

# ESG Factbook 2024





1. Why sustainability matters to us
2. How we manage sustainability
3. ESG facts & figures
  - 3.1 Environment
  - 3.2 Social
  - 3.3 Governance

# The future is renewable.



At EnBW, we envision a sustainable future for humanity, society and the environment, for both present and future generations.

With our integrated business model, we provide the energy – from its generation to the grid to people's homes – to make this future a reality.

In doing so, we are laying the foundation for climate neutrality and thus long-term success at EnBW and beyond.

# The future is renewable – with future-proof energy solutions that enable real change

“ We are committed to EnBW’s sustainable development into a climate-neutral energy company.

To achieve this, we are fostering a culture of corporate responsibility with high ESG standards in line with international frameworks. ”

**Dr. Georg Stamatelopoulos**  
CEO of EnBW



**Katharina Klein**  
Head of Sustainability

“ We are turning climate goals into concrete solutions on the ground and place ESG criteria at the heart of our decisions. ”



**Dr. Lothar Rieth**  
Head of Sustainability

“ We are committed to human rights standards by applying thorough human rights due diligence which is based on intensive stakeholder dialog and anchored in robust governance structures. ”

**We are laying the foundation for a sustainable future.**

# We are transforming our business to provide the infrastructure for a sustainable future

From our beginnings as a traditional energy company, we continue to evolve into an innovative and sustainable partner for energy and infrastructure. Today, we are focusing our business on renewable energies, electricity grids, telecommunications networks, e-mobility and smart, sustainable energy solutions for our customers.



## EnBW business segments



### Sustainable Generation Infrastructure

- Generation and trading of electricity from renewable energies & conventional power plants
- Long-distance heat generation
- Gas storage
- Trading of electricity/gas, CO<sub>2</sub> allowances/fuels
- System services



### System Critical Infrastructure

- Transmission and distribution grids for electricity/gas
- Water supply
- Grid-related services

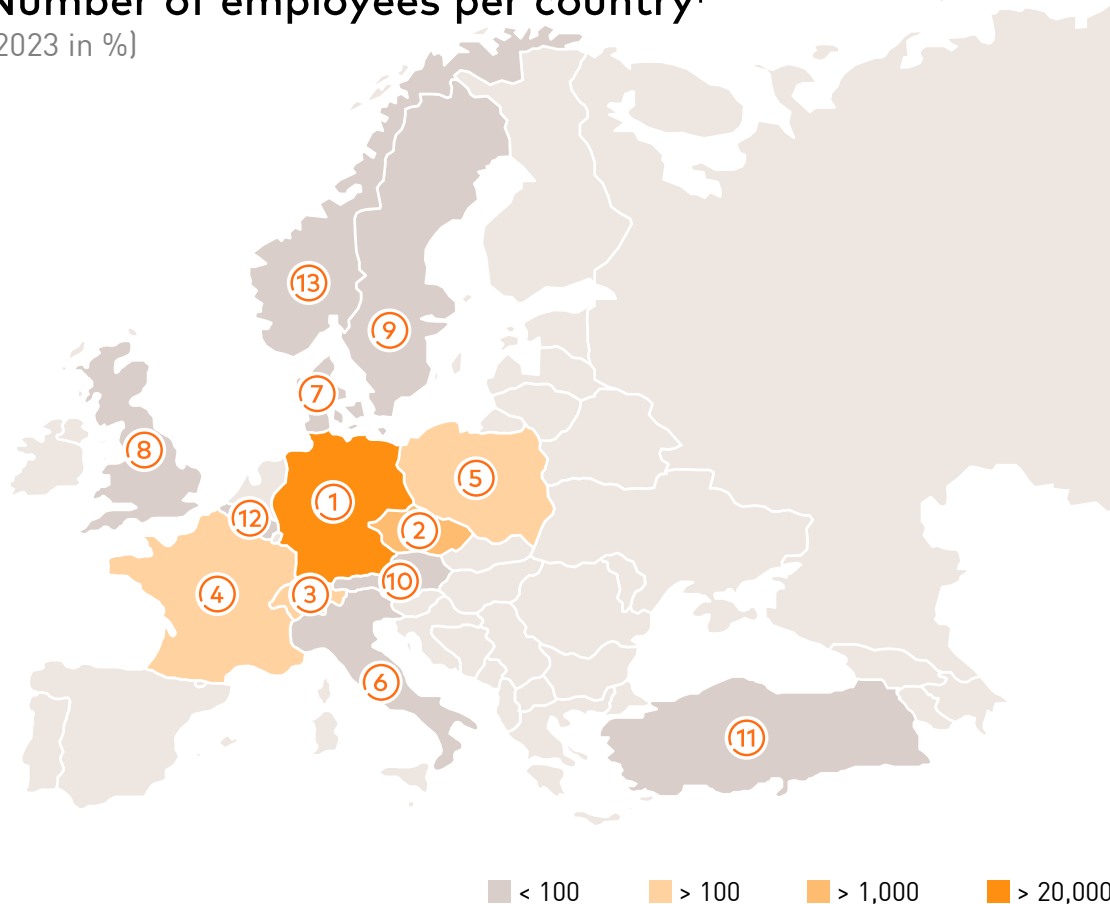


### Smart Infrastructure for Customers

- Electricity and gas sales
- E-mobility
- Telecommunications
- Home storage systems for solar electricity

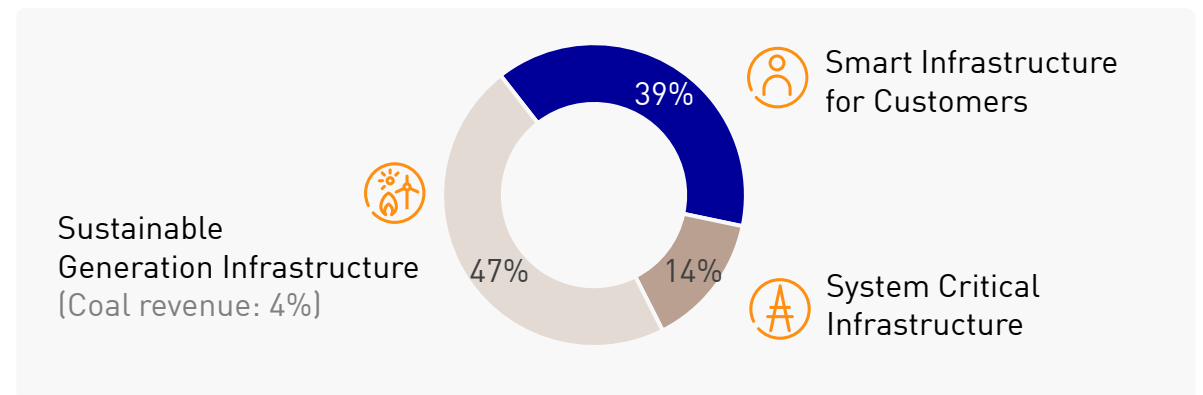
# Our activities focus on Germany and other, mostly EU, countries with high social standards

Number of employees per country<sup>1</sup>  
(2023 in %)



|   |                |        |         |   |               |    |        |
|---|----------------|--------|---------|---|---------------|----|--------|
| ① | Germany        | 25,586 | (89.4%) | ⑦ | Denmark       | 87 | (0.3%) |
| ② | Czech Republic | 1,764  | (6.2%)  | ⑧ | Great Britain | 52 | (0.2%) |
| ③ | Switzerland    | 492    | (1.7%)  | ⑨ | Sweden        | 42 | (0.1%) |
| ④ | France         | 317    | (1.1%)  | ⑩ | Austria       | 17 | (0.1%) |
| ⑤ | Poland         | 166    | (0.6%)  | ⑪ | Turkey        | 5  | (0%)   |
| ⑥ | Italy          | 90     | (0.3%)  | ⑫ | Belgium       | 4  | (0%)   |
|   |                |        |         | ⑬ | Norway        | 3  | (0%)   |

