

Our Path to the Future

# Neptune Energy Transition Plan

Today we produce  
what counts  
tomorrow.

# Our Path to the Future

Dear readers,

The world is facing major challenges, and the energy sector is undergoing a period of profound change. Here in Germany, we are experiencing a particular tension; on the one hand, there are the risks of deindustrialisation caused by persistently high energy prices among other things; on the other hand, there is the urgent need for measures to help us meet our shared climate targets.

Against this backdrop, we recognise our responsibility to contribute positively to the energy future of Germany and Europe. To this end, we are evolving our business model – not merely to secure long-term economic value, but also to fulfil our social responsibility of ensuring a secure and affordable energy supply.

We have already taken the first consistent steps by restructuring our organisation in 2023 around three equally important fields of action. This holistic approach is intended to secure the economic future of our company and the society in which we live and work.

Base

Balance

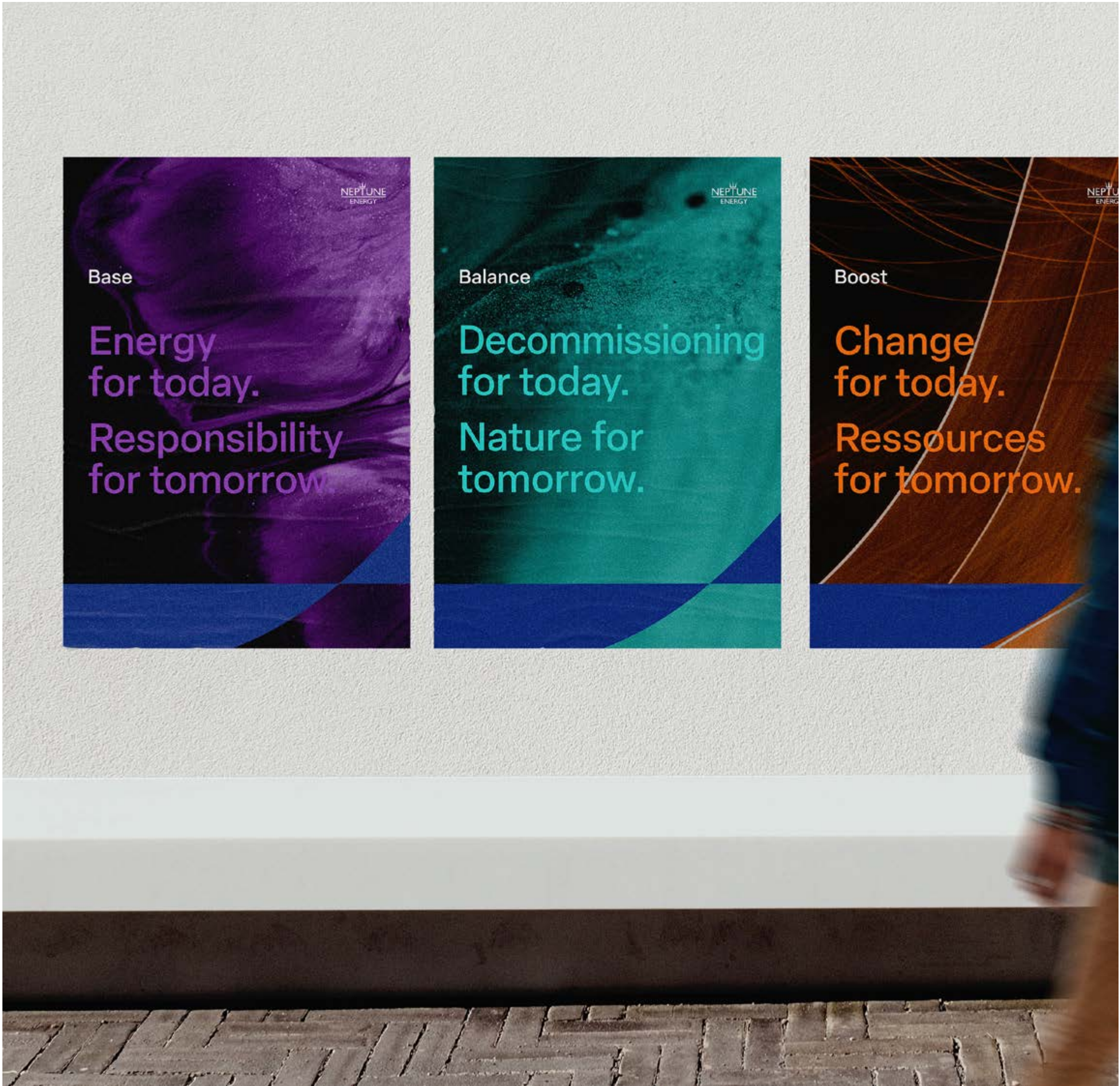
Boost



|         |                                                                                                                                                                                           |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Base    | We produce domestic crude oil and natural gas using state-of-the-art technology, thereby laying the foundations for the transition to new energies.                                       |
| Balance | We take responsibility for the decommissioning of our plants and the transformation of operating sites to their natural state, while maintaining high safety and environmental standards. |
| Boost   | We identify and develop innovative projects that draw on our specialised expertise in drilling and subsurface engineering.                                                                |

With more than 130 years of experience in the regional extraction of raw materials, we feel responsible for safeguarding jobs in Germany and strengthening the local economy. The production of domestic raw materials is not only more ecologically sound than importing liquefied natural gas or oil over extensive transport routes, but is also essential for stabilising the energy supply during times of upheaval. Oil and gas will continue to play a role in the coming years, and it is our responsibility to produce these resources efficiently and in an environmentally conscious manner.

We aim to work to high standards: in occupational safety, social commitment and environmental protection. The responsible use of our resources as well as the renaturalisation and decommissioning of our extraction sites after project completion are a priority. At the same time, we make targeted investments in pioneering technologies. Neptune Energy is one of the pioneers in Germany when it comes to the extraction of lithium from brine.





Andreas Scheck  
**Chief Executive Officer**



Frederic Sager  
**Chief Financial Officer**

In 2024, we took the next step by implementing a double Materiality Assessment in accordance with the ESRS 1 reporting standard. With this strategic tool, we analysed the impact of our business activities on the environment and social issues. This transition plan is another milestone in our transformation. We are defining clear benchmarks against which we will be able to measure our future performance.

Transparency, resilience and collaboration are the keys to our success. For companies like ours, excellent performance in the areas of environmental protection, social and governance (ESG) is a core requirement today. Only a company that can communicate clear progress and results will remain an attractive partner in the energy supply sector. We must not only earn the trust our external stakeholders but also involve our employees and develop forward-looking solutions together.

Our path requires a proactive approach to the challenges that lie ahead. This means securing our financial stability, improving operational efficiency and responding flexibly to evolving market requirements.

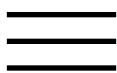
Looking to the future, we firmly believe that a secure, responsible and climate-friendly supply of energy and raw materials in Germany is possible, and we are certain that this will also require experts in subsurface engineering and borehole mining. We will help shape the future. With our new slogan, we are setting an example:

**Today we produce what counts tomorrow.**

Yours sincerely

Andreas Scheck  
Chief Executive Officer

Frederic Sager  
Chief Financial Officer



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# 1. At a Glance: Our Company

# At a Glance: Our Company

We are on the path to transformation.  
This also reflects our mission for the future.

