



Sustainability report

2023

steag × iqony

Contact for questions about the report

If you have any questions or comments about this report, please contact our ESG Office:

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About this report

This report describes the progress and developments in the area of sustainability at STEAG GmbH together with its two divisions STEAG Power GmbH and Iqony GmbH, including their respective business units and subsidiaries.

The report relates to the calendar year 2023, which corresponds to the fiscal year; it is published annually.

For the sake of simplicity, the generic masculine is used in this report. This is for ease of reading and expressly does not constitute a judgement. Unless otherwise indicated, the personal designations used in the document refer to all genders.

Contents

STEAG & Iqony in figures.	8
Profile of the organization	10
Group structure and business model	12
ESG management	15
ESG governance structures and procedures	16
Iqony division	17
Overview of the plants	18
Employees at Iqony	19
STEAG Power division	20
Overview of the power plants	21
Employees at STEAG Power	22
Ownership	23
Strategic alignment	24
Development of a holistic sustainability strategy	25
The material sustainability topics at STEAG	26
ESG goals and achievements in 2023	29
STEAG's contribution to the SDGs	32
Environment	34
Key messages	36
Progress in environmental performance in 2023	38
Greenhouse gas emissions	38
Share of renewables	43
Waste	48
Biodiversity	49
Risk management	50
Upcoming projects 2024	51
HydrOxy Hub Walsum	52
Social	54
Key messages	56
Progress in social performance in 2023	58
Recruiting	58
Diversity, equality and inclusion	59
Employee wellbeing and professional development	61
Occupational health and safety	63
Upcoming projects 2024	63
1st STEAG	66
Corporate governance	68
Key messages	70
Progress in corporate governance in 2023	72
IT, cyber & data security	72
Anti-corruption and compliance with the law	74
Human rights and supply chain	76
Local communities	78
Supply chain due diligence training and new supplier portal	80
Upcoming projects	81
3 Information on the standards of the Global Reporting Initiative (GRI)	82



Dear readers,

The foreword to a sustainability report is both an obligation and an opportunity: On the one hand, publishing it annually is a result of external requirements. On the other hand, it also offers a welcome chance to report on topics that are difficult to express in figures and are therefore not included in traditional financial and earnings reporting, but are nevertheless highly relevant to the company.

It should be noted that the 2023 fiscal and calendar year, to which this report refers, was once again characterized by significant special effects of both a domestic and international nature.

Firstly, the ongoing effects of the Russian war of aggression against Ukraine on the international energy markets during the reporting period should be mentioned here. In order to ensure security of supply in Germany and Europe in the face of a possible gas shortage, STEAG had already temporarily returned 2.5 gigawatts of generation capacity to the market in autumn 2022 at the request of the German government, and in doing so made a special contribution to securing our energy supply beyond 2023. In conjunction with other government-

We are very confident that we will achieve the goal we have set ourselves of becoming climate-neutral by 2040.

tal measures such as the brake on energy prices, we have thus succeeded in keeping the economic impact of the war and the energy crisis within tolerable limits overall. I am therefore proud of the contribution made by our power plant teams in this context and would like to take this opportunity to thank them once again for their commitment, flexibility and achievements under very unusual circumstances.

For STEAG, 2023 was also largely characterized by the successful conclusion of the sales process. The signing of the purchase agreement in August 2023 was followed by the closing of the transaction at the turn of the year 2023/2024. After more than a decade of ownership of the STEAG Group by a consortium of municipal utilities from the Ruhr region, the arrival of the new owner Asterion opens up new investment and growth prospects for our company, which we are tackling with great commitment and determination.

The focus here is on the areas that have been pooled in the Group company Iqony under the brand of the same name since the beginning of 2023. In particular, we want to grow in the areas of energy from renewables, hydrogen generation, municipal district heating supply, energy storage, decarbonization solutions, especially for industrial customers, as well as with new and, thanks to the use of hydrogen, climate-neutral power plants in a powerful and targeted manner.

We see ourselves as facilitators of a successful energy and heating transition while maintaining the usual secure energy supply – the planned gas-fired power plants at our existing sites on the Ruhr and Saar rivers are emblematic of this. In future, they are to be ramped up whenever the yield from wind and solar energy is not sufficient to guarantee our supply. As already mentioned, these plants, which are also required by the German government, are to be operated with hydrogen in the future so that we can also guarantee security of supply in a climate-neutral way.

And because we are already working on tapping into new, alternative energy and heat sources, we are already ahead of the political requirements for 2030 and beyond, for example, when it comes to our district heating supply. In this respect, we are very confident that we

as a Group will achieve the goal we have set ourselves of becoming climate-neutral by 2040. In doing so, we are not only fulfilling our responsibility towards the environment and climate, but also creating social benefits: By offering skilled jobs with a promising future, we create prospects for our employees and strengthen the economic structures of the Ruhr and Saarland industrial regions.

We have been aware of the value of each and every employee long before the much-cited shortage of skilled workers became more and more noticeable in our day-to-day business. Rather, our employees are and have always been the most important asset of our company. That is why STEAG has a tradition of investing in health and thus also maintaining the workforce. This ranges from preventive medical check-ups and training measures to offers of help to improve the compatibility of family and career in the most diverse situations and phases of life. We also invest heavily in the recruitment and training of young talent, as this is essential and indispensable for achieving our economic goals.

**Rather, our employees
are and have always
been our most
important asset**

It goes without saying that STEAG, as an international company, sees diversity as a strength and promotes it accordingly. Different points of view make it possible to analyze and solve problems more efficiently. That is why we expressly promote diversity. The way we want to work together and the principles that should guide management in its actions are defined in the Group's own Code of Conduct, which we use to support and empower our team to do the right thing in their day-to-day work.

This also expressly applies to the way in which we treat our customers, partners, suppliers and market companions, how we organize our purchasing and procurement – and this was already the case before standards for such actions were explicitly laid down in the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG).

Together, we take responsibility for minimizing our impact on people and the environment and introducing further improvements.

With this in mind, I wish you an inspiring read.

Dr. Andreas Reichel

Chairman of the Management Boards and Labor Director
of STEAG and Iqony

STEAG & IQONY in figures.

742,340 MWh

of energy generated from photovoltaics

561,707 MWh

of energy generated from wind

67,559 t

CO₂ emissions avoided by photovoltaics

1,076 MWp

installed photovoltaics and wind capacity

~173

facilities and decentralized plants for industry and municipalities STEAG operates in Germany to generate energy from renewable sources and to supply heat

84 %
reduction in emissions vs. 1990 (domestic power plants)

6.7 %
employees with disabilities

5,489
employees in the STEAG Group

137
trainees in the STEAG Group

218

health measures introduced

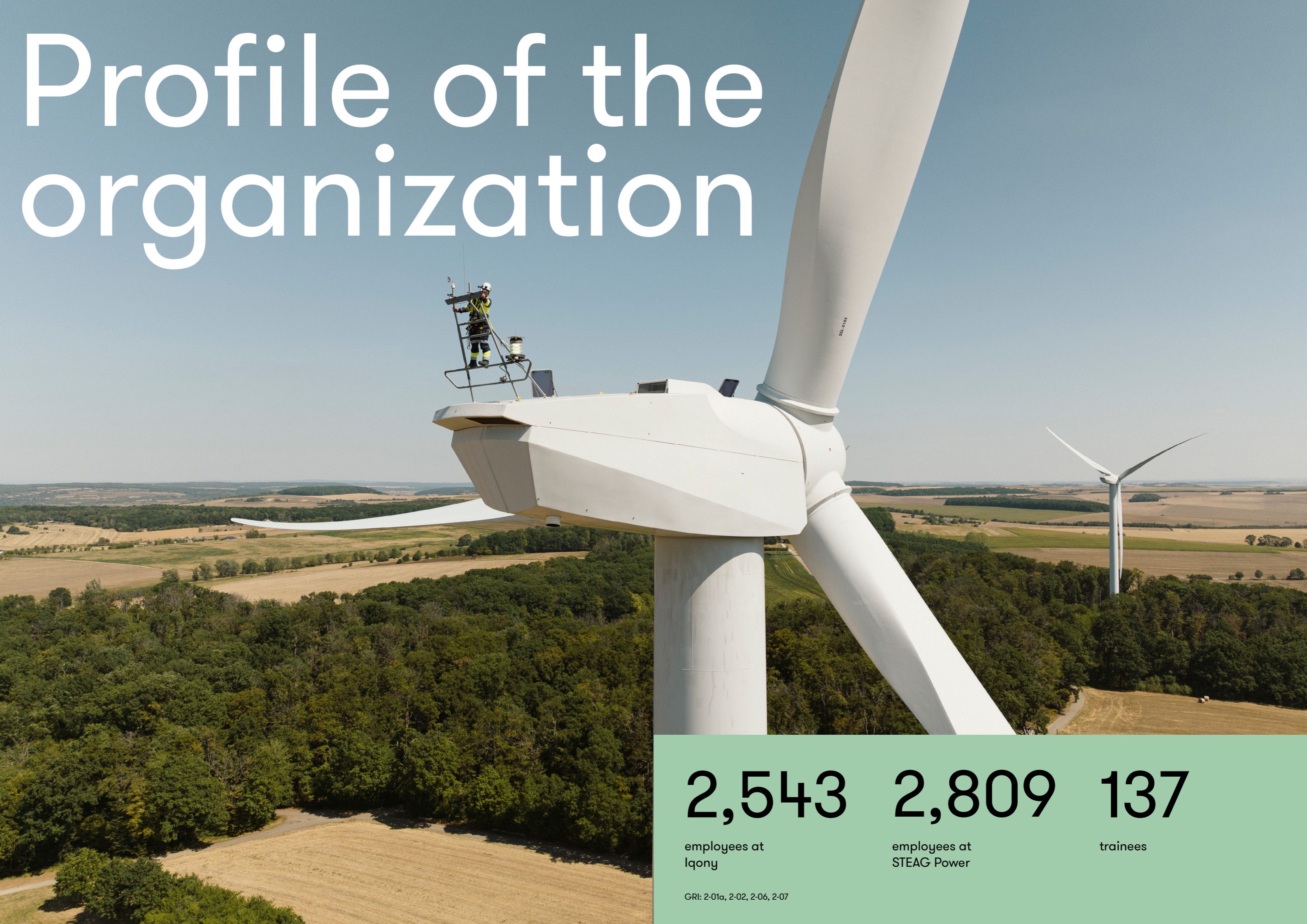
2.1

accident rate (LTIF) at a stable low level

86 %

acceptance rate of Corporate Reintegration Management

Profile of the organization



2,543

employees at
Iqony

2,809

employees at
STEAG Power

137

trainees

GRI: 2-01a, 2-02, 2-06, 2-07

Group structure and business model

STEAG GmbH

STEAG Power

Business Units

- Hard Coal Germany
- Hard Coal International

Iqony

Business Units

- Iqony Solar Energy Solutions
- Iqony Wind
- Iqony Energies
- Iqony Technischer Service
- Iqony Solutions
- Iqony Asset Management

STEAG GmbH was founded 87 years ago in Lünen near Dortmund as an energy company to supply regional industry. Today, the company has developed into an international energy group.

STEAG GmbH, based in Essen, is the lead company within that group. It directly and indirectly holds the shares in the subsidiaries belonging to the STEAG Group. With a view to the ongoing conversion of European energy systems to a distributed heat and power supply from various low-carbon and renewable sources, STEAG GmbH has undertaken a strategic realignment in recent years and is there-

fore also undergoing an ongoing transformation process in the year under review.