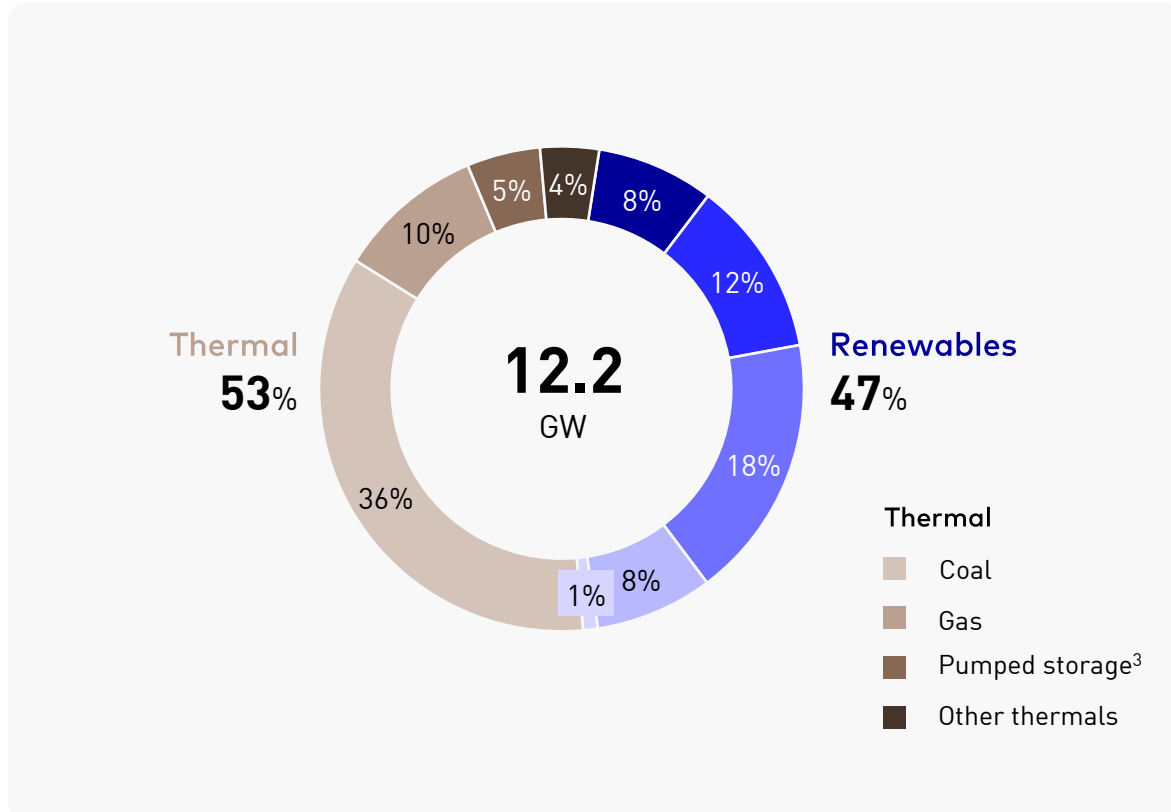
External revenue by segment  
(2023 in %)



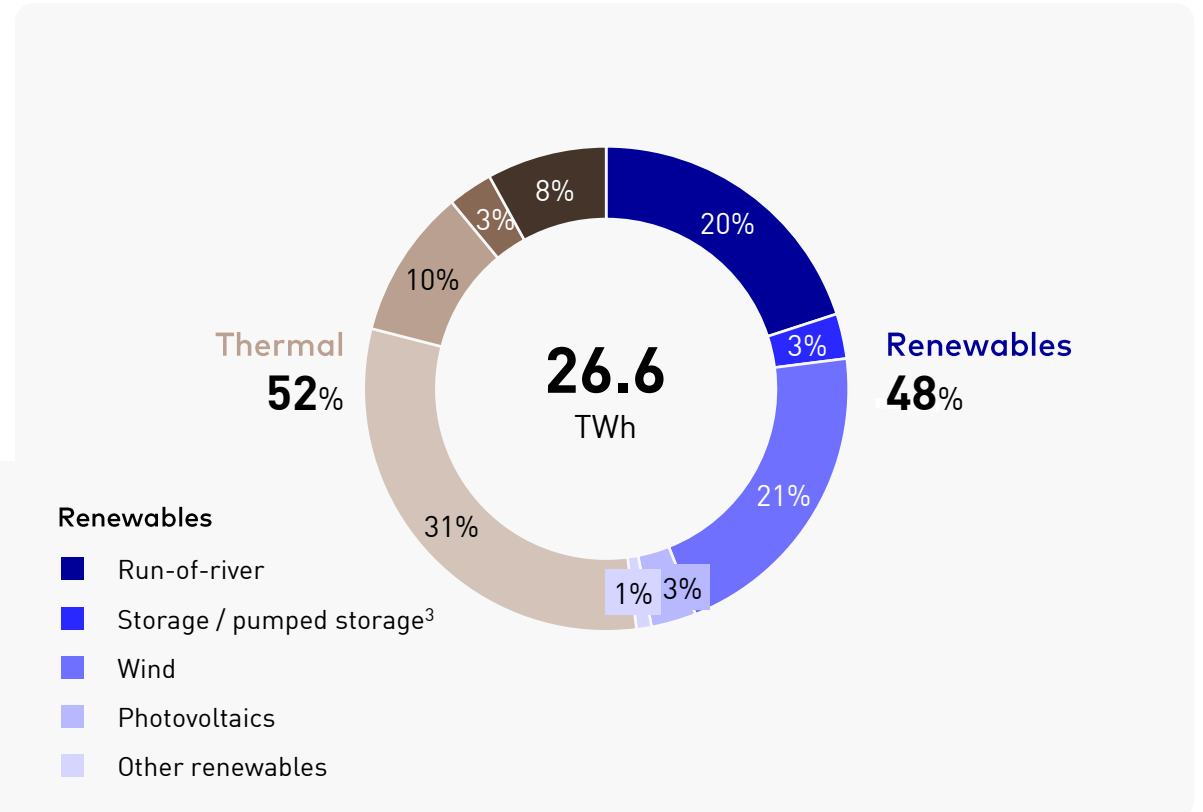
As of 31 December 2023;  
<sup>1</sup> Not allocated (5)

# Renewables as a main driver of sustainability already account for almost half our generation capacity

Installed generation capacity 2023<sup>1</sup>  
in %



Own generation 2023<sup>1,2</sup>  
in %



<sup>1</sup> Generation capacity and own electricity generation include long-term procurement agreements and partly owned power plants.

<sup>2</sup> Generation volumes are reported without the volumes for positive redispatch that cannot be controlled by EnBW. Own generation including positive redispatch in 2023 was 29,013 GWh.

<sup>3</sup> Storage / pumped storage power plants using natural flow of water including pumped storage power plants that do not use the natural flow of water.

# With our integrated business model, we contribute to the UN's Sustainable Development Goals (SDGs)

## Four key SDGs at EnBW – activities and performance indicators (examples)



### SDG 7: Affordable and clean energy

- Expansion of renewable energies (RE)
- Climate-friendly products (e.g., green electricity)

**KPI:** installed output of RE, Customer Satisfaction Index



### SDG 9 Industry, innovation and infrastructure

- Expansion and operation of electricity/gas grids
- Research, development and innovation management

**KPI:** System Average Interruption Duration Index (SAIDI)<sup>1</sup> electricity, gas



### SDG 11 Sustainable cities and communities

- Expansion of quick-charging infrastructure for electromobility
- Expansion of broadband infrastructure

**KPI:** number of EnBW quick-charging stations in Germany



### SDG 13 Climate action

- Climate neutral by 2035
- Biodiversity at EnBW sites

**KPI:** CO<sub>2</sub> intensity (generation), CO<sub>2</sub> emissions

## Other important SDGs at EnBW



<sup>1</sup> SAIDI (System Average Interruption Duration Index): all unscheduled interruptions to supply at our distribution grid operators for electricity and gas that last more than three minutes for the end consumer



# We aspire to be an ESG leader and count ESG ratings among our key performance indicators

|  |                                   |                        |   |
|--|-----------------------------------|------------------------|---|
|  | <p>ISS ESG<sup>1</sup></p>        | <p>ESG Rating</p>      | <p>Status quo</p> <p><b>B</b></p> <p>Prime Status</p> |
|  | <p>MSCI<sup>2</sup></p>           | <p>ESG Rating</p>      | <p><b>A</b></p> <p>Average</p>                        |
|  | <p>Sustainalytics<sup>3</sup></p> | <p>ESG Risk Rating</p> | <p><b>30.2</b></p> <p>High Risk</p>                   |
|  | <p>CDP<sup>4</sup></p>            | <p>Climate Rating</p>  | <p><b>A-</b></p> <p>Leadership</p>                    |

<sup>1</sup> ISS ESG scale: A+ to D- (absolute best-in-class basis; Prime Status awarded)

<sup>2</sup> MSCI scale: AAA to CCC (Leader AAA-AA; Average A-BB; Laggard B-CCC)

<sup>3</sup> Sustainalytics scale: 0 to 40+ (risk score: Negligible 0-10; Low 10-20; Medium 20-30; High 30-40; Severe 40+)

<sup>4</sup> CDP scale: A to D- (Leadership A/A-; Management B/B-; Awareness C/C-; Disclosure D/D-)



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3.2 Social

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# The future is renewable.



A different future is possible. With clean and safe energy for all. With communities that stick together. And with a corporate culture that has society's best interests at heart.

At EnBW, we have chosen the path of renewal. Together with society, politics, industry and science, we are building the climate-neutral and equitable future of energy.

We have made environmental, social and governance (ESG) management an inherent part of our business and are driving forward our sustainable development with the EnBW Sustainability Agenda.

# ESG is implemented at EnBW at both a core business and sustainability function level

Sustainability considerations are inherent to our business in energy and infrastructure. Therefore, our ESG activities are defined by both our overall strategy and our dedicated sustainability function.

## Corporate strategy

Develops sustainable business models

Core business

Sustainability function

## ESG management

Defines and implements ESG standards and processes in all business areas



## EnBW Sustainability Agenda

Focuses ESG activities with measures targeted at priority topics

# Our latest sustainability achievements in 2023 showcase the continuous advancement of ESG at EnBW



## Human rights

EnBW Declaration of Human Rights in accordance with the Supply Chain Due Diligence Act (LkSG)



## EU taxonomy

EnBW 2030 target of > 85% EU taxonomy-aligned CAPEX



## CDP rating

CDP climate rating A- and first-time participation in the CDP water rating (score C)



## Sustainability Agenda

EnBW Sustainability Agenda 2.0 defines two focus areas (Energy of Change & Culture of Sustainability) and 14 measures along ESG themes



**Energy of Change**

EnBW builds the energy infrastructure of the future with security of supply in mind.  
**CO<sub>2</sub> emissions | RE capacity | NO**

**ESG Go24**

**Culture of Sustainability**

EnBW makes corporate responsibility the benchmark actions.  
**Green finance | ESG ratings | PE**

# Building a renewable future with clean and reliable energy is the primary mission of sustainability management at EnBW

## Long-term security of supply in a decarbonized world

This is what we have made our central mission as one of Germany's main energy and infrastructure providers.

