



DATAMARS

**Our
Net Zero
Strategy.**



Our sustainable performance and growth as a business is intricately linked with the value we create for people and for the planet.

We want to make decisions and deliver solutions today that leave the world in a better place for the future. Datamars has a valuable role to play; from helping farmers maximise animal health and produce more protein with less use of scarce resources, to helping drive a circular textile economy that enables the sector to reduce, reuse and recycle, to supporting the bond between companion animals and people by using technology to help keep them connected.

Leaving the world in a better place for the future is not just achieved through the solutions we deliver, but by the way we manage our own global business and how we contribute to resolving the challenges facing our planet, including the devastating effects of climate change.

We made a clear decision to support our aspirations with a company wide, best practice Net Zero programme, aligned to the Science Based Target framework and consistent with a long-term 1.5°C pathway.

Pioneering advancements in sectors through innovation, a history of transformative growth and resilience, and a culture of continuous improvement and change is already well embedded within Datamars. While our Net Zero journey is a big one and we have much to learn and do, I know these capabilities that sit at the heart of Datamars' DNA position us well to make a measurable difference.

We've spent the last three years understanding and measuring our climate impact carefully, so we can make well informed decisions on where to focus our effort and investment to make the greatest positive impact, and know that we have the means in place to monitor and measure our progress and continue to learn, adapt and deliver.

Our Net Zero journey involves every member of our team globally, our board of directors, our investors, our partners, suppliers and our customers.

This document outlines our Net Zero commitments, the standards we align to, our current impact profile and the actions we are underway with to meet our emissions reduction targets.

Thanks for following our journey.



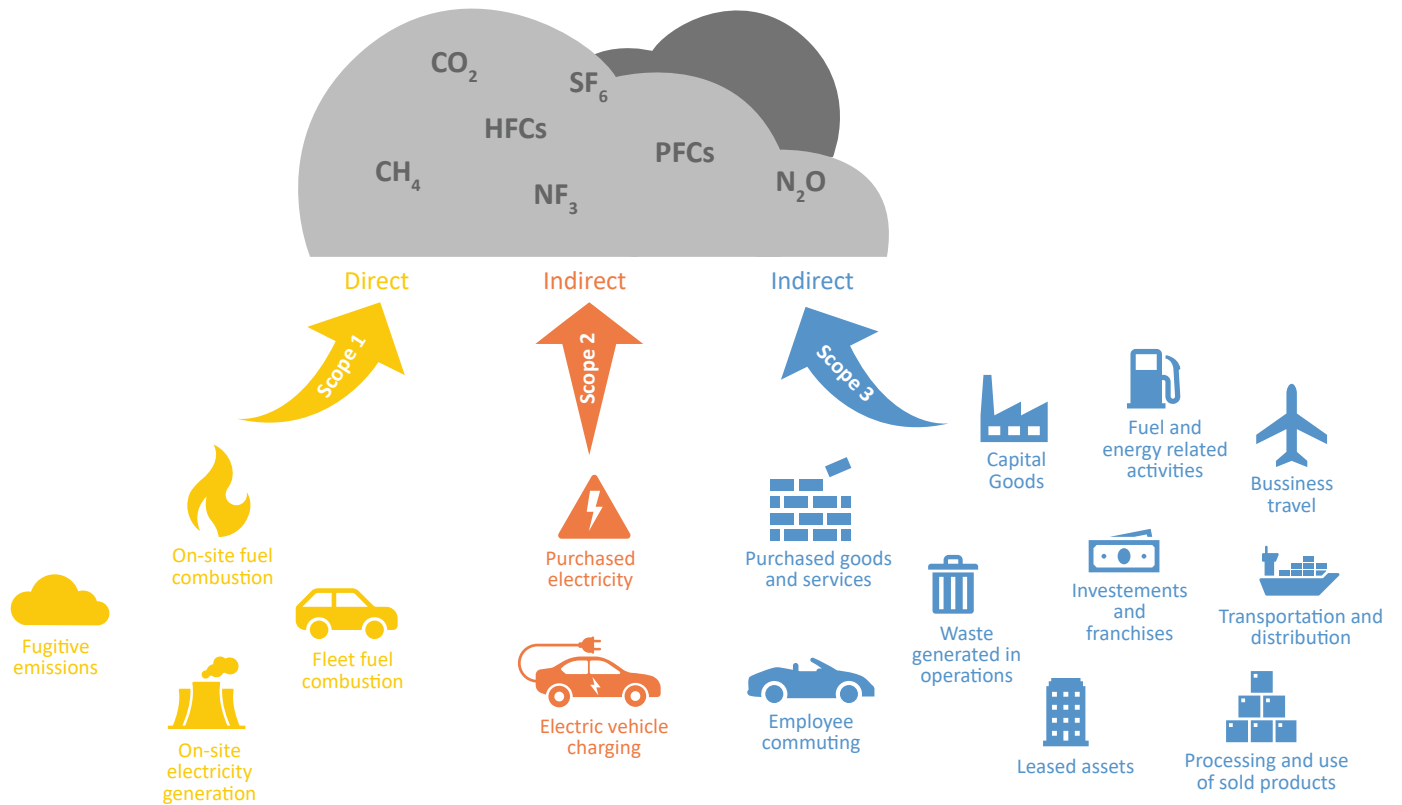
DANIELE DELLA LIBERA,
DATAMARS CEO

December 2023

Our definitions.