As part of this transformation process, STEAG GmbH was divided into the two divisions **Iqony and STEAG Power** at the beginning of 2023. Our growth business in the fields of renewables, hydrogen, energy storage, district heating, decarbonization solutions for industry and municipalities as well as new and, in the future, hydrogen-capable gas-fired power plants are grouped together at Iqony. Meanwhile, STEAG Power is responsible for the operation of our hard coal fired power plants in Germany, most of which are classified

Number of employees by business unit*	12/31/2023	12/31/2022
Iqony	2,660	2,458
STEAG Power	2,829	3,614
STEAG Group	5,489	6,077**
in Germany	3,066	2,908
abroad	2,423	3,169

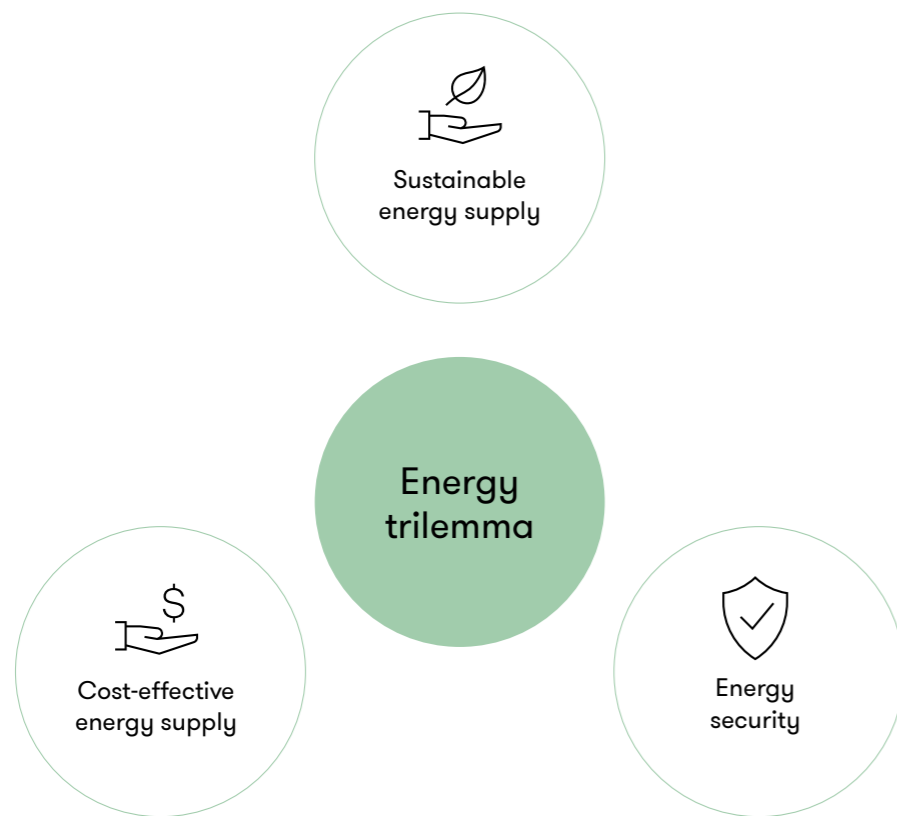
as system-relevant by the German Federal Network Agency (BNetzA), as well as the Isken power plant in Turkey. Iqony and STEAG Power operate independently as subsidiaries, but are part of the Group.

In the 2023 reporting year, STEAG GmbH had a total of **5,489 employees**. The proportion of female employees was **12 percent**; the average age of the employees was **43 years**.

Around **44%** of the employees work outside Germany (2,423).

Compared with the previous year, the number of employees in the Group fell by a total of 588. This reduction was mainly due to the sale of companies in the STEAG Power division. In the Iqony division, on the other hand, in line with the **growth strategy** the number of employees grew both abroad and in Germany.

* including trainees
 ** including holding company



Our commitment to the energy transition and the achievement of German and European climate targets is a key concern for us. STEAG has committed to phasing out coal-fired power generation in Germany by mid-2026.

In order to achieve this goal, STEAG Power's domestic coal-fired power plants will be successively taken off the grid. The temporary return to the market of the majority of the plants will end with the expiry of the Substitute Power Plant Provision Act (EKBG)* in March 2024. This means that a total of five power plant units at four locations will be transferred to system relevance as designated by the Federal Network Agency**, i.e. they will remain in operational readiness from now on and until further notice to ensure grid stability at the request of the transmission system operator if required. With the classification of a power plant unit as system-relevant, STEAG GmbH is de facto deprived of its rights of disposal over the plants; at the behest of the Federal Network Agency, it is obliged to keep the plants operational as long as they are considered indispensable for grid stability by the Federal Network Agency and the transmission system operator.

Iqony focuses on renewable energies and bridging technologies that can also be used in a climate-neutral manner in the future. The portfolio includes a variety of current solutions for energy and heat generation, such as biomass, geothermal, solar and wind energy, and waste-to-energy. The generation technologies are supplemented by state-of-the-art solutions in the areas of hydrogen and battery storage and are supported by our experienced in-house engineering departments.

Our responsibility and challenge under the Energy Industry Act (EnWG)*** is to create a balance between sustainable, secure and cost-effective energy supply. Striking a balance between these three targets is essential if we are to achieve the global energy transition and meet national and international climate targets.

* Energiebereithaltungsgesetz (EKBG)
 ** Bundesnetzagentur (BNetzA)
 *** Energiewirtschaftsgesetz (EnWG)

ESG management

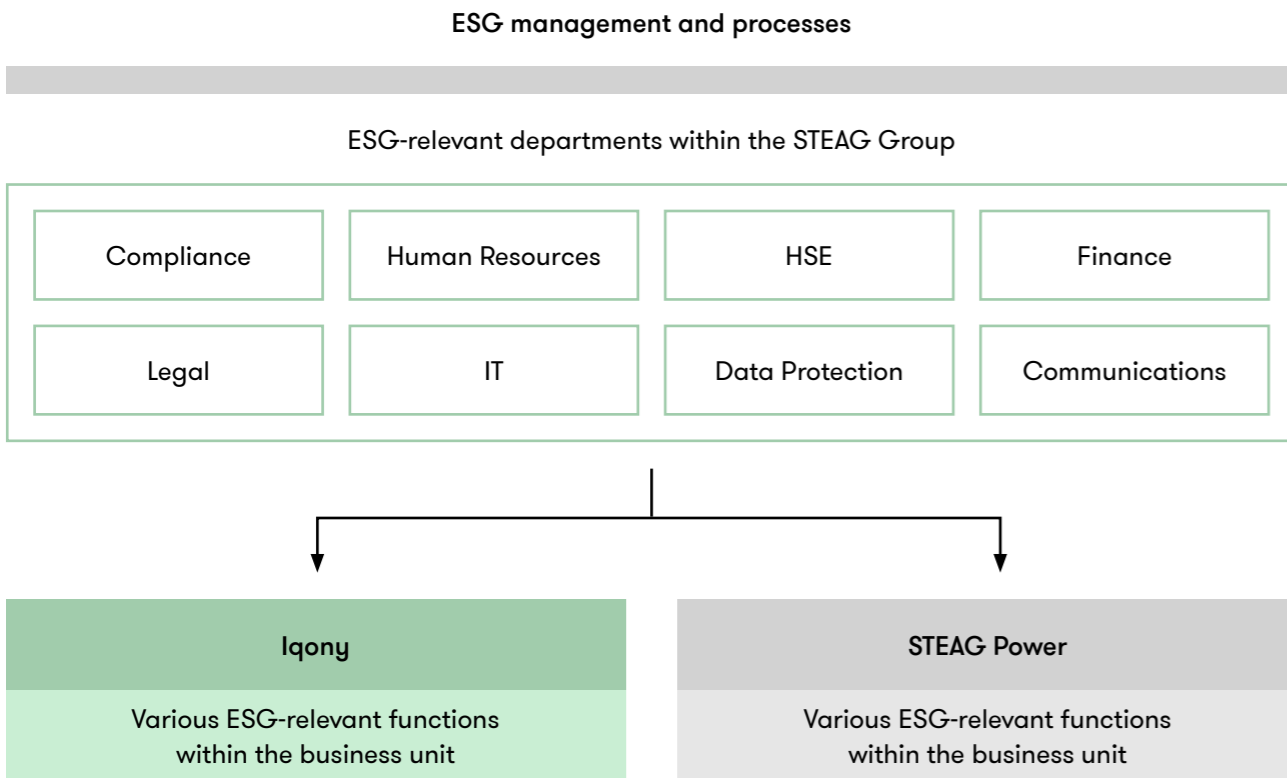
Role of the Board of Management

As the highest operational body, the Management Board of STEAG GmbH is responsible for the business units of the subsidiaries STEAG Power and Iqony and is therefore also responsible for setting overarching ESG goals and implementing the required measures. With regard to sustainability, the Management Board defines guidelines, targets and actions, monitors their implementation and makes adjustments where necessary.

Central management of sustainability topics in the ESG Office

With the establishment of the ESG Office in October 2023, STEAG GmbH has set up a central office to handle ESG matters. The ESG Office is responsible for the fulfillment of legal requirements, reporting obligations and the implementation of corresponding measures. It also performs a communication and interface function. It collects and analyzes ESG data, reports on them and discloses them to stakeholders. The ESG Office is part of the Corporate Development department, with a direct interface to the Management Board of STEAG GmbH. This enables close cooperation and integration of sustainability topics into the strategic and operational decision-making processes of the Management Board.

ESG governance structures and procedures



Iqony division

Involvement of internal stakeholders

In all cases, the relevant stakeholders and, in particular, the management are involved in the processes. In regular meetings of the **ESG Steering Committee**, current sustainability topics within the Group are reported to the Management Board. The ESG Office works closely with the specialist departments and business units, particularly for the collection and analysis of ESG data. In 2024, the **staff of the ESG Office is to be expanded**. There are also plans to establish ESG multipliers in the respective business units and central departments, who will serve as a central interface to the ESG Office in future.

Control by the Supervisory Board









The Supervisory Board monitors the Board of Management. The Board is made up of an equal number of shareholder and employee representatives and bears ultimate responsibility for sustainability risks at STEAG GmbH. With the exception of the employee representatives elected to the Supervisory Board from among the workforce in accordance with the German Works Constitution Act (BetrVG) and the representatives of the interests of senior executives, the members of the Supervisory Board do not exercise any function within the STEAG Group.

Since the splitting of STEAG GmbH into STEAG Power and Iqony on January 1st 2023, the **growth business** has been concentrated in Iqony. This includes the areas of renewables, hydrogen activities, energy solutions for the decarbonization of industry and municipalities in particular, climate-friendly district heating supply, energy storage for electricity and heat, activities in the field of digitalization as well as new and, in the future, climate-neutral power plants thanks to hydrogen. Iqony can draw on many years of experience in the planning, construction and operation of energy plants and systems to create solutions for the decarbonization, decentralization and digitalization of the energy supply for its own portfolio or for third

parties. Iqony comprises six business units (BUs) that operate both in Germany and abroad and are covered by this sustainability report.

In Germany, Iqony operates around **200 energy plants** and distributed systems for the supply of electricity and heat to customers and industry. There are also wind farms in Germany, France and Poland.

Overview of the plants

Type of plant	Germany	France	Poland
 Wind farm	8	8	2
 Municipal district heating networks	40	—	—
 Industrial steam, heat, electricity, production, air-conditioning and compressed air systems	12*	—	—
 Mine gas and production facilities	13	—	—
 Mine gas-to-energy plants	32	—	—
 Biomass-to-energy plants	1	—	—
 Mobile energy stations	33	—	—
 Waste-to-energy plants	2	—	—

Iqony is planning further **investments in the growth areas**. An important part of the growth strategy involves large-scale battery systems, plants for the production of green hydrogen and new, hydrogen-capable power plants.

* Six of the plants are owned by Iqony. Iqony holds stakes in the other six plants.

Employees at Iqony

At the end of December 2023, the number of employees excluding trainees at Iqony was 2,543. The majority of these (72%) are employees paid under collective bargaining agreements.

Total employees		2,543	
Women	476	Salaried employees	2,466
Men	2,067	Managers	77
Age structure		Number of employees covered by collective bargaining agreements*	
younger than 30		316	
30 to 50		955	
older than 50		559	
Total		1,830	

* In Germany and abroad; excluding trainees

2,543

Employees in 2023

72 %

Employees covered by collective bargaining agreements



Overview of the power plants

Power plant	Location	Commissioned	Net capacity (MW)	STEAG owned
Bergkamen	Germany	1981	720	100%
Bexbach	Germany	1983	726	100%
Fenne HKV	Germany	1989	211	100%
Fenne MKV	Germany	1982	179	100%
Herne 04	Germany	1989	460	100%
Weiber 3	Germany	1976	656	100%
Walsum 10	Germany	2013	725	100%
Isken	Turkey	2003	1,250	51%

STEAG Power division

Since the splitting of the Group, STEAG Power GmbH has continued the **traditional hard coal-fired power plant business**. In doing so, the company is making a proven contribution to ensuring security of supply in Germany and Europe. A task that STEAG has taken on since its foundation in 1937 by generating electricity from hard coal mined in the Ruhr region. Since the 1950s in particular, the power plant portfolio has continued to grow, initially in the Ruhr region; later, further power plants in the Saarland were added through takeovers. Following the closure of several power plants (Lünen, Voerde, Walsum 9) in recent years, STEAG Power currently operates

seven power plant units at six locations in Germany, three of which are in the Ruhr region and three in Saarland. Arithmetically, these plants are capable of producing around **five percent** of Germany's annual electricity requirements.