At the core of our ESG management approach and the EnBW Sustainability Agenda lies a best-in-class, science-based decarbonization path that allows us to maintain supply security as we transition to renewable energies.

For the sustainable financing of required investments, we target leading positions in ESG ratings with measures across the ESG spectrum.



### Science-based (SBTi) decarbonization path

incl. phaseout of coal by 2028<sup>2</sup>



### Robust human rights policies

incl. Declaration of Human Rights and Supplier Code of Conduct

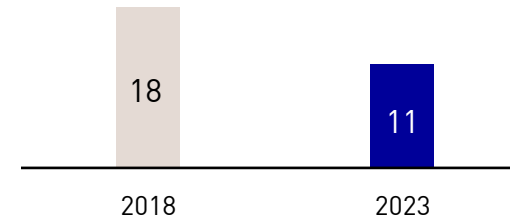


### Sustainable governance

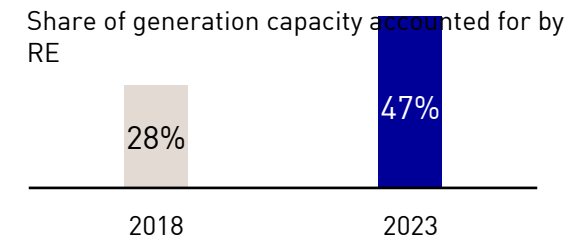
incl. investment decisions and alignment with EU taxonomy

## Key achievements 2018–2023

**Cut emissions by more than a third**  
Scope 1 and 2 emissions (Mt CO<sub>2</sub>eq)

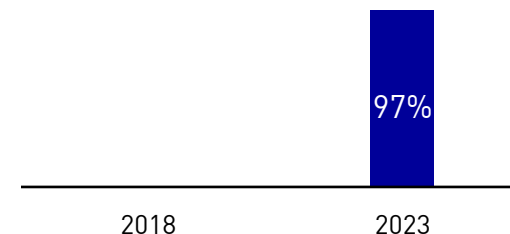


**Increased share of generation capacity accounted for by renewable energies by two thirds**



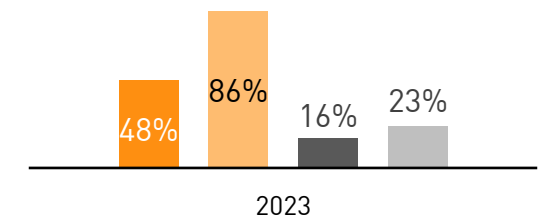
**Reached almost full Supplier Code of Conduct (SCoC) coverage**

Share of suppliers signed up to SCoC



**First mover in applying EU taxonomy to business activities**

Taxonomy-aligned activities 2023<sup>1</sup>



<sup>1</sup> In addition to the mandatory disclosures on taxonomy-aligned revenue, capital expenditure and operating expenses, we also publish supplementary information on adjusted EBITDA. <sup>2</sup> Based on the assumption that renewable energies will be ramped up as necessary and the significant progress in expanding the grids in accordance with the plans announced by the German government will be achieved.

# Beyond climate protection, our ESG management approach and the EnBW Sustainability Agenda address our material ESG topics



## Energy of Change



## Culture of Sustainability

### E

- M1**<sup>1</sup> Renewable energies
- M2** CO<sub>2</sub> reduction
- M3** Hydrogen
- M4** Customer solutions
- M5** Grid expansion
- M6** Circular economy
- M7** Biodiversity
- M8** Pollutants and water

### S

- M9** Diversity and education
- M10** Human rights (esp. supply chain)
- M11** Stakeholder mgmt. in affected communities

### G

- M12** Reporting, rating and sustainable finance
- M13** Corporate management
- M14** Climate resilience

### Environmental standards & processes

- Climate change
- Renewable energies
- Energy efficiency
- Waste management / resource efficiency
- Pollutant emissions
- Water management
- Biodiversity

### Social standards & processes

- Health & safety
- Freedom of association / employee representation
- Diversity & inclusion
- Work-life balance
- Training and professional development
- Restructuring / just transition
- Safeguarding human rights in the supply chain

### Governance standards & processes

- Green bonds
- EnBW investment decision process
- Compliance organization
- Responsible taxes
- Lobbying & political contributions
- Board of Management
- Supervisory Board
- Board of Management remuneration
- EU taxonomy
- Cybersecurity

<sup>1</sup> "M" = measure, e.g., "M1" represents measure 1 of the EnBW Sustainability Agenda

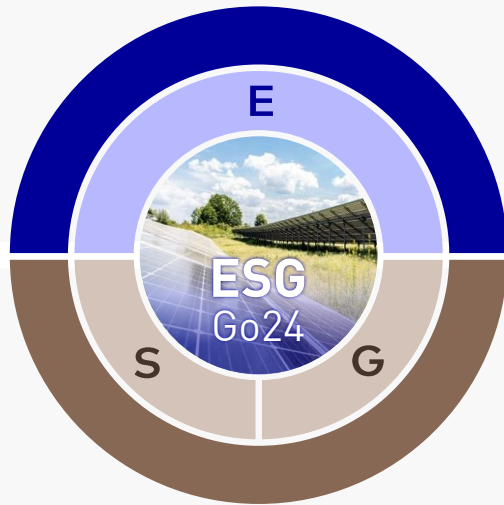
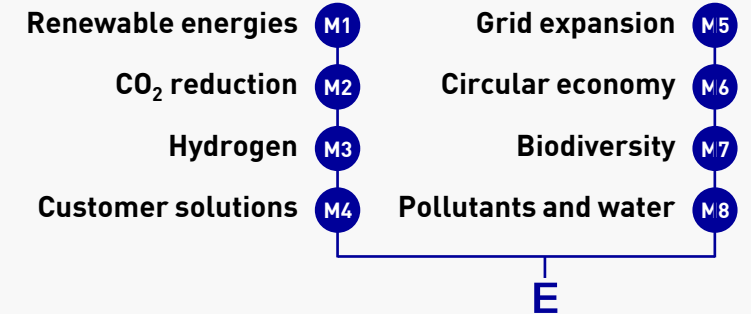
# The EnBW Sustainability Agenda 2.0 drives sustainable development with 14 ESG measures in two focus areas



## Energy of Change

EnBW builds the energy infrastructure of the future with security of supply in mind.

**CO<sub>2</sub> emissions** | **RE capacity** | **NO<sub>x</sub> and SO<sub>2</sub>**



## Culture of Sustainability

EnBW makes corporate responsibility the benchmark for its actions.

**Green finance** | **ESG ratings** | **PEI**





# Measures in the Energy of Change focus area are targeted at environmental sustainability

## Environment

### M1 Renewable energies

70% share of generation portfolio accounted for by RE by 2030.  
ESG data platform enables the efficient implementation of projects along the value chain.

### M2 CO<sub>2</sub> reduction

Implementation of coal phaseout by 2028<sup>1</sup>,  
fuel switch to H<sub>2</sub> + long-term net zero target.

### M3 Hydrogen & decarbonized gases

Responsible supply partner (15 TWh import) and  
user (south German natural gas pipeline (SEL))  
of certified H<sub>2</sub> products and decarbonized gases.

### M4 Customer solutions

Development of interconnected energy service portfolio  
for climate protection at home and on the move.

### M5 Grid expansion

Grid reinforcement/modernization to integrate  
increasing number of renewable energy systems &  
electric vehicles. Increasing share of sustainable  
customer services to 40% by 2027.

### M6 Circular economy

Integration of circular economy into projects  
incl. value-stream monitoring and increasing  
recycling rates.

### M6 Biodiversity

Group policy and measures  
to increase biodiversity in projects.

### M6 Pollutants and water

Targets refined based on rating requirements  
(pollutant emissions, water consumption, waste water).



<sup>1</sup> Based on the assumption that renewable energies will be ramped up as necessary and the significant progress in expanding the grids in accordance with the plans announced by the German government will be achieved.

# Measures in the Culture of Sustainability focus area are aimed at social impacts and responsible governance

## Social and Governance

### M9 Diversity and education

Inclusive work environment, employee well-being (consistently high People Engagement Index) and employability with ambitious KPIs.

### M10 Human rights (esp. supply chain)

Compliance with human rights due diligence obligations through risk analyses and improvement measures in own activities (incl. occupational safety) and supply chain.

### M11 Stakeholder management in affected communities

Intensifying local stakeholder dialog through Group policy and specific communication concepts and measures.

### M12 Reporting, rating and sustainable finance

Significant optimization ESG reporting (e.g., MSCI: AA; Sustainalytics: <30), increase sustainable finance share to >50%.

### M13 Corporate management

Sustainability as central component of business decisions, committee decisions, remuneration in top management and corporate culture.

### M14 Climate resilience

Ensuring resilience of business model through systematic climate risk analyses for all projects and existing infrastructure, as well as specific mitigation measures.



