

# Climate Transition Plan

Uniper's path to Carbon Neutrality

A wide-angle photograph of a gravel path that starts in the foreground and curves gently into the distance, leading towards a horizon under a sunset sky. The landscape is a vast, green field with some taller grasses on the left. The sky is filled with soft, orange and yellow light from the setting sun, with some light clouds.

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# Introduction

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# Introduction

## About Uniper

Uniper is one of Europe's largest integrated power and gas companies with a strong portfolio of assets, sites, and competencies. With more than 7,000 people Uniper is operating around 22.5 GW of power generation capacity in Europe and providing power, heat, and gas to industrial enterprises and municipalities in a reliable and flexible way. While Uniper has a strong focus on its core markets in Germany, the UK, the Netherlands and Sweden, its commodity trading activities make Uniper a truly global energy company. All of this is indispensable for today's energy system and will remain so in the future. Uniper's role is essential to the vitality of the energy system, and Uniper wants to expand and develop its core competencies in power and gas for its more than 1,000 customers, grid operators, and the broader markets. Together with its customers and partners Uniper will gradually decarbonize its energy supply over time. Uniper's businesses have two main missions: ensuring security of supply and accelerating the energy transition towards net zero.

The core element of Uniper's strategy is its commitment to transforming its gas-fired power plant fleet, phasing out coal-fired generation, growing in renewable power, repurposing its sites to support a just transition and continuing to reshape its commodity portfolio to support the long-term development of a hydrogen economy.

With its diverse portfolio and its vast experience of managing energy infrastructure, combined with the expertise of its people, Uniper is on track to execute its corporate strategy that sets the ambition level for its transition journey. Delivering its corporate strategy ensures that Uniper offers a flexible, balanced, and yet bespoke energy supply for its customers, partners and the broader market. This is all part of the ambition to be carbon-neutral across its entire business by 2040.



# The Context of Our Climate Transition Plan

The outcome of COP28 was a call for humanity to transition away from fossil fuels and to accelerate climate protection in this critical decade in order to reach net zero by 2050. It also asked for the world to triple its renewable energy capacity and double its energy efficiency improvements by 2030, making the transition in a fair and equitable way. Countries took part in the first ever global stocktake of Nationally Determined Contributions (NDCs), showing commitment at an international level to continue to drive towards a 1.5°C warming limit. The outcome of the global stocktake was to also call on all countries to accelerate their reductions of non-CO<sub>2</sub> emissions, including methane.

## European climate commitments

The European Union aims to be carbon-neutral by 2050, putting this net zero ambition at the heart of the European Green Deal, Europe's "man on the moon" moment. With the European Climate Law, the EU has made this a legally binding target. Moreover, as an intermediate step towards net zero 2050, the European Commission aims to reduce carbon emissions by at least 55% by 2030, compared to 1990 levels.

Germany is even more ambitious. Its Climate Protection Act calls for the country to be carbon-neutral by 2045 – five years earlier than the EU – and to be carbon-negative from 2050 onward. Germany's intermediate targets are a 65% reduction by 2030 and an 88% reduction by 2040. The Netherlands aims to reduce its GHG emissions by 55% by 2030, and 80% by 2040, and to reach net zero in 2050. Sweden, like Germany, intends to be climate-neutral by 2045. Its intermediate targets are 63% by 2030 and 75% by 2040. Like the EU's, these countries' targets are relative to 2019.

The United Kingdom, albeit outside the EU, has similar ambitions. It plans to decarbonize its power system by 2035 and to achieve net zero across its economy by 2050. These targets are formulated in Britain's Net Zero Strategy (2021) and Powering Up Britain: Net Zero Growth Plan (2023).

## Our climate transition plan

The energy sector, which currently emits over a quarter of the EU's greenhouse gases, has a correspondingly large responsibility to decarbonize at a pace that enables the EU and member states to reach their intermediate and net-zero targets. Energy companies are also subject to increasingly strict regulations regarding their environmental, social, and governance (ESG) performance. Under the European Green Deal, new reporting requirements on sustainability have been introduced, such as the EU taxonomy, which defines which economic activities are sustainable, and the new Corporate Sustainability Reporting Directive (CSRD), aiming to contribute to the EU becoming climate neutral by 2050 and to promote sustainable business practices. In accordance with the latter directive, Uniper will report in 2025 for the fiscal year 2024. Within the CSRD framework, companies are encouraged to have an individual climate transition plans which describe their contribution to climate change mitigation and how they plan to achieve their own decarbonization commitments. Having a robust climate transition plan will help to focus on the right priorities and allocating adequate efforts and investments for the transition towards net zero. We at Uniper will support those ambitions for the European energy sector, particularly in our core markets: Germany, the UK, the Netherlands, and Sweden.

Our climate transition plan introduced here reflects our new strategy "Accelerating the energy transition: flexible, balanced, bespoke" and explains how we intend to reach our climate targets and thereby help enable the countries where we operate to reach theirs. The focus of our strategy is for Uniper to produce and procure steadily more green energy, while continuing to help ensure Europe's energy security. We intend for Uniper to achieve carbon neutrality by 2040 and to be more than halfway there by 2030. We aim to decarbonize our business while helping our customers do the same, and keep the energy supply reliable along the way.



# Foreword

As the CEO and Chief Sustainability Officer, I'm pleased to present Uniper's climate transition plan. The climate transition plan sets out the direction for our transformation towards our climate targets, while we continue to assess our progress through internal discussions and with reference to the current industry sector developments. As such, we will utilize this plan throughout 2024 to ensure that we are using the right decarbonization levers within the context of the Paris Agreement. As we continue to make progress towards achieving our decarbonization targets, and develop a robust climate governance and sustainability system, we intend to communicate an extended climate transition plan at the beginning of 2025.

Our climate transition plan marks a key milestone in our decarbonization journey. It is a journey we are proud to have navigated during challenging times for our customers and the wider energy sector, in their need for a secure supply of energy while pursuing the road of decarbonization.

Uniper's journey has been one of resilience and adaptation. Emerging from a rapidly changing energy landscape, and a near collapse of the Company as a consequence from the Russian war on Ukraine and the subsequent complete discontinuation of Russian gas deliveries by Gazprom – one of our main gas suppliers – by August 2022, Uniper has experienced nothing less but a watershed moment. Today, Uniper has set course for a clear transformative path and sets ambitious targets on how we want to achieve our goals.

The way we have navigated the energy crisis and the role we take for our society provides the answer to who we are: We are the beating heart of energy within Europe. In this role, we are aiming to accelerate the energy transition, through investing in green and flexible power generation, with a focus on onshore wind, solar PV, and decarbonized gas-fired power plants, as well as greener commodities such as hydrogen. Our goal is to secure a sustainable energy future while maintaining a reliable and flexible energy supply. Our guiding principle of how we do this is what we call the "Uniper Way." The "Uniper Way" is a reflection of our culture, values, and behaviors. It's about trust, collaboration, and empowerment. It is the bridge that connects who we are, what we do, and how we do it. It empowers us to overcome challenges, embrace change, and enhance our performance. Our people play a pivotal role in shaping this journey.

Our ability to build a robust road map and execute reliably our decarbonization objectives, is closely tied to the diversity of our broad business portfolio and the excellence in expertise and experience of our people. One of our great advantages is that we can use our already balanced portfolio to manage the complexity that energy markets entail.

In August 2023 we announced our new strategy "Accelerating the Energy Transition: flexible, balanced, bespoke.", aiming to achieve carbon neutrality by 2040. The focus of our strategy is to expand our green energy supply, while maintaining a stable supply of dispatchable power. Furthermore, we will transform our commodity portfolio towards greener gases over time together with our more than 1,000 industry and municipality customers. We fundamentally believe that the energy transition cannot be successfully delivered without this fine balance. This is why our approach is twofold – increasing our proportion of green and dispatchable power and greener gases, while delivering the stable and flexible energy supply that is needed.

The recent energy crisis made very clear that Uniper has proven to be a system relevant energy provider in Europe. I am pleased to say that after our stabilization we have achieved a strong financial recovery, which builds the key building block to deliver this climate transition plan and achieve the objectives of our corporate strategy announced in 2023.



What is important for me in this decarbonization journey, is that we remain a reliable and trusted partner within Europe, for our stakeholders – for our employees, for our more than 1,000 customers, for our financial stakeholders, as well as for our political stakeholders. Utilizing and sharing our expertise in decarbonization and bespoke energy solutions with our partners will help us all to achieve our goals and is how we will ultimately support the global effort to decarbonize the energy sector.

Best wishes,

A blue ink handwritten signature, appearing to read "Mike Lewis", with a long horizontal flourish extending to the right.

**Mike Lewis**  
Chief Executive Officer and  
Chief Sustainability Officer

# A Key Partner for the Energy Transition

- › Accelerating the Energy Transition
- › Delivering Energy Security
- › Ensuring a Just Transition
- › The Uniper Way – Enabling a Culture of Transformation

# A Key Partner for the Energy Transition

With our corporate strategy, we have committed to developing our business in the context of the objectives of the Paris Agreement to limit the average global temperature increase to 1.5°C. We will do this by leveraging both our strong asset portfolio in power and gas, as well as our experience as a global energy trader, to provide our customers with the energy they need, while transitioning to a sustainable power and gas supply over time.

In August 2023, we announced our new strategy with enhanced ambitions. We have tightened our decarbonization targets, committing to be carbon neutral across our entire value chain by 2040, ten years earlier than originally planned.

For our scope 1 and 2 emissions specifically, we plan to be carbon-neutral already by 2035. To achieve this, we require a robust climate transition

plan which aims to serve as a roadmap to embrace the transformation our Company needs. Our approach to structure our climate transition plan is aligned with the reporting requirements of the CSRD and follows the European Sustainability Reporting Standards (ESRS). It encompasses the appropriate risks and scenario planning to meet our transformation objectives, the corresponding financial planning to materialize them, the development of our climate governance, a clear action plan with concrete levers, and a set of qualitative and quantitative metrics to track progress towards this goal.

Our climate transition plan is the roadmap that lays out our corporate strategic approach to supporting the energy transition while ensuring a just transition to our society. The climate transition plan has the full support of our Supervisory Board and the Board of Management.

## Climate as a core principle of our strategy

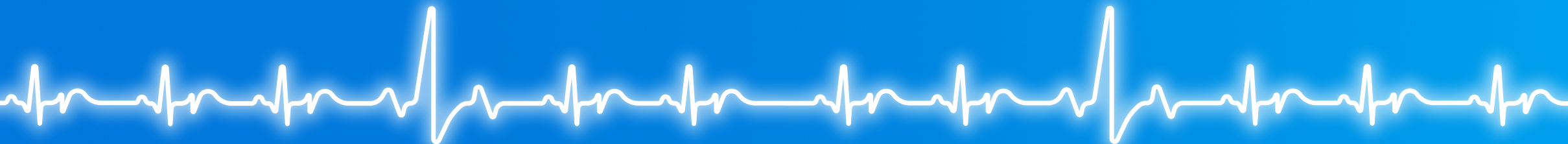
The energy transition in Europe and globally follows some core principles, one of those is sustainability. With our new corporate strategy, we are embracing sustainability as one of our core principles to ensure that Uniper undertakes its transformation in a responsible manner.

Our organization is well-positioned to achieve our objectives and make a significant contribution to the European energy transition to a low-carbon economy. Uniper's diverse energy portfolio, combined with a deep understanding of our customers' needs, is what positions us as a key partner for the energy transition.

We recognize the importance of all seventeen of the UN SDGs and fully support them. Ten SDGs that are particularly relevant to our business activities, strategy, and material topics, and are prioritized. Of these, four are particularly climate relevant and are directly linked to our climate transition plan, as described in the graph below. Additional information on our ESG activities beyond climate can be found in our separate Sustainability Report 2023.



**Uniper. The beating heart of energy.**





# Accelerating the Energy Transition

Our corporate strategy is based on the fundamental belief that there is a need for both green and dispatchable power generation, and for greener gases and fuels, to be able to successfully manage the energy system's accelerated transformation towards net zero. Uniper will support this necessary transformation by offering flexible, balanced, and bespoke forms of energy solutions – as an energy producer, trader, and supplier. This will involve adapting our existing power plant fleet, growing our

renewable generation capacity, investing in new flexible power generation and storage units, as well as the production and necessary infrastructure of environmentally friendly gases like green and blue hydrogen. To this end, we have committed approximately €8 billion of planned investments in green transformation, between 2023 and 2030. Our ambition to accelerate the transition is reflected in the following main strategic pillars:

## Customer

Putting our customers first and supporting their decarbonization efforts with bespoke solutions to fulfil their demand in power and gas. We aim to remain our customers trusted partner and a supplier of choice, when energy markets are transitioning towards net zero. Throughout our own decarbonization journey we will work hand in hand with our customers providing them with the green power and greener gases they need.

