

Environmental and Climate Change Statement

As an integrated energy company whose activities include sourcing, sales, trading, transportation and storage of natural gas, LNG, power and, in the future, hydrogen, SEFE Securing Energy for Europe Holding GmbH, SEFE Securing Energy for Europe GmbH (SEFE) and its subsidiaries (“SEFE Group”) are aware of the impact its business activities may have on the planet and the environment.

As a responsible business, we strive to minimise the environmental impact of our operations and value chains and to use natural resources efficiently.

We firmly believe that a stable climate and a thriving natural environment are fundamental to realizing the UN Sustainable Development Goals.

SEFE Group takes seriously its commitment and obligations to promote and protect environmental standards in our own operations and supply chains, including in accordance with the German Supply Chain Due Diligence Act. Additionally, our Code of Ethics and Business Conduct and other internal company policies and procedures complement and reinforce this Statement by providing more detailed guidance on respecting environmental standards. For clarity’s sake, the same applies in relation to our commitments and obligations to promote and protect human rights standards in our own operations and supply chains, which is covered separately in our SEFE Group Human Rights Statement.

The Scope of Our Statement

This Statement applies to all staff members and contractors in SEFE Group. We also expect that all our contractors, suppliers and other partners in our value chains share our values and follow the spirit and intent of this Environmental and Climate Change Statement.

Climate Change

We support the intent of the Paris Agreement on climate change, and understand that this requires a transition to a lower-carbon energy system and that SEFE has an important role to play in supporting a more sustainable world.

More specifically, we aim to become a cornerstone of the energy transition, empowering both industry and society to prosper in a low-carbon energy era. We embrace the challenge to support the energy needs of today while simultaneously investing in a portfolio of transition-enabling commodities.

Key Principles

Decarbonisation of Operations and Supply Chains and Improved Energy Efficiency

We are dedicated to reducing carbon emissions across our operations and within our supply chains. We will actively seek lower-carbon energy sources, reduce emissions at our operating facilities and offices, implement energy-efficient measures, and support our customers in transitioning to lower-carbon products. We aim to implement multiple infrastructure-decarbonisation initiatives through electrification and low-carbon fuels.

Renewable Energy Transition

Over 95% of our greenhouse gas emissions are generated in our value chains, and the majority of these are generated by our customers when they combust the natural gas we deliver.

As a result, the most impactful contribution that SEFE can make to combating climate change is to encourage our customers to purchase sustainable products and adopt more sustainable energy practices.

We will allocate significant resources to support the development of renewable energy solutions, including low-carbon hydrogen and hydrogen derivatives as well as renewable-power products. Our goal is to build up the share of renewables in our energy portfolio.

Carbon Pricing

We are evaluating the implementation of internal carbon pricing to raise awareness of potential carbon costs of material new fossil fuel-based contracts.

Offsetting Approach and Carbon Credits

We are buying and investing in carbon-offset projects while prioritizing high-quality offsets. We will consider the use of carbon credits to offset any remaining emissions after minimising emissions within our operations and value chains wherever feasible.

Other Environmental Impacts

We are dedicated to reducing our broader environmental footprint. We recognise that our operational assets, including our storage facilities, may potentially have a wider impact on the environment. Our objective is to cause no environmental damage and to minimise our environmental impact as far as possible.

To minimise environmental risks, our main storage facilities have in place environmental management systems that are certified to the internationally recognized ISO 14001 environmental management standard. These certifications require that we evaluate environmental risks and take measures to address any environmental impact.

We pay attention to the objectives of global treaties, such as the Stockholm Convention on Persistent Organic Pollutants and the Minamata Convention on the Prohibition of Products Containing Mercury as well as the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

Waste Management

We strive to avoid waste generation in both our operating facilities and offices before minimising and then recycling any remaining waste as far as possible.

Promoting Biodiversity

Recognising that our operations may potentially affect biodiversity, we undertake assessments to better understand our impact and explore initiatives to protect and enhance natural ecosystems.

Water Use and Optimisation

Although our operations do not use significant water resources and we do not operate in water-stressed zones, we aim to minimise water usage and protect water resources.

