

SCHOLTenergy

ESG POLICY

2025

VERSION INFORMATION

VERSION	DATE	DETAILS	REVIEWED BY	APPROVED BY
1.0	01-10-2024	Final version	ESG officer	Managing board

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1. INTRODUCTION AND SCOPE

At Scholt Energy, we recognize that our operations in the energy supply sector have the potential to impact the environment, society and governance structures both locally and globally. As a responsible business, we are committed to integrating Environmental, Social and Governance (ESG) considerations into every aspect of our business activities. This includes our supply operations, procurement processes, relationships with suppliers and partners, and engagement with stakeholders.

This policy outlines our approach to ESG and provides a framework for embedding these principles into our business strategy and operations.

This policy applies to all employees, contractors and business partners of Scholt Energy. It covers all aspects of our operations, including energy supply, procurement and relationships with suppliers and stakeholders. Our suppliers, partners and contractors should be able to, where possible, show that they adhere to ESG principles.



2. OBJECTIVES

The key objectives of this ESG policy are:

- **Mitigate environmental impact:** promote sustainable energy supply practices and reduce carbon emissions in line with international climate goals such as the Paris Agreement.
- **Promote social responsibility:** uphold human rights, labor standards, and community engagement in all business operations.
- **Ensure good governance:** foster transparency, accountability and ethical conduct in decision-making and corporate governance.
- **Integrate ESG into supply chain management:** apply ESG criteria to suppliers and partners, ensuring that they align with our commitment to sustainability and ethical business practices.



3. ENVIRONMENTAL COMMITMENT

Scholt Energy acknowledges the urgent need to address climate change and environmental degradation. We are committed to minimizing our environmental footprint by focusing on the following objectives:

3.1 CARBON EMISSIONS

- **Net-zero commitment:** we aim to achieve net-zero carbon emissions by 2050 in alignment with the Paris Agreement's goal of limiting global warming to 1.5°C.
- **Near-term reduction goal:** we aim to achieve carbon emissions reductions by 2030 consistent with the targets, carbon reduction strategy and measures outlined in Scholt Energy's transition plan.
- **Scope 1, 2 and 3 emissions:** we will actively monitor and reduce our scope 1, 2 and 3 emissions consistent with the targets, carbon reduction strategy and measures outlined in Scholt Energy's transition plan.

3.2 ENERGY EFFICIENCY

- **Sustainable supply practices:** we will prioritize supply from renewable energy sources such as wind and solar power. We will optimise supply from fossil sources and look for opportunities to transition our energy portfolio to cleaner alternatives.
- **Operational efficiency:** we will implement energy-efficient practices in our operations, including office spaces, IT systems and logistics.

3.3 BIODIVERSITY

- **Protecting ecosystems:** we will avoid supply from energy sources that harm critical ecosystems, forests, or marine environments. Additionally, we will engage with partners that follow best practices in resource extraction to minimize ecosystem damage.



4. SOCIAL RESPONSIBILITY

We believe that our business should contribute to the well-being of society and the communities in which we operate. Our social responsibility commitments are as follows:

4.1 HUMAN RIGHTS

- **Respect for human rights:** we commit to upholding the principles of the Universal Declaration of Human Rights in all our operations. We expect the same from our suppliers and partners.
- **Child and forced labor:** we will not engage with any suppliers or partners involved in child labor, forced labor, or human trafficking.

4.2 EMPLOYEE WELFARE

- **Diversity and inclusion:** we are committed to promoting a diverse and inclusive workplace where all employees are treated with respect and dignity.
- **Health and safety:** we prioritize the health, safety and well-being of our employees and contractors. This includes providing a safe working environment, robust health and safety protocols and mental health support as well as promoting a healthy work-life balance.
- **Professional development:** we offer continuous learning and leadership development as well as clear career progression opportunities to support employee growth.
- **Employee engagement:** we value open communication between all our employees and recognize achievement to foster engagement and satisfaction.
- **Fair compensation and benefits:** we provide competitive pay and comprehensive benefits that support employees' financial security and well-being.

4.3 COMMUNITY ENGAGEMENT

- **Stakeholder engagement:** we will actively engage with the communities where we operate, providing transparent information about our operations and mitigating any potential negative impacts.
- **Local development:** we will support local initiatives through among others, Corporate Social Responsibility (CSR).



