The EnBW Group

Finance and strategy goal dimensions

Results of operations

Electricity sales fall significantly especially in the trading sector, clear increase in gas sales

Electricity sales volume (without Grids)

in billion kWh	Sales		Renewable Energies		Generation and Trading		Total (without Grids)		Change in %
	2020	2019	2020	2019	2020	2019	2020	2019	
Retail and commercial customers (B2C)	14.3	14.8	0.0	0.0	0.0	0.0	14.3	14.8	-3.4
Business and industrial customers (B2B)	20.0	20.5	0.0	0.0	0.0	0.0	20.0	20.5	-2.4
Trade	1.0	2.0	3.7	2.9	68.3	112.4	73.0	117.3	-37.8
Total	**35.3**	**37.3**	**3.7**	**2.9**	**68.3**	**112.4**	**107.3**	**152.6**	**-29.7**

In the 2020 financial year, electricity sales were significantly lower than in the previous year. In a persistently challenging competitive environment and despite the effects of the coronavirus pandemic, electricity sales in business with retail and commercial customers (B2C) only fell moderately in comparison to the previous year. Sales to business and industrial customers (B2B) only fell slightly in comparison to the previous year as a result of the withdrawal from the B2B commodity business under the EnBW and Watt brands. Sales in the trading sector were significantly lower due to the decrease in trading activities. However, the effect of trading activities on the earnings potential of our company is limited. Adjusted for the effects of changes in the consolidated companies, the decrease in electricity sales was 29.7%.

Gas sales volume (without Grids)

in billion kWh[1]	Sales		Renewable Energies		Generation and Trading		Total (without Grids)		Change in %
	2020	2019	2020	2019	2020	2019	2020	2019	
Retail and commercial customers (B2C)	17.1	17.4	0.0	0.0	0.0	0.0	17.1	17.4	-1.7
Business and industrial customers (B2B)	199.7	166.0	0.0	0.0	0.0	0.0	199.7	166.0	20.3
Trade	0.3	0.5	0.1	0.1	224.3	177.8	224.7	178.4	26.0
Total	**217.1**	**183.9**	**0.1**	**0.1**	**224.3**	**177.8**	**441.5**	**361.8**	**22.0**

1 The figures for the previous year have been restated.

In the 2020 financial year, there was a clear increase in gas sales in comparison to the previous year. Due to a change in the classification of business activities, there was a shift between the Generation and Trading and Sales segments. The figures for the previous year have been restated accordingly. Despite the persistently challenging competitive environment, gas sales in business with retail and commercial customers (B2C) were almost at the same level as in the previous year. The increase in sales to business and industrial customers (B2B) in comparison to the previous year was due to the purchase of Gas-Union by VNG. There was also an increase in trading activities. However, the effect of trading activities on the earnings potential of the company is limited. Adjusted for the effects of changes in the consolidated companies, the increase in gas sales was 12.4%.

External revenue at same level as in previous year

External revenue by segment

in € million[1, 2]	2020	2019	Change in %
Sales	9,964.9	9,350.2	6.6
Grids	3,657.5	3,459.7	5.7
Renewable Energies	1,044.0	653.1	59.9
Generation and Trading	5,019.8	5,969.5	-15.9
Other/Consolidation	8.1	3.2	–
Total	**19,694.3**	**19,435.7**	**1.3**

1 The figures for the previous year have been restated.
2 After deduction of electricity and energy taxes.

Adjusted for the effects of the changes in the consolidated companies, external revenue fell by 3.5% or €719.2 million in comparison to the previous year. Due to a change in the classification of business activities, there was a shift between the Generation and Trading and Sales segments. The figures for the previous year have been restated accordingly.

Sales: In the 2020 financial year, revenue in the Sales segment increased in comparison to the previous year. Adjusted for the effects of the changes in the consolidated companies, external revenue fell slightly by 0.4% or €43.5 million and almost reached the same level as in the previous year. This was primarily due to a slight fall in electricity sales.

Grids: Revenue in the Grids segment in the reporting year was slightly higher than the figure in the previous year, which was mainly due to higher revenue from the use of the grids. Adjusted for some small effects of the changes in the consolidated companies, external revenue increased by 5.2% or €180.6 million in comparison to the previous year.

Renewable Energies: In the Renewable Energies segment, revenue increased significantly in the 2020 financial year in comparison to the previous year. Adjusted for the effects of the changes in the consolidated companies, which involved the first full-year contributions of Valeco and our EnBW Hohe See offshore wind farm and the commissioning of EnBW Albatros in 2020, there would have been an increase of 9.4% or €89.9 million. This increase was mainly attributable to the fact that the electricity delivered from our hydropower plants was sold on the forward market at higher wholesale market prices than in the previous year. In addition, there was an increase in revenue due to higher generation from our onshore wind farms as a result of the weather.

Generation and Trading: Revenue in the Generation and Trading segment fell in the reporting period in comparison to the previous year, which was primarily attributable to a decrease in electricity trading activities. Adjusted for the effects of the changes in the consolidated companies, there would have been a fall of 15.9% or €951.3 million.

Material developments in the income statement

The fall in the cost of materials was mainly due to lower electricity and gas procurement expenses. Electricity procurement expenses were largely influenced by a decrease in trading activities with a corresponding fall in revenue. Alongside wage increases as part of the collective bargaining agreement, the rise in personnel expenses was mostly due to an increase in the number of employees in the growth areas of Grids, Renewable Energies and Sales. The balance from other operating income and other operating expenses in the reporting period fell from €251.1 million in the previous year to €-680.7 million in the reporting year. This decrease was largely the result of valuation effects from derivatives (Glossary, from p. 138) and a lower balance of income and expenses from CO_2 allowances. The fall in the investment result was primarily attributable to the loss of the positive effect of the revaluation of the shares in EnBW Hohe See in the previous year, which was due to the change in the consolidation method. A write-up of the joint venture in Turkey and the revaluation of the shares in EnBW Albatros had a positive effect in the 2020 financial year. The financial result fell to €-307.0 million in the reporting year (previous year: €-95.8 million), which was mainly due to the loss of the positive market valuation of securities in the previous year. This was offset to some extent by lower interest expenses as a result of the drop in the discount rates applied to pension and nuclear provisions. Overall, earnings before tax (EBT) stood at €1,002.6 million in the 2020 financial year, compared to €902.2 million in the previous year. The complete consolidated financial statements can be found at www.enbw.com/report2020-downloads.

Earnings

The Group net profit/loss attributable to the shareholders of EnBW AG decreased from €734.2 million in 2019 by €138.1 million to €596.1 million in the reporting period. Earnings per share amounted to €2.20 in the 2020 financial year, compared to €2.71 in the previous year.

Adjusted earnings and non-operating result

The sum of the adjusted earnings figures and non-operating figures gives the figures on the income statement. The non-operating result includes effects that cannot be predicted or cannot be directly influenced by us and as such are not relevant to the ongoing management of the company. The effects are presented and explained in the section "Non-operating EBITDA." The business activities relevant to the ongoing management of the company are of particular importance for internal management and for the external communication of the current and future earnings potential. We use the adjusted EBITDA – earnings before the investment and financial results, income taxes and amortization, adjusted for non-operating effects – as the key reporting indicator for disclosing this information.

TOP Adjusted EBITDA and TOP the share of the adjusted EBITDA accounted for by the segments

Adjusted EBITDA by segment

in € million[1]	2020	2019	Change in %	Forecast 2020
Sales	335.0	325.9	2.8	€325 to €400 million
Grids	1,346.6	1,355.3	-0.6	€1,300 to €1,400 million
Renewable Energies	835.6	499.3	67.4	€825 to €925 million
Generation and Trading	442.2	426.4	3.7	€425 to €500 million
Other/Consolidation	-178.2	-174.4	-2.2	–
Total	**2,781.2**	**2,432.5**	**14.3**	**€2,750 to €2,900 million**

1 The figures for the previous year have been restated.

Share of adjusted EBITDA accounted for by the segments

in %[1]	2020	2019	Forecast 2020
Sales	12.0	13.4	10% to 15%
Grids	48.4	55.7	40% to 55%
Renewable Energies	30.0	20.5	25% to 35%
Generation and Trading	15.9	17.5	10% to 20%
Other/Consolidation	-6.3	-7.1	–
Total	**100.0**	**100.0**	

1 The figures for the previous year have been restated.

The adjusted EBITDA (Glossary, from p. 138) increased in the 2020 financial year in comparison to the previous year. This positive earnings performance was within the forecasted range for the 2020 financial year. All segments achieved a result within their forecasted range for 2020. The shares of the adjusted EBITDA accounted for by the segments were all within the forecasted ranges.

Sales: The adjusted EBITDA in the Sales segment increased in the 2020 financial year in comparison to the previous year by 2.8% and was thus within the originally forecasted range. The adjusted forecast from the third quarter (€275 million to €325 million) was exceeded. Plusnet, which was acquired in 2019, has been contributing to earnings since the beginning of the third quarter 2019. Adjusted for the effects of changes in the consolidated companies, earnings for the segment fell by 7.4%. The main reasons for this change in earnings were lower sales volumes in the B2B sector at companies EnBW holds a share in due to the coronavirus pandemic and the selling off of already purchased volumes. In contrast, adjustments to energy industry provisions resulted in higher out-of-period earnings.

Grids: In the Grids segment, the adjusted EBITDA in the 2020 financial year almost reached the same level as in the previous year (-0.6%). Adjusted for the effects of the changes in the consolidated companies, earnings in the segment were also at about the same level as in the previous year (-0.6%). This was attributable to the fact that a volume-related drop in earnings from the distribution grids was almost fully compensated for by higher revenue from the use of the electricity and gas transmission grids, above all because of the increased investment necessary to ensure the security and reliability of supply of the grids. Earnings for the segment were moderately negatively impacted by the effects of the coronavirus pandemic in 2020.

Renewable Energies: The adjusted EBITDA in the Renewable Energies segment for the 2020 financial year clearly exceeded the level in the previous year by 67.4%. Adjusted for the effects of the changes in the consolidated companies, which mainly involved the EnBW Hohe See and EnBW Albatros offshore wind farms and the acquisition of Valeco, the increase was 6.0%. The EnBW Hohe See and EnBW Albatros wind farms have been contributing to earnings since they were commissioned at the beginning of the fourth quarter of 2019 and in the first quarter of 2020, respectively. Valeco has been contributing to earnings since the third quarter of 2019. In addition, better wind conditions at our onshore wind farms in comparison to the previous year contributed to a positive earnings performance. Furthermore, the electricity delivered from our hydropower plants was sold on the forward market at higher wholesale market prices than in the previous year. The coronavirus pandemic did not have any negative impact on earnings in 2020.

Generation and Trading segment: In the Generation and Trading segment, the adjusted EBITDA increased in the 2020 financial year by 3.7% in comparison to the previous year. Adjusted for the effects of changes in the consolidated companies, the increase was 3.5%. We sold our electricity deliveries at higher wholesale market prices in comparison to the previous year. In addition, earnings contributions from trading activities had a positive effect due to growing volatility on the wholesale markets. It was thus possible to compensate for the loss of the earnings contribution from Block 2 of the Philippsburg nuclear power plant as a result of the power plant being decommissioned. The coronavirus pandemic did not have any negative impact on earnings in 2020.

As already mentioned in the Integrated Annual Report 2019, there was an adjustment to the management concept in connection with the reorganization of the SAP system at the beginning of 2020. This has resulted in a shift between Other/Consolidation and the segments.

Improvement in the non-operating EBITDA in comparison to the previous year

Non-operating EBITDA

in € million	2020	2019	Change in %
Income/expenses relating to nuclear power	43.7	-61.9	–
Income from the reversal of other provisions	38.3	48.2	-20.5
Result from disposals	2.4	18.4	-87.0
Reversals of/additions to the provisions for onerous contracts relating to electricity procurement agreements	-56.8	-54.8	-3.7
Income from reversals of impairment losses	16.9	4.5	–
Restructuring	-53.9	-41.0	-31.5
Other non-operating result	-108.5	-100.7	-7.7
Non-operating EBITDA	**-117.9**	**-187.3**	**37.0**

The smaller loss reported for the non-operating EBITDA was mainly due to adjustments to the nuclear provisions as a result of changed assumptions with respect to the decommissioning of the nuclear power plants. In 2020, the other non-operating result was around the same level as in the previous year. In the reporting year, this item contained extraordinary negative effects related to VAT, while the value for the previous year was mainly influenced by risk provisions for a possible obligation to pay EEG cost allocations (Glossary, from p. 138) for the company's own energy deliveries within the EnBW Group. The result for the previous year also included valuation effects related to the valuation of our gas storage facilities. Due to a reclassification in the 2020 financial year, this valuation effect will no longer have an impact after the 2020 financial statements.