## Green and Flexible Power

Growing green and flexible power assets, with the ambition to reach 80% share of green and decarbonized power portfolio capacity in 2030. This will imply adding renewables assets to our portfolio by investing in our own solar PV and wind onshore assets, transforming our current power portfolio by converting our gas-fired power plants to biofuels or hydrogen, or where possible and appropriate, combining it with carbon capture and storage or utilization (CCS/CCU), particularly in the UK, where its viability is higher due to a favorable regulatory framework is already in place. We will additionally expand other forms of dispatchable power, such as battery storage. Lastly, we will optimize the value of our hydro and nuclear fleet and grow our renewable Power Purchase Portfolio (PPA) portfolio.

## Greener Gases

Uniper supplies natural gas to about 1,000 industrial enterprises and municipal utilities. We intend to gradually transform our gas supply portfolio towards an increased share of greener products such as biomethane, hydrogen and hydrogen-derivatives, like low-carbon ammonia and methanol, or sustainable aviation fuels (SAF). At Uniper, we aim to become a significant player in greener gases across the entire value chain, including our own production assets and continue leveraging our best-in-class gas midstream business. Furthermore, we aim to repurpose parts of our gas storage facilities to hydrogen to provide the necessary volumes and balancing services when they are needed.

## Optimization

Lastly, we aim to excel and expand our existing commercial capabilities to low and zero carbon commodities, to optimize the energy system, balancing supply and demand in real time. Through this approach, we will enable the energy transition together with customers and in our markets, as we are able to leverage our profound capabilities in power and gas system optimization.

In line with our new strategy, we changed our business segmentation starting in 2024. We now have three operating segments: Green Generation, Flexible Generation, and Greener Commodities. This setup will

better enable us to manage our transformation and meet our strategic objectives. It also underscores that our business activities themselves constitute our biggest contribution to mitigating climate change.





# Delivering Energy Security

## **Our contribution to a secure power supply**

Ensuring security of supply in a decarbonized energy system in Europe will be challenging. Supporting the transition towards decarbonization while maintaining supply security is a key driver of our strategy. We aim to manage this through shaping an increasingly greener dispatchable power portfolio, and by expanding our hydrogen and derivatives production, imports, and storage activities. This will help to decarbonize hard to abate sectors, particularly enabling the transition of our industrial and municipal customers.

The transition of the gas sector is still in a very early stage, requiring significant investments into new technology and infrastructure development. For the power sector, the challenge is mainly related to the nature of renewable power as an intermittent supply source, which requires large scale dispatchable capacity for balancing this intermittency in the system.

## **Uniper's flexible generation portfolio**

With our highly efficient and flexible portfolio of 8.5 GW gas-fired generation capacity in Europe, Uniper will continue to play a key role in providing the stable and secure power supply that is needed, given the flexibility these gas-fired power plants provide. Today, with our current power plant portfolio, we are providing various types of flexibility products, such as ancillary services, balancing power and back-up capacity. In the longer term, Uniper aims to stepwise convert parts of those gas-fired power plant capacity to either run on sustainable fuels like biofuels or hydrogen or be equipped with CCS/CCU technologies. Thus, providing the security of power supply in a decarbonized system. The need for this additional clean dis-

patchable power, or balancing technologies including batteries, is being recognized in several European countries. For instance, in Germany, hydrogen-ready power plants are covered by the Power Station Strategy (Kraftwerksstrategie) announced in February 2024. According to this strategy, investments into new gas-fired generation capacity, and the conversion of gas-fired power plants to be able to switch to the use of hydrogen between 2035 and 2040, will be financially supported. Whether the use of CCS/CCU technologies in the power sector will also be supported in Germany is currently under discussion. In the UK, CCS/CCU is planned to play a crucial role in the energy transition towards net zero.

## **Our contribution to the hydrogen economy**

While many sectors in the EU will decarbonize through electrification, some hard-to-abate industries and partially the transportation sector, will rely on the decarbonization of their feedstocks and fuels. According to the IEA's Net Zero Emissions scenario (NZE) the share of sustainable gases of overall final gaseous energy consumption globally will be around 60% by 2050 and hydrogen will provide the lion's share of it. Uniper's hydrogen strategy, to produce, originate, and supply hydrogen to industry customers in its core markets, is therefore perfectly in line with the necessary transition towards greener gases in the hard-to-abate sectors. The long-term transition to a hydrogen economy is also emphasized in the European Union's and Germany's updated hydrogen strategies announced in 2022 and 2023, respectively. With these strategies, the EU aims to produce and import ten million metric tons each of renewable hydrogen by 2030. Germany aims to install around 10 GW of electrolysis capacity, sufficient to provide 30–50% of

Germany's national hydrogen demand. The other 50–70% will need to be imported. Here, the development of the necessary infrastructure still needs to be concretized and adequate support mechanisms need to be implemented.



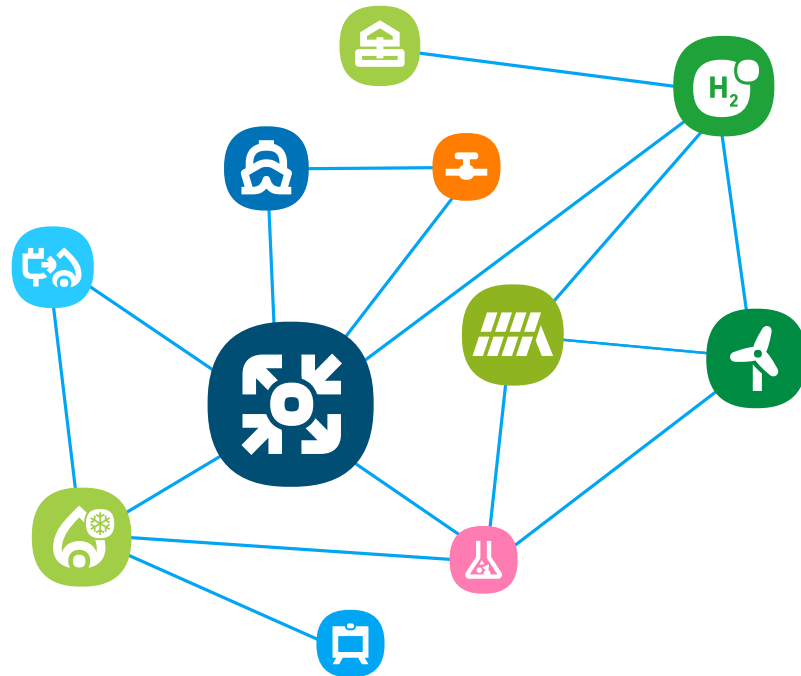
The successful development of Uniper's greener gases business is supported by our more than 50 years' experience in importing, trading, and supplying natural gas in Europe via pipelines, and globally in the form of LNG. While ultimately transitioning towards a hydrogen economy, there will continue to be a demand also for natural gas for the coming years. Uniper is perfectly equipped to meet those transition requirements, by building on its strong trading capabilities and diverse portfolio of pipeline and LNG contracts.

Regarding security of gas supply in Europe, LNG will continue to play an important role, particularly after the end of almost the entire gas imports from Russia and throughout the transition phase towards a hydrogen economy. The fast realization of Germany's first LNG import terminal

at Uniper's site in Wilhelmshaven, which was completed in record time with a construction period of nine months, proves that Uniper is capable of delivering bespoke energy solutions when they are needed.

### Our Energy Transformation Hubs

The transition towards greener gases will be a step-wise process and Uniper can help shape the future of a greener gas sector. One important milestone of this transition will be the conversion of the LNG import infrastructure in Wilhelmshaven to enable future hydrogen imports in the form of ammonia, a cornerstone of the Green-Wilhelmshaven energy hub. To not only develop the necessary infrastructure but also to secure the greener commodities, Uniper is engaging already today with the future international suppliers of hydrogen and hydrogen



derivatives. The import of these greener commodities into our European core markets is needed to maintain the security of gas supply in the future.

One of Uniper's key platform for implementing the strategy and contributing to the development of the required infrastructure is through our Energy Transformation Hubs, such as the Energy Transformation Hub Northwest. Those energy hubs are mainly located at our power plant sites in Germany, the Netherlands, the UK, and Sweden. These hubs serve as a platform where we can collaborate with our partners in business and industry to work on creating an energy supply for the future. It enables us to combine existing and innovative technology and new infrastructure to strengthen industrial regions, creating new businesses and future employment. We plan to cover the entire project cycle in this work – from research, development, and piloting – building and operating hydrogen-ready power plants, renewable energy production, hydrogen storage, and import infrastructure.

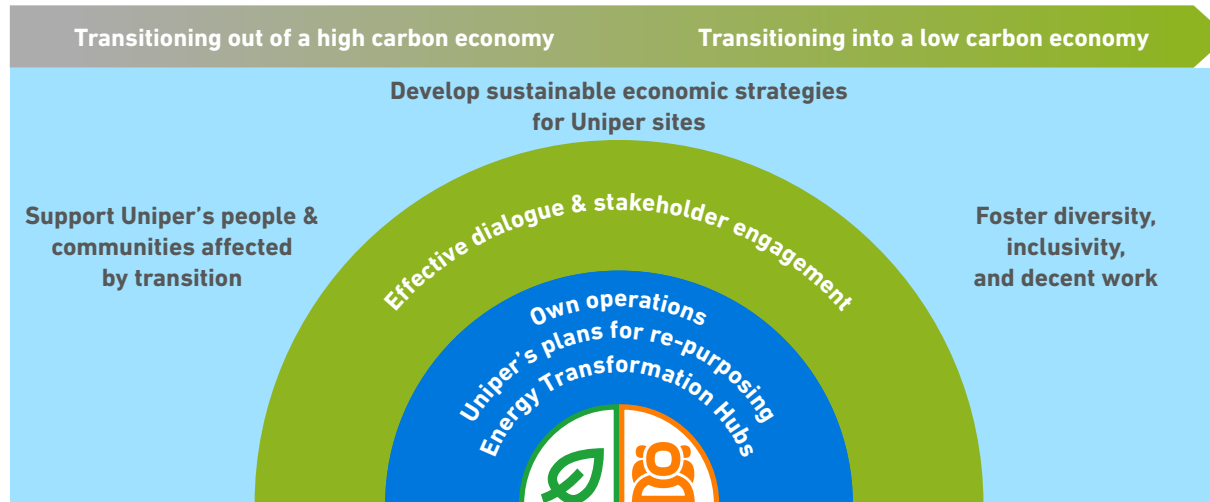
# Ensuring a Just Transition

Uniper is committed to respecting human rights across all its business activities in accordance with the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the German Act on Corporate Due Diligence Obligations in Supply Chains, which came into force in January 2023.

For Uniper, a just transition ensures that an energy transition from a high-carbon to a low-carbon economy takes place in a socially and environmentally responsible way. Therefore, our decarbonization plan will follow the Uniper Just Transition framework to ensure a fair transition of our energy assets throughout our decarbonization.

In 2022, our Board of Management approved a Just Transition framework which follows a set of principles and commitments within the meaning of the International Labor Organization's 2015 guidelines and the COP 26 agreement. It aims to ensure that the well-being of individual workers and local communities at affected sites through this transition is timely, transparent, and just. Particularly while delivering on our coal exit commitments, we will continue to uphold the principles which prioritize the needs of our employees and their communities. These principles include support for workers transitioning to new jobs and ongoing stakeholder engagement.

A major component of Uniper's transition plan is to exit coal completely by 2029 (see further details under the "Coal exit" section). We aim to do this while continuing to create value and safeguard as many jobs as possible, to enable a just approach to the transition. One example is the "Energy Transformation Hub Northwest", which covers 13 projects being developed at new and existing Uniper sites in northern Lower Saxony. Uniper promotes the training of skilled workers in hydrogen-related occupational fields at a training center on the Wilhelmshaven site. Further information on our just transition efforts can be found in our separate Sustainability Report 2023.



## The transformation of Staudinger

At Uniper's Staudinger power plant, preparations for the transformation of the site in line with the coal phase out began in 2017. Approved by the municipality of Großkrotzenburg in 2023, Staudinger's development plan is a fundamental requirement for the transformation of the site, enabling the construction of greener generation units, such as H2-ready power plants and battery storage. The relevant internal and external stakeholders have been involved in the transformation process from the beginning and have shown their support. The site transformation not only contributes to making energy supply fit for the future, but it also contributes to the economic development of the municipality, preserves jobs and creates new future-oriented employment opportunities.



# The Uniper Way – Enabling a Culture of Transformation

Making a transition as a whole organization to become a lower-carbon energy supplier, who is aiming to transitioning its power and gas operations to greener, more flexible energy production and trading, will require a whole Company approach. Our strategy, to be a trusted partner in the transition for our customers, will also require us to foster trust within our organization to support each other in the transformation we need to undergo.

