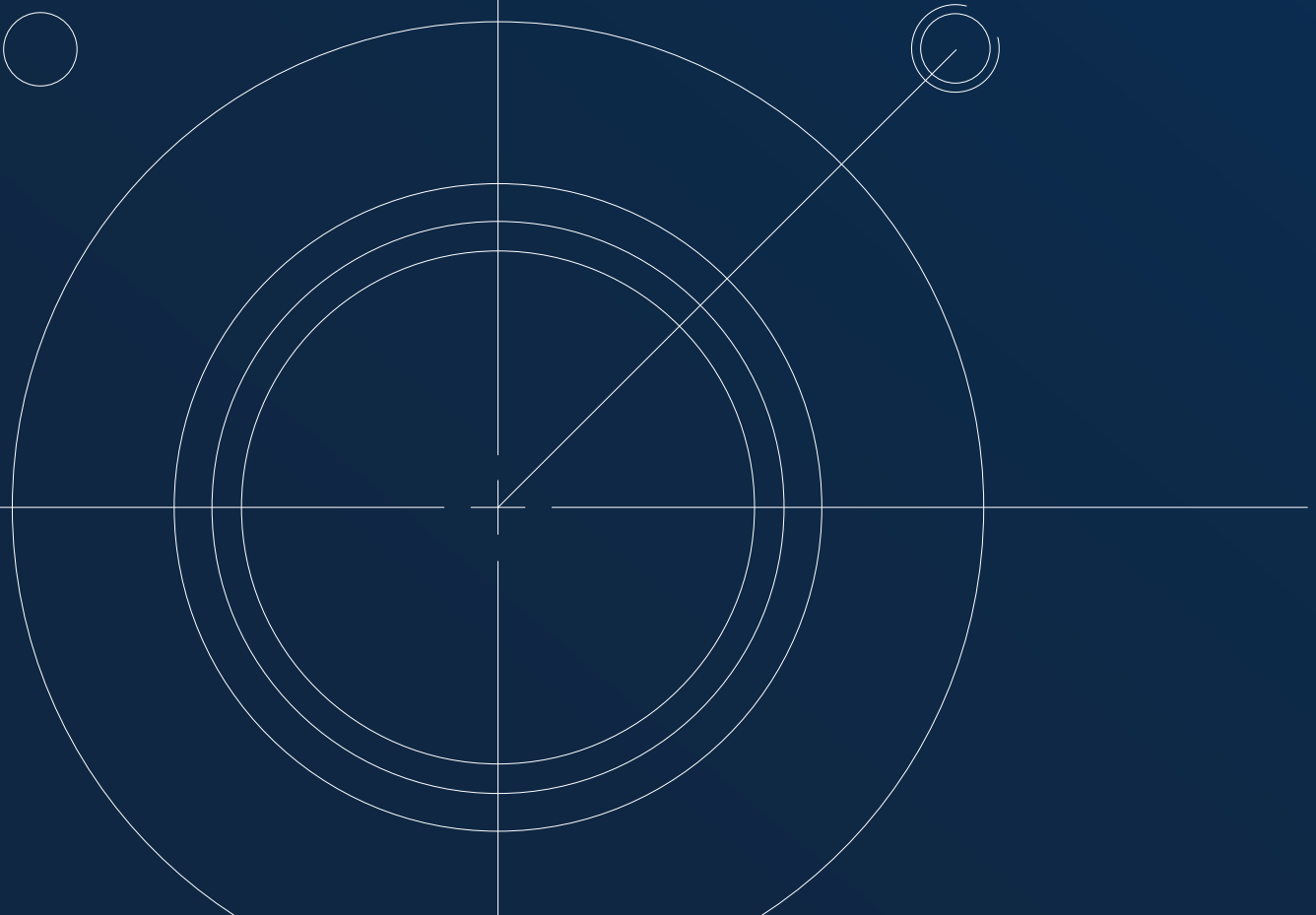


TCFD

disclosures



TCFD disclosures

Climate risk and opportunity reporting

Marel's 2023 climate-related financial disclosures (TCFD) status update

Marel committed to integrating the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2020 and started its climate risk and opportunity reporting in 2021. As a founding member of the Nordic CEOs for a Sustainable Future, Marel supports the implementation of the recommendations by the TCFD.

Now in its third year, Marel has built greater awareness internally and among its stakeholders, to understand the impact of climate on the company, its operations, customers and the overall value chain.

