

# Sustainability Report 2025



## Staying the course



## Global Sustainable Development Goals

We view our activities as a contribution to the 17 Global Sustainable Development Goals of the 2030 Agenda. In particular, we aim to contribute to the positive advancement of the following goals and will therefore continue to be guided by them in the future.

**GOAL 2:** End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

**GOAL 12:** Shift lifestyles and economic practices towards responsible consumption and production within the Earth's ecological limits

**GOAL 13:** Take urgent action to combat climate change and its impacts

**GOAL 15:** Protect, restore, and promote the sustainable use of terrestrial ecosystems; sustainably manage forests; combat desertification; halt and reverse land degradation; and halt biodiversity loss



## Content

Staying the course	Page	4
Company	Page	6
Growing Media	Page	10
Nature & climate protection	Page	24
Employees	Page	32
Reporting framework	Page	40

In memory of our esteemed colleague Josef Rehme, who played a key role in developing our sustainability management system since 2010.

# STAYING THE COURSE

## Sustainable Development at Klasmann-Deilmann

Since the onset of the COVID-19 pandemic in 2020, the world has been confronted with a series of crises that have taken on a global dimension and significantly increased the complexity of acting responsibly. These crises affect individuals and communities as well as politics and the economy. They reset their priorities - at least temporarily - to weather these challenging times with as little damage as possible. Against this backdrop, sustainability has lost significance worldwide.

The global commercial horticulture sector is also affected by these developments, and so is Klasmann-Deilmann. Measures to **SAFEGUARD** our economic viability, our supply chains, and our resources have gained significant importance and due to global developments increasingly shape both our day-to-day operations and our strategic direction.

Yet regardless of this, we intend to continue on the path of sustainable development.

Since 2010, we have worked with determination and significant investment to increase the share of renewable raw materials to **30% OF OUR TOTAL PRODUCTION** by 2025. We are proud to have achieved this goal. In total, we used an impressive **1.15 MILLION M<sup>3</sup>** of alternative raw materials during the reporting year, in particular wood fibres, green compost and cocos, as well as innovative raw materials such as sphagnum and biochar.

This means our activities are successful in an area where political and societal **EXPECTATIONS** of our company are particularly high: there is a demand for a transition from peat-based raw materials to renewable raw materials to the greatest extent possible. The goal is, above all, to significantly reduce the emissions burden from extraction sites and growing media.

We are making progress also in this regard. Between 2013 and 2025, we reduced the **PRODUCT CARBON FOOTPRINT** (cradle to grave) from 90.7 kg CO<sub>2</sub>e/m<sup>3</sup> to 60.9 kg CO<sub>2</sub>e/m<sup>3</sup>, a decrease of 33%. This reduction is in fact largely due to the increasing use of alternative raw materials. Nevertheless, since 2024 we have again seen a slight increase in our **CORPORATE CARBON FOOTPRINT** (cradle to customer), after our carbon footprint had been consistently declining between 2013 and 2023. The reason for this is our economic growth, which leads to higher resource consumption and increased transportation. However, we reduced our corporate carbon footprint by 12% between 2013 and 2025, while our sales volumes rose by 30% over the same period.

We are therefore on the right track.

At the same time, we do not expect to achieve the **CLIMATE NEUTRALITY** that the European Union has set as a goal for 2050, either at the product level or at the corporate level. The use of alternative raw materials instead of peat does not in any way result in a **NET-ZERO SUBSTRATE**. Nor are our extensive projects on product-inherent carbon removal - which, among other things, were intended to significantly reduce our corporate carbon footprint - recognized by the relevant guidelines. Nevertheless, in combination with the purchase of an official CO<sub>2</sub> certificate, we can now offer our customers climate-neutral growing media.

To continue on this path and achieve both major and minor progress in climate protection in the **FUTURE**, we will pursue various approaches:

- We aim to increase the share of alternative raw materials to **50% OF OUR TOTAL PRODUCTION BY 2030**, thereby pursuing an ambitious growth program, though not a definitive peat phase-out scenario.
- We will continue to gear our production towards utilising **LOCALLY AVAILABLE GREEN WASTE STREAMS** in our markets and avoiding long transport distances.
- We will continue our research and development projects on the protected cultivation of **SPHAGNUM** and further scale up cultivation areas to increase the use of a raw material that is sustainable in the best sense of the word and at the same time owns the beneficial properties of peat in additional application areas.
- With regard to our **SCOPE 3 EMISSIONS**, we are in dialog with our business partners to drive the development of new technologies and products aimed at reducing our environmental impact.

In addition, we are advancing the transformation of our company in other key areas. Among our **INNOVATIONS**, the “Growbag” leads to higher yields in fruit and vegetable cultivation; the “Growcoon” ensures greater efficiency in high-tech operations and hydroponic systems; and with our innovative and patented “Rootixx” technology, we are bringing a propagation solution to market readiness that will eliminate the need for peat in the particularly challenging field of young plant production. The digitalization of our processes is also well advanced, and our first AI projects are proceeding successfully. Our human resources management has reached a high standard and helps us attract the right employees, retain our colleagues, advance their personal and professional development, and achieve success together.

This corporate development requires significant financial investment, the careful integration of new business units, the restructuring of our production facilities, an ongoing revision of our product portfolio, and a high level of personal commitment from our teams. Despite the necessary pace, we will continue to take all further steps on the path to **TRANSFORMATION** with the requisite prudence to ensure the long-term success of our company, including the necessary change processes.



Overall, Klasmann-Deilmann has weathered the turbulence associated with the crises of recent years very well. Our company’s business model is robust, our financial position remains stable, we are making progress with the transformation, and our sustainable development is showing progress. Against this backdrop, we will confidently continue on the path we have chosen.

We look forward to your feedback on our activities as well as on the 2025 Sustainability Report and hope to continue our dialog.

Geeste, June 2026

**DAMIAN IKEMANN & JAN ASTRUP**

Managing Directors Klasmann-Deilmann Group

# COMPANY

## Overview

Klasmann-Deilmann is one of the leading **GROUPS OF COMPANIES** in the international growing media industry, with numerous sales and production subsidiaries in Europe, Asia, and the Americas, as well as a network of sales and production partners across five continents. Our growing media form the essential foundation for the **GROWTH** of vegetables, fruits, edible mushrooms, herbs, ornamental plants, trees, and shrubs everywhere. They ensure the success of our partners and customers in commercial horticulture and are an essential component of the food industry's value chain.

Our product portfolio includes, in particular, **GROWING MEDIA** for commercial horticulture and the production of potting soils on behalf of third parties. We use white and black peat from our own and external sources, produce wood fibres and perlite at our own facilities, and source green compost, bark and cocos through our affiliated partner companies. We are currently establishing our biochar TerraCoal as a horticulturally valuable, volume-enhancing, and low-emission raw material. In addition, we distribute innovative **SYSTEM SOLUTIONS** such as the biodegradable growing plug Growcoon. The innovative and patented 'Rootix' gel-plug technology for growing young plants is currently in development. We offer our Sphaxx peat mosses, grown in our own greenhouses, for specialized horticultural applications and for the accelerated restoration of peatland soils.

We take **RESPONSIBILITY** for people, the environment, and future generations. We measure our performance against internationally recognized standards. The Regeling Handels Potgronden (RHP) monitors our raw materials and production processes. Our quality management system is certified to ISO 9001, and our environmental management system is certified to ISO 14001. We manage our peat extraction sites in accordance with the guidelines of the NGO Responsibly Produced Peat (RPP). We restore former extraction sites in accordance with legal and regulatory requirements, primarily through rewetting.

The **STRATEGIC DIRECTION** of our medium-sized family business extends far into the future. In commercial horticulture, we aim to remain the most successful and sustainable producer of growing media. To this end, we invest globally in securing renewable resources, expand our lead in the development and use of renewable raw materials, reduce the emissions of our products, and advance the production of net-zero growing media in connection with TerraCoal biochar. In addition, we are gradually adapting our production facilities to make greater use of locally available raw materials worldwide, partly to reduce our emissions from fossil fuels and transport.

The backbone of all our activities is our **EMPLOYEES** around the world. Their expertise and commitment are key drivers of our company's sustainable development, customer satisfaction, and economic growth. We support them in their professional lives and value their strong connection to our company.

Our **COMPANY HISTORY** dates back to 1913, when Georg Klasmann founded Heseper Torfwerk GmbH, which was renamed Klasmann Werke GmbH in 1971. The later C. Deilmann AG, founded as early as 1888, began producing peat in 1920. In the early decades, Klasmann primarily produced bedding for horse stables and energy peat, and built its own peat-fired power plant. From the late 1950s onward, Klasmann and Deilmann increasingly focused on the production of growing media for commercial horticulture and began developing black peat-based pressed potting mixes in 1974, particularly for the food industry. The merger of Klasmann and Deilmann in 1990 gave rise to Klasmann-Deilmann GmbH, which acquired extensive raw material reserves in Germany, Ireland, Lithuania, and Latvia and invested in modern substrate factories at central

locations. At the same time, subsidiaries were established in key European countries as well as in the Asia-Pacific region and North America to ensure a local market presence. In addition, a network of distribution partners was created that now spans the globe.

LEAD COMPANY			
Klasmann-Deilmann GmbH			
PRODUCTION		SERVICE	
Klasmann-Deilmann Produktionsgesellschaft Nord mbH	DE	Klasmann-Deilmann Service GmbH	DE
Klasmann-Deilmann Produktionsgesellschaft Süd mbH	DE		
Schwegermoor GmbH	DE	SALES	
UAB Klasmann-Deilmann Silute	LT	Klasmann-Deilmann Europe GmbH	DE
UAB Klasmann-Deilmann Laukesa	LT	Klasmann-Deilmann Asia Pacific Pte. Ltd.	SG
UAB Klasmann-Deilmann Ezerelis	LT	Klasmann-Deilmann Americas Inc.	US
Klasmann-Deilmann Latvia SIA	LV	Klasmann-Deilmann France S.A.R.L.	FR
Klasmann-Deilmann Ireland Ltd.	IE	Klasmann-Deilmann Benelux B.V.	NL
Klasmann-Deilmann Potgrondcentrum B. V.	NL	Klasmann-Deilmann Belgium N.V.	BE
Klasmann-Deilmann Brugge N.V.	BE	Klasmann-Deilmann Austria GmbH	AT
UAB Klasmann-Deilmann Bioenergy	LT	Klasmann-Deilmann Italia S.R.L.	IT
Bol Peat B.V.	NL	Klasmann-Deilmann Polska sp. z o.o.	PL
Bol Peat GmbH	DE	Klasmann-Deilmann Japan Co. Ltd.	JP
Australian Growing Solutions Pty. Ltd.	AU		
Velocigro Inc.	US		
Olde Bolhaar Eco-Service GmbH (Share 50%)	DE		
Olde Bolhaar Eco-Service B. V. (Share 50%)	NL		

## Organization

The lead company of our group is Klasmann-Deilmann GmbH, which performs strategic and management functions for all affiliated subsidiaries. The company is headquartered in 49744 Geeste, Germany. Klasmann-Deilmann Service GmbH, located at the same site, is our internationally oriented service company with operational, commercial, and consulting functions in the areas of finance, greenhouses, laboratories, logistics, human resources, product development, customer service, and sales. All other subsidiaries are divided into production and sales companies.

