



Sustainability Report

2023

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Introduction

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1.1 A message from our CEOs

At Climeworks, sustainability is in our DNA.

The purpose of our business is to help mitigate climate change by permanently removing carbon dioxide (CO₂) from the atmosphere. With this first Sustainability Report we want to share our journey to date, and where we aim to go.

In 2023, we achieved some major milestones by continuing our global expansion with projects across the U.S., Kenya, and Canada. In Iceland, our new facility 'Mammoth' made steady progress and will be inaugurated in May 2024. Significant long-term CO₂ removal contracts closed with firms such as JPMorgan Chase & Co. and Boston Consulting Group underline the growing market demand for our carbon removal services. We also decided to expand our offering beyond pure direct air capture products, providing tailored carbon removal portfolios to customers. With this new 'Climeworks Solutions' offering, we will accelerate the scale-up of high-quality CO₂ removal even further.

We are committed to not only scaling our climate solution fast, but doing it responsibly. Our own climate strategy is at the center of our ESG (environmental, social, and governance) efforts: we commit to reaching net zero emissions by 2030. Further, guaranteeing the highest possible quality of our services through stringent monitoring, reporting, and verification measures is fundamental to us. Finally, for Climeworks it is vital to be continually engaging and including the local communities that host our projects, ensuring their needs and concerns are addressed.

All of the above has only been possible thanks to our growing, international team of dedicated Climeworkers. We are committed to ensuring the physical and mental health of each, while creating and maintaining a culture where everyone feels included, welcome, and valued.



Christoph Gebald and Jan Wurzbacher,
Co-CEOs and Founders of Climeworks

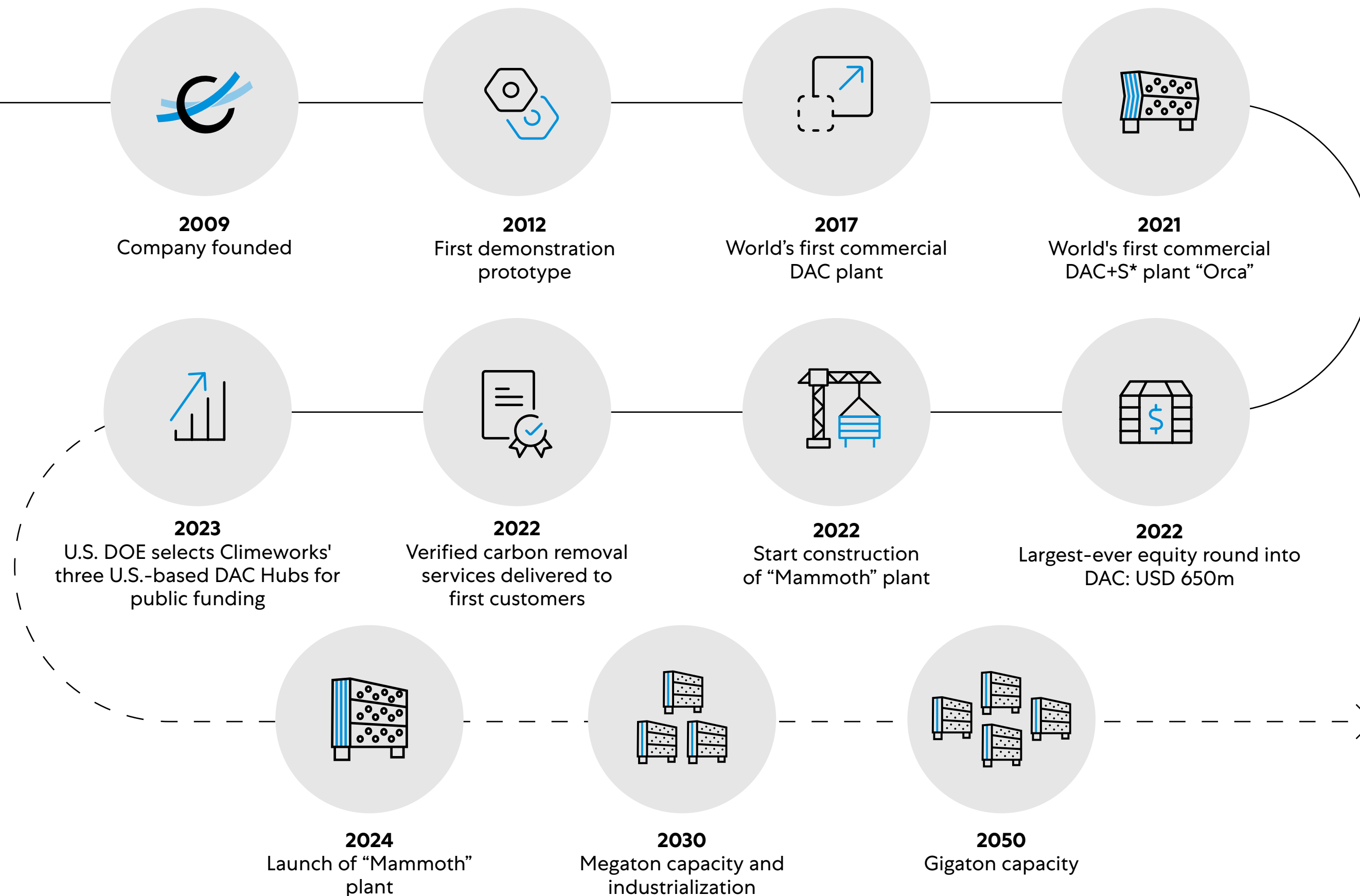
Looking ahead, there is still a lot for us to do. We will expand into new markets and build new collaborations, not only offering a clear climate benefit but also creating jobs and other benefits like accelerating the development of renewable energy infrastructure.

Sincerely,

Jan Wurzbacher

Christoph Gebald

1.2 Our company – where we come from and where we are headed



Climeworks AG is the global leader in carbon dioxide removal (CDR) as a service via direct air capture (DAC) technology, empowering companies to advance their net zero roadmaps and fight global warming.

Founded by engineers Christoph Gebald and Jan Wurzbacher in 2009, Climeworks is on a journey to climate impact at scale with integrity at its core and a focus on the highest quality, permanent removals.

Climeworks is headquartered in Switzerland with subsidiaries in the U.S., Germany and Iceland. A more extensive overview of Climeworks, its subsidiaries, and developments can be found in its annual report.

Climeworks' direct air capture technology is one of the key technological solutions to fight climate change. It removes CO₂ directly from the air, reducing the atmospheric concentration of CO₂, powered by renewable energy. Our north star is to reach megaton (million-ton) carbon removal capacity by 2030, and gigaton (billion-ton) scale by 2050.

Climeworks has led the field of direct air capture for many years due to a combination of two elements that are still today exclusive in our field: we unite cutting-edge R&D with thorough technology deployment in the field. Our 150+ full-time employees in the science and R&D team work on the latest DAC technology and materials, building on fifteen years of development history. And Climeworks' DAC field experience based on commercially operating plants dates back to 2017. With our latest plant, Mammoth, we continue our trajectory of increasing our carbon removal capacity tenfold every two to three years, while improving performance and efficiencies at the same time.

