

Our responsibility – Climate protection as a sustainable principle

Key figures for the 2019 financial year

Trianel GmbH individual financial statement

In mill. €	2019	2018	Changes in %	Absolute changes
Sales	2,321.4	2,726.4	-14.9	-405.0
EBT	6.7	2.4	179.2	4.3
Annual net income	5.9	2.1	181.0	3.8
Equity capital	93.5	87.6	6.7	5.9
Equity ratio	23.6%	22.7%	4.0	0.9
Balance sheet total	395.6	385.6	2.6	10.0
Investments	15.0	9.9	51.5	5.1
Employees	296	308	-3.9	-12.0

Trianel GmbH consolidated annual financial statements

In mill. €	2019	2018	Changes in %	Absolute changes
Group external sales	2,330.5	2,726.5	-14.5	-396.0
Group annual net income	6.0	1.9	215.8	4.1

Trianel GmbH three year comparison

In mill. €	2019	2018	2017
Sales	2,321.4	2,726.4	3,068.3
Annual net income	5.9	2.1	1.5
Equity capital	93.5	87.6	85.4

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A

Creation, multiplication or
securing of something generally
desirable

B

Reduction of the
negative impact of others

C

Reduction of
one's negative impact

Ecological handprint

Ecological footprint

1.0

Ecological
balance

2.0

Economic
performance

3.0

Social
responsibility

4.0

Political
participation

In responsibility – for and with municipal utilities

The year 2019 was marked by a high level of attention for more climate protection and responsible action for the future. The goal of a zero-emissions economy is no longer just proclaimed but is moving onto the political agenda and is to be implemented over the next 30 years.

In Germany, the coal phase-out is being initiated. This means that a further expansion of renewable energies is necessary. The energy industry and municipal utilities are thus faced with major tasks in the coming years: on the one hand, to meet climate protection targets and, on the other, to continue to meet their responsibility for modern services of general interest economically and with security of supply.

There are many opportunities in implementing the energy system transformation and exploiting the possibilities of digitalization for a modern and renewable energy system. The reduction of its own ecological footprint is both a challenge and an opportunity for municipal utilities.

Challenging, because the transformation of the energy system dissolves existing structures and processes and requires high

investments - an opportunity, because municipal utilities can design this new system and its processes together with partners like the municipal utility cooperation Trianel.

For Trianel, climate protection is more than just a social obligation – climate protection is the basis for new business models. Not only do we want to keep our organisation's own ecological footprint as small as possible, but we also want to contribute with our ideas to help our customers and shareholders achieve their ecological and economic goals and thus set an ecological handprint.

To this end, we are expanding renewable energies, creating efficient processes for managing portfolios and controlling energy systems, and jointly developing digital projects to make the opportunities offered by digitalization tangible for municipal utilities.

We counter the ecological footprint with an ecological handprint. Since 20 years: for and with public utilities.

A photograph of a modern office building's interior. The image shows multiple floors with glass railings and glass walls, creating a transparent, multi-level effect. A large, white, cylindrical pillar stands on the left side. The lighting is bright, and the overall atmosphere is clean and professional.

About the company

Working towards our common vision

“We have built a healthy foundation for Trianel to grow on.”

Trianel celebrated its 20th anniversary in 2019. Mr Becker, you have been running Trianel since 2005. How has Trianel developed through the years?

Sven Becker: Trianel was born from liberalisation and still epitomises independence and free entrepreneurial activities of municipal utilities. The idea of implementing projects jointly has remained attractive down through the years and is growing in significance again thanks to digitalisation and the economies of scale it makes possible. That makes our claim “Working towards our common vision” (“Ideen. Gemeinsam. Umsetzen”) more topical than ever. In the beginning, Trianel helped municipal utilities prepare to take advantage of the wholesale markets that were being created. Back then, building expertise and synergies from shared market access were the priorities.

Over the years, our network has not only grown to 57 municipal utilities in Germany, the Netherlands, Austria and Switzerland, we have also developed other business fields besides trading and procurement for and with municipal utilities. We decided to enter the generation sector together back in 2004. That was a huge step for municipal utilities at the time, as it meant they would be clearly competing with the generation monopolies. Over time, this cooperation resulted in the first purely municipal gas and steam turbine power station in Hamm, the Trianel coal-fired power station in Lünen and the Trianel gas storage facility in Epe. Trianel and its shareholders pivoted to renewable energy sources at an early stage. Our decision to build an offshore wind farm in the North Sea in 2008 marked the start of another pioneering municipal project. This was followed by the joint project companies we used to advance the expansion of onshore wind and PV, and we started a second offshore project in 2016. In total, we have invested roughly € 5 billion in conventional and renewable energy generation projects with the municipal utilities since 2007, with over 50 percent going to renewables.

In recent years, we have focused our attention on renewables and digitalisation. We see digitalisation in particular as a natural progression of our organisation, to create synergies for municipal utilities in future and commercialise new developments together. Besides digitalisation, flexibility is becoming increasingly important for us.

Dr Runte, the last three years were dominated by a comprehensive restructuring of the company. Has the restructuring process been completed?

Dr Oliver Runte: It is true that Trianel has been through some tough years. Sven Becker just reminded us of Trianel’s successful growth path. However, our rapid growth resulted in a loss of efficiency. We identified and adjusted for these losses in recent years. The restructuring process completed in 2019 optimised and automated internal processes in particular, building foundations for further growth while harnessing the possibilities offered by digitalisation. At the same time, we have also grown for our customers and can now offer municipal utilities attractive solutions to digitalise and optimise their processes. Our process optimisations benefit the organisation and our customers equally.

During this time, we also had to make entrepreneurial decisions that were difficult for us, for example exiting the smart metering business or optimising our direct marketing. However, overall, we have now put the organisation in a very strong position and can concentrate on development of the company. We have structured our costs and processes to enable us to compensate for the burdens from conventional generation and drive the expansion of renewable energy and digitalisation with the municipal utilities.

Trianel was in the black again last year, and presented an optimistic outlook for 2019. Did you meet your expectations?

Sven Becker: 2019 was a very good year for Trianel, and we significantly exceeded our targets. The actual earnings before tax of € 6.7 million outstripped our projected result of € 1.6 million by € 5.1 million. In 2019, we managed to compensate for the continuing losses from conventional generation and operate highly successfully again. Like last year, we are benefiting from outstanding results in our core business and an optimised cost basis as a result of our new structures and processes, especially from the dedication of our employees. The positive business development also allows us to continue to build on our risk provisions.

Our good results derive from our continued success in developing renewable energy projects and our trading and portfolio

„As we are a still young energy company with a clear focus on shaping the energy transition and with an eye on the changing needs of our employees, shareholders, customers and financing partners, we want to make Trianel more sustainable in the years to come and enhance the visibility and quantifiability of our existing commitment.“

Sven Becker, Management Spokesman Trianel GmbH



“Digitalisation not only affects our own trade processes, but also the processes we manage for our customers. We want to position ourselves to a greater extent as an IT service provider for municipal utilities, and are expanding our IT consulting and our Trianel DESK platform.“

Dr Oliver Runte,
Managing Director Trianel GmbH

management activities. In project development, we reached our targets in particular in the Trianel Energieprojekte GmbH & Co. KG subsidiary founded in 2018. The cooperation with Trianel Erneuerbare Energien GmbH was also extremely successful. We are currently planning a successor company to continue expanding renewables with the municipal utilities. Of course, we also realise that the current general conditions are not conducive to expanding renewable energy sources, but we are optimistic that the German Federal Government is taking the announced renewables target of 65 percent by 2030 seriously, and will remove the regulatory barriers accordingly. We support the energy transition and want to continue to influence it together with the municipal utilities.

Completion of the second expansion phase of the Trianel wind farm Borkum this year is further strong evidence of the commitment of municipal utilities to lead the way to the energy transition. We would have loved to have commissioned the project fully in 2019, but the construction was rendered significantly more difficult by the insolvency of the wind turbine manufacturer Senvion in April 2019. However, we are delighted to have found an acceptable solution for everyone involved even in this very challenging situation, making the delivery of 32 turbines and commissioning of 16 turbines possible by the end of 2019.

Dr Oliver Runte: We owe our positive results in trading and portfolio management in part to our new processes and our development of automated trading tools. In direct marketing, we believe our strategy of not only focusing on the volume of our portfolios, but also the quality of the sites and optimisation of our processes with artificial intelligence, has been confirmed. In this area, we made major advances last year by developing proprietary new forecasting systems for direct marketing and for optimisation of combined heat and power plants.

Together with Stadtwerke Bochum, Stadtwerke Herne and Stadtwerke Witten, we also developed sales and procurement functions in Trianel DESK. We reached a milestone in the development of Trianel DESK and for modern sales portfolio management. Via Trianel DESK we can now offer the sales departments at municipal utilities a tool to calculate prices at the push of a button and coordinate them directly with procure-

ment. We want to continue these developments this year, expanding the functions to incorporate gas.

We are also satisfied with the customer response to our IT consulting. Municipal utilities are increasingly realising their potential for optimisation where procurement and sales overlap, and through efficient IT structures. There is continued pressure on margins for municipal utilities. As a result, process optimisation in the IT environments is absolutely vital for securing a good position in the future.

Trianel has always been characterised by its focus on the future. What visions do you have for the future of Trianel after the successful completion of the restructuring process and consolidation of your core business?

Sven Becker: As we are a still young energy company with a clear focus on shaping the energy transition and with an eye on the changing needs of our employees, shareholders, customers and financing partners, we want to make Trianel more sustainable in the years to come and enhance the visibility and quantifiability of our existing commitment. We are making a start with our first sustainability report and want to align ourselves strategically with sustainability criteria. To us, climate protection is not only a task for society; protecting the climate and increasing efficiency are also the basis for new business models for us as an energy company.

We are clearly focusing on expanding renewables. We have enjoyed success as municipal project developers in this segment in recent years. Together with the municipal utility companies, we have achieved a lot with our offshore, onshore and PV activities, and have invested just under € 3 billion in the municipal environment. We are going to build on this, with our project development subsidiary Trianel Energieprojekte and Trianel Wind und Solar, a new company we plan to found with the municipal utilities this year.

With the new Trianel FlexStore network, we are also concentrating on the opportunities afforded to us by increased flexibility. In this project, we are going to tap the opportunities for storage technologies, flexibility options like demand side management and other similar approaches with the municipal utilities. One thing is clear: the energy transition and further

expansion of renewable energy sources will not succeed if we do not integrate volatile feed-in by increasing flexibility of generation and consumption on the market. Accordingly, the interest in our services is significant, and it will continue to grow in the years to come.

Dr Oliver Runte: Increasing flexibility is also motivating us to further optimise our trading processes. As renewables grow, short-term markets are becoming more important all the time. We must be prepared for their volatility as a trader. That is why we are continuously developing our forecasting systems, creating a strong basis for marketing. This is where flexibility and digitalisation go hand in hand. Without automated processes, it will be impossible to manage renewable energy systems. Processing data from many small plants, short-term markets and weather data must be constantly optimised.

Digitalisation not only affects our own trade processes, but also the processes we manage for our customers. We want to position ourselves to a greater extent as an IT service provider for municipal utilities, and are expanding our IT consulting and our Trianel DESK platform.

We are going to grow the Digital Energy Solutions sector in 2020. We have already created a solid basis for testing new solutions and assessing their suitability for municipal utilities: the Trianel Digital Lab. Its extremely agile cooperation with municipal utilities already goes beyond what is expected of a workshop, and is unearthing new digital pathways. Our Trianel Academy supports municipal utilities actively in educating their employees and helps them establish agile working methods.

In early 2019, the 'Growth, Structural Change and Employment' Commission tabled its compromise for phasing out coal by 2038. At the time, Trianel welcomed the compromise. Did the legislative process meet your expectations? And how are the general conditions for renewables?

Sven Becker: The Coal Commission truly succeeded in negotiating a workable compromise. Unfortunately, the German Federal Government's draft Coal Phase-out Act has fallen far short of the Commission's compromise, particularly with respect to the hard coal-fired power stations in general and newer hard coal-fired power stations, which have been in



“The energy transition and further expansion of renewable energy sources will not succeed if we do not integrate volatile feed-in by increasing flexibility of generation and consumption on the market. Accordingly, the interest in our services is significant, and it will continue to grow in the years to come.”
Sven Becker

“Increasing flexibility is also motivating us to further optimise our trading processes. As renewables grow, short-term markets are becoming more important all the time. We must be prepared for their volatility as a trader. That is why we are continuously developing our forecasting systems, creating a strong basis for marketing.”
Dr Oliver Runte

operation for six years or less, in particular. As the newest hard coal-fired power stations are largely municipally run, the resulting burden on municipal utilities and the cities and towns that hold shares in them is disproportionate.

For the almost 30 municipal utilities behind the Trianel hard coal-fired power station in Lünen alone, the current scenario would mean destroying municipal assets of up to € 800 million. As a result, these funds, which are urgently needed for investments in the energy transition, will not be available to the municipal companies. In the form proposed by the German Federal Government, decommissioning new hard coal-fired power stations without compensation not only undermines the protection of legitimate expectation for investments made in energy transition power stations, but also violates the principle of equal treatment.

While operators of lignite-fired power stations were given an opportunity to agree compensation arrangements totalling roughly € 4.35 billion for decommissioning their over 50-year-old power stations in bilateral negotiations, hard coal-fired

power station operators were simply presented with the ultimatum of having to decommission their plants from 2027 on without compensation. We cannot accept that, which is why we are fighting to have the act amended in line with our responsibility for our shareholders' investments. Decommissioning without compensation is unacceptable for us, as it robs municipal utilities of their financial freedom to continue to actively shape the energy transition.

We believe that the energy transition can only succeed if we achieve the renewables target of 65 percent by 2030. Financial resources are one side of this, and the regulatory framework is the other. Here too, the German Federal Government is not doing all it can. We will not be able to reach the targets with the distance regulations and other barriers like the PV cap. We already clearly see the impact of slowing the expansion of renewable energy sources due to the uncertainties in the approval procedures. Phasing-out coal must go hand in hand with a courageous commitment to expanding renewables.

The COVID-19 pandemic has ruled the world since March 2020, leading to an unprecedented global standstill in commerce and public life. What impact does the pandemic have on Trianel?

Dr Oliver Runte: Of course, we are watching the situation with concern and are relieved that we have only had one case, and that the person in question recovered quickly. We were able to react rapidly to the situation and the official contact bans to protect our employees and our customers. We could let our workforce work from home almost overnight, giving them every opportunity to mind their children and find flexible solutions for their everyday lives. Accordingly, we have responded well to the situation. We were able to maintain our processes at all times, and serve our customers without disruptions.

We have not observed any significant impact on our business yet. However, we have found that projects in development may be delayed as approval procedures are postponed because municipal committees cannot meet, for example. There are no restrictions on our building sites. Our power stations continue to run as normal. However, it is definitely still too early to give a final opinion.

Sven Becker: The COVID-19 pandemic and its effects show us that health is our most valuable asset. That's why we acted quickly to introduce precautions to protect the health of our employees, customers and partners, while continuing to do business as usual where possible. We have done a very good job to date. We don't see any substantial negative implications for Trianel. On the contrary, the first few months of 2020 have gone well. Our new strong basis gives us a cautiously optimistic outlook on 2020, and allows us to concentrate on our strategic process.

However, we have also learned some positive lessons in the corona crisis, in particular about the way we work together, which has become increasingly flexible. In future, we also believe that these flexible methods offer great potential for successful management of our network and cooperation with the municipal utilities.

Mr Becker, Dr Runte, thank you very much.

Shareholder Network of Trianel GmbH

Stadtwerke Bochum Holding GmbH
Stadtwerke Aachen AG (STAWAG)
RhönEnergie Fulda GmbH
Stadtwerke Herne AG
Stadtwerke Bonn GmbH
Stadtwerke Lübeck Holding GmbH
SWU Energie GmbH, Ulm
Stadtwerke Witten GmbH
Stadtwerke Energie Jena-Pößneck GmbH
NEW Niederrhein Energie-und Wasser GmbH, Mönchengladbach
N.V. HVC, Alkmaar, Niederlande
enwor – energie und wasser vor ort GmbH, Herzogenrath
Salzburg AG für Energie, Verkehr und Telekommunikation, Österreich
Allgäuer Überlandwerk GmbH, Kempten (Allgäu)
Stadtwerke Halle GmbH
SWT Stadtwerke Trier Versorgungs GmbH
Stadtwerke Heidelberg GmbH
nvb Nordhorner Versorgungsbetriebe GmbH
Stadtwerke Hamm GmbH
Stadtwerke Solingen GmbH
Stadtwerke Lindau (B) GmbH & Co. KG
GSW – Gemeinschaftsstadtwerke GmbH
Kamen-Bönen-Bergkamen
Stadtwerke Aalen GmbH
Stadtwerke Borken / Westf. GmbH
Stadtwerke Lünen GmbH
Energie- und Wasserversorgung Rheine GmbH
Hertener Energiehandelsgesellschaft mbH

Stadtwerke Fröndenberg GmbH
BeSte Stadtwerke GmbH, Steinheim
ENNI Energie & Umwelt Niederrhein GmbH, Moers
Gemeindewerke Steinhagen GmbH
GWS Stadtwerke Hameln GmbH
Osterholzer Stadtwerke GmbH & Co. KG
Schleswiger Stadtwerke GmbH
Stadtwerke Bad Salzuflen GmbH
Stadtwerke Dachau
Stadtwerke Elmshorn
Stadtwerke Gronau GmbH
Stadtwerke Mosbach GmbH
Stadtwerke Rüsselsheim GmbH
Stadtwerke Sindelfingen GmbH
Stadtwerke Tuttlingen GmbH
Stadtwerke Wedel Beteiligungs GmbH
T.W.O. Technische Werke Osning GmbH
Stadtwerke Bad Pyrmont Beteiligungs und Bäder GmbH
Stadtwerke Uelzen GmbH
Stadtwerke Detmold GmbH
Stadtwerke Unna GmbH
Stadtwerke EVB Huntetal GmbH
Regio Energie Solothurn, Schweiz
Stadtwerke Soest GmbH
Stadtwerke Schwäbisch Hall GmbH
Stadtwerke Georgsmarienhütte GmbH
Stadtwerke Herford GmbH
Stadtwerke Lengerich GmbH
Stadtwerke Verden GmbH
Teutoburger Energie Netzwerk e.G., Hagen a.T.W.

Shareholdings of Trianel GmbH

Trianel Gaskraftwerk Hamm GmbH & Co. KG
Trianel Kohlekraftwerk Lünen GmbH & Co. KG
Trianel Gasspeicher Epe GmbH & Co. KG
Trianel Windkraftwerk Borkum GmbH & Co. KG
Trianel Onshore Windkraftwerke GmbH & Co. KG
Trianel Erneuerbare Energien GmbH & Co. KG
Trianel Windkraftwerk Borkum II GmbH & Co. KG

Trianel Gaskraftwerk Hamm Verwaltungs GmbH
Trianel Kohlekraftwerk Lünen Verwaltungs GmbH
Trianel Gasspeicher Epe Verwaltungs GmbH
Trianel Windkraftwerk Borkum Verwaltungs GmbH
Trianel Energieprojekte GmbH & Co. KG
Trianel Energie B.V.

Management Report 2019



Report of the Supervisory Board



Dietmar Spohn
Chairman of the Supervisory Board of Trianel GmbH

The 2019 financial year was dominated by regulatory insecurity due to the planned coal phase-out by 2038 and the further uncertainties for onshore wind. Weak revenues in conventional generation and regulatory challenges in direct marketing due to the changed general conditions for balancing energy markets shape the trade business. The opportunities of digitalisation for the different value chain stages in the energy industry determined strategic roadmaps and were actively developed in 2019.

In the 2019 financial year, the Supervisory Board focused routinely and intensively on the company's situation and development and discussed the consequences of the significant changes in the general conditions. We fulfilled all tasks and obligations required of us by law, articles of association and rules of procedure, comprehensively and diligently.

In accordance with the articles of association, we continuously monitored the Management Board of Trianel GmbH in its management of the company. We also advised the general meeting on resolutions and recommended resolutions. We were directly involved in decisions by the general meeting that were of significant importance for the company, and regularly discussed the current strategic concerns of the company with the Management Board.

The Management Board reported regularly and in a timely manner to the Supervisory Board both in writing and orally on all key aspects of business development. The Supervisory Board convened for four ordinary Supervisory Board meetings on 4 February, 24 May, 17 September and 19 November 2019. The Supervisory Board also came together for an extraordinary meeting on 11 July 2019. The Supervisory Board was informed of the current operative development of the company, the primary business transactions, the development of the financial figures and relevant pending decisions at all times.

The Supervisory Board reached a quorum at every ordinary and extraordinary meeting of the Supervisory Board. The Management Board informed the Supervisory Board in writing and orally on important occasions and also between the meetings.

The Supervisory Board was involved in all main decision-making processes. One focus was monitoring the consolidation and efficiency measures introduced and developing the strategy for onshore project development, realignment of the 'Digital Energy Solutions' unit and reforming basic remuneration. Topics included the final report on the 'Horizon 2018' restructuring project and further measures to avoid balance sheet risks. Due to the insolvency of the wind turbine manufacturer Senvion in April 2019, the corresponding implications for construction of Trianel wind farm Borkum II and the effects on Trianel were discussed in detail. Furthermore, the Supervisory Board assessed the 2018 annual financial statements, the management of the company's trading activities and the 2020 business plan.

A decision was made as early as the extraordinary supervisory board meeting in July to retrospectively adapt Trianel's distribution-of-business plan to the changed organisational structure after the successful restructuring and elimination of redundant responsibilities in the Management Board. In September 2019, the Supervisory Board decided to extend the executive employment contract with the Management Spokesman, Mr Sven Becker, by a further five years.


The twelve members of the Supervisory Board reflect the diversity of the group of partners. Dietmar Spohn, Management Spokesman of Stadtwerke Bochum Holding GmbH is Chairman of the Supervisory Board. Michael Lucke, Managing Director of Allgäuer Überlandwerk GmbH, holds the office of Deputy Chairman. The other members of the Supervisory Board in the reporting year are Dr Christian Becker (Stadtwerke Aachen AG), Martin Heun (RhönEnergie Fulda GmbH), Ulrich Koch (Stadtwerke Herne AG), Jürgen Schöffner (Stadtwerke Lübeck Holding GmbH) and Marco Westphal (Stadtwerke Bonn GmbH) as Supervisory Board members delegated by the shareholders, and Dr Achim Grunenberg (Stadtwerke Lünen GmbH), Christian Meyer-Hammerström (Osterholzer Stadtwerke GmbH & Co. KG), Dr Leonhard Schitter (Salzburg AG für Energie, Verkehr und Telekommunikation), Prof. Dr Rudolf Irmischer (Stadtwerke Heidelberg GmbH) and Dr Branka Rogulic (Stadtwerke Tuttlingen GmbH) as elected members of the Supervisory Board.

Mr Jürgen Schöffner left Stadtwerke Lübeck Holding GmbH on 31 December 2019 and is therefore no longer a member of the Management Board of Trianel GmbH. From 1 January 2020, he was succeeded by Dr Jens Meier.

The annual financial statements and consolidated financial statements of Trianel GmbH for the year ending 31 December 2019, as well as the Management Report, were audited by PKF FASSELT SCHLAGE Partnerschaft mbB Auditing, Tax Consulting and Law Firm, Duisburg, and received an unqualified Auditor's Certificate.

On behalf of the entire Supervisory Board, I would like to thank all Trianel employees who worked so energetically and loyally to ensure the company's future success in a busy and productive year. The profitable conclusion to 2019 proves that the restructuring measures of recent years have been successful. For the current financial year, I wish the company every success in continuing to overcome the challenges of the market and political environment.

Bochum, June 5, 2020



Dietmar Spohn
Chairman



Summarised management report of Trianel GmbH for the 2019 financial year

A. Company Situation

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 - 1. Legal corporate structure
 - 2. Business fields
 - 3. Important products and services, business processes and projects
 - 4. Management and control
- II. Strategy and management of the company
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B. Business Report

- I. General conditions
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C. Report on forecast, opportunities and risks

- I. Forecast
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D. Reporting pursuant to Section 108 para. 3 no. 2 of the North Rhine-Westphalian Local Government Ordinance (GO NRW)

A.

Company Situation

I. Business model

1. Legal corporate structure

In the 2019 reporting year, Trianel GmbH's shareholder structure changed as follows: Trianel GmbH continues to have 58 shareholders. Trianel Suisse AG (Switzerland) has transferred its participating interests in full to Trianel GmbH, so that Trianel GmbH now holds own shares and Trianel Suisse AG is no longer a shareholder. Effective from 27 November 2019, BBSW Energie GmbH was merged with BeSte Stadtwerke GmbH, which is now a shareholder in Trianel GmbH.

As of 31 December 2019, the company's share capital remains unchanged at € 20,152,575.

The following table gives an overview of the 58 shareholders with participating interests in Trianel GmbH as of the balance sheet date.

