

An Action Plan for a Sustainable Future



Contents

PAGE SECTION

03 A Message from our CEO

We have a once-in-a-generation opportunity to reinvent SEFE, position the company to succeed in a Net Zero economy and drive the green energy transformation.

04 At a Glance: Our Ambitions for ESG

Environmental, social, and governance principles are the cornerstones of our future organisation.

06 Introducing SEFE

As an integrated midstream company, we ensure the security of gas supply in Germany, Europe and the World and drive the green energy transformation.

10 Our Approach to ESG

Our ESG activities are fundamental to our energy portfolio strategy and its contribution to the global economy, the environment and society.

19 Our Environmental Focus

We are accelerating the transformation to a low-carbon economy, working towards Net Zero Greenhouse Gas emissions and growing our expertise in emerging fuels such as hydrogen.

22 Our Social Focus

We are ensuring a secure and reliable energy supply thanks to our diverse and talented team, who will have access to the latest tools, comprehensive training, and exciting career opportunities.

25 Our Governance Focus

We are forming lasting bonds of mutual trust and engagement with our customers and stakeholders, supported by following a clear compass of ethical and compliance principles.

28 The Outlook for the Future

With our expertise, assets, and unwavering commitment, we are well positioned to live up to our company's purpose and identity: Securing Energy for Europe.

A Message from our CEO

The global energy landscape faces the greatest transformation in its history. In Europe, the recent crises have threatened the security of energy supplies, turbocharging the transformation into a low-carbon economy. The Goal: Net Zero emissions by 2050.



We have a once-in-a-generation opportunity to reinvent SEFE and position the company to succeed in a Net Zero economy. Our ambition is to apply strategic thinking across all ESG dimensions to ensure the security of energy supplies over the short term and the transformation into a low-carbon economy in the long term.

We are working together with our diverse portfolio of partners across industry and government to reduce our emissions and support Germany, Europe and the World in the move to a low carbon economy. We also continue to maintain our energy supply in the face of market disruptions.

To remain at the forefront of a sustainable global energy system, we follow three broad sets of ESG goals:

Environmental

We are committed to reducing carbon emissions – both throughout our own operations and within our supply chains – and becoming the partner of choice to supply low carbon energy. We are designing a set of long-term initiatives to respond to the clear call for a greater sustainability focus from our stakeholders.

Social

To meet the challenges ahead, we will launch a programme to attract and retain industry-leading talent in line with our corporate vision and ESG Ambition. We will be offering comprehensive training to build next-generation skills and increase the diversity, equity, and inclusiveness of our workforce and leadership.

Governance

We are implementing a new governance structure to improve efficiency and foster trust, backed up by a company-wide Code of Ethics and Business Conduct and a standardised approach to compliance both internally as well as with our suppliers and partners.

Our forward-thinking ESG strategy is not only strengthening Germany's and Europe's security and providing reliable energy to the world, but it is also actively shaping our company. Our approach will enable SEFE to access additional financing sources for our transformational low-carbon investments.

As we align our ESG commitments with our clear corporate vision, we remain intensely focused on continuing to secure energy supplies and drive the transformation into a low-carbon economy.

We are excited to accelerate the journey together with our valued stakeholders, partners, and customers. ESG is guiding all our actions to deliver a sustainable future. We thank you for your engagement and support in the bold initiatives outlined in the pages that follow.

Sincerely,

Dr. Egbert Laege
Chief Executive Officer



Our Ambitions for ESG

The only viable response to the effects of climate change and economic turbulence around the world is a fundamental societal transformation. The energy industry is a vital engine powering manufacturing, transportation, and many other building blocks of modern life, and therefore has a key role to play in the transformation into a world that consumes significantly less carbon-based energy.

Even so, the transformation into a low-carbon economy presents a massive challenge for industry and society. To meet critical Net Zero emissions targets, entire industries must be rebuilt with efficiency and sustainability as their key priorities. Companies cannot accomplish their goals simply with tweaks to technologies, workforces, regulations, and processes. The economy must necessarily undergo a profound shift.