Slight decrease in Group net profit in comparison to the previous year

Group net profit

in € million	2020			2019		
	Total	Non-operating	Adjusted	Total	Non-operating	Adjusted
EBITDA	**2,663.3**	**-117.9**	**2,781.2**	**2,245.2**	**-187.3**	**2,432.5**
Amortization and depreciation	-1,560.6	-170.9	-1,389.7	-1,648.5	-160.7	-1,487.8
EBIT	**1,102.7**	**-288.8**	**1,391.5**	**596.7**	**-348.0**	**944.7**
Investment result	206.9	95.6	111.2	401.3	270.9	130.4
Financial result	-307.0	-13.4	-293.6	-95.8	-176.0	80.2
EBT	**1,002.6**	**-206.6**	**1,209.1**	**902.2**	**-253.1**	**1,155.3**
Income tax	-195.0	72.7	-267.7	2.1	191.0	-188.9
Group net profit/loss	**807.6**	**-133.9**	**941.4**	**904.3**	**-62.1**	**966.4**
of which profit/loss shares attributable to non-controlling interests	(211.5)	(-47.2)	(258.6)	(170.1)	(-9.5)	(179.6)
of which profit/loss shares attributable to the shareholders of EnBW AG	(596.1)	(-86.7)	(682.8)	(734.2)	(-52.6)	(786.8)

Total impairment losses in the reporting year, which mainly concern a gas grid and an offshore wind farm, were slightly higher than the level in the previous year. The main reason for the impairment of the gas grid was an amendment to the network user charge notice, while the evaluation of the fair value of the offshore wind farm was impacted by the fact that it will have fewer and fewer operating years with EEG funding in the future due to its advancing age. In 2019, impairment losses on power plants were mainly due to the quicker phase-out pathway for hard coal. Depreciation decreased despite high investment activities in relation to the decommissioning of the Philippsburg nuclear power plant at the end of 2019. A write-up of the joint venture in Turkey due to the commissioning of two wind farms had a positive effect on the non-operating investment result. In addition, the shares in EnBW Albatros were revaluated due to a change in the consolidation method. The high figure in the previous year was mainly attributable to the revaluation of the shares in EnBW Hohe See. The decrease in the financial result in comparison to the previous year was mainly due to the significantly more negative market valuation of securities. This was offset to some extent by the development of the discount rate for pension and nuclear provisions.

Financial position

Financial management

Basis and objectives

The purpose of our financial management system is to ensure that EnBW is able to meet its payment obligations at all times without restriction. In order to minimize risk, optimize costs and increase transparency, financial transactions are managed within the Group finance department as far as possible.

In the operating business, derivatives (Glossary, from p. 138) are deployed for hedging purposes only: for example, for forward contracts for electricity and primary energy source trading. This also applies for foreign exchange and interest rate derivatives. All trading activities take place within a consistent framework using risk capital on the one hand and derived limits on the other. The risk capital for trading is approved by the entire Board of Management of EnBW on an annual basis. The risk capital used for own trading stood at €60 million.

Interest rate risk management involves the management and monitoring of interest-sensitive assets and liabilities. The included companies regularly report on the existing risk position as part of the rolling liquidity planning process. An interest rate risk strategy is developed in an analysis conducted every quarter on an aggregated basis. The purpose is to limit the impact of fluctuations in interest rates and interest rate risks on the results of operations and net assets. The interest rates on financial liabilities are predominantly fixed. We use interest rate derivatives to keep the relationship between fixed and variable interest rates within predefined limits in order to optimize the interest income. The potential risk is determined on the basis of current interest rates and possible changes in these interest rates.

Currency positions resulting from operations are closed by appropriate forward exchange contracts. Currency fluctuations from operating activities do not have any major effect on our operating result. Foreign exchange risks are monitored on a case-by-case basis within the framework of the currency management system. Details on the risk management system are presented in note 25 of the notes to the consolidated financial statements at www.enbw.com/report2020-downloads.

As part of the EnBW-wide digital transformation, the treasury IT landscape including the payment transaction system is being renewed. The aim is to achieve greater automation and more stable processes. In addition, new and amended governance rules will be implemented.

We continue to strive to maintain a balanced financing structure, a solid financial profile and thus solid investment-grade ratings (Glossary, from p. 138).

We aim to secure our long-term access to the capital markets under competitive conditions by broadening our investor base using sustainable financial instruments. For this purpose, we are digitalizing the underlying information and decision-making processes by creating a centralized data structure that can be managed and viewed using new media.

The ongoing strategic development of our company is designed to continuously improve the operating result (adjusted EBITDA). Our target for adjusted EBITDA of €2.4 billion in 2020 has been raised to €3.2 billion in 2025.

Until the transformation of our portfolio was completed at the end of 2020, the internal financing capability served as an important performance indicator for the Group. It describes the adjusted retained cash flow in relation to the adjusted net (cash) investment and measures our company's ability to finance its activities internally. In the growth phase post 2020, the internal financing capability will be replaced by the debt repayment potential – the ratio of the retained cash flow to net debt. This performance indicator should enable us to achieve a controlled growth in earnings within the scope of our financial targets, while maintaining a solid investment-grade rating at the same time.

Further explanations of our financial terms can be found in the chapter "Strategy, goals and performance management system" on p. 39 and in the Glossary, from p. 138.

Rating and rating trends

We aim to hold solid investment-grade ratings in order to:

- ensure unrestricted access to capital markets
- offer reliable opportunities for financing partners
- be regarded as a dependable business partner in our trading activities
- achieve the lowest possible capital costs
- implement an appropriate number of investment projects and thereby maintain the future viability of the company

Development of credit ratings – rating/outlook

	2020	2019	2018	2017	2016
Moody's	**A3/negative**	A3/negative	A3/stable	Baa1/stable	A3/negative
Standard & Poor's	**A-/stable**	A-/stable	A-/stable	A-/stable	A-/negative
Fitch	**BBB+/stable**	A-/stable	A-/stable	A-/stable	A-/stable

In March 2020, Fitch downgraded the EnBW issuer rating by one notch from A- to BBB+ and confirmed this rating again in December. The reasons given by Fitch for this downgrade were the acquisitions of Valeco and Plusnet in 2019 and the imminent start of the growth phase with higher investment and increasing financial debt. In contrast, the ratings for senior and subordinated bonds were confirmed at A- and BBB, respectively, due to the valuation methods used by Fitch. S&P confirmed the EnBW rating of A- with a stable outlook in May 2020. Moody's published an update on EnBW in June 2020. The rating was unchanged at A3 with a negative outlook.

Assessment by the rating agencies

Moody's (11/06/2020)	Standard & Poor's (21/05/2020)	Fitch (07/10/2020)
Leadership position as vertically integrated utility within Baden-Württemberg	EnBW is strategically lowering its earnings portfolio risk, with improved cash flow visibility	Downgrade by one notch reflecting weaker credit metrics due to increased capital spending, including acquisitions of Valeco and Plusnet
Significant proportion of EBITDA, around 50%, from low-risk regulated distribution and transmission activities and growing share of renewables under contracts	Limited exposure to COVID-19 effects	But one-notch uplift to debt ratings due to rising share of regulated EBITDA, reflecting above-average expected recovery
Historically balanced financial policy and demonstrated commitment to robust credit quality	Headroom reduced significantly due to an increase in nuclear and pension provisions and the acquisitions of Valeco and Plusnet	Continued shift in the EBITDA mix away from conventional generation towards regulated and contracted businesses supports a stronger business model and higher headroom
Difficult operating environment in Germany for conventional generation and challenging retail markets	New sources of EBITDA (contracted renewables and regulated network business) will compensate for higher financial leverage caused by acquisitions in 2019	High earnings visibility, but execution risk in grids and renewables projects
Execution risks relating to a large investment program, including offshore wind development	Increased visibility in credit metrics, strengthened by increasing share of sustainable power infra-structure and resilient grid business	Low geographical diversification due to concentration on Germany
Somewhat weak credit metrics following Valeco and Plusnet acquisitions, increasing pension and nuclear liabilities because of lower discount rates	Moderate likelihood of government support	
Strong shareholder support		

Financing strategy

We manage the financing needs of our operating activities separately from the Group's pension and nuclear obligations. As part of the financing strategy, we constantly assess capital market trends with regard to the current interest rate environment and to identify potentially favorable conditions. On this basis, we decide on further financing steps.

Alongside the internal financing capability and our own funds, we have the following financing instruments at our disposal to cover the financing needs for the operating business:

- Debt Issuance Program (DIP) (Glossary, from p. 138), via which bonds are issued: €3.7 billion of €7.0 billion has been drawn
- Subordinated bonds: €3.5 billion
- Commercial paper (CP) program (Glossary, from p. 138): €2.0 billion undrawn
- Sustainability-linked syndicated credit facility: €1.5 billion undrawn, with a term until the end of June 2025 and an annual extension option after the first and second full year until the end of June 2027 at the latest
- Committed bilateral credit lines: €0.3 billion of €1.2 billion drawn
- Project financing and loans from the European Investment Bank (EIB)
- In addition, subsidiaries have other financing activities in the form of bank loans and promissory notes.

Documentation of short-term and long-term borrowings on the capital markets under the established DIP and CP programs, as well as other credit documentation with banks (e.g., syndicated lines of credit) include internationally standardized clauses. The issuing of a negative pledge and a pari passu clause (Glossary, from p. 138) to all creditors form essential key elements of our financing policy. The use of undrawn credit lines is not subject to restrictions. Details on financial liabilities are presented in note 22 and explanations on other financial commitments are presented in note 26 of the notes to the consolidated financial statements at www.enbw.com/report2020-downloads.

We signed a sustainability-linked syndicated credit facility with a volume of €1.5 billion on 24 June 2020. The consortium consists of 18 banks. The facility will be used for general business purposes and replaces, ahead of schedule, the existing syndicated credit line that expires in July 2021. The initial term of five years can subsequently be extended twice by a period of one year in each case. There is also an option to increase the volume by €500 million. The financing costs are tied to the sustainability performance of EnBW for the first time. The borrowing costs reduce or increase according to the degree to which the targets for selected non-financial key performance indicators, which reflect both environmental and social criteria, are achieved:

- CO_2 intensity
- Share of the generation capacity accounted for by renewable energies
- SAIDI (electricity)

Bond issues in 2020

The 2020 reporting year demonstrated that we have sufficient and flexible access to the capital market at all times due to the robustness of our business model. Despite a very volatile market environment due to the coronavirus pandemic, we issued a corporate bond with a volume of €500 million at the beginning of April 2020. The bond has a term of five years and a coupon of 0.625%.

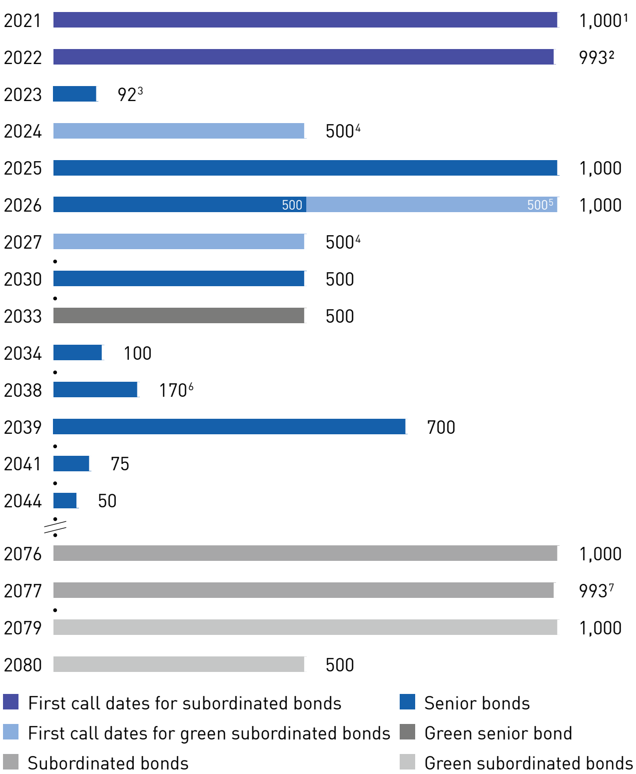
A green subordinated bond also with a volume of €500 million was then issued at the end of June 2020. The proceeds were used in their entirety to refinance the French wind and solar company Valeco, which we acquired in 2019. EnBW has the right to redeem the bond with a starting coupon of 1.875% at the first call date on 29 March 2026 and then early at every coupon date.

The bond is subordinate to all other financial liabilities but has an equal ranking to our existing subordinated bonds. The environmental contribution, use of funds and other information on our green bonds can be found in the impact report at www.enbw.com/green-bond.

We issued another corporate bond with a volume of €500 million in the middle of October 2020. The bond has a term of ten years and a coupon of 0.250%. Due to the high demand, we were able to secure attractive conditions.

EnBW thus has a well-balanced maturity profile.

Maturity profile of EnBW bonds
in € million



1 First call date: subordinated bond maturing in 2076.
2 First call date: subordinated bond maturing in 2077; includes US$300 million (swap in €), coupon before swap 5.125%.
3 CHF 100 million, converted into € as of 31/12/2020.
4 First call date: green subordinated bond maturing in 2079.
5 First call date: green subordinated bond maturing in 2080.
6 JPY 20 billion (swap in €), coupon before swap 5.460%.
7 Includes US$300 million, converted into € at rate on 05/10/2016.

Asset liability management model

We ensure the timely coverage of the pension and nuclear obligations using our asset liability management model (Glossary, from p. 138).

The aim is to cover the Group's pension and nuclear provisions within an economically feasible period of time by means of appropriate financial assets. We ensure this using our cash flow-based asset liability management model. For this purpose, we determine the effects on the cash flow statement, income statement and balance sheet over the next 30 years. Alongside the anticipated return on financial assets, actuarial reports on pension provisions and sector-specific appraisals by external experts on costs for nuclear decommissioning and disposal are taken into account. The aim of this model is to limit the impact of the pension and nuclear obligations may have on the operating business to €300 million (plus an inflation supplement) a year by taking funds from the financial assets. As soon as the provisions are fully covered by the financial assets, no further funds will be taken from the cash flow from operating activities as part of the model. This model also allows simulations of various alternative scenarios.

As of 31 December 2020, the dedicated financial assets (Glossary, from p. 138) for pension and nuclear provisions totaled €6,220.3 million (previous year: €6,328.7 million). Alongside the dedicated financial assets, there are plan assets to cover certain pension obligations with a market value of €949.9 million as of 31 December 2020 (previous year: €974.3 million).