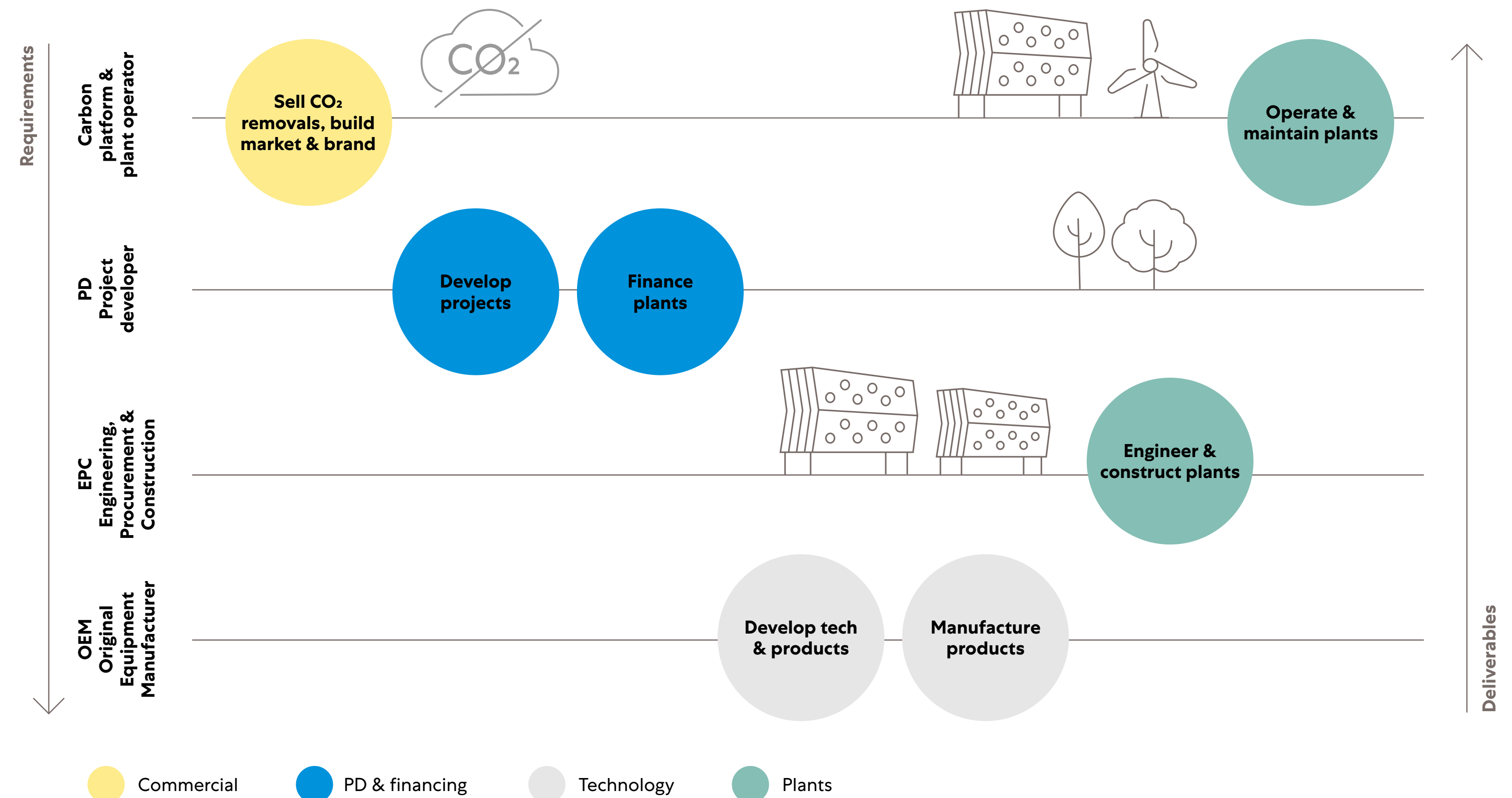
*DAC+S: direct air capture and storage

1.2 Our company – where we come from and where we are headed

Our business activities comprise seven main areas from building the market and brand to developing, manufacturing and operating DAC plants. Along the value chain of these activities, Climeworks collaborates with four company archetypes (see figure).

Climeworks sells the high-quality carbon removal services performed at its DAC plants to both companies and individuals. Its growing customer base counts over 160 companies, including multinationals such as Microsoft, BCG, JPMorgan Chase & Co., and Swiss Re. Companies purchasing Climeworks' carbon removal services typically have a net zero strategy in place and use carbon removal to neutralize their unavoidable or historic CO₂ emissions.

To maximize our impact on climate change mitigation, we are now expanding our carbon removal offering beyond our own direct air capture and storage service to include other high-quality carbon removal approaches. All carbon removal methods have different benefits and challenges. By meeting the customer need for high-quality, needs-based carbon removal portfolios, we help to further accelerate the nascent carbon removal market and ensure that those approaches with the highest quality can scale (more in chapter 3.3).



To further accelerate the market for high-quality carbon removal, Climeworks is part of several associations globally.

Region	Name of association	Climeworks' role	Climeworks' reason for participating
Europe			
	CO ₂ Value Europe	Board member	EU advocacy
	Negative Emissions Platform	President of the board and co-founder	Carbon removal advocacy and education
Switzerland			
	Swissmem	Member	General climate policy advocacy
	Swiss Carbon Removal Platform	Co-founder	Carbon removal education
	Zurich Carbon Market Association	Member	Networking
Germany			
	Deutscher Verband für negative Emissionen (DVNE)	Board member	Carbon removal advocacy and education
	Verband Deutscher Maschinen- und Anlagenbau (VDMA)	Member	EU advocacy
UK			
	Coalition for Negative Emissions	Member	Carbon removal education
USA			
	Carbon Removal Alliance	Board member	Carbon removal advocacy and education
	Carbon Capture Coalition	Member	General climate policy advocacy
	Bipartisan Policy Center DAC Advisory Council	Member	Carbon removal education
Norway			
	ZERO	Member	Carbon removal education
International			
	DAC Coalition	Member	Carbon removal education
	CCS+	Member	Carbon removal methodology development

1.3 To our partners: Thank you!



Climeworks has come a long way on its journey to impact at scale, and this has only been possible thanks to the unwavering support from a range of stakeholder who believe in our vision.

We therefore want to express our deepest gratitude to:

- **Our investors** for their trust in our company's roadmap and their long-term commitment
- **Our customers** who take leadership in corporate climate action and are driving the carbon removal market
- **Our suppliers** and partners for building the carbon removal industry together with us
- **The communities** hosting our projects for their openness and guidance in creating projects that create meaningful local benefits
- **The climate community** who keeps fighting for a better future
- And **our Climeworkers** who are at the core of what our company has achieved to date and will achieve going forward

About this report

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2.1 2023 highlights

This is our first Sustainability Report!

We set ourselves the goal of reaching **net zero** corporate emissions by 2030.

Our direct air capture plants already operate on a **zero** emissions basis.



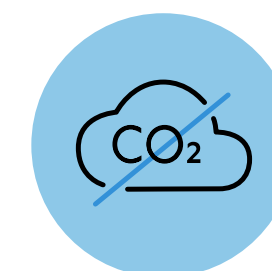
Strengthened **DEIA commitment** to ensure that in a growing company everyone feels welcome, valued and supported.



Our team grew by 45% to

397

people across 44 nationalities dedicated to fighting climate change in Switzerland, United States, Germany and Iceland.



We will bring high-quality carbon removal to the United States with **three projects** selected by the Department of Energy.

120,000h

hours of operational experience in the field had been accumulated by the end of 2023.

Strengthened **ESG assessment** as part of our supplier onboarding procedure.

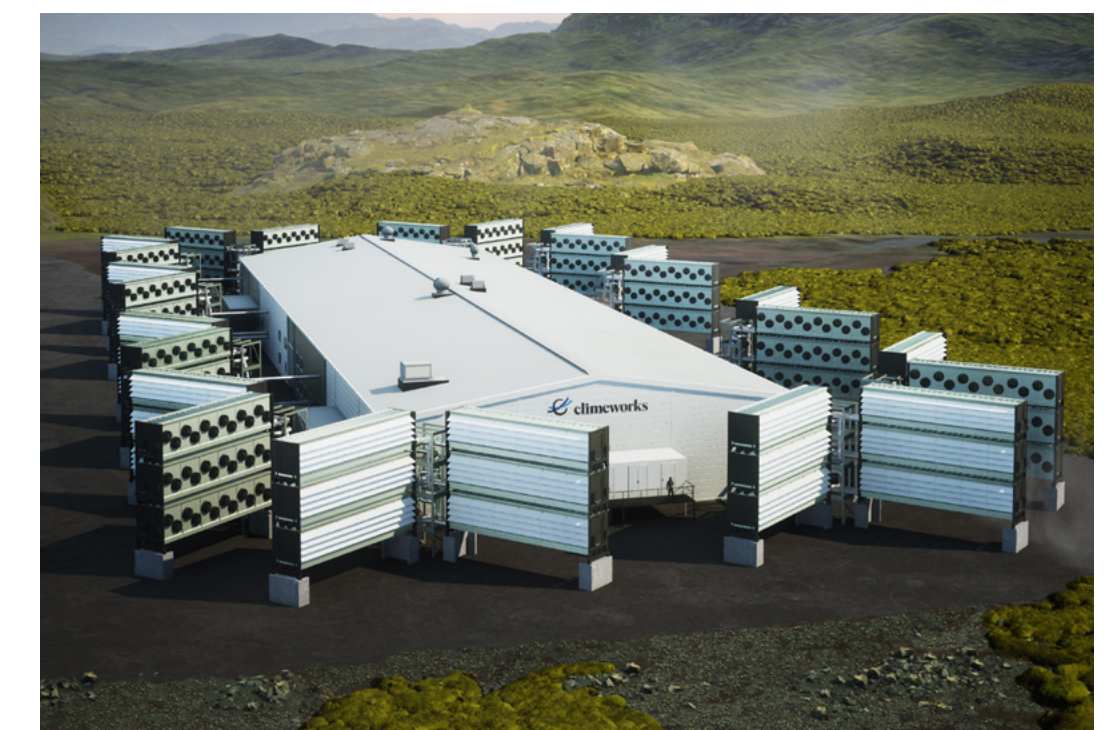
5,000+

business leaders, policy experts and scientists attended our events (both in person and virtual) to discuss climate solutions in 2023.