Air, Soil and Water Pollution

Our goal is to avoid environmental pollution wherever possible, including water, air and soil pollution.

Our Approach to Governance and Implementation

SEFE's Management Council and broader management team are responsible for ensuring that environmental and climate-related issues are considered in the Company's processes and operations and that all related risks and opportunities are properly addressed. Senior management set the clear expectation that all staff have a responsibility to uphold our commitments to respect human rights

The SEFE Supervisory Board, assisted by the ESG Committee and other committees, ultimately oversees management's execution of these responsibilities, reviews performance and is equally committed to ensuring adherence to our environmental commitments within the Group.

SEFE's Risk Management bodies ensure that environmental and climate-related risks are considered in SEFE's global risk management processes.

A Human Rights Officer has been appointed to monitor environmental risks across SEFE Group and within its supply chains, and reports regularly to the Management Council.

Due Diligence Process

To ensure compliance with our commitments, we will implement an ongoing due diligence process to identify, address, evaluate and communicate the risks of adverse environmental impacts in our operations and supply chains. It is our intention to update our due diligence processes continuously and adapt them to changed circumstances. This process involves:

- Identifying environmental risks, including weighting and prioritising these risks, through regular risk analysis as well as on an ad-hoc basis, if needed;
- addressing these risks through effective preventive measures and appropriate remedial measures in case of violations;
- embedding these measures in all relevant business processes;
- regularly monitoring the effectiveness of our preventive and remedial measures as well as of our grievance mechanisms.

Risk Analysis

In order to identify environmental risks at an early stage, we shall conduct an ongoing risk analysis of our own business operations and our supply chains considering country- and industry-specific risks as well as risks associated with specific products. This risk analysis also incorporate any information received through our complaints process.

We prioritise the most salient risks and seek to consult with potentially affected groups and other relevant stakeholders where possible, to develop adequate risk-mitigation strategies. We expect that a trust-based dialogue on human rights topics helps us to deal more openly and efficiently with any critical situations.

Preventive Measures and Remedial Actions

We will take great care to establish measures to prevent any violations from occurring and, if a relevant concern is detected, we will act appropriately and in a timely fashion to remedy the situation.

If an environmental rights concern occurs in our supply chain, we expect our partners to take immediate remedial action and communicate the outcome to us. In the event that immediate mitigation or cessation of the violation is not possible, we will aim to agree with the partner on a corrective action plan and consider all other required and appropriate actions.

We will aim for regularly monitoring the effectiveness of remedial measures in both our own business and in our supply chains.

Training and Awareness Raising

We believe that raising awareness of environmental concerns and promoting continuous learning are essential for nurturing a culture of respect for the environment within SEFE Group. This, in turn, enhances our risk awareness and facilitates mitigation actions.

To strengthen our staff members' understanding of their responsibility regarding environmental matters, we will reinforce our compliance training programmes accordingly. In our procurement activities, we will communicate and over time strengthen our expectations concerning the protection of the environment through increased requirements for partners, e.g. by strengthening our onboarding and management processes.

Grievance Mechanisms

At SEFE, we are committed to maintaining high standards of openness and accountability. Therefore, we strongly encourage our employees and partners to speak up if they feel that something is “not right”, including any form of environmental standards violation.

We offer special channels for raising concerns for both SEFE staff members and external partners, including staff members of partners in our value chains and members of local communities. In addition to the ability to contact us in person, we have established a whistleblowing channel (detailed information and the options for submitting concerns can be found on our website). After receiving any grievances, we immediately take great care to address the situation and provide appropriate remediation while ensuring confidentiality and anonymity.

Compliance

SEFE is committed to adhering to environmental laws and regulations in all countries in which it operates. Whenever feasible, we endeavour to align with the guiding principles of international environmental standards and initiatives.

Transparency

We are fully committed to transparently measure and report our impact and performance in line with international standards in addition to adopting best practice as it evolves.

Collaboration

We actively engage with various stakeholders, including industry partners and associations, to drive collective efforts toward climate action.