We strive to reach the defined investment targets with minimum risk. We also further optimized the risk/return profile of the financial assets in 2020. The main part of the dedicated financial assets is distributed as investments across nine asset classes. The financial assets are bundled in two master funds with the following investment targets:

- Risk-optimized investments, with a performance in line with market trends
- Consideration of the effects on the balance sheet and income statement
- Broad diversification of the asset classes
- Reduction of costs and simplification of administrative processes

Financial asset management (Glossary, from p. 138) at EnBW exploits the strategic opportunities offered by digitalization. The main focus is being placed on improving the reliability of processes and improving efficiency. More specifically, a newly created data structure now forms the basis for several new digital solutions that can be scaled up across the Group. At the forefront is, among other things, a novel AI-based cash flow forecasting tool. New digital technologies for intelligent data mining are also being implemented. All of the digital solutions are combined within a user-centered dashboard that is geared towards optimizing performance.

Net debt

As of 31 December 2020, net debt increased by €1,554.1 million compared to the figure posted at the end of 2019. This increase was primarily due to the fall in the interest rate for pension provisions and a significant increase in EEG payments. As of 31 December 2020, the balance on the EEG bank account stood at €-629.3 million (31 December 2019: €288.5 million). On 11 January 2021, the negative EEG bank account balance was settled through a payment of €765.0 million by the Federal Republic of Germany.

Net debt

in € million	31/12/2020	31/12/2019	Change in %
Cash and cash equivalents available to the operating business	-959.0	-1,127.7	-15.0
Current financial assets available to the operating business	-463.8	-139.7	–
Long-term securities available to the operating business	-2.1	0.0	–
Bonds	7,161.9	5,702.7	25.6
Liabilities to banks	1,771.9	2,021.7	-12.4
Other financial liabilities	679.5	466.4	45.7
Lease liabilities	886.4	699.6	26.7
Valuation effects from interest-induced hedging transactions	-51.6	-85.4	-39.6
Restatement of 50% of the nominal amount of the subordinated bonds[1]	-1,746.3	-1,496.3	16.7
Other	-45.0	-19.7	128.4
Net financial debt	**7,231.9**	**6,021.6**	**20.1**
Provisions for pensions and similar obligations[2]	8,338.5	7,655.3	8.9
Provisions relating to nuclear power	5,415.3	5,864.6	-7.7
Receivables relating to nuclear obligations	-358.9	-360.4	-0.4
Net pension and nuclear obligations	**13,394.9**	**13,159.5**	**1.8**
Long-term securities and loans to cover the pension and nuclear obligations[3]	-5,318.2	-5,517.7	-3.6
Cash and cash equivalents to cover the pension and nuclear obligations	-293.7	-236.1	24.4
Current financial assets to cover the pension and nuclear obligations	-276.9	-299.4	-7.5
Surplus cover from benefit entitlements	-307.6	-251.5	22.3
Other	-23.9	-24.0	-0.4
Dedicated financial assets	**-6,220.3**	**-6,328.7**	**-1.7**
Net debt relating to pension and nuclear obligations	**7,174.6**	**6,830.8**	**5.0**
Net debt	**14,406.5**	**12,852.4**	**12.1**

1 The structural characteristics of our subordinated bonds meet the criteria for half of each bond to be classified as equity, and half as debt, by the rating agencies Moody's and Standard & Poor's.
2 Less the market value of the plan assets (excluding the surplus cover from benefit entitlements) of €949.9 million (31/12/2019: €974.3 million).
3 Includes equity investments held as financial assets.

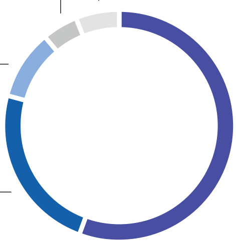
Investment analysis

Net cash investment

in € million[1, 2]	2020	2019	Change in %
Investments in growth projects[3]	1,704.8	2,661.2	-35.9
Investments in existing projects	820.9	506.9	61.9
Total investments	**2,525.7**	**3,168.1**	**-20.3**
Divestitures[4]	-33.1	-471.3	-93.0
Participation models	-283.7	-74.2	–
Disposals of long-term loans	-20.0	-0.7	–
Other disposals and subsidies	-362.0	-140.5	–
Total divestitures	**-698.8**	**-686.7**	**1.8**
Net (cash) investment	**1,826.9**	**2,481.4**	**-26.4**

1 The figures for the previous year have been restated.
2 Excluding investments held as financial assets.
3 Does not include cash and cash equivalents acquired with the acquisition of fully consolidated companies. These amounted to €16.8 million in the reporting period (previous year: €77.8 million).
4 Does not include cash and cash equivalents relinquished with the sale of fully consolidated companies. These amounted to €39.9 million in the reporting period (previous year: €40.2 million).

Investment by segment[1]
in %



1 The figures for the previous year have been restated.

Investment by the EnBW Group in 2020 was lower than in the previous year. This was mainly attributable to the acquisition of Plusnet and the French wind and solar company Valeco in 2019. Around 67.5% of overall gross investment was attributable to growth projects; the proportion of investment in existing facilities stood at 32.5%. This was mainly because of higher replacement investment in the distribution and transmission grids.

The investment in the **Sales** segment of €246.4 million was lower than the level in the previous year (€389.4 million), which was mainly due to the acquisition of Plusnet in the previous year. The majority of the investment was for the expansion of electromobility and the development of energy solutions.

Investment in the **Grids** segment of €1,407.3 million was higher than the level of investment in the previous year (€1,230.9 million). In both years, it was primarily attributable to the expansion of the transmission grids by our Group subsidiaries TransnetBW, terranets bw and ONTRAS Gastransport (despite the fact that the EUGAL project was largely completed in 2019). There was also investment in the distribution grid, to an increasing extent in its renewal, and the expansion of the charging infrastructure for the benefit of electromobility.

Investment in the **Renewable Energies** segment of €597.3 million was lower than the level in the previous year (€1,405.5 million). This decrease was primarily due to the acquisition of Valeco and the investment in our EnBW Hohe See and EnBW Albatros offshore wind farms in the previous year. These wind farms were commissioned in autumn 2019 and at the beginning of 2020, respectively. There was additional expenditure in the area of photovoltaics.

Investment in the **Generation and Trading** segment in 2020 of €122.6 million was higher than the level in the previous year (€98.3 million). This increase was largely attributable to the construction of a gas turbine power plant in Marbach am Neckar as special technical equipment for grids (Glossary, from p. 138). The groundbreaking ceremony was held in October 2020.

Other investments in 2020 of €152.1 million were significantly higher than in the previous year (€44.0 million). This was due primarily to the acquisition of Gas-Union in 2020. Most of the assets held by Gas-Union in the form of a transmission grid have now been transferred to terranets bw.

Divestitures of €698.8 million were approximately at the same level as in the previous year (€686.7 million). A significant proportion of the divestitures was related to the “EnBW connects” participation model for local authorities in the reporting period and, in the previous year, to the sale of the remaining shares in EWE. Other disposals in 2020 involved the transfer of the high-voltage grid to the City of Stuttgart.

Investment obligations for the acquisition of intangible assets and property, plant and equipment amounted to €2,176.6 million as of 31 December 2020 (previous year: €1,213.8 million). Commitments from corporate acquisitions totaled €657.2 million (previous year: €535.5 million).

Climate targets are also taken into consideration when making investment decisions. In this context, the investment guidelines were adapted in the 2018 financial year: The influence significant investment projects will have on environmental and climate protection targets and figures – in the sense of the TCFD recommendations (Glossary, from p. 138) – must be presented. This additional information flows into the approval processes carried out by the investment committee and Board of Management.

Liquidity analysis

Condensed cash flow statement

in € million[1]	2020	2019	Change in %
Cash flow from operating activities	1,158.1	559.9	106.8
Cash flow from investing activities	-1,978.5	-2,170.0	-8.8
Cash flow from financing activities	681.9	551.9	23.6
Net change in cash and cash equivalents	**-138.5**	**-1,058.2**	**-86.9**
Change in cash and cash equivalents due to changes in the consolidated companies	38.7	169.3	-77.1
Net foreign exchange difference	-11.4	3.1	–
Change in cash and cash equivalents due to risk provisions	0.1	0.2	-50.0
Change in cash and cash equivalents	**-111.1**	**-885.6**	**-87.5**

1 The figures for the previous year have been restated.

The significant increase in cash flow from operating activities in comparison to the previous year was mainly a result of the increase in cash-relevant EBITDA and lower income tax payments.

Cash flow from investing activities returned a lower outflow of cash in the reporting year compared to the previous year. This was due to lower cash payments for company acquisitions in the 2020 financial year. In the previous year, there were cash payments for the acquisition of the shares in Valeco and Plusnet. This was offset to a certain extent by higher capital expenditure on property, plant and equipment in comparison to the previous year. In addition, there was an outflow of cash from securities and financial investments in the 2020 financial year, compared to a cash inflow in the previous year.

Cash flow from financing activities returned a higher cash inflow than in the previous year. In particular, this was attributable to cash received from the "EnBW connects" participation model. There were also cash payments relating to the commercial paper program (Glossary, from p. 138) in the previous year. Furthermore, the reporting period was characterized by more new financial liabilities being incurred. This was offset to some extent by higher dividend payments and an increase in repayments for lease liabilities.

The solvency of the EnBW Group was ensured at all times throughout the 2020 financial year thanks to the company's available liquidity and its internal financing capability, as well as external sources available for financing. The company's future solvency is secured by its solid financial position.

Retained cash flow

in € million	2020	2019	Change in %
EBITDA	**2,663.3**	**2,245.2**	**18.6**
Changes in provisions	-553.3	-416.0	33.0
Non-cash-relevant expenses/income	-26.1	46.3	–
Income tax paid	-207.8	-409.1	-49.2
Interest and dividends received	264.5	286.5	-7.7
Interest paid for financing activities	-236.1	-214.9	9.9
Dedicated financial assets contribution	123.1	19.2	–
Funds from operations (FFO)	**2,027.6**	**1,557.2**	**30.2**
Dividends paid	-389.1	-316.5	22.9
Retained cash flow	**1,638.5**	**1,240.7**	**32.1**

Funds from operations (FFO) increased significantly compared to the previous year, which was due primarily to the increase in cash-relevant EBITDA. A larger dedicated financial assets contribution and lower income tax paid in the reporting period also contributed to the increase. This was offset to some extent by higher interest paid and lower interest and dividends received in the reporting year. The increased FFO and higher dividends paid led to an increase in the retained cash flow. The retained cash flow reflects our internal financing capability. It is available to the company for investment after all stakeholder needs have been settled without the need to raise additional debt.

Internal financing capability[1]

	2020	2019	Change in %
Adjusted retained cash flow in € million[2]	1,878.5	1,485.7	26.4
Adjusted net (cash) investment in € million[3]	1,826.9	1,650.8	10.7
TOP Internal financing capability in %	**102.8**	**90.0**	**–**

1 The figures for the previous year have been restated.
2 Adjusted for the effects from the reimbursement of the nuclear fuel rod tax of €240.0 million (previous year: €245.0 million).
3 Adjusted for accelerated growth investment of €0.0 million (previous year: €830.6 million).

We have translated the retained cash flow into the adjusted retained cash flow, in order to take the adjustment due to the reimbursement of the nuclear fuel rod tax (Glossary, from p. 138) into account. This resulted in an increase of €685.0 million in the period from 2018 to 2020 (nuclear fuel rod tax adjusted for debt repayment). The remaining amount was distributed on a straight-line basis in 2019 and 2020. The reimbursement of the nuclear fuel rod tax of €1,520.8 million in the 2017 financial year was used by EnBW for the debt repayment in 2018 of €835.8 million and for investments of €200.0 million, as well as for investments of €245.0 million in 2019 and €240.0 million in 2020. In 2019, we adjusted the net (cash) investment to take account of the accelerated growth investment in Valeco and Plusnet, which will contribute to the EnBW 2025 growth strategy.

As there was a rise in adjusted net investment compared to the previous year in combination with a sharp increase in the adjusted retained cash flow, the internal financing capability increased. The adjusted retained cash flow reached the forecasted range of €1.9 billion to €2.0 billion in the reporting year so that the target value for internal financing capability of ≥100% for 2020 was slightly exceeded. In the period between 2017 and 2020, the target for internal financing capability of around 100% was reached with a figure of 99.2%.

Net assets

Condensed balance sheet

in € million	31/12/2020	31/12/2019	Change in %
Non-current assets	33,284.7	31,622.5	5.3
of which intangible assets	(3,498.5)	(3,347.4)	4.5
of which property, plant and equipment	(19,990.9)	(18,552.7)	7.8
of which entities accounted for using the equity method	(968.9)	(1,064.0)	-8.9
of which other financial assets	(6,185.2)	(6,356.9)	-2.7
of which deferred taxes	(1,344.7)	(1,214.0)	10.8
Current assets	12,645.3	11,664.7	8.4
Assets held for sale	35.0	0.9	–
Assets	**45,965.0**	**43,288.1**	**6.2**
Equity	7,768.8	7,445.1	4.3
Non-current liabilities	26,447.2	24,739.7	6.9
of which provisions	(14,803.4)	(14,333.1)	3.3
of which deferred taxes	(916.0)	(890.0)	2.9
of which financial liabilities	(8,120.1)	(7,360.7)	10.3
Current liabilities	11,744.7	11,103.3	5.8
of which provisions	(1,479.6)	(1,535.9)	-3.7
of which financial liabilities	(1,493.1)	(830.2)	79.8
Liabilities directly associated with assets classified as held for sale	4.3	0.0	–
Equity and liabilities	**45,965.0**	**43,288.1**	**6.2**

As of 31 December 2020, total assets exceeded the level at the end of the previous year by €2,676.9 million. Non-current assets increased by €1,662.2 million between the two reporting dates, which was mainly due to the increase in property, plant and equipment. This development was the result of, among other things, changes in the consolidated companies, which mainly concerned the full consolidation of EnBW Albatros. Current assets increased by €980.6 million as a result of the increase in trade receivables, which was primarily due to higher EEG payments and the increase in current financial assets.