## Our Mission

Germany is Europe’s largest economy and one of the world’s leading export nations. To keep it that way, it needs one thing above all: a reliable energy supply – today and in the future. At the same time, the energy transition presents us with enormous challenges. At Neptune Energy, we see both as our mission: securing supply and helping to shape change.

We use our experience as an established energy and raw materials producer in Germany to do just that. As long as oil and gas remain part of our energy mix, we will produce them responsibly. With high environmental standards and directly on site. We supply what is needed - efficiently, safely and with the lowest possible emissions.

At the same time, we use our technical expertise and our existing infrastructure to drive sustainable solutions forward. This includes, for example, the domestic extraction of lithium for electromobility. Our mission is clear: Today we produce what counts tomorrow to secure our society’s energy supply and transform it step by step.

**Our Vision** is to expand our business based on our three fields of action: Base, Balance and Boost. In doing so, we are pursuing a holistic approach that encompasses economic, ecological and social issues. Only such an integrated perspective will ensure long-term success.

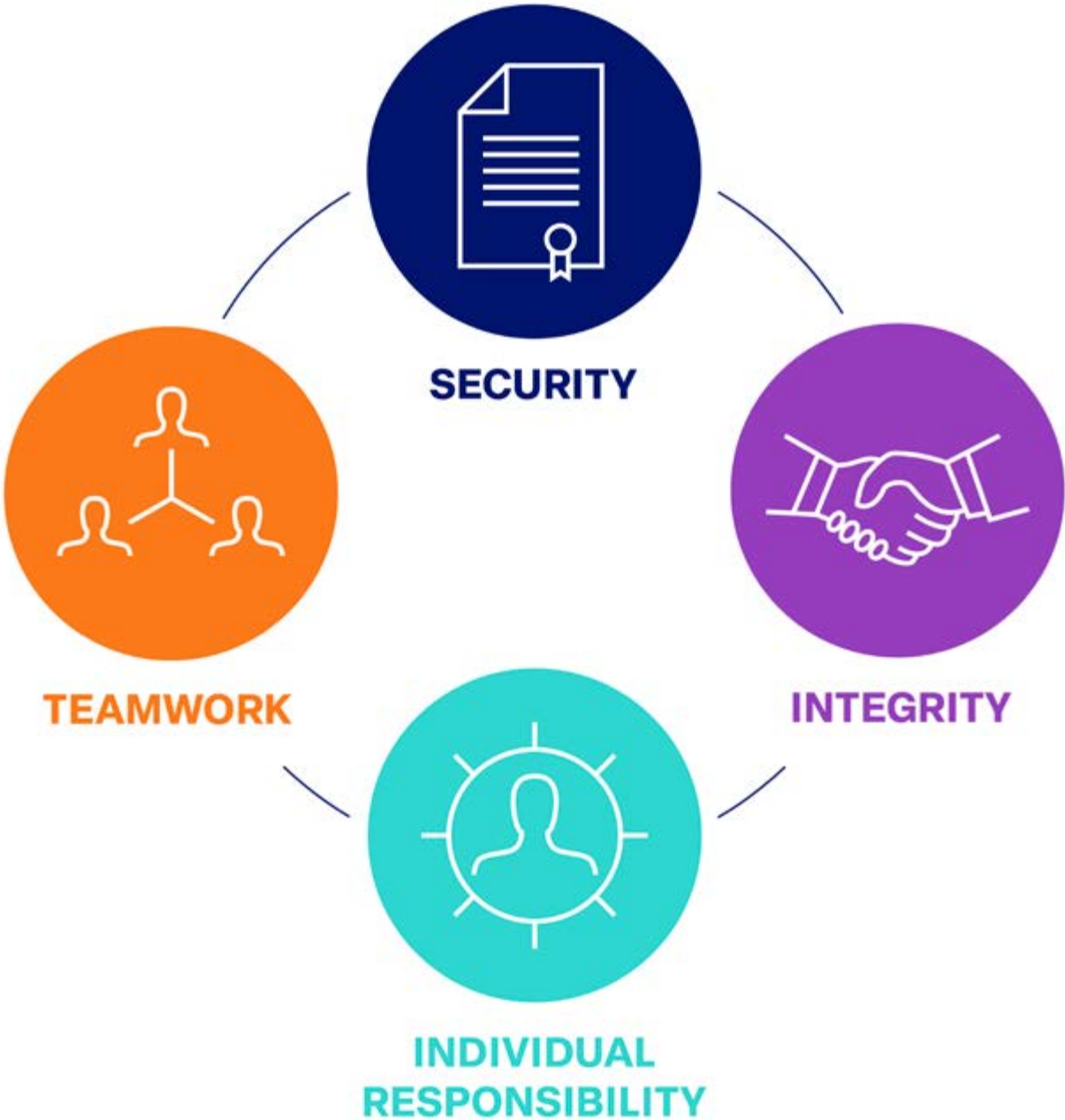
As an independent company with the owners China Investment Corporation (CIC), The Carlyle Group and CVC Capital Partners, we have the knowledge and resources to make a positive contribution to the energy transition in Germany.



On our journey, we build on **four core values** for our team.

**The safety** of our employees, contractors, suppliers and the communities in which we operate is the foundation of everything we do – because nothing is of value if we don not do it right.

**Teamwork** is how we get things done every day and how we will grow together. Although we are spread across many locations, we will only succeed if we work together as one team.



**Individual responsibility** for our actions is important to us. Our colleagues are personally committed to the future of our company. The contribution and expertise of every Neptune Energy employee matters.

For us, **integrity** means a commitment to acting ethically and respecting all people equally.

# Where We Operate: Strategically Positioned Across Germany

Around 460 employees are active throughout Germany and work together for the success of our company and a sustainable future for Neptune Energy. We combine decades of experience with modern technology to enable more energy-efficient and lower-emission production of natural gas and crude oil. Our new projects include natural gas production from the Adorf Karbon field in north-west Germany. The Altmark region in eastern Germany is an important location for our New Energy division. Here, we are working on the future of domestic lithium production.



Our Expertise

Our experts have decades of experience in the entire process of raw materials extraction and borehole mining. This expertise will also be urgently needed in the future.



SEARCH

At the start of any exploration project, we need data on the nature of the subsurface.



FIND

By using innovative drilling techniques, we are now able to access reserves that could not previously be tapped into.



PRODUCE

Following a successful drilling operation, experts dismantle the drilling rig and set up production and processing facilities.



DECOMMISSION

We are responsible for the recultivation of land previously used for mining purposes.

## Our Understanding of Sustainability

As an industrial company involved in the extraction of raw materials in Germany, we prioritise safety as a fundamental aspect of our operations. We are committed to environmental protection and maintaining positive relations with the local community, recognising these elements as integral to our success. In our activities, we are committed to reducing our environmental impact. It is our company’s policy to comply with all applicable regulations. We are proud to say that we go above and beyond the legal requirements. In some cases, a number of minor enhancements can have a significant impact. We are committed to providing consistent service, 365 days a year. We are committed to promoting the development of tomorrow’s energy solutions today, while also playing a proactive role in shaping the future of energy and raw materials production. To achieve this, we are undergoing a change.