Shareholder of Trianel GmbH

Stadtwerke Bochum Holding GmbH	Bochum	14.07%
Stadtwerke Aachen AG (STAWAG)	Aachen	11.97%
RhönEnergie Fulda GmbH	Fulda	7.44%
Stadtwerke Herne AG	Herne	6.86%
Stadtwerke Bonn GmbH	Bonn	5.81%
Stadtwerke Lübeck Holding GmbH	Lübeck	5.12%
SWU Energie GmbH	Ulm	4.78%
Stadtwerke Witten GmbH	Witten	3.75%
Stadtwerke Energie Jena-Pößneck GmbH	Jena	2.99%
NEW Niederrhein- und Wasser GmbH	Mönchengladbach	2.87%
N.V. HVC	Alkmaar, Niederlande	2.48%
enwor – energie und wasser vor Ort GmbH	Herzogenrath	2.21%
Salzburg AG für Energie, Verkehr und Telekommunikation	Salzburg, Österreich	1.76%
Allgäuer Überlandwerk GmbH	Kempten im Allgäu	1.74%
Stadtwerke Halle GmbH	Halle an der Saale	1.57%
SWT Stadtwerke Trier Versorgungs- GmbH	Trier	1.49%
Stadtwerke Heidelberg GmbH	Heidelberg	1.24%
Nvb Nordhorner Versorgungsbetriebe GmbH	Nordhorn	1.19%
Trianel GmbH	Aachen	1.18%
Stadtwerke Hamm GmbH	Hamm	1.12%
Stadtwerke Solingen GmbH	Solingen	0.99%
Stadtwerke Lindau GmbH & Co. KG	Lindau (Bodensee)	0.97%
GSW Gemeinschaftsstadtwerke GmbH Kamen Bönen Bergkamen	Kamen	0.83%
Stadtwerke Aalen GmbH	Aalen	0.74%
Stadtwerke Borken/Westf. GmbH	Borken	0.74%
Stadtwerke Lünen GmbH	Lünen	0.66%
Energie- und Wasserversorgung Rheine GmbH	Rheine	0.57%
Hertener Energiehandelsgesellschaft mbH	Herten	0.54%
Stadtwerke Fröndenberg GmbH	Fröndenberg	0.53%
BeSte Stadtwerke GmbH	Steinheim	0.50%
ENNI Energie & Umwelt Niederrhein GmbH	Moers	0.50%
Gemeindewerke Steinhagen GmbH	Steinhagen	0.50%
GWS Stadtwerke Hameln GmbH	Hameln	0.50%
Osterholzer Stadtwerke GmbH & Co. KG	Osterholz-Scharmbeck	0.50%
Schleswiger Stadtwerke GmbH	Schleswig	0.50%
Stadtwerke Bad Salzuflen GmbH	Bad Salzuflen	0.50%
Stadtwerke Dachau	Dachau	0.50%
Stadtwerke Elmshorn	Elmshorn	0.50%
Stadtwerke Gronau GmbH	Gronau	0.50%
Stadtwerke Mosbach GmbH	Mosbach	0.50%
Stadtwerke Rüsselsheim GmbH	Rüsselsheim	0.50%
Stadtwerke Sindelfingen GmbH	Sindelfingen	0.50%
Stadtwerke Tuttlingen	Tuttlingen	0.50%
Stadtwerke Wedel Beteiligungs GmbH	Wedel	0.50%
T.W.O. Technische Werke Osning GmbH	Osning	0.50%
Stadtwerke Bad Pyrmont Beteiligungs und Bäder GmbH	Bad Pyrmont	0.37%
Stadtwerke Uelzen GmbH	Uelzen	0.37%
Stadtwerke Detmold GmbH	Detmold	0.36%
Stadtwerke Unna GmbH	Unna	0.33%
Stadtwerke EVB Huntetal GmbH	Huntetal	0.30%
Regio Energie Solothurn	Solothurn, Schweiz	0.30%
Stadtwerke Soest GmbH	Soest	0.29%
Stadtwerke Schwäbisch Hall GmbH	Schwäbisch Hall	0.26%
Stadtwerke Georgsmarienhütte GmbH	Georgsmarienhütte	0.25%
Stadtwerke Herford GmbH	Herford	0.25%
Stadtwerke Lengerich GmbH	Lengerich	0.25%
Stadtwerke Verden GmbH	Verden	0.25%
Teutoburger Energie Netzwerk e.G.	Hagen am Teutoburger Wald	0.25%

Status: 31/12/2019

Taking into account the annual net income of € 5,913 thousand for the 2019 financial year, Trianel GmbH has equity of € 93,492 thousand on the balance sheet date.

On the reporting date of 31 December 2019, Trianel GmbH had direct shares in 13 subsidiaries and participating interests, as shown in the following overview.

Participating interests of Trianel GmbH

Trianel Gaskraftwerk Hamm GmbH & Co. KG	6.12%
Trianel Kohlekraftwerk Lünen GmbH & Co. KG	6.34%
Trianel Gasspeicher Epe GmbH & Co. KG	7.60%
Trianel Windkraftwerk Borkum GmbH & Co. KG	2.69%
Trianel Windkraftwerk Borkum II GmbH & Co. KG	2.00%
Trianel Onshore Windkraftwerke GmbH & Co. KG	5.35%
Trianel Erneuerbare Energien GmbH & Co. KG	5.00%
Trianel Gaskraftwerk Hamm Verwaltungs GmbH	100%
Trianel Kohlekraftwerk Lünen Verwaltungs GmbH	100%
Trianel Gasspeicher Epe Verwaltungs GmbH	100%
Trianel Windkraftwerk Borkum Verwaltungs GmbH	100%
Trianel Energieprojekte GmbH & Co. KG	100%
Trianel Energie B.V.	100%

Status: 31/12/019

Gaskraftwerk Hamm GmbH & Co. KG (TGH), domiciled in Aachen, has operated the first municipal gas and steam turbine power plant with a capacity of 840 MW since 2008 in Hamm-Uentrop (North Rhine-Westphalia). Trianel Kohlekraftwerk Lünen GmbH & Co. KG (TKL), domiciled in Lünen, has been operating a modern, highly efficient 750 MW hard coal-fired power station in Lünen (North Rhine-Westphalia) since 2013. Trianel Gasspeicher Epe GmbH & Co. KG (TGE), domiciled in Aachen, manages a natural gas storage facility located in Epe in the district of Borken (North Rhine-Westphalia) since 2009/2010. Trianel Windkraftwerk Borkum GmbH & Co. KG (TWB), with a registered office in Aachen, is the operator of the first expansion stage of 200 MW of the total 400 MW project Trianel offshore wind farm Borkum (formerly Borkum-West II) roughly 40 km off the coast of the North Sea island of Borkum (Lower Saxony) and commenced commercial regular operation in 2015. Since 2017, Trianel GmbH has been a shareholder in Trianel Windkraftwerk Borkum II GmbH & Co.

KG (TWB II). The company's objective is to build the second expansion stage of the Trianel wind farm in Borkum with a further 200 MW. The offshore wind farm is in the construction phase. By the end of 2019, 16 wind turbines have been built and commissioned; the remaining 16 wind turbines are to be completed and commissioned in the first half of 2020.

Trianel Onshore Windkraftwerke GmbH & Co. KG (TOW), domiciled in Aachen and founded in 2013 as a standard limited partnership (Einheits-KG), plans, builds and operates systems for generating electricity from renewable sources. It is also responsible for participating interests in companies domiciled in Germany that operate systems for generating electricity from renewable sources.

Trianel Erneuerbare Energien GmbH & Co. KG (TEE) was founded in the 2015 calendar year, also as a standard limited partnership (Einheits-KG) domiciled in Aachen, with the same business purpose as TOW.

As general partners, the personally liable companies Trianel Gaskraftwerk Hamm Verwaltungs GmbH, Trianel Kohlekraftwerk Lünen Verwaltungs GmbH, Trianel Gasspeicher Epe Verwaltungs GmbH, as well as Trianel Windkraftwerk Borkum Verwaltungs GmbH assume the management for the above limited partnerships as the general partners. All companies are domiciled in Aachen.

Trianel Kraftwerk Krefeld Verwaltungs GmbH manages Trianel Kraftwerk Krefeld GmbH & Co. KG for the development of a gas and steam turbine power plant at the CHEMPARK site in Krefeld-Uerdingen (North Rhine-Westphalia); it was wholly commercially attributed to Trianel GmbH. In the 2019 reporting year, the participating interests in Trianel Kraftwerk Krefeld Verwaltungs GmbH were sold and transferred to Trianel Kraftwerk Krefeld Beteiligungsgesellschaft mbH & Co. KG. Accordingly, Trianel GmbH no longer has a participating interest in Trianel Kraftwerk Krefeld Verwaltungs GmbH.

Trianel Energieprojekte GmbH & Co. KG (TEP) pools the project activities of Trianel GmbH, initially in the onshore and photovoltaics (PV) sectors, and is a wholly owned subsidiary of Trianel GmbH domiciled in Aachen.

The Dutch sales and distribution company Trianel Energie B.V. domiciled in Maastricht was forced to apply for insolvency at the end of 2012 due to customer default. The insolvency proceedings are still ongoing.

2. Business fields

Trianel GmbH's business activities aim to enhance the competitiveness and therefore independence of municipal utilities. As the largest European municipal utilities cooperation, Trianel GmbH utilises the potential of liberalised energy markets by pooling shared interests from the municipal environment. For example, this opens up business fields which would not be economically viable for individual municipal utilities.

Trianel GmbH operates in multiple business fields in the energy industry throughout the entire value chain. Its core business is trading, procurement and supply of energy. The company purchases energy on wholesale markets for redistributors and municipal utilities on wholesale markets, providing easy market access for its customers. In this way, Trianel helps municipal utilities supply their end customers. In addition, Trianel optimises energy industry management of conventional and renewable energy generation systems for municipal utilities and industrial customers. For existing renewable energy projects and major electricity generation and gas storage facilities, Trianel takes on the energy business and commercial management and optimisation of the systems.

Trianel is also active in project development for renewable energy sources (offshore/onshore wind, photovoltaic systems). Together with municipal utilities, it develops new projects or analyses and extends existing systems. With the transition of the German Renewable Energy Sources Act (EEG) regime (tender process), Trianel also develops projects at its own risk.

As a third element, Trianel guides and supports municipal utilities in digitalising their processes and develops sample applications for smart city projects in pilot projects.

The further expansion of renewable energies, the increasing decentralisation and decarbonisation of the energy industry and the innovation potential due to digitalisation and automation are currently dominating all business fields of Trianel.

All activities of Trianel GmbH are developed in close coordination with the business aims of the shareholder companies and tailored for their needs and circumstances.

3. Important products and services, business processes and projects

Trianel GmbH is active in many trading markets for electricity and gas products, both as a trading partner for bilateral transactions (OTC market) and as a member of the most important energy exchanges. Market access for electricity includes the German, Dutch, Belgian, Austrian, Swiss and French market areas as well as Spain and the Nordic countries (Nordpool). In the gas sector, Trianel covers the German market areas, for H-gas and L-gas, as well as the liquid TTF market. CO₂ certificates and coal (API2) are also traded. Many sales products in the delivery sector are based on activities on the market that allow Trianel customers to purchase trade products. The electricity trading volume in 2019 totalled 240 TWh (previous year: 186 TWh), while the gas trading volume was 303 TWh (previous year: 254 TWh).

Energy business products and services

In 2019, portfolio management on the procurement and generation side continued to form a main pillar of the energy business activities. It consists of optimised electricity and gas procurement, marketing and securing electricity from own generation plants and management of storage facilities for our customers.

Trianel has developed a central interface for pooling trade and sales information for municipal utilities and industrial customers, the integrated, web-based monitoring and control platform Trianel DESK. Apart from integrating more customers, the priority for the development of Trianel DESK is to optimise the internal processes to expand the platform and the processes that are digitally handled on it. The energy trading IT division is driving the further development of the digital processing of portfolio management and energy sales. Digitalisation via Trianel DESK gives portfolio management and energy sales efficiency boosts and process excellence, creating more scope for more individual customer care and market consulting. From forecasts to pricing, portfolio structuring,

trading standard and non-standard products to balancing group accounting, the Trianel DESK is to provide customers with all energy business procurement and sales functions for electricity and gas in a consistent, interactive, web-based customer interface. Trianel DESK aims to optimise processes in interaction with customers and within the Trianel organisation.

With Trianel DESK, Trianel is expanding its energy industry services to IT managed services. Accordingly, Trianel can provide services like licence, application and infrastructure management for municipal utilities. The aim is to use the Trianel DESK and the corresponding IT services to reduce and simplify the workload of Trianel's customers in process development for sales, trade and procurement. Trianel DESK is designed as a software-as-a-service solution and can be integrated in municipal utilities' application environments or even replace them. In this way, Trianel is expanding its classic range of services in the portfolio management segment to the system environments required for this.

Trianel also increasingly offers IT services to help introduce the Trianel DESK and the associated applications. In this sector, Trianel acts as a consultant, analysing existing system architectures with the customers and creating solutions for more efficient processes.

Trianel is expanding its role as a comprehensive service provider for revenue-optimised marketing of generation plants of all types. In 2019, Trianel managed roughly 2,275 MW of conventional power station capacity. Two new customer contracts were served successfully and to the customer's satisfaction. One contract was extended until 2021 ahead of schedule. The other contract was expanded with further services (shortfall management, intraday optimisation). Via marketing activities in the spot, intraday and balancing energy markets, an additional € 3.5 million was earned in the management of the Lünen coal-fired power station (TKL). In addition to this, € 0.7 million was saved as part of shortfall management compared with the failure reserve contract. The 28 shareholders in TKL benefit directly from both. Trianel also benefits as part of the contractually defined variable remuneration of these results achieved.

For Gaskraftwerk Hamm, the marketing strategy agreed with the TGH shareholders generated a net income of roughly

€ 15.9 million. For 2020, most (75 percent) of the valuable hours on the futures market were marketed at a very good spread level. Trianel participates in these earnings via a variable remuneration model.

The business field of direct marketing of electricity from plants under the Renewable Energy Sources Act (EEG) was further optimised in 2019 to reduce marketing risks and cut marketing costs. The portfolio adjustment that began in 2017 was largely completed in 2019. As of 01 January 2020, the direct marketing portfolio contains plants with a capacity of approx. 2,500 MW. Most of the direct marketing portfolios consist of wind energy.

End customer-focused services and products

Trianel helps municipal utilities harness opportunities and overcome the challenges resulting from digitalisation. To achieve this goal, Trianel has created a consistent innovation process from idea finding to analyses, evaluation and piloting, right up to training, using trend scouting for the Trianel Digital Lab and the Trianel Academy. In addition, Trianel plans to offer implementation consulting to better support municipal utilities in implementing the solutions available on the market, allowing municipal utilities to make specific use of them faster. The digitalisation solutions focus on three areas: internal processes of municipal utilities, digital interfaces between municipal utilities and end customers and advanced data analyses in the IoT environment.

Project development and projects

Trianel GmbH's project development business now focuses almost entirely on renewable energy projects.

The second expansion stage of the Borkum offshore wind farm (TWB II) was launched successfully back in 2015. Together with 18 municipal utilities from the Trianel environment, as well as EWE Offshore Service & Solutions GmbH (EWE OSS) and ewz from Switzerland, Trianel GmbH is implementing another 200 MW. Trianel's offshore segment is responsible for construction processing with EWE OSS. Trianel GmbH is also preparing the commercial and superordinate operational management for TWB II from 2020 on.

2019 was marked by the insolvency of Senvion, the wind turbine provider. In spite of the insolvency, the 32 wind turbines commissioned were produced in Bremerhaven after concluding a new framework agreement with Senvion's insolvency administrator. In the reporting year, all 32 wind turbines were produced and 16 turbines have already been installed offshore.

Trianel Energieprojekte GmbH & Co. KG (TEP), founded in 2018 as a subsidiary, already established itself successfully in 2019 by participating successfully in tenders (winning 16 contracts), cooperation models and transactions. In 2019, initial projects from the 200 MW pipeline acquired with Trianel Erneuerbare Energien GmbH & Co. KG (TEE) were implemented. By the end of 2019, TEE had invested € 83 million with a target volume of € 140 million. Preparations for the TEE successor made a promising start in 2019. The positive response on the part of investors gave us reason to be optimistic that we will found the new company Trianel Wind und Solar GmbH & Co. KG (TWS) in 2020. White space development was expanded as a preparatory measure and site acquisitions were concluded.

The option of using the Krefeld site for a CHP plant was retained and negotiations were held with the potential project partners.

4. Management and control

In addition to Sven Becker as Management Spokesman, Dr Oliver Runte has been appointed as Managing Director of Trianel GmbH. The Trianel Shareholders' Committee and the twelve-strong Supervisory Board are among the other corporate bodies.

II. Strategy and management of the company

1. Corporate strategy

Current orientation

Trianel GmbH sees itself as a service provider that primarily develops and provides services along the entire value chain of the energy business. Thanks to economies of scale, specialisation advantages, and by pooling expertise, it is possible to enable individual companies to overcome market entry barriers together and open up new business fields. Trianel GmbH is supported exclusively by municipal utilities.

After an extended phase of strong growth lasting until 2014, and consolidation and restructuring completed successfully in 2018, Trianel now operates in the four business fields project development, midstream, assets and digital energy solutions. Expansion and market integration of renewable energy sources, management of energy industry portfolios and assets, amalgamating a wide range of data from generation and consumption and testing and implementing digital solutions are key fields for the future development of the company. Trianel sees prospects in the targeted development of these business fields. The aim is to develop solutions for decarbonisation, expansion of renewable energy generation and digitalisation and modernisation of municipal infrastructures together with the municipal utilities.

Trianel views itself as an independent company that supports the interests of municipal utilities, which are also independent. The business model borne by the shareholders is aimed at common success. The advantages developed by Trianel are to be passed on to the shareholders as customers.

Via trend scouting, Trianel and its shareholders pursue the goal of identifying business opportunities resulting from the changing general conditions at an early stage, to develop new products and services from them given the right potential. In the Trianel Digital Lab, digital solutions can be piloted efficiently with municipal utilities and assessed for marketability.

Products and services

With the objective of value-optimised continuous development following the consolidation that was successfully completed in 2018, Trianel continuously adapts its range of products and services to the latest general conditions. The adaptations are made on the basis of an in-house market appraisal and energy industry expert reports. The diversified product portfolio stabilises Trianel GmbH's business development and facilitates comprehensive support of shareholders and customers.

Customers

Independent municipal utilities and regional suppliers of various sizes are Trianel's typical customers. Trianel offers these customers tailored and efficient solutions for their respective individual requirements. High quality services can be implemented at reasonable prices thanks to the economies of scale and specialisation advantages. In individual cases, Trianel also works for institutional investors and major industrial companies who are looking for energy industry services outside classic deliveries of commodities.

Employees

The employees of Trianel GmbH are among the company's most important assets. Trianel believes that with its capable and dedicated team, it will develop advantages over competitors in terms of innovation, product depth and maturity, as well as market penetration in a highly-competitive environment.

After a planned reduction of 12 positions compared with the end of 2018, Trianel GmbH's employed a total staff of 296 on 31 December 2019. Women accounted for 32 percent of the staff, with five women in management functions. The average age of employees in 2019 was 41 years.

The three pillars of the personnel strategy are our positioning as an attractive employer, developing and binding talent and optimisation of the structural and process organisation.

In 2019, Trianel GmbH again positioned itself as a fair, respectful and attractive company in Germany, once again earning

the 'Fair Company' label from trade journal 'Junge Karriere' (Young Career) of the Handelsblatt publishing group, as so many times before. In 2019, Trianel GmbH also participated in the top employer award with the 'TOP JOB' quality mark. The results are expected in 2020. In this way, Trianel GmbH highlights its ambition to position itself as an attractive employer and present its strengths in this area externally.

Human resources activities in 2019 focused as planned on consolidation after completion of the restructuring, as well as on filling key positions. Binding and developing qualified staff played a major role. Thus, in 2019, the internal executive programme was continued, via which third and fourth-level junior staff are specifically schooled and trained in management methods. It is an important task for Trianel GmbH to strengthen and support junior executives in their new roles. Competent and professional managers are a vital success factor, and form an essential key to satisfaction and loyalty within the teams. The main personnel development measures focus on intensive exchange between employees and managers, as well as individual employee offerings.

Besides the executive programme that has already started, the focus for HR in 2020 will be on optimising the remuneration system and implementing a new personnel management system.

Society and the environment

Trianel GmbH was established as a result of the liberalisation of the energy markets. It is therefore wholly dedicated to competition, and strives to promote it. With its shareholders, Trianel pursues the common goal of ensuring decentralised citizen and customer-oriented energy supply. Strong municipal utilities and regional suppliers shape the competition on the energy markets. Trianel views the energy transition as an entrepreneurial opportunity. Accordingly, Trianel and its shareholders are jointly and actively influencing the energy transition – also as a critical dialogue partner for a more consistent energy policy.

Trianel is expressly committed to the targets of the Paris climate agreement of 12 December 2015, which prescribes a restriction of anthropogenic global warming to significantly less than two degrees compared with pre-industrial values.

To achieve this, Trianel and its shareholders are investing in expanding renewable energy sources and modernising the German power generation mix. In the last 15 years, Trianel and the municipal utility companies made investment decisions totalling roughly € 5 billion. Over 50 percent of the invested funds went towards renewable energy sources. Trianel has been investing exclusively in renewable energy sources for several years.

2. Internal corporate control system

The management board uses a variety of systems and processes to control and monitor the company and to analyse and document risks and opportunities of the company. The control system focuses on the development of profit and liquidity of the company and monitoring risks. To measure these developments, profit contributions, structure costs and result figures, among others, are calculated.

By allocating risk capital for the relevant risk types and continuous measurement of the respective utilisation, Trianel ensures that risks and opportunities are dealt with appropriately. Extreme value considerations provide findings on events not covered by standard processes (see also Risk report, C III). Auditors commissioned by the shareholder companies confirm compliance with the risk guideline on a quarterly basis.

The product development strategy is characterised by careful observation of customer requirements as well as the latest market developments and the evaluation of the resulting future developments. Important investment decisions are made on the basis of discounted cashflow models. The Management Board regularly checks the progress of the main projects and monitors compliance with project plans and targets. The management and control mechanisms are adapted to the growing company structures on an ongoing basis. The Supervisory Board is regularly informed of all major economic developments at Trianel GmbH.

The internal audit tasks are performed by an employee of Trianel GmbH and external service providers who each report directly to the management board.

Financial targets

Trianel GmbH's business model is aimed at contributing to creating value for its customers with its services. At the same time, Trianel strives to earn pre-tax profits which are an appropriate return on equity. Boosting the equity basis is another important financial target, in order to finance the investments required to implement the energy transition and put development projects into practice.

All in all, Trianel wants to increase the value of the company for its shareholders, not just by balance sheet figures, but also contribute to increasing the company value and hence the market value of its equity.

Non-financial targets

Shareholder and customer satisfaction is Trianel's main non-financial target. For this purpose, Trianel aims to anticipate the needs of its customers as early and well as possible. Trianel continuously and intensively observes and analyses market and industry developments together with its shareholders. With a rapid development of potential business fields and products to market maturity, Trianel also wants to give its shareholders and customers a time and technical advantage in competition. Trianel also attempts to support and shape the relevant energy policy topics to benefit an independent municipal energy supply.

Trianel strives to reach as many shareholders as possible with its products and services. At the same time, Trianel also aims to achieve above-average customer satisfaction. Both goals require high process quality and security as the foundations for Trianel's service provision.

Trianel pursues and promotes socially acceptable, sustainable and reliable power generation. In this context, Trianel wants to continue the path it has taken and implement the energy transition entrepreneurially.

Employees are a key foundation for achieving any goals. Their high level of qualifications and far above-average commitment make successful business activity possible. Trianel has

set itself a goal to create conditions to optimally promote the capability and capacity of its employees while maintaining high employee satisfaction.

3. Innovation management

The changes in the conventional energy industry have reached an almost disruptive level. As an innovative service company, Trianel GmbH views the changes as a result of the implementation of the energy transition and the development of the energy markets as an opportunity. Trianel considers it important to continually bolster the trust of our shareholders and customers with sustainable and modern products and services. The good relationship between Trianel GmbH and its customers is also based on close cooperation in the early phase of product development. Trianel constantly strives to be a step ahead of the competition with the market-oriented and customised solutions it develops. Based on our special market knowledge in respect of innovative products and services, Trianel assists the STADTWERKE AWARD in the annual selection of innovation projects from the municipal utilities landscape.

Innovation management at Trianel is part of trend scouting and the Trianel Digital Lab, and involves the shareholders of Trianel GmbH specifically in market and trend monitoring as well as pilot projects. In a multi-stage process, new trends are identified, evaluated and piloted systematically using agile working methods. Examples of these new approaches include in particular the now regular Innovation Days (bringing start-ups and municipal utilities together), Smart City Days (developments in modernisation of municipal infrastructure) and Lab Days (experience in piloting digital solutions). The Trianel Digital Lab, founded in 2017, now operates permanently and has been integrated in innovation management.

