evolve

LEAG Sustainability Report 2024

LEAG

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Reference terminology and reporting scope

LEAG is the umbrella brand for a group of legally independent entities. For the sake of readability, this Report refers to LEAG using general terms such as “the group” or “the organisation”. Unless explicitly stated otherwise, these terms refer to the LEAG group as a whole. Where “the company” is used in reference to a specific legal entity within the group, this is made clear from the context.

The content and data presented in this Report reflect the consolidated perspective of the LEAG group, unless specified differently in individual sections.

Foreword

Dear Sir or Madam,

The transformation of the energy sector is not a trend – it is a defining test of industrial leadership.

As LEAG, we embrace this responsibility with a clear ambition: to help shape Europe's climate-neutral energy system – securely, competitively, and sustainably.

In 2024, we advanced our transformation with focus and discipline – step by step, despite volatile markets and shifting regulatory expectations. The path we follow is both ambitious and grounded: building a renewable energy portfolio in the heart of Europe which secures long-term reliability and economic viability.

At the core of our sustainable transformation is a pragmatic framework – anchored in clear targets and tangible execution. We believe that long-term ambitions gain value only when translated into specific, measurable, and achievable milestones that align with market conditions, serve societal expectations, and are bound to a defined timeframe.

This approach guided our progress in 2024. We moved forward with new solar parks, began construction of the Forst-Briesnig II wind farm, and initiated substations to support grid integration of renewables. With the acquisition of Scandbio, we expanded into Northern Europe's biomass markets – diversifying our renewable footprint and strengthening portfolio resilience.

Simultaneously, repurposing of former mining areas has progressed significantly. The Cottbuser Ostsee, created from a former opencast mine, is now Brandenburg's largest artificial lake – a symbol of ecological restoration, long-term land value, and successful regional change. At the Jänschwalde site, where mining operations ended in late 2023, activities now focus on continued land recultivation and the development of a renewable-based energy landscape. As part of this transition, around 1,000 MW of lignite-fired power plant capacity at Jänschwalde were permanently decommissioned.

We are actively shaping structural change also within our organisation.

In 2024, we initiated and implemented key organisational adjustments – enhancing our responsiveness to changing regulatory, energy, and market dynamics. We support our workforce in this process with tailored upskilling programmes, inclusion initiatives, and transparent dialogue. These are not isolated efforts but part of a strategic transformation that advances our ESG agenda.

We embed ESG across all core activities – not only as a regulatory expectation but as a lever for operational quality. Legal compliance, supply chain ethics, and information security remain integral to our governance standards. In parallel, we are preparing for the more extensive disclosure requirements under the EU's new sustainability framework.

The past year tested our ability to prioritise what is actionable, durable, and relevant. We responded with strategic clarity and operational focus.

We are building not only an energy portfolio – but a model for industrial decarbonisation at scale. This report shows how we turn vision into accountable action.

Sincerely,

Adi Roesch
CEO, Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG

About LEAG

LEAG is the common brand for a group of companies. The two main operating units are Lausitz Energie Bergbau AG (LE-B) and Lausitz Energie Kraftwerke AG (LE-K).

In 2024, the foundations were laid for a new organisational structure under LEAG GmbH, which was implemented in 2025 – after the reporting period. A newly established sub-holding, LEAG Gigawatt GmbH, consolidates the group's business areas focused on renewable energy and climate-friendly technological solutions – including LEAG Renewables GmbH, LEAG Clean Power GmbH, LEAG Biomass GmbH, and LE Finance GmbH. Lausitz Energie Verwaltungs GmbH (LE-V) serves as a dedicated sub-holding for the conventional business segment within the LEAG group, encompassing LE-B and LE-K.

As the German energy sector undergoes its most significant transformation to date, LEAG has realigned its business strategy and is actively contributing to shaping the transition by expanding its generation portfolio. The clear goal is to remain a responsible partner – for employees and business partners, for local communities and regions, and for ensuring a secure energy supply in Germany and Europe. Despite challenging economic conditions, shifting funding frameworks, and the need for clearer regulatory guidance to support investment decisions, progress continues. The expansion is advancing through refined concepts, sustained strategic flexibility, and the implementation of future-oriented technologies for sustainable energy.

LEAG in numbers 2024

7,7 billion € total revenues

6,997 LEAG employees (full-time equivalent)

7,361 MW net installed capacity for electricity production

34,361 GWh net electricity production

LEAG in numbers 2024

3 **GWh expansion target** for storage capacity

2 **GW flexible power plant capacity** in planning and preparation process

1 **battery energy storage system (BESS)** operating in Schwarze Pumpe

6 **photovoltaic sites:** four PV parks and two roof systems

3 **gas-fired power plants:** Leipheim, Thyrow and Ahrensfelde

4 **lignite-fired power plants:** Jänschwalde, Schwarze Pumpe, Boxberg and Lippendorf unit R

No. 2 **(market share) in European wood pellet production** after acquisition of Scandbio AB

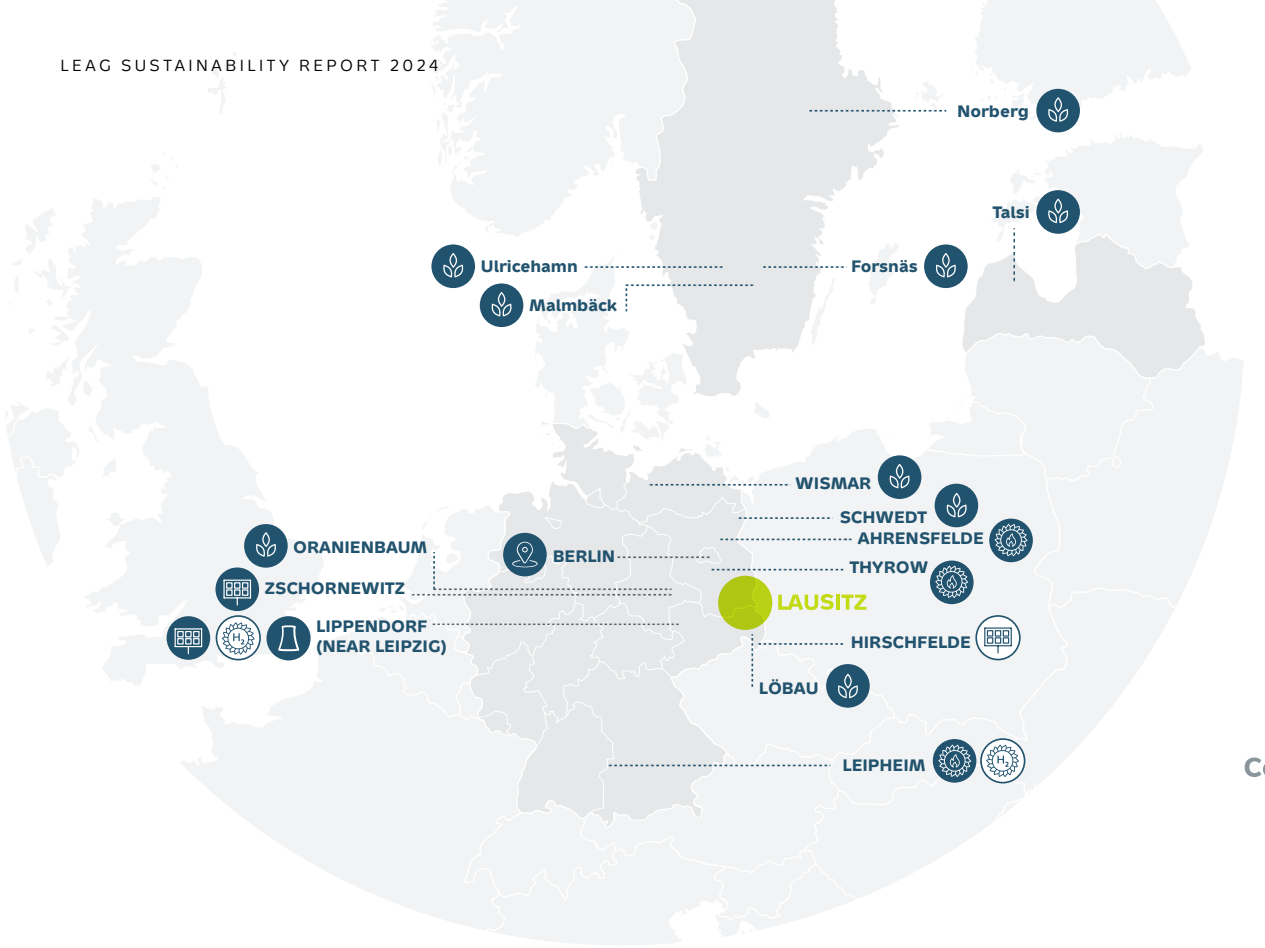
Regional presence

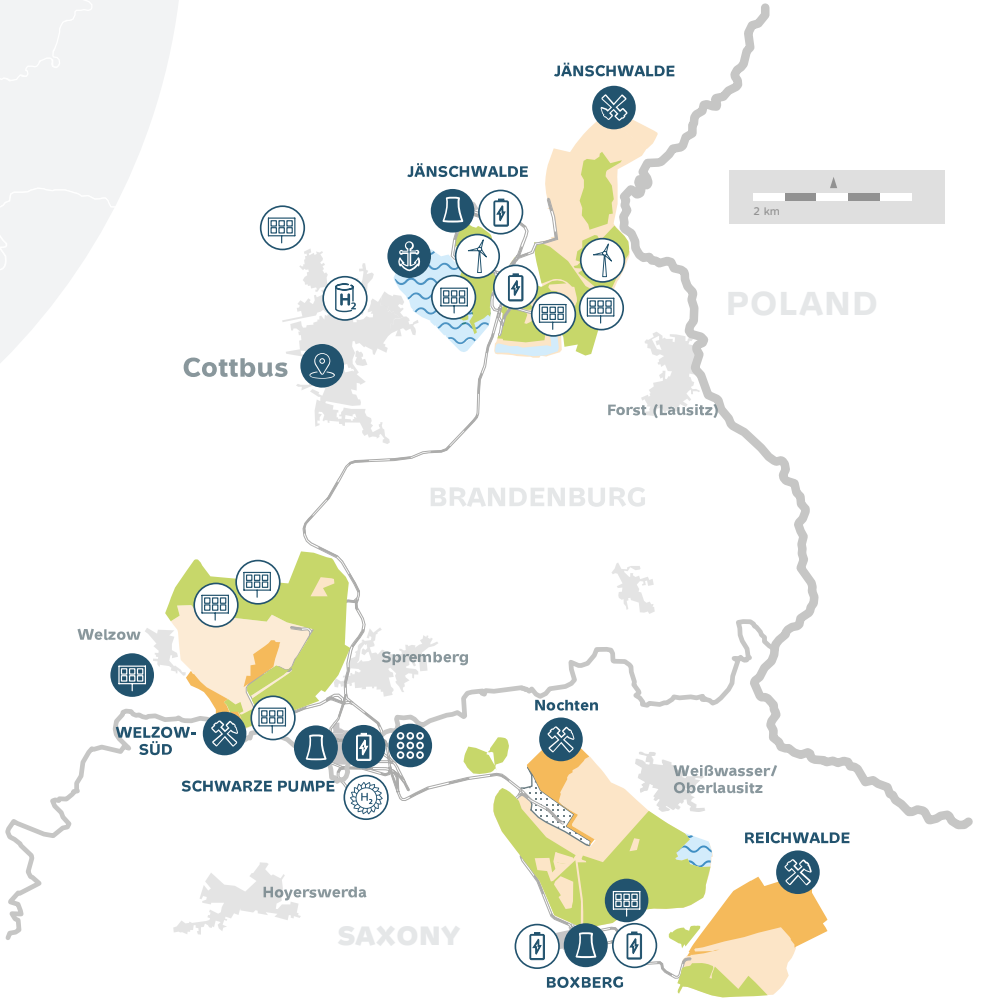
LEAG, being the second largest electricity producer in Germany, supplies energy for millions of households, industry, and public life – reliably, flexibly and competitively.

The companies of the LEAG group are mainly active in the Eastern German federal states of Brandenburg and Saxony, where LEAG is among the most important private-sector employers. Core regions are Lusatia and the Central German mining district. Further operational sites are located in Leipheim, Bavaria as well as in Sweden and Latvia where the group's pellet plants are situated.

Energy map

Sites full of energy





- lignite mine
- lignite mining discontinued as scheduled
- lignite-fired power plant
- refinement plant
- gas-fired power plant
- administration
- Cottbuser Ostsee lake
- projects in planning stage, approval or realisation
- gas-fired power plant H2-ready
- energy storage site
- H2 mobility
- wind farm
- solar park
- biomass
- lignite excavation field
- operating area
- recultivation (rehabilitation of post-mining land)

Figure 1: LEAG's energy map

Highlights 2024

January

- A **cooperation agreement** between LEAG and the Chamber of Industry and Commerce supports collaboration **on further training in emerging technologies.**
- **Project financing** in the amount of 300 million € is successfully concluded **for Leipheim gas-fired power plant**, which serves as a backup facility to support grid stability.

February

- LEAG participates in the nationwide campaign **#Zusammenland – "Diversity Makes Us Strong"**, initiated by major German quality media.

March

- Power plant **units E and F at Jänschwalde**, which were temporarily reconnected to the grid as part of a supply reserve, are now **permanently decommissioned.**

April

- At the Schwarze Pumpe industrial park, **potential sites** are being **prepared for the construction of a H_2-ready gas-fired power plant.**
- The 25 MWp **Boxberg solar park** on recultivated former mining land is officially **inaugurated.**
- LEAG announces the successful completion and disbursement of the **financing for** its first **solar park in Böhlen.**

May

- By joining the "Brandenburg Takes a Stand" initiative, LEAG affirms its **commitment to tolerance, diversity, and the promotion of democratic values.**
- The inauguration of the new village centre marks the official **completion of the Mühlrose resettlement** – the last relocation associated with lignite mining in the Lusatian mining district.

June

- The supervisory boards approve the **strategic realignment** towards becoming a leading provider of sustainable energy solutions. At the core of this transformation is the establishment of three **new operating companies** focused on renewable energy, advanced power and storage technologies, and biomass.
- Vestas and LEAG sign a **contract for the delivery of 17 turbines** for the Forst-Briesnig II wind farm project on post-mining land.

July

- The **newly founded LEAG Renewables GmbH** combines the operations of EP New Energies GmbH and the Renewable Energy division of LEAG as part of the strategic realignment.
- The first **substation for feeding renewable energy** into the grid at the Jänschwalde opencast mine is completed.

Highlights 2024

August

- The subsidiary **MCR Lausitz** initiates a **site expansion**. Supported by funding from the federal government and the state of Brandenburg, one of the most advanced wheelset maintenance facilities for rail vehicles in Europe is being built.
- LEAG's newly established subsidiary **SERO Lausitz commences operations** as a certified waste management company and producer of high-quality recycled construction materials.

September

- **Construction** of the first **solar park** within the Jänschwalde opencast mine begins. The 31 MWp installation is built on a landfill section currently under decommissioning, previously used for power plant ash.
- **Adi Roesch** is appointed as the **new CEO** of Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG. He additionally assumes responsibility for the Power Plants and Technical Services division.

October

- At the Boxberg site, **construction** is underway for LEAG's second large-scale **battery storage facility**, which will have a capacity of 137 MWh.

November

- Construction of the **Haidemühl solar park** (22 MWp) is **completed** on schedule. Permanent operation commences in early 2025.
- With the **acquisition of Scandbio AB** now completed, LEAG ranks as the **second-largest pellet producer** in Europe.

December

- The controlled demolition of three cooling towers at the decommissioned Plant II at the Boxberg site marks the beginning of **site redevelopment** for advanced energy storage technologies.
- The **Cottbuser Ostsee post-mining lake** reaches its target **water level** for the first time.

Shareholder structure

The ownership structure of LEAG Holding, a.s. – as the parent company of Lausitz Energie Verwaltungs GmbH (LE-V) – on 31.12.2024 was as follows:

62.5 % EP Energy Transition a.s. (EPETr) and
37.5 % PPF Investments.

The previous minority shareholder PPF Investments sold its shares in March 2025. EPETr thus became the sole shareholder of LEAG.

LEAG's organisational structure as of 31.12.2024

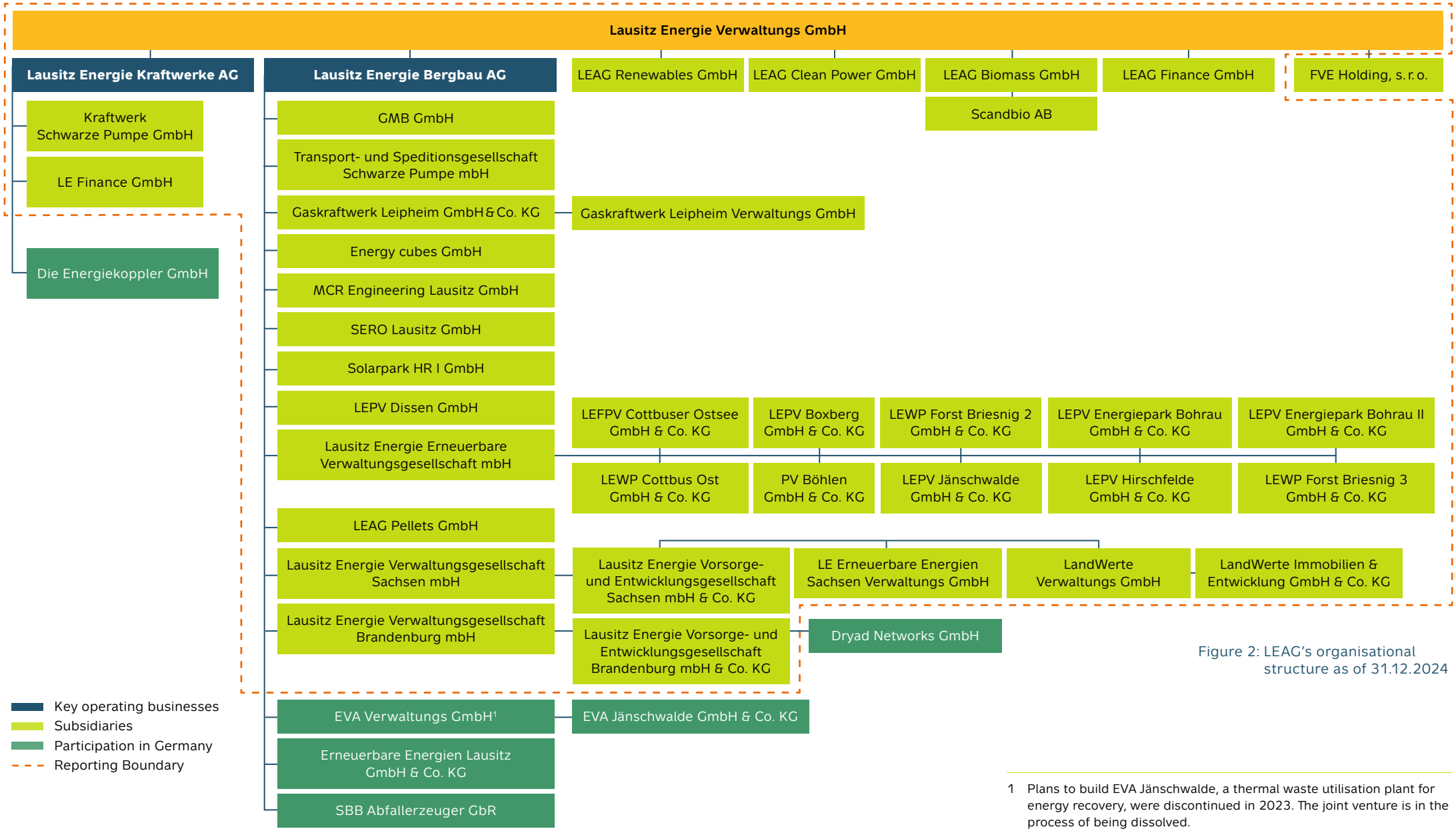


Figure 2: LEAG's organisational structure as of 31.12.2024

1 Plans to build EVA Jänschwalde, a thermal waste utilisation plant for energy recovery, were discontinued in 2023. The joint venture is in the process of being dissolved.

BP-1, BP-2

Basis for preparation of the sustainability statement and disclosures in relation to specific circumstances

This document represents the consolidated annual Sustainability Report (further "the Report") issued by Lausitz Energie Verwaltungs GmbH (LE-V) which serves as the parent company of the business entities within the group (LEAG group). As of 2024, the two main operating units are Lausitz Energie Bergbau AG (LE-B) and Lausitz Energie Kraftwerke AG (LE-K).

LE-B is responsible for lignite extraction in the Lusatian opencast mines, lignite refining, and the development of post-mining landscapes suitable for sustainable use. LE-K develops and operates LEAG's lignite- and gas-fired power plant fleet.

The Report also includes fully owned subsidiaries in the energy sector and beyond – such as GMB GmbH, MCR Engineering Lausitz GmbH, SERO Lausitz GmbH, and Transport- und Speditionsgesellschaft Schwarze Pumpe mbH (TSS) as shown in LEAG's organisational structure at the previous page. In addition, the conditions for the planned changes to the organisational structure of the future business were created in 2024 to be implemented in 2025.

This consolidated Sustainability Report is prepared with reference to the requirements of **Article 29a of Directive 2013/34/EU (the Accounting Directive)**, and the amendments made to this directive detailed under **2022/2464 (the Corporate Sustainability Reporting Directive, CSRD)**.

While the information presented in this Report is generally consistent with the disclosures in the financial statements, the sustainability statement provides broader insights by covering impacts, risks, and opportunities (IROs) arising from own operations, also considering some potential IROs across the value chain. For the purpose of this Report, "own operations" refers to activities of LEAG, while "value chain" refers to upstream and downstream activities.

Although the value chain was considered in the double materiality assessment process, data from the value chain has not been collected for the purpose of this Report. While the **European Sustainability Reporting Standards (ESRS)** – the detailed framework developed to implement the CSRD – require the disclosure of value chain-related information, a phase-in period is permitted for such disclosures. LEAG intends to address this requirement in future reporting cycles as part of the continuous efforts to enhance data coverage and reporting maturity.

During the preparation of the Report, the ESRS requirements were followed, and a double materiality assessment (DMA) was performed to identify and assess both the impacts of LEAG's activities on the economy, environment, and society at large, as well as the financial effects on LEAG, caused by the risks and opportunities connected to ESG matters. For further information please refer to pages 33 – 37. This reporting cycle does not yet cover the critical assumptions used to quantify the anticipated financial effects, nor the sources and level of uncertainty associated with those assumptions.

In the context of materiality and governance, a structured hierarchy applies to the application of strategies, policies, actions, metrics, and targets. Depending on context and purpose, these may be implemented either at the consolidated level or within defined scopes.

Metrics are collected from LEAG's group companies, leveraging local management systems. These metrics are primarily derived from process data systems, measurements, calculations, and procurement data. Controls are in place to ensure the completeness, accuracy, and reliability of the reported information.

However, some metrics are subject to methodological improvements, as not all required information is currently available through direct measurement or by data assessment, particularly related to Scope 3 GHG emissions. Potential areas for improvement in data availability were identified. Estimation methods may be applied in future reports.

In some instances, certain historical figures may differ from those presented in the previous Sustainability Reports due to recalculations. The changes in estimates, prior period errors, or comparative figures are disclosed in the Annex – Data tables. LEAG exercised the option to omit certain information in this Report due to its confidential nature and the potential risk of compromising LEAG's security through data or information leakage. Any available but unpublished data is clearly marked as such, with reasons for non-disclosure provided.

This Report has been prepared in alignment with the eight fundamental principles of high-quality reporting: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability – providing stakeholders with a comprehensive and transparent overview of LEAG's efforts.

To facilitate alignment between non-financial and financial reporting, all assessments within this Report adhere to the time horizon definitions set forth in ESRS 1. The short-term period corresponds to the current reporting year, the medium-term horizon extends up to five years, and the long-term time horizon refers to periods beyond five years.

LEAG does not currently fall within the scope of the **Corporate Sustainability Reporting Directive**, but has chosen to report with reference to the **European Sustainability Reporting Standards** voluntarily, as part of the commitment to transparency and responsible corporate governance. As this is a voluntary Sustainability Report, the content of the sustainability statement has not been subject to an external assurance. Consequently, no Independent Practitioner's Report on a Limited Assurance Engagement has been issued.

Governance of sustainability matters

GOV-1

Governance bodies

The group's corporate governance, which encompasses its core activities through Lausitz Energie Bergbau AG (LE-B) and Lausitz Energie Kraftwerke AG (LE-K), is based primarily on the provisions of the German Stock Corporation Act (Aktiengesetz), as well as the companies' Articles of Association and Rules of Procedure. As a mining company, LE-B is also subject to the coal and steel co-determination.

The administrative, management, and supervisory bodies comprise experienced professionals selected for their industry expertise and strategic insight. They demonstrate comprehensive expertise in business conduct matters, encompassing a deep understanding of ethical standards, regulatory compliance, and stakeholder engagement. Their collective proficiency ensures a robust governance framework that upholds responsible business practices, fostering a culture of integrity and ethical decision-making throughout the organisation.

LEAG recognises the vital importance of integrating sustainability considerations into every facet of its operations across all levels of the organisation. As such, the administrative, management, and supervisory bodies actively engage in managing impacts on the economy, environment, and society. In 2023, the central function of a **Sustainability Officer** was established to steer, coordinate, and monitor the group's ESG topics from both a qualitative and quantitative perspective.

The **Supervisory Board** plays an important role by carefully analysing reports from the **Management Board** and facilitating discussions on impact management. These reports encompass a wide array of information, including but not limited to this Report, annual and quarterly financial statements, health and safety report, and detailed operational data.

Supervisory Board

The main task of the **Supervisory Board** is to monitor and control the **Management Board**. The most important criterion for appointment to the Supervisory Board is professional expertise and the ability to contribute to the company's strategic objectives. This includes, among other factors, a broad understanding of stakeholder perspectives and established experience in engaging with relevant interest groups. All Supervisory Board members must declare their independence, including any aspects that shall avoid conflicts of interest, and provide an overview of their sideline activities.

Among the responsibilities of the Supervisory Board is to determine the remuneration for the members of the Management Board. The remuneration of the Supervisory Board itself complies with the recommendations of the **German Corporate Governance Code** and is always resolved by the **Annual General Meeting.** The Supervisory Board members have adopted **Rules of Procedure** within the framework of the statutory provisions and the provisions of the **Articles of Association.**

The **Supervisory Board of LE-B** consists of twenty-one members with a representation of four females. It is governed in particular by the provisions of the **German Stock Corporation Act** and the **German Act on the Co-Determination of Employees on Supervisory Boards and Management Boards of Companies in the Mining and Iron and Steel Producing Industries** (Montanmitbestimmungsgesetz, MontanMitbestG). It comprises eight shareholder representatives and two further members elected by the General Meeting without being bound by election proposals (§5 MontanMitbestG). In addition, there are eight employee representatives and two further members proposed by the works councils of the company (§6 MontanMitbestG) and elected by the General Meeting, which is bound by the election proposals of the works councils. An additional independent member is appointed through election by the General Meeting on the proposal of the other Supervisory Board members (§8 MontanMitbestG).

The **Supervisory Board of LE-K** consists of twenty members, including four women. Ten shareholder representatives and ten employee representatives are elected in accordance with the **German Co-Determination Act 1976.**

The Supervisory Board assumes a pivotal role in overseeing the Management Board, ensuring adherence to rigorous business conduct standards. In accordance with German legislation, all members of LE-B's and LE-K's Supervisory Boards are non-executives and do not perform any operational management duties at LEAG.

Committees

The Supervisory Board members have formed three (standing) committees. The **Presiding Committee** is responsible for preparing the meetings of the Supervisory Board and dealing with ongoing matters between meetings. The **Audit Committee** is mainly responsible for the preliminary examinations of the corporate planning, the annual financial statements, and the management report. It also deals in depth with questions of accounting and submits a proposal for the allocation of profits. The **Innovation Committee** deals in detail with advising the Management Board on the development of new business opportunities for the group with the aim of strengthening LEAG's innovation potential.

These committees collectively contribute to LEAG's overarching commitment to responsible business conduct, complementing the roles of the administrative, management, and supervisory bodies in fostering ethical practices throughout all operations.

Management Board as of 31.12.2024

Due to the close economic interdependence of the mining (LE-B) and power plant (LE-K) entities, the **Management Board** of both companies consists of the same members. The boards manage the companies and are responsible for them in accordance with existing laws and statutes. The members of the Management Board are obligated to comply with the restrictions on management powers imposed by the **General Meeting**, the **Supervisory Board**, the **Articles of Association**, or the **Rules of Procedure**, in accordance with statutory provisions.

After the reporting period it was announced in the first half of 2025 that Dr Markus Binder as well as Dr Philipp Nellessen would be stepping down from the Management Boards of LE-B and LE-K to pursue new professional challenges. As part of this process, the Management Board was streamlined. As of May 2025, CEO Adi Roesch has taken on responsibility for the complete production portfolio in his additional role as COO. Thomas Merker becomes the new CFO. For more information: https://www.leag.de/en/company/management/.

Adi Roesch

In September 2024, the Supervisory Boards of LE-B and LE-K appointed Adi Roesch to the Management Board as CEO of both companies. He has also assumed responsibility for the Power Plants and Technical Services divisions. Adi Roesch was previously Chairman of the Management Board of Köster GmbH and CEO of Köster Holding SE, one of Germany's leading construction companies. Prior to that, he held several top management positions at General Electric, GE Power and Alstom Group. Adi Roesch graduated with a degree in industrial engineering from the University of Karlsruhe.

From January 2022 to September 2024 Thorsten Kramer held the position of CEO of LE-B and LE-K. During his tenure, he assumed a leading role in developing new business areas in the field of renewable energy expansion.

Dr Markus Binder

Dr Markus Binder has been CFO of LE-B and LE-K since March 2017. Before that, he was responsible for the commercial area on the Board of Directors of Großkraftwerk Mannheim AG for seven years. Prior to this, Dr Binder oversaw several management areas at EnBW Ostwürttemberg DonauRies AG and EnBW Kraftwerke AG. He started his career with A.T. Kearney Management Consultants. Dr Binder holds a degree as well as a doctorate in business administration from the University of Stuttgart.

Dr Philipp Nellessen

Dr Philipp Nellessen has been on the Management Board of LE-B and LE-K since September 2021. Initially responsible for the production department, he took over the management of LEAG's mining, refining and biomass activities including the responsibility for the GMB, TSS, MCR and SERO Lausitz subsidiaries. Prior to that, he was CEO at regional business units of Thyssenkrupp, responsible for plant construction, including the group's mining, power plant and chemical plants in Africa. He previously held managing positions at Nyrstar AG and Boston Consulting Group. Dr Nellessen holds a degree as well as doctorate in civil engineering from the Ruhr University in Bochum.

Jörg Waniek

Jörg Waniek has been responsible for human resources on the Management Board of LE-B and LE-K since August 2019. Prior to that, he headed Human Resources Management at LE-B and LE-K and at the predecessor companies Vattenfall Europe Mining AG and Vattenfall Europe Generation AG, for ten years. Mr Waniek studied at the University of Bayreuth and the Friedrich-Alexander-University of Erlangen-Nuremberg. He holds a degree in law from the latter.

GOV-2

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

To ensure that the administrative, management, and supervisory bodies are adequately informed and able to integrate sustainability considerations into strategic decision-making, a structured ESG governance process is in place.

Due to organisational restructuring, the direct reporting line of the **Sustainability Officer** has been integrated into the **Corporate Strategy department** since Q4/2024. This structural change strengthens the strategic anchoring of sustainability within the group, ensuring that ESG aspects are systematically embedded in long-term business planning.

Responsibility for regular communication now lies with the **Head of Corporate Strategy,** who discusses strategic topics – including LEAG's sustainability orientation – with the **CEO** in regular coordination meetings. This enables shorter feedback loops on operational matters. Decision-relevant ESG issues continue to be presented directly to the CEO or within Management Board meetings by the Sustainability Officer. The **Management Board Office** organises the meetings of the Management Board and Supervisory Board. It is responsible for the administrative process of ensuring that submitted sustainability topics and updates are included on the agendas of these bodies and that the resulting tasks and measures are duly followed up.

The CEO remains responsible for forwarding relevant sustainability information to the **Supervisory Board.** To enhance transparency and support the Supervisory Board's strategic engagement with ESG topics, regular updates will be intensified in the future.

In addition, a **Sustainability Panel** was established as a recurring digital information format for all managers. Held every six weeks, it provides updates and insights on ESG topics and serves as a multiplier platform. It also includes practical to-dos and company-specific guidance.

Key sustainability matters addressed during the reporting period

During the reporting period, the **Management Board** was presented with several key sustainability matters. These included an overview of the double materiality assessment, which provided informative insights into critical environmental and social impacts, risks, and opportunities relevant to LEAG's operations and stakeholders.

The Management Board also received updates on regulatory compliance, particularly regarding evolving EU sustainability regulations, such as the CSRD reporting requirements. Additionally, discussions focused on stakeholder engagement, investor expectations, and progress on sustainability commitments. These reviews ensure that the Board is well-informed and equipped to make strategic decisions that incorporate sustainability, supporting LEAG's long-term resilience and value creation.

GOV-3

Integration of sustainability-related performance in incentive schemes

To effectively implement its sustainability strategy, LEAG anchors sustainability goals in management's target agreements starting in 2025. This approach links sustainability objectives to specific, measurable achievements, ensuring that progress can be tracked and evaluated over time.

To further emphasize the strategic importance of ESG topics, LEAG is tying these targets to performance-based compensation. As decided in 2024, 10 % of the total variable compensation for senior management will be linked to the achievement of ESG-related goals. This transparent connection between performance and financial outcomes signals that sustainability is not optional, but a core element of the long-term strategy.

The targets for managerial employees are discussed and negotiated by the **Management Board** and the spokesperson of the **Executive Staff Committee**. At the end of the year, the respective line manager or responsible member of the Management Board determines the level of target achievement for each managerial employee.

GOV-4

Statement on due diligence

The due diligence process informs LEAG's assessment of material impacts, risks, and opportunities. International instruments such as the UN Guiding Principles on Business and Human Rights are observed and integrated into corporate practice. The mapping shows how the main aspects of the due diligence process are addressed within the sustainability statement, with references to the relevant ESRS Disclosure Requirements.

Due diligence aspect	Description of LEAG's actions	Section in Sustainability Report	Link to relevant disclosure requirements
1. Embedding due diligence in governance, strategy, and business model	Integrating sustainability considerations into governance structures, corporate strategy, and business model.	• Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2) • Integration of sustainability-related performance in incentive schemes (GOV-3) • Material impacts, risks and opportunities (SBM-3)	ESRS 2 GOV-2, GOV-3, SBM-3
2. Engaging with affected stakeholders	Engaging stakeholders to understand and address the sustainability impacts on people and the environment.	• Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2) • Interests and views of stakeholders (SBM-2) • Policies adopted to manage material sustainability matters (MDR-P)	ESRS 2 GOV-2, SBM-2, MDR-P
3. Identifying and assessing negative impacts	Identifying and assessing negative sustainability impacts in operations, value chains, and business relationships.	• Description of the process to identify and assess material impacts, risks and opportunities (IRO-1) • Material impacts, risks and opportunities (SBM-3)	ESRS 2 IRO-1, SBM-3
4. Taking action to address negative impacts	Taking measures to prevent, mitigate, and remedy negative impacts through strategic actions.	• Actions and resources in relation to material sustainability matters (MDR-A)	ESRS 2 MDR-A
5. Tracking effectiveness	Monitoring and evaluating the effectiveness of actions taken to address negative impacts.	• Metrics in relation to material sustainability matters (MDR-M) • Tracking effectiveness of policies and actions through targets (MDR-T)	ESRS 2 MDR-M, MDR-T

Figure 3: Main aspects of LEAG's due diligence process

LEAG's due diligence process

Embedding due diligence in governance, strategy, and business model

LEAG is in the process of progressively integrating sustainability-related risks and opportunities into its governance structures, business model, and corporate strategy. While this process is still ongoing, the integration of sustainability beyond mere compliance is increasingly seen as a strategic driver across all levels of decision-making. In future reporting cycles, particular attention will be given to further strengthening the role of administrative, management, and supervisory bodies in overseeing and guiding sustainability matters, ensuring that they are consistently informed and actively involved in shaping LEAG's sustainability direction.

Engaging with affected stakeholders

Stakeholder engagement is critical to the due diligence process. LEAG engages with a broad range of stakeholders, including employees, financial institutions, business partners, and communities affected by its operations. This dialogue helps identify and understand sustainability risks, facilitating the development of effective mitigation strategies.

Identifying and assessing negative impacts

At LEAG, regular impact assessments are currently conducted, focusing on the group's operations to identify and address actual and potential negative impacts. These assessments help prioritise actions based on the severity and likelihood of the impacts identified. In future reporting cycles, LEAG plans to expand the scope of assessments to place greater emphasis on impacts across the broader value chain, including both upstream and downstream relationships. This will help improve the understanding and management of sustainability risks and opportunities throughout all business operations.

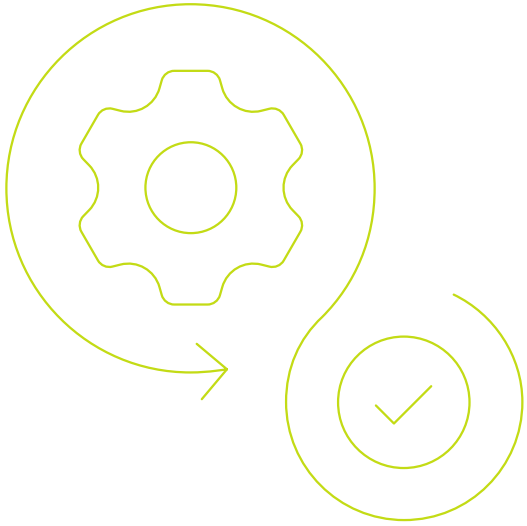
Taking action to address negative impacts

Material actual and potential negative impacts have been identified through ongoing assessment processes. While LEAG is already implementing actions to address actual negative impacts, future reporting cycles will place greater focus on developing and implementing targeted measures for potential impacts. These efforts will be integrated into the broader sustainability strategy, ensuring a more proactive approach to mitigating adverse effects across the group's operations and value chain.

Tracking effectiveness

LEAG continuously tracks and evaluates the effectiveness of its actions through performance metrics, targets, and regular reviews. This process helps determine whether the actions are successful in mitigating sustainability risks and impacts, and if adjustments are needed to improve outcomes.

The due diligence process is an ongoing practice that is embedded into the core of LEAG's operations and strategy. Through continuous identification, assessment, and mitigation of negative impacts, LEAG ensures that it meets its sustainability goals and regulatory obligations. The provided mapping demonstrates how these due diligence elements are reflected throughout the Report.



GOV-5

Risk management and internal controls over sustainability reporting

LEAG is well aware of the necessity to integrate procedures tailored to specific sustainability-related material topics within its risk management framework and plans to implement them over the medium term.

These measures aim to strengthen organisational resilience, ensure operational continuity, and enhance preparedness for emergency situations. Risk identification and impact assessment remain ongoing priorities, with a structured approach to tracking significant risks and applying mitigation strategies to reduce both their likelihood and severity. The effectiveness of these controls is subject to regular review by LEAG's risk management team to ensure continuous improvement.