Environmental, social, and governance (ESG) principles are the cornerstone of our future energy organisation. Key to our success is the integration of ESG into our corporate strategy – from the energy markets where we compete to the strong partnerships that we form with customers to help meet our collective sustainability goals. Given the importance of bringing ESG into our day-to-day business activities, sustainability principles is the responsibility of those at all levels of leadership within SEFE.

ESG at a Glance

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TARGETS



50% reduction in absolute Scope 1 & 2 Greenhouse Gas (GHG) emissions by 2030

Net Zero Scope 3 GHG emissions by **2045** in Europe, 2050 globally

>25 Terrawatt hours p.a. of low carbon energy sales by 2030

S

TARGETS



>70 Terrawatt hours p.a. of LNG imports into Europe by 2030 from diversified sources

Establish a **ONE SEFE** talent programme starting in 2025

25% of top leadership are women by 2025

G

TARGETS



80% of suppliers with codes of conduct equivalent to SEFE's by 2027

Establish an **annual stakeholder conference** starting in 2024

>30% of annual IT budget dedicated to innovation and digitalisation activities by 2025

DEFINITIONS

Scope 1:
Direct emissions from owned or controlled sources

Scope 2:
Indirect emissions from the generation of purchased energy

Scope 3:
All other indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions

Introducing SEFE

As an integrated midstream company, we ensure the security of gas supply in Germany, Europe and the World and drive the green energy transformation.

Who We Are

Who we are and what we do as a company

SEFE Securing Energy for Europe GmbH (SEFE) is an integrated energy company owned by the Federal Republic of Germany.

Headquartered in Berlin, Germany, the company has its strongest presence in Germany, supplying industrial customers and municipal utilities. Its activities are focused on sourcing and trading, sales, transportation and storage, and on commodities such as gas and LNG, hydrogen, and electricity. SEFE plays a pivotal role in providing energy supply stability for Germany, Europe and the World.



Sourcing & Trading

SEFE has an established worldwide footprint with the ability to access markets globally, not only to source and trade energy but also to optimise the company's portfolio. We are a leading player in the European traded energy markets, combining physical and financial trading of gas, power and environmental products with the provision of risk management and market access services. As one of Europe's largest traders of natural gas, SEFE has active EFET contracts with around 500 counterparties and trades a wide range of standard and complex products across all major European hubs.



Transport

Be it hydrogen, green gases or LNG, the gas market is changing, and transport routes need to adapt accordingly. SEFE has a stake in several joint ventures operating critical natural gas logistics, and is continually looking for ways to enable transportation of green gases or hydrogen to allow for a greener future. Additionally, SEFE has a dedicated centre of expertise for LNG shipping.



Sales

SEFE supplies more than 50,000 customers in European markets, from small businesses to municipal utilities, regional gas suppliers, industrial companies, power plants and multinational organisations. With 30 years of experience in the European energy markets, we are a leading supplier of gas, electricity, and green electricity products in Europe. Besides the German market, SEFE is also active in the United Kingdom, France, the Netherlands and Belgium.



Storage

Energy storages guarantee security of supply, function as cornerstones of an affordable energy system and provide a storage solution for renewable energy in the future. They play a major role in contributing to the success of the energy transformation. As one of Europe's largest storage operators, SEFE's storage subsidiary markets a storage volume of nearly 6 billion cubic meters and holds approximately 25 percent of the total storage capacities in Germany.



Why we are well positioned to succeed

We are an innovative energy company with 30 years of market experience and deep expertise.

Finding the best solutions for our customers and partners is at the core of what we do every day. The strong relationships and trust this approach builds means we can offer them the security, stability, and confidence they need.

We offer our partners the opportunity to work consistently and efficiently with a single supplier and an international team at the same time. Our reach and deep expertise cater for all energy requirements.

Powered by the brightest minds, we develop and offer solutions that match the needs of our customers and partners. Our proven commercial capabilities enable us to successfully develop and operate within complex global energy supply chains. This allows us to offer reliable energy solutions at competitive prices.

Our existing capabilities position us well to enter low-carbon markets

Industry knowledge

Amid a high degree of uncertainty in the natural gas and LNG markets, we are diversifying energy sources, managing emerging risks, and taking advantage of geographic and seasonal differences in prices to create added value — all of which serve us well in negotiating complex long-term contracts for energy products including hydrogen.