B. Business report

I. General conditions

Energy consumption continued to decline in Germany in 2019. In 2019, the primary energy consumption in Germany decreased by approx. 2.3 percent compared with the previous year, having already decreased by 5 percent in 2018. The Energy Balance working group (AGEB) attributes the lower energy consumption to further improvements in energy efficiency, substitutions in the energy mix and a decline in energy consumption in industry due to macroeconomic effects.

According to AGEB, the gross power generation decreased from 643.5 billion kWh to 611.5 billion kWh. The balance of the electricity exchange with other countries was –36.6 billion kWh.

Renewable energy sources increased from 37.8 percent to 42.2 percent of German gross power generation in 2019, at 242.6 billion kWh. That makes renewable energy sources the most important source of energy. Of the renewables, wind energy accounted for the highest percentage of gross power generation at roughly 16.6 percent and 101.8 billion kWh. This was followed by photovoltaics with an increase to 7.7 percent and biomass with a slight increase to 7.3 percent.

The gross power generation from natural gas rose from 82.5 billion kWh to 91.3 billion kWh, and thus to a share of just under 15 percent. Power generation from hard coal and lignite decreased significantly from 228.2 billion kWh to 170.9 billion kWh. With a share of 27.9 percent, however, hard coal and lignite remain an important part of the total electricity mix. Gross power generation from nuclear energy fell slightly from 76 billion kWh to roughly 75.2 billion kWh, but still accounted for a share of roughly 12 percent.

The exchange price of electricity decreased in Germany in 2019. Prices for short-term deliveries on the following day averaged approximately € 37.70/MWh.

At a federal policy level, 2019 was dominated by the recommendations of the 'Coal Commission'. The Coal Commission's findings determining the coal phase-out path and associated structural policy recommendations were announced in February 2019. In autumn 2019, first drafts for legal

implementation like the Coal Phase-out and Structural Development Acts were made public. They entered the parliamentary process as draft laws in January 2020. Trianel believes that the present draft Coal Phase-out Act deviates significantly from the Coal Commission's recommendations in key points – to the detriment of the largely municipal operators of modern hard coal-fired power stations and at the expense of supply reliability and climate protection. From 2027 on, all hard coal-fired power stations are to be decommissioned without replacement. For decommissioning prior to 2027, hard coal-fired power stations are to compete for decommissioning bonuses in auctions. These auctions are restricted by maximum prices that decline sharply each year. For decommissioning in 2026, the maximum price is just € 49 per kW of installed capacity. That is less than 10 percent of the average compensation for lignite-fired power stations.

Trianel supports the phase-out of power generation from coal by 2038. The 'Growth, Structural Change and Employment' Commission has shown an expedient and feasible path out of power generation from coal. However the German Federal Government's draft law contravenes these recommendations in essential aspects. In the parliamentary process, Trianel is relying on fair and constitutional compensation arrangements for the operators of hard coal-fired power stations and in particular of new power stations that have only been on the grid for a few years. The corona pandemic has caused delays in the parliamentary process on the Coal Phase-out Act, as plenary sessions cannot be held as usual. The remainder of the schedule for the parliamentary process shall be based on the exigencies of the crisis and therefore no reliable estimates can be provided.

In 2019, the German Federal Government also passed the Climate Action Programme 2030. December saw the first legal implementation of measures as part of the Fuel Emissions Trading Act and the Act Implementing the Climate Action Programme 2030 in tax law.

However, the expansion goal of 65 percent renewable energy sources by 2030, which was agreed in the coalition agreement of the Grand Coalition between the CDU and SPD parties, was not implemented in law in 2019. Among other things, the formulation of the Innovation Tender Regulations for wind power

and photovoltaics was passed in December 2019. The German Parliament also passed the Federal Climate Change Act in December.

II. Business development

The pre-tax result of € 6.7 million earned in the 2019 financial year significantly exceeded the projected result of € 1.6 million by € 5.1 million. In spite of the continued high losses from marketing our power station segment in Kohlekraftwerk Lünen and the stored bundle of Epe natural gas storage facility, the cost basis and organisational structures successfully optimised in 2017 and 2018 significantly improved our economic situation. The largest contributions to exceeding the forecasts were derived from successful project developments in which our subsidiary Trianel Energieprojekte GmbH & Co. KG is involved due to the profit/loss incorporation in the same time, as well as successful trading and portfolio management activities. As a precaution, the participation book values of Trianel Windpark Borkum GmbH & Co. KG and Trianel Energiespeicher Epe GmbH & Co. KG were depreciated as the primary special effects (total € 3.8 million). The unspecific risk provisions in the balance were raised by roughly € 1 million (establishment of a provision without forming a valuation unit [VU] to the amount of € 4.9 million using a similar provision from the previous year totalling € 3.9 million). Compared to the previous year (23 percent), the equity ratio increased slightly to 24 percent. As in previous years, the balance sheet total is also characterised by the high level of accounts receivable with simultaneously high accounts payable. Both reflect the established process in energy wholesale trade of invoicing and paying for energy accounts on a monthly basis. This means that at the end of the year, the accounts receivable and payable from deliveries in December – one of the months with the highest turnover – must be stated regularly. Since our customers are mainly municipal utilities with a good credit rating and/or their subsidiaries, both with very low default risks, we still regard the equity level as stable and conservative.

During the 2019 financial year, we expanded our surety and credit lines in a needs-based manner, increasing our financial scope for exchange transactions and unforeseen develop-

ments as a precaution. Furthermore, the investments previously funded from current liquidity – especially in TEP – were refinanced with a bullet loan to the amount of € 10 million with a term of seven years. Overall, the liquidity situation was adequate at all times. Compared to the reporting date in the previous year, the company's liquidity increased by € 15.2 million to € 27.4 million.

III. Company situation

1. Earnings situation

With earnings before tax of € 6,723 thousand, Trianel GmbH once again achieved a positive result even during the restructuring phase that significantly exceeds both the target and the previous year's value. The fact that a positive result was achieved despite continuing significant losses from the management of our long-term energy supply segment in the coal-fired power station in Lünen (Trianel Kohlekraftwerk Lünen, TKL) and our storage bundle in the Epe natural gas storage facility (Trianel Erdgasspeicher Epe, TGE), is due to numerous operational effects. Of the profit centres, the following success must be emphasised in particular:

Midstream (Energy Industry Services and Trading):

Continuing losses from marketing our assets (Trianel Kohlekraftwerk Lünen GmbH & Co. KG – TKL, Trianel Gasspeicher Epe GmbH & Co. KG – TGE) were more than compensated especially by income from commercial energy industry management contracts containing significant levels of variable compensation, as well as optimised energy trading and portfolio management activities, so that the profit centre could achieve a positive net income even taking direct and attributed expenditures from cross-cutting functions into account.

Project Development:

In the 'Project Development' profit centre, the foundations were laid for strategic acquisitions of PV and on-shore wind projects by developing the strategy in 2018

and founding Trianel Energieprojekte (TEP). It was precisely the net income contributions of TEP from photovoltaics activities that allowed Trianel to surpass the targets. In our offshore activities, the insolvency of a major service provider/turbine manufacturer of TWB II resulted in higher capacity utilisation of the project team, which also contributed to the company's ability to exceed the forecast.

Digital Energy Solutions (DES):

In 2019, the activities to develop services related to smart meter applications were wound down and staffing levels reduced. Taking the other activities into account, such as support services for municipal utilities in new strategic and operative areas (trend scouting and Digital Lab) in particular as well as attributable expenditures, the profit centre still generated a negative net income, and requires renewed realignment efforts, which will be undertaken in 2020 and 2021.

Due to the overall very positive operative development, the company was well positioned to cope with the economic increase of a risk provision totalling roughly € 1 million and the precautionary depreciation of risky assets totalling € 3.8 million. Without the described measures, instead of the reported pre-tax result of € 6.7 million, earnings before tax of € 11.6 million would have been achieved.

Taxes on income accrued to the amount of € 801 thousand (previous year: € 188 thousand) and other taxes amounted to € 9 thousand (previous year: € 45 thousand) resulting in an overall annual net income of € 5,913 thousand (previous year: € 2,137 thousand).

An analysis of the consolidated net income, which includes Trianel Energieprojekte GmbH & Co. KG in particular in addition to Trianel GmbH, reveals the following components of net income:

The earnings after tax were € 6,033 thousand (previous year: € 1,978 thousand) and are dominated by the results of Trianel GmbH and Trianel Energieprojekte GmbH & Co. KG. Taking into account the financial result of € -2,063 thousand (previous year: € 1,248 thousand) and the tax on income of € -809 thousand (previous year: € -197 thousand), the Group

annual net income amounted to € 6,024 thousand (previous year: € 1,933 thousand).

Trianel GmbH's turnover largely reflects its function as a trader and provider of the associated market access for customers, short-term optimisation transactions and proprietary trading activities. Added to this are the activities for third parties in procuring and marketing energy, which in turn are associated with corresponding back-to-back transactions on the wholesale market. The resulting energy purchases are mapped in the costs of materials of the profit and loss statement of Trianel GmbH. Fundamentally, the absolute turnover total and the associated total material expenditures do not allow any significant conclusions to be drawn on the economic success of the company.

The sales proceeds amounted to € 2,321 million in the 2019 financial year (previous year: € 2,726 million) and thus increased by 15 percent compared with the previous year. In order to increase the clarity, the proprietary turnover was balanced with the corresponding material expenditures in the reporting year, totalling € 4,055 million (previous year € 4,196 million).

Other operating income decreased by € 4,887 thousand to € 2,749 thousand (previous year: € 7,636 thousand). It primarily consists of revenue from passing on the cost of materials in the amount of € 721 thousand (previous year: € 4,731 thousand) and the reversal of provisions in the amount of € 912 thousand (previous year: € 1,110 thousand).

At 98.0 percent, the cost of materials remained at the same level as the previous year. Personnel expenses rose from € 29,581 thousand to € 31,522 thousand in particular as a result of provisions for bonuses. Other operating expenditures totalled € 14,539 thousand, up from € 21,191 thousand in the previous year.

The non-adjusted financial result amounted to € 6,066 thousand (previous year: € 1,413 thousand). Adjusted for the neutral effects in particular from discounting accounts receivable and compounding provisions totalling € -595 thousand (previous year: € -1,904 thousand), the resulting adjusted financial result is € 6,661 thousand (previous year: € 3,317 thousand). The result from participating inter-

ests, at € 12,107 thousand (previous year: € 4,635 thousand), increased compared with the previous year owing to dividends paid by affiliated companies.

2. Financial situation

In the reporting year, the operating cashflow of Trianel GmbH was € 1,554 thousand following € –37,504 thousand in the previous year. The change in cashflow was clearly influenced by a positive development in the working capital. The cashflow from investment activities totalling € –8,537 thousand (previous year: € –3,879 thousand) primarily related to investments in intangible fixed assets and financial assets (especially TEP). The cashflow from financing activities totalling € 22,187 thousand (previous year € –4,818 thousand) contains the new bullet loan of € 10.0 million loan and depositing margins with our clearing bank to a total of roughly € 15.5 million in the form of sureties. In addition to this, scheduled repayments were made for portfolio loans. Overall, the total financial resources decreased to € 27,411 thousand (previous year: € 12,178 thousand) as of the balance sheet date.

The increased liquidity at the year end is largely due to the lower margin deposits for the exchange business compared with the previous year. In addition to this, liquid funds were increasingly replaced by sureties as collateral for our margins. Planned investments for the coming years – particularly in TEP and TWS – are to be refinanced suitably with matching maturities. Overall, the financial situation in the 2019 financial year was adequate at all times.

3. Asset situation

The balance sheet total of Trianel GmbH was € 395,561 thousand on 31 December 2019 (balance sheet total of the Group: € 395,887 thousand) and thus increased over the previous year by € 9,990 thousand or 2.5 percent (Group: € 10,282 thousand).

In 2019, the inventories of Trianel GmbH decreased by € 2,233 thousand (Group: € 677 thousand) to € 10,786 thousand (Group: € 12,553 thousand). The inventories largely pertain to gas inventories and the emission certificates purchased in 2019 for the expected power purchase in 2020 from Trianel Kohlekraftwerk Lünen GmbH & Co. KG.

The accounts receivable and other assets totalling € 248,541 thousand (31 December 2018: € 258,342 thousand) remained unchanged at 62.8 percent (31 December 2018: 67.0 percent) of the balance sheet total, and are the largest item on the assets side, and have decreased significantly. Trade receivables account for the highest percentage of this development, having decreased by € 12,523 thousand to € 134,331 thousand. The reduction in accounts receivable and other assets is partially compensated by an increase in accounts receivable from affiliated companies by € 8,629 thousand to € 8,676 thousand. The liquid funds increased by € 15,233 thousand from € 12,178 thousand to € 27,411 thousand as part of the expansion of our sureties for margin deposits.

In the financial year, Trianel GmbH's equity ratio increased to 23.6 percent (previous year: 22.7 percent). The equity ratio for the Group rose to 23.7 percent. In absolute figures, the equity rose by € 6,017 thousand to € 93,540 thousand. This change is the result of the annual net income for 2019 of € 5,913 thousand (consolidated annual net income for 2019: € 6,024 thousand).

Compared with the previous year, the balance sheet total rose by € 9,990 thousand to € 395,561 thousand in particular due to the investments made and corresponding third-party loans.

C. Report on forecast, opportunities and risks

I. Forecast

1. Direction of Trianel GmbH

In the next few years, Trianel GmbH's business activities will be affected by the following factors:

- Digitalisation of energy industry processes and services
- Renewable energy sources project development
- Services for supporting decarbonisation of the energy supply and implementation of sector coupling
- Changes in energy trading and
- Different consulting services for municipal utilities

Digital processes are the basis both for optimising processes in municipal utilities and interaction of municipal utilities with their customers and to implement future (detailed and decentralised) business models. Trianel enables municipal utilities to digitalise energy industry processes and harness economies of scale by using interfaces between the system architectures via software-as-a-service solutions like Trianel DESK as a central platform.

Trianel sees itself as a holistic provider, supporting and accompanying municipal utilities and industrial customers in the digitalisation of their trading, procurement and sales processes. To this end, not only is Trianel's classical services business in the trading and procurement segments being transitioned to digital and scalable processes via Trianel DESK, the company is focusing in particular on analysis and optimisation of customers' IT architectures (IT consulting). The analysis is used to derive approaches that customers can implement with Trianel, entirely in line with their needs. Trianel supplements services to optimise and transition energy industry processes to digital applications with continuous extension of its trading processes towards Algo trading and automated trading processes. In particular, Trianel can offer new services like district heat forecasts or sales forecasts by developing new forecasting systems.

With its Digital Energy Solutions business unit, Trianel has also created a way to generate and evaluate innovative ideas with the municipal utilities, test them rapidly in pilot projects and implement them directly for the municipal utilities with implementation consulting. The Trianel Digital Lab and the Trianel Academy are also involved in these activities. In this context, a

decision was made to continue the Trianel Digital Lab, which had initially been slated to close at the end of 2019.

As in the previous years, the consolidation of the price level for direct marketing based on the market bonus model continued in 2019. In spite of the continued competitive pressure, Trianel succeeded in securing a marketing portfolio of roughly 2,500 MW focusing on onshore wind, PV and biogas plants for 2020. As before, the obligatory direct marketing continues to create good preconditions for the development of this business sector. Especially in the event of possible changing market models in the renewables sector, such as Power Purchase Agreements (PPA), short-term marketing remains a decisive success factor. As a result, Trianel digitalised and automated processes in recent years, based on its extensive experience in direct marketing.

In future, Trianel expects high demand from municipal utilities for renewable generation capacities. Accordingly, Trianel GmbH has continued to focus its project development on developing renewable generation plants since 2014. The implementation of the second construction phase of Borkum wind farm (TWB II), with an investment volume of roughly € 800 million, was continued in the 2019 reporting year with the production of all wind turbines and construction of the first 16 turbines offshore. One of the main project partners, the wind turbine manufacturer Servion, filed for insolvency under self-administration (Insolvenz in Eigenverwaltung) on 9 April 2019. Negotiations with Servion and the partners involved were brought to a successful conclusion during the reporting year, allowing the delivery and commissioning of all turbines to be completed by mid-2020. The EWE OSS and Trianel GmbH project teams are building the farm for TWB II using in-house resources. The offshore team has been expanded for the construction phase and will be working on the TWB and TWB II projects and also for the shared infrastructure company IWB, including in operations management, over the next few years.

Trianel is tasked with procuring enough attractive renewable energy projects and making them available to the municipal utility-supported company TEE. To fulfil this responsibility, Trianel must operate a dedicated project development platform and strike a balance between project procurement and sales. In 2020, the company plans to build PV projects with a

capacity of over 100 MW, participate in new PV tenders and secure new PV projects. For onshore wind, the priority is obtaining wind approvals from the portfolio pipeline and securing the sites. Also in 2020, the successor company to TEE, TWS, is to be founded.

2. Anticipated earnings situation

After the successful conclusion of our process optimisation and cost reduction project 'Horizon 2018' at the end of 2018, Trianel has entered the phase of strategic development of the company on a consolidated basis. While remaining cost-focused, as revealed in the project in further reductions in other operating expenditures for 2019, Trianel has launched various strategic initiatives that will combine to form an overall strategy, 'Trianel 2025', which is to be passed in 2020. Accordingly, 2019 can be viewed as a transition year in which Trianel further consolidated its operative performance. The successes of the extensive restructuring show their effect in the income expectations for 2020, too, with an earnings before tax on income target of € 3.1 million, which does not include any one-off or special effects. Further increases in earnings are expected in the following years. All divisions are developing positively in planning. Trianel's activities continue to be organised into three business fields: Midstream (Energy Industry Services and Trading), Project Development and Digital Energy Solutions.

The development of these business fields is primarily dominated by the following aspects:

Midstream (Energy Industry Services and Trading):

Once again in 2020, our midstream business was marked by ongoing losses from marketing our assets (Trianel Kohlekraftwerk Lünen GmbH & Co. KG – TKL, Trianel Gasspeicher Epe GmbH & Co. KG – TGE) and income from commercial management contracts, which are characterised by expansions of variable remuneration components subject to risk. Increases in net income are expected for the core services of trading and supply/portfolio management. In the midstream service sector, we aim to lay the foundation stone for new growth areas with our activities in sales portfolio management, process and IT consulting and generation of additional revenues with Trianel

DESK as a software-as-a-service solution. After positive experiences and reference projects in 2019, the focus in the following years will increasingly be on scaling and further commercialisation of our solutions.

Project Development:

In the 'Project Development' profit centre, the foundations were laid for strategic acquisitions of PV and onshore wind projects by developing the strategy in 2018 and founding Trianel Energieprojekte (TEP). After the first successful projects in the photovoltaic business field, further successes from early development of project rights both in the PV and the wind sector are expected for 2020 and the following years. On the offshore side, the delayed commissioning of TWB II meant that the company was at almost full project capacity until the second quarter of 2020. In the following years, fundamental capacity utilisation is ensured with operational management services. As a result of declining activities for TWB II, new areas must be found to stabilise the net income. A foundation stone for this is to be laid in 2020 with the start of the 'Flex-Store' project.

Digital Energy Solutions (DES):

After shuttering the smart metering activities in 2019, this profit centre needs further restructuring efforts to achieve satisfactory results. To this end, initial considerations were developed in the consulting and IT services sector for the Internet of Things (IoT, networking of physical 'smart' objects with virtual structures), which will be implemented successfully in the medium term consideration for Trianel. The assumptions in the business case will be elaborated and reviewed in 2020.

Investments of around € 6.7 million are planned for 2020. The investments mainly concern the activities in the onshore wind and photovoltaics sectors that are grouped together via TEP, and deferred payments of interest on loans (financial assets). A smaller portion is earmarked for intangible fixed assets as well as furniture and fixtures.

Opportunities and risks for all business fields result primarily from the speed of reduction of existing excess capacities in the

conventional power station mix and from the development of renewable generation capacities. In the years to come, as currently, Trianel will not be able to extricate itself from the general industry development, in particular in the power station market. By nature, trading activities and the development of early project rights are also associated with more volatile result development than service activities. In addition, risks can also result from further changes and developments in the IT environment (especially the trading systems) and the loss of expertise and/or high achieving employees.

The key performance figures which guide Trianel's business indicate a gross margin (revenues less cost of materials) for the 2020 budget year of roughly € 50 million, earnings before tax of € 3.1 million, and investments of around € 7 million (including capitalisation of project rights as inventories). The budgeted staff level was around 322 employees: converted to full time equivalents (FTE) and taking dates of joining into account, the FTE value is around 297.

The extent to which the global spread of the SARS-CoV-2 virus impacts the net income expectations of Trianel GmbH cannot currently be estimated reliably. Section C. III. discusses the risks and the measures taken by Trianel GmbH.

3. Anticipated financial situation

The current funding requirements will be financed as previously via own cash flow. Sufficient bank credit lines will be used to supplement it. If necessary, additional loans will be taken out while ensuring a balance structure with matching maturities. Overall, Trianel expects an unchanged sufficient liquidity situation.

II. Opportunity Report

The energy transition requires municipal utilities to expand and adapt existing procurement strategies. They have to work on areas such as direct marketing, generation from renewable energy sources, digitalisation of internal and external processes, decentralised generation and flexibility marketing. Trianel believes there are strong opportunities to support municipal utilities in these challenges over the coming years with attractive services and products. Trianel is planning new products in the field of storage and sector coupling. Initial analyses were conducted and projects implemented (ZO.RRO, on the future of a CO₂-free energy supply with Thuringia as an example) in the reporting year and are to be expanded in the years to come. The Trianel FlexStore network, which is to consider potential business models to increase flexibility in the energy system at all levels and in all sectors, was launched in early 2020.

The arrival of digitisation in the energy business and thus also into the operative business of municipal utilities offers Trianel GmbH opportunities to support municipal utilities in realigning internal processes, the interface to end customers and perform advanced data analyses in the IoT environment as close to real time as possible. To this end, Trianel has created a consistent innovation process from idea generation to evaluation, piloting and training right up to implementation consultation in the Digital Energy Solutions business unit, so that municipal utilities can harness the potentials of digitalisation rapidly and comprehensively for themselves.

Trianel plays a pioneering role in digitisation and aims to remain the market leader in automation of energy business processes and customer interfaces. The Trianel DESK platform takes energy business services to a new dimension that offers customers new application areas and efficiency potential. As a result, Trianel expects to expand its market share in the saturated market of energy services with continued high margin pressure, and increase its profitability. Trianel will also expand the IT consulting for municipal utilities business field.

In 2020, Trianel's goal is to develop processes in rapidly growing intraday trading so consistently that additional growth in short-term trading can be achieved and additional optimisation potential can be achieved in the company's own positions and those of its customers.

For 2020, we see opportunities to confirm the good business development from 2019 in the project development business for PV and onshore wind. We can win additional contracts from the existing PV project pipeline and potential revenue can be earned from further sales. Additional approvals can also be generated from the existing onshore wind pipeline. The construction of projects can add more value. A new sales channel is to be created via the planned establishment of TWS. We also see opportunities in the expansion of our strategic partnerships and enhanced white space development.

III. Risk report

The business activity of Trianel GmbH demands that risks are consciously entered into in order to achieve the company's financial goals. For this risk report, risks are considered to be negative unexpected deviations from the projected result.

1. Risk management system

Trianel GmbH's risk-bearing capacity forms the framework for the risk management system. This is aligned with the equity capital and liquid funds available, and derived from the company's risk and business strategy.

Risk management organisation

In order to enable effective risk management, there is an organisational separation between those areas, posts and functions that enter into risks in the course of their activities and those that monitor the risks entered into and limit and report them where necessary.

Risk management is responsible for the creation, development and implementation of guidelines, methods and processes for assessing, managing and monitoring the main risk classes, and for reporting on the risk situation. Central risk management also monitors compliance with risk guidelines and defined risk limits. In order to support the central unit, the management board appoints risk officers for every organisational unit. They are responsible for implementing the risk guidelines in their sectors. With the risk inventory tools, Trianel pursues the goal of attaining a comprehensive overview of all significant risks to the company at all times.

Central risk management at Trianel GmbH is supplemented with the compliance function. The compliance management system (CMS) implemented at Trianel pursues the goal of identifying compliance risks in good time and ensuring that employees are aware of these risks. In addition, it aims to prevent violations of rules. Should violations of rules nevertheless occur, the incident will be handled by the compliance department. Regular exchanges by all compliance officers and monitoring of the effectiveness and systematic development of the compliance management system are guaranteed by the compliance committee. To limit tax risks, the existing CMS was supplemented with a tax-specific internal control system ('Tax ICS').

The Trianel GmbH Risk Committee regularly meets to discuss the implementation of and need for changes to the risk management system. The suitability and functionality of the risk management system are monitored by internal audit, currently performed by two audit service providers, as well as by the external auditors commissioned by the shareholders.