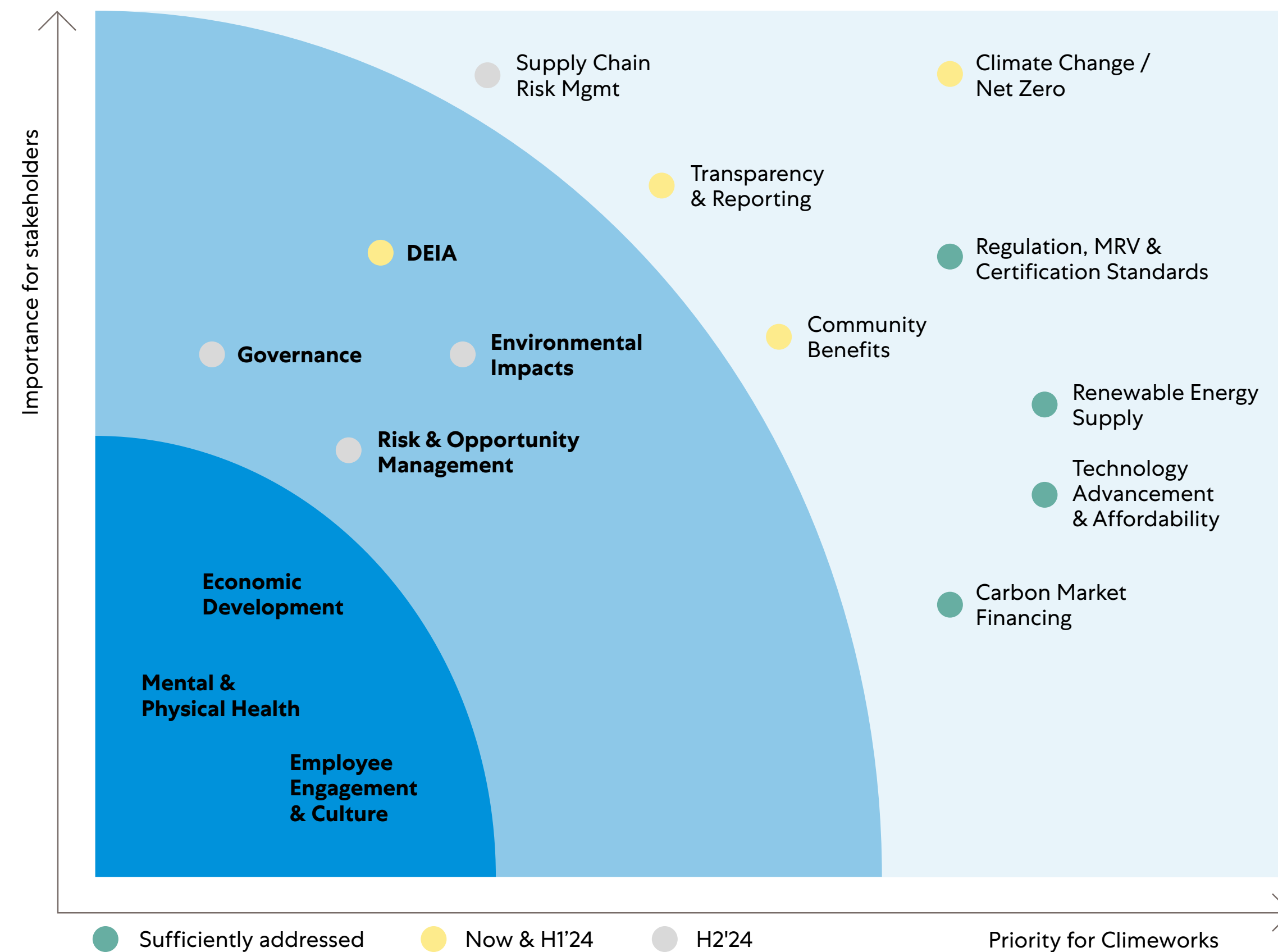


Climeworks as the first direct air capture company to deliver third-party verified carbon removal to customers.

Our 2023 project pipeline has the potential to remove millions of tons of CO₂ and create **thousands** of cleantech jobs by 2030.



2.2 Our focus areas: materiality assessment



A materiality assessment lays the foundation for our sustainability strategy and reporting. It helps us identify and prioritize the most relevant sustainability issues for our stakeholders and our business to enable long-term success.

For our materiality assessment, we engage with and consider both internal and external stakeholders to identify the priority topics to focus on.

Our key stakeholders in 2023 are:

- Customers
- Investors
- Employees
- Communities in which we operate
- Climate community

Our stakeholders' perspectives guide our ESG focus areas for 2023/24. We have defined our own corporate **climate strategy** by setting a net zero target. We are publishing our first sustainability report, focusing on community engagement for our projects in the U.S. and strengthening our DEIA commitment to ensure that in a growing organization, everyone still feels welcome, valued, and supported.



Franziska Tück
Sustainability Lead

“

The biggest impact Climeworks can have on fighting climate change is by advancing and scaling our technology responsibly. The world needs to achieve the annual removal of 6-16 gigatons¹ of CO₂ by 2050 – not just as a global economy, but together as a society.

”

¹ The state of carbon dioxide removal (2023) for scenario keeping warming to 1.5°C; gigaton = billion-ton

Our impact on climate

3

3.1 Our contribution to a net zero world

Ensuring a livable planet for generations to come requires humanity to reach net zero emissions globally by 2050. To achieve this, the global community must drastically reduce the emissions by around 90 percent and, in addition, remove any residual emissions from the atmosphere, the remaining 10 percent, amounting to approximately 6-16 gigatons per year by 2050.

Climeworks focuses on scaling one of the most promising removal solutions: **direct air capture.**

Our direct air capture technology provides carbon removal that is permanent, scalable, additional and fully verifiable. By permanently removing carbon dioxide from the atmosphere, we do our part in moving the world toward net zero.



**Hilary Going**

Head of Strategic Partnerships, US Technology & Telco

“

Attending Climate Week NYC 2023 showed me the impact we can have if we come together and discuss climate solutions in an open and constructive way. Key themes included the importance of high quality as well as the inclusion of local communities in defining a sustainable future for all. I am convinced Climeworks will play a key role in making this happen.

”



3.1 Our contribution to a net zero world

Beyond advancing our technology and developing projects across the world, Climeworks is a strong advocator for high-quality carbon removal more broadly.