The STEAG Power division's International Coal business unit also has activities outside Germany. The following table provides an overview of our power plants and their locations.

When the Substitute Power Plant Provision Act (EKBG) expires in the spring of 2024, all German power plant units with the exception of Walsum 10 and Herne 4 will become **system-relevant** as decreed by the Federal Network Agency (BNetzA). STEAG Power is planning to phase out coal-fired power generation in Germany on its own initiative by 2026. This is significantly earlier than the national deadlines in Germany.

STEAG Power is aware of its role and responsibility in ensuring **security of supply** in Germany and Europe. The company therefore remains flexible in terms of maintaining the necessary coal-fired power plant capacities to support national energy security. This has also been demonstrated by the return of 2.5 gigawatts of power plant capacity to the market from autumn 2022 onwards, with which STEAG, at the request of the German government, has made a significant contribution to overcoming the energy crisis resulting from the Russian attack on Ukraine. However, the temporary return of the power plants to the market and the associated increase

in operating hours in the reporting year will have a short-term impact on the Group's CO₂ emissions.

Once the EKBG expires, STEAG Power will again work on successively taking the power plants in Germany off the grid and decommissioning them permanently. However, it should be noted that the STEAG power plants continue to serve to stabilize the system and the company is required to keep the plants in permanent operational readiness for the time being as part of the system relevance order.

Employees at STEAG Power

As of the reporting date for the year under review, the number of employees at STEAG Power, excluding trainees, amounted to 2,809. The majority of employees (60 %) are covered by collective bargaining agreements.

Total employees		2,809	
Women	186	Salaried employees	1,804
Men	2,623	Managers	1,005
Age structure		Number of employees covered by collective bargaining agreements*	
younger than 30		141	
30 to 50		893	
older than 50		638	
Total		1,672	

* In Germany and abroad; excluding trainees



2,809

employees in 2023

60%

employees covered by collective bargaining agreements

Ownership

Until December 31, 2023, 100 percent of the shares in STEAG GmbH were held by KSBG Kommunale Beteiligungsgesellschaft GmbH & Co. KG, Essen, a consortium of six municipal utility companies from the Ruhr region.

All shares in STEAG GmbH were sold to STEAG Group GmbH, Essen, an indirect subsidiary of Asterion Industrial Partners SGEIC SA, Madrid, Spain, with economic effect from December 31, 2023. Asterion Industrial Partners holds 100 percent of the shares as of January 1, 2024 and plans to

develop the STEAG Group as a whole into a sustainable energy group. This is to be achieved through the expansion of green technologies such as solar and wind energy. In order to ensure security of supply at the same time, STEAG is also planning to invest in new gas-fired power plants via its subsidiary Iqony, which will eventually be climate-neutral through the use of hydrogen.

Strategic alignment



STEAG is a reliable and leading partner in the decarbonization of the energy industry through its subsidiary Iqony. One thing is clear: Climate change is one of the greatest challenges of our time. A massive transformation of the energy system is required to meet it. STEAG is aware of this responsibility. The company is ideally positioned to make a significant contribution to the transformation towards climate neutrality in Germany and Europe.

A clear commitment to decarbonization and renewable energies is a matter of course for STEAG. In 2023, the Group has defined its vision and developed clear strategies to achieve and implement the targets it has set itself within the planned time frame. STEAG is focusing specifically on **decarbonization**, **decentralization** and **digitalization** of the energy industry and is focusing holistically on the needs of its customers.

As part of the materiality analysis carried out in 2022, the Group identified its most important **sustainability topics** and formulated a net zero pathway, committing to fully decarbonize its business by 2040. To this end, initial key performance indicators and targets have been defined in order to measure sustainability performance and to be able to calculate and manage the development of the long-term strategy. However, the requirements of the energy transition resulting from the megatrends mentioned above and from laws and regulations in the area of sustainability make it necessary for STEAG to continuously reflect on its strategy and fine-tune it in line with changing framework conditions. STEAG acts proactively here and is open to innovation and change. In 2024, the Group will again carry out a **materiality analysis** and adjust the strategy and targets accordingly if necessary.

Development of a holistic sustainability strategy

STEAG has developed its **ESG goals and measures** on the basis of its material sustainability topics. In doing so, the Group endeavored to consistently take account of the interests of stakeholders and the effects on the climate and environment.

A key component of STEAG's sustainability activities to date is the net zero pathway. This is aimed at exerting a beneficial influence on society, the climate and the environment. STEAG is planning to develop the net zero pathway to a comprehensive sustainability strategy.

The Group will explicitly address the following sustainability topics:

- **Continuous reduction of greenhouse gases** (more on this in the Environment section)
- **Social responsibility and stakeholder engagement** (more on this in the Social section)
- **Social responsibility and trustworthy corporate governance** (more on this in the Corporate Governance section)

STEAG is aware that the ESG guidelines and processes that determine the sustainability of its business activities must be continuously improved. We will therefore further refine our sustainability aspects and targets in 2024 and back them up with appropriate measures.

The material sustainability topics at STEAG



STEAG uses a materiality analysis to identify its most important sustainability topics. The Group carried out the last materiality analysis in 2022; the next materiality analysis is scheduled for 2024. The new analysis will examine whether the topics identified in 2022 are still equally important; at the same time, the focus on the identified targets will be sharpened. In addition, STEAG is already preparing for reporting within the framework of the **Corporate Sustainability Reporting Directive (CSRD)**. Areas are being identified in which STEAG can reduce or eliminate negative impacts and potential risks must be reduced or eliminated, but also areas in which positive impacts can be further strengthened.

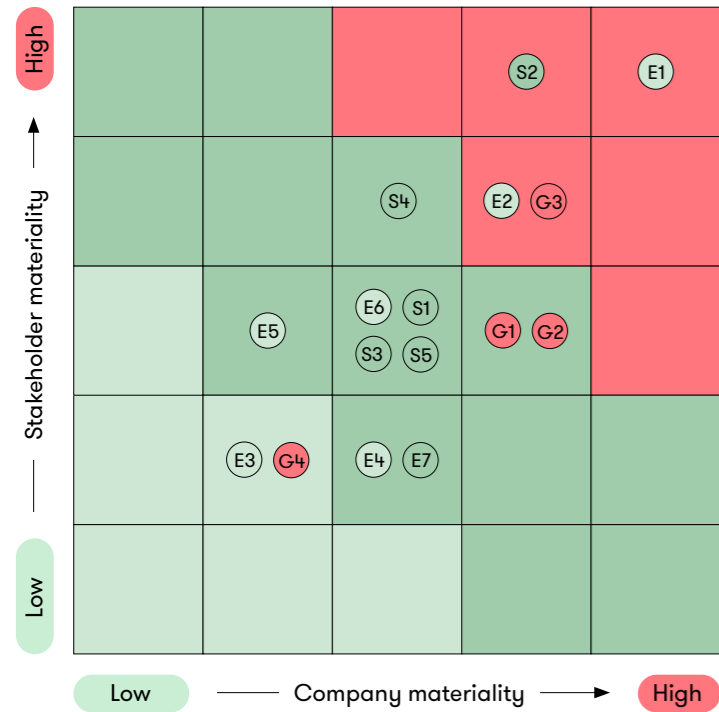
In doing so, the Group examines the impact it has on the outside world **(inside-out perspective)** and, on the other hand, what effect the outside world has on STEAG in the form of opportunities and risks, for example through stakeholder requirements or legal framework conditions **(outside-in perspective)**. Combined, these two perspectives form the basis of the double materiality analysis.

The materiality analysis carried out in 2022 is based on the sector standards of the GRI (Global Reporting Initiative), the SASB (Sustainability Accounting Standards Board) and the TCFD (Task Force on Climate-Related Financial Disclosures) and used the results of a workshop with various stakeholders to identify the most relevant opportunities and risks for STEAG and its stakeholders. The materiality analysis due in 2024 will be conducted in accordance with the requirements of the **European Sustainability Reporting Standards (ESRS)**, which were developed for the implementation of the CSRD.

The most important stakeholder groups whose perspectives are included in the materiality analysis are:

- **Internal stakeholders:** Shareholders, employees
- **External stakeholders:** Customers, investors and creditors, governments, supervisory authorities, trade unions, suppliers, local communities, non-governmental organizations (NGOs)

Materiality analysis



The matrix below shows the results of the materiality analysis from 2022. It illustrates the sustainability topics identified as material, categorized by low, medium and high relevance or impact.


ID	Topic	Impact
E1	CO ₂ emissions	High
E2	Share of renewables	High
E3	Air quality	Low
E4	Plant efficiency	Medium
E5	Waste management	Medium
E6	Water	Medium
E7	Biodiversity and ecosystems	Medium
S1	Workforce and diversity	Medium
S2	Occupational health and safety	High
S3	Employee engagement	Medium
S4	Working conditions	Medium
S5	Impact on society	Medium
G1	Business ethics and anti-corruption	Medium
G2	Supply chain	Medium
G3	IT, cyber and data security	High
G4	Remuneration of managers	Low





ESG goals and achievements in 2023

The Group has derived its sustainability targets in the areas of environment, social affairs and governance (ESG) from the material sustainability topics at and for STEAG. The ESG Office coordinates the implementation and achievement of the targets. This is done in close consultation with the business units and departments concerned. Numerous measures have

already been initiated and implemented in the 2023 reporting year. Follow-up action is being taken on some targets to ensure that they can be achieved on time. The table shows the goals and measures implemented.

ESG aspect	Goals	Measures implemented in 2023
Environment 	Net zero greenhouse gas emissions by 2040	<ul style="list-style-type: none"> Continued investment in renewable energies Implementation of numerous solar and wind projects in Germany and abroad Getting the go-ahead for the modernization of existing district heating generation plants and the district heating network (including the use of waste heat from mine water) Signing of a funding agreement with the EU for the hydrogen generation plant (HydrOxy Hub Walsum, Duisburg) Expansion of district heating cooperation for the use of waste heat for district heating supply Promoting the local district heating supply (construction of a heat storage facility with a capacity of 1,050 megawatt hours (MWh) from 2024) Conducting an energy audit and identifying potential energy savings
	75% electrification of the company vehicle fleet by 2028	<ul style="list-style-type: none"> Adjustment of the company car guideline for ordering and using company cars (electric vehicles) Free electric charging facilities in an underground garage for private and company cars at designated locations
Social 	No serious accidents at work and continuous improvement of safety culture	<ul style="list-style-type: none"> Improvement, digitalization and expansion of the HSE management system Raising employee awareness through safety initiatives (started) Continuation of the Vision Zero project to reduce work and safety incidents
	Development of a process for stakeholder involvement by 2025	<ul style="list-style-type: none"> Design and development of supplier training courses Implementation of a new supplier portal Regular Supervisory Board meetings at STEAG GmbH (Iqony and STEAG Power)

ESG aspect	Objectives	Measures implemented in 2023
Social 	Introduction of new employer branding focused on diversity and employee flexibility by 2024	<ul style="list-style-type: none"> Decision on gender quotas: In June 2023, Supervisory Board members were elected in the two separate companies. The proportion of women on the Management Board of STEAG Power GmbH until December 31, 2027 was set at 33.33 percent on the basis of a three member Management Board and on the Supervisory Board of STEAG Power GmbH until December 31, 2024 at 16.67 percent. Start of the project to develop the new employer branding concept to reposition the company on the labor market and take diversity criteria into account
	Implementation of a sustainable talent and skills management process for employees by 2025	<ul style="list-style-type: none"> Project launch to establish a systematic talent management process. Continuation in 2024 Reorganization of the training concept and implementation of the first STEAG training conference Conducting annual employee appraisals
Governance 	100% of employees will be trained in the STEAG Code of Conduct and compliance framework by 2024 (75% by 2023)	<ul style="list-style-type: none"> Finalization of the digital training program Training planned for implementation in 2024
	100% of direct suppliers contractually agree to the STEAG Supplier Code of Conduct and successfully pass the STEAG Business Partner Audit by 2025	<ul style="list-style-type: none"> Business partner audits in progress Preparation and conceptualization of the roll-out (Code of Conduct for Suppliers) Launch of the new supplier portal
	Implementation of a sustainable procurement policy and sustainable procurement processes by 2025	<ul style="list-style-type: none"> Finalization of Group-wide, internal work instructions on sustainable procurement Planning for a separate ESG guideline in 2024

Following the update of the materiality analysis in 2024, STEAG will specify, update and supplement its roadmap, including the ESG goals

STEAG's contribution to the Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals were developed by the United Nations in 2015. They form a global plan for socially, economically and environmentally sustainable development. The target year is 2030.