A project was started in 2019 to expand the (market price, credit and operative risk-focused) risk management system to an enterprise risk management. For this purpose, the existing risk capital requirement calculation method is being replaced by a company-wide risk aggregation model and supplemented with a consistent, comprehensible incorporation of risks in decision-making processes. The project is to be completed by 2020.

Risk management process

The risk management process at Trianel GmbH comprises the systematic identification, evaluation, aggregation, control and monitoring of risks and internal and external reporting.

Risk control comprises all measures and tools used for avoiding, reducing or shifting detected risks, as well as consciously entering into certain (residual) risks. In order to evaluate the effectiveness of the risk control measures which have been put in place, the target and actual risk situations are regularly compared as part of risk monitoring.

Internal and external addressees are informed on a regular basis of the current results, liquidity and risk situation as

well as concerning the accounting precautions taken. The frequency, type and scope of the reporting vary according to the type and the significance of the risk. During the corona crisis, the monitoring of market and liquidity risks as well as additional operative risks was intensified.

2. Risk areas and individual risks

Risks are managed at Trianel via Trianel GmbH's risk-bearing capacity and the provision of risk capital derived from this. The risk capital approved by the Shareholders' Meeting represents the upper limit of the overall risk accepted. Following the proposal by the management board, the shareholders' meeting also approves the risk capital allocation to the main risk classes of market risks, credit risks, risks from participating interests, operational risks and other risks.

Market risks

Market risks can significantly influence the results situation at Trianel GmbH in the form of market price fluctuations, market liquidity changes and quantity deviations.

The trading activities of Trianel GmbH are monitored each working day for compliance with the value-at-risk limit and supplementary limits. In addition, the risk resulting from the entire portfolio of Trianel GmbH is regularly determined and compared with the approved market risk capital.

Market price changes lead to fluctuations in the company's short-term cashflow in the exchange business and via margining agreements. At Trianel GmbH, the associated liquidity risk is monitored each working day and taken into account as part of liquidity control.

Credit risks

Unlike exchange transactions, with non-exchange energy trading transactions (OTC), Trianel GmbH is exposed to the risk that trading partners do not fulfil their contractual duties to deliver or pay for a commodity, or do so late.

In order to limit these credit risks, every potential trading partner of Trianel GmbH is subjected to a multi-stage credit standing evaluation process. The credit standing evaluation of the

trading partners is reviewed once a year. The individual credit limit assigned is assigned based on this credit standing evaluation and the total risk capital reserved for the credit risk.

Compliance with the credit limits granted is monitored and reported on every working day by calculating the credit risks and the remaining flexibility for each business partner. In addition, the risk resulting from the overall loan portfolio is regularly simulated and compared with the approved market risk capital.

Participation risks

Participation risks arise in particular as a result of possible deviations from the budget for affiliated companies and/or the development of asset projects. Trianel holds minority participating interests in the key operating project companies and is informed about the developments and the risk situation of the companies via the project company boards.

A simulation-based participation risk model is used to evaluate the participation risks and calculate the associated risk capital requirements.

Operational and other risks

Risks arising from the legal, personnel, process and systems areas are generally referred to as operational and other risks. Legal risks are defined as the risk that contracts entered into do not include the legal items that Trianel GmbH requires. Trianel GmbH counteracts these risks for example by early involvement of its own legal department and the commercial department in all relevant procedures, through a mandatory market and product clearance process, and by the use of standardised contracts wherever possible. Regulatory risks in energy trading are monitored and controlled by the Compliance department. The electronic monitoring of trading activities, required under the European Market Abuse Regulation, and related guidelines play a key role in this.

Risks of damage due to changes in legal or regulatory general conditions are also attributed to operative risks.

Communication and information systems are of key importance for the business processes at Trianel GmbH. In particular

the IT security, data security and data protection aspects have to be taken into account in this respect. An IT security and data privacy officer has been appointed. Employees are regularly made aware of IT security issues on training courses and via the Intranet. Regulations on this issue are also an integral part of the corporate guidelines.

Since 1 January 2020, the spread of SARS-CoV-2 must be considered a global danger. Trianel took all possible precautions to protect its employees in good time. The staff working in-house was reduced to a skeleton crew to ensure that operation could continue even in the event of potential illnesses. IT provided most employees with equipment to work from home, so that all activities and trade processes could be continued without significant restrictions. Meetings are held via video conferences. All business travel was cancelled.

The economic effects as a result of the global spread of SARS-CoV-2 cannot be specified further at the time of reporting. To date, the company has not suffered any economic disadvantages due to the packages of measures introduced by the German Federal Government.

The use of financial instruments

The financial instruments include original and derivative financial instruments. The original financial instruments on the assets side fundamentally include accounts receivable, liquid funds and financial assets. On the liabilities side, the original financial instruments fundamentally include the accounts payable valued at the amount repayable. The level of the financial assets in the balance sheet indicates the maximum default risk for the items mentioned. When default risks exist, they are taken into account by value adjustments. Trianel GmbH uses derivative financial instruments to hedge against market risks, for optimisation and proprietary trading. These include financial swaps, options, futures on energy or emission certificates. In addition, financial instruments in the form of interest swap agreements are used to secure bank loans.

To analyse the overall risk situation, for Trianel GmbH a possible interaction of risk classes with a confidence level of 99 percent is calculated and compared with the approved risk capital. Based on this analysis, it is assessed that the company's overall risk situation does not represent a going concern

risk. Precautions were taken in the balance sheet for risks that are likely to take place.

In light of the financial goals for the 2020 financial year, the overall risk position is considered to be appropriate for this year also.

D. Reporting pursuant to Section 108 para. 3 no. 2 of the North Rhine-Westphalian Local Government Ordinance (GO NRW)

The purpose of the company is national and international energy trading, with the objective of improving local energy supply. The company may undertake the following tasks to implement this objective:

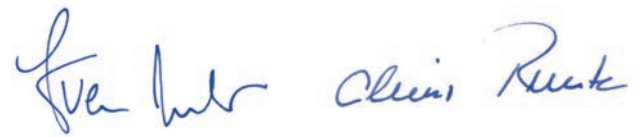
1. Trading in
 - a) Energy (electricity, gas, oil, coal)
 - b) Energy derivatives and energy-related financial derivatives (pursuant to the German Banking Act (KWG): proprietary trading)
 - c) Financial products relating to energy supply, such as weather derivatives and emission certificates (pursuant to the German Banking Act (KWG): proprietary transactions)
2. Energy sales
3. Provision of consulting and other fee-based services directly related to energy supply

The company is entitled to conduct all measures and business transactions through which the purpose of the company can directly or indirectly be promoted. It may, in order to fulfil its tasks, operate other companies, participate in them or establish, acquire and lease such companies as well as auxiliary and ancillary companies, furthermore it may enter into joint ventures and establish subsidiary branches.

The comments and data in the Notes and the Management Report illustrate that we have conformed fully with the public purpose based on our terms of reference as per the Articles of Association.

Aachen, Germany, 24 April 2020

Trianel GmbH



Sven Becker

Dr Oliver Runte

Management Board of Trianel GmbH

Annual financial statements for the Trianel GmbH for the 2019 financial year

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Balance Sheet of Trianel GmbH as of 31 December 2019

Assets Side	31/12/2019	31/12/2018
	€	€
A. Fixed assets		
I. Intangible assets		
1 Internally generated intangible assets	2,144,270.95	2,204,087.71
2 Purchased rights of use and similar rights	587,266.50	1,168,742.50
3 Down payments made	102,052.43	0.00
	<u>2,833,589.88</u>	<u>3,372,830.21</u>
II. Tangible assets		
1 Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	16,474,891.00	17,092,021.00
2 Technical plant and machinery	49,585.00	64,349.00
3 Furniture and fixtures	1,304,579.00	1,260,691.00
	<u>17,829,055.00</u>	<u>18,417,061.00</u>
III. Financial assets		
1 Shares in affiliated companies	8,395,174.00	836,424.00
2 Participating interests	27,013,017.65	30,700,013.54
3 Loans to companies in which a participating interest exists	51,061,887.85	46,995,982.74
4 Other loans	0.00	17,101.56
	<u>86,470,079.50</u>	<u>78,549,521.84</u>
	107,132,724.38	100,339,413.05
B. Current assets		
I. Inventories		
1 Raw materials, auxiliary materials and operating supplies	0.00	5,404.73
2 Work in progress	850,931.99	205,898.18
3 Merchandise	9,917,169.47	12,790,089.45
	<u>10,768,101.46</u>	<u>13,001,392.36</u>
II. Accounts receivable and other assets		
1 Trade receivables	134,331,413.10	146,854,215.05
2 Accounts receivable from affiliated companies	8,676,515.33	47,042.13
3 Accounts receivable from shareholders	27,693,304.89	23,241,964.47
4 Accounts receivable from companies in which a participating interest exists	35,741,190.92	40,983,303.56
5 Other assets	42,098,517.60	47,215,833.24
	<u>248,540,941.84</u>	<u>258,342,358.45</u>
III. Cash in hand, cash at bank	27,411,385.32	12,178,315.73
	<u>286,720,428.62</u>	<u>283,522,066.54</u>
C. Accruals and deferrals	1,708,168.20	1,709,979.07
	<u>395,561,321.20</u>	<u>385,571,458.66</u>

Liabilities Side

	31/12/2019	31/12/2018
	€	€
A. Equity		
I. Capital stock	20,152,575.00	20,152,575.00
Nominal value of own shares	<u>-237,400.00</u>	<u>0.00</u>
	19,915,175.00	20,152,575.00
II. Capital reserves	26,129,469.24	26,129,469.24
III. Earnings reserves		
1 Reserve for shares	237,399.00	0.00
2 Other earnings reserves	<u>41,795,066.46</u>	<u>41,795,066.46</u>
	42,032,465.46	41,795,066.46
IV. Loss carried forward	-497,683.64	-2,634,767.14
V. Annual net income	<u>5,912,992.56</u>	<u>2,137,083.50</u>
	93,492,418.62	87,579,427.06
B. Provisions		
1 Provisions for taxes	743,717.33	205,338.61
2 Other provisions	<u>51,772,445.86</u>	<u>52,716,286.51</u>
	52,516,163.19	52,921,625.12
C. Liabilities		
1 Accounts payable to banks	40,584,459.04	16,507,220.25
2 Trade accounts payable	139,416,124.15	160,452,144.64
3 Accounts payable to affiliated companies	44,591.33	130,435.17
4 Accounts payable to shareholders	10,382,662.01	12,005,482.99
5 Accounts payable to companies in which a participating interest exists	20,748,623.72	24,126,578.93
6 Other accounts payable	<u>38,307,276.89</u>	<u>31,771,685.48</u>
	249,483,737.14	244,993,547.46
D. Accruals and deferrals	<u>69,002.25</u>	<u>76,859.02</u>
	<u>395,561,321.20</u>	<u>385,571,458.66</u>

Profit and loss statement for the financial year from 1 Januar 2019 to 31 December 2019

	<u>2019</u>	<u>2018</u>
	€	€
1 Sales revenues	2,321,354,357.44	2,726,434,639.21
2 Increase/decrease in stocks of finished and semi-finished products	645,033.81	-219,103.82
3 Other internally produced and capitalised assets	36,427.46	77,358.16
4 Other operating income	2,748,643.95	7,636,139.70
<i>Of which from currency conversion</i>	125,286.73	162,591.09
5 Cost of materials		
Expenditure on goods purchased	2,275,808,253.36	2,679,948,843.08
6 Personnel expenditures		
a) Wages and salaries	27,796,536.43	25,758,140.76
b) Social contributions and expenditure on pension provision and support	<u>3,725,340.82</u>	<u>3,822,926.73</u>
	31,521,877.25	29,581,067.49
7 Depreciation		
On intangible assets and tangible fixed assets	2,257,185.23	2,250,726.45
8 Other operating expenditure	14,539,510.06	21,190,587.04
<i>Of which from currency conversion</i>	<u>76,059.36</u>	<u>98,843.43</u>
	657,636.76	957,809.19
9 Revenue from participating interests	8,016,900.03	501,684.07
10 Revenue from loans of financial assets	4,090,113.84	4,133,180.07
11 Other interest and similar income	577,660.81	340,696.40
<i>Of which from discounting</i>	313,780.39	313,780.39
12 Depreciation on financial assets	3,800,000.00	9,225.70
13 Interest and similar expenditure	2,819,027.09	3,553,746.12
<i>Of which from compounding</i>	<u>1,208,285.87</u>	<u>1,208,285.87</u>
	6,065,647.59	1,412,588.72
14 Tax on income	<u>801,230.70</u>	<u>188,268.21</u>
15 Earnings after tax	5,922,053.65	2,182,129.70
16 Other taxes	<u>9,061.09</u>	<u>45,046.20</u>
17 Annual net income	<u>5,912,992.56</u>	<u>2,137,083.50</u>

Notes for the 2019 financial year

1 Form and presentation of the annual financial statements

Trianel GmbH is domiciled in Aachen and entered in Commercial Register B of Aachen District Court under number HRB 7729.

The annual financial statements have been prepared in accordance with the regulations of the German Commercial Code (HGB) for large incorporated companies in conjunction with the supplementary provisions of the German Limited Liability Companies Act (GmbH-Gesetz).

To improve the clarity of the presentation we have provided details on affiliations to other items in the balance sheet in the Notes.

The profit and loss statement is structured according to the expenditure format.

Separate explanatory notes have been provided in respect of the main items in the balance sheet and the profit and loss statement.

For better presentation of the earnings situation, the sales proceeds and costs of materials for proprietary business transactions are balanced against one another for reporting.

2 Accounting and valuation methods

The accounting and valuation were performed based on the assumption that company activities would be continued.

The intangible assets and tangible fixed assets were valued at acquisition cost less depreciation.

Depreciation was scheduled on a straight-line basis or using the declining balance method based on the normal useful life of the capital assets.

The financial assets are evaluated at acquisition cost, taking account of repayment, depreciation and write-ups. Interest receivables which have not been subjected to interest with a residual term of more than one year are discounted using a market interest rate adequate for the residual term. The evaluation of the value retention of the participation book value and the shareholder loans of Trianel Windkraftwerk Borkum GmbH & Co. KG was made in summarised form due to the close contractual link of the participating interests and loans.

Inventories are valued at acquisition cost using the lower of cost or market principle for depreciation.

Accounts receivable and other assets are shown in the balance sheet at their nominal value; necessary value adjustments were taken into account.

Accounts receivable and payable in foreign currencies are converted at the applicable exchange rate on the posting date unless a fixed exchange rate for the Euro exists. Profits and losses incurred due to exchange rate movements up to the balance sheet date are taken into account per Section 256a of the German Commercial Code (HGB).

Liquid funds are stated at nominal value in the balance sheet.

The option of capitalising deferred taxes was not exercised.

The subscribed capital is included at nominal value.

In the 2019 financial year, own shares to a nominal value of € 237 thousand were purchased. That reduced the earnings reserves by € 237 thousand.

In the net income use resolution of 11 July 2019, a decision was made to carry forward to new account the net income for the year 2018 of € 2,137,083.50 together with the loss carried forward of € 2,634,767.14.

The provisions are reported at the settlement value necessary according to prudent commercial assessment. Provisions took into account all identifiable risks and contingent liabilities. Provisions with a residual term of over one year were discounted at the average market interest rate of the last seven financial years in accordance with their residual term as per the German Bundesbank's provision discounting regulations.

Accounts payable are stated at the settlement value.

In order to evaluate the trade transactions, the posted and pending transactions and gas inventories are always combined in an annual consideration with the corresponding financial transactions to the seven portfolios Asset Electricity, Asset Gas, Trade and Market Access, Electricity Supply Management, Gas Supply Management, Origination, and Commission Business, i.e. in the event of the use of the option to form an accounting valuation unit. In addition, micro-hedges consisting of pairs of contracts are managed in the sleeves mandate.

Derivative financial instruments were used to secure bank loans and foreign currency transactions, which each form a valuation unit together with the debt items.

The freezing method was used to represent the effective parts of all formed valuation units in the accounts.

3 Notes to the balance sheet

3.1 Fixed assets

The development of fixed assets and depreciation during the financial year under review is shown in the fixed-asset movement schedule, which is enclosed as a separate document with the Notes.

In 2019, additional modules of the integrated Trianel DESK energy industry suite were developed and capitalised as internally generated intangible fixed assets. eLearning modules for the Trianel Academy were also capitalised as internally generated intangible fixed assets. There is a payout block per Section 268 (8) of the German Commercial Code (HGB) to a total of the current book value of € 2,144 thousand; however, there is sufficient freely available equity.

Shares to the amount of € 8,395,174.00 are held in the following affiliated companies:

Company	Registered office	Level of participation %	Participation book value €	Equity €	Annual result €
Trianel Gaskraftwerk Hamm Verwaltungs GmbH	Aachen	100	25,000	26,046*	1,046*
Trianel Gasspeicher Epe Verwaltungs GmbH	Aachen	100	25,000	48,560*	23,560*
Trianel Kohlekraftwerk Lünen Verwaltungs GmbH	Aachen	100	25,000	26,042*	1,042*
Trianel Windkraftwerk Borkum Verwaltungs GmbH	Aachen	100	25,000	37,615*	12,615*
Trianel Energieprojekte GmbH & Co. KG	Aachen	100	8,295,174	16,079,834*	7,865,250*

* The Shareholders' Meeting has not yet adopted the annual financial statements for the financial year ending 31/12/2019.

Shares to the amount of € 27,013,017.65 are held in the following participating interests:

Company	Registered office	Level of participation %	Participation book value €	Equity €	Annual net income/deficit €
Trianel Gaskraftwerk Hamm GmbH & Co. KG	Aachen	6.1	3,258,353	-1,424,797	3,407,861
Trianel Gasspeicher Epe GmbH & Co. KG	Aachen	7.6	788,186	25,025,169	2,809,983
Trianel Kohlekraftwerk Lünen GmbH & Co. KG	Lünen	6.3	9,373,445	-139,132,819	-36,439,698
Trianel Windkraftwerk Borkum GmbH & Co. KG	Aachen	2.7	4,970,000	299,019,135	9,861,812
Trianel Windkraftwerk Borkum II GmbH & Co. KG	Oldenburg	2	1,803,269	59,995,748	-14,301,027
Trianel Onshore Windkraftwerke GmbH & Co. KG	Aachen	5.4	2,587,316	51,612,904*	554,567*
Trianel Erneuerbare Energien GmbH & Co. KG	Aachen	5	4,232,447	80,841,856*	1,575,764*
Trianel Energie B.V.**	Maastricht, NL	100	1	—**	—**

* Status: 31/12/2018.

**Trianel Energie B.V. applied for insolvency on 27 December 2012 and therefore did not prepare annual financial statements for 31 December 2019. As such, the participation book value was written down to a reminder value of € 1.

Financial assets were capitalised at acquisition cost less unscheduled depreciation.

3.1.1 Current assets

The current assets largely comprise stored quantities of gas, CO₂ emission rights and work in progress as a result of performances for project developments and rights.

Trade receivables mainly consist of outstanding payments for electricity and gas supplies, which were offset against similar liabilities to the value of € 340,122 thousand (previous year: € 405,649 thousand).

Of the accounts receivable from affiliated companies, € 850 thousand (previous year: € 8 thousand) are trade receivables and a dividend from Trianel Energieprojekte GmbH & Co.KG in the amount of € 7,785 thousand.

Of the accounts receivable from shareholders, € 27,586 thousand (previous year: € 23,242 thousand) are trade accounts receivable. Similar accounts payable totalling € 4,697 thousand (previous year: € 8,797 thousand) were offset against the accounts receivable.

In addition to trade receivables from energy supplies and service provision, the accounts receivable from affiliated companies include receivables from the insolvent Trianel Energie B.V. (TEBV) totalling € 13,851 thousand, which have been adjusted individually at € 9,946 thousand.

The other assets mainly consist of initial margins provided totalling € 24.1 million, value-added tax receivables of € 10.1 million and option bonuses of € 6.8 million.

All receivables and other assets are due within one year. Due to time-consuming proceedings, the claims against TEBV and from EinsMan are outstanding indefinitely. The indefinite term was taken into account by means of value adjustments. In addition, the existing option rights for a power station project were value-adjusted as a precaution.

3.2 Provisions

The other provisions totalling € 51,772 thousand (previous year: € 52,716 thousand) include provisions for uncertain accounts payable totalling € 13,490 thousand (previous year: € 12,218). They primarily concern provisions for bonuses for personnel (€ 9,688 thousand). Provisions were also formed for open invoices, totalling € 963 thousand.

Otherwise, provisions are included for anticipated losses from pending transactions to the amount of € 38,283 thousand (previous year: € 40,498 thousand). As of the balance sheet date, provisions for anticipated losses totalling € 33,326 thousand (previous year: € 36,580 thousand) had been formed for the asset positions.

3.3 Accounts payable

The accounts payable to credit institutions include long-term bank loans and accrued interest as well as accounts payable from provision of initial margins by a credit institution.

Trade accounts payable predominantly result from energy procurement and consulting services.

Accounts payable to shareholders mainly relate to trade accounts payable resulting from energy supplies.

Accounts payable to companies with which a participating interest exists are primarily trade accounts payable.

Other accounts payable include accounts payable from wages and church tax totalling € 407 thousand (previous year: € 420 thousand) and from social security totalling € 156 thousand (previous year € 146 thousand). The other accounts payable also include accounts payable from variation margins totalling € 6,832 thousand and a bonded loan in the amount of € 10.1 million including accrued interest.

Liabilities schedule	31/12/2019				31/12/2018	
	Total	Residual terms			Residual term	
		Of which over				
		Up to 1 year	Over 1 year	5 years	Up to 1 year	Over 1 year
	€	€	€	€	€	€
Accounts payable to credit institutions	40,584,459.04	17,203,125.79	23,381,333.25	18,000,000.00	1,573,353.66	14,933,866.59
Trade payables	139,416,124.15	139,416,124.15	0	0	160,452,144.64	0
Accounts payable to affiliated companies	44,591.33	44,591.33	0	0	130,435.17	0
Accounts payable to shareholders	10,382,662.01	10,382,662.01	0	0	12,005,482.99	0
Accounts payable to companies in which a participating interest exists	20,748,623.72	20,748,623.72	0	0	24,126,578.93	0
Other accounts payable	38,307,276.89	28,296,733.95	10,010,542.94	0	21,636,449.19	10,135,236.29
Accounts payable total	249,483,737.14	216,091,860.95	33,391,876.19	18,000,000.00	219,924,444.58	25,069,102.88

Accounts payable to credit institutions of € 18 million are collateralised by a mortgage.

3.4 Deferred taxes

The trade and tax law value assessments of the internally generated intangible assets, the financial assets and other provisions result in differences, which are compensated in subsequent financial years. These differences led to latent tax accruals and deferrals. A tax rate of 32.45 percent is applied when determining the tax accrual.

The calculation results in a surplus of latent tax accruals. The option under Section 274 para. 1 no. 2 of the German Commercial Code (HGB) is not used, and thus no latent tax accrual is formed.

3.5 Valuation units/derivative financial instruments

The option of forming balance sheet valuation units per Section 254 of the German Commercial Code (HGB) was utilised to the extent stated below. The effectiveness is documented by measuring the physical delivery equivalents or compliance with specified rules, such as VaR limits as part of the existing risk management system.

Trianel GmbH's operative business is managed and controlled in mandates. Control via mandates does not exclude the possibility of individual contract groups being shown and valued separately in partial portfolios within the mandates, to enable more detailed mapping as well as the delegation of partial tasks if necessary. The items in the electricity asset mandate which cannot be grouped in a valuation unit must be evaluated according to classic rules under balance sheet aspects. Provisions for potential losses were formed for negative valuation balances for the year.

The figures specified on the risks secured via valuation units and losses reported limited via balancing are theoretical, as all individual transactions were evaluated here, while mandate-specific controlling means that open trade items are restricted appropriately at all times.

Individually, the following valuation units (VU) existed on the balance sheet date:

3.5.1 Valuation unit: Electricity asset mandate

This valuation unit (VU) combines the existing electricity procurement contracts (PPA) with power station companies with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions and assets are incorporated in the VUs, which are each considered on an annual basis.

The 2020 VU contains base transactions totalling € 1,539 thousand and hedge transactions totalling € 6,057 thousand and a balance sheet stock value of € 4,654 thousand. The VU hedges risks from an individual transaction perspective to a total of € 15,548 thousand for 2020. A provision was also formed for 2020 for valuation units totalling € 7,444 thousand. The 2021 VU contains base transactions totalling € 12,620 thousand and hedge transactions totalling € 1,681 thousand. The VU hedges risks from an individual transaction perspective to a total of € 9,586 thousand for 2021. A provision was also formed for 2021 for valuation units totalling € 7,269 thousand. A provision was formed for potential losses from pending transactions totalling € 13,649 thousand for purchase obligations after the managed periods.

Expected portfolio effects were incorporated in the evaluation for 2020 to 2022. This results in a nominal reduction of the provision of € 2,671 thousand in total. The opposing value changes compensate one another as a result of the existing spread hedging in the respective years in question.