Reliability and accuracy of published ESG data are of high importance. The relevance of consistent, traceable, and quality information for internal and external stakeholders is recognised. Accordingly control systems and ESG data collection are being reviewed and enhanced to further strengthen transparency, consistency, and integrity of disclosures.

Approach to sustainability

Sustainability is a central principle of LEAG's corporate philosophy, deeply embedded in its daily operations. Guided by forward-looking actions and clearly defined responsibilities, LEAG ensures compliance with international standards in environmental protection, energy management, occupational health and safety, and information security.

Since 2022, LEAG has voluntarily published an annual Sustainability Report, offering transparent insights into its initiatives, progress, and challenges. In 2023, LEAG further solidified its commitment to ESG matters by introducing the role of a **Sustainability Officer.** This role oversees all ESG-related activities and serves as the central point of contact within the organisation. Its establishment underscores LEAG's intent to integrate sustainable practices throughout all business areas, ensuring that all relevant obligations are met.

Fundamental priorities

LEAG's sustainability approach is guided by three overarching principles:

Colleagues

Creating inclusive workplaces that support employability, accommodate diverse life models, and foster diversity.

Economy

Strengthening the business through the continuous development and application of innovative, sustainable technologies.

Politics

Supporting the transition towards a sustainable society underpinned by a stable and renewable energy supply.

Sustainability in practice

LEAG applies a comprehensive set of principles to ensure sustainability is reflected across all operational aspects:

- **Securing supply**
  As a reliable provider of electricity, heat, and refined fuels, LEAG focuses on quality while advancing the transformation of the energy sector through renewable energy, energy storage, and integrated energy and industrial solutions.
- **Ensuring safe working conditions**
  LEAG prioritises health, environmental, fire, and occupational safety to maintain a safe, healthy, and motivating work environment for its employees and service partners.
- **Qualifying and motivating employees**
  Investment in employee development is central to LEAG's strategy, supported by high-quality training to cultivate future talent and offer sustainable career prospects.
- **Ensuring public acceptance**
  LEAG promotes regional acceptance of its mining and energy activities through transparent communication and active dialogue with local administrations and communities.
- **Minimising environmental impact**
  Interventions in the natural landscape are intended to be limited to an unavoidable level. Mining areas are recultivated into attractive landscapes. Emissions are reduced through technology and efficiency of power plants is increased.
- **Conserving resources**
  Reducing the consumption of resources is achieved through continuous optimisation of energy-related performance and material use. LEAG plans its activities with a regular and systematic analysis.
- **Becoming more efficient, flexible, and digital**
  Efforts are continually made to enhance the efficiency and flexibility of processes and to fully leverage the opportunities of digitisation. LEAG's integrated management system is aligned with internationally recognised standards.
- **Ensuring legally compliant conduct**
  Compliance with existing laws, regulations as well as internal requirements is a matter of course. LEAG upholds a comprehensive compliance management system and continuous awareness-raising among all employees to ensure that risks can be identified, assessed, and managed at an early stage.
- **Maintain data protection and information security**
  The principles of data protection are anchored in all processes. Information is handled responsibly to ensure its confidentiality, integrity, and availability.
- **Plant integrity**
  LEAG ensures that its power plants operate effectively and precisely while at the same time protecting the environment and the well-being of personnel and equipment. Plant integrity refers to the entire operation of a plant and therefore the life cycle.

LEAG's sustainability strategy

LEAG's corporate strategy reflects its responsibility to shape a sustainable future. As part of this commitment, the organisation proactively developed an ESG strategy through a participatory process involving its leadership. The strategy aligns sustainability efforts with LEAG's corporate values and external regulatory expectations.

Figure 4: LEAG's focus on SDGs

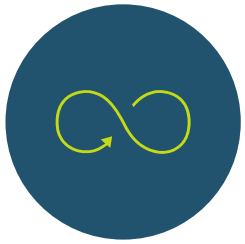
Alignment with global and national frameworks

The United Nations Sustainable Development Goals (SDGs) served as a foundational reference to evaluate the meaning of sustainable business within LEAG's context. The organisation identified nine SDGs that are particularly relevant to its operations and serve as the basis for corporate action.

The German Sustainability Strategy

The German Sustainability Strategy (Deutsche Nachhaltigkeitsstrategie) translates the UN SDGs into a national framework. LEAG analysed this strategy to determine areas where it can make a meaningful contribution. Three of the six national fields of action were identified as directly aligned with LEAG's business activities:

Energy transition & climate protection



Circular economy

Pollution-free environment

Derivation of strategic measures

These insights were aligned with LEAG's corporate principles, ESG criteria, and key organisational objectives. In moderated workshops, relevant topics were reviewed, prioritised, and refined by subject-matter experts.

The outcome of this process placed a stronger strategic emphasis on the environment and governance pillars. While the social pillar remains essential, its relative weighting reflects the nature of LEAG's business, which has direct environmental implications and is subject to rigorous regulatory frameworks. Strong governance structures – especially in risk management, compliance, transparency, and conduct – are vital to maintaining operational integrity in the energy sector.

The strategic discussions also highlighted the importance of security of energy supply as an ESG priority. While not immediately associated with sustainability, energy security plays a crucial role in supporting social infrastructure, education, healthcare, and economic development. As such, this topic is categorised under governance at LEAG, emphasising the need for responsible corporate management to ensure a stable and long-term energy transition.

Strategic fields of action

As a result of the strategic process, LEAG defined six core fields of action:

Figure 5: Strategic fields of action

Each of these areas is supported by targeted fields of activity and linked to relevant subtopics within the **European Sustainability Reporting Standards.**

Examples include:

- Monitoring environmental impacts
- Recultivation and biodiversity conservation
- Ecological alignment of core and support processes
- Reuse and optimisation of materials
- Promotion of employee health and personal development
- Expansion of flexible power generation
- Ensuring regulatory compliance

SBM-1

Strategy, business model and value chain

Being the second largest electricity producer in Germany[2], LEAG is an integral element in the secure and stable supply every day. Simultaneously, the main operating units LE-B and LE-K are at the heart of one of the biggest transformations of the energy system and thus tasking LEAG to implement these changes in practice.

LEAG's overarching goal is to remain a reliable partner for a secure energy supply – even after the legally defined phase-out of lignite-based power generation. A transition is being implemented from mining and conventional power operations to a focus on renewable and sustainable energy production. To achieve this, infrastructure, estate, and expertise are being utilised to support new business areas and respond to the transformation of the energy supply industry.

LEAG's goals become evident in the innovative concept of a sustainable **GigawattFactory.** It stands not only for renewable expansion, but the combination of photovoltaic and wind energy with new backup power plants (H_2 ready) and large-scale storage facilities. This keeps electricity available 24/7, whether in summer or winter. The GigawattFactory is growing at energy sites in the Lusatian region, but also in other places in Germany.

New organisational structure

The strategic realignment is built around the establishment of three new operating companies: LEAG Renewables GmbH, LEAG Clean Power GmbH, and LEAG Biomass GmbH. These business units – along with LE Finance GmbH, which acts as the financing entity – are operationally and legally independent. They are consolidated under the umbrella of a new holding company called LEAG Gigawatt GmbH, as approved by the Supervisory Board in June 2024. As the new structure becomes fully legally effective in 2025, it is only being announced in this Report. It allows LEAG to fully utilise its innovative strength in renewable energies, storage technologies, and modern power plants, while at the same time leading lignite mining and power generation in a socially and environmentally responsible manner towards the statutory phase-out by the end of 2038. This also includes a commitment to LE-B's long-standing obligations to reclaim opencast mining areas.

2 For further information see: Monitoringbericht 2024 published by Bundesnetzagentur and Bundeskartellamt, https://data.bundesnetzagentur.de/Bundesnetzagentur/SharedDocs/Mediathek/Monitoringberichte/MonitoringberichtEnergie2024.pdf (28.02.2025)

Business activities

Mining

The lignite opencast mines of Lausitz Energie Bergbau AG (LE-B) supply the Lusatian power plants and the refining plant in Schwarze Pumpe (Brandenburg) reliably with the required quantities and qualities of lignite. Unavoidable impacts of these mining activities on communities and the environment are being limited and reduced. The post-mining landscape is being restored in a timely manner after lignite extraction to return land to multiple uses (recultivation). Currently the former Cottbus-Nord opencast mine is being transformed into an artificial lake, the Cottbuser Ostsee. The lake reached its target water level for the first time in December 2024.

Refining

In 2024, about 7 % of the lignite mined in Lusatia was not used in large-scale power plants. It was instead processed into briquettes and pulverised lignite at LE-B's refinement plant at the Schwarze Pumpe Industrial Park. In these forms lignite can be used efficiently in households, district heating plants or industry. In order to offer customers attractive fuel solutions in the future as well, LEAG has already expanded its production portfolio to include biomass, thus focussing on a gradual transformation towards low-CO_2 and climate neutral fuels.

Conventional power plants

Conventional[3] power plants are an important guarantor of supply security in times of the energy transition. The lignite-fired power plants of Lausitz Energie Kraftwerke AG (LE-K) contribute to the electricity and heat supply in line with demand along the statutory phase-out path until the end of 2038 at the latest. In the winter half-year 2023/2024, the units E and F at the Jänschwalde power plant were returned to the electricity grid from security standby. Due to the tense situation on the energy markets, they were included in the supply reserve established by the Federal Ministry for Economic Affairs and Climate Protection, which was in effect until the end of March 2024.

LE-K's gas-fired power plants support the grid operators in ensuring stable operation. Thyrow and Ahrensfelde near Berlin are part of the German capacity reserve, Leipheim in Bavaria serves as a special grid-related resource for the transmission grid operator Amprion.

Renewable energies

Sun and wind are to provide the majority of the energy supply in the future. Germany is aiming to cover 80 % of the electricity demand from renewable sources by 2030. Extensive and comparatively low-conflict post-mining landscapes offer the ideal basis for the expansion of renewable projects on a gigawatt scale. Expanding renewable energy is a key pillar in developing a green GigawattFactory, alongside the development of large-scale storage capacities and innovative power plant concepts. By the end of 2024, 56 MW of solar power were in operation. For wind and photovoltaic assets further 300 MW were approved or under construction and approximately 2.8 GW in project development.

Energy marketing

LEAG's core product is electricity, which is traded mainly on the major energy exchanges EEX (European Energy Exchange) and ICE (Intercontinental Exchange). In addition, bilateral trades with OTC counterparties are done under EFET contracts[4]. In district heating, LEAG partners with cities and municipalities in the vicinity of its power plant sites and also supplies heat in the form of process steam to the industry. The climate-friendly transformation of the energy system also requires a rethinking of heat supply. LEAG is engaged in close dialogue with its partners to explore appropriate technical follow-up solutions. In addition, market expertise is made available to other plant operators including direct marketing of their renewable electricity volumes, marketing of balancing energy from their storage facilities or concluding Power Purchase Agreements (PPAs) for wind and solar plants.

Industrial services

As part of LEAG group, MCR focuses on maintenance of large and very large equipment, mechanical engineering, and structural steelwork as well as the maintenance of rail vehicles. GMB is a full-service provider covering planning, construction, and operational management, including specialist construction works, surveying, and additional engineering services. TSS delivers storage and logistics services across Germany.

Battery storage

Battery energy storage systems (BESS) are essential components of the energy sector of the future. Through rapid charging and discharging, they provide a buffer between electricity generation and consumption. With BigBattery Lausitz LEAG already operates one of Germany's largest battery storage facilities (54 MWh available storage capacity) at the Schwarze Pumpe (Brandenburg) site. In 2024, construction began on a second BigBattery in Boxberg (Saxony, 137 MWh), while planning progressed for additional sites with the aim of providing storage at gigawatt-scale.

Innovative power plants

Gas-fired power plants provide a flexible backup solution during periods of low renewable energy feed-in and offer a climate-friendly perspective through future conversion to hydrogen. Germany is planning to establish and secure such power plant capacities. To enable rapid implementation once the necessary regulatory framework is in place, LEAG has obtained first permits for two highly efficient hydrogen-ready gas power plants in Schwarze Pumpe (Brandenburg) and Lippendorf (Saxony). A third H_2-ready power plant, which already has a basic permission, is being developed at LEAG's Leipheim site (Bavaria).

Biomass

LEAG is expanding its biomass activities towards low-carbon and climate-neutral fuels. Strategic acquisitions of pellet plants in Germany and Sweden have made LEAG the second-largest pellet producer in Europe, reflecting a commitment to renewable, biogenic energy sources for fuel customers.

Circular economy

The business expansion includes the establishment of SERO Lausitz, a specialist waste management company focused on the recycling and disposal of primarily mineral waste. Quality-assured recycled products and construction materials are produced at the site of former Jänschwalde opencast mine's administration.

3 Conventional power plants/power sources refer to non-renewable sources of energy such as gas, coal, and nuclear power.

4 An EFET contract is a standard contract for electricity and gas wholesale provided by the European Federation of Energy Traders.

SBM-2

Interests and views of stakeholders

Stakeholder dialogue is an important component of sustainability reporting as it serves as a mechanism for holistic understanding and inclusive decision-making. In this context, various stakeholders have diverse perspectives, priorities, and concerns that directly influence the organisation's long-term sustainability.

Engaging stakeholders in dialogue not only ensures that their voices are heard but also provides valuable insights into emerging risks, opportunities, and societal expectations.

LEAG identifies both internal and external stakeholders via appropriate communication channels. Due to the regionality and long-term nature of most of its business activities, established processes have been developed for communicating to and within the organisation. Key functions in this process are the board members, the heads of departments and operational sites as well as designated representatives, e.g., for mining / post-mining areas, environment, emission, construction, regional development, or human rights in the value chain.

Externally, dialogue includes participation of the aforementioned representatives in:

- mandatory processes, such as consultations during approval procedures, formal committees, and working groups
- public events and panel discussions
- topic-related meetings (e.g., municipal meetings)
- direct stakeholder contacts

Additionally, LEAG organises events where citizens can meet with LEAG executives, project managers, or technical experts. For critical issues, citizens' consultation hours, functional mailboxes, and hotlines are also set up. An essential part of stakeholder management is the early analysis of which known and new stakeholders are affected by projects and should be involved at local, regional, national levels, and beyond.

Key methods of engagement with internal stakeholders include:

Regular communication

... via channels such as email, the intranet, info screens, and newsletters.

Engagement

... throughout the employee journey, from onboarding to performance dialogues and development planning.

Town hall meetings

... led by the Management Board or heads of departments, works council assemblies and other dialogue formats.

Personal involvement

... in regular meetings and day-to-day decision-making processes, such as planning and reporting.

This inclusive approach fosters trust, promotes shared understanding, and facilitates the identification of opportunities and risks.

Understanding stakeholder interests

As part of the materiality assessment and due diligence processes, LEAG systematically evaluates the interests and concerns of its key stakeholders. This assessment helps identify and prioritise ESG topics that are most relevant to business model and long-term value creation. Stakeholder insights collected through formal engagements, such as working groups and public consultations, are analysed alongside internal risk assessments and used to shape LEAG's sustainability strategy.

Amendments to strategy and business model

In response to input from local communities and regulators regarding land use and regional development, engagement with municipal stakeholders is well established and robust. While post-mining land restoration is legally predefined, concerns and opinions are taken seriously and addressed where possible through targeted measures within the existing legal framework.

LEAG is also planning further enhancements to its transparency and reporting practices, particularly in areas related to emissions and human rights due diligence. These steps are scheduled for implementation for the upcoming reporting cycle and are expected to strengthen stakeholder trust and contribute to more robust risk management.

These changes are expected to positively influence relationships with stakeholders by demonstrating responsiveness and accountability, potentially leading to improved stakeholder satisfaction and greater collaboration on future initiatives.

The role of governance bodies

The views and interests of stakeholders – particularly those affected by LEAG's sustainability-related impacts – are regularly communicated to the administrative and supervisory bodies. This is achieved through scheduled briefings and reports from colleagues who engage with different stakeholder groups as part of their roles. Additionally, input is collected from colleagues responsible for compliance and sustainability. The Management Board considers this feedback when reviewing strategic decisions and assessing sustainability risks and opportunities. Where appropriate, stakeholder concerns are escalated to the Supervisory Board to inform oversight and governance functions.

Stakeholder dialogue

Groups of stakeholders	Channels of engagement
Investors & Lenders	• media • website/social media • direct contacts
Customers & Partners	• media • website/social media • trade fairs and other industry events • direct contacts
Suppliers & Contractors	• media • website/social media • trade fairs and other industry events • direct contacts • due diligence process (Lieferkettensorgfaltspflichtengesetz) • anonymised whistleblower system
Local communities & Municipalities	• media • website/social media • regular working groups • project-related information and dialogue formats • site visits and other events • direct contacts
Government & Regulators	• media • website/social media • conferences, forums, and other industry events • site visits • direct contacts in compliance with legal requirements and specific obligations from lobby registers • positioning through associations and contributing to consultation processes
NGOs	• media • website/social media • direct contacts
Media	• press releases • press conferences • site visits • direct contacts • website/social media
Employees	• daily interaction and teamwork • townhall meetings and dialogue formats, employee surveys • information via LEAG intranet/App, newsletter and mailings, info screens and notice boards (many offline employees at production sites) • line of communication through superiors • website/social media
Labour & Trade Unions	• direct in regular and operative consultations • tariff negotiations
Peers & Competitors	• media • website/social media • direct contacts • cooperation in associations

Figure 6: Stakeholder dialogue

SBM-3

Material impacts, risks and opportunities

The double materiality assessment (DMA) was conducted in accordance with the European Sustainability Reporting Standards (ESRS) and covered the companies within LEAG at a consolidated level. For the current DMA, the focus was on high-impact entities, specifically Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG. In line with the evolving energy landscape, renewable energy is expected to gain increasing significance in the DMA process, as its impacts, risks, and opportunities become more relevant.

In alignment with the DMA, LEAG has identified its material impacts, risks, and opportunities (IROs), which are concentrated in its own operations, while also considering some potential IROs across the value chain. The strategy and business model are being actively adapted to address these material impacts, with a particular focus on investments in renewable energy and sustainable practices. As LEAG is transitioning to a more sustainable business model, the assessment of material topics will evolve accordingly. Foreseen shifts in the materiality of certain sub-topics will be addressed in future reporting cycles.

LEAG anticipates that its material risks, such as regulatory changes and environmental impacts, will affect both its financial performance and strategic decisions over the short, medium, and long term. Steps are being taken to integrate these considerations into the corporate strategy, including capital expenditure plans and innovation initiatives. From a financial perspective materiality analysis identified increased operational costs, evolving regulatory restrictions, transformation-related investments and required expenditure for land rehabilitation, which are part of ongoing business strategy to ensure long-term resilience and compliance of legally mandated measures. Provisions for mandated measures are formed and duly secured.

Strategic resilience is demonstrated in addressing material impacts and capitalising on opportunities in the renewable energy sector. Adjustments to the strategy and business model are continuously evaluated, with a focus on long-term sustainability and regulatory compliance. Any changes to the material impacts, risks, and opportunities compared to the previous period will be disclosed, alongside other relevant information in the subsequent reporting cycles.

For the current reporting period, the following sub-topics have been identified as material following the DMA assessment:

Material topics

E1 – Climate change

- Climate change adaptation
- Climate change mitigation
- Energy

E2 – Pollution

- Pollution
  of air, water, soil
- Substances of concern

E3 – Water and marine resources

- Water
  consumption, withdrawals, discharges

E4 – Biodiversity and ecosystems

- Direct impact drivers of biodiversity loss
  Land-use change; fresh water-use change and sea-use change; direct exploitation
- Impacts on the state of species
  Species population size
- Impacts on the extent and condition of ecosystems
  Land degradation; desertification; soil sealing

E5 – Circular economy

- Resources inflows, including resource use
- Waste

Entity-specific topic

- Developing storage and hydrogen solutions
- Deforestation and water use as factors of environmental degradation

S1 – Own workforce

- Working conditions
  Secure employment; working time; adequate wages; social dialogue; freedom of association, the existence of works councils and the information, consultation and participation rights of workers; collective bargaining, including rate of workers covered by collective agreements; health and safety
- Equal treatment and opportunities for all
  Gender equality and equal pay for work of equal value; training and skills development; employment and inclusion of persons with disabilities; diversity

S2 – Workers in the value chain

- Working conditions
  Health and safety; secure employment; adequate wages
- Other work-related rights
  Child and forced labour

S3 – Affected communities

- Communities' economic, social and cultural rights
  Land-related impacts; security-related impacts

S4 – Consumers and end-users

- Social inclusion of consumers and/or end-users
  Access to products and services

G1 – Business conduct

- Corporate culture
- Protection of whistleblowers
- Political engagement
- Management of relationships with suppliers
- Corruption and bribery
  Prevention and detection; incidents

Figure 7: Material topics

IRO-1

Description of the process to identify and assess material impacts, risks and opportunities

For the current reporting period, LEAG focused on evaluating and discussing impacts, risks, and opportunities (IROs) arising from own operations, including potential impacts within the value chain from the double materiality assessment. Moving forward, the scope is planned to be broadened to encompass impacts across the extended value chain. This approach will enable a more comprehensive assessment of how LEAG's activities influence, enable, or mitigate these impacts.

In the initial phase of the double materiality assessment, a preliminary list of IROs was compiled, with each IRO being further quantified during the process. The identification and evaluation of these IROs were primarily informed by internal ESG-related data, an assessment of LEAG's dependence on natural, human, and social resources, and benchmarking against comparable entities. Additionally, the ESG landscape within the relevant sector was mapped using publicly available information.

The compilation process focused on identifying IROs related to LEAG's activities and evaluating the relevance of each topic according to ESRS guidelines, particularly the sub-topics outlined in **ESRS 1, AR 16.** Each sub-topic was carefully assessed for its connection to LEAG's operations or business relationships. While some risks and opportunities were directly linked to specific impacts, others were not, illustrating that risks and opportunities can arise across various areas and may not always align with the identified impacts. In addition to the **ESRS 1, AR 16 Application Requirements**, additional IROs specific to LEAG's activities were also considered.

The double materiality assessment under the ESRS requirements consists of the impact materiality and financial materiality. The impact materiality evaluation involved an internal team assessing the impact significance, categorising impacts as positive/negative and actual/potential, while the risks and opportunities assessment was carried by the internal **Risk Management team**. Relevant ESRS-defined attributes were selected and quantified for each category, ensuring a thorough and consistent assessment of material IROs for LEAG. The assessment of impacts, risks, and opportunities was conducted across **three time horizons: short-term**, aligned with LEAG's financial reporting period; **medium-term**, covering the period up to five years thereafter; and **long-term**, referring to periods beyond five years.

Impact categories	Assessment attributes
Negative actual impact	Scale, Scope, Irremediability
Negative potential impact	Scale, Scope, Irremediability, Likelihood
Positive actual impact	Scale, Scope
Positive potential impact	Scale, Scope, Likelihood

Figure 8: ESRS-defined attributes

Impacts were evaluated using a five-point scale across all categories, with the interpretation tailored to each assessment attribute. The **scale** reflects the **magnitude of the impact**, indicating the severity of negative effects or the significance of positive contributions to people or the environment. A score of 1 represents minimal impact, while 5 denotes a profound or absolute impact. Intermediate levels (2 to 4) capture increasing degrees of intensity, from low to high. For human rights, a score of 5 was automatically assigned in cases where rights were at risk. For impacts on people, the scale reflects the number of individuals adversely affected, while for environmental impacts, it indicates the severity of harm or the extent of the affected geographical area.

The **scope** presents to what extent the impact affects the society or the environment. The assessment distinguishes impact scopes from minimum (affecting individuals, small communities, or single sites) to global (impacting multiple countries or entire economies). Environmental impacts range from local ecosystems and towns to entire regions or nations, depending on scale and population affected. Social and governance impacts are evaluated based on how widely they influence internal company structures, supply chains, and broader societal groups.

Irremediability assesses the extent to which negative impacts can be reversed, i.e., whether the environment or the situation of affected individuals can be restored to their original state. The five-point scale ranges from 1, where remediation is feasible within one year at minimal cost, to 5, where restoration is not possible within ten years or would require disproportionate resources. Intermediate scores reflect increasing timeframes and cost implications associated with potential remediation efforts.

Likelihood measures the **probability and frequency** of an impact occurring. It is assessed on a five-point scale, where 1 indicates a low probability (0 – 20 %) and 5 reflects a near certainty (81 – 100 %). Intermediate ratings correspond to increasing probability ranges, capturing a structured view of potential occurrence from unlikely to highly likely events.

The materiality of the impact was then calculated depending on its category according to the following formulas:

Negative actual impact	(Scale + Scope + Irremediability) ÷ 3
Negative potential impact	(Scale + Scope + Irremediability + Likelihood × 0.8) ÷ 3.8
Positive actual impact	(Scale + Scope) ÷ 2
Positive potential impact	(Scale + Scope + Likelihood × 0.8) ÷ 2.8

Figure 9: Materiality calculation formulas

The **impact materiality** was assessed based on predefined criteria, with a significance threshold established at 3 for negative impacts and 3.5 for positive impacts. Impacts meeting or exceeding these thresholds were considered material. A comprehensive list of material impacts was then compiled following the assessment.

The **financial materiality** of risks and opportunities was assessed considering their financial impact and likelihood. A five-point scale was used, ranging from 1 (minimal impact) to 5 (critical impact), based on the percentage of assets or turnover affected. This scale enabled the categorisation of financial impacts, from insignificant (<5 %) to crucial (>50 %). The next step involved setting a significance threshold, determined at 3 for risks and opportunities based on prior analysis and expert assessment. Risks and opportunities meeting or exceeding this threshold were considered material. A final list of material risks and opportunities was then compiled.

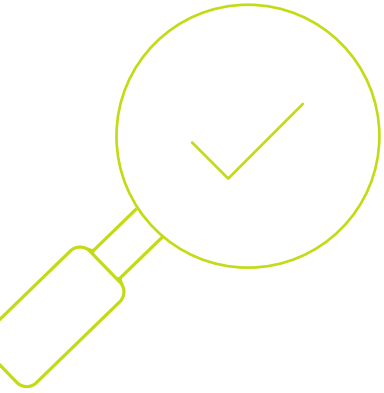
The **final financial significance of the identified impacts, risks, and opportunities** was determined by selecting the highest value across the evaluated time horizons. In the final step of the double materiality assessment, the highest value was assigned to topics, sub-topics, and sub-sub-topics, based on the impact and risks and opportunities results, in line with the established thresholds.

Entity-specific topics were carefully considered as part of LEAG's double materiality assessment. As a result, two entity-specific environmental topics were identified as material: environmental degradation, as well as developing storage and hydrogen solutions. The latter initiative is crucial to LEAG's strategy of advancing clean energy technologies and enhancing energy storage capabilities, which are essential for supporting the transition to renewable energy sources. By investing in these solutions, LEAG aims to contribute to the decarbonisation of the energy sector while strengthening its position as a leader in sustainable energy innovation.

IRO-2

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

A structured overview of the ESRS Disclosure Requirements considered in the preparation of this sustainability statement – based on the outcome of the materiality assessment – is provided through a comprehensive ESRS index included at the end of this Report.



In alignment with ESRS IRO-2 this Content Index serves a navigation tool that reinforces transparency and ensures that the relevance and coverage of each ESG topic are accessible and traceable.

The Content Index provides a structured overview by

- Listing each reported sustainability topic and respective subtopics
- Linking the material topic to LEAG content and headlines
- Identifying the location of corresponding disclosure within the Report

Therefore, this integrated index serves as a central reference point, linking all relevant ESRS components and supporting full traceability across the sustainability disclosures.

No. 30

out of 82 in the "Electricity producers and traders" sub-sector of companies worldwide

ESG rating

In 2023, LEAG (represented by Lausitz Energie Verwaltungs GmbH) completed its first ESG rating process.

The assessment, conducted by the rating agency Morningstar Sustainalytics, resulted in a score of 30.7 on a scale from 0 (best) to 100 (worst) as of 9 November 2023. Within the "Electricity Producers and Traders" sub-sector, LEAG was positioned in the 36th percentile globally, ranking 30th out of 82 companies evaluated at the time.[5]

In 2024, no ESG rating was carried out. This was primarily due to a change in the business policy of the previously engaged rating agency, which discontinued ESG assessments for non-listed companies. In addition, the organisational restructuring of the LEAG group was still in preparation and had not yet been implemented.

As part of commitment to transparency and continuous improvement, LEAG remains open to undergoing renewed external ESG assessments in the future. Such evaluations, conducted by independent and recognised rating agencies, can provide valuable perspectives on performance and help identify further opportunities for progress.

5 The freely accessible part of the Sustainalytics rating was available for one year under: https://www.sustainalytics.com/esg-rating/lausitz-energie-verwaltungs-gmbh/2007429513. The disclosure period has now ended.

MDR-P

Policies adopted to manage material sustainability matters

LEAG currently maintains a range of policies and internal guidelines addressing various sustainability topics across its operations. These policies play a central role in preventing, mitigating, and remediating potential and actual adverse impacts, as well as in managing sustainability-related risks and identifying opportunities.

Planned enhancements to the policy framework

The revision and updating of internal regulations form part of a continuous improvement process aimed at ensuring transparency, relevance, and timely applicability. Evaluating the scope and balancing benefits against implementation effort are integral components of this process. Access to regulatory content is ensured for all relevant organisational units. To support international applicability, i.e., with a view to LEAG's new Biomass unit in Scandinavia, translations is being considered as part of broader organisational development efforts.

Scope and oversight

The sustainability-related policies currently implemented across LEAG cover the following domains:

- **Environmental policies**
  These policies aim to reduce greenhouse gas emissions, manage water resources sustainably, and control pollution. They primarily apply to LEAG's core industrial activities and are implemented across operational sites within the groups's geographic footprint.

- **Social policies**
  These include commitments to workforce diversity as well as occupational health and safety. The scope includes employees, contractors, and local communities in areas where LEAG operates.

- **Governance policies**
  These focus on anti-corruption measures, ethical business conduct, and mechanisms such as whistleblower protection. These policies are applicable across all LEAG entities and form the foundation of ethical culture.

Where relevant, these policies align with third-party standards and frameworks such as the UN Global Compact, ISO standards (e.g., ISO 14001 for environmental management), and applicable EU legislation.

Governance and monitoring

The responsibility for policy development and implementation rests with the most senior levels of LEAG's organisation. Final approval is typically given by LEAG's Management Board, with operational oversight delegated to senior managers within relevant departments. Monitoring mechanisms vary depending on the topic but may include internal audits, compliance reviews, and reporting dashboards.

Next steps

As part of the continuous improvement process, LEAG will continue assessing the scope and effectiveness of its current policies and work towards formalising its approach across all material sustainability matters.

Environmental

Policy and specifications	Content & objectives	Scope of application	Relevant ESRS link
Environmental Protection Management last updated 28.07.2023	Establishes organisational structure and processes for ensuring compliance with environmental laws and regulations. Covers emission control, accident prevention, water protection, waste management, soil protection/contaminated sites, hazardous materials, CO_2 management, and radiation protection as well as public law permits in the production sector, unless they are mining law permits. Mandates regular audits, employee training, incident reporting, and cooperation with authorities.	Lausitz Energie Bergbau AG (LE-B), Lausitz Energie Kraftwerke AG (LE-K), and majority-owned subsidiaries, except TSS GmbH.	ESRS E1 – E5
CO_2 Management last updated 08.03.2024	Ensures systematic, legally compliant fulfilment of obligations under the Greenhouse Gas Emissions Trading Act (TEHG) and the national Fuel Emissions Trading Act (BEHG). All activities subject to emissions trading must be monitored and reported. Monitoring follows the European Monitoring Regulation.	All employees of LE-B and LE-K that are engaged in operations subject to EU and national emissions trading schemes (TEHG, BEHG).	ESRS E1 – Climate Change
Energy and Environmental Policy last updated 10.06.2025	Coordinates responses to energy and environmental regulatory developments at European, federal, and state levels. Ensures internal communication and alignment across business units. Integrates requirements of the German Lobby Register Act for responsible political engagement. Enables proactive compliance with renewable energy expansion, emissions control, and environmental protection legislation.	Applies to the executives directly reporting to the Management Board, employees of LEAG GmbH, LE-B, LE-K, and their subsidiaries, as well as employees involved in the coordination, decision-making, and communication processes of energy and environmental policy.	ESRS E1 – Climate Change
Energy Management System (ISO 50001)	Drives energy efficiency and continuous improvement via systematic energy management.	LE-B and LE-K.	ESRS E1 – Climate Change
Environmental Management System (ISO 14001)	Framework for continuous improvement in environmental performance, including pollution prevention, compliance, and resource efficiency.	LE-B and LE-K.	ESRS E2 – Pollution
Soil Protection and Contaminated Site Management last updated 01.12.2022	Sets procedures for identifying, managing, and remediating contaminated sites. Aims to avoid soil degradation and manage legacy contamination.	LE-B, LE-K, and majority-owned subsidiaries, except TSS GmbH.	ESRS E2 – Pollution
Compliance with Air Emission Limits work instructions last updated 30.04.2025 for Boxberg	Work instructions covering dust, SO_2, CO, NO_2, sulphur dust, and mercury for each power plant site.	LE-K employees in plant operations.	ESRS E2 – Pollution

Handling of Hazardous Substances last updated 25.04.2016 (currently under revision)	Guidelines for procurement, safe storage, transport, and disposal of hazardous materials to prevent pollution and protect health.	All business units and operations.	ESRS E2 – Pollution
Workplace-related Noise Protection last updated 01.10.2020	Measures to protect employees from noise exposure and reduce environmental noise impacts.	LE-B, LE-K, and majority-owned subsidiaries.	ESRS E2 – Pollution
Water Management work instructions last updated 08.05.2025 for Boxberg	Reflects LEAG's commitment to sustainable water use, environmental responsibility, and legal compliance for each power plant site. Complies with the statutory minimisation requirement under the Water Resources Act.	Several LE-K departments related to water-management.	ESRS E3 – Water resources
Water Management work instructions / process instruction last updated 01.08.2018 / 12.04.2024	Governs safe operations for all activities in water management, aiming to prevent accidents, personal injury, and property damage. Describes tasks and technological systems involved in water management. Defines internal control measures in compliance with legal requirements for the discharge of mine water and wastewater, including the relevant infrastructure.	LE-B employees involved in water management / employees performing tasks at water treatment facilities and related infrastructure, also including MCR Lausitz.	ESRS E3 – Water resources
Circular Economy and Waste Disposal last updated 16.08.2022	Outlines structured waste management in accordance with the German Circular Economy Act (Kreislaufwirtschaftsgesetz). Focuses on the five-step waste hierarchy: avoidance, preparation for reuse, recycling, other use (incl. energy recovery and backfilling), and final disposal.	LE-B, LE-K, and majority-owned subsidiaries.	ESRS E5 – Resource Use and Circular Economy
Restoration and Recultivation last updated 21.09.2016	Regulates the reuse and recultivation of land after the completion of mining activities in order to fulfil the legal obligations under the Federal Mining Act as well as forest and nature conservation laws. Describes the process for planning and implementing land reuse and recultivation in ongoing opencast mining operations and defines the associated territorial, task-related, and procedural responsibilities under mining law within the reuse/recultivation process. Regulates the handling of peripheral areas, protective plantations, and areas designated for temporary greening.	All employees of the LE-B units Mining Planning, Recultivation / Resettlement Management, Opencast Mine Operations, Technical Service for Opencast Mines, and Environmental Protection / Permits, who are involved in the process of reuse and recultivation.	ESRS E4 – Biodiversity

Social

Policy and specifications	Content & objectives	Scope of application	Relevant ESRS link
Instruction and Training last updated 01.03.2024	Ensures knowledge transfer and skills to identify workplace hazards, follow conduct rules, and implement protective measures effectively.	LE-B, LE-K, and majority-owned subsidiaries.	ESRS S1 – Own workforce
Accident Prevention Concept	Aims to ensure workplace safety by preventing accidents and health hazards and enhancing LEAG's reputation as a safe employer.	All business units and operations.	ESRS S1 – Own workforce
Safety and Health Manual last updated 01.05.2023	Complements the Accident Prevention Concept by providing detailed guidelines on maintaining safety and health standards in the workplace, further reducing the risk of accidents, and promoting a culture of well-being.	LE-B and LE-K (subsidiaries have individual specification).	ESRS S1 – Own workforce
General Works Agreement for Defensive Democracy, Tolerance, Equal Treatment, and Partnership last updated 20.10.2008	Promotes a culture of respect and equality, minimising legal and reputational risks related to discrimination or harassment.	All business units and operations.	ESRS S1 – Own workforce
Group Agreement on Inclusion last updated 03.03.2018	Strengthens LEAG's workforce resilience and contributes to a more inclusive society. The agreement supports the recruitment and retention of a diverse workforce, including individuals with disabilities.	All business units and operations.	ESRS S1 – Own workforce
Occupational health and safety management system based on the requirements of DIN ISO 45001:2018 last updated 10.06.2025	Framework for implementing and managing occupational health and safety based on ISO 45001.	LEAG GmbH and its direct and indirect majority-owned subsidiaries.	ESRS S1 – Own workforce
Service Partner Management last updated 07.07.2025	Defines processes for collaboration with service partners, including compliance with and implementation of occupational health, environmental, and corporate safety objectives.	LE-B, LE-K, and majority-owned subsidiaries.	ESRS S2 – Workers in the value chain

Governance

Policy and specifications	Content & objectives	Scope of application	Relevant ESRS link
Code of Conduct last updated 04.02.2025	Based on the corporate principles and the mission statement of the LEAG group, the Code of Conduct describes certain behavioural requirements that must be met in a wide variety of circumstances and contexts. Each employee is responsible for protecting and enhancing the reputation of the LEAG group.	All business units and operations.	ESRS G1 – Business conduct
Compliance Management System last updated 10.06.2025	Regulates the structural and procedural organisation of the compliance management system, including the Compliance Committee and Compliance Report.	All business units and operations.	ESRS G1 – Business conduct
Prevention of Bribery and Corruption last updated 10.06.2025	Contains rules for the prevention and investigation of and the defence against bribery and corruption. Specifies when and up to what value gifts and invitations may be granted, received, offered, or accepted.	LE-B, LE-K, and majority-owned subsidiaries.	ESRS G1 – Business conduct
Incident Reporting – Whistleblower System and Ombudspersons last updated 10.06.2025	Regulates the reporting of incidents under LEAG's whistleblower system and the areas of responsibility of the external ombudspersons. Ensures that violations of laws or internal regulations can be reported without negative consequences to the whistleblower.	All business units and operations incl. service partner.	ESRS G1 – Business conduct ESRS S1 – Own workforce ESRS S2 – Workers in the value chain
Money Laundering Prevention last updated 10.06.2025	Governs the obligations of employees in the event of suspected money laundering.	All business units and operations.	ESRS G1 – Business conduct
Competition and Antitrust Law last updated 10.06.2025	Contains rules designed to ensure compliance with the applicable provisions of competition and antitrust law. Regulates responsibilities in this area.	LE-B, LE-K, and majority-owned subsidiaries.	ESRS G1 – Business conduct
Financial Contributions last updated 22.03.2024	Establishes responsibilities and guidelines for the handling of financial contributions to ensure the proper and transparent processing.	Applies to the executives and employees directly reporting to the Management Board of LE-B, LE-K, and their subsidiaries as well as employees involved in the provision of financial contributions.	ESRS G1 – Business conduct

Powers of Attorney and Signature Authorisations last updated 10.06.2025	Regulates the granting of powers of attorney and of authorisations to sign as well as the way signatures are to be provided in external and internal correspondence.	All business units and operations.	ESRS G1 – Business conduct
Data Protection last updated 10.06.2025	Regulates the legally compliant implementation of the requirements of the EU General Data Protection Regulation and the German Federal Data Protection Act. Ensures that personal data is adequately protected during processing and that the personal rights of the persons concerned are not infringed upon.	All business units and operations.	ESRS G1 – Business conduct
Tax Management System last updated 03.09.2019	Defines the rules for cooperation between LEAG companies and with domestic and foreign affiliated companies for tax matters. Regulates the involvement of external tax advisors.	LE-B, LE-K, and majority-owned subsidiaries.	ESRS G1 – Business conduct
Rules of Conduct for Information Security last updated 10.06.2025	Defines obligations aimed at protecting the LEAG group and its employees, external partners, and customers in terms of information security. It addresses information security issues that are relevant to all employees.	All business units and operations.	ESRS G1 – Business conduct
Internal Audit last updated 18.01.2023	Regulates the tasks, responsibilities, and authorisation of Internal Audit, along with the scope and processes of audit procedures conducted by the Internal Audit department.	LE-B, LE-K, and majority-owned subsidiaries.	ESRS G1 – Business conduct

Figure 10: Overview on LEAG’s policies and specifications

MDR-A

Actions and resources in relation to material sustainability matters

LEAG recognises the importance of implementing meaningful and targeted actions to support the achievement of its sustainability objectives and to address the material impacts, risks, and opportunities identified through the double materiality assessment.