Equity increased by €323.7 million as of 31 December 2020, which was attributable to the increase in revenue reserves and the increase in non-controlling interests resulting from the first-time consolidation of EnBW Albatros. This was offset to some extent by the increase in losses in other comprehensive income, which was mainly caused by the fall in the discount rate for the pension provisions from 1.1% at the end of 2019 to 0.75% as of the reporting date in 2020. The equity ratio fell from 17.2% to 16.9% between the two reporting dates. Non-current liabilities increased by €1,707.5 million. The main reasons were the increase in pension provisions because of the fall in the discount rate, the increase in derivatives and the increase in financial liabilities due to the issuing of a green subordinated bond with a volume of €500 million and two senior bonds with a total volume of €1 billion. This was offset to some extent by the reclassification of a subordinated bond with a volume of €1 billion under current liabilities. Current liabilities increased in total by €641.4 million, as liabilities to banks fell.

TOP ROCE and value added

The cost of capital before tax represents the minimum return on average capital employed (Glossary, from p. 138) (calculated on the basis of the respective quarterly figures for the reporting year and the year-end figure for the previous year). Positive value is added when the return on capital employed (ROCE) (Glossary, from p. 138) exceeds the cost of capital. The cost of capital is determined based on the weighted average cost of equity and debt together. The value of equity is based here on a market valuation and thus deviates from the value recognized in the balance sheet. The cost of equity is based on the return of a risk-free investment and a company-specific risk premium. The latter is calculated as the difference between a risk-free investment and the return for the overall market, weighted with a company-specific business field risk. The terms according to which the EnBW Group can raise long-term debt are used to determine the cost of debt.

Value added by segment 2020

	Sales	Grids	Renewable Energies	Generation and Trading	Other/ Consolidation	Total
Adjusted EBIT including the adjusted investment result[1] in € million	186.5	824.9	522.5	143.2	-226.7	1,450.4
Average capital employed in € million	1,411.4	9,879.6	6,961.9	1,662.0	3,110.7	23,025.6
ROCE in %	**13.2**	**8.3**	**7.5**	**8.6**	**–**	**6.3**
Weighted average cost of capital before tax in %	7.4	4.1	5.4	7.8	–	5.2
Value added in € million	**81.9**	**414.9**	**146.2**	**13.3**	**–**	**253.3**

1 Investment result of €41.6 million, adjusted for taxes (investment result/0.706 - investment result; with 0.706 = 1 - tax rate 29.4%). Does not include impairment losses and reversals to impairment losses on investments, the result from the sale of equity investments, the share of the result from entities accounted for using the equity method not relevant to the ongoing management of the company and the result from equity investments held as financial assets.

Value added by segment 2019[1]

	Sales	Grids	Renewable Energies	Generation and Trading	Other/ Consolidation	Total
Adjusted EBIT including the adjusted investment result[2] in € million	205.6	883.8	283.6	-135.4	-226.0	1,011.6
Average capital employed in € million	1,308.8	8,033.3	4,840.6	2,044.0	3,088.4	19,315.1
ROCE in %	**15.7**	**11.0**	**5.9**	**-6.6**	**–**	**5.2**
Weighted average cost of capital before tax in %	7.6	4.2	5.3	7.8	–	5.2
Value added in € million	**106.0**	**546.3**	**29.0**	**-294.3**	**–**	**0.0**

1 The figures for the previous year have been restated.
2 Investment result of €47.2 million, adjusted for taxes (investment result/0.706 - investment result; with 0.706 = 1 - tax rate 29.4%). Does not include impairment losses and reversals to impairment losses on investments, the result from the sale of equity investments, the share of the result from entities accounted for using the equity method not relevant to the ongoing management of the company and the result from equity investments held as financial assets.

There are various factors that influence value added. The level of ROCE and value added depend not only on the development of the operating result but above all on the capital employed. Large-scale investments tend to significantly increase the capital employed in the early years, while the effect on income that boosts value, however, only filters through over a lengthier period of time, often long after the investments were initially made. This is especially true of capital expenditure on property, plant and equipment relating to the construction of new power plants, which do not have any positive effect on the operating result of the Group until after they are commissioned. Capital expenditure on power plants, on the other hand, is already taken into account in the capital employed during the construction phase. In a comparison of individual years, the development of ROCE and value added is, to a certain extent, cyclical in nature, depending on the investment volume. This effect is therefore inherent in the system and results in lower ROCE in phases of strong growth or phases of investment.

In the 2020 financial year, value added increased in comparison to the previous year to €253.3 million. Both the adjusted EBIT including the adjusted investment result and the average capital employed increased. The risk-adjusted weighted average cost of capital was at the same level as in the previous year at 5.2%. The ROCE reached 6.3% and thus exceeded the expectation for the 2020 financial year (forecast for 2020: 5.5% to 6.0%).

Sales: Value added in the Sales segment decreased in 2020 by €24.1 million. This was attributable to the increase in the average capital employed, which was primarily due to the increased activities in the areas of electromobility and broadband. In addition, the lower adjusted EBIT including the adjusted investment result had a negative effect on value added.

Grids: Value added in the Grids segment decreased by €131.4 million in comparison to 2019. The adjusted EBIT including the adjusted investment result was €58.9 million lower than the figure in the previous year. The increase in capital employed was primarily attributable to the investment in the transmission and distribution grids and also the increase in EEG payments.

Renewable Energies: Value added in the Renewable Energies segment of €146.2 million was several times higher than the value in the previous year. The adjusted EBIT including the adjusted investment result increased to €522.5 million. The construction and commissioning of the EnBW Hohe See and Albatros offshore wind farms and photovoltaic projects led to an increase in capital employed.

Generation and Trading: Value added in the Generation and Trading segment of €13.3 million was significantly higher than the level in 2019. This positive development was caused by the increase in adjusted EBIT including the adjusted investment result. The average capital employed in the reporting year was slightly below the level in the previous year.

Performance indicators relevant to remuneration

The performance indicators relevant to remuneration are derived as follows. The remuneration of the members of the Board of Management is described in full in the remuneration report (p. 111 ff.).

EBT relevant to remuneration

in € million	2020	2019
EBT	1,002.6	902.2
Less outstanding items for derivatives allocated under trading within EBITDA	4.1	2.7
Less the measurement of financial assets and outstanding items for derivatives allocated under trading within the financial result	54.8	-323.7
Less changes to the inflation rate and discount rate for nuclear provisions	5.2	475.3
EBT relevant to remuneration	**1,066.6**	**1,056.5**

Funds from operations (FFO) relevant to remuneration

in € million	2020	2019
Funds from operations (FFO)	**2,027.6**	**1,557.2**
Less income tax paid	207.8	409.1
Funds from operations (FFO) relevant to remuneration	**2,235.4**	**1,966.3**

Intangible assets and property, plant and equipment (net) relevant to remuneration

in € million	2020	2019
Intangible assets	3,498.5	3,347.4
Property, plant and equipment	19,990.9	18,552.7
Investment properties	27.9	30.3
Investment cost subsidies	-6.2	-6.7
Construction cost subsidies	-941.9	-901.6
Intangible assets and property, plant and equipment (net)	**22,569.2**	**21,022.1**
Average intangible assets and property, plant and equipment (net)[1]	**21,696.2**	**18,327.1**

1 Average calculation based on the relevant quarterly values for the reporting year and the year-end value for the previous year.

ROA (return on assets) relevant to remuneration

in € million	2020	2019
EBIT	**1,102.7**	**596.7**
Less outstanding items for derivatives allocated under trading within EBITDA	4.1	2.7
Less changes to the inflation rate and discount rate for nuclear provisions	0.1	297.8
EBIT relevant to remuneration	**1,106.9**	**897.2**
Average intangible assets and property, plant and equipment (net)	21,696.2	18,327.1
ROA (return on assets) relevant to remuneration in %	**5.1**	**4.9**

Customers and society goal dimension

Reputation

A strong reputation is an important factor for the sustainable success of a company. The good social reputation of a company reflects the trust placed by the general public and relevant stakeholders in the competent and responsible actions of a company.

We assume our responsibilities for the economy and society and aspire to be a driver of the Energiewende. In the process, we want to gain social acceptance and improve our reputation. A good reputation signals the willingness of society and its different stakeholder groups to cooperate with and invest in the company.

We aim to continuously improve our reputation. The focal point of this concept is the stakeholder team, which was set up on the initiative of the Board of Management in 2017. It consists of representatives from all important areas of the company. The stakeholder team communicates and maintains dialog with relevant stakeholder groups both directly and indirectly.

TOP Reputation Index

Reputation is measured using the key performance indicator Reputation Index using a standardized survey that is carried out by an external market research institute. It is measured in accordance with the requirements of the EnBW Group standard for market research and surveys (p. 39).

Key performance indicator

	2020	2019	Change in %	Forecast 2020
Reputation Index	55.5	52.8	5.1	55.4

In the reporting year, our Reputation Index rose to its highest level since we started compiling this value and also slightly exceeded our target for 2020. The improvement in the assessment of our company by the target group investors was especially strong. We assume that these stakeholders place particular importance on the continuity and reliability of our business performance and our engagement in sustainability and climate protection. In addition, the reputation of our company also grew significantly among opinion leaders and the wider public, not only in Baden-Württemberg but across Germany. We believe that we are also benefiting from the positive impression people now have of the industry with respect to the reliable supply of energy during the coronavirus pandemic.

More details on reputational risks can be found in the "Report on opportunities and risks" on p. 103.

Customer proximity

On the path to becoming a sustainable and innovative infrastructure partner, our company has great opportunities for generating additional revenue and for acquiring new customers using digital services and solutions. The **company website** www.enbw.com is the first point of call for existing and potential customers as a marketing channel. We were able to significantly increase the number of page views and contracts concluded via the website with the help of a revised content strategy in 2020. In particular, we attribute this to the continuous optimization of our portfolio of products and services and the improved user experience. Our end-customer portal **"My EnBW"** allows customers to manage their contracts and also provides them with services such as a cost overview, discount check and relocation service. We were able to significantly increase the number of "My EnBW" registrations and the ratio of monthly active users in 2020.

Through the application of our new IT and process landscape EnPower, we have been able to push forward the **digital transformation** of the EnBW and Yello brands. For example, we were able to automate significantly more manual processes than in the previous year, also with the aid of artificial intelligence and RPA (robotic process automation). We trained more than 70 employees in our Digital Marketing Academy in the second half of 2020 in order to develop their knowledge and skills in this area further.

TOP Customer Satisfaction Index

The energy sector is helping to push forward major social changes. The new energy world offers us considerable opportunities that we want to exploit together with and in dialog with our customers. We aim to build long-term relationships with our customers by offering an intelligent combination of products and services, developing new product worlds, communicating in a transparent way and delivering the highest-quality service possible. Maintaining a high level of customer satisfaction is key. The Customer Satisfaction Index is compiled for EnBW and Yello from customer surveys carried out by an external provider (p. 39).

Key performance indicator

	2020	2019	Change in %	Forecast 2020
Customer Satisfaction Index for EnBW/Yello	132/159	116/157	13.8/1.3	114–136/ 148–159

The satisfaction of EnBW customers improved in 2020 and reached an index value of 132. This means that the satisfaction of the retail customers of EnBW was once again at a high level and at the upper end of our forecasted range. A good level is reached when half of those surveyed indicate that overall they are particularly satisfied with EnBW. This is the case from 114 points upwards. A very good level of satisfaction is achieved from 136 points upwards. We attribute some of the improvement in the Customer Satisfaction Index to the expansion of our digital services following the introduction of the new EnPower platform. The increase in the index value also appears to have benefited to some extent from the positive image of the company: During the coronavirus pandemic, EnBW has been perceived to be an energy supply company that can be trusted to provide a reliable supply even during a crisis.

The satisfaction of Yello customers once again reached an outstanding level in 2020 with an index value of 159, which was at the top end of our forecasted range (148–159). We believe that this high value was due to, among other things, the further development of Yello's digital services and its expanded range of products. Since the beginning of 2020, Yello has been exclusively offering green electricity to new customers and is using a TV campaign to advertise these tariffs, products related to solar power and e-mobility, as well as the range of Yello services.

Further details are available in the "Report on opportunities and risks" on p. 103.

Selected activities

Green electricity is becoming increasingly significant for the product portfolio of EnBW and Yello. At the beginning of 2020, Yello switched all new customer tariffs over to 100% green electricity and introduced a climate-neutral biogas product. All electricity and gas tariffs also make a contribution to climate protection by investing in climate protection projects. Yello customers have been able to compensate for more than 74,000 t CO_2 in this way. The theme of sustainability is also part of the new advertising campaign "More Yello." The business operations of NaturEnergie+ Deutschland were also merged with its sister company Yello Strom in 2020 to consolidate our sales potential. The proportion of the product range for household customers that is accounted for by green electricity is also increasing continuously at the EnBW brand. Since November 2020, the range of products available to household customers on www.enbw.com has been switched over completely to green electricity. Some 81% of the contracts concluded with new household customers in the electricity segment are based on green electricity tariffs, while 33% of the existing household customers are already being supplied with green electricity products. We are thus able to save around 330,000 t CO_2 per year via both brands.