Our commitment to environmental stewardship means we aim to minimise or avoid negative impacts, including those related to climate change. We recognise our climate impact in terms of the greenhouse gas (GHG) emissions associated with our operations, and we have set forth targets and plans in our Net Zero Strategy to ensure that we take the right steps to contribute towards a Net Zero planet.

At Datamars, we have been monitoring Scope 1, Scope 2, and some of our key Scope 3 emissions, as defined by the GHG Protocol, since 2020. We are continuing to track our impact and improve our understanding of our GHG inventory year-on-year.

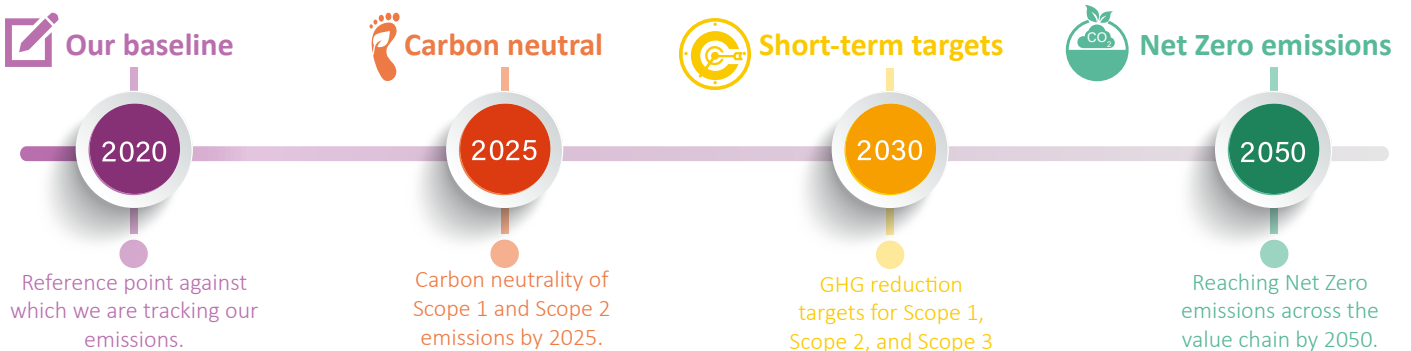


To us, Net Zero GHG emissions means reducing our emissions to a state in which our company has no net impact on the climate. This means cutting our Scope 1, 2 and 3 emissions as close to zero as possible and neutralising any residual emissions, so long as they are at an acceptable level. We have closely based our targets on SBTi guidance, consistent with a long-term 1.5°C pathway.

Net Zero is our final goal however we recognise that while on this journey, our activities will have an impact on the climate. It is important to us that we mitigate this as best we can.










We consider a state of carbon neutrality, which would involve investing in credible offsetting schemes outside of our value chain with the aim of balancing our unabated GHG emissions, to be an important step on the way to Net Zero.

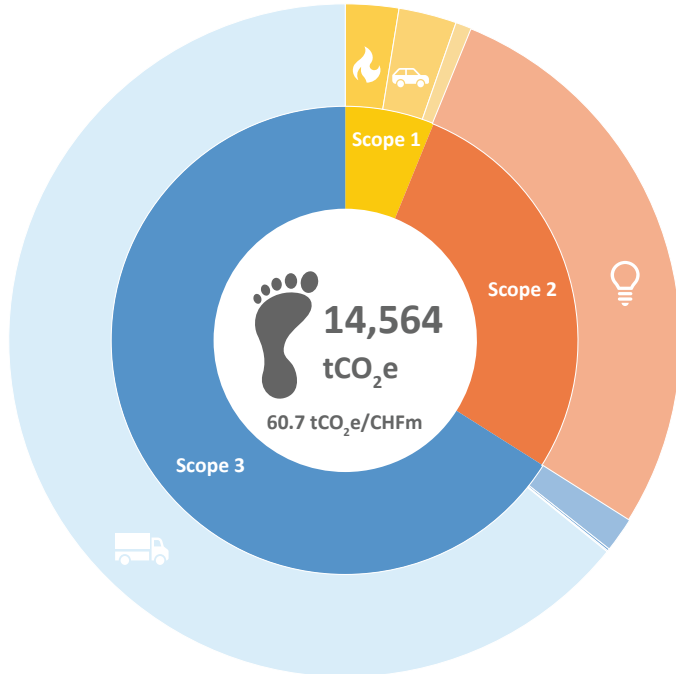
Our targets.



Our baseline - 2020 impact.












We have defined 2020 as our baseline year for GHG emissions, on the basis that this was the first year in which we calculated our climate impact. However, we recognise that our working practices were severely disrupted by Covid-19 during the year, and we are currently working towards a fully quantified Scope 3 inventory. Therefore, we shall look at revisiting this baseline year once we have achieved a comprehensive picture of our Scope 3 emissions.