5. GOVERNANCE

Sound corporate governance is fundamental to achieving long-term success and creating value for stakeholders. Our governance commitments include:

5.1 BOARD OVERSIGHT

- **ESG leadership:** Scholt Energy's Management Board will provide oversight on ESG matters by instating a Chief Sustainability Officer, ensuring that ESG principles and considerations are embedded into our business strategy. An ESG officer is instated to monitor progress and ensure compliance with this policy and relevant legislation.
- **Roles and responsibilities:** clear roles and responsibilities are defined for managing ESG aspects across the organization. This includes assigning specific tasks to teams and individuals responsible for implementing and monitoring ESG policies.
- **Transparency and accountability:** we will regularly report on our ESG performance through an annual sustainability report that aligns with the Corporate Sustainability Reporting Directive (CSRD).

- **Regular reviews:** conduct regular reviews of our ESG performance and reporting processes to ensure alignment with CSRD requirements.
- **Audit and assurance:** engaging external auditors to verify the accuracy and reliability of our sustainability reports and compliance with the CSRD.

5.2 ETHICAL CONDUCT

- **Code of Conduct:** we maintain a rigorous Code of Conduct that outlines our commitment to ethical behavior and compliance with laws and regulations. All employees, contractors and suppliers are expected to adhere to this Code.
- **Anti-Corruption and anti-bribery:** we maintain a stringent anti-corruption and anti-bribery policy to prevent these practices. All employees are expected to adhere to this code.
- **Whistleblower protection:** we will maintain an anonymous whistleblower channel to ensure that any unethical or illegal activities are reported and addressed promptly.



6. SUPPLY CHAIN

We recognize that our supply chain plays a critical role in achieving our ESG objectives. As such, we apply, where possible, the following ESG criteria to key suppliers:

6.1 ENVIRONMENTAL CRITERIA

We expect key suppliers to make significant efforts to minimize their environmental impact, including:

- **Sustainable resource management:** key suppliers should utilize environmentally friendly processes and materials, ensuring responsible management of natural resources.
- **Carbon reduction:** key suppliers should have policies in place to reduce their carbon emissions and demonstrate progress towards international climate goals.
- **Certifications:** we will prioritize suppliers with environmentally friendly certifications such as FSC.

6.2 SOCIAL CRITERIA

Our key suppliers should be able to meet high standards of social responsibility, including:

- **Labor standards:** suppliers must comply with international labor standards, including fair wages, safe working conditions and the elimination of child and forced labor.
- **Diversity and inclusion:** key suppliers should pay attention to diversity and inclusion in their workforce.
- **Community impact:** key suppliers should actively contribute to the well-being of local communities and engage in practices that support community development and social responsibility.
- **Local community:** we will prioritize local suppliers where possible to improve the local economy and community.

6.3 GOVERNANCE CRITERIA

We require that our key suppliers adhere to strong governance practices, such as:

- **Ethical business practices:** suppliers must adhere to ethical business practices, including anti-corruption measures, transparency in reporting and compliance with all applicable laws and regulations.
- **ESG performance disclosure:** key suppliers should be able to report on their ESG performance and provide evidence of continuous improvement. This transparency helps us assess and manage ESG risks effectively.
- **Due diligence:** key suppliers should be able to demonstrate effective due diligence processes to identify and mitigate risks within their own supply chains.



7. IMPLEMENTATION AND MONITORING

Effective implementation and monitoring processes are crucial for ensuring that our ESG strategies are executed successfully and that we achieve our sustainability goals. Scholt Energy has established a comprehensive framework to guide and oversee our ESG efforts.

7.1 ESG INTEGRATION AND STRATEGY EXECUTION

At Scholt Energy, integrating ESG factors into our business strategy and execution is essential for achieving long-term sustainability and resilience. Our approach ensures that ESG considerations are woven into every aspect of Scholt Energy's operations, decision-making processes and strategic goals.

7.1.1 Strategic Alignment

- **ESG vision and objectives:** we align our ESG goals with our overall business strategy, setting clear, actionable and realistic objectives that reflect our commitment to sustainable practices. This includes integrating ESG considerations into our mission, vision and corporate values.
- **Strategic planning:** ESG factors are incorporated into our strategic planning processes. We identify key ESG priorities, set measurable and realistic targets and develop initiatives to address both current and emerging sustainability challenges.