While certain sustainability actions are already in place at the level of individual entities within LEAG – tailored to their operational, regulatory, and market-specific context – the need to adopt a more structured approach moving forward is acknowledged.

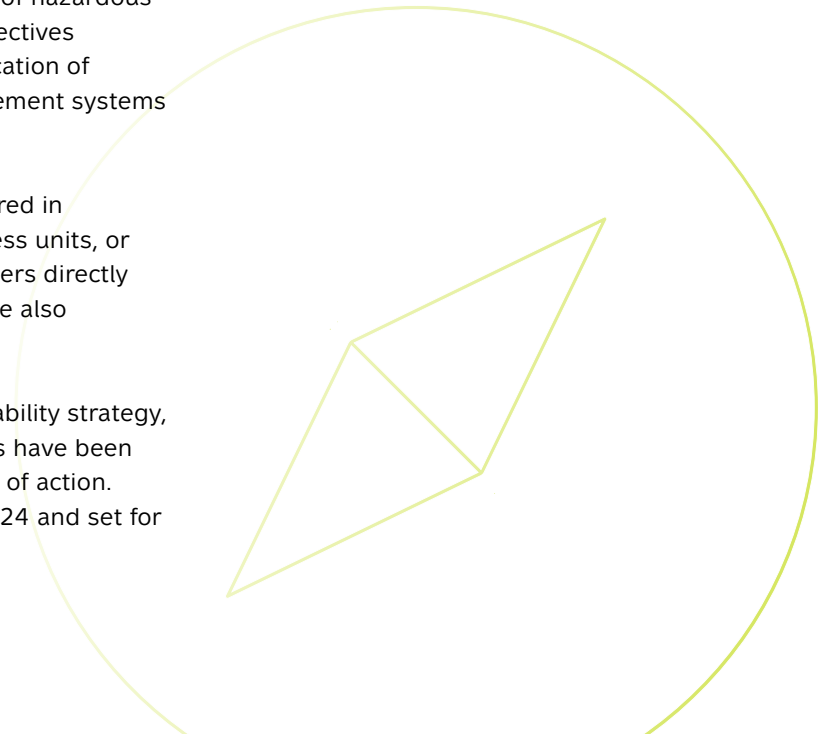
In future reporting periods, LEAG intends to further develop and implement a more standardised framework aligned with the ESRS Minimum Disclosure Requirements on Actions (MDR-A).

Current actions and implementation scope

At present, actions addressing material sustainability matters are implemented at the operational level and disclosed under each relevant topical section of this Report. These actions are part of day-to-day business operations and focus on areas with the greatest potential for long-term positive impact. Examples include the ongoing reduction of hazardous substances, the pursuit of ecological objectives in recultivation, and the consistent application of governance instruments such as management systems and certifications.

Where applicable, these actions are tailored in scope, covering specific activities, business units, or geographies within the group. Stakeholders directly or indirectly affected by these matters are also considered in implementation.

As outlined in the section on the sustainability strategy, comprehensive, subject-specific activities have been defined to support the established fields of action. These ESG targets were developed in 2024 and set for implementation in 2025.



Planned developments

The objective is to embed the assessment of ESG-relevant factors permanently within LEAG's risk management and other control functions. In addition, a closer alignment between the revised corporate strategy and sustainability considerations is planned. Efforts are also underway to further systematise and streamline ESG data collection processes.

Tracking progress and remedy

Responsibility for monitoring the objectives lies with the respective managers and is anchored in their individual target agreements. They are accountable for the implementation of measures throughout the year. Overarching oversight is provided by **Sustainability Management**, monitored by the direct supervisors – at the latest by the end of 2025.

Resources & budget allocation

The main financial expenditures in the area of sustainability relate to renewable energy technologies to drive the transformation of the business model. These significant investments are summarised and presented in the innovation investment sections of the Report (pages 55 – 57). Further significant expenditures are in the recultivation and renaturation segment. These contributions are part of corporate sustainability responsibility and contribute to ecosystem restoration.

MDR-M

Metrics in relation to material sustainability matters

LEAG takes a structured and transparent approach to disclosing non-financial metrics to ensure a holistic representation of sustainability performance across the group. Reporting aligns with the requirements of the European Sustainability Reporting Standards (ESRS), integrating relevant and material indicators into each disclosure to demonstrate how key sustainability matters are managed.

To enhance the effectiveness and relevance of disclosures, metrics are selected based on the outcomes of the double materiality assessment. This process supports the identification of material impacts, risks, and opportunities, and the assignment of appropriate metrics – both qualitative and quantitative – that reflect key environmental, social, and governance aspects. The set of metrics includes those defined in the ESRS as well as entity-specific indicators developed internally or derived from sector-specific benchmarks.

Methodology, definitions, and validation

Each disclosed metric is clearly defined and labelled using meaningful, consistent terminology. Where relevant, detailed explanations of the methodologies and assumptions used are provided, including known limitations related to data quality, measurement boundaries, or estimation techniques. For instance, when metrics are based on estimated rather than actual data due to data availability constraints, this is clearly indicated.

Key performance indicators are collected differently depending on their nature. Financial indicators are reviewed and confirmed by external auditors in accordance with legal requirements. There are also other legal and technical-methodological requirements for determining key performance indicators, particularly in the areas of emissions and environmental characteristics, as well as personnel-related data collection. The methods used for the calculation, which are based on German law, are legally compliant. In some cases, certain key performance indicators or underlying data are determined and verified by independent third parties, such as laboratories. There are numerous non-financial key performance indicators that are developed and monitored internally by specialist departments.

Where currency is used as a unit of measure, reporting is conducted in the presentation currency of the consolidated financial statements, in line with the ESRS requirements.

Continuous improvement and outlook

There is a commitment to further develop the metrics framework and to consider and implement revisions to methods, e.g., for environmental assessments. Furthermore, developments in the revision of the CSRD and the associated standard are crucial for further recording the scope and evidence, should further developments and specifications arise in this regard.

MDR-T

Tracking effectiveness of policies and actions through targets

LEAG has recognised the need to assess sustainability measures not only from a technical perspective but also at a strategic level, with the aim of continuously enhancing its sustainability performance.

The development of a dedicated sustainability strategy – with defined action areas, concrete measures, and measurable objectives – marked an important step in embedding sustainability at the highest level of management. The initial implementation of a double materiality assessment further deepened the understanding of how to systematically identify and evaluate impacts, risks, and opportunities. Based on this, further strategic development will follow.

100 %

Reduction in emissions from coal-fired power plants by 2038

Tracking effectiveness and progress

In its sustainability development efforts, LEAG is closely aligned with the legal framework of the **German Coal-Fired Power Generation Termination Act**, which defines phased capacity reductions. The overarching goal is to achieve a 100 % reduction in emissions from coal-fired power plants by 2038, using 1990 as the baseline year. Emissions measurements are continuously recorded and reported annually to the competent authorities.

Progress in renewable energy generation is already included in the monitoring process and will continue to be in the future in order to transparently document the expansion efforts. In this context, investments in new generation and storage technologies are also considered an indicator of progress in sustainable development. In addition, expenditures for land reculti-vation and implementation activities serve as reference points to monitor the impact of the planned measures. LEAG is also considering alignment with broader, periodic review frameworks to further strengthen its sustainability governance.

Disclosure of targets

Relevant internal targets are disclosed throughout this Report within each material topic section. These targets are linked to LEAG's policy objectives and include defined scopes, baseline values, and, where applicable, interim milestones. No disclosure is made for operational targets at subdivided segment level (e.g., specific departments or sites) due to their granularity and lack of relevance at reporting level. However, efforts are made to provide a transparent overview of the ambition level and progress.

Methodologies and assumptions

Targets are established based on internal assessments, sector benchmarks, and regulatory expectations. Where possible, ambition levels are aligned with national or EU sustainability goals. The use of external science-based validation mechanisms, such as the Science Based Targets initiative (SBTi), is considered a viable option. However, due to the current maturity level of Scope 3 data, full alignment is not yet feasible, as certain categories cannot be comprehensively captured. The present focus is therefore on fulfilling regulatory requirements and establishing a medium- and long-term ESG orientation internally.

At this stage, targets are internally developed and self-driven. They are managed by senior management and implemented by operational units. Stakeholder involvement in target development currently takes place at an informational level.

Environmental

The environmental section of this Report includes five main topics: **climate change, pollution, water, biodiversity and ecosystems,** and **circular economy.**

E1-1

Green transition for a resilient future

The beginning of this topic section outlines how LEAG is addressing climate change and related regulatory requirements at national and EU level through a fundamental strategic realignment and transformation of its production portfolio, providing an outlook on the group's future development as an energy provider.

Energy provision remains the most significant outcome of LEAG's operations. Yet, to uphold the group's position as Germany's second-largest electricity producer, further efforts are required. Ensuring a reliable energy supply while actively reducing the environmental footprint is essential.

As part of the climate transition strategy LEAG is committed to the legally binding coal phase-out path defined under the **Coal-fired Power Generation Termination Act** (Kohleverstromungsbeendigungsgesetz). The accelerated decommissioning dates for the power plants of Lausitz Energie Kraftwerke AG (LE-K) are specified in Annex 2 to the Act and result in an adjusted mining and restoration strategy for the opencast mines of Lausitz Energie Bergbau AG (LE-B).

Ongoing actions and developments contribute to the necessary adjustment of the business model in order to meet national and European targets for restructuring the energy supply with a higher share of renewable energies.

Based on a fundamental resolution passed by the **Supervisory Board** in December 2023, LEAG has taken further decisive steps towards its strategic realignment, signalling a firm commitment to sustainability and affirming its dedication to a sustainable energy future. The strategic realignment is built around the establishment of three new operating companies in addition to LE-B and LE-K: LEAG Renewables GmbH, LEAG Clean Power GmbH and LEAG Biomass GmbH. These business units are operationally and legally independent. They are consolidated under the umbrella of a new holding company LEAG Gigawatt GmbH, as approved by the Supervisory Board in June 2024.

As the new structure becomes fully legally effective in 2025, it is only being announced in this Report. It enables LEAG to strengthen its technological focus on renewable energy sources, storage technologies, and modern power plants, thereby contributing to a climate-neutral energy production. At the same time, LEAG is leading lignite mining and power generation towards a socially and environmentally responsible phase-out by the end of 2038, in line with legal requirements. In this context, LE-B also remains committed to its long-standing obligations to reclaim opencast mining areas.

The three new companies will comprise:

1

highly efficient hydrogen-ready gas-fired power plants and large-scale energy storage

2

renewable energy with a focus on wind power plants and photovoltaic

3

biomass activities

In both the portfolio transformation and ongoing operations, the focus remains on ensuring supply security and meeting industrial energy demands. All measures are implemented within the framework of applicable legislation and regulatory compliance.

LEAG has allocated significant financial resources to support its action plans across multiple strategic areas:

Stable energy supply

In 2024, LEAG committed 307 million € in capital expenditures (CapEx) and 94 million € in operational expenditures (OpEx) to projects aimed at ensuring a stable energy supply. For 2025, planned allocations include 516 million € in CapEx and 100 million € in OpEx to sustain these efforts.

Energy innovation

LEAG invested 179 million € in CapEx and 1 million € in OpEx in 2024 to advance energy innovation. The 2025 budget earmarks 304 million € in CapEx and 0.1 million € in OpEx to further drive innovation initiatives.

E1-3

Future outlook

The transformation of the energy system in Germany is advancing, but achieving energy supply targets and maintaining system stability requires sustained efforts across generation, flexibility, and infrastructure.

LEAG is actively contributing to this development and advancing the transformation of its business model. In a dynamic environment shaped by volatile market development, shifting funding frameworks, and the pending implementation of the **German Power Plant Strategy,** strategic focus and rapid response capabilities are essential.

LEAG addresses these challenges through optimised concepts, corporate adaptability, and future-oriented technologies that support reliable and sustainable energy production. The group remains committed to driving the transition. The momentum built across multiple projects stages positions LEAG to respond quickly, especially once regulatory clarity improves. Even under tougher circumstances, investments in renewables and future-proof technologies remain a core element of a sound and forward-looking strategy.

Renewable energy

The post-mining landscapes offer a unique and comparatively low-conflict expansion potential for renewable energy on a gigawatt scale. As one of Eastern Germany's largest landowners with deep energy sector expertise, LEAG is systematically identifying suitable sites through potential analyses that take into account criteria such as fauna-flora habitats, distance rules, and permitting requirements. By the end of 2024, 56 MW of solar capacity were in operation. For wind and photovoltaic assets further 300 MW were either approved or under construction and approximately 2.8 GW in project development. LEAG's power production from renewable sources reached 64 GWh in 2024.

Flexible capacities

To ensure system flexibility, LEAG is closely linking the growth of renewables with large-scale storage capacities and the development of innovative power plant concepts. Existing industrial energy sites are being repurposed for future use, drawing on developed brownfield areas, skilled workforce, and available grid connections at gigawatt scale. Gas-fired power plants are planned as flexible backup capacities, with a long-term perspective of conversion to hydrogen, targeting an overall capacity of approximately 2 GW.

Battery storage plays a central role in this system transformation. LEAG already operates one of Germany's largest battery storage facilities, with construction of a second site underway and further sites in planning. The aim is to realise storage capacity of up to 3 GWh in the foreseeable future to provide the necessary short-term buffer between fluctuating generation and demand.

From lignite to climate-neutral 24/7 electricity

Renewable energies are expected to cover around 80 % of Germany's electricity demand by 2030, with the country aiming to achieve climate neutrality by 2045. To meet the challenges of a volatile, weather-dependent energy supply and avoid shortfalls during extended periods of low renewable generation (so-called "Dunkelflaute"), LEAG is complementing its renewable energy expansion with appropriate storage technologies and highly efficient hydrogen-ready gas-fired power plants.

These assets help stabilise the grid and ensure a reliable 24/7 electricity supply in an energy system increasingly based on wind and solar – in both summer and winter. This approach is brought together under LEAG's concept of a green **GigawattFactory**, reaffirming the ambition to remain one of Germany's top five electricity producers in the renewable era.

Expenditures in energy innovation

In 2024, LEAG demonstrated a commitment to advancing the future of energy supply through strategic investments in innovative solutions. These expenditures totalled 180 million € and encompassed various cutting-edge technologies.

Storage solutions	55
H_2 innovations	12
Gas power plants	2
Wind and photovoltaic	111

Figure 11: Innovation expenditures in 2024 (in mil €)

The realisation of transformation supporting projects is contingent on securing external capital. While LEAG remains confident in its ability to attract financial resources, it fully recognises the associated dependencies. Transparent communication, credibility, and alignment with long-term value creation are therefore integral to the financing strategy and essential to maintaining investor trust.

The finance strategy is guided by the long-term business transformation roadmap and supports the integration of sustainable solutions throughout operations.

E1-1

Lignite operations

As an energy producer, LEAG bears the responsibility for ensuring a consistent and dependable provision of electricity and heat.

Thus, in addition to advancing renewable energy initiatives, today's gas- and lignite-fired power plants serve as essential safeguards for maintaining supply security throughout the energy transition and compensating for fluctuations in electricity generation from wind and sun, which is prioritised in the grid. Power plant output is flexibly adjusted depending on demand, which helps to ensure grid stability. In parallel, the transformation of lignite operations continues.

Mining

In winter 2023/2024, LE-B has made the planned transition from four to three active opencast mines in Lusatia: Welzow-Süd in Brandenburg and Nochten and Reichwalde in Saxony. The Jänschwalde opencast mine has been transferred from regular operation to post-mining landscape recultivation (the rehabilitation of landscapes after mining).

Refining

LE-B owns one processing plant, located in the Schwarze Pumpe Industrial Park. Here selected raw lignite from the Lusatian opencast mines is processed into modern fuels for industry and households. Within the refining process, the calorific value of lignite and its utilisation properties are improved. In addition, wood-based fuels such as pellets and wood briquettes complement the portfolio for a sustainable and future-oriented business realignment.

Lignite-fired power plants

The temporary recommissioning of two lignite-fired units in Jänschwalde to stabilise electricity supply, as mandated by the Federal Ministry for Economic Affairs and Climate Protection, was legally limited to the end of March 2024. To align with the statutory German coal phase-out path, LE-K plans to decommission an additional 3,000 MW of lignite-fired capacity by 31 December 2029. This includes all remaining 500-MW units at the Jänschwalde and Boxberg energy sites, starting with Jänschwalde unit A, which will be transferred to a prolonged decommissioning mechanism by 31 December 2025. The remaining power plant units will be shut down in further stages. Lippendorf (920 MW LEAG share) is to be decommissioned by the end of 2035, Schwarze Pumpe (1,600 MW) and the two most modern units at the Boxberg power plant (1,575 MW) are to follow by the end of 2038. Units scheduled to operate beyond 2030 will be re-examined in 2026, 2029 and 2032 to determine the realistic possibility of decommissioning them three years earlier.

With the coal phase-out, the Eastern German lignite sector continues to make a significant contribution to Germany's CO_2 reduction targets. Progressively decreasing the lignite-fired power plant capacity will lead to a further rapid reduction in CO_2 emissions. LEAG and its predecessor companies have already achieved a CO_2 reduction of around 67 % (minus 75 million tCO_2) compared to 1990 with the decommissioning of old power plants, modernisation, and new construction in the Eastern German power plant portfolio.

E1-5

Energy production

In 2024, power production from conventional sources accounted for 34,297 GWh. Power production from renewable sources was 64 GWh.

Altogether, LEAG's net electricity production decreased about 8 % compared to 2023. The installed electricity generation capacity decreased by around 900 MW to 7,361 MW following the final decommissioning of two units at the Jänschwalde power plant.

Overall, electricity consumption in Germany increased slightly in 2024, but remained at a below-average level compared to previous years.

Concerning the heat, 155 GWh was produced from biomass which is about 5 % of the total net heat production from both renewable and conventional resources that equalled 2,919 GWh in 2024. Compared to the 2023 heat production, it is a decrease of about 13 %.

Electricity production in 2024
(in GWh)

Total net electricity production from conventional sources	**34,297**
Lignite	33,647
OCGT and other NG	9
Oil	19
Diesel	77
Co-combustion	544
Nuclear	0
Total net electricity production from renewable sources	**64**
Biomass	18
Photovoltaic	46
Wind	0

Figure 12: Electricity production in 2024 (in GWh)

Heat production in 2024
(in GWh)

Total net heat production from conventional sources	**2,764**
Lignite	2,702
OCGT and other NG	0
Oil	1
Diesel	7
Co-combustion	55
Nuclear	0
Total net heat production from renewable sources	**155**
Biomass	155

Figure 13: Heat production in 2024 (in GWh)

E1-5

Energy consumption

In 2024, total energy consumption related to LEAG's own operations, combining both conventional and renewable sources, was equal to 97,754 GWh.

This reduction compared to 2023 results from lower power and heat production in 2024. The group does not consume any energy from nuclear sources.

LEAG's energy intensity ratio, which equals total energy consumption per net revenue, constituted 13 GWh / million € in 2024. That is an increase of 25 % compared to 2023. Given LEAG's role as an energy producer, this indicator is primarily relevant within the same sector and offers limited comparability across other industries.

Energy consumption in 2024
(in GWh)

Total energy consumption from conventional sources	**97,496**
Lignite	95,270
Natural Gas	30
Oil	63
Diesel	237
Purchased Electricity	436
Co-combustion	1,458
Nuclear	0
Total energy consumption from renewable sources	**258**
Biomass	258
Self-generated non-fuel renewable energy	n/a
Purchased or acquired electricity, heat, steam, and cooling from renewable sources	n/a

Figure 14: Energy consumption in 2024 (in GWh)

Energy intensity per net revenue	2023	2024	% 2024/2023
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (GWh/Monetary unit)	10 GWh/ million €	13 GWh/ million €	+25 %

Figure 15: Energy intensity per net revenue 2023/2024 (in GWh / mil €)

E1

Climate change

Climate change is one of the most critical sustainability issues for LEAG. As an energy provider with a historical reliance on lignite-based power generation, the group recognises the relevance for both current operations – influenced by regulatory changes, market shifts, and stakeholder expectations – and the long-term value creation strategy.

In line with political objectives, LEAG is pursuing a determined transformation towards a diversified, low-emission energy portfolio. At the same time, there is the commitment to managing and reducing the significant greenhouse gas (GHG) emissions from ongoing operations in a responsible and transparent manner.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of LEAG's commitment to responsible business practices, a double materiality assessment (DMA) was conducted to evaluate the environmental and social implications, potential risks, and emerging opportunities related to operations across the portfolio.

As a material issue within the environmental category, climate change includes the following sub-topics:

- Climate change adaptation
- Climate change mitigation
- Energy
- Developing storage and hydrogen solutions (business specific topic)

The description of the DMA is provided in *ESRS 2 (pages 33 – 37),* with additional details included to ensure clarity and comprehensiveness.

Physical risks

Physical risks related to climate change primarily include extreme weather events such as periods of very high or low temperatures, droughts, wildfires, or flooding. LEAG takes preventive action through technical measures and emergency plans to maintain reliable energy production and ensure the safety of its workforce. Climate resilience is also integrated into investment decisions and maintenance planning. Specific operational procedures – such as the regional use of pumped groundwater from opencast mines for cooling processes in LE-K's power plants – help reduce reliance on surface water bodies.

Transition risks

The transition to a low-carbon economy entails several challenges for LEAG, including rising CO_2 costs, market volatility, and higher operational demands on conventional assets, which can in turn lead to greater maintenance and investments needs to ensure supply security. In response, LEAG pursues efficiency improvements and process optimisation in conventional generation, while simultaneously transforming its production portfolio. At the same time, substantial upfront investments in renewable infrastructure face added complexity from changing or unclear regulatory frameworks. The group counters this with strategic flexibility, advancing projects to ensure readiness for swift execution, while contributing to the regulatory discourse around the energy transition. To mitigate reputational risks from being perceived as unprepared for climate-related challenges, LEAG ensures transparent communication and the early involvement of key stakeholders.

Despite these challenges, the transition also presents valuable opportunities: improving LEAG's environmental profile, unlocking markets and new customer segments, enhancing attractiveness as an employer, and accelerating innovation through access to funding instruments. In addition to expanding renewable capacity, flexible power plants and storage assets are essential to manage volatility and stabilise the grid, ensuring future supply security and predictable energy prices. At the same time, LEAG's sustainable transformation contributes to a just structural transition in the region.

E1-2

Policies related to climate change

LEAG operates within a comprehensive regulatory framework defined by the EU, federal, and state legislation. This framework is complemented by site-specific permits and related stipulations, as well as internal policies that support transparency, legal compliance, and effective environmental and social governance.

A comprehensive **CO_2 Management policy** is pursued to ensure the systematic and legally compliant fulfilment of obligations under the **Greenhouse Gas Emissions Trading Act** and the national **Fuel Emissions Trading Act**. All activities subject to emissions trading must be monitored, and the relevant greenhouse gas emissions reported. The monitoring methods are determined in accordance with the **European Monitoring Regulation** (Regulation on the Monitoring and Reporting of Greenhouse Gas Emissions).

Complementing this, LEAG implements a robust **Environmental Protection Management policy** that governs the organisational structure and processes of environmental protection management, as well as the responsibilities of the **Environmental Protection and Permits department**. This guideline covers a wide range of specialist areas including emission control and CO_2 management.

Alongside these policies, LEAG maintains a structured **Energy and Environmental policy** that outlines the internal decision-making process for the group's positioning on energy and environmental policy issues. It also describes the essential steps for developing, introducing, and representing these positions in the political decision-making process at the European, federal, and state levels. This policy guarantees consistent internal communication and alignment across all business units regarding political and regulatory changes.

These and other frameworks enable LEAG to proactively navigate evolving legislation related to renewable energy expansion, emissions control, and environmental protection.

A detailed overview of all relevant policies can be found in the *ESRS 2 MDR-P section* of this Report.

E1-3

Actions related to climate change

GHG-Management

GHG emissions are handled responsibly in daily operations. The measures for emissions reduction span from improving energy efficiency as well as processes and plant technology, including ongoing optimisation of plant operation modes, maintenance measures, and measures relating to major energy consumers in the processes. Moreover, a partial switch to alternative fuels is being implemented. The long-term decarbonisation path for the portfolio is based on phasing out lignite use in accordance with the legal requirements set by the **Coal-fired Power Generation Termination Act** and the transformation to clean energy sources. LEAG is active in all these areas simultaneously.

Management systems play an essential role in controlling CO_2 emissions. Since 2014, LE-B and LE-K have jointly certified their **Environmental Management System (ISO 14001)** and **Energy Management (ISO 50001)**.

These systems are implemented as an integrative matrix organisation. Effective implementation is audited externally on an annual basis. The central aspect of resource conservation as regards fuels has a direct impact on the resulting CO_2 emissions and is therefore a continuous approach for improvement measures.

Information on GHG emission reductions already achieved and expected future reductions – resulting from the implementation of these measures – is provided in section *Targets related to climate change (E1-4),* and section *GHG emissions (E1-6).* These chapters outline LEAG's performance to date and the quantified impact of current and planned actions. Together, they form the basis for tracking the group's transition towards lower emissions while maintaining its role in energy supply.

Until now, LEAG was not required to report methane emissions from opencast mines. For Germany, the Federal Environmental Agency has previously reported a standard emission factor of 15 litres per tonne of lignite to the European Commisison. However, in line with the new **EU Methane Regulation (EU 2024/1787)**, LEAG will fulfill the obligation to report methane emissions from coal-related operations for the 2024 reporting year by 31.08.2025. These emissions will be quantified.

It should be noted, however, that measuring methane in these areas is technically challenging, as there are no standardised methods yet for comprehensive monitoring, and the calculation models currently in use are based on conventional emission factors that are continuously subject to scientific review.

Resources allocated to actions related to climate change mitigation

Resources have been allocated to support climate change mitigation actions. In 2024, CapEx for projects totalled 170 million €, with 0.3 million € in OpEx.
For 2025, the budget includes 136 million € in CapEx. Moreover, 134 million € in CapEx is allocated to coal-related activities and 1 million € to gas-related activities, reflecting LEAG's current energy portfolio.

For more information about actions, please refer to *MDR-A – Actions and resources in relation to material sustainability matters.*

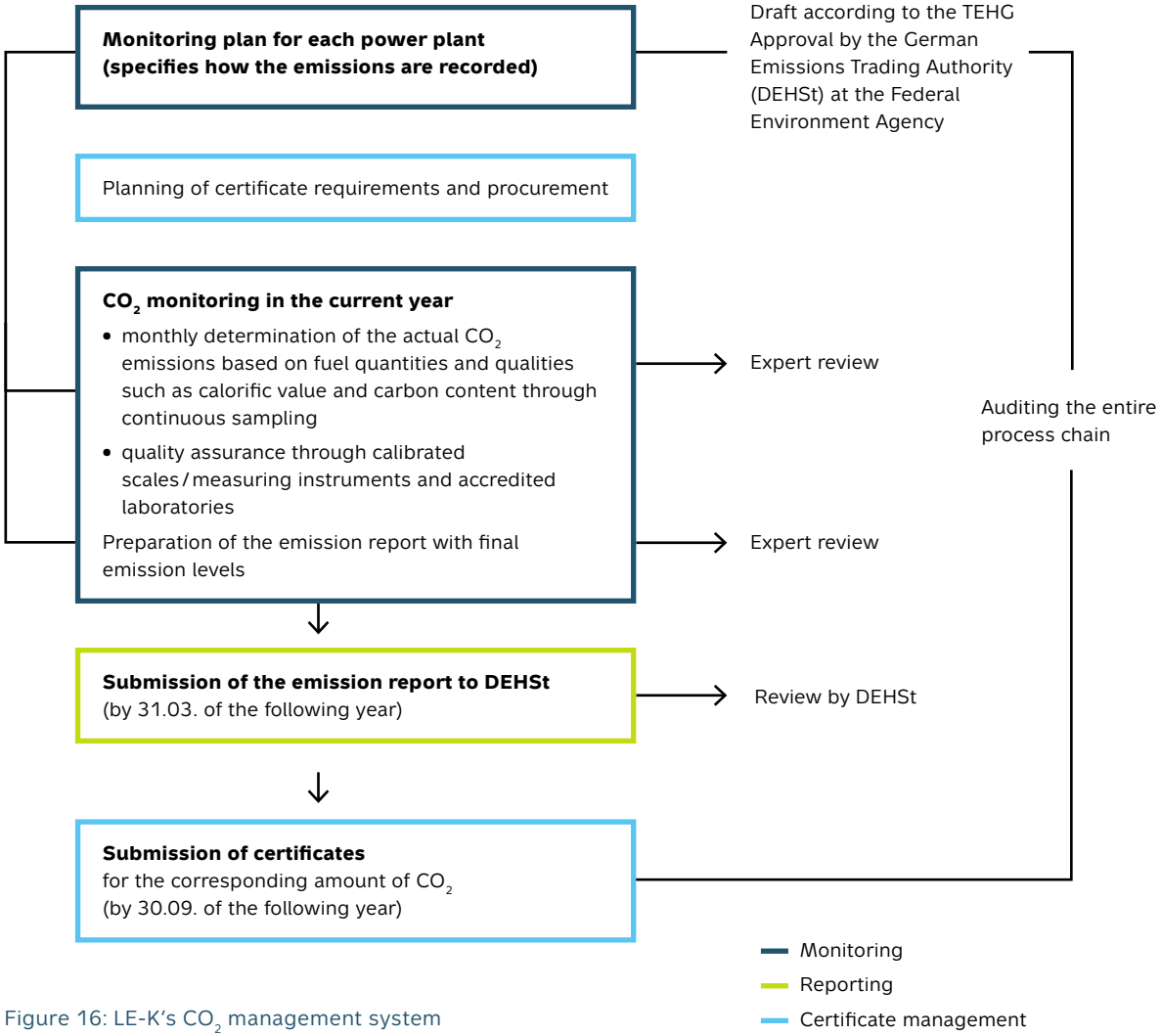


Figure 16: LE-K's CO_2 management system

E1-7

European Emission Trading Scheme, GHG removals and carbon credits

The obligation to participate in the **European Emissions Trading Scheme (ETS)** ensures that the operation of LE-K's conventional power plants is in line with European climate targets. CO_2 emissions from energy conversion have to be offset with emission allowances, the volume of which is limited on the market in accordance with European targets. The majority of these allowances, around 99 %, is purchased. Approximately 1 % of the emission allowances were allocated during the reporting period for heat generation (granted allowances).

The requirements for CO_2 monitoring were implemented in Germany under the **Greenhouse Gas Emissions Trading Act (TEHG)** and, in some respects, made more stringent. To ensure compliance, a central CO_2 management system has been implemented at LE-K, comprising three key processes: monitoring, reporting, and certificate management. Monitoring plans describe CO_2 recording procedures and quality assurance for each power plant, with compliance under the TEHG confirmed by the **German Emissions Trading Authority (DEHSt)**. The reporting obligation on GHG emissions is based on these monitoring plans and is subject to fixed deadlines, which are met fully and reliably.

Approved inspection bodies are involved in these processes. Management processes have been subjected to external audits several times in recent years, each of which confirmed compliance.

LEAG does not currently implement GHG removal or carbon storage projects, nor does it finance mitigation activities outside the group's value chain. However, the potential role of such measures in the longer-term climate strategy is under assessment. Ongoing land rehabilitation across LEAG's mining portfolio remains a core part of its environmental management. While these activities primarily focus on restoring ecological function and land usability as required by mining permits, they may also offer future potential for nature-based carbon sequestration.

LEAG is not currently engaged in any formal carbon credit schemes. While the group acknowledges the potential role of carbon credits in supporting climate mitigation efforts, they do not currently form a central pillar of the sustainability strategy. The primary focus remains on reducing emission at the source – through a robust, economically sound decarbonisation strategy and the implementation of effective low-emission projects within own operations. Once these core measures are in place and delivering measurable impact, the targeted use of carbon credits may be considered as a complementary instrument, provided it aligns with recognised standards and frameworks.

E1-4

Targets related to climate change

Setting appropriate targets is essential to measure LEAG's progress in managing material climate-related impacts, risks, and opportunities. In line with the **Coal-fired Power Generation Termination Act**, the group is committed to reducing CO_2 emissions in the lignite sector as follows:

	Short-term target	Mid-term target
CO_2 emission reduction targets related to coal phase-out	Reduction by 75% by 2030 compared to 1990	Reduction by 100% by 2038 compared to 1990 End of lignite-based power generation[6]

Figure 17: Targets related to climate change

6 In 2026, 2029 and 2032, the German government will examine whether the phase-out path for power plants after 2030 can be brought forward by up to three years (2035) in accordance with legally defined criteria.

Moreover, LEAG aims to reduce CO_2 emissions through improved energy efficiency, increased use of renewable energy, and reduced consumption. The impact of these measures is tracked via key metrics.

The baseline year for LEAG's GHG emission reduction targets is currently set as 1990. The year 1990 marked a complete systemic shift in the eastern German states with the fall of the Berlin Wall and the political transition. The privatisation of the energy sector paved the way for the emergence of today's LEAG group. The baseline value includes emissions from all relevant activities under operational control and serves as a reliable reference point for monitoring progress as it reflects typical operational activity levels prior to the implementation of major environmental initiatives. In case of any future changes to the baseline (e.g., due to structural changes or improved data accuracy), the group will transparently disclose the rationale for such adjustments.

Any revision of the baseline will be accompanied by a restatement of the target trajectory and associated progress data to maintain comparability over time.

The group's greenhouse gas emissions are progressing in line with objectives of the **Paris Agreement** and the **German Sustainability Strategy,** reflecting alignment with international climate targets. As of today, a formal validation of targets as "science-based" is not yet completed. LEAG has not yet considered a diverse range of climate scenarios in shaping its decarbonisation approach. For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets.*

2024

-67 %

CO_2

reduction compared to 1990

E1-6, E1-8

Metrics related to climate change

E1-6

GHG emissions

LE-K determines the greenhouse gas emissions according to the standards of the GHG Protocol as follows:

- direct CO_2 emissions (emissions from the energy conversion process of the power plants) in Scope 1
- indirect CO_2 emissions (emissions due to energy purchases of electricity) in Scope 2
- indirect CO_2 emissions (emissions across the value chain, including upstream and downstream activities) in Scope 3

In **Scope 1, LE-K records fossil and N_2O emissions**[7] from conventional power plants (electricity and heat production), which constitute the most significant actual impact of LEAG's activities. This includes the four lignite-fired power plants Jänschwalde, Schwarze Pumpe, Boxberg, and the LE-K share of the joint power plant Lippendorf as well as the three grid-serving gas-fired power plants Leipheim, Thyrow, and Ahrensfelde.

The determination of direct CO_2 emissions (Scope 1) is essentially based on the fuels supplied, with the majority of CO_2 emissions resulting from the combustion of lignite. However, process emissions, for example from the conversion processes of flue gas desulphurisation, are also considered. The monitoring plans according to TEHG with the specified determination methods serve as the basis for calculation. Biogenic CO_2 emissions from the combustion of biomass are not included in Scope 1 and are disclosed separately, in line with ESRS E1 requirements, amounting to 241,063 tCO_2eq in 2024.

The production of Scope 2 emissions is another impact of LEAG's activities. The determination of these indirect emissions in **Scope 2** is based on the electrical energy obtained by LE-K for conventional power plant operations. This is multiplied by the CO_2 emission factor of the electrical energy sources mix in Germany **(location-based method)**. The resulting Scope 2 emissions are significantly lower than reported Scope 1 emissions.

LEAG is in the process of establishing a comprehensive **Scope 3** GHG accounting framework to enable future disaggregation across all organisational units.

7 The values for N_2O are estimated on the basis of the operating times of the lignite-fired power plant units and a fixed calculation basis provided by VGB PowerTech. The conversion to CO_2eq was based on the factor for Global Warming Potential (GWP).

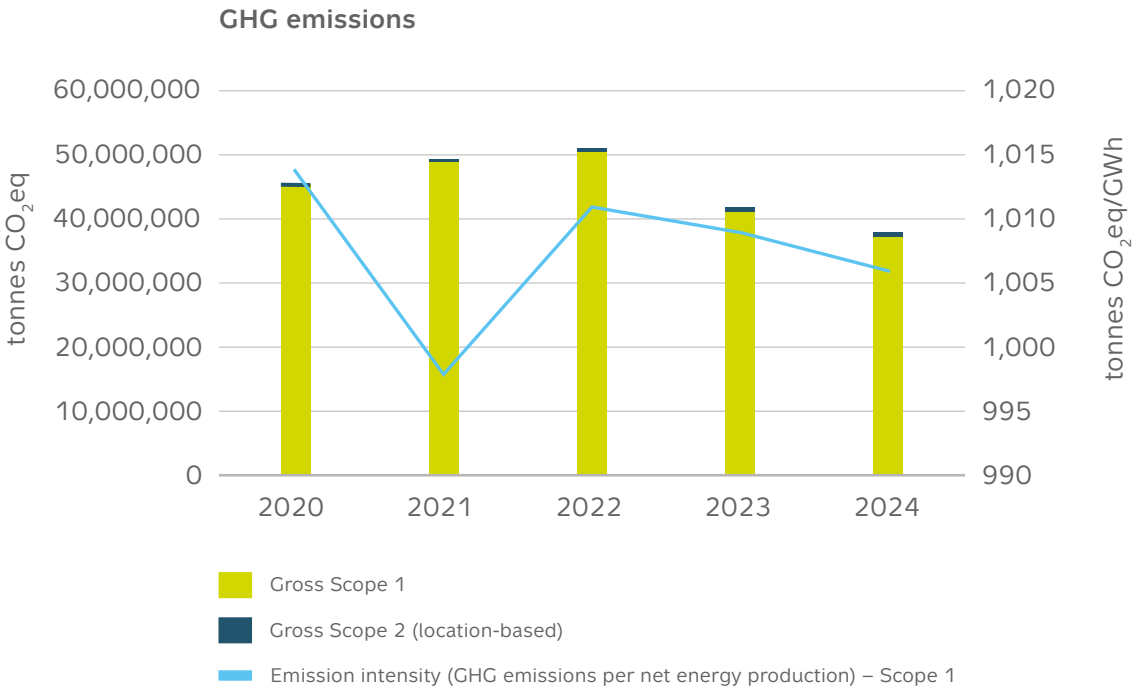


Figure 18: GHG emissions (2020 – 2024)

The identification and calculation of Scope 3 emissions have advanced significantly through the development of a structured methodology applicable at both the organisational unit level and on aggregated group level.