# We continue to standardize sustainable governance as an integral part of our corporate culture

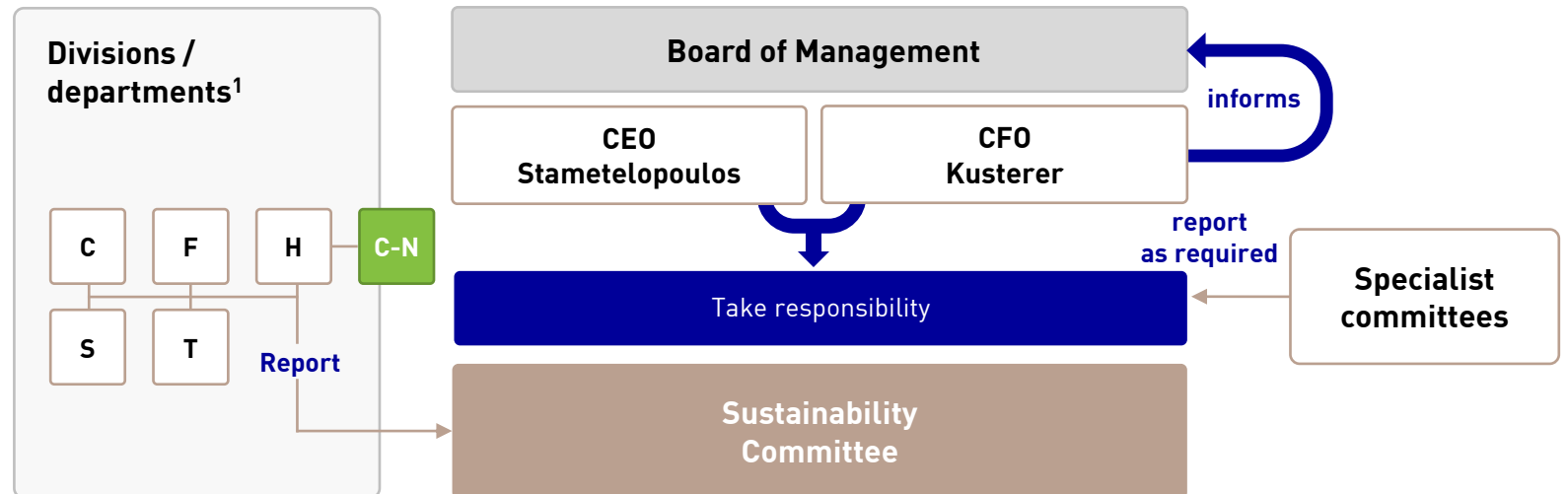
## Sustainable corporate governance

- **Environmental/climate protection targets and key figures integrated into company-wide investment approval process** since 2018
- **Sustainability assessment as fixed component for approval by EnBW Investment Committee**
- **2035 climate neutrality target** and SBTi CO<sub>2</sub> reduction path guides corporate governance decisions
- Establishment of a **Sustainability Committee**

Sustainability management | EnBW

## Sustainability Committee

- **Composition:** Business unit managers relevant for ESG
- **Mandate:** Performance monitoring of measures and ESG ratings, trend analyses
- **Management:** CEO/CF0, technical coordination by sustainability function
- **Frequency:** Every six months



<sup>1</sup> Divisions / departments: C = Chief Executive Board; F = Finance; H = Sales, Legal, HR, Corp. Real Estate; C-N = Sustainability; S = System Critical Infrastructure; T = Sustainable Generation Infrastructure

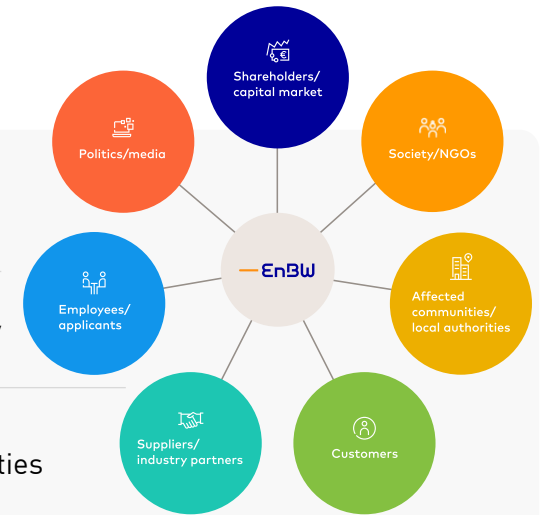
# Extensive stakeholder engagement enables us to meet internal and external sustainability expectations

## Stakeholder engagement

- **Continuous dialog** with internal and external stakeholders
- Stakeholders are important factor in **planning corporate activities**
- Stakeholder expectations shape **strategic orientation/decisions**
- Based on transparent information, we engage in **critical and constructive discussions** on requirements for efficient, reliable, sustainable infrastructure
- We are **intensifying** our dialog with a focus on the **energy/mobility transition, climate protection** and **sustainability**

## Our stakeholders and selected examples of dialog formats

|  |   |   |
|--|---|---|
|  | <b>Shareholders / capital market</b>            | • ESG dialog with investors   |
|  | <b>Society / NGOs</b>                           | • Dialog on environmental and social sustainability   |
|  | <b>Affected communities / local authorities</b> | • Group policy and project-specific action plans incl. communication concepts for local communities (under development) |
|  | <b>Customers</b>                                | • Customer dialog, networking events, participation in trade fairs  |
|  | <b>Suppliers / industry partners</b>            | • Networking events, resource efficiency congress "KONGRESS BW"   |
|  | <b>Employees / applicants</b>                   | • Employee communication, services, diversity campaigns   |
|  | <b>Politics / media</b>                         | • Discussion forums with politicians, local events, media communications  |



# We actively engage with affected communities to inform and involve them in our infrastructure projects

In our sustainable infrastructure projects, we place a strong emphasis on dialog with affected communities. In 2023, numerous events were organized to involve and inform citizens, both on site and virtually, including the following selected examples:

## GeoHardt geothermal project

The **closing event for a one-year, multistage dialog forum** was held at our GeoHardt geothermal project in March 2023 in which the participants presented the report on their findings to the two project partners EnBW and MVV. GeoHardt also **informed interested members of the public about the current status** of the geothermal project at a digital information event in May.

We held the **first large meeting with residents to mark the foundation** of our WärmeWerk Wörth. In cooperation with our partners – the City of Wörth am Rhein and Daimler Truck – **we informed** residents about measures that have been planned for investigating whether the deep geothermal energy could be used to provide heating to the local area and gave the residents an opportunity to ask questions.



## Nuclear energy

In the area of nuclear energy, the main topic for dialog with citizens was the three-and-a-half-month extension of nuclear electricity production. We provided information on our procedures and stance on the subject at, for example, **a digital press event** held at the end of March 2023.

Information on the extension and end of electricity production and the latest news on the dismantling work at our two nuclear power plant blocks Neckarwestheim I and II was also provided in May at **two large press events held at the site in Neckarwestheim** that were attended by numerous representatives from the media.



## Citizen participation platform


We plan, construct and operate wind farms and photovoltaic power plants in direct partnership **with or through the participation of local authorities and citizens**. Local citizens are able to use the EnBW citizen participation platform **to participate financially in regional renewable energy projects**. Three projects funded through such citizen participation models were implemented in Steinheim, Allmendingen and Häuseren in 2023.




# Transparent sustainability standards and reporting make ESG information accessible to all our stakeholders

Our sustainability guidelines and principles form the basis for responsible interaction with our stakeholders:


EnBW Policy Statement



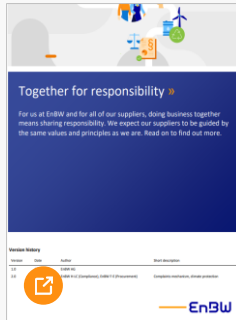
EnBW Group Code of Conduct




Declaration of Human Rights



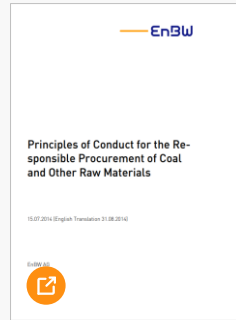
EnBW Supplier Code of Conduct



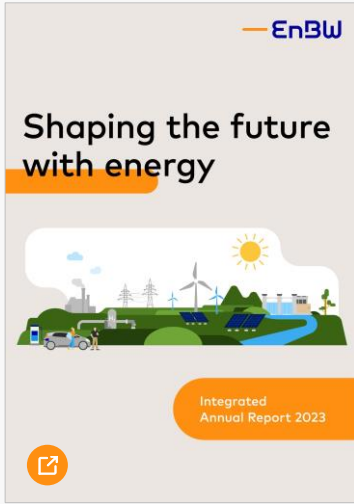
EnBW Tax Policy



Principles of Conduct for Responsible Procurement



Integrated Annual Report 2023



**➤ Continuous alignment of sustainability standards/reporting with regulatory environment incl. CSRD, EU taxonomy**



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# The foundation of responsibility.



To make our activities more and more environmentally and socially sustainable and ensure responsible governance, we continue to integrate environment, social and governance (ESG) management into all business areas.

Our ESG standards, processes and responsibilities constitute the organizational framework for all sustainability activities and initiatives at EnBW, including the EnBW Sustainability Agenda.



