

KMC Group

Transition plan for 2032/33

KMC Group, comprising KMC, AKK and AKD, has jointly set absolute reduction targets for Scope 1, 2 and 3 emissions. KMC Group (hereinafter referred to as the “Group”) has prepared this transition plan to describe the projects and investments that form the basis for achieving these absolute reduction targets.

Up to and including 2025/26, the Group has used emissions intensity targets per tonne of product for native starch, modified starch and granules/flakes, respectively. We will continue to monitor these metrics internally to track the climate efficiency of our production. The Group is setting absolute reduction targets in recognition of the fact that our absolute greenhouse gas emissions increase as production grows, and that a specific focus on absolute emissions is therefore required to reduce emissions in real terms. The updated targets including supporting targets are set out in the table below.

Targets

Climate target	Target	Target year	Baseline
Scope 1 and 2 (market-based)	50%	2032/33	2025/26
Scope 3	10%	2032/33	2025/26

Supporting targets

Area	Target	Target year	Baseline
Renewable energy sources	15% renewable process heat	2032/33	2025/26
Renewable energy sources	100% renewable electricity	2032/33	2025/26
Potato data	Primary data from 80% of the cultivated area (ha)	2032/33	2025/26

Data basis and updates to the GHG inventory

As part of the target setting process, the Group has updated and digitalised its GHG inventory and accounting practices. The GHG inventory follows the Greenhouse Gas Protocol and is updated annually at the end of KMC's financial year (September to August).

The Group will continue to improve data quality and expand the data available. For example, additional sub-meters will be installed at the factories to provide more accurate data on energy consumption and other aspects of production, and enable greater automation in production.

Scope 1 and 2 emissions are reported using both location-based and market-based approaches. The target is based on market-based data to give the Group greater flexibility in determining how to achieve its targets.

Scope 3 covers all categories relevant to the Group, with Category 1: Purchased Goods and Services accounting for the largest share, including potatoes.

The Group has therefore invested in developing a calculated carbon footprint for potatoes based on its own primary field data for inclusion in the Scope 3 inventory. The carbon footprint of the Group's potatoes has been calculated by SEGES[1] and is aligned with the GHG Protocol Land Sector and Removals Guidance Draft for Pilot Testing and Review (September 2022)[2]. As of 2026, the calculation is considered to be in accordance with the Science Based Targets initiative (SBTi) Forest, Land and Agriculture (FLAG) Guidance v. 1.2[3]. The volume and quality of data are expected to improve towards 2032/33. The calculation methodology is available **here**.

The Group's GHG inventory 2025/26

Metric	Unit	Financial year 2025/26	Estimated 2032/33
Scope 1	tonnes CO_2e	65,537	43,585
Scope 2 Market-based	tonnes CO_2e	44,161	0
Total for Scope 1 and 2 (market-based)	**tonnes CO_2e**	**109,698**	**43,585**
Scope 3 total	**tonnes CO_2e**	**262,456**	**232,634**
3.1 Purchased goods and services	tonnes CO_2e	194,054	173,058
3.3: WTT	tonnes CO_2e	10,520	6,943
3.4: Upstream transportation	tonnes CO_2e	4,624	4,624
3.5: Waste	tonnes CO_2e	17,853	17,853
3.6: Business travel	tonnes CO_2e	165	165
3.7: Employee commuting	tonnes CO_2e	567	567
3.9: Downstream transportation and distribution	tonnes CO_2e	34,673	29,424
Total GHG emissions (market-based)	**tonnes CO_2e**	**372,154**	**276,219**

[1] https://segesinnovation.dk/ (Aug 2026)
[2] https://ghgprotocol.org/sites/default/files/2026-01/Land-Sector-and-Removals-Guidance-2022-Draft-Pilot-Testing-Review-Part1-2022.9.1-Archival_0.pdf (Aug 2026)
[3] https://files.sciencebasedtargets.org/production/files/SBTiFLAGGuidance.pdf (Aug 2026)

Scope 1 and 2 reductions

The Group has developed a plan for achieving the targets. This will require substantial investment in factory equipment and infrastructure. In addition, the Group is dependent on the expansion of the Danish electricity grid if electrification is to become a viable option. The Group's production relies heavily on natural gas, which is an efficient energy source for heating. The Group has plans to invest in its energy supply, but also recognises that investments of this scale will take time to implement and will depend on further technological development.

Investment plan

Project	Estimated CO_2e savings in tonnes	CAPEX (kDKK)	Implementation year
Heat exchangers for the production system	-880	11,648	2026/27
Biomass plant	-6,200	5,000	2028/29
Heat pumps for production facilities	-1,528	18,283	2028/29
Factory expansion with electrification	-2,139	5,208	2028/29
Electric boiler for the production system	-11,438	24,255	2030/31

The table above includes investments exceeding DKK 1 million. In addition, ongoing investments are made in optimisation projects and energy-efficiency measures, including as part of energy management and ISO 50001.

The market for electrification, Power Purchase Agreements (PPAs) and the announced update to the Greenhouse Gas Protocol Scope 2 Guidance[4] mean that the Group is currently deferring certain investments in renewable energy installations.

As part of its plan for renewable electricity, the Group is also exploring opportunities to establish its own solar parks and acquire wind turbines as concrete measures to reduce Scope 2 emissions. The most advanced initiative is a potential solar park near the factory in Karup, which is expected to make a significant contribution to the Group's future Scope 2 reductions.