Infrastructure expertise

We have deep expertise in operating and optimising critical assets such as storage facilities. These allow us to transition smoothly from gas to hydrogen at competitive cost when needed.

Broad customer experience

We have direct and deep relationships with a wide range of gas customers, with whom we will work closely to enter the low-carbon energy markets successfully.



Our Corporate Vision

As a reliable partner for our customers, we source and supply gas and other sources of energy today and for the future.

This promise is encapsulated in our name: Securing Energy for Europe. However, our strategic vision goes beyond this. We ensure the security of gas supply and are driving the green energy transformation.

We pursue this powerful vision with unwavering commitment. In everything we do, we are guided by a clear roadmap and our collective expertise. We span oceans and continents to supply our customers with sustainable energy for the future. We are a reliable partner, delivering on our vision and fulfilling our responsibility for future generations.

In support of this, we provide a stable and reliable platform for energy security. We help fuel the growth of our customers through

delivering competitive prices across a wide product portfolio, facilitated by our robust trading operations, market-leading sales and operational capabilities, and unique midstream assets. Ultimately, our growing portfolio of low-carbon energy solutions is helping to safeguard the prosperity and well-being of the next generation.

We have a world-class system to source and trade, transport, sell, and store energy. At the same time, we help customers to manage risk and access a full suite of diverse energy sources. We are helping industrial customers strike a balance between existing supplies of natural gas and liquefied natural gas (LNG), and emerging energy sources such as low-carbon hydrogen.

Our Approach to ESG

Our ESG activities are deeply intertwined with our energy portfolio strategy and its impact on the economy, the environment and society.

Our ESG Ambition

We aim to become a cornerstone of the energy transformation and enable our industry and society to thrive in a low-carbon energy era.

Advancing the energy transformation in a socially acceptable way will be the most important and complex challenge of the coming decade. As a key player in the German, European and global energy markets, we are at the centre of this transformation.

Increasingly complex regulations and requirements not only directly affect us, but also allow us — as a company re-imagining itself afresh — to be proactive in seizing the tremendous opportunities available in the transformation to a low-carbon economy.



The Challenge of our Ambitions

However, the reality is that our efforts to safeguard the environment will compete for attention with important social considerations, including the reliability and affordability of energy in the current turbulent market conditions. This is such a significant challenge that it will need to be solved with a united and collective effort across the industry. With greater energy security, industry, governments, and consumers alike can focus their limited time and resources

on decarbonising the entire energy system.

By leading the transformation into a low-carbon economy, we are tackling the acceleration of climate change and helping to safeguard the planet and its prosperity from severe climate-related risks. And by addressing all three ESG dimensions, we will fulfil our mission to become a cornerstone of the future energy system of Germany, Europe, and beyond.

The Route to our ESG Ambition

To capitalise on the opportunities and minimise our risks, we must consider how each dimension of ESG relates to our company. The complex environment in which we work requires extensive collaboration inside SEFE and externally with our customers, supply chain partners and other stakeholders.



Environment

To help create a more sustainable energy mix, we are applying our unique capabilities to building a suite of low-carbon energy solutions while reducing our own emissions. For example, we are using our long-standing energy expertise in sourcing, sales, transport, storage, and trading to expand into new products like hydrogen.