## 2. The Framework for Our Transformation

# The Framework for Our Transformation: Europe's Path to Climate Neutrality

## Opportunities for Climate-Friendly Innovations

The European Green Deal is the overarching framework for Europe’s climate transition, and is the European Union’s central framework for making Europe climate-neutral by 2050. It comprises a wide range of policy measures and legislative initiatives designed to accelerate the transition to a sustainable, low-carbon economy. Key components of the Green Deal include the EU Climate Neutrality Act, the Fit for 55 package, the Just Transition Mechanism, the EU Taxonomy Regulation and CSRD reporting (Corporate Sustainability Reporting Directive). These initiatives establish binding targets and create clear incentives for companies to contribute to achieving climate goals.

The EU Climate Neutrality Act is a commitment to reducing net greenhouse gas emissions by 55 per cent by 2030 compared to 1990, with the aim of achieving net-zero emissions by 2050. The Just Transition Mechanism is designed to ensure that the transition to a climate-neutral economy is fair and socially balanced. The EU Taxonomy Regulation is a key instrument for promoting investment in climate-friendly projects, as it defines which economic activities are considered sustainable.

For companies that do not fall within the scope of the CSRD, the VSME standards (Voluntary Sustainability Reporting Standard for non-listed Small and Medium-sized Enterprises) offer a voluntary reporting option in Europe. Internationally, agreements such as the Paris Agreement and initiatives such as the US Inflation Reduction Act support global efforts to limit global warming. Within the EU, the Green Deal’s measures are closely aligned with the Sustainable Development Goals (SDGs), which promote sustainable development in areas such as energy, infrastructure and consumption.

This poses significant challenges and opportunities for oil and gas companies. It is imperative that businesses transition from fossil fuels to sustainable business models in order to minimise financial risks. These risks are arising, among other things, from the European Union Emissions Trading System (EU ETS). Furthermore, new technologies open up potential for climate-friendly innovations.



## The Framework for Our Transformation: Energy and Raw Materials Supply in Germany

Since the 1990s, primary energy consumption in Germany has fallen by around 30 per cent, partly as a result of successful energy efficiency measures. The use of renewable energy sources has increased more than tenfold since 1990. However, it should be noted that approximately 80 per cent of Germany's energy mix is still derived from fossil fuels. Approximately 60 per cent of the total is accounted for by crude oil and natural gas combined. The [Federal Environment Agency](#) is responsible for the publication of up-to-date data on this matter.

Achieving Germany's energy and climate targets by 2030 and 2045, respectively, is therefore an immense challenge.

However, the challenge lies in implementing an energy supply that is as environmentally sustainable as possible while remaining financially viable and ensuring security of supply in Germany. As an energy and raw materials company based in Germany, we can contribute to this in several ways.



The background image shows a close-up, low-angle view of an offshore oil rig's control panel. The panel is mounted on a metal structure and features two large circular gauges with white faces and black markings. A red chain is draped over the gauges. To the right of the gauges is a control unit with various buttons and switches, including a prominent red emergency stop button. The rig's blue structural beams and a yellow component are visible in the upper left, while the sky is in the upper right.

# 3. Guiding Principles for Our Change

# Guiding Principles for Our Change: What Matters to Us and to Society

What impact does Neptune Energy have on society and the environment? What environmental and social issues influence the financial development of our company?

We answered these questions in 2024 with the support of external experts: Our transition plan is based on a double Materiality Assessment in accordance with the ESRS 1 reporting standard. Extensive stakeholder analyses and surveys were carried out in this context. Independent experts interviewed representatives from politics, administration and local communities, among others.

A survey of all Neptune Energy employees was also part of the data collection. The results provide us with important impetus to transparently analyse the opportunities and risks of our actions. We use this strategic tool to consider the impact of our business activities on the environment and social issues as well as climate risks and other uncertainties for our business model. Based on this approach, we identify the key sustainability issues that will shape our future direction.

“With our first dual materiality analysis, we have, together with our stakeholders, identified key issues that will continue to support us on our transformation journey.”

**Sascha-Maxim Schrader,**  
Head of Treasury & ESG

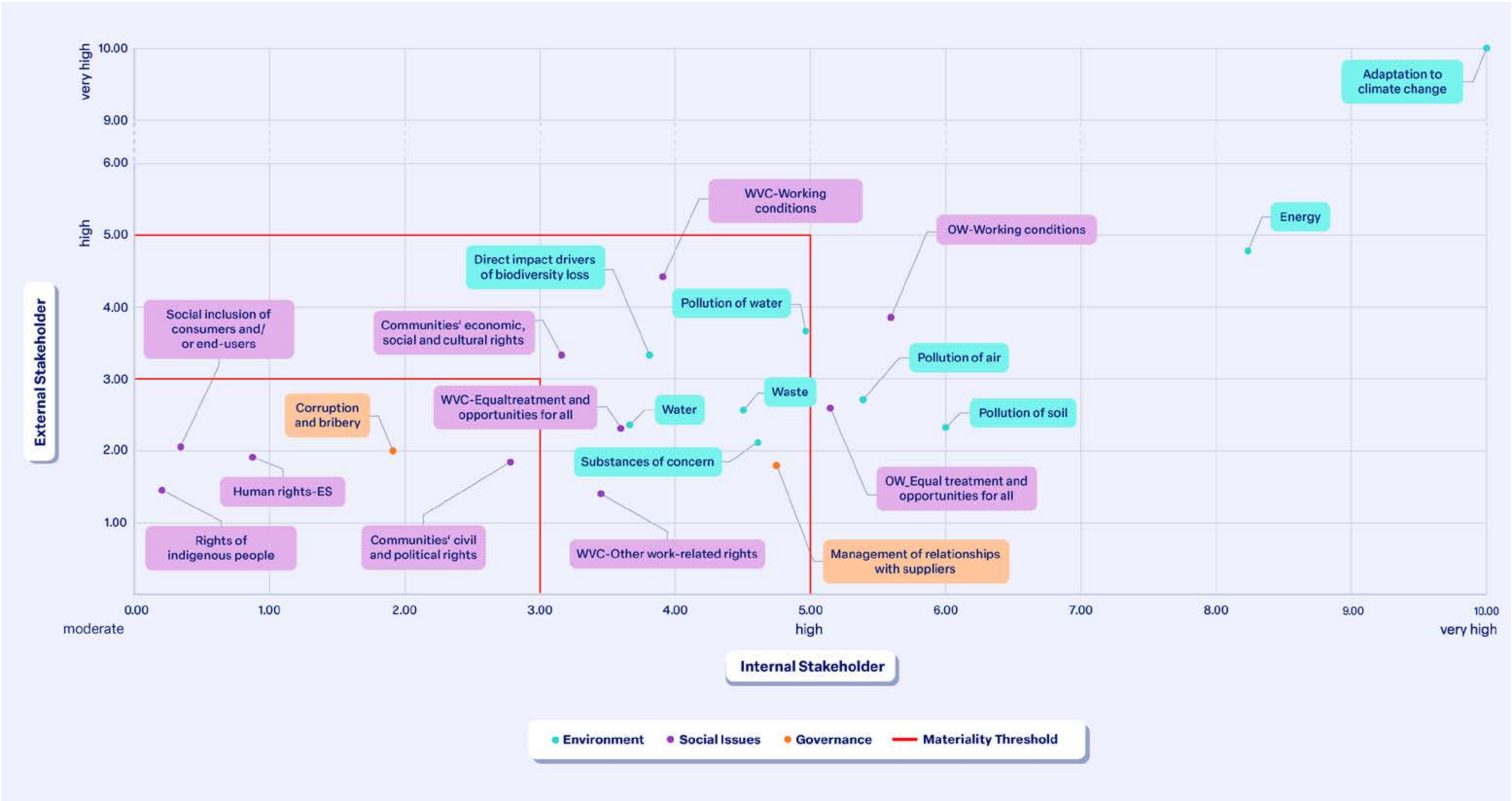
# Double Materiality Analysis

## Results of Our Double Materiality Analysis

This matrix shows how our stakeholders rated the materiality of the sub-themes) based on their relative importance. The rating ranges from 0 (low materiality) to 10 (high materiality). The results illustrate how internal and external stakeholders rated each sub-topic.