3.5.2 Valuation unit: Gas asset mandate

This VU combines contractual obligations from storage facility use contracts including gas stocks with the corresponding hedge transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions and assets are incorporated in the VUs, which are each considered on an annual basis.

The 2020 VU contains base transactions totalling € 2,444 thousand and hedge transactions totalling € 626 thousand and a balance sheet stock value of € 4,118 thousand. The VU hedges risks from an individual transaction perspective to a total of € 703 thousand for 2020.

A provision was also formed for 2020 for valuation units totalling € 1,169 thousand. The 2021 VU contains base transactions totalling € 2,141 thousand and hedge transactions totalling € 792 thousand. The VU hedges risks from an individual transaction perspective to a total of € 835 thousand for 2021. A provision was also formed for 2021 for valuation units totalling € 908 thousand. The 2022 VU contains base transactions totalling € 2,169 thousand and hedge transactions totalling € 336 thousand. The VU hedges risks from an individual transaction perspective to a total of € 379 thousand for 2022. A provision was also formed for 2022 for valuation units totalling € 1,374 thousand. A provision was formed for potential losses from pending transactions totalling € 1,513 thousand for storage facility use obligations after the managed periods.

The inclusion of expected portfolio effects results in a nominal reduction of provisions for the years 2020-2022 of € 1,159 thousand in total. The opposing value changes compensate one another as a result of the existing spread hedging in the respective years in question.

3.5.3 Valuation unit: Trade and market access mandate

This VU combines the existing wholesale energy transactions with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions, assets and liabilities are incorporated in the VUs, which are each generally considered on an annual basis.

The 2020 VU contains base transactions totalling € 5,948,617 thousand and hedge transactions totalling € 5,876,854 thousand and a balance sheet stock value of € 1,129 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,150,487 thousand for 2020. The 2021 VU contains base transactions totalling € 1,880,674 thousand and hedge transactions totalling € 1,854,932 thousand. The VU hedges risks from an individual transaction perspective to a total of € 139,483 thousand for 2021. The 2022 VU contains base transactions totalling € 389,771 thousand and hedge transactions totalling € 387,764 thousand. The VU hedges risks from an individual transaction perspective to a total of € 18,471 thousand for 2022. The 2023 VU contains base transactions totalling

€ 46,435 thousand and hedge transactions totalling € 46,494 thousand. The VU hedges risks from an individual transaction perspective to a total of € 2,921 thousand for 2023.

The opposing value changes compensate one another as a result of the existing hedging relationships in the respective years in question.

3.5.4 Valuation unit: Electricity supply management mandate

This VU combines the existing electricity contracts with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2020 VU contains base transactions totalling € 355 thousand and hedge transactions totalling € 10 thousand. The VU hedges risks from an individual transaction perspective to a total of € 713 thousand for 2020.

The opposing value changes largely offset one another as a result of the existing hedging relationships in the respective years in question.

3.5.5 Valuation unit: Gas supply management mandate

This VU combines the existing gas contracts with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2020 VU contains base transactions totalling € 508 thousand and hedge transactions totalling € 0 thousand. The VU hedges risks from an individual transaction perspective to a total of € 0 thousand for 2020.

The opposing value changes largely compensate one another as a result of the existing hedging relationships in the respective years in question.

3.5.6 Valuation unit: Origination mandate

This VU combines the existing contracts with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2020 VU contains base transactions totalling € 1,106 thousand and hedge transactions totalling € 554 thousand. The VU hedges risks from an individual transaction perspective to a total of € 8 thousand for 2020. The 2021 VU contains base transactions totalling € 1 thousand and hedge transactions totalling € 1 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1 thousand for 2021.

The opposing value changes largely compensate one another as a result of the existing hedging relationships in the respective years in question.

3.5.7 Valuation unit: Commission mandate

This VU combines the existing financial commission business with customers with the corresponding hedging transactions as a portfolio hedge. The risk of price changes from market price fluctuations is hedged. Pending transactions are incorporated in the VUs, which are each considered on an annual basis.

The 2020 VU contains base transactions totalling € 190,560 thousand and hedge transactions totalling € 191,700 thousand. The VU hedges risks from an individual transaction perspective to a total of € 41,821 thousand for 2020. The 2021 VU contains base transactions totalling € 48,964 thousand and hedge transactions totalling € 49,078 thousand. The VU hedges risks from an individual transaction perspective to a total of € 5,316 thousand for 2021. The 2022 VU contains base transactions totalling € 8,662 thousand and hedge transactions totalling € 8,702 thousand. The VU hedges risks from an individual transaction perspective to a total of € 1,030 thousand for 2022.

The opposing value changes largely offset one another as a result of the existing hedging relationships in the respective years in question.

3.5.8 Valuation unit: Sleeves mandate

For the sleeves, opposing purchase and sales transactions are presented in pairs. Some of the corresponding transactions are combined as micro-hedges to VUs. The base transactions and hedge transactions of the delivery contracts treated as VUs totalling € 430,454 thousand. The VU hedges risks from an individual transaction perspective to a total of € 66,376 thousand. Where the option of forming valuation units was not used, provisions for impending losses from pending transactions were formed in the amount of € 4,927 thousand.

3.5.9 Interest rate swaps

The option of forming valuation units was utilised in full. Individually, as of the balance sheet date, there are two micro-hedges, consisting of one base transaction and one hedge transaction each. The two base transactions are reported as accounts payable to credit institutions of € 1,400 thousand and € 534 thousand (previous year: € 2,486 thousand in total), while the two hedge transactions are not reported as derivative financial instruments (interest rate swaps) as they are pending transactions. The accounts payable for loans are subject to interest at the 6-month EURIBOR plus 75 base points. The interest rate swaps exchange an interest received at the 6-month EURIBOR for a fixed interest rate to be paid of 4.88 percent and 5.09 percent. The risk of interest rate changes from interest rate fluctuation is hedged.

Trianel GmbH has concluded the following unreported derivative financial instruments:

- Interest rate swap (€ 1,400 thousand)

In this transaction, starting from 27 May 2008, a variable interest rate account payable with an initial total of € 6,000 thousand is exchanged for a fixed interest rate account payable, thus hedging against market fluctuations. This agreement matures in June 2023. The fair value according to the lending bank's internal risk models is € –145 thousand as of 31 December 2019.

- Interest rate swap (€ 534 thousand)

In this transaction, starting from 17 July 2008, a variable interest rate account payable with an initial total of € 2,288 thousand is exchanged for a fixed interest rate account payable, thus hedging against market fluctuations. This agreement matures in June 2023. The fair value according to the lending credit institution's internal risk models is € –57 thousand as of 31 December 2019.

The market values were determined using the cash value method. According to this, all future payments, on both the fixed and variable side of the interest rate swap, are discounted on the valuation date. Payments on the variable side are determined on the basis of additional due dates which result from the current interest rate structure curve.

The market value changes of the derivatives are offset by opposing market value changes of the base transactions.

4 Notes on the profit and loss statement

4.1 Sales proceeds

The gross sales less electricity tax can be broken down into the following areas of activity:

Business field	31/12/2019		31/12/2018	
	Sales in € thousand	Sales in %	Sales in € thousand	Sales in %
Electricity (unbalanced)	3,822,967	60.0%	4,444,278	64.2%
Balancing	–2,053,747	50.6%	–2,313,430	55.1%
Electricity	1,769,220	76.2%	2,130,848	78.2%
Gas (unbalanced)	2,396,591	37.5%	2,325,719	33.6%
Balancing	–2,001,521	49.4%	–1,882,352	44.9%
Gas	395,070	17.0%	443,367	16.3%
Certificates trading (unbalanced)	82,986	1.3%	60,554	0.9%
Balancing	0	0.0%	0	0.0%
Emissions trading	82,986	3.6%	60,554	2.2%
Coal (unbalanced)	32,184	0.5%	47,962	0.7%
Balancing	0	0.0%	0	0.0%
Coal	32,184	1.4%	47,962	1.8%
Services (unbalanced)	41,946	0.7%	43,760	0.6%
Balancing	0	0.0%	0	0.0%
Services	41,946	1.8%	43,760	1.6%
Total (unbalanced)	6,376,674	100.0%	6,922,273	100.0%
Total (balancing)	–4,055,268	100.0%	–4,195.78	100.0%
Total (balanced)	2,321,406	100.0%	2,726,491	100.0%

In the financial year, customer discounts of € 53 thousand (previous year € 57 thousand) were granted. These have not been taken into account in the list.

Sales not relating to the period totalled € 5,167 thousand (previous year: € 2,979 thousand).

Like all energy trading companies, Trianel GmbH's sales depend on multiple factors that do not permit direct conclusions to be made on the economic situation of this kind of company. The sales proceeds decreased by a similar amount to the cost of materials.

4.2 Other operating revenue

The other operating revenue largely results from passing on the cost of materials to a total of € 721 thousand (previous year: € 4,731 thousand) and from the reversal of provisions to a total of € 912 thousand (previous year: € 1,110 thousand). They include earnings not relating to the period totalling € 1,011 thousand (previous year: € 1,645 thousand incl. reversal of provisions). The other operating revenue also includes revenue from currency conversion totalling € 125 thousand (previous year € 163 thousand).

4.3 Cost of materials

Cost of materials not relating to the period totalled € 5,176 thousand (previous year: € 1,138 thousand).

4.4 Personnel expenditures

Personnel expenditures were incurred in respect of an average of 300 (previous year 305) employees. Personnel expenses include costs for pension provision to the amount of € 296 thousand (previous year: € 354 thousand) and expenditures not relating to the period of € –19 thousand (previous year: € 26 thousand).

4.5 Other operating expenditure

Other operating expenditures include expenditure not relating to the period totalling € 151 thousand (previous year: € 245 thousand) and expenditures from currency conversion to a total of € 76 thousand (previous year € 99 thousand).

4.6 Revenue from loans of financial assets

The revenue from loans of financial assets includes interest from loans to associate companies.

4.7 Depreciation on financial assets

The shares in Trianel Windkraftwerk Borkum GmbH & Co. KG were depreciated by € 3.0 million and the shares in Trianel Gasspeicher Epe GmbH & Co. KG were depreciated by € 0.8 million in the reporting year.

4.8 Interest expenditures

The interest expenditures totalling € 2,819 thousand (previous year: € 3,554 thousand) include expenditures for compounding provisions or discounting of receivables totalling € 780 thousand (previous year: € 1,208 thousand).

4.9 Tax on income

Tax expenditure for the current financial year totals € 800 thousand. € 1 thousand (previous year: € 188 thousand) of the tax expenditures in the reporting year were incurred for corporation tax and the solidarity surcharge for previous years.

5 Supplementary report

The SARS-CoV-2 virus has been spreading since the start of 2020. The pandemic's economic impact on Trianel GmbH cannot be estimated accurately at this point in time. Both we and our service providers have taken measures to protect the personnel employed and maintain business operations.

6 Other information

6.1 Other financial obligations

	€ thousand	€ thousand
Obligations from power purchase agreements	5,410,126	(3,974,489)
Of which to shareholders	186,786	(139,905)
Obligations from gas supply agreements	1,685,174	(1,325,624)
Of which to shareholders	6,420	(6,420)
Obligations from emissions certificates	137,929	(121,862)
Of which to shareholders	1,137	(1,137)
Obligations from coal swaps	13,271	(11,682)
Of which to shareholders	109	(109)
Obligations from lease and rental contracts	1,659	(295)
Obligations from currency transactions	82	(82)

() = Of which due
in 2020

There are granted lines of credit totalling € 36,720 thousand. Of this total, € 33,559 thousand was drawn down by contract partners.

6.2 Contingencies

As collateral for bank loans to Trianel Kohlekraftwerk Lünen GmbH & Co. KG, Trianel Gasspeicher Epe GmbH & Co. KG, Trianel Windkraftwerk Borkum GmbH & Co. KG and Trianel Windkraftwerk Borkum II GmbH & Co. KG, Trianel GmbH has pledged its participating interests in these companies, and in Trianel Kohlekraftwerk Lünen Verwaltungs GmbH, including dividends, to the banks concerned.

As a result of the companies' financial situation, it is not expected that this loan will be drawn down.

6.3 Auditor's fees

In accordance with Section 285 no. 17 of the German Commercial Code (HGB), this information is provided in the consolidated financial statements of Trianel GmbH.

6.4 Supervisory Board

In the 2019 financial year, the Supervisory Board was composed of the following members:

Dietmar Spohn, Bochum,
Management Spokesman of Stadtwerke Bochum Holding GmbH (Chairman)

Michael Lucke, Kempten,
Managing Director of Allgäuer Überlandwerk GmbH (Deputy Chairman)

Dr Christian Becker, Aachen,
Member of the Management Board of Stadtwerke Aachen Aktiengesellschaft

Dr Achim Grunenberg, Lünen,
Managing Director of Stadtwerke Lünen GmbH

Martin Heun, Fulda,
Management Spokesman of RhönEnergie Fulda GmbH

Professor Dr Rudolf Irmscher, Heidelberg,
Managing Director of Stadtwerke Heidelberg GmbH

Ulrich Koch, Herne,
Member of the Management Board of Stadtwerke Herne AG

Christian Meyer-Hammerström, Lilienthal,
Managing Director of Osterholzer Stadtwerke GmbH & Co. KG

Dr Branka Rogulic, Tuttlingen,
Managing Director of Stadtwerke Tuttlingen GmbH, from 09/03/2019

Jürgen Schöffner, Lübeck,
Managing Director of Stadtwerke Lübeck Holding GmbH, until 09/03/2019

Dr Leonhard Schitter, Salzburg, Member of the Management Board of Salzburg AG für Energie, Verkehr und Telekommunikation

Marco Westphal, Bonn,
Managing Director of Stadtwerke Bonn GmbH.

Trianel GmbH reimbursed a total of € 1 thousand (previous year: € 29 thousand) as expenses in the 2019 financial year.

6.5 Management Board

As of the balance sheet date 31 December 2019, the Managing Directors of the company were Dipl.-Volkswirt Sven Becker, certified economist (Spokesman) and Dr Oliver Runte (Dipl.-Chemiker, certified chemist).

The total remuneration of the Managing Directors consists in each case of a fixed annual salary, a performance-based bonus as well as benefits in kind and other benefits. In the financial year, the Managing Directors received total remuneration of € 1,318 thousand, broken down as follows:

Name	Fixed salary ¹	Bonus ²	Remuneration in kind and miscellaneous services ¹	Total
	€ thousand	€ thousand	€ thousand	€ thousand
Sven Becker	330	230	98	658
Dr. Oliver Runte	300	294	66	660
Gesamt	630	524	164	1.318

¹ performance-independent remuneration

² success-related remuneration 2019

6.6 Annual financial statements

The annual financial statements are published in the Electronic Federal Bulletin under number HRB 7729.

7 Appropriation of earnings

The Management Board will recommend the following resolution to the Shareholder Meeting: distributing the annual net income for 2019 in totalling € 5,912,992.56, after offsetting it against the loss carried forward of € 497,683.64 as a dividend totalling € 3,600,000.00 to the participating interests entitled to dividends for the 2019 financial year proportionally based on the ratio of their nominal values on 03 July 2020.

The remaining annual net income for 2019 totalling € 1,815,308.92 is to be allocated to the earnings reserves.

Aachen, 24 April 2020

Trianel GmbH



Sven Becker

Dr Oliver Runte

Management Board of Trianel GmbH

Attachment

Development of fixed assets for the financial year from 1 January to 31 December 2019

		Acquisition and manufacturing costs			
	1/1/ 2019	Additions	Write-ups	Divestitures	31/12/ 2019
	€	€	€	€	€
Fixed assets					
I. Intangible assets					
1 Internally generated intangible assets	3,060,191.03	685,971.17	0.00	–122,790.05	3,623,372.15
2 Purchased rights of use and similar rights	11,931,395.67	45,419.88	0.00	–400,945.39	11,575,870.16
3 Down payments made	0.00	102,052.43	0.00	0.00	102,052.43
	<u>14,991,586.70</u>	<u>833,443.48</u>	<u>0.00</u>	<u>–523,735.44</u>	<u>15,301,294.74</u>
II. Tangible assets					
1 Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	19,991,369.41	5,463.01	0.00	0.00	19,996,832.42
2 Technical plant and machinery	117,926.24	0.00	0.00	0.00	117,926.24
3 Furniture and fixtures	3,703,368.95	536,780.76	0.00	–163,759.47	4,076,390.24
	<u>23,812,664.60</u>	<u>542,243.77</u>	<u>0.00</u>	<u>–163,759.47</u>	<u>24,191,148.90</u>
III. Financial assets					
1 Shares in affiliated companies	1,220,454.57	7,583,750.00	0.00	–25,000.00	8,779,204.57
2 Participating interests	30,793,141.44	1,125,000.00	0.00	–1,011,995.89	30,906,145.55
3 Loans to associate companies	46,995,982.74	4,936,838.74	324,198.89	–1,195,132.52	51,061,887.85
4 Other loans	17,101.56	0.00	0.00	–17,101.56	0.00
	<u>79,026,680.31</u>	<u>13,645,588.74</u>	<u>324,198.89</u>	<u>–2,249,229.97</u>	<u>90,747,237.97</u>
	<u>117,830,931.61</u>	<u>15,021,275.99</u>	<u>324,198.89</u>	<u>–2,936,724.88</u>	<u>130,239,681.61</u>

	Depreciation			Book values		
	1/1/ 2019	Additions	Divestitures	31/12/ 2019	31/12/ 2019	31/12/ 2018
	€	€	€	€	€	€
Fixed assets						
I. Intangible assets						
1 Internally generated intangible assets	-856,103.32	-623,922.84	924.96	-1,479,101.20	2,144,270.95	2,204,087.71
2 Purchased rights of use and similar rights	-10,762,653.17	-556,528.62	330,578.13	-10,988,603.66	587,266.50	1,168,742.50
3 Down payments made	0.00	0.00	0.00	0.00	102,052.43	0.00
	<u>-11,618,756.49</u>	<u>-1,180,451.46</u>	<u>331,503.09</u>	<u>-12,467,704.86</u>	<u>2,833,589.88</u>	<u>3,372,830.21</u>
II. Tangible assets						
1 Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	-2,899,348.41	-622,593.01	0.00	-3,521,941.42	16,474,891.00	17,092,021.00
2 Technical plant and machinery	-53,577.24	-14,764.00	0.00	-68,341.24	49,585.00	64,349.00
3 Furniture and fixtures	-2,442,677.95	-439,376.76	110,243.47	-2,771,811.24	1,304,579.00	1,260,691.00
	<u>-5,395,603.60</u>	<u>-1,076,733.77</u>	<u>110,243.47</u>	<u>-6,362,093.90</u>	<u>17,829,055.00</u>	<u>18,417,061.00</u>
III. Financial assets						
1 Shares in affiliated companies	-384,030.57	0.00	0.00	-384,030.57	8,395,174.00	836,424.00
2 Participating interests	-93,127.90	-3,800,000.00	0.00	-3,893,127.90	27,013,017.65	30,700,013.54
3 Loans to associate companies	0.00	0.00	0.00	0.00	51,061,887.85	46,995,982.74
4 Other loans	0.00	0.00	0.00	0.00	0.00	17,101.56
	<u>-477,158.47</u>	<u>-3,800,000.00</u>	<u>0.00</u>	<u>-4,277,158.47</u>	<u>86,470,079.50</u>	<u>78,549,521.84</u>
	<u>-17,491,518.56</u>	<u>-6,057,185.23</u>	<u>441,746.56</u>	<u>-23,106,957.23</u>	<u>107,132,724.38</u>	<u>100,339,413.05</u>

Independent Auditor's Certificate

To Trianel GmbH

Audit opinions

We have audited the annual financial statements of Trianel GmbH – consisting of the balance sheet as of 31 December 2019 and the profit and loss statement for the financial year from 01 January 2019 to 31 December 2019, as well as the notes, including the description of the accounting and valuation principles. In addition, we audited the management report of Trianel GmbH, for the financial year from 01 January 2019 to 31 December 2019.

In our opinion, based on the information gained in the audit,

- the enclosed financial statements are in conformity with the German Commercial Code as applicable for incorporated companies in all material respects and, in compliance with the generally accepted accounting principles, they give a true and fair view of the net assets and financial situation of the company as of 31 December 2019 and of its results of operations for the financial year from 01 January 2019 to 31 December 2019, and
- the enclosed Management Report conveys an accurate representation of the company situation overall. In all material respects, this Management Report tallies with the financial statements, complies with the German statutory requirements and conveys an accurate representation of the opportunities and risks of future developments.

In conformance with Section 322 para. 3 sentence 1 of the German Commercial Code (HGB) we declare that our audit did not lead to any objections regarding the regularity of the financial statements and the Management Report.

Basis for the audit opinions

We conducted our audit of the financial statements and Management Report in accordance with Section 317 of the German Commercial Code (HGB) and observing the auditing principles generally accepted in Germany as stipulated by the Institute of German Certified Public Accountants (IDW). Our responsibilities in accordance with these requirements and

principles are described further in the section "Auditor's responsibility for the audit of the financial statements and the Management Report" of our Auditor's Certificate. We are independent of the company in accordance with the German Commercial Code and professional law provisions, and have fulfilled our other professional duties under German law in accordance with these requirements. In our view, the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinions on the financial statements and Management Report.

Responsibility of the legal representatives and Supervisory Board for the financial statements and Management Report

The legal representatives are responsible for preparing the financial statements which in all material respects are in conformity with the German Commercial Code as applicable for incorporated companies, and for the Management Report in compliance with the generally accepted accounting principles giving a true and fair view of the net assets, financial situation and results of operations of the company. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German generally accepted accounting principles in order to enable the preparation of financial statements that are free from material misstatements, whether intentional or unintentional.

In the preparation of the financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing relevant facts relating to the ability to continue as a going concern. In addition, they are responsible for preparing accounts based on the going concern accounting principle, unless actual or legal circumstances dictate otherwise.

Moreover, the legal representatives are responsible for preparing the Management Report that conveys an accurate representation of the situation of the company overall and tallies with the financial statements in all material respects, conforms to the German statutory requirements and conveys an accurate representation of the opportunities and risks of future developments. Furthermore, the legal representatives are responsible for the precautions and measures (systems) which

they have considered necessary in order to enable the preparation of a Management Report in accordance with the applicable German statutory requirements and in order to be able to provide sufficient appropriate evidence for the statements in the Management Report.

The Supervisory Board is responsible for monitoring the company's accounting processes for preparing the financial statements and the Management Report.

Auditor's responsibility for auditing the financial statements and the Management Report

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether intentional or not, and whether the Management Report as a whole conveys an accurate representation of the situation of the company overall and in all material respects tallies with the financial statements as well as with the information gained in the audit, conforms to the German statutory requirements, and conveys an accurate representation of the opportunities and risks of future developments, and also to issue an Auditor's Certificate that contains our audit opinions on the financial statements and Management Report.

Reasonable assurance is a high degree of certainty but not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code and observing the auditing principles generally accepted in Germany as stipulated by the Institute of German Certified Public Accountants (IDW) will always discover a material misstatement. Misstatements may result from irregularities or errors and are regarded as material if it could reasonably be expected that individually or together they would influence business decisions taken on the basis of these financial statements and this Management Report.

During the audit, we exercise due discretion and maintain professional scepticism. In addition,

- we identify and evaluate the risks of material misstatements, whether intentional or not, in the financial statements and Management Report, plan and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for our audit opinions. The risk that material misstatements will not be detected is greater in the case of violations than in the case of inaccuracies, as violations may involve fraudulent interaction, falsification, intentional incompleteness, misrepresentation or the abrogation of internal controls.

- we gain an understanding of the internal control system relevant to the audit of the financial statements and the precautions and measures relevant to the audit of the Management Report to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems at the company.
- we evaluate the appropriateness of accounting methods used by the legal representatives and the reasonableness of the estimated values presented and related disclosures made by the legal representatives.
- we draw conclusions about the appropriateness of the going concern accounting principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is a material uncertainty in connection with events or circumstances that could cast significant doubt on the company's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in our Auditor's Certificate to the related disclosures in the financial statements and in the Management Report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Certificate. However, future events or circumstances may result in the company no longer being able to continue as a going concern.
- we assess the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in such a way that the financial statements in compliance with the generally accepted accounting principles give a true and fair view of the net assets, financial situation and results of operations of the company.

- we assess the consistency of the Management Report with the financial statements, its legal conformity and the representation conveyed by it of the situation of the company.
- we perform audit procedures on the forward-looking statements made by the legal representatives in the Management Report. On the basis of sufficient and appropriate audit evidence, we particularly verify the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the proper derivation of the forward-looking statements from these assumptions. We do not express an independent opinion on the forward-looking statements or the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those responsible for monitoring the audit regarding, among other matters, the planned scope and timing of the audit and significant findings of the audit, including any deficiencies in the internal control system that we identify during our audit.