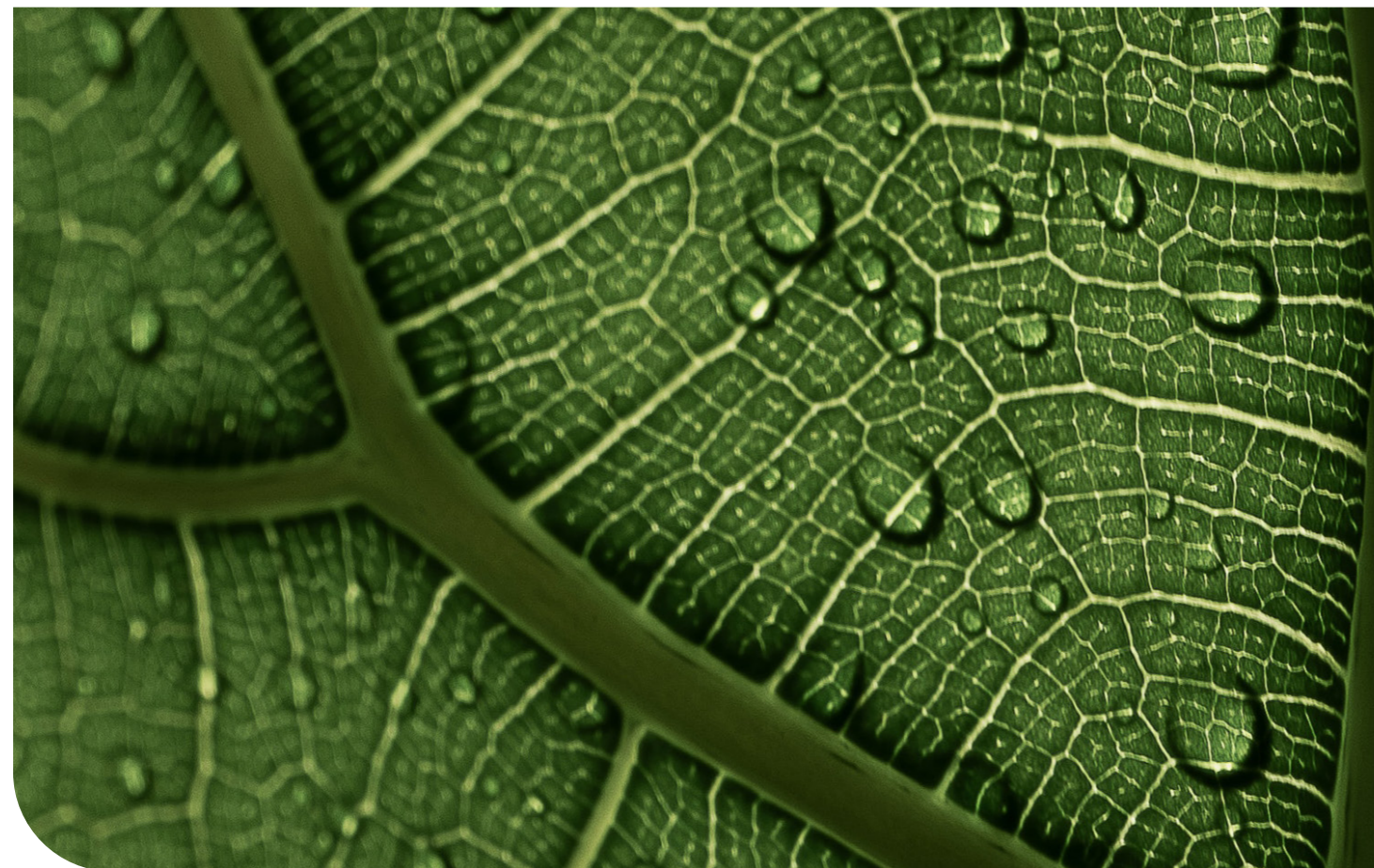
Society

Together, as one integrated and connected SEFE, we are becoming an employer of choice for innovative and diverse talent who can bring our transformation to life, and secure energy for Europe and the World.



Governance

We are implementing a comprehensive governance model which reflects an increasing focus on innovation and digitalisation, whilst maintaining high ethical and compliance considerations.



What we offer

SEFE offers three key advantages, each intricately linked with our ESG strategy.

1. A Source of Stability and Sustainability

As true partners with our customers, we are uniquely positioned to facilitate the transition of industries to low-carbon energy sources.

- We offer a broad range of innovative gas and low-carbon solutions that balance choice with competitive supply.
- We are a reliable and resilient partner who ensures that our customers manage the green energy transformation securely through a diverse set of traditional and low-carbon supplies.
- We are a trusted long term partner who has consistently secured an EcoVadis Silver rating, demonstrating that sustainability and quality are at the heart of everything we do.



SEFE provides very attractive employment opportunities for graduates



SEFE will become a role model for other European energy players



2. An Employer of Choice

We attract, retain, and develop the best talent in the energy market by creating an inclusive environment in which the brightest people can collaborate and have a real impact on important strategic issues.