7.1.2 Policy integration

- **ESG Policy:** we develop and implement a comprehensive ESG policy that guide our operations and decision-making. This policy covers environmental management, social responsibility and governance practices, ensuring that ESG considerations are embedded in our daily activities.
- **Cross-functional integration:** ESG principles are integrated across all business units and functions,

including sales, procurement, operations, finance, human resources, etc.. This cross-functional approach ensures that ESG goals are addressed consistently throughout the organization.

7.1.3 Risk management

- **ESG risk identification:** we systematically identify and assess ESG-related risks that could impact our business. This includes environmental risks, social risks related to labor practices and community relations, and governance risks such as compliance and ethical issues.
- **Risk mitigation strategies:** we develop and implement risk mitigation strategies to address identified ESG risks. This involved setting up controls, monitoring systems and response plans to manage and reduce potential negative impacts.

Scholt Energy will implement this policy through the following mechanisms:

- **ESG performance monitoring:** we will establish key performance indicators (KPIs) to track our ESG performance. These will be reviewed by the ESG Officer and reported quarterly (as a minimum) to the Managing Board.
- **Employee awareness:** employees are made aware of ESG principles, Code of Conduct and the importance of integrating sustainability into their daily work.
- **Stakeholders:** we will be in continuous conversations encouraging our stakeholders to improve their sustainability performance.

7.1.4 Performance metrics and KPIs

- **ESG Metrics:** we establish KPIs to measure our progress toward ESG goals. These metrics cover various aspects of environmental impact, social responsibility and governance practices.
- **Reporting and review:** regular reporting and review processes are in place to track our ESG performance against set targets. We use these insights to refine our strategies and ensure continuous improvement.

By integrating ESG considerations in Scholt Energy's strategy and execution, the company ensures that sustainability is a fundamental aspect of our business operations, driving long-term value creation and resilience.



8. CSRD COMPLIANCE AND DOUBLE MATERIALITY

Scholt Energy is committed to complying with the Corporate Sustainability Reporting Directive (CSRD) and integrating its principles into our ESG practices. This involves adopting a double materiality approach to ensure comprehensive reporting on sustainability impacts.

8.1 CSRD COMPLIANCE

We adhere to the requirements set forth by the CSRD to enhance the transparency and quality of our sustainability reporting. This includes:

- **Sustainability reporting:** we will prepare detailed and accurate sustainability reports that cover our environmental, social and governance performance. These reports will be aligned with the CSRD standards and made publicly available.
- **Data collection and management:** we will implement robust data collection and management systems to ensure accurate and reliable ESG reporting. This involves tracking KPIs and maintain records in compliance with CSRD requirements.

8.2 DOUBLE MATERIALITY ASSESSMENT

To address both financial and sustainability impacts, we apply a double materiality assessment process:

- **Financial materiality:** we assess how sustainability issues affect our financial performance. This involves evaluating risks and opportunities that could impact business operations and financial health.
- **Impact materiality:** we also evaluate how our activities affect the environment and society. This includes identifying and assessing adverse impacts of our operations and supply chain on people and the planet.

8.3 STAKEHOLDER ENGAGEMENT

We engage with a range of stakeholders to gather insights and perspectives on ESG issues. This engagement helps us to:

- **Identify material issues:** understand which ESG issues are most relevant to our stakeholders and impact our business. This engagement informs our double materiality assessment and sustainability reporting.
- **Incorporate feedback:** integrate stakeholder feedback into our ESG strategy and reporting processes to enhance our transparency and responsiveness to stakeholder concerns.

8.4 GOVERNANCE AND OVERSIGHT

Scholt Energy's Chief Sustainability Officer and ESG Officer are responsible for overseeing compliance with the CSRD and ensuring the integrity of our sustainability reporting. This includes:

- **Regular reviews:** conduct regular reviews of our ESG performance and reporting processes to ensure alignment with CSRD requirements.
- **Audit and assurance:** engaging external auditors to verify the accuracy and reliability of our sustainability reports and compliance with the CSRD.

8.5 STAKEHOLDER ENGAGEMENT

We are committed to continuously improving our sustainability practices and reporting. This involves:

- **Policy updates:** regularly updating our ESG policy and procedures to reflect changes in regulations, stakeholder expectations and industry standards.
- **Training and capacity building:** providing ongoing training to our employees on CSRD requirements and best practices for sustainability reporting.

By integrating the CSRD process and double materiality assessment into our ESG policy Scholt Energy aims to enhance its sustainability reporting while demonstrating our commitment to transparency and responsible business practices.



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