# Long and medium-term sustainability targets



## Science-based decarbonization path (Scope 1 and 2 emissions)

(Climate neutrality by offsetting remaining emissions)

|      | Scope 1           | Scope 2 | Scope 3 |
|------|-------------------|---------|---------|
| 2023 | -34.34%           | -56.30% | - 20.9% |
| 2030 | Scope 1 + 2: -70% |         | n.a.    |
| 2035 | Scope 1 + 2: -83% |         | -43%    |



## Proportion of female managers

(across all management positions)

|                               | 2023  | Target 2030 |
|-------------------------------|-------|-------------|
| Proportion of female managers | 20.8% | 30%         |

| Dimension                      | KPI  | 2023       | Target 2030           |
|--------------------------------|--|------------|-----------------------|
| <b>Finance</b>                 |  |            |                       |
| Focus on the energy transition | Proportion of taxonomy-aligned expanded CAPEX in % <sup>1</sup>                                | -          | > 85                  |
| <b>Customers and society</b>   |  |            |                       |
| Reputation                     | Reputation Index   | 55         | 56 – 60               |
| Customer proximity             | EnBW / Yello Customer Satisfaction Index   | 130 / 161  | 148 – 157 / 155 – 175 |
| Supply reliability             | SAIDI electricity in min. / year   | 19.3       | <20                   |
| <b>Employees</b>               |  |            |                       |
| Employee engagement            | People Engagement Index (PEI) <sup>2</sup>   | 82         | 77 – 83 <sup>2</sup>  |
|                                | LTIF for companies controlled by the Group <sup>3,4</sup>                                      | 2.4        | 2.5 – 2.8             |
| Occupational safety            | LTIF overall <sup>3</sup>  | 3.7        | 3.4 – 3.7             |
|                                | LTIF energy <sup>4,5</sup>   | -          | ≤ 2                   |
|                                | LTIF overall <sup>5</sup>  | -          | ≤ 3.3                 |
| <b>Environment</b>             |  |            |                       |
| Expand renewable energies (RE) | Installed output of RE in GW and the share of the generation capacity accounted for by RE in % | 5.7 / 46.9 | 10.0 – 11.5 / 75 – 80 |
| Climate protection             | CO <sub>2</sub> intensity in g/kWh <sup>4</sup>  | 347        | 90 – 110              |

<sup>1</sup> This performance indicator will be relevant to the ongoing management of the company from 2024 onwards; <sup>2</sup> Variations in the group of consolidated companies [all companies with more than 100 employees are generally considered [except ITOs]]; <sup>3</sup> The LTIF for companies controlled by the Group excluding waste management and LTIF overall, which includes waste management, only includes companies with more than 100 employees excluding external agency workers and contractors; <sup>4</sup> Newly fully consolidated companies are not included for a maximum transition period of three years; <sup>5</sup> LTIF energy (excluding waste management) and LTIF overall, which includes waste management, cover the entire group of consolidated companies for the financial reports, including companies with less than 100 employees excluding contractors; <sup>6</sup> The calculation for this performance indicator does not include nuclear generation and the share of positive redispatch that cannot be controlled by EnBW. If the share of positive redispatch that cannot be controlled by EnBW is taken into account, CO<sub>2</sub> intensity is 393 g/kWh for the reporting year (previous year: 508 g/kWh). The CO<sub>2</sub> intensity including nuclear generation for the reporting year was 366 g/kWh (previous year: 401 g/kWh). LTIF: Lost Time Injury Frequency SAIDI: System Average Interruption Duration Index

# Short-term sustainability targets

| Dimension                        | KPI  | 2023  | Target 2025               |
|----------------------------------|--|-------|---------------------------|
| <b>Employees</b>                 |  |       |                           |
| Diversity, Equity & Inclusion    | Proportion of female managers at first level below Board of Management (top management)    | 15.4% | >20%                      |
|                                  | Proportion of female managers at second level below Board of Management (upper management) | 24.7% | >20%                      |
| <b>Environment</b>               |  |       |                           |
| Reduction of pollutant emissions | SO <sub>2</sub> intensity in mg/kWh <sup>1</sup>   | 204   | -15% to -25% <sup>4</sup> |
|                                  | NO <sub>x</sub> intensity in mg/kWh <sup>1</sup>   | 224   | -10% to -20% <sup>5</sup> |
| Waste water                      | Waste water intensity in l/kWh <sup>1, 2, 3</sup>  | 28.0  | -20% to -30% <sup>6</sup> |

<sup>1</sup> The calculation for this performance indicator does not include nuclear generation and the share of positive redispatch that cannot be controlled by EnBW.

<sup>2</sup> Waste water is the total of the amounts of cooling and waste water that are discharged into surface water.

<sup>3</sup> Procurement contracts are not included in the calculation of the performance indicator.

<sup>4</sup> Based on the reference year 2018: 295 mg/kWh

<sup>5</sup> Based on the reference year 2018: 337 mg/kWh

<sup>6</sup> Based on the reference year 2018: 30.7 l/kWh

# Overview of selected environmental KPIs

## Environment

(2023 values)

**46.9%**

Share of generation capacity accounted for by renewable energies



**347** g/kWh

CO<sub>2</sub> intensity of own electricity generation excluding nuclear



**86.1%**

Environmentally sustainable CAPEX



**88%**

Recycling rate



### Environmental Key Figures<sup>1</sup>

|  | Unit                            | 2023 | 2022  | 2021  | 2020 | 2019  |
|--|---------------------------------|------|-------|-------|------|-------|
| <b>Greenhouse gases / carbon footprint</b>                             |                                 |      |       |       |      |       |
| Direct GHG emissions (Scope 1)   | in million t CO <sub>2</sub> eq | 10.9 | 17.5  | 16.4  | 9.5  | 10.8  |
| Indirect GHG emissions (Scope 2) <sup>2</sup>                          | in million t CO <sub>2</sub> eq | 0.4  | 0.5   | 0.4   | 0.8  | 0.9   |
| Upstream indirect CO <sub>2</sub> emissions (Scope 3)                  | in million t CO <sub>2</sub> eq | 4.0  | 5.9   | 8.9   | 7.2  | 6.0   |
| Downstream indirect CO <sub>2</sub> emissions (Scope 3)                | in million t CO <sub>2</sub> eq | 22.6 | 31.8  | 52.0  | 42.6 | 36.0  |
| <b>Classic air pollutants</b>  |                                 |      |       |       |      |       |
| SO <sub>2</sub> intensity of own electricity generation <sup>3,4</sup> | mg/kWh                          | 204  | 259   | 233   | 226  | 181   |
| NO <sub>x</sub> intensity of own electricity generation <sup>3,4</sup> | mg/kWh                          | 224  | 286   | 269   | 253  | 231   |
| <b>Water</b>   |                                 |      |       |       |      |       |
| Extracted water <sup>5</sup>   | in million m <sup>3</sup>       | 904  | 1,131 | 1,076 | 972  | 1,661 |
| Water consumption <sup>6</sup>   | in million m <sup>3</sup>       | 14   | 37    | 35    | 34   | 40    |

<sup>1</sup> The data reflect the subsidiaries and assets in the consolidation basis, unless stated otherwise; <sup>2</sup> Market-based method. According to the location-based method, the Scope 2 emissions were 921 thousand t CO<sub>2</sub>eq in 2022 and 875 thousand t CO<sub>2</sub>eq in 2023; <sup>3</sup> The calculation for this performance indicator does not include nuclear generation and the share of positive redispatch that cannot be controlled by EnBW; <sup>4</sup> Includes long-term procurement agreements and partly owned power plants; <sup>5</sup> Total extracted water from surface/river water, well/ground water and drinking water. Does not include water for the drinking water supply; <sup>6</sup> Includes evaporation and waste water.

# Overview of selected social and governance KPIs

## Social and Governance

[2023 values]

**83.3%**

Employees under a collective bargaining agreement



**6.6** days

Number of days of training / further education per employee



**20.8%**

Proportion of women in (all) management positions



**19.3** min./y

SAIDI (electricity)





### Social Key Figures<sup>1</sup>

|   | Unit | 2023    | 2022    | 2021    | 2020    | 2019    |
|---|------|---------|---------|---------|---------|---------|
| <b>Employees</b>  |      |         |         |         |         |         |
| People Engagement Index (PEI) <sup>1</sup>  |      | 82      | 81      | 82      | 83      | -       |
| Number of employees as of 31/12   |      | 28,630  | 26,980  | 26,064  | 24,655  | 23,293  |
| Proportion of women in management positions   | in % | 20.8    | 19.5    | 18.1    | 17.2    | 17.4    |
| <b>Occupational safety</b>  |      |         |         |         |         |         |
| LTIF for companies controlled by the Group <sup>2,3</sup> / LTIF overall <sup>2</sup> |      | 2.4/3.7 | 2.6/4.1 | 2.3/3.3 | 2.1/3.6 | 2.1/3.8 |
| <b>Security and supply</b>  |      |         |         |         |         |         |
| SAIDI (electricity) in min. / year  |      | 19.3    | 16.6    | 15.8    | 15.3    | 14.5    |



<sup>1</sup> Variations in the group of consolidated companies (all companies with more than 100 employees are considered [except ITOs]). The performance indicator was reported for the first time in 2020. No figures are available for the comparative period 2019; <sup>2</sup> LTIF indicates how many LTI occurred per one million working hours performed. The LTIF for companies controlled by the Group excluding waste management and LTIF overall, which includes the area of waste management, only includes companies with more than 100 employees excluding external agency workers and contractors; <sup>3</sup> Newly fully consolidated companies are not included for a maximum transition period of three years.