Duisburg, 11 May 2020

PKF Fasselt Schlage
Partnerschaft mbB
Auditing
Tax Consulting
and Law Firm



Jahn
Certified Public
Accountant

Hesse
Certified Public
Accountant

(The above Auditor's Certificate refers to the annual financial statements as of 31 December 2019 (balance sheet total EUR 395,561,321.20; annual net income EUR 5,912,992.56) and the Management Report of Trianel GmbH, Aachen for the financial year.)

Consolidated financial statements of Trianel GmbH for the financial year 2019

64	Consolidated balance sheet
66	Consolidated profit and loss statement

Consolidated Balance sheet as of 31 December 2019

Assets Side	31/12/2019 €	31/12/2018 €
A. Fixed assets		
I. Intangible assets		
1 Internally generated industrial property rights and similar rights and values	2,144,270.95	2,204,087.71
2 Purchased licenses, industrial Property rights and similar rights and values as well as licences to such rights and values	587,266.50	1,168,742.50
3 Down payments made	102,052.43	0.00
	<u>2,833,589.88</u>	<u>3,372,830.21</u>
II. Tangible assets		
1 Real estate, rights equivalent to real estate and buildings including buildings on third-party real estate	16,474,891.00	17,092,021.00
2 Technical plant and machinery	49,585.00	64,349.00
3 Other assets, furniture and fixtures	1,304,579.00	1,260,691.00
4 Down payments made and assets under construction	0.00	0.00
	<u>17,829,055.00</u>	<u>18,417,061.00</u>
III. Financial assets		
1 Participating interests	27,014,017.65	30,700,013.54
2 Loans to companies in which a participating interest exists	52,992,917.30	47,002,982.74
3 Other loans	0.00	17,101.56
	<u>80,006,934.95</u>	<u>77,720,097.84</u>
	<u>100,669,579.83</u>	<u>99,509,989.05</u>
B. Current assets		
I. Inventories		
1 Raw materials, auxiliary materials and operating supplies	0.00	5,404.73
2 Work in progress	2,636,225.29	356,033.18
3 Merchandise	9,917,169.47	12,790,089.45
4 Down payments made	0.00	79,289.00
	<u>12,553,394.76</u>	<u>13,230,816.36</u>
II. Accounts receivable and other assets		
1 Trade receivables	143,275,853.26	146,854,215.05
2 Accounts receivable from shareholders	27,693,304.89	23,241,964.47
3 Accounts receivable from affiliated companies	817,583.80	20,263.60
4 Accounts receivable from companies in which a participating interest exists	35,807,224.57	41,042,791.68
5 Other assets	44,282,865.96	47,272,572.50
	<u>251,876,832.48</u>	<u>258,431,807.30</u>
III. Securities	20,000.00	17,500.00
IV. Cash in hand and cash at bank	<u>29,058,759.95</u>	<u>12,704,337.07</u>
C. Accruals and deferrals	<u>1,708,168.20</u>	<u>1,709,979.07</u>
	<u>395,886,735.22</u>	<u>385,604,428.85</u>

Liabilities Side

31/12/2019

31/12/2018

€

€

A. Equity

I. Capital stock	20,152,575.00	20,152,575.00
Nominal amount of own shares	<u>-237,400.00</u>	<u>0.00</u>
	19,915,175.00	20,152,575.00
II. Capital reserves	26,129,469.24	26,129,469.24
III. Earnings reserves		
1 Reserve for shares	237,399.00	0.00
2 Other earnings reserves	<u>41,975,861.95</u>	<u>41,930,284.97</u>
	42,213,260.95	41,930,284.97
IV. Loss carried forward	-741,606.14	-2,622,188.91
V. Group annual net income	<u>6,024,118.47</u>	<u>1,933,449.61</u>
	93,540,417.52	87,523,589.91

B. Difference from capital consolidation

3,099.29

27,401.71

C. Provisions

1 Provisions for taxes	745,232.03	207,020.11
2 Other provisions	<u>51,843,926.46</u>	<u>52,801,950.07</u>
	52,589,158.49	53,008,970.18

D. Liabilities

1 Amounts due to credit institutions	40,584,613.56	16,507,359.37
2 Trade accounts payable	139,639,587.78	160,479,308.41
3 Accounts payable to shareholders	10,382,662.01	12,005,482.99
4 Accounts payable to affiliated companies	11,876.69	15,854.23
5 Accounts payable to companies in which a participating interest exists	20,748,623.72	24,126,578.93
6 Other accounts payable	38,317,693.91	31,833,024.10
– of which from taxes € 493,263.72 (prev. year: € 497,090.84)		
– Of which for social security € 156,43.58 (prev. year: € 146,033.41)		
	<u>249,685,057.67</u>	<u>244,967,608.03</u>

E. Accruals and deferrals

69,002.25

76,859.02

395,886,735.22385,604,428.85

Consolidated profit and loss statement for the financial year from 1 January 2019 to 31 December 2019

	2019	2018
	€	€
1 Sales revenues	2,330,480,127.29	2,726,501,204.38
2 Increase/decrease in the stock of finished and semi-finished products	2,280,192.11	-68,968.82
3 Other internally produced and capitalised assets	36,427.46	77,358.16
4 Other operating revenue	2,764,979.38	7,630,347.81
– Of which from currency conversion: € 125,286.73 (prev. year € 62,591.09)		
5 Cost of materials		
Expenditure on purchased services	-2,278,322,984.34	-2,680,098,978.08
6 Personnel expenditures		
a) Wages and salaries	-27,796,536.43	-25,758,140.76
b) Social contributions and expenditure on pension provision and support		
– Of which from pension provision: € 295,907.35 (prev. year € 353,677.82)	-3,725,340.82	-3,822,926.73
	-31,521,877.25	-29,581,067.49
7 a) Depreciation		
on intangible assets and tangible assets	-2,257,185.23	-2,250,726.45
8 Other operating expenditure	-14,578,207.43	-21,282,296.07
– Of which from currency conversion: € 76,059.36 (prev. year € 98,843.43)		
9 Revenue from participating interests	193,921.82	328,439.52
10 Revenue from loans of financial assets	4,090,113.84	4,133,180.07
11 Other interest and similar revenues	617,797.90	340,769.32
– Of which from discounting: € 353,476.32 (prev. year € 313,780.39)		
12 Depreciation on financial assets	-4,145,762.81	0.00
13 Interest and similar expenditure	-2,819,533.19	-3,553,995.83
– Of which from compounding: € 782,240.84 (prev. year € 1,208,285.87)	-2,063,462.44	1,248,393.08
14 Profit from deconsolidation	24,302.42	0.00
15 Tax on income	-809,132.41	-196,770.71
16 Earnings after tax	6,033,179.56	1,978,495.81
17 Other taxes	-9,061.09	-45,046.20
18 Consolidated annual net income/loss for the year	6,024,118.47	1,933,449.61

Sustainability Report 2019



Sustainability Report of Trianel GmbH

for the financial year from 1 January 2019 to 31 December 2019

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 - 4.3.1 Creation of value added
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9 Report profile

1 We are taking responsibility for tomorrow today (102-14)

The first major cross-border demonstration by Fridays for Future brought Aachen to a standstill for a few hours on 21 June 2019. Right beside Trianel's administration building on Krefelder Str., over 60,000 put on an impressive display of commitment to better climate protection. Trianel was happy to support the organisers of Fridays for Future with premises and infrastructure, along with many other companies in Aachen. Again and again, children and young people have reminded us of our responsibility as the last generation that can still actively do something to prevent global warming exceeding the critical mark of two degrees.

The German Federal Government's introduction of the Climate Change Act on 18 December 2019 was another clear signal. Germany was the first government worldwide to set binding climate protection targets for 2030. The new Climate Change Act sets the target for 2030 of gradually reducing greenhouse gas emissions by 55 percent compared with 1990. The German Federal Government's long-term goal is to be greenhouse gas-neutral by 2050. The energy industry and in particular municipal utilities have a great responsibility in implementing these goals. They are the companies that have to implement the defined sector targets specifically in their supply areas.

Trianel was already a powerful partner for municipal utilities in reducing CO₂ emissions together by expanding renewable energy sources, building highly efficient power stations and optimising generation capacity. We also see digitalisation, forecasts and digital infrastructures as great opportunities to drive sector coupling. We believe we are responsible, not only to develop Trianel as a company towards climate protection and to reduce our own CO₂ footprint, but also to offer our shareholders and customers products that enable them to reduce their emissions.

We also support the recommendations of the Coal Commission to make a phase-out of power generation from coal by 2038 possible. However, the current draft Coal Phase-out Act does not implement these recommendations with regard to the impact on new hard coal-fired power stations. As we believe that sustainable climate protection must always also take

into consideration the interests of the employees and companies affected, and the economic development of the company, the Coal Phase-out Act must be honed in an equitable manner and such that it protects property rights, in particular with regard to the municipalities and employees affected. In particular as a municipal energy business, we need a harmonised climate and energy policy to make sector coupling a success and enable us to give our employees perspectives for the future as an employer. We firmly believe that climate protection and technological change can boost innovation. We want to influence it with our employees, shareholders and customers.

The decision to document and monitor our commitment and understanding of sustainability in a voluntary sustainability report from 2019 on was intended to honour the great commitment of our employees to climate protection, technological change and sustainable and social business. A company is always the sum of its employees, who develop and shape it. Their curiosity for new areas, their commitment to climate protection and social cohesion, and their responsibility for the company shape Trianel.

Trianel takes responsibility

- for protection of our climate and our environment
- for the supply security in an increasingly decarbonised energy world
- for the development and protection of our employees
- for credibility vis-à-vis our stakeholders
- and not least for the stabilisation of our business success as a basis for sustainable development.

Starting with our 2019 annual financial statements, we want to provide an annual voluntary report on our ecological and social footprint. We base our reporting on the GRI (Global Reporting Initiative) standard: Our first sustainability report is intended as an initial stock take, and to form the basis for the development of our sustainability strategy. You can read where we currently stand and what we have achieved in this report.

Sven Becker, Management Spokesman of Trianel GmbH
Dr Oliver Runte, Managing Director of Trianel GmbH
Dr Nadja Thomas, Sustainability Officer of Trianel GmbH

2 Municipal utilities cooperation Trianel

2.1 Company profile

(102-1 / 102-2 / 102-3 / 102-4 / 102-5 / 102-6 / 102-7 / 102-10)

2.1.1 Our guiding principle: Working towards our common vision

Municipal utilities cooperation Trianel considers itself a product of liberalisation of the energy market, and epitomises independence and new approaches. Trianel GmbH was established in 1999 with the aim of pooling the interests of municipal utilities and regional energy suppliers and boosting their independence and competitiveness on the energy market. The concept has found followers among over 100 shareholders and partners in the public utilities sector. Altogether, the Trianel shareholders supply energy to more than six million people in Germany, the Netherlands, Austria and Switzerland, making Trianel the leading municipal utilities cooperation both in Germany and in Europe.

Together with the municipal utilities, Trianel has systematically built new business fields with and for municipal utilities in the last 20 years: initially in electricity and gas trading and procurement, followed by joint project development of a gas storage facility and conventional and renewable energy generation plants. In addition to this, Trianel has always viewed itself as a think tank for municipal utilities and identified and analysed significant market trends for its shareholders in trend scouting. As joint efforts to build modern and efficient power plants and expand renewables were derived from the significance of the energy transition and climate protection, Trianel also sees significant synergies and economies of scale for municipal utilities in the digitalisation of energy industry processes. Trianel builds on them, relying on artificial intelligence and intelligent platform solutions.

In the Trianel Digital Lab, Trianel developed the first exclusively municipal think tank for municipal utilities to harness digital methods and applications for municipal utilities and assess them for their practicability in municipal utility companies.

Trianel and its roughly 300 employees see the challenges of an increasingly dynamic market as an opportunity. They see

themselves as designers of a new energy world to meet the requirements of the 21st century.

As a horizontal cooperation of municipal utilities, our 57 shareholders are more than just holders of stock, they are a tightly-knit community of municipal companies with the common goal of building a modern and independent energy industry as entrepreneurs. We support our shareholders and customers in their supply responsibility by procuring electricity and gas jointly, offering joint access to the electricity and gas markets and joint power generation, gas storage and planning of generation facilities. In addition to this, we create synergies via digital processes and joint development of business models.

Together with municipal utilities, we have invested over € 5 billion in municipal generation, over 50 percent of which in renewable energy sources. In 2019, the Trianel asset companies produced a total of 6,836,044 MWh of electricity. By further expanding renewable energy sources, we are continuing our path towards renewables in the years to come. In addition to this, we want to further reduce Trianel's CO₂ footprint with additional efficiency measures on the Trianel administration building and the small external sites. With our energy efficiency services for municipal utilities, we support our customers and shareholders, to help them continue to reduce their CO₂ footprint with their customers.

2.1.2 Our aims: Avoid and reduce

In order to achieve the goal of a climate-friendly energy supply, we are currently focusing on CO₂ avoidance and CO₂ reduction. Concepts for compensating CO₂ emissions that cannot be avoided in future will be developed next year.

CO₂ avoidance: Together with the municipal utility companies, we continue to invest in wind power and solar energy, constantly increasing the percentage of climate-friendly green electricity in the German energy mix.

CO₂ reduction: The most environmentally friendly electricity is electricity that is not consumed in the first place. That is why we focus on efficiency measures in our company buildings and assess our own travel habits. We also support our customers in tapping potential efficiencies and savings in their supply areas.

2.1.3 Participating interests

Trianel GmbH, domiciled in Aachen, is a cooperation of a total of 57 shareholders. Our municipal shareholders come from all over Germany, the Netherlands, Austria and Switzerland. See our annual report for a detailed overview of the allocation of shares.

On the reporting date of 31 December 2019, Trianel GmbH had direct shares in 13 subsidiaries and participating interests, as shown in the following overview.

Participating interests of Trianel

Trianel Gaskraftwerk Hamm GmbH & Co. KG	6.12%
Trianel Kohlekraftwerk Lünen GmbH & Co. KG	6.34%
Trianel Gasspeicher Epe GmbH & Co. KG	7.60%
Trianel Windkraftwerk Borkum GmbH & Co. KG	2.69%
Trianel Windkraftwerk Borkum II GmbH & Co. KG	2.00%
Trianel Onshore Windkraftwerke GmbH & Co. KG	5.35%
Trianel Erneuerbare Energien GmbH & Co. KG	5.00%
Trianel Gaskraftwerk Hamm Verwaltungs GmbH	100%
Trianel Kohlekraftwerk Lünen Verwaltungs GmbH	100%
Trianel Gasspeicher Epe Verwaltungs GmbH	100%
Trianel Windkraftwerk Borkum Verwaltungs GmbH	100%
Trianel Energieprojekte GmbH & Co. KG	100%
Trianel Energie B.V.	100%

Status: 31/12/2019

2.2 Business fields, products and services

Trianel GmbH operates in three business fields with its roughly 300 employees:

- Project development
- Trading and procurement
- Digital energy solutions

You can find further information on our business fields, products and services in sections A.1.2. and A.1.3. of our annual report.

2.3 Management

(102-18 / 102-19 / 102-20 / 102-21 / 102-22 /
102-23 / 102-24 / 102-25 / 102-26 / 102-27 /
102-28 / 102-29 / 102-30 / 102-31 / 102-32 /
102-33 / 102-34 / 102-35 / 102-36 / 102-37)

2.3.1 Management structure and superior controlling body

As the executive body, the Management Board oversees the operations of Trianel GmbH, develops the strategic orientation and implements it. The Management Board consists of two people: Sven Becker, Management Spokesman, and Dr Oliver Runte, Managing Director. The responsibilities of the two managing directors (distribution-of-business plan) are confirmed by the Shareholder Meeting. Both managing directors share responsibility for and oversee the sustainability portfolio. They are supported by the Sustainability Officer and sustainability ambassadors from all departments. The Sustainability Officer draws up the sustainability report and develops the sustainability strategy in cooperation with the divisions and sustainability ambassadors. The Management Board reviews and approves the sustainability report.



Sustainability management organisational chart of Trianel GmbH

The Trianel shareholders' meeting and the twelve-strong Supervisory Board are among the other corporate bodies of Trianel GmbH.

The Management Board reports regularly and comprehensively to the Supervisory Board in accordance with legal and internal requirements on the business policy, profitability, business development, relevant transactions and risks. The rules of procedure for the Management Board governs the modalities of the decision making and further aspects of the cooperation between the committees.

The Management Board stipulates the downstream management structures. The responsibilities and authorisations of the managers and the employees allocated to them can be seen in the organisational chart, the organisational manual and/or the respective job descriptions and division- or department-internal regulations. The signature rules, authorisations and value limits for authorised signatories are also defined in the company.

The Management Board decides on the company guidelines and reports to the committees.

The twelve members of the Supervisory Board reflect the diversity of the group of partners. Dietmar Spohn, Management Spokesman of Stadtwerke Bochum Holding GmbH is Chairman of the Supervisory Board. Michael Lucke, Managing Director of Allgäuer Überlandwerk GmbH, holds the office of Deputy Chairman. The other members of the Supervisory Board in the reporting year are Dr Christian Becker (Stadtwerke Aachen AG), Martin Heun (RhönEnergie Fulda GmbH), Ulrich Koch (Stadtwerke Herne AG), Jürgen Schöffner (Stadtwerke Lübeck Holding GmbH) and Marco Westphal (Stadtwerke Bonn GmbH) as Supervisory Board members delegated by the shareholders, and Dr Achim Grunenberg (Stadtwerke Lünen GmbH), Christian Meyer-Hammerström (Osterholzer Stadtwerke GmbH & Co. KG), Dr Leonhard Schitter (Salzburg AG für Energie, Verkehr und Telekommunikation), Prof. Dr Rudolf Irmscher (Stadtwerke Heidelberg GmbH) and Dr Branka Rogulic (Stadtwerke Tuttlingen GmbH) as elected members of the Supervisory Board. Mr Jürgen Schöffner left Stadtwerke Lübeck Holding GmbH as of 31 December 2019.

The Supervisory Board of Trianel GmbH is not subject to the Co-Determination Act, it is a voluntary controlling body for the company in order to root the company's cooperation concept in the decision-making structures. The diversity-related directives of the German Corporate Governance Codex (Deutscher Corporate Governance Kodex, DCGK) were taken into consideration when determining the composition. The term of the Supervisory Board is five years. Like the other current members of the Supervisory Board, the Chairperson of the Supervisory Board is a representative of the shareholders, but with the highest capital interest.

2.3.2 Consultation procedure

No formal consultation procedure is implemented between the stakeholders and Supervisory Board as the superior controlling body.

2.3.3 Conflicts of interests

German law, the German Corporate Governance Codex applied by Trianel and the rules of procedure for the Supervisory Board contain regulations designed to avoid conflicts of interests among members of the Supervisory Board. Moreover, point 5.5 of DCGK covers conflicts of interests among members of the Supervisory Board. Any deviations from the DCGK are disclosed in the annual compliance declaration, which is also passed by the Supervisory Board. In practice, this means that any conflicts of interests in the Supervisory Board are disclosed and resolved via a committee depending on the intensity. The Supervisory Board reports on conflicts of interest in its meetings.

The shareholder structure was presented in the preceding section, Participating interests. Relationships with associated companies are detailed in the Management Report. Relationships of the Members of the Supervisory Board with affiliated persons are queried as part of the audit and disclosed to the auditor.

2.3.4 Collective knowledge of the Supervisory Board

The Members of the Supervisory Board undertake the training and continuing professional development measures

required for their responsibilities under their own personal responsibility.

2.3.5 Role of the Supervisory Board in risk management

The management is responsible for putting in place a risk management system. As the superior controlling body, the Supervisory Board monitors the Management Board in this area, too. It is informed on this in quarterly risk reports.

2.3.6 Notification procedure for critical matters

The Management Board must inform the Chairperson of the Supervisory Board immediately outside the regular reporting on critical matters. The Chairperson of the Supervisory Board shall then inform the full board at the next meeting of the Supervisory Board. There were no critical matters in the reporting year.

2.3.7 Remuneration policy

The Members of the Supervisory Board of Trianel GmbH undertake this duty on a voluntary basis, and do not receive annual remuneration or attendance fees. Trianel reimburses appropriate expenses.

Trianel's employees are paid based on the job requirements and the capabilities of the holder of the position, and on the remuneration system developed by Trianel with the Works Council.

2.4 Ethics and integrity

(102-16 / 102-17 / 205-1 / 205-2 / 205-3 / 206-1 / 307-1 / 415-1 / 417-2 / 417-3 / 419-1)

2.4.1 Our own ambition

Compliance with laws and regulations as well as fundamental ethical principles is a matter of course for Trianel. However, we also see it as our obligation to continuously assess our actions in this regard. In order to comply with all rules in internal and external relationships, vis-à-vis employees, customers, business partners and other stakeholders, and to avoid violations of rules, Trianel has established a comprehensive compliance management system in recent years. To ensure compliance

with taxation obligations, an additional tax compliance management system (IKS Steuern) was implemented.

The ethical bases for the actions of all Trianel employees are the Code of Conduct that is publicly accessible on Trianel GmbH's homepage and available to employees on the Intranet. It is a key component of the Trianel compliance management system and defines the rules for conduct towards business partners and government bodies. Numerous internal guidelines provide detailed instructions on the topics specified there. For example, they govern how to respond to invitations and gifts, commissioning external companies, preventing money laundering or avoiding insider trading and market abuse.

We assume that all employees at Trianel strive to obey the rules. However, any one of us could end up in a situation where they infringe against the rules: either because they assess the situation incorrectly or because they lack the awareness of how to behave correctly in the specific context. The compliance management system serves to support and help employees in ethically complex situations. The Compliance team is constantly developing this system and regularly conducts training events for all employees.

All Trianel employees can consult the three-strong Compliance team at any time and on all matters of compliant behaviour. For example, this can include clearing business plans for compliance, or, when in doubt, having accepting or sending invitations and gifts approved. If necessary, the Compliance officer can also conduct internal investigations on potential infringements. The Compliance team regularly reports to the Management Board.

Besides the anti-corruption, money laundering prevention and avoidance of market abuse managed by the Compliance team, there are other compliance areas like data protection, IT security, HR compliance, energy law compliance and tax compliance, which have been transferred to Compliance delegates in the respective specialist departments. The Compliance delegates and the Compliance team come together twice a year for Compliance Committee meetings with the Management Board and guests from other areas. It is used to discuss current matters and incidents. Any steps necessary are taken. In the run-up to the Compliance

Committee, a risk assessment is conducted with all Compliance delegates to identify and evaluate compliance risks at Trianel.

This risk assessment forms the basis for all additional compliance measures at Trianel.

The Compliance officer reports annually to the Management Board on the full range of activities of the Compliance department, as well as on important developments, future projects and key incidents.

2.4.2 Training

All employees are obliged to take part in compliance training courses. In particular, these courses teach the contents of the Code of Conduct, dealing with gratuities, commissioning and preventing money laundering in theory and based on practical examples.

In the 2019 reporting period, all employees took part at least in an online training course on compliance and corruption risks. In addition to this, all new hires took part in a classroom training course on Trianel's compliance rules, which also gave them an opportunity to get to know the Compliance team personally. In addition to this, employees and business partners receive continuous information at specific times on compliance topics that are particularly relevant to their work.

Regular training courses are also held for all employees involved in energy trading. In special events, they learn about the regulatory general conditions to prevent market abuse and insider trading.

2.4.3 Compliance in dialogue

All employees must base their actions on the Code of Conduct and its annexes with numerous examples of compliant behaviour. In addition, the Compliance team provides regular updates on recurring examples from everyday business practice. The team is available to all employees personally, by telephone and by e-mail for questions and consultations. Consultation is offered during normal business hours.

2.4.4 Reporting concerns

Information on non-compliant conduct can be sent to the Compliance team and external ombudsman (Trianel's counsel of trust). The counsel of trust gives whistleblowers the opportunity to submit anonymous tips, and advises the person providing the information about their rights in conjunction with tips. Trianel provides information on this option on the Intranet, in the Code of Conduct and as part of compliance training courses. No tips were received during the reporting period.

2.4.5 Combating corruption

One focal point of the compliance work is preventing corruption. Trianel's prevention system distinguishes between guidelines that apply for internal employees, and protection against corruption from business relationships with third parties.

The Gratuities guideline defines for all employees the extent to which invitations and gifts may be accepted and given. Clear stipulations and an approval process for uncertain cases are designed to avoid even the appearance of dishonest conduct. In particular with regard to working with public officials, proper behaviour of all employees is of utmost importance.

The Commissioning guidelines are intended to help avoid corruption when employees commission third companies, by stipulating a clearly structured approval and documentation process, that also includes appraisal of the third company for indications of a lack of reliability and susceptibility to corruption.

Finally, Trianel has established a comprehensive Know-Your-Customer process („KYC“). All potential business partners have to pass it once, and existing business partners are subjected to it periodically. It entails collecting comprehensive information and evaluation via a scoring model. Only business partners whose integrity has been reviewed to the best of our knowledge and in good conscience are accepted for energy trading with Trianel.

There were no incidents of corruption in the company during the reporting year, nor was any legal action taken against Trianel or individual employees due to corruption.