We are confident that we have the right enabling culture within Uniper, through our core values which make up the Uniper Way. The Uniper Way describes how we work together as individuals, within teams, and across our organization. It serves as a compass to guide how we implement our strategy, and how we serve our customers.



## Engaging our people

Part of this work is also to ensure our colleagues are as informed as they can be on the need for a global energy transition, which will not just help them to understand our changing environment, but connect this with how they are contributing to this in their everyday work. We are doing this through upskilling and education events, such as our climate days described in the following section. One other example is our Uniper Green Office initiative, that was voluntarily introduced by a group of Uniper colleagues to embrace change in our daily behaviors. The Green Office strives to enable everyone to contribute his/her ideas on how we can work more sustainably – such as how we reduce our use of plastic in the workplace or support the local environment by our annual summer cleanup of the Rhine Project jointly with other companies, where we have managed to gather more than a truck-load of waste.



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Since 2017, I've been actively collaborating with Green Office, finding immense joy in organizing and participating in its various initiatives. Working alongside Uniper colleagues who are passionate about sustainability has been truly rewarding. Together, we're committed to integrating sustainable practices into our work and personal lives, inspiring others to do the same. Who better to drive Uniper's decarbonization than employees who embody and promote sustainability daily?

**Juan Jose de Blas Abad**

## Our Values

### Through trust and collaboration ...

- **Trust** – we cultivate behaviors that deepen trust, as the foundation of a successful company and successful teams.
- **Collaboration** – we foster a psychologically safe space in which we collaborate toward common Uniper goals and challenge each other constructively.
- **Empowerment** – we empower each other to take initiative, clarify expectations and accountabilities, and make fast yet informed decisions.

### ... we accelerate the energy transition

- **Performance** – we always aim to ensure safety and compliance, creating value for our society, customers, and Uniper.
- **Focus** – we focus on value-added work and pragmatically developing solutions in a timely manner.
- **Embracing change** – we drive sustainable change, seeking opportunities to transform along the way.



### **Uniper Climate Days**

In 2023 we held a Uniper Climate Day. This event consisted of two days of enlightening and inspirational presentations for our employees, which were aimed at underlining the importance of climate change and what Uniper is doing to mitigate it. It was also a way to focus everyone's attention on our corporate strategy and on our climate targets in particular, and on how we are pivoting our business operations to support the energy transition in Europe, and ultimately transform the way we provide and distribute energy. This event was a great opportunity to inform and engage everyone on the pioneering work we are doing and how their work matters to the global objective to limit global warming.

Some of the presentations featured our Board of Management members, including our Chief Sustainability Officer as well as external industry and climate experts such as a meteorologist and a representative from the International Energy Agency. The event took place in our Düsseldorf headquarters and was recorded to allow all Uniper colleagues to experience the presentations and discussions also at a later point in time. There was also a marketplace where teams were able to showcase the projects they are working on to support the decarbonization effort across Europe. It served to increase overall employees' awareness of our decarbonization efforts and to strengthen engagement with our decarbonization ambitions. Given the success of this event, we aim to continue our work to deepen our colleagues' awareness of these issues and hold further, similar events in the future.

This all helps to contribute to a positive culture of awareness and empowerment, when it comes to the important transition work that we are doing within Uniper, and in turn supports our position as an employer of choice as we innovate to transform.

# Our Decarbonization Ambition

- › Our diversified generation portfolio
- › Our Heritage
- › Reevaluating Uniper's  
Decarbonization Targets

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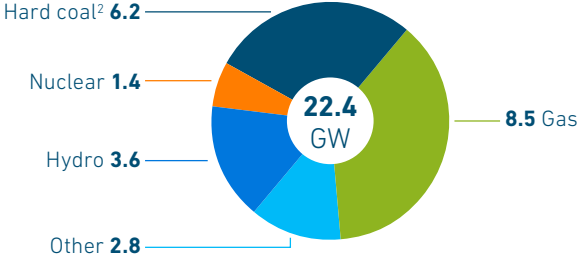
# Our Decarbonization Ambition

Uniper set its first decarbonization goals in 2020 and has worked to continuously align them with best practice approaches within the industry. As introduced, with our new strategy in 2023, Uniper's decarbonization targets have been significantly tightened and concretized. As we work towards these goals, we are committed to being transparent about our decarbonization journey and how we intend to reduce our emissions to meet the increasingly ambitious objectives of the energy transition and also to remain in line with the evolving energy sector regulations on decarbonization. Our climate transition plan is providing us with that clear roadmap to manage our decarbonization journey and make corresponding actions.

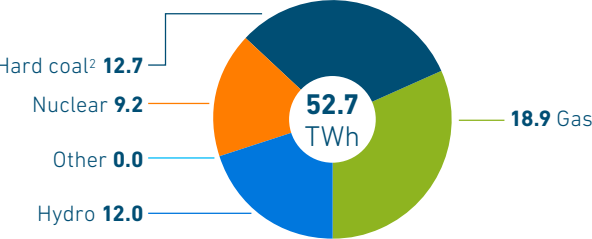


# Our diversified generation portfolio

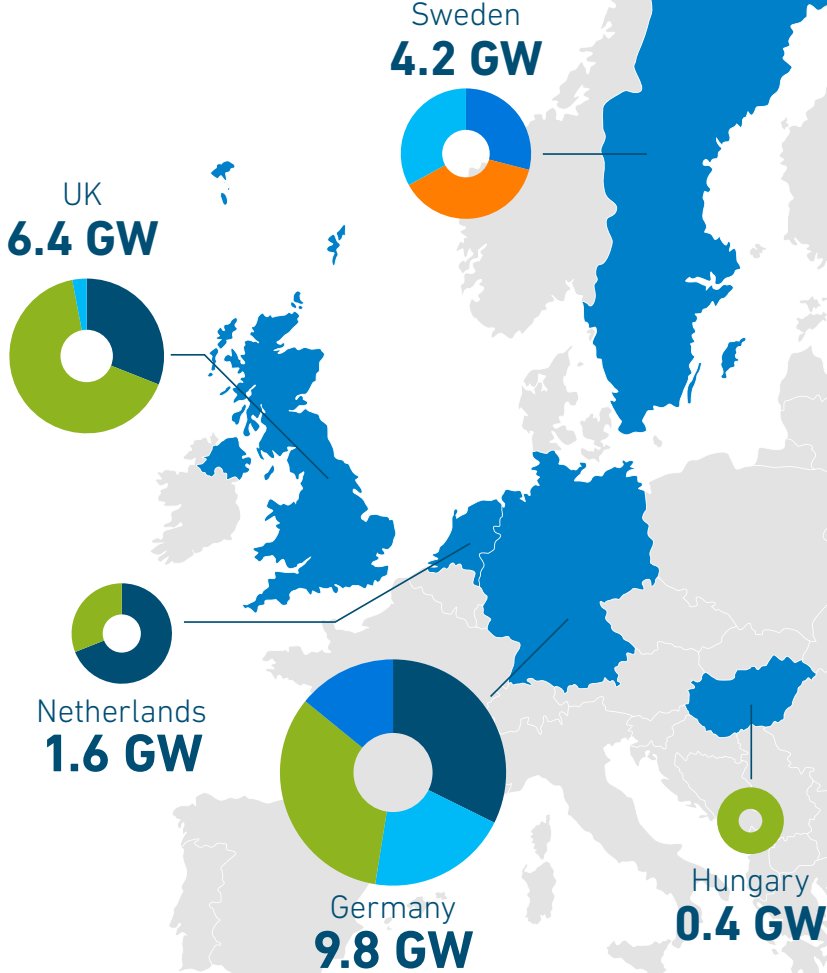
**Net capacity by fuel type (GW)<sup>1</sup>**



**Net electricity generation volumes by technology (TWh)**



**Net capacity by country and fuel type (GW)<sup>1</sup>**



- Hydro
- Nuclear
- Hard coal<sup>2</sup>
- Natural gas
- Other

<sup>1</sup> Accounting view, status as of 31 December 2023.  
<sup>2</sup> FY 2023 hard coal volumes incl. 0.4 TWh co-feed biomass.

# Our Heritage

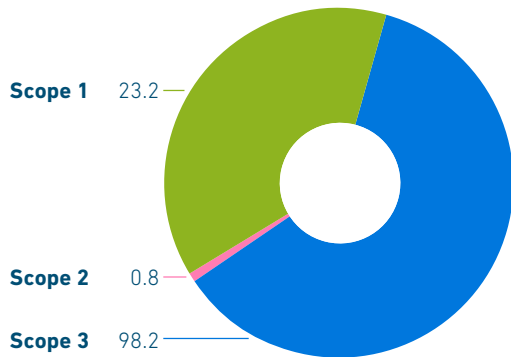
To assess the context of our decarbonization targets and actions that follow, an understanding of our base year emissions is important. As a major operator of fossil-fired power plants, we have a significant portion of our historical and current direct emissions linked to our gas- and coal-based power and heat generation activities.

In recent years, the global pandemic led to a decline of overall emissions in 2020, followed by a post-Covid-19 increase in 2021. The evolving energy crisis in Europe, caused by Russia's war on Ukraine, had a significant impact on Europe's energy supplies particularly in 2022, with Uniper being in the center of the energy turmoil. Uniper responded by supporting a continuation of the energy supply through a continuation of our coal-fired power generation activities, while we weathered the curtailment of gas deliveries from Russia. Therefore

power sector emissions – not only for Uniper – in the years 2020 to 2022 were not representative. Since we already set our first decarbonization goals for our power business in 2020 the base year for our scope 1 and 2 emissions currently used to define our GHG reduction targets is 2019. For our scope 3 emissions, the currently used base year is 2021. We are currently assessing to synchronize the base year for our scope 1-3 emissions.

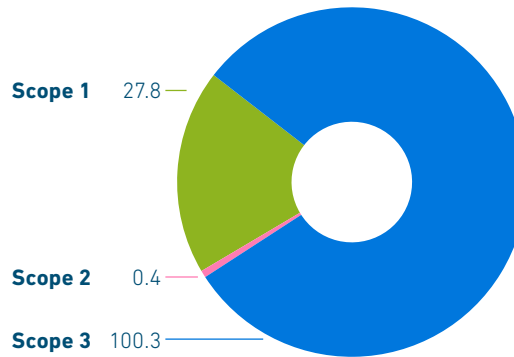
## Scope 1, 2, and 3 Emissions 2019\*

million metric tons CO<sub>2</sub>e



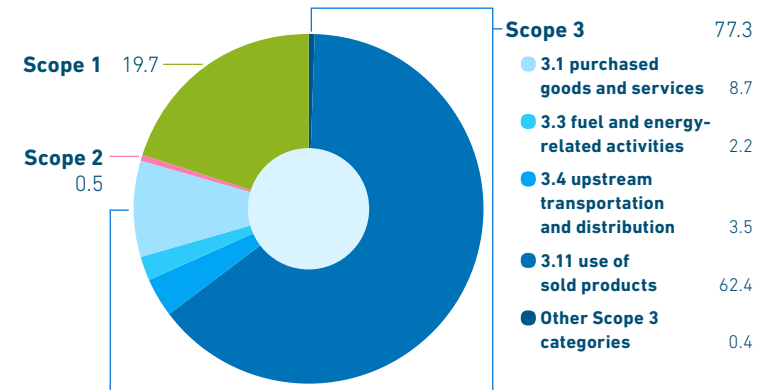
## Scope 1, 2, and 3 Emissions 2021\*

million metric tons CO<sub>2</sub>e



## Scope 1, 2, and 3 Emissions 2023\*

million metric tons CO<sub>2</sub>



\*Emissions from Russian Power Generation (discontinued operations) not included.

Scope 2 emissions calculated under the market-based approach.

Scope 2 – market-based emissions for Hydro Pumped Storage Systems are calculated using a net approach, which factors in electricity purchased for storage purposes minus the electricity supplied back into the grid.

Excludes Scope 3 categories 8, 14 and 15.

Base year and past year's figures will be adjusted due to structural changes as a consequence of the remedies Uniper must fulfill under the EU's state-aid approval, in accordance with the GHG Protocol

# Reevaluating Uniper's Decarbonization Targets

The development of our new strategy has involved a reevaluation of our climate targets, to ensure that Uniper continues to play its role in supporting the objectives of the Paris Agreement and accelerate the transition. We therefore aim to:

## 2040 – Uniper Group

Achieve carbon neutrality\* in our direct (scope 1) and indirect (scope 2 and 3) emissions by 2040 – **ten years earlier than the previous target of 2050.**

## 2035 – Uniper Group

Achieve carbon neutrality\* for scope 1 and 2 by 2035.

## 2035 – Uniper Group

Reduce our scope 3 emissions by 35% by 2035.