A main focus of the activities in the area of "Customer proximity" in 2020 was **electromobility.** As a full-service provider together with our subsidiaries, we cover the complete service spectrum from the generation of electricity from renewable energy sources and the installation, expansion and supply of electricity, as well as the operation of a comprehensive charging infrastructure (Glossary, from p. 138) through to digital services for the consumer.

To **expand the charging infrastructure** (Glossary, from p. 138), we are cooperating with business partners, such as chain stores, to install ultra-fast charging stations with an output of up to 300 kW at their locations. In 2021, we aim to operate 1,000 quick-charging stations across Germany. We were not able to achieve this figure sooner due to, on the one hand, the changed framework conditions caused by the coronavirus pandemic and, on the other hand, the pending legislative and funding proceedings with respect to electromobility. In cooperation with the State of Baden-Württemberg, EnBW has also been implementing the projects "Urban Quick-Charging Parks in Baden-Württemberg" (USP-BW) and "Fast Lane BW" since 2020. In the USP-BW project, public quick-charging parks are being installed at 16 sites in 15 cities, while FastLane BW involves the expansion of five existing quick-charging sites to form quick-charging parks along long-distance routes in Baden-Württemberg. We are also pushing forward the expansion of the charging infrastructure internationally: We are widening our position as a national market leader in quick charging to cover the Austrian market through our joint venture SMATRICS EnBW. We are demonstrating how e-cars will be charged in the future at the new flagship charging park in Rutesheim on the A8 motorway. The charging park is equipped with all standard connections and enables ultra-fast charging with an output of up to 300 kW. In addition, it offers the drivers of e-cars access to public Wi-Fi and a secure environment with lighting and video surveillance. At the new Tank & Rast service station "Werratal Süd," EnBW quick-charging stations have been installed right next to the conventional fuel pumps. "Werratal Süd" is thus the first service station in Germany to combine all types of drive under one filling station roof.

At the same time, we are working together with vehicle manufacturers to offer their customers **complete charging solutions** and access to the EnBW HyperNetwork. This is the largest charging network in Germany, Austria and Switzerland; France, Italy and the Netherlands were also added to the network in 2020. Using the EnBW mobility+ app and a charging card, drivers of e-cars have access to more than 100,000 charging points where they can always charge at the same price. We are using the advertising campaign for the EnBW HyperNetwork to make our commitment to the expansion of a comprehensive charging infrastructure and our solutions for customers known beyond Baden-Württemberg throughout Germany. The campaign is being run in selected regions, including Hamburg, Munich and the Rhine-Ruhr region.

On 1 January 2021, EnBW combined its operational and strategic activities in the area of electromobility within one independent company – **EnBW mobility+.** The new company is a wholly owned subsidiary and is responsible for all activities related to the operation of the charging infrastructure and the range of products and services for electromobility.

Our subsidiary **SENEC** is one of the top 3 providers of home storage systems for solar power plants in Germany and a specialist in equipping customers so that they are able to meet their own energy needs with solar electricity. In 2020, SENEC doubled its revenue and the number of electricity storage systems sold in comparison to the previous year, while significantly increasing the capacity of the PV modules sold. According to a survey conducted by the market research company EuPD Research, SENEC was able to increase its market share on the German home electricity storage market by 15% in the first half of 2020 in comparison to the previous year. The main drivers of the expansive business development are the network of SENEC specialist partners, which has been expanded to more than 850 companies, and innovative products, for example for emergency power supply or for the smart integration of electromobility into a customer's system for generating their own electricity.

In the area of **contracting,** we provide industry, the real estate sector and public clients with a sustainable and efficient energy infrastructure directly at the customer's site. We create customized energy concepts to provide energy while saving on CO_2 emissions at the same time. For example, we developed an energy concept in 2020 based on near-to-surface geothermal energy, PV power plants and decentralized heat pumps for an industrial park that is currently being realized. An important component of our long-term contracting agreements is the ongoing monitoring and optimization of plant operation. For this purpose, we develop applications and business processes as part of our digitalization approach that automatically collect, link and evaluate data from the plant.

Our company views itself as an experienced and capable **partner for local authorities and public utilities.** We have invested in many local authority companies across Baden-Württemberg and play an active role in networks for the exchange of information between our participating interests and other public utilities. By developing customer-specific products and services, we currently support numerous local authorities and public utilities. We are guided here by the trends and developments that will shape and influence the local authority environment in the future. We developed five new product clusters in 2020 on this basis: smart mobility, networked infrastructure, innovative communities, sustainable energy and reliable security systems. They will create the foundations for our local authority business in the next few years.

In the smart mobility cluster, we support local authorities to implement the mobility transition in rural areas with the business development **"twist."** "twist" is an electromobility car sharing service that is offered to local authorities as a full-service care-free package. We launched several initiatives in the networked infrastructure cluster in 2020: At the beginning of the year, Netze BW started the construction of the **LoRaWAN** (Long Range Wide Area Network) network for the whole of Baden-Württemberg, which is due to be completed by the end of 2022. This network will enable local authorities to utilize smart networking technologies (Internet of Things). We have also been offering a climate protection consulting service to local authorities since the middle of 2020.

The **"EnBW connects"** participation model started in July 2019. 116 local authorities have since acquired shares in the newly founded local authority holding company. They now own approximately 9% of the shares in Netze BW. The second participation phase was announced at the constituting meeting of shareholders on 4 November 2020. It begins on 1 July 2021 and aims to further intensify the close relationship between Netze BW and the cities and communities of Baden-Württemberg.

Since 2019, EnBW AG has bundled together its main **telecommunications activities** in the company EnBW Telekommunikation with its subsidiaries NetCom BW and Plusnet. NetCom BW has a strong market position as a telecommunications network operator for the retail and business customer segment with its own fiber-optic infrastructure in Baden-Württemberg. Plusnet is a nationwide specialist provider of communication and network services in the business and industrial customer segment. The cooperation between the two companies is being constantly expanded and intensified, for example in the areas of infrastructure, purchasing and customer contact. An important element of this cooperation is the harmonized target IT architecture across both companies. The new platform will act as the basis for scaling, improvements in efficiency and a quick and flexible response to all situations on the market. As part of the process to expand its fiber-optic infrastructure, NetCom BW is also receiving support from the EnBW subsidiary Netze BW.

We are positioning ourselves as a **provider of cybersecurity services** for cities and municipalities, public utilities, the telecommunications sector, health sector and industry in various customer projects across Germany. In May 2020, a cooperation agreement to combat cybercrime and protect critical infrastructure was concluded between the Federal State of Baden-Württemberg and EnBW. As part of this cooperation, we started to compile a status report on "cybersecurity for critical infrastructure" for Baden-Württemberg together with the Baden-Württemberg State Bureau of Investigation in 2020.

Supply reliability

As an energy company and in cooperation with our distribution grid companies, we are tasked with guaranteeing a secure and reliable supply of electricity to our customers. We face additional challenges both now and in the future due to the increasing amount of decentralized generation, with volatile feed-ins as a result of changing weather conditions, and the electrification of road traffic. We are preparing our distribution grids so that they can handle this decentralized energy world. Therefore, we are expanding the existing conventional infrastructure with smart grid technologies (Glossary, from p. 138) so that we can better monitor and manage the generation, distribution and storage of energy.

Our grid companies are responsible for the secure and reliable operation of the distribution grids. The processes are managed by the respective grid control center, which is also responsible for coordinating any work to rectify faults in the grid in the respective region. As part of the investment and maintenance programs, our grid companies maintain the grids and expand them according to demand. The overall annual budget for the realization of all investment and maintenance measures is approved by the Board of Management of the EnBW Group. The measures are carried out over one or multiple years and are realized independently by our grid companies. Some of the investment budget is used for the gradual expansion of smart grids. The increasing use of smart grid technology (Glossary, from p. 138) enables us to avoid or delay expensive investment in conventional grids. Besides the reliability and security of supply, the efficiency of the measures is also taken into account when making investment decisions. This is because grid investment also has an influence on the grid charges that make up part of the electricity price paid by customers.

TOP **SAIDI**

We record all unscheduled interruptions to supply at our distribution grid operators. This data flows into the "System Average Interruption Duration Index" (SAIDI) for electricity. It states the average duration of supply interruptions per end consumer in minutes per year (p. 39).

Key performance indicator

	2020	2019	Change in %	Forecast 2020
SAIDI (electricity) in min./year[1]	15	15	–	15–20

1 SAIDI includes all unscheduled interruptions to supply that last more than three minutes for the end consumer.

As in the previous year, supply reliability was once again at a very good level in 2020. Thanks to the early introduction of rigorous safety measures for our operating and contingency personnel, we were able to avoid any staff shortages due to the coronavirus pandemic when it came to identifying and rectifying faults on the grids we supply. Extraordinary climatic events that have a noticeable negative influence on SAIDI only occurred to a minor extent in the reporting year.

To continuously improve our grid operations, we initiated various projects at our grid subsidiaries in 2020 that are already being implemented. One example is increasing the level of digitalization by installing sensors and actuators in the medium and low-voltage grids.

Environment goal dimension

Our Group environmental targets – which are integrated into the EnBW 2025 Group strategy – relate to the expansion of renewable energies and to making our contribution to climate protection. These targets are measured using the key performance indicators "installed output of renewable energies (RE) and the share of the generation capacity accounted for by RE" and CO_2 intensity. These are supplemented by activities and targets for the implementation of environmental themes in the EnBW sustainability program (p. 35). Alongside EnBW AG, the main subsidiaries dealing with environmental issues include ED and SWD. These and other subsidiaries have an environmental management system certified according to DIN EN ISO 14001:2015, as does EnBW AG. This creates the prerequisites for ensuring that environmental requirements are systematically and continuously taken into account. It is used to manage the required guidelines and regulations, define and monitor environmental targets and establish the necessary testing processes. The consistent implementation and further development of the environmental management system ensures that any material negative impacts on the environment can be avoided as well as possible. Risks generally exist in the area of environmental protection due to the operation of power generation plants and transmission facilities and the possible consequences for air, water, soil and nature. We counter these risks using organizational and procedural measures to reduce their impact, as well as through emergency planning and hazard prevention measures.

EU taxonomy

The European Commission presented the European Green Deal in December 2019. It includes the target of reducing net emissions from greenhouse gases to zero by 2050 in the European Union. A key component of the EU Green Deal (Glossary, from p. 138) is the EU taxonomy (Glossary, from p. 138) – **a classification system used to define environmentally sustainable business activities.** The aim is to classify economic activities EU-wide with respect to their contribution to **six defined environmental objectives** on the basis of certain requirements in order to encourage the development of sustainable financing products: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control and (6) protection and restoration of biodiversity and ecosystems.

Against the background of current developments and in line with our sustainable corporate strategy, we have decided to already expand our integrated reporting this year to include some of the information that will be obligatory in future according to the EU Taxonomy Regulation, and are thus publishing the required **information on revenue, operating expenses (opex) and capital expenditure (capex) from environmentally sustainable activities** based on the Taxonomy Regulation in the version of 18 June 2020 and the technical screening criteria in the draft delegated act for the Taxonomy Regulation for the environmental objective of climate protection of 20 November 2020, **as well as additional information on adjusted EBITDA.** Business activities are "environmentally sustainable" in the sense of the Taxonomy Regulation when they:

- make a substantial contribution to mitigating climate change or adapting to climate change, verified through compliance with certain technical screening criteria,
- do no significant harm (DNSH) to the achievement of any of the other EU environmental objectives and
- comply with minimum safeguards for occupational safety and human rights.

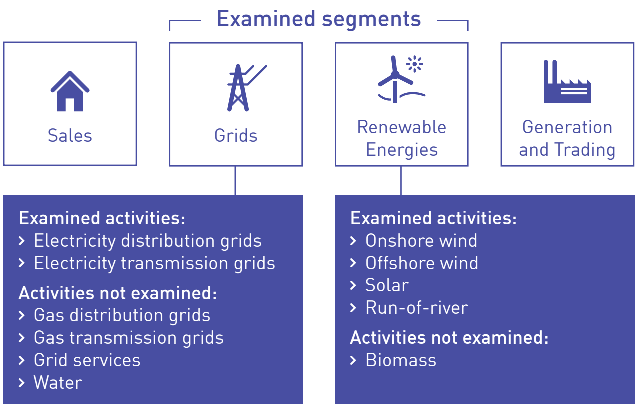
For energy companies, specific taxonomy criteria have been defined for a total of 25 business activities. The criteria were developed in accordance with the principle of technology neutrality, which means for the energy sector that they are independent of the type of energy generation involved.

In the 2020 financial year, we started a **project to implement the taxonomy requirements** with respect to the EU environmental objective of climate protection. It covers the business activities of onshore and offshore wind, solar, run-of-river and electricity grids (transmission and distribution grids). We publish the results and other information on the EU taxonomy in detail in a publication at www.enbw.com/eu-taxonomy.

To introduce the taxonomy requirements across the Group, we have established a steering committee. Based on the current requirements of the EU taxonomy, it determines with the aid of the specialist departments concerned the environmentally sustainable revenue, opex, capex and adjusted EBITDA with respect to activities across the Group. Opex at EnBW includes operating expenses and income from the operation and maintenance of the power plants, including administrative costs, without taking account of energy industry effects and levies.

In the first stage carried out in the reporting year, we focused on the two segments Renewable Energies and Grids. In the coming years, we plan to expand the reporting for the EU taxonomy to all Group activities and segments.