Material opportunities and risks from climate change

Selected risk causes and opportunity triggers deemed most relevant for Marel

Identifier	Primary climate-related risk driver	Time horizon ¹	Likelihood	Magnitude of impact		Likely potential financial impact ²
				1.5°C scenario	2.5°C scenario	
Policy and Legal (Transition risk)	Emerging regulations on limitation of greenhouse gas emissions	Short-term 	Likely 	High 	Low 	Increased operating/compliance costs
Market (Transition risk)	Increased cost of raw materials	Short-term 	Likely 	High 	Medium 	Reduced profitability
Chronic (Physical risk)	Rising temperature	Long-term 	Likely 	Low 	High 	Increased operating costs
Energy sources (Opportunity)	Use of new technologies	Medium-term 	Very likely 	High 	Medium 	Increased revenues and increased profits
Products and services (Opportunity)	Development of new products or services through R&D and innovation	Medium-term 	Very likely 	High 	Medium 	Increased revenues and increased profitability
Market (Opportunity)	Access to new markets	Medium-term 	Likely 	High 	Medium 	Higher revenues

Notes: Company information.

¹ Short-term < 3yrs, Medium-term 3-10yrs, Long-term >10yrs.

² Potential financial impact both positive and negative cannot yet be fully assessed and is likely to be integrated into Marel's day-to-day operations. Mitigating actions are being assessed and will be used going forward to align with Marel's business strategy to minimize negative effects and maximize the opportunities, where possible from climate change on Marel's operations.

Update on Marel's TCFD journey

Marel is committed to climate-related risk reporting in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

	2023 achievements	Short-term priorities	Longer-term goals
Governance	<ul style="list-style-type: none"> Increased focus across the organization on climate-related impacts, risks and opportunities of Marel operations and our value chain owing to our extensive preparatory work to comply with the EU Corporate Sustainability Reporting Directive (CSRD) in 2024 Numerous internal and external stakeholder sessions undertaken on climate related issues. This includes half-yearly board strategy sessions, audit committee briefings, quarterly business review meetings with the Executive Team and interviews with our customers to inform our double materiality analysis. 	<ul style="list-style-type: none"> Increased structural attention on climate related impacts within the Board of Directors including structured decision-making and follow up on identified climate issues Include climate related risk and opportunity reviews as a fixed agenda item at Sustainability Committee meetings 	<ul style="list-style-type: none"> Further integrate the impact of climate change in corporate governance and oversight
Strategy	<ul style="list-style-type: none"> Identified climate change adaptation and mitigation as a material topic in our double materiality analysis Undertook an assessment of climate change related impacts, risks and opportunities in terms of severity and likelihood, with input from 7 divisions across the company Initiated our first pilot program for manufacturing products with green stainless steel which is made using renewable energy 	<ul style="list-style-type: none"> Further assess potential business implications of climate related risks and opportunities on Marel's operations Further align the findings and recommendations from climate-related risks and opportunities with the business strategy and financial planning Improve energy efficiency and use of renewable electricity in our own operations Enhance our support to customers for them to improve their own emissions profile 	<ul style="list-style-type: none"> Further integrate climate impact into Marel's strategy and operations by improving the view on climate risks and opportunities and aiming to minimize climate impact with the majority of Marel's equipment solutions
Risk management	<ul style="list-style-type: none"> Initiated work to expand our risk framework in line with the CSRD Implemented ESG software to capture emissions data quarterly from across our locations and a CSRD tool to capture reporting on climate-related risks and opportunities from key internal stakeholders 	<ul style="list-style-type: none"> Integrate climate risk into Marel's overall risk framework including periodic reviews of climate risks and opportunities Continue initial analysis on climate related risk causes and opportunity triggers with the aim to externally disclose the most material ones 	<ul style="list-style-type: none"> Further integrate climate risk into the overall risk management framework.
Metric & Targets	<ul style="list-style-type: none"> Piloted a project to improve our Sustainability Scorecard for new product development Adopted enhanced emission factors from the ecoinvent database to increase transparency for Scope 3.1 emissions 	<ul style="list-style-type: none"> Embed periodic reporting on material risks and opportunities Improve disclosure on our Scope 3 greenhouse gas emissions (GHG) and targets to reduce GHG Further improve Marel's innovation scorecard to elevate sustainability in new developments Fully transition from using carbon intensity KPIs to absolute reduction KPIs in our strategy to better align with SBTi 	<ul style="list-style-type: none"> Disclose and report on forward-looking climate-related metrics and actual performance against goals