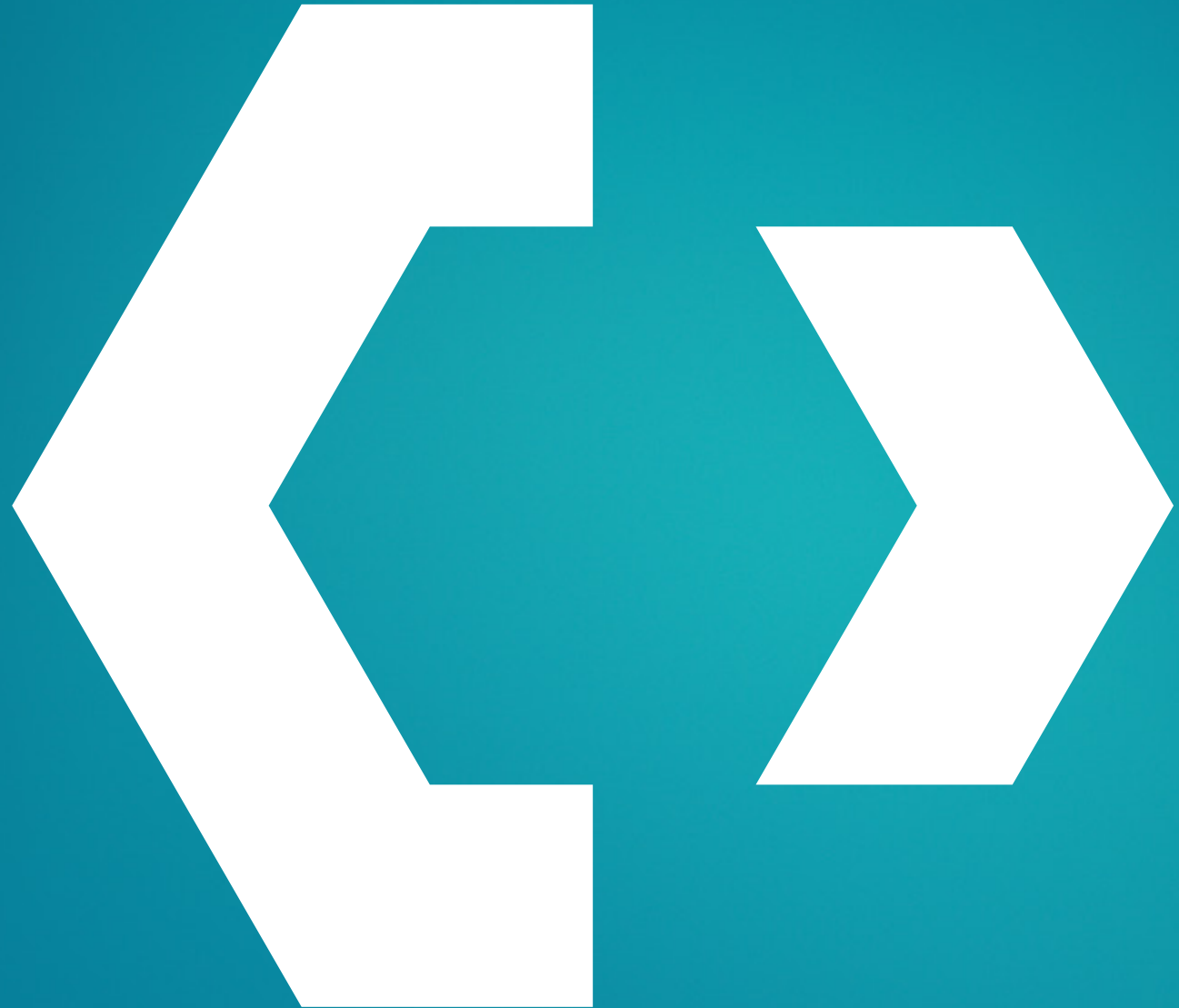


CSR Report 2022



CSR Report

Sustainability at SGL Carbon – an overview

Sustainable management and action are an integral part of our corporate strategy, which is why we present our sustainability ambitions and goals in the following chapters. We report on our developments in regard to ESG aspects that are material to us and our stakeholders. We make ourselves measurable and impose accountability on ourselves by making our goals, actions and metrics public.

Basics

This CSR report constitutes the non-financial consolidated statement of SGL Carbon pursuant to Section 315b of the German Commercial Code (HGB) and complies with the content requirements as per Section 315c in conjunction with Section 289c-e HGB. Unless stated otherwise, the report covers the activities in fiscal year 2022 of the entire SGL Carbon Group with the business units Graphite Solutions, Process Technology, Carbon Fibers and Composite Solutions. This year's report structure is based on the three ESG categories Environmental (including environmental and climate aspects), Social (including employee and social issues as well as respect for human rights) and Governance (including supply chain responsibility, compliance and combating corruption and bribery), which are also integrated into the mandatory reporting according to Section 315 c HGB. Furthermore, this report contains all information required by the EU Taxonomy Regulation ((EU) No. 2020/852).

In preparing the report, we have oriented ourselves to the standards of the Global Reporting Initiative (GRI). Additional key performance indicators (KPIs) were developed to better reflect the specific requirements of SGL Carbon. The KPIs in use correspond to those of the previous year. The business model is described in detail in the "Group fundamentals" (page 58) of the Group Management Report. In addition, this report serves as the basis for the progress report for the UN Global Compact.

Review of the content of the separate non-financial Group report was performed by KPMG AG Wirtschaftsprüfungsgesellschaft as part of an external limited assurance engagement (see also the notes on page 66).

Our ESG ambitions, strategy and goals









SGL Carbon is a technology-based company and a global leader in its focus markets in the development and manufacture of materials and products made from special graphite, carbon fibers and composites. With its sophisticated and in some cases customized solutions, SGL Carbon serves many industries that are shaping future trends: mobility (especially electromobility), semiconductor technology, LED, solar and wind energy, as well as the battery industry and manufacturers of fuel cells. We also develop customer-oriented solutions for the chemical industry and numerous other industrial applications. Our aspirations include growing the company with products and technologies that benefit society and reduce impact on climate and the environment.

However, it's not just our products that are to predominantly stand for sustainability; our manufacturing and management processes, as well as our supply chains, are to also meet high environmental, social and governance standards.

Having reviewed and revised our sustainability strategy (also known as our ESG strategy) in the previous year, the focus of our work in the 2022 reporting year was on implementing and further developing our ESG activities and goals. In addition to complying with all legal requirements, we want to make even more strategic use of opportunities and positive sustainability effects of our activities as well as further reduce negative impacts. Accordingly, we continued to pursue our goals in the fiscal year 2022 or have already and implemented them in part. We have also set ourselves new ESG goals to underline our ambitions in an effort to continue our improvements.

The following tables show our ESG targets and the status of target achievement.



















Environmental aspects:

Target CSR report 2021	Achievement	New or updated target CSR report 2022	KPI / explanation 2022 2021		Highlights 2022	Support SDGs ¹⁾
ENVIRONMENTAL						
50% reduction CO ₂ emissions (scope 1 & 2) by 2025 (base year 2019)	○	ongoing	326 kt	337 kt	3.3% CO ₂ reduction scope 1 & 2 despite increased production volume Construction PV installation Ried site	 
Climate neutral (scope 1 & 2) by 2038	○	ongoing	326 kt	337 kt	Start construction biomass plant in Lavradio site (Portugal)	 
Develop CO ₂ scope 3 target(s) until end of 2022	●	Development of measures for Scope 3 reduction together with relevant suppliers	399 kt	394 kt	Initial calculation of scope 3 upstream emissions for 2021 and 2022	 
Energy intensity reduction by 1% p.a.; 10% until 2027 (base year 2017)	●	ongoing	-4%	-3%	ISO 50001 re-certification of material sites	 

¹⁾ SDG 7 Affordable and clean energy | SDG 13 Climate action

○ longer duration, target ongoing ● target achieved ● target not achieved or at risk











Social aspects:

Target CSR report 2021	Achievement	New or updated target CSR report 2022	KPI / explanation 2022 2021		Highlights 2022	Support SDGs ¹⁾
SOCIAL						
Lost-time injury frequency rate < 2.5	●	Lost-time injury frequency rate annual reduction of 5% by 2026 (based on 2022 target)	2.3	2.8	Reduction of LTI FR by around 15% compared with the previous year First Group-wide safety day at all sites to raise awareness of occupational safety	
Women's quota of 20% (Senior Management) till 2025	●	Maintain women's quota of 20% in senior management	20%	19%	Target achievement of 20% women's quota already in 2022	  
					Implementation of the new personnel development format "Personnel Conference" with the focus topic "Enhancing Diversity"	  
					Improve work-life balance, e.g., Mobile Working agreement in Germany; increase the part-time work rate in Germany from 7.2% to 10.0%	  
					Introduction of a company-wide top talent program	  
Human rights training for management and office workers	●	Training of all production employees worldwide on Code of Conduct and Human Rights Policy until end of 2024	100% Training attendance		Human rights training for all office workers worldwide in 2022	  
		Improvement of the SGL Performance Culture Index	Performance Culture Index: baseline determined		Implementation of a regular electronic survey on value-based performance culture and employee engagement	 

¹⁾ SDG 4 Quality education | SDG 5 Gender equality | SDG 8 Decent work and economic growth | SDG 16 Peace, justice and strong institutions

○ longer duration, target ongoing ● target achieved ● target not achieved or at risk

Governance aspects:

Target CSR report 2021	Achievement	New or updated target CSR report 2022	KPI / explanation 2022 2021		Highlights 2022	Support SDGs ¹⁾
GOVERNANCE						
100% signing rate Supplier Code of Conduct by relevant suppliers	●	Maintaining a Supplier Code of Conduct signing rate of 100%	100%	100%	Update Supplier Code of Conduct	  
Analysis of suppliers' ESG performance	○	Continuation of ESG supplier review and immediate remedies based on abstract risk assessment			Online assessment of 57% of all relevant suppliers regarding compliance with ESG standards	  
No tolerance of compliance violations, supported by investigation and sanctioning	○	ongoing			Investigation of all reported potential violations. No confirmed violations of fraud, bribery and corruption Adaptation of the internal Corporate Governance Guidelines to the new legal requirements	 
Maintain ISO 37301 certification	●	Re-certification of Compliance Management System (CMS) in acc. to ISO 37301 in 2023	Confirmation CMS certification	Confirmation CMS certification	Confirmation of the certification of the Group-wide CMS in acc. to ISO 37301	 

¹⁾ SDG 8 Decent work and economic growth | SDG 12 Responsible consumption and production | SDG 13 Climate action | SDG 16 Peace, justice and strong institutions

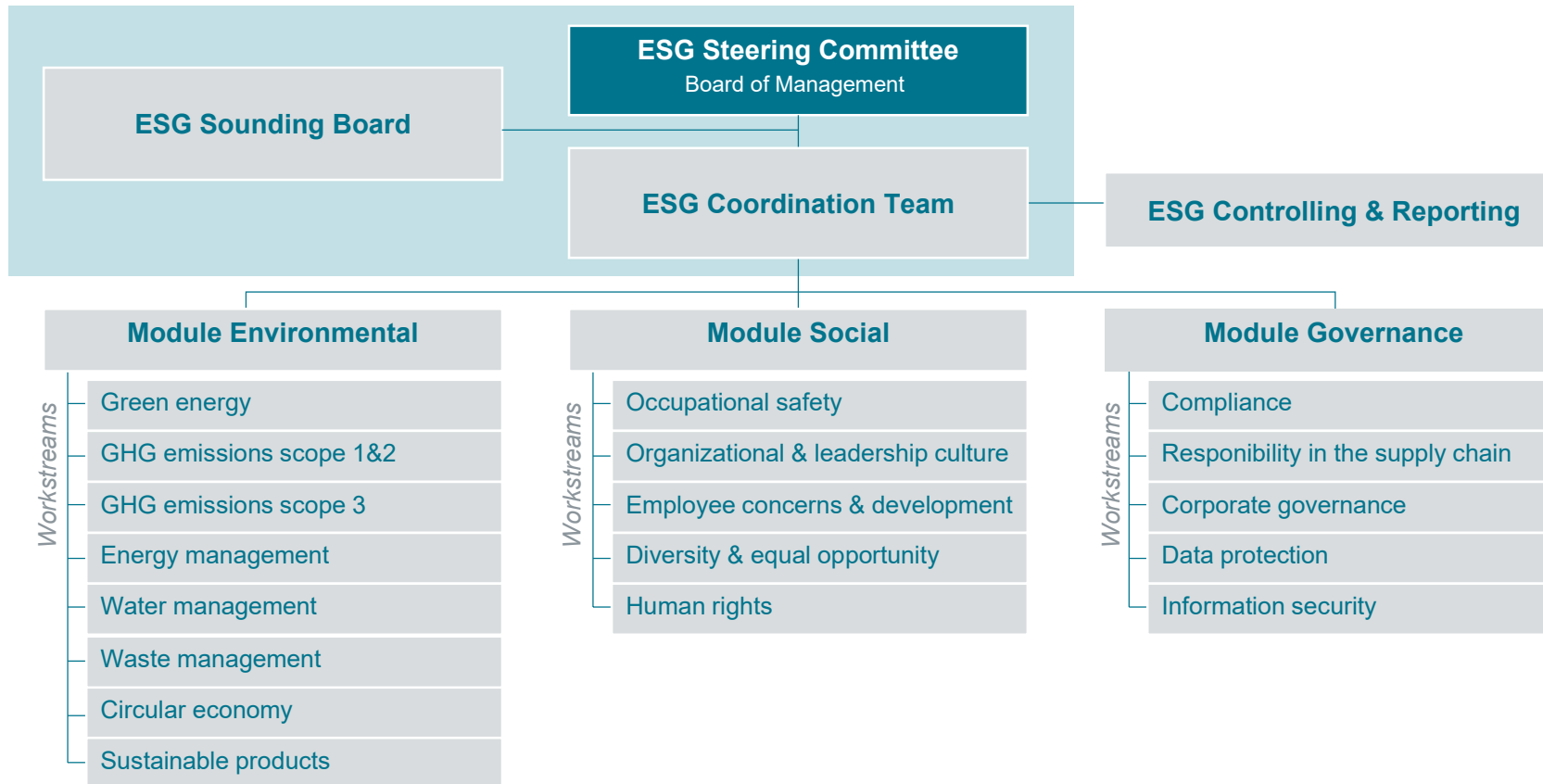
○ longer duration, target ongoing ● target achieved ● target not achieved or at risk

ESG Governance structure

To track and further develop our ESG goals and ambitions, we have implemented a new ESG governance structure for the Group in fiscal year 2022. The highest operational decision-making body of SGL Carbon is the Board of Management of SGL Carbon SE. Due

to its strategic importance, we have made the topic of sustainability the responsibility of the highest operational decision-making level. The Board of Management is supported in this area by an ESG Sounding Board made up of the heads of our four business units and various experts in ESG-relevant areas.

ESG Governance structure:



Also part of the ESG Steering Committee is the ESG Coordination Team, which consists of those responsible for the three ESG modules. On the operational level, ESG measures and goals are driven by the three ESG working groups (Environmental, Social and Governance modules). Workstreams for all relevant ESG topics with clear responsibilities have been defined below the three ESG working groups. Furthermore, dedicated individuals responsible for ESG have been appointed in all four business units to carry ESG ambitions through to the operating units. These experts work closely with colleagues from Environment, Health & Safety Affairs (EHSA), workstream leaders, and the ESG Coordination Team. The ESG governance structure therefore ensures strategic realization and development of our ESG ambitions, as well as operational implementation in the business units.

Stakeholder engagement and material issues

SGL Carbon strives to make sustainable use of human, natural and financial resources. We remain in close dialogue with our stakeholders throughout the year.

Relevant stakeholders for SGL Carbon are institutions or persons with whom we have a direct or indirect relationship through our business activities and who therefore have an interest in our actions. Our most important stakeholder groups are our customers, employees, suppliers, owners and banks, media, all neighbors of our locations and the representatives of associations, public authorities and non-governmental organizations (NGOs). We engage in dialogue with them on a regular basis to promote mutual understanding and we also seek to continuously identify topics that are important from the perspective of the context in which we operate. The relevance of the ESG issues identified was last assessed in the second half of 2021 in the form of an online stakeholder survey. We did not conduct another stakeholder survey in fiscal 2022. After many discussions with and inquiries from our internal and external stakeholders, we believe that SGL Carbon's key ESG issues did not change significantly during the reporting year. Furthermore, as part of sustainability reporting requirements that will change in the future, we have decided to conduct the next stakeholder survey in accordance with the new requirements in fiscal 2023.

For the stakeholder survey conducted in fiscal year 2021, we identified the various external and internal stakeholder groups along our value chain. On this basis, we defined the

composition of our stakeholder survey in a manner corresponding to its importance for our business model. In the online survey, we posed questions to the representatives of the stakeholder groups of employees, suppliers, capital market participants and banks about the most important ESG aspects for SGL Carbon, on the basis of which a ranking was created.

The ESG aspects we asked about are based on the materiality analyses performed in previous years as well as the "Roadmap to Sustainability" project conducted. The ESG aspects were also updated to include additional ESG topics. For validation purposes, SGL's functional managers and the top management of SGL Carbon again reviewed and prioritized the identified aspects regarding their materiality. Based on both assessments, the material ESG aspects were identified (in accordance with Section 289c(3) HGB) and transferred to the materiality matrix according to their significance. The cumulative results were then presented for approval to the Board of Management as the highest decision-making body for ESG issues.

In line with the materiality of ESG aspects, non-financial Group reporting has since been broken down into environmental, social and governance aspects. Reporting on the aspects to be presented in accordance with Section 289c(2) HGB is assigned to the three umbrella terms of Environmental, Social and Governance.

The following overview shows the allocation of the primary ESG aspects to the above-mentioned umbrella terms. Individual ESG aspects listed in the overview are grouped into chapters. For example, information on the management of hazardous substances can be found in the subchapter "Environmental concerns and waste management." Corporate ethics and the ethical conduct of enterprises play a significant role in nearly all ESG criteria. In addition, the aspects of air quality and product packaging do not fall under the materiality definition of Section 289c(3) HGB. Voluntary reporting is also once again on "social commitment", although this topic is not identified as a material topic and is therefore not part of the non-financial Group report.

Material ESG aspects for SGL Carbon:**Environmental aspects**

- GHG¹-emissions (CO₂)
- Energy consumption
- Waste management
- Environmental product impact
- Hazardous materials management
- Circular economy
- Innovation and research
- Water management

**Social aspects**

- Occupational health & safety
- Diversity and equal opportunities
- Employability and development
- Human rights
- Product quality & safety

**Governance aspects**

- Supply chain responsibility
- Compliance
- Information security
- Corporate Governance
- Sustainable finance performance
- Data protection
- Transparency and reporting
- Business ethics

¹) Greenhouse gas

Our contribution to the implementation of the sustainable development goals

Based on the ambitions, goals and measures we have initiated and planned, our commitment to a culture of values and compliance and our innovative nature, both the environment and society should benefit.

We intend to use these points of leverage to make our contribution to achieving the United Nations' Sustainability Development Goals within the scope of our business capabilities.

Our contribution:



Core SDGs

SDGs where SGL Carbon has most significant & direct contribution

- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 13: Climate action
- SDG 16: Peace, justice and strong institutions

Our membership in the UN Global Compact will also support further progress in these areas. We already defined eight SDGs last year. We believe that with our business model, we can make the greatest possible contributions to their implementation.

The overviews at the beginning of the chapter entitled "Goals, Highlights 2022, and Contribution to the SDGs" also show key measures for achieving the goals and the contribution to supporting the focus SDGs of SGL Carbon.



Supportive SDGs

SDGs where SGL Carbon can leverage its influence to reach SDGs

- SDG 4: Quality education
- SDG 5: Gender equality
- SDG 7: Affordable and clean energy
- SDG 12: Responsible consumption and production

Material risks pursuant to Section 315c in conjunction with Section 289c(3)(3 and 4) HGB

For the separate non-financial Group reporting and thus for the defined ESG aspects, both the material risks arising from SGL Carbon's own business activities and the risks associated with SGL Carbon's business relationships, products and services were taken into consideration. The identified risks could, where applicable, have a negative impact on the ESG aspects defined in the context of non-financial reporting (Section 315c in conjunction with Section 289c(3)(3 and 4) HGB). The responsible departments first identified the primary risks that could arise from the defined ESG aspects. These risks were then assessed together with Group Risk Management, taking into account the monitoring and controlling measures, and examined in particular to determine whether they will have a serious negative impact. In summary, no material risks have been identified that are very likely to have a serious negative impact on the above-mentioned ESG aspects including employee and environmental matters, human rights, anti-corruption and anti-bribery, and social matters. Further information can be found in the Group Management Report on page 93.

Environmental

Environmental concerns

As a production company with global operations, we consume natural resources and cause emissions. We are therefore particularly concerned about responsible conduct regarding the environment and climate and such issues are integral to SGL Carbon's corporate culture. We maintain high standards in our production plants and processes to comply with the relevant obligations and duties we have imposed upon ourselves. At the same time, acting in a manner that conserves resources and reduces emissions is also necessary for the company to be successful as a business on a lasting basis.

Nonetheless, a large number of the products we manufacture help to reduce CO₂ emissions, as they are used in renewable energy (such as solar and wind power), LED technology and electromobility.

The primary obligations for production are specified in the national and international regulatory permits and regulations. The European regulations on noise pollution, emissions, water and waste, the implementation of such regulations in national law, and the REACH regulation on chemicals should be mentioned here as a basis.

In addition to meeting legal requirements, the importance of protecting the environment and climate is also reflected in the SGL Carbon Code of Conduct, which defines the guidelines for action for all SGL Carbon employees. These are supplemented and specified in detail by the Environment, Health & Safety Affairs (EHSA) Policy, which has been applicable to all locations worldwide since 2015. A Supplier Code of Conduct, which commits suppliers and their subcontractors to lawful, ethical and sustainable behavior, has also been in place since 2015. In addition, the quality assurance agreement has required key suppliers to comply with the applicable laws and regulations for environmental and energy management since 2020.

One focus of SGL Carbon's partnership with suppliers and customers is the exchange of information with the aim of minimizing risks when using chemical substances and hazardous materials. In an internal, globally standardized system, we create relevant product information such as safety data sheets, which are then made available to customers. SGL Carbon meets the national requirements for Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) throughout the world. SGL Carbon also makes an important contribution to dealing with hazardous substances in this way.

The central corporate EHSA unit coordinates all climate and environmental protection activities throughout the Group, defines uniform standards and reviews progress in cooperation with local Environment, Health & Safety (EHS) managers. As a rule, the sites are also audited by the central corporate EHSA unit every three years, or more often than that if incidents have frequently occurred at any given site. A total of ten sites were audited in 2022, with some of these audits performed remotely (via virtual call) due to the pandemic.

In fiscal year 2022, the central Corporate Sustainability function was additionally created to manage SGL Carbon's initiatives for environmental and climate protection as well as to evaluate and develop sustainable products, making it possible to work closely with the EHSA unit. EHSA reported to the HSE Council three times in fiscal year 2022 and provided

information on current developments (additional details on the HSE Council can be found in the “Social” chapter under Occupational Health and Safety).

Energy consumption

A large proportion of SGL Carbon products are manufactured at high temperatures in energy-intensive processes. A majority of the Group’s energy consumption is used for generating the necessary process heat and for thermal purification. The energy sources used are electricity and in-part from renewable energy sources, steam, oil and gas. Some 90% of SGL Carbon’s total energy consumption can be attributed to 8 of 31 sites due to their size or necessary production processes.

SGL Carbon is constantly striving to improve the energy efficiency of its processes, both out of a sense of responsibility for the environment and for economic reasons, as energy costs account for a high proportion of our production costs. The rise in energy costs in 2022 in particular has confirmed our commitment to steadily improving energy efficiency and, where possible, increasingly switching to renewable forms of energy.

The individual business units and the heads of the production sites are responsible for the development and operational implementation of energy-efficiency measures and projects. Energy managers who report to the site management at least annually are appointed at sites that make a significant contribution to overall energy consumption. Those responsible at the plants are supported by the central energy management team.

In fiscal year 2022, the HSE Council, which also includes the Board of Management and the heads of the business units, was responsible for monitoring and strategically developing energy management. Additional details on the HSE Council and its tasks can be found in the “Occupational health and safety” section of this CSR report. In the HSE Council in 2022, SGL Carbon’s global energy officers reported on the status and progress of local and global target achievement. In addition, the ESG SteerCo, which is chaired by the Board of Management, regularly reports on energy efficiency improvements and selected projects.

SGL Carbon’s energy management aims to ensure efficient use of all types of energy. In 2018, we made a commitment to reducing global energy consumption as a percentage of adjusted sales revenue by 1% per year and to reach a 10% reduction compared to the 2017 baseline by 2027. We remain committed to the target of an annual reduction of 1%.

Compared to the base year 2017, absolute energy consumption fell by around 1% to 1,301 gigawatt hours, despite a significant increase in sales revenue. In the same period, specific energy consumption in relation to economic output (intensity) fell by around 14% to 1.25 GWh per €1 million in sales (adjusted sales revenue).

Energy consumption in relation to economic output (intensity) for 2022 decreased by about 4% compared to the previous year.

Energy consumption ¹⁾	2022	2021	Change
in gigawatt hours (GWh)	1,301	1,268	3%
thereof oil and gas	468	464	1%
thereof electricity	592	561	6%
thereof steam	241	243	-1%
Energy consumption in relation to economic output (GWh per € 1.0m sales revenue) ²⁾	1.25	1.30	-4%

¹⁾ Data include all fully consolidated subsidiaries

²⁾ Adjusted sales revenue (excluding price, currency and other special effects). The adjustment of the previous year’s figure results from the use of a rolling base year

To improve energy efficiency, SGL Carbon is focusing on energy-efficient plants and process optimization. This is documented in the EHSA policy on energy management and the Code of Conduct. Likewise, training measures are offered at the ISO 50001-certified sites. In this way, our employees are encouraged to deal responsibly with the issue of energy. They should further develop skill sets that allow them to actively contribute to reducing energy consumption.

The ISO 50001 energy management system was introduced at the most energy-intensive European production sites in 2015. Currently, eight sites are successfully ISO 50001:2018 certified, accounting for 55% of SGL Carbon’s total energy consumption: Bonn, Meitingen, Chedde, Lavradio, Muir of Ord, Nowy Sacz, Raciborz and Wiesbaden. In 2022, the external audits were carried out in a uniform manner by certification company DMSZ (Deutsche Managementsystem Zertifizierungsgesellschaft mbH).

Energy efficiency projects at ISO 50001 certified sites are recorded in a central database. This database facilitates effective measure and effect controlling of all planned projects, including implemented and expected efficiency improvements.

In the 2022 fiscal year, the heating system at the Meitingen site was optimized for energy efficiency and the exhaust air system of the central laboratory was improved, among other things. A new energy-efficient compressor station for generating compressed air was installed at the Bonn site. At the Meitingen and Chedde sites, an additional part of the diesel-powered forklift fleet was exchanged and replaced by electric forklifts. Besides this, several energy efficiency projects were initiated at various sites, which will be completed during 2023.

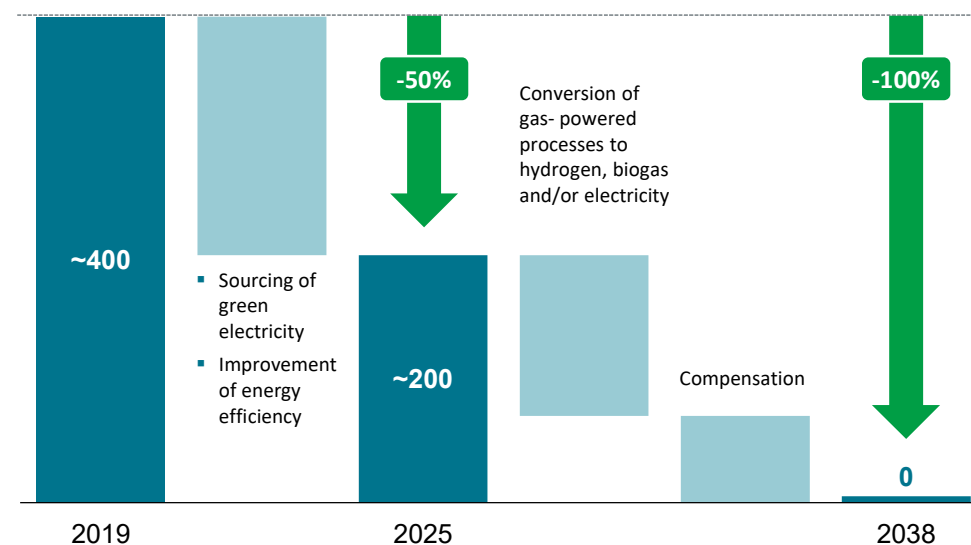
CO₂ emissions

Climate change remains one of the key global challenges of this decade. As an energy-intensive company, SGL Carbon bears a special responsibility because our energy consumption is associated with the emission of greenhouse gases, primarily CO₂. This is also our largest source of leverage for reducing CO₂ emissions. In addition, we want our products and solutions to make a contribution to climate protection. For example, we supply materials and components for electric vehicles as well as wind and solar energy production, and are one of the few European suppliers of graphite anode material for lithium-ion batteries. But our products are also needed in other alternative drive systems such as fuel cells.

Despite challenging developments in 2022, such as the increase in raw material and energy costs or their potential availability, we continued to work consistently on reducing our greenhouse gas emissions and discussed the issue between the Board of Management and the business units. SGL Carbon is committed to global climate protection and supports the UN Sustainable Development Goal "Take urgent action to combat climate change and its impacts". SGL Carbon also participates in the program for reporting data relevant to climate protection of the international organization CDP and achieved a "C" rating in 2022.

SGL Carbon's CO₂ emissions are Scope 1 emissions resulting from combustion processes and Scope 2 emissions attributable to power and steam consumption. In 2021, SGL Carbon had already set itself the goal of cutting total emissions (Scope 1 and Scope 2) in half by 2025 compared to the emissions of reference year 2019. We want to reduce our emissions by 100% and become climate neutral by 2038. We remain committed to these goals.

The following figure shows SGL Carbon's CO₂ reduction targets expressed in kt CO₂e (Scope 1 and Scope 2).



Our CO₂ targets are to be achieved through specific actions. In 2022, power was largely obtained from renewable sources at the sites in Wackersdorf, Ort and Ried. In addition to commissioning a photovoltaic system in Ort in the Innkreis (Austria) in 2021, a photovoltaic system was also installed on the roof of the production building in Ried, our second production site in Innkreis (Austria), in 2022. The new 500 MWh plant will be commissioned in 2023 and is expected to save approximately 50 tons of CO₂ annually. Over 95% of the power produced is also consumed on site. We therefore expect to save a total of 80 tons of CO₂ per year in 2023 through the use of solar energy at our two sites in Austria alone.

By 2025, SGL Carbon plans to cover its global power requirements from renewable sources to the greatest possible extent. In addition to installing more systems for supplying power

internally on site such as photovoltaic systems, we also rely on the conclusion of long-term power purchase agreements (PPAs), in which the power supplied to the sites is guaranteed to be from renewable energy sources. Due to the upheaval on the energy markets as a result of the war in Ukraine, procuring green electricity proved to be extremely challenging in fiscal year 2022. At our Muir of Ord (Scotland) site, for example, we had to suspend the procurement of CO₂ certificates. Both Polish sites covered 100% of their electricity requirements of around 34 GWh from green electricity in 2022. The photovoltaic systems in Bonn and Ort, Austria, fed a total of around 460 MWh of green electricity into the local power grids during the reporting period.

To achieve greenhouse gas reductions after 2025, SGL Carbon plans to use electricity to operate high-temperature processes that were previously gas-fired or to switch to the use of hydrogen and biogas. We expect that roughly one-third of emissions will be unavoidable in 2025 and will therefore need to be offset. In addition, increasing energy efficiency remains a key issue [see energy consumption section].

SGL Carbon strives to reduce not only the CO₂ emissions over which it has a direct influence but also the emissions coming from the upstream and downstream value chain. During 2022, we analyzed our upstream Scope 3 emissions in detail for the first time. To this end, we evaluated our purchasing data in the “Estell” input/output model. This is a well-established statistical process that reports emissions both at the direct supplier level and in their upstream value chain. We evaluated the following Scope 3 categories: 1. purchased goods and services, 2. capital goods, 3. fuel and energy related emissions (not included in Scope 1 or 2), 4. transportation and distribution (upstream), 5. waste, 6. business travel. Overall, Scope 3 emissions from the above categories amounted to 399 kt (2021: 394 kt).

We have set ourselves the goal of obtaining the climate targets of our top 100 suppliers and working with these suppliers to develop potential for reducing the CO₂ emissions of their materials and to start implementing them by the end of 2024.

In fiscal year 2022, SGL Carbon’s CO₂ emissions from Scope 1 and 2 totaled 326 thousand metric tons. Despite the increase in production capacity utilization compared with 2021, CO₂ emissions thus fell slightly in the reporting period (previous year: 337 thousand metric tons). If CO₂ emissions are compared with economic output, they have decreased from 0.35 kt per €1.0 million in sales revenue to 0.31 in 2022.

CO ₂ -emissions ^{1) 3)}	2022	2021	Change
in thousands of tons (kt)	326	337	-3%
thereof direct	86	86	0%
thereof indirect	240	251	-4%
CO ₂ emission in relation to economic output (kt per €1.0m sales revenue) ²⁾	0.31	0.35	-11%

¹⁾ Data include all fully consolidated subsidiaries

²⁾ Adjusted sales revenue (excluding price, currency and other special effects). The adjustment of the previous year’s figure results from the use of a rolling base year

³⁾ The calculation of CO₂ emissions is based on „UK Government GHG Conversion Factors for Company Reporting“ of the Department for Business, Energy & Industrial Strategy, Gov. UK, for direct emissions (Scope 1) and steam (Scope 2) as well as on „EMISSION FACTORS 2022“ of the International Energy Agency (IEA) for indirect emissions (Scope 2)

In a regional comparison, around 97% of direct emissions and 92% of indirect emissions occurred in Europe and North America in 2022. The direct and indirect emissions of our plants in Asia (China, Japan and India) were comparatively low at 3% and 8% respectively. This distribution reflects the regional production mix as well as the regional production volumes.

Direct CO ₂ emissions by regions	2022	2021	Change
in thousands of tons (kt)	85.7	85.5	0%
Europe	47.0	49.6	-5%
North America	36.1	33.1	9%
Asia	2.6	2.8	-7%

Indirect CO ₂ emissions by regions	2022	2021	Change
in thousands of tons (kt)	240.1	251.4	-4%
Europe	109.9	121.6	-10%
North America	111.2	108.2	3%
Asia	19.0	21.6	-12%

Waste and water management

SGL Carbon's business activities result in carbon waste as well as various residual materials according to the stages of the value chain. For environmental and economic reasons, carbon and other residual materials that result from production processes are recycled. Water is used for purposes that include cooling production plants, producing steam and forming isostatic graphite (pressing processes). Waste from the production of graphite blocks is ground and then reintroduced into the production process.

At all its sites worldwide, SGL Carbon undertakes to comply with all applicable legal requirements and to maintain effective management processes as well as to continuously improve performance in resource management. The ultimate objective is to make efficient use of resources and prevent environmental pollution as far as possible. Water withdrawal and waste volume are to be continuously reduced in this way. The principle in the context of waste is: prevention before recycling before disposal. If it is not possible to avoid waste, it can often be possible to reuse materials in other products or at other sites. For example, recycled carbon fibers can be used as nonwoven textiles for automotive production.

Water is required at SGL Carbon sites primarily for sanitary and social purposes, cooling and for industrial applications. As the shortage of global water resources is steadily progressing and to be able to respond to possible water shortages in some regions, the topic of "reducing water withdrawal" will be a key issue in the coming years. Currently, 5 out of 31 SGL sites are located in regions with very high water scarcity (source: Water Risk Atlas, www.wri.org). To conserve water as a resource, SGL Carbon relies on secondary loops and recooling systems where they make economic sense. Water that is not used directly for the production process is not contaminated and can therefore be discharged back into rivers after use in some cases.

SGL Carbon codified its approach to resources in its EHSA training policy. The Supplier Code of Conduct also contains information on the topic of waste. It requires SGL Carbon and its suppliers to obtain necessary permits, recycle and avoid waste and the release of hazardous substances into the environment. Once a month, the central corporate EHSA unit collects data on resource use and waste generation in cooperation with local EHS managers at all sites. The water withdrawal is specified for each water source and by region. When it comes to waste, a distinction is made between hazardous and non-hazardous types and according to regional generation. Hazardous waste management is required by the

operating permit for SGL Carbon production sites. Hazardous waste is treated in disposal facilities approved for this purpose.

Despite the increased production volumes in fiscal year 2022 compared to the previous year, SGL Carbon's water withdrawal was reduced by around 13% to 5.4 million cubic meters. This means that water withdrawal decreased in relation to economic output from 6.4 cubic meters per €1,000 of sales revenue to 5.2. In absolute terms, the amount of waste increased disproportionately from 23.9 thousand tons to 24.8 thousand tons based on the increased production volumes. However, in terms of adjusted sales revenue, the waste volume fell to 23.8 metric tons per €1.0 million in sales revenue, which is around 3% less than in 2021.

Water withdrawal ¹⁾	2022	2021	Change
Total (millions m ³)	5.44	6.25	-13%
thereof from wells	3.40	4.28	-21%
thereof from rivers	0.58	0.65	-11%
thereof from public water supply	1.46	1.32	11%
Water withdrawal in relation to economic output (m ³ per €1,000 in sales revenue) ²⁾	5.2	6.4	-19%

Waste volume ¹⁾	2022	2021	Change
in thousands of tons (kt)	24.8	23.9	4%
thereof hazardous waste	3.6	3.4	6%
Waste volume in relation to economic output (t per €1.0m sales revenue) ²⁾	23.8	24.5	-3%

¹⁾ Data include all fully consolidated subsidiaries

²⁾ Adjusted sales revenue (excluding price, currency and other special effects). The adjustment of the previous year's figure results from the use of a rolling base year

In a regional comparison, around 99% of water withdrawal and 98% of waste volumes were generated in Europe and North America in 2022. This reflects the production processes and volumes in the regions.

Water withdrawal by regions	2022	2021	Change
Total (millions m ³)	5.44	6.25	-13%
Europe	4.25	5.26	-19%
North America	1.12	0.91	23%
Asia	0.07	0.08	-12%

Waste volume by regions	2022	2021	Change
Total (kt)	24.8	23.9	4%
Europe	13.1	12.6	4%
North America	11.3	10.9	4%
Asia	0.4	0.4	0%

Circular economy

In a circular economy, existing materials and products are reused, refurbished, repaired and recycled to extend their life cycle for as long as possible. The goal is to reduce resource use and waste to a minimum. The transition to a circular economy is both a societal obligation and one of the six environmental objectives of the EU taxonomy. This has led to a rise in the interest of our customers and business partners in approaches and solutions developed by SGL Carbon.

Development and operational implementation to improve the recyclability of our products is performed in the four SGL business units, which also share ideas, concepts and experiences. Three principal approaches are being pursued in this context: using recycled raw materials, improving material properties and lifecycle optimization and developing new business models.

The Graphite Solutions (GS) business unit is implementing several projects related to the circular economy that go beyond the already significant use of by-products in our manufacturing processes. For example, cutting scrap from “green” production of graphite blocks is fed into the original production process. A development project of novel recycling concepts is included in the funding decision received in March 2021 for the development and industrialization of innovative anode materials made of synthetic graphite for use in

lithium-ion batteries in the context of the second European IPCEI program (Important Project of Common European Interest)/EUBatIn (European Battery Innovation). The EU-funded ICARUS project is pursuing the closure of material loops in the production of silicon wafers for the solar industry. As part of ICARUS, SGL Carbon is working on ways to reuse recycled graphite from solar silicon processing in synthetic graphite applications while also working on recycling silicon. In addition, the business unit is looking at alternative carbon raw materials from renewable and recycled sources and evaluating their use in carbon materials.

The Carbon Fibers (CF) business unit is involved in the “Green Carbon” project sponsored by the Technical University of Munich, in which “green” acrylonitrile is to be obtained from algae and used to make a carbon fiber precursor. In the project, SGL Carbon is evaluating the properties of biologically based acrylonitrile, the manufactured precursor and the suitability of the precursor in volume production of carbon fibers. Project participants expect to produce a “green carbon fiber” by the middle to end of the decade. In 2022, SGL Carbon has produced precursors and carbon fibers from bio-based acrylonitrile for the first time. The carbon fiber produced in this way has comparable properties to a fiber obtained by means of the conventional petrochemical manufacturing route.

Since carbon fiber materials can serve as valuable raw materials both as residual substances and as recycled materials, the development of recycling processes for this still young class of materials is being accelerated by Composites United e.V., among others, and coordinated with authorities and waste associations. For SGL Carbon, recycling is a cornerstone of its innovation portfolio, and we support association projects with materials expertise and research services.

The Process Technology (PT) business unit already takes into consideration the various life cycle issues and offers its customers appropriate service packages (including installation and commissioning services, inspection services and remote services). The product design is based on reliability, durability and opportunities for repairs and upgrades, including capacity expansions. An end-of-life (EoL) strategy is just as much a part of the product life cycle as customer support during the commissioning and operating phase of our equipment and plants. With end-of-life service, we offer our customers custom solutions tailored to specific requirements to improve the recyclability of plants. This can include refurbishment of the plant or further use of individual components.

The Composite Solutions (CS) business unit uses nonwoven materials made from recycled carbon fibers as structural reinforcement and as electromagnetic shielding layers in fiberglass components. Initial projects have manufactured composite components with natural fibers such as flax. Customers like to use these materials because of their natural look and because of the associated reduction in the CO₂ footprints of products. In addition, the CS business unit is looking for and testing commercially available biologically based resin systems with reduced CO₂ footprints in terms of their suitability for future composite components. In addition, tests are being conducted with various partner companies on the recycling of production waste and reject components. In the process, carbon and glass fibers are recovered for further use as reinforcement for injection-molded components or molding compounds. In a research project, methods are being developed to recover and reuse components of matrix resin in the future.

Products

Tailor-made materials and products manufactured from special graphite, carbon fibers and composites are the core of the high-quality solutions, components and materials that SGL Carbon supplies to customers and partners. Quality and the development and supply of sustainable products and innovations are the material foundation of the economic success of SGL Carbon, both now and over the long term.

Product quality

SGL Carbon's goal is to achieve a high level of customer satisfaction through product and service quality that remains high on an ongoing basis, thereby fostering lasting business relationships. The four operational business units are responsible for controlling and monitoring product quality. Local and global key performance indicators for quality are reported to site and business unit management on a monthly basis.

The business units refined their internal quality management and related reporting in 2022. The GS and PT business units use a comparable system. Monthly quality key performance indicators are collected for each site and aggregated to business unit values. The development of the key figures is regularly discussed with business unit management. In addition,

quality management also reports on possible improvements and progress relating to complaints processing.

The GS business unit conducted a global customer satisfaction survey again in 2022. Overall, good participation was achieved and customer feedback was similarly positive as in the previous year. BU management considers this a success in view of the market challenges in 2022. The CF business unit installed camera-based systems for early defect detection and quality monitoring at several production sites.

To continuously improve process and organizational quality, an Operations Management System (OMS) tailored to SGL Carbon began in 2017. This SGL-specific production system pursues standardization of processes, standardization of systems within the organization and development of a common understanding across all production sites. The OMS is managed by our Global Operations Improvement (GOI) team. In 2022, these activities were integrated into the global Process, Technology, Safety and Environmental (PTSE) organization. This team reports directly to the CEO and works on efficiency improvement and quality and occupational safety initiatives at the manufacturing sites of all four business units in focused project assignments ("sprints"). In 2022, 14 project assignments were carried out at 11 SGL sites. Lean manufacturing approaches were consistently applied, resulting in substantial reductions in throughput times and scrap rates as well as increases in productivity and plant availability. Within the scope of the project assignments, workplaces were evaluated with regard to occupational safety and appropriate improvement measures implemented, where necessary.

Nearly all SGL Carbon sites are already integrated into the global quality management system and certified according to the ISO 9001 quality management standard. Depending on the specific requirements, certifications to the environmental management standard ISO 14001, the occupational health and safety management standard ISO 45001, the energy management standard ISO 50001, and the quality management standards EN/AS 9100 (for aviation) and IATF 16949 (for the automotive industry) are available.

Sustainable products and reporting on the EU taxonomy

Customers and other stakeholders increasingly expect value chains to be aligned with sustainability criteria. SGL Carbon is therefore committed to knowing the environmental and climate impacts of its products while they are being manufactured and during their

service lives. The company is also committed to continuously identifying options for optimizing the effects they have on the environment and climate. We strive to grow with products and technologies that benefit society and reduce the impact on the environment and climate.

In many target markets, the reduction of environmental and climate impacts are a material decision-making criterion in the use and consumption of products. Many of SGL Carbon's materials and products are already in use in industries that make a crucial contribution to protection of the environment and climate. This includes the use of SGL composites in wind turbines for the generation of renewable energy or the increasing use of battery and fuel cell solutions in future energy and mobility concepts. Many SGL products have the potential to foster the development of low-carbon technologies, such as through increased use in photovoltaics, LED lighting and lightweight construction, or through increasing heating and energy efficiency. In the mobility sector, SGL Carbon's lightweight composite solutions help reduce energy requirements in the automotive and aviation industries, thus contributing to an overall reduction in CO₂ emissions.

SGL Carbon has already been conducting a structured assessment of the environmental impact of its own product portfolio since 2019. In fiscal year 2021, responsibility for the management of these activities was transferred to the newly created Corporate Sustainability function. This cross-business unit function receives the relevant information from the sustainability, technology and development units of the four operational business units. In the future, the new function will support Group-wide activities to improve the product portfolio in the form of sustainable products and solutions. The defined catalog of assessment criteria, according to which all product groups are analyzed in terms of their environmental impact during production and use or consumption by customers and end-users, was expanded in fiscal year 2021 to include the criteria of the EU taxonomy.

EU taxonomy

In December 2019, the European Commission presented the "European Green Deal", which includes the goal of making the European Union climate neutral by reducing net greenhouse gas emissions in the European Union to zero by 2050. Achieving this goal will require action such as redirecting private and public capital into environmentally sustainable activities. This required the development of the EU Taxonomy Regulation (EU

2020/852 or "EU taxonomy"), a classification system for defining environmentally sustainable economic activities.

For the 2021 fiscal year, companies that publish a non-financial report were for the first time be required to provide information on taxonomy-eligible sales revenue shares, capital expenditure (capital expenditure, capex) and operating expenses (opex) in accordance with the EU taxonomy. SGL Carbon is covered under this obligation since 2021 and published this information for its taxonomy-eligible economic activities in the previous year in relation to the two published environmental objectives of climate change mitigation and climate change adaptation. The key figures have not yet been assessed in terms of their environmental sustainability for fiscal year 2021, as required by the EU taxonomy.

In fiscal year 2022, the legislator expects to expand reporting to include taxonomy-aligned economic activities. SGL Carbon is subject to this obligation in 2022. The necessary analyses were adjusted accordingly. The same product categories were evaluated as in the previous year.

The late publication of the EU Commission (Q4 2022) on the interpretation of specific legal provisions of the delegated act on disclosure requirements under Article 8 of the EU Taxonomy Regulation posed timely challenges for SGL Carbon and required a new assessment of each product category for its taxonomy eligibility.

On the one hand, SGL's four operating business units produce a very broad portfolio of products and solutions that are absolutely essential, and in some cases, even indispensable for sustainable value chains such as the solar industry, battery production or electromobility. For example, the production and/or functionality of solar systems, batteries, fuel cells or electric vehicles would not be possible without materials and components made of graphite or carbon. On the other hand, the legislator published further clarifications only in the course of 2022. In particular, the publication

1. of October 6, 2022 the "Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets (2022/C 385/01)", and
2. of December 19, 2022, the "Draft Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act

establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective”

have led SGL Carbon to review and adjust the allocation of taxonomy-eligible activities made for fiscal year 2021. For 2021, we chose an end-use approach: SGL Carbon products that are essential for taxonomy-eligible economic activities were also classified as taxonomy-eligible. Examples at the time were carbon fiber textiles and components for use in electric vehicles, as well as graphite products for the solar, LED and semiconductor value chains. SGL Carbon reported a taxonomy-eligible sales revenue share of 40% for fiscal year 2021. This viewpoint is questionable according to the latest publications of the legislature, even if the draft of December 19, 2022, holds out the prospect of further clarifications (see #37 there). Based on this, SGL Carbon had to reclassify a large part of its materials and products that are part of sustainable value chains of a taxonomy-eligible economic activity as non-taxonomy-eligible.

For fiscal year 2022, SGL Carbon could only identify the following economic activities and products as taxonomy-eligible in connection with the environmental goal of climate protection in accordance with the comments of the legislature from Q4 2022:

- Manufacture of renewable energy technologies (SGL products: carbon fibers for use in the wind industry, specialty graphite products for the wind industry),
- manufacture of equipment for the production and use of hydrogen (SGL products: equipment for the production of hydrochloric acid) and
- manufacture of batteries (SGL products: graphite anode material for lithium ion batteries).

No taxonomy-eligible products were identified under the environmental goal of climate change adaptation.

SGL Carbon regrets the EU Commission’s interpretation of the disclosure requirements under Article 8 of the Taxonomy Regulation, as a large number of materials and products that flow into value chains of environmentally and climate friendly industries are not recognized as taxonomy-eligible under the current interpretation. Thus, investments made by the manufacturers of these products are also not considered taxonomy-eligible, even though they promote and strengthen sustainable activities.

Determination of the taxonomy key figures

Reporting on the nature of taxonomy-eligible as well as taxonomy-aligned economic activities is carried out in accordance with the Taxonomy Regulation (EU) 2020/852. The key figures to be reported are the shares of taxonomy-eligible and taxonomy-aligned sales revenue, investments and operating expenses. SGL Carbon uses the reporting forms provided for in Annex II of Regulation (EU) 2021/2178 for this purpose.

The data collection is based on consolidated Group data. Double counting in the allocation of sales revenue, investments and operating expenses is avoided. If data could not be clearly allocated when determining the key figures, suitable allocation keys were used.

The EU taxonomy defines **sales revenue** as net sales of goods or services including intangible assets. The share of sales revenue associated with taxonomy-eligible economic activities is divided by net sales. To determine the taxonomy-eligible sales revenue, the respective SGL Carbon products were allocated to the taxonomy-eligible economic activities. For the products identified in this way, the corresponding sales revenue with third-party customers for fiscal year 2022 (numerator) was determined and compared to the sales revenue reported in the consolidated income statement (denominator).

Capital expenditures (capex) as defined by the EU taxonomy comprise additions to property, plant and equipment and intangible assets in the financial year under review before depreciation, amortization and revaluations.

Taxonomy-eligible capital expenditures relate to assets or processes associated with taxonomy-eligible economic activities or that are part of a plan to expand taxonomy-aligned economic activities or transform taxonomy-eligible economic activities into taxonomy-aligned economic activities, or that relate to the acquisition of products from taxonomy-aligned economic activities and individual measures that carry out the target activities in a low-carbon manner or reduce greenhouse gas emissions (e.g., energy retrofits).

SGL Carbon refers to capital expenditure on property, plant and equipment and intangible assets (denominator). From this, the share of taxonomy-eligible capital expenditures is to be determined (numerator). For this purpose, the products identified via the taxonomy-eligible economic activities were related to the corresponding capital expenditures and, in

addition, individual capital expenditures from the purchase of products from taxonomy-eligible economic activities and the implementation of individual measures to reduce greenhouse gas emissions were taken into account. The various taxonomy-eligible capital expenditures were compared to the investments reported in the Annual Report.

Operating expenses (opex) as defined by the EU taxonomy comprise direct, non-capitalized costs relating to research and development and maintenance and repair.

Taxonomy-eligible operating expenses relate to assets associated with taxonomy-eligible economic activities or that are part of a plan to expand taxonomy-aligned economic activities or transform taxonomy-eligible economic activities into taxonomy-aligned economic activities, or that relate to the acquisition of products from taxonomy-eligible economic activities and individual measures that carry out the target activities in a low-carbon manner or reduce greenhouse gas emissions and individual building renovations. SGL Carbon refers to expenses for maintenance and repair, renovations, and research and development (denominator). For this, the share of taxonomy-eligible operating expenses is determined (numerator). For this purpose, the products identified via the taxonomy-eligible economic activities were related to the corresponding operating expenses and, in addition, individual operating expenses from the purchase of products from taxonomy-eligible economic activities and the implementation of individual measures to reduce greenhouse gas emissions or building renovations were taken into account. This key figure is determined exclusively as part of taxonomy reporting.

Verification of taxonomy-compliance

Economic activities are taxonomy-aligned (aligned) if they make a significant contribution to at least one environmental goal (compliance with the technical screening criteria). In addition, economic activities must not cause significant harm to the broader environmental objectives (do no significant harm, (DNSH), in compliance with technical screening criteria). In addition, the minimum safeguards for occupational safety and human rights must be observed and respected.

First, the product portfolio of each business unit was reviewed with regard to the description of the activity according to (EU) 2021/2800 Annex I. For this purpose, business unit experts from sustainability, product management, development and application technology were consulted. If there was agreement, the technical evaluation criteria were reviewed

with the same group of experts with regard to a significant contribution to climate protection. Environmental experts from Corporate EHSA were consulted for the subsequent review of the avoidance of material adverse effects. The results were recorded and documented in a structured manner.

An assessment of the essential use of critical substances within the meaning of the opening clauses in Annex C (f) and (g) (“essential for the society”) was not performed. SGL Carbon expects further clarifying regulations in this regard, as announced by the EU Commission for 2023.

In fiscal year 2022, capital expenditures were made related to the acquisition of products from taxonomy-eligible and taxonomy-aligned economic activities and individual measures that carry out target activities in a low-carbon manner or reduce greenhouse gas emissions. Verification of the conformity of this investment (capex (c)), including compliance with the minimum safeguards, must already be performed at the supplier level. However, the suppliers were not able to demonstrate compliance with the minimum safeguards as defined in Article 3(c) of the EU Taxonomy Regulation.

Minimum safeguards

Minimum safeguards as defined by the EU taxonomy include the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Core Labor Standards, and the International Bill of Human Rights. As a signatory to the UN Global Compact and in its internal guidelines (SGL Carbon Code of Conduct, Human Rights Guideline and Supplier Code), SGL Carbon is committed to respecting and protecting human rights and upholding the principles of the UN Global Compact, which are based on the above-mentioned sets of rules. SGL Carbon has introduced a Human Rights Management System, which is part of the overarching and certified Compliance Management System. For the elements of the Human Rights Management System, please refer to the chapters on respect for human rights, responsibility in the supply chain, occupational health and safety, and compliance management in this CSR report.

The following tables show the taxonomy-eligible (eligible) and taxonomy-aligned (aligned) portions of SGL Carbon’s sales revenue, capital expenditures and operating expenses for

fiscal year 2022 in the presentation required by the legislator (see in this regard Regulation (EU) 2021/2178).

SGL Carbon has no economic activities in the areas of fossil gas and nuclear energy within the meaning of the EU Taxonomy Regulation. Due to the scope of reporting templates 1 to 5 of the Delegated Regulation (EU) 2022/1214, they are not presented in tabular form, since there is no taxonomy eligibility and all reporting forms would therefore contain “no” or zero.

Outlook

The EU Commission has announced that it will publish the outstanding technical assessment criteria for the other four environmental objectives (sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems) during 2023. Furthermore, supplementary clarifications by the legislator for the interpretation of

the first two environmental objectives (climate change mitigation, climate change adaptation) are expected.

SGL Carbon expects the European Commission to enact the outstanding legislation on the four additional environmental objectives during 2023. Under this assumption, SGL Carbon will perform the taxonomy review for all six environmental objectives (climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems) for the first time for fiscal year 2023. According to Article 19(5) of the Taxonomy Regulation, the EU Commission will review technical assessment criteria on a regular basis or at least every three years in the case of activities that are considered transitional activities within the meaning of Article 10(2) of the Taxonomy Regulation. SGL Carbon will take any resulting adjustments to the Delegated Regulation into account in the future.

Sustainable product innovations

Development activities take place in the four business units and derive directly from the strategic objectives of the product groups or business lines. They are characterized by the respective market developments, customer requirements and the market environment.

The issue of sustainability is also becoming increasingly important in our product innovations. SGL Carbon has therefore established capabilities to conduct product life cycle assessments (LCAs) in the business units. These LCAs can be used to evaluate raw material and energy use in the manufacture of our products. This is done using a cradle-to-gate approach. The projects include determining the CO₂ footprint of products or product groups as well as the key levers for improvement regarding their use of resources and energy. We use GaBi from Sphera as a modeling tool. Creating the LCAs with GaBi is based on environmental life cycle assessment ISO standards 14040 and 14044. We also discuss selected LCA projects and their results with partners and customers.

We report on the research focus of the individual business units in the section “Research and development” (unaudited) in the Group Management Report of this Annual Report.

Social (including employee concerns)

Occupational health and safety

The health and safety of our employees have top priority at SGL Carbon. As a responsible company, protecting the health and safety of employees is both an ethical obligation and a prerequisite for the company’s performance. In this regard, the Code of Conduct and the globally applicable EHSA Guideline (Environmental Health & Safety Affairs) set out the requirements that are binding for all employees. SGL Carbon also attaches importance to appropriate standards for business partners and takes occupational health and safety aspects into account in the selection of suppliers. The Supplier Code of Conduct requires them to ensure the health and safety of employees in all workplaces and to establish a management system for continuous improvement. In addition, in 2022 all active suppliers received an online Supplier Risk Assessment questionnaire on sustainability. The online Supplier Risk Assessment contains standard elements on sustainability that also cover the

topics of supply chain responsibility and health and safety. The results of the online questionnaire are incorporated into the risk assessment of each supplier, with the aim of eliminating or mitigating the risks identified (detailed information on the Supplier Risk Assessment can be found in the Governance chapter of this report).

The central corporate EHSA unit (Environmental Health & Safety Affairs) is responsible for drafting Group-wide guidelines and standards for preventing work-related accidents and diseases. The respective business and central corporate units and site management are responsible for implementing the specifications. Within the global EHSA network, the central corporate EHSA unit and local EHS managers also discuss overarching issues. This is to ensure that all legal and SGL-internal regulations are complied with and that corresponding systems are established at each site. In addition, the central EHSA unit, in cooperation with the local EHS managers, conducts audits that also evaluate, inter alia, the implementation of the Group-wide occupational health and safety standards and their advancement. EHSA audits also include compliance with energy and environmental standards. As a rule, the sites are inspected by the central corporate EHSA unit every three years, or more often than that if incidents have frequently occurred at any given site. A total of ten sites were audited in 2022, with some of these audits performed remotely (via virtual video). EHSA reports to the HSE Council (Health & Safety Council) and provides updates three times per year. The HSE Council is composed of the two members of the Board of Management of SGL Carbon, the heads of the business units and central corporate units and the global corporate EHSA team, with the Chairperson of the Board of Management also serving as Chairperson of the HSE Council. This body is responsible for monitoring and controlling occupational health and safety measures.

SGL Carbon’s top occupational health and safety goal is to systematically prevent work-related injuries and diseases. It is the responsibility of the company’s management, all management levels and each individual employee to ensure safe working conditions and to comply with all relevant national laws, European regulations and internal guidelines in all production processes. As a short- and medium-term objective, we have set for ourselves the goal of constantly improving the existing safety precautions. In the last two fiscal years, we have succeeded in significantly reducing our lost-time injuries per million hours worked from 4.15 to 2.3. This means that we even exceeded our 2022 set target of a lost time injury (LTI) frequency rate of 2.5. This includes the accidents of SGL employees and temporary

workers¹ with at least one day of absence after the day of the accident. We are not satisfied with an LTI frequency rate of 2.5: by 2025, we want to reduce our LTI frequency rate by 5% per year so that we can achieve a rate lower than 2.0 by 2027 at the latest.

To achieve the occupational health and safety targets set, SGL Carbon uses a variety of incentive systems that actively involve employees in accident prevention and that take their ideas to eliminate accident risks into account. For example, at SGL's largest location, Meitingen, a special "Occupational Safety" campaign was performed as part of the Ideas Management program. Employees were asked to submit their suggestions for improvements in occupational safety. As a result, 118 valuable tips for improving safety were generated in just two months, 87 of which were assessed as feasible and adding value, and some of which are already being implemented. A Safety Award is also presented annually to sites where there have been no accidents in the last three years. Thirteen sites received this award in 2022. On the local level, the topic of occupational health and safety is included in the annual targets of many sites. But even when we look beyond the local sites, the topic of occupational health and safety is embedded as a target figure of the variable compensation structure for the four management levels below the Board of Management. To further raise awareness of occupational safety throughout the workforce, a Group-wide "Safety Day" was held for the first time in 2022, in which the Board of Management and management team also actively participated. On October 14, 2022, information events and live training sessions were held at all SGL sites worldwide. At all production sites, information and training was also provided in particular on the important occupational safety topics: safe working with rotating parts, hazards at workplaces with rolls and rollers, and the safe handling of forklifts.

Occupational accidents that occur despite all precautions and safety standards are recorded in the Group-wide accident management system. In a systematic process, incidents are investigated, suggestions for improvement are derived and consideration is given to which solutions have already proven effective in preventing accidents. Accidents are stringently classified according to severity. There have been no fatal accidents at SGL in the last five years. Once a month, the central corporate EHSA unit provides the Board of Management

of SGL Carbon, the heads of the business units and the sites and the EHS managers with a safety report and relevant statistics. In addition, weekly reporting is carried out to track the current safety situation with detailed information on new accidents. In this way it is possible to evaluate compliance with the EHSA Guideline and immediately initiate countermeasures if a negative trend can be discerned. Furthermore, a monthly exchange between the sites takes place so that those involved can learn from each other and avoid risks identified at other sites.

Safety Day Logo:



The applicable safety precautions and standards are constantly being developed to further reduce the frequency of accidents. In fiscal year 2021, a global safety manual with minimum standards was developed and the ten most important rules for protecting occupational safety were clearly illustrated graphically to all employees. The global occupational safety policy was additionally updated in fiscal year 2022. Numerous initiatives were also made possible. More than 60 plant visits including safety inspections were conducted; more than 190 improvement opportunities were identified, of which approximately 90% have now been implemented. In addition, various local programs were performed. For example, in 2022, 1,600 Behavior Based Observations (BBO) were carried out in Shanghai: 1,104 observations had a positive result and 496 observations showed opportunities for improvement. 95% of these findings have already been implemented. The results of the

¹ Employees are all permanent and temporary SGL employees. Temporary employees are external contract employees who are directly supervised by SGL. Contractors working at an SGL site are responsible for the safety of their employees and are excluded from the calculation of accident statistics. The data includes all fully consolidated subsidiaries.

BBOs steer our program towards improving safety at the Shanghai site for 2023. SGL Carbon also conducts employee training courses. Training is provided not only by EHSA experts but also by managers who were required to train and support employees in their areas of responsibility regarding safety issues. This is intended to increase the workforce's awareness of safety-relevant aspects and to prevent accidents.

Process safety is a significant factor in the prevention of occupational accidents. Events such as accidents, fires, or explosions could cause significant harm to people and the environment as well as lead to prolonged interruptions of production and loss of quality at SGL Carbon. Claims for compensation and damage remediation could arise from this. The goal is therefore both to ensure the safety of production processes as best possible and to achieve continuous improvements in the safety culture.

As part of its corporate duty of due diligence, SGL Carbon drafted a globally applicable Process Safety Policy and has maintained a Process Safety System since 2017. The system includes a variety of different components, such as process safety analyses, accident investigations and countermeasure control. Process safety is also a topic of discussion at HSE Council meetings. In addition, every accident is precisely recorded, analyzed and classified in the Incident Management System for occupational and process safety. This is done to determine whether an incident occurred in occupational health and safety or process safety. SGL Carbon uses a uniform Group-wide risk management system to identify and, if necessary, minimize risks in its production processes. This involves analyzing the extent and hazard potential of crisis events and calculating their economic consequences – such as the costs of elimination of environmental harm or loss of sales revenue due to production downtime. For each primary risk, one or more risk mitigation measures were identified and will be initiated if necessary.

SGL Carbon conducts annual reviews in cooperation with a property insurance company. This involves subjecting many processes and plants to a safety analysis that primarily focuses on fire control and protection as well as operational interruption. The results are evaluated and documented. Specific measures for improvement are drawn up if necessary. A total of five sites were assessed in 2022. Also in 2022, the insurer continued high-level training on fire control and protection system design to a group of technicians.

Employee concerns

General information

SGL Carbon employs a total of 4,760 people in 31 locations in Europe, Asia and North America (as of December 31, 2022). Their commitment, expertise and performance make a crucial contribution to the company's success as a business. That is why SGL Carbon strives to attract the best talent and to develop and retain employees in a targeted manner. In addition to numerous training and education opportunities, SGL Carbon also relies on a fair and value-based work and management culture that embraces diversity as well as a compensation structure based on performance. The company offers all employees the opportunity to develop their full potential. This understanding of the company's relationship with its employees is defined in the Code of Conduct, the SGL Competence Model and the SGL Value Carta. The latter was formulated in 2022 and includes five values that now form the basis of SGL's performance culture:

- Integrity and honesty
- Respect and esteem
- Responsibility
- Trust
- Passion for success

At SGL Carbon, Human Resources is viewed as a strategic partner and adviser to the business units, central functions, managers and employees. The spectrum of HR tasks ranges from initiator to involvement in strategic decisions to operational HR processes.

In accordance with the wide assortment of tasks, the HR Business Partners are positioned both centrally for the business units and central functions and on the local level for the individual production sites. The SGL HR Business Partner model is structured so that the Senior HR Business Partners, i.e., the contact persons for the management of the business units and central functions in all strategic HR issues, report to the Head of Group Human Resources in disciplinary and technical terms, as do the Heads of HR at the two overarching BU sites in Meitingen and Charlotte. HR management is responsible for a wide array of tasks:

- Management of HR processes such as recruitment and supporting personnel, including labor law issues
- Qualification, coaching and continuing education of managers and employees
- Determination of market- and performance-oriented compensation systems for senior management
- Coordination of international assignments of employees
- Global HR controlling and personnel planning
- Positioning SGL Carbon as an attractive employer in the labor market and internal employee communications
- Efficient management of the impact of change processes on human resources

In addition to efficiency, customer proximity and service quality are key criteria in the design and implementation of HR processes. Against this backdrop, SGL Carbon prepared the roll-out of a comprehensive cloud-based IT solution for these processes in 2019 and 2020. The staggered go-live of this IT system began in fiscal year 2021 and continued in the reporting year.

The HR unit reports directly to the Board of Management on a regular basis. For example, the Head of Group HR holds regular consultations with the Board of Management, thus giving HR issues a high level of attention from senior management.

SGL Carbon constantly monitors and minimizes potential risks in the area of personnel. Due to the increasing shortage of skilled workers, special attention is paid to the strategic importance of recruiting. The same applies to employee engagement efforts. These are intended to counteract a high level of fluctuation, thereby also retaining expertise in the company and, in particular, preventing the departure of crucial “key employees”.

Employability and development (including values and culture)

A material objective of the work of HR is to maintain the employability of employees and nurture their professional and personal development. Systematic development of personnel is an integral component of SGL Carbon’s corporate philosophy. Such development serves to bolster the competitiveness of the company and to have the company take responsibility for the employees. Another component of personnel development is

initiatives that analyze potential, that is, assessment of the potential of employees to serve in management and expert positions.

In 2021, the SGL Top Talent Program was launched and serves to identify and foster talents with medium- to long-term potential for leadership positions in senior management. In the year under review, the program was continued and intensified with a number of activities, including a specially designed training measure “Inhouse Leadership Exchange”, one-on-one meetings with mentors from top management, and initiatives formulated by program participants to further develop the leadership culture with a focus on topics such as “Diversity” and “Gen Z requirements”.

In addition, a new format for promising nominated young talent was in 2022, namely the “People Fair/Personnel Conference”. Together with the above-mentioned top talents, the participants were also invited to a meeting with the CEO in September 2022 (“A personal talk with our CEO”).

Succession management is a proven personnel and management development tool. In 2021, dedicated succession planning was performed for the first time for the top management levels. In addition, a uniform framework was compiled in 2022 and implementation was started according to which all business units and corporate functions plan and manage succession for key positions critical to the company’s success. This should make it possible to calculate company-wide indicators (KPIs) for succession management starting in 2023.

Development of personnel is not the responsibility of the HR department alone but is primarily a task for managers and thus within the scope of personnel management. The cornerstone of all personnel management is communication between managers and employees on a regular basis. That is why the “Management Dialogue” was rolled out in 2021 as a discussion format in the job areas not subject to collective bargaining agreements. The Management Dialogue involves managers and employees taking sufficient time to exchange information, provide mutual feedback and solve problems together once per month. This conversation format was continued in 2022.

Another element in the creation of a feedback culture in the company was the launch of a new 360-degree feedback tool and process. After the pilot phase in 2021 with managers who report directly to the Board of Management as focus individuals, the application was continued in 2022, particularly with participants in the Top Talent program. Employer

attractiveness is a key factor of corporate culture that determines the company's ability to both attract and retain personnel resources that are critical to success. For many years, SGL Carbon has been positioning itself in the labor market with its own employer brand that can be clearly discerned on the company's careers page as well as elsewhere. The career site is constantly being developed and was redesigned in 2022.

As part of its university marketing program, SGL Carbon offers students a variety of opportunities to integrate academic theory into real-life experience in a business enterprise, including internships, student traineeships and final thesis projects. As a long-standing member of the "Fair Company" employer initiative, SGL Carbon is committed to providing students with high-quality learning opportunities at fair terms and conditions.

Number of staff	2022	2021
Number of employees	4,760	4,680
Number of new hires (worldwide) ¹⁾	504	310
– thereof men	81.3%	78.0%
– thereof women	18.7%	22.0%
Fluctuation rate (worldwide) ²⁾	14.2%	12.5%
– Europe	11.4%	10.0%
– North America	27.7%	23.2%
– Asia	11.2%	11.6%

¹⁾ Exclusively includes "real" new hires for employees with non-limited term contracts, i.e., not taking over temporary employees or removing limited terms on employment contracts.

²⁾ Based on the average headcount, includes employees leaving the company voluntarily and involuntarily.

The goal of standardizing the process globally to the extent that this is possible and makes sense to do, taking into account the legal and cultural framework in the individual countries, was already largely achieved in the year under review. Following the introduction of a cloud-based IT solution in 2021 with coverage of around 70% of SGL's workforce, additional SGL countries were connected to the system in 2022, resulting in coverage of around 96% at the end of 2022.

As a voluntarily provided fringe benefit that makes a positive contribution to employer attractiveness, SGL Carbon offers employees in Germany a company retirement benefit plan that provides additional financial security during retirement. For the majority of SGL's

workforce in Germany, a new, uniform and capital market-based pension system was agreed with the employee representatives and implemented as of October 1, 2022.

Occupational health and safety issues play a prominent role in SGL's culture and this also applies to preventative measures regarding employee health. In the area of Workplace Health Management (WHM), employees in Germany can take advantage of a variety of different resources on a decentralized basis, that is, on the level of the individual plants. During the year under review, the activities held at the larger sites included vaccinations against COVID-19 and the flu.

Employee surveys are an established method for analyzing corporate culture and the basis for actively shaping it at the same time. In the 2022 fiscal year, a Group-wide, exclusively electronic employee survey called THE VOICE was conducted in the context of the recently launched Group initiative "Performance Culture & Values". THE VOICE records various aspects of the perceived performance culture – to what extent are the five values (SGL Value Carta) already being lived, to what extent do employees feel emotionally connected to the company (employee engagement), to what extent is employee management perceived as effective, and how likely would people recommend SGL as an employer – and provides corresponding indicators (KPIs). A key outcome indicator is the Performance Culture Index, which reflects the perceived realization of the desired performance culture and comprises the three aspects "Living the SGL Values", Employee Engagement", and "Leadership Effectiveness". The Performance Culture Index is calculated as the average approval rating of the underlying statements in the survey and can therefore range from 0% to 100%. When THE VOICE was first implemented, the survey results indicated a need for action, which will be addressed in 2023 through centralized and decentralized measures. Starting in 2023, THE VOICE is expected to be conducted twice a year to accompany and measure the further development of the SGL culture.

Training and education

Training has traditionally played an important role at SGL Carbon. The company's training program in Germany comprises a total of seven technical apprenticeships and business administration traineeships as well as three cooperative study programs. A total of 32 trainees and apprentices successfully completed their training and apprenticeship programs in the year under review. Of these, one apprentice from the Bonn site was named Chamber best in a mechanical apprenticeship ("Ausbildungsgang Zerspanungsmechanik").

The rate at which trainees and apprentices who graduated from their programs in 2022 were offered permanent employment was 100% in Germany.

SGL Carbon offers employees professional and personal development opportunities throughout their careers, including additional training and continuing education courses, the expansion of tasks and areas of responsibility within a position and the opportunity to change jobs within the organization. In meetings held on a regular basis, the manager discusses with the employees specific individual development activities such as training, coaching, or special tasks.

As a result of the ongoing transformation phase, participation in external training measures, especially on interdisciplinary and leadership skills, remained at an adjusted level in 2022 compared with the pre-pandemic years.

For the top talent target group – employees with the medium- to long-term potential for a management position reporting directly to the Executive Board – an internal training measure entitled “Inhouse Leadership Exchange” was performed in 2022 as part of the Top Talent program, combining individual reflection, collegial exchange, conceptual work on leadership and corporate culture issues, and skills training in three classroom modules.

The cloud-based IT system rolled out in 2021 to support HR processes also includes a learning management system (LMS). This system facilitates not only the effective administration of training activities by HR and individual departments but also the immediate provision of training sources for end-users as part of a “self-service” functionality, which includes e-learning courses that you can immediately access. These offerings were expanded in the year under review to include topics relevant to management and those related to IT. This marked the first steps towards the goal of establishing the learning management system worldwide as SGL Carbon’s central learning platform in the coming years.

Apprenticeships and dual degree programs	2022	2021
Total apprentices	70	83
– Site Meitingen	44	55
– Site Bonn	25	28
– Site Limburg	0	0
– Site Willich	1	0
Number of professions for apprentices	7	9
Number of apprentices	32	27
Number of dual degree programs	3	5

Diversity and equal opportunity

The diversity of the workforce is a strategic advantage for SGL Carbon: A variety of different employee skill sets and perspectives reinforces the company’s capacity to innovate and advance its position as an attractive employer. Such diversity makes it possible for SGL Carbon to compete for qualified specialists, which enables SGL Carbon to also meet the challenges arising from demographic change.

SGL Carbon has set itself the goal of establishing a work and management culture that is free of discrimination. All employees should be able to contribute their personal and professional capabilities and have the same opportunities for professional success and fair pay regardless of age, lineage, (ethnic) origin, skin color, gender, sexual orientation or identity, religion, ideology, or disability.

The SGL Code of Conduct is an important basis for the company’s commitment to diversity and equal opportunity. SGL Carbon’s guidelines for a diverse and inclusive working environment characterized by trust, openness and respect are embedded in it. In accordance with these guidelines, discrimination based on any of the characteristics listed above will not be tolerated. The SGL competency model, which was revised in 2021 describes key behavioral requirements that are applicable to middle and senior management throughout the world, also includes “collaboration and diversity” as one of seven skill sets, thus reflecting the importance of diversity. The same direction can be found in the SGL Value Carta, which was developed in 2022 and communicated to the company, and forms the basis of SGL Carbon’s corporate culture. Of the five values mentioned, three – “Respect & Appreciation”,

“Integrity & Honesty”, and “Trust” – directly contribute to the work environment characterized above.

A higher proportion of women in management positions can have a positive impact on SGL Carbon’s success as a business, making it important for the future global development of SGL Carbon. The target of permanently increasing the proportion of female senior executives to 20% by 2025 was already achieved by the end of 2022 – this figure is to be maintained in the coming years. As in the previous year, the proportion of women in the total workforce was 17% at the end of 2022.

The “People Fair/Personnel Conference” held for the first time in 2022 under the motto “Enhancing diversity” also served to promote diversity. This talent management format, which will be held annually in the future, will give a group of selected junior employees with development potential the opportunity to get to know top management, present themselves to them and thereby gain visibility. The first “People Fair/Personnel Conference” in June 2022 was attended by 11 female and 4 male employees.

SGL Carbon applies the local systems of collective bargaining agreements or systems similar to this to ensure that remuneration is free of discrimination. For remuneration of employment that is not subject to collective bargaining agreements, the recognized analytical job evaluation procedure according to the Hay method is in use throughout the world.

Internationality	2022	2021
Total workforce	4,760	4,680
thereof Germany	2,051	2,092
thereof rest of Europe	1,375	1,318
thereof North America	781	750
thereof Asia	553	520

Percentage of women	2022	2021
Total workforce	17%	17%
thereof Germany	17%	17%
thereof rest of Europe	17%	15%
thereof North America	18%	19%
thereof Asia	14%	15%
Senior management	20%	19%
Middle management	16%	17%

Age structure	2022	2021
< 30 years	16%	15%
30 to 50 years	55%	53%
> 50 years	29%	32%

Help provided to employees in balancing the responsibilities of work and family plays a crucial role in an employer’s attractiveness. This purpose is served by regulations that allow flexibility in the workplace, so that the service does not necessarily have to be provided at an SGL location. Since October 2022, the new general works agreement “Mobile Working” has been in force in Germany, which has significantly simplified flexibility and replaced a previous one. The proportion of mobile working – for example from home – can generally amount to up to 40% on average of individual weekly working hours, in consultation with the respective manager and if the employee’s job permits this. Furthermore, part-time employment offers employees the opportunity to balance their professional and private lives. In 2022, significantly more of SGL Carbon’s employees in Germany took advantage of this option than in the previous year, with the doubling of the proportion of part-time employees in the male workforce being particularly striking.

Part-time employment and reconciliation of work and family	2022	2021
Percentage of part-time employees in Germany ¹⁾	10.0%	7.2%
Male part-time employees (Germany) ¹⁾	5.3%	2.6%
Female part-time employees (Germany) ¹⁾	34.0%	29.8%

¹⁾ The system has been changed from a reporting date approach as of December 31 to a period approach, i.e. all employees who worked part-time continuously or for only one period (e.g. parental leave) in the respective calendar year are included. Part-time employees, students and temporary workers are also excluded. The previous year’s figures have been converted in accordance with the system described above to improve comparability.

Respect for human rights

SGL Carbon attaches particular importance to demonstrating respect for human rights. For this reason, the various elements of a human rights management system have been gradually introduced since 2018. The SGL Carbon Code of Conduct commits the organization to upholding the principles of the UN Global Compact and to respecting and protecting human rights. SGL Carbon has also been a UN Global Compact signatory since 2021. Respect for human rights is further elaborated in the Employees chapter of the Code of Conduct. This section also refers to the Human Rights Policy introduced globally in 2018. This policy is available in a total of nine languages and is included in the hiring documents at all SGL sites. Group Compliance has this confirmed annually by the Local Compliance Representatives (LCRs) at the sites using the implemented LCR reporting.

A risk assessment on compliance with human rights in the company's own business unit was already carried out in 2019, and evaluated centrally by Group Compliance, in the form of an internal questionnaire with local compliance representatives and site managers together with local HR managers. For information on respect for human rights along the supply chain and the corresponding risk management, please refer to the CSR Report, Governance / Responsibility in the supply chain.

The internal questionnaire to identify potential human rights risks within the company's own business unit was based on external standards from the "Human Rights Compliance Assessment Quick Check" of the Danish Institute of Human Rights. The aim was to identify human rights risks, assess them and, if necessary, take appropriate risk mitigation measures. After evaluation of the risk assessment, no significant need for change was identified for the sites. However, additional training needs were identified for SGL as a whole to bring more attention to the topic.

For this reason, Group Compliance developed and implemented a training concept on human rights compliance together with Group Human Resources in 2021. This 2-step training concept has been rolled out globally to all office workers since October 2021. The training concept offers basic training and virtual training online, including practical examples on discrimination, harassment and bullying. The online training, which is available in a total of nine SGL languages, was made available to the target group via the internal learning management system (LMS) and is now also part of the on-boarding training program for all new employees in the target group. The virtual training was conducted worldwide by Group

Compliance and Group Human Resources, in some cases with support by the local HR and/or legal department. By the end of the year, all employees in the identified target group had completed the online training and 93% had already taken part in one of the 63 virtual training courses offered. At year end, the target group comprised 1,783 employees. For employees working in production, a corresponding training concept was developed by Group Compliance and Group HR in 2022 and adopted in the Compliance Committee. This training concept also includes a two-stage learning concept. A chapter on human rights was therefore added to the newly created online training on the Code of Conduct. In 2023, production employees will first complete this online training and then take part in classroom training. The roll-out will begin at the US sites in the first quarter of 2023.

Group Compliance added a corresponding section to the compliance questionnaires for the sites regarding a regular survey on respect for human rights and compliance with national labor law requirements. In the second half of each year, the LCRs provide corresponding information regarding their locations. In addition, the compliance risk category Human Rights was part of the Compliance Risk Assessment 2021 (see also the Governance section).

Alongside the existing whistleblower system, a dedicated reporting channel was launched in 2018 in order to more effectively and directly enable employees and managers to report possible violations of the rules on respecting human rights. This new channel is described in the Human Rights Policy. Reports received are received centrally by Group HR and Group Compliance on a confidential basis, systematically processed in compliance with data protection regulations, sanctioned appropriately where necessary and reported to the Board of Management as part of the semi-annual Compliance Report.

Social commitment

SGL Carbon is active in several regions of Europe, Asia and North America. As a company, we therefore strive to be a reliable partner both internationally and locally and go beyond our business activities by assuming social responsibility for people where we operate. Our employees and the regions in which we operate are at the forefront of our activities, which is why we are particularly involved in the immediate vicinity of our own sites and primarily support projects here that have a local or thematic connection to the company.

The formal basis for SGL Carbon's social commitment is its Sponsoring and Donations Policy. It specifies the Group-wide standard and is binding for all SGL Carbon employees, ensuring

that the funding and selection of projects is transparent and follows uniform guidelines. Management of the respective location makes decisions on the funding of specific projects, initiatives, institutions and associations up to a single amount of €5,000. If the amount for sponsorships and donations is above this amount, the Board of Management must approve it. The Capital Markets & Communications department is also to be informed. No violations of the guideline were identified in the year under review.

As in previous years, SGL Carbon has again placed a focus on training and development in 2022. We are already active in schools in the region. An example of this is the Meitingen site, where there are school partnerships that give students an insight into the corporate world and that are also aimed at promoting a better understanding of technical professions. We also supported a digital project in cooperation with a secondary school in Meitingen and organized an exchange project with our trainees in vocational training of a local foundation. We also support social projects outside of Germany. At our Austrian site in Ort im Innkreis, we participated in a research event that gave interested parties an insight into our plant and our various job profiles.

Although SGL Carbon does not operate a site in Ukraine, we nevertheless also want to provide assistance and support the people suffering from Russia's war of aggression, within the scope of our possibilities. In March 2022, we therefore launched an internal fundraising campaign for the people affected, where each employee was able to donate an individual contribution to a well-known and reputable aid organization.

In addition to this selection of current projects, we particularly support sports and youth clubs, charitable initiatives and local projects around our sites that offer direct added value for the local community.

Governance

Compliance management

As a Group that operates globally, SGL Carbon bears a special responsibility in its dealings with employees, customers, business partners, shareholders and the public throughout the world.

The structure and implementation of SGL Carbon Group's compliance management system (CMS) is therefore in accordance with national and international standards such as IDW PS980 and ISO 37301:2021. To review the relevant elements with regard to their implementation status and effectiveness, in 2020 the Board of Management engaged an independent third party to certify the CMS of SGL Carbon in accordance with the requirements of the ISO 19600:2016 guideline. The first review audit took place in 2021 and was also used as a transformation audit for the switch to the new ISO 37301:2021. The second review audit was conducted in November 2022 by DQS GmbH (the German Society for the Certification of Management Systems). After the audit was complete, DQS certified that SGL Carbon SE implemented and applies a CMS that meets the requirements of the ISO 37301 guideline. As an integral component of SGL Carbon's management and corporate culture, the Code of Conduct sets standards for responsible and lawful conduct. The principles and values anchored in the Code of Conduct support the personal integrity of our employees and strengthen our corporate culture. This includes ensuring that all managers and employees comply with internal and external regulations and that ethical and sustainable principles determine their actions. In addition to the Code of Conduct, SGL Carbon's compliance program includes additional internal requirements, guidelines and training for various target groups and specific topics (for further information, please refer to the Corporate Governance Declaration, Corporate Governance Report and Compliance Report in this Annual Report). A material component of this is the anti-corruption program (see section "Anti-corruption and bribery").

The Chief Compliance Officer reports directly to the Board of Management and is responsible for the compliance strategy as well as for monitoring the structures and processes of the compliance management system (CMS). They are supported in their work by the Group Compliance department. The organization also includes the Compliance Network, which is made up of regional and local Compliance representatives as well as Compliance representatives from the business units and central functions (for additional information, please refer to the Corporate Governance Declaration, Corporate Governance Report and Compliance Report in this Annual Report).

The CMS is reviewed for effectiveness and efficiency on an ongoing basis. To measure achievement of the compliance targets, SGL Carbon has put numerous measures and indicators in place for the CMS and its components. These KPIs are published on the SGL website under Compliance. Furthermore, the aim is to respond appropriately to new legal requirements and changes in the business environment. In consultation with the

Compliance Committee, each year the Group Compliance department identifies and defines areas in which action needs to be taken, along with measurable annual targets approved by the Board of Management. The target achievement results, and any follow-up activities derived from them, are summarized in an annual review.

Regular risk assessments covering the identified compliance risk areas of SGL Carbon, which are summarized in the “House of Compliance” are a material part of the effective CMS. Risk assessments for the antitrust, anti-corruption, protection of trade secrets and human rights categories were carried out in 2021 with the management committee members from all four business units. These interviews with the heads of the corporate functions, who are also the compliance representatives for their units, were continued in early 2022. The overall objective of the interviews was to identify potential risks arising in the various compliance risk categories from the new business strategy, in addition to possible risks due to changes in the market environment. The participants also considered aspects of the coronavirus pandemic.

The CMS further stipulates that compliance issues are to be regularly documented by the local compliance representatives (LCRs) and the responsible compliance representatives of the business units as part of the relevant reporting process. Group Compliance confirms the implementation of the compliance program at the local sites by means of a semiannual LCR compliance questionnaire. The results from the evaluation of the questionnaires are discussed in detail with the Board of Management and the Audit Committee. The results also serve as the basis for repositioning compliance activities if necessary. All LCRs submitted semiannual LCR reports for the corresponding reporting period. The annual compliance surveys for the business units and corporate functions were postponed due to the overlap in content with the risk assessment performed in 2021/2022 and will be thoroughly reviewed in 2023.

Against the backdrop of a constantly evolving legal framework, SGL Carbon continuously optimizes the content of compliance training and identifies the corresponding training needs. The Code of Conduct e-learning program serves as the corresponding baseline training on compliance issues for all new office workers. It focuses especially on teaching our principles and values, which promote acting with integrity in the course of daily business. The training course is used worldwide and is available in German, English, Chinese, French and Polish. An automated verification process adds new employees in the target group to the group of participants in the e-learning program on an ongoing basis via

the internal learning platform (LMS). All office workers must also complete mandatory online compliance training courses on human rights, anti-corruption and export controls as part of their onboarding.

Group Compliance developed an online training course for production staff during the last fiscal year so that the Code of Conduct e-learning program can in future be offered to all employees. Additional departments and local sites were involved in shaping the course content via the relevant LCRs. The course will be translated into at least all nine SGL languages in the first quarter of 2023. The roll-out will begin in the first half of the year and will initially be made available to production personnel at all US sites via LMS.

Regular internal compliance audits form part of the CMS. For this purpose, the Group Compliance department and Group Internal Audit (GIA) have jointly developed an audit catalog, the appropriateness of which is subject to a joint annual review. Reviews pay particular attention to findings from reported compliance breaches and changes in the compliance program. Group Internal Audit incorporates this audit catalog into its regular audits (see also the Risk Management System section of this Annual Report). In addition to compliance with legal and in-house rules, these audits also cover the observance of ethical standards, which are also addressed in the annual LCR compliance survey. GIA reviews, among other things, whether compliance topics are regularly placed on the agenda of local site committee meetings, and thus whether site management fulfills its legal responsibility and its compliance leadership role (“tone from the top”) regarding addressing compliance on site and demanding and implementing legally compliant, ethical behavior. The status of SGL Carbon's compliance culture is also surveyed in the course of the regular global compliance survey that is carried out by Group Compliance. Group Compliance also draws up improvement suggestions for the compliance program on the basis of compliance incidents. Lastly, the annual external audit performed in connection with the ISO 37301 certification confirms that the compliance management system also contains the required elements of an integrity management system.

SGL Carbon strives to create an environment in which all concerns relating to compliance can be openly discussed. All employees are encouraged to raise all integrity issues and questions with their supervisors, the Compliance department or a member of the Compliance Network. They are also explicitly taught to do so in the Code of Conduct training course. In addition to the existing communication and reporting channels, SGL Carbon has

a whistleblower system in the form of the “Compliance Helpdesk.” This system makes it possible for employees to confidentially report information on potential compliance violations in accordance with the Whistleblower Guideline. The Whistleblower Guideline also regulates mandatory protection of the reporting person. SGL Carbon tolerates no form of punishment, recrimination or discrimination against employees as a consequence of making a report in good faith in accordance with this guideline.

This principle applies in all cases, whether or not a reported incident ultimately proves to be a violation. The whistleblower mailbox is available to all employees, as well as to third parties via the SGL Carbon homepage. Anonymous reports are also accepted and, where sufficiently substantiated, investigated. The SGL Whistleblower Guideline is currently being revised and where necessary adjusted in line with the "Law on better protection of whistleblowers and on implementing the Directive on the protection of persons reporting breaches of Union law," which was passed by the German Bundestag on December 16, 2022. This will most likely enter into force in the first half of 2023 following its ratification by the Bundesrat and promulgation. The revised Guideline will be communicated accordingly.

Group Compliance reviews reported compliance incidents in the context of internal compliance investigations. The department’s task is to ensure that misconduct and violations are prevented and identified in due time, that enterprise activities comply with applicable law and statutory provisions, and that potential for improvement with regard to internal business activities is identified.

In the reporting period, SGL Carbon recorded all indications of potential violations in regard to antitrust law, anti-corruption, export controls and customs, protection of trade secrets, fraud prevention and human rights (such as discrimination and harassment) that, in addition to breaching the law and/or internal rules, could also result in financial or reputational damage. All such indications were processed so that specific measures could be derived and implemented where necessary. Individual sanction and disciplinary measures were also taken in accordance with local labor laws and regulations and implemented by the responsible local human resource departments. SGL Carbon is convinced that the compliance management components and monitoring processes described are suitable for creating the best possible basis for ensuring that future conduct will be legally compliant in all areas of the SGL Carbon Group.

Anti-corruption and bribery

Good relationships with customers and suppliers are essential for ensuring the positive economic development of SGL Carbon. SGL Carbon fosters and requires transparent and lawful execution of all company business. On this basis, SGL Carbon seeks to create a sense of trust and to secure lasting business relationships.

SGL Carbon's principles for combating bribery and corruption are laid down in the SGL Anti-Corruption Program, which is applicable throughout the Group. The rules are set out in a specific guideline, as well as in the Code of Conduct. The previous Gifts and Hospitality (G&H) Guideline was superseded by a new Anti-Corruption Guideline in 2022. The guideline was fundamentally revised in accordance with changes to the legal framework, while the content also took account of findings from the risk assessment of the four business units. The new Anti-Corruption Guideline sets even stricter rules on dealing with material and non-material benefits, among other things through amendments to the maximum permitted values and a general ban on providing benefits to public officials. Employees worldwide were informed of the introduction of the new guidelines via an SGL News item in November 2022. The following month, Group Compliance offered four online information events to inform staff about the main changes. Group HR also distributed the guideline to the entire target group via the controlled document management (CDM) system, with a request for confirmation of receipt. Local HR departments were informed that the new Anti-Corruption Guideline supersedes the previous G&H Guideline and will be distributed to all new hires within the target group as of January 1, 2023. The anti-corruption course that forms part of the compliance training program will be revised in the first quarter of 2023 and the new version will be rolled out as a mandatory training course for the target group in the first half of the year.

SGL Carbon has a Group-wide “Business Partner Compliance” (BPC) process to monitor risks and manage all processes that relate to dealing with sales agents. The target group for the BPC process is currently sales agents and distributors. The process requires that new business partners in the target group be subjected to a multi-stage review before any contracts are signed. This process is also part of an internal control mechanism within the framework of the internal control system (ICS). In addition to new sales agents, existing sales agents are also regularly reviewed. The nominated business sponsors from the business units are responsible for starting this process.

Moreover, the Code of Conduct provides rules for handling donations to political parties and references to the Sponsoring and Donations Policy. This policy defines the Group-wide standard that ensures a transparent approach to sponsorship and donations and prohibits actions such as providing financial support to political parties and candidates for political office and other elected positions. The rules apply to all employees of SGL Carbon, including members of the Board of Management.

Corporate governance and business ethics

For SGL Carbon, good corporate governance is not only compliance with legal requirements and applicable guidelines but also responsible action aimed at sustainable value creation. Our commitment to responsible corporate governance is derived from the SGL Carbon Code of Conduct as well as from regulations, external initiatives and international guidelines that we have pledged to adhere to. We also take these requirements into account in our ESG strategy and Group-wide policies. Examples include the SGL Human Rights Policy, which is based on the UN Guiding Principles on Business and Human Rights, the principles of the UN Global Compact and the UN Declaration on Human Rights. Our Group-wide occupational health and safety guidelines take inspiration from other guidelines such as the labor standards of the International Labor Organization (ILO).

The Corporate Governance Declaration and further information can be found in the Corporate Governance and Compliance Report (unaudited) in this Annual Report.

Responsibility in the supply chain

As a globally active company with a diversified multinational customer structure, SGL Carbon maintains a wide variety of business relationships. During the period of collaboration, SGL Carbon expects all business partners (customers and suppliers) to commit to lawful, ethical and environmentally sustainable conduct to the same extent as SGL Carbon. To ensure that this is the case, a Supplier Code of Conduct was rolled out for suppliers and their subcontractors. In addition to rules of conduct to be observed with regard to integrity, supplier-side anti-corruption and social and environmental standards, it also includes requirements for dealing with what are known as conflict materials and a binding commitment to the principles of the UN Global Compact. SGL Carbon has had its own Conflict Minerals Policy since 2015 and fundamentally revised it in 2021. The Group is committed to avoiding the use of conflict minerals in its products and production processes.

A review is performed as part of a regular due diligence process. In fiscal year 2022, the process was linked to the supplier assessment based on the Integrity Next platform.

Global Procurement is responsible for implementing and applying the Supplier Code of Conduct for suppliers and their subcontractors. The Supplier Code of Conduct was rolled out in 2015 and has been updated on a regular basis since then. It is also incorporated into SGL Carbon's General Purchasing Terms and Conditions. In the course of its successive rollouts, the Supplier Code of Conduct was issued to the primary risk-relevant suppliers. The criteria defined were a minimum sales revenue and a minimum number of orders from suppliers with a score between 0 and 53 in countries classed as critical under the CP (Corruption Perception) Index with a score between 0 and 53. 100% of primary existing suppliers committed themselves to compliance with the Supplier Code of Conduct. In addition, new suppliers that Procurement records in SGL Carbon's system are also required to sign the Supplier Code of Conduct or show that they have equivalent compliance standards. 100% of new suppliers signed the Code in 2022. The 1% who had not signed up as of December 31, 2022 are expected to sign or will be followed up on in the next few weeks. For raw materials, new suppliers are asked about the basics of the Supplier Code of Conduct and the answers are incorporated into the final selection of suppliers.

In addition to the awarding of points for delivery performance and quality, since 2018 an assessment of the supplier in terms of legal, ethical and sustainable behavior has also been carried out in the context of the annual supplier assessment. The result of the evaluation is directly incorporated into the supplier risk management. The risk assessment is used to determine whether supplier development measures are required and to decide which supplier audits will be carried out. Supplier audits also take into account issues relating to compliance with environmental and social standards.

In 2021, a new process was rolled out for the risk management of strategic suppliers. Standards are evaluated with regard to matters such as compliance, safety and environment. In 2022, all active suppliers received an online supplier risk assessment questionnaire on sustainability, as part of the preparations for compliance with the German Supply Chain Due Diligence Act (LkSG), which will apply to SGL Carbon from January 1, 2024. The online supplier risk assessment includes standard sustainability components such as ethics and compliance, as well as human rights and environmental risks in accordance with the LkSG (environmental protection; human rights; supply chain responsibility; health & safety; anti-bribery & corruption and cybersecurity). The results of the online questionnaire are

incorporated into the risk assessment of each supplier, with the aim of eliminating or mitigating the risks identified. Alongside the online risk assessment, Global Procurement is developing an abstract risk assessment as a second assessment filter. This involves assessing human rights and environmental risks for all countries and sectors (based on the NACE code) by the end of 2023, with the aim of producing an overview of suppliers who qualify as problematic in all three areas (1. Online supplier risk questionnaire; 2. Countries; 3. Sectors). This procedure will make it easier to set suitable priorities for the measures to be taken with the resources available.

Group Compliance comprehensively trained the Global Procurement Team on “Due Diligence in the Supply Chain” in November 2021. SGL Carbon has manufacturing sites in many different countries and supplies products to customers all over the world. It is therefore of considerable importance to avoid risks associated with trading activity and customs regulations. Such risks include restrictions on deliverability, the underpayment of taxes, customs duties and other charges, and exposure to fines and prosecution. SGL Carbon aims to use appropriate compliance processes to ensure that the goods and technologies are exchanged and services are used in accordance with the respective internal and external requirements. This principle is defined in the Group-wide Global Trade Policy as well as in SGL Carbon’s procedural instructions on preparing, optimizing and executing all trading activities, on control mechanisms and on managing and monitoring risks and responsibilities.

In the companies and units, the export managers and export control/customs officers are responsible for export control and customs. Since 2009, the existing compliance program for export control and customs has been working with an IT-based compliance module (SAP Global Trade Services – GTS) that enables the efficient review and processing of business transactions. This module is regularly updated to bring it into line with the latest legal requirements. Following the introduction of audits for suppliers and all procurement processes in 2021, the system was expanded to include the screening of the banks used for outgoing payments in the SAP ERP system against international sanctions lists. The SAP Global Trade Services (GTS) system performs centralized screening and constantly checks all business partners, such as master data for banks, customers and suppliers, in the SAP ERP system. Business partners who match entries in the sanctioned party lists are blocked. All outgoing payments, sales and purchase orders with blocked business partners are also blocked as a result. The centrally organized Global Trade Organization can only lift such blocks if establishes beyond doubt and to the best of its knowledge and belief that the

blocked business partner is not the sanctioned party. If this cannot be established, SGL Carbon will discontinue the business relationship. All decisions made in this context are documented in the SAP GTS system.

With regard to customs, our application for centralized customs clearance was approved, which marks a major step forward toward smart digital customs processes. SGL Carbon is thus utilizing the possibilities under the EU Customs Code for modern, flexible forms of customs declaration and taking a pioneering role in Germany in the effective organization of customs processes. Central customs clearance via SAP Global Trade Services (GTS) has now been implemented for the first time at SGL CARBON GmbH for exports from our two Polish plants.

Export control procedures are also a key component of the compliance risk assessment. On this basis, SGL Carbon aims to ensure that international agreements and national laws are complied with in the context of cross-border transactions and intra-Group transfers. Before going on business trips, employees are also encouraged to familiarize themselves with local export control and customs laws and regulations.

SGL Carbon is committed to ensuring that employees are informed about all relevant rules in the area of global trade compliance and that export control/customs officers and selected employees receive training on a regular basis.

Information security

An important part of our business success is information and its security, such as when research and development data or sensitive customer information is being handled. Cybersecurity breaches undermine the confidence of customers, investors, employees and other stakeholders. Cyber risks can harm the reputation and the value of a company just as much as other ESG factors. SGL Carbon invests in cybersecurity to protect technology, assets and critical information, as well as to safeguard our reputation and prevent damage or financial loss from unauthorized access to our systems and data.

In doing so, we rely on a risk-based approach that is in line with the internationally recognized ISO 27001 standard. As a company certified according to TISAX (Trusted Information Security Assessment Exchange), we use clearly defined and monitored processes and clear

organizational responsibilities to meet increased cybersecurity requirements and adequately address risks such as ransomware.

Information Security is part of the IT organization and reports to the Head of Information Technology Excellence (ITX), who in turn reports directly to the Chief Financial Officer (CFO). It has the right to intervene in the event of safety violations or immediate need for action, with authority over all employees except the SGL Carbon Board of Management.

Organizational measures provide a solid foundation for the technical framework and awareness of appropriate conduct of the organization and its users. A total of 18 issued and regularly monitored security guidelines specify the basic conduct expected of the users, define technical requirements and require verification measures. This also includes exception management for abnormal temporary requirements as well as fundamental principles such as segregation of duties, need-to-know and least privilege access. This package of measures is rounded out by cybersecurity insurance and a contractually defined and incident-based forensic support service provided by an external partner.

Technical measures: With the latest hardware and software (such as endpoint detection and response software), technical measures and adequate information security processes provide a solid basis for ensuring information security. SGL Carbon relies on both preventive and reactive measures. Both last year and this year, greater focus has fallen on topics such as identity and access management and the security of operational IT, and monitoring of these issues has increased.

Preventive measures are designed to reduce the risk of security breaches. We maintain a strong barrier against security violations by rolling out new tools such as multi-factor authentication, detection strategies and response plans. We also provide our employees with the tools necessary to identify significant attacks and we implement a rapid reporting and response system through mandatory and optional training and attack simulations (such as phishing or external penetration tests). In the fight against cybercrime, industrial espionage and attempted fraud, employee awareness and risk transparency are the key preventive measures for SGL Carbon.

Reactive measures in turn, are designed to ensure that SGL Carbon's detection rate and response capability remain at a high level and that resilience remains consistent during a cyberattack. To do this, we rely on comprehensive security and vulnerability scanners and

a thorough event and incident management system at the central and regionally utilized endpoints of the IT infrastructure. In addition to automated detection mechanisms, our 24/7 information security service enables us to give a prompt systematic response to attack attempts.

Data protection

SGL Carbon collects and processes personal information in compliance with data protection laws and regulations and only to fulfill the respective purposes. Personal information must be processed in such a way that the rights of each data subject are safeguarded. To ensure the protection of personal information, SGL Carbon has established a Group-wide data protection organization with local data protection officers, delegates and managers.

The data protection officers of the national subsidiaries report directly to the local Managing Directors and to the Head of Global Data Protection, who reports directly to the CEO of SGL Carbon.

To provide employees with guidance on issues relating to the integrity and confidentiality of personal information, SGL Carbon has implemented Group-wide standards in the form of data protection guidelines and organizational directives. In addition, data protection management software was introduced in fiscal year 2022. The existing data protection training course was also moved onto the Group-wide internal learning platform (LMS) in 2022. This not only makes it easier to access the training course but also ensures that participation in the course can be reviewed and tracked. Particular attention was paid in 2022 to the conceptualization of a unified procedure for the deletion of personal data, Group-wide implementation of which will be continued in 2023.

In 2022, seven suspected data protection breaches were reported and logged by SGL Data Protection. After evaluation of the facts, none of the cases was determined to present a potential risk to the rights and liberties of the data subjects. Consequently, none of the cases had to be reported to the responsible data protection authority or to the people concerned. One request for erasure (Art. 17 General Data Protection Regulation, GDPR) was also fulfilled within the relevant deadline.

Sustainable financing

The reduction of environmental and climate damage, the promotion of social participation, and sustainable corporate management are fundamental worldwide corporate goals. In accordance with the EU action plan, these goals should be funded by directing capital flows more strongly toward sustainable investments and should take environmental and climate risks more fully into account. SGL Carbon contributes to these objectives through targeted investments. SGL Carbon is using both self-generated and external financing to ensure sustainable growth. For internal investment projects, an internal CO₂ price was set for the first time in the 2022 fiscal year and taken into account in investment decisions. Whereas ESG performance indicators were previously not directly included in external financing decisions, this will be reviewed consistently with future financing activities.

Transparency and reporting

Transparency, regular financial reporting and informing all stakeholders immediately in regard to material business transactions in accordance with the Market Abuse Regulation

are a matter of course for SGL as a listed company, along with compliance with all legal requirements. For this reason, SGL Carbon regularly reports on the economic performance of the Group as a whole in the Annual Report, at the Annual General Meeting and in the quarterly releases and reports. SGL Carbon's Annual Report and quarterly reports are prepared in accordance with the standards applicable to companies listed in the Prime Standard of the Frankfurt Stock Exchange. Details on reporting can be found in the Notes to the Consolidated Financial Statements in this Annual Report.

SGL Carbon reports once a year on our ESG ambitions, targets and progress in the CSR Report, which also serves as the Group's non-financial declaration. We also communicate regularly via various communication channels on ESG projects and measures that underline our environmental and social engagement. Another reporting component is the Communication on Progress that we issue in connection with our membership in the UN Global Compact.

Independent assurance practitioner's report²

To SGL Carbon SE, Wiesbaden

We have performed a limited assurance engagement on the separate non-financial group report as well as the by reference qualified part "Background of the group" (further "separate non-financial group report), of SGL Carbon SE, (further "Company" or "SGL Carbon") for the period from January 1 to December 31, 2022.

Responsibilities of Management

The legal representatives of the Company are responsible for the preparation of the separate non-financial group report for the period from January 1 to December 31, 2022 in accordance with §§ 315c in conjunction with 289c to 289e HGB and with Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (further „EU Taxonomy Regulation“) and the supplementing Delegated Acts as well as the interpretation of the wording and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the Company as disclosed in Section "EU taxonomy" of the separate non-financial group report.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the non-financial reporting and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for the internal controls they deem necessary for the preparation of the separate non-financial group report that is free from material misstatements, whether due to fraud (manipulation of the combined separate non-financial report) or error.

The EU Taxonomy Regulation and the supplementing Delegated Acts contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the legal representatives have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in Section "EU taxonomy" of the separate non-financial group report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Assurance on the Part of the Auditing Firm

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Responsibility of the Assurance Practitioner

It is our responsibility to express a conclusion on the separate non-financial group report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", published

² Our engagement applied to the German version of the separate non-financial group report 2022. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

by IAASB. Accordingly, we have to plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the separate non-financial group report of the Company for the period from January 1 to December 31, 2022 has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation of the wording and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the legal representatives as disclosed in Section “EU taxonomy” of the separate non-financial group report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries for SGL Carbon;
- A risk analysis, including media research, to identify relevant information on SGL Carbon’s sustainability performance in the reporting period;
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including data consolidation;
- Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures;
- Inspection of selected internal and external documents;

- Analytical procedures for the evaluation of data and of the trends of quantitative disclosures as reported at group level by all sites;
- Assessment of local data collection, validation and reporting processes and the reliability of reported data via a sampling survey at one selected site via video conference;
- Inquiries of responsible group-level personnel who are responsible for determining the information on taxonomy-eligible/-compliant economic activities, performing internal control actions and consolidating the information to gain an understanding of the procedure for identifying relevant economic activities according to the EU Taxonomy;
- Assessment of the design and implementation of systems, processes and measures for the determination, processing and monitoring of information on sales, capital expenditures and operating expenses for the taxonomy-eligible/-compliant economic activities;
- Assessment of the overall presentation of the disclosures.

The legal representatives have to interpret vague legal concepts in order to be able to compile the relevant disclosures according to Article 8 of the EU Taxonomy Regulation. Due to the innate risk of diverging interpretations of vague legal concepts, the legal conformity of these interpretations and, correspondingly, our assurance thereof are subject to uncertainties.

Assurance Opinion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the separate non-financial group report of SGL Carbon SE for the period from January 1 to December 31, 2022 has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation disclosed by the legal representatives in Section “EU taxonomy” of the separate non-financial group report.

Restriction of Use/General Engagement Terms

This assurance report is solely addressed to SGL Carbon SE, Wiesbaden and intended exclusively for them.

Our assignment for SGL Carbon SE, Wiesbaden, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Frankfurt am Main, March 22, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Gnädiger
Wirtschaftsprüfer
[German Public Auditor]

Brandt
Wirtschaftsprüfer
[German Public Auditor]

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