STEAG is committed to the United Nations Sustainable Development Goals (SDGs) and has identified the following SDGs to which the company can make a direct and indirect contribution through its business activities.



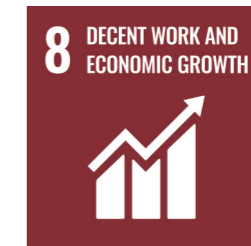
We support the development of a sustainable energy future through our ongoing investments in renewable energy and the continuous expansion of our technical and advisory services in relation to renewable energy.



STEAG's broad experience and expertise in sustainable energy infrastructure enables us to develop innovative solutions to the economic challenges facing our customers and society as a whole.



STEAG has committed itself to ensuring safe and healthy working conditions for its employees. The Group works together with its suppliers to promote safe working practices in their supply chains.



STEAG regards its employees as its greatest asset and strives to provide them with attractive professional development opportunities. At the same time, the Group works to eliminate bias and discrimination in our hiring and development processes.



STEAG's district heating solutions help to reduce the carbon footprint of cities and local communities by reducing CO₂ emissions and local emissions.



As part of its climate strategy, STEAG plans to reduce the net greenhouse gas emissions of the entire Group to zero by 2040. In this way, the Group is making an important contribution to climate protection and the energy transition in Germany.



The decarbonization of our distributed energy services helps our customers to produce products with a smaller carbon footprint.



STEAG strives to minimize the impact of its operations on local ecosystems and biodiversity. Environmental and social impact assessments are carried out for all new construction projects as early as the pre-construction phase in order to identify and mitigate potential environmental impacts.

Environment



Net **Zero** **84** % **742,340** MWh

climate neutrality
by 2040

GRI: 3-03 a, 3-03d

reduction in
emissions
compared
to 1990

of energy generated
from photovoltaics



STEAG's approach

Due to current world events, the economic and legal framework conditions to which STEAG must orient itself change at short notice and sometimes in unforeseeable ways. For example, at the request of the German government, the company has continued to operate power plants that were to be permanently decommissioned in line with STEAG's net zero pathway or returned them to market operation in order to ensure security of supply in Germany, particularly during the reporting period. In this way, STEAG made an important contribution to avoiding a gas shortage, especially in the critical winter of 2022 / 2023.

The company is transforming its existing power plant sites into energy hubs for sustainable energy generation and creating broad acceptance for infrastructure projects through cooperation with other companies. In addition, STEAG is using its own engineering expertise to help its customers with decarbonization.

Decarbonization is the decisive step on the way to a future-oriented energy supply.

STEAG's future efforts to achieve a climate-neutral energy supply will also be governed by laws and regulations within which the company must operate. Nevertheless, STEAG is committed to becoming **climate-neutral by 2040** in line with the Paris Climate Agreement. The Group target is therefore more ambitious than the current climate protection target of the German government (climate-neutral by 2045) and the European Union (climate-neutral by 2050).

In addition to the coal phase-out in Germany, with which STEAG is reducing its emissions (from the domestic hard coal-fired power plants) **by 84 percent compared to 1990**, the Group is focusing primarily on the development and expansion of renewable energy and bridging technologies.

Focal topics and successes in 2023

- Expansion of the photovoltaic division
In addition to project development, EPC (Engineering, Procurement and Construction) services and their technical and commercial management, the company will increasingly invest in its own photovoltaic (PV) assets in future.
- Focusing on the development and expansion of further wind farms in Germany and France, and elsewhere
The first projects are expected to be constructed from 2025 onwards.
- Implementation of innovative (district) heating solutions for cities and rural communities
- Promoting the local heating transition by expanding municipal cooperation to create a climate-friendly district heating supply
- Decarbonization of industrial customers

Key messages

The burning of fossil fuels to convert energy and the associated release of greenhouse gases such as CO₂ is the most important cause of man-made climate change. As a key player in energy supply, STEAG has a special responsibility: The Group finds ways to ensure the provision of energy as a crucial basis for economic and social development, while gradually making energy generation more and more climate-neutral in order to limit global warming in the long term.

In order to meet this challenge, STEAG steps up investment in the expansion of renewable energies, for example, and is also involved in the production of **green hydrogen**, which is generally considered to play a key role in the decarbonization of the energy sector and industry as a whole.

STEAG sees itself as an active shaper of the energy transition. The company has set itself the goal of **climate neutrality by 2040** and enables the successful energy transition by, among other things, driving forward the expansion of climate-friendly, renewable energies, taking into account the need to use water sparingly and respecting and preserving ecological diversity.

Progress in environmental performance in 2023

Greenhouse gas emissions

STEAG's approach

The energy sector has a major impact on the climate. As a result, energy companies are required to make drastic cuts in all climate-damaging greenhouse gases and to focus on environmentally friendly alternatives. In the following, we refer in particular to greenhouse gas emissions (GHG emissions); this means all GHG emissions, even though CO₂ emissions from the combustion processes of fossil fuels account for the largest share of STEAG's GHG emissions.

In addition to phasing out fossil fuels, the transition to renewable energy sources is the most effective way to reduce GHG emissions. STEAG will reduce its GHG emissions on the one hand by shutting down power plants, but on the other hand will also drive forward the expansion of energy generation from renewable sources. The foundation for this transformation was laid with the splitting into the two divisions STEAG Power and Iqony.

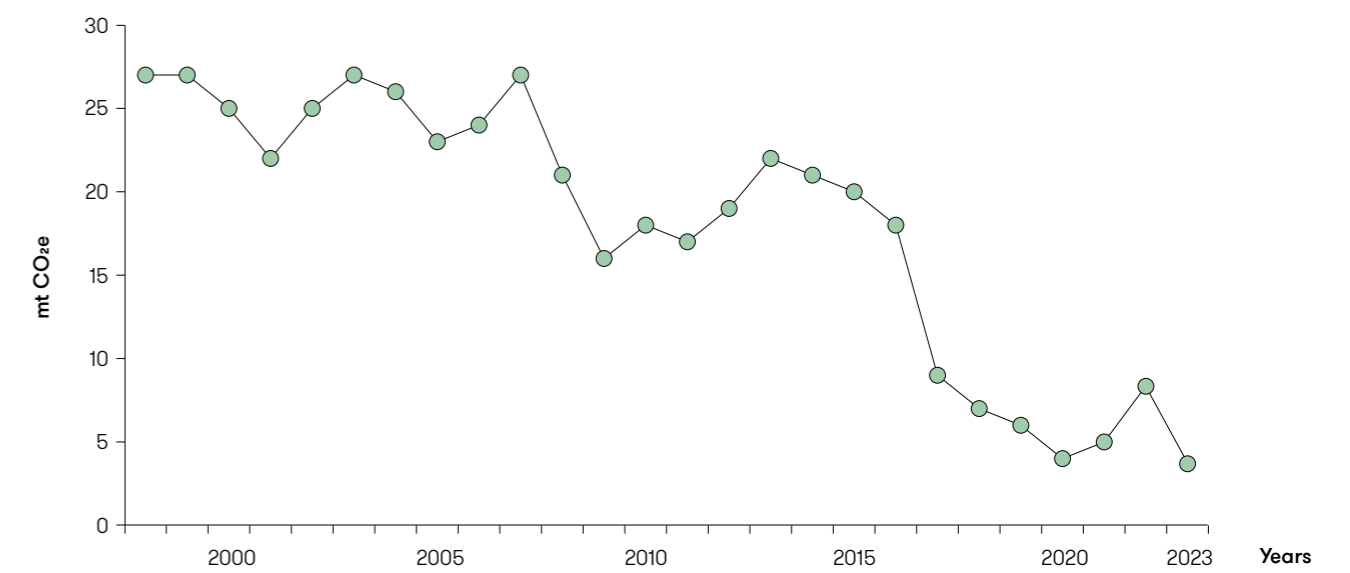
The focus of STEAG's attention is in particular on direct GHG emissions (Scope 1) and indirect emissions (Scope 2) resulting from the purchase of district heating and electricity. The Group also applies the calculations of Scope 1 emissions in accordance with the European Emissions Trading System (EU ETS) to emitters that are not covered by the EU ETS, where this makes economic sense. Optimizing the energy efficiency of plants, buildings and processes is a key step towards reducing GHG emissions.

The procedure for calculating emissions is based on the following hierarchy.

1. EU ETS
2. DEhST emission factors
3. Defra emission factors

In future, greenhouse gases from the upstream and downstream value chain will also be taken into account (Scope 3). To this end, STEAG is introducing mechanisms to measure and monitor these emissions and to work towards measures to reduce them.

Development of CO₂ emissions from STEAG's domestic hard coal-fired power plants since 1990 (mt CO₂ per year)



Goals and measures

Reduction of GHG emissions

STEAG's central target is to make the company climate-neutral by 2040 – five years earlier than required by law. The company remains committed to this ambitious target.

STEAG is aware of its responsibility to support national and global efforts to decarbonize the energy system and our economy as a whole and to contribute to averting man-made climate change. As a major electricity producer, STEAG has worked hard in recent decades to reduce its greenhouse gas emissions. The graph above shows the development of CO₂ emissions from the operation of domestic power plants since 1990.

The increase in CO₂ emissions for STEAG in 2022 was due to the requirements imposed on us to ensure security of supply in Germany in view of a possible gas shortage and the associated temporary return of our power plants to market operation in the autumn and winter of 2022. Power plant operation in the period under review was therefore essentially not based on our own entrepreneurial decision, but on a government order, which puts the short-term increase into perspective. The fact that the system-relevant hard coal fired power plants have increasingly been called upon to stabilize the grid since 2020 documents the urgent need for public action in the area of grid infrastructure. It also shows the need for the strategic expansion of new gas-fired power plants and the prospect of climate-neutral power plants using hydrogen.

Independently of this, STEAG Power will continue to drive forward the decarbonization of the hard coal portfolio and Iqony will push for progressive climate neutrality, particularly in the area of district heating supply.

The strategic realignment through the splitting of the Group at the beginning of 2023 is of central importance in order to achieve this goal as quickly and efficiently as possible in both parts of the company. This is because the split will enable both divisions to focus even more strongly on their respective core businesses – on the one hand, the phase-out of the hard coal-fired power plants at STEAG Power and, on the other hand, the growth course for future topics under the umbrella of Iqony.

In line with STEAG’s objective, which is also set out in the Group’s net zero pathway, the company will achieve the **net zero target by 2040**. This will be achieved primarily through the gradual shutdown of hard coal-fired power plants planned since 2020. STEAG has defined a gradual phase-out plan for the German hard coal-fired power plants. The same applies to the last remaining foreign power plant in Iskenderun, Turkey: Although Turkey is not aiming to decarbonize its energy generation until 2053, STEAG intends to phase out hard coal-fired power generation at all sites, including those outside Germany, before 2038, in line with the phase-out date originally agreed in the German coal compromise.