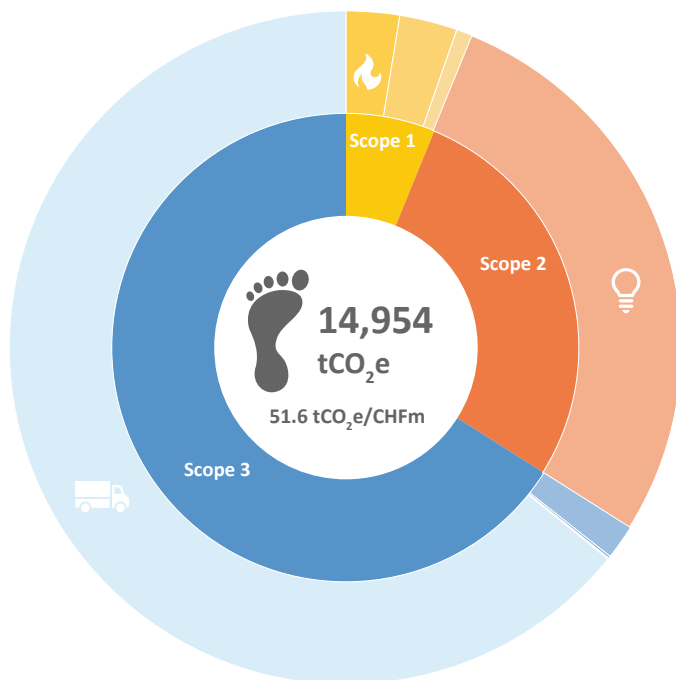
Key	Source of emissions	tCO ₂ e	%
Total Scope 1		898	6%
	Stationary Combustion	373	3%
	Mobile Combustion	405	3%
	Fugitive Emissions	118	1%
	Fire Suppression Systems	2	<1%
Total Scope 2		4,050	28%
	Purchased Electricity	4,050	28%
Total Scope 3		9,616	66%
	Waste Disposal	243	2%
	Wastewater	15	<1%
	Water Consumption	8	<1%
	Transport & Distribution	9,349	64%
TOTAL		14,564	



We also commit to reviewing and, if necessary, recalculating our baseline and targets every 5 years, unless required sooner due to any significant change in our GHG inventory, structure, or activities. We shall apply a significance threshold of 5% for baseline recalculations.

Our 2022 impact.

Key	Source of emissions	tCO ₂ e	%
Total Scope 1		863	6%
	Stationary Combustion	276	2%
	Mobile Combustion	578	4%
	Fugitive Emissions	4	0%
	Fire Suppression Systems	6	0%
Total Scope 2		3,709	25%
	Purchased Electricity	3,708	25%
	Electric/ Hybrid Vehicles	<1	0%
Total Scope 3		10,382	68%
	Waste Disposal	107	1%
	Wastewater	11	0%
	Water Consumption	5	0%
	Packaging	1,197	8%
	Transport & Distribution	9,062	60%
TOTAL		14,954	



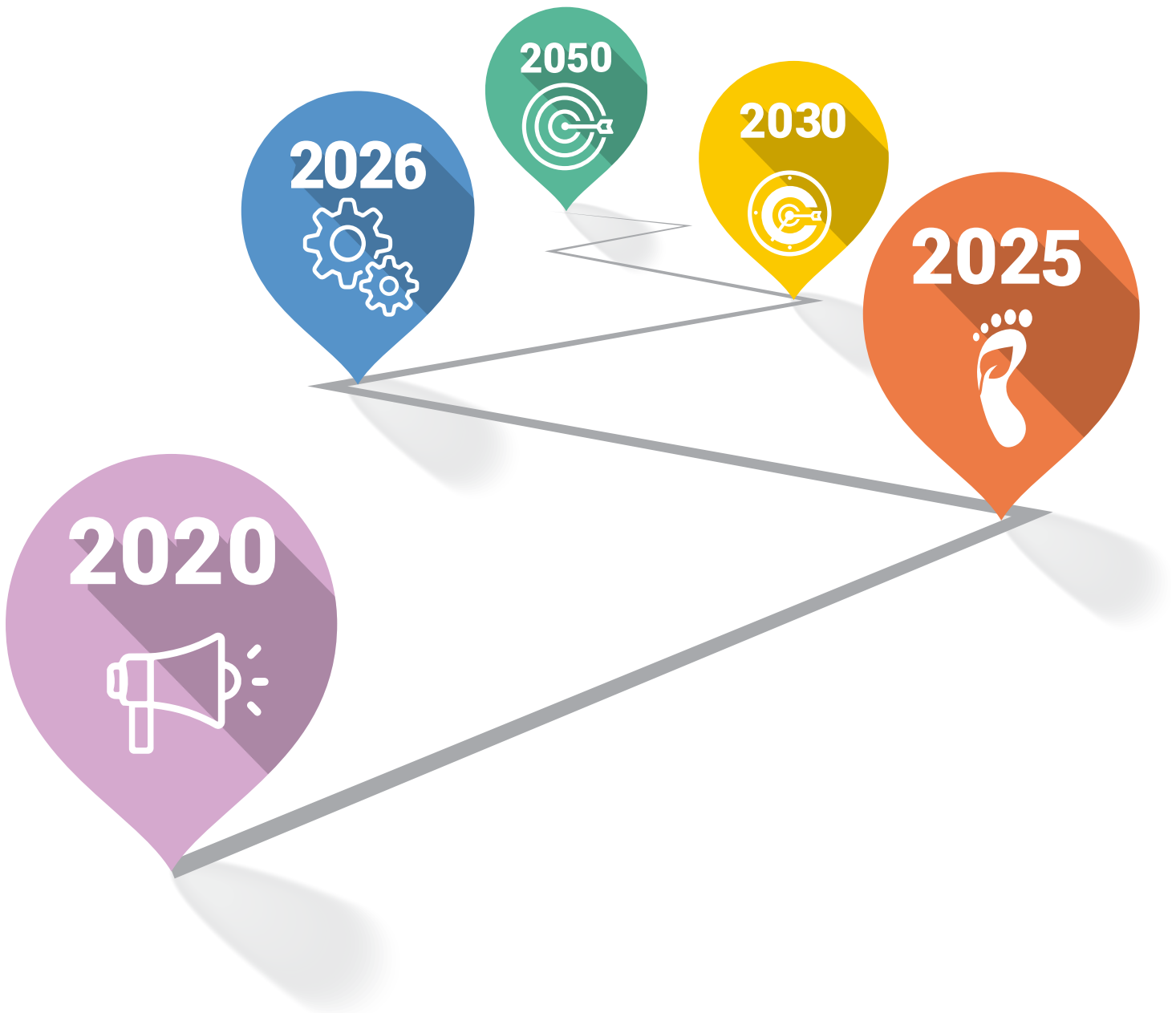
Our methodology.

