

Press release

VNG AG / Update of the Group strategy / VNG 2030+ / Green gases

Future-proofing the ‘VNG 2030+’ corporate strategy: Stronger focus on decarbonised business

Basic strategic direction confirmed – Update of the ‘VNG 2030+’ strategy includes substantial investments in decarbonised business – Strategic anchoring of hydrogen expanded

Leipzig, 26 June 2020. At its regular Supervisory Board meeting yesterday, the Leipzig-based VNG Group presented an update on its Group strategy, ‘VNG 2030+’, which was first adopted in 2017. “We are currently in the middle of implementing our strategy for the future. It is all the more gratifying that our Group strategy, adopted three years ago, is already closely following the changing environment. Our Supervisory Board continues to acknowledge the VNG Group’s consistently valid fundamental direction of the ‘VNG 2030+’ strategy. Nevertheless, the acceleration of strategic trends – such as digitalisation and decarbonisation in particular – requires a reassessment of the market environment and associated strategic updates”, says Ulf Heitmüller, CEO of VNG AG.

The energy source natural gas, which will be an essential component of the German and European energy supply beyond 2030, will continue to form the core of VNG’s business activities in the future. In the established business areas of Trading & Sales, Transport and Storage, the strategy update provides for further development of the profitable existing business. In the course of the upcoming transformation of the energy markets, the strategic direction focuses on the development of the decarbonised business. In addition to the digital infrastructure, this primarily includes further substantial growth in the biogas business area. Moreover, hydrogen as an environmentally friendly and promising energy source will be anchored in an expanded form in the ‘VNG 2030+’ corporate strategy.

Overall, VNG aims, within the framework of its core areas of expertise to play a significant role in the value chain for climate-neutral gases. “Looking to the future, we see great potential in decarbonised business segments in particular. As VNG, we also want to make a contribution to the success of an effective energy transition towards a low-CO₂ and, in the long term, CO₂-free society through healthy economic growth,” adds Heitmüller.

“In this regard, it is very important for us to focus on scalable and at the same time sustainable business segments such as biogas. In addition, the environmentally friendly energy source hydrogen is now anchored in our strategy even more deeply, and with a long-term perspective. We want to make our business areas ‘H₂-ready’ by 2025. Germany’s recently adopted national hydrogen strategy gives us a good basis for developing sustainable hydrogen projects – not least in the regions of eastern Germany that are undergoing structural change,” Heitmüller explains further.

As part of the strategic update and the associated greater focus and bundling of resources and investment funds, VNG will not continue to pursue the local solutions business segment opened in 2017 in its current form. However, the know-how gained can be used in the future to utilise



potentials in the field of green heating solutions, among other things. The employees working in the area of local solutions will be offered continued employment within the VNG Group.

In 2017, the VNG Group initiated the 'VNG 2030+' strategy process to flesh out its corporate vision of the future. The aim of the strategy is to develop a long-term strategic outlook until 2030 and beyond, to optimise established business areas, to develop new business segments and to grow these. Even after the update, the basic direction of the Group's strategy remains the same: VNG wants to actively shape the energy transition and is working towards a green, digital and gas-based future as part of this.

About VNG

VNG is a group of over 20 companies active in the European energy industry with a broad, future-oriented portfolio of products and services in gas and infrastructure, and more than 60 years of experience in the energy market. Headquartered in Leipzig, the Group has a workforce of some 1,200 and generated billed revenue of approximately EUR 10.5 billion in the 2019 financial year. VNG concentrates on four links in the gas value chain: Trading & Sales, Transport, Storage and Biogas. Building on its core expertise in the gas business, the Group's 'VNG 2030+' strategy places a growing focus on new business fields. These include green gases and digital infrastructure. More at www.vng.de.