## 2030 – Uniper Group

Reduce our scope 1 and 2 emissions by at least 55% by 2030 – **at least 5% stricter than the previous target of 50%.**

## 2023 - Reference year

New corporate strategy announced August 2023.

● unchanged ● updated ● tighten

## Targets validation against recognized standards

To support Uniper's ambition of working towards the 1.5°C target as set out in the Paris Agreement, we are assessing our options to externally validate our new decarbonization targets, e.g., against the criteria of the Science-Based Target initiative (SBTi).

Due to the volume of Uniper's sales revenues from fossil fuel activities, the SBTi requires that we model our targets in alignment with the upcoming SBTi oil and gas guidelines. These guidelines are not expected to be finalized until the end of 2024, according to the SBTi's published timeline. SBTi will conduct public consultations in order to shape this guidance, to ensure it realistically meets the transformation capabilities of the oil and gas industry, while achieving its objectives in the global transition. Uniper will closely monitor the development of the guidance and will provide feedback to the open consultations, along with other industry peers. Uniper can provide a unique perspective as an energy company with significant businesses in production, origination and trading of both power and gas and help to support finding a realistic and well balanced SBTi framework for the oil and gas sector.

By comparing our current emissions reduction targets with a science-based approach, we are setting in motion the required mechanisms that will allow Uniper to identify potential gaps, as well as strengthen the decision-making process to be able to fulfill our carbon neutrality ambition in the best possible way.

## Delivering our climate targets

Given the origin of our emissions, our decarbonization journey will require us to reduce our coal and gas-related emissions significantly, as we progress towards our scope 1 and 2 emissions targets for 2030, 2035, and group-wide 2040. Additionally, we are also aware of the magnitude of our natural gas wholesale and trading business and its associated indirect scope 3 emissions. The planned long-term transition of our commodity portfolio from natural gas towards greener gases like biomethane, hydrogen and hydrogen derivatives over time will reduce our scope 3 emissions significantly. Consequently, we have brought forward our scope 3 neutrality target from 2050 to 2040, and we are currently pursuing several measures to tighten our scope 3 emissions target for 2035 further. To deliver on our scope 3 target, we are also working hand in hand with our customers to support them in their decarbonization journey, and jointly manage the transition towards a net zero economy.

We are committed to transparency in communicating our progress towards our climate targets. We demonstrate this through our reporting in line with the CDP disclosure (formally Carbon Disclosure Project), and previously the recommendations of the Task Force for Climate-Related Financial Disclosure (TCFD), now integrated within the CSRD framework, as well as the guidance from the EU Taxonomy.

We have also taken guidance from the European Financial Reporting Advisory Group (EFRAG) standards, to ensure that our climate transition plan is aligned with our work towards the CSRD. Our aim is to be in line with the very best industry standards and ensure we are operating in the best possible way as a key energy provider.

# Our Decarbonization Strategy in Practice

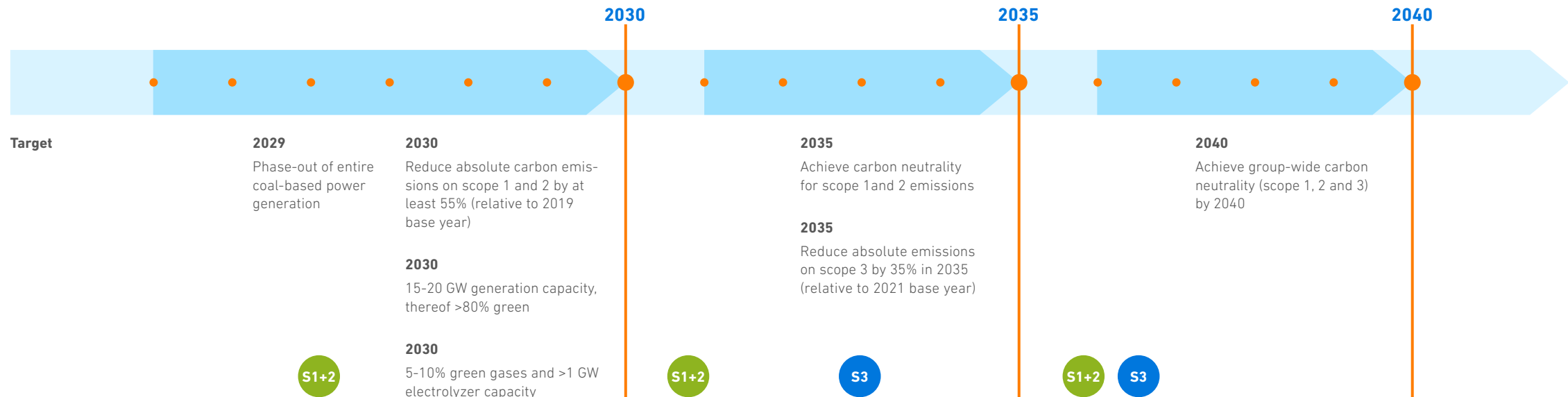
- › Transforming Our Portfolio
- › Enabling Our Transformation Through Innovation and Digitalization
- › Risks and Opportunities
- › Financial Alignment with Carbon Neutrality
- › Working with Our Stakeholders

# Our Decarbonization Strategy in Practice

As described in the previous section “Accelerating the Energy Transition,” Uniper’s corporate strategy is focused on accelerating Europe’s decarbonization journey. Delivering on our strategic ambitions will require concerted actions across the whole organization and the positive mindset that characterizes Uniper. Moreover, given our Company’s heritage, it also asks for a fast transformation and adaptation

of our various businesses from asset operations to our midstream and downstream activities. The following section describes the key actions and enabling levers we will deploy in the mid- and long-term in order to achieve our targets. We also assessed the risks and opportunities our strategy may face, and the financial planning that will enable us to execute the envisioned transformation.

## Our targets and actions at a glance



## Main Actions

**Scope 1+2**

- Grow own wind onshore and solar PV generation.
- Pursue selective growth in hydro.
- Decarbonize existing gas-fired power plants.
- Invest in new flexible generation with net-zero capability (hydrogen-ready and CCS/CCU power plants).
- Grow in battery energy storage systems.
- Expand exploration of hydrogen conversion of existing storage assets.
- Develop hydrogen-related infrastructure
- Optimize value of our hydro and nuclear carbon-free assets.

S1+2

**Scope 3**

- Grow commodity portfolio of greener gases like hydrogen, hydrogen derivatives, and biomethane.
- Engage with customers to support abatement measures.
- Grow renewable PPA portfolio.
- Sourcing gas from suppliers with highest emissions standards in gas production.

S3

# Transforming Our Portfolio

We had already started our transformation journey back in 2020. Since then, Uniper has executed a variety of transformation projects seizing new market opportunities and addressing the challenges of the changing energy system. Some of those first transformation projects have already been realized over the last three years, resulting in a capital expenditure of more than €400 million to date.

The development of our 138 MW gas-fired combined heat and power plant (CHP) at our site in Scholven, Germany, in 2023 is one good example. The new CHP will replace an old coal-fired CHP unit at this site, securing the local heat and power supply and at the same time significantly reducing the related GHG emissions.

Another example is the conversion of two gas turbines (126 MW, total) in Malmö, Sweden, to run on hydrogenated vegetable oil (HVO), a regenerative biofuel. This conversion had also been completed in 2023, reducing the GHG emissions of the turbines by approx. 90%.

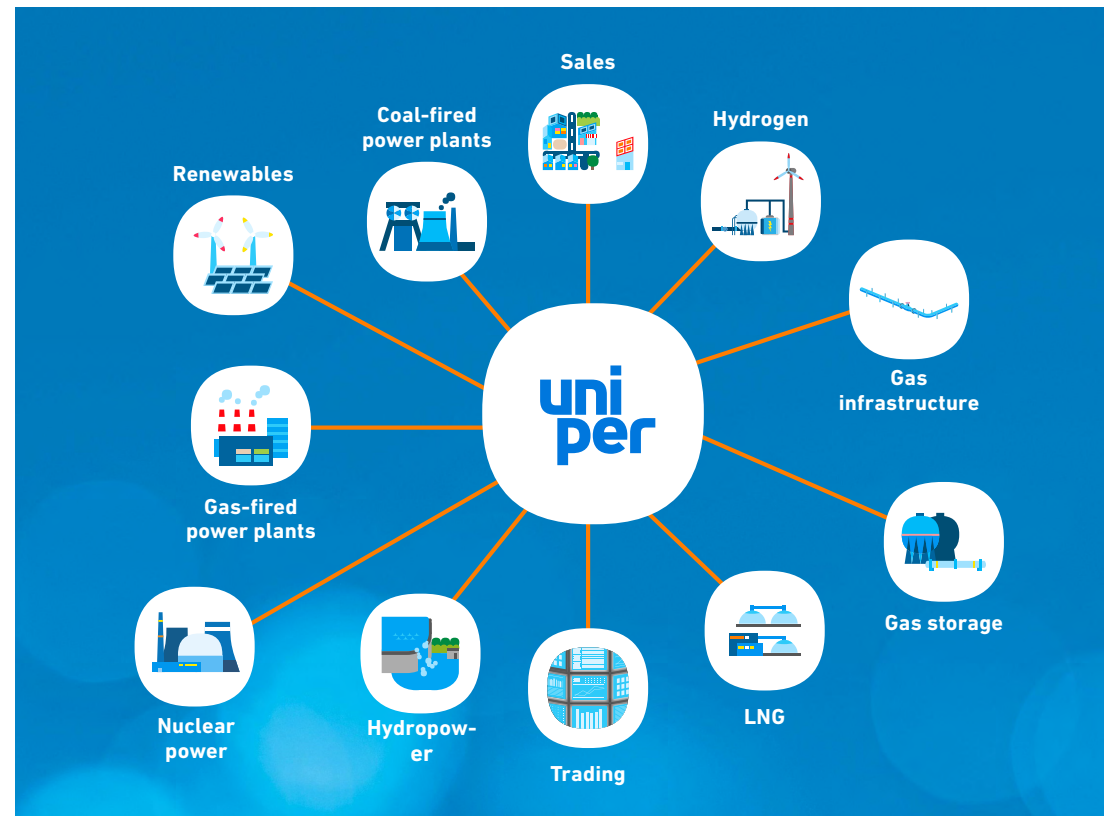
Other successful examples of our portfolio transformation are shown in the four synchronous condenser units, brought into commercial operation at our UK sites in Killingholme in 2022 and Grain in 2023. All four units provide innovative grid stability services, enabling more renewable power generation to come onto the electricity system, whilst maintaining grid stability for a transition towards net zero. Lastly, Uniper has already started to invest into battery systems to enhance its dispatchable capacity. In 2021 and 2022 we added >30 MW of battery capacity to some of our Swedish hydro power plants in Angermanland and Jämtland. Those hybrid systems enable an even faster response of the hydro power plants when flexibility

is needed to stabilize the grid. Further detailed information on our ongoing projects can be found in our Sustainability Report 2023 and our Annual Report 2023.

Going forward, our climate transition plan lays out how the further transformation of our portfolio will be executed by a set of actions across the different businesses, and within the strategic pillars defined earlier. In total, Uniper will invest approximately €8 billion between 2023 and 2030 for this transformation. The identified main strategic actions are the following:

## Customer

We will embrace diverse initiatives to support our customers on their decarbonization journey, from creating awareness through different platforms and communication channels, to supporting them in designing a bespoke decarbonization roadmap and enabling them to reduce their reliance on fossil fuels and switch to low-carbon commodities. Such activities are laid out in the section below, "Our engagement with our customers."



## Green and Flexible Power

We aim to transform our power portfolio through several concrete actions:

- Expanding our renewable power portfolio via our own assets and commercial PPAs. This implies making significant investments in solar PV and onshore wind, in order to maintain a project development pipeline of around **1 GW ready-to-build (RTB) capacities per year**, targeting a renewables capacity of around 10 GW RTB capacities by 2030. The size and timing of the PPA portfolio ramp-up depends on the future market conditions and the acceleration of the overall renewables build-out.
- Converting a significant part of our **8.5 GW gas-fired capacity to hydrogen, biofuels, or CCS/CCU** and engaging into respective new-build opportunities for new gas-fired power plants. The size and timing of those conversions and new-build investments will be determined largely by the regulatory frameworks in the markets where we are operating. Such regulations are for example, the CCS/CCU Contracts for Difference (CfD) framework in the UK, and the newly approved Power Station Strategy in Germany. The latest changes in the German regulation regarding the timeline of a full conversion of the planned new-build hydrogen-ready gas-fired power plants to run on 100% hydrogen by initially 2035, to now 2040, may require a reassessment of Uniper's scope 1 carbon neutrality target by 2035.
- Retiring part of our old gas-fired generation capacity, as the power plants reach the end of their lifetime. The power plant sites will be repurposed for new asset development.