We have calculated our GHG emissions according to GHG Protocol and under external guidance.

We are actively procuring certified renewable energy for some of our sites and, therefore, we have reported our footprint as per the market-based approach. We also track our location-based Scope 2 emissions to inform and monitor our energy efficiency measures and other initiatives.

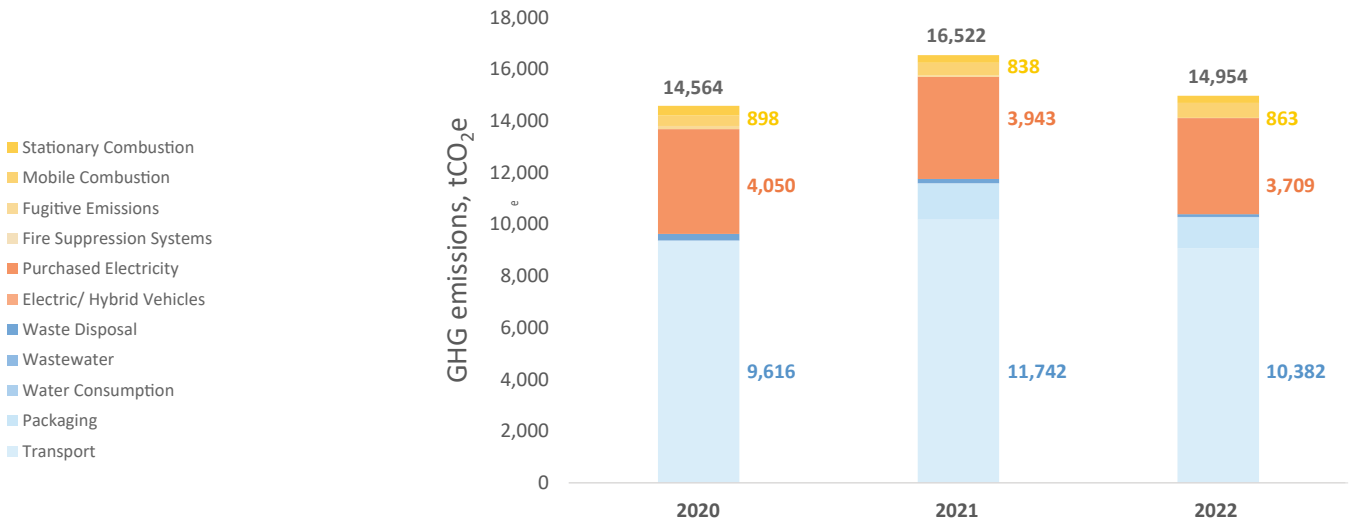
At Datamars, we are applying a progressive approach to building our understanding of our GHG inventory. We recognise that significant resources are required to collect data relevant to each source of emissions and have selected some key impact areas with available data as a starting point for our Scope 3 emissions.

We have established a timeline to assess and introduce our other Scope 3 emissions and aim to have a complete understanding of these emissions by 2026.

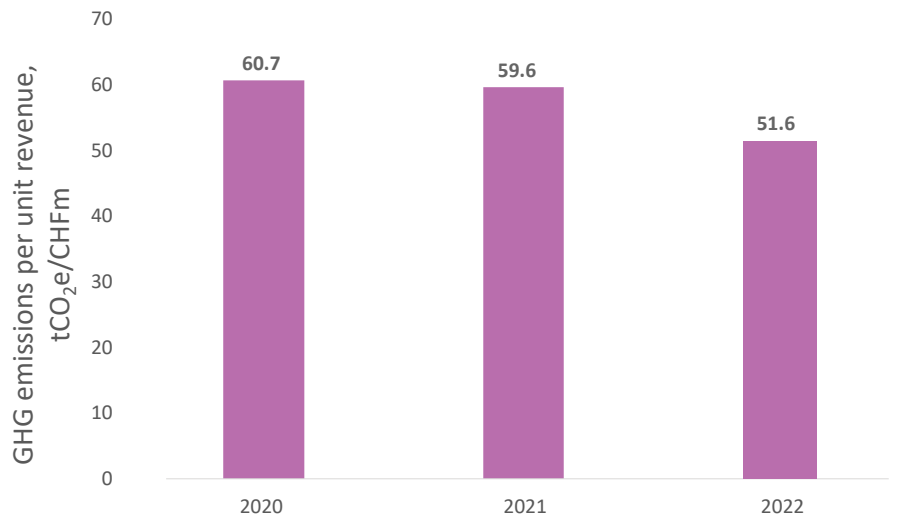


Our GHG progress.