# EnBW's Principal Adverse Impacts

| Climate and other environment-related indicators |   |   | 2023  | Reference  |
|--|---|---|---|--|
| Greenhouse gas emissions                         | 1. GHG emissions  | Scope 1 GHG emissions   | 10.91 million t CO <sub>2</sub> eq  | IAR 2023 <sup>1</sup>  |
|  |   | Scope 2 GHG emissions (market-based)  | 0.42 million t CO <sub>2</sub> eq   |  |
|  |   | Scope 3 GHG emissions   | 26.58 million t CO <sub>2</sub> eq  |  |
|  |   | Total GHG emissions   | 37.91 million t CO <sub>2</sub> eq  |  |
|  | 2. Carbon footprint   | Carbon footprint  | calculated by the investor (or 37.91 million t CO <sub>2</sub> eq)  | IAR 2023 <sup>1</sup>  |
|  | 3. GHG intensity of investee companies                          | GHG intensity of investee companies   | calculated by the investor (or 0.85 million t CO <sub>2</sub> eq/million €)   | IAR 2023 <sup>1</sup>  |
| Biodiversity                                     | 4. Exposure to companies active in the fossil fuel sector       | Share of investments in companies active in the fossil fuel sector  | Yes   |  |
|  | 5. Share of non-renewable energy consumption and production     | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | Total final energy consumption: 1,146 GWh, of which non-renewable 79.4%<br>Own generation: 26,552 GWh, of which non-renewable 52.2  | IAR 2023 <sup>1</sup>           |
|  | 6. Energy consumption intensity per high-impact climate sector  | Energy consumption in GWh per million EUR of revenue of investee companies, per high-impact climate sector  | 0.0258 GWh/million €  | IAR 2023 <sup>1</sup>  |
| Water  | 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas                                | Indicator will be compiled in the future.   |  |
|  | 8. Emissions to water   | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average  | The comprehensive data on water emissions, as requested under SFDR, is currently unavailable. Emissions into water bodies are governed by environmental permits, with all facilities adhering to the prescribed maximum limits. |  |
| Waste  | 9. Hazardous waste and radioactive waste ratio                  | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average   | Hazardous waste for reutilization: 62,734 t /<br>Hazardous waste for disposal: 6,273 t<br><br>Radioactive waste: 0.0002 g/kWh   | EnBW Environmental Data 2023  |

# EnBW's Principal Adverse Impacts

## Indicators for social and employee matters, respect for human rights, anti-corruption and anti-bribery matters

|                             |     |   | 2023  | Reference   |   |
|-----------------------------|-----|---|---|---|---|
| Social and employee matters | 10. | Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises  | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises  | We are not aware of any violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises in 2023.   |   |
|                             | 11. | Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | Our due diligence process includes a thorough risk assessment of our business field and that of our partners to assess the likelihood and severity of any negative impacts on human rights within our value chains. We take preventive or remedial action as needed and regularly monitor its effectiveness, adjusting the measures when necessary. | Declaration of Human Rights      |
|                             | 12. | Unadjusted gender pay gap   | Average unadjusted gender pay gap of investee companies   | Indicator will be compiled in the future.   |   |
|                             | 13. | Board gender diversity  | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members   | Board of Management: 20%<br>Supervisory Board: 35%  | Our Board of Management   EnBW  |
|                             | 14. | Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)                                  | Share of investments in investee companies involved in the manufacture or selling of controversial weapons  | No  |   |



1. Why sustainability matters to us
2. How we manage sustainability
3. ESG facts & figures

3.1 Environment

3.2 Social

3.3 Governance

# Taking action for climate protection.



We consider it a major task of the entire Group to protect the climate and environment, use resources responsibly and conserve biodiversity.

We meet this responsibility by systematically expanding renewable energies and by means of our related targets and action plans.



# Our environmental standards set the bar for the cross-departmental task of environmental protection

## Environmental policy



- EnBW is committed to protecting the environment and nature. The environmental policy is part of EnBW's Code of Conduct and signed by our CEO. In addition, the internal directives of EnBW AG for environmental and energy management set further standards for our environmental commitment.

## Structures and responsibilities



- The cross-departmental task of environmental protection lies with the EnBW board member responsible for technology. Responsibilities and authorities are distributed across the management representative for environment/energy, the heads of business/functional units and environmental coordinators for environmentally relevant business and functional units.

Our EnBW AG environmental and energy management system describes the structures for managing emergencies and crises, while serving to avoid possible emergencies and crises and also control them.

| Targets/KPIs   | Performance indicator  | 2023       | Target 2025               | Target 2030            |
|--|--|------------|---------------------------|------------------------|
| Expand installed renewable energies (RE)                               | Installed output of RE in GW and share of generation capacity accounted for by RE in % | 5.7 / 46.9 | 6.5 to 7.5 / >50          | 10.0 to 11.5 / 75 - 80 |
| Implement climate protection / reduction potential of greenhouse gases | CO <sub>2</sub> intensity in g/kWh <sup>1,2,3</sup>                                    | 347        | 380 - 440                 | 90 - 110               |
| Science Based Targets initiative (SBTi)                                | Emission reduction compared to 2018  | 36%        | -                         | 70% (Scope 1 and 2)    |
| Reduction of pollutant emissions                                       | SO <sub>2</sub> intensity in mg/kWh <sup>1,3</sup>                                     | 204        | -15% to -25% <sup>4</sup> | -                      |
|  | NO <sub>x</sub> intensity in mg/kWh <sup>1,3</sup>                                     | 224        | -10% to -20% <sup>4</sup> | -                      |
| Reduction in cooling/waste water volumes                               | Waste water intensity in l/kWh <sup>1,5,6</sup>  | 28.0       | -20% to -30% <sup>4</sup> | -                      |

## Environmental/energy management system



- The environmental management system of EnBW AG is certified according to DIN EN ISO 14001. It is supplemented by energy-specific topics to meet the requirements for an energy management system according to DIN ISO 50001. In 2023, 74.8% of our operations (measured in % of employees) were certified according to ISO 14001 and 50.8% were certified according to ISO 50001.

<sup>1</sup> The calculation for this performance indicator does not include nuclear generation and the share of positive redispatch that cannot be controlled by EnBW; <sup>2</sup> If the share of positive redispatch that cannot be controlled by EnBW is taken into account, CO<sub>2</sub> intensity is 393 g/kWh for the reporting year (previous year: 508 g/kWh). CO<sub>2</sub> intensity including nuclear generation for the reporting year was 366 g/kWh (previous year: 401 g/kWh); <sup>3</sup> Includes long-term procurement agreements and partly owned power plants; <sup>4</sup> Based on the reference year 2018; <sup>5</sup> Waste water is the total of the amounts of cooling and waste water that are discharged into surface water; <sup>6</sup> Procurement contracts are not included in the calculation of the performance indicator.

# The EnBW Climate Transition Plan lays out our path to climate neutrality

## A Climate Transition Plan is

- a time-bound action plan that clearly outlines how an organization will pivot its existing assets, operations and entire business model towards a trajectory that aligns with the latest and most ambitious climate science recommendations
  - halving greenhouse gas (GHG) emissions by 2030
  - reaching net zero by 2050 at the latest, thereby limiting global warming to 1.5°C

### Important elements contain information on

- asset transition strategies
- investment decisions
- stakeholder engagement
- risk assessment and mitigation
- innovation and research

 [EnBW Climate Transition Plan](#)