Activities examined for the EU Taxonomy Regulation



The following shares were derived for the Grids segment:

Environmentally sustainable revenue, opex, capex and adjusted EBITDA from business activities in the Grids segment

in € million	2020	2019
Revenue		
Sales segment	3,658	3,460
of which environmentally sustainable in € million/in %	2.506/69	2.376/69
Opex		
Sales segment	1,122	1,039
of which environmentally sustainable in € million/in %	692/62	623/60
Capex		
Sales segment	1,407	1,231
of which environmentally sustainable in € million/in %	975/69	778/63
Adjusted EBITDA		
Sales segment	1,347	1,355
of which environmentally sustainable in € million/in %	987/73	960/71

The following shares were derived for the Renewable Energies segment:

Environmentally sustainable revenue, opex, capex and adjusted EBITDA from business activities in the Renewable Energies segment

in € million	2020	2019
Revenue		
Renewable Energies segment	1,044	653
of which environmentally sustainable in € million/in %	1.007/96	631/97
Opex		
Renewable Energies segment	193	172
of which environmentally sustainable in € million/in %	181/94	165/96
Capex		
Renewable Energies segment	597	1,406
of which environmentally sustainable in € million/in %	547/92	1.315/94
Adjusted EBITDA		
Renewable Energies segment	836	499
of which environmentally sustainable in € million/in %	824/99	476/95

For activities across the whole Group, the following shares were derived for the areas considered in the reporting year:

Environmentally sustainable revenue, opex, capex and adjusted EBITDA of the EnBW Group

in € million	2020	2019
Revenue		
Group	19,694	19,436
of which environmentally sustainable in € million/in %	3.513/18	3.007/15
Opex		
Group	3,417	3,234
of which environmentally sustainable in € million/in %	874/26	788/24
Capex		
Group	2,526	3,168
of which environmentally sustainable in € million/in %	1.521/60	2.093/66
Adjusted EBITDA		
Group	2,781	2,433
of which environmentally sustainable in € million/in %	1.811/65	1.436/59

Substantial contribution to one EU environmental objective

In the case of the business activities relating to wind and solar energy and with respect to the requirement for a substantial contribution to climate protection, it is not currently necessary to test compliance with the criteria because these types of energy generation should remain significantly below the current threshold of 100 g CO_2eq/kWh, even when analyzed over their entire life cycle. It can also be assumed that the electricity grids are making a substantial contribution to climate protection due to the fact that the majority of the connections in the last five years have been for renewable energies. Hydropower plants make a substantial contribution to climate protection over their entire life cycle as they have a very low greenhouse gas intensity of significantly less than 100 g CO_2eq/kWh. We used the emissions factors published by the German Environment Agency as a reference, which give figures for both run-of-river and pumped storage with natural flow of water well below the threshold of 100 g CO_2eq/kWh.

No significant harm to the other EU environmental objectives

In the next stage, we examined whether any significant harm was being done to the other four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems). This predominantly relates to the legal and official regulations in the energy industry that have to be observed in order to receive approval for constructing and operating power plants. Compliance with these energy industry regulations and with any further requirements (such as those related to the circular economy) was analyzed at the superordinate level of the business activities with the aid of the respective specialist departments at EnBW. With respect to the four environmental objectives, the analysis yielded the following results:

The environmental objective **sustainable use and protection of water and marine resources** is relevant above all at the hydropower plants and offshore wind power plants. In particular, the criteria reference the legal and official regulations in the energy industry that have to be observed to receive approval for constructing and operating power plants.

In terms of the environmental objective **transition to a circular economy,** there are general regulations relating to high durability, easy dismantling, repairability and a declaration of intent to maximize the recycling of the plant at the end of its service life. The vast majority of components are designed for a very long service life, are recyclable and have monetary value at the end of their period of use (steel, aluminum, copper). Plant components that fulfill these criteria can either be recycled within the EnBW Group or also sold to third parties for further use.

For the environmental objective **pollution prevention and control,** there are only criteria relevant to run-of-river power plants in the activities that were considered, namely guaranteeing observance of the valid EU regulations for a management plan for the river basin, as well as for the frequencies for taking samples and for taking measurements of the water quality. Compliance with these energy industry regulations is a prerequisite for receiving approval to operate the power plant.

For the last relevant environmental objective **protection and restoration of biodiversity and ecosystems,** we examined environmental impact assessments and comparable assessments that are a key requirement for receiving approval for constructing and operating power plants.

Compliance with minimum safeguards

In a third and final stage, we analyzed the business activities at a Group level with respect to their compliance with the minimum social safeguards for human rights and occupational safety (pre-qualification processes (p. 53), information on occupational safety (p. 89 f.) and the report on opportunities and risks (p. 104)).

Expansion of Renewable Energies

TOP Installed output of renewable energies (RE) and the share of the generation capacity accounted for by RE

Key performance indicator

	2020	2019	Change in %	Forecast 2020
Installed output of RE in GW and the share of the generation capacity accounted for by RE in %	4.9/39.0	4.4/31.8	11.4/–	5.0/>40

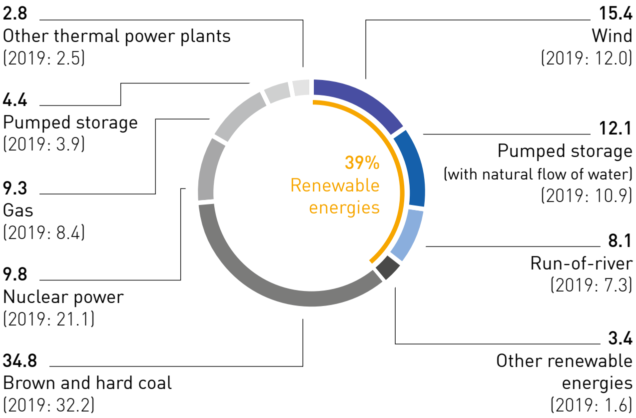
In 2020, the installed output of renewable energies increased to 4.9 GW and was thus slightly below our forecasted value. The increase in comparison to the previous year was primarily due to the commissioning of our EnBW Albatros offshore wind farm with a capacity of 118 MW, the commissioning of 124 MW_p of the total capacity of 187 MW_p at our Weesow-Willmersdorf solar park and the expansion and acquisition of onshore wind farms and other photovoltaic power plants. Overall, the share of the generation capacity accounted for by RE increased to 39.0% and almost reached the forecasted value as a result. We have thus made decisive progress in the expansion of electricity generation from renewable energy sources in accordance with our strategy.

Breakdown of the generation portfolio[1] (as of 31/12)

Electrical output[2] in MW	2020	2019
Renewable Energies	**4,865**	**4,398**
Run-of-river power plants	1,007	1,006
Storage/pumped storage power plants using the natural flow of water[2]	1,507	1,507
Onshore wind	951	826
Offshore wind	976	834
Other renewable energies	424	225
Thermal power plants[3]	**7,621**	**9,451**
Brown coal	875	875
Hard coal	3,467	3,586
Gas	1,165	1,165
Other thermal power plants	346	347
Pumped storage power plants that do not use the natural flow of water[2]	545	545
Nuclear power plants[4]	1,223	2,933
Installed output[5]	**12,486**	**13,849**
of which renewable in %	39.0	31.8
of which low CO_2 in %[6]	13.7	12.3

1 The generation portfolio includes long-term procurement agreements and generation from partly owned power plants.
2 Output values irrespective of marketing channel, for storage: generation capacity.
3 Including pumped storage power plants that do not use the natural flow of water.
4 The output from Block 2 of the Philippsburg nuclear power plant is included in the generation portfolio in 2019 because it was not shut down until the evening of 31/12/2019.
5 In addition, power plants with an installed output of 1,706 MW were registered for decommissioning. However, they were classified as system-relevant by the Federal Network Agency and TransnetBW and are thus used by TransnetBW as reserve grid capacity.
6 Excluding renewable energies; only gas power plants and storage power plants that do not use the natural flow of water.

Installed output
in %



Own generation[1] by primary energy source

in GWh	2020	2019
Renewable Energies	**11,850**	**9,988**
Run-of-river power plants	5,137	5,342
Storage/pumped storage power plants using the natural flow of water	944	959
Onshore wind	1,809	1,522
Offshore wind	3,441	1,806
Other renewable energies	519	359
Thermal power plants[2]	**24,779**	**37,819**
Brown coal	3,164	2,598
Hard coal	5,407	8,758
Gas	4,404	3,634
Other thermal power plants	170	188
Pumped storage power plants that do not use the natural flow of water	1,387	1,608
Nuclear power plants	10,247	21,033
Own generation	**36,629**	**47,807**
of which renewable in %	32.4	20.9
of which low CO_2 in %[3]	15.8	11.0

1 Own electricity generation includes long-term procurement agreements and partly owned power plants.
2 Including pumped storage power plants that do not use the natural flow of water.
3 Excluding renewable energies; only gas power plants and storage power plants that do not use the natural flow of water.

Own generation fell in 2020 compared to the previous year to 36.6 TWh. The main reasons for this clear decrease were the decommissioning of Block 2 of our Philippsburg nuclear power plant and the lower deployment of our thermal power plants because of prices on the market. In contrast, generation based on renewable energies increased considerably. This was mainly due to the first full year of operation of our EnBW Hohe See offshore wind farm and the commissioning of our EnBW Albatros offshore wind farm in January 2020. In addition, higher volumes of electricity were generated by our onshore wind and photovoltaic power plants. The proportion of own generation from renewable energy sources thus increased significantly in comparison to the previous year to more than 32%.

CO_2 intensity/climate protection

TOP CO_2 intensity

Key performance indicator

	2020	2019	Change in %	Forecast 2020
CO_2 intensity in g/kWh[1, 2]	372	419	-11.4	16% – 23%

1 Includes redispatch deployment.
2 The CO_2 intensity including nuclear generation for the reporting year was 268 g/kWh (previous year: 235 g/kWh). We publish a five-year comparison of the performance indicators in our "Multi-year overview" on p. 143.

The CO_2 intensity of our own electricity generation fell by 11.4% in comparison to the previous year to 372 g/kWh. We had forecast an increase of between 16% and 23% despite higher generation from renewable energies in comparison to 2019, especially due to the EnBW Hohe See and EnBW Albatros offshore wind farms. Electricity generation at our fossil fuel-fired power plants was significantly lower than expected due to market-driven developments. The unforeseeable effects of the coronavirus pandemic also played a role.

We also refer you to the details provided in the "Report on opportunities and risks" (p. 104).

Carbon footprint of EnBW

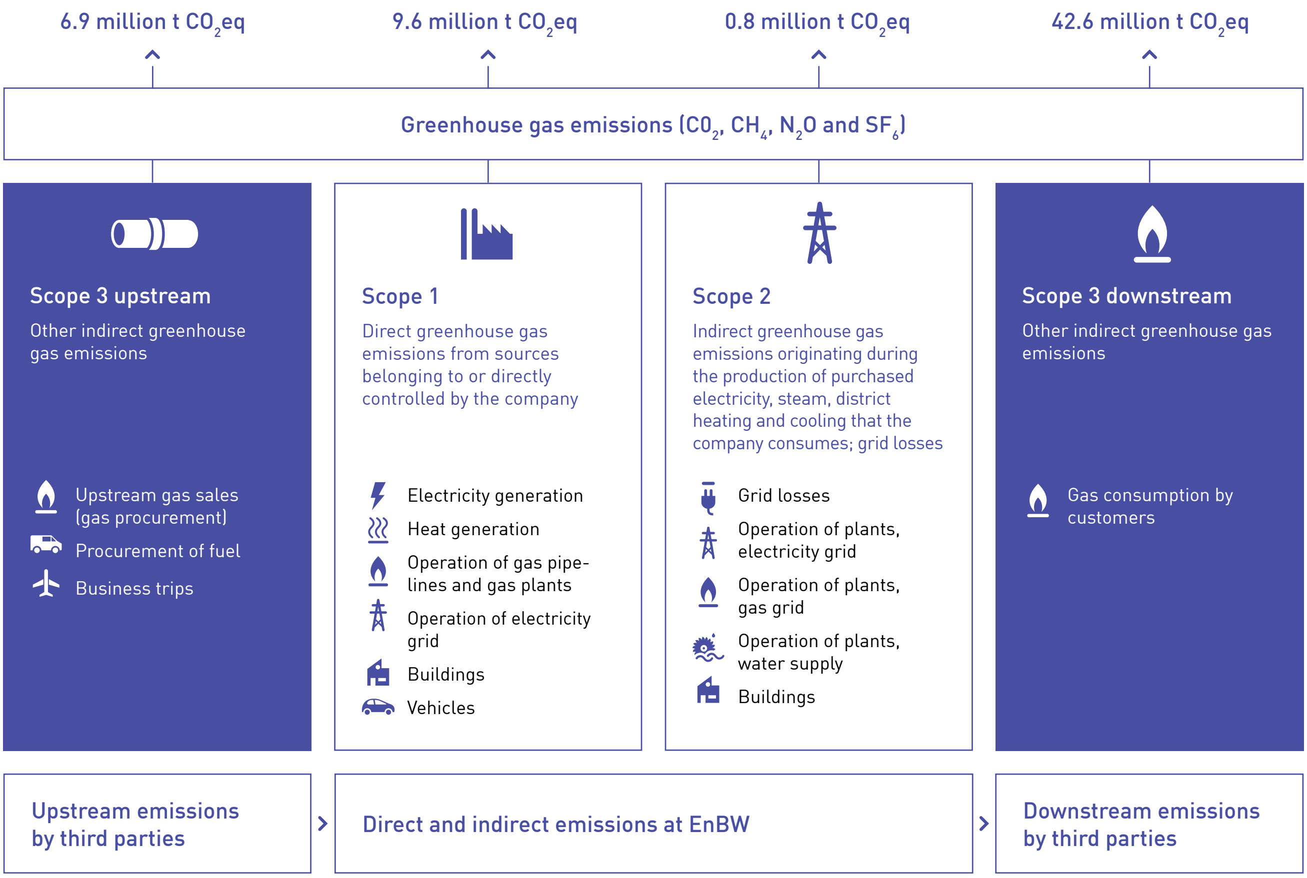
Direct CO_2 emissions are determined mainly by the deployment of power plants. In particular, the decrease in electricity generation from coal in combination with a significant increase in electricity generation from renewable sources led to a corresponding reduction in direct CO_2 emissions from 10.8 to 9.6 million t CO_2eq. Lower indirect CO_2 emissions from grid losses led to a fall in Scope 2 CO_2 emissions from 0.9 to 0.8 million t CO_2eq. Scope 3 CO_2 emissions are mainly influenced by the gas consumption of our customers and thus by gas sales in the B2C and B2B sectors. Due to a change in the classification of business activities, there was a shift between the Generation and Trading and Sales segments. The figures for the previous year have been restated accordingly. For this reason, and also as a result of the purchase of Gas-Union by VNG, gas sales and thus the Scope 3 emissions rose significantly in the 2020 financial year in comparison to the previous year. Primarily as a result of the increased generation from renewable energy sources, CO_2 emissions avoided rose from 7.9 to 8.9 million t CO_2eq.