OUR TOTAL CALCULATED EMISSIONS



OUR EMISSIONS INTENSITY



Our initiatives.

The following key initiatives have contributed to the above progress:

- Achieving ISO 14001 environmental management certification in the main operational sites of Datamars Slovakia, Spain and Thailand, supporting improvement of processes and systems that support daily operating practices and culture.
- Advanced sorting, reuse and recycling initiatives in some operational hubs to achieve zero waste to landfill, supported by education and training programmes.
- R&D and operations collaboration to maximise the use of recycled material within selected products.
- Implementing equipment upgrades to maximise material and energy efficiency, including moulding machine upgrades and LED lighting swaps.
- Procurement of renewable energy in major sites including New Zealand, Spain and Switzerland.
- Implementing energy efficient practices in daily work practices, supported by education and consumption monitoring technology.
- Optimising of global operations footprint to increase efficiency of transportation routes, combined with increased use of more energy efficient transportation methods.

Our targets.

Datamars commits to reaching Net Zero emissions across our value chain by 2050 aligned with a 1.5 °C pathway.

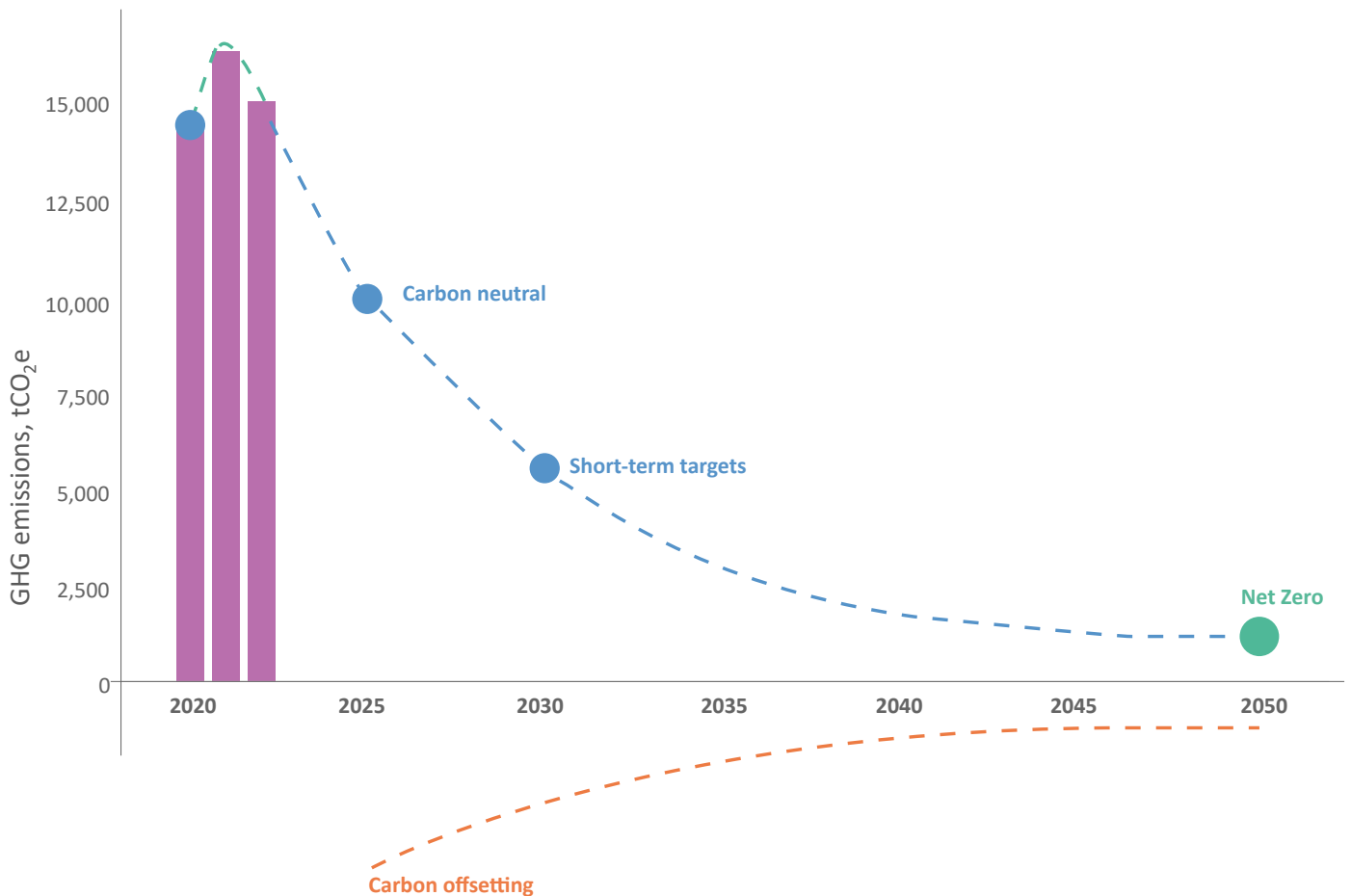
We also aim to be carbon neutral across our Scope 1 and 2 inventory by 2025 by offsetting these emissions through investment in initiatives that mitigate beyond our value chain.