- Phasing out our entire **6.2 GW of coal-fired generation capacity by 2029**, equating to a reduction of our scope 1 emissions by up to 18 million metric tons CO<sub>2</sub>e (2019 base year). See the section “Coal Exit”.
- Growing our battery storage systems for example in our hydro power plants in Sweden, and aim to expand to further locations, we are investing in both state-of-the-art battery technologies, and developing advanced technologies through our innovation pilot projects. The goal of these assets is to provide balancing support to the grid system and increase the flexibility capacity in our portfolio. We currently plan to invest into a **battery capacity of triple digit MW** in total.
- Optimizing the value of our **5 GW of hydro and nuclear power assets**, potentially investing in additional hydro capacity opportunistically, for example a potential revitalization of our 126 MW Happurg pumped-storage hydro power plant in Germany.
- Applying renewable power and Guarantees of Origin (GoOs) to reduce our scope 2 emissions, mainly caused by the operations of our pump storage hydro plants.

## Greener Gases

We aim to transform our portfolio over time from fossil to low and zero carbon gases. This will mainly be implemented by the following actions:

- Growing our midstream and downstream commodity portfolio of biomethane, hydrogen and hydrogen-derivatives, such as low-carbon methanol and ammonia, as well as sustainable aviation fuels achieving a share of **5–10% of greener gases by 2030**.

- Providing more than **200 TWh of gas sales** to our industrial and municipal customers by 2030.
- Developing own hydrogen production capacity to achieve more than **1 GW of electrolyzer capacity by 2030**.
- Continuing to support the enabling of Europe’s hydrogen infrastructure through our Energy Transformation Hubs, such as Wilhelmshaven.
- Converting parts of our natural gas storages into hydrogen storages.

## Optimization

We will leverage our capabilities and embrace the latest technologies in our trading and sales operations to extract the highest value from our existing and future asset and commercial portfolio. We will develop new business models propelled by our innovation and digitalization efforts.

In addition to the listed strategic actions, we will offset any residual emission with high-integrity carbon credits sourced according to our internal quality standards to achieve carbon neutrality by 2040. We will continue to monitor regulatory development involving carbon credits accountability in the EU, such as the ongoing European Commission Industrial Carbon Management Communication, and consequently update our quality standards accordingly.

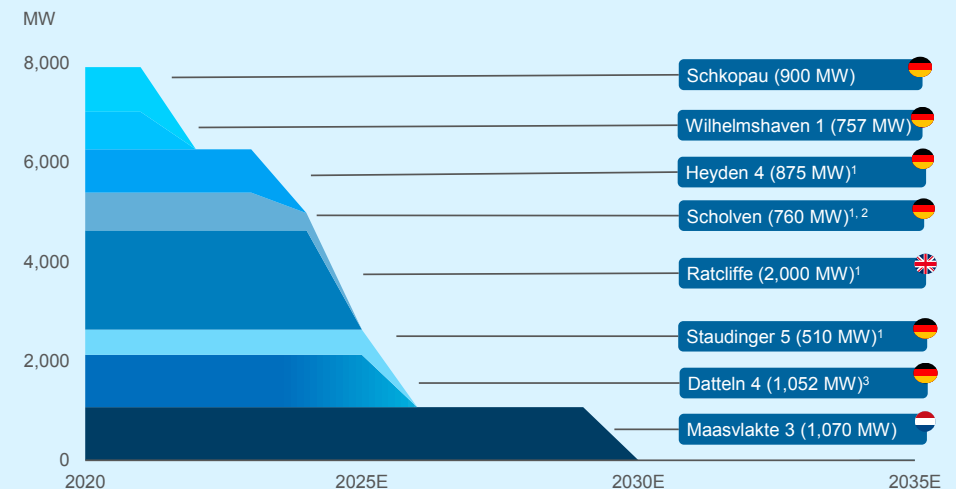
## Coal Exit

One of the core decarbonization actions of our corporate strategy is the earlier exit of coal-fired generation and other related activities by 2029. This will become a crucial reduction lever for our scope 1 emissions.

We will end our coal-fired power generation activities in the United Kingdom by 2024, by shutting down our Ratcliffe power plant by the end of September 2024, and in the Netherlands by the end of 2029, where the Maasvlakte 3 power plant is located, which will be the last coal-fired power plant in Uniper’s portfolio to be decommissioned.

In Germany, the Datteln 4 hard-coal-fired power plant is to be divested by 2026, in accordance with the EU state aid decision, and we aim to close the remaining plants in Germany by 2029 the latest according to our communicated strategic targets. However, several of our coal-fired power plants (Heyden 4, Scholven B and C, Staudinger 5) have recently been called system-relevant and hence their retiring dates have been postponed, in order to guarantee the secure functioning of the German electricity supply system. Uniper will assess the conflicting goals of coal phaseout and climate targets, and the mandate to keep these plants available beyond 2029 due to a system-criticality request from Bundesnetzagentur (BNetzA).

## Uniper’s coal fleet



Note: Accounting view.

1. Delayed exit date due to security of supply operations; plants declared system relevant.

2. End of commercial operations, Scholven B & C were recently declared system relevant by BNetzA.

3. Datteln 4 on EU Commission’s remedy list – to be sold until 2026.

# Enabling Our Transformation Through Innovation and Digitalization

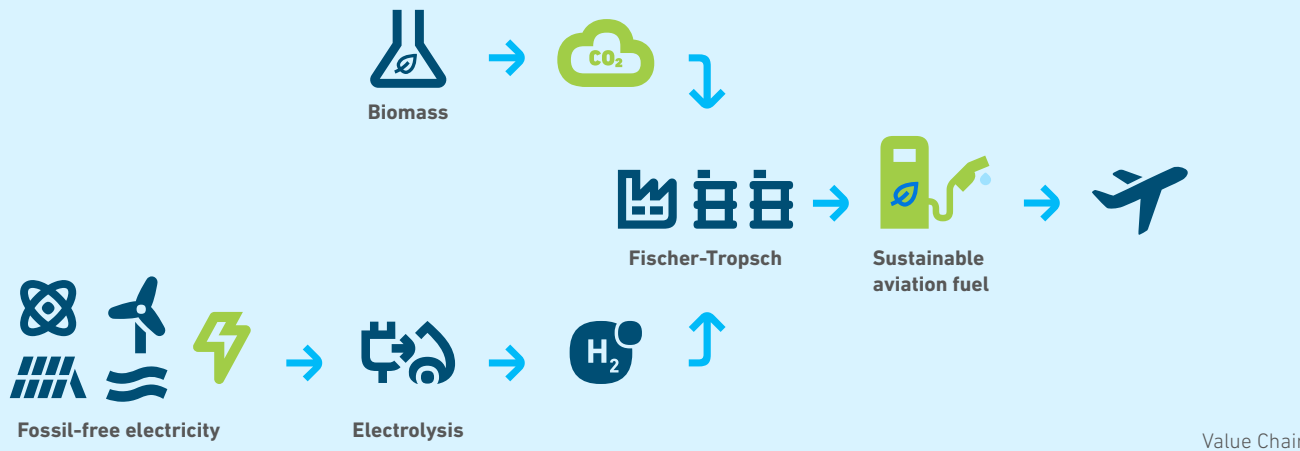
Innovation and development of new sustainable businesses play a key role in mastering the transformation of Uniper's portfolio. Uniper is developing scalable business models in a variety of new areas, including green and blue hydrogen, and sustainable liquid fuels. Other innovation activities focus on four defined pillars: flexible and renewable electricity and heat, renewable molecules (such as hydrogen

and renewable hydrocarbon-based cross-sectoral fuels), and the management of CO<sub>2</sub>. Along with these, digital business models that propel the development of these technologies are also being investigated. Uniper has invested in several projects to refine, scale up, and deploy such technologies commercially.

## SkyFuelH2 project

In line with our strategic ambition to drive decarbonization in the gas sector, Uniper is developing a pipeline of renewable-molecule projects and partnering with leading companies and research institutes in pilot and industrial-scale projects. Through this, Uniper gains experience in project development, operations, and marketing for hydrogen and other alternative fuels. An excellent example of this approach is our SkyFuelH2 Project, located in Sollefteå in east-central Sweden, which is focused on the development of an inte-

grated plant for the production of sustainable aviation fuel on an industrial scale. This is an innovative, cross-functional collaboration with partners in Scandinavia, which is based on renewable electricity and sustainable biomass, and will deliver a sustainable fuel solution for airlines, refineries, and chemical companies. The project is expected to meet about 8% of Sweden's aviation fuel needs and reduce GHG emissions by 323,000 metric tons of CO<sub>2</sub>e per year. It could also create up to 100 new direct and 200 indirect employment opportunities in and around Sollefteå.



## The AHEAD project

(Advanced Heat Pumps for Electrified and Decarbonized Heat)

An example of our efforts in decarbonizing the heat sector is our sustainable district heating project with Evonik, to pioneer the installation of a technologically advanced megawatt-class high-temperature heat pump at an Evonik chemical plant in Herne in west-central Germany. It aims to recover low temperature waste heat for our industrial partners and turn it into useful green heat, with the potential impact – as a first demonstration plant – of CO<sub>2</sub> savings of approx. 1,750 CO<sub>2</sub> metric tons per year.



## Digitalization as a crucial enabler of transformation

A key aspect of our transformational efforts in Uniper is our digitalization activities across all functions. Our digital team works cross-functionally with several business segments in Uniper, with the aim of utilizing world-class technology platforms to optimize Uniper's commercial portfolio and enhance the digital skills of our employees. Uniper strongly believes that digitalization will enable us to enhance the efficiency of our pro-

cesses and to develop new business solutions, thus being a key enabler for building the future energy system. For example, in 2023 Uniper introduced a new digital solution, called the Response App, that provides a step-by-step guide to managing and recording the response to an incident or emergency on-site, and also allows employees to communicate real-time information to the relevant teams. The app has been tested by shift teams at Connah's Quay Power Station in the UK and is now ready to be rolled out to other Uniper sites.



# Risks and Opportunities

Limiting global warming to 1.5°C above pre-industrial levels is probably the biggest challenge the world is facing today. The power sector in particular is bearing responsibility for a fast decarbonization and transition towards a sustainable energy supply. This transition will not be a straight line. Nevertheless, we are confident that our strategic approach is the right one to achieve our decarbonization objectives, and our diverse portfolio means we are able to activate the right decarbonization levers when required. However, we are also aware that we are operating within a changing regulatory landscape, and we need to continually assess the resilience of our strategy and specifically our climate transition plan, and adjust, when necessary, in order to ensure our long-term success.

## Climate risk identification and management

Uniper has established processes for the identification of both risk categories – physical and transitional – which are explained in depth in our separate non-financial report published in the Annual Report 2023. Uniper already assesses its transitional climate-related risks and opportunities through the implementation of the TCFD framework in our reporting, which going forward will be integrated within our CSRD compliance.

Due to the potential effects climate change might have on Uniper's assets, we established a dedicated process in 2022 to assess and manage physical climate risks. This process helps us to comply with local policies and regulations in a structured way, and additionally to address the growing disclosure requirements. Part of this process is the planning of adaptation measures to meet the identified risks, which is triggered when defined thresholds in our physical risk scoring system are met. The decision on which mitigation and adaptation measures to implement depends on the specific internal risk

threshold defined and on the judgment of our experienced site engineers. The physical climate risk assessment process is also applied for EU Taxonomy purposes, as disclosed in detail in our EU Taxonomy chapter of the Annual Report 2023.



As part of the identification process of climate-related risk and opportunities at a group level, representatives from Uniper's major business lines and enabling functions, gather in a workshop once a year. These experts jointly identify and assess the potential implications from regulatory and/or market-related changes on our various business areas. Those implications could be effects, on the business area's future earnings contribution, for example.

## Quantitative sensitivity analysis

The physical and transitional risk assessment processes are complemented by a quantitative sensitivity analysis to gauge our potential financial exposure to key climate-related drivers. Informed by the assessments and through the expert discussions in the workshops, a set of drivers are identified which shape the sensitivity analysis:

- European power demand
- Carbon price in Europe
- Regulatory changes favoring the build of new renewable assets (such as subsidy schemes)
- Regulatory changes for gas-fired power plants with regards to methane emissions
- Regional weather patterns related to precipitation and heat stress



In order to quantify the potential variation of these drivers, we use external and internal climate scenarios. Namely IEA's Net Zero Emissions scenario (NZE, 2023 update) and its Stated Energy Policies Scenario (STEPS) as well as Uniper's internal Base Case and a more conservative Slow Transition scenario. Applying each of those scenario assumptions vs Uniper's Base Case, we are able to derive the relevant parameter variations for the selected sensitivities. Further details of the sensitivity analysis and its results can be found in the separate non-financial report published within the Annual Report 2023.






