled content/materials	Unknown yet, depends on materials	Continuous	Committed
Research to the replacement of leather by recycled polyester	Unknown yet	Unknown yet	Research

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