Our Net Zero commitment encompasses at least 95% of our Scope 1 and 2 emissions, and 90% of our Scope 3 emissions by 2050.

While we are building our understanding of our Scope 3 emissions, we cannot verify our targets under SBTi. Nonetheless, we have aligned our targets to the guidance, with a view to reaffirming and verifying them once we have established our complete Scope 3 inventory.

Our targets cover all relevant GHGs, as per the Kyoto Protocol, and pertain to the emissions within our GHG inventory.

OUR NET ZERO PATHWAY



Our targets.



Short-term

Cross-sector absolute reduction

42% reduction across Scope 1 and Scope 2

Scope 1 and 2 absolute reductions of 42% by 2030 compared to base year of 2020, in line with a 1.5 °C pathway.

25% reduction across Scope 3

Scope 3 absolute reduction of 25% by 2030 compared to base year of 2020, in line with a well below 2°C pathway.

Intensity targets

51.6% reduction per CHFm

51.6% reduction per unit revenue (CHFm) by 2030, in line with a well below 2°C pathway.

Other targets

80 %-100% renewable electricity

Actively procure at least 80% certified renewable electricity by 2025 and 100% renewable electricity by 2030 in markets where this is available.



Long-term

Cross-sector absolute reduction

90% reduction across Scope 1, Scope 2, and Scope 3

Reduce absolute Scope 1, Scope 2, and Scope 3 emissions 90% by 2050.

Intensity targets

97% reduction per CHFm

97% reduction per unit revenue (CHFm) by 2050.

Other targets

Removal & Storage

Commit to counterbalance any residual emissions at this time through removals and storage (e.g., investment in long-term nature-based solutions to counterbalance GHG emissions with similar atmospheric lifespans, removal of carbon emissions with permanent geological storage).



Additional targets

Our other targets to help us reach a state of Net Zero:

Achieve Science Based Targets by 2026

Achieve verified Science Based Targets by 2026. To achieve this, we will need to ensure that we have assessed and quantified our complete Scope 3 inventory.

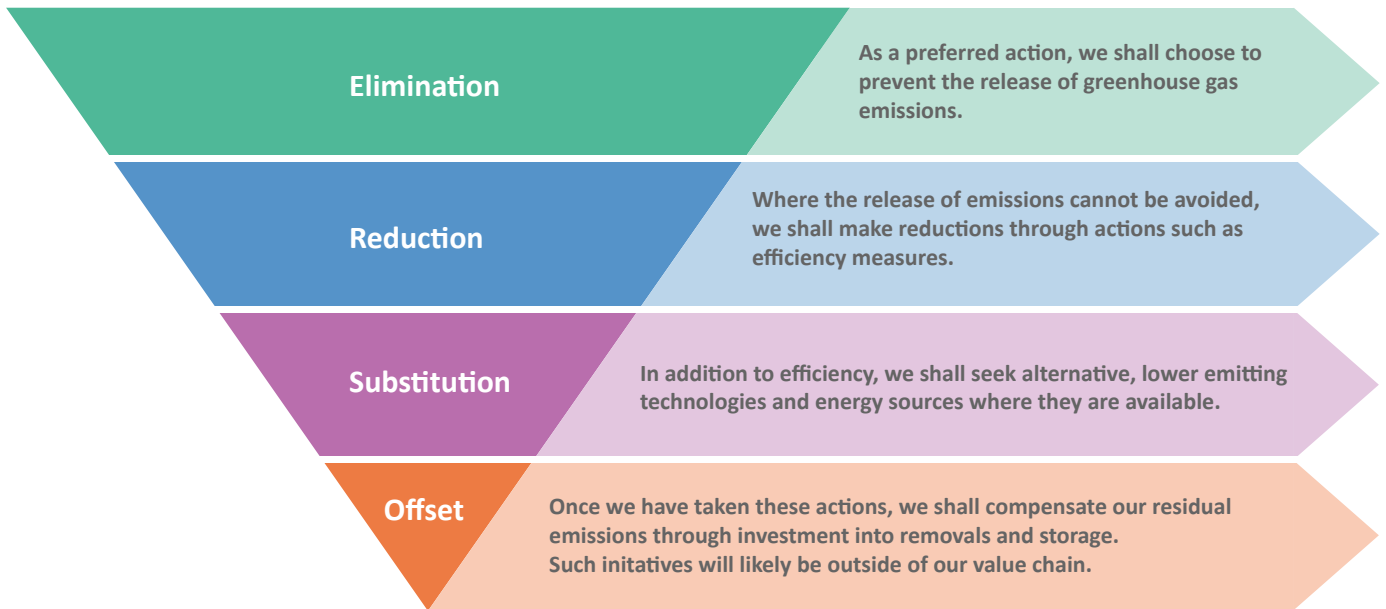
Engagement with 100% of major partners and customers

Engage with 100% of our strategic supply chain partners and major customers to communicate our Net Zero direction, understand where they are on their journeys to reduce emissions and mitigate climate change impact and promote decarbonisation progress, including where relevant, any opportunities to work together.