## Uniper's base case

Uniper's Base Case follows a set of assumptions, including that the European ambition to limit global warming will be largely fulfilled through policy actions. These are, for example, the European Green Deal, the Fit for 55 and RePowerEU packages. Although Uniper's Base Case assumes an implementation of the European energy policies as announced, it does not assume that the 1.5°C target will be achieved on a global scale, and therefore differs from scenarios like the IEA's NZE scenario.

Uniper's Base Case describes a development of global climate mitigation actions in line with a temperature increase to well below 2°C by 2100. This long-term outlook is updated once a year and is approved by Uniper's Board of Management, and used to inform strategy reviews, financial planning processes, and long-term investment decisions.

The key aspects where our Base Case assumptions deviate from IEA's NZE scenario on a global level are summarized in the following chart:

## IEA's NZE/APS presents an accelerated decarbonization path

Target dimension	Uniper Base Case (<2°C) (assumptions for Europe)	1.5°C Scenario (IEA Net Zero Road Map, assumptions for Europe <sup>4</sup> )
 Electricity demand	Electrification of the sectors to reduce emissions will lead to electricity demand <b>CAGR<sup>1</sup> of 1.6%</b> by 2030 and speeds up <b>by 2040 with 2.6%</b>	Faster electrification and higher energy efficiency enables faster emissions reductions, i.e. <b>2.1% CAGR</b> by 2030, <b>2.4% by 2040</b> (+100 TWh than base case)
 Renewable gen. share %	Slightly slower build-up of PV and wind reaching <b>46% share in 2030</b> and <b>63% in 2040</b>	Faster and stronger build-up of PV and wind reaching almost <b>50% share already in 2030</b> and <b>66% in 2040</b>
 Nuclear power	<b>Expected to decline</b> due to capacity additions and lifetime extensions being lower than the retirements	Remains a <b>key role<sup>2</sup></b> for baseload generation due to long lifetime extensions and capacity additions (incl. modular reactors) since political support rises
 Natural gas gen. share %	Natural gas <sup>3</sup> remains essential for dispatchable power with <b>18% generation share in 2030</b> (1% with CCS), <b>9% in 2040</b> (~5% with CCS <sup>5</sup> )	Steeper decline of natural gas demand for power generation down to <b>8% in 2030</b> (2% of it with CCS), <b>1% in 2040</b> (~70% with CCS)
 Total natural gas demand	The shift to green gas and electrification as replacement across sectors, will lead to a <b>modest drop of -2% CAGR by 2030 and -4% CAGR by 2040</b>	Cutting methane emissions and electrification of the energy system will drive a <b>steeper decline at -6% CAGR by 2030 and -9% CAGR by 2040</b>

<sup>1</sup>Compound annual growth rate.

<sup>2</sup>NZE sees nuclear with crucial role to decarbonize and enable green hydrogen, more than doubling in global capacity.

<sup>3</sup>Gas-fired plants run on hydrogen and ammonia.

<sup>4</sup>Source: IEA NZE scenario Sept. 2023 assumptions for Europe taken from IEA's Announced Pledges Scenario (APS).

<sup>5</sup>Carbon capture and storage (CCS).

## Resilience assessment for a 1.5°C-scenario

We address the short-, mid-, and long-term uncertainties linked to the fundamental changes of Europe's energy transition by periodically assessing our corporate strategy's resilience with regard to the energy sector's different future development paths. The objective is to test the resilience of our corporate strategy and to ensure that our portfolio is resilient under different long-term market conditions. The aforementioned quantitative sensitivity analysis forms one important part of the resilience assessment. Through the resilience assessment, we are identifying which business areas are more vulnerable to certain market or regulatory changes, where additional mitigation may be needed, and which changes in the sector may also bring additional opportunities.

Of particular interest is the resilience of Uniper's strategy in a 1.5°C scenario. For this purpose, we are applying the assumptions of the NZE scenario to model the implications for the European power, and the global gas sector. By doing so, we can assess how our individual business areas would be affected in this normative 1.5°C scenario. The analysis focuses on Uniper's operating segments: Green Generation, Flexible Generation, and Greener Commodities.

The time horizon for this strategy resilience assessment extends to 2040, differentiating short-to-medium term as the period from 2023 until 2030, and long-term as the period between 2030 and 2040. A set of qualitative and quantitative criteria along four dimensions forms the structure for the resilience assessment:

- The business segment's general compatibility with the 1.5°C scenario.
- The business segment's general alignment potential under the EU Taxonomy regulation (currently and in the short-to-medium term, and potentially remaining ESG risks to which the respective segment would be exposed).

- The financial impact on key earnings streams under the 1.5°C scenario (mainly covered by the above-described sensitivity analysis).
- The key climate-related transitional risks and opportunities as identified in the aforementioned expert workshops.

The strategy resilience assessment confirmed that Uniper's strategy is aiming for the right goals, setting the right targets and strategic priorities to accelerate the energy transition through the aforementioned three new segments (Green Generation, Flexible Generation, and Greener Commodities). It is overall moving in the right direction to be resilient in a 1.5°C scenario. Furthermore, the diversification of the existing and future portfolio, across the energy value chain and the various technologies, opens up significant opportunities in a decarbonizing energy system, and, uniquely positions Uniper for the transition to net zero, with resilience against market volatility and policy uncertainty.

However, given the changing regulatory landscape, we acknowledge that the execution of a systematic strategy resilience assessment is required, ensuring that this work is embedded within our Enterprise Risk Management (ERM), and that we continue to monitor our progress against our targets. The insight from the assessment provides a better understanding for Uniper's stakeholders about the long-term robustness and sustainability of Uniper's core business areas. We will continue to update the strategy resilience assessment regularly as part of our corporate strategy process going forward, revising our assumptions where required, to ensure our strategic targets and with that, our climate transition plan, remains robust and achievable.

# Financial Alignment with Carbon Neutrality

Uniper's ambition to support an energy transition to limit global warming is underpinned by our financial planning, ensuring that our decarbonization ambitions are backed by a clear short-, medium-, and long-term financial plan.

Our financial planning in the short and medium term aligns with our strategic priorities of decarbonizing our business and greening our production, while continuing to ensure security of energy supply to our customers and markets. To this end, we have committed to investing approximately €8 billion into applying the strategic decarbonization actions which we have described in our "Transforming Our Portfolio" section above.

The EU Taxonomy provides the framework for evaluating the economic activities of our climate transition plan. Our investment strategy is therefore in line with the EU Taxonomy requirements for climate change mitigation and climate change adaptation, which are two of the six EU Taxonomy's defined environmental objectives.

committed to investing approximately

**€8 billion** into  
applying the **strategic  
decarbonization  
actions**

## EU Taxonomy reporting

Uniper's Annual Report for the fiscal year 2023 includes the shares of turnover, capital expenditure, and operating expenses attributable to our sustainable economic activities according to the

EU Taxonomy framework. Further details can be found in the separate non-financial report published in our Annual Report 2023.

In the 2023 reporting year, investments amounting to €311.9 million that fall within the scope of the EU Taxonomy were identified as taxonomy-eligible. Of the taxonomy-eligible investments, €74.6 million (2022: €66.5 million) was attributable to taxonomy-aligned investments. The economic activities identified as taxonomy-aligned that are most relevant to Uniper's business model are assigned to the Climate Change Mitigation Objective. These are:

- Hydroelectric power generation €66.5 million
- District heating/district cooling distribution €8.1 million

The share of taxonomy-eligible operating expenses amounted to €320.8 million. Taxonomy-aligned operating expenses recorded €139.8 million. These mainly relate to ongoing development projects, particularly in the areas of heat, district heating, and hydrogen. For further information on our EU Taxonomy alignment, please see the EU Taxonomy section of our Annual Report 2023.

The overall share of annual turnover aligned with the EU Taxonomy is currently relatively small. This is due to the nature of our current portfolio, in which Uniper's overall turnover is mainly driven by our energy wholesale and trading activities, activities that are not considered under the EU Taxonomy.

Nevertheless, with the implementation of our transition agenda this will change over time, and we foresee a substantial increase of the share of EU Taxonomy-aligned financial activities throughout the next years progressively. In line with Uniper's strategy and our climate action plan described in

this document, our project pipeline and transformation ambition prioritize projects which are EU Taxonomy-eligible.

## Steering our investment decision towards decarbonization

We evaluate and steer our investments to contribute in the best possible way to delivering on our strategic targets and climate ambitions. This is mainly done through our capital allocation process and our strategic and financial decision gates, which shape our approval decision process across the organization. Depending on the level of contribution towards Uniper's decarbonization targets and the compatibility with the EU Taxonomy criteria, different hurdle rates are used for financial assessment. In order to steer the allocation of capital into green projects, green projects have lower hurdle rates, therefore non-green projects must comply with even higher return requirements. Our approval process is under continuous improvement, with the goal of increasing transparency and efficiency, for example through further digitalization. Furthermore, since the implementation of the TCFD framework in 2021, Uniper included the IEA's Sustainability Development Scenario (SDS), and with a later update the Announced Pledges Scenario (APS), as a scenario to be considered in the strategic and financial assessment of new projects. Our financial planning is embedded in our steering mechanisms through our Enterprise Risk Management system. Within the Enterprise Risk Management process, all identified transition-related risks and opportunities which could have a material financial impact are assessed. We ensure that our climate transition plan is embedded into our business-as-usual processes across our central functions, for example Strategy, Risk Management, Controlling, and Finance.



# Working with Our Stakeholders

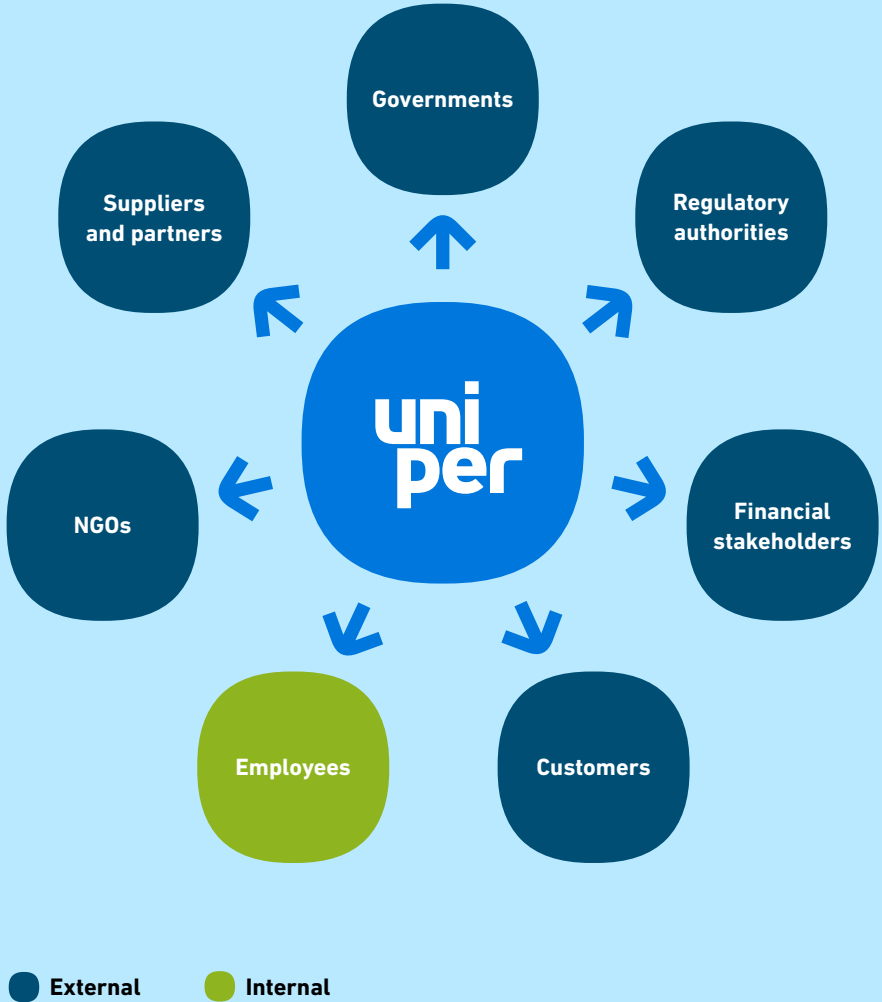
The success of our climate transition plan depends in part on how well we engage with our stakeholders. Examples include engaging in dialogue with governments to help shape the regulatory landscape for decarbonization, and supporting our value chain partners in their transition journey. We also engage regularly with NGOs, industry organizations, suppliers, civil society organizations, and customers in our pursuit of a clear roadmap to align with the goals of the Paris Agreement.

### Our engagement with our employees

Our engagement begins with our own people within Uniper, as we involve them in our strategic planning so that they understand the important part they play in our transformation to a lower-carbon power and gas Company. We do this through our various in-house channels but also through our climate days, which educate us all on the bigger context around climate change, as presented in the previous section “The Uniper Way – Enabling a Culture of Transformation.”