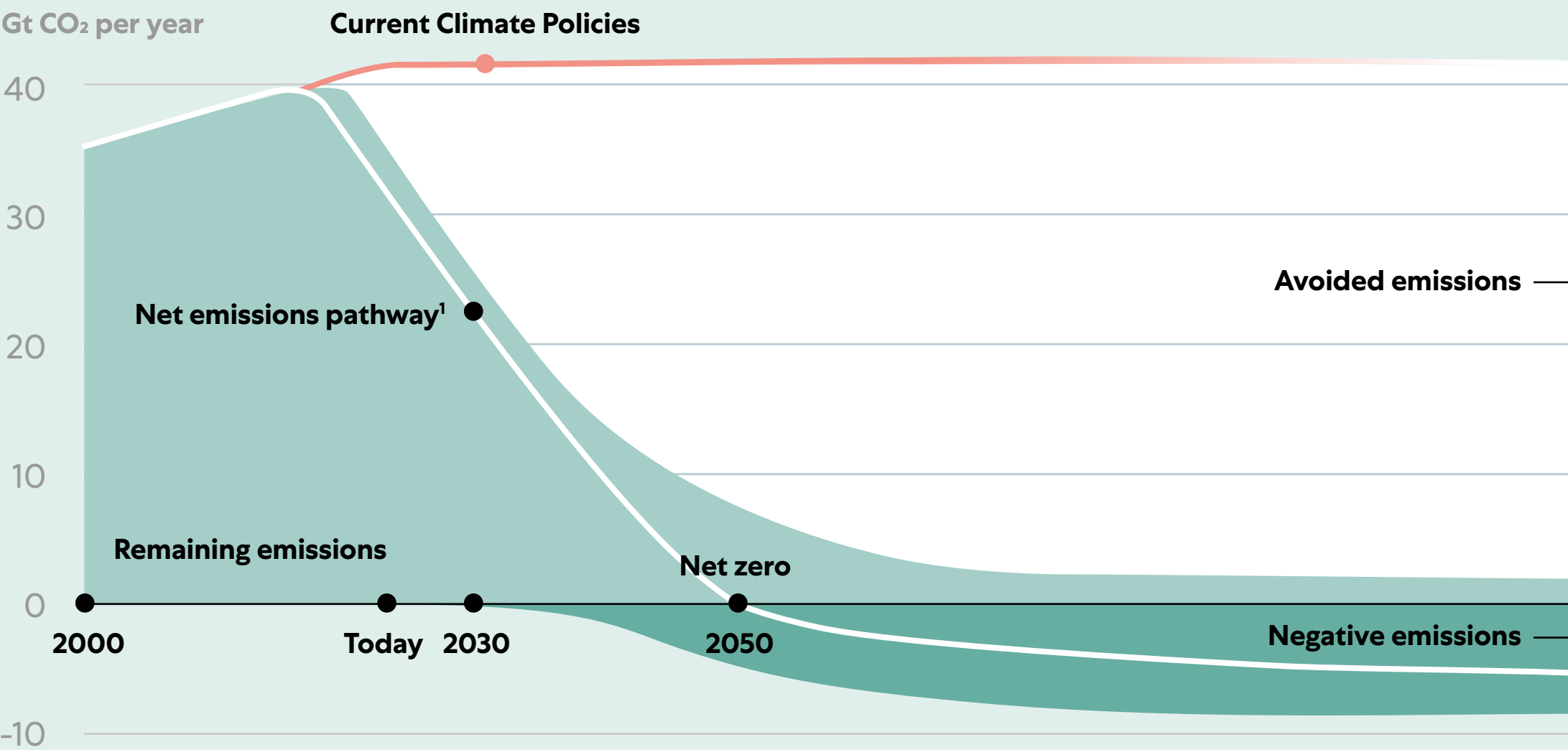
It's part of our mission to help educate about and build awareness of this important piece of the climate solution puzzle. For example, Climeworks regularly engages different stakeholders by offering platforms to connect, such as our flagship event 'Climeworks Carbon Removal Summit' or our presence at global events like the Annual Meeting of the World Economic Forum or Climate Week NYC.

3.2 Spearheading an emerging industry

For the world to reach net zero emissions, as much as **6-16 gigatons of carbon removal will be required annually by mid-century**, and direct air capture technology is expected to contribute a significant part.

Sources:
¹ Adapted from IPCC AR6 WG III (2022) for scenario keeping warming to 1.5°C (>50% likelihood) with limited or no overshoot;
² The state of carbon dioxide removal (2023) for scenario keeping warming to 1.5°C;

Note: The shaded areas for both avoided and negative emissions are illustrative only.



6-16²
Gigatons / year carbon dioxide removal
("CDR") required by 2050.

3.2 Spearheading an emerging industry

Climeworks is at the forefront of scaling the direct air capture industry: from capturing milligrams of CO₂ in the lab in 2009 to removing thousands of tons in the field today, Climeworks has accumulated more than 120,000 hours of operational experience, more than any other company.



15-year agreement
signed in 2023



Without carbon removal, net-zero is out of reach. This is true for BCG and across industries at large. It's imperative that we start scaling carbon removal today, in particular high-quality solutions that are verifiable, additional, and permanent, to be able to meet the growing demand in the coming decades. Climeworks continues to be a driving force in carbon removal and is a valued partner on the path to BCG's net zero target.



David Webb
Chief Sustainability Officer, BCG

JPMORGAN CHASE & CO.

>\$20M agreement
signed in 2023



Innovative technologies play an increasingly important role in the transition to a low-carbon economy. At JPMorgan Chase, we prioritize reducing our own environmental footprint. To complement our operational emissions reduction efforts, we're collaborating with companies like Climeworks to address our unabated emissions and, crucially, to support the development of scalable solutions that the world needs to achieve net-zero emissions by 2050.



Brian DiMarino
Head of Operational Sustainability,
JPMorgan Chase & Co.

3.2 Spearheading an emerging industry

Together with our customers who recognize and trust our expertise, we are shaping the carbon removal industry so it can grow to the scale needed.



Long-term agreement
signed in 2023

“

The decision to partner with Climeworks and to purchase its high-quality carbon removal solution reflects our ambition at SWISS to promote key technologies on the journey to net zero. In order to achieve the aviation sector's targets and the global climate goals, we must rely on a variety of measures - including the rapid scaling of sustainable aviation fuel and carbon removal.

”

Dieter Vranckx
CEO, Swiss International Air Lines



9-year agreement
signed in 2023

“

We want children to inherit a healthy planet – and we're determined to play our part in making that happen. To succeed we must take action to drive systemic change. We were the first large toy company to announce a science-based emissions reduction target in 2020 and we want to continue to lead the way in finding innovative solutions for the challenges we face. This is why we are working with innovators like Climeworks – their technology, as part of a varied programme of initiatives, can help us and society as a whole realise the net-zero future that is needed to protect our planet for generations to come.

”

Annette Stube
Chief Sustainability Officer,
The LEGO Group

3.2 Spearheading an emerging industry

As Climeworks is expanding internationally, we are contributing to establishing an entirely new cleantech industry, creating thousands of jobs along the way.

It is estimated that building a megaton direct air capture plant, a plant with a capacity to remove one million tons of CO₂ per year, can create 2,000-3,000 jobs. And with the build-up of the DAC industry, we are also supporting the expansion of renewable energy. It is estimated that for gigaton scale (annual carbon removal capacity of one billion tons of CO₂), around 1,500 TWh of renewable energy is needed, which is equivalent to two to three percent of the expected global capacity of renewables by 2050¹.