- Our employees work across a single integrated energy system, actively shaping the energy landscape and ensuring energy security for hundreds of millions of people.
- Our workforce is united under one corporate culture, based on shared goals and principles that enable seamless collaboration and support individualised career development.
- Our company is increasingly recognised as a dependable partner, based on a united brand identity that clearly communicates our values to customers.

3. A Resilient Growth Story

SEFE has a strong track record as a profitable company, enabling us to stand on our own amid the challenges of a changing environment.

- We are deploying our advantaged and well-positioned assets to advance a resilient low-carbon business dedicated to building a sustainable economy.
- With clear ESG targets and initiatives, we are well positioned to achieve exceptional business results while being a leader in ESG performance.
- Our approach will enable us to attract additional financing sources and create new partnerships.

How we Balance ESG Priorities

To develop our ESG priorities, we followed accepted best practices and industry standards.

Our Methodology

We chose our key ESG priorities based on the following criteria:

- Importance to SEFE stakeholders.
- Impact of each topic on the economy, the environment, and society.

We identified topics most relevant to the gas and power sector, with particular focus on those relevant to our company's core purpose. We engaged with a large set of stakeholders to identify and validate the most meaningful set of topics.



Our Process

We followed a rigorous process to arrive at our conclusions:

- We compiled an extensive list of potential topics based on oil and gas industry standards, priority topics for the German government, peer examples, and ESG reporting standards.
- We grouped, condensed, and contextualised topics to align with SEFE's core purpose.
- We assessed the relevance of topics and their impact with external and internal stakeholders to determine their importance.
- We prioritised and validated the outcomes of this process with SEFE management.



The Energy Transition is going to transform the business landscape in the next 10 years

Stakeholders Consulted

We surveyed a broad range of stakeholders:

Internal stakeholders

- SEFE Management
- SEFE Employees
- Federal Ministry for Economic Affairs and Climate Action of Germany (BMWK)

External stakeholders

- Customers and Counterparties
- German Government officials
- Banks
- Industry associations, NGOs, and civil society organisations

Our top ESG Priorities



Environmental

Our shift to low-carbon energy is helping our business and partners to achieve Net Zero carbon emissions.

- Facilitating the green energy transformation
- Reducing Scope 1 & 2 GHG emissions*
- Reducing Scope 3 GHG emissions*



Social

Strong social engagement defines us as a company.

- Creating energy security and reliability for society
- Developing best in class employment practices
- Fostering diversity, equity, and inclusion



Governance

A well managed organisation enables a robust foundation for growth.

- Building strong governance, ethics, and compliance practices
- Ensuring robust stakeholder engagement
- Enabling innovation and digitalisation across the company

*See Scope 1, 2 and 3 definitions on page 5



SECTION 03

Our Environmental Focus

We are accelerating the transformation to a low-carbon economy with an aim to achieve Net Zero carbon emissions and grow our expertise in emerging fuels like hydrogen.



Our Environmental Mission

As a company that sources, sells, transports, stores, and trades gas, SEFE is keenly aware of its responsibility to reduce carbon emissions – both in our own operations and those of our partners and customers.

While our own operations produce relatively limited emissions, the gas that we trade and sell to downstream customers places a burden on the environment. This is why we are increasingly providing a diverse suite of products, ranging from traditional offerings to alternative fuels such as low-carbon energy solutions.

Our product mix offers a way for us to partner with our customers to meet and even exceed strict regulatory standards and climate targets as we help to speed the transformation to a Net Zero economy. These products strengthen customer resilience, diversify energy sources, and mitigate the threat of gas supply disruptions. Our commitment to sustainability is unwavering as demonstrated by our achievement of an EcoVadis Silver rating.



Our Environmental Targets and Initiatives



Green Energy Transformation Targets

- Selling in total over 25 Terawatt hours p.a. of low-carbon energy by 2030 (equivalent to approx. 2.5% of Germany's natural gas consumption in 2021).
- Develop material hydrogen capability in line with expected market development.

Our Initiatives

- We are expanding our partnerships to source low-carbon hydrogen and hydrogen derivatives, with a focus on gaining access to competitive supplies.
- We are investing substantially in the low-carbon hydrogen value chain, including investments in German infrastructure.
- We are enhancing our activities in low-carbon power purchase agreements.



