

For immediate release

Koehler Group Climate Strategy: A Coal-Free Future is Within Reach

- **Leading role in climate protection driven by the company's sense of responsibility to future generations**
- **Scope 1 fossil fuel emissions to be cut by 80% by 2030 and net-zero planned by 2045**
- **Feasibility study on replacing fossil natural gas with green hydrogen**

Oberkirch, Germany, 03/06/2024—The Koehler Group, a leading supplier of premium specialty paper and a pioneering planner and operator of renewable energy generation plants, has released its Climate Strategy 2030. As a family enterprise, the Koehler Group is focusing on the long-term future and the generations to come. By 2030, the company has therefore set itself the goal of generating more renewable energy from its own sources on a balance sheet basis than is required for its paper production operations. Direct Scope 1 fossil-based greenhouse gas emissions are expected to fall by 80% by 2030, before achieving net zero by 2045. The transformation process within the Koehler Group is in full swing and, although these targets are ambitious, they remain realistic.

Ambitious Climate Strategy Targets Already Underway

The United Nations (UN) has set out sustainable development targets in its 2030 Agenda. All members of the UN – 193 countries worldwide – have committed to implement these targets, known as SDGs (Sustainable Development Goals). The Koehler group, as a family business, firmly believes that it too has a role to play in meeting these targets. The Koehler Group's 2030 Sustainability Strategy sets out a plan to ensure all the financial, social, and environmental aspects of the Koehler Group come together to create a more sustainable future.

The newly published Climate Strategy is part of the "Visionary approach to climate protection" action area from the company's Sustainability Strategy and sets out a roadmap on how the Koehler Group plans to fully replace fossil fuels with renewable energy. Kai Furler, CEO of the Koehler Group, emphasizes: "As a family enterprise in its eighth generation, I regard it as my responsibility to ensure I hand over the company to the coming generation in a successful manner and that can only be achieved by using energy that doesn't come from fossil fuel sources." In 2022, around 60% of the Koehler Group's heating requirements and around 70% of electricity requirements for paper production were already met using renewable energy sources.

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Government Welcomes Koehler's Transformation Process: Already Well Underway

The family enterprise plans to reduce direct greenhouse gas emissions, known as Scope 1 emissions, by 80% by 2030 and achieve net zero by 2045. As such, substantial investments have already been made to help achieve this, with further investments planned for the future. The Koehler Group is already investing more than EUR 70 million in the renovation of its combined heat and power station in Oberkirch, which is being converted to run on biomass instead of coal. Just recently, Thekla Walker, Minister of the Environment, Climate Protection, and Energy of the State of Baden-Württemberg, personally visited the site to see the construction works for herself. She praised the vital transformation away from fossil fuels towards renewable energy that the Koehler Group is pressing ahead with. While other companies are still deliberating on their next steps, the Koehler Group is already forging ahead, with its transformation is well underway. For example, the decarbonization of the power plant in Oberkirch will save around 150,000 metric tons of direct CO₂ emissions each year, which will make a significant contribution to achieving the company's Scope 1 Climate Strategy goals.

Technology of the Future—Green Hydrogen to Replace Natural Gas

To date, the use of natural gas has played an important role in the production of paper as it is key to achieving the high temperatures required to dry the paper coating produced in the production process. Dr. Stefan Karrer, COO at the Koehler Group, on the plans to achieve the self-imposed Scope 1 targets: "By 2045, we want to be completely free from fossil fuels, which also includes natural gas. As such, we're currently running feasibility studies to determine if we can, for example, replace the natural gas that plays an important part in our paper production operations with sustainable green hydrogen." Green hydrogen is produced through electrolysis of water by using electricity that comes from renewable energy sources and is widely seen as a future technology for industrial applications.

Ambitious goals have also been defined in the Climate Strategy for indirect emissions. These targets aim to fully compensate for Scope 2 emissions, which relate to purchased energy, by the year 2030. In order to achieve this, the company is relying on the purchase of green electricity and using Guarantees of Origin for renewable energies. For example, only green energy from renewable power generation from hydropower in the Black Forest and wind power from the Netherlands is used at Production Line 8 at the Koehler Paper site in Kehl.

All other emissions along the value chain are covered by Scope 3. This includes greenhouse gas emissions from along the supply chain, such as in the production of raw materials or in the logistics chain, and the use and disposal of Koehler products. As these are not produced directly by Koehler, ensuring these are precisely recorded and reduced is significantly more challenging. Nevertheless, the company wants to make a contribution in this regard to help cut global emissions. Scope 3 emissions are therefore forecast to be cut by 20% by 2030, before falling by 25% by 2040.

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Figure: The Koehler Group's new wind farm in Wetzlar/Germany, which went into operation at the end of February, produces green electricity and makes an important contribution to the family enterprise's Climate Strategy targets. Source: Koehler Group



2030 Sustainability Strategy

With its Climate Strategy, the Koehler Group is helping achieve sustainable development goals in the area of climate and environmental protection. The Climate Strategy roadmap sets out how the company plans to fully replace fossil fuels with renewable energy.

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About the Koehler Group

The Koehler Group was founded in 1807 and has been family-run from that moment to the present day. The group's core business activity lies in the development and production of high-quality specialty paper. This includes—among others—thermal paper, playing card board, beverage coasters, fine paper, carbon-less paper, recycled paper, decor paper, wood pulp board, sublimation paper, and also innovative specialty paper for the packaging industry since 2019. In Germany, the Koehler Group employs around 2,500 people across five production sites, with three additional sites in the USA. The group operates internationally, with an export share of around 67% in 2022, and brings in an annual turnover of around 1.3 billion euros.

As an energy-intensive company, Koehler invests in renewable energy projects such as wind energy, hydropower, photovoltaics, and biomass with its Koehler Renewable Energy business unit. The Koehler Group has set a goal of producing more energy from renewable sources by 2030 than is required for its paper production operations.

With its Koehler Innovative Solutions division, Koehler is collaborating with start-ups to promote innovations in the core business segments “paper” and “renewable energy”.

Find more information at: <https://www.koehler.com>

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