In 2025, we acquired the US start-up Velocigro, along with its patented “Rootix” gel plug technology.

In addition, we are responsible for the operational part of the Dutch company Shakti Cocos B.V., including the exclusive international distribution rights, the “Shakti Cocos” brand, and the patent for the buffered coco fibre “Shakti Amla®”. Shakti Cocos B.V. remains an independent company.

The “Growcoon” is a product of the Dutch company Maan Biobased Products. Klasmann-Deilmann is responsible for the international distribution of the biodegradable net pot.

We have transferred the operational business of our sales company in China to Klasmann-Deilmann Asia-Pacific. Since the end of 2025, Klasmann-Deilmann China has been performing solely administrative tasks. In 2026, we will largely phase out our activities involving renewable raw materials for the energy sector in the Baltic region.

## Shareholders, Supervisory Board, Managing Directors

Shareholders of the Klasmann-Deilmann GmbH are

- Deilmann-Montan GmbH, Bad Bentheim, with a share of 57.5%
- Klasmann Anlage- und Verwaltungs GmbH & Co. KG, Meppen, with a share of 42.5%

The Shareholders appoint the Supervisory Board of Klasmann-Deilmann GmbH. Carl-Gerrit Deilmann has served as Chairman of the Supervisory Board since 2007.

Damian Ikemann joined our company as Managing Director in 2024, and Jan Astrup has served as Managing Director since May 2026. He succeeds Managing Director Moritz Böcking, who left the company in April 2026.

The Managing Directors of Klasmann-Deilmann GmbH coordinate major business developments - particularly with regard to their strategic, economic, environmental, and social impacts - with the Supervisory Board. The highest operational decision-making body of our company is the Board of Directors, comprising Managing Directors Jan Astrup and Damian Ikemann, as well as Dr Sebastian Kipp (Director Innovation), Dirk Sajogo (Director HR & Legal), and Janis Schwindeler (Director Operations).

## Key performance indicators 2013-2025

Selected key figures provide insight into our company's sustainable development. In addition to key financial metrics, our raw materials operations and efforts to reduce emissions are particularly important for assessing our activities. All figures provided refer to the Klasmann-Deilmann Group, including all subsidiaries. The audited financial statements of Klasmann-Deilmann GmbH are regularly published on the website of the German Commercial Register.

	2025	2023	2020	2018	2016	2013
<b>REVENUES IN MILLION EUR</b>	322.2	281.9	226.8	219.5	185.6	160.1
<b>GROWING MEDIA SALES IN TM<sup>3</sup></b>						
– Commercial horticulture	3,808	3,412	3,681	3,599	3,161	2,943
– Consumer segment	383	339	511	469	402	179
<b>RAW MATERIALS IN TM<sup>3</sup></b>						
– Peat harvesting	1,933	2,313	2,972	4,126	2,887	3,683
– Alternative raw materials use	1,147	939	613	457	301	131
<b>SHARE OF ALTERNATIVE RAW MATERIALS IN TOTAL PRODUCTION IN %</b>	30.0	27.0	14.8	11.5	8.5	4.0
<b>REWETTING AREAS CUMULATIVE IN HA</b>	5,136	4,916	3,836	3,503	3,388	2,704
<b>EMISSIONS</b>						
– Corporate Carbon Footprint in t CO <sub>2</sub> e	258,177	239,736	263,816	300,006	295,452	294,561
– Average pro m <sup>3</sup> substrate in kg CO <sub>2</sub> e	60.9	63.9	61.2	71.9	82.9	90.7
<b>SCOPES</b>						
– Scope 1	68,673	81,906	114,203	148,439	154,213	172,307
– Scope 2	5,543	5,059	2,890	4,018	3,570	4,319
– Scope 3	183,962	152,771	146,722	147,549	137,669	117,935
<b>EMPLOYEES</b>						
– Full Time Equivalent	949	966	907	1,041	938	915
– Health rate in %	95.0	94.2	94.6	94.7	96.0	95.1

# GROWING MEDIA

## Overview

Cultivated plants are an integral part of everyday life. Vegetables, fruits, herbs, microgreens, and edible mushrooms are becoming increasingly important as more and more people make conscious dietary choices. Ornamental plants, shrubs, and trees create green oases in both private and public spaces and contribute to the well-being of many people. Nursery plants play a vital role in reforestation projects and are also of great importance for climate protection. Horticultural businesses around the world ensure the reliable growth of ornamental and nursery plants and secure the supply of healthy food.

At the same time, horticulture and agriculture face major challenges as the global population grows and soils are severely degraded by climate change and intensive use. In the future, it will therefore be even more critical than before for nurseries to achieve higher yields and larger harvests. Our growing media make a key contribution to reliable growth and efficient crop management; like seeds and fertilizers, they are among the essential inputs for nurseries.



A growing medium is created when raw materials like peat, green compost, wood fibres, cocos, and perlite are enriched with lime, fertilizers, and additives such as sand or clay. Organic and mineral fertilizers ensure that plants receive a targeted supply of all nutrients and trace elements. The addition of lime regulates the pH level in the substrate.

We manufacture our growing media in our own production facilities, which are equipped with modern technical systems. We have access to a range of approximately 150 different peat raw materials, alternative raw materials, aggregates, fertilizers, and additives. In total, we run more than 10,000 actively used substrate recipes, tailored to individual crops, specific cultivation methods, and accompanying geographical and climatic conditions. We address the resulting complexity of production processes through digital recipe management, which – among other – aims to reduce the number of substrate mixtures wherever possible without causing disadvantages for nurseries.

## Raw materials

Since the late 1950s, raised bog peat has been the most important raw material for the production of growing media and has proven itself thoroughly in modern horticulture. Peat is the only raw material that possesses all the physical, chemical, and biological properties required for commercial horticulture. For reasons of nature conservation and climate protection, peat is now increasingly being replaced by alternative raw materials. Renewable raw materials such as wood fibres, green compost, cocos, and bark are the way of the future, as they do not require intervention in nature and generate less CO<sub>2</sub>.

Our company has increased the share of alternative raw materials to 1,150,000 m<sup>3</sup> by 2025, representing 30% of total production volume. By 2030, we aim to reach a 50% share. This is an ambitious goal with a massive impact on our product development, customer consulting, resource security, and investments:

Thus, our product development team faces the task of continuously refining thousands of substrate recipes and constantly pushing the boundaries of what is possible.

At the same time, the use of substrates with increasing proportions of alternative raw materials requires horticultural businesses to make a careful transition in their cultivation practices to minimize the risk of crop failure. As a general rule, irrigation and fertilization must be adapted to the crops. This adaptation process takes time, during which we work closely with each individual customer.

While operations in the ornamental plant and tree nursery sectors can use up to 50% of alternatives in the substrate, lower proportions are likely to persist in the food industry even in the long term. This is due to the specific requirements for raw materials, for example in the cultivation of vegetable seedlings. Here, crop reliability carries additional weight to ensure a secure supply of healthy food.

In some regions of the world, numerous nurseries still wish to source solely pure peat-based growing media. Aspects of nature and climate protection are of secondary importance in this context. We address this in particular through our “Advanced” product line, with which we have made proven hybrid substrates the core of our range, completely eliminating 100% peat products. At the same time, we are stepping up our sales activities through the ongoing expansion of our consultancy and expert teams, as commercial growers in many countries still need detailed advice on the properties of the new generation of substrates.

Securing resources and converting our factories and production lines involve significant costs - including financial and personnel expenses. Through acquisitions and partnerships, we are increasing the available quantities of alternative raw materials every year.

It is questionable whether sufficient alternative raw materials are available to enable the entire substrate industry to make the switch. For instance, the decline in the use of peat in potting soils for the consumer sector is already leading to a significant rise in demand for alternatives, which are consequently not available to the commercial horticulture sector. Furthermore, competition with other sectors remains, particularly with the renewable energy sector, which also relies on wood and green waste. Consequently, prices for renewable raw materials are rising, hampering further development in the field of growing media.

Regardless of the many challenges, we will continue to push forward with the use of alternative raw materials at full speed, without committing prematurely to overly ambitious peat phase-out scenarios. Our priority remains the reliable supply of crop-safe substrates to our customers, containing as little peat as necessary and as many alternatives as possible.

## Production sites

	RAW MATERIAL PRODUCTION					SUBSTRATE PRODUCTION
	PEAT	COMPOST	WOOD FIBRES	PERLITE	PEAT PROCESSING	
Klasmann-Deilmann Produktionsgesellschaft Nord			•		•	•
Klasmann-Deilmann Produktionsgesellschaft Süd			•		•	•
Schwegermoor	•	•	•		•	•
Klasmann-Deilmann Silute	•		•	•	•	•
Klasmann-Deilmann Laukesa	•					
Klasmann-Deilmann Ezerelis	•					
Klasmann-Deilmann Latvia	•					
Klasmann-Deilmann Ireland		•	•		•	•
Klasmann-Deilmann Potgrondcentrum			•		•	•
Klasmann-Deilmann Brugge					•	•
Bol Peat					•	
Australian Growing Solutions			•			•
Olde Bolhaar Eco-Service		•	•			•

As part of the decentralization process, we are transferring substrate production in selected markets to independent production partners who produce growing media on our behalf and according to our specifications. As of August 1, 2024, these are

- Méditourbe SASU, Port-Saint-Louis-du-Rhône, France
- Lasland sp. z o.o., Grady, Poland
- SIA Unguri, Unguri, Latvia
- Juniper Organics Ltd., New Brunswick, Canada
- Kabushikaisha Ogaki Engei, Kanuma City, Japan
- Guangdong Weisheng-Lesso Technology Co. Ltd., Foshan City, Guangdong, China
- Zhongqi Like Biotechnology Co. Ltd., Shouguang City, Shandong, China

## Why growing media?

### GROWING MEDIA ARE PRECISELY TAILORED TO

- the needs of the respective plant
- the climatic and geographical conditions of the nurseries
- the cultivation method used