Scope 1 & 2 Emissions Targets

- Reducing Scope 1 & 2 GHG emissions by more than 50% by 2030 throughout the operations and office-related activities under our control relative to our 2021 baseline.
- Achieving Net Zero Scope 1 & 2 GHG emissions by 2040.
- Purchasing 100% renewable energy for Berlin, Kassel and London offices by 2025.

Our Initiatives

- We will be implementing multiple storage decarbonisation initiatives, including energy efficiency improvements through asset replacements and optimising maintenance where feasible.
- We are equipping all our offices with LED light bulbs and switching energy supply to renewable electricity.
- We are evaluating smart building technology opportunities and intelligent office usage to further improve energy efficiency of our buildings.



Scope 3 Emissions Targets

- Generating a 15% reduction in absolute Scope 3 GHG emissions by 2030 globally, with a 50% reduction by 2040, relative to our 2021 baseline.
- Achieving Net Zero GHG emissions by 2045 in Europe, and by 2050 globally.

Our Initiatives

- We are progressively diversifying our portfolio to include a growing share of low-carbon solutions, reducing emission intensity of the products we sell.
- We will be decarbonizing our shipping with low carbon fuels and leasing of more efficient vessels.
- We are buying and investing in carbon offset projects, prioritising high-quality offsets.
- We will be introducing internal carbon pricing to raise awareness of carbon costs across our entire organisation.

Our Social Focus

We are ensuring the security and reliability of energy supplies with the help of diverse and talented staff who will have access to the latest tools, comprehensive training, and exciting career paths.



Our Social Mission

We have a broader perspective on the sustainability of our business which also encompasses the importance of delivering secure and reliable energy for millions of people across Europe and beyond.

Given the competition for talent across the industry, we have recognised that we must become an employer of choice for people who want to make a difference, delivering both energy security and the green energy transformation.

Accomplishing our mission of securing energy for Europe and beyond, and living up to our societal responsibilities, are only possible if we have a diverse workforce with the right skills to succeed. To live up to our commitments to our employees, partners, and

society, we are unifying our systems and processes across the entire business to create a more efficient and responsive organisation. At the same time, we are aiming to become a performance-driven workplace where people can grow and be rewarded as they develop their individual career paths. We are challenging ourselves to become a place where all people can thrive, regardless of gender, race, national origin, and educational and professional backgrounds.



Our Social Targets and Initiatives



Energy Security Targets

- Issuing offers to all customers consuming over 30 GWh p.a. (per delivery point) in our target markets where no capacity restrictions exist.
- Supporting Europe's energy independence by importing significant shares of LNG, over 70 Terrawatt hours p.a. from diversified sources by 2030.
- Providing top-level quality as a key supplier of storage services and achieving storage availability of over 98%.



Employment Practices Targets

- Establishing a ONE SEFE talent programme.
- Ensuring each employee participates in at least 5 hours of self-selected training p.a., by 2025.



Diversity, Equity, and Inclusion Targets

- Ensuring that 25% of top leadership are women by 2025, ultimately aiming for gender parity.
- Maintaining or increasing the diversity of nationalities employed across the group as of 2023.
- Ensuring that 100% of employees receive diversity, equity and inclusivity training each year by 2025.

Our Initiatives

- We are diversifying our energy portfolio with long-term supply contracts.
- We are offering our expertise in optimising assets and gas consumption to our customers and partners.
- We are actively managing our storage portfolio including the potential for a new hydrogen facility to maintain our competitive market position in the long-term.

Our Initiatives

- We will design and implement the 'ONE SEFE talent programme', including specific roadmaps and career development perspectives.
- We will design clear career paths to emphasise the diverse career prospects at SEFE.
- We will design and implement flexibility programmes which meet the diverse needs of our workforce.

Our Initiatives

- We will be formalising a group-wide Diversity, Equity, and Inclusion (DEI) policy.
- We are committed to achieving gender parity in top leadership roles and are therefore ensuring that all selection processes for such roles include at least one female candidate.
- We will be designing and implementing gender equal leadership and mentoring programmes across our organisation to support future leaders.