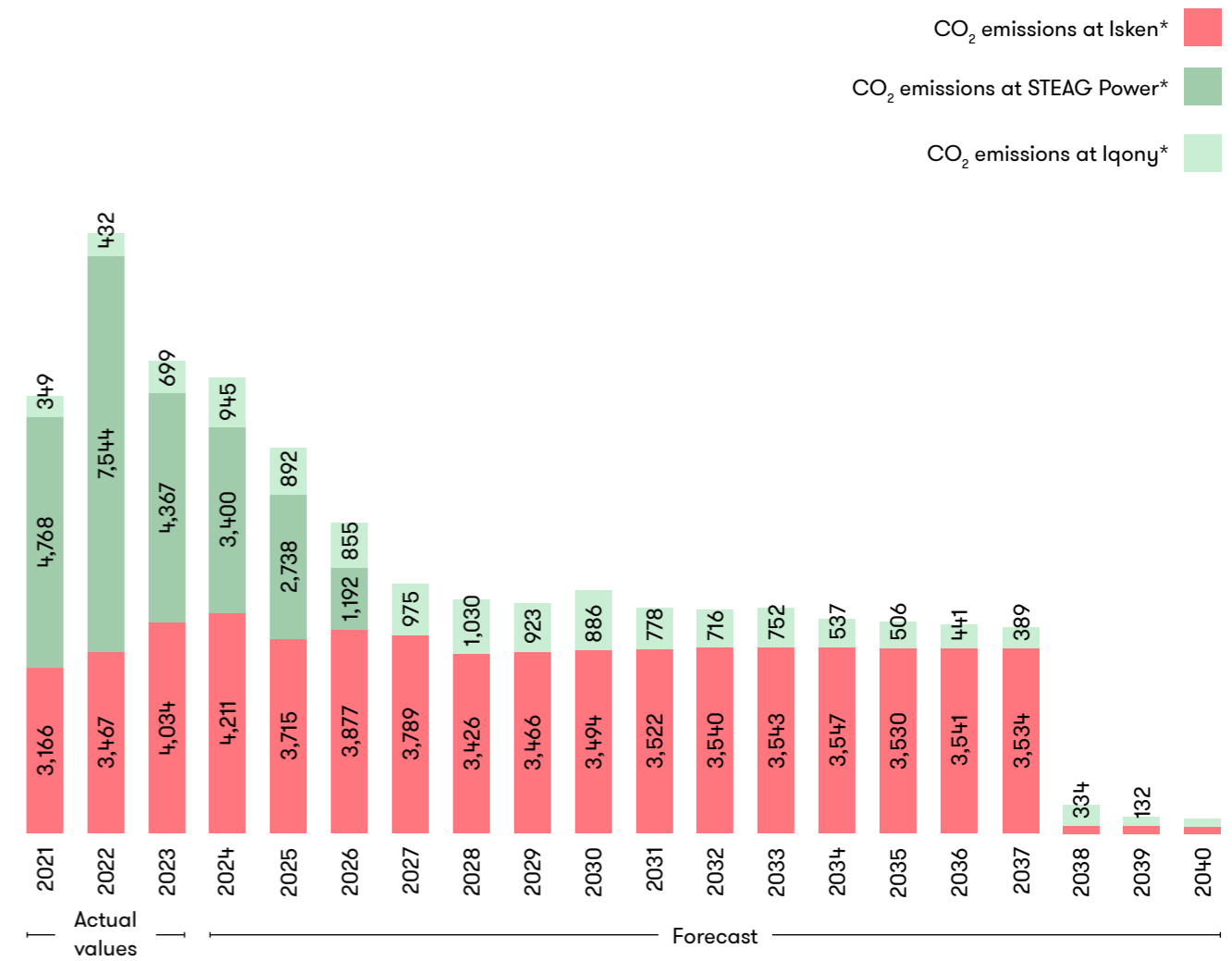
It should be noted in this context that STEAG’s efforts to phase out energy generation from hard coal predate the political decision under the German Coal Phase-out Act (KVBG), which came into force in 2020. STEAG had already permanently decommissioned the first power plants (Lünen and Voerde) on its own initiative well before this date. With regard to the remaining power plants, STEAG is continuing to review the existing phase-out plans to ensure that the phase-out date is compatible with our climate protection targets, national and European legal

requirements and the need to maintain security of supply for Germany and Europe. In 2024, the Group will therefore continue and update its net zero pathway in order to take current requirements into account accordingly.

In contrast, greenhouse gas emissions at Iqony are primarily generated in connection with the use of natural gas for district heating generation and decentralized generation plants. On the one hand, this concerns numerous decentralized plants, most of which operate according to the principle of cogeneration of heat and power (CHP) and use the fuel used to generate both electrical energy, i.e. electricity, and thermal energy, i.e. (district) heat. The combined-cycle gas and steam turbine power plant (CCGT) that went into operation in Herne, North Rhine-Westphalia, at the end of 2022 also works according to this principle. By switching heat generation at the Herne site from hard coal to natural gas, STEAG and Iqony have reduced the emissions generated for district heating by around half. In future, the reduction could be even greater, as the combined cycle plant in Herne is already **technically capable of burning around 15 to 20 percent** of hydrogen – if this is available in sufficient quantities in the future.

Other heat sources for the district heating generated and supplied by Iqony on the Ruhr and Saar are mine gas fired combined heat and power plants as well as unavoidable and therefore climate-neutral waste heat from waste incineration plants or industrial processes. As a result, the carbon footprint of Iqony’s district heating is well ahead of the German and European climate protection targets.

Net Zero pathway (STEAG generation plants)



Iqony is planning various scenarios for the further path to complete climate neutrality of district heating, in which – depending on the further development of the technical and market conditions – large heat pumps, heat storage, geothermal energy, industrial waste heat and hydrogen will be used as energy sources in varying proportions. In this way, the company is optimally prepared for all developments that are not yet fully foreseeable and is therefore well on the way to achieving its objectives.

The above chart of the net zero pathway shows the Scope 1 emissions of STEAG Power and Iqony. The equity share approach was adopted to calculate Scope 1 emissions in accordance with the GHG Protocol.

The approach of depicting realistic emissions results in a change compared to the 2022 reporting year, in that secondary fuels are also included in the CO₂ balance for emitters. Furthermore, emissions from the combustion of mine gas, waste incineration plants and biomethane plants are assumed to be 0 t CO₂e, as in the 2022 reporting year.

In addition to emissions from energy generation processes, emissions in other Scope 1 and Scope 2 relevant areas will also become increasingly important.

* Kilotonnes CO₂



Vehicle fleet

STEAG intends to gradually decarbonize the company's own vehicle fleet by switching to battery-powered electric vehicles. To this end, the Group has already started to set up and expand the corresponding charging infrastructure at the first locations.

In addition, a company agreement valid for the entire Group has been concluded, which also enables employees to charge private electric and hybrid vehicles free of charge at existing STEAG charging points. In this way, STEAG offers targeted incentives so that employees also decide to switch to **emission-free mobility**.

To calculate the fleet emissions, the consumption of the energy sources is recorded in liters or kg. Data is collected via fuel cards and internal refueling systems. In addition to cars and trucks, the vehicle fleet also includes work vehicles.

Electricity purchased

The emissions associated with the energy purchased to heat the company's properties are falling, as the German electricity grid is gradually being decarbonized due to the increasing penetration of renewable energies. This also applies to the district heating purchased from third parties at some locations. This will also have an increasing impact on the Group's CO₂ footprint overall in the medium and long term.

Share of renewables

STEAG's approach

In addition to the gradual shutdown of coal-fired power plants, the expansion of renewable energies is another central lever for the successful decarbonization of STEAG. Here, the Group is focusing in particular on the targeted development and expansion of its own generation portfolio in the field of solar and wind energy, which we can operate particularly efficiently using in-house software solutions.

In addition, there will be new power plants in the future that can be operated in a climate-neutral manner through the use of green hydrogen, with which STEAG will ensure long-term security of supply for consumers and industry in a proven manner. This will require the German government to create the necessary regulatory framework in the course of 2024 in order to ensure sufficient investment security for the implementation of such large-scale projects.

Company	Vehicle fleet emissions in t CO ₂ e in 2023	Share of total emissions of the company in %
STEAG Power GmbH	712	0.01
Iqony GmbH	563	0.08

Goals and measures

Expansion of renewable energies

lqony already operates 18 onshore wind farms in Germany, Poland and France, which have a total capacity of 232 MW (megawatts). In France, a further 42 MW (ready to build in the short term) and a total pipeline of 577 MW are already planned. In addition, STEAG has been developing projects to construct further wind farms in Germany since the end of 2023. In the reporting year, lqony generated a total of 561,707 MWh of green electricity with its wind farms.

When installing new wind turbines, it goes without saying that the protection of species must always be ensured. To this end, lqony has installed a bird detection system at a wind farm site in France, which detects red kites in particular from a distance of around 800 meters and then automatically switches off the wind turbines as soon as the detected bird moves into the danger zone. This is made possible by the use of 4K cameras that continuously monitor the area around the wind turbines.

lqony Solar Energy Solutions (SENS) has also installed photovoltaic parks with a capacity of more than 2,000 MW in over 40 countries since it was founded in 2009 and currently manages 763 solar generation sites worldwide.

In addition, further plants with a total output of over seven gigawatts (GW) are in planning. These increasingly include plants that SENS develops, builds and operates itself for its own portfolio rather than for third parties.

The projects carried out by SENS are often associated with special challenges. In January of the 2023 reporting year, for example, construction began on a solar park in Kropp, Schleswig-Holstein. The construction of this plant required a special approach in order to guarantee the load-bearing capacity of the substructure, due to the changeable northern German climate, which is particularly prone to strong winds in winter, as well as the difficult ground conditions. In order to ensure groundwater protection, only materials were used where groundwater contamination could be ruled out.

Thanks to the innovative performance of the project team, it was possible to defy all adversities despite the difficult conditions and build a solar park that meets all meteorological, geological and hydrological requirements and thus enables the saving of around 6,000 metric tons of CO₂ through the 13.5 megawatts of renewable energy generated annually.

Facts and figures from the year under review

Key figures	Unit	2023	Germany	Abroad
Generation from renewable sources				
Power generated	MWh			
thereof wind		561,707	246,787	314,920
Independent Power Producer (IPP)*		561,707	246,787	314,920
thereof photovoltaics		742,340	236,140	506,200
Independent Power Producer (IPP)*		-	-	-
Utility Scale (US)**		693,787	213,191	480,596
Commercial & Industrial (C&I)***		48,553	22,949	25,604
Installed capacity:	MWp			
thereof wind		232	106	126
Independent Power Producer (IPP)*		232	106	126
thereof photovoltaics		844	292	551
Independent Power Producer (IPP)*		26	-	26
Utility Scale (US)**		760	262	498
Commercial & Industrial (C&I)***		58	31	27
Plant portfolio	Number of plants			
thereof wind		90	38	52
Independent Power Producer (IPP)*		90	38	52
thereof photovoltaics		333	162	171
Independent Power Producer (IPP)*		5	-	5
Utility Scale (US)**		55	34	21
Commercial & Industrial (C&I)***		273	128	145
Increase in plants from 2022	Quantity			
thereof wind		-	-	-
thereof photovoltaics		106	53	53
Independent Power Producer (IPP)*		5	-	5
Utility Scale (US)**		20	12	8
Commercial & Industrial (C&I)***		81	41	40

* Independent Power Producer: Operators of power plants and other electricity generation facilities that do not have their own electricity grid to transmit and distribute the electrical energy produced to final consumers.

** Utility Scale: Ground-mounted systems.

*** Commercial & Industrial: Rooftop systems on commercial and industrial buildings.



Expanding the workforce

STEAG is not only investing financially in the growth areas bundled at Iqony, but is also expanding its workforce in a targeted manner. This includes a net increase of 82 employees in the Solar business unit and 22 employees in the Technical Service business unit. This and planned future job creation will strengthen the company so that the planned development and expansion of renewable energies can take place as planned.

Cooperative ventures

Iqony also relies on partnerships to install more systems based on renewable energies. One example of this is a photovoltaic joint venture with the LSG Group. Several photovoltaic projects in Eastern Europe have already been completed under the umbrella of SENS LSG. In Senyö, Hungary,

a photovoltaic park with an output of 63 megawatts (MW) was installed and commissioned in just six months under the management of SENS LSG. This shows that this proven cooperation is a model for the future and will continue to be used. Further joint projects for the construction of photovoltaic parks - for example in Bulgaria - have been in the development and implementation phase since the end of 2023.

Camphausen (Saarland)

By modernizing the district heating systems on the site of the former colliery in Camphausen, Saarland, Iqony Energies is also transforming this historic site into a climate-neutral heat source. Through the innovative use of waste heat from mine water as a new source of energy for the district heating supply of the neighboring communities of Sulzbach and

Camphausen, more than **6,000 tons of GHG emissions** have been avoided each year. The project, which won government funding as part of an innovative CHP tender, combines an existing conventional CHP plant, renewable mine water heat and a heat pump, making the district heating supplied emission-free. The project is scheduled to be completed and the plant commissioned by the end of 2024.

Storage technologies for electricity and heat

Storage technologies play a key role in the transition to renewable energies in both the electricity and heating sectors. Iqony recognized this early on and has been operating a distributed large-scale battery system in the market for control and balancing power since 2016. In view of the increasing importance of battery energy storage systems for the improved market

and grid integration of solar and wind energy, which is dependent on the supply, Iqony is currently examining the construction and operation of additional and then larger storage systems at various power plant locations. Iqony is also active in the field of heat storage and will continue to grow in view of the increasing importance of district heating and the achievement of climate targets. For example, construction of the district heating storage facility in Gelsenkirchen will begin in the first quarter of 2024. With a capacity of **31,000 cubic meters of water** and an output of 1,050 megawatt hours (MWh), it can supply the local district heating network with the required heat for a weekend at least, depending on the weather. With this project, we are making a significant contribution to the climate-friendly expansion of district heating.

Waste

In our efforts to continuously improve the Group's environmental performance, the responsible handling of waste is also important. In organizational terms, this task is the responsibility of the STEAG Group's Occupational Safety, Health and Environmental Protection department. It issues guidelines, implements legal requirements and organizes a Group-wide exchange of information in this regard.

Organizationally, STEAG Power and Iqony each have a Group Officer and Works Officers specifically for the topic of waste.