2.4.6 Sponsorship

As a B2B company, Trianel's sponsorship strategy is low-key. Trianel's Christmas charity campaigns are subject to clear ethical standards and requirements. They apply from our self-image of being a sustainable company. In our campaigns, which receive great support from the employees, we focus on social activities and support for children from socially deprived backgrounds. In addition, Trianel launched the STADTWERKE AWARD in 2009, to recognise innovative and holistic concepts on the part of municipal utilities to influence the energy transition. Since 2015, Trianel has presented the STADTWERKE AWARD annually as part of the VKU Congress of Municipal Utilities (VKU Stadtwerkekongress), with VKU and the Municipal Management Journal (Zeitung für Kommunalwirtschaft, ZfK).



We promote neither political parties nor individuals, interest groups, religious movements or projects with elevated risks for humans and the environment. Every charitable campaign is subjected to an in-depth assessment as to whether the supported measure is compatible with our orientation as a sustainable company. The use of funds must be transparent. Our commitment does not necessarily have to be publicly visible. Trianel does not have sponsorship guidelines, as sponsorship is primarily left up to the local municipal utilities.

2.4.7 Political influence

In the reporting year, we did not make any donations to parties or politicians.

2.4.8 Failure to comply with laws and other regulations

In the reporting year, no fines or non-monetary penalties for non-compliance with laws (e.g. Environmental laws and regulations, legal provisions with regard to providing and using products and services), as well as labelling regulations and vo-

luntary rules of conduct with regard to advertising (including print ads, sales promotion and sponsorship) were imposed against Trianel.

2.5 External principles and committees (102-11 / 102-12 / 102-13)

Trianel is committed to transparency and bases its actions and reporting on generally acknowledged national and international directives and standards, above and beyond the regulatory requirements. The same is to apply for sustainability reporting. Under the leadership of the German Association for Local Public Utilities (Verband Kommunalen Unternehmen e. V., VKU e.V.), Trianel was involved in developing the industry guide to the German Sustainability Codes (Deutscher Nachhaltigkeitskodex, DNK) for the energy industry in 2019. This guide is based on the German Sustainability Codex and is compatible with recognised international standards, in particular the most important sustainability reporting standard worldwide, the Global Reporting Initiative (GRI). We feel committed to these standards even on a voluntary basis.

We want to practice sustainability actively in the company and help our customers and shareholders do business sustainably with our products and services and our commitment to expanding renewable energy sources. Besides expanding renewable energy sources, we also support our customers with services from the energy efficiency, power station optimisation, forecasting, direct marketing and digital transformation sectors. In addition to this, our core business of trading and procurement helps our customers and shareholders benefit from the advantages of structured procurement in an economically sustainable manner. In the years to come, we aim to be certified by the German Sustainability Council for our voluntary sustainability reporting.

Trianel is involved in multiple associations dedicated to climate protection and the energy transition. We are in close contact with scientific institutions like the Institute of Energy at the University of Cologne (EWI), and accompany and support the ZO.RRO – Zero Carbon Cross Energy System: Transformation of the energy system with Thuringia as an example research project (Thüringer Forschungsprojekt ZO.RRO), or the

Foundation 2° (Stiftung Zwei Grad). We are also closely affiliated with the Aachen Technical University (RWTH Aachen). Among other things, Management Spokesman Sven Becker, is a guest lecturer there.

Trianel is represented in the following associations and active in many committees:

- Network of Wind Energy Industries (WAB e.V.)
- Association of Energy Market Innovators (bne)
- German Association of Energy and Water Industries (BDEW e.V.)
- Association of German Offshore Wind Farm Operators (BWO e.V.)
- German Wind Energy Association (BWE e.V.)
- German Energy Agency (dena)
- European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP) / German Association of Public Services – German Section of CEEP e.V. (bvöd)
- European Federation of Energy Traders (EFET)
- NRW Energy Agency
- Natural Gas Campaign (Erdgaskampagne e. V.)
- Forum for Future Energies (Forum Zukunftsenergien e.V.)
- International Energy Credit Association (IECA)
- VGB PowerTech e.V.
- Association for Local Public Utilities (Verband kommunaler Unternehmen e. V., VKU)

Trianel is represented on the national board and state boards for North Rhine-Westphalia of BDEW and VKU. The Management Spokesman, Sven Becker, is currently also Chairman of the NRW State Board of BDEW and on the Board of Trustees of the Forum for Future Energies.

2.6 Involvement of stakeholders (102-40 / 102-42 / 102-43 / 102-44)

Entirely in line with its cooperative concept, Trianel stands for an open and transparent dialogue with all stakeholder groups. We always attempt to live up to the requirements and expectations of our stakeholders, and strive to involve them at an early stage. We rely on dialogue and communication, to achieve more together, fairly and openly.



Shareholders	<ul style="list-style-type: none"> • Annual conference and 3 shareholder meetings • Annual report • Regular communication • 4 Supervisory Board meetings • Shareholder Committee • Extranet 	Cooperation partners	<ul style="list-style-type: none"> • Individual meetings
Employees	<ul style="list-style-type: none"> • 4 Staff meetings 'TriTreff' • 6 Shareholder breakfasts • Intranet 	Customers	<ul style="list-style-type: none"> • Surveys • Visits • Newsletters • Attendance at trade fairs and events • Workshops • Internet
Works Council	<ul style="list-style-type: none"> • Regular meetings with the Management Board • Meetings with the Management Board for specific purposes • Office hours for employees • Intranet 	Public relations	<ul style="list-style-type: none"> • Local communication with scheduled visits • Communication for specific purposes
Educational and research institutions	<ul style="list-style-type: none"> • Strategic partnerships with tertiary institutions and research institutions 	Media	<ul style="list-style-type: none"> • Media relations • Annual press conference • Annual report • Trianel press officer meetings
Service providers and suppliers	<ul style="list-style-type: none"> • Communication for specific purposes 	Politicians and regulatory authorities	<ul style="list-style-type: none"> • Committee and association work • Regular communication with regulatory authorities
Financial market partners	<ul style="list-style-type: none"> • Regular communication with banks • Annual report 	Competitors	<ul style="list-style-type: none"> • Communication with various association committees • Communication at trade fairs and event

Identifying stakeholders is the responsibility of Corporate Communications, and is always assessed together with the Management Board. As Trianel does not operate in the B2C sector, Trianel's communication does not target the broader public or end customers. However, Corporate Communications in particular actively supports and promotes local communication at the power station sites, and also involves the public in Aachen for specific purposes.

2.7 Key aspects of sustainability reporting (102-45 / 102-46 / 102-47)

As part of the assessment of essential elements, we have identified and prioritised nine relevant aspects along our value chain. The essential aspects are the foundation for defining the limits and contents of our sustainability reporting. The essential aspects are as follows in alphabetical order:

- 1 Occupational health and safety
- 2 Further education
- 3 Employment
- 4 Digitalisation
- 5 Energy transition
- 6 Emissions
- 7 Health protection
- 8 Customers
- 9 Economic performance

3 Our base for the future (103-1 / 103-2 / 103-3)

3.1 Strategic preconditions

The energy industry, and in particular the municipal utilities, have a special responsibility for the necessary restructuring of the energy supply on the path to CO₂ neutrality. Trianel sees itself as an engine and stakeholder in a dynamic energy system. Besides expanding renewable energy sources, we rely on digitalisation to optimise our processes and the processes of our customers and shareholders. We view digitalisation as an instrument for more cost-effective business and implementation of the energy transition, the transition from a centralised energy system to a decentralised one with many small generators and controllable loads requires a high level of flexibility. We want to manage this flexibility intelligently with our customers, to identify and harness synergies in processes and workflows.

3.2 Successful completion of restructuring

In recent years, the 'Horizon 2018' restructuring programme paved the way for strategic development at Trianel. The organisation was restructured, processes optimised and automated, and the economic situation consolidated. The restructuring programme was completed successfully at the end of 2018; 2019 was the year of process transformation. Trianel succeeded in compensating for long-term negative effects from conventional participating interests and restructuring business fields. Trianel is building on this foundation to develop strategically in the trading and procurement, renewables project development and digitalisation, and thus continues to grow.

For further information on the company's strategic orientation, see section A.II.1 to 3 of the annual report.

4 Our cost-effective management (103-1 / 103-2 / 103-3)

4.1 Sustainable business

We view the energy transition and digitalisation as an opportunity. At the same time, decarbonisation of our energy system, new regulations and changing work processes, as well as the new needs of our customers and employees, present new challenges. Conventional electricity generation is becoming less important and generating less revenue. At the same time, the expansion, marketing and management of renewable energy sources, as well as flexibility options in trading and optimisation of generation systems result in new opportunities. Digitalisation by systematically tapping into synergies in trading, procurement and sales create new opportunities. Moreover, we see ways to actively support municipal utilities in providing public services digitally. We want to serve as pioneers for a future-proof energy supply for municipal utilities, and shape this change economically successfully and ecologically and socially responsibly.

What counts for Trianel are the commercial performance for the financial year and the long-term economic stability.

The company's commercial management is primarily based on two key figures:

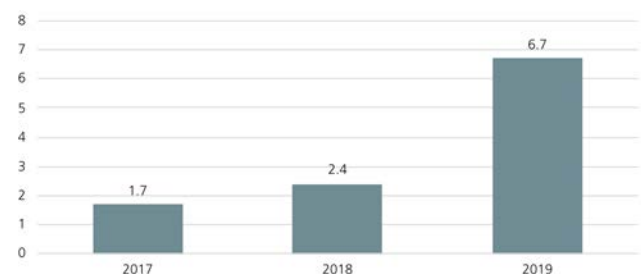
- Earnings before tax (EBT)
- Equity ratio

They are used for internal management and form the basis for evaluation of our economic stability by our shareholders, rating agencies and financial market partners. They also influence the satisfaction of our customers and shareholders, the employees and other stakeholders.

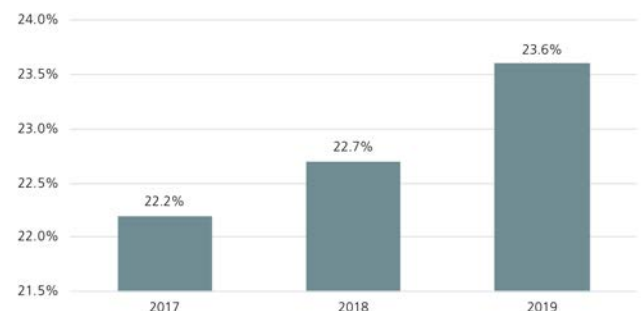
We base our strategic and operative planning, right up to internal reporting, on the above key figures. Any deviations are identified and analysed to introduce appropriate measures. This process is conducted in a regular exchange with corporate controlling the financial department, company development and the responsible persons in the respective departments and Management Board.

We focus on reliable planning in operative business combined with an early warning system for developments that do not appear in the balance sheet and P&L yet. This continuous comparison of our budget figures with the actual figures is our basis for forecasting the financial key figures for the future, and breaking them down into specific operative figures for the respective departments and business fields.

Development of EBT in € million over the past three years



Equity ratio development over the past three years



Considering the last three years, both key figures show a positive development in spite of a challenging market environment. The positive developments reflect the positive effects of the 'Horizon 2018' restructuring. The fact that we succeeded in generating a positive net income from operations and without one-off effects during the restructuring process in 2018 is due in particular to the commitment of our employees. We were able to continue this positive development in 2019. With earnings before tax of € 6,723 thousand, Trianel achieved a positive net income that significantly exceeds both the target and the previous year's value. At € 6.7 million, the EBT was significantly higher than the figure in the previous year, at 179.2 percent. This result was achieved exclusively from business operations without one-off effects, and shows the organisation's new-found strength.

Trianel is well prepared for the challenges of the years to come and continues to work on increasing its earning power, and in particular dealing with the continued risks of the developments in conventional energy sources.

4.2 Business development

For a detailed presentation on business developments in 2019, see section B.II of the annual report.

4.3 Creation and use of value added (200-1)

4.3.1 Creation of value added

In 2019, Trianel GmbH generated an overall income (sales proceeds, changes in inventories and other company-produced and capitalised activities) of € 2,322 million (previous year: € 2,726 million). The sales proceeds decreased by 15 percent compared with the previous year. In 2019, the cost of materials also decreased to € 2,275 million (previous year: € 2,679 million). Other operating income decreased by € 4,887 thousand to € 2,749 thousand (previous year: € 7,636 thousand). It primarily consists of revenue from passing on the cost of materials in the amount of € 721 thousand (previous year: € 4,731 thousand) and the reversal of provisions in the amount of € 912 thousand (previous year: € 1,110 thousand). At 98.0 percent, the cost of materials remained at the same level as the previous year.

Added value created in € thousand

	2017	2018	2019
Overall income	3,067,501	2,726,293	2,322,036
Other revenues	11,841	7,636	2,749
Cost of materials	3,026,373	2,679,949	2,275,808
Depreciation incl. depreciation on financial assets	2,667	2,260	6,057
Other expenditures	18,794	21,191	14,540

4.3.2 Use of value added

The personnel expenditures rose from € 29,581 thousand to € 31,522 thousand in particular due to the provisions for bonus payments due to the success in 2018 and 2019, and as a result of salary adjustments and market-rated salary payments.

At the same time, the number of employees decreased from 308 to 296 as of 31 December 2019 (– 3.9 percent). The reduction in staffing is due to closure of the Smart Metering business field and positions not refilled by the end of 2019. Other operating expenditures totalled € 14,539 thousand, down from € 21,191 thousand in the previous year.

Trianel GmbH's non-adjusted financial net income in the individual financial statements amounted to € 6,066 thousand (previous year: € 1,413 thousand). Adjusted for the neutral effects in particular from discounting accounts receivable and compounding provisions totalling € –595 thousand (previous year: € –1,904 thousand), the resulting adjusted financial result is € 6,661 thousand (previous year: € 3,317 thousand). The result from participating interests, at € 12,107 thousand (previous year: € 4,635 thousand), increased compared with the previous year owing to dividends paid by associated companies.

Trianel GmbH's recurring good results and the trend of the past three years underscores the sustainability of the economic positioning and is a result of the restructuring in recent years.

Use of value added in € thousand

	2017	2018	2019
To employees (wages, salaries, social security)*	32,816	29,581	31,522
To lenders (interest expenditure)*	2,407	2,345	2,039
To the government (taxes and charges)*	194	233	810
Consolidated net income	1,605	1,933	6,024

* for individual financial statements of Trianel GmbH

4.3.3 Public sector subsidies (201-4)

In 2019, Trianel did not receive any public sector subsidies.

4.4 Effects of climate change

We can all see the effects of climate change. In 2019, Germany experienced a summer drought and extreme storms for the second consecutive year. The influence of these weather phenomena was also apparent in the trading segment. In recent years, Trianel worked in particular on improving forecasting systems to be able to react to meteorological events at an early stage.

In developing the sustainability strategy, Trianel and the Sustainability Officers, with the expertise from the specialist departments, will identify criteria for a climate risk analysis for Trianel GmbH and analyse how these risks can be considered systematically.

4.5 Procurement (203-2 / 204-1)

We believe that sustainable action includes our procurement chains. As a service company, our procurement structure is primarily aimed at securing the infrastructure for our administration building. We also depend on service providers to provide our services. We procure electricity and gas for our customers and shareholders on the wholesale markets, and our procurement corresponds to the respective electricity or gas mix.

Trianel also takes responsibility within its supply chains. We already rely on local suppliers and service providers to operate the administration building where this is possible.

As a service company, raw materials and input products play a very minor role in our economic output. Our furnitures and fixtures are purchased centrally. Our Hamburg and Berlin subsidiaries are free to source the fixtures locally. Above prescribed volumes, some of which are legally mandated, orders are tendered throughout Europe. The Trianel commissioning guideline, which enters into force for order volumes of € 25,000 and higher, applies when commissioning service providers and consultants. The aim of the commissioning guidelines is to

avoid corruption in particular and ensure a high level of transparency when commissioning third parties. The Compliance team monitors compliance with the commissioning guidelines.

As an electricity and gas wholesaler and service provider for procurement and marketing of electricity and gas, we focus on the electricity and gas wholesale markets when procuring electricity and gas for our customers. Among other sources, we are active on the European energy exchanges for our customers.

4.6 Ensuring public service and the competitiveness of our customers (203-1 / 203-2 / 413-2)

4.6.1 Support for cost-effective provision of public service

Via our services for municipal utilities in purchasing and trading electricity and gas, we support municipal utilities in providing electricity and gas supply services locally and economically. Via our 57 shareholders, Trianel indirectly supplies roughly 6 million people with electricity and gas. Our service provision enables municipal utilities to use the advantages of joint procurement of electricity and gas via the exchanges, thus enabling them to offer competitive prices to customers. The electricity trading volume in 2019 totalled 240 TWh (previous year: 186 TWh), while the gas trading volume was 303 TWh (previous year: 254 TWh).

4.6.2 Trianel as a reliable municipal project developer

Our technical expertise in building and operating generation facilities are the basis for driving the expansion of renewable energy sources with the municipal utilities. We are driving expansion at sea and on land here.

To the best of our knowledge, no-one was relocated against their will due to our investments in renewable and conventional power stations made with municipal utilities, and operation of these facilities, nor did anyone have to move due to our investment measures. We also strive to protect biodiversity above and beyond the legal requirements.

5 Climate and environment

5.1 The energy transition as an opportunity

The energy industry bears a particular responsibility for the achievement of climate targets, as roughly 85 percent of German greenhouse gas emissions are energy-related emissions. The main cause, accounting for almost 40 percent of the energy-related greenhouse gas emissions is the energy industry, i.e. public electricity and heat generation, refineries and solid fuel generators. In the last 30 years, the energy industry has already taken many measures to reduce emissions. It is one of the few sectors that reaches its climate protection targets. This is primarily due to the decommissioning of emission-intensive lignite power stations in the 1990s and the gradual substitution with more efficient power stations. Another reason for the decline is the expansion of renewable energy sources and the change to lower emission fuels like natural gas.

Trianel invested in modernisation measures in the German power generation mix with the municipal utilities at an early stage, and operates Germany's most modern power stations in the Trianel gas and steam turbine power station in Hamm and the Trianel coal-fired power station in Lünen. The Trianel gas and steam turbine power station in Hamm has an output of approx. 800 MW and an efficiency of 57.5 percent. The Trianel coal-fired power station in Lünen has an efficiency of 45.95 percent at roughly 750 MW.

Since 2008, Trianel has focused on expanding renewables. In Trianel wind farm Borkum, Trianel and several municipal utilities built the first municipal offshore wind farm roughly 40 kilometres off the coast of the North Sea island of Borkum. 200 MW were installed in the first expansion phase, and another 200 MW are being implemented in the second expansion phase, which is to be fully commissioned in 2020. Trianel has also been driving expansion of renewable energy sources on land since 2013. Together with Trianel Onshore Windkraftwerke GmbH & Co. KG and Trianel Erneuerbare Energien GmbH & Co. KG, over 300 MW had been built by the end of 2019.

5.2 Joint municipal power generation for more climate protection

By building the first exclusively municipal gas-fired power station in Hamm, Trianel made an early commitment to modern, exclusively municipal electricity generation. This power station commissioned in 2007 was another signal of increased competition in the energy industry. Trianel has continued down this path with the municipal utilities and contributed to modernising the German power plant network with the Trianel coal-fired power station in Lünen. Together, 1,550 MW of highly flexible and efficient conventional power station capacity were built. Since 2012, Trianel has been concentrating on expanding renewables and built 600 MW of offshore and onshore capacity by 2019.

In 2019, these facilities produced a total of 6,836,044 MWh of electricity. The Hamm and Lünen conventional power stations avoided emissions of 416,930 tonnes of CO₂ compared with generation in an average German natural gas or hard coal-fired power station. Trianel's shares in the respective power station and renewables companies accounted for electricity generation of 393,350 MWh and CO₂ avoidance of 26,303 tonnes.

Energy volume generated in 2019 and overall avoided CO₂ emissions by Trianel assets

	Total energy volume produced in 2019 (MWh)	Total CO ₂ emissions (t)	Total avoided CO ₂ emissions (t)
Trianel wind farm Borkum	709,300	0	284,429
Trianel wind farm II	50,123	0	20,099
Trianel Onshore Wind Farms	253,000	0	101,453
Trianel Renewable Energy Sources	420,000	0	168,420
Total	1,432,423	0	574,402

	Total energy volume produced in 2019 (MWh)	Total CO ₂ emissions (t)	Total avoided CO ₂ emissions (t)
Trianel Gas-fired power station Hamm	1,753,621	640,465	59,230
Trianel Coal-fired Power Station Lünen	3,650,000	2,690,050	357,700
Total	5,403,621	3,330,515	416,930
Total	6,836,044	3,330,515	991,331

Energy volume generated in 2019 and avoided CO₂ emissions, Trianel share in generation facilities

	Trianel share	Volume (MWh)	CO ₂ emissions (t)	Total avoided CO ₂ emissions (t)
Trianel wind farm Borkum	2.69%	19,080	0	7,651
Trianel wind farm Borkum II	2.00%	1,002	0	402
Trianel Onshore Wind Farms	5.35%	13,536	0	5,428
Trianel Renewable Energy Sources	5.00%	21,000	0	8,421
Total*	0	54,618	0	21,902

	Trianel share	Volume (MWh)	CO ₂ emissions (t)	Total avoided CO ₂ emissions (t)
Trianel gas-fired power station Hamm	6.12%	107,322	39,196	3,625
Trianel Coal-fired Power Station Lünen	6.34%	231,410	170,549	22,678
Total**		338,732	209,746	26,303
Total		393,350	209,746	48,205

CO₂ factor

CO ₂ factor, TKL (g/kWh)	737
CO ₂ factor, electricity from hard coal (g/kWh)	835
CO ₂ factor, TGH (g/kWh)	365
CO ₂ factor, electricity from natural gas (g/kWh)	399
CO ₂ factor, TWB I, TWB II, TOW, TEE (g/kWh)	0
CO ₂ factor, German electricity mix (g/kWh)	401
CO ₂ factor, Trianel overall (g/kWh)	487
CO ₂ factor, Trianel share (g/kWh)	533

* The avoided CO₂ emissions result from the comparison with the CO₂ factor of the German electricity mix

** The avoided CO₂ emissions result from the comparison with the CO₂ factor of the respective power plant types

5.3 Responsible approach to energy

Energy is the basis for our business model and the focus of our business fields. We generate electricity from conventional and renewable energy, manage generation facilities, trade in electricity and gas, supplying municipal utilities and industrial customers with energy and energy efficiency services. We operate the energy efficiency services for municipal utilities business field for municipal utilities and support them in providing their energy efficiency services.

However, Trianel also consumes energy itself to offer its services. We strive to manage our own energy consumption actively, to reduce costs and our own CO₂ emissions.

5.3.1 Energy audits and energy management systems

Trianel conducts energy audits in accordance with DIN EN 16247 for itself and as a service for municipal utilities. The benefit of energy audits and energy management systems is the systematic improvement of the energy-related service, increasing energy efficiency and optimisation of internal energy use. Other advantages are the increased transparency of all energy flows and optimisation of processes. Fulfilment of the requirements of the Energy Services Act (EDL-G) is a matter of course for us.

5.3.2 Energy consumption and efficiency (302-1)

Trianel employs its own energy efficiency consultants approved by the German Federal Office of Economic Affairs and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle, BAFA) and other experts in energy efficiency. It is thanks to these employees' dedication that Trianel started to critically assess and document its own energy consumption at an early stage. Energy audits are conducted regularly for the Trianel administration building in Aachen, and the data is collected regularly for the overall energy consumption. The energy consumptions of independent companies Trianel Gaskraftwerk Hamm GmbH & Co. KG, Trianel Kohlekraftwerk Lünen GmbH & Co. KG, Trianel Gasspeicher Epe GmbH & Co. KG, Trianel Windkraftwerk Borkum GmbH & Co. KG, Trianel Windkraftwerk Borkum II GmbH & Co. KG, Trianel Onshore Windkraftwerke GmbH & Co. KG and Trianel Erneuerbare Energien

GmbH & Co. KG are monitored individually by the companies and do not form part of the assessments of Trianel GmbH. The energy consumptions of the wholly owned subsidiary Trianel Energieprojekte GmbH & Co. KG are included in the consumptions of Trianel GmbH.

The total energy consumption of Trianel GmbH excluding fuels in the reporting year was 1,842 MWh (previous year 1,802 MWh). Accordingly, the overall energy consumption of Trianel GmbH has stayed roughly constant.