This approach aligns relevant Scope 3 categories with existing data structures across different companies, departments, and systems. Data collection has been implemented via integrated overviews, leveraging system exports and internal reporting processes. For emission calculations, UK Government emission factors have been applied, which have proven to be a practical and robust basis for the current granularity of available data.

However, data completeness remains a challenge. In some cases, certain Scope 3 categories are only partially covered or lack precision due to unavailability of activity data or specific emission factors. Furthermore, some information is not available in such a way that emissions can be derived from it, and reporting is sometimes restricted to higher-level aggregates rather than individual company data.

Due to these limitations, the current dataset does not yet present a fully comprehensive and comparable Scope 3 emissions profile. Premature disclosure could lead to misinterpretation or hinder meaningful year-over-year comparison. As a result, Scope 3 data is not published at this stage. Anyhow, there is commitment to improve data coverage, quality, and traceability in the next reporting cycles, and actively work to close the identified gaps through system enhancements and internal collaboration.

LE-K's 2024 Scope 1 emissions were calculated as 37,491 thousand tCO_2eq. They saw a significant decrease of 8.7 % compared to last year due to lower electricity production. The emission intensity per net energy production continued to decline slightly.

Scope 2 location-based emissions were calculated as 149 thousand tCO_2eq, representing 0.4 % of the reported GHG footprint in 2024. They saw a significant decrease of 13.1 % compared to last year, which was directly related to economic reasons due to market conditions.

In 2024, **LEAG's location-based GHG emissions intensity** amounted to 4,896 tCO_2eq per million € of net revenue, based on a net revenue of 7,689 million €.

E1-8

Internal carbon pricing

LEAG does not currently apply internal carbon pricing. The group's approach is primarily based on external carbon pricing in accordance with legal requirements, while also considering prevailing industry practices in strategic evaluations.

E2

Pollution

LEAG is committed to systematically identifying pollution-related risks and minimising environmental impacts from both conventional operations and new projects, in line with evolving regulatory expectations and stake-holder demands. Risks are addressed through integrated environmental management systems, state-of-the-art emission control technologies, and close coordination with relevant authorities to ensure full regulatory compliance and minimise impacts on ecosystems and local communities.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment (DMA) outlined in the section on material impacts, risks, and opportunities, pollution was identified as a material environmental topic, covering the following sub-topics:

- Pollution of air (including dust emissions)
- Pollution of water
- Pollution of soil
- Substances of concern

The description of the DMA is provided in *ESRS 2 (pages 33 – 37),* with additional details included to ensure clarity and comprehensiveness.

While LEAG transforms its energy portfolio, managing environmental impacts on air, water, and soil remains a critical part of its sustainability efforts, particularly with regard to current lignite mining activities and power plant operations. Protecting the environment as a space for life and economic activity is a fundamental obligation for the well-being of all.

In addition to this overarching responsibility, specific risks linked to non-compliance with environmental regulations are recognised. These include regulatory penalties, increased costs for treatment or reme-diation, restrictions on operations, or even the loss of operating licences. Furthermore, reputational damage could undermine stakeholder confidence – including that of permitting authorities, investors, and business partners. Long-term environmental degradation also poses risks of litigation, expensive site restoration, and the potential introduction of more stringent regulations. These risks are acknowledged and systematically addressed as part of the environmental management approach.

At the same time, LEAG's transformation offers significant opportunities to reduce environmental pressure and support ecosystem restoration. The gradual phase-out of lignite-based power generation and the expansion of renewables enable a substantial reduction in air pollutant emissions and cooling-related water use, thereby improving air quality, easing pressure on regional water balances, and contributing to national and EU environmental and climate targets. The recultivation of former mining areas also creates potential to restore biodiversity, enable sustainable land use (e.g., for renewable energy or reforestation), and enhance the ecological value of previously degraded sites.

The following section focuses on air emissions, such as nitrogen oxides and sulphur dioxide from LE-K's power plants, which were identified as a key environmental concern in the materiality assessment. *Specific impacts related to water and waste management (including soil quality) are disclosed within the corresponding chapters on water (page 76) and circular economy (page 93).*

E2-1

Policies related to pollution

LEAG is committed to preventing environmental pollution and prioritises pollution avoidance at the source. This is followed by the reduction of potential impacts through appropriate technical, organisational, and planning measures. To ensure compliance with applicable legal and permitting requirements, dedicated policies have been implemented that also promote transparency, data integrity, and equitable environmental governance in line with ESRS 2 MDR-P. Environmental responsibility is embedded across LEAG's operations and is reflected in its efforts to continuously improve and align business practices with sustainability goals.

A cornerstone of this approach is LEAG's **Environmental Protection Management policy**, which defines the organisational structure and processes for environmental protection. It outlines the responsibilities of the **Environmental Protection and Permits department** and governs key areas such as emissions control, incident prevention, water protection, waste and hazardous materials management, soil protection and legacy site remediation, and radiation safety. The policy also regulates the handling of legal obligations, environmental objectives, internal reviews, training, incident documentation, regulatory reporting, and authority engagement. In addition, LEAG maintains a certified **Environmental Management System in accordance with DIN ISO 14001.**

Emission limits for LE-K's power plants are determined by the permits issued under the **German Federal Immission Control Act** (Bundes-Immissionsschutzgesetz, BImSchG), with strict adherence to the limit values set forth in its **13th and 17th ordinances**. To support implementation, site-specific work instructions ensure compliance with environmental standards. Furthermore, a certified **Energy Management System (DIN ISO 50001)** is in place to enhance the efficiency of energy and fuel use, which in turn contributes to lower emissions and reduced environmental impact.

Additional policies include circular economy and waste management regulations aligned with the **German Circular Economy Act** (Kreislaufwirtschaftsgesetz), as well as procedures for procurement and execution of disposal services. Soil protection and legacy contamination guidelines address the prevention of harmful soil changes and the rehabilitation of ecologically impacted areas. A hazardous materials directive is enforced to safeguard employees, the environment, and infrastructure, along with dedicated instructions for water protection.

While radiation is not a core operational issue for LEAG, specific radiation protection procedures are in place to ensure lawful handling of measurement equipment used in non-contact level detection and process monitoring. Radiation safety is governed by the **Radiation Protection Act** (Strahlenschutzgesetz), the **Radiation Protection Ordinance** (Strahlenschutzverordnung), and related permits, with designated radiation protection officers overseeing compliance. Audits and regular training of operating personnel ensure that safety standards are upheld across relevant operations. Disposal of long-used equipment such as drift eliminators or pipes may involve naturally occurring radioactive material, requiring special handling. LEAG applies defined procedures to ensure safety and regulatory compliance under its **Circular Economy and Waste Disposal policy**.

Additional policies related to water and soil quality are detailed in the respective chapters.

E2-2

Actions related to pollution

LEAG adheres strictly to the emission limit values set forth in the **13th and 17th ordinances of BImSchG**. These regulations govern the permissible levels of pollutants released into the atmosphere, aiming to protect the environment from harmful emissions. As a result of the continuous Europe-wide so-called BREF[8] process, the requirements are regularly adapted to the state of the best available technology for averting and reducing environmental impacts.

In accordance with obligations, compliance with emission limits is monitored and reported to the responsible environmental authorities. The combination and continuous improvement of many technical measures has succeeded in significantly reducing environmental emissions in recent decades. These include low-nitrogen oxide combustion, flue gas dedusting with the aid of electrostatic precipitators and flue gas desulphurisation. LEAG aims to further reduce the emission results of power plants by:

- efficient power plant operations
- flue-gas desulphurisation
- filter technologies
- combustion optimisations
- dosing of additives
- maintenance measures
- measures to increase efficiency
- testing of further secondary measures
- phase-out of coal use
- portfolio restructuring with renewables and low-emission technologies

Actions related to water and soil are described in the respective chapters.

Resources allocated to actions related to pollution reduction

Resources have been allocated to support pollution-reduction actions. For 2024, 4 million € in CapEx and 15 million € in OpEx have been committed to relevant projects. Looking ahead, the budget for 2025 includes 1 million € in CapEx and 5 million € in OpEx to continue these efforts. Dedicated teams oversee the implementation and ongoing monitoring of these initiatives, ensuring both operational execution and strategic alignment.

At this stage, LEAG does not actively engage upstream or downstream value chain partners in pollution-related actions. However, the importance of such collaborations is recognised, and their integration may be considered in the future.

For more information about actions, please refer to *MDR-A – Actions and resources in relation to material sustainability matters.*

8 According to the Industrial Emissions Directive (IED), industrial installations in the European Union that are particularly relevant to the environment must be permitted on the basis of the best available techniques (BAT). Older (existing) plants must also be operated on the basis of BAT since 30.10.2007. The specific consumption and emission levels to be achieved in the individual categories of industrial activities are determined by technical working groups (TWGs) in the so-called "Seville Process" and set out in detailed documentation, the so-called BREFs (Best Available Technique Reference Documents). As techniques are constantly evolving, the BREFs are regularly updated. For more information: European IPPC Bureau: BAT reference documents; https://eippcb.jrc.ec.europa.eu/reference (16.06.2025)

Dealing with dust emissions from mine operations

LEAG monitors dust emissions from the combustion process of its power plants directly at the source, in accordance with the **German Federal Immission Control Act**. In contrast, dust emissions from opencast mining operations – which may reach nearby residential areas due to wind events – are measured at the mine boundaries. The key regulatory framework for this is the **Technical Instruction on Air Quality Control** (Technische Anleitung zur Reinhaltung der Luft), which defines annual average limits for dust settling.

To ensure compliance, LE-B operates a passive monitoring network around its mining sites, where monthly dust samples are collected and analysed to DIN standards using the Bergerhoff method. The results are reported to the relevant mining authorities once or twice per year. While these dust depositions do not pose a health risk, they may cause nuisance for residents living near the mining areas. LE-B therefore implements a range of planning, technical, and organisational measures to minimise or prevent dust emissions from mining activities.

This type of dust is not part of the dust emission measurements reported under the material impact topic *E2 – Pollution.* The information is provided here on a voluntary basis in the interest of transparency.

Reduction of dust:

- use of spray galleries and fogging systems to bind dust on the periphery of the opencast mine (weather-dependent operation and adaptation to the opencast mine progress)
- preservation and supplementation of protective plantings as well as stabilisation of existing forest stocks
- timber harvesting as late as possible in the forefield of the opencast mine
- wetting of operating roadways in the opencast mine area including the mine working level during dry weather conditions
- timely rehabilitation or temporary revegetation of excavated and backfilled opencast mining areas

E2-3

Targets related to pollution

LEAG is committed to actively managing environmental pollution and continually improving environmental performance as described on the previous pages. Unavoidable emissions are monitored and recorded in line with legal requirements and permit conditions, with results submitted to the relevant authorities. Potential issues like limit violations are reported immediately to initiate appropriate measures.

The protection of air, water, and soil remains an integral part of all new projects, with a reliable foundation established already during the permitting process.

As part of environmental strategy, it is ensured that all environmental performance indicators are fully aligned with applicable legal and regulatory requirements. Moreover, some of these indicators are an integral part of performance based ESG targets which not only reflect environmental responsibility but are closely linked to risk mitigation and long-term resilience of the business.

For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets.*

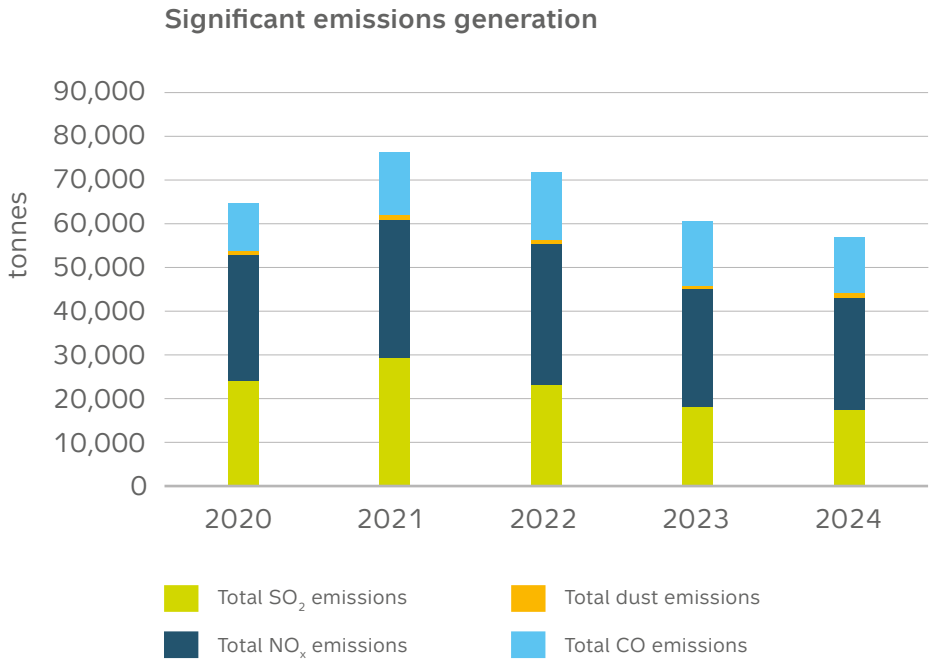


Figure 19: Production of significant air emissions at LE-K from lignite- and gas-fired energy production (2020 – 2024)

E2-4, E2-5

Metrics related to dust and other emissions

Compared to the previous year, emissions of key pollutants at LE-K's power plants fell in 2024, including sulphur dioxide (SO_2) emissions by 3 % and nitrogen oxides (NOx) emissions by 4 %. Carbon monoxide (CO) emissions declined by 14 %. These results are related to lower electricity production in 2024, but they also reflect LEAG's ongoing efforts towards achieving operational sustainability.

In accordance with the **13th and 17th ordinances of BImSchG**, major substances such as dust, sulphur dioxide, carbon monoxide, and mercury must be measured and recorded according to continuous emission monitoring systems (CEMS). All other substances are estimated by sampling and based on calculation. In such cases, the methodology, data sources, and uncertainty range are disclosed to the competent authorities in accordance with applicable regulations and permit requirements. All data is collected through the environmental management system and verified internally.

Metrics related to water and soil are disclosed in the respective chapters.

E3

Water

Within LEAG's operations, large water volumes are handled, influencing the natural water cycle, leading to decreased groundwater levels near the opencast mines and potentially affecting the quality of discharged water.

LEAG is committed to managing water responsibly by minimising negative impacts, optimising water use efficiency, and contributing to the protection and restoration of local water systems.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment (DMA) outlined in the section on material impacts, risks, and opportunities, water has been identified as a material topic, covering the following sub-topics:

- Water withdrawals
- Water consumption
- Water discharges

The description of the DMA is provided in *ESRS 2 (pages 33 – 37)*, with additional details included to ensure clarity and comprehensiveness.

A robust set of policies and measures is in place to prevent ecological damage or mitigate impacts that could otherwise result in regulatory fines or the loss of permits. Further key risks include rising costs for water use and treatment, as well as expenditures for monitoring and infrastructure development.

The gradual phase-out of lignite-based power generation will lead to a continuous reduction in groundwater abstraction from opencast mines. However, the transition will take time, as it involves restoring post-mining landscapes and filling post-mining lakes to support the development of a predominantly self-regulating regional water system.

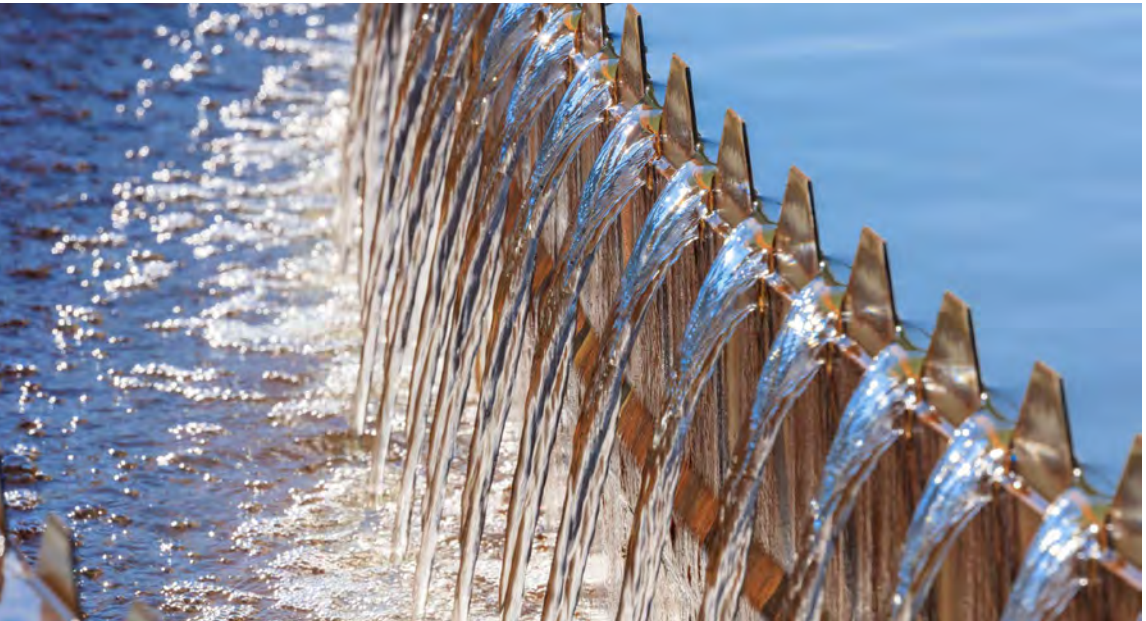
At the same time, the expansion of renewable energies and the shift towards a new generation of power plants to bridge supply gaps offer additional potential to reduce water consumption in energy production. Increasing the reuse of treated water within industrial processes further contributes to resource conservation and supports circular water management principles.

E3-1

Policies related to water management

LEAG has established a complex water management system, closely collaborating with the Federal States of Brandenburg, Saxony, and Berlin, as well as relevant authorities and associations within the impacted river areas.

Policies concerning water management have been implemented, reflecting a commitment to sustainable resource usage and environmental responsibility. Particularly noteworthy is the **Instruction Document** as a comprehensive handbook for water management across LEAG's facilities. This document regulates the determination of the necessary procedural and organisational measures to meet all legal, contractual, and permit-related requirements for water protection. When using water, the statutory minimisation requirement under the **Water Resources Act** must be observed.



The operators of LEAG's water management facilities are obliged to control and monitor their facilities and to keep records, which follows the process instruction for self-monitoring of mine water and wastewater discharge including the relevant infrastructure. Also, LEAG has developed site-specific work instructions for water protection at each of its lignite-fired power plants.

Furthermore, compliance with relevant environmental legislation is ensured through the **Environmental Protection Management policy**, which demands responsible management of water resources – including abstraction, discharge, and infiltration. All activities involving water use or the handling of potentially polluting substances are subject to strict permitting and approval procedures overseen by the **Environmental Protection unit**. Regular monitoring, reporting, and preventative measures are implemented to safeguard against environmental incidents related to water. Compliance is verified through audits and ongoing employee training to uphold sustainable water management practices.

In line with ESRS 2 MDR-P, LEAG's water management policies prioritise sustainable water use, minimisation of water consumption, treatment, recycling, and protection of water resources.

E3-2

Actions related to water management

Actions to address water resources are aligned with the mitigation hierarchy: avoidance through sealing walls and reduction through efficient water systems, reuse of water, and rebuild / restoration through ecosystem projects.

For more information about actions, please refer to *MDR-A – Actions and resources in relation to material sustainability matters*.

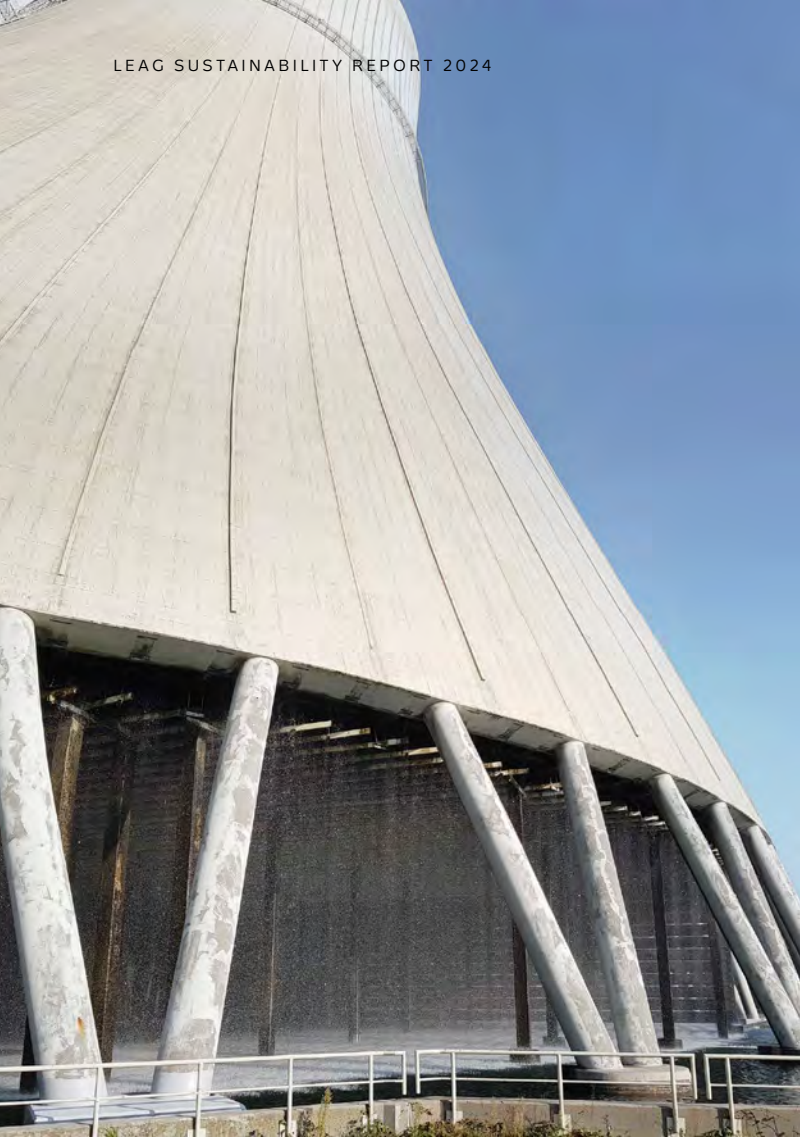
Mining impacts on groundwater

Groundwater withdrawal is inevitable for opencast mining. LE-B minimises its impact on the surrounding landscape by constructing underground sealing walls to shield the mines from groundwater inflow wherever technologically and geologically feasible. Pumped groundwater from the mines is treated in the mine water treatment plants if required. The process includes the removal of iron and adjustment of the pH value.

Most of the groundwater LE-B pumps out is fed back into the local and regional water balance. With the implementation of the **Coal-fired Power Generation Termination Act** and the associated successive closure of the opencast mines, the quantities of groundwater pumped-up and discharged to surface waters within Lusatia will continuously decline over the years. However, for reasons of geotechnical safety, water must continue to be pumped during the period of flooding of the post-mining lakes to prevent uncontrolled slope movements. These can occur if the groundwater resurgence outside the post-mining lake is faster than the water rises in the lake to be flooded. Therefore, some of this water can be further released into the regional water system, used in processes that support water-dependent biotopes or for the flooding of the post-mining lakes.

As mining has been carried out in Lusatia for over a century, it will also take several decades for the region to have a predominantly self-regulating water cycle again. However, LEAG is placing extensive efforts into projects that will support the region's water balance. This includes the planning and preparation of waterbodies in the post-mining landscape, which will later help to restore the pre-mining state of groundwater levels and water catchment areas. An example is the three-lakes concept and the restoration of the Malxe river in the former Jänschwalde opencast mine.

With the Cottbuser Ostsee Lake LEAG's first post-mining lake reached its target water level in December 2024. More than 80 % of the water required to fill the Ostsee Lake is diverted from the River Spree in accordance with the water use permit issued by the state of Brandenburg. The quantity and timing of these diversions are governed by weekly instructions from the Lausitz Flood Control Centre, which are coordinated with the state authorities. These instructions take into account both the water use interests of downstream communities along the Spree and the protection of the river's flora and fauna. Water is therefore only diverted when the Spree carries sufficient flow – typically during the winter months or following periods of heavy rainfall in summer.



Water in the power plant process

Lignite-fired power plants primarily require water mainly for cooling, followed by steam generation and other processes. At the three Lusatian lignite-fired power plants, more than 90 % of this demand can be met – either directly or indirectly – by water sourced from nearby opencast mine dewatering systems. This significantly reduces the overall ecological impact and helps to secure continued electricity production even in dry periods. The water is either taken directly from the mine's dewatering and treatment systems or sourced from rivers into which the treated mine water has been previously discharged. The efficient use of water is a top priority for all LEAG operations.

To conserve water as a resource, modern closed-circuit cooling systems recirculated cooling water 20 to 40 times. This reduces the amount of water used for power plant operations by more than 95 % compared to pass-through cooling systems. A portion of the cooling tower effluent is reused within the power plants, for example for wet cleaning, as extinguishing water, or for flue gas treatment. Any remaining water, such as process effluent or technological wastewater, is treated as necessary and then returned to the regional water system. More than 98 % of the heat of the cooling water is dissipated via the cooling towers. Therefore, the thermal load on the water bodies and the species living there is very limited (e.g., compared to pass-through cooling systems). The lignite-fired power plants can maintain their stable electricity supply even in hot weather periods and have no restrictions on operation due to water warming or water scarcity.

Resources allocated to water-related actions

To mitigate the impact of operations on water resources, funds have been dedicated. For 2024, 9 million € in CapEx and 4 million € in OpEx have been committed to relevant projects. Looking ahead, the 2025 budget includes 15 million € in CapEx and 4 million € in OpEx to continue these efforts.

E3-3

Targets related to water

LEAG has adopted water-related targets to address its material impacts, risks, and opportunities associated with water use. The core objective is to implement sustainable water management as a dedicated field of action within the ESG strategy, linking it to concrete operational targets. This approach is supported by LEAG's water-related policies and ensures the effective management of both water quality and availability.

The focus is on reducing water consumption, increasing the reuse of treated water, and mitigating the impacts of groundwater withdrawal and surface discharge related to mining and energy operations. Specific quantitative targets have been established which are based on regulatory and regional water balance requirements. Responsibility for achieving the targets is embedded in environmental management functions dedicated to responsible water management.

For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets*.

E3-4

Metrics related to water

Water withdrawals

Groundwater is pumped from opencast mines through filter wells. In 2024, about 17 % of the pumped-up water was of such good quality that it could be returned to the local water system without treatment. The remaining pumped water was fed into one of LE-B's six mine water treatment plants. After treatment, another 55 % was returned to the regional and local water system. About 28 % of the pumped groundwater served directly or indirectly (after discharge in surface water bodies) to cover the water requirements of LE-K's lignite-fired power plants in the Lusatian mining district.

Water withdrawal also includes groundwater extraction at the Jänschwalde power plant site to keep the foundations dry. This water is made available directly to the local water balance. The Lippendorf power plant draws its water from the Witznitz reservoir.

Total water withdrawals from all areas	**437**
Surface water	101
Groundwater	336

Figure 20: Water withdrawals in 2024 (in mil m^3)

Overall water withdrawals have remained rather stable when compared to 447 million m^3 withdrawn in 2023. This is mainly because the opencast mines must be kept dry for security reasons even with lower electricity generation and thus less lignite production than in the previous year.

Water consumption

LE-K's lignite-fired power plant operations including both block units at the Lippendorf site required about 101 million m^3 water of which 23 million m^3 were returned to the regional water system after use in the power plant. Depending on the individual power plants, the operating mode and also the weather conditions, 10 – 35 % of the water supplied to the power plants is returned to the water bodies. Water consumption (the proportion which is not returned to regional water bodies after power plant operation) mainly includes evaporation in the cooling towers (cooling water losses). It decreased from 88 million m^3 in 2023 to 78 million m^3 in 2024, mainly due to less electricity production. Water storage is not a material topic.

LEAG's water intensity ratio, which equals total water consumption in its own operations per net revenue, constituted 10,145 m^3 / per million € in 2024.

The data presented are based on internal operational records, with water consumption being directly measured at the plant level. No estimations, models, or sector-specific factors were used in compiling these figures.

E3-3

Water quality

Iron and sulphur containing minerals (pyrite) as natural soil components in Lusatia pose a special challenge which is to be handled in regional water management. Due to the lowering of groundwater for the extraction of lignite, these have decomposed in the soil and are mobilised when the groundwater rerises after mining. The release of iron has its origin in the post-mining areas of the 1990s and earlier, which are managed by the Lausitzer und Mitteldeutsche Bergbau Verwaltungsgesellschaft (LMBV). The retention of iron in LEAG's mine water treatment plants (around 15,000 tonnes in total in 2024) results in dilution in the affected sections of the Spree River. From an iron content of around 3 mg / l, the water takes on the colour brown / ochre. LEAG's mine water is discharged with iron contents of less than 2 mg / l on average.

With the discharge of groundwater from the drainage of the opencast mines, sulphate enters the surface waters, which is formed when sulphur containing minerals (pyrite) in the soil come into contact with atmospheric oxygen. Regarding drinking water, sulphate is an "indicator parameter" according to the **EU Drinking Water Directive (2020)**, which has no impact on public health. LE-B voluntarily agreed years ago to implement measures to reduce the mining-related sulphate input. Compared to 2014, a 24 % reduction has been achieved through operational sulphate management. The aim is to control the discharge quantities and sulphate concentrations in the Spree River in a regional network of responsible authorities and mining companies (LEAG resp. LMBV) in a way that its functions for drinking water production purpose and as a habitat are preserved.

E-4

Biodiversity and ecosystems

LEAG is aware of the direct and indirect impacts its activities have on biodiversity and ecosystems in the area of business operations.

Especially changes of ecosystems and landscapes that can be traced back to mining pose a serious temporary impact on biodiversity. Consequently, it is essential that these impacts are addressed and managed in particular through timely rehabilitation of the affected landscapes (recultivation).

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment (DMA) outlined in the section on material impacts, risks, and opportunities, biodiversity and ecosystems have been identified as a material topic, covering the following sub-topics:

- Land-use change, fresh water-use change
- Direct exploitation
- Species population size
- Land degradation
- Desertification
- Soil sealing
- Environmental degradation caused by deforestation and water use (business-specific topic)

The description of the DMA is provided in *ESRS 2 (pages 33 – 37)*, with additional details included to ensure clarity and comprehensiveness.

LEAG's mining and power plant operations significantly affect land and water resources, altering landscapes and impacting ecosystems. These interventions involve regulatory and reputational risks, such as stricter permitting requirements and stakeholder concerns over compensatory measures. Post-mining land restoration – including soil functions and reforestation – is essential for future uses and demands considerable effort. Climate-related risks including droughts and extreme weather are also considered in long-term planning. LEAG addresses these challenges through scientific monitoring, forward-looking planning, and early engagement with permitting authorities, water networks, and future land users.

To ensure funding for land restoration, LE-B has established legally compliant financial provisions that are audited annually and reviewed by the states of Brandenburg and Saxony. In addition, two precautionary companies were founded jointly with the federal states to create a dedicated rehabilitation fund, offering financial safeguards beyond standard commercial requirements.

To further reduce and mitigate risks for biodiversity and ecosystems, LEAG sees opportunities in investing in renewable energy, cleaner technologies, and sustainable land management to reduce environmental impacts and strengthen long-term resilience. *Further information on water management can be found in the respective chapter (pages 76 – 82).*

E4-1

Transition plan and consideration of biodiversity in strategy and business model

Interference and compensation

Many species require specific environmental conditions. Due to climate change, intensive agriculture, and land use (e.g., land sealing, mining) habitats are claimed or substantially altered. Habitat occupation is a major component of biodiversity impairment, which is needed to be handled carefully. This includes avoidance, mitigation, and substitution measures to address ecosystem loss, degradation and fragmentation of populations, disruption of the reproduction and resting sites as well as the migration of species.

Hence, LEAG is committed to supporting the local ecosystems and biodiversity within its impact area by monitoring and addressing the effects of its activities. Even before active mining takes place, LEAG resettles protected species to suitable habitats nearby. Here, especially animals such as reptiles (e.g., sand lizards), amphibians, and ants are relocated. Additionally, nest and bat boxes are hung up in the vicinity to enable alternative reproduction and resting places. Habitat restoration, corresponding to a pre-mining condition, plays a critical role, too. However, the achievement of this state requires a longer period of time.

Nevertheless, young post-mining areas provide habitats for low competitive species and create a refuge for fauna and flora. These areas are closed to the public[9], are only moderately impacted by technology, and have extreme site conditions for a period of time: They have nutrient-poor soils and are weather exposed. Pioneering plants such as grey hairgrass, dwarf everlast, rare lichen and mosses quickly colonise even the most extreme sites. The first animals to follow are species which prefer the open landscapes and developing habitats therein, typically insects and spiders (e.g., web spiders, grasshoppers, cicadas, butterflies, ground beetles), amphibians and reptiles (e.g., natterjack toads, green toads, sand lizards), as well as birds like skylark, stonechats, and tawny pipits.

9 Mining law regulates when areas can be released from mining supervision and made accessible to the public again. This is predominantly associated with the end of mining supervision.

Nature conservation on post-mining land

Young post-mining areas offer valuable habitats, but they remain in this untouched form only temporarily. According to the lignite plans (Braunkohlenpläne) of the federal states, all post-mining area has to be transferred to cultivated landscape (forests, agriculture, waterbodies). However, nature conservation aspects, such as wet and dry biotopes, ditches, and water points, are also integrated into these main types of land use.

Post-mining land reserved for natural development and species protection includes larger, contiguous areas with biotopes characterised by open structures, vegetation-free soil, and near-to-nature forests, that provide long-term alternatives for a certain range of species. Vegetation must be allowed to develop slowly here. Without human intervention, natural colonisation (succession) can lead to the spread of invasive species. To avoid this development, the targeted vegetation is established with initials on almost all areas.

The so-called stepping stone concept of biotopes supports the settlement of species on post-mining landscapes. It bridges the original breeding grounds or sites on the margins of the opencast mines and the new habitats. First small biotopes are established, which are then interconnected by designed peripheral areas and migration corridors with resting places. These can consist of deposited dead wood, a stone heap, or a band of hedges. Thus, new biotope networks can develop. The post-mining landscape is completed with the establishment of streams and lakes. These landscape elements will once again significantly increase biodiversity, as floodplain species will (re-)settle.

These measures are not only ecological best practices but are also underpinned by long-term legal obligations, including restoration and renaturation requirements. Comprehensive planning and provisions are in place to effectively mitigate the risk of long-term biodiversity and ecosystem loss, ensuring that post-mining landscapes contribute meaningfully to regional ecological resilience.

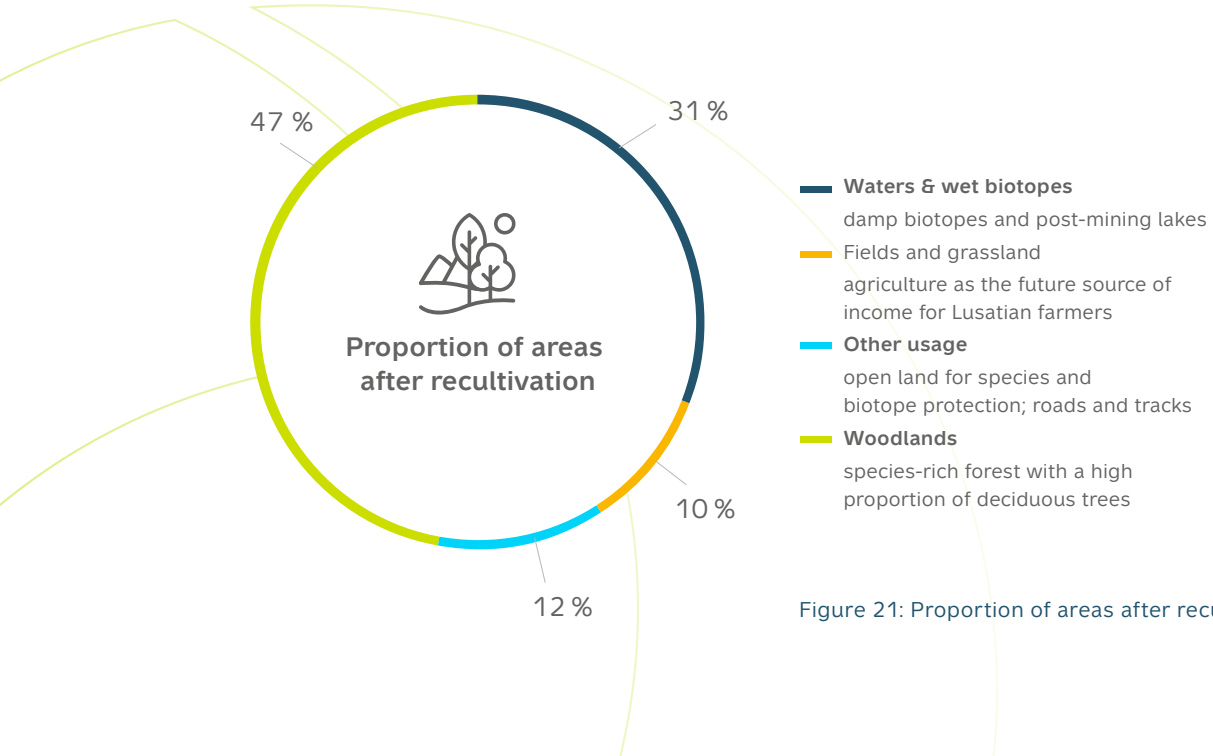


Figure 21: Proportion of areas after recultivation

E4-2

Policies related to biodiversity

The key requirements for biodiversity protection and post-mining landscape restoration are defined in the official **lignite plans** (Braunkohlenpläne) and **operational mine plans** (Betriebspläne), which are established through a legally binding planning process. These plans specify the intended land use for post-mining landscapes and outline all necessary environmental, technical, and land-use measures, including habitat compensation, reforestation, water management, and the development of ecologically valuable areas. As the mining operator, LE-B implements these requirements through approved measures as part of its mine closure and post-mining strategy. The plans also incorporate ecological restoration targets in line with national environmental regulations and EU biodiversity objectives, ensuring that nature restoration is formally planned, monitored, and carried out accordingly.