### Our engagement with our external stakeholders

We are sharing our experiences and services as an energy company within the EU with our external stakeholders. By doing so, we are leveraging our capabilities and understanding of the energy industry, to contribute to ensuring the industry is set to achieve a fair and just transition. To succeed in this purpose, we rely on a collaborative model with all our key stakeholders, including employees, suppliers, policymakers, customers, communities, and financial stakeholders. This should identify issues and roadblocks in the transition as they arise and enable planning to address them. In the next section we describe in more detail how we engage with our key stakeholders and the kinds of initiatives we engage in.



### Our engagement with governments, policymakers, and regulators

We operate in a continually evolving regulatory landscape. The European Union's commitment to become the first climate-neutral continent under the Paris Agreement will imply a fundamental transformation of its energy system. This in turn requires a great effort in establishing the necessary policy and regulatory framework in order to send the right investment signals to companies such as ours. Due to the significant impact these decisions have on our current and future businesses, advocacy is essential for the successful operation of our assets and for our strategic prospects.

Uniper proactively engages in policy dialogues and shares its view with a variety of external stakeholders, such as government entities, regulatory bodies, trade associations, and other third parties involved in policymaking. We believe that engaging in such debates help to inform and shape the political process, enabling policymakers to make more informed decisions.

Transparency of our dealings in this regard is something Uniper takes very seriously, and we aim to lead by example in our main markets in which we operate. Consequently, Uniper is registered in the EU's transparency registry (under 285977820662-03), the German Federal Lobby Registry, the Bavarian State Registry, as well as in Scotland. Further efforts are also underway at US federal level and in Westminster to ensure we lead by example, where possible.

Position papers allow us to formulate our views on policies and serve as evidence in writing for our stakeholders, focusing on priority issues which are of interest to our business. Often, we take a stance, however, at times we simply choose to weigh up the various options on new or existing policies. The drafting of amendments on legislation then usually follows at a later stage in the process.

These papers focus on key aspects of the policy framework that will enable the decarbonization of the energy system, such as new technologies (for example, enabling hydrogen infrastructure to be developed) or the required market design to facilitate new business models for renewable and low carbon assets.



Examples of such papers include:

- [The European Commission's review of the EU gas market design, April 2022](#)

The review and revision of the Gas Directive 2009/73/EC and Gas Regulation (EC) No. 715/2009 is referred to as the Hydrogen and gas markets decarbonization package, published in December 2021. It enables the market to decarbonize gas consumption and puts forward policy measures required for supporting the creation of optimum and dedicated infrastructure, as well as efficient markets. It will remove barriers to decarbonization and create the conditions for a more cost-effective transition.

- [Review of the EU Electricity Market Design, April 2023](#)

The reform of the Directive on common rules for the internal market for electricity (EU/2019/944) and the Regulation on the internal market for electricity (EU/2019/943), puts the consumer more at the center of the clean energy transition. By allowing electricity to move freely to where it is most needed, society will increasingly benefit from cross-border trade and competition. They will drive the investments necessary to provide security of supply, whilst decarbonizing the European energy system. The rules put forward seek contribute to the EU's goal of being the world leader in energy production from renewable energy sources by allowing more flexibility to accommodate an increasing share of renewable energy in the grid. The shift to renewables and increased electrification is crucial to achieving carbon neutrality by 2050. The electricity market design, therefore, helps to achieve the goals set out in the European Green Deal and contributes to the creation of jobs and growth.

- [Industrial Carbon Management, February 2024](#)

The EU's Industrial Carbon Management Strategy highlights the need for ambitious and well-coordinated policies at a national level, as well as strategic infrastructure planning and integration at an EU level, underpinned by close cooperation between the EU and national administrations, as well as businesses, civil society, and research communities. It will complement and complete existing EU's policies and funding instruments, notably the CCS directive for geological storage, the EU's Emissions Trading System (ETS), the proposed EU certification framework for carbon removals, the Net-Zero Industry Act, as well as support for CO<sub>2</sub> transport infrastructure under the TEN-E Regulation for cross-border energy projects, the EU's Innovation Fund, and the Connecting Europe Facility. The strategy sets out three different stages of developing industrial carbon management in Europe:

- For 2030, the strategic EU objective is the deployment of CO<sub>2</sub> storage capacity of at least 50 million metric tons per year, together with related transport infrastructure consisting of pipelines, ships, rail, and road.
- By 2040, most regional carbon value chains should become economically viable to meet EU climate objectives, and CO<sub>2</sub> should become a tradable commodity for storage or use within the EU's single market. Up to a third of the captured CO<sub>2</sub> will be used.
- After 2040, industrial carbon management should be an integral part of the EU's economic system, and biogenic or atmospheric carbon should become the main source for carbon-based industrial processes or transport fuels.

In addition, we are members of various industry associations at regional and national levels. In an increasingly regulated space, we believe it is important to have sector-wide views on the majority of issues. Policymakers also tend to engage with representatives of sector-wide bodies. As such, we invest an increasing amount of time and resources into helping shape the work that takes place in such fora, sharing best practices from our innovative business.

The table below shows our commitment to accelerate the energy transition through our collaboration with some of our main associations at the EU level.

All associations operate in full compliance with the Paris Agreement objectives:

Association name	Purpose / objective	Uniper's role in it and implications for our business
<b>Eurogas</b>	Eurogas aims to accelerate the transition to climate neutrality through dialogue and advocacy on optimizing the use of gases.	Uniper is part of the Board of Eurogas and involved in many committees and working groups focusing on key business segments: from wholesale markets to renewable gases and CCUS. Uniper also currently holds the Chairmanship of the Strategy Committee.
<b>Eurelectric</b>	Eurelectric is the sector association which represents the common interests of the European electricity industry.	Uniper is active in the association via its national associations, e.g. BDEW.  Eurelectric's activities support our power production and trading activities, especially on areas such as EU Electricity Market Design. It also specifically addresses policy aspects relevant to hydropower at the EU level.
<b>Hydrogen Europe</b>	Hydrogen Europe is the European association representing the interests of the hydrogen industry and its stakeholders. It seeks to promote hydrogen as an enabler of a zero-emissions society.	Uniper is involved in many working groups of the association but not its Board. Hydrogen Europe covers the whole value chain of hydrogen, from hydrogen production to infrastructure, trading and end-use, which are all important elements of the hydrogen value chain.
<b>International Emissions Trading Association (IETA)</b>	IETA is a non-for-profit business group championing the power of high integrity markets to reach net-zero targets	Uniper holds the co-chairmanship of the EU Working Group of IETA. With its focus on carbon markets, the association is paramount for our carbon trading activities and more generally our decarbonization pathway.
<b>Business Europe</b>	BusinessEurope is the leading advocacy body for growth and competitiveness at the European level, standing up for companies across the continent and campaigning on the issues that most influence their performance.	Uniper is a partner Company in BusinessEurope, alongside the national federations which together constitute the organization. With a cross-sectoral mandate, BusinessEurope offers key insights on EU sanctions against Russia, sustainability, taxation, and energy legislation.
<b>Energy Traders Europe (formerly EFET)</b>	Energy Traders Europe aims to promote competition, transparency, and open access in power, gas and, carbons markets across Europe, so that they may underpin a sustainable, efficient, and secure energy supply and enable the transition to a carbon-neutral economy.	Energy Traders Europe follow all policy and regulatory developments in the field of power, gas, and carbon trading. Through our involvement in various working groups, we help safeguard our trading interests.
<b>WindEurope</b>	WindEurope is the voice of the wind industry, actively promoting wind energy across Europe.	Our participation in various working groups contributes to a better understanding of the policy and regulatory framework for the wind sector and helps us engage with actors along the whole value chain.
<b>SolarPower Europe</b>	SolarPower Europe is the award-winning link between policymakers and the solar PV value chain. Their mission is to ensure solar becomes Europe's leading energy source by 2030.	Alike WindEurope, our participation in various working groups contributes to a better understanding of the policy and regulatory framework for the solar sector and helps us engage with the whole value chain.

Association name	Purpose / objective	Uniper's role in it and implications for our business
<b>Nucleareurope</b>	Nucleareurope is the Brussels-based trade association for the nuclear energy industry in Europe. Nucleareurope acts as the voice of the European nuclear industry in energy policy discussions with EU institutions and other key stakeholders.	Uniper is active in the association via the Swedish Atomic Forum. By supporting all nuclear issues at EU level, Nucleareurope is an asset for our Swedish activities.
<b>Gas Infrastructure Europe (GIE)</b>	GIE is the European association of infrastructure operators for renewable, low-carbon, and natural gases including hydrogen and biomethane. They provide solutions to foster the security of supply in Europe while enhancing the decarbonization of Europe's economy.	Through its involvement in the Board and various working groups, Uniper is an active member of GIE. GIE supports our underground gas storage activities / interests.
<b>European Association for Storage of Energy (EASE)</b>	EASE is the leading member-supported association representing organizations active across the entire energy storage value chain. EASE supports the deployment of energy storage to support the cost-effective transition to a resilient, climate-neutral, and secure energy system.	Uniper is involved in various working groups of the association. With a focus on power-to-x technologies, EASE supports a wide number of our innovation activities, from batteries to compress air energy storage but also more widely our hydropower storage activities.
<b>Bioenergy Europe</b>	Bioenergy Europe is the voice of European bioenergy. It aims to develop a sustainable bioenergy market based on fair business conditions.	Our involvement in various working groups of the association contributes to increasing our knowledge of the policy and regulatory framework for bioenergy, therefore supporting our activities in that field.

**Our engagement with civil society and NGOs**

Engaging with our communities creates opportunities to learn more about their needs, concerns, and expectations regarding our Company and business activities. We engage regularly with the media, civil society organizations, and non-governmental organizations (NGOs). We participate in public fora for people who live near our assets, fostering dialogue with community representatives and local interest groups.

We engage with NGOs through our Sustainability Round Tables, with the aim of having constructive conversations about our business operations and sharing our perspectives. The round tables' purpose is to maintain constructive dialogue with NGOs and share perspectives on our business activities. Above all, this includes exchanging on aspects that NGOs consider controversial.

These discussions enable us to continually learn more – including about ourselves – and to identify opportunities to continuously improve. Having our climate transition plan in place is a perfect basis for our discussions around the energy transformation and greater understanding of the various projects we have in place to green our energy. Given the heterogeneous nature of the NGO topics which are relevant for Uniper, we have developed a digital tool in-house with which we monitor this landscape on a regular basis. This tool helps us identify relevant NGOs and make sound decisions on which ones to engage with, how, and when.





### **Our engagement with our shareholders and financial stakeholders**

Uniper's Board of Management and the Group Finance and Investor Relations team are in regular and continuous dialogue with various financial stakeholders, including current shareholders and potential investors and creditors. The dialogue aims to increase transparency and provide financial stakeholders with relevant financial and non-financial information. We also actively solicit the capital market's feedback on our strategy, operations, and disclosures, and factor it into our decision-making.

Financial stakeholders frequently ask Uniper to provide detailed information on its decarbonization strategy and our progress on emissions targets or its trajectory towards our climate targets. We engage with them in active and transparent discussions in different fora. Financial stakeholder engagement with regard to Uniper's decarbonization pathway focuses on corporate governance on climate change, emissions targets, and business plans that propel progress towards a net-zero future. This dialogue helps our financial stakeholders to better understand the way Uniper integrates decarbonization into its strategy and its efforts to improve climate governance and performance.

In addition, discussing and understanding our financial stakeholders' views helps us ensure continued access to capital markets, to enable the implementation of our corporate strategy, and with that, our climate transition plan.

### **Our engagement with our suppliers, contractors, and partners**

Uniper has been participating in the Energy Industry Dialogue, which is organized as a multi-stakeholder initiative, since early 2023. The Energy Industry Dialogue is part of the National Action Plan for Business and Human Rights (NAP) which im-



plements the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles) in Germany. Energy companies, industry associations, trade unions, civil society organizations, the German Institute for Human Rights and the Federal Ministry of Labor and Social Affairs (BMAS) have joined forces in respect for human rights along the global supply and value chains of the German energy industry. In 2023 the Energy Sector Dialogue issued a first publication which provides an overview of the potential risks along the supply and value chains of six selected subsectors of the industry – solar PV, wind, electricity grids, natural gas, battery storage, and hydrogen.

This publication can serve as guidance for companies in Germany's energy industry. It can support companies in meeting requirements arising from the German Act on Corporate Due Diligence Obligations in Supply Chains as well as from the

future EU Corporate Sustainability Due Diligence Directive (CSDDD), which is currently under development. In addition, this publication lays the groundwork for the further cooperation in the Energy Sector Dialogue.