Our strategy.

It is important to integrate our Net Zero ambitions throughout the organisation by embedding these principles into our strategy and business decisions. We strive to make climate-informed decisions.

In general, we shall apply a GHG mitigation hierarchy to guide our journey towards Net Zero:



We aim to accelerate our journey and acknowledge that the nature of some of the steps we can take towards decarbonisation may not adhere strictly to this ranking.

As a principle, we do not want to hold back on the measures that are achievable now, in the interest of complying to our hierarchy.

Elimination

- Integrate climate considerations into all our strategic decisions to avoid the release of greenhouse gases, such as site location and selection.
- Continue to innovate and work with our markets to identify solutions that eliminate GHG emissions.
- Design out the associated GHG emissions, and improve the sustainability performance, of our packaging via our 'Sustainable Packaging Plan'.

Reduction

- Identify opportunities for energy efficiency measures that can be implemented. This shall be managed by ISO 50001 certified energy management systems.
- Implement the waste management hierarchy. This shall be driven through the ISO 14001 environmental management systems at all our major sites.
- Streamline our logistics operations to efficiently combine shipments and prioritize environmentally friendly transportation methods for shipping.

Substitution

- Conduct onsite renewable energy generation feasibility studies. Where feasible, install renewable energy generation capabilities to our existing sites.
- Look to switch to electric vehicles (EVs) when current leases end or when purchasing new vehicles for regions/use cases where it make sense.
- Assess the lifecycle of our products and to better understand their impacts and study where potential substitutions can be made.

Offset

- Neutralise our residual emissions by investing in certified GHG offsets or credits.
- Purchase high quality and credible offsets.
- Align any offsets to our business philosophy. We are proud to be a global company and we shall look to invest in initiatives that align with our principles and consider the geography of the projects.

Our internal stakeholders.

We are appointing a Net Zero Manager, who will be an integral part of our ESG SteerCo and report directly to our Head of Corporate Affairs and Sustainability. Our actions will span across all business areas and geographies, and each executive will oversee specific initiatives within their jurisdiction to ensure proper resource allocation, visibility and engagement. Net Zero Champions shall also be appointed at our major sites to drive these initiatives locally and support the role of leaders as ultimate champions and change agents.

We will rely on our employees to be successful in many of our initiatives and, therefore, we shall implement an engagement programme to socialise these principles, support change management, build awareness and understanding, garner support and buy-in and recognise progress and success. In this line, we recognise our employees are the most knowledgeable about our processes and procedures and we shall establish a feedback mechanism for opportunities or challenges that they identify.

Some decarbonisation opportunities have already been identified by our employees and sites are implementing their own initiatives and learning from the outcomes. We shall set up an information sharing network, to ensure that knowledge, lessons learned, and successes are not siloed and that our net zero champions can leverage the value of being part of a team to maximise learning, engagement, and impact.

Our external stakeholders.

At Datamars, we strive to make a positive impact beyond our company boundary and recognise that we can accelerate our progress by engaging with our value chain. We shall engage with our customers and suppliers to share our own direction and progress and to promote the development of their own decarbonisation strategies and encourage greener choices. We also aim to work with our customers and other market players to, where relevant, identify opportunities to work together towards a Net Zero planet.