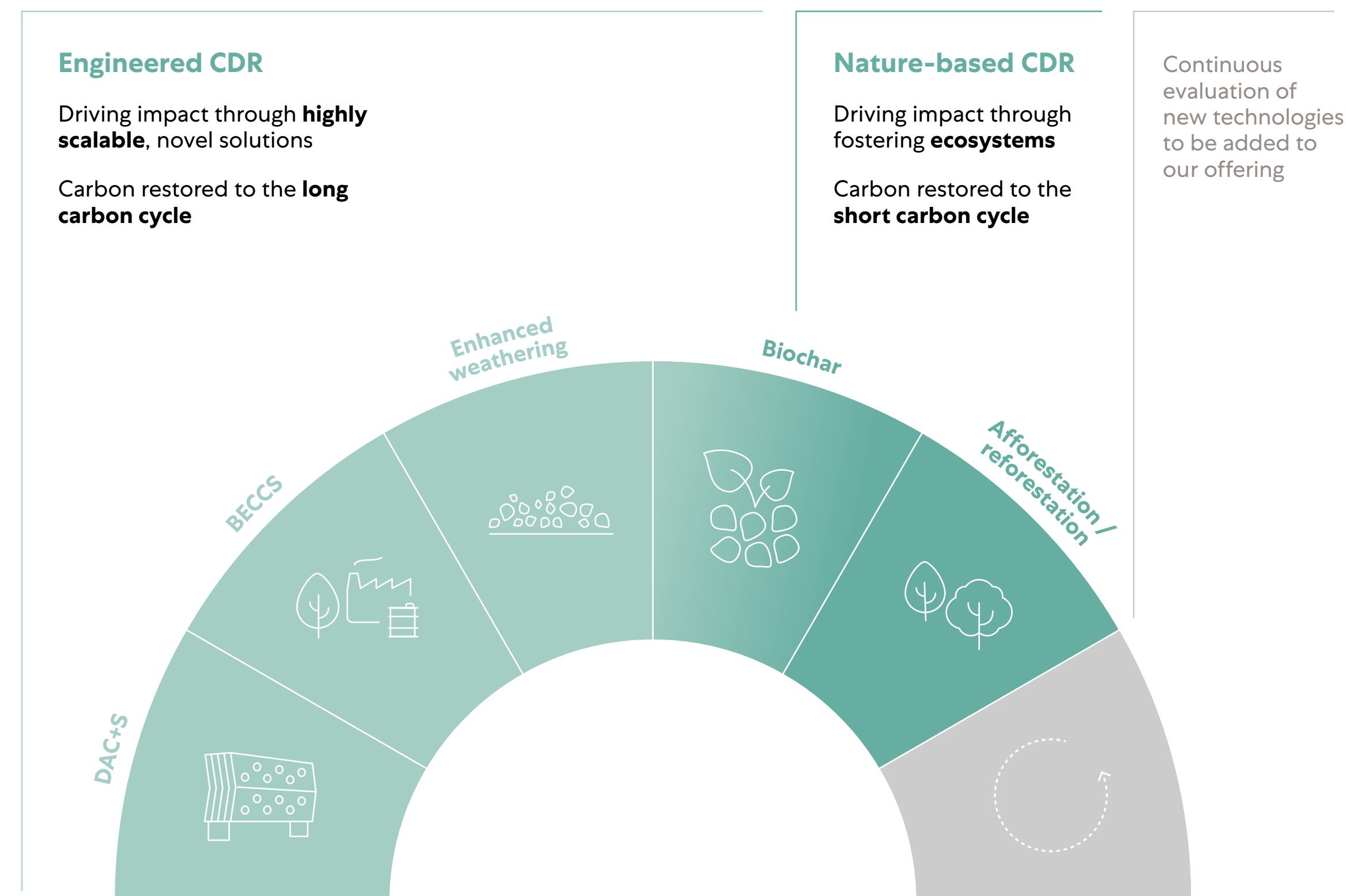
¹ based on the IEA Renewables 2022 report and own estimates

3.3 Climeworks Solutions: our portfolio approach

While Climeworks was born with a mission to scale one of the most promising carbon removal technologies, we recognize the global need for other high-quality carbon removal approaches. All carbon removal methods come with their benefits and challenges, which is why we believe a portfolio approach is most beneficial to the climate to create impact at large and fast.

In 2023, Climeworks therefore decided to launch a new offering - Climeworks Solutions: holistic, high-quality carbon removal portfolios, complementary to its existing carbon removal service focused on direct air capture and storage.

The portfolios are tailored to the individual needs of companies and are comprised of both engineered and nature-based approaches that remove CO₂ from the atmosphere.



First Climeworks Solutions agreement signed in 2023

“

By building a high-quality and robust removal portfolio for our hard-to-abate emissions, Climeworks is helping us realize our vision for social and environmental impact. Their expertise in the carbon removal industry, project due diligence, and identification of high-quality solutions complement our own efforts to pioneer meaningful climate action.

”

Aurelia Figueroa
Global Director of Sustainability, Breitling

3.3 Climeworks Solutions: our portfolio approach

What was the intention behind launching Climeworks Solutions?

Our company's goal is to have the greatest possible impact on climate change mitigation through high-quality carbon removal, and Climeworks Solutions allow us to multiply our impact on different levels.

First, on a buyer level: the fact that there is no net zero without carbon removal is clear to many companies, but acting on it remains challenging, given the complex range of technologies and suppliers available. With Climeworks Solutions we put our decade-long experience in carbon

removal into action. As we tailor our solutions to our customers and vet approaches based on our robust methodology, they can be sure to maximize the impact of their investment in carbon removal.

Second, on a supplier level: we work with carbon removal suppliers who are at a similar stage as Climeworks was a couple of years ago. By including their approaches in our offering and meeting the customer need, we strengthen the demand signal from the market. This enables suppliers to scale their business faster, which accelerates capacity building for high-quality carbon removal beyond direct air capture.

By helping companies act faster and with higher impact, and helping suppliers scale faster, we contribute to accelerating high-quality carbon removal to the magnitude needed to build a net zero world by mid-century and thus avoid the worst effects of climate change.

How do you work with companies who want to buy Climeworks Solutions?

We meet customers where they are today. Some are highly advanced in their strategy but have limited resources to scan the market for high-quality suppliers. Others recognize the need to shift away from avoidance offsets, and are looking for a trustworthy end-to-end advisor to define, source and manage their carbon removal solution.

Our Climeworks Solutions architects tailor carbon removal portfolios to the customers' needs. In a first step, we identify their needs together with them. How important are attributes such as additionality, measurability or durability to them? Next, we tie their

needs to the respective carbon removal approaches, and we define, source and manage a holistic solution that is uniquely tailored to the respective company.

To sum up, we take the effort of creating, sourcing and managing an effective carbon removal portfolio off our customers' shoulders, guaranteeing a high-quality, impactful mix of solutions based on our extensive experience.

“
We meet
customers where
they are today
”

Adrian Siegrist

VP CDR Solutions,
on Climeworks Solutions



Scaling our impact responsibly

4

4.1 Climeworks' climate strategy

Being the first company to commercialize direct air capture (DAC) technology, **we envision being the first DAC company to become Net Zero based on a solid climate strategy**. As we are drastically scaling over the coming years to reach gigaton capacity by 2050, we want to keep our own footprint in check.

We have aligned our Net Zero target setting and emission accounting closely to the GHG Protocol and the Science-Based Targets initiative (SBTi). SBTi does not yet provide carbon dioxide removal sector guidance and current standards do not fit our industry. Yet, we do not want to wait to get started until

relevant sector guidance is available, which is why we defined an internal working hypothesis to reach **Net Zero corporate emissions across all scopes 1-3 by 2030**.

Climeworks is a fast-growing company (our team grew by 45% to 397 employees in 2023), which is why our absolute emissions are increasing. In 2023, we further expanded internationally, entering new markets such as the United States, Kenya, Canada, Norway, the United Kingdom, and APAC. With a growing globally distributed team, it is understandable that our travel emissions increased in 2023 and will likely continue to increase in the near future until more local offices are established.

Accounting for our product emissions

It is important to note that we account for our product emissions, the emissions from our direct air capture plants, separately and more regularly. Our plants operate on a **zero-emission basis**: Today, any emissions resulting from plant construction and operation are being accounted for and neutralized by their own operations.

Their grey emissions are accurately monitored and subtracted from the amount of CO₂ removed, and only the remaining net carbon removal on a complete life cycle basis (cradle-to-grave) is offered to our clients. Those calculations, grey emissions and removed CO₂ quantities are being audited and verified through third party verification bodies.

More detailed information can be found in our [DAC methodology](#).

4.1 Climeworks’ climate strategy

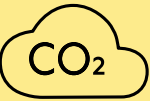
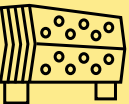


On scope 1 and 2

We have no combustion engines and are sourcing 100% renewable energy for operating our plants as well as offices.

More details on scope 3 provided on the following page →



In 2023, our total corporate emission footprint accounted for **1,700** tons of CO₂, of which our scope 1 and 2 emissions already fulfilled net-zero-aligned ambitions.