LEAG has established a **Restoration and Recultivation policy** for land following the completion of mining activities. This policy ensures compliance with legal obligations under the **Federal Mining Act**, as well as forest and nature conservation laws, and also supports the future commercial use of reclaimed land.

While there is currently no standalone biodiversity policy, LEAG plans to develop a strategic positioning on biodiversity in 2025. This will include mining and recultivation as well as the group's growth in the field of renewable energies. In the meantime, biodiversity-related aspects are addressed through several existing frameworks, including LEAG's **Code of Conduct**, its **Environmental Protection Management policy**, work instruction documents, and dedicated soil and water protection measures. These frameworks collectively support efforts to safeguard biodiversity as part of broader environmental stewardship.

E4-3

Actions related to biodiversity

LEAG applies a mitigation hierarchy to manage its impacts on biodiversity:

Avoidance

Giving priority to sensitive habitats to prevent disturbances wherever possible.

Minimisation

Reducing impacts through technological and operational measures.

Restoration / Rehabilitation

Restoring ecosystems following mining activities, including soil rehabilitation and the reintroduction of native species.

Compensation

Enhancing or protecting nearby habitats where impacts cannot be fully mitigated, resettling protected species to suitable habitats nearby.

These actions are embedded in the multi-stage planning, approval, and realisation process for the opening and development of an opencast mine. As the first step, the lignite plan procedure serves to assess the mining project from a regional planning perspective. For this purpose, a lignite plan is drawn up, which is ultimately adopted by the state government. Among other things this process lays down fundamental objectives for the recultivation of the post-mining landscape.

In addition, an operating plan is mandatory for all mine operators in Germany. This plan is only granted approval with proof of a fixed solution of how the land will be reclaimed after mining. This is stipulated by the **German Federal Mining Act** (Bundesberggesetz). It constitutes the most important basis for any kind of mining activity and defines recultivation as the proper structuring of the land claimed by mining under consideration of the public interest. The approval procedures under mining law start with the **General Operating Plan**. Approval procedures for the **Main Operating Plans** (Hauptbetriebspläne) and **Special Operating Plans** (Sonderbetriebspläne) as well as the **Final Operating Plan** (Abschlussbetriebsplan) accompany the entire life span of any opencast mine.

Thus, the recultivation of the landscape is described in more and more detail and increasingly specific. One of the aims of all planning procedures is always to limit interventions in nature and the landscape to an unavoidable level. The consequences of these interventions must be compensated for promptly, effectively, and sustainably. The post-mining landscapes are built up on the basis of precise planning and expert assessment to ensure stability even when groundwater resurgence is complete. Both the compilation of a lignite plan and the approval of operating plans are linked to environmental assessments.

Recultivation takes place simultaneously with opencast mining. While the opencast mine is progressing in the direction of extraction, the new landscape is created in a permanent process in the rear area. The new landscapes offer space and opportunities for forestry and agriculture as well as for nature conservation, recreational areas, and for the conversion of the regions' energy production from fossil to renewable sources. Post-mining land management entails the design of a versatile landscape that is typical for the region, ecologically valuable, and with multifunctional sustainable uses for the future.

Establishing agricultural land

Support for soil genesis processes and the creation of sustainably fertile producing areas are objectives of agricultural land recultivation. For many years now LE-B has been working closely with the Institute for Post-Mining Landscapes (Forschungsinstitut für Bergbaufolgelandschaften FIB, in Finsterwalde) to restore soils for agriculture as well as for forestry and the cultivation of special crops. From the post-mining area, approximately one tenth will be transferred to agricultural usage. LE-B is committed to compensate for land use by mining and for additional expenses as well as to involve agricultural companies in recultivation processes. Farmers are essential in the process of developing land in the post-mining landscape right from the start. They also participate in reforestation. LEAG has also reached initial agreements with farmers to collaborate and jointly use recultivated areas for renewable energies.

Reforestation

Almost half of the mining areas are subsequently afforested. Recultivation offers the unique opportunity to carry out large scale forest conversion that contributes to long-term ecosystem resilience. The objective of forest plantation is to replace pine monocultures and create a mixed forest dominated by pine trees, sessile oaks, and pedunculate oaks, augmented by other trees such as lime and maple. So called pioneer species such as alder, poplar, and birch help establishing a forest. After about 10 years, the forestry authority evaluates the condition of the area and the number and vitality of the trees in order to recognise the forest stand as a secured silvicultural crop. Of the approx. 5,200 hectares that have been afforested to date, around 2,000 hectares have already achieved this status.

Post-mining lakes

The creation and flooding of post-mining lakes are part of any mining activity in Lusatia. After lignite mining, a mass deficit remains in each opencast mine. Depending on the geo- and hydrological preconditions, this results in one or more post-mining lakes planned in the post-mining landscape. In December 2024, the artificial lake of the former Cottbus-Nord opencast mine reached the target water level. The three post-mining lakes of the former Jänschwalde opencast mine are currently in the planning and permitting process. Even during recultivation in still active mines, the issue of water and its return to the landscape plays an important role. This is demonstrated, for example, by the restoration of water catchment areas in the Welzow-Süd opencast mine or the flooding of the Hermannsdorfer See as a nature conservation lake and catchment area for a restored moorland initial in the Nochten opencast mine.

Financial resources allocation

LEAG has allocated significant financial resources to support its biodiversity and ecosystems action plans. For 2024, 0.1 million € in CapEx and 4 million € in OpEx have been committed to relevant projects. Looking ahead, the 2025 budget includes 2 million € in OpEx to continue these efforts. Currently, LEAG does not use biodiversity offsets.

For more information about actions, please refer to *MDR-A – Actions and resources in relation to material sustainability matters.*

E4-4

Targets related to biodiversity

LE-B is committed to restore a versatile post-mining landscapes that reflects regional characteristics, holds ecological value, and enables multifunctional, sustainable future land use – fully aligned with applicable laws and permit requirements. The company has defined clear targets and measures for the effective recultivation of areas affected by mining activities, including the creation of new habitats for flora and fauna. These targets focus on restoring soil fertility, reforesting with mixed woodlands, supporting biodiversity, and ensuring the long-term sustainability of the post-mining environment. Quantitative ESG-related targets for biodiversity and recultivation have been established to support the strategic direction and serve as a basis for internal steering. They follow the mitigation hierarchy, with a strong emphasis on avoidance, minimisation, and rehabilitation. All actions are guided by environmental assessments and scientific methodologies, ensuring that restoration activities meet both legal obligations and LEAG's broader sustainability ambitions.

The group has taken sufficient precautionary measures in accordance with legal requirements, including financial provisions that are audited annually by independent auditors and reviewed by the states of Brandenburg and Saxony. These provisions will remain an integral part of LE-B even in the new organisational structure and after the end of lignite-fired power generation. Additionally, LE-B founded two precautionary companies: Lausitz Energie Vorsorge- und Entwicklungsgesellschaft Brandenburg mbH & Co. KG and Lausitz Energie Vorsorge- und Entwicklungsgesellschaft Sachsen mbH & Co. KG. They are based on precautionary agreements with the Federal States of Brandenburg and Saxony and provide a level of financial security above and beyond the provisions of commercial law by establishing a special fund for LE-B's rehabilitation of post-mining landscapes.

For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets.*

E4-5

Metrics related to biodiversity

Opencast mining progress and recultivation progress are linked with each other. The number of new landscapes and plants depends on which areas are transferred from mining to recultivation in a specific year and which targets have been set for the recultivation of these areas. This automatically causes fluctuations. The forms of use (forestry, agriculture, etc.) are defined in the lignite and operational plans and are therefore part of the mining permits.

Building material of recultivation

Overburden – which refers to the soil and sediment layers that need to be removed before lignite extraction – is the basic building material of the post-mining landscape. It covers the lignite to a depth of up to 120 metres in some of LE-B's mining areas and consists primarily of sand, gravel, and clay. Almost 100 % of the overburden gets reused within the company's recultivation activities. The mining processes in opencast mines are designed to ensure that cultivable soil is deposited as the top layer for recultivation.

Overburden is removed in two main processes, which include:

- pre-cutting performed by excavators, where the upper layers of soil are removed and transported to the already backfilled side of the opencast mine, where they are deposited as the top layer for recultivation.

- exposing the lignite seam with an overburden conveyor bridge that removes the sediment layers, transports them across the pit and dumps them in the area previously mined (the greater proportion of overburden is removed during this process and used for backfilling the pit)

In 2024, there was a significant decrease in land transferred to mining activity of 42 % (from 420 hectares in 2023 to 242 hectares in 2024). This is mainly due to the technological development of the opencast mines in connection with coal demand. Moreover, the transition of the Jänschwalde opencast mine to land restoration means that no new areas are used for lignite mining.

The area of newly recultivated land remained nearly unchanged at 310 hectares compared to 303 hectares in 2023. These post-mining landscapes are further developed and maintained until the final reclamation targets defined in the mining permits are met.

In 2024, about 23 hectares of agricultural land, 230 hectares of forests and 58 hectares of other types of use were created on former mining areas. Since 2020, LE-B has recultivated 1,395 hectares of land, 63 % of which were allocated to reforestation. Between 2020 and 2024, the company planted over 4.2 million trees and shrubs. In 2024 alone, a record of around 1,240,000 units were planted, underscoring the commitment to biodiversity restoration and reducing its environmental impact.

Figure 22: Land transferred to mining activity by LE-B (2020 – 2024)

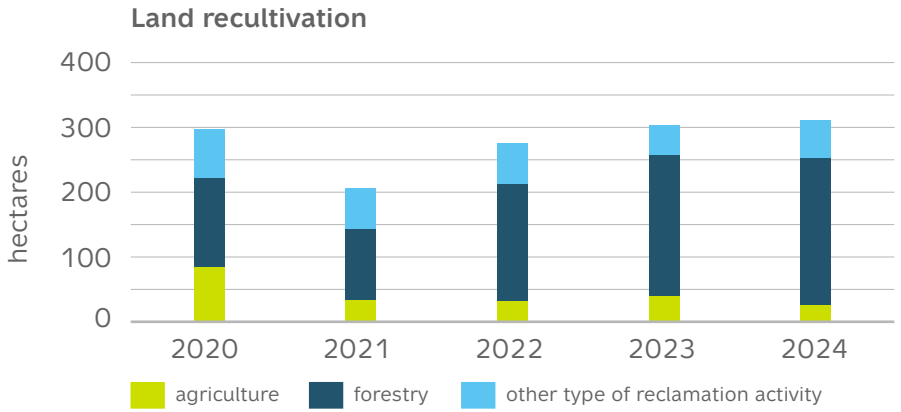


Figure 23: Areas of land recultivation done by LE-B (2020 – 2024)

	2020	2021	2022	2023	2024
Number of trees and shrubs planted	1,100,000	600,000	500,000	800,000	1,240,000

Figure 24: Number of trees and shrubs planted (2020 – 2024)

E5

Resource use and circular economy

LEAG's main operating activities, mining and energy production, both create non-hazardous and hazardous waste, which the group disposes of with a structured approach.

At LE-B and LE-K, waste is generated in different facilities and stages. That includes operations, maintenance, and dismantling measures as well as responsible remediation of contaminated sites before they are used for mining purposes.

In addition to managing its own materials responsibly, LE-K is also a partner to regional waste management companies when it comes to energetic utilisation of waste in its lignite-fired power plants.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment outlined in the section on material impacts, risks, and opportunities, LEAG identified the following sub-topics related to E5 Resource use and circular economy as material:

- Resource inflows and use
- Waste management

Key risks in this area include shortage of raw materials for plant operations (e.g., quicklime for flue gas treatment), maintenance and building projects, which could lead to increased procurement costs and affect operational continuity. At the same time, adopting circular economy and zero-waste principles presents significant opportunities. These include improved resource efficiency and the potential to open new revenue streams through waste recovery and recycling.

The production of hazardous waste poses a financial burden and compliance risks due to strict environmental regulations, elevated disposal fees, and the potential for legal liabilities. Effective waste management and reduction initiatives not only help lower disposal costs and reduce dependence on landfilling but also deliver long-term savings and resilience in light of tightening regulatory frameworks.

LEAG has screened its assets and activities across its own operations and value chain – both upstream and downstream – to identify actual and potential impacts, risks, and opportunities.

Points of contact with municipal stakeholders include, among others, the supply of district heating from combined heat and power (CHP) generation to municipal utilities, as well as the energy recovery of secondary fuels derived from municipal waste in lignite-fired power plants. As part of ongoing stakeholder dialogue, further opportunities for cooperation in line with circular economy principles may also be identified in the future.

E5-1

Policies related to resource use and circular economy

There are entity specific **Circular Economy and Waste Disposal policies** in place that outline the guiding principles for managing waste in a manner that aligns with the **EU Waste Framework Directive** (Directive 2008/98/EC, amendments 2018) and the **German Circular Economy Act** (Kreislaufwirtschaftsgesetz) including the "waste hierarchy" described therein. It emphasises a structured approach to waste prevention and management focusing on five key steps. The policies mandate that waste producers separate waste fractions for collection, e.g., waste wood, old tyres, batteries as well as construction and demolition waste. This approach supports proper collection and facilitates more efficient recycling and reuse.

1

Avoidance
The primary goal is to prevent waste generation through efficient resource use, reduction in unnecessary materials, and innovative practices that minimise waste from the outset. This principle aligns with the goal of reducing environmental impacts and conserving resources.

2

Preparation for reuse
If waste cannot be avoided, the next step is to prepare materials for reuse. This involves repairing, refurbishing, or repurposing to extend their lifespan and reduce the need for new products.

3

Recycling
When reuse is not possible, recycling becomes the next best option. Recycling involves processing waste into new materials, reducing the need for virgin resources and promoting a circular economy.

4

Other use
This step includes energetic utilisation and backfilling. Energetic utilisation involves converting waste into energy through combustion, providing an alternative to landfill disposal. Backfilling uses suitable waste materials to reclaim land or fill voids in mining or construction projects.

5

Disposal
As the last resort, waste that cannot be processed through the previous four steps must be safely eliminated. This involves responsible disposal methods, ensuring that non-recyclable waste is treated to prevent environmental harm.

Building upon these waste-specific principles, waste management forms an integral part of LEAG's broader **Environmental Protection Management policy**. This overarching policy governs waste handling within the group's environmental protection management system. It ensures compliance with all relevant legislation regarding handling, disposal, and reporting requirements.

A dedicated team oversees the implementation of waste-related measures, with a focus on waste avoidance, reuse, recycling, recovery, and safe disposal. Responsibilities for waste management are clearly defined within the organisational structure, with environmental protection officers and site representatives coordinating implementation and oversight.

Employees are required to follow documented procedures and meet legal obligations. Waste-related incidents are promptly reported and addressed under established alarm and reporting protocols. The effectiveness and compliance of waste management practices are regularly assessed through internal and external audits.

These actions reflect LEAG's commitment to precautionary and sustainability principles and are supported by ongoing stakeholder engagement.

E5-2

Actions related to resource use and circular economy

LEAG's materials management is dominated by power plant residues from LE-K's lignite-fired energy production, especially ash, slag, and by-product gypsum. Ash emerges when lignite is burned and is mainly used towards recultivation and the adjustment of terrains or securely disposed in the Jänschwalde II landfill. Gypsum is a result of the flue gas desulphurisation process and mainly sold to the construction industry, where it is used as a building material. This by-product reduces gypsum mining elsewhere and relieves the burden on nature there.

Reuse and recycling take priority over disposal for both hazardous and non-hazardous waste, too. This includes, for example, the reuse of suitable mineral waste as high-quality recycling material, e.g., in the construction of service roads. Hazardous waste is handed over to specialised disposal partners, selected with particular emphasis on prioritising material recovery over final disposal.

Production of secondary raw materials

Within the group of companies, LEAG has existing structures, personnel skills, and synergies which can also be used in order to support regional materials and waste management in line with the circular economy and make it available to third parties. One of LEAG's new business fields is the Secondary Raw Materials Centre (Sekundär-Rohstoff-Zentrum, SRZ) under SERO Lausitz GmbH, which focuses on the recycling of construction waste among other things.

Financial resources allocation

LEAG has allocated significant financial resources to support its resource use and circular economy action plans. For 2024, 8 million € in CapEx and 5 million € in OpEx have been committed to relevant projects. Looking ahead, the budget for 2025 includes 12 million € in CapEx and 3 million € in OpEx to continue these efforts.

For more information about actions, please refer to *MDR-A – Actions and resources in relation to material sustainability matters.*

E5-3

Targets related to resource use and circular economy

LEAG continues to pursue activities to avoid waste, conserve resources, and reduce consumption in line with circular economy principles and improved waste management. Key areas include promoting reuse and recycling of secondary materials – for example, through the establishment of SERO Lausitz as a certified waste disposal company. In addition, LEAG offers surplus equipment online to promote reuse and extend the lifecycle of materials. With this and other initiatives, the group wants to actively take a role in the dynamically growing field of the circular economy and at the same time operate its own material flow management in a sustainable and future-oriented manner.

For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets.*

E5-4, E5-5

Metrics related to resource use and circular economy

In 2024, waste production of LE-B and LE-K increased by 246 % compared to the previous year. This was driven by a 263 % rise in non-hazardous waste, while hazardous waste decreased by 23 %. Ash and gypsum resulting from energy conversion und flue gas treatment are not included in these numbers. These power plant residues are either directly reused, temporarily stored (gypsum), or properly disposed of at an internal landfill (ash).

The quantities of waste are made up of continuously generated waste and project-related measures, which is why volume and composition of waste are always subject to fluctuations, depending on the activities performed within specific years.

The main reasons for the significant increase in 2024 are the remediation of contaminated sites in the open-cast mine aprons and the dismantling of buildings. Additionally, a large amount of waste oil and insulating material had to be disposed of properly as part of maintenance measures at power plants.

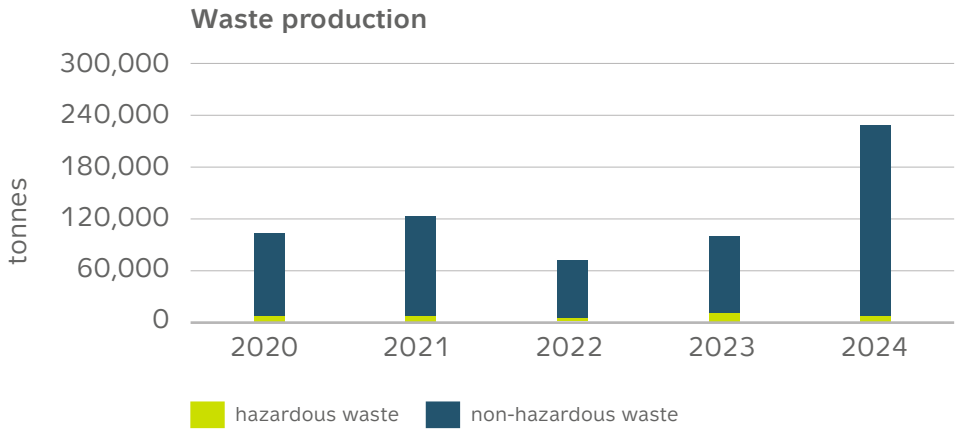


Figure 25: Waste generated from mining and energy production activities of LE-B and LE-K (2020 – 2024)[10]

10 Ash and gypsum are not included in these figures. The majority of the ashes produced is used within LE-B's recultivation activities on post-mining landscapes or securely disposed in the company's own landfill Jänschwalde II. Ash from the Lippendorf power plant is delivered to MIBRAG to support backfilling the border cut of former Peres opencast mine. A smaller proportion of the power plant ashes is also marketed to third parties and used, for example, in the production of cement. Ash from lignite-fired power plants is formally subject to waste legislation as non-hazardous waste. This also applies in the case of utilisation of ashes. Gypsum is a by-product (EU REACH regulation) and not subject to waste legislation.

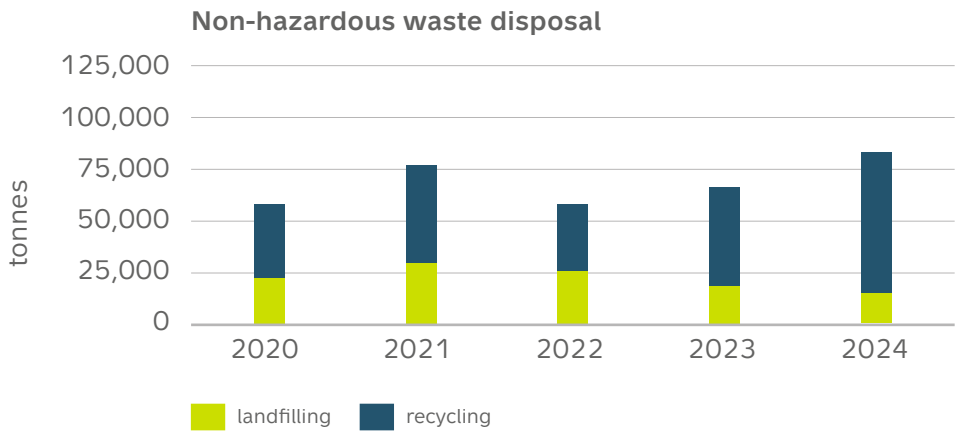


Figure 26: Non-hazardous waste directed to disposal (2020 – 2024)

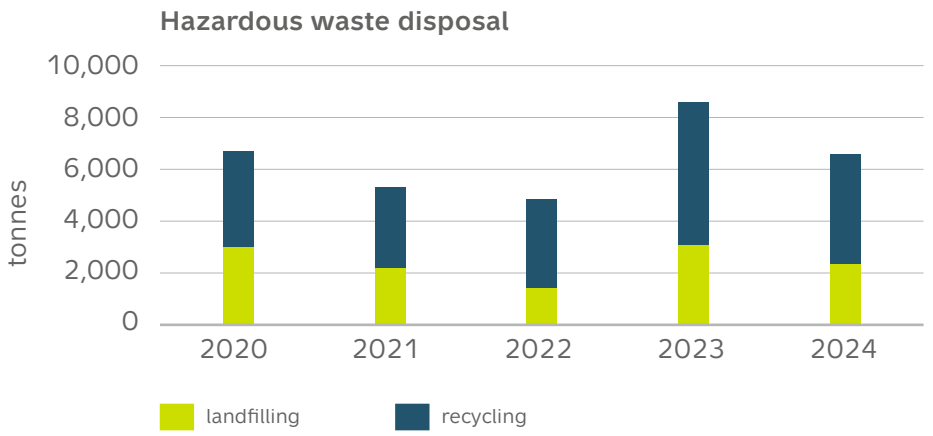


Figure 27: Hazardous waste directed to disposal (2020 – 2024)

Most of this waste, both hazardous and non-hazardous, continues to primarily be recycled. In 2024, recycled materials accounted for more than 93 % of the total non-hazardous waste disposed of.

Waste that cannot be recycled or appropriately disposed of internally is transferred to specialised disposal partners, who managed to recycle 64 % of the hazardous waste.

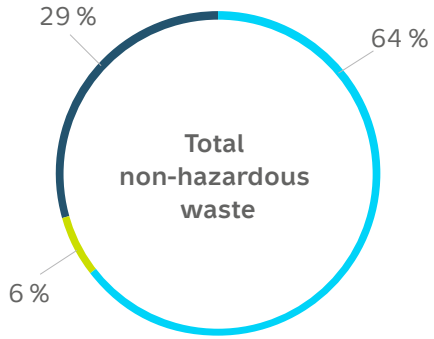
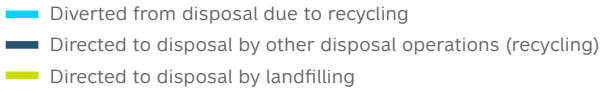


Figure 28: Breakdown of total non-hazardous waste by treatment method in 2024

Figure 29: Breakdown of total hazardous waste by treatment method in 2024



Social

The social section of this Report includes four main topics: **own workforce, workers in the value chain, affected communities** and **consumers and end-users.**

S1

Own workforce

As one of the largest private employers in Eastern Germany, LEAG recognises its responsibility to shape the structural change in the region not only through technological innovation but also by supporting its workforce through the energy transition.

The gradual phase-out of lignite-based power generation marks a fundamental transformation for the group, which is actively shifting its portfolio towards future-oriented energy solutions. In this context, ensuring a socially responsible and forward-looking transformation of the workforce is a key priority. LEAG is committed to providing its employees with long-term prospects, high-quality development opportunities, and a safe and healthy working environment in which they can continue to thrive.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of LEAG's commitment to responsible business practices, a double materiality assessment (DMA) has been performed to explore the social implications, potential risks, and emerging opportunities tied to its operations throughout the portfolio.

Based on LEAG's materiality analysis described in the section on material impacts, risks and opportunities, the following sub-topics related to own workforce are considered material:

- Secure employment
- Working time
- Adequate wages
- Social dialogue
- Freedom of association
- The existence of works councils and the information, consultation and participation rights of workers
- Collective bargaining, including rate of workers covered by collective agreements
- Health and safety
- Gender equality and equal pay for work of equal value
- Training and skills development
- Employment and inclusion of persons with disabilities
- Diversity

The description of the DMA is provided in *ESRS 2 (pages 33 – 37),* with additional details included to ensure clarity and comprehensiveness.

Own workforce comprises of full-time, part-time, and temporary employees who are integral to LEAG's operations. Employees working in the mining and power generation sector are subject to specific health and safety risks. Their well-being is ensured through comprehensive safety protocols, health monitoring, and emergency training, all of which are firmly embedded in the group's policies, operational guidelines, and working instructions. LEAG also supports its employees through tailored development programmes that enhance technical skills, ensure regulatory compliance, and foster career growth, complemented by fair wages and engagement initiatives.

Leased workers, who contribute to operations on-site through a personnel service provider, are required to meet the same safety standards through introductory safety training and strict adherence to protocols. Although they are not included in internal development programmes, they receive targeted guidance to ensure compliance with safety and operational requirements. Workforce management oversees fair labour practices and ensures effective coordination with external providers.

From the perspective of material risks and opportunities linked to LEAG's workforce, effective HR management presents a significant opportunity. Promoting fair treatment, an inclusive working culture, and safe working conditions can support higher employee retention, reduce recruitment and training costs, and enhance overall productivity. Similarly, robust development programmes aim to attract and retain talent, minimising turnover and related disruptions.

S1-1

Policies related to own workforce

LEAG is dedicated to creating a safe and ethical working environment. The group has a complex set of policies in place, addressing various aspects of health and safety protection and related risk assessments. Furthermore, there are regulations in place to carry out LEAG's inclusion efforts as well as employee development and retention.

The **Code of Conduct** defines ethical behaviour and professional standards to mitigate compliance risks and foster a trustworthy working environment. The **Data Protection policy** ensures the confidentiality and integrity of employee information in line with legal requirements, reinforcing trust across the workforce. To ensure lawful and transparent grievance mechanisms, the **Incident Reporting – Whistleblower System and Ombudspersons policy** enables the safe and consequence-free reporting of legal or regulatory violations.

LEAG also strengthens social inclusion and equal treatment through collective agreements. The **General Works Agreement for Defensive Democracy, Tolerance, Equal Treatment, and Partnership** promotes a respectful and discrimination-free work culture, while the **Group Agreement on Inclusion** supports the integration of people with disabilities and fosters diversity within the workforce.

Employee empowerment and protection are further supported through targeted instruction and training measures that promote safety awareness, regulatory knowledge, and operational compliance. The **Accident Prevention Concept** and the **Safety and Health Manual** complement each other by defining preventive measures and concrete health and safety standards, thereby reducing risks and strengthening LEAG's reputation as a responsible employer.

Additional policies include guidelines on first aid, fire protection, and the emergency medical service, as well as clear rules on employment restrictions and prohibitions (e.g., for pregnant women), workplace-specific noise protection, and structured accident reporting procedures. In addition, detailed work instructions for specific machines and processes as well as prevention concepts – some of which are site-specific – ensure operational safety. Corporate security and environmental protection are addressed through dedicated policies, too. These efforts are underpinned by the **implementation of an Occupational Health and Safety Management System** aligned with **DIN ISO 45001:2018.**

Through the implementation of these alongside other policies and measures, LEAG actively manages the material impacts on its workforce, addressing associated risks and seizing opportunities for improvement. Together, they reflect a proactive and preventive approach to workforce management, aligning with LEAG's sustainability commitments and fostering a positive organisational culture. A detailed overview of all relevant policies can be found in the *ESRS 2 MDR-P section* of this Report.

S1-1

Human rights

The group strictly complies with all applicable legal requirements and ensures that its internal policies align with relevant and enforceable legislation.

In 2024, LEAG prepared to implement an updated **Code of Conduct** aligned with the ESRS, covering human rights, fair working conditions, supply chain sustainability – with specific reference to address forced and child labour – as well as diversity and inclusion. The policy is also aligned with relevant internationally recognised instruments, such as the **United Nations (UN) Guiding Principles on Business and Human Rights.** The update was approved by the Management Board and applies to all employees and contractors within LEAG's workforce, regardless of their position or function. It entered into force in February 2025.

The Code outlines LEAG's dedication to ethical behaviour in its dealings with business partners, employees, and all other individuals, organisations, and institutions involved in its operations. LEAG actively promotes these ethical standards wherever it holds authority or influence. Thus, business partners, third-party contractors, and external service providers are required to comply with LEAG's Code of Conduct, too.

In addition, LEAG has published a **Declaration of Principles on Respect for Human Rights,** reaffirming its responsibility to uphold human rights and environmental standards across its entire supply chain. This declaration establishes a framework for risk identification, prevention, and corrective action, including a grievance mechanism accessible to all stakeholders. It also mandates regular effectiveness reviews and public reporting, demonstrating LEAG's commitment to transparency and continuous improvement in human rights due diligence.

S1-2, S1-3

Engaging with own workforce

LEAG fosters a structured and engaging dialogue with its employees through a standardised framework that promotes alignment, inclusion, and individual development.

Key elements include comprehensive onboarding, continuous communication, annual goal setting processes with regular reviews and recalibrations, work-life-balance offers, and individual development planning.

Regular opportunities for personal exchange are firmly embedded in a structured meeting culture. In addition to direct communication through the line organisation, employees can participate in scheduled town hall meetings led by the Management Board, works council assemblies, and other dialogue-oriented formats. These meetings create transparent spaces for updates, feedback, and networking across hierarchies.

Internal communication is coordinated by the **Corporate Communications department** and supported by multiple tools: the intranet serves as a dynamic news platform with frequent updates several times a week, supplemented by info screens and occasion-specific email communication. Informal formats such as joint breakfasts offer further touchpoints between employees and members of the Management Board. Former employees remain connected through a bi-monthly newsletter.

Engagement at LEAG is overseen by the HR departments, with the **Head of Human Resources** holding operational responsibility for ensuring that employee perspectives are captured and considered in strategic decision-making. In addition to the activities already mentioned, HR organises dedicated information sessions and one-on-one interviews to individually discuss perspectives and next steps in the transformation process. In 2024, two "pulse check" surveys provided employees with additional opportunities to share feedback. Furthermore, annual performance and target-setting meetings with direct managers formally complement the ongoing daily dialogue.

While most engagement take place directly with employees, LEAG also maintains an active dialogue with works councils and other representative bodies, especially during collective bargaining and organisational change. Formal consultation processes with employee representatives are conducted regularly, in accordance with national labour laws and works agreement.

To ensure that potential misconduct can be addressed appropriately and without fear, an **Incident Reporting policy** is in place to regulate the reporting of concerns under LEAG's whistleblower system. The policy defines roles and responsibilities of the external ombudspersons and guarantees that violations of laws or regulations can be reported without negative consequences to the whistleblower.

LEAG is currently planning to establish a structured feedback process to evaluate the effectiveness of workforce engagement, including regular employee surveys, feedback metrics from retreats and exchange programmes, and tracking resolution of issues raised through the whistleblower mechanism. In addition, the group is taking steps to ensure that the voices of vulnerable groups – such as people with disabilities and employees from minority backgrounds – are incorporated into internal planning through inclusive dialogue formats and targeted consultation.

For further details on stakeholder engagement, please refer to *SBM-2 – Interests and views of stakeholders.*

S1-5

Targets related to own workforce

One of LEAG's main targets is to remain an attractive employer and to compensate the decrease in position due to coal phase-out.

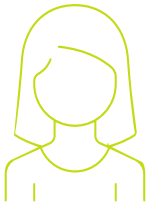
Through corporate transformation, the sustainable restructuring of the energy generation mix, and the development of new business areas, LEAG wants to offer new employment prospects and the opportunity for reorientation within the group. Planning, construction, and operation of renewable energy assets, storage facilities, and highly efficient hydrogen-ready gas-fired power plants, energy marketing as well as newly established business fields (e.g., engineering and industrial services) will continue to require a well-trained work force. The recultivation of the post-mining landscapes has an impact on employment, too. Furthermore, a reliable supply of green electricity is a key locational factor for attracting industry and creating additional employment opportunities.

Supporting its employees during the transformation in a responsible and future-oriented manner is a key responsibility LEAG acknowledges and actively addresses. This includes early and transparent engagement with employees and their representatives to provide clarity and allow informed career planning. Employees are involved through direct dialogue, surveys, information events, and workshops. The aim is to reduce uncertainty by providing timely information on potential scenarios and to enable active decisions regarding their individual career paths. A further priority is identifying and strengthening employee's skills and qualifications to maintain long-term employability and open up new professional perspectives. In fulfilling its local responsibility, LEAG also aims to ensure the future viability of its sites and to support structural development through a skilled workforce.

In December 2023, following the Supervisory Board's strategic decision in favour of a new corporate structure, a **Future Agreement** was signed between the LEAG Management Board, the Works Council, the trade union (IG BCE, Industriegewerkschaft Bergbau, Chemie, Energie) and LEAG owner EPH. It contains a clear commitment to a future-oriented and socially responsible restructuring of the organisation. The aim of the agreement is to offer as many employees as possible prospects in the new business areas as part of the transformation and to utilise and further develop existing skills. In 2024, management and employee representatives concluded framework agreements on the coal phase-out aimed at enabling a socially responsible corporate restructuring of Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG.

The fundamental structures of employee engagement and co-determination will be preserved by adhering to national co-determination regulations. This includes maintaining dialogue with representative bodies such as the works council and ensuring their involvement in strategic matters. Existing employee feedback mechanisms, such as town hall meetings, works council assemblies, and pulse checks, will continue to be used to gauge workforce sentiment.

While specific quantitative targets for topic S1 Own workforce have been established, detailed figures remain confidential due to internal strategic considerations. For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets.*

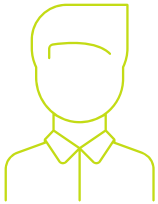


1,187

total females

5,810

total males



S1-4

Actions and metrics related to own workforce

S1-6

Employee characteristics

In 2024, LEAG had a total of 6,997 employees[11] compared to 7,209 employees in 2023, of which 5,810 identify themself as male and 1,187 as female; 89 % of LEAG's employees had a permanent contract (87 % in 2023) and 96 % of them was in a full-time employment (95 % in 2023). Part-time is an option of the working time model, but it is not used to a large extent.

01.01. – 31.12.2024

FTE average	Female	Male	Other	Not disclosed	Total[12]
Number of employees	1,187	5,810	–	–	6,997[13]
Number of permanent employees	1,074	5,167	–	–	6,241
Number of temporary employees	108	648	–	–	756
Number of full-time employees	1,059	5,640	–	–	6,699
Number of part-time employees	123	174	–	–	298
Number of managerial positions	10	73	–	–	83
Number of non-managerial positions	1,176	5,737	–	–	6,914

Figure 30: Employee characteristics 01.01. – 31.12.2024

11 Values represented as average number of fulltime equivalent (FTE) employees.

12 Decimal values have been rounded.

13 Employee figures refer to the Annual Report 2024. In deviation from the reporting date of 31.12.2024 used in the financial statements, the employee figures in this Report are disclosed as the annual average number of full-time equivalents (FTE).

S1-7

Non-employee characteristics

The total number of non-employees within LEAG's workforce and those provided by entities primarily engaged in employment activities is 99 (116 non-employees in 2023). This figure represents a comprehensive count of all individuals who contribute to LEAG's operations without being directly employed.

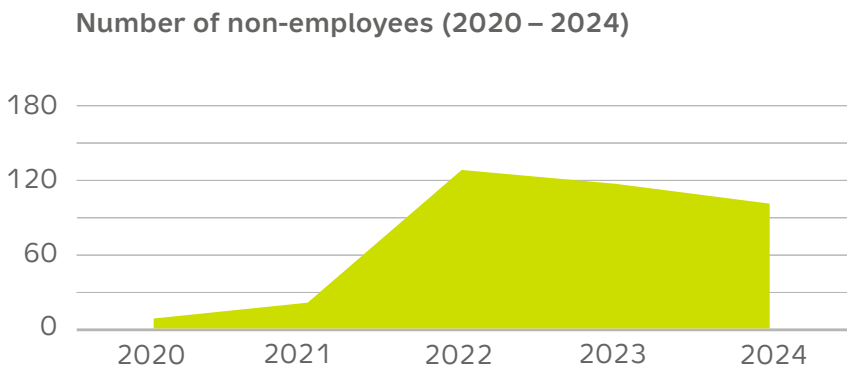


Figure 31: Number of non-employees (2020 – 2024)[14]

14 Values represented as FTE averages.

S1-9, S1-12

Diversity and inclusion of workers with disability

LEAG applies the principles of equality, diversity, and non-discrimination across all work-related activities through its Code of Conduct.

While the Code reflects elements of international frameworks such as ILO Convention No. 111, it is primarily based on German legislation, which incorporates these standards. LEAG values diverse backgrounds and perspectives and actively seeks to attract and retain people who bring different skills and experiences to its team.

3.3 %

of LEAG's employees work with a disability (3.4 % in 2023), calculated on a full-time equivalent average basis across all companies within LEAG[15]

15 A disability is recognised as a severe disability or as an equivalent status in accordance with the provisions of the German Social Code Book IX (Sozialgesetzbuch Neuntes Buch – SGB IX), which defines a severe disability as a certified degree of disability (Grad der Behinderung, GdB) of at least 50 percent.

The energy sector has historically faced challenges in attracting female talent, and the resulting gender imbalance remains a reality. To address this, LEAG has established a female network as well as a self-commitment initiative for women in management positions. Continued monitoring underscores the importance of diversity and long-term professional development within the group.

LEAG supports the equal participation of employees with severe disabilities by systematically considering their needs in personnel planning, workplace design, work environment, and organisational processes. Furthermore, a group-wide works agreement on inclusion sets binding standards for workplace accessibility and governs the election process for employee representatives with disabilities. This agreement applies to Lausitz Energie Verwaltungs GmbH as well as Lausitz Energie Kraftwerke AG and Lausitz Energie Bergbau AG with its wholly-owned subsidiaries TSS and GMB.