Since 2012, we have been a member of Bettercoal, an international non-profit initiative which is committed to a more responsible coal supply chain, and which has recently expanded its scope to include gas under the new initiative's name RECOSI (Responsible Commodities Sourcing Initiative). The Bettercoal Code, which has become the internationally recognized standard for assessing, assuring, and sustaining stringent ethical, environmental, and social performance across coal mining, provides an excellent basis for customization to an application in gas production.



The sharing of collective expertise with our various suppliers and industry partners means also that we can develop concrete initiatives that benefit our entire value chain. A good practical example is the work we have done and plan to do to reduce the GHG emissions of our fleet of LNG vessels, by modernizing the fleet and operating it more efficiently by, for example, minimizing boil-off gas or automatizing the systems. We also plan to progressively introduce Bio-LNG as a fuel for our fleet. We are sharing this expertise with key partners, with the goal of helping them to accelerate their decarbonization pathway at their LNG plants. This is another demonstration of how collaboration can further support and propel the decarbonization of supply chains globally.

#### **Our engagement with our customers**

We take the opportunity to engage with our customers as often as possible. The annual eWorld energy fair is one important opportunity for this. As in the past years, in 2024 several of our employees across different functions took the opportunity to talk to visitors about our work to ensure a secure energy supply throughout decarbonization, as well as to learn more about our transition journey.

Uniper was represented by over 200 employees across the course of the three-day event, showcasing our strategy and our different pilot and flagship projects. An additional 288 employees participated in the fair as visitors, using the time to learn and interact with other industry peers.

Key to our climate transition plan is our ability to reduce our scope 3 emissions significantly over the coming years. We strongly believe that to achieve this ambition, an active engagement with our customers is fundamental, and we hereby aim to help our more than 1,000 customers from industry and municipal utilities to decarbonize their operations.

We drive several initiatives, either to raise decarbonization awareness within the customer base or to individually help them advance on their path to net zero, evaluating options across their value chain.

As an example of these initiatives, Uniper publishes an annual Net Zero Paper. It focuses on decarbonization challenges from a business, economic, technical, and regulatory perspective. Our aim is to provide our customers with guidance and insights into innovative solutions to promote climate action and facilitate GHG reductions. The paper also covers strategies and observations like enhancing heat planning, making energy generation and consumption more flexible, or responding to legal rulings like the Federal Constitutional Court's decision on climate protection (KTF).

Likewise, Uniper also hosts a Net Zero Forum as an annual event for customers with deep dives into the journey towards carbon neutrality. Attendees receive information on emerging strategies, innovative technologies, and actionable approaches to shaping the energy landscape. Customers benefit from insights from expert panels and collaborative discussions on topics like flexibility and volatility in the energy market. Other discussions include the installation and operation of an electric boiler at Uniper's Shamrock site; Power2Heat focusing on flexible green steam and heat generation, and the development of large-scale batteries.



Uniper at  
eWorld 2024 Energy Fair

A building block catering to individual customers is Uniper's decarb Roadmaps, which act as our green compass to advance towards carbon neutrality. Uniper jointly creates roadmaps with individual customers for systematic decarbonization. For large and energy-intensive companies, this covers aspects like positioning the Company to operate in a climate-neutral manner by 2045, identifying emissions drivers, and identifying CO<sub>2</sub>e savings measures to benefit from current subsidies.

Along with achieving climate neutrality in the future, customers can achieve their own individual roadmaps through the use of effective data-based priority lists with economically feasible decarbonization measures, which optimize regular analysis and clear measures. This always takes legal and industry-specific regulations into account, however, through this approach, our customers benefit both from Uniper's services as well as our green products.

#### Uniper helps with an agile and interdisciplinary model

Phase 1 Ambition and basics – Uniper helps identify basic data and overall ambition of the customer. Besides stock-taking of climate balance and energy analysis, a Uniper team does an on-site visit to support collecting measures.

Phase 2 Roadmap and strategy – jointly Uniper and customer teams analyze CO<sub>2</sub> abatement cost and potential. After assessing and prioritizing the derived measures, the teams create a transformation concept including long-term CAPEX view. This will then be included in the companies' strategy and plan for modernization.

Phase 3 Planning and execution – after detailed planning, the defined measures are executed. Due to a volatile economic, technical, and regulatory environment, measures are constantly reviewed and adapted to secure best CAPEX to CO<sub>2</sub> savings ratio.

#### Case Study: Decarbonization roadmap for Papier- und Kartonfabrik Varel

Uniper created a decarbonization roadmap with concrete measures for our customer PKV over the course of 2023. We supported the company with consulting services, such as stocktaking, developing measures, options, and scoring. Uniper was also available as an execution partner.

We evaluated measures from the Uniper database, industry research, location analyses, and joint discussions with the customer, and rated the roadmap according to potential costs and effort.

Jointly, we identified multiple measures to increase efficiency across process optimisation, energy efficiency, and technology change. These included identification and evaluation of options for integrating flexible energy generation and consumption; development of a comprehensive decarbonization strategy and roadmap.

The customer benefited from Uniper's advisory service to drive its decarbonization efforts in several ways, such as:

- Decarbonization reduces their regulatory costs and ensures future viability and competitiveness as a supplier. Costs are expected to rise in the coming years in a number of areas including rising levies and taxes for combined heat and power plants (CHP), rising CO<sub>2</sub> costs from higher certificate costs and lower allocation of free allowances.
- The expectation from society of clear decarbonization measures means that the Company remains attractive as an employer and has a positive reception from its regional communities.



# Recap of Our Ambition

# Recap of Our Ambition

2023 → 2030



**22.4 GW** ↘ **15–20 GW**  
of generating capacity generating capacity installed

**20%** ↗ **>80%**  
green green

**6.2 GW** ↘ **0 GW**  
of coal generation capacity

2023 → 2030



**20.2** ↘ **10.8**  
**CO<sub>2</sub>e Mt** **CO<sub>2</sub>e Mt**  
of scope 1 and 2 emissions of scope 1 and 2 emissions

2023 → 2030



**<1% green gas** ↗ **5–10% green gas**  
of the >200 TWh gas B2B sales portfolio of the >200 TWh gas reshaped midstream portfolio

**0 GW** ↗ **>1 GW**  
of electrolyzer capacity installed electrolyzer capacity installed



# Governing Our Transition Plan

# Governing Our Transition Plan

Our climate transition plan describes our journey as a responsible energy Company, laying out our ambitions to tackle climate change, with specific decarbonization targets and concrete actions. As one of Europe's largest energy companies we feel responsible for providing our fair share towards limiting global warming and implementing the Paris Agreement. We will do so by transforming our asset and commodity portfolio, reducing our GHG emissions and helping our partners and customers to implement their own transition.

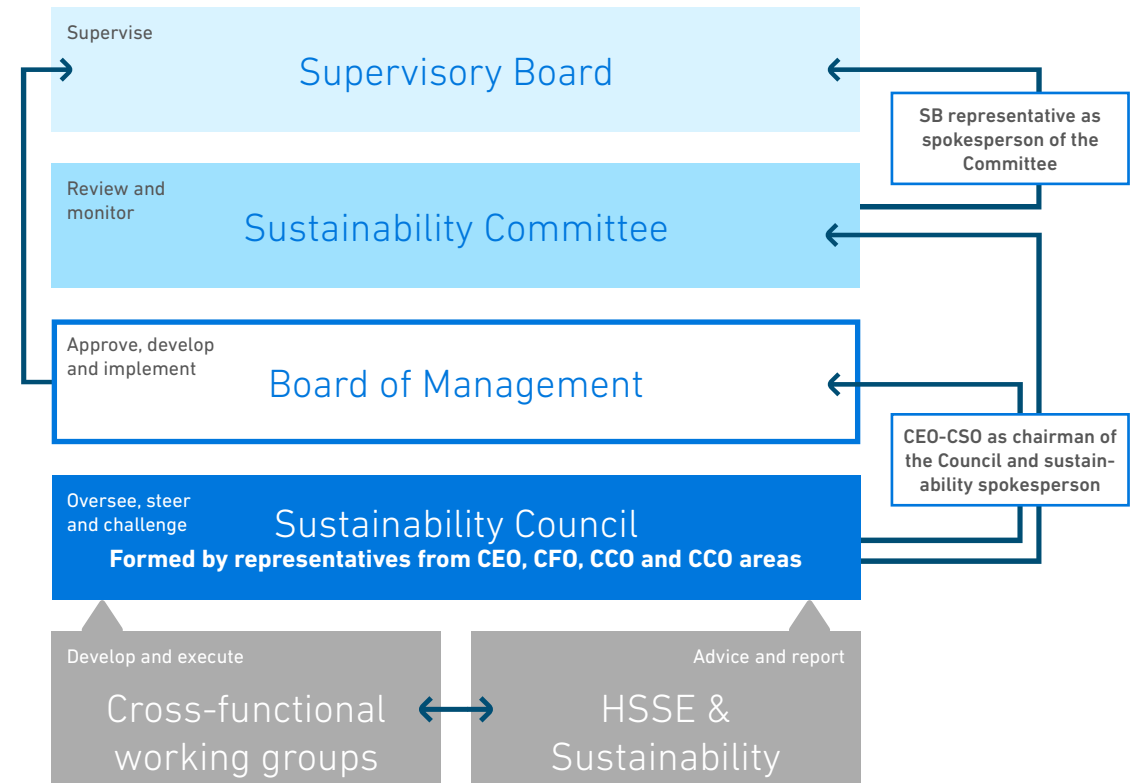
The adoption and governance of this climate transition plan is the overall responsibility of Uniper's Board of Management. This is in line with the Board of Management's role offsetting the Uniper purpose, vision, and strategy, considering stakeholder matters including our sustainability-related priorities, among which is climate change mitigation.

Our Chief Sustainability Officer (CSO) reports periodically to the Sustainability Committee of the Supervisory Board, including representatives from our employees and shareholders, on strategic ESG matters, such as identified ESG-related risks and opportunities, the status of related mitigation measures, and an evaluation of the resilience of Uniper's strategy to climate-related risks. The Sustainability Committee has a duty to monitor the effectiveness of Uniper's ESG-related policies and procedures and the sustainability strategic plan. It also monitors and reviews Uniper's progress toward its sustainability and particularly climate-related targets, and any related challenges.

Internally embedded into our organization is Uniper's Sustainability Council. This council is a cross-functional body that meets bimonthly to oversee, steer, and challenge the implementation of Uniper's sustainability strategy and governance framework. It consists of senior leaders representing all of the Board of Management members' areas of responsibility. Chaired by the CSO, the council also advises the Board of Management on all strategic ESG issues.

The governance of our climate transition plan sits within a wider context of sustainability governance following a comprehensive review of ESG governance pathways, currently under revision within the overarching CSRD umbrella.

The implementation of the respective actions to achieve our climate targets disclosed in this climate transition plan will be embedded into the existing corporate governance, and into our reporting and steering mechanisms, such as our strategic and financial decision approval processes. It will therefore be measured and monitored along specified KPIs via Uniper Board of Management meetings and our Uniper Performance Dialogues (UPDs). These dialogues are held on a quarterly basis for the Board of Management and senior leaders to help steer our business areas along both financial and non-financial dimensions.



↑ Inform-/ Reporting line

The core of Uniper's corporate strategy is to accelerate the transition to a low-carbon economy while ensuring security of supply. The governance of this strategy is key to achieving Uniper's overall decarbonization targets. As part of this responsibility, Uniper has a clear remuneration strategy which is directly linked to the delivery of our climate transition plan, which involves embedding its decarbonization ambitions into the incentive schemes (Performance Cash Plan) for selected executives of the Uniper Group.

Since 2021, the Performance Cash Plan has been set up in annual tranches, each with a performance period of three years. Within the incentive scheme, 40% of the target amount is based on non-financial targets, that is further split into two groups: 20% is based on the successful transformation of Uniper's portfolio toward carbon neutrality (Scope 1 and 2 CO<sub>2</sub>e emissions Group-wide by 2035). The other 20% is contingent on predefined ESG targets. For the 2023 tranche, the target is based on the publication of our climate transition plan. Further details on the management compensation can be found in the Compensation Report on Uniper's website. We continue to revise the current remuneration policy in order to further enhance the role of climate targets and climate action execution.

As we continue our decarbonization journey, and through the development of our climate transition plan, we are committed to reviewing our governance approach, and reinforcing within it our climate governance, to ensure that we continue to have the right measures and support in place to deliver on our climate transition targets. This is why we are developing a specific climate and environmental process and policy to ensure we have the right KPIs in place to track and monitor the trajectory of our climate targets and strategic priorities, and overall, the right governance in place to deliver on them.



Uniper Board of Management embraces our values, the Uniper Way

## Disclaimer

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## Publication details

### Published by:

Uniper SE

### Typesetting:

ORT Medienverbund GmbH

### Photo Credits:

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Page 27 Adobe Stock

Page 1, 3, 13, 19, 22, 28 istock

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