The topics are categorised into three ESRS areas:

- Environment
- Social
- Governance



## Significant Issues for Our Future

The matrix illustrates that **climate and environmental protection**, **working conditions** and **energy supply** were identified as key priorities. This applies equally to both internal and external stakeholders. Our experts have given these issues significant consideration in our Transition Plan. In addition, we are committed to supporting the United Nations’ 17 Sustainable Development Goals. However, as a medium-sized company, it is not possible for us to pursue all goals with equal focus, which is why we concentrate on ‚major‘ goals. The goals with the greatest leverage are intended to have the strongest impact within the framework of our business activities. For our business, the focus is particularly on Goal 7 (**affordable and clean energy**), Goal 8 (**decent work and economic growth**) and Goal 13 (**climate action**). In addition, we are committed to supporting goals that we can influence indirectly. We therefore align with Goals 3 (Good Health and Well-being), 4 (Quality Education), 9 (Industry, Innovation and Infrastructure), and 12 (Responsible Consumption and Production). However, we recognise that our influence over these goals is limited. Within our sphere of influence and environment, however, they are given high priority and are taken into account in business decisions.



Source: [sdgactioncampaign.org/resources/](https://sdgactioncampaign.org/resources/)

These Key Issues for Our Change Are Reflected in Our Mission and Lead to the Following Guiding Principles for Our Future:

Innovation

Pioneering future technologies based on our expertise and data about the subsurface and our existing infrastructure, for example in the field of lithium extraction.

→ This is how we contribute to **access to clean** and **affordable energy, economic growth** in local communities and **climate protection**

Responsibility

Commitment to net-zero emissions by 2045 in Scope I and II<sup>1</sup>, taking into account high ESG criteria and environmentally friendly projects in raw materials extraction.

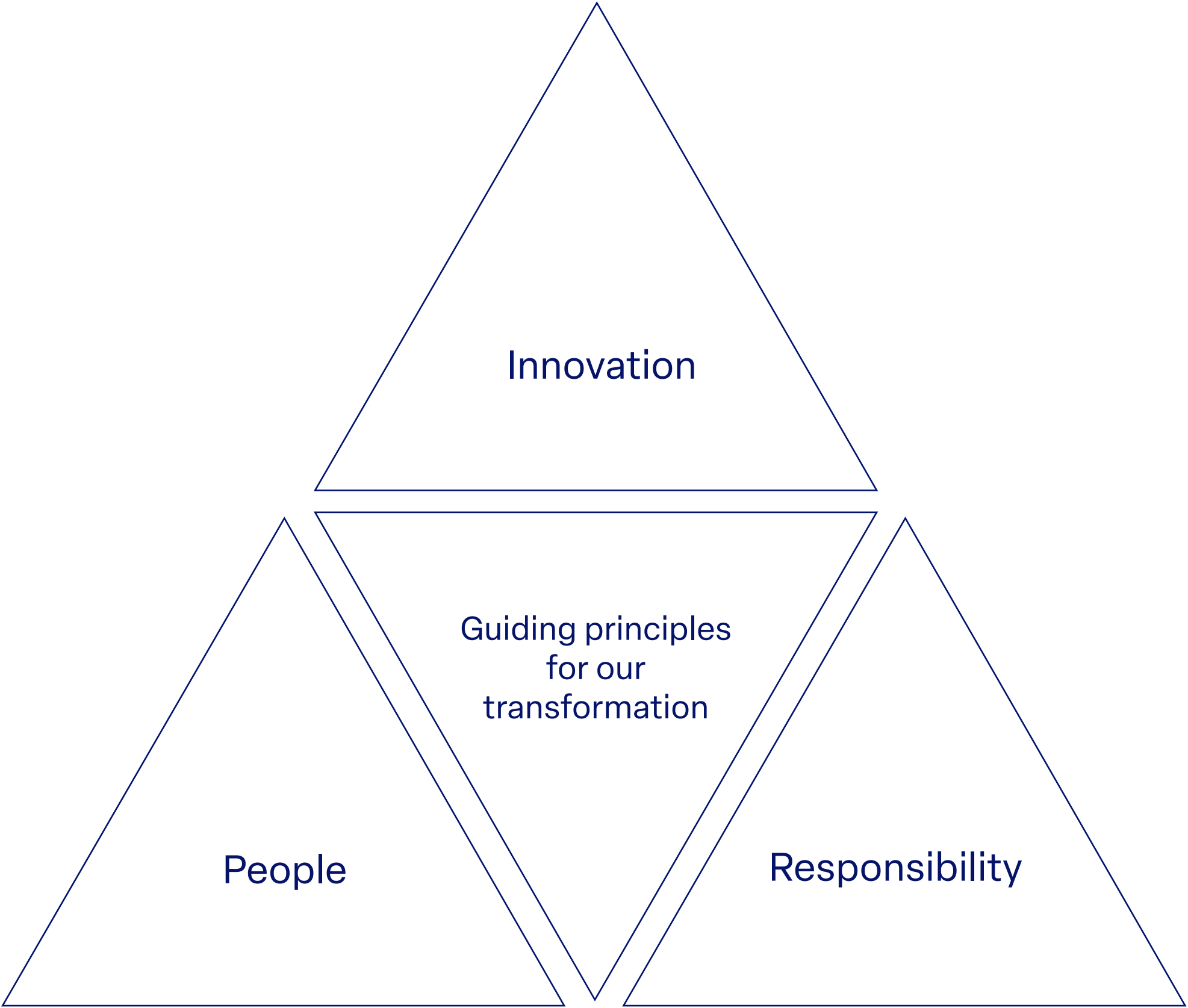
→ Our stakeholders and we agree – we make an important contribution to **climate protection** and make no compromises when it comes to **environmental protection and occupational safety**.

People

Collaboration with various stakeholder groups (stakeholder engagement) for innovative energy solutions. Clear communication and involvement of local communities for widespread acceptance and benefits.

→ Support for cooperation between employees and partners. Ideal **working conditions** and ethical behaviour as a benchmark for our success.

We will regularly review these guiding principles, considering portfolio changes, social expectations and technological advances.



<sup>1</sup> Scope 1: A company’s direct greenhouse gas emissions. Scope 2: A company’s indirect emissions resulting from the purchase of energy.

A photograph of two men in an industrial setting. The man on the left is wearing a dark blue jumpsuit, a white hard hat, and safety glasses. He is gesturing with his right hand, pointing upwards. The man on the right is wearing a blue jumpsuit, an orange hard hat, and safety glasses. They are standing on a paved area next to a large blue industrial machine. In the background, there are more industrial structures, including a tall tower and some storage containers. The sky is blue with some clouds.