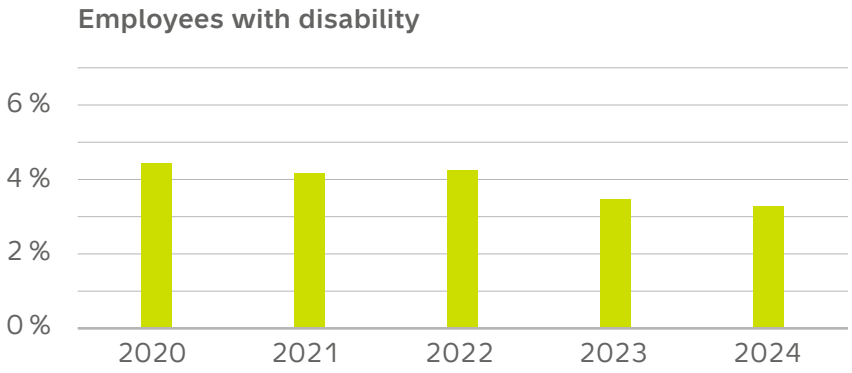


Figure 32: Share of employees with disabilities on own workforce (2020 – 2024)

LEAG is also committed to supporting apprentices with severe disabilities in their professional journey. Upon successful completion of vocational training – and given suitable personal and professional qualifications as well as operational capacity – they are offered a permanent position. Where a permanent role is not immediately available, LEAG provides at least a one-year fixed-term contract to ease their transition into subsequent employment.

S1-13

Training and skill-development

LEAG regularly conducts mandatory trainings for its employees in the areas of IT security, data protection, and compliance. This is generally done by means of a corresponding e-learning tool, but also via personal instruction for employees who do not have a PC workstation.

The content, training participants and training cycle are determined according to the department and work tasks, which are further defined in the respective organisational guidelines. Managers and employees who have professional contact with competitors or are involved in procurement processes, for example, are trained on compliance topics at least once every three years in staggered waves. The same frequency applies for data protection. IT security trainings are conducted annually for all employees with a workstation account.

In 2024, almost every LEAG employee participated in regular performance and career development reviews, with a breakdown of 83 % male and 17 % female participants. In addition, over 203,800 hours of training were completed as part of ongoing employee development, with male employees averaging 30.7 hours and female employees averaging 21.3 hours.

As part of LEAG's commitment to sustainable corporate development, strong emphasis is placed on the continuous training of employees – particularly with regard to the challenges and opportunities of the energy transition. Participation in the **QLEE Lausitz Qualification Network for Renewable Energies** plays a key role in this.

Initiated in 2022 by LEAG in cooperation with the Institute for Industrial Training Research (IBBF) and the Renewable Energy Federation (BEE), the QLEE network offers an innovative training platform specifically tailored to the needs of the Lusatian region in transformation. Through practical training, modular qualification offerings, and close networking with educational institutions and companies in the region, QLEE fosters the development of future-relevant skills among employees, for example, in the areas of photovoltaics, wind energy, energy storage, and digitalisation. This not only strengthens the individual development of LEAG's employees but also secures the long-term competitiveness in a dynamic industry.

A further advantage lies in the QLEE network's partnership structure: Cooperation with other companies and regional educational institutions promotes the exchange of knowledge, experiences, and best practices. This creates synergies that benefit all participants – particularly with regard to the development of standardised qualification paths, joint innovation initiatives, and increased regional resilience.

Participation in the QLEE network underscores a clear commitment to a socially responsible transformation of the world of work that actively shapes both the group's own workforce and the region. In addition, LEAG is committed to further measures to expand employees' skills and ensure the long-term retention of skilled workers. A key component of this is in-house training, with the goal of promoting young talent at an early stage and offering them practical development opportunities. This is complemented by a structured trainee programme that provides university graduates with a systematic entry into the organisation and specifically prepares them for future specialist and management roles.

LEAG promotes early career orientation and enthusiasm for technical and sustainable professions also through its 'Zukunftstag' (Future Day) initiative. Targeted at school students, the programme provides first-hand insights into LEAG's commercial and technical divisions via trial days and internships. The aim is to spark interest, identify talent early on, and highlight realistic career opportunities within the group. Furthermore, LEAG is already taking steps to strengthen skilled labour development through educational partnerships with Deutsche Bahn AG, BASF, and scientific institutions to support apprenticeships. A dedicated training partnership with Deutsche Bahn also prepares future train drivers for operations on the public rail network.

Through these measures, LEAG creates a holistic skills environment – from early career orientation to targeted training and trainee programmes to continuous professional development – and thus makes an active contribution to the qualification of tomorrow's specialists.

Being employed at LEAG means:

Qualifications, further training, and seminars

... in the group's qualification centre

37-hour week and 30 days' holiday

... plus up to five days off per year (e.g., for birth or marriage), flexible working hours and working time account, possibility of working remotely

Special and additional payments,

... performance bonuses, company pension scheme

In-house canteens,

... a company doctor, company sports and health care programmes

Employee discounts,

... job bike, free personal protective workwear

Individual development plans,

... personnel development interviews, ideas management

Employee retention

As one of the largest private-sector employers in eastern Germany, LEAG is committed to continually providing its employees with high-quality development opportunities, as well as a safe and healthy environment in which they can thrive professionally.

LEAG understands the importance of securing the next generation of professionals. The group's workforce not only consist of industry experts but also of young talents in training. By the end of 2024, LEAG trained 314 young people, making it one of the leading vocational training companies in the region.

Maintaining high training standards – including through cooperation with partner companies – helps secure the future availability of skilled workers both within LEAG and across the region.

The transition from previous business to renewables means a profound change for LEAG. Traditional job profiles are changing, too. New types of qualifications and skills, for example in the maintenance of wind and PV parks, will be increasingly sought. The proportions of mining/industrial and service-oriented business areas will change just as significantly as the social structure of LEAG's workforce. While LEAG adapts to the modern work environments of its new hires, it also places great emphasis on including all employees in the ongoing transition process.

Resources allocated to action plan

Promoting fair treatment, an inclusive culture, and better working conditions supports higher employee retention, reduces recruitment and training costs, and boosts overall productivity. To drive these improvements, 3.3 million € in CapEx and 0.2 million € in OpEx was used on relevant projects in 2024. For 2025, 1.7 million € in CapEx and 0.2 million € in OpEx have been allocated to continue these efforts.

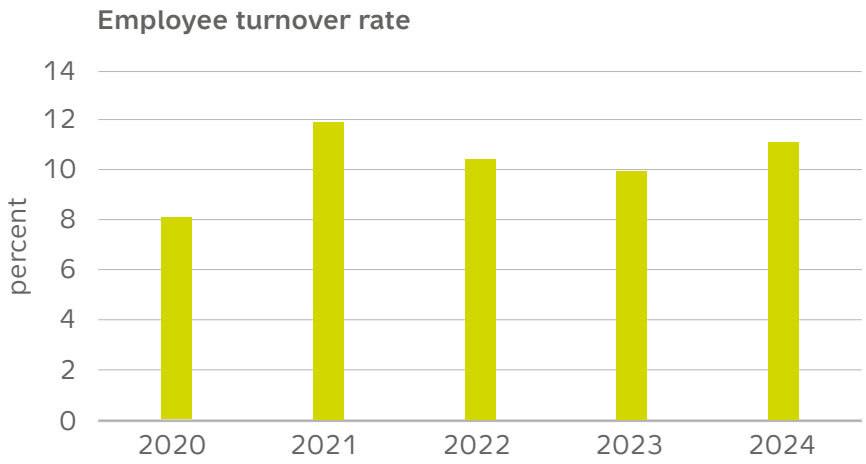
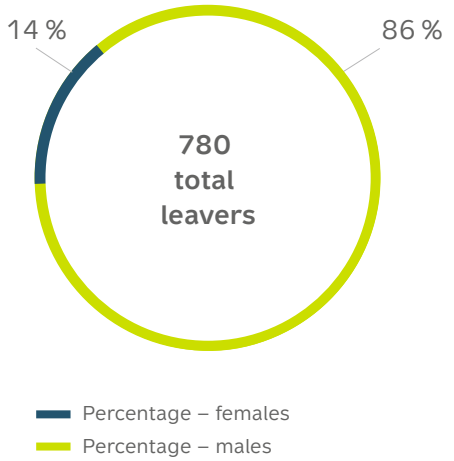


Figure 33: Employee turnover rate (2020 – 2024)

The large proportion of leavers over 50 can be explained by the age structure of LEAG: 97 % of the leavers in the age segment over 50 years are leavers due to retirement. Considering all age groups over 50 % of leavers are explained by retirement.



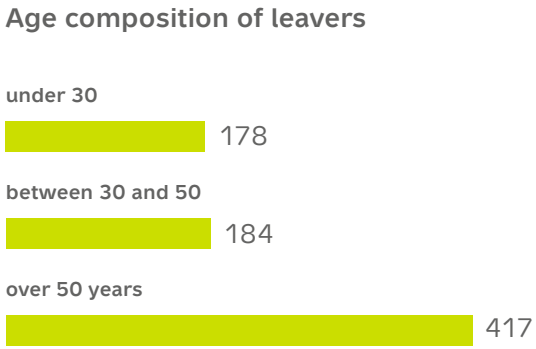
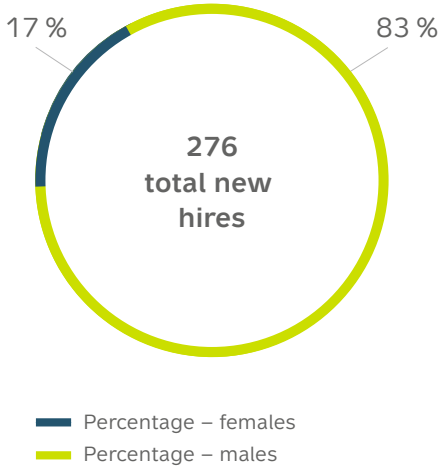


Figure 34: Number of leavers and age distribution in 2024



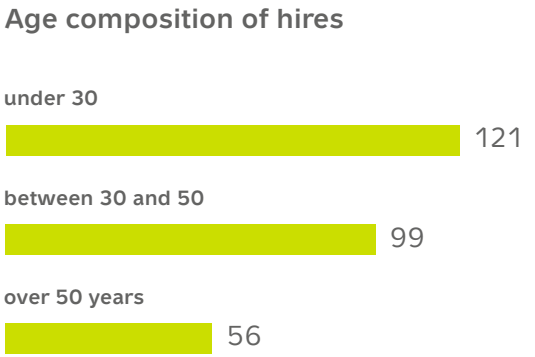


Figure 35: Number of new hires and age distribution in 2024

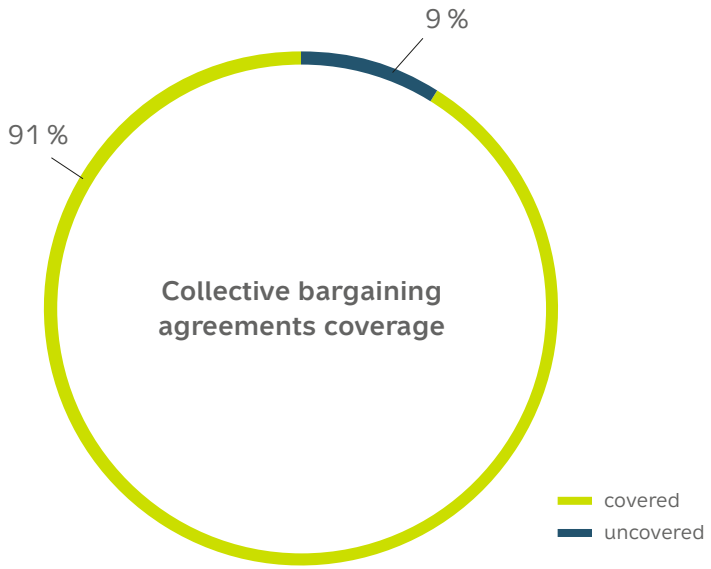


Figure 36: Employees covered by collective bargaining agreements in 2024

S1-11, S1-8

Social protection and collective bargaining agreements

All employees in LEAG's own workforce are covered by legally mandated social protection against loss of income due to:

- Sickness
- Unemployment[16]
- Employment injury and acquired disability
- Parental leave
- Retirement

LEAG follows the requirements of German labour law, including the right to freedom of association as set out in Article 9 of the **German Basic Law** (Grundgesetz). Compliance with further relevant legislation is ensured, including the **Works Constitution Act** (Betriebsverfassungsgesetz), the **Collective Bargaining Act** (Tarifvertragsgesetz), co-determination laws, the **Dismissal Protection Act** (Kündigungsschutzgesetz), and the **Maternity Protection Act** (Mutterschutzgesetz).

16 This refers to social protection coverage provided during employment, which ensures eligibility for benefits in the event of future job loss (public unemployment insurance programme).

S1-14

Health and safety

In 2023, an external audit confirmed LEAG's compliance with DIN ISO 45001 for Occupational Health and Safety Management, valid until 2026 as part of a three-year recertification cycle.

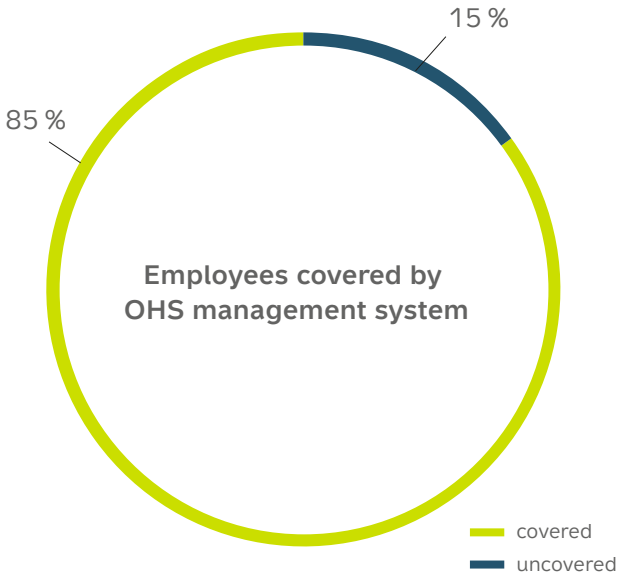


Figure 37: Employees covered by OHS management system in 2024

In May 2023, the **implementation policy** for the **OHS management system** in accordance with **DIN ISO 45001:2018** came into force. The standard outlines all relevant processes, including workplace inspections, risk assessments, and the evaluation of accidents and work incapacity rates. Internal and external audits, along with annual management reviews, support continuous improvement and ensure adequate resources for ongoing safety measures.

LEAG also introduced **HSE software EPLAS** to optimise its processes in terms of efficiency, quality assurance, transparency, and legal compliance. Initially focusing on instructions and accident management, it is planned to expand the software's use to additional functions and modules.

In 2024, LEAG continued its commitment to employee health through practical support that includes fitness courses such as yoga and general exercise, stress management strategies, nutrition advice, and ergonomic support tailored for mobile work. Employees also have access to individual consultations on topics such as back health, sleep, and different types of stress.

Preventive check-ups, vaccinations, and doctor consultations remain key elements of the health programme. In addition, social counselling is available to support employees with personal, work-related, or health concerns. As part of its hands-on approach, LEAG also organises on-site events under the Boxenstopp-Kampagne (Pit Stop Campaign), offering dedicated health days directly at the workplace.

Safety on site includes measures like:

Special training for employees

... in opencast mines and power plants, focusing on specific technical equipment and work areas, for example large-scale opencast mining equipment, boiler technology in power plants, flue gas desulphurisation equipment, coaling equipment, etc.

Special training for certain work requirements,

... for example, training for height worker, switching authorisation for electrical equipment, job safety in dangerous goods' transportation

Special emergency units

Units dedicated to OHS

14

registered injuries (16 injuries in 2023)

0

fatal injuries within LEAG operations (0 fatalities in 2023)

32

cases of recordable work-related ill health (58 cases in 2023)[17]

859

days lost to work-related injuries and work-related ill health (664 days in 2023)

Resources allocated to health and safety actions

To mitigate the impact of operations on health and safety of own employees, funds have been dedicated. For 2024 the actual financial resource that was used on relevant projects was 1.9 million € in CapEx. Looking ahead, the 2025 budget includes 2.6 million € in CapEx to continue these efforts.

17 Number of inquiries from the employers' liability insurance association on reports of suspected occupational diseases (processing in accordance with §§191, 192 Sozialgesetzbuch, SGB VII).

Registered injuries (2020 – 2024)

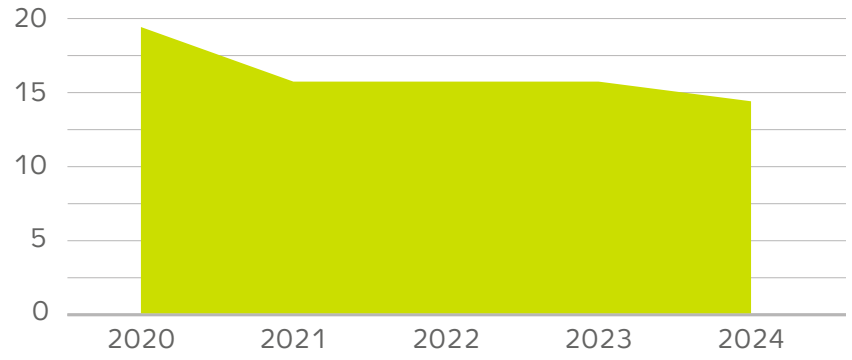


Figure 38: Registered injuries (2020 – 2024)

Number of cases of recordable work-related ill health (2020 – 2024)

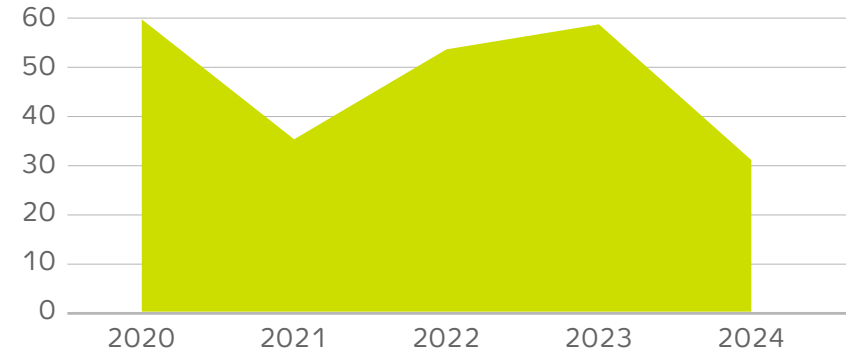


Figure 39: Number of cases of work-related ill health (2020 – 2024)

For more information about actions and metrics, please refer to *MDR-A – Actions and resources in relation to material sustainability matters* and *MDR-M – Metrics in relation to material sustainability matters*.

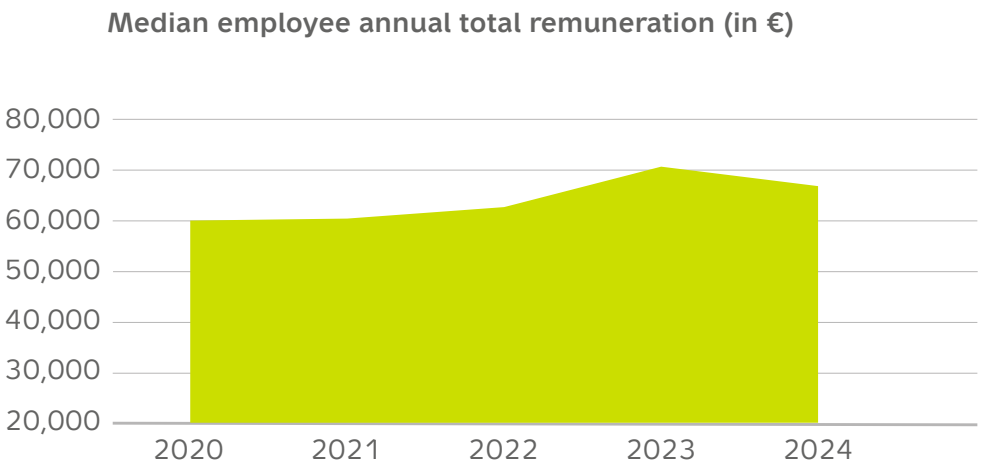


Figure 40: Median employee annual total remuneration (2020 – 2024)

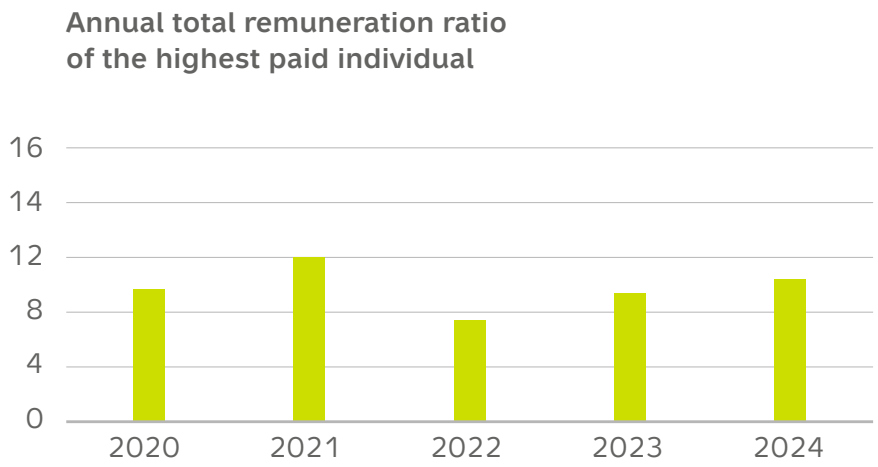


Figure 41: Annual total remuneration ratio for the highest paid individual (2020 – 2024)[18]

S1-16, S1-10

Remuneration metrics and adequate wages

Remuneration at LEAG is based on fair, transparent, and objective criteria. Compensation, benefits, and opportunities for advancement are determined by factors such as performance, qualifications, and scope of responsibilities.

In accordance with the principles outlined in the **Code of Conduct,** the group ensures that all employees are treated fairly and with respect, and that pay-related decisions support equal participation and non-discriminatory practices.

For the majority of employees, remuneration at LEAG is covered by collective agreements, including regulations on salary levels, bonuses, working hours, vacation entitlements, and retirement benefits. They contribute to pay equity by ensuring that equal work is remunerated equally.

In 2024, the average remuneration for female employees at LEAG exceeded that of male employees by 1 %, with a gender pay ratio of 101 %, highlighting a balanced internal income distribution. This figure supports LEAG's commitment to equal pay and fair compensation practices across LEAG's operations. Remuneration figures include fixed salary, bonuses, and other cash benefits. The gender pay ratio was calculated based on the average annual total remuneration of female and male employees across all business units.

In 2024, the highest-paid individual's total annual remuneration was approximately 10.4 times the median annual remuneration of all other employees.

18 The annual total remuneration ratio was calculated by dividing the annual total remuneration of LEAG's highest paid individual by the median employee annual total remuneration (excluding the highest paid individual).

S1-17

Incidents and complaints

LEAG's Code of Conduct reflects the commitment to fair, transparent, and non-discriminatory practices across all areas of employment, including remuneration.

All employees are entitled to fair and equal treatment that reflect their performance, qualifications, and responsibilities – regardless of gender, religion, sexual orientation, political opinions, disability, or any other legally protected characteristic.

Any issues – whether concerning pay or behaviour – should be reported to a supervisor or designated contact. Reports are handled confidentially and dealt with promptly, ensuring a fair and respectful workplace.

In the reporting period, no severe human rights incidents such as forced labour, human trafficking, or child labour were identified in LEAG's operations or workforce. Consequently, no fines, penalties, or compensation payments related to such incidents were recorded.

The data has been compiled from LEAG's internal reporting systems, including the HR case management tool and grievance mechanism database. No complaints were submitted through the National Contact Points for the OECD Guidelines during the reporting period.

S2

Workers in the value chain

LEAG recognises its responsibility to respect the rights of workers throughout its value chain. Appropriate due diligence processes are applied to assess risks related to labour standards and fair working conditions among suppliers and service providers. These efforts form part of LEAG's broader approach to ethical conduct across all stages of the value chain.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment (DMA) outlined in the section on material impacts, risks, and opportunities, LEAG identified the following sub-topics related to S2 Workers in the value chain as material:

- Secure employment
- Adequate wages
- Health and safety
- Child labour
- Forced labour

The description of the DMA is provided in *ESRS 2 (pages 33 – 37)*, with additional details included to ensure clarity and comprehensiveness.

LEAG's value chain includes various external workers who support its core operations, particularly in the upstream activities of lignite extraction and maintenance of opencast mines, as well as downstream activities such as power plant upkeep and logistics. These value chain workers are subject to the same or comparable health and safety risks as own employees. LEAG maintains a set of policies, guidelines, and operational instructions to safeguard well-being and uphold ethical and safe working conditions for all workers.

S2-1

Policies related to workers in the value chain

In line with commitment to transparency and ethical conduct within the value chain, LEAG recognises the necessity of robust policy frameworks that protect and uphold the rights of all workers.

This approach is embedded in several existing policies, from the **Code of Conduct** to specific contractual agreements with external service providers. The **Service Partner Management policy** is a central pillar of LEAG's approach to managing relationships with service partners. The policy addresses key aspects of workers' rights and occupational safety. It encompasses the commitment to ethical practices, respect for human rights, and the prevention of forced and child labour within the supply chain.

To identify, prevent and minimise risks of human rights violation, LEAG has also implemented the **Supply Chain Due Diligence Act** (Lieferkettensorgfaltspflichtengesetz) which regulates requirements for responsible management of supply chains and the due diligence obligations of companies.

Preventing injuries, occupational illnesses, and environmental harm is regarded as a fundamental responsibility within LEAG. This commitment is also required of LEAG's contractors, who are supported with transparent information and training to ensure compliance. Everyone who is entering the operation areas of LEAG is obliged to comply with the **General Conditions for Occupational Safety, Health and Environmental Protection.** To ensure this approach LEAG has added a clause to its occupational health and safety pre-qualification form to the supplier related documentation. Before starting to work at LEAG sites, every new supplier must complete an online course

on LEAG's **Occupational Health and Safety Regulations.** This service partner training must be repeated every 12 months. External companies are also covered in specific policies, such as those on personal protective equipment and functional clothing, ensuring consistent safety and compliance standards.

Responsibilities for external company management are included in functional descriptions at each power plant. LEAG also provides work instructions on general and installation-specific behaviour, which must be communicated during the mandatory instruction process before work begins on construction sites. Additional guidance is set out in the **framework regulation for external companies issued by GMB subsidiary.**

LEAG's policies are based on German labour laws, which are themselves grounded in international agreements. While LEAG does not proactively align its internal policies with international frameworks, the **UN Guiding Principles on Business and Human Rights** are included as binding requirements in contractual documents with suppliers.

A grievance mechanism for workers in the value chain is in place. LEAG is currently working to strengthen its monitoring processes, including regular audits and supplier self-assessments, to ensure compliance. During the reporting period, no cases of non-compliance with international human rights standards involving value chain workers have been identified.

For policies pertaining to human rights, please refer to the chapter on *Human rights.* A detailed overview of all relevant policies can be found in the *ESRS 2 MDR-P section* of this Report.

S2-2, S2-3

Engaging with workers in the value chain

Engagement with workers in the value chain is approached from two perspectives.

During the procurement phase, LEAG defines key expectations, including compliance with legal and procedural requirements, relevant certifications, performance outcomes, pricing, communication protocols, and appropriate conduct on LEAG sites.

The implementation of these expectations depends on the specific workplace. In power plants, for example, **Technical Service** is typically responsible, while in mining operations, this role is usually carried out by the **Mining Operations department**, acting as the on-site representative. Provided that suppliers meet the defined standards, LEAG does not intervene in their internal business practices, such as diversity policies, remuneration structures, or internal communication.

Contractors and third-party workers play a key role in supporting operations and are required to meet the same safety standards through introductory safety training and strict adherence to protocols. Although they are not included in internal training programmes, they receive targeted guidance to ensure compliance with safety and operational requirements. Workforce management oversees fair labour practices and ensures effective coordination with external providers.

LEAG is not currently party to any Global Framework Agreements with union federations. However, where suppliers are unionized, collective bargaining outcomes are respected, and alignment with these agreements is encouraged.

External service partners acting on behalf of Lausitz Energie Bergbau AG, Lausitz Energie Kraftwerke AG, and their subsidiaries are enabled to report violations through various channels, including anonymous external reporting via an ombudsperson, under the **Incident Reporting policy**.

Relevant information is also available on the LEAG website in the section for partner companies.[19] There, LEAG outlines its commitment to the principles and foundational values of the **UN Global Compact,** provides whistleblower contact details, and describes its main objectives in collaboration with service partners and suppliers.

For further details on stakeholder engagement, please refer to *SBM-2 – Interests and views of stakeholders*.

19 LEAG's suppliers information page: https://www.leag.de/en/company/suppliers (04.06.2025).

S2-5

Targets related to workers in the value chain

Fair working conditions and a high level of protection for all workers, both internal and external, are key principles at LEAG.

LEAG is committed to ensuring safe and fair working conditions for everyone involved in its operations, including external contractors and business partners. This includes setting clear targets for reducing work-related accidents and a culture of prevention through:

- Regular safety training
- Routine safety inspections
- Ongoing improvement of occupational health measures

Safety standards are being systematically extended beyond the direct workforce with requirements for comprehensive onboarding procedures, safety briefings, transparent incident reporting, and accessible complaint mechanisms. In parallel, LEAG promotes workplace health by identifying and mitigating both physical and mental health risks.

These efforts are underpinned by clearly defined responsibilities and communication structures, helping to uphold human rights, equal treatment, and the well-being of all workers throughout the organisation and its value chain.

For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets.*

S2-4

Actions related to workers in the value chain

To ensure effective and transparent cooperation, clear responsibility and communication structures are necessary. This includes the specific designation of representatives and tasks.

To ensure that all external workers have access to safe working conditions, they are instructed on hazards and safety regulations and on how to handle the work areas and facilities for which they are responsible. LEAG has defined rules of conduct for workers in the supply chain, complemented by specific work instructions that provide detailed guidance on the operation of systems and transport equipment.

Discrimination of any kind is strictly prohibited and respect for human rights is a top priority. Clear mechanisms for reporting conflicts of interest and complaints are maintained and made known to external workers. This includes the opportunity for workers to raise concerns anonymously and without fear of reprisals.

For more information about actions, please refer to *MDR-A – Actions and resources in relation to material sustainability matters.*

S3

Affected communities

LEAG's operations, particularly in the context of mining and energy production, have a direct and indirect impact on surrounding communities. There is the commitment to maintaining transparent dialogue, mitigating adverse effects, and identifying opportunities for regional development. Engagement with affected communities forms an integral part of LEAG's responsibility to ensure social acceptance and long-term sustainability.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment (DMA) outlined in the section on material impacts, risks, and opportunities, LEAG identified the following sub-topics related to S3 Affected communities as material:

- Land-related impacts
- Water and sanitation
- Security-related impacts

The description of the DMA is provided in *ESRS 2 (pages 33 – 37),* with additional details included to ensure clarity and comprehensiveness.

The identified material impacts are particularly relevant in the context of LEAG's operations in Lusatia, a region historically shaped by energy production. While this legacy has contributed to economic development and regional value creation, it has also brought environmental changes and challenges to settlement patterns.

Particularly in the lignite mining segment, large areas of land are currently in use for opencast mining activities. Intensive land use without sufficient consideration of local community needs or existing ecosystems can lead to negative impacts such as biodiversity loss and regulatory consequences. To mitigate these risks, LEAG's mining division supports water dependent ecosystems and conducts comprehensive recultivation, the requirements for which are already integrated into the official mining approval procedures. Land use is limited to what is strictly necessary, and restoration begins as early as possible after lignite extraction including the creation of new water bodies in the post-mining landscape. The objective is to establish a diverse landscape typical of Lusatia that also supports biodiversity.

Further information regarding land and water-related impacts is provided in the Environmental section of the Report.

Maintaining trust-based relationships with local stakeholders is essential for a reliable energy supply and long-term sustainability. Given the significant impacts of the energy industry on surrounding communities and landscapes, compliance with all applicable laws and obligations is a matter of course.

Continuous, transparent dialogue with neighbouring communities plays a key role in ensuring operational continuity and mitigating risks – whether reputational, social, or related to the withdrawal of local support due to unaddressed concerns.

Diverging interests between LEAG and parts of the local population are inevitable. To foster long-term acceptance, a responsible approach is pursued that includes trust-building communication, providing compensation for unavoidable impacts, and supporting initiatives that strengthen the region's attractiveness and quality of life.

S3-1

Policies related to affected communities

LEAG's approach to affected communities is guided by legal obligations, permit requirements, and internal policies that ensure transparent and structured engagement. LEAG's policies regarding affected communities apply to all local populations within its operational areas, with particular emphasis on those impacted by lignite extraction and energy infrastructure.

To structure its commitment to supporting social life in the region, LEAG has established a policy on **Financial Contributions** which governs donations, sponsorships, and financial support for municipalities. It provides a clear framework for how financial support is intended to help compensate for the impacts of LEAG's business activities on local communities. This policy defines the roles, processes, and controls for managing financial contributions within Lausitz Energie Bergbau AG, Lausitz Energie Kraftwerke AG, and their subsidiaries, ensuring accountability, transparency, and compliance – particularly regarding funding provided to municipalities impacted by mining and renewable energy activities.

Stakeholder participation is embedded in formal planning and approval procedures, including BImSchG approval procedures and building permits, as well as participation formats such as the **Lignite Committees** (Braunkohlenausschüsse), and is supported by designated site and topic-specific representatives. Resettlements follow a transparent process based on a **Social Requirements Catalogue** (Soziales Anforderungsprofil) and **resettlement contracts** with municipalities, ensuring legal security and social responsibility.

With procedures in place to detect and address potential issues, LEAG currently reports no cases of non-respect for international human rights frameworks involving affected communities. While current operations do not impact indigenous people, LEAG's commitment to their rights is embedded in its broader human rights approach.

For policies pertaining to human rights, please refer to the chapter on *Human rights*. A detailed overview of all relevant policies can be found in the *ESRS 2 MDR-P section* of this Report.

S3-2, S3-3

Engaging with affected communities

Engagement with communities helps LEAG to understand local concerns, provides valuable insights into stakeholders needs and gives new perspectives. This involvement helps addressing community needs proactively. LEAG cooperates with communities for various topics on a regular and individual communication frequency.

Cooperation with stakeholders in mining areas

LEAG understands that mining has a significant impact on the neighbouring communities, people's daily lives and the landscapes that surround them. The key impacts that LEAG manages are:

- Emissions of dust *(see page 74)*
- Groundwater lowering *(see pages 76 – 82)*
- Use of natural environment *(see pages 83 – 92)*
- Resettlements *(see page 131)*

It goes without saying that LEAG must comply with all applicable laws and obligations arising from its permits, including those related to emission control, water management, and environmental protection. Currently, LEAG does not operate in areas where indigenous people, as defined under international law, are present or affected. However, the presence of the Sorbian minority in some regions is acknowledged, and their status as a recognised cultural group within Germany is respected.

Ongoing stakeholder engagement is considered essential to ensure that all parties can identify their respective interests and work towards acceptable solutions. To support this process, LEAG has designated representatives for the mining sites in Brandenburg and Saxony as well as specialists for key topics like water, environment, building projects, and emissions as well as for renewable energies and regional development. At power plant sites, plant managers serve as primary points of contact for neighbouring communities.

This structure is intended to ensure that concerns reach the right place within the organisation and a consistent communication.

Opportunities for citizens and representatives of public interests to participate in decision-making processes are an integral part of many approval procedures that LEAG carries out for its assets and activities. In addition, mandatory committees ensure that communities, institutions, and social groups are actively involved in the dialogue on a regularly basis. For example, this is what the **Lignite Committees** (Braunkohlenausschüsse) in Brandenburg[20] and Saxony with their respective working groups stand for. Furthermore, the communities have established their own structures like working groups and advisory councils to work together on mining-related issues. It has also become standard practice for LEAG to provide information on current topics and projects at the invitation of municipal bodies – also beyond mining and power plant operations.

A central dialogue partner for questions of regional development is, among others, the Lusatia Round Table (Lausitz Runde), an alliance of 57 municipalities that bundles and promotes the interests of the "Municipal Family of Lusatia" across its borders at state, federal, and EU levels. In addition, LEAG is in close contact with the structural change organisations of the states of Brandenburg and Saxony – Lusatian Economic Region (Wirtschaftsregion Lausitz) and Saxon Agency for Structural Development (Sächsische Agentur für Strukturentwicklung).

Nevertheless, LEAG aims to supplement its legal and official information obligations with additional initiatives, including citizens' dialogue events, updates via media and online platforms, as well as direct mailing to the households. These initiatives are tailored to specific topics and situations, with their scope determined by the degree to which communities are affected.

Preparation and follow-up of the external dialogue takes place in internal meetings on a regular basis and along the line structure up to the members of the Management Board to follow a structured approach for including relevant issues in the group's operational and financial planning. Risks are fed into LEAG's risk management system.

For further details on stakeholder engagement, please refer to *SBM-2 – Interests and views of stakeholders*.

20 The Lignite Committee was formed in 1992 for the purpose of participation and regional decision making in lignite and rehabilitation planning. It normally meets at least twice a year. The members come from the councils of districts and cities affected by lignite mining and rehabilitation, the Chamber of Industry and Commerce, the State Farmers' Association and recognised nature conservation associations as well as trade unions, business associations, the church, and the Sorbs. In addition, there are participants with advisory powers, including primarily representatives of the state's specialist authorities, regional planning associations, and mining companies – including LEAG – as well as representatives of communities that are directly affected by a lignite plan procedure. LEAG reports at the committee meetings on current topics and answers members' questions. Furthermore, the Lignite Committee sets up a separate working group for each opencast mine for more in-depth work. In addition to the local representatives concerned, LEAG is also involved in the working groups. In Saxony, the Lignite Committee, in combination with the Regional Planning Assembly, performs similar tasks, but has a different composition of members.

S3-5

Targets related to affected communities

In line with its commitment to ongoing dialogue, LEAG is adapting its stakeholder engagement to reflect the coal phase-out and the restoration of the post-mining landscape, the resulting structural change in the region, and the transformation of the group.

The transition of the energy landscape is intended to generate tangible benefits for those living closest to the group's operations.

LEAG continues to foster transparent, long-term partnerships with municipalities, civil society, and regional institutions through regular dialogue formats, feedback mechanisms, and the joint development of local initiatives. LEAG also seeks to further align its social investment strategies with the expressed needs of local communities, focusing on education, climate action, and cultural or sports projects. These efforts aim to ensure that LEAG's transformation is not only technologically and economically viable but also supported by and beneficial to the surrounding communities.

While specific quantitative targets for topic S3 Affected communities have been established, detailed figures remain confidential due to internal strategic considerations. For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets.*

S3-4

Actions related to affected communities

The greater the potential impact on local communities, the more essential it becomes to foster dialogue on equal terms and to create clarity around mutual expectations.

LEAG builds on proven communication practices from its mining and power plant sectors, including early stakeholder involvement, regular exchange with local representatives, and open citizen dialogue. These formats are being adapted and further developed in the context of renewable energy projects – going beyond the minimum legal requirements of formal approval procedures. Trust-based communication is combined with fair compensation for unavoidable impacts and active support for initiatives that enhance regional quality of life.