The works officers perform the following tasks: They monitor the waste from its generation through to disposal; they monitor whether the statutory regulations are being complied with and whether conditions and requirements are being met; to this end, they regularly inspect the operating sites and also report any deficiencies identified and make proposals for measures to remedy them.

In addition, the waste/hazardous materials expert group deals with innovations or changes in technical and legal aspects in a Group-wide exchange of experience. The expert group meets at regular intervals, but at least once a year and most recently on August 25, 2023.



Goals and measures

The responsible handling of waste at STEAG includes also includes reducing the amount of waste by optimizing our use of materials, increasing the recycling rate, consistently separating waste and optimizing collection logistics. The Group trains all employees in waste collection at work, for example, in order to reduce waste volumes. At the same time, this increases the downstream recyclability of the waste produced.

STEAG's environmental management serves as a controlling instrument in the environmental field. The Group derives measures for continuous improvement from regular environmental reviews in the form of audits and regularly checks their effectiveness. In addition to waste and disposal issues, these audits also discuss issues relating to immission control, dealing with incidents, water protection and the transportation of dangerous goods by road and rail.

In the 2023 reporting year, occupational health and safety and environmental protection audits were carried out for the following companies at selected locations:

- STEAG Power
- Iqony Energies
- Optenda
- Iqony Technischer Service
- Iqony Solutions
- RKB Leuna

Biodiversity

The topic of biodiversity is also relevant when considering projects within the Group. To this end, STEAG has developed measures with which the Group can check

the impact of new major projects on biodiversity when evaluating them.

Goals and measures

As biodiversity is one of the material topics for STEAG, the Group did not carry out any projects in 2023 that had a significant adverse impact on protected areas. Each new project is assessed on the basis of its environmental impact in order to rule out significant impacts on biodiversity. STEAG Power is required by law to report volumes of water used.

The majority of the water used is of sufficient quality to allow its direct discharge into natural water courses. Where necessary, the wastewater is pre-treated so that it meets the legal requirements for discharge into natural bodies of water.

Only a very small proportion of the water used has to be treated in public sewage treatment plants.

STEAG carries out continuous self-monitoring of water quality, which is supplemented by additional monitoring by public authorities. No water is discharged into regions with water stress. The same applies to extraction from rivers or the use of groundwater.

STEAG's approach

The Group has carried out an analysis of risks relating to environmental issues and Group activities and drawn up a resulting risk control plan.

Goals and measures

The table below shows the risks identified by STEAG and their potential impact on the company and the measures developed to address them. Some of the topics listed have already been discussed above or will be discussed below.

	Risk	Impact on STEAG	STEAG's action plan
Politics	National and international commitment to dealing with climate risks	Regulation by the EU and member states with defined targets for reducing greenhouse gases	A clear action plan for phasing out coal-fired power generation in Germany by mid-2026 and achieving climate neutrality by 2040, taking into account the extended lifetimes of coal-fired power plants
Market	Changing demand for low-carbon energy solutions together with abrupt shifts in demand for carbon-intensive generation	A medium-term change in demand for low-carbon and carbon-free energy sources and away from STEAG GmbH's existing fossil fuel-fired plants	Conversion of the STEAG Group's plant portfolio to climate-neutral generation Securing the resources to support this transition
Technology	New technologies that support decarbonization	A range of technology options that STEAG can deploy, as well as necessary investment and operating costs for deployment	STEAG has expertise in different technologies to ensure that the best technology can be deployed at each site
Reputation	Impact of the decisions taken on the society in general	STEAG GmbH's relationships with key stakeholders and society in general will be affected	Increase stakeholder engagement and demonstrate where value is created

For 2024, many changes are imminent, both internally and externally, which will affect environmental issues at STEAG. The relevant topics include

- Pushing ahead with the decarbonization of the heat supply by building a new heat storage facility, tapping industrial waste heat and opening up further towns and districts with district heating
- Start of work on municipal heat heating planning in accordance with the German Heat Planning Act (WPG) in many municipalities in which Iqony is involved in district heating supply and is therefore indirectly involved in the process
- Planning of hydrogen generation plants in the Ruhr region and Saarland
- Modernization and the associated conversion of the existing district heating generation plants and the district heating network on the site of the former Camphausen colliery into an innovative and climate-neutral heat generation system
- Further expansion of renewable energies (solar and wind)
- Implementation of the requirements of the German Energy Efficiency Act
- Evaluation of all Scope emissions and subsequent deduction of compensation and reduction measures

STEAG's goal is to achieve lasting improvements in all areas relating to the environment and climate in order to complete the successful transformation towards becoming a climate-neutral, sustainable and secure energy and heat supplier. The tried and tested power plant sites, which are so important for ensuring security of supply, will become the locations where Iqony wants to realize its vision of a secure and, through the use of hydrogen, climate-neutral energy supply in the future.

However, as already mentioned above, the key points of the German government's power plant strategy that have been announced so far must be firmed up and implemented in the near future.



Lighthouse project

HydrOxy Hub Walsum

Hydrogen production in the Ruhr region

Green, i.e. climate-neutral hydrogen is generally regarded as a key element in making industrial products and processes emission-free in the future. In order to be able to provide hydrogen on an industrial scale as quickly as possible, Iqony is planning to build and operate a hydrogen production plant in Duisburg-Walsum on the western edge of the Ruhr region under the project name “HydrOxy Hub Walsum”.

The plant is to be built in three stages, the first of which is scheduled to go into operation in 2028 with an electrical output of around 150 megawatts (MW). The capacity of the plant will then be increased in two-year stages to just over 500 megawatts (MW) by 2031. Iqony calculates an annual production of 16,000 tons of hydrogen in the first expansion stage.

In December 2023, the “HydrOxy Hub Walsum” was the only German project to receive funding from the European Union’s “Innovation Fund”, and implementation of the project is scheduled to start in 2024.

The EU funding accounts for around ten percent of the mid three-digit million euro amount that Iqony will invest in the construction of the first construction stage.

A connection to the extra-high voltage grid is already available at STEAG’s long-established power plant site, so that electricity from renewable generation is always available in sufficient quantities. In addition, the site is also intended for a connection to the hydrogen pipeline from Dorsten to Hamborn (DoHa) currently planned as part of the “GET H2” initiative and the expansion of the hydrogen core network. From a technical perspective, the

Duisburg-Walsum site therefore offers ideal infrastructural conditions for sustainable decentralized hydrogen production for the medium and long-term decarbonization of industry and the mobility sector in the Ruhr region. The close proximity of the HydrOxy Hub Walsum to many of the potential future customers in the various sectors in the region is also a major competitive advantage of the project.

The green, i.e. climate-neutral hydrogen produced by the HydrOxy Hub Walsum can be used to decarbonize production processes in local and regional industry. Iqony is thus making a significant contribution to the sustainable reduction of CO₂ emissions and therefore to achieving and maintaining national and European climate targets. In addition, the company is also securing the future of the industrial site and the jobs associated with it.

As further projects, Iqony is planning a HydroHub at the Fenne plant site in Völklingen, Saarland, to supply hydrogen to the Saarland industrial region by the end of 2027. Further project ideas for the production and use of hydrogen are in preparation for other existing STEAG power plant sites.

Social



218

health measures
initiated

86%

acceptance rate of Corporate
Reintegration Management

2.1

accident rate (LTIF)



Key messages

The STEAG Group's employees are its most valuable asset, and its long-term success depends on STEAG being able to attract, retain and motivate qualified employees. The Group wants to be and remain an attractive employer that values and promotes its employees and continuously introduces improvement measures. To achieve this, STEAG is constantly developing the working environment and continuously investing in the health, development and wellbeing of its employees.

A dynamic working environment, the increasing importance of work-life balance and the ongoing development of employees are essential topics for STEAG, which the Group is constantly addressing. Particularly in times of a shortage of skilled workers, it is fundamentally important to retain experienced employees in the company

and to develop them both professionally and personally.

It is also important to promote **diversity** within the company. STEAG operates in a national and international environment and consciously practices social cohesion within the company and promotes diversity. The Group is therefore continuously working to improve the related approaches in order to meet not only the legal requirements, but also the expectations of its stakeholders. If a company fails to meet this self-evident requirement, this can have a negative impact on its reputation and future viability.

STEAG's approach

The Group has developed clear structures, strategies and guidelines in the areas of diversity, equality, health, safety at work and social commitment in order to create commitment and harmonize the interests of all stakeholders. STEAG pursues a centralized approach to health and safety in the workplace and is continuously expanding its processes and measures. The HSE management system applies to all domestic and foreign sites and complies with local laws and regulations.

Focal topics and successes in 2023

- Design of the new employer branding program with a focus on diversity, flexibility and the development of corresponding campaigns
- Modernization of recruitment and implementation of sustainable support programs for students and graduates
- Conducting the first STEAG training conference under the motto "We give your future a home"

Progress in social performance in 2023

Recruiting

STEAG's approach

With its human resources strategy, STEAG pursues a forward-looking personnel policy that focuses on promoting talent, retaining employees through comprehensive social benefits and a good work-life balance as well as performance-related remuneration.

The Group's HR processes are built on a sound foundation. Compliance with labor standards and legal regulations is fundamental and a matter of course for STEAG. The STEAG Code of Conduct provides clear guidelines for employees in their daily work (see also human rights in the supply chain).

STEAG supports its employees, in organizing and engaging in trade union activities and shaping their freedom of association in accordance with the legal requirements. STEAG maintains a continuous exchange with the works councils in order to identify, plan and implement possible improvement measures. A trusting and constructive exchange between the workforce and management is ensured in all Group companies.



Goals and measures

Implementation of sustainable talent and skills management by 2024

The modernization of recruiting includes the further development of selection procedures based on a competency model and the implementation of sustainable support programs for students and graduates. Closely linked to this, STEAG plans to implement strategic dialogs, adapt the competency model to the strategic challenges and hold talent review conferences to identify top performers and high potentials within the Group in order to establish a sustainable talent management process.

Optimization of the training concept "We give your future a home"

With the realignment of the training concept, STEAG is focusing its attention specifically on junior staff in order to offer them good and future-oriented prospects and to ensure that skilled workers are retained in the company.

Diversity, equality and inclusion

STEAG's approach

Diversity is an important key factor for long-term corporate success. Promoting diversity improves decision-making by bringing different perspectives and experiences into the way problems are considered, analyzed and solved. In addition, a diverse workforce is an important

basis for the acceptance of a company in an increasingly diverse social environment. The Group's Management Board and Supervisory Board are responsible for setting gender quotas.

GRI: 2-09c, 403-5a, 404-2a-b

Goals and measures

Introduction of gender quotas

STEAG attaches great importance to a balanced gender quota and the promotion of female managers, while the Group has recognized that there has so far been a traditionally large imbalance in some areas of the industry. For the Supervisory Board of STEAG GmbH, it was determined that the target for the proportion of women should be at least **10 percent** by spring 2022 at the latest. This **target was met** with the new election of the Supervisory Board of STEAG GmbH in 2022.

In 2022, a target for the proportion of women of at least **15 percent** was set for the period up to spring 2027, with the targets for the shareholder representatives and the employee representatives being set individually.

As of December 31, 2023, the target for the proportion of women on the STEAG Board of Management was zero percent. The 2023 year was characterized by the strategically important process of separating the Iqony and STEAG Power divisions and the sales process. Against this background, a change in the Management Board was not considered expedient due to the personnel changes in the Management Board and Supervisory Board that were expected anyway as part of the sales process.

In June 2023, Supervisory Boards were elected in the two separate companies and the proportion of women on the Management Board of STEAG Power GmbH was set at **33.33 percent** (one woman) until December 31, 2027 on the basis of a three-member Management Board and on the Supervisory Board of STEAG Power GmbH at **16.67 percent** (one woman on a six-member board) until December 31, 2024.

In 2023, the proportion of women on the Management Board of Iqony GmbH was most recently **25 percent** (one woman on a four-member board). The proportion of women on the Supervisory Board of Iqony GmbH was 0 percent as at December 31st 2023.

As part of the realignment of the STEAG Group, due to the sale to the Spanish infrastructure investor Asterion Industrial Partners and the associated new appointments to the committees at the beginning of 2024, there have already been significant increases in the proportion of women on the committees, which are to be further expanded.

Introduction of a new employer branding that is geared towards current diversity movements and employee flexibility

In 2023, an employer value proposition with corresponding attributes was developed and initial approaches for a campaign were derived. As part of the **Employer Value Proposition**, STEAG presents its value proposition and makes it clear what the Group stands for. The campaign will be implemented on schedule in 2024.