Carbon footprint

in thousand t CO_2eq/in %	2020	2019
Direct CO_2 emissions (Scope 1)		
Electricity generation	8,526/89.2	9,725/90.1
Heat generation	754/7.9	806/7.5
Operation of gas pipelines/plants	216/2.3	193/1.8
Operation of electricity grid	26/0.3	21/0.2
Buildings	8/0.1	10/0.1
Vehicles	26/0.3	24/0.2
Other[2]	2/< 0.1	13/0.1
Indirect CO_2 emissions (Scope 2)		
Grid losses	709/93.0	870/95.2
Operation of plants, electricity grid[1]	10/1.3	11/1.2
Operation of plants, gas grid	28/3.7	12/1.3
Operation of plants, water supply	4/0.5	4/0.5
Buildings	12/1.6	17/1.8
Upstream indirect CO_2 emissions (Scope 3)		
Upstream gas sales[1]	6,287/12.7	5,318/12.7
Procurement of fuel for energy generation	563/1.1	715/1.7
Upstream gas consumption, gas plants	5/< 0.1	7/< 0.1
Business trips	2/< 0.1	4/< 0.1
Downstream indirect CO_2 emissions (Scope 3)		
Gas consumption by customers[1]	42,596/86.1	36,000/85.6
CO_2 emissions avoided[1]	**8,904**	**7,922**
CO_2 intensity of business journeys and traveling CO_2/km	**190**	**169**

1 The figures for the previous year have been restated.
2 Includes non-automotive fuel consumption (e.g., emergency generators).

Emissions (Scope 1, 2 and 3)



Energy consumption

Energy consumption

	2020	2019
Total final energy consumption in GWh[1, 2]	2,799	2,929
Proportion of renewable energies in final energy consumption in %[3]	54.6	53.2
Energy consumption of buildings per employee in kWh per employee[1, 4]	5,885	9,905

1 The figures for the previous year have been restated.
2 Includes final energy consumption of production including pump energy, energy consumption of grid facilities (electricity, gas and water) excluding grid losses, energy consumption of buildings and vehicles.
3 For electricity consumption for which the proportion of renewable energies is unknown, a proportion of renewable energies in accordance with the current Bundesmix (federal mix) label for electricity of 35% is assumed. For fuels, a proportion of 5% bioethanol is generally assumed.
4 Calculations based on assumptions and estimates. Only those companies with relevant consumption data have been taken into account.

Total final energy consumption includes the consumption of final energy for our business activities. It does not include conversion losses during energy generation or grid losses. Total final energy consumption is mostly influenced by pump energy as well as the company's own consumption requirements and the operating consumption of the power plants. Due to the lower level of own generation overall, total final energy consumption fell by around 4.4% in comparison to the previous year from 2,929 GWh to 2,799 GWh.

The proportion of renewable energies in final energy consumption increased from 53.2% in 2019 to 54.6% in 2020. This was primarily due to an increase in electricity generation from renewable energies with a corresponding increase in the proportion of renewable energies used for the company's own consumption requirements and the operating consumption of the power plants.

The energy consumption of our buildings covers the energy required for heating rooms, providing hot water and electricity. The energy consumption of buildings per employee decreased from 9,905 kWh in 2019 to 5,885 kWh in 2020. This considerable decrease was primarily attributable to the much greater number of employees working from home as a result of the coronavirus pandemic.

Environmental protection expenditure

Environmental protection expenditure[1]

in € million	2020	2019
Investment in environmental protection	622	1,535
Current environmental protection expenses	220	301

1 Pursuant to the German Environmental Statistics Act (UStatG) and BDEW guidelines on the recognition of investment and ongoing expenditure relating to environmental protection (April 2007).

We report environmental protection expenditure in line with the requirements of the statistical offices and using the guidelines published by our sector association, the BDEW. According to these reporting requirements, investments and current expenditure for the use of renewable energies should be reported in full as expenditure for climate protection. In the 2019 reporting year, investments associated with the construction of the EnBW Hohe See and EnBW Albatros offshore wind farms and the acquisition of the project developer and operator of wind farms and solar parks Valeco, which are included as expenses for climate protection in accordance with the reporting requirements, resulted in an extraordinarily high level of investment. Investment in climate protection decreased from €1,535 million in the previous year to €622 million in 2020. Accordingly, current environmental protection expenses also fell from €301 million in the previous year to €220 million in 2020.

Current activities for the implementation of the EnBW sustainability program

In 2020, we were already able to take the first steps for the measures described below from our 25-point sustainability program (p. 35).

Climate-friendly internal mobility: We want to make our mobility more and more climate friendly over time. One contribution in this area will be the replacement of the 178 conventional company vehicles in the EnBW fleet with hybrid or electric vehicles by 2024. In addition, all vehicles that are newly purchased in future by the central mobility management department at EnBW AG will be exclusively hybrid or electric vehicles.

Sustainable real estate management: We aim to reduce CO_2 emissions in our real estate portfolio. EnBW Real Estate GmbH, the subsidiary responsible for most of the real estate activities of EnBW AG, has been set the target of reducing the CO_2 emissions in its portfolio by 50% by 2025 and by 75% by 2030, based on the reference year of 2018. In addition, the specific energy consumption of existing buildings will be reduced by 10% by 2025 and by 20% by 2030, based on the reference year of 2018. The portfolio managed by EnBW Real Estate GmbH comprises around 100 properties with approximately 260 buildings and a net floor space of about 650,000 m^2 in total. An important measure for achieving this target will be, for example, switching to green electricity and biogas in the building portfolio from 2021.

Reduction in paper consumption: We have set ourselves the goal of significantly reducing paper consumption. More specifically, we have set ourselves the target of reducing the volume of paper procured and ordered at EnBW AG headquarters by 90% by 2025, based on the reference year of 2019. We were able to reduce internal paper consumption by around 50 t and customer-driven paper consumption by around 280 t in 2020. This milestone was reached significantly earlier than originally planned. This success is mainly attributable to our effective digitalization initiatives. The coronavirus pandemic and the associated regulation allowing for working from home also led to a noticeable reduction in paper consumption.

Other selected activities

We also report on other important activities in 2020 in the environment goal dimension.

Hydropower: Electricity generated from hydropower protects the climate. At the same time, the use of hydropower also encroaches on nature. Therefore, we are committed to harmonizing hydropower with the environment. If power plants cause changes to the natural landscape, we compensate for these effects through environmental enhancement measures. For example, we ensure or improve the continuity of watercourses by constructing or optimizing fish passes and fish ladders for fish to ascend or descend the river. In addition, we are developing innovative solutions to protect fish. In future, for example, the conditions for fish to migrate along the river Enz in the area of the Enzberg I and II and Mühlhausen run-of-river diversion power plants will be much improved. A close-to-nature bypass channel has been constructed so that fish can ascend the river and a groyne has been built in the river to help the fish navigate. A guidance system including migration routes has also been set up for the downstream migrating fish. We are thus making a valuable contribution to achieving the targets in the EU Water Framework.

Conservation of biological diversity: We initiated the program “Stimuli for Diversity” for the protection of amphibian species together with the LUBW (Baden-Württemberg State Institute for the Environment) in 2011, which has also included funding for protective measures for reptiles since 2016. The program is part of the project “The economy and business for nature,” which is a component of the state initiative “Active for biological diversity.” It still remains the only conservation program from a company nationwide that not only funds the protection of one single species but two whole groups of species across the state. The funding program celebrated its tenth anniversary in 2020. During this ten year period, numerous measures have been implemented in a total of 125 projects that have helped to improve the habitats of native amphibians and reptiles so that their populations can start to grow again in the medium to long term.

Alongside the key performance indicators in the environment goal dimension, other environmental targets are defined in the EnBW sustainability program (p. 35). We utilize a broad range of additional environmental performance indicators for measuring, managing and reporting on the other results of our environmentally relevant activities. Selected activities and performance indicators are described in this section. A comprehensive presentation of our environmental performance indicators can be found in our "Multi-year overview" (p. 143). Further information on the Global Reporting Initiative is available on the Internet at www.enbw.com/environmental-protection. There is also information available here on our measures to improve energy efficiency, conserve biological diversity and protect nature and species.

Employees goal dimension

The further development of our corporate strategy in the period up to 2025 (p. 34 ff.) will place new demands on our HR policy. In future, the strategy will focus on growth, infrastructure, selective internationalization and new business also outside of the energy sector. Using our HR strategy 2025 "People as the main focus," we want to give the people at EnBW and our company their own opportunity for growth, development, a future and thus success. The key tasks of HR are recruiting employees for the company, managing their development including accompanying them through the transformation, encouraging loyalty to the company among employees and maintaining and fostering their motivation, satisfaction and employability.

As an operator of critical infrastructure, we place special importance on protecting the health of our employees. Since the beginning of the coronavirus pandemic, around 10,000 EnBW employees have been working mostly from home thanks to the capabilities of modern IT. At the same time, the parties involved in the collective bargaining agreements have agreed to make the working time provisions in the current collective pay agreements more flexible.

More than 2,800 employees at our key subsidiaries Energiedienst **(ED),** Pražská energetika **(PRE),** Stadtwerke Düsseldorf **(SWD)** and **VNG** have been working at home since March 2020.

Employee engagement

TOP People Engagement Index (PEI)/Employee Commitment Index (MCI)

Since November 2020, we have been using a redesigned employee survey (EnMAB) to measure the People Engagement Index (PEI) as a new key performance indicator. The PEI allows us to draw conclusions not only on the satisfaction of employees, but also on how motivated and engaged they are in their work at EnBW. Before the 2020 financial year, we used the Employee Commitment Index (ECI) to measure the degree to which employees identified with the company.

Key performance indicator

	2020	2019	Change in %	Forecast 2020
People Engagement Index (PEI)[1, 2]	83	–	–	–
Employee Commitment Index (ECI)[2, 3]	–	66	–	≥ 66

1 The performance indicator was reported for the first time in 2020 and replaces the Employee Commitment Index (ECI). There is no value for 2019 and no forecasted value for 2020 available.
2 Variations in the group of consolidated companies (all companies with more than 100 employees are generally considered [except ITOs]).
3 The performance indicator was reported for the last time in 2019.

The first employee survey using the EnMAB was held from 16 to 27 November 2020. The survey achieved its highest coverage to date, being answered by around 22,000 employees, including trainees and students. On the basis of this survey, the PEI reached 83 points in 2020 on a scale of 0 to 100. There are no values available for previous years at EnBW. According to an assessment by the service provider, an international benchmark index compiled using similar questions at numerous companies from various different sectors stood at 74 points in 2020. The motivation and engagement of employees of EnBW is thus at a very high level in comparison with other companies. However, our extremely good result in 2020 could have been influenced by the extraordinary effect of employees at EnBW rating the company's handling of the impact of the coronavirus pandemic very positively.

We also refer you to the details provided in the "Report on opportunities and risks" (p. 104).

HR strategy 2025

Our new HR strategy 2025 "People as the main focus" supports the implementation of the EnBW 2025 corporate strategy. Digitalization requires a willingness to change, technological expertise and modern working practices. Our managers should not just place expectations on their employees but also support them and lead their teams with conviction into a more complex world. Our newly designed HR policy will support employees in this process of change, for example by developing new forms for cooperation and for further training and education. In addition, we value the potential offered by the internationality and diversity of our employees.

The new HR strategy focuses on six key themes with 21 strategic areas:

- People-centered transformation
- Employer brand and recruiting
- Leadership and skills
- Qualification@EnBW
- Diversity@EnBW
- HR processes, services & digitalization

Selected activities in our six themes

People-centered transformation: We consider ourselves to be the shapers of a people-centered transformation in the Group and are placing the main focus on people and their needs. To support employees as well as possible in the transformation process, we are further developing, for example, the employee survey and establishing the transformation circle – the first Group-wide community for all colleagues who are pushing forward the themes of transformation.

The employee survey will be carried out twice a year in the future. The new employee survey offers us benefits in three areas:

› Content: The PEI not only reflects how satisfied employees are with their company but also their enthusiasm for their work.
› Speed: Real-time transmission of results and comments that can be used to derive specific and achievable proposals for action.
› Flexibility: The survey can be linked with individual business needs, the EnBW 2025 strategy and current challenges. In addition, it will still be possible to compare our results with those of the competition.