Resettlement as the most difficult move

Whether communities have to be resettled for an open-cast mine is carefully weighed up in the lignite planning procedure *(see page 88)*. With the adjustments of mining plans to the energy policy framework and the coal phase-out, resettlements of around 3,100 people near the Jänschwalde, Welzow-Süd, and Nochten open-cast mines were avoided. The completed resettlement of the village of Mühlrose with about 200 inhabitants in the Nochten area was the last resettlement carried out by LEAG. The lignite deposits of around 110 million tonnes under the village are needed to supply the modern units at the Boxberg and Schwarze Pumpe power plants with sufficient lignite in quantity and quality until the completion of the lignite phase-out, which is scheduled for 2038 at the latest. The resettlement of Mühlrose to its new location was officially completed by the end of 2024. In addition to developing infrastructure and building houses and rental apartments, key milestones included the creation of a new town centre with an eco-friendly community hall, a modern swimming pool with sports and recreational areas, and the preservation of memorabilia from the old town.

LEAG has set high standards for the resettlements in Lusatia, based on the guiding principle of social responsibility and appropriate consideration of the interests of the affected citizens and communities. A Social Requirements Catalogue developed for each municipality, dialogue at eye level, and the conclusion of a resettlement contract between the municipality and Lausitz Energie Bergbau AG (LE-B), which provides extensive legal protection for the resettled population, were the most important pillars for achieving this approach. Since the early 1990s, LE-B and predecessors have concluded seven resettlement contracts, covering villages or parts of villages with a total of around 1,800 inhabitants. In addition to providing material security for communities and inhabitants, this involved also differentiated planning for new properties, rented accommodation, commercial areas, and suitable facilities for clubs and social life at the new location.

Structural development and opportunities for the region

Transformation is a core task not only for LEAG, but for the entire region to build new sustainable structures that secure energy supply and added value even after the lignite phase-out. The group is committed to make a significant contribution to structural development and continue to work with the affected communities at an early stage and in partnership. In order to bundle all work processes for LEAG's green business areas in its core regions, the function of **Regional Development Management** was created.

LEAG continuously advances its existing instruments to foster strong cooperation with municipalities and interest groups in Lusatia. This ongoing development forms the foundation for aligning regional needs with long-term corporate transformation goals.

A key step in this process was the introduction of the **LEAG Municipal Package** in 2024. Designed to support the acceptance of renewable energy projects, the package offers a standardised, transparent, and legally compliant model for municipal participation. It enables municipalities to clearly see the financial and practical benefits of engaging in energy transition efforts.

In parallel, LEAG supports model projects that reflect the development priorities of the region. Municipalities in Lusatia are particularly focused on strengthening local businesses, redeveloping industrial areas, and addressing the transformation of heat supply systems. By contributing technical, economic, and organisational expertise, LEAG helps turn shared objectives into feasible, forward-looking projects.

These efforts are part of a broader response to the planned coal phase-out by 2038, which presents significant structural challenges for the region. Jobs in the coal industry and related sectors are expected to be lost, making comprehensive economic restructuring essential. LEAG is committed to helping Lusatia attract sustainable industries, modernise its economic base, and create future-oriented employment.

In this context, LEAG plays an active role in the **Net Zero Valley Lusatia Initiative**. In cooperation with municipalities, districts, chambers, and business associations from both Brandenburg and Saxony, the initiative aims to position Lusatia as Europe's first Net Zero Valley. Through this shared effort, LEAG supports not only the energy transition but also the long-term stability and development of the region.

In 2024, LEAG contributed a total of 1.2 million € towards social investments (approx. 1.6 million € in 2023), which include contributions in the form of:

Donations

(voluntary payments that are not linked to any return service or consideration)

LEAG donates to social, cultural, sporting, educational or scientific institutions in the region.

0.2

million € in donations

Sponsorships

(contractual payments in exchange for public presentation of the sponsor)

Various societies, events, and initiatives improve the lifestyle of a community. LEAG recognises such initiatives and is sponsoring multiple local organisations, such as sport clubs.

0.9

million € in sponsorships

Other contributions

(for example grants to communities and associations on the edge of opencast mines on the basis of contracts/agreements, which are provided in a transparent form)

Apart from donations and sponsorships LEAG provides monetary contributions to mining communities, e.g., for renovation of clubhouses or playgrounds or support to youth fire brigades.

0.1

million € in contributions to mining-affected communities

Following the event-related peak in sponsorship spending in 2023/24 – driven by the acquisition of naming rights to a football stadium in support of the long-standing sponsorship partner FC Energie Cottbus – social investments are returning to previous years' levels.

Social investments

LEAG is aware of its social responsibility towards the region, be it in climate protection, in youth development or in encouraging sporting success. Therefore, LEAG supports the people of the region and their projects in a variety of ways, both through donations and sponsorship but also with special measures for the communities living in the immediate vicinity of the opencast mines.

For more information about actions and metrics, please refer to *MDR-A – Actions and resources in relation to material sustainability matters and MDR-M – Metrics in relation to material sustainability matters.*

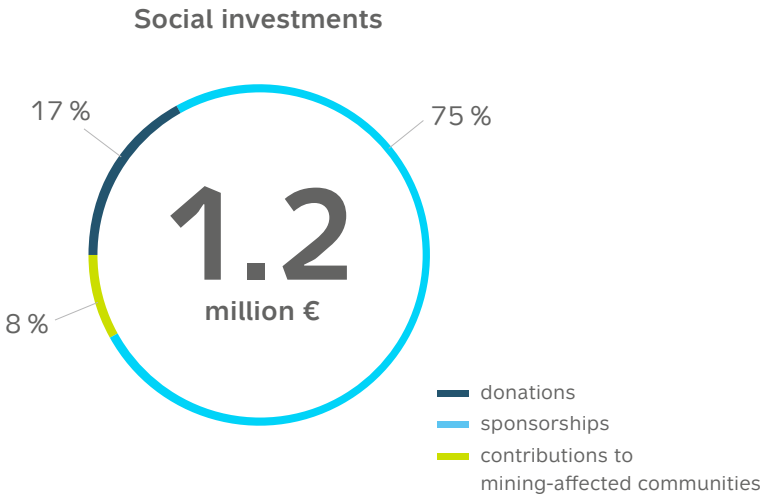


Figure 42: Breakdown of social investments in 2024

S4

Consumers and end-users

The role in electricity generation and trading entails a responsibility for security of supply and grid stability, even though there is no focus on traditional B2B or B2C markets. Most of LEAG's electricity is sold via energy exchanges, with direct customer relationships existing primarily in the supply of heat and solid fuels, as well as through subsidiaries providing industrial and engineering services.

The responsibility towards end-users includes ensuring reliable energy availability and maintaining high standards of service in areas of direct engagement.

SBM-3

Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment (DMA) outlined in the section on material impacts, risks, and opportunities, LEAG identified the following sub-topics related to S4 Consumers and end-users as material:

- Access to products and services

The description of the DMA is provided in *ESRS 2 (pages 33 – 37),* with additional details included to ensure clarity and comprehensiveness. These findings feed into strategic planning and have a direct impact on the medium-term transformation strategy, investment decisions, and stakeholder communication.

As Germany's second largest electricity producer, LEAG operates primarily in the wholesale market. Electricity is sold via trading platforms and distributed to households, industry, and public institutions through specialised suppliers such as municipal utilities, which are the point of contact for end-users. Although LEAG has no direct customer relationships in this market segment, there is an indirect impact on customers and end-users along the downstream chain – particularly with regard to emission intensity, electricity costs[21], and security of supply. Ensuring the affordability and availability of its electricity production strengthens LEAG's role as a reliable energy partner during the transition to a resilient and low-emission energy system.

LEAG is actively working on a gradual transition of its generation portfolio towards renewable energy sources. The aim is to continuously increase the share of emission-free electricity generation from photovoltaic and wind power projects, while complementing them with flexible storage and power plant solutions to ensure 24/7 supply security. At the same time, individual coal-fired units are being decommissioned in accordance with the **Coal-Fired Power Generation Termination Act.** This transition is also in the long-term interest of electricity consumers, as it contributes to a sustainable, stable, and climate-resilient energy supply. In light of a diversifying electricity market, LEAG is also evaluating direct-to-customer supply models as a potential area for future business development.

District heating, which accounts for a significantly smaller share of LEAG's overall energy production, is predominantly distributed via regional municipal utilities, too. Furthermore, the product portfolio includes refined fuels from lignite as well as solid biomass products such as wood pellets and briquettes, which are sold directly or through retailers to end customers. LEAG's pellets are produced from sustainably sourced wood feedstocks, including both by-products of wood processing and low-grade roundwood – partly also from international suppliers. All wood feedstocks are either certified or originate from PEFC Controlled Sources and can therefore be traced back to legally verified and responsibly managed supply chains.

Gypsum from flue gas desulphurisation in LEAG's lignite-fired power plants is also marketed as a by-product.

Unless these products contribute only a small amount to total sales, they are significant from a resource use perspective. Within the DMA, direct impacts were identified primarily in the fuel product segment – comprising lignite briquettes, lignite dust, and wood pellets. Additional B2B end customers are served by LEAG subsidiaries operating in the fields of industrial and engineering services, logistics, and circular economy. Not all activities of the group's subsidiaries are considered material in terms of the core energy production business, but they contribute to the development of new business areas within the group-wide strategic framework.

There are no identified risks or opportunities related to S4 Consumers and end-users.

21 Around 40% of the electricity price for private households in Germany is attributable to electricity procurement. The remaining share consists of taxes, levies, and grid fees – according to Bundesnetzagentur (BNetzA), June 2025.

S4-1

Policies related to consumers and end-users

LEAG's Code of Conduct and General Works Agreement promote respectful, fair, and non-discriminatory practices across its operations and in relationships with consumers and end-users. While LEAG's business primarily involves commodities with limited direct consumer contact, the importance of data protection, operational reliability, and transparency in stakeholder relationships is recognised throughout the group.

LEAG aligns its commitments with the **UN Guiding Principles on Business and Human Rights**, the **ILO Declaration on Fundamental Principles and Rights at Work**, and the **OECD Guidelines for Multinational Enterprises**. Feedback is collected through direct communication and event-based or product-based interactions. Relevant EU regulations concerning product information, anti-greenwashing measures, and the Carbon Border Adjustment Mechanism (CBAM) are considered internally, but they have not yet been translated into formal policy.

Respect for consumer rights is central to internal policies, particularly the rights to information, privacy, and access to remedy. The **Data Protection Officer** and LEAG's whistleblower system with external ombudspersons provide accessible and confidential channels for complaints.

Information relevant to consumers, including product details and rights, is made available through the respective product websites. While LEAG complies with external certification requirements such as FSC, PEFC, and RED II, these are not embedded within the internal policies.

Emerging requirements, such as the Digital Product Passport and emissions calculations, are increasingly recognised as areas needing action. As of now, LEAG is in the process of establishing formal policies to address these concerns.

In the reporting period, no cases of non-respect for international human rights instruments related to consumers or end-users were identified in the group's downstream value chain.

For policies pertaining to human rights, please refer to the *chapter on Human Rights*. A detailed overview of all relevant policies can be found in the *ESRS 2 MDR-P section* of this Report.

S4-2, S4-3

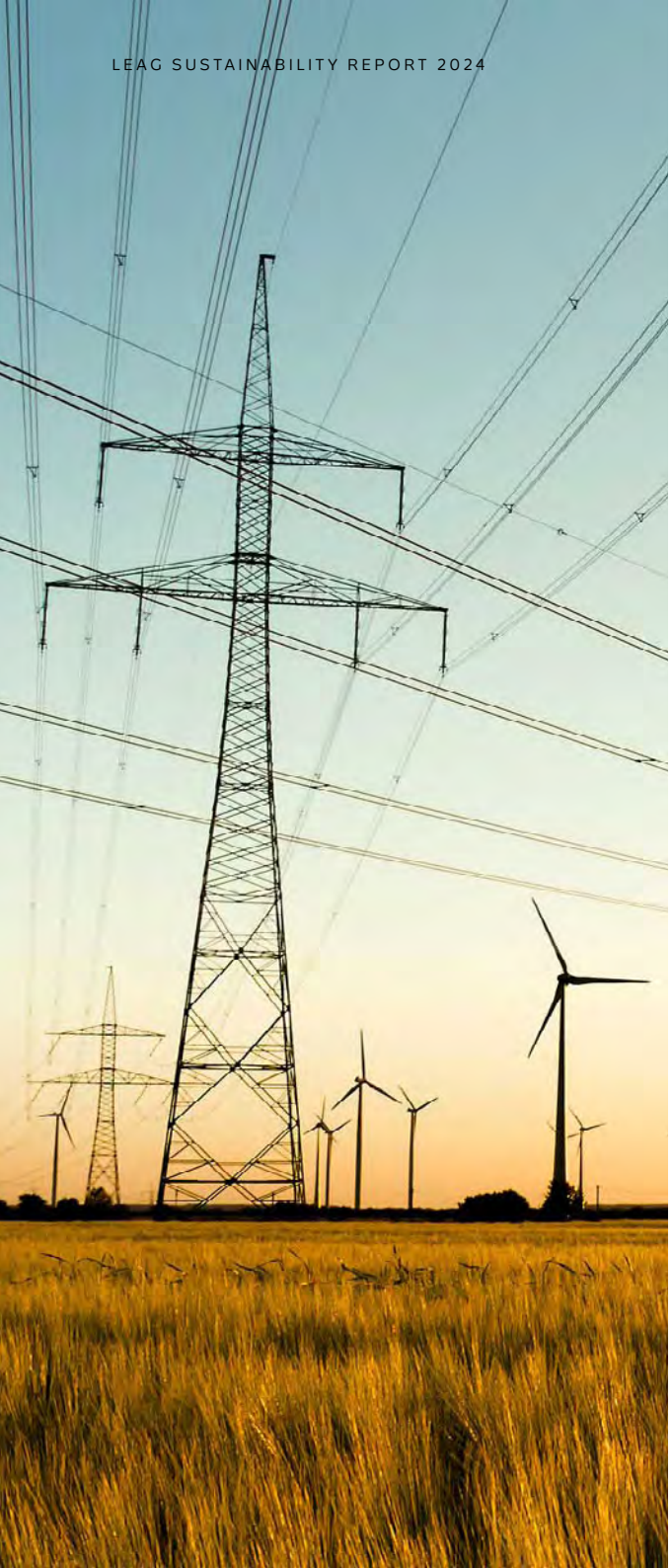
Engaging with consumers and end-users

LEAG engages actively with consumers and end-users through a mix of digital and direct communication channels to ensure transparency, accessibility, and responsiveness.

Official points of communication are specific websites or web shops for the fuel portfolio under the common brand REKORD as well as contacts via mail, phone, fax or service-hotline. Additionally, the marketing teams participate in trade fairs and industry events to facilitate dialogue and gather feedback, while direct contact points – such as customer service or dedicated account managers – enable personalised support and relationship building. Furthermore, on wholesale level communication is establish via key account managers for feedback, inquiries or complaints. Feedback is collected, evaluated, and clustered on product specific basis in order to respond directly and identify whether strategic improvement measures can be derived.

Information provided, such as calorific values, prices, application suitability, safety information, storage conditions, certification, and other information is regularly updated. Product prices can also be transparently found in the product related web shops.

For further details on stakeholder engagement, please also refer to *SBM-2 – Interests and views of stakeholders*.



S4-5

Targets related to consumers and end-users

Reflecting its commitment to effective sustainability communication, LEAG is working to ensure that stakeholders are consistently informed about the progress, challenges, and goals of the transformation.

LEAG is setting targets to enhance the transparency and accessibility of its sustainability strategy through regular reporting, targeted stakeholder engagement, and the use of diverse communication channels. This includes publishing updates on environmental performance, social initiatives, and governance measures in formats that are understandable and relevant to different audiences, from employees to regional communities and policymakers.

The EU's efforts towards further standardisation and transparency, for example, in consumer information or environmental labelling, are seen as value-added efforts. The relevant regulations have already been identified and analysed. The next step is to implement their timely integration into product and communication standards.

For more information about targets, please refer to *MDR-T – Tracking effectiveness of policies and actions through targets.*

S4-4

Actions and metrics related to consumers and end-users

LEAG is the second largest electricity producers in Germany. With its secured power plant capacity, the group makes a significant contribution to safeguarding 24/7 electricity supply for businesses and households.

To maintain this role in the future, the generation portfolio is being expanded to include renewable energy sources and large-scale storage solutions. Planning is also progressing for additional flexible supply guarantors, such as hydrogen-ready backup power plants. In the district heating segment, LEAG is currently redefining its strategy to develop concepts that are independent of lignite-fired power plants.

Energy trading

LEAG's main partners and customers beside the exchanges for electricity sales and CO_2 allowances are members of the European Federation of Energy Traders who promote and facilitate European energy trading in open, transparent wholesale markets. To minimise the risk resulting from trading, LEAG has over 20 partners to diversify trading activities, including some of the biggest market players in Europe. For its transactions at the exchange, service of two clearing banks is used.

Regional heat supply

As a long-standing district heating supplier, LEAG cooperates with municipal utilities located near its energy sites. Currently nine cities and municipalities are supplied with district heating from LEAG's lignite-fired power plants in Brandenburg and Saxony. Heat and also steam for industrial companies were delivered via efficient combined heat and power (CHP) generation.

As the increasing share of renewable energy is fundamentally changing market dynamics, power plants are required to offer greater operational flexibility to maintain both cost-efficiency and grid stability. In this context, the continuous provision of heat from lignite-based cogeneration can no longer be assured with the same level of reliability as before. As a result, and in accordance with contractual terms, existing heating supply agreements with municipal utilities will be discontinued by the end of 2025 or, in some cases, by the end of 2027. Temporary extension agreements may ensure supply during the 2025/2026 heating season until 30.04.2026, if required.

LEAG remains committed to being a reliable partner for the affected communities. Constructive dialogue with local utility providers is already underway to explore technically and economically viable alternatives. As municipal heating planning requires a gradual increase in the share of green heat in urban district heating systems in line with the German climate targets, the goal is to develop and implement sustainable long-term heat supply concepts together.

No complaints were received from consumers or end-users during the reporting period.

For more information about actions and metrics, please refer to *MDR-A – Actions and resources in relation to material sustainability matters and MDR-M – Metrics in relation to material sustainability matters.*

Governance

The governance section of this Report includes five main topics: **corporate culture, protection of whistle-blowers, political engagement, management of supplier relationships (including payment practices) as well as prevention of corruption and bribery.**

G1

Business conduct

LEAG's commitment to sustainability is underscored by corporate policies and governance practices, which place a heightened emphasis on ESG considerations. Governance serves as a fundamental element of the corporate sustainability framework, anchoring business practices in prudent decision-making.

LEAG employs a comprehensive and structured approach to ethical business conduct and governance, effectively balancing compliance, risk management, and ethical oversight. Through internal policies and a robust governance framework, the organisation ensures transparency and accountability. LEAG remains committed to continuously refining its practices to align with evolving legal and regulatory standards.

The role of the administrative, management, and supervisory bodies related to business conduct

LEAG's administrative, management, and supervisory bodies play a crucial role in fostering an ethical business environment. Beyond formal oversight duties, they support the implementation of business conduct principles across all operational layers of the organisation. This includes promoting a group-wide culture of integrity and encouraging proactive engagement with ethical issues, both strategic and day-to-day.

At LEAG, the emphasis is placed on embedding entrepreneurial action and responsible conduct into operational processes and decision-making frameworks. Value-based leadership encourages responsibility, respect, and compliance with applicable laws, rules, and internal regulations, especially in:

Compliance with law and ethical behaviour

Human rights and fair working conditions

Fair treatment, diversity and inclusion

Environmental and climate protection as well as ecological responsibility

Sustainability in the supply chain

Avoiding conflicts of interest

Prohibition of corruption and bribery

Fair and free competition

Occupational safety and health protection

Data protection and information security

Continuous improvement process

Whistleblower protection system and contact persons

Expertise of the administrative, management, and supervisory bodies on business conduct matters

The members of LEAG's supervisory and management bodies bring extensive experience and insight to the practical aspects of ethical conduct. Their guidance helps translate high-level governance objectives into tangible operational practices. This includes fostering ethical awareness, ensuring robust due diligence in sensitive areas, and supporting a compliance culture through training and strategic input.

The experience among the leadership enables a holistic approach to business conduct, helping LEAG navigate complex ethical and regulatory landscapes. LEAG also prioritises ongoing development with tailored training programmes aimed at maintaining a high standard of integrity and accountability throughout the organisation.

G1-1

Business conduct policies and corporate culture

At LEAG, corporate culture is a strategic foundation that enables responsible growth, risk mitigation, innovation, and long-term stakeholder trust. Grounded in integrity and compliance, corporate culture is actively shaped by leadership, reinforced through daily operations, and aligned with evolving legal, societal, and market expectations.

LEAG's policies related to business conduct and corporate culture

LEAG upholds high standards of integrity in all operations, recognising that business conduct is not only a regulatory requirement but a key pillar of long-term success. A robust governance framework is maintained to ensure compliance with internal policies and stakeholder expectations. Regulations are regularly reviewed and updated to reflect changing legal and ethical requirements. A detailed overview of all relevant policies can be found in the *ESRS 2 MDR-P section* of this Report *(pages 42 – 46).*

The **Compliance Management System** establishes clear organisational and procedural guidelines, overseeing the **Compliance Committee** and the reporting structure, ensuring that all compliance-related activities are executed efficiently and transparently. Similarly, the **LEAG Code of Conduct** outlines the behavioural expectations for employees, reinforcing personal accountability in safeguarding the organisation's reputation.

Policies have been implemented, such as the **Prevention of Bribery and Corruption policy** specifically aimed at promoting transparency in financial contributions. Furthermore, a comprehensive **Incident Reporting and Whistleblower System** provides a safe and confidential means for reporting violations without fear of reprisal. LEAG also maintains a **Money Laundering Prevention policy** and enforces strict competition and antitrust laws compliance.

Commitment to integrity extends to safeguarding personal data in compliance with the **EU General Data Protection Regulation** and the **German Federal Data Protection Act,** ensuring that privacy is respected and upheld. A proactive stance is taken in addressing information security, with clear guidelines in the **Rules of Conduct for Information Security** that protect both internal processes and the data of external partners and customers.

Through continuous updates and a holistic approach to compliance, LEAG ensures that all employees and business partners are equipped with the necessary tools, guidance, and support to act with integrity.

Legal compliance – Mechanisms for identifying, reporting, and investigating concerns

It is LEAG's aspiration to operate in a legally compliant manner, to adhere to existing laws and regulations as well as internal rules and to actively live them. The basis for this is a risk-based **Compliance Management System (CMS)**, which is constantly being developed and updated.

The LEAG CMS currently comprises established elements such as an anonymous whistleblower system (including two external ombudspersons), a Compliance Committee, a structure of both a central compliance officer and decentralised compliance representatives, as well as an appropriate compliance training programme and regular compliance reporting to the Management Board or Supervisory Board. Supported by internal compliance regulations, the LEAG CMS fulfils three essential functions:

- Prevention – avoidance of misconduct and promotion of compliance-oriented behaviour
- Detection – uncovering misconduct
- Reaction – deriving measures to avoid misconduct in the future

In addition to complying with all legal and approval requirements, LEAG proactively identifies and pursues opportunities to safeguard and enhance its value creation. The advancement of sustainable corporate development is treated as a binding obligation. At the same time, risks are systematically identified and mitigated. To enable continuous improvement, LEAG makes that necessary resources available.

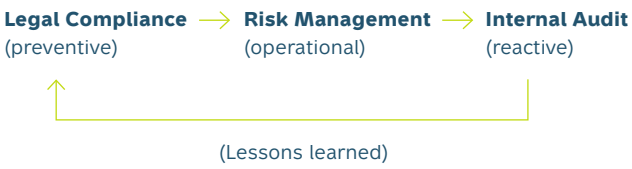


Figure 43: Legal compliance scheme

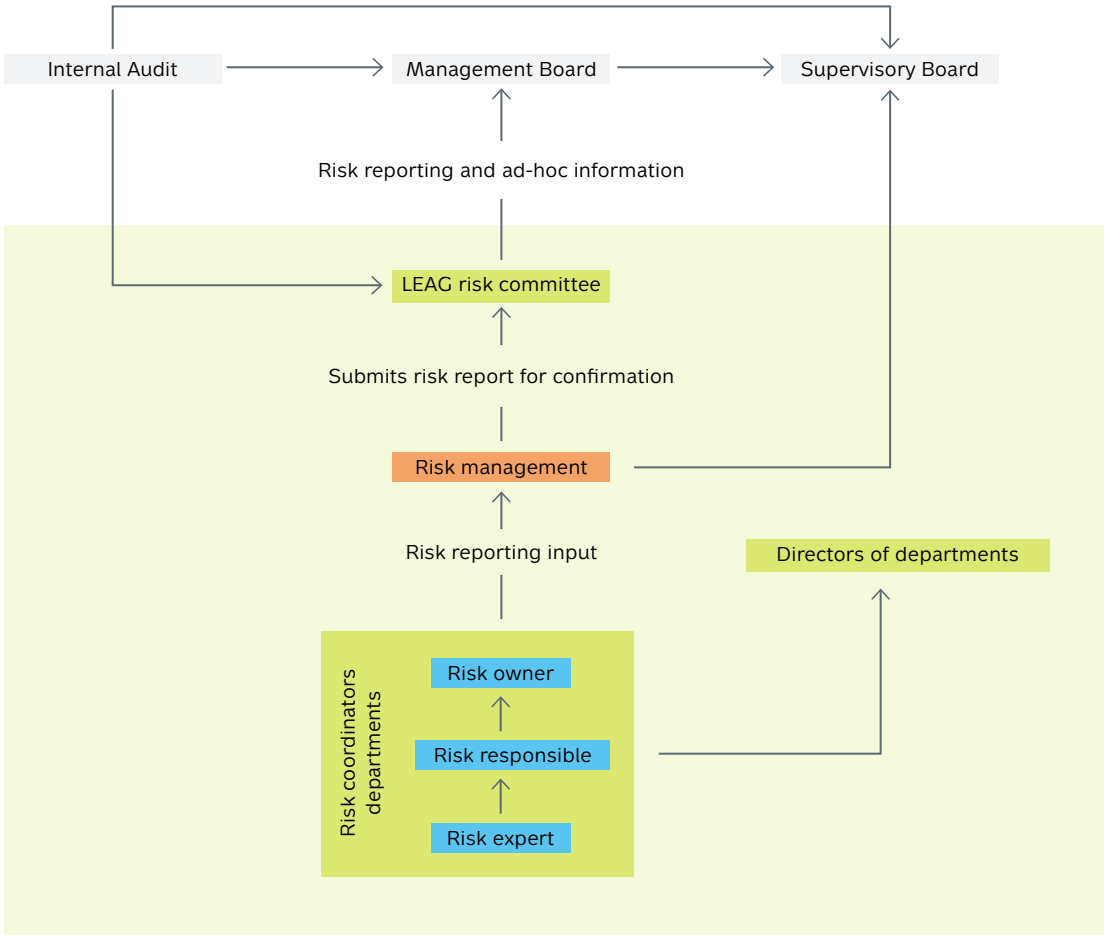


Figure 44: Risk management organisation

Risk management

It is every company's management duty to establish an appropriate risk management system and to take measures which prevent or detect at an early stage any developments that could jeopardise the continued existence of the company. LEAG places great importance on efficient risk management, viewing it as a crucial tool for value creation and success-driven corporate governance. The aim of risk management is the early identification, assessment, and efficient management of risks. Risk management supports the implementation of the corporate strategy, the achievement of objectives, and the safeguarding of the future success.

The risk management process follows the "Model of the Three Lines of Defence". Operational risk management, as the "first line of defence", is the responsibility of line management and must be reliably ensured. The "second line of defence" is the **Risk Management organisational unit**. The "third line of defence" is provided by **Internal Audit** of Lausitz Energie Verwaltungs GmbH.

Risk management process

The management of corporate risks is ensured by a continuous risk management process, which is supported by six phases. The process includes the expertise of all organisational units.

Figure 45: Risk management process

Risk identification: In the initial step of the risk identification phase all possible risks must be communicated and discussed openly and transparently to be able to review their significance for business operations in the next step.

Risk assessment: After an initial assessment, the relevant risks are evaluated in detail by the respective organisational unit to depict the financial impact and identify specific risk categories.

Risk aggregation: The risk management department has an overview of the risk situation of LEAG. The input is from risk experts and coordinators on individual risks containing initiated, planned, preventive or reactive risk management measures. Based on this, the Value@Risk concept is used to calculate the overall risk exposure.

Risk management: The aim of risk management is to keep the overall risk position of LEAG within sustainable and acceptable limits and to achieve a balance between opportunities and risks by using suitable measures.

Risk monitoring & reporting: Risk reporting to the Management Board and Supervisory Boards is done on a quarterly basis. Based on the financial loss per year, LEAG has five risk relevance classes with different update frequencies, from annually to at least quarterly or individual (for cases with the highest risk potential).

Risk documentation: Documentation of risks and the process of risk management is archived and reviewed regularly to ensure continuous improvement of the risk management process. The process is supported by a workflow-based IT tool.

Protection of whistleblowers

Whistleblower protection is ensured through appropriate reporting channels.

Any LEAG employee and any external third party, such as service partners, can use the mechanism for raising concerns and seeking advice. Reporting channels as part of LEAG's complaint's mechanism are, for example, direct contact with managers or compliance officers, compliance hotline or compliance e-mail address. There is also a reporting system (FS-PP BKMS® Incident Reporting) available via the ombudspersons for anonymous reports. Further information on reporting options can be found on LEAG's website[22].

The designation and training of staff receiving reports, along with measures to protect whistleblowers from retaliation in accordance with **Directive (EU) 2019/1937**[23] and its German implementation, the **Whistleblower Protection Act**, are outlined in the **Incident Reporting – Whistleblower System and Ombudspersons policy**. This policy regulates the reporting of incidents through the whistleblower system and outlines the areas of responsibility of the external ombudspersons. Any violations of laws or internal regulations can be reported without fear of negative consequences for the whistleblower.

In addition to legal requirements, LEAG conducts prompt, independent, and objective investigations into business conduct incidents, including corruption and bribery. LEAG's **Prevention of Bribery and Corruption** as well as the **Incident Reporting policies** detail the procedures followed, ensuring transparency and accountability.

22 https://www.leag.de/en/company/suppliers, please see section on "Corruption prevention"

23 Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019L1937 (29.07.2025)

689

employees completing compliance trainings in 2024 (605 employees in 2023)

Training on business conduct

LEAG emphasises continuous learning through a structured training programme on business conduct. Mandatory trainings are regularly conducted on IT security, data protection, and compliance for employees, usually in the form of e-learning tools. The content, training participants, and training cycle are determined according to the department and work tasks, which is further defined in the respective organisational guidelines. Furthermore, instructing employees beyond the regular training courses is handled by the managers of the individual departments.

Any updated and new regulations are published in the organisational web database. Information is provided in a separate regulatory news section on the intranet. LEAG's regulations also apply to temporary employees and to service partners if this has been contractually agreed. In this case, the respective regulation is integrated into the contractual documents.

Functions most at risk of corruption and bribery

While LEAG does not currently have a formalised process for identifying and assessing which specific functions are most at risk of corruption and bribery, the importance of developing such a process is recognised. Awareness of elevated risk exposure is embedded in the compliance culture, including commitment to enhance internal risk differentiation mechanisms over time.

Despite the absence of a formal procedure to categorically identify all high-risk functions, it is recognised that certain areas inherently bear a higher exposure to corruption and bribery risks. These include:

- Procurement and supplier management
- Contract negotiation and approvals
- Project development and investment decision-making

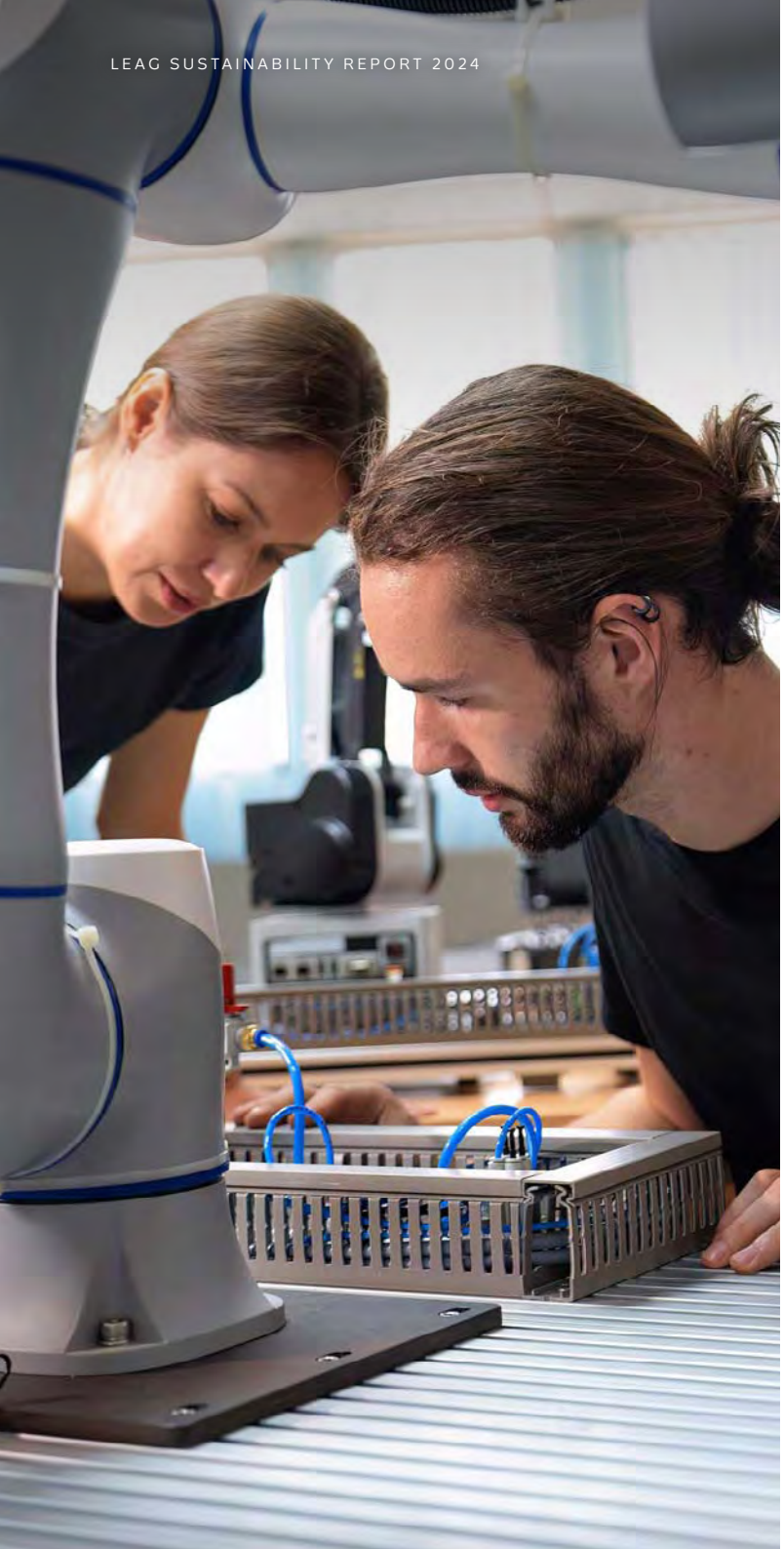
As LEAG continues to strengthen its Compliance Management System, the aim is to integrate a structured assessment process to more systematically identify and mitigate risks across all business functions.

Data privacy

Business operations require the collection and storage of substantial amounts of data relating to employees, customers, and other business partners. Ensuring data security is considered essential – not only to meet regulatory obligations, but also to safeguard organisational integrity and reputation.

To ensure compliance with data privacy legislation, the process of correctly handling private information is embedded in internal policies. A strong data privacy function with adequate competencies is actively pursued.

All employees are regularly instructed on data protection. In addition, all functions that may involve handling personal data must undergo training on a regular basis.



Innovation and sustainable product development

LEAG embeds innovation governance at the core of its corporate transformation strategy. As the group transitions from fossil-based energy to becoming a 24/7 power provider within a renewable-based energy system, it has established structured mechanisms to identify, pilot, and scale technologies that align with long-term sustainability and reliability goals. The **Innovation Management team** coordinates cross-functional initiatives, ensuring alignment with business priorities, regulatory frameworks, and emerging technology trends. This structured approach enables transparent decision-making, efficient resource allocation, and effective risk management in innovation processes.

To support the transition and open up new, future-oriented business fields, the Innovation Management team scouts promising technologies and business models. Strategic collaborations with startups, research institutions, and knowledge transfer organisations accelerate the development and deployment of scalable, future-proof solutions. This innovation approach is embedded across the organisation and actively involves executive leadership, technical departments, and international partners.

Key areas of innovation include energy storage, renewable power generation (solar and wind), circular economy, sustainability technologies, artificial intelligence, and alternative fuels. LEAG focuses on integrating large-scale battery storage, enhancing PV and wind operations, exploring the reuse of resources, and AI-driven optimisation in power systems. Under its **GigawattFactory** vision, LEAG aims to build a flexible, green powerhouse – serving as a blueprint for regional and international energy transition efforts.

LEAG's innovation strategy is further reinforced by targeted investments in startups and partnerships with energy-focused investment funds. Acting as both sparring partner and (co-)investor, financial and structural support is provided to scale breakthrough ideas within complex regulatory environments. As part of a growing innovation ecosystem, LEAG is committed to shaping a clean, affordable, and resilient energy future, while aligning its transformation with social responsibility and long-term environmental impact.

G1-2

Management of relationships with suppliers

LEAG is clearly aware of the responsibility to respect human rights and protect the environment, which is anchored in the LEAG group's Code of Conduct as well as in the General Terms & Conditions.

LEAG is committed to the **UN Global Compact** and applies its principles on human rights, working conditions, environmental protection, and anti-corruption. The same is expected from partner companies. In the selection of suppliers, significant emphasis is placed on social and environmental criteria.

In 2023, purchasing processes in line with the **Supply Chain Due Diligence Act** (Lieferkettensorgfaltspflichtengesetz) were introduced. The act is intended to further improve the international human rights situation by comprehensively regulating requirements for responsible management of supply chains and the due diligence obligations of companies by law for the first time.

Subsequently, a new, structured risk management system has been established to identify, prevent, and minimise risks of human rights violations and environmental damage within both LEAG's own operations and its supply chain. This includes:

- Appointment of a **Human Rights Officer** who monitors risk management and keeps the management informed of his work on a regular basis
- Creation of a transparent and anonymous complaints procedure through which the group can be made aware of human rights or environmental risks or violations in its own business and in the supply chain
- Introduction of a publicly available reporting on the fulfilment of due diligence obligations in the respective previous fiscal year (first reporting in 2025 for 2024 and 2023)
- Integration of an e-learning tool on the topic of "Fair Supply Chains" in LEAG's training catalogue from 2024 (all employees in the purchasing department will be the first to be trained)

The purchasing department carried out a risk analysis for its own business division and direct suppliers throughout 2024. As part of the abstract risk analysis, a deductive approach is taken in which country and industry risks are used to gain an initial understanding of the risk situation. As part of the targeted risk analysis, the identified abstract risks are reviewed with the help of additional tools (e.g., self-disclosures and assessments) and research. The Human Rights Officer continuously reviews the effectiveness of the risk management system and all its components.