Climeworks Group (tCO ₂ e)*				Climeworks Plants**
		2022	2023	Grey Emission 0 <neutralized by own operation>
		1,079	1,700	
	Scope 1 Combustion	0	0	
	Scope 2 Energy	2	0	
	Scope 3 Value chain	1,077	1,700	(*) Corporate accounting (**) Product accounting out of scope tracked separately

Climeworks corporate emission footprint in detail

Deep dive on our scope 3 emissions

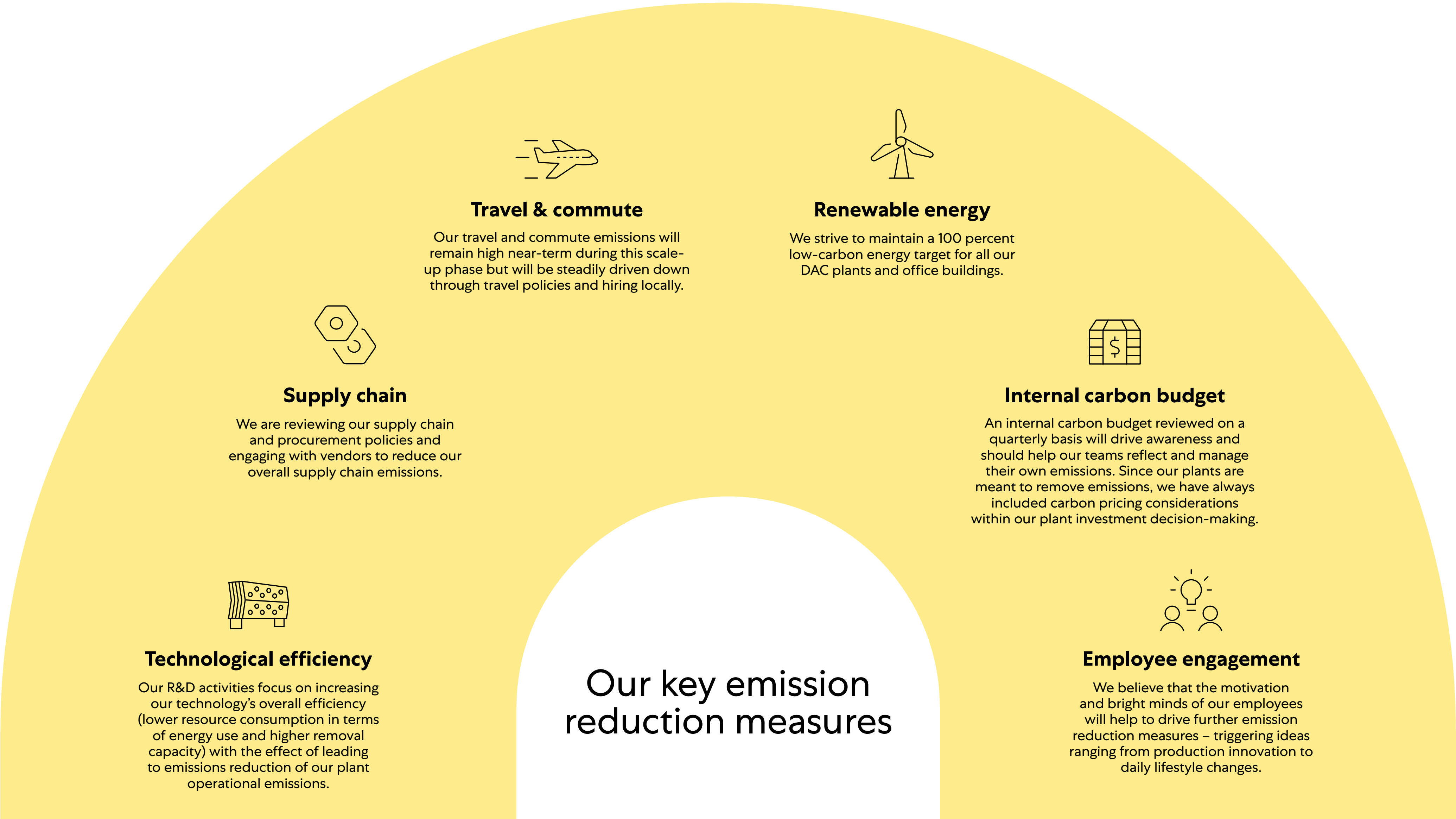
Our indirect emissions along the value chain are driven mainly by travel and R&D. Whereas R&D was the largest emission driver in 2022, our expansion to the U.S. led to travel outrunning R&D by far as the largest emission bucket in 2023. Purchased goods & services remained relatively stable with 783 tons of CO₂e in 2023 (46 percent of scope 3), compared to 775 tons of CO₂e in 2022 (72 percent of Scope 3), yet falls behind travel as the overall largest emission bucket. R&D accounts for almost 40 percent as part of purchased goods and services with 309 tons of CO₂e.



Climeworks emission footprint in tCO ₂ e	2022	2023
Scope 1	0	0
Scope 2 Electricity	2	0
Market-based, 100% renewable wind and hydro energy sourced for our offices in CH and GER		
(Not used but reported for transparency reasons: location-based method, CH and GER grid)	4	4
Scope 3	1,077	1,700
Business travel	257	805
Purchased goods and services (of which 40% derived from R&D activity)	775	783
Upstream transportation and distribution	24	70
Fuel-& energy-related activities not included in Scope 1 + 2	6	12
Upstream leased assets	14	27
Waste generated in operations	2	3

Reducing our emissions will be tracked through intensity-level KPIs

Intensity KPIs	2022 tCO ₂ e	2023 tCO ₂ e
Corporate emission / net CDR produced	2.21	1.91
Corporate emission / Head Count (HC-intensity)	3.95	4.28
Travel emission / Head Count	0.94	2.03
Emission per 1,000CHF corporate spend	0.040	0.043
Renewable Energy sourced for offices	100%	100%



4.2 Our commitment to high quality and transparency

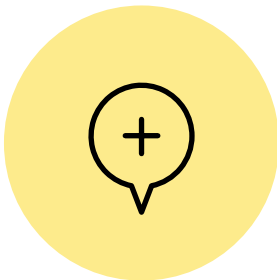
The benefits of direct air capture

Permanent



CO₂ is removed from air & stored for **10,000+ years**.

Additional



We remove net CO₂ from the atmosphere, only enabled by our customers.

Verified



First & only 3rd party verified CDR via DAC+S based on independently validated methodology.

Scalable



Our technology is modular and has a **low land footprint**.

Climeworks’ ambition of drastically scaling its carbon removal capacity does not mean we are compromising on quality – on the contrary: ensuring and delivering the highest quality carbon removal services to our customers is key to us.

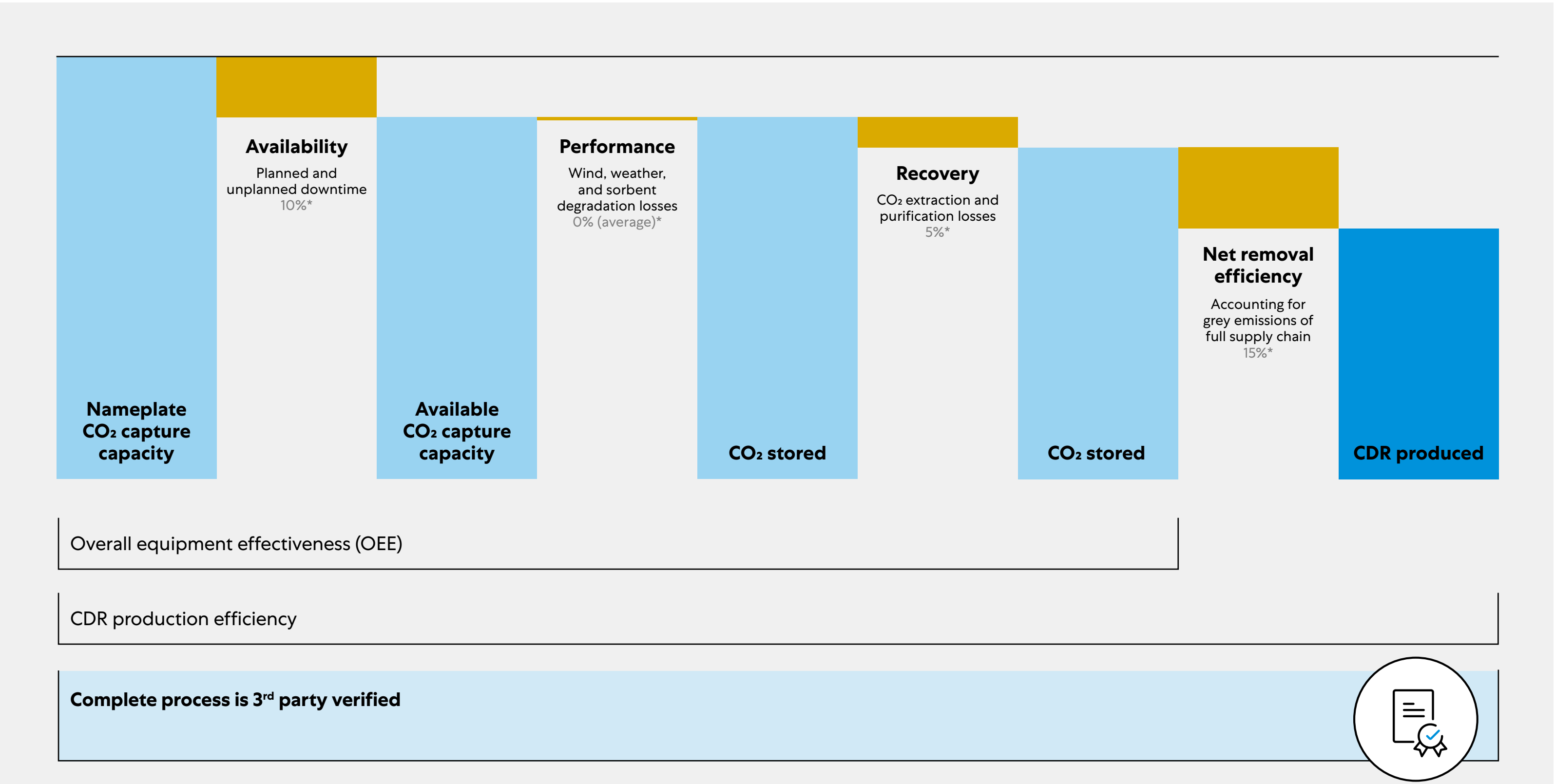
Through direct air capture and subsequent in-situ mineralization (direct air capture and storage, DAC+S), the CO₂ is permanently removed from the atmosphere, additionality of the removal is guaranteed and the technology is highly scalable. With that DAC is often referred to as a gold standard amongst all carbon removal solutions. Due to its technological nature and the installation of multiple sensors and scales, measurability is ensured, and every step of the removal process can be easily third-party verified.