## 4. Our Roadmap for the Future

# Our Roadmap for the Future

## Objectives and Initiatives for Our Transformation: Overarching Themes for Our Company, with a Focus on Our Three Fields of Action: Base, Balance and Boost

Our path to the future is guided by our three fields of action. Overarching goals form the strategic framework. The first step is to lay the necessary foundations for a successful transformation by assessing current conditions and creating detailed implementation plans. For many topics, the aim is to continue or expand on good approaches. In some cases, we are taking new approaches by incorporating current developments and technologies.

Overriding Topics:  
Health & Safety, Environment & Climate, Communication, Ethics and Compliance, Communication and Stakeholder Management

Base  
Gas & Oil

Balance  
Decommissioning

Boost  
New Energy

# Our Path to the Future: Overriding Measures and Objectives

## Health, Safety and Environmental Protection: Where We Stand

HSE is a central pillar of the transition plan for us. In the extractive industry, which often operates in challenging and potentially risky conditions, protecting the health and safety of all employees, contractors and local communities, as well as protecting the environment, is a top priority. For us, this is the most important aspect of our corporate culture and a key driver of long-term, sustainable success.

### Always Have Time for Safety!

Preventive measures, quality controls and continuous improvement processes are important success factors for us. We work with an Occupational Health and Safety Management System that includes processes, guidelines and procedural instructions in accordance with international standards. This includes, for example, systematic risk identification and assessment in all our decisions. Employees and contractors must have the same qualifications and are committed to common goals for safety, health and environmental protection. All work is carried out in close consultation with the relevant supervisory authorities.

„We want to make sure that all employees return home healthy after every shift – no matter where they work“

**Henning Gröschke,**  
Head of Health, Saftey, Environment & Quality

### Environmental Protection Every Day

Depending on the location and scope of a measure, external experts prepare comprehensive studies and action plans for nature conservation – whether landscape conservation plans with species protection assessments, ecological construction monitoring or large-scale environmental impact assessments. We are legally obliged to carry out many of these measures in Germany. For example, many construction works are not possible during the breeding and settling season for birds. However, we are also involved in activities that go beyond environmental legislation. Together with the Federal Association for Natural Gas, Petroleum and Geoenergy, we have, for example, set up a seismic monitoring system in the past and implemented long-term air measurements in Lower Saxony in order to reliably rule out risks. We will continue to work every day in the future to minimise our impact on the environment. In some cases, interventions in nature are necessary, for example through the sealing of surfaces. For this reason, we provide compensation and replacement measures for nature conservation.

### Safety Starts in the Mind!

We believe that HSE should not just be a collection of regulations, but a conviction. That’s why we raise awareness among our employees every day – whether with our internal safety programme „I care“, regular safety briefings at the beginning of department meetings or visits to all central field stations by our management team. In this way, we show that safety, health and environmental protection affect all colleagues equally. All employees and contractors receive regular training.

Measures such as preventive healthcare, ergonomic workstations and prevention programmes also ensure the well-being of our employees and other stakeholders.

### Prepared for Emergencies

Achieving the best possible HSE standard is not only a moral imperative for us, but also a competitive advantage. Nevertheless, we are prepared for crisis situations through effective risk-management processes, emergency plans and incident drills and can always maintain business continuity.

Our work is guided by the following health, safety, environmental and quality principles:

- [Safety, health, environmental protection](#)
- [Prevention of serious accidents](#)
- [Quality](#)

With a comprehensive package of measures in our Transition Plan and annual HSE work programmes, we not only want to keep improving in this area but to perform to the very best of our ability.

Action Plan for Our Transformation: Health, Safety and Environmental Protection

| Our Goals Based on Our Mission and Guiding Principles                                  | Targets                                                                                                                                                                                                                                                                                                               | Action Plan until 2030                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Create the best possible working conditions for the health and safety of our employees | <div><div>•</div>TRIR<sup>2</sup>: ≤ 3 reportable accidents per 1 million working hours</div> <div><div>•</div>PSER<sup>3</sup>: No Tier 1 incident (without personal injury, no serious environmental damage)</div> <div><div>•</div>Occupational health and safety certification in accordance with ISO 45001</div> | <div><div>•</div>Training of employees</div> <div><div>•</div>Programmes to promote safety-conscious behaviour</div> <div><div>•</div>Management coaching</div> <div><div>•</div>Improve risk assessments</div> <div><div>•</div>Strengthen safety culture: „Safety First“ mentality through campaigns and role model function.</div> <div><div>•</div>Preparation and implementation of ISO certification in the area of occupational health and safety</div> |

<sup>2</sup> Total Recordable Incident Rate

<sup>3</sup> Process Safety Event Rate

# Climate Protection: Where We Stand

## On the Path to Transformation

Our team is guided by the Corporate Sustainability Reporting Directive (CSRD) and the EU taxonomy. In this context, we are committed to minimising our emissions by 2045, but at the same time remaining a reliable local supplier of energy and raw materials during the transition period.

We have already been taking responsibility for years through various measures – for example, by electrifying plants and at the same time purchasing almost exclusively electricity from renewable energy with a guarantee of origin. This enables us to save around 11,000 tonnes of CO<sub>2</sub> emissions every year. This corresponds to more than 15 per cent of all our company’s total emissions.

Among other things, we work on the basis of our [energy efficiency guiding principles](#).

### Alignment with the Paris Agreement Goals

To align our transition plan with the Paris Agreement goals, we have set targets for our company across Germany:



Action Plan for Our Transformation: Climate Protection

| Our Goals Based on Our Mission and Guiding Principles | Targets                                                                                                                                                                                                                                                                                                                                                    | Action Plan until 2030                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Measures to adapt to climate change                   | <ul style="list-style-type: none"><li>Scope 1 and Scope 2 emissions by 15 percent by 2030<sup>4</sup> reduce</li><li>Conversion of vehicle fleet to 75 percent electric cars and creation of company charging infrastructure</li><li>Construction of additional combined heat and power units for more efficient utilisation of associated gases</li></ul> | <ul style="list-style-type: none"><li>Recurring detailed inventory of current emissions. This includes the recording of scope<sup>5</sup> 1, 2 and 3</li><li>Vehicle fleet Conversion to e-mobility and expansion of charging infrastructure</li><li>Reviewing the use of renewable energies and energy efficiency measures at our locations</li></ul> |
| Reduction of methane intensity                        | <ul style="list-style-type: none"><li>The aim is to achieve a methane intensity below the OGMP target of 0.2 percent</li></ul>                                                                                                                                                                                                                             | <ul style="list-style-type: none"><li>Reduction of methane intensity through LDAR programme</li><li>Prompt elimination of leaks (&lt;30 days)</li></ul>                                                                                                                                                                                                |

“We are committed to the Paris Agreement and are pursuing our path of transformation not alone, but as part of a changing Europe.”

Andreas Scheck, Managing Director

<sup>4</sup> Based on the base year 2025.  
<sup>5</sup> **Scope 1:** The company’s direct greenhouse gas emissions. **Scope 2:** Indirect emissions resulting from the purchase of energy. **Scope 3:** Indirect emissions from the upstream and downstream value chain.

# Ethics and Compliance: Where We Stand

## Acting on the Basis of Shared Values

At Neptune Energy, we are committed to conducting our business in accordance with our values, with the highest level of ethics and integrity and with respect for the rights and dignity of all people. Our [Code of Conduct](#) includes requirements for the company, employees, contractors and partner companies to behave legally, ethically and socially responsible during Neptune Energy’s business activities. Our guidelines go far beyond mere compliance with legal regulations.

