

Decarbonization Plan

TARGET SETTING

By 2030 KTM AG, a wholly owned subsidiary of Bajaj Mobility AG, plans to cut its absolute Scope 1+2 GHG-emissions by 42% – estimated using the Science-Based Targets initiative methodology – compared to 2023. This target will be achieved through a range of initiatives, including the switch to cold engine testing, intensifying simulation methods and improving energy efficiency.

By 2030 KTM AG plans to cut its Scope 3 GHG-emissions from use of sold products (gCO₂e/km). This target will be achieved through a range of initiatives and developments, including the launch of new electric models and the reduction of emissions in the value chain (e.g. share of recycled aluminium).

Justification for company's ambition not in-line with 1.5°C pathway

The reduction target is based on an in-depth GHG inventory analysis, combined with abatement potential assessments and economic feasibility considerations. The determination of this target followed a structured process, incorporating:

- Science-Based Targets initiative (SBTi) methodology, ensuring alignment with international climate benchmarks.
- Marginal Abatement Cost Curve (MACC) analysis, identifying the most cost-effective emission reduction measures.
- Assessment of available decarbonization technologies, such as electrification, efficiency improvements, and renewable energy integration.
- Regulatory developments and market trends, ensuring that KTM AG remains aligned with evolving industry standards and policy frameworks.

While the 42% reduction of Scope 1+2 GHG-emissions is ambitious, it reflects the technical feasibility and financial viability of available measures within the given timeframe.

Additionally, economic factors, product development lead times, and site-specific constraints were key considerations in defining this goal.

Carbon Offsetting Strategy

KTM AG is committed to prioritizing direct GHG reduction measures within its value chain. However, recognizing that some residual emissions will remain, the company is exploring offsetting options in line with the Oxford Offsetting Principles and the Science-Based Targets initiative (SBTi) Net-Zero Standard. KTM AG acknowledges that offsetting should not replace emission reductions but rather act as a complementary measure to achieve Net Zero by 2050. The company will regularly reassess its offsetting approach to ensure alignment with evolving best practices.

Stakeholder engagement

KTM AG recognizes that a successful transition to net zero by 2050 will require collaboration with suppliers, customers, policy makers and industry partners. The company plans to implement a structured stakeholder engagement approach that ensures key stakeholders are involved in goal setting, technology adoption and supply chain decarbonization. This engagement process will include multi-stakeholder roundtables and workshops with suppliers to promote transparency and shared responsibility.

Methodologies

The targets are based on the 2023 greenhouse gas inventory as well as estimates of future workforce levels and production and sales figures. The ongoing restructuring and further improvements in the GHG inventory may necessitate adjustments to the targets in the future.

OUTLOOK

Long term decarbonization

To further decarbonize in the long term and reach the global commitment of the Paris agreement to achieve Net Zero by 2050, KTM AG continues to evaluate long-term decarbonization options, such as the further development of low-emission vehicles and monitor the markets for alternative fuels.