Employee wellbeing and professional development

STEAG's approach

The Human Resources (HR) department at STEAG reports to the CEO, who also acts as Labor Director. The heads of the HR departments at STEAG Power and Iqony regularly discuss current developments with the management.

The complex and constantly changing world of work demands a high level of commitment from everyone involved. The coal phase-out in particular demands

a high degree of flexibility from STEAG employees. For this reason, a transfer company was set up as part of the Group's redundancy package, providing further training for the employees concerned and in some cases qualifying them for other professions. There is also a guidance and placement unit that places employees within the Group.

Goals and measures

Offer to maintain employability and transitional assistance

STEAG works in close cooperation with the German pension insurance fund (DRV) to provide transitional assistance to help employees maintain their employability and support them in leaving the workforce. As part of this cooperation, a special training program (RV Fit) was initiated by the pension insurance fund. Participating employees are supervised by a prevention manager in regular coaching sessions in order to promote long-term health and therefore employability. STEAG organizes joint groups and provides support with the application process. The project will be continued in 2024.

In addition, the occupational health management program promotes the employability of employees in Germany through **218 health measures with around 2,300 participants**. These include specialist lectures, training courses and workshops, e.g. on healthy eating or giving up smoking.

As a part of its occupational integration management program, STEAG uses suitable measures to help employees who have fallen ill to reduce absenteeism, overcome their inability to work and reintegrate them into their working environment. The acceptance rate of **86 percent** confirms the high quality of the offer and the trust placed in it by employees.

Under the Coal Phase-out Act (KVBG), older employees are entitled to an adjustment allowance, which is paid for a maximum of five years until they reach the age of 63. In the 2023 reporting year, nine people left the Group using the adjustment allowance.

Services to promote health and compatibility of career and family

LIFE Compass

STEAG firmly believes that a healthy workforce forms the basis for a healthy company. For this reason, the Group has developed the LIFE Compass, which helps employees to orient themselves in their individual life situations.

LIFE Compass presents the comprehensive range of services offered by Health & Social Management. These include services to promote physical and mental health and the compatibility of career and family.

Career and family

Family-conscious corporate management is an expression of the Group's socio-political responsibility and an integral part of STEAG's human resources strategy. Health and social management supports STEAG employees in organizing work and childcare.

The "Work and Family" concept comprises various offers that support employees in reconciling work and family life:

- Offer of daycare places for under-threes within the city of Essen, advice and placement with other daycare facilities, childcare, babysitting, referral to specialist childcare services
- Child care during the school vacations (cooperation with socio-educational providers)
- Support with caring for relatives (currently in cooperation with BUK-Familienservice)

Professional development

STEAG offers its employees the opportunity to find out about current training opportunities and to book courses. The programs are designed in such a way that location-dependent learning can be ensured with free time management. In addition, various formats and tools are offered for the targeted further development of employees.

Occupational health and safety

STEAG's approach

STEAG is aware of its responsibility and creates a **safer working environment** for its employees, contractors and for all the people with whom the Group works. Through professional occupational health and safety management, which is constantly being expanded and further developed, the company demonstrably minimizes potential hazards and at the same time promotes a safe working atmosphere.

As occupational health and safety is a key issue for STEAG, the Group has had the voluntary management system **for occupational health and safety certified in accordance with DIN EN ISO 45001**. STEAG also applies DIN EN ISO 14001, which is externally certified at selected sites. The occupational safety specialists are mainly Group employees, which reflects the importance of the task for STEAG.

The occupational health and safety requirements apply to all domestic sites as part of the HSE management system and, insofar as they comply with local laws and regulations, also to the foreign sites. STEAG regularly carries out measures to qualify, instruct and train employees. The training courses relevant to employees are mandatory and free of charge and take place during working hours. Following training and instruction, an **effectiveness check** takes place.

Upcoming projects 2024

- Introduction of the ubiMaster tutoring service after successful pilot phase during the corona pandemic
- Start of the "Young Professionals for Future" training project
- Start of the summer holiday program for children of STEAG employees



Goals and measures

Occupational health, safety and environmental protection projects

In the 2023 reporting year, various projects on occupational health, safety and environmental protection were initiated that contribute to meet STEAG's sustainability targets.

The integrated management system was reviewed for any need for adjustment with regard to HSE criteria. In order to strengthen health protection, the processes for occupational medicine were implemented in the new HSE software and a new appointment tool was set up for preventive occupational medicine and aptitude tests. The HSE software was also rolled out to a larger user group. A campaign with monthly focus topics was launched in the Group to raise employee awareness of safety-conscious working practices.

At Iqony Technischer Service a recertification according to DIN EN ISO 45001 (management of health and safety at work) and a surveillance audit was carried out at STEAG Power.

In addition, the **HSE manual** was updated with regard to the process plans for occupational safety, health and environmental protection.

Nudging workshops were held at all STEAG Power sites and warehouses to promote desired, safety-compliant behavior without pressure, coercion or financial incentives. Additional workshops were held for the Iqony Energies and Iqony Technischer Service operations.

Furthermore, the accident reporting requirements for external companies were expanded and accidents involving external companies were included in the accident statistics.

At the suggestion of the workforce, new safety helmets were included in the catalog of personal protective equipment (PPE) throughout the Group.

In order to protect the health of employees even more effectively, STEAG carried out flu vaccinations at its main sites in Essen and Saarbrücken.

Facts and figures from the year under review

	Accidents of all employees	Accidents of all non-employees
Fatalities	0	0
Occupational accidents with > 1 day lost time	22	15
Accident rate (LTIF)*	2.1 (Group as a whole)	-
Accident book entries	223	66
Type of the most important injuries	Lacerations and cuts, bruises	Lacerations and cuts, bruises
Number of hours worked	10,333,248	Not recorded

* Note: The accident rate (Lost Time Injury Frequency) is calculated from the number of accidents in relation to the number of hours worked (per 1 million hours worked). All accidents resulting in more than one day's absence from work are taken into account.

All exposed groups are instructed on the relevant hazards and measures. These instructions take place during working hours and are checked for effectiveness. As the hazards are located very differently throughout the Group, all potential hazards are evaluated in accordance with defined schedules for carrying out risk assessments and appropriate operating instructions or other measures are issued.

External companies working on STEAG's premises are subject to a management process to ensure the safety and health of the client's and contractor's employees. The process begins with specifications for selection and procurement in the form of purchasing conditions. Subsequently, external contractors are professionally instructed in their work with reference to the respective company regulations. Audits are carried out to check compliance with the requirements. Accidents and injuries are also recorded.

Upcoming projects 2024

- New employee survey to support the implementation of the risk assessment of mental stress and to deduce needs-oriented measures
- Certification of STEAG Power in occupational health and safety in accordance with DIN EN ISO 45001
- Comprehensive introduction of HSE software and thus, among other things, a survey of training courses carried out in the area of HSE
- Introduction of ad hoc communication of special HSE events to inform and raise awareness among managers and employees



Lighthouse project

1st STEAG training conference

STEAG is convinced that high-quality training is the key to securing skilled workers in the long term.

Under the motto “We give your future a home”, managing directors, managers, instructors, top representatives of co-determination and representatives of the Mining, Chemical and Energy Industrial Union (IG BCE) discussed the necessary framework conditions for high-quality training in the STEAG Group at the first STEAG training conference on November 16, 2023.

Discussions and exchanges of ideas were stimulated and enriched by internal and external input.

The central topics of the first training conference included **new digital learning formats**, the creation of prospects for young people and the long-term **retention of future specialists** within the Group.

With the initiative **#wegiveyourfutureahome**, STEAG is gearing its training activities specifically to the requirements of the company and the needs of its trainees. The Group attaches great importance not only to imparting specialist knowledge to the junior staff, but also to accompanying and supporting them in their individual personal and professional development. STEAG wants to offer young people prospects within the STEAG Group and prepare them as well as possible for their future career in the company.

Three former trainees were also honored at the training conference. In October 2023, they received the **“Stars of Training”** award from the Central Ruhr Chamber of Commerce and Industry, as they completed their training in reduced time and with the top grade of “excellent”.

In 2024, STEAG will launch the **training project “Young Professionals for Future”**, in which the Group will work together with its trainees, instructors and managers as well as external experts to further develop the training organization and adapt it to match the changing requirements of the labor market and STEAG’ business units.

Corporate governance



3 years

without significant breaches of data protection or attacks on the IT infrastructure

178 MWp

in 80 solar parks are monitored by Sensaia's digital solution

in **2023**

Launch of the new supplier portal

GRI: 2-23a, 2-24a



Key messages

For STEAG, ethical and legally compliant behavior is the basis of good and transparent corporate governance. The Group has comprehensive structures, guidelines and procedures in place to ensure effective corporate governance at all times.

STEAG's approach

The main components of the approach to promoting, implementing and ensuring ethical and legally compliant behavior are the compliance management system and the STEAG Group's Code of Conduct. This Code of Conduct sets out the Group standards for dealing with the most important behavioral issues and anchors them in the corporate culture. This also includes effective management control. It ensures that members of the management are accountable to the companies and that the management is appropriately monitored. It goes without saying that STEAG complies with all relevant statutory regulations for companies. These include, for example, the German Limited Liability Companies Act and the co-determination legislation. Ethical behavior also includes investment decisions and sustainable financing options.

The importance of ESG criteria is growing here. In this respect, it is important for STEAG to achieve a demonstrably good sustainability performance and ensure access to an attractive range of financing options. As an operator of critical infrastructure, STEAG invests in processes and controls as well as in technologies to protect our plants from cyber and physical attacks and to prevent any threats. For STEAG, good corporate governance also includes respect for human rights and ensuring safe and fair working conditions throughout the supply chain. This was a focus topic for the Group in the 2023 reporting year. Accordingly, STEAG has implemented further measures to minimize potential risks. Compliance with these principles is crucial to maintaining the Group's business relationships.

Focal topics and successes in 2023:

- Implementation of policies and processes to improve the management of risks in the supply chain and comply with applicable laws and regulations
- Adoption and dissemination of the Supplier Code of Conduct
- Introduction of a written supplier due diligence policy and procedure
- Start of employee education and training on the Supply Chain Due Diligence Act (LkSG)
- Conducting an abstract risk analysis for direct suppliers
- Creation of a process and work instructions for risk management for indirect suppliers and a step by step guide to risk management

Progress in corporate governance in 2023

IT, cyber & data security

STEAG's approach

For STEAG as an operator of critical infrastructure and future norm addressee of the European NIS2 and CER regulations in Germany and internationally, cyber and data security are of the utmost importance. A cyber attack that disables important parts of the Group's infrastructure or impairs STEAG's ability to communicate with its various sites and plants poses a considerable risk for the Group and for Germany. STEAG therefore uses an information and operational technology infrastructure to securely connect its various facilities, intellectual property and other assets. This effectively limits the Group's potential vulnerabilities to cyber attacks with consistently high performance.

The protection of personal data is a particularly high priority for STEAG. The Group strictly adheres to the applicable regulations in order to protect its data. The Group has appointed a central data protection officer and a data protection management system has been implemented. STEAG informs all employees and customers transparently in correspondence and via the Group's websites about the processing of their personal data and respects their rights. As a rule, the Group companies act as controllers within the

meaning of data protection law; some subsidiaries also act as processors on behalf of other STEAG Group companies or third parties, for example with regard to the provision of certain IT services.

Employees receive specific training in data protection related to their functions. STEAG has established comprehensive responsibilities and working groups to put responsibility for all data processing in the Group on a secure footing. The STEAG Group has also created independent roles for the areas of IT and information security. There is a dedicated security information working group. Its task is to exchange information between the IT/information security and data protection roles to ensure the confidentiality, integrity and availability of data and the resilience of the IT systems used for processing.

GRI: 2-27a, 205-2a-b



Goals and measures

Comprehensive guidelines and procedural instructions as well as organizational and technical measures, internal and external audits and emergency plans are implemented on an ongoing basis. Other measures include training and information, for example via the intranet for STEAG employees or mandatory and role-specific training on data protection and information security.

These measures have ensured that there have been no significant breaches of data protection or attacks on the IT infrastructure in the last three years.

Digitalization: Expansion of digital software solutions

STEAG is focused on the further development of software solutions that have already been implemented and reliably used at Iqony and STEAG for years. The Sensaia software solution is specially designed for

monitoring and optimizing photovoltaic and wind energy plants. All operating data from a solar or wind farm is collected on the platform, stored there and analyzed at the same time. By using artificial intelligence, this data can then be used to make precise predictions about possible future sources of error in system operation in the sense of predictive maintenance.