### GROWING MEDIA

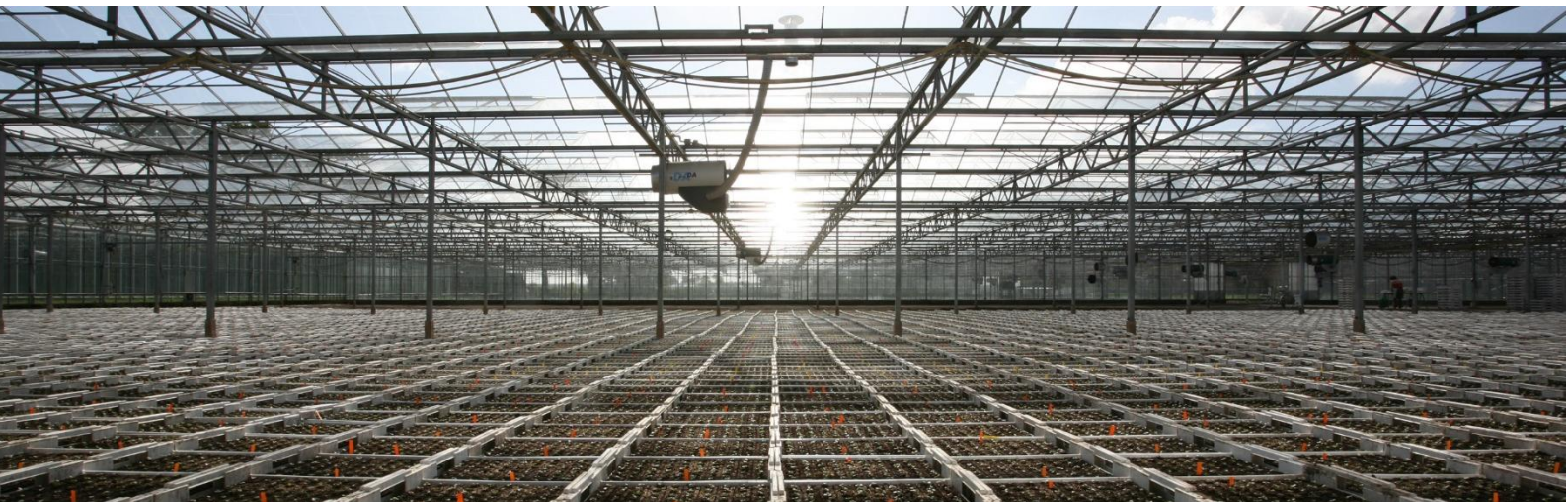
- provide support for the roots
- support the natural interaction between plant roots and beneficial microorganisms
- ensure a uniform pH value in the root zone
- enable targeted cultivation

### GROWING MEDIA STORE

- air
  - water
  - nutrients
- and thus supply the plant

### GROWING MEDIA

- have recipes precisely tailored to the plant species
- are made from natural raw materials such as peat, wood fibres, green compost, coco, pine bark, etc.
- contain lime, sand, various clays and mineral and organic fertilizers, depending on the plant's requirements



## Why peat?

### PHYSICAL PROPERTIES

- High structural stability
- Optimum ratio between air and water capacity
- Good wettability

### CHEMICAL PROPERTIES

- Optimum pH value
- Optimum nutrient content
- Good buffering of nutrients
- Free from harmful substances

### BIOLOGICAL PROPERTIES

- Largely free of weed seeds
- Free from pathogens

### ECONOMIC PROPERTIES

- Long-term availability
- Consistent properties
- Quality meets the horticultural requirements of the various plants

## Why wood fibres?

### THE WOOD FIBRE GREENFIBRE®

- supports healthy, rapid root development
- optimizes the drainage capacity
- increases air capacity and ensures long-term structural stability
- ensures uncomplicated refertilization of crops due to the stable nitrogen balance
- reduces transportation costs due to the lower total weight of the substrate
- complies with Regulation (EC) No. 834/2007 and Implementing Regulation (EC) No. 889/2008, Annex I when used in substrates for organic cultivation

## Why perlite?

**PERLITE** which is produced from volcanic silicate rock

- supports the structural stability of a substrate
- optimizes the air capacity and drainage
- is chemically neutral and does not affect the fertilization of plants
- proves to be ideal in substrates for sowing and propagating cuttings
- reduces the substrate weight and thus contributes to the optimization of transport

## Why green compost?

### THE GREEN COMPOST TERRAKTIV®

- is biologically active
- suppresses root diseases
- improves the shelf life of potted herbs
- is quality assured
- serves as a slow-flowing source of nutrients
- has a high buffering capacity
- improves rewettability
- promotes the conversion of organic fertilizers

### THE WOOD FIBRE COMPOST MIXTURE TERRAKTIV® FT

- is nitrogen-stable
- increases the air capacity in press pots
- optimizes germination and plant development
- enables a peat replacement of up to 50% in combination with other raw materials
- reduces the risk of excessive ammonium supply in seedlings

## Why coco?

Made from the residues of the coconut, the substrate component

- **COCO FIBRE** supports water absorption in substrate mixtures made from various raw materials
- **COCO FIBRE** optimizes water transport in the root zone and increase the structural stability and air capacity of the substrate
- **COCO PITH** is considered a direct substitute for peat up to a certain proportion of the mixture
- **COCO PITH** and **COCO FIBRE** can be used for organic cultivation, provided they are organically grown

## Requirements for an alternative raw material

### AVAILABILITY

A raw material is considered available if

- sufficient usable quantities can be supplied at any time
- the usable quantities required for continuous production can be secured through supply contracts
- the distance between the resource and the production site is reasonable, and the raw material-related benefits are not offset by transportation costs and emissions
- its price is competitive and fits within the overall cost/price structure of the substrate industry and commercial horticulture

### CROP SECURITY

A raw material contributes to the crop security of a substrate if

- it reliably and consistently achieves the intended cultivation results
- it poses no disadvantages for plants, beneficial organisms, humans, nurseries, or the soil
- it exhibits some of the beneficial properties of peat
- it does not lead to complaints or defective batches



### SUSTAINABILITY

A raw material is considered gradually sustainable if

- it causes the lowest possible emissions
- it has a low specific weight to minimize subsequent transport emissions
- no forests are overharvested or even cleared for its production
- its production and use do not damage soils or other natural habitats
- children's and workers' rights are fully guaranteed during its production

### CONSENSUS

The transition to peat-reduced substrates is successful when

- the horticultural business, substrate manufacturer, and other suppliers work together on the transition
- the substrate producer can offer a product whose quality they themselves are convinced of
- the horticultural business adapts its operational processes to the substrate's properties
- the horticultural business achieves reliable cultivation results with this product

## Quality assurance

It is of central importance for our customers and for us to ensure that the raw materials required for substrate production, such as peat, wood fibres, green compost, coir or perlite, meet the highest production and product standards in terms of functionality and impact on health and safety. We therefore continuously test proven and new raw materials for substrate suitability. We test their physical, chemical and biological properties and subject them to vegetation trials. This also applies to our own solutions for fertilizer formulations, wetting agents and other additives.

In order to guarantee impeccable quality in every case, we have our raw materials - including suppliers where applicable - inspected in accordance with the specifications of the Dutch “Regeling Handels Potgronden” (RHP). The assessment criteria applied here are among the strictest in the world. The RHP’s quality assurance covers all the peat raw materials we use, the “TerrAktiv” green compost, the “GreenFibre” wood fibre and our Shakti-Cocos products. In addition, the production sites in Germany, Ireland, Lithuania, Belgium and the Netherlands are RHP-certified, and a large proportion of the substrate volumes marketed from these production sites are also subject to inspection in accordance with RHP standards. Our sites in Latvia will be added by the end of 2026.



Klasmann-Deilmann GmbH has been certified to **ISO 9001** since 1998 and to **ISO 14001** since 2008. Since then, both certificates have been confirmed at each regular audit. Our quality management currently complies with ISO 9001:2015 and our environmental management with ISO 14001:2015.

The majority of our peat extraction areas are managed in accordance with the guidelines of the non-governmental organization “Responsible Produced Peat” (RPP). By the end of 2025, 94% of the total extraction area was certified according to RPP. This means that also 97% of extraction volumes came from RPP-certified areas.

Complaints in connection with the production or use of peat and alternative raw materials are dealt with as part of our differentiated complaints management system, which is a prerequisite for our ISO 9001 and ISO 14001 certifications, among other things.

## Product responsibility

All our products are produced to the highest industry standards. One hundred percent of products and services are subject to industry-standard health and safety testing to identify additional potential for improvement. In addition to our own raw materials, we only use products that meet RHP standards when selecting purchased raw materials and additives.

The labelling of our products and the ingredients we use on packaging and delivery bills always complies with the current requirements of the respective recipient country. We are also closely monitoring the requirements of the EU's "Empowering Consumers" (EmpCo) Directive and are implementing the necessary changes to our B2C products.

As substrates usually have high weights due to their raw materials, we also offer smaller and therefore lighter packaging sizes in the consumer sector. With our 210-liter bales, we have also developed a packaging size for commercial horticulture that is significantly lighter than other standard packaging units. These bales are often exported to countries where they are still transported and processed by hand.

We determine the filling quantities of our substrate containers and the delivery quantities of loose substrates on the basis of the applicable legal requirements using calibrated measuring instruments and the methodology described in EN 12580. The responsible office of the "Mess- und Eichwesen Niedersachsen" (MEN) carries out independent tests of the filling quantities at the German production sites at regular intervals. In addition, Klasmann-Deilmann has committed itself to voluntary self-monitoring of filling quantities, which is the result of a joint initiative between the German "Industrieverband Garten" (IVG) and German substrate producers.

## Water

The production of growing media does not require exceptionally large quantities of water, meaning that consumption in the context of production is of secondary importance for our sustainability activities. Nevertheless, our use of water complies with the applicable legal provisions and is designed to minimize consumption and ensure environmentally friendly use.

However, it is worth noting the impact on the water balance of our peat extraction areas, which consist exclusively of degraded bog soils. The peat mosses that form the peat body can absorb many times their own weight in water. Through drainage before and during the peat extraction phase, stored water is diverted via a system of ditches and ultimately flows into rivers, canals, or natural water bodies. In doing so, we strictly adhere to applicable regulations and coordinate closely with the relevant permitting authorities. As part of the restoration process, a large portion of the former extraction sites is rewetted. In this way, they gradually regain their function as water reservoirs.

## Packaging

The packaging for our growing media is mainly made from petroleum-based granulates. The films produced from these must be puncture and tear resistant, support fast and stable weld seams, run smoothly through machines and on conveyor belts and at the same time enable high print quality. The further development of raw materials by our suppliers opens up opportunities to save packaging material without any loss of quality. For packaging substrates in 70 L bags, we now use films with a thickness of 70  $\mu$  instead of the 90  $\mu$  previously used. We were able to reduce the film thickness for 210 L bales from 120  $\mu$  to 110  $\mu$ . Many films also consist of 30% recyclates.

We are well prepared for the first phase of the European Union's Packaging and Packaging Waste Regulation - to the extent that the remaining legal ambiguities allow. The conformity assessment is underway; our substrate packaging already contains a high percentage of post-consumer recycled (PCR) material, and there is no empty space in our packaging. The issue of recyclability itself has not yet been definitively defined, and there are currently no promising approaches for 100% recycling. However, we are in constant communication with our suppliers, who are working diligently to find solutions.