For us, ethics and compliance also include our efforts to be a diverse and inclusive company. Professionals with a wide range of backgrounds work together in partnership to ensure the success of our company. That is what we strive for.

We create attractive workplaces for our experts by offering flexible working time models and options for mobile work, which support them in balancing their professional and private lives.

Today, we want to produce what counts tomorrow! This also includes our employees. This is the only way we can not only be spectators, but also an active part of the energy transition in Germany.

“We all have a duty to carry out our work in a transparent, honest and respectful manner. Acting ethically and with integrity is embedded in our day-to-day activities and is part of our corporate culture.”

**Frank Barenkamp,**  
General Counsel

Action Plan for Our Transformation: Ethics and Compliance

| Our Goals Based on Our Mission and Guiding Principles | Targets                                                                                                                                                                                                                                                                                                                                                                                                                             | Action Plan until 2030                                                                                                                                                                                                                                                        |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Living responsibility every day                       | <ul style="list-style-type: none"><li>Annual training of our employees in relevant ethics &amp; compliance issues (training participation &gt; 95%)</li><li>Our goal is to track and rectify all cases of non-compliance</li></ul>                                                                                                                                                                                                  | <ul style="list-style-type: none"><li>Regular mandatory training for all employees</li><li>Onboarding sessions in compliance &amp; ethics for every new employee</li><li>Documentation and monitoring of non-compliance cases</li></ul>                                       |
| Achieving more together                               | <ul style="list-style-type: none"><li>Partnerships at eye level: creation and integration of a Supplier Code of Conduct into the procurement processes</li><li>Transparency and compliance: establishment of a supplier monitoring process for the majority of our procurement volume (at least 80%)</li><li>Growing together: introduction of a supplier performance database and recurring audits (at least 3 per year)</li></ul> | <ul style="list-style-type: none"><li>Definition of a new audit catalogue taking into account internal ESG requirements</li><li>Checking the applicability of the UN Global Compact</li><li>Providing and requesting feedback</li><li>Establish tools and processes</li></ul> |



# Communication and Stakeholder Management: Where We Stand

## Good Neighbourly Relations Wherever We Work

Our future sustainable and economic success depends not only on the what, but also on the how. Transparent communication and detailed information for all stakeholders are key to our success. We see ourselves as a partner that engages in open dialogue and is always available to address the concerns of local stakeholders in our production regions. Whether it is information events for citizens, press events, presentations for local politicians or discussions with residents – we engage with the population in a variety of ways. It is also important to take concerns seriously and respond appropriately.

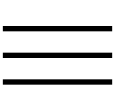
We are also involved as a sponsor in many areas. This applies in particular to nature conservation projects and supporting children, young people and volunteer fire brigades near our central field stations.

However, our aim is not only to be a good neighbour in the vicinity of our production sites, but also to take broader social interests into account in our dialogue – whether on topics such as energy supply, critical raw materials or the reduction of CO<sub>2</sub> emissions.

Our [Code of Conduct](#) and our [Stakeholder Engagement](#) Policy form the basis for our work.

“We want to be good neighbours. Because we are not only committed to our employees, but also to the regions, cities and communities in which our company operates.”

**Katrin Kaiser,**  
Head of Communications & Public Affairs



Action Plan for Our Transformation: Communication and Stakeholder Management

| Our Goals Based on Our Mission and Guiding Principles   | Targets                                                                                                                                                                                                                                             | Action Plan until 2030                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Listening to stakeholders and understanding their needs | <ul style="list-style-type: none"><li>Open and transparent communication with our stakeholders, especially about our transformation process</li><li>Regular dialogue on local issues in accordance with our Stakeholder Engagement Policy</li></ul> | <ul style="list-style-type: none"><li>Implementation of a double Materiality Assessment every 3 to 5 years</li><li>Information and contact opportunities for various stakeholder groups: Through regionally responsible contact persons and stakeholder meetings on local projects (documentation of 10 to 30 meetings)</li><li>Provision of information about the transformation of our company via internal and external communication channels; corresponding further development of our reporting, e.g. regular media information and social media contributions (at least 25 per year)</li></ul> |
| Being a good neighbour                                  | <ul style="list-style-type: none"><li>Support and exchange with local communities at our locations to increase awareness and acceptance</li></ul>                                                                                                   | <ul style="list-style-type: none"><li>Sponsorship measures in accordance with our Code of Ethics: implementation of at least 20 to 30 donations to regional non-profit organisations</li><li>Regular dialogue on local issues in accordance with the Stakeholder Engagement Policy</li></ul>                                                                                                                                                                                                                                                                                                          |

# Our Path to the Future: Three Fields of Action

Base: Energy for today.  
Responsibility for tomorrow.

“Our foundation is based on over 135 years of experience in the extraction of raw materials. Crude oil and natural gas are key building blocks that are indispensable for industry and everyday life both today and tomorrow. We produce both reliably and with great expertise close to consumers in Germany.”

**Armin Wicker,**  
Director of Operations

Responsible production of traditional raw materials in Germany is our base. Without natural gas and crude oil, we will not be able to survive in the future. They are the foundation of our supply for industrial processes, reliable heat and mobility. They are necessary for our everyday lives – for medicines, clothing and wind turbines.

Our task is to make the existing supply of energy and raw materials as safe, efficient and low-emission as possible. We treat our resources with respect. In doing so, we rely on modern technologies, high safety and environmental standards and transparent processes. We show that it is possible to secure a stable supply of traditional raw materials while taking an environmentally conscious approach. Our many years of experience make this possible. However, our responsibility extends beyond the present day. Today we produce what counts tomorrow – for us, that means actively helping to drive change.



## In a Nutshell: Why We Are Sticking with Natural Gas and Oil Production in the Transformation Process

### Energy Supply and Emissions Reduction

- **Reduction of import emissions:** The focus on German oil and gas production reduces emissions caused by the import of LNG from the USA, pipeline gas from Norway or crude oil from the Middle East. Domestic production prevents transport emissions and significantly reduces the carbon footprint of the energy supply.
- **Lifecycle emission control:** Compliance with German environmental standards ensures lower emissions.
- **Stability through domestic production:** Utilising local resources provides a reliable energy supply that is less susceptible to global crises and geopolitical tensions.
- **Contribution to value creation:** The production of domestic resources secures jobs in Germany and helps to strengthen local communities. German labour and environmental standards apply to the entire production process.

### Bridge to Decarbonisation

- **Natural gas as a bridging technology:** Compared to coal, natural gas is a lower-emission fuel, playing a key role in stabilising the energy sector. Meanwhile, Germany is phasing out coal energy and has already moved on from nuclear energy.
- **Industrial importance of crude oil:** Crude oil remains an indispensable component of German industry, particularly for:
  - **Plastics and synthetic materials:** used in the automotive, electronics, construction and textile industries.
  - **Renewable energies:** Petrochemical products are essential for the manufacture and maintenance of wind turbines, for example.
  - **Pharmaceuticals:** Crude oil derivatives play an important role in the production of active pharmaceutical substances.

This field of action integrates domestic resources into the German energy transition.