With the Group's own digital expertise, STEAG creates added value for customers and significantly increases the economic yield of photovoltaic (PV) and wind energy plants by avoiding downtimes. A total of 178 MWp in almost 80 solar parks are currently monitored by Sensaia.

Anti-corruption and compliance with the law

STEAG's approach

STEAG's corporate governance principles include functions, processes and rules to ensure responsible and independent corporate governance. The Group has established clear rules to ensure that it always fully meets its social responsibility towards employees, business partners and customers. The Group-wide guidelines include the STEAG Code of Conduct, the Supplier Code of Conduct and the Declaration of Principles on Respect for Human Rights. STEAG complies with applicable laws and continuously implements measures to improve its performance.

STEAG is aware that ethical misconduct undermines the trust of stakeholders and leads to high fines and penalties as well as reputational damage. As STEAG operates in an international environment, the Group has developed an approach that ensures the promotion, implementation and safeguarding of ethical behavior at all times. The compliance management system raises awareness of breaches of regulations or conflicts of interest and ensures that these issues are clarified and sanctioned.

The Group-wide Code of Conduct sets out STEAG's standards for dealing with behavioral issues such as bribery, corruption, fraud and conflicts of interest and is made available to all employees. Compliance with the Code is mandatory. All new employees must confirm that they have read and understood the principles of the Code.

The Code of Conduct is reviewed regularly to ensure compliance with regulatory requirements and social norms.

Organizationally, these tasks and requirements are implemented by the Compliance department. In addition, there is an internal audit department which, as an independent and objective function within the Group, has the task of reviewing and, if necessary, improving business processes.

The central Compliance department is headed by the Group's Chief Compliance Officer. The Compliance Officer reports directly to the Management Board and is supported by the compliance officers in the Group. The compliance officers of the central business units, together with the associated guidelines, procedures and controls, form the Group's compliance management system.

The responsibilities of the compliance officers and the Chief Compliance Officer differ in that the officers primarily act as local contacts and are responsible for employee inquiries. The Compliance Officer designs business processes and contracts to limit risks and develops the content of training courses. In addition, there are other tasks that are carried out with the support of the compliance officers as well as other management and support functions, including occupational health and safety and environmental protection, compliance with tax law, data protection, IT security, compliance with employment law and others.



Goals and measures

STEAG has set itself the goal of having 100 percent of the employees trained in the STEAG Code of Conduct and compliance framework by 2024, with 75 percent of employees to be trained by 2023. However, due to the restructuring of the Group, no group-wide anti-corruption training was carried out in 2023.

With the introduction of the web-based training tool, statistics and implementation rates will also be evaluated in 2024 and the missing training courses will be provided.

Reporting incidents and complaints (whistleblower system)

STEAG has set up a procedure to receive reports of violations of the Code, other rules, regulations or procedures. The compliance management system supports the company's management in its orientation and is intended to prevent any misconduct.

The Compliance Officer acts as the central point of contact for all compliance issues and suspected cases. From 2024, the Compliance Management department will also act as the Human Rights Officer.

STEAG's reporting channels are available to affected persons inside and outside the company and all partners along the supply chain to address any human rights or environmental concerns.

One material suspected case of corruption and compliance was reported in the 2023 financial year. One case reported in 2022 was closed in 2023.

Human rights and supply chain

STEAG's approach

STEAG attaches great importance to the **protection of human rights and compliance with labor standards**. As a company with international operations, STEAG procures a large number of products and services via global supply chains. The Group is aware of its corporate responsibility and is committed to respecting human rights and complying with environmental obligations both in its own business sphere and within its supply chains. For this reason, STEAG has anchored human rights and environmental due diligence processes as the basis of its business strategy.

The management of risks in the supply chain is based on a **due diligence review**, which is carried out before new suppliers are accepted and as required once the suppliers are established. Suppliers must confirm in writing that they have introduced certain ESG-related procedures and processes.

In the future, STEAG's overarching human rights and environmental risk management will include the fulfillment of due diligence obligations with the aim of identifying potential and actual violations at an early stage and addressing them with appropriate preventive and remedial measures.

Risk management in the context of human rights and environmental due diligence obligations includes comprehensive requirements such as the definition of internal responsibilities and regular and ad hoc risk analyses. The risk management system will be further expanded and integrated into STEAG's corporate processes in 2024.

The selection of suppliers at STEAG is managed centrally by the procurement function. In addition, each of the suppliers has been subject to initial and regular **compliance checks** for years. In addition, suppliers must complete a supplier evaluation questionnaire, stating that they must continuously monitor the prevention of bribery, corruption or anti-competitive behavior, compliance with human rights and ensure that no child or forced labor occurs in their company. In addition, the STEAG Terms and Conditions of Purchase must be accepted. These include acceptance of the STEAG Code of Conduct, compliance with the minimum standards of the UNGC and the core labor standards of the ILO.

STEAG was also intensively committed to improving working conditions even before the Supply Chain Due Diligence Act (LkSG) came into force. On-site audits were carried out at regular intervals in order to have sites with an increased risk disposition checked by expert employees and to introduce improvements. In addition, STEAG maintains a regular exchange with non-governmental organizations and local residents, including at mine sites.



Goals and measures

STEAG has established a large number of measures to achieve the objectives and minimize risks in the supply chain and comply with the applicable laws. The preventive measures will be rolled out further in 2024.

One of the main objectives is for **100 percent of STEAG's direct suppliers** to contractually commit to compliance with the STEAG Supplier Code of Conduct and to **successfully pass the business partner audit by 2025**. In addition, STEAG naturally takes all necessary measures with regard to the Supply Chain Due Diligence Act (LkSG).

Complaints relating to human rights or environmental risks are currently received via the central e-mail address **compliance@steag.com**, which guarantees the transmission of information in a protected environment. A web-based, supplementary **whistleblower procedure** is currently being implemented and will be rolled out centrally in the STEAG Group in the coming year 2024.



Local communities

STEAG assumes social responsibility, particularly in the communities surrounding Group sites and local offices. This is done, for example, through charitable and non-profit initiatives. Examples include the donation of two transformers to Ukraine and the donation of a vehicle from the STEAG company fire department to the

fire brigade in the municipality of Selm. In addition, STEAG reduces the impact of its activities on local communities through environmental and social impact assessments for every infrastructure project.

Upcoming projects 2024

- Introduction of a new e-learning tool and a web-based whistleblower system including a Group-wide complaints procedure
- Appointment of a Human Rights Officer for the STEAG Group
- Establishment of a Human Rights Committee made up of managers from the Compliance, ESG and Purchasing departments and supplemented by representatives from other relevant departments as required. The committee's main tasks include responsibility for defining and complying with uniform Group-wide LkSG risk management requirements
- Establishment and roll-out of a comprehensive training concept at STEAG suppliers and within the company's own business units to ensure that both employees and relevant business units and suppliers are made aware of and empowered to comply with human rights and environmental due diligence obligations
- Expansion of KPIs for sustainable procurement in order to align reporting with the relevant international standards (GRI, CSRD and SASB)
- Expansion of further software solutions

Supply chain due diligence training and new supplier portal

Sustainable procurement is a top priority for STEAG in order to bring the requirements, processes and decisions in procurement in line with the protection of the environment and respect for human rights. In 2023, STEAG introduced further improvements and guidelines to continuously improve the management of risks in the supply chain and in its own business area and to implement the requirements of the Supply Chain Due Diligence Act (LkSG).

One key measure is **training and further education for employees and suppliers**. In 2023, the Group began its first employee training courses. The central objective of the training was to raise awareness of the importance of social and environmental responsibility in the supply chain and to raise the awareness of employees, enabling them to recognize potential risks at an early stage and initiate appropriate measures.

The central training topics are

- Providing basic knowledge of human rights and the UN Guiding Principles
- A deeper understanding of the legal requirements of the LkSG
- Providing details on the implementation of the LkSG and the associated new tasks at STEAG

The roll-out of the training courses started in the second half of 2023. Learning success was tested with a quiz. In addition, case studies were created to consolidate knowledge and skills and practical application examples were added.

Another important measure was the introduction of a new purchasing portal. As part of a digitalization offensive, the **purchasing portal for Iqony was made more visible and appealing**. Among other things, the aim was to increase the user-friendliness of the portal for interested parties and suppliers and to create a simple point of contact with Iqony.

With the new purchasing portal, STEAG is continuing its strategy of making the supplier onboarding process simpler and more modern. The Group has created a central platform that not only makes it easy to add new suppliers, but also brings together key information on the topics of supplier relationship management (SRM), environmental social governance (ESG) and current projects.

Upcoming projects

- In 2024, further preventive measures, including digital training, will be rolled out to raise awareness among all employees in our own business area and enable them to implement our due diligence obligations
- Furthermore, STEAG creates web training courses for its suppliers and employees in Germany and abroad to support the implementation of the Group's ethical requirements
- All new and existing suppliers receive web-based training on the STEAG Code of Conduct for Business Partners at the beginning of the business relationship

Information on the standards of the Global Reporting Initiative (GRI)

In the following GRI index, we indicate all the GRI standards used and refer to the relevant places in the report where the respective information can be found.

GRI standard	Indicator	Designation	Section	Subsection	Page(s)
GRI 2: General disclosures	2-1	Organizational details	Profile of the organization	Group structure and business model Iqony division STEAG Power division Ownership	11, 15, 18, 21
	2-2	Entities included in the organization's sustainability reporting	About this report Profile of the organization	Group structure and business model	2, 11
	2-3	Reporting period, frequency and contact point	About this report		2
	2-6	Activities, value chain and other business relationships	Profile of the organization	Group structure and business model Iqony division STEAG Power division	11, 15, 18
	2-7	Employees	Profile of the organization	Group structure and business model	11
	2-9	Governance structure and composition	Profile of the organization Progress in social performance in 2023	ESG management Iqony division Employee wellbeing and professional development	13, 15, 59
	2-11	Chair of the highest governance body	Profile of the organization	Group structure and business model	5
	2-12	Role of the highest governance body in overseeing the management of impacts	Profile of the organization	Group structure and business model Iqony division	13, 15
	2-14	Role of the highest governance body in sustainability reporting	Profile of the organization	Group structure and business model	13
	2-22	Statement on sustainable development strategy	Strategic alignment	ESG goals and achievements in 2023	29
	2-23	Policy commitments	Profile of the organization Corporate governance	Sustainable Development Goals (SDGs) Key messages	31, 68
	2-24	Embedding policy commitments	Corporate governance	Key messages	68
	2-27	Compliance with laws and regulations	Corporate governance	Progress in corporate governance in 2023	72

GRI standard	Indicator	Designation	Section	Subsection	Page(s)
GRI 3: Material topics	3-1	Process to determine material topics	Strategy	The material sustainability topics at STEAG	24
	3-2	List of material topics	Strategy	The material sustainability topics at STEAG	26
	3-3	Management of material topics	Environment Corporate governance	Key messages Progress in corporate governance in 2023	35, 71
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Corporate governance	Progress in corporate governance in 2023	72, 75
GRI 303: Water and effluents	303-1d	Water withdrawal	Environment	Biodiversity	47
	303-4	Water discharge	Environment	Biodiversity	47
GRI 304: Biodiversity	304-3	Significant impacts of activities, products and services on biodiversity	Environment	Share of renewables Biodiversity	41, 47
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Environment	Greenhouse gas emissions	37
	305-5	Reduction of GHG emissions	Environment	Greenhouse gas emissions	37, 39
GRI 306: Effluents and Waste	306-2	Management of significant waste-related impacts	Environment	Waste	47
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Social	Upcoming projects 2024	61
	403-5	Worker training on occupational health and safety	Social	Employee wellbeing and development	59
	403-8	Workers covered by an occupational health and safety management system	Social	Upcoming projects 2024	61
	403-9	Work-related injuries	Social	Upcoming projects 2024	63
GRI 404: Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	Social	Employee wellbeing and development	59

UN Global Compact

STEAG is convinced that responsible action forms the basis for long-term business success. That is why STEAG has been a member of the UN Global Compact (UNGC), the world's largest initiative for responsible corporate governance, since 2011.

The UN Global Compact calls on companies to align their strategies and activities with ten universal principles in the areas of human rights, labor, environment and anti-corruption. These principles are based on international agreements such as the Universal Declaration of Human Rights, the ILO labor standards, the Rio Declaration on

Environment and Development and the UN Convention against Corruption.

As a participant in the UNGC, STEAG undertakes to integrate these principles into all aspects of our business operations and to report annually on our progress.

Sustainable Development Goals (SDGs)

See also: [Contribution to the Sustainable Development Goals](#)

Publication data

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