In addition to their technical suitability, we are also testing the economic, ecological and social compatibility of innovative materials that are currently being developed, e.g. from renewable raw materials. For example, it would be unacceptable if agricultural land were to be cultivated for the production of packaging materials instead of being made available to the food industry. With this in mind, there is currently no alternative raw material that meets the requirements for our packaging. However, we will continue to closely work with our suppliers to find sustainable solutions.

## Disposal

There are no functioning recycling concepts for our products and packaging. In many cases, plants together with our growing media are planted out in a field or garden, where they continue to grow and the substrate makes a lasting contribution to improving the soil. Other substrates are disposed of when the plant's life cycle ends. In the best case, both are then composted as green residues or organic waste. In the more likely international scenario, the plant and substrate are disposed of as waste. Our packaging is disposed of in accordance with local regulations.

Returning packaging and substrate residues or passing them on for professional recycling would involve a disproportionate amount of effort, high costs and additional emissions from transportation. We see this situation as an ongoing challenge. We are pursuing solutions by

- reducing the film thickness for our packaging
- larger packaging units that require less packaging than smaller units
- the delivery of unpackaged goods, which is particularly possible for customers in the vicinity of our production facilities

Klasmann-Deilmann does not produce any hazardous waste, harmful substances or significant quantities of waste water.

## Product lines

We have divided the entire range of our growing media for commercial horticulture and the end consumer segment into product lines according to the various customer groups:

- “**ADVANCED SUBSTRATES**” form our international core range, which exclusively includes substrate mixes with a higher proportion of alternative raw materials.
- “**PROLINE**” comprises our substrates for organic horticulture, which comply with the guidelines and requirements of the growers' associations in Germany, Austria and Switzerland. ProLine substrates are tested and certified by the international inspection body Ecocert® in accordance with the EU Organic Regulation.
- For the end consumer segment, we mainly produce high-quality substrates on behalf of third parties. We have been selling our own potting and planting soils under the “**FLORABELLA**” brand since 1957.
- Since 1971, “**NEUHAUS SUBSTRATES**” have formed a range of selected growing media that have a regular customer base, particularly in Mediterranean markets.

## Brands

<b>K SUBSTRATES</b>	<b>K RAW MATERIALS</b>	<b>K INNOVATION</b>
<b>K</b> Advanced	<b>K</b> Peat	<b>K</b> <b>Growcoon</b> <small>EXCELLENT GROWTH</small>
<b>K</b> ProLine	<b>K</b> GreenFibre*	<b>K</b> <b>Sphaxx</b>
<b>K</b> Neuhaus	<b>K</b> TerrAktiv*	<b>K</b> Rootixx
<b>K</b> Florabella*	<b>K</b> Containermulch	<b>K</b> <b>nygaia</b>
<b>K</b> <b>GROWBAG</b> ®	<b>K</b> Cocos	
	<b>K</b> Perlite	
	<b>K</b> Sphagnum	
	<b>K</b> TerraCoal*	

## Growing solutions

In addition to our substrate products, we develop and market horticultural solutions that are primarily designed for specific crops and cultivation methods:

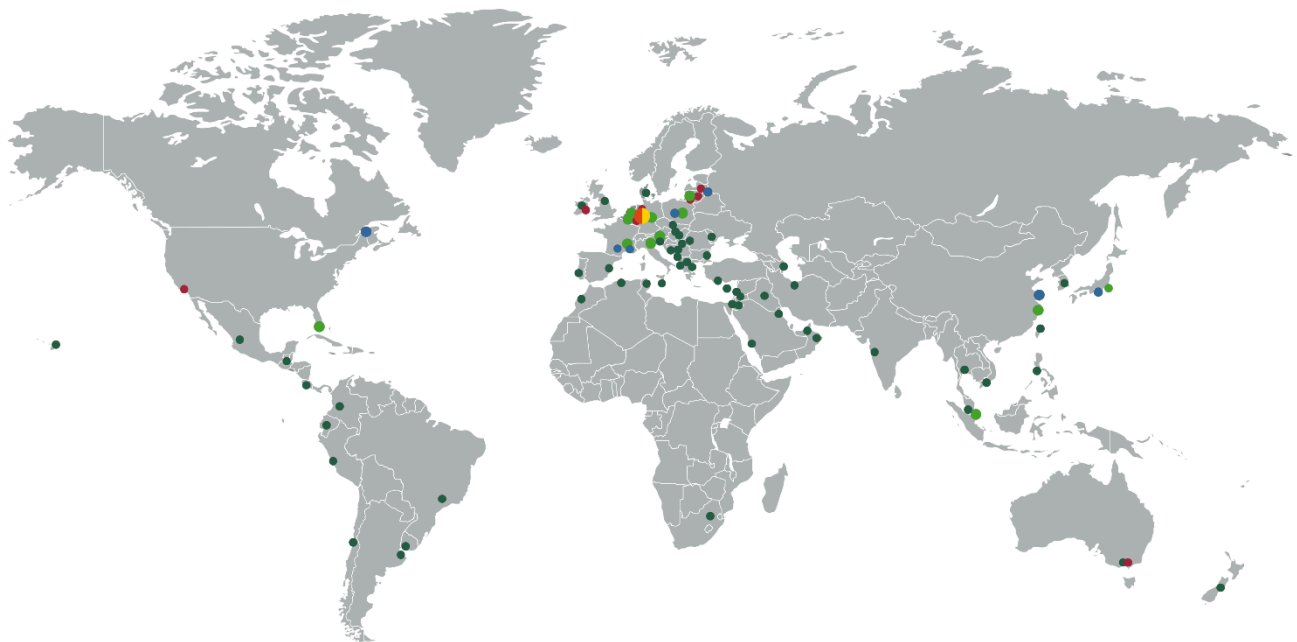
- The **GROWCOON** is a biodegradable net pot that forms a stable root ball in combination with a growing medium and the roots of a plant. Less substrate is required, the plant can be moved more easily during cultivation and cultivation times are shortened. In addition, the Growcoon replaces traditional plastic pots, thereby conserving resources and reducing waste.
- **GROWBAGS** are a globally established packaging unit for certain cultivation methods in the vegetable and soft fruit sectors. Our growbags are distinguished by substrate mixtures based on wood and without peat.
- **SPHAXX** stands for cultivated peat moss, which is used as a high-end product for growing sophisticated plants.
- **ROOTIX** is a patented gel plug technology designed specifically for the propagation of young plants, and is made from environmentally and climate-friendly raw materials.

## Innovation management

Systematic and cross-functional innovation management is of central importance to the long-term success of our company. In product development in particular, teams are regularly formed to work closely with universities, research institutes, and suppliers to carry out joint research projects. The goal is to develop raw materials as well as growing media and systems that meet sustainability criteria while adhering to established horticultural standards. A key foundation for these projects is the application-oriented dialog with commercial horticulture. We take our customers' ideas and requirements and develop them into product solutions designed for long-term benefit that deliver tangible advantages to growers. In addition, we continuously monitor the technical fringes of other industries and the startup scene to secure early access to innovations through mergers and acquisitions.

## Sales structure

Our sales of growing media covered more than 100 countries worldwide in the reporting period. In the majority of markets, we supply independent sales partners with whom we have long-term contracts and who are exclusively responsible for local sales. In central sales markets, our own subsidiaries are in charge for sales and support for sales partners.



**Lead company** | **Service company**  
**Production company** | **Production partner**  
**Sales company** | **Sales partner**

## Logistics

Long-standing business relationships with reliable freight forwarders and transport service providers in Germany and abroad ensure that we can process orders reliably and quickly. We use rail and ship whenever this is practical and possible. On the move for Klasmann-Deilmann in 2025 were:

- 36,500 trucks
- 180 ships
- 19,000 containers (20 feet), which are transported by truck in the initial leg and by ocean-going vessel in the main leg
- numerous inland transports of the containers from the overseas port of landing

Our raw materials and growing media are comparatively bulky and heavy. The main recipients are nurseries in around one hundred countries on five continents. The resulting transport emissions add up to one third of the total greenhouse gases produced by Klasmann-Deilmann. This is why logistics is so important in terms of sustainability. At the same time, however, it is precisely in this area that we repeatedly come up against the limits of what is feasible and economically viable.

As a result, rail transport has proven to be too slow, unreliable, inflexible, and uneconomical compared to road transport - partly due to high handling costs. In addition, there are no direct rail connections between Western and Eastern Europe because of the different track gauges. However, some of our freight forwarders take advantage of combined transport options to Southern Europe.



Within Western Europe, we also make use of inland waterways. The necessary waterways are not available for a comparable exchange of goods with Eastern Europe, so the only alternative is chartering ocean-going vessels. Ocean-going vessels are a good solution for the transportation of raw materials and loose materials, but the damage rate is too high when loading pallets. For overseas deliveries, we only use transportation in containers.

All in all, truck transportation is indispensable for us, be it as part of direct deliveries to our customers in Europe or as a means of transport in combined truck/ship/truck traffic.

Nevertheless, we are pursuing several medium-term approaches to avoid emissions in logistics as well:

- A starting point stems from the weight of our substrates. The drier and therefore lighter they are, the larger the volumes that can be shipped per transport unit.
- We expect positive effects from increasingly decentralized production, which will shorten the distances our products travel to reach our customers. Successful pilot projects are already underway in France, Canada, and Australia.
- We are in constant contact with our freight forwarders and transport service providers to explain the need for more climate-friendly logistics and to discuss possible approaches with them. Decisive progress can only result from the efforts of the industry.

## Supply Chain

Our “Sustainability Guidelines for Suppliers,” which have been in effect since 2012, expanded our supplier selection criteria with requirements regarding human rights, employee working conditions, environmental standards, and a code of business ethics. In 2023, the document was revised into a Code of Conduct that meets globally recognized standards. The document was last updated in 2025.

The Code of Conduct serves as a voluntary commitment on the part of our suppliers. Acceptance of the standards set forth therein is a prerequisite for any supplier contract with Klasmann-Deilmann. By accepting an order, the supplier commits to ensuring that all its processes comply with the provisions listed in the Code of Conduct. During our regular discussions with our suppliers, we address our guidelines and ensure a shared understanding of social, ethical, and environmental standards. Additionally, we evaluate our suppliers based on their efforts to optimize resource use, minimize environmental impact, adhere to the precautionary principle, and promote sustainability and environmental technologies.