Action Plan for Our Transformation: Base

| Our Goals Based on Our Mission and Guiding Principles | Targets                                                                                                                                                    | Action Plan until 2030                                                                                                                              |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| From the region for Germany                           | <ul style="list-style-type: none"><li>Use &gt;90% of German suppliers, where possible and economical</li></ul>                                             | <ul style="list-style-type: none"><li>Continuation and expansion of cooperation with local specialist companies near our production sites</li></ul> |
| Securing energy for Germany                           | <ul style="list-style-type: none"><li>Maximum availability of our energy generation (average production efficiency &gt; 85% of total production)</li></ul> | <ul style="list-style-type: none"><li>Optimisation of maintenance and servicing work</li></ul>                                                      |

Balance: Decommissioning for today.  
Nature for tomorrow.

“We have a responsibility: we must maintain a balance between yesterday, today and tomorrow. That is why, alongside many new projects, we are also committed to dismantling. We are clearing up and giving nature its space back.”

**Mariana Kohn,**  
Head of Project Management

Our activities leave their mark. And that is precisely why we take responsibility. For Neptune Energy, plugging and abandoning sites that are no longer in use is a central part of environmentally friendly energy utilisation. For us, balance means that where raw materials were once produced, space for nature, agricultural land or forests can emerge again. Once an extraction site has fulfilled its purpose, we work to renaturalise the area. A specialised team takes care of the professional backfilling of disused wells, the plugging and abandonment of facilities and the removal of pipelines – with great care and in accordance with high environmental standards. Former production sites can now be used to create something new. This is how we give something back to nature and contribute to the balance between people and the environment.



## In a Nutshell: Why Plugging and Abandonment Is Not Just a Legal Obligation for Us, but a Strategic Pillar of Our Business

### Environmental Protection and Restoration of Natural Habitats

- **Minimises long-term environmental impact:** The decommissioning of infrastructure that is no longer needed and the restoration of natural soil prevent erosion, loss of bio-diversity and other negative impacts.
- **Creates biodiversity:** Biodiversity is restored through targeted renaturalisation measures such as reforestation or habitat creation.
- **Fulfils regulatory requirements:** Strict environmental laws and international standards require comprehensive plugging and abandonment and renaturalisation of extraction sites

### Social Responsibility and Trust

- **Building trust:** Proper renaturation signals that the company fulfils its obligations and pursues sustainable values.
- **Supporting the local economy:** The implementation of reclamation projects offers employment opportunities for regional companies and skilled labour.
- **Acceptance for future projects:** Communities and authorities are more willing to support future projects if they see that previous sites have been dismantled responsibly.

### Economic Efficiency and Resource Utilisation

- **Avoidance of late follow-up costs:** Early and well-planned plugging and abandonment management is economically efficient and reduces long-term risks. Improper dismantling measures can lead to more expensive repairs or legal consequences later on.
- **Sustainable use of resources:** Materials and equipment can be recycled or reused, minimising resource consumption and supporting sustainability goals.

Action Plan for Our Transformation: Balance

| Our Goals Based on Our Mission and Guiding Principles    | Targets                                                                                                                                                                                               | Action Plan until 2030                                                                                                                                                                              |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plugging and abandonment for today. Nature for tomorrow. | <ul style="list-style-type: none"><li>Backfill 25 wells per year</li><li>Recultivate 15 borehole sites per year</li><li>Return at least 25,000 m² of land used for our activities to nature</li></ul> | <ul style="list-style-type: none"><li>Complete recultivation for agricultural use or nature conservation if areas cannot be put to another use</li></ul>                                            |
| Protect resources, secure the future                     | <ul style="list-style-type: none"><li>Best possible reuse of materials/ substances that are deconstructed</li></ul>                                                                                   | <ul style="list-style-type: none"><li>Preparation of management instructions</li><li>Development of a process for the reutilisation of resources used as part of the dismantling measures</li></ul> |

Boost: Change for today.  
Ressources for tomorrow.

Tapping into new energy sources and developing innovative solutions is our boost for a sustainable energy and raw materials future. Because change is an opportunity, and we want to capitalise on it – for example, through the environmentally friendly extraction of lithium from brines. With our technical expertise and existing infrastructure, we are creating the conditions for a reliable, more climate-friendly supply of energy and raw materials – and strengthening Germany’s independence in the area of critical resources.

For us, Boost means progress and transformation. We are already contributing our expertise and experience today to produce the energy and raw materials of tomorrow.

Technology & Innovation

We are focussing on the extraction of lithium from deep waters, known as brines, using Direct Lithium Extraction (DLE) technology. To this end, we are testing innovative methods and working with technology partners to develop efficient and safe processes for the extraction of raw materials in the heart of Europe. We are also committed to the further development of deep geothermal energy, which can go hand in hand with the production of lithium from brines. Carbon capture, utilisation and storage (CCUS) technologies will be indispensable for achieving true climate neutrality. With our unique subsurface expertise we can make a valuable contribution to the development and implementation of safe and socially acceptable processes for storingCO2 in the geological subsurface.



# Why Our Focus Is on Lithium Extraction

## Strategic Importance of Domestic Lithium for the European Energy Transition

Lithium is a significant raw material for the energy transition, especially for the production of batteries in electric vehicles and for storing renewable energy. Europe is striving to reduce its dependence on critical raw material imports, as over 80 per cent<sup>6</sup> of the world’s lithium currently comes from a few countries such as Australia, Chile and China. The domestic extraction of lithium using Direct Lithium Extraction (DLE) offers the following advantages:

- **Securing the supply chain:** local lithium production reduces dependencies on geopolitically unstable regions and strengthens Europe’s self-sufficiency.
- **Sustainability:** DLE technology enables more environmentally friendly lithium extraction with minimal impact on the landscape.

- **Economic benefit:** Domestic lithium creates regional jobs, strengthens the local economy and positions Europe in the global battery value chain.
- **Acceleration of the energy transition:** The local availability of lithium allows Europe to accelerate the production of electric vehicles and battery storage, thereby reducing CO<sub>2</sub> emissions in the transport and energy sectors.



<sup>6</sup> <https://publications.jrc.ec.europa.eu/repository/handle/JRC141715>

## Why Geothermal Energy Is an Interesting Prospect

### Strategically Important Energy Source for Germany

Geothermal energy offers a stable, renewable energy source that can be used for both electricity production and heat generation. Its strategic importance<sup>7</sup> lies in several aspects:

- **Independence from imports:** geothermal energy utilises Germany's natural resources and reduces dependence on fossil fuel imports from geopolitically unstable regions.
- **Base load capability:** In contrast to wind and solar energy, geothermal energy provides stable and weather-independent energy.
- **Cost efficiency:** After the initial investment phase, geothermal energy offers a cost-effective long-term energy source with low operating costs.
- **Contribution to climate neutrality:** The use of geothermal energy can significantly reduce CO<sub>2</sub> emissions, especially in heat generation, where Germany still relies heavily on fossil fuels.
- **Synergies with existing infrastructure:** Germany can use its existing expertise in oil and gas production to implement geothermal projects effectively.