As we scale, we commit to upholding or improving this level of quality, accuracy and traceability. We also hope to drive the carbon removal industry toward more harmonized monitoring, reporting and verification (MRV) standards at the benchmark set by Climeworks, to increase trust and credibility in the overall market. Our Standards & Certification Lead Louis Uzor explains more on our MRV-related activities on page 30.

Beyond DAC, we are also committed to guaranteeing the highest level of quality of our new offering, Climeworks Solutions. We have a dedicated team in place who carefully vets the solutions we are including in our portfolio that we offer to customers.

4.2 Our commitment to high quality and transparency

Importantly, we sell only net carbon removal to our customers, accounting for all grey emissions and other CO₂ losses along the carbon removal production. The below graphic shows the carbon removal production steps based on DAC, resulting in the net removal sold to customers.



CO₂ quantities

Corrections & losses

Net CDR

*Numbers correspond to average target values

4.2 Our commitment to high quality and transparency

Louis Uzor

Lead Standards
& Certification –
CDR Solutions



In what way is Climeworks driving high quality and integrity in the carbon removal industry?

Climeworks has long been advocating for stringent standards in the voluntary carbon market and the need to clearly distinguish between emissions reductions and carbon removals to protect the market's integrity (see Climeworks' statement from April 2023).

We are actively advancing robust monitoring, reporting and verification (MRV) and certification standards in

various forums, for example together with the Gold Standard and Verra's Verified Carbon Standard within the CCS+ Initiative.

More than advocating for it, Climeworks has taken steps itself: in 2022, we developed the first dedicated full-chain direct air capture and storage methodology, which describes what a direct air capture project needs to fulfil to meet certain quality criteria, such as high durability, additionality, cradle-to-grave project boundaries, and social impacts as well as the correct accounting for net removals produced. In the same year, we also achieved third-party verification of our carbon removal services. And today, we are in the process of certifying our services under the Puro Standard – our latest MRV milestone. Going forward, we aim to third-party verify and certify all of our future plants and their carbon removal production.

We developed the first dedicated full-chain direct air capture and storage methodology.

How does the certification under the Puro Standard work?

Certification under the Puro Standard involves the auditing of Climeworks' carbon removal services by an accredited entity: at Orca, Puro-accredited validation and verification body DNV verifies that the removals were performed according to the Puro Standard,

fulfilling a stringent set of quality criteria. Once independently verified, Puro.earth certifies the batch of removal services falling into the audit window. The certified credits then get issued on the Puro registry and are retired as soon as they are delivered to a specific customer. This customer is the only one allowed to claim the credits, ensuring transparency and accountability in the process.

Importantly, this aligns Climeworks with general integrity requirements for VCM activities and enables our services to comply with leading initiatives such as ICROA (in place), the IC-VCM (assessment pending for 2024) or the VCMI code of best practice.

4.3 Building with local communities

Climeworks was founded on the principle that **we must do all that we can to prevent the worst effects of global warming, which disproportionately impact disadvantaged communities** around the world.

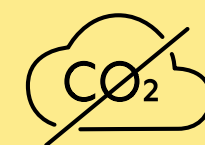
4.3 Building with local communities

Direct air capture (DAC) has the potential to be an important part of the solution to the dual climate and equity challenge. The following principles guide us and how we approach responsible deployment of DAC.



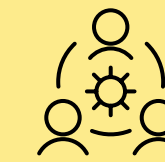
Supporting the local economy efficiency

We want to help scale the green economy with an inclusive approach that can create new local economic opportunities, support permanent good jobs, and ensure that communities receive the benefits of hosting projects.



Focus DAC on CO₂ removal

Climeworks strongly believes that direct air capture and storage should focus on removing historic and residual emissions to enable global net zero. In line with this, we work with companies with solid climate strategies, most of which with SBTi validated targets, and do not engage in enhanced oil recovery.



Involving the community

We strive to be good neighbors and valued contributors to the communities in which we operate and serve. Establishing strong two-way engagement with host communities is an essential part of our strategy to ensure that our projects are deployed responsibly and in line with the above.



Quality

We commit to ensuring our carbon removal services fulfil stringent quality criteria, including the precise measurement of CO₂ captured and stored, and high durability of storage for thousands of years. Climeworks is the only DAC developer to deliver third-party verified carbon removal via direct air capture and storage, and we will continue to provide high-integrity carbon removal in all of our projects.



Emissions reductions first

Urgent emissions reductions are an absolute priority. Carbon removal should only be used to neutralize residual and historic emissions, which will be necessary to enable net zero – the more we can reduce now, the less we need to remove. By removing historic emissions, we can address the burden of legacy emissions that frontline communities continue to bear.



Accounting for all grey emissions

We are committed to using low-carbon energy only and take cradle-to-grave emissions into account for our facilities with a full Lifecycle Assessment. We account for all of the emissions from plant construction, commissioning, operations, and eventual de-commissioning, calculating and selling only net CO₂ removed.

In the U.S., Climeworks is the anchor direct air capture (DAC) technology provider for Project Cypress in Louisiana – a DAC hub with the goal to reach megaton capacity by 2030 and create 2,000-2,500 jobs along the way. In this project, we are actively involving the community to ensure their concerns are heard and acted upon.

Our Senior Stakeholder Manager Lesley Matthews is deeply involved and shares her insights.

[Read our interview on the next page →](#)



4.3 Building with local communities

**Lesley
Matthews**

Senior Stakeholder
Manager at Climeworks



Why is community engagement important for projects like Cypress?

Engaging the community that hosts direct air capture (DAC) projects and external stakeholders is a crucial requirement for any project to come to life anywhere around the world. DAC is a new technology, and it is only natural that communities want to know more about it and be involved before a project is realized in their area. It is our job as project developers to help them understand the merits of the technology and make sure that DAC's co-benefits reach them.

What exactly is Climeworks doing in Louisiana to engage the community as part of Project Cypress?

Climeworks is committed to ensuring the needs and concerns of the communities are addressed throughout the lifecycle of a project or asset. Alongside Project Cypress partners, Climeworks has already begun working with community stakeholders as a means of identifying and soliciting feedback from the beginning of the project buildout.

“

Engaging the community that
host DAC projects
is a crucial requirement for
any project.