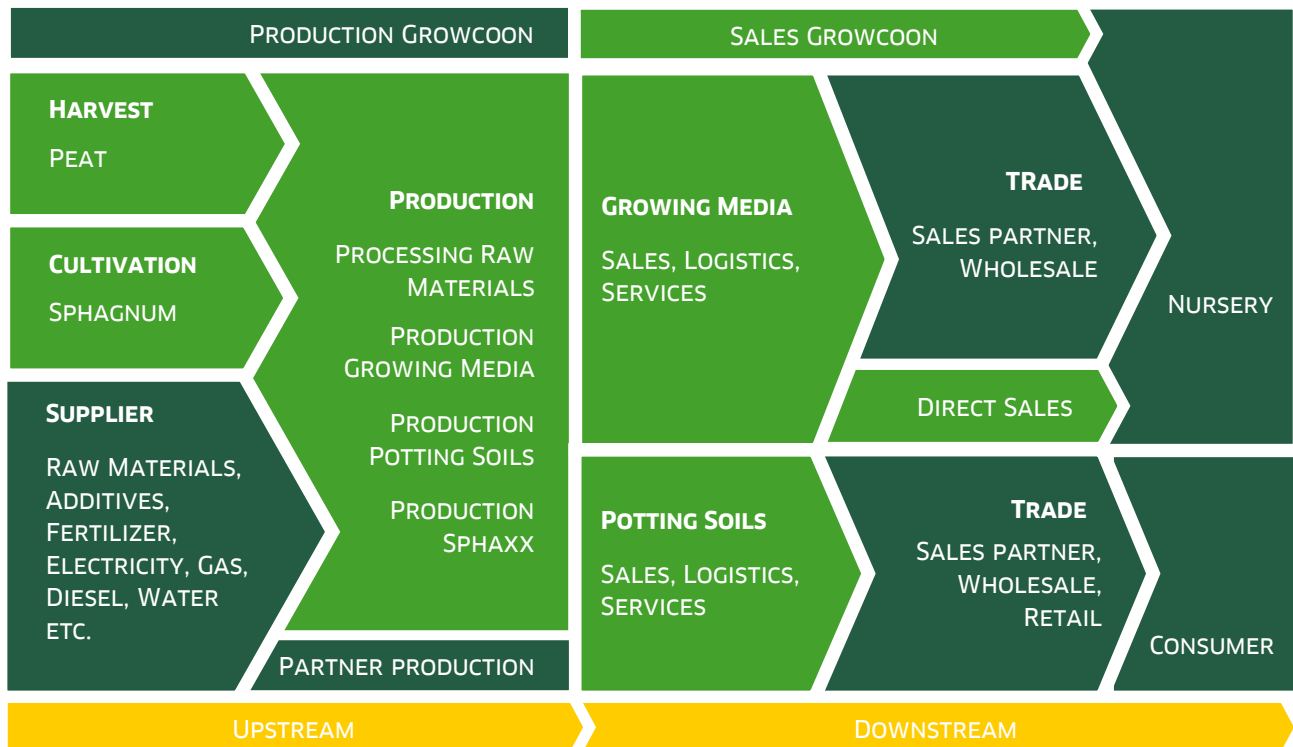
The main contents of our sustainability guidelines are

- Prohibition of child labour - also at the suppliers of our business partners
- Prohibition of forced and compulsory labour
- Prohibition of discrimination of any kind
- Freedom of association and the right to conduct collective bargaining
- Minimum wages and overtime pay in accordance with the legally prescribed social benefits
- Support for continuous improvement and further development of occupational health and safety in accordance with national regulations
- Prohibition of bribery, corruption and embezzlement

To date, we have not identified any human rights issues among our direct suppliers. With regard to our indirect suppliers, we received no reports during the reporting period that would require us to conduct a risk analysis. We have aligned our comprehensive risk management system with the additional requirements of the Supply Chain Due Diligence Act.

## Value chain

Our most important market segment is commercial horticulture, which we supply with ready-to-use growing media. Our end customers are nurseries all over the world. Around 10% of our total annual production volume of substrates is destined for the consumer sector. We also trade in our own and purchased raw materials. As a supplier, we are an essential part of the material value chain in commercial horticulture. Our consulting and services as well as our innovation management are embedded in this.



Color legend: **Third party activities** | **Klasmann-Deilmann activities**

# Nature and climate protection

## Background

Until well into the 20th century, the drainage of peatlands, including the subsequent peat extraction, was expressly desired politically and accepted socially. Especially in Germany, this created new opportunities for settlement and large-scale agriculture. The natural peatland area was largely repressed in the process. Our company was deeply involved in this development. Today, more than 80% of the degenerated moorland is used for agriculture and around 4% for peat extraction for horticultural purposes.

Since 1981, the Lower Saxony Peatland Protection Act has been in force, which places the remaining intact moors under nature conservation. In accordance with the requirements of the law, the peat and substrate industry has since then only been allowed to extract raw materials from areas that have already been drained or used for agricultural purposes. For the period after the end of peat extraction, the responsible authorities specify a subsequent use for each area, which nowadays usually consists of rewetting. Our company is also bound by these framework conditions.

Similar principles apply to our activities abroad. For example, we only use areas for peat extraction in the Baltic States that were drained during the Soviet era. We do not touch intact peatlands. There are also official regulations for the period after the end of extraction. In Ireland, large-scale peat extraction has been effectively ended nationwide since 2019, as national planning and environmental law was found to be in conflict with EU legislation and there is no new regulation in sight.

The highly regulated guidelines for peat extraction demonstrate that there is a high level of concern regarding the loss of raised bogs due to the commercial exploitation of their ecosystem services. This makes it all the more important to realize that this process is not irreversible. The successful rewetting of many extraction areas in recent decades shows that the typical flora and fauna are gradually returning. The original peat body has not been restored, but the renaturation areas are permanently available as biotopes for nature conservation. The rewetted areas are also a benefit for climate protection as soon as the peat mosses grow again and store carbon.

Climate protection has dominated the debate on peat extraction and use for around twenty years. Drained peat soils release significant amounts of CO<sub>2</sub> when peat decomposes through contact with the air. A good 40% of our company's emissions come from peat extraction and use. By ending peat extraction and rewetting the land, Germany's carbon footprint could be reduced by <0.2%. Germany, the UK and Switzerland in particular are therefore pursuing strategies to reduce or phase out peat. Other countries - including some in the EU - remain neutral on this topic or reject restrictions.

Against this backdrop, our company is pursuing the goal of replacing peat with alternative raw materials to the greatest extent possible. The unrestricted functionality of our growing media and the sufficient availability of wood fibres, green compost, cocos, bark and other raw materials remain the guiding principles. This process is associated with great efforts in product development and high investments in securing resources. There is no state support and we are not asking for it. We are carrying out our transformation under our own steam and are pushing the boundaries of what is economically and entrepreneurially justifiable. Nevertheless, this transformation will take many years, and we do not yet see the prospect of a complete phase-out of peat, as there is a lack of sufficient and qualitatively suitable sustainable alternatives. By 2030, we aim to increase the proportion of renewable raw materials to 50% of

our total production. This means that 50% of our global substrate mix will still consist of peat, for which there continues to be strong demand.

We last acquired new peat extraction sites in 2011 and have since invested exclusively in alternative raw materials. However, we are currently considering the acquisition of suitable extraction sites, as peat remains an important raw material and relying solely on purchasing raw materials on the spot market carries economic risks. In doing so, we adhere to the mandatory principle of the NGO Responsibly Produced Peat (RPP), which stipulates that only already degraded peatlands may be used for peat extraction and that intact peatlands must not be disturbed.

We are making rapid progress in the restoration of former extraction sites. This is becoming increasingly important in light of the effects of climate change, as dry and hot summers accelerate the decomposition of peat in these areas.

We are taking a variety of measures to restructure our company and adapt it to an economy characterized by sustainability. Limiting the impact of land management and reducing emissions are essential for Klasmann-Deilmann. With our sustainable development, we aim to achieve a consensus between economic interests and responsibility for nature and climate protection.

## RPP certification

The European certification system **RESPONSIBLY PRODUCED PEAT** (RPP) was founded in 2013 aimed at

- leaving natural peatlands with a high value for nature conservation and climate protection (High Conservation Value) untouched and preserve them permanently
- only allowing areas that have already been drained and/or used for agricultural purposes to be used for controlled peat extraction
- ensuring the long-term availability of peat as a valuable substrate raw material
- accelerating the extraction of raw materials from degenerated peatlands so that restoration can begin as early as possible

As a European non-governmental organization, RPP brings together relevant interest groups in the peat and substrate industry, including recognized scientists, environmental protection associations and numerous companies in the sector. RPP strives to achieve a practicable balance between the interests of the substrate industry and those of nature conservation and climate protection at the highest possible level. To this end, RPP has established a reliable and transparent certification system for responsible peat extraction. Member companies and their extraction areas are reviewed by independent auditors.

At the end of 2025, 94% of our extraction areas were RPP-certified. This means that also 97% of our peat extraction volumes came from RPP-certified areas.

## Rewetting

Depending on the method used, peat extraction on individual areas can take several decades. After the extraction of raw materials has been completed, at least the legally prescribed residual peat thickness remains on the land. There are basically four different options for subsequent use. Which of these is implemented in each individual case is determined by the responsible authorities in the approval documents before the start of raw material extraction.

The most important type of subsequent use in Germany is rewetting. The aim is to create the conditions for the establishment of peat mosses (Sphagnum) and other plants characteristic of raised bogs, such as cotton grass. The former hydrological conditions are restored by water impoundment, so that the rewetted areas have bog-like vegetation (renaturation) or even typical bog vegetation (regeneration) and become CO<sub>2</sub> sinks when the peat moss body begins to grow. Thus, a rewetted area can contribute to biodiversity - in this case the diversity of ecosystems - and again shape the landscape. By the end of 2025, we had rewetted a total of 5,136 ha.

REWETTING	2025	2023	2020	2018	2016	2013
cumulative data in ha	5,136	4,916	3,836	3,503	3,388	2,704

However, due to different geological and hydrological conditions, not all areas can be renaturalized in this way once peat extraction has ceased. Instead, some of the former extraction areas are reforested or prepared for subsequent agricultural use. In some cases, buffer zones are also established between differently used areas and left to natural succession.

Responsibility for implementing the measures generally lies with Klasmann-Deilmann, whilst the relevant guidelines are issued by the competent authorities. Their success is regularly monitored over a period of several years by the responsible authorities and by Klasmann-Deilmann.



In late 2025, the State of Lower Saxony filed a lawsuit against Klasmann-Deilmann seeking damages for allegedly excessive peat extraction volumes in a portion of the former extraction areas in the Esterweger Dose. As this is an ongoing legal case, Klasmann-Deilmann should refrain from commenting on the matter.

Projects for the restoration of former extraction sites are also pending at locations in the Baltic states and in Ireland. In doing so, we adapt to local conditions and follow the applicable legislation. Our responsible local subsidiaries are in close contact with the relevant authorities.

## Peat moss cultivation

In cooperation with the University of Hanover and the Thünen Institute in Braunschweig, we carried out a research project on peat moss cultivation from 2015 to 2018. A total of 10 ha of former extraction areas were prepared for the cultivation of peat mosses on black peat. The peat mosses required for the project were taken from near-natural peatland areas and successfully planted on the already rewetted extraction sites or those intended for rewetting. As the peat mosses have grown very well since then, we can still use the areas as a sphagnum bank today. High-quality hummock peat mosses are harvested here - including valuable species on the Red List that are worthy of protection.