## Contents of the EnBW Climate Transition Plan



Board statement



Climate emergency



Company profile



Decarbonization journey



Our target



Our strategy



Risk management

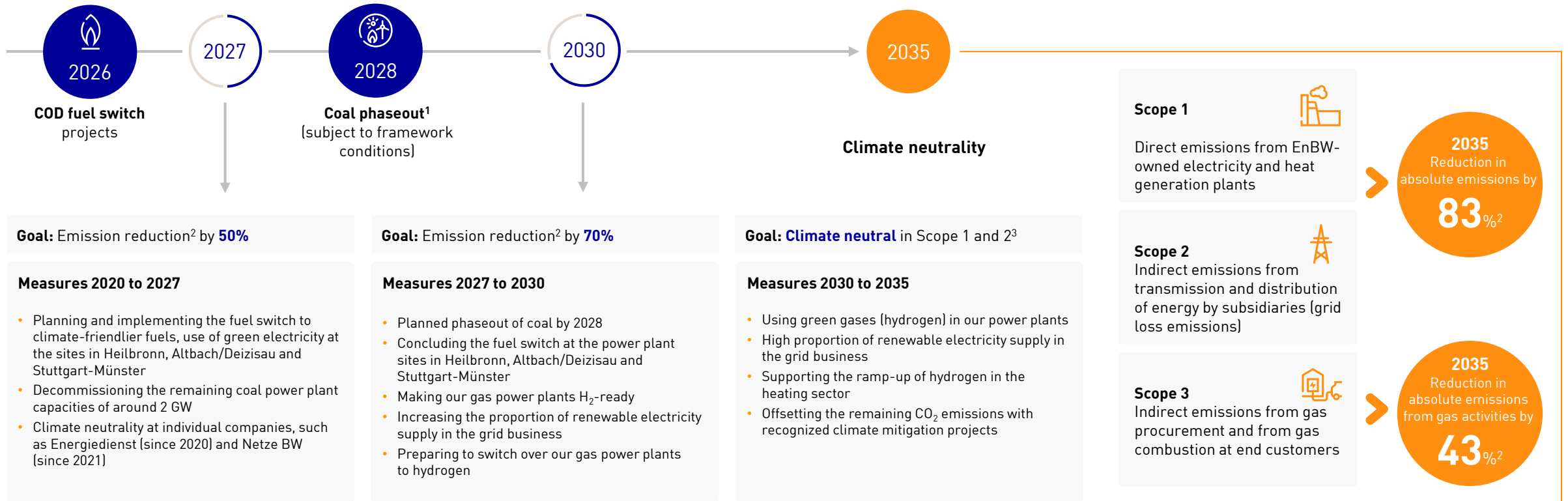


Supporting our plan



# With our ambitious, science-based climate protection goals, we are targeting climate neutrality by 2035

## SBTi validated goals

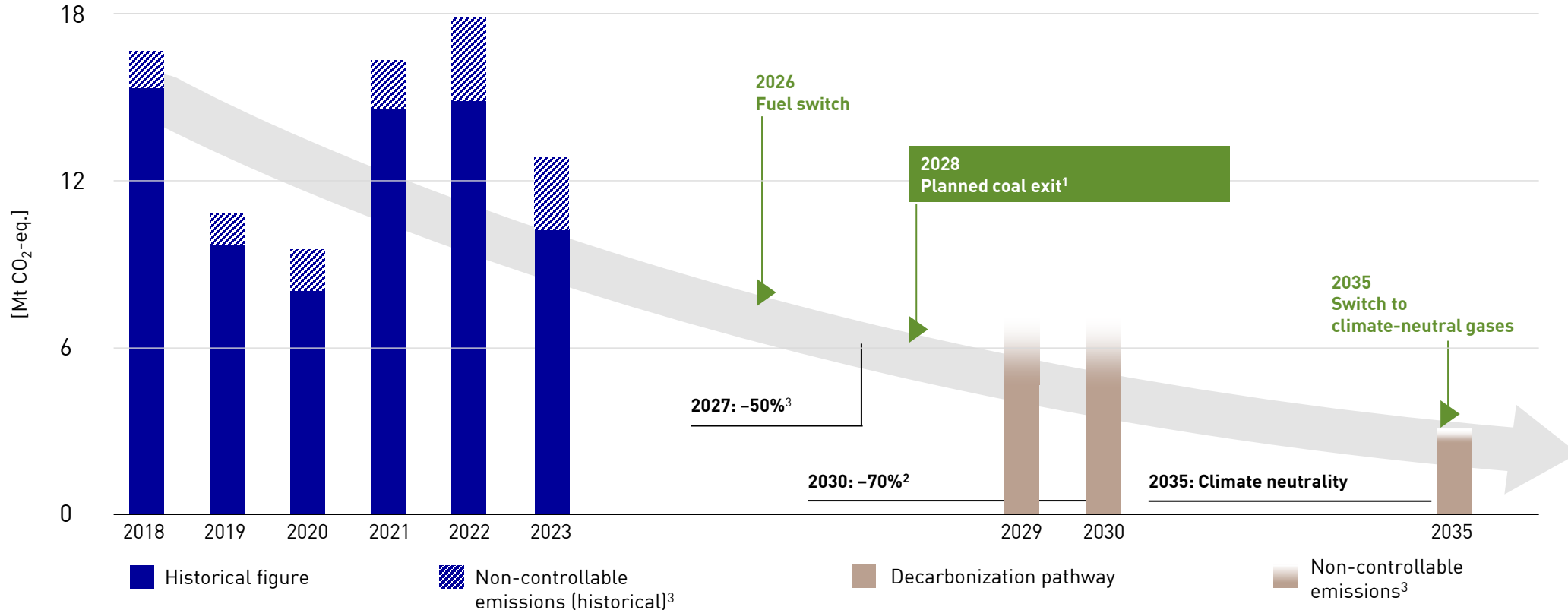


## Climate Protection Goals

<sup>1</sup> Based on the assumption that renewable energies will be ramped up as necessary and the significant progress in expanding the grids in accordance with the plans announced by the German government will be achieved. <sup>2</sup> Based on the reference year 2018; <sup>3</sup> Achievement of our climate protection targets in line with the 1.5-degree path of the Paris Agreement

# Fuel switch, early coal phaseout and switch to climate-neutral gases are key milestones for climate neutrality

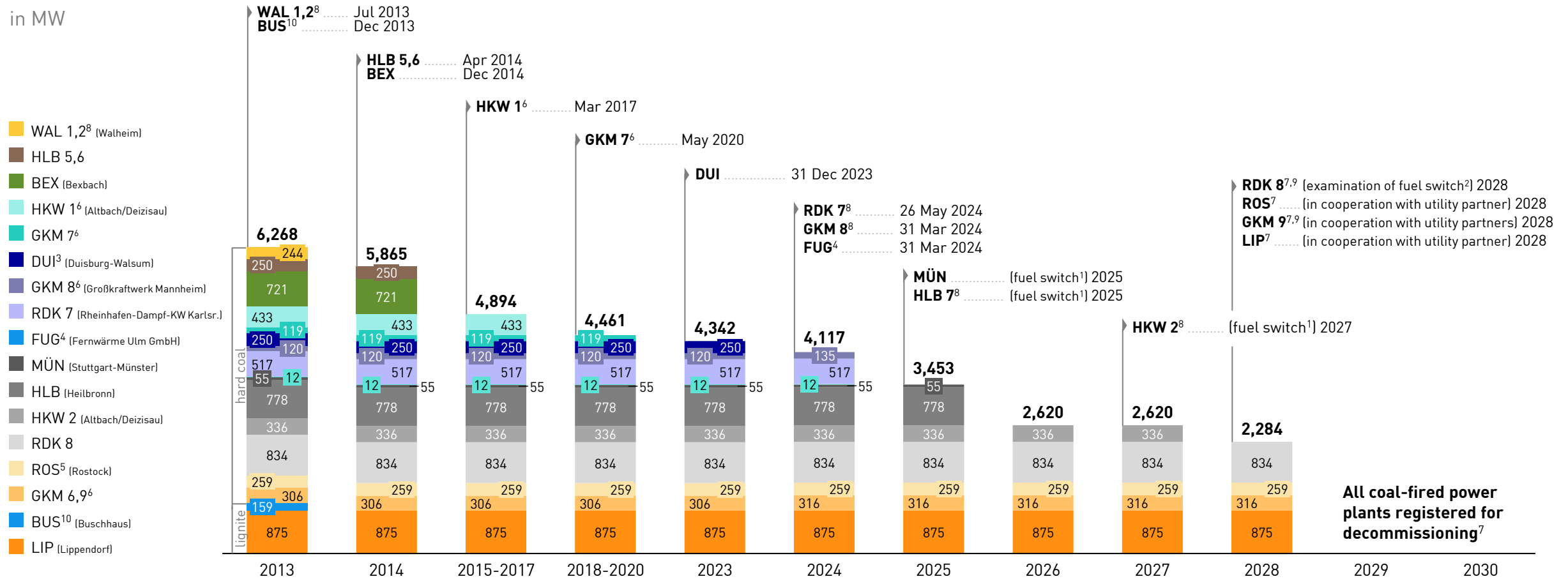
## EnBW's CO<sub>2</sub> footprint (Scope 1)



<sup>1</sup> Based on the assumption that renewable energies will be ramped up as necessary and the significant progress in expanding the grids in accordance with the plans announced by the German government will be achieved. <sup>2</sup> Scope 1 & 2 compared to 2018; <sup>3</sup> Non-controllable emissions: emissions from reserve power plants and redispatch operations not controlled by EnBW