”

A ‘Community Benefits Plan’ was developed, which aims to achieve these four principles:

- Achieving two-way communication/engagement
- Creating quality jobs
- Advancing Diversity, Equity, Inclusion, and Accessibility within the project workforce and along the supply chain
- Providing tangible benefits to the area, particularly disadvantaged communities (in partnership and consultation with the communities in question)

Our people

5

5.1 Climeworks as our first core value

Our company's first core value is 'Climeworks', our employees.

This underlines our appreciation for each and every team member and our commitment to a work environment where everyone feels included, welcome, valued and supported. Climeworks' incredible progress in the past years has only been possible thanks to our dedicated team.

As such we have several benefits in place for our employees.

5.1 Climeworkers as our first core value



Remote work

Climeworkers can work up to 40% of their contractual working hours remotely. Remote work from abroad up to 20 working days in a rolling 12-month period can be requested as well. We provide a one-time financial support of CHF 300 for equipment needed to do remote work.



Referral bonus

As a fast-growing company, Climeworks offers a referral bonus to employees who successfully refer a candidate for a permanent position.



Employee share option plan

Every permanent employee of Climeworks AG, Climeworks Deutschland GmbH and Climeworks Corporation has the opportunity to own a part of Climeworks. On top of the fixed, cash-based compensation (base salary), we offer a variable compensation in the form of options or restricted stock units in Climeworks AG.



Sickness and accident insurances

In Switzerland, 100% of the premiums are borne by Climeworks.



Parental leave

We offer parental leave for both the birth giving and non-birth giving parent at 100% salary.



Personal development

Climeworks contributes to the personal development of its employees and offers financial and time support for relevant training, depending on its relevance and added value for their current or future functions. Additionally, Climeworks provides financial support for permanent employees to attend English and German language courses.



Pension fund

Climeworks has attractive pension plans in Switzerland, a 401k plan with 4% employer matching in the U.S. and a company pension plan (betriebliche Altersvorsorge) in Germany.



Unpaid leave

We offer our permanent employees the opportunity to take unpaid leave between two weeks and six months.



Sports and team events

We offer several opportunities for our employees to connect and enjoy activities together, such as weekly bootcamp and yoga classes, monthly happy hours, annual snow weekends and an annual year-end party.



Culture survey

Through a bi-annual survey, we keep track of employee satisfaction and engagement, and define measures to improve.

5.1 Climeworks as our first core value

In 2023, our team grew by

+45%

to **397 employees** (head count) across 44 different nationalities in Switzerland, the United States, Germany, and Iceland. Here is a breakdown of our workforce.



Reporting period: Per 31/12/2023									
Region	CH		DE		US		IS		Total
Gender Identity *	Female	Male	Female	Male	Female	Male	Female	Male	
HC employees	112	232	6	27	4	10	0	6	397
FTE employees	102,7	224,2	5,9	26,8	4,0	10,0	0,0	6,0	379,6
HC permanent employees	101	226	6	26	4	10	0	6	379
HC temporary employees	11	6	0	1	0	0	0	0	18
HC full-time (>80%) employees	84	202	6	26	4	10	0	6	338
HC part-time (80% and less) employees	30	28	0	1	0	0	0	0	59

* (Category 'Other' to be tracked as of 2024)

5.1 Climeworks as our first core value

Climeworks' compensation framework has two parts: Base salary and bonus in the form of an Employee Share Option Plan or Restricted Stock Units.

For senior executives, a long-term incentive (LTI) is part of the compensation (one-time voluntary allocation of options). Notice periods are dependent on the career level and vary from 2 to 6 months.

A referral bonus is in place for successful referrals to the company.

For employees in Switzerland, three types of pension plans exist, allocated depending on the career level. Employee can choose a standard or top plan for their contributions.

Remuneration

As Climeworks, we are committed to conducting business in a responsible manner.

Our Climeworks Code of Conduct ensures that our activities align with our internal policies, applicable laws, and contractual requirements.

Our Code of Conduct defines our anti-bribery and data protection efforts and includes guidance on the reporting of misconduct and suspicious activity, as well as competition law and the use of artificial intelligence.

Compliance

5.2 Health and safety

The health and safety of our employees and all stakeholders that we are involved with is of utmost importance to us.

Climeworks operates under the Plan, Do, Check, Act (PDCA) approach of Safety Management, which aligns with the **ISO 9001** Quality Management System, **ISO 45001** Occupational Health and Safety Management System and **ISO 14001** Environmental Management System standards.

Good Health, Safety and Environment (HSE) management is of the highest priority and Climeworks operates with a **Zero Harm policy** to protect our People, Environment, and the Company. Zero harm applies to both the **physical and mental health of our employees**. That is why we have trained selected employees in mental first aid (10 people trained by end of 2023) in addition to our regular first aiders (21 people trained).



5.2 Health and safety



But effectively managing health and safety is not just about having a management or safety management system. **The success of systems hinges on the attitudes and behaviors of all employees and contractors within the organization** (this is referred to as the ‘safety culture’ therefore the drive for Zero Harm).

Here at Climeworks, Health, Safety and Environmental protection is number one in what we do, which is enshrined in our 10 Zero Harm Behaviors.

By following these behaviors every minute of every day, **we will keep ourselves, our Climeworks family and the communities we operate in Healthy, Safe and Environmentally protected**. The Zero Harm Behaviors apply to everyone in the Climeworks family and those who work for us.

5.2 Health and safety



5.3 Diversity, equity, inclusion and accessibility

With a fast-growing international workforce, it is vital to actively create a **welcoming environment and supportive culture for everyone**. With 30 percent female representation, we are above the Swiss industry average, according to Swissmem, yet we want to strive for broader and stronger diversity across all levels, genders, backgrounds, sexual orientations, and more.

Climeworks' expansion into new territories comes with new cultures and perspectives and **we decided to make the strengthening of our DEIA activities a key ESG initiative in 2023** - which is reflected in our DEIA commitment on the next page.

5.3 Diversity, equity, inclusion and accessibility

Our Commitment to Diversity, Equity, Inclusion and Accessibility

At Climeworks, we believe that diversity and an inclusive and equitable environment are key factors to success. Inviting and listening to different opinions and perspectives fosters innovation, growth, resilience, and adaptability, and has always been a part of how we work.

We welcome and celebrate the diverse identities and backgrounds that our employees have, be it in age, gender identity and expression, civil status, veteran status, maternity and parenthood, race, color, nationality, ethnicity, religion or belief, sex, or sexual orientation or disability. We commit to creating and maintaining a culture where everyone from every background feels included, welcome, valued and supported.

Two important initiatives have been brought to life so far, Women at Climeworks and Prideworks. Together with the Diversity, Equity, Inclusion and Accessibility (DEIA) Committee, these forums are open to all employees and provide valuable insights and propose roadmaps to continuously improve how we address new needs.

DEIA is an ever-evolving topic, and we regularly challenge ourselves on how we could do better. Going forward, we want to:

- Engage external experts to identify and eliminate potential barriers to inclusion or hindrances to our employees to perform at their best, especially to women, people of color, LGBTQ+

communities, veterans, underrepresented communities, and people with disabilities.

- Ensure that our hiring and people development practices foster equity and create a work environment where everyone feels welcome, safe, and supported in their professional growth.
- Aim for increased representation of diverse employees at all leadership levels, by identifying barriers and addressing them.
- Increasingly focus on local contracting or sub-contracting, and consider small- and or women- and or disadvantaged- or veteran-owned businesses.
- Set DEIA targets and regularly conduct anonymous culture and separate DEIA-specific surveys to measure our progress and hold ourselves accountable on where to improve.

This is our commitment to our employees: we will continue to strive for a more diverse, equitable, inclusive, and accessible working environment for all.



Jan Wurzbacher



Christoph Gebald

5.3 Diversity, equity, inclusion and accessibility

Our two initiatives **Women at Climeworks** and **Prideworks** are open to all employees and have brought valuable insights and positive change to Climeworks.

The vision of Women at Climeworks is to inspire every Climeworker to strive for gender equality. We act on four pillars: network, career progression, women-friendly environment and equality employer.

Prideworks is all about inclusion. We're a LGBTQIA2S+ group at Climeworks focusing on organizing fun exchanges, tackling company policy topics and providing a support network for all.