The process developed in this context for restoring degraded peatlands has been so successful that it is now offered as a service for renaturation projects. In contrast to spontaneous colonization as part of regular rewetting, we can accelerate the transformation of degraded raised bogs into growing raised bogs through active hydromanagement and the targeted introduction of typical raised bog vegetation. The typical raised bog vegetation forms up to twenty years earlier and leads to a significantly improved climate balance as well as carbon storage in the medium term.

The original aim of the research project was to achieve conditioned, reproducible growth of peat mosses that could be used as a substrate component. During this time, various internal and external studies confirmed the very good suitability of peat mosses for substrate production. At the same time, however, we realized that their use is not economical as long as cultivation takes place on natural areas.

In contrast, our projects to cultivate peat mosses in the controlled environment of a greenhouse have been successful. We have developed a renewable and, in the broadest sense, sustainable raw material with properties similar to those of peat. Since 2024, we have been harvesting, processing, and distributing peat mosses under the **SPHAXX** brand, initially for select applications in the high-end horticultural segment. In the coming years, we will scale up cultivation and further improve the product's cost-effectiveness to make it attractive for other horticultural segments as well.

## Corporate Carbon Footprint

We published a carbon footprint for the first time in the 2013 Sustainability Report. It gave us an overview of the emissions for which Klasmann-Deilmann is responsible and contributed to greater transparency in the dialog with our stakeholders. Since then, we have had the calculator developed several times, particularly in order to map complex issues relating to land management and the use of raw materials as accurately as possible. We have also refined our data management in the course of several digitization projects. In 2023/2024, we transferred the model to a web-based calculator. The preparation of our carbon footprints is critically monitored by Meo Carbon Solutions GmbH, Cologne, which compares the calculation model with regard to its assumptions, functions and internal logic with the requirements of ISO 14064-1 in order to enable reporting in accordance with the European Sustainability Reporting Standards (ESRS). The new base year for calculating our corporate carbon footprint (CCF) is 2020.

All carbon footprints since 2013 include all emissions within the “cradle to customer” system boundary. The “end of life” phase is not included. This separates the emissions that are attributed to our company from the emissions that are attributed to subsequent users, such as nurseries or consumers. We are aware that a significant proportion of greenhouse gases are not included in our carbon footprint this way. The background to this approach is the assumption that a substrate producer is not responsible for the use of a

product by the customer. At product level, on the other hand, the carbon footprint is shown in the “cradle to grave” system boundary in order to provide a nursery, for example, with reliable information for calculating its own carbon footprint.

EMISSIONS IN T CO <sub>2</sub> E	2025	SHARE	CHANGE	2023
Peat & land use	105,451	41%	+6%	99,571
Alternative raw materials	36,464	14%	+41%	25,819
Energy	20,908	8%	-2%	21,436
Operating resources	10,220	4%	-1%	10,294
Logistics	85,134	33%	+3%	82,617
<b>CORPORATE CARBON FOOTPRINT</b>	<b>258,177</b>	<b>100%</b>	<b>+8%</b>	<b>239,736</b>
Total production volume (tm <sup>3</sup> )	4,239		+13%	3,751
Product Carbon Footprint (kg CO <sub>2</sub> e/m <sup>3</sup> )	60.9		-5%	63.9

## Comments

### PEAT & LAND USE

- Emissions from peat extraction and use, e.g. from active peat extraction areas, peat storage in piles, the purchase of peat raw materials and the peat content in growing media. There are also emissions from renaturation measures.
- Emissions from the decay of peat as a raw material or in the substrate, converted into CO<sub>2</sub> equivalents with a climate impact potential for the next 100 years. The resulting aggregated average value of 1% for the current reporting year is included in the corporate carbon footprint. The emissions generated during the use and “end of life” of the products are only reported in the Product Carbon Footprint (PCF).
- Emissions from the establishment and maintenance of forests and SRC areas. Beyond this, we do not operate any CO<sub>2</sub> sinks or storage facilities that must be included in the carbon footprint.

### ALTERNATIVE RAW MATERIALS

- Emissions from the production and use of alternative raw materials such as green compost, wood fibres, bark, cocos and perlite.

### ENERGY

- Emissions from the consumption of diesel, heating oil, electricity, natural gas and district heating.
- Emissions from the operation of photovoltaic systems and wood chip heating systems.

### OPERATING RESOURCES

- Emissions from packaging materials such as film, paper, cardboard and pallets.
- Emissions from fertilizers and non-volume-forming aggregates such as sand, clay and lime.
- Emissions from substrate production by our production partners.

## LOGISTICS

- Emissions from the transport of raw materials within the Klasmann-Deilmann Group.
- Emissions from transport as part of the procurement of goods.
- Emissions from our worldwide transports to our customers. Truck, container, ship and rail transports are included in detail.

## Scopes

The classification of emissions within the greenhouse gas calculator into three scopes corresponds to ISO 14064 and the requirements of the Kyoto Protocol.

- **SCOPE 1** includes all directly generated emissions, e.g. from combustion processes in our own plants and the decomposition of peat raw materials.
- **SCOPE 2** includes emissions associated with purchased energy such as electricity or heat energy sources such as wood chips.
- **SCOPE 3** covers emissions from third-party services and purchased inputs.

DATA IN T CO <sub>2</sub> E	2025	SHARE	CHANGE	2023
Scope 1	68,673	27%	-16%	81,906
Scope 2	5,543	2%	+10%	5,059
Scope 3	183,962	71%	+20%	152,771
<b>CORPORATE CARBON FOOTPRINT</b>	<b>258,177</b>	<b>100%</b>	<b>+8%</b>	<b>239,736</b>

The base year is 2020 and the global warming potential is calculated over 100 years. The electricity mixes AT, BE, CN, DE, FR, IE, IT, LT, LV, MY, PL, SG and US as well as district heating in accordance with Ecoinvent 3.10 form the basis for calculating the energy mix in accordance with Scope 2.

Emissions and other factors not derived from calculations using company data were taken from the databases “ecoinvent.org”, “searates.com” and the “Quantis Study” published by the former EPAGMA in 2011. The calculation of emissions from peat extraction and use is based on the results of our study in this area.

The following greenhouse gas emissions are not included in the Corporate Carbon Footprint and are reported here in accordance with the Greenhouse Gas Protocol, Chapter 4:

Not included in **SCOPE 1** are:

- intentional or unintentional releases of fugitive emissions such as CFCs from refrigerators.
- empty return journeys for internal and customer-related transports; instead, only the outward journey is included, but with a value of 2/3 of the total journey.

**SCOPE 2** is fully taken into account.

**SCOPE 3** emissions are only partially taken into account. Not reported are emissions from:

- internal and customer-related empty runs, as contracted freight forwarders and transport companies - in accordance with the joint agreements - are responsible for providing connecting or return transportation. This agreement influences the prices per transport kilometre.
- transports of purchased fuel and waste.
- journeys by car, bus, train or plane in connection with business trips or journeys to and from the workplace, as they are not material according to the GHG Protocol. Journeys by company-owned cars, on the other hand, are included in diesel consumption.
- leased assets, franchise companies and outsourced activities.
- waste emissions (Section 7 (1) of the 36th German Federal Immission Control Regulation), as they are already included in the emission factors for purchased packaging and are not generated by Klasmann-Deilmann itself. Waste from administration is negligible and is therefore not reported.



## Product Carbon Footprint

Unlike the Corporate Carbon Footprint (CCF), we report each Product Carbon Footprint (PCF) in the “cradle to grave” system boundary, i.e. we also take into account the use phase and the “end of life” of our substrates. Like the calculator for the CCF, the calculation model for the PCFs was also completely redesigned in cooperation with Meo Carbon Solutions. The calculation is closely based on ISO 14067 and the horticultural certification system HortiCert. The table below shows the PCF of selected growing media with different compositions.

PRODUCT & RECIPE	COMPOSITION	KG CO <sub>2</sub> E/M <sup>3</sup>
Base Substrate (413)	100% white peat	163
Potgrond P (002)	100% black peat	231
TS 1 Strawberry (X68)	50% white peat, 50% wood fibres	93
Container Substrate (3RX)	70% white peat, 30% cocos	124
BP Substrate 2 (872)	30% white peat, 20% black peat, 30% wood fibres, 20% green compost	133
ProLine Herb (9Q3)	45% cocos, 35% wood fibres, 20% green compost	89

Since 2018, we can send a growing media related carbon footprint to our customers. On request, the product-related information in CO<sub>2</sub>e can be calculated individually and sent to the respective nursery by email as a product carbon footprint. In this context, further discussions with our experts are expressly desired in order to switch to substrates with a more favourable carbon footprint where possible.

## Emission reduction

Between 2013 and 2025, we reduced our carbon footprint at the corporate level by 12%, even though we achieved a total sales increase of 30% during that same period. Our economic growth, high transportation emissions, and the use of peat are hindering an even greater reduction in our carbon footprint. Nevertheless, the ambitious climate protection goals of the Federal Republic of Germany and the European Union also apply to us.

- We have developed a solution in which the emissions associated with a given growing medium are fully offset by the precise addition of biochar. To be recognized as a net-zero growing medium, an official CO<sub>2</sub> certificate must be obtained. This approach improves only the carbon footprint of the specific nursery. Unfortunately, this process does not have a positive impact on Klasmann-Deilmann's CCF and PCF.
- Further increasing the proportion of alternative raw materials will have a noticeable positive impact on the Product Carbon Footprint of numerous substrate mixtures. An increase to a total of 50% by volume of annual production by 2030 is a strategic goal. We are promoting this development worldwide through our “Advanced Substrates” product line.
- Increasingly decentralized production will primarily utilize renewable raw materials available regionally and take place significantly closer to customer operations. In the long term, this development will help reduce transport-related emissions.

# EMPLOYEES

## Perspectives

The success of our company depends largely on the commitment, motivation and expertise of our employees. It is therefore very important to have a working environment in which people enjoy working, which facilitates dialog and transparency, which creates a climate that encourages innovation, which is technically up to date and which looks to the future. This is why we continuously invest in our internal attractiveness as an employer.

For some years now, we have been experiencing a comprehensive generational change, which also affects key positions in our company. When it comes to succession, we rely primarily on our own junior staff at all levels. In view of our growth, we need additional expertise, particularly for highly specialized business and task areas, which we build up internally and supplement with new hires as required.

In light of these developments, we established a strategic HR management system at an early stage, which is anchored in Klasmann-Deilmann GmbH as our lead company. It is managed centrally and implemented with support from the subsidiaries. Instruments, measures and processes are continuously reviewed for their effectiveness. In this way, any necessary corrections, additions or discontinuations can be implemented promptly.

## Talents

As part of our long-term personnel development, we have established several programs that serve to deepen the skills of our employees, involve them in the company's development and strengthen their identification with our company.