# We started decommissioning our coal-fired power plants in 2013 and aim to conclude this process in 2028

in MW



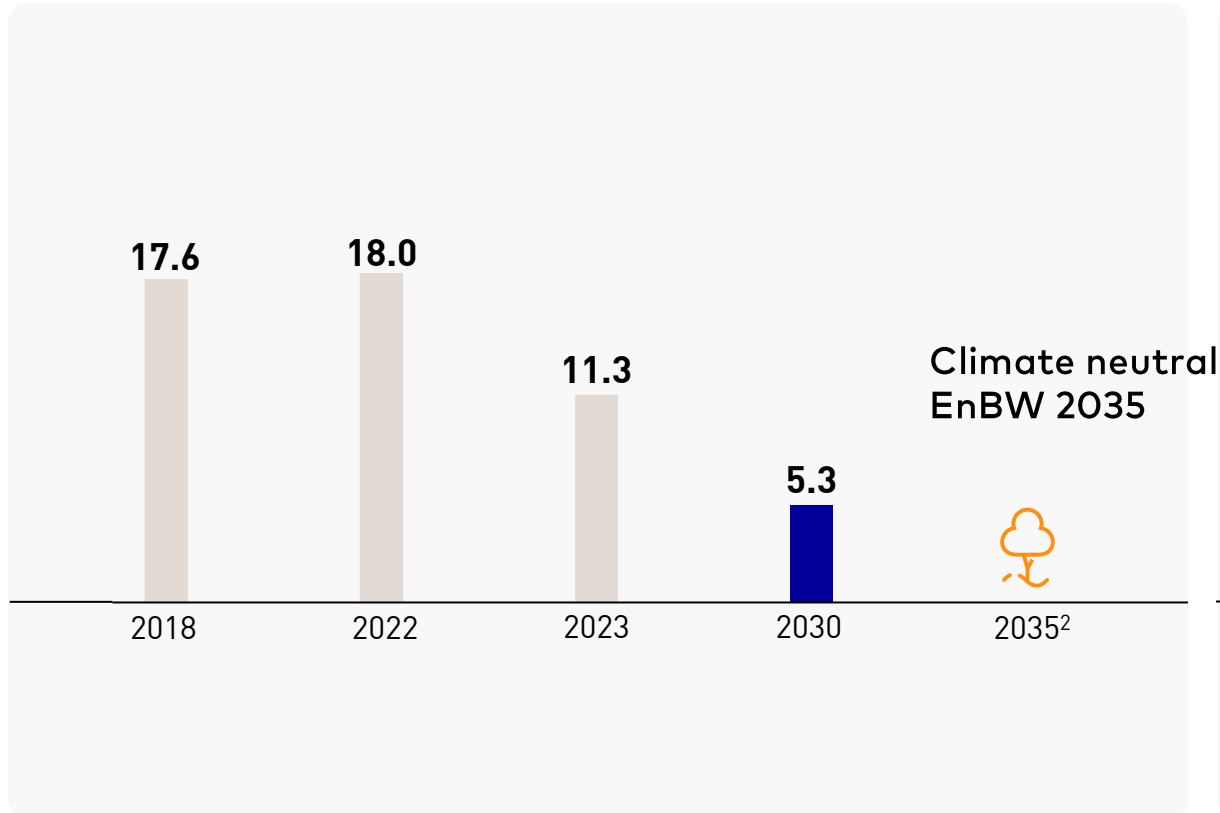
1 Fuel switch from coal to natural gas, switch to climate-neutral gases such as green hydrogen by mid-2030s  
 2 Examination of options to switch to climate-neutral dispatchable generation (fuel switch to climate neutral gases, e.g., green hydrogen)  
 3 Duisburg-Walsum: electricity supply contract with STEAG AG  
 4 Fernwärme Ulm GmbH: EnBW and Stadtwerke Ulm/Neu-Ulm GmbH (SWU) each hold a 50% share in Fernwärme Ulm GmbH (FUG), temporary return of the coal-fired units to the electricity market (max. March 2024)  
 5 Rostock: joint power plant EnBW (50.38%), Rheinenergie (49.62%)

6 GKM: Joint power plant RWE Generation SE (40%), EnBW Energie Baden-Württemberg AG (32%) and MVV RHE GmbH (28%); from 2024, EnBW's share to increase by 15 MW for GKM8 and by 10 MW for GKM6  
 7 Provided progress with the energy transition allows a coal exit by 2028  
 8 Market decommissioning as planned, transfer to grid reserve  
 9 Market decommissioning as planned, transfer to grid reserve expected  
 10 Power purchase agreement

# Climate neutrality by 2035 and further sustainability targets determine our business activities

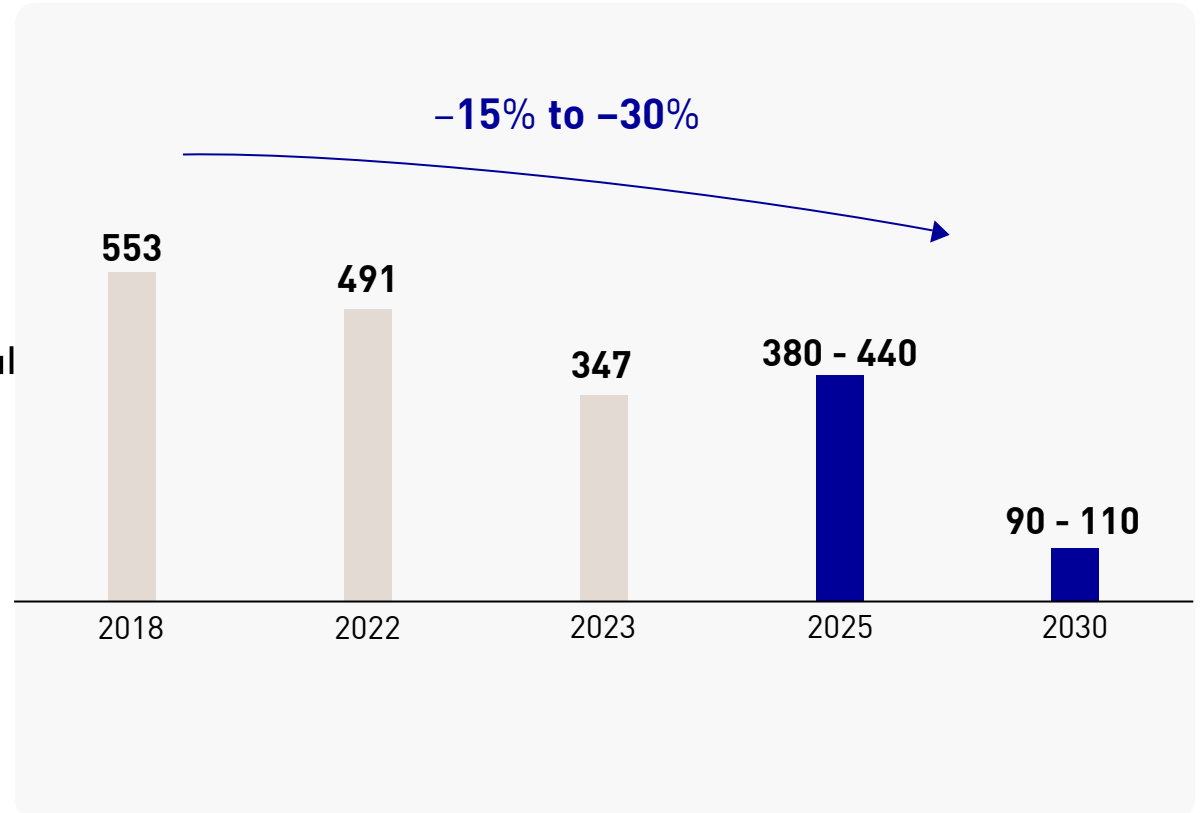
## EnBW Group carbon footprint<sup>1</sup>

Mt CO<sub>2</sub>eq (excluding supply chain)



## Carbon intensity of own electricity generation

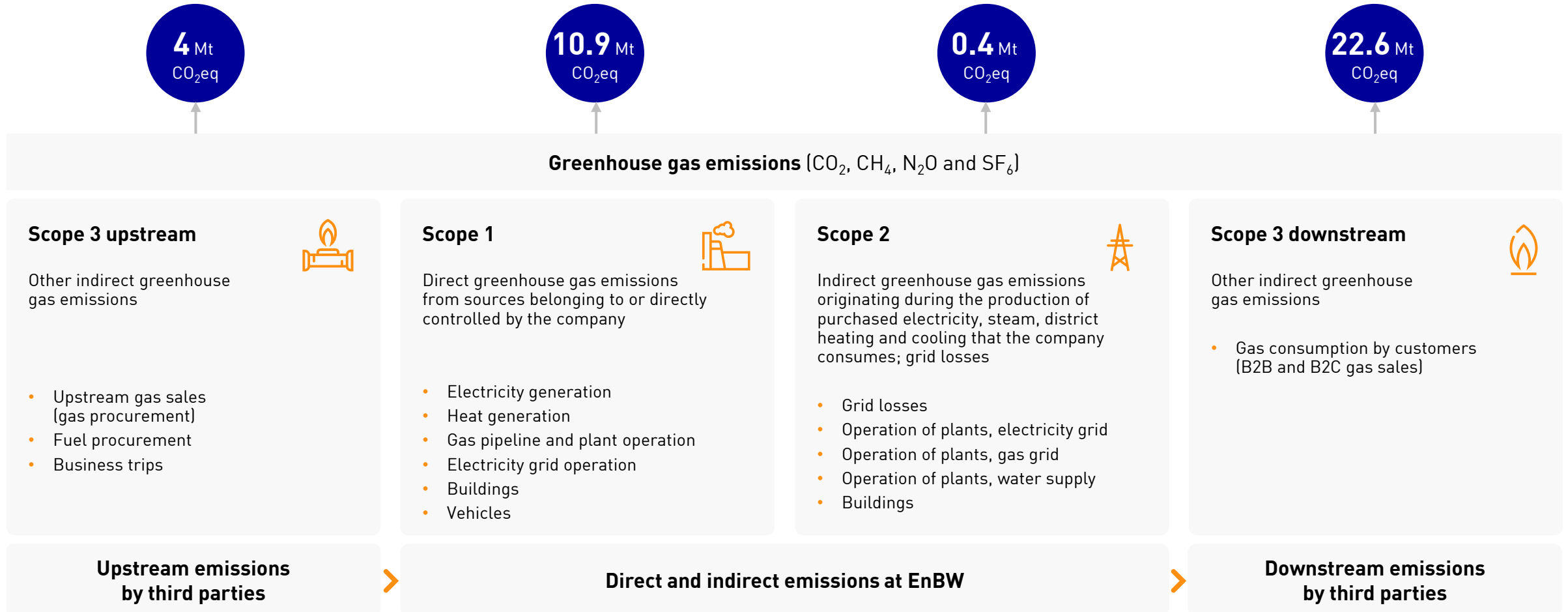
g/kWh (excluding nuclear power and redispatch)



<sup>1</sup> EnBW's climate neutrality target relates to its own emissions (Scope 1 and 2). The target relates to CO<sub>2</sub>eq (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and SF<sub>6</sub>). Reference year 2018.

<sup>2</sup> Includes some offsetting of residual emissions by purchasing recognized offset allowances.