Energy source	2018 (MWh)	2019 (MWh)
Electrical energy	1,098	1,066
District heating	704	776
Total	1,802	1,842

5.3.3 Initiatives to reduce the energy consumption and increase energy efficiency (302-4 / 302-5)

Since 2014, Trianel has merged its headquarters in one administration building in Aachen. The new building constructed for this purpose was also planned and implemented with resource and energy efficiency in mind. Heating for the roughly 300 employees is supplied via geothermal energy and district heating. A modern air circulation system was installed for cooling in summer. The architecturally sophisticated slatted exterior building envelope lets plenty of daylight into the interior, while also providing highly efficient and effective shading against solar irradiation. The intelligent lighting system based on motion sensors reacts to the respective lighting conditions in the rooms and whether employees are present. As the light sources are replaced due to wear, Trianel is gradually transitioning to LEDs. The lighting in the east and west stairwells is being retrofitted in 2020. This results in annual energy savings of 44,150 kWh. That is equivalent to annual cost savings of € 7,763 and a CO₂ reduction of 24 tonnes per annum.

In 2019, we started using our roof surface to build a PV system, to cover our own consumption from in-house generated electricity. Together with our shareholder STAWAG, we will build a PV system there in 2020. With a peak performance of roughly 100 kW, and the average 840 hours of sunshine

expected annually in Aachen, the solar roof will produce roughly 84,000 kWh of environmentally friendly electricity every year. 100 percent of this will be used for internal supply, covering roughly 7 percent of the building's total energy consumption. The solar modules will be built on the north and south sides of the roughly 1,800 m² roof surface of the office building, and aligned east-west with an incline of 15 degrees.

To reduce the water consumption, the building is equipped with a rainwater system used to flush the toilets. Central printers outside the offices replace individual workstation printers, also reducing exposure to harmful substances and noise emissions in the offices. When PCs and laptops are replaced, energy-efficient models are chosen. Employees are provided with drinking water and hot drinks free of charge. Trianel offers filtered tap water, to avoid transportation and packaging for drinks deliveries.

The transition of Trianel's processes to digital processes requires more and more software applications and virtual servers in computer centres. Calculating the corresponding consumption is one of the next efficiency goals.

5.3.4 Vehicle fleet

Trianel maintains only a small fleet of vehicles. Company cars are available to the management and field sales staff. The company car guidelines support acquisition of vehicles with hybrid and electric power trains. Stronger promotion is planned for the future. No limitations are placed on the CO₂ emissions. Depending on the distance, employees can travel for business in their own car, a rental car or local public transport. Where necessary, the company facilitates air travel.

5.4 Biodiversity and environmental protection (304-1 / 304-2 / 304-3)

Constructing and operating technical installations inevitably influence the quality of air, soil, water and biodiversity. Some of our activities in the context of the energy transition, in particular construction of facilities to generate renewable energy are viewed critically by some stakeholders. As a result, we strive to reduce negative consequences for humans and the environment and avoid them where possible. Corresponding measures are project-specific and diverse. Of course we

adhere to the fundamental laws and approval requirements when planning and implementing projects. However, the most important measure is early involvement of the citizens, municipalities, regional authorities and institutions to encourage an open and transparent dialogue from the outset.

We offer local municipalities various ways to participate in the planned business operations, for example income from land leases. Where possible, we also commission local companies to maximise value added locally.

The demand for land to build and operate plants and networks make it inevitable that some will be near or in areas important to the quality of the groundwater and preservation of biodiversity. Our project developers prioritise protection of these territories, and minimise the burden on the environment where it cannot be avoided.

In all of our construction work, we ensure that habitats are preserved for flora and fauna and reduce the impacts on biodiversity to the minimum.

5.5 Emissions (103-1 / 103-2 / 103-3)

Our goal is to continuously reduce and even avoid the negative effects of our business operations on the environment, like emissions of climate-damaging gases. We can only reduce our ecological footprint if we systematically document our environmental impact. We can achieve that in generation by operating our own and our customers' power station segments efficiently and continuing to invest in renewable energy sources and new business models for better climate protection in future.

To position ourselves better in future in this area, we are professionalising the tracking of our emissions from mobility and internal energy consumption, identifying potential energy efficiencies internally and for our customers, and will develop solutions to compensate inevitable emissions.

5.5.1 Greenhouse gas emissions (305-1 / 305-2 / 305-3)

Fundamentals of our reporting system

We are in the early stages of documenting our climate footprint, and have not introduced any standards yet. However, we can already report the total emissions for Trianel GmbH based on the energy audit.

	in tonnes of CO ₂
<u>Total emissions for 2019</u>	
Generation	209,746
Mobility	
(business travel without fuel)	55
Internal consumption	
(electrical energy/district heating))	818
<u>Total</u>	<u>210,619</u>

Avoidance of emissions

On one hand, we cause direct and indirect emissions along our value chain through our business operations. On the other hand, we avoid emissions by investing in renewable energy sources and through our services to optimise generation facilities or energy efficiency. With its participating interests in conventional energy sources and renewable energy generation projects, Trianel avoided emissions of 80,921 tonnes of CO₂ in electricity generation in 2019.

Business travel

In 2019, our travel agent department tracked all business trips booked. In total, employees travelled 186,142 km for business trips in rental cars, trains or by air. This resulted in CO₂ emissions of 55.28 tonnes. Trianel encourages employees to use local and long-distance public transport by providing a BahnCard rail card. In 2019, CO₂ savings of 65.93 tonnes were achieved by using rail compared with car travel.

5.5.2 Paper consumption (301-1 / 301-2)

For years, Trianel has emphasised digital communication with its customers and shareholders, employees and other target groups. This has continuously reduced the paper consumption. As our sustainability management is still in its infancy, we have not developed any key figures in this area yet. An evaluation of our waste paper disposal reveals 81.4 cm³ of waste paper for 2019.

6 Our customers: Municipal utilities and more (103-1 / 103-2 / 103-3)

6.1 Municipal utilities are more than just customers for us

As a municipal utilities cooperation, municipal utilities are not just our shareholders, they are also part of our customer base. We want to shape the energy transition with municipal utilities. As a service provider, we aim to be a partner to the municipal utilities, helping them to become more profitable and innovative, and therefore providing their public service in a more sustainable way. Besides our 57 shareholders, Trianel also actively supported 225 customers in 2019.

Trend scouting is a unique selling point in particular for our customers who are also our shareholders. Our trend scouts continuously monitor the market, the regulatory environment and new technologies and trends that could be relevant for municipal utilities. In this way, Trianel makes a key contribution for municipal utilities who could not deliver market surveillance and analyses of this scope from their own resources. Trend scouting also offers a broad-based forum to discuss topical subjects with experts and analyse opportunities for own business.

In addition to this, Trianel offers another forum for municipal utilities, even those outside the group of shareholders, to analyse the opportunities of digitalisation and test their feasibility for municipal utilities in pilot projects – the Trianel Digital Lab. In the Trianel Academy, Trianel provides a continuing professional development service for employees of municipal utilities, tailored for the needs of municipal utilities. Besides classroom events and hosted design thinking workshops, in recent years, Trianel has also developed its own online platform to hold further education courses as digital webinars.

Procurement and trading of electricity and gas, as well as portfolio management and economic optimisation of generation facilities are the heart of Trianel's services. Our services in this segment range from consulting to active management, right up to balancing group management. To process the workflows for these services, Trianel relies on digitalised and automated processes, to provide efficient support for municipal utilities. The Trianel DESK is an integrated management platform for

this task. We also support municipal utilities with our IT consulting, helping them analyse their own processes and transition them to efficient IT architectures.

As a pioneer in direct marketing of electricity and gas, Trianel's customers also include operators of renewable energy plants. As project developers for and with municipal utilities, we actively contribute to continuously increasing the level of municipal generation and offer municipal utilities the opportunity to benefit from the expansion of renewables even outside their own supply areas.

6.2 Customer surveys and external evaluations (102-43)

Our customers' satisfaction is important to us. That is why we try to maintain a direct line of contact to our customers, to enable us to respond to individual questions. As a result, we primarily use customer visits and customer events to stay in touch with our customers. We also use customer surveys on specific aspects of products and services to assess our service quality and identify customer needs. To this end, we use the expertise of our employees and, where appropriate, support from external consultants.

6.3 Protection of customer data (418-1)

Since 25 May 2018, all companies in the EU are subject to the new General Data Protection Regulation (GDPR). Trianel prepared extensively and meticulously in advance for the new legislation. We assessed all regulations and workflows affected and revised the Trianel-internal data protection guidelines, and adapted some processes.

Supplementing this, employees were, and continue to be, informed and trained on the data protection guidelines. We use online training for this, which all employees are obliged to take. Appropriate information documents were provided in the Intranet.

Our Data Protection Officer also compiled a collection of information on data protection. Referring to Art. 33 of GDPR, we interpret the GRI term 'substantiated complaints' as complaints that must be reported. There were no complaints subject to mandatory reporting regarding customer data in relation to Trianel in the reporting period.

7 Working at Trianel

(103-1 / 103-2 / 103-3 / 102-8)

7.1 Trianel – an award-winning employer

The needs of its employees are important to Trianel, as they are our most important asset. That is why Trianel conducts regular employee surveys, to identify weak points at an early stage and build on strengths. In 2019, Trianel took part in a company comparison for the 10th time. For the first eight surveys, the company worked with the Great Place to Work Institute ('Germany's best employers'). In 2016, Trianel took part in the TOP JOB surveys for the first time.

After a two-year break, which we made good use of for the 'Horizon 2018' restructuring project, Trianel once again took part in the TOP JOB survey in 2019, in cooperation with the University of Sankt Gallen, to identify potential for improvement at the organisational and management level. On this basis, Trianel will continue to specifically pursue its HR efforts and organisational development. At the same time, the comparison with other companies gives us a benchmark. Trianel did very well compared with other companies and is one of the best employers among German medium-sized enterprises. In early 2020, Trianel was awarded the quality mark 'TOP JOB 2020'. Trianel was also recognised as a fair company again.



Top Employer 2020



University internship

As of 31 December 2019, Trianel employed a staff of 296, roughly 80 percent work full-time and 20 percent part-time. Roughly 4.7 percent of employment relationships are temporary.

Workforce structure by employment relationship

	2019
Full-time females	52
Full-time males	183
Part-time females	41
Part-time males	20

Temporary/permanent workforce breakdown

	2019
Permanent contracts, female	88
Permanent contracts, male	194
Temporary contracts, female	6
Temporary contracts, male	8

7.2 Our strategic personnel concept

The results of the employee survey confirm our human resources concept, which is being developed all the time. Trianel was praised for its internal entrepreneurship, cooperation between employees, family-friendliness and lack of ageism, result-oriented and inspiring management and work-life balance. With our trust-based working hour concept and the great freedom of self-organisation on offer, we afford employees a significant degree of flexibility, promoting a good work-life balance. Our different benefits based on life phases meet the needs of various groups of employees at Trianel. In particular, they include a child-care subsidy and a play office, flexible working hours and the option of working from home, a bike-to-work scheme, various fitness and sport services, sabbaticals and partial retirement models. The re-establishment of structured personnel development in the shape of individual performance review meetings, regular internal series and selected external further education courses will enable our employees to remain successful for the company in future and maintain long-term job satisfaction.

7.3 Personnel and management development

(103-1 / 103-2 / 103-3 / 401-1)

The working environment is changing. Digitalisation is having a strong impact on what we do, how we do it and our work processes. Trianel too is facing up to these challenges and tackling them proactively, as the classic business models in the energy industry should be questioned and redesigned regularly in the context of the energy transition. Further education is a

key tool to prepare our employees for the requirements of these new, increasingly complex and dynamic working environment. The key question is which abilities and skills do our employees need to remain successful for the company in future? Further education promotes both the personal and professional development of our employees. That gives them prospects, boosts loyalty and motivates them.

The HR department is responsible for the conceptual design and organisation of further continuing professional development measures. For personnel development, Trianel continued to rely on active communication between employees and managers, and deriving individual offers for employees on this basis in 2019. There is a central annual budget for our employees' continuing professional development (CPD) activities. That enables us to offer tailored CPD measures to the staff. In 2020, we will focus on re-introducing internal formats. Moreover, managers will be given instruments to assess their employees' need for development even more precisely.

Another significant focus for personnel development is promoting managers, as managers who act competently and professionally are an important success factor and a decisive key to staff satisfaction and loyalty. Trianel offers an internal executive programme, via which third and fourth-level junior staff are specifically schooled and trained in management methods. It is an important task for us to strengthen and support junior executives in their new roles.

Another important element in further education at Trianel, with which we are also following our requirements for digital change, is continuous training of employees using our e-learning tool. To this end, we use the technical facilities offered by the Trianel Academy, which has established a dedicated digital learning module system for its customers. In this way, we harness synergies from the Trianel Academy's external focus and the internal focus of the specialist departments that provide the contents. Employees can use Trianel's online training system from their own workstations. It is currently primarily used for employee instruction, for example in compliance, data protection and occupational health and safety.

7.4 Promotion of junior staff

Trianel does not offer vocational training. In spite of this encouraging junior staff is very close to our hearts. We feel particularly indebted to our many students who support Trianel in all areas of the company, often getting their first glimpse of the professional world. We involve our students actively in processes. They are integral parts in their departments. They also enjoy many of the same benefits as the permanent staff, for example using the in-house gym, participation in employee events or free use of the car park. Trianel also trains junior lawyers as part of their legal studies.

Trianel also has a strong sense of affiliation with the university city of Aachen, which is why it also supports the annual 'Companies Night'. This initiative gives students from RWTH Aachen insights into the local companies. Trianel also supports the Aachen group of the Bonding Student Initiative, and is a regular exhibitor at the Bonding fair.

7.5 Working conditions and health (401-2)

7.5.1 Work-life balance

Work-life balance is a major part of Trianel's personnel strategy. TOP JOB 2020 highlighted Trianel's particularly family-friendly features. It is not only the employees who benefit from a healthy work-life balance, the company does too, as healthy and satisfied employees are also more productive and motivated.

Trianel has always relied on trust-based working hours, allowing its staff to choose their working hours flexibly in accordance with their needs. Trianel also allows staff to work from home. Together with the Works Council, a company agreement was reached allowing employees to work from home up to two days a week. Employees can also always agree individual solutions with their department heads to react to specific life circumstances. Parental leave and even unpaid sabbaticals are a matter of course at Trianel. As Trianel has already been operating on the market for 20 years and therefore has experienced employees, we are currently developing a concept to introduce a partial retirement model.

Good child-care arrangements are an important aspect of work-life balance. While we can't offer our own child-care service, we are happy to subsidise child-care in other institutions. If employees are left without child-care at short notice, they are free to use the parent and child office. Besides a computer workstation, it also includes a play area for the children.

7.5.2 Preventive healthcare

Trianel strives to promote its employees' health with a wide range of voluntary company services to the best of its abilities as a medium-sized enterprise. They include health services like our in-house gym, fitness courses and running groups, as well as the Trianel football team and badminton group. We also actively promote table football with a table football room and the annual Trianel Table Football Tournament. We also support active participation by our employees in the annual B2Run business race, held right beside the Trianel building. Other voluntary health services include the free annual flu vaccine and regular consultation hours of our company physician. In this context, eye tests and workstation ergonomic optimisation are also offered. As required, we also provide our employees with sit-stand desks. The existing office chairs satisfy strictest health standards in terms of adjustment options for back health.

In order to link workforce mobility with health and climate protection, we have been offering a bike-to-work scheme since 2014. This allows employees to purchase bicycles with tax incentives and subsidies. Roughly 10 percent of our workforce already use this offer. We also provide a large free bicycle garage to promote cycling. Employees can park their bicycles safely and out of the rain during their working hours.

We also promote employee mobility by subsidising local public transport travel expenses, or alternatively with a free parking space in the company car park. We also naturally provide a Bahncard rail card to encourage our employees to use trains for business travel.

Of course, we provide all benefits to both full- and part-time staff, and to student assistants where possible.

7.5.3 Collective agreements (102-41)

All employees at Trianel are subject to collective agreements in the shape of company agreements developed with the Works Council. Trianel is not subject to collective wage agreements.

7.5.4 Company pension provision (201-3)

Our company pension as a direct insurance policy with our partner, Swiss Life, has been an important cornerstone of our provision of financial security for our employees after retirement for many years. We conclude a direct insurance policy for every employee after completion of their probation period, and contribute € 600 per annum. This greatly exceeds the legal requirements. In addition, we also contribute, in line with the statutory provisions, to direct insurance policies taken out by employees themselves, with what is known as deferred compensation. Our expenditures for company pension provision amount to roughly € 180,000 annually.

7.6 Involvement of employees (402-1)

7.6.1 Dialogue as the basis for a high-performance organisation

At Trianel, we view dialogue with the workforce and among the employees as the basis for a high-performance and liveable organisation. That is why inclusion of communicative spaces like kitchenettes, small meeting rooms and communication islands played a key role in the design of Trianel's administration building. Dialogue between the Management Board and employees, as well as between the managers, and their departments and divisions is considered an important management tool for us. Fixed and agile structures in the form of committees and events, as well as communication channels across all levels are not only intended to guarantee the flow of information, but also promotes social cohesion. The workforce comes together four times a year for 'TriTreff', featuring transparent reports on current business figures and projects. The Management Board hosts a breakfast six times a year, giving employees an opportunity to put their questions to the two managing directors in a casual atmosphere. Trianel also holds

a big company event, its annual New Year's party. Trianel's biennial summer party is a traditional event aimed primarily at staff families. Alternating with the summer party, the company organises a big offsite, which gives the whole workforce an opportunity to concentrate on developing subject areas together, promoting departmental and interdepartmental work and mutual networking.

The 'OE Team' also contributes to an open and vibrant corporate culture. It is a highly diverse team taken from all hierarchy levels and departments with responsibility for developing the culture at Trianel. The OE team plans many smaller spontaneous activities for the workforce, such as an ice cream van in hot weather, as well as many things that have become permanent parts of Trianel's culture, like the Christmas wish tree campaign, in which Trianel supports a child-care institution for socially deprived children. Besides cohesion, the OE team also keeps an eye on social responsibility and promotes professional exchanges between employees. In the 'Trianel at Noon' series, the OE team regularly invites internal and external experts to teach the workforce about professional topics while eating a lunchtime snack.

The in-house canteen is a key communication venue for many. Trianel also subsidises the food in the canteen.

The Intranet also provides the employees with a wide range of information. All guidelines and company agreements are available centrally for everyone here.

In order to promote agile working Trianel also set up a Design Thinking room and an office for flexible working.

7.6.2 Performance bonuses

Target agreement is a key management instrument at Trianel, that supports managers in their daily leadership work. Taking into account the individual strengths and weaknesses, the managers agree challenging goals with the employees for every business year and thus promote performance motivation and employee development. Target agreements define the relevant priorities and responsibilities in the business year, creating clear expectations and a guidance framework. Based on the agreed targets, constructive feedback and appropriate performance appraisal is ensured. Everyone receives individual targets tailored for their responsibilities, and a part of the corporate goals. Agreement of targets as the foundation for additional variable remuneration components is mainstreamed at Trianel.

7.6.3 Employee fluctuation (401-1)

Trianel GmbH had a staff of 296 employees on 31 December 2019, a planned workforce decrease of 12 employees compared to the end of 2018. For the past calendar year 2019 this is a fluctuation rate of 12.67 percent.

7.7 Occupational health and safety (103-1 / 103-2 / 103-3)

7.7.1 Safety first

The safety of our employees and protection of their health are a valuable asset for Trianel. That applies fundamentally for all employees, irrespective of the legal obligations that form the basis for occupational health and safety.

Our aim is to minimise risks for our workforce and Trianel. Risk assessments are therefore created for all jobs and updated regularly. All risks are determined systematically, and the required measures are also implemented. Almost all jobs at Trianel are computer-based, which is why we pay such close attention to the ergonomic design of the workstation and also cater to specific needs of employees. This includes adjustable desks, ergonomic office chairs, multi-monitor set-ups or provision of special screen eyeglasses.

Trianel supports flexible working with comprehensive mobile work options and a modern, adaptable working time model. Trianel can meet the need for instruction and training on occupational health and safety and other subject areas with its dedicated e-learning application. All employees must receive instructions on occupational health and safety.

Trianel is advised and supported by internal and external occupational safety specialists. In cooperation with the company physician, they take care of all aspects of occupational health and safety.

In line with the legal provisions, safety officers, first aiders and evacuation assistants support occupational safety workflows. For rapid assistance in emergencies, 20 employees present at all times in all locations are equipped with an automatic external defibrillator (AED).

In 2019, Trianel reported three commuting accidents that were subject to mandatory reporting.

7.7.2 Health and safety committees (403 -1)

In accordance with the Occupational Health and Safety Act, the Trianel Health and Safety Committee (ASA) consists of a representative of the Management Board, two representatives of the Works Council, the company physician, one external and one internal specialist for occupational health and safety, and the Safety Officer. Where necessary, the Committee is supported by colleagues from the specialist departments or property management.

The ASA meets on a quarterly basis, to discuss all aspects of occupational health and safety. Their responsibilities include developing proposals for outstanding health and safety measures and analysing and evaluating the accidents occurring in the company.

Planning and coordination of recurring incidents like auditing equipment subject to mandatory audits or conducting annual instructions/training courses are initiated and monitored here. The ASA is also responsible for discussing the results and measures of hazard assessments and coordinating the planning and implementation of medical check-ups, health days and evacuation drills. Specific measures are developed and documented and tracked as an activity plans.

7.7.3 Formal agreements (403 -4)

At Trianel, occupational health and safety are not documented in a separate company agreement.

7.8 Diversity and equal opportunities

We respect equal opportunities. As an employer, we avoid discrimination of all kinds based on gender, sexual identity, religion or ideology, ethnic or national origin, disability or age. If there is any misconduct in spite of this, we will correct it and managers or the HR department can be consulted at any time.

At Trianel, equal opportunities is an important prerequisite in order to future-proof the company. Only balanced teams, in which personalities from both genders, as well as different cultural and social backgrounds and different age groups work together on key topics can develop creative ideas for the future.

7.8.1 Workforce structure by age (405-1)

Women accounted for 32 percent of the staff, with five women in management functions. The average age of employees in 2019 was 41 years old.

Development of the ratio of women

	2018	2019
Percentage of women, 2nd level	0	0
Percentage of women, 3rd level	2	2
Percentage of women, 4th level	3	3
Overall percentage of women at management level	5	5
Percentage of women overall	33%	32%

Workforce structure by age

Women	2018	2019
< 30 years	10	9
30 to 50 years	80	73
> 50 years	13	12

Men	2018	2019
< 30 years	17	10
30 to 50 years	161	164
> 50 years	28	28

Workforce structure by hierarchy level

	2018	2019
Management Board	2	2
2nd level/Division heads	13	13
3rd level/Team and department heads	36	38
Employees	257	243

7.8.2 Pay equity (405 -2)

Gender equality is important at Trianel, and is also promoted in the Works Council. We will continue to develop this area specifically in the years to come.

8 Human rights

(406-1 / 407-1 / 408-1 / 409-1 / 412-3)

8.1 Foundations and principles

We are committed to the general fundamentals and catalogue of principles for responsible investment in Germany. Agreements we make with our business partners comply with the laws applicable in the respective countries.

Our key investment agreements were concluded with contract partners located in Germany and other European countries. The venue for investment agreements is generally Germany and other European countries. Human rights are protected by law in these countries.

8.2 Equal treatment

We follow the European Union's general equal treatment requirement.

Treating all business partners equally is part of our self-image. We protect the rights of our employees, avoid and prohibit any form of discrimination. Those are the values we practice, as defined in our Code of Conduct. We promote diversity and a culture of mutual understanding. Our professional culture is based on mutual respect and esteem for every individual. All vacancies are advertised to persons of all genders, the severely disabled and persons treated as such are preferred where applicants have the same qualification and capabilities. We expect the same from our suppliers.

We were not aware of any violations of guaranteed rights and the prohibition of discrimination by Trianel in the reporting year.

8.3 Freedom of association and right to collective bargaining

We view it as a matter of course that employees can unite and join interest groups and trade unions. We protect these rights and continuously review our collective and company agreements and corresponding processes for any potential discrimination. Trianel's workforce is represented by a Works Council.

8.4 Child, forced and compulsory labour

Trianel guarantees that its activities do not entail any forced, compulsory or child labour. We expect the same from our suppliers.

8.5 Procurement

We can only be sustainable if our supply chain is, too. Most of the ecological and social effects of our business operations come from the supply chain. Sustainability in procurement is therefore a subject that is becoming more and more important in public on one hand, and, on the other hand, represents a reasonable, commercial calculation on grounds of risk alone.

We take responsibility within our supply chain, by expecting our suppliers to ensure that their supply chain complies with human and employee rights, environmental protection and occupational safety and anti-corruption regulations and to promote and intensify the relationships to regionally located suppliers. We have not developed targeted principles of conduct for our suppliers, but they are taken into account as part of compliance when commissioning vendors.

9 Report profile

(102-50 / 102-51 / 102-52 / 102-53 / 102-54 /
102-56)

The present report refers to the 2019 business year from 1 January to 31 December. It is Trianel GmbH's first sustainability report and is a voluntary self-commitment, as Trianel is not legally obliged to submit a sustainability report. The contact for the Trianel sustainability report is the Sustainability Officer, Dr Nadja Thomas (n.thomas@trianel.com).

This report was largely drawn up in accordance the strict GRI standards.

Legal notice

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