- **GO ON:** International talent program for junior staff to further develop personal skills
- **GO AHEAD:** International leadership program for employees in key positions based on the newly developed leadership approach and to strengthen and develop skills; also development program for new managers to prepare them for their new role
- **GO LEAN:** Program to implement lean management methods in production and administration with the aim of continuous improvement
- **GO FORWARD:** International program to strengthen innovative strength, including workshops on idea generation and creativity methods as well as the submission of suggestions for improvement
- **GO TOGETHER:** Program for all levels of the workforce and all subsidiaries to strengthen dialog, particularly with management
- **GO START:** Internal program for trainees and dual students with offers for an easy start to professional life, for further training, to deepen technical issues and to strengthen personal and social skills
- **JUST GO:** Open format in the test phase, which is aimed at all interested employees and addresses selected topics (e.g. feedback)

# Competence management

Since 2017, our internal competence management model has formed the central starting point for many of our strategic HR development tools. The requirements set out in this model enable targeted development measures.



# Apprenticeships, traineeships and scholarships

Every year, we offer apprenticeships in commercial and IT professions. The dual study program and part-time or work-integrated degree courses are also well established. At the end of 2016, the Osnabrück-Emsland-Grafschaft Bentheim Chamber of Industry and Commerce awarded us the “IHK Top Training Company” seal, which was confirmed in 2021 and 2024. We also make regular use of work placements and internships to accompany young people’s studies, as well as the opportunity to write a Bachelor’s or Master’s thesis.

In order to attract particularly interesting candidates for us in the international field, we offer the opportunity to join us as a trainee. We have been employing international trainees for several years. The focus here is on future opportunities in market development, production and digital business models. With this in mind, we are also expanding our contacts with universities that specialize in key professional fields for us, including Osnabrück University of Applied Sciences in Germany and Wageningen University & Research in the Netherlands.

In all cases, we guarantee intensive support in the relevant departments. It is important to us not only to provide high-quality professional training, but also to strengthen their personalities. Many young people who successfully complete their training with us are subsequently taken on as employees.

# Leadership approach

Our team leaders are faced with a wide range of conflicting interests. Special demands are placed on them - by their employees and also by their own superiors. Added to this are the requirements that apply when dealing with customers and suppliers. Our team leaders also have a major influence on how work is carried out, what the working atmosphere is like and how a department is positioned in the overall network of a company. With this in mind, we have leadership standards that form a binding framework for each of our team leaders.

In 2024, the leadership approach was revised and adapted to the particular challenges of the coming years.



## Leadership Approach



### CHANGE DRIVER

Promotes and implements ideas which lead to change in the future.

- Communicates attractive and clear vision for the future
- Motivates and inspires employees to be change drivers
- Promotes innovative ideas and projects
- Proactively drives and implements change

### PEOPLE COACH

Promotes the development of each individual and encourages independent action and decision-making.

- Deals with employees in a trusting and appreciative manner
- Motivates employees to use their strengths
- Promotes (interdisciplinary) team spirit
- Establishes constructive feedback culture

### LEAN LEADER

Encourages the constant search for improvements to the current state.

- Strives for continuous improvements with a permanent process-oriented mindset
- Keeps agility by dealing with changing requirements
- Makes transparent decisions
- Ensures active participation of employees

### PERFORMANCE ENABLER

Sets strategic targets and creates a framework in which the employees are most effective

- Continually and collaboratively pursues strategic goals with the team
- Drives the achievements of results
- Lives an open and honest error culture
- Proactively drives employee development

## Female team leaders

We currently employ eighteen female team leaders, ten of them at international locations. One of the female team leaders is the managing director of a large production and sales company. Out of a total of 85 team leaders worldwide, they account for 21%.



## Working life

In future, our employees will be working for more years than in the past. We are supporting this development by creating suitable framework conditions for working hours, providing the right and ergonomic work equipment and also in the area of health promotion. The mechanization and automation of work processes in the industrial sector and the equipment of office workplaces have reached a high level at all locations, so that heavy physical work only has to be performed in exceptional cases. In Germany, our employees also benefit from the opportunities for partial retirement.

## Health

We operate an active health management system that is integrated into all operational processes in order to maintain, improve or restore the health and well-being of our employees. At regular intervals, a committee (“health circle”) made up of team leaders, works council members and our company physician discusses measures to promote health.

The focus is on carrying out regular check-ups and promoting various measures to improve the general health of the workforce. This includes, for example, offering flu vaccinations free of charge. We also provide a monthly allowance to support employees who take part in sports activities at gyms and public swimming pools. Moreover, smaller teams are formed time and again with varying compositions to take part in regional sporting events. In addition to health aspects, the main focus here is on the community-building aspect. In 2025, “Health Days” were held for the second time at our German locations, during which external experts provided advice and guidance to our employees on various health-related topics.

There are also measures to prevent mental stress. In the risk assessment that has been in place since 2020, mental stress is listed and weighted for various areas of work, resulting in work instructions for line managers. The underlying concept is constantly being developed further. Since early 2026, individual and group programs have been available to help people cope with particularly stressful situations.



## Occupational safety

Klasmann-Deilmann maintains an occupational health and safety management system aimed at the complete prevention of accidents. Potential hazards in the plants are to be identified in good time and eliminated as far as possible. This is achieved primarily through regular plant inspections by internal and external safety specialists, company physicians and safety officers, as well as in meetings of the occupational safety committees. In addition, there is automatic documentation of incidents at an organizational level. Near-accidents are also documented and evaluated by the occupational safety committee. Employees receive regular training on occupational safety issues. In order to involve them closely in the implementation of occupational safety measures, ideas for improving occupational safety are particularly rewarded in the company suggestion scheme.

## Family friendliness

Klasmann-Deilmann is one of the founding members of the Emsland Work and Family Foundation ([www.familienstiftung-emsland.de](http://www.familienstiftung-emsland.de)), which has set itself the goal of reconciling work and family life in the region. The foundation awarded us our first certification as a family-friendly company in 2012, after which the certificate was regularly confirmed. Since 2022, we have been recognized by the foundation as a “permanently family-friendly company”. Our future work will focus on forward-looking approaches and opportunities. As every phase of life leads to different demands on work and family, employers should prepare for a more flexible working environment at an early stage in order to remain attractive to good employees in the long term.



## Headquarters

The “Innovation Center” in Geeste has been the headquarters of the Klasmann-Deilmann Group since 2018. PC workstations and open-space areas are available here for more than forty employees. The building offers an academy and a multimedia exhibition area, thus fulfilling representative purposes. The previous “Business Center” administration building was also extensively renovated and modernized. The “Research Center” is a modern experimental greenhouse and is used for research projects on innovative growing media, growing systems and substrate raw materials. The “Technical Center” attached to it is equipped with the modern facilities typical of nurseries and enables practical trials in the context of research and development. This means that the entire site is geared towards research, development and innovation.

We also transfer the demands we place on the equipment at our workplaces to our international locations. Our company can only remain successful if high standards are implemented everywhere and our employees experience the associated appreciation.

## Digitization

The digitization of processes in administration, sales, production, and logistics is one of our company's top priorities. The IT solutions we use keep us at the cutting edge of technology. Our guiding principle is that all the applications we use must be future-proof and enable secure, reliable, and intuitive communication with our global network of subsidiaries, sales partners, and customers. That is why we invest heavily in IT solutions from renowned providers and develop our own programs that are precisely tailored to our business model and also offer added value to our customers.

Initial process optimizations through the use of artificial intelligence have been underway since 2024. A modern customer relationship management system was introduced in 2025. It is important that our employees can follow the digitization process at all times, continue to identify with their tasks, and remain capable of handling them. Coaches from our own departments are therefore part of the change management associated with digitalization. We meet the increased need for continuing education through internal and external training programs.

We also have fully digitalized our internal communication and support it with a smartphone app that provides the latest news from the company several times a week and is gradually being expanded to include additional functions. This ensures that all employees worldwide have access to a comprehensive range of information with response options. This also applies to the many employees without a PC workstation.

## Code of Conduct

The starting point for our compliance measures was training courses for team leaders in Germany in 2009. Since then, new managers have been familiarized with the principles as part of their induction and have committed to upholding them. In 2013, an agreement between the management and the General Works Council in Germany also came into force, which obliges all employees of the Klasmann-Deilmann Group in Germany to comply with competition and antitrust law, a ban on offering and granting benefits and a ban on money laundering, among other things. Managing directors and team leaders from the finance departments of our international subsidiaries were trained on our Group-wide compliance requirements in 2018. They were also given responsibility for implementing the applicable regulations in their respective companies. Our Code of Conduct was revised in 2023 and explained and made available to all employees as part of internal communication. The most recent version of the Code of Conduct was published in 2025.

## Whistleblower protection

In accordance with the requirements of the European Union, we set up an online platform in 2023 that can be used to anonymously report possible and actual misconduct in our company. The workforce was informed on the website as part of internal communication. So far, no reports have been received via the platform.

## Figures

In 2025, the average number of employees at the Klasmann-Deilmann Group was 949. 409 were employed in administrative roles and 540 in industrial roles. 72% of the employees were based outside Germany.

	2025			2023			2020			2018			2013		
	Σ	M	F	Σ	M	F	Σ	M	F	Σ	M	F	Σ	M	F
GERMANY	267	210	57	303	246	57	301	246	55	344	276	68	371	302	69
LITHUANIA	358	286	72	355	282	73	324	265	59	392	335	57	295	259	36
LATVIA	102	77	25	100	79	21	96	77	19	110	86	24	88	59	29
IRELAND	47	40	7	36	30	6	52	49	3	71	68	3	69	66	3
NETHERLANDS	69	62	7	64	56	8	55	50	5	47	44	3	34	32	2
FRANCE	22	13	9	20	12	8	21	12	9	20	11	9	19	11	8
AUSTRALIA	30	22	8	30	24	6									
BELGIUM	14	13	1	15	13	2	13	11	2	14	10	4	9	7	2
SINGAPORE	14	6	8	13	5	8	11	3	8	11	3	8	9	2	7
CHINA	9	4	5	11	6	5	15	7	8	14	8	6	0	0	0
POLAND	8	5	3	8	5	3	8	6	2	8	6	2	9	7	2
ITALY	6	3	3	6	3	3	6	3	3	6	3	3	6	3	3
USA	2	2	0	2	2	0	2	2	0	2	2	0	4	1	3
AUSTRIA	2	1	1	2	1	1	2	1	1	2	1	1	2	1	1
JAPAN	0	0	0	0	0	0	1	1	0						
<b>SUM</b>	<b>949</b>	<b>744</b>	<b>205</b>	<b>966</b>	<b>764</b>	<b>202</b>	<b>907</b>	<b>733</b>	<b>174</b>	<b>1,041</b>	<b>853</b>	<b>188</b>	<b>915</b>	<b>750</b>	<b>165</b>

Our employees by country, in FTE since 2020.