<sup>7</sup> [https://w2k.de/wp-content/uploads/2023/09/westphal\\_et\\_al\\_2023-tiefengeothermie-potentiale\\_ausgestaltung\\_institutioneller\\_rahmen-v400\\_19-09-2023\\_fnf-veroeffentlichung.pdf](https://w2k.de/wp-content/uploads/2023/09/westphal_et_al_2023-tiefengeothermie-potentiale_ausgestaltung_institutioneller_rahmen-v400_19-09-2023_fnf-veroeffentlichung.pdf)



## Why CCUS Is an Interesting Prospect

### A Necessity for Global Climate Targets

Carbon Capture, Utilisation, and Storage (CCUS) is a key technology<sup>8</sup> for limiting global warming and minimising CO<sub>2</sub> emissions. Its importance results from the following points:

- **Reduce unavoidable emissions:** Industries such as cement, steel and chemicals generate process-based emissions. CCUS enables capturing this CO<sub>2</sub> at the source. Achieving climate targets: According to the Intergovernmental Panel on Climate Change (IPCC) CCUS is essential in almost all scenarios to achieve net zero targets, especially in sectors that are difficult to decarbonise.

- **Creating negative emissions:** By combining CCUS with bioenergy (BECCS), negative emissions can be achieved, which are necessary to remove excess CO<sub>2</sub> from the atmosphere.
- **Compensating for transition phases:** While renewable energy expands, CCUS can significantly reduce the climate impact of remaining emissions.

Political momentum: Policymakers are increasingly recognising the importance of CCUS for climate targets and for safeguarding Germany as an industrial location. Depending on energy-policy developments in Germany, these technologies could provide solutions to the challenges of the energy transition in the future: lithium secures the supply of critical raw materials for sustainable energy systems, geothermal energy offers independent, reliable and base load-capable energy and CCUS addresses the unavoidable CO<sub>2</sub> emissions.



<sup>8</sup> Further information on this can be found on the [International Energy Agency \(IEA\)](#) website

Action Plan for Our Transformation: Boost

| Our Goals Based on Our Mission and Guiding Principles | Targets                                                                                                                                                                                                                                                                                                                                                        | Action Plan until 2030                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Change for today. Raw materials for tomorrow.         | <ul style="list-style-type: none"><li>Establishing a more sustainable, significant raw materials supply chain Lithium production with geothermal utilisation from the deep underground of the North German Basin (NDB)</li><li>Technical and commercial evaluation of extraction technology by 2026</li><li>Exploration of the subsurface until 2028</li></ul> | <ul style="list-style-type: none"><li>Exploration of the deep subsurface of the North German Basin (NDB) for geothermal utilisation and lithium extraction by 2030</li><li>Field testing of the sustainable production of deep geothermal water with a high lithium content by 2030</li><li>Involvement of regional stakeholders to strengthen project acceptance and regional participation</li></ul> |
| Recognising sustainable opportunities                 | <ul style="list-style-type: none"><li>Business field expansion in the areas of geothermal energy and CCUS by 2035</li></ul>                                                                                                                                                                                                                                    | <ul style="list-style-type: none"><li>Carry out a potential analysis of CCUS within the Neptune Energy portfolio, taking into account regulatory influences and commercial benefits</li><li>Identification and evaluation of geothermal potential, considering regulatory influences and commercial benefits</li></ul>                                                                                 |

„The energy world around us is changing. And so are we. We are part of this change and will play an active role in shaping the transformation towards the energies of the future. This requires the courage to innovate.“

Axel Wenke,  
Director of New Energy & Business Development



## 5. Opportunities and Risks for Our Transformation

# Opportunities and Risks for Our Transformation

Our path into the future is clear to us: we are already undergoing a transformation process, and we are continuing on this path. However, a good strategy also involves keeping an eye not only on opportunities, but also on risks, enabling us to make informed decisions and respond appropriately before each project begins.



# Opportunities

## Potential for Our Business

### Climate Protection:

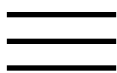
- Use of innovative and sustainable technology such as DLE. Reduction of CO<sub>2</sub> emissions.
- Great potential for geothermal energy and CCUS.
- Reduction of import emissions, for example through less LNG transport.

### Economic Advantages:

- Use of future technologies. Expansion of the business model and development of new sources of income. Access to high-growth markets such as battery production.
- Securing jobs in Germany and strengthening the local economy.
- Reducing dependence on imports through the production of domestic resources.

### Fulfilment of Regulatory Requirements:

- Easier access to sustainable financing options.



# Risks

## Future Challenges in Focus

### High Investment Costs:

- Initial costs for the development of technologies such as DLE, geothermal energy and CCUS could create financial pressure.
- Technologies that are not yet fully developed could remain inefficient or expensive when scaled up.
- In the course of our transformations, we continue to make commitments that not only create opportunities but also costs.
- Market price fluctuations have an impact on profitability.

### Regulatory Uncertainties and Social Acceptance:

- Delays in authorisation procedures or adjustments to legal framework conditions.
- Concerns within the population about the development of industrial infrastructure, for example.

### Dependence on Global Markets:

- Fluctuations in the demand for raw materials such as lithium or in the price of CO<sub>2</sub> certificates could make planning more difficult.
- A lack of availability of raw materials such as lithium could also affect projects.



## 6. Governance for Our Transition

# Governance for Our Transition

## Measurable Benchmarks Along the Way

In order for our transition to become a central component of our corporate management, it is essential for us to introduce a far-reaching governance structure.

### Reporting in Accordance with International Standards

For us, this includes a transparent communication strategy that involves all relevant stakeholders – whether employees, investors, supervisory authorities, customers or local communities in which our company is active.

We will ensure that content on both financial and impact-related materiality is included in all forms of reporting. In doing so, we follow the currently applicable guidelines.

External audits and certifications, for example in our annual financial statements, also help to validate our transformation efforts and ensure compliance with international standards.

In a changing world, clear key performance indicators (KPIs) are also essential - for reducing emissions on the one hand and for introducing new energy technologies and their financial performance on the other. Our experts ensure transparent reporting in accordance with recognised standards. We are committed to a voluntary review of our ESG report by external experts.





**Keeping an Eye on Risks and Opportunities**

Our governance approach provides for the implementation of an annual workshop with central company representatives, support functions and external experts to assess emerging risks and opportunities in the areas of Base, Balance & Boost. Regular scenario planning and sensitivity analyses also allow us to take regulatory, market-related and technological risks into account. We assess Neptune Energy’s resilience over the course of our transformation under different market conditions.

**Decarbonisation of Neptune Energy**

We will introduce a monitoring system to track our company’s progress in achieving our decarbonisation goals. Regular status reports will be provided to the Board, investors and other stakeholders to ensure our accountability and enable strategy adjustments where necessary.

**Responsibilities within the Company**

Neptune Energy’s Management and Supervisory Boards are responsible for monitoring and implementing our company’s transformation strategy, ensuring compliance with ESG principles and regularly reporting on the progress of our transformation. To emphasise a shared responsibility for our transformation process, we set appropriate annual performance targets for Neptune Energy.



## 7. Ready for the Future

# Ready for the Future

Today we produce what counts tomorrow.

Neptune Energy will contribute to the energy transition and resource extraction of the future – primarily through our knowledge and expertise. This transition plan makes that clear. We are experts – above all technicians. We are fascinated by the underground, by millions of years old rock from thousands of metres below the surface. And we are ready for change.

We have already travelled the first part of the way. Now we will go further – on the basis of our mission and our three Guiding principles Innovation, Responsibility and People. Our roadmap is set: Innovative solutions for the future (Boost) and the most environmentally friendly production of traditional raw materials (Base) as long as we still need them in Germany. We are also cleaning up and returning as much land as possible to nature (Balance).

We will let ourselves be measured against this transition plan. Our governance structure enables us to always set the right course.

We look forward to our journey, together with our team, but also together with you and all other stakeholders. Today we produce what counts tomorrow.





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