SECTION 05

Our Governance Focus

We will form lasting bonds of mutual trust and engagement with our customers and stakeholders, supported by a clear compass of ethical and compliance principles, and a focus on innovation.

Our Governance Mission

Increased regulation and scrutiny of governance practices requires high levels of ethical conduct and compliance. We have an increasingly diverse set of stakeholders with customers, partners, industry associations, governments, and the public holding a very wide set of views. As a result, we must engage frequently and in depth with our stakeholders and navigate sometimes competing goals, needs, and priorities. We appreciate this mutual exchange and will continue to align with them on a shared vision for SEFE and the green energy transformation ahead.

As a key European and global energy player, we must act with integrity and vigilance. We are adhering to high governance standards and ensure rigorous compliance across our entire business. This approach supports us in delivering what our customers, partners and the planet require.

To support innovation in this rapidly changing world, we will also be creating a dedicated budget for “out of the box” innovation and digitalisation initiatives, as well as establishing dedicated spaces to foster innovation within our company and together with stakeholders.



Digitalisation is transforming SEFE's business

Our Governance Targets and Initiatives

Governance, Ethics, and Compliance Targets

- Ensuring that 50% of our suppliers have Code of Ethics and Business Conduct equivalent to SEFE's code of conduct by 2024, and 80% by 2027.
- Ensuring 100% of employees are purposefully trained on key compliance topics addressed by the Code of Ethics and Business Conduct each year by the end of 2024.

Our Initiatives

- We are implementing an updated Code of Ethics and Business Conduct for internal and external counterparties.
- We are setting up a whistleblower programme including a dedicated hotline that is accessible to all employees.
- We will design and implement a detailed training matrix, catalogue, and campaign for all SEFE Group staff by end 2024.

Stakeholder Engagement Targets

- Increasing our stakeholder interactions with the establishment of an annual stakeholder conference starting in 2024.
- Engaging in deeper dialogue with at least 10 key stakeholders across different groups from 2024 onwards.

Our Initiatives

- We are capturing and analysing detailed stakeholder feedback in order to further tailor our engagement activities using dedicated communication strategies.
- We are deepening stakeholder engagement through initiatives like annual “open-door days” for SEFE-operated facilities, digital communications, and annual stakeholder conferences.
- We are strengthening our collaboration with stakeholders on ESG efforts, with meetings designed to update our priorities every other year.

Innovation and Digitalisation Targets

- Allocating at least 30% of the annual IT budget for innovation and digitalisation activities by 2025.
- Establishing at least 3 new innovation partnerships each year across the SEFE Group.

Our Initiatives

- We will be launching an “innovation and digitalisation” task force to direct, develop, and report on key innovation and digitalisation initiatives, equipped with a dedicated budget for “out of the box” innovation.
- We are designing a group-wide digitalisation roadmap, including a cultural change enablement programme to anchor digitalisation deeply in the organisation.
- We will be launching programmes and events that enable employees to solve problems in innovative and cost-efficient new ways, spur engagement among employees, and give people opportunities to think differently and excel in a collaborative environment.

The Outlook for the Future

With our expertise, assets, and unwavering commitment, we are well positioned to live up to SEFE's identity: Securing Energy for Europe.



The Road Ahead

ESG has grown rapidly in importance as regulators and stakeholders demand that action is taken to put corporate responsibility and sustainability at the heart of business activities. The transformation to a low-carbon economy will prove to be the biggest change to our energy system in our lifetimes, and our ESG activities are an integral part of that evolution.

We are motivated by the tremendous positive impact we can have in delivering secure and reliable energy throughout Germany, Europe, and beyond. With our unique sources of advantage, our diverse activities, and our extensive involvement in energy value chains, we are poised to play a crucial role in shaping the transformation to a low-carbon economy over the coming decades. To ensure that we do, we will regularly update our stakeholders on the

progress of our ESG efforts and the impact we are having.

Our vision is clear. We are determined to advance all ESG elements towards our ESG Ambition. With our robust ESG strategy, we become an even stronger, more attractive, and more future-orientated energy company. Our sustainability approach is turning our ambitions into action for the benefit of our stakeholders, the economy, and society.



**Securing Energy
for Europe**