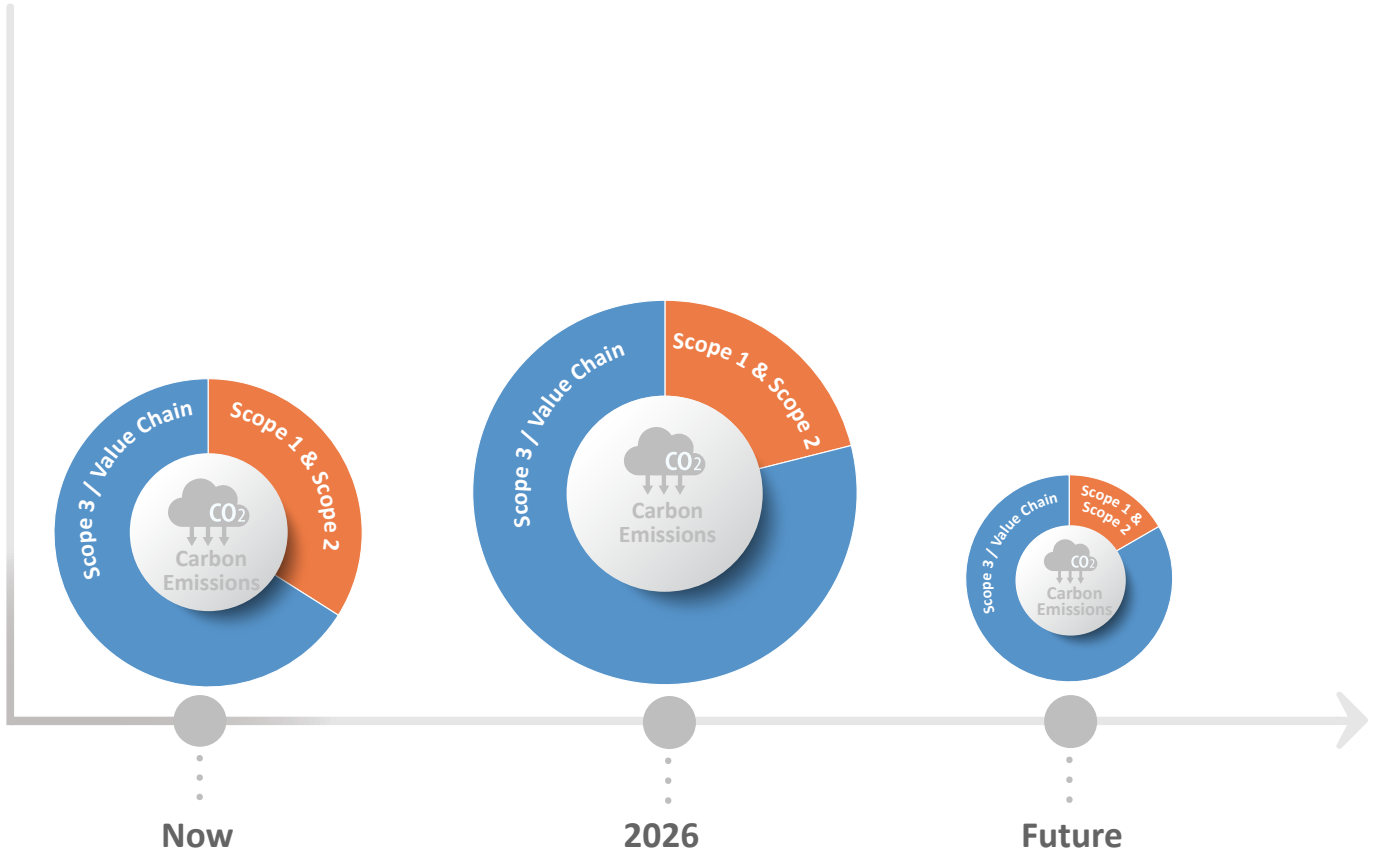
Many of our products are sold into a sector which have emissions that fall under the category of Forest, Land, and Agriculture (FLAG) related greenhouse gases and we shall continue to drive efficiency and sustainable resource use in agriculture with our product solutions as a primary strategic goal. We will continue to proactively participate in wider industry partnerships and associations that are working to accelerate sustainable agriculture.

We recognise that we can help drive improvements in our supply chain. We are therefore improving our Sustainable Procurement Policy and supplier questionnaires to include climate considerations and shall favour suppliers with good sustainability performance or a willingness to work with us towards a Net Zero planet, all else being equal.



Our quantified emissions.

At Datamars, we're taking action now to reduce our climate impact, even as we work to better understand our full Scope 3 emissions. We understand that our emissions may appear to increase in the short term to reflect the extended coverage and improved quantification of our GHG inventory.



Once we have established our Scope 3 footprint, we shall look to set specific targets for the different sources of emissions and track the relevant KPIs. In the meantime, we shall begin work to reduce our impact.

Maintaining our strategy.

We commit to assessing our climate impact annually and to reviewing our Net Zero strategy and underlying targets every two years or sooner.

Our plan.

We have summarised some of the key actions which will progress our journey towards a state of Net Zero in the table below.

Action	Scope(s)	Potential impact	2023	2024	2025	2026	2027	2028	2029	2030	2035	2040	2050
Governance													
Set out a governance structure to ensure effective implementation of our plan	Ancillary	Indirect											
Appoint a global Net Zero Manager and Net Zero Champions	Ancillary	Indirect											
Create a knowledge sharing network and forum to exchange positive initiatives across sites and promote cross-fertilisation	Ancillary	Indirect											
Strategy													
Understand our full baseline Scope 3 inventory	3	Indirect											
Achieve Science Based Targets certification	Ancillary	Indirect											
Impact, risk, and opportunity													
Continue to roll out ISO 14001 and ISO 50001 accreditation at all major sites	1 2	Moderate											
Conduct energy audits for all sites on a 3 year rolling scheme	1 2	Major											
Periodically assess the feasibility of installing on site renewables and install where feasible	2	Major											
Actively procure certified renewable energy for our purchased electricity	2	Major											
Adopt a waste management hierarchy and develop waste management practices which are tailored to our locations	3	Moderate											
Develop a set of considerations and criteria for site selection with greenhouse gases as one of the key considerations	1 2 3	Major											
Improve emissions associated with our movements by transition our fleet from petrol and diesel to electric vehicles, formalising business travel policies and focusing on employee commuting	1 2 3	Major											
Work with our suppliers and customers to optimise the movements of our products and supplies and achieve our goal of low carbon logistics	3	Moderate											
Explore and exploit opportunities to lower the greenhouse gas emissions associated with the lifecycle of our products	3	Moderate											
Develop and implement our packaging plan to reduce the associated carbon footprint	3	Moderate											
Drive improvements within our supply chain by progressively ramping up Net Zero expectations into our procurement processes	3	Moderate											
Neutralise our residual emissions by investing in certified GHG offsets or credits	Out of scope	Major											
Net Zero Management													
Conduct annual climate impact assessments for all sites	1 2 3	Indirect											
Review our strategy and underlying actions every 2 years or sooner	Ancillary	Major											



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