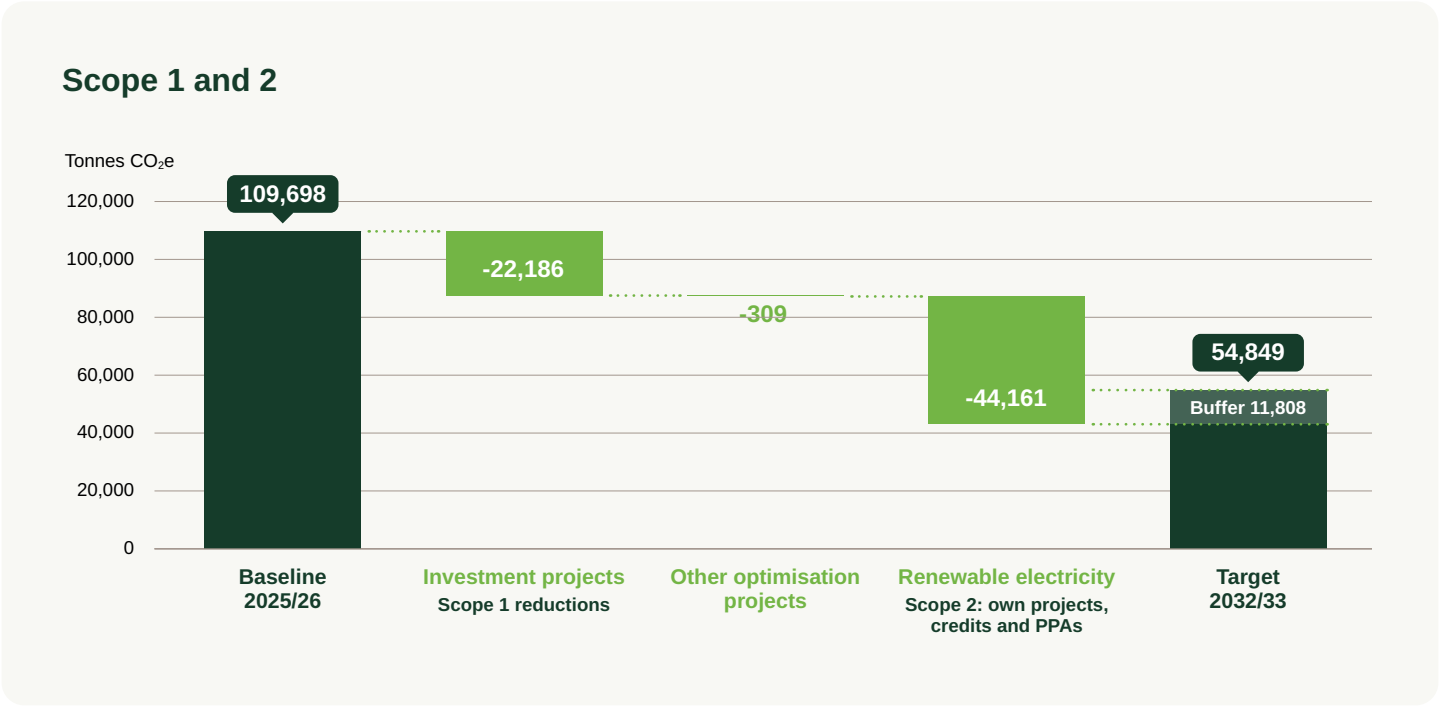
For the time being, however, the Group's Scope 2 reductions are primarily linked to the purchase of certificates. The Group considers this a transitional solution until it has determined the most robust model for renewable electricity at its facilities. Certificates are regarded as a temporary measure and not as a substitute for energy efficiency improvements, direct investments in renewable energy or similar initiatives.

The Group will also test new technologies, such as biofuel based on side streams from production. Such technologies may create new opportunities to reduce fossil energy consumption, but their viability will depend on technological maturity, financial viability, security of supply and the regulatory framework.

The Group also supplies a significant volume of pulp as feedstock to local biogas plants, thereby supporting biogas production in the Danish gas grid. This contribution is not included in the current transition plan.

[4] https://ghgprotocol.org/scope-2-guidance (Aug 2026)

The Group is currently expanding several production facilities, which is expected to increase production-related emissions. The transition plan therefore incorporates a buffer to ensure that the emissions associated with these expansions are reflected in the planned reduction measures and that the Group remains on track to achieve its overall Scope 1 and 2 reduction target.



Scope 3 reductions

For Scope 3, the target initially focuses on the following categories: Category 1: Purchased Goods and Services, with a focus on potatoes and chemicals, and Category 9: Downstream Transportation. Potatoes are expected to contribute a 4% reduction through optimised cultivation practices, chemicals a 4% reduction through reduced purchasing volumes, and transportation a 2% reduction through lower-carbon fuels.

Governance

The climate targets cover the entire Group and are embedded across KMC, AKK and AKD. KMC's Board of Directors oversees the climate targets and ensures that work towards them is carried out across the Group.

KMC's Executive Management is responsible for approving, monitoring and coordinating the climate targets across the Group. It is also responsible for ensuring that the transition plan is linked to strategic priorities, investments, operations, risk management and annual reporting.

KMC's Sustainability Team drives implementation in close collaboration with the relevant departments.

KMC's Board of Directors approves the transition plan annually at the end of the financial year, taking into account any changes in risks, opportunities, policies and market conditions.

The transition plan is updated accordingly where necessary. The transition plan was approved by KMC's Board of Directors in September 2026.

Jesper Burgaard
CEO

September 2026