- No injuries identified in LEAG's business area in the 2024 financial year
- No violations identified among direct suppliers in the 2024 fiscal year
- No complaints and no confirmed incidents of unfair business practices were recorded in 2024

Payments aligned with standard payment terms: **90 %**

Evaluation of practices

LEAG places a strong emphasis on evaluating the outcomes of supplier management practices ensuring continuous improvement. Suppliers are evaluated based on their relevant certifications, supplier surveys, and fulfilment of other purchase conditions. Visits to supplier sites are another part of the evaluation process, providing valuable insights. Key performance indicators (KPIs) for supplier relationships are continuously monitored, allowing the organisation to measure progress and make informed decisions. This iterative approach ensures that the supplier management practices align with the sustainability approaches and contribute to positive impacts throughout the whole supply chain.

If reports of human rights violations or environmental damage are received by the **Human Rights Officer**, an investigation will be initiated immediately and appropriate remedial measures will be taken. The measures introduced and the complaints procedure itself are monitored for their effectiveness and adjusted if necessary. To this end, it is also possible to carry out audits of the suppliers concerned. In such cases where conflicts cannot be resolved, the business relationship with the supplier in question will be terminated. How the legal requirements are being met is documented in the **Policy Statement on Respect for Human Rights**, the implementation of which and compliance with which are overseen by the Management Board and managing directors of the LEAG companies.

21 **is the average number of days to pay an invoice**

G1-6

Payment practices

In alignment with the commitment to transparency and fair business practices, comprehensive information is disclosed regarding payment practices, with a focus on preventing late payments to suppliers. Policies prioritise clearly defined payment terms, transparent communication, and efficient internal processes to ensure timely invoice processing. Active measures include cash flow planning, early resolution of issues, and continuous supplier engagement.

Relevant documents, including the **Terms and Conditions of Purchase for Deliveries, Terms and Conditions of Purchase for Services, Terms and Conditions of Purchase for Planning and Engineering Services,** and the **Terms and Conditions of Purchase Standard for Invoice Creation**, are part of the contractual documentation and are made available to the suppliers, ensuring clear expectations and guidance for all business partners.

In 2024 the average number of days to pay an invoice across 53,320 payments was 21 days[24] (22 days in 2023). Additionally, in 2024, 90 % of these payments were aligned with the standard payment terms (91 % in 2023). There were no outstanding legal proceedings related to late payments showcasing LEAG's diligent efforts to maintain timely and responsible financial practices in its business operations. Efforts to ensure efficiency and adherence to established payment policies will be continued, with the aim of maintaining strong relationships with vendors and partners.

24 Number of on-time payments (earlier payment or on the due date) of order-related incoming invoices.

G1-3

Prevention and detection of corruption and bribery

LEAG maintains a focused and practical system to prevent, detect, and address allegations or incidents of corruption and bribery. This approach is embedded within a broader framework of strong governance, ethical business practices, and risk-informed oversight.

Policies and procedures

LEAG applies a targeted set of measures across its operations to manage corruption and bribery risks. These are guided by the **Prevention of Bribery and Corruption policy** and the **Code of Conduct**, which together define behavioural expectations and procedural safeguards for ethical decision-making. Central to this is the application of specific monetary thresholds and rules for the granting, receiving, offering or accepting of gifts and invitations.

Oversight is ensured through a dedicated compliance function, which monitors adherence to relevant policies, serves as the contact point for external investigations of potential misconduct, and safeguards internal reviews. A structured reporting process ensures concerns are assessed transparently and managed in accordance with established protocols.

Due diligence processes are applied systematically in LEAG's external engagements, particularly with suppliers and business partners. The anti-corruption approach aligns with international best practices, including the **UN Global Compact's tenth principle on anti-corruption.**

Investigations and oversight

Investigations into potential misconduct are carried out objectively by LEAG's compliance function or by two external legal ombudspersons. They serve as independent contacts for internal and external whistleblowers – i.e., employees, suppliers, contractors, or third parties – for suspected corruption and violations of the law. Where applicable, the outcomes are reported through internal governance channels, ensuring appropriate oversight.

Communication and training

LEAG ensures that anti-corruption expectations are communicated clearly and reinforced through regular training, particularly for functions exposed to elevated risk. In 2024, LEAG offered regular compliance trainings including risk of corruption and bribery for employees in relevant positions.

Training content is designed to address real-world scenarios and includes guidance on legal obligations, internal reporting procedures, and ethical decision-making in daily operations. To ensure consistent understanding employees and managers participate in these regular trainings.

Continuous improvement

Recognising that corruption and bribery risks vary across business functions, LEAG continues to enhance its internal risk differentiation mechanisms. While a formalised assessment process is under development, functions such as procurement, contract management, legal, and investment decision-making are regularly trained.

Zero convictions or fines were recorded for violations of anti-corruption or anti-bribery laws.

No disciplinary actions or dismissals were necessary due to corruption-related incidents.

No business relationships were terminated or not renewed due to violations related to corruption or bribery.

No public legal cases concerning corruption or bribery were brought against LEAG or its employees in the current or preceding periods.

G1-4

Incidents of corruption or bribery

LEAG maintains a strict zero-tolerance policy towards corruption and bribery, reinforcing the commitment to integrity and ethical business conduct across all operations.

In 2024, LEAG recorded no convictions or fines related to breaches of anti-corruption or anti-bribery laws. Furthermore, there were no public legal cases involving LEAG or its employees in connection with corruption or bribery.

LEAG continues to uphold the highest standards of ethical business conduct and remains vigilant in enforcing its anti-corruption framework across its own operations and the value chain.

G1-5

Political influence and lobbying activities

LEAG actively participates in political dialogue as part of its broader corporate responsibility. In line with common business practice, it engages in advocacy activities through its Public Affairs department.

These activities include submitting statements on legislative proposals or establishing associations' opinions, participating in consultation processes and industry events, and engaging in direct dialogue with political decision-makers at both national and European levels.

LEAG GmbH is registered in the **official lobby register**[25] with the registration number R002063. The publicly accessible information provided there offers transparency regarding the scope and nature of the advocacy activities, as defined by relevant legislation. It also contains the financial contributions of Lausitz Energie Bergbau AG and Lausitz Energie Kraftwerke AG for 2024.

25 Deutscher Bundestag: Lobbyregister LEAG GmbH, https://www.lobbyregister.bundestag.de/suche/R002063 (08.07.2025)

ANNEX

List of abbreviations

BImSchG	German Federal Emission Control Act (Bundes-Immissionsschutzgesetz)
BP	basis for preparation
CapEx	capital expenditures
CMS	Compliance Management System
CO	carbon monoxide
CO_2	carbon dioxide
CO_2eq	carbon dioxide equivalent
CSRD	Corporate Sustainability Reporting Directive
DMA	double materiality assessment
DEHst	German Emissions Trading Authority
EPETr	EP Energy Transition a.s.
EPH	Energetický a průmyslový holding
ESG	environmental, social, and governance
ESRS	European Sustainability Reporting Standards
ETS	European Emissions Trading Scheme
FTE	full time equivalent
GHG	greenhouse gas
GMB	GMB GmbH
GOV	Governance
IROs	impacts, risks, and opportunities
KPI	key performance indicator
LEAG	LEAG group of companies (referred to as the reporting boundary)
LE-B	Lausitz Energie Bergbau AG
LE-K	Lausitz Energie Kraftwerke AG
LE-V	Lausitz Energie Verwaltungs GmbH
LMBV	Lausitzer und Mitteldeutsche Bergbau Verwaltungsgesellschaft
MDR	minimum disclosure requirement
MDR-A	minimum disclosure requirements on actions
MDR-M	minimum disclosure requirements on metrics
MDR-P	minimum disclosure requirements on policies
MDR-T	minimum disclosure requirements on targets
Montan-MitbestG	Montanmitbestimmungsgesetz – German Act on the Co-Determination of Employees on Supervisory Boards and Management Boards of Companies in the Mining and Iron and Steel Producing Industries
N_2O	dinitrogen monoxide
NG	natural gas
NOx	nitrogen oxides
OCGT	open cycle gas turbine
OHS	occupational health and safety
OpEx	operational expenditures
PV	photovoltaic
QLEE	Lausitz Qualification Network for Renewable Energies
SBM	strategy and business model
SO_2	sulphur dioxide
SRZ	Secondary Raw Materials Centre
TEHG	Greenhouse Gas Emissions Trading Act
TSS	Transport- und Speditionsgesellschaft Schwarze Pumpe mbH
UN SDG	United Nations Sustainable Development Goals

List of units

hrs	hours
m^3	cubic metres
km	kilometre
GJ	gigajoule
GW	gigawatt
GWh	gigawatt hour
l	litre
mg	milligram
mil	million
MW	megawatt
MWh	megawatt hour
MWp	megawatt peak
tkm	ton kilometre
TWh	terawatt hour
%	percent
#	number
tCO_2	ton carbon dioxide
ha	hectare
€	euro

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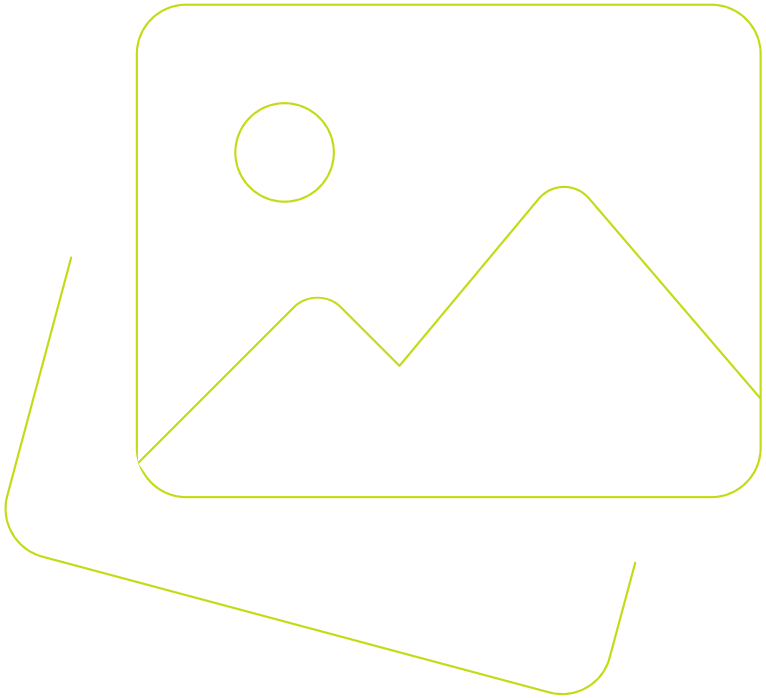

Data tables

The following tables are intended to provide a better understanding of the way in which data was collected and compiled for this Report, based on LEAG's business activities and the approach to data consolidation (including supporting notes).

Summary of notes related to data consolidation

Data table reference	LE-B	LE-K	Scope	Notes
Operational disclosures – coal extraction	✓			Material to LEAG's mining process.
Operational disclosures – business relating to electricity		✓	✓	Material to LEAG's energy producing companies.
Net installed capacity		✓	✓	Material to LEAG's energy producing companies.
Net power production		✓	✓	Material to LEAG's energy producing companies.
Net heat production		✓	✓	Material to LEAG's heat producing companies.
Innovation	✓	✓	✓	Material to all of LEAG's business activities.
Energy consumption		✓	✓	Material to LEAG's energy producing companies.
Fuel consumption		✓	✓	Material to LEAG's energy producing companies.
Emissions allowances		✓		Material to LEAG's conventional power plants.
GHG emissions (scope 1 and 2)		✓		Material to LEAG's conventional power plants.
Significant air pollution during energy production		✓		Material to LEAG's conventional power plants.

Data table reference	LE-B	LE-K	Scope	Notes
Water management – withdrawal, consumption	✓	✓		Material to LEAG's mining process and lignite-fired power plants. Data includes both units of Lippendorf power plant. Water storage has an insignificant water-related impact. Therefore, it has been omitted from the data.
By-products and residuals – production		✓		Material to LEAG's conventional power plants.
Waste production and disposal	✓	✓		Material to LEAG's mining related activities and conventional power plants.
Land management	✓			Material to LEAG's mining activity.
Employees	✓	✓	✓	Material to all of LEAG's business activities. Employee totals are collected as FTE averages for the years 2020 – 2024 throughout. Employees are broken down by managerial positions and other employees, thereby aligning with the EPH reporting methodology, as it relates to data collection. Only an insignificant portion of LEAG's activities is performed by workers who are not employees, therefore detailed information related to these individuals is omitted within this Report.
Employee turnover	✓	✓	✓	Material to all of LEAG's business activities.
Occupational health and safety management system	✓	✓	✓	Material to all of LEAG's business activities.
Work-related injuries and ill health	✓	✓	✓	Material to all of LEAG's business activities. Contractor hours are not tracked, therefore LTIF calculations for contractors could not be conducted.
Complaints	✓	✓	✓	Material to all of LEAG's business activities.
Social investments	✓	✓	✓	Material to all of LEAG's business activities.

ESRS 2 – General disclosures*

Data table reference	LE-B	LE-K	Scope	Notes
Business conduct and fair practices	✓	✓	✓	Material to all of LEAG's business activities
Incidents relating to contracts	✓	✓	✓	Material to all of LEAG's business activities.
Payments	✓	✓	✓	Material to all of LEAG's business activities.
Financial resources allocation	✓	✓	✓	Material to all of LEAG's business activities.

Executive members and non-executive members		2020	2021	2022	2023	2024
Executives – male	#	69	69	66	68	73
Executives – female	#	10	8	6	7	10
Executives – other	#	0	0	0	0	0
Number of executive members	**#**	**79**	**76**	**72**	**75**	**83**
Percentage of executives – male	%	87	90	92	91	88
Percentage of executives – female	%	13	10	8	9	12
Percentage of executives – other	%	0	0	0	0	0
Other employees – male	#	5,628	5,453	5,440	5,936	5,737
Other employees – female	#	1,258	1,249	1,186	1,198	1,176
Other employees – other	#	0	0	0	0	0
Number of non-executive members	**#**	**6,885**	**6,702**	**6,626**	**7,134**	**6,914**
Percentage of non-executives – male	%	82	81	82	83	83
Percentage of non-executives – female	%	18	19	18	17	17
Percentage of non-executives – other	%	0	0	0	0	0

* Some historical figures differ from SR2023 due to recalculation.

Members of administrative, management and supervisory bodies		2020	2021	2022	2023	2024
Males	#	34	34	33	32	33
Females	#	7	7	8	9	8
Other	#	0	0	0	0	0
Total number of members	**#**	**41**	**41**	**41**	**41**	**41**
Percentage of male	%	83	83	80	78	80
Percentage of female	%	17	17	20	22	20
Percentage of other	%	0	0	0	0	0
Total percentage of members	**%**	**1**	**1**	**1**	**1**	**1**

Board's gender diversity ratio (average ratio of female to male)		2020	2021	2022	2023	2024
Board's member – male	#	5	6	5	4	4
Board's member – female	#	0	0	0	0	0
Board's gender diversity ratio (average ratio of female to male)	**%**	**0**	**0**	**0**	**0**	**0**
Independent board members	**#**	**0**	**0**	**0**	**0**	**0**
Independent board members	%	0	0	0	0	0
Board members – total	**#**	**5**	**6**	**5**	**4**	**4**

		2020	2021	2022	2023	2024
Revenue from energy production & utilities	mil €	2,055	2,871	7,453	9,910	7,079
Revenue from fossil fuel (coal, oil and gas) sector	mil €	145	180	254	367	250
Other revenues	mil €	283	368	313	244	360
Total revenue**	**mil €**	**2,483**	**3,419**	**8,020**	**10,521**	**7,689**

E1 – Climate change

Significant CapEx

Significant CapEx		2020	2021	2022	2023	2024
For coal-related economic activities	mil €	163	182	136	189	134
For oil-related economic activities	mil €	–	–	–	–	–
For gas-related economic activities	mil €	1	120	70	63	1

GHG emissions (scope 1,2,3)*

		2020	2021	2022	2023	2024
Direct GHG emissions (Scope 1)	t CO_2eq	45,169,389	48,842,841	50,552,825	41,055,066	37,491,276
Indirect GHG emissions (Scope 2 – location based)	t CO_2eq	107,676	101,280	70,896	171,931	149,359
Indirect GHG emissions (Scope 2 – market based)	t CO_2eq	107,676	101,280	70,896	171,931	149,359
Indirect GHG emissions (Scope 3)	t CO_2eq	n/a	n/a	n/a	n/a	n/a
GHG emissions intensity, location-based (total GHG emissions per net revenue)	intensity	18,235	14,315	6,312	3,919	4,896

* Some historical figures differ from SR2023 due to recalculation.

** FVE Holding, s.r.o. is also included in the revenues 2023 and 2024.

		2020	2021	2022	2023	2024
Total Greenhouse gas emissions reduction (compared to 1990)	**t CO_2eq**	**67,261,665**	**63,587,648**	**61,804,787**	**71,167,033**	**74,728,851**
Emissions of base year (1990)	t CO_2eq	111,853,107	111,853,107	111,853,107	111,853,107	111,853,107
Percentage of total Greenhouse gas emissions reduction (as of emissions of base year)	%	60	57	55	64	67
Net revenue	mil €	2,483	3,419	8,020	10,521	7,689
Percentage of Scope 1 Greenhouse gas emissions reduction (as of emissions of base year)	%	60	57	55	64	67
Intensity value of Scope 1 Greenhouse gas emissions reduction		27,089	18,598	7,706	6,764	9,719
Location-based Scope 2 Greenhouse gas emissions reduction	t CO_2eq	n/a	n/a	n/a	n/a	n/a
Market-based Scope 2 Greenhouse gas emissions reduction	t CO_2eq	n/a	n/a	n/a	n/a	n/a
Scope 3 Greenhouse gas emissions reduction	t CO_2eq	n/a	n/a	n/a	n/a	n/a

Emission Allowances*

Split of Emission Allowances		2020	2021	2022	2023	2024
Electricity	tCO_2	43,717,807	47,164,793	48,965,087	39,751,069	36,323,581
Heat	tCO_2	873,635	1,100,666	1,083,233	935,005	792,830

Action plan – Climate change mitigation

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	52.0	170.3	362.2	135.8
OpEx	mil €	0.3	0.3	0.0	0.0

E1 – Energy

Net installed capacity – electricity*

		2020	2021	2022	2023	2024
Lignite	MW	7,595	7,595	7,595	7,595	6,665
OCGT and other NG	MW	334	334	334	634	634
Total conventional sources	**MW**	**7,929**	**7,929**	**7,929**	**8,229**	**7,299**

		2020	2021	2022	2023	2024
Wind	MW	0	0	0	0	0
Photovoltaic	MW	10	14	14	31	56
Biomass	MW	3	3	3	6	6
Total renewable sources	**MW**	**12**	**17**	**17**	**37**	**62**

* Some historical figures differ from SR2023 due to recalculation.

Net installed capacity – heat

		2020	2021	2022	2023	2024
Lignite	MW	1,795	1,795	1,795	1,795	1,795
Biomass	MW	4	4	4	67	91
Oil	MW	–	–	–	–	20
Total net installed capacity – heat	**MW**	**1,799**	**1,799**	**1,799**	**1,862**	**1,906**

Net power production*

		2020	2021	2022	2023	2024
Lignite	GWh	40,215	43,869	45,259	36,614	33,647
OCGT and other NG	GWh	6	5	1	79	9
Oil	GWh	19	14	18	21	19
Diesel	GWh	86	54	50	71	77
Co-combustion	GWh	844	809	669	525	544
Total conventional sources	**GWh**	**41,170**	**44,751**	**45,997**	**37,310**	**34,297**
Wind	GWh	0	0	0	0	0
Photovoltaic	GWh	11	12	17	15	46
Biomass	GWh	13	13	18	21	18
Total renewable sources	**GWh**	**24**	**25**	**35**	**37**	**64**
Total net electricity production	**GWh**	**41,194**	**44,776**	**46,032**	**37,347**	**34,361**

* Some historical figures differ from SR2023 due to recalculation.

Net heat production*

		2020	2021	2022	2023	2024
Lignite	GJ	11,772,197	14,582,114	14,055,387	11,358,101	9,726,264
Oil	GJ	4,335	3,030	3,071	2,887	2,786
Diesel	GJ	23,733	13,869	23,306	21,344	23,540
Co-combustion	GJ	274,628	285,771	282,125	202,208	197,593
Total conventional sources	**GJ**	**12,074,893**	**14,884,784**	**14,363,889**	**11,584,541**	**9,950,184**
Biomass	GJ	18,319	21,113	19,060	449,058	558,041
Total renewable sources	**GJ**	**18,319**	**21,113**	**19,060**	**449,058**	**558,041**
Total net heat production	**GJ**	**12,093,212**	**14,905,897**	**14,382,949**	**12,033,599**	**10,508,225**

Energy consumption & energy consumption mix*

Total energy consumption from fossil sources		2020	2021	2022	2023	2024
Lignite	GWh	110,453	121,924	126,654	104,238	95,270
Natural gas	GWh	26	21	6	236	30
Oil	GWh	60	47	59	70	63
Diesel	GWh	314	146	146	214	237
Purchased electricity	GWh	309	322	205	439	436
Co-combustion	GWh	2,521	2,186	1,878	1,394	1,458
Total energy consumption from fossil sources	**GWh**	**113,683**	**124,646**	**128,948**	**106,592**	**97,496**

* Some historical figures differ from SR2023 due to recalculation.

Nuclear sources		2020	2021	2022	2023	2024
Nuclear	GWh	–	–	–	–	–

Renewable sources		2020	2021	2022	2023	2024
Wind	GWh	0	0	0	0	0
Photovoltaic	GWh	0	0	0	0	0
Biomass	GWh	57	56	73	183	258
Total energy consumption from renewable sources	**GWh**	**57**	**56**	**73**	**183**	**258**

		2020	2021	2022	2023	2024
Total energy consumed	**GWh**	**113,740**	**124,702**	**129,021**	**106,775**	**97,754**
Renewable sources in total energy consumption	%	0.05	0.05	0.06	0.17	0.26
Conventional sources in total energy consumption	%	99.95	99.95	99.94	99.83	99.74
Energy intensity	GWh/ mil €	46	36	16	10	13

* Some historical figures differ from SR2023 due to recalculation.

Innovation

Investment into innovation		2020	2021	2022	2023	2024
Storage solutions	mil €	9.8	1.6	0.1	12.6	54.6
H_2 innovation	mil €	0.0	0.0	1.8	10.9	12.4
Gas power plants	mil €	0.7	120.4	70.3	63.6	2.1
Wind and photovoltaic	mil €	0.5	2.5	11.2	25.1	111.3
Total investment into innovation	**mil €**	**11.0**	**124.4**	**83.4**	**112.2**	**180.3**

Action plan – Energy innovation

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	111.5	179.3	385.8	304.3
OpEx	mil €	0.7	1.0	0.0	0.1

Action plan – Providing stable supply of energy

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	189.9	306.5	619.0	515.8
OpEx	mil €	112.9	94.1	95.2	100.4

E2 – Pollution

Significant air pollution during energy production

		2020	2021	2022	2023	2024
SO_2 emissions	tonnes	24,206	29,335	23,346	18,122	17,582
NO_x emissions	tonnes	28,779	31,829	31,969	26,832	25,720
Dust emissions	tonnes	803	788	879	837	713
CO emissions	tonnes	10,703	13,960	15,561	14,982	12,841
CO_2 emissions – fossil	tonnes	44,591,442	48,265,459	50,048,320	40,686,074	37,116,411
CO_2 emissions – biogenic	tonnes	429,928	411,189	337,625	234,296	241,063
NO_2 emissions	tonnes	497	558	560	452	449
NO_2 emissions	t CO_2eq	148,019	166,193	166,880	134,696	133,802
Total significant air emissions	**tonnes**	**45,086,359**	**48,753,118**	**50,458,260**	**40,981,595**	**37,414,779**

Percentage of net revenue

Percentage of net revenue		2020	2021	2022	2023	2024
Net revenue made with products and services that are or that contain substances of concern	€	0	0	0	0	0
Percentage of net revenue made with products and services that are or that contain substances of concern	%	0	0	0	0	0

Action plan – Environmental

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	14.2	4.3	4.4	1.3
OpEx	mil €	12.9	15.5	6.8	5.0

E3 – Water and marine resources

Water withdrawal

		2020	2021	2022	2023	2024
Surface water	mil m³	92	97	112	100	101
Groundwater	mil m³	361	345	345	347	336
Quantity of water withdrawn from all areas	**mil m³**	**453**	**442**	**457**	**447**	**437**
Total freshwater withdrawal (≤1,000 mg/L total dissolved solids)	**mil m³**	**453**	**442**	**457**	**447**	**437**
Total other water withdrawal (>1,000 mg/L total dissolved solids)	**mil m³**	**0**	**0**	**0**	**0**	**0**
Water discharge power plants	**mil m³**	**113**	**121**	**130**	**114**	**101**
thereof – Cooling water – discharge	mil m³	17	18	19	15	16
thereof – Cooling water – losses	mil m³	88	94	103	88	78
thereof – Waste water – discharge	mil m³	8	9	8	11	7
Wastewater re-used within the organisation	mil m³	1	1	1	1	1
Wastewater sold for further reuse to other organisations	mil m³	0	0	0	0	0
Percentage of re-used wastewater within company	%	0.22	0.23	0.22	0.22	0.23
Water stored	mil m³	0	0	0	0	0

Water consumption*

		2020	2021	2022	2023	2024
Total water consumption	**mil m³**	**88**	**94**	**103**	**88**	**78**
Water intensity – generation (LE-K only)	m³/ per mil €	35,441	27,493	12,843	8,364	10,145

* Some historical figures differ from SR2023 due to recalculation.

Action plan – Water

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	6.9	9.3	11.1	15.2
OpEx	mil €	5.3	4.3	5.0	4.5

E4 – Biodiversity

Land management

		2020	2021	2022	2023	2024
Land transferred to mining activity	ha	315	269	289	420	242
Land recultivation	ha	299	207	276	303	310
Nature-oriented area on site	ha	299	207	276	303	310
Nature-oriented area off site	ha	0	0	0	0	0
Total sealed area	ha	0	0	0	0	0
Total use of land area	**ha**	**615**	**476**	**565**	**723**	**552**

Recultivation		2020	2021	2022	2023	2024
Agriculture	ha	82	31	31	39	23
Forestry	ha	141	112	182	218	230
Other type of recultivation activity	ha	76	64	63	46	58
Total recultivation	**ha**	**299**	**207**	**276**	**303**	**310**
Overburden removed	mil m^3	265	275	302	283	219
Number of trees and shrubs planted	#	1,100,000	600,000	500,000	800,000	1,240,000

Action plan – Biodiversity

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	0.1	0.1	0.1	0.0
OpEx	mil €	8.0	4.1	7.2	2.2

E5 – Circular economy

Waste production

Waste production		2020	2021	2022	2023	2024
Non-hazardous waste	tonnes	94,853	116,168	66,452	88,470	232,359
Hazardous waste	tonnes	6,664	5,355	4,876	8,526	6,575
Total amount of radioactive waste	tonnes	–	–	–	–	–
Total waste production	**tonnes**	**101,516**	**121,523**	**71,328**	**96,996**	**238,934**

Waste disposal

Hazardous waste diverted from disposal		2020	2021	2022	2023	2024
Diverted from disposal due to recycling	tonnes	0	0	0	0	0
Diverted from disposal due to preparation for reuse	tonnes	0	0	0	0	0

Non-hazardous waste diverted from disposal		2020	2021	2022	2023	2024
Diverted from disposal due to recycling	tonnes	35,122	39,338	5,907	19,986	149,692
Diverted from disposal due to preparation for reuse	tonnes	0	0	0	0	0

Hazardous waste directed to disposal		2020	2021	2022	2023	2024
Directed to disposal by incineration	tonnes	0	0	0	0	0
Directed to disposal by landfilling	tonnes	3,024	2,228	1,513	3,099	2,385
Directed to disposal by other disposal operations (recycling)	tonnes	3,639	3,127	3,364	5,427	4,190

Non-hazardous waste directed to disposal		2020	2021	2022	2023	2024
Directed to disposal by incineration	tonnes	0	0	0	0	0
Directed to disposal by landfilling	tonnes	23,259	29,344	25,425	19,309	14,484
Directed to disposal by other disposal operations (recycling)	tonnes	36,472	47,486	35,120	49,175	68,183

Secondary materials

		2020	2021	2022	2023	2024
The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	tonnes	n/a	n/a	n/a	n/a	n/a
Overall total weight of materials	tonnes	n/a	n/a	n/a	n/a	n/a

By-products and residues – Production

		2020	2021	2022	2023	2024
Ash (classified as non-hazardous waste according to waste legislation)	tonnes	2,997,592	3,266,680	4,203,334	3,527,213	2,312,234
Slag (classified as non-hazardous waste according to waste legislation)	tonnes	724,337	722,394	749,400	881,870	481,717
Gypsum (by-product certified according to REACH regulation, no waste)	tonnes	2,228,716	2,568,095	2,817,188	2,143,369	1,787,863
Total production	**tonnes**	**5,950,645**	**6,557,169**	**7,769,922**	**6,552,452**	**4,581,814**

Action plan – Waste

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	1.2	8.2	15.9	12.1
OpEx	mil €	9.3	5.2	10.4	3.4

S1 – Own workforce

Employees

All employees by position		2020	2021	2022	2023	2024
Total number of employees	**FTE average**	**6,965**	**6,779**	**6,698**	**7,209**	**6,997**
Executive members – total	FTE average	79	76	72	75	83
Percentage of male	%	87	90	92	91	88
Percentage of female	%	13	10	8	9	12
Percentage of other	%	0	0	0	0	0
Other employees – total	FTE average	6,885	6,702	6,626	7,134	6,914
Percentage of male	%	82	81	82	83	83
Percentage of female	%	18	19	18	17	17
Percentage of other	%	0	0	0	0	0

All employees by position		2020	2021	2022	2023	2024
Percentage of managerial positions- from total	%	1	1	1	1	1
Percentage of others – from total	%	99	99	99	99	99

All employees by gender		2020	2021	2022	2023	2024
Ratio of male to female	**ratio**	**4**	**4**	**5**	**5**	**5**
Male employees – total	FTE average	5,697	5,522	5,506	6,004	5,810
Female employees – total	FTE average	1,268	1,257	1,192	1,205	1,187
Other	FTE average	0	0	0	0	0
Percentage of male – total	%	82	81	82	83	83
Percentage of female – total	%	18	19	18	17	17
Percentage of other – total	%	0	0	0	0	0

Employees by contract type		2020	2021	2022	2023	2024
Permanent contract	**FTE average**	**6,148**	**6,059**	**5,892**	**6,305**	**6,241**
Male		5,007	4,934	4,803	5,214	5,167
Female		1,141	1,125	1,088	1,090	1,074
Percentage of employees with a permanent contract	**%**	88	89	88	87	89
Temporary contract	**FTE average**	**817**	**720**	**807**	**904**	**756**
Male		690	608	703	790	648
Female		127	112	104	115	108
Other		0	0	0	0	0
Percentage of employees with a temporary contract	%	12	11	12	13	11

Employees by contract type		2020	2021	2022	2023	2024
Part-time contract	**FTE average**	**533**	**650**	**481**	**352**	**298**
Male		367	424	287	202	174
Female		166	226	194	151	123
Percentage of employees with a part-time contract	%	8	10	7	5	4
Full-time contract	**FTE average**	**6,432**	**6,128**	**6,217**	**6,857**	**6,699**
Male		5,330	5,128	5,219	5,803	5,640
Female		1,102	1,000	998	1,054	1,059
Percentage of employees with a full-time contract	%	92	90	93	95	96

		2020	2021	2022	2023	2024
Number of non-employees in own workforce	**FTE average**	**6**	**19**	**127**	**116**	**99**
Number of non-employees in own workforce – self-employed people	FTE average	0	0	0	0	0
Number of non-employees in own workforce – people provided by undertakings primarily engaged in employment activities	FTE average	6	19	127	116	99
Percentage of non-employees in total workforce	%	0.1	0.3	1.9	1.6	1.4

		2020	2021	2022	2023	2024
Employees with collective bargaining agreements	**FTE average**	**6,568**	**6,383**	**6,301**	**6,659**	**6,352**
Percentage of employees with collective bargaining agreements	%	94	94	94	92	91
Employees in country (EEA) covered by workers' representatives	**FTE average**	**6,965**	**6,779**	**6,698**	**7,152**	**6,913**
Percentage of employees in country (EEA) covered by workers' representatives	%	100	100	100	99	99

		2020	2021	2022	2023	2024
Employees with disabilities	**FTE average**	**306**	**281**	**280**	**245**	**227**
Male	FTE average	244	220	219	193	178
Female	FTE average	63	60	61	52	49
Other	FTE average	0	0	0	0	0
Percentage of employees with disabilities	%	4	4	4	3	3

Employees by age		2020	2021	2022	2023	2024
Employees under 30 years old	FTE average	1,265	1,127	1,069	1,096	1,032
Employees between 30 and 50 years old	FTE average	2,424	2,491	2,603	3,094	3,171
Employees over 50 years old	FTE average	3,275	3,161	3,026	3,019	2,794
Percentage of employees under 30 years old	%	18	17	16	15	15

Employees by age		2020	2021	2022	2023	2024
Percentage of employees between 30 and 50 years old	%	35	37	39	43	45
Percentage of employees over 50 years old	%	47	47	45	42	40

Employee Turnover

		2020	2021	2022	2023	2024
Number of new hires – male	**#**	**207**	**327**	**885**	**651**	**228**
Under 30 years old		161	220	188	189	101
30–50 years old		31	64	403	289	76
Over 50 years old		16	44	294	173	51
Number of new hires – female	**#**	**37**	**72**	**109**	**97**	**47**
Under 30 years old		21	43	35	31	21
30–50 years old		11	17	35	48	23
Over 50 years old		4	12	39	19	4
Number of new hires – total	**#**	**244**	**399**	**994**	**748**	**276**
Number of leavers – male	**#**	**463**	**645**	**581**	**577**	**667**
Under 30 years old		142	238	124	19	140
30–50 years old		62	72	82	22	157
Over 50 years old		259	334	376	537	370
Number of leavers – female	**#**	**100**	**158**	**128**	**137**	**113**
Under 30 years old		28	41	22	1	38
30–50 years old		22	26	29	7	27
Over 50 years old		50	91	76	128	48
Number of leavers – total	**#**	**563**	**802**	**709**	**714**	**780**

		2020	2021	2022	2023	2024
Thereof employees (in pension)	#	286	355	453	383	407
Thereof employees (in other termination)	#	276	447	256	331	373
Employee turnover rate	**%**	**8**	**12**	**11**	**10**	**11**

Training and skill development

		2020	2021	2022	2023	2024
Employees that participated in regular performance career development reviews	**#**	**6,965**	**6,779**	**6,698**	**7,209**	**6,995**
Male	#	5,697	5,522	5,507	6,004	5,810
Female	#	1,268	1,257	1,192	1,205	1,185
Percentage of employees that participated in regular performance and career development reviews	%	100	100	100	100	100
Training hours – male	**#**	**–**	**–**	**–**	**–**	**178,508**
Training hours – female	**#**	**–**	**–**	**–**	**–**	**25,291**

Occupational health and safety management system[26]

		2020	2021	2022	2023	2024
Number of all employees covered by health and safety management system	**#**	**6,431**	**6,221**	**6,132**	**6,374**	**5,952**
Percentage of own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines and which has been internally audited and (or) audited or certified by an external party	%	92	92	92	88	85

26 The scope of occupational health and safety management includes LE-K and LE-B. However, other organisational units, such as subsidiaries, are certified in occupational safety and health by the professional associations.

Work-related injuries and ill health

Number of fatalities		2020	2021	2022	2023	2024
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	#	0	0	0	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	#	2	0	0	0	0
Total number of fatalities	#	2	0	0	0	0
Number of recordable work-related accidents for own workforce	#	19	16	16	16	14

Work-related ill health (employees)		2020	2021	2022	2023	2024
Number of fatalities as a result of work-related ill health	#	0	0	0	0	0
Number of cases of recordable work-related ill health[27]	#	59	35	53	58	32
Number of days lost to work-related injuries and fatalities from work-related accidents	#	617	890	541	664	859

Remuneration metrics[28]

Gender pay gap		2020	2021	2022	2023	2024
Average pay level – male	€	–	–	–	–	68,068
Average pay level – female	€	–	–	–	–	68,524
Gender pay gap – percentage of the average pay level of male employees	%	–	–	–	–	101

27 Number of inquiries from the employers' liability insurance association on reports of suspected occupational diseases (processing in accordance with §§191, 192 Sozialgesetzbuch, SGB VII).

28 Scandbio AB is out of this scope.

Annual total remuneration ratio		2020	2021	2022	2023	2024
Annual total remuneration ratio of the undertaking's highest paid individual	ratio	9.6	12.0	7.2	9.3	10.4
Median employee annual total remuneration (excluding the highest paid)	€	60,991	60,407	63,861	72,006	68,100

Severe human right issues and incidents

		2020	2021	2022	2023	2024
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	#	0	0	0	0	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	€	0	0	0	0	0

Action plan – Health and safety

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	1.0	1.9	2.1	2.6
OpEx	mil €	0.1	0.0	0.1	0.0

Action plan – Employee retention

Financial resources allocated to action plan		Actual in 2023	Actual in 2024	Budget in 2024	Budget in 2025
CapEx	mil €	0.4	3.3	2.7	1.7
OpEx	mil €	0.1	0.2	1.0	0.2

S4 – Consumers and end-users

Complaints of consumers and end-user[29]

		2020	2021	2022	2023	2024
Number of complaints received from consumers and/or end-users during the reporting period	**#**	**–**	**–**	**–**	**103**	**119**

G1 – Business conduct

Complaints

		2020	2021	2022	2023	2024
Number of complaints filed through channels for people in own workforce to raise concerns	#	1	0	2	0	0
Number of incidents of discrimination	#	1	0	2	0	0

Social investments (donations, sponsorship, etc.)*

		2020	2021	2022	2023	2024
Share made up by donations	mil €	0.3	0.2	0.2	0.3	0.2
Share made up by sponsorships	mil €	0.3	0.5	0.5	0.8	0.9
Other shares	mil €	0.3	0.3	0.3	0.5	0.1
Total monetary value contributed	**mil €**	**0.9**	**1.0**	**1.0**	**1.6**	**1.2**

Business conduct and fair practices

		2020	2021	2022	2023	2024
Number of participants in compliance training	#	470	535	376	605	689

29 Number of quality complaints for briquette and pellet products (only LE-B).

* Some historical figures differ from SR2023 due to recalculation.

Incidents

		2020	2021	2022	2023	2024
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	#	0	0	0	0[30]	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	#	0	0	0	0	0
Number of confirmed incidents of corruption or bribery	#	0	0	0	0	0
Violation of anti-corruption and anti- bribery laws						
Number of convictions for violation of anti-corruption and anti-bribery laws	#	0	0	0	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	€	0	0	0	0	0

30 There was one reported incident of unfair business practices, however, not related to corruption and bribery. This incident was resolved internally.

Payments

		2020	2021	2022	2023	2024
Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated	#	22	23	22	22	21
Payments aligned with standard payment terms[31]	#	70,935	52,428	58,236	62,901	53,320
Payments total[32]	#	74,237	62,749	63,968	69,183	59,358
Payments aligned with standard payment terms from total	%	96	84	91	91	90

31 Number of on-time payments (earlier payment or on the due date) of order-related incoming invoices.

32 Total number of order-related payments without down payments and without credits.

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