The majority of our activities are carried out by permanent employees. In addition, employees from external employers also work at the Klasmann-Deilmann Group's extraction sites, particularly during the summer months. This can involve between 100 and 200 people at any one time. In order to cushion the impact of seasonal surges in delivery orders on the production side, we use interim warehouses in Germany, France, Austria, Hungary, the USA and Australia that are not operated by employees of the Klasmann-Deilmann Group.

Permanent contracts: 822	Men: 652	Women: 170
Fixed-term contracts: 127	Men: 92	Women: 35

Permanent and fixed-term employment contracts by employees in FTE.

# REPORTING FRAMEWORK

This sustainability report, covering the fiscal year from 1 January to 31 December 2025, and including supplementary information on the first half of 2026, is published by Klasmann-Deilmann GmbH. Following the reports for the fiscal years 2011, 2012, 2013, 2014, 2015, 2016, 2017/2018, 2019/2020, and 2023, the 2025 Sustainability Report marks the tenth time we have provided information on key topics and activities related to the sustainable development of our company.

## Materiality

The sustainability issues material to our company were first identified and defined in two workshops facilitated by the sustainability agency triple innova GmbH in 2011. The materiality analysis conducted in this context led to the identification of the sustainability issues material to Klasmann-Deilmann, which we have been further developing both strategically and operationally ever since. In doing so, we also benefit from the results of our ongoing and diverse dialog with our internal and external stakeholders, insights from our work with industry associations, and feedback from the readers of our publications. In 2018, the material topics were reviewed as part of a master's thesis. Through interviews and industry comparisons, most of the existing topics were confirmed, while others were expanded upon and discussed.

We conducted the double materiality assessment in 2024/2025 in accordance with the ESRS regulatory requirements, based on the 92 sustainability aspects from the ESRS Set 1. Methodologically, this process was based on two complementary tools that combine a qualitative foundation with quantitative aggregation. The implementation was closely supported by the specialist agency cyclos future.

First, a qualitative assessment matrix was developed for each of the 92 aspects, based on the principle of double materiality and comprising four separate lines of analysis. This involves systematically examining both positive and negative impacts from an inside-out perspective, as well as financial opportunities and risks from an outside-in perspective. The individual dimensions were evaluated using standardized parameters such as probability of occurrence, magnitude, scope, and irreversibility or resilience on a four-point scale with 0, 10, 30, or 50 points. For the impact dimensions, this score was additionally multiplied by a value chain factor that weights the company's sphere of influence. In this context, internal company processes were assigned a factor of 1.00, directly upstream and downstream activities a factor of 0.75, and peripheral areas a factor of 0.50. This adjustment did not apply to financial dimensions with purely internal effects. The primary purpose of this matrix was to provide precise explanatory statements regarding the relevance to the business model, thereby creating an audit-ready evidence base.

Building on this substantive foundation, quantitative prioritization was carried out through a structured stakeholder dialog, which involved a standardized survey of a total of 18 individuals and groups. Participants rated the sustainability aspects on a three-point scale, with the qualitative responses translated into fixed weighting factors. A rating of "material" was assigned a factor of 1.0, while "important" was weighted at 0.5 and "less important" at 0.0. The final score for an aspect is calculated from the sum of these weighted votes, so that with maximum unanimity, a theoretical maximum score of 18.0 points could be achieved.

A threshold of 13.0 points was defined for the final consolidation and identification of reportable topics. This threshold marks the lowest level for a clear, majority-supported consensus, which mathematically

corresponds to the scenario in which at least 13 of the 18 stakeholders voted “material” or a mathematically equivalent combination. Sustainability aspects below this threshold were classified as non-material and excluded from the further process.

The dialog partners included the company’s own experts from all departments as well as members of the works council. An interview was also conducted with the owners of the Klasmann-Deilmann Group. External experts from banks, the trade press, interest groups, and specialized institutes were also engaged for further discussions. It was notable that only few critical stakeholders agreed to an interview, while all other requests of this nature were declined. The final meeting took place with the management of Klasmann-Deilmann GmbH.

## Material topics

As part of the double materiality assessment in accordance with ESRS Set 1, the following topics were identified as material for the Klasmann-Deilmann Group:

MATERIAL TOPICS IN ACCORDANCE WITH ESRS SET 1	READ MORE ON PAGE
E1-1: Adaptation to climate change	4, 22
E1-2: Climate action	4, 9, 22, 26-31
E1-3: Energy	28-29
E4-1: Land-use changes, freshwater and marine use changes	9, 24-27
E4-1: Direct Exploitation	9
E4-3: Impacts on the extent and condition of ecosystems	24-27
E4-4: Impacts and interdependencies related to ecosystem services	17, 27
E5-1: Resource inflows, including resource use	10-11, 18
S1-1: Secure employment	39
S1-1: Health and safety	35-36
G1-1: Corporate culture	32-38
G1-4: Political engagement	42-44

This largely confirms the findings of previous analyses, which identified our key sustainability issues as:

- the debate on the appropriateness of peat use in commercial horticulture and the demand for a significant increase in the use of alternative raw materials, both of which were initiated by nature conservation organizations in particular and have long since become relevant at the political level as well
- securing resources for the raw materials required for substrate production, such as wood fibres, green compost, cocos, perlite and peat, which are at risk of becoming scarce due to constantly increasing demand
- guaranteeing the highest product standards in terms of functionality and the impact on the health and safety of everyone involved along the horticultural value chain, from our own employees to the consumer

- the relevance of peat extraction areas from a climate and nature conservation perspective, which is being discussed by nature conservation associations, the relevant authorities and at a political level, among others
- the reduction of emissions, particularly from peat extraction and use, as well as from transportation, which should form our contribution to fulfilling the 13th Sustainable Development Goal and the climate protection targets set at the UN Climate Change Conference COP21 in Paris
- recruiting and retaining employees, which we support through a wide range of training and development opportunities, the promotion of young talent and individual opportunities for personal and skills development, among other things

In this context, we maintain an ongoing dialog with our internal and external stakeholders and interest groups, in particular with representatives of politics and NGOs in Germany and at European level. Since the publication of the last sustainability report, we have implemented the following measures, among others:

- increasing the use of alternative raw materials, which has been ongoing since the early 1990s, to a share of 50% by volume of total annual production by the end of 2030
- a massive increase in raw material resources and production capacities for alternative raw materials
- the continuation of numerous research projects under our own direction or in cooperation with institutes and universities to develop new raw materials and cultivation systems
- the extensive use of certifications from the Responsibly Produced Peat (RPP) association in order to provide independent proof of our responsible actions in the selection, use and renaturation of peat extraction areas
- the reduction of packaging material through thinner film thicknesses and the increased use of recyclates in our packaging films
- an increased involvement in public affairs via the industry associations Industrieverband Garten e.V. (IVG) in Düsseldorf and Growing Media Europe AISBL (GME) in Brussels
- the expansion of our activities in the field of renewable energies, with which we have already established ourselves as a supplier of renewable raw materials in the Baltic region
- the implementation of extensive and varied personnel management and development programs

## Stakeholder

Our main interest and stakeholder groups are the:

- customers and sales partners in commercial horticulture as the most important target group for our sales activities
- customers and business partners in the field of renewable energies and renewable raw materials as an important target group for our sales activities
- suppliers and other business partners of our group of companies
- employees of all companies in our group
- shareholders of the Klasmann-Deilmann Group
- interest groups, particularly at European and international level
- environmental protection associations as our dialog partners with regard to the use of peat and the management and restoration of extraction areas
- authorities and governments as approval bodies for projects, some of which are of great importance to our company, and as our dialog partners regarding the use of peat and the management and restoration of extraction sites

As part of our sustainable development, we seek and maintain direct dialog with our stakeholders:

- The Managing Directors of the Klasmann-Deilmann Group are in constant communication with our Shareholders. Meetings are held several times a year with the Supervisory Board, which is appointed by the Shareholders.
- Our employees are informed as comprehensively and promptly as possible and are involved in a multi-layered dialog. To this end, we have been using an internal smartphone app since 2018, in which news and announcements from the company are published daily and which can also be used to reach employees without a computer workstation. In addition, we use well-established options such as staff meetings, departmental meetings, notice boards, circulars, the intranet, staff meetings and, since 2020, increasingly the uncomplicated options for meetings with a large number of participants via video link.
- The responsible employees at all hierarchical levels maintain close contact with our sales partners, customers, suppliers and other business partners as well as with authorities and environmental protection associations. We prefer to talk to them in person, but also use the usual media.
- Discussions of particular importance - such as dialog with representatives at government level - are handled by the management of the Klasmann-Deilmann Group with the involvement of the relevant experts.
- In the case of issues and projects of overarching importance, discussions take place at association level. This applies, for example, to the dialog between Growing Media Europe AISBL and representatives of the EU Parliament and the EU Commission in Brussels. It also applies to the dialog between the Industrieverband Garten e.V. and representatives of the ministries in Berlin and Hanover. We have significantly increased our involvement in this area in recent years and are represented on the associations' central committees.

## Associations

We strengthen political and scientific exchange through our membership of key international, European and national associations, societies and organizations. This dialog can in turn influence political decisions that affect our industry and society. The focus here is on

- the future of peat extraction and use for horticultural purposes
- the (further) development of raw materials as part of public research projects
- securing resources, in particular renewable raw materials
- the standardization and further development of quality standards
- legislation, particularly at European level
- image-promoting projects and information measures in the European and international peat and substrate sector

Klasmann-Deilmann is - among others - a member of:

- Industrieverband Garten e.V. (IVG)
- Growing Media Europe AISBL (GME)
- International Peatland Society (IPS)
- Deutsche Gesellschaft für Moor- und Torfkunde e.V. (DGMT)
- Regelung Handels Potgronden (RHP)
- Responsibly Produced Peat (RPP)
- Bundesgütegemeinschaft Kompost e.V.
- Gütegemeinschaft Substrate für Pflanzenbau e.V. (GGS)
- Emsländische Stiftung Beruf und Familie
- 3N Kompetenzzentrum e.V.

## Customer satisfaction

In order to assess how satisfied our sales partners and commercial growers - our most important customers - are with our substrates, services and employees, we rely on direct dialog worldwide. As our experts are regularly on site, we receive continuous feedback from the international markets and directly from nurseries. We evaluate it and - if necessary - draw the necessary conclusions. In this way, we receive criticism and praise promptly and pass it on to the responsible teams. Problems are solved immediately and errors are rectified. This creates a continuous improvement process that benefits our customers. At longer intervals, we supplement this unregulated feedback with a targeted survey on customer satisfaction in commercial horticulture, most recently in 2025. A web-based solution for customer satisfaction surveys is also being planned.

## ESRS

Klasmann-Deilmann carefully prepared for the implementation of the European Sustainability Reporting Standards (ESRS) in 2024/2025. However, as a result of the EU Omnibus I procedure, Klasmann-Deilmann will not be subject to reporting requirements in the future either. Nevertheless, we will continue to report on our sustainable development, focusing on the most important issues.

## Imprint

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