The "Best Work" initiative deals with the question: "How do we design the working world of the future?" Employees and works council representatives are developing joint concepts for flexible and virtual working for the time after the coronavirus pandemic. The project is placing a special focus on rules for mobile working that take account of the best interests of employees, especially those working from home, and designing modern working worlds in the office that fulfill the needs of a more flexible and hybrid way of working. In addition, the initiative is dealing with, for example, the question of how working practices will change the culture of cooperation and leadership.

At **ED,** the main focus in 2020 was placed on the further development of the corporate culture under the motto of "Shaping the future together" to reflect the following values: a pioneering spirit, responsibility, simplicity, sincerity and enthusiasm. **PRE** focused on new online platforms for digital communication. **SWD** continued its company-wide management dialog on the themes of leadership in transition and project management guidelines and started the "Working world of the future" initiative. A transformation and innovation campus and a task force have been set up at **VNG.** They will work on the theme of future collaboration in a changing working environment.

Employer brand and recruiting: A prerequisite for our future growth is securing new talent. The aim is to recruit 4,500 new employees across the Group by 2023. In November 2020, we started an employer campaign under the motto "We are the E" or "I am the E." The aim of this campaign is to make EnBW more well-known nationwide as an employer and to also increase the attractiveness of EnBW as an employer.

We continuously optimize our recruiting processes to improve efficiency and place a greater focus on applicants. For example, we have significantly reduced the length of the process for appointing a new employee. Our new applicant management system also supports the development of more efficient internal processes and the improved documentation of key recruiting figures that are critical to success. During the application process, we hold more interviews via videoconference, while the Welcome Days to introduce new employees were also being held in virtual form.

In 2020, our subsidiaries **ED, PRE, SWD** and **VNG** worked on improving their recruitment processes via their websites and other online channels, such as social networks, and on further digitalizing their application processes and optimizing the onboarding processes.

Leadership and skills: The growth of our company is closely linked to the personal development of every individual and the collective development of the management team. Therefore, we have defined eight key "future skills." Alongside professional expertise, they describe the skills we feel are necessary and form the new competency model for the management team. They will be established across EnBW in a slightly amended form as the new competency model for all employees in 2021.

As part of the "Leadership Development Journey" program, around 235 managers discussed and examined these future skills, their own individual development and the requirements of modern leadership in depth in 36 digital workshops. In the "Next Level Leadership" format, around 1,200 EnBW employees and managers also took part in virtual training courses to promote their personal development in 2020. The main focus was the theme of resilience in order to support employees with the huge changes to their working conditions as a result of the coronavirus pandemic. A qualification program has also been created that is specifically designed to provide support to employees who are taking on new, agile leadership roles.

The talent development program "SP4RK for Pioneers," which was launched in 2019, combines the development of talent with the development of innovative business models. In the first phase of the program, talent from across the entire company worked for several months in cross-functional teams on projects with a start-up character in order to identify strategically relevant business models. Furthermore, we have developed the digital learning and development platform "LernWerk" (Learning Factory) that allows EnBW employees to independently shape their own development. The first version of the platform was tested at the beginning of 2021, and it will be gradually rolled out.

At our key subsidiaries, there was a focus on further training and education programs with an increased use of digital media. In addition, **ED** established a new organization development department to accompany the transformation project for the development of a joint leadership culture that was started in the previous year. For the first time, employee appraisals will be used as the basis for developing a HR development strategy for the entire ED Group. **SWD** started a cross-mentoring program with other companies in Düsseldorf for "Women in leadership" and a qualification program "Time for leadership" that includes content on labor law, leadership methods, feedback and digital leadership. **VNG** started work on developing a new 180-degree feedback process for its managers that it plans to establish in 2021.

Qualification@EnBW: On 31 December 2020, there were a total of 1,163 trainees and students working in the EnBW Group. At Netze BW and EnBW AG, we have begun to align our training methodology to more effective teaching and learning formats as well as to the needs of younger generations. In March 2020, more than 120 trainees, DH students and trainers came together to shape the new learning culture. More than 60 trainers got to experience the first stage of a learning journey in July. We have also introduced some new learning methods. Despite the coronavirus pandemic, we were still able to employ 1,455 (2019: 1,333) working students and interns in 2020.

At our key subsidiaries, the main focus was placed on switching over to digital training formats – not least due to the impact of the coronavirus pandemic. **ED** also held workshops on strategy and leadership principles and held a leadership forum in a hybrid format for all managers at ED and its investment companies across four sites. **PRE** set up enhanced functions for its online tests and seminars, as well as for webinars held via online platforms.

Diversity@EnBW: Diversity is a fixed component of our corporate culture and a key element of the HR strategy. In order to emphasize our commitment to diversity, EnBW participated in, among other things, Christopher Street Day in Stuttgart as in the previous year. The event was held in front of a limited audience and predominantly in virtual form due to the coronavirus pandemic and had the motto "Diversity needs strengthening." In addition, we supported the themes of equal opportunities, internationalization and innovative working cultures. For example, EnBW introduced the use of the gender star (an asterisk that is used to form gender-neutral terms in German) for its written communication and published a diversity statement on the Day of Tolerance on 16 November.

Proportion of women in management positions at EnBW AG

in %	2020	2019
First level below the Board of Management	8.7	0.0
Second level below the Board of Management	14.5	17.2

The Board of Management had set the goal of further increasing the proportion of women at both management levels below the Board of Management in the period from 1 January 2017 to 31 December 2020. At both the first level (top management) and second level (upper management), the proportion of women should increase to at least 20%. These targets were not yet achieved in 2020, although the proportion of women in top management did increase from 0% to 8.7% due to the promotion of two female managers from upper management to top management.

As a result of these promotions and structural changes, the proportion of women in upper management fell from 17.2% to 14.5%. We will develop measures based on the HR strategy to achieve the set targets.

In addition, our Executive Group has been extended to form a Global Management Board. This board works strategically at the level below the Board of Management and has been enlarged from 60 executives to around 100 members to achieve greater diversity. The 100 members now include about 20 women – previously just two women – as well as representatives from the areas of digitalization and internationalization. The English-language Intranet page "EnBW World" has been launched for our international colleagues and employees who have links with activities abroad.

HR processes, services & digitalization: There were four main areas of focus related to this theme in 2020: customer-oriented revision and digitalization of HR forms, the introduction of electronic signatures for employment contract management, the development of a digital platform for contact with applicants and the introduction of robotic process automation (RPA) for standard processes in HR services.

Other issues

EnBW developed very positively from an economic perspective in 2019 and achieved the targets for the 2020 strategy at an early stage. Against this background, it was decided that employees at the Group companies that have corresponding company agreements would receive a **profit sharing bonus** for 2019, which corresponded to 115% of one month's salary. The Board of Management has announced that a profit sharing bonus will be awarded to employees for 2020, although the amount has not yet been defined.

Based on the collective bargaining agreement between the Employers Association for Electricity Power Plants in Baden-Württemberg and the labor union ver.di from 19 February 2018, the third stage of the agreed wage increases was implemented on 1 July 2020 with a raise of 1.9%. The rates paid to trainees were also raised again by €50 on this date. The collective bargaining agreement runs until 28 February 2021.

EnBW provides a comprehensive range of services to promote the health of its workforce. We were awarded Excellence status at the Corporate Health Awards for this work in December 2020 and also received an award in the special category of "Mental Health." The services provided by **health management** include preventative medical services, vaccinations such as flu vaccines, physiotherapy treatments and psychological counseling.

The sickness ratio stood at 4.3% in 2020 and was thus 0.6 percentage points lower than the figure in the previous year.

Other performance indicators

Employees[1]

	31/12/2020	31/12/2019	Change in %
Sales	4,826	4,394	9.8
Grids	9,935	9,254	7.4
Renewable Energies	1,554	1,384	12.3
Generation and Trading	5,518	5,499	0.3
Other	2,822	2,762	2.2
Total	**24,655**	**23,293**	**5.8**
Number of full-time equivalents[2]	23,078	21,843	5.7

1 Number of employees excluding apprentices/trainees and inactive employees.
2 Converted into full-time equivalents.

As of 31 December 2020, the EnBW Group had 24,655 employees, which was 1,362 more than at the end of 2019. This increase was primarily due to taking on new employees in strategic growth fields. The number of employees in the Renewable Energies segment thus increased due to the expanded activities in the areas of biogas and onshore wind power. In the Grids segment, the increase in the number of employees was due to the importance of the regulated business. However, this increase was offset to some extent by restructuring within the Group. The expansion of the broadband business, increased demand for energy and storage solutions and restructuring measures within the Group led to an increase in the number of employees in the Sales segment. Digitalization and transformation processes increased the number of employees in "Other," although these effects were also offset to some extent by restructuring measures within the Group. The employee turnover ratio stood at 5.9% in 2020 and was thus 0.4 percentage points lower than the figure in the previous year.

Further performance indicators for employees, such as the regional distribution or age structure of our employees, can be found on our website at www.enbw.com/performance-indicators.

Occupational safety

In the area of occupational safety, we have set ourselves the goals of avoiding accidents and work-related illness and creating a safe working environment. The Group guidelines "Occupational safety and health protection" describe the responsibilities and tasks related to occupational safety and define the processes. The EnBW guidelines for occupational safety and health protection are also described in this document. The Occupational Safety Working Group has the task of regulating issues that affect all companies uniformly within the Group. It is headed by the Chief Technical Officer of EnBW and has the power to make binding decisions in accordance with the company's rules of procedure.

TOP LTIF

The key performance indicator LTIF is used to measure the number of LTI according to the definition on p. 40. Every Group company included in the consolidated companies for the LTIF receives an individual target from the Board of Management – the fulfillment of this LTIF target flows into the assessments for the achievement of targets in each case. The companies can also set their own individual targets that go beyond those set by the Board of Management.

Key performance indicator

	2020	2019	Change in %	Forecast 2020
LTIF for companies controlled by the Group[1, 2, 3]	2.1	2.1	0.0	≤ 2,1
LTIF overall[1, 2]	3.6	3.8	-5.3	≤ 3,8

1 LTIF indicates how many LTI occurred per one million working hours performed. Further information on the calculation of this performance indicator can be found on p. 40.
2 Variations in the group of consolidated companies (all companies with more than 100 employees, excluding agency workers and contractors, are generally considered).
3 Except for companies in the area of waste management.

In 2020, the LTIF for companies controlled by the Group remained at a good level in comparison to the previous year. The average days of absence per accident stood at 21.9 (previous year: 19.0) and were within the multi-year range. The LTIF overall fell slightly in comparison to the previous year, while the average days of absence per accident were 22.1 (previous year: 22.0). The LTIF overall includes subsidiaries in the area of waste management. However, the number of accidents in this area is at a good level in comparison to other companies in the sector.

The measures for achieving targets are independently defined by the Group companies. Various different **activities focusing on occupational safety** were carried out in 2020:

We work continuously on minimizing danger in the workplace, which could result in accidents or work-related illnesses, through training and programs of measures. In 2020, the main focus of the work relating to occupational safety was placed on the coronavirus pandemic and its consequences. As an energy supply company, EnBW forms a part of Germany's critical infrastructure. Therefore, we established a task force at the beginning of 2020 that included representatives from all relevant areas of the company and took measures to guarantee the reliable supply of energy. The main points were:

- Organizational measures to avoid the spread of infection within the company and to guarantee the reliable operation of the energy supply
- Procurement of equipment protecting against the coronavirus – such as masks, disposable gloves, disposable overalls and protective goggles
- Production of hand sanitizer according to the WHO formula
- Creating the technical and organizational conditions to allow the majority of employees to work safely from home
- Creating risk assessments with respect to the coronavirus
- Preparing e-learning modules about the new coronavirus rules
- Detailed occupational health advice for employees (also psychological)

In 2020, **Netze BW** implemented various measures to further improve occupational safety and health protection:

- New targets were defined for the areas of occupational safety, energy and the environment (AEU), which incorporate the ongoing improvement of the company's performance in the area of occupational safety and further reinforce AEU themes within the workforce.
- A COVID-19 coordination office was already established in February 2020 to pool information and develop measures; it was also available to answer questions from employees.
- Introduction of the Quentic software, which supports, among other things, the documentation of risk assessments and hazardous substance management.

In the area of **generation,** the Quentic software was also introduced in the first half of 2020. Safety training courses and exercises were carried out as planned in the first quarter of 2020. Due to the coronavirus pandemic, there were limitations on the events that could be held at the power plant sites from April. From the second quarter, measures and codes of conduct were introduced at construction sites and for inspections of power plants in response to the pandemic. In cooperation with our contractors, we were able to meet the scheduled deadlines. Discussion on near accidents and unsafe situations was intensified across all bodies. In addition, the "100 days without accidents" campaign was continued; this goal and was achieved 13 times in the reporting year.

The company **EnKK** worked to raise the employee awareness for danger during routine activities. A permanent EnKK working group assessed measures for protecting against the coronavirus pandemic, coordinating closely with the coronavirus task force at EnBW. Compliance with the measures by the company's own employees and those from partner companies is encouraged and monitored by all employees and managers – supported by daily checks carried out by a hygiene team.

At **SWD,** inspections and obligatory instruction and training courses (e.g., on respiratory protection, first aid) took place in the course of regular occupational safety and health protection measures. In addition, a new module on hazardous substance management came into force in the specialist departments. Key resources with respect to occupational safety and health management are currently held by central management functions, such as in the coronavirus task force.

We also refer you to the details provided in the "Report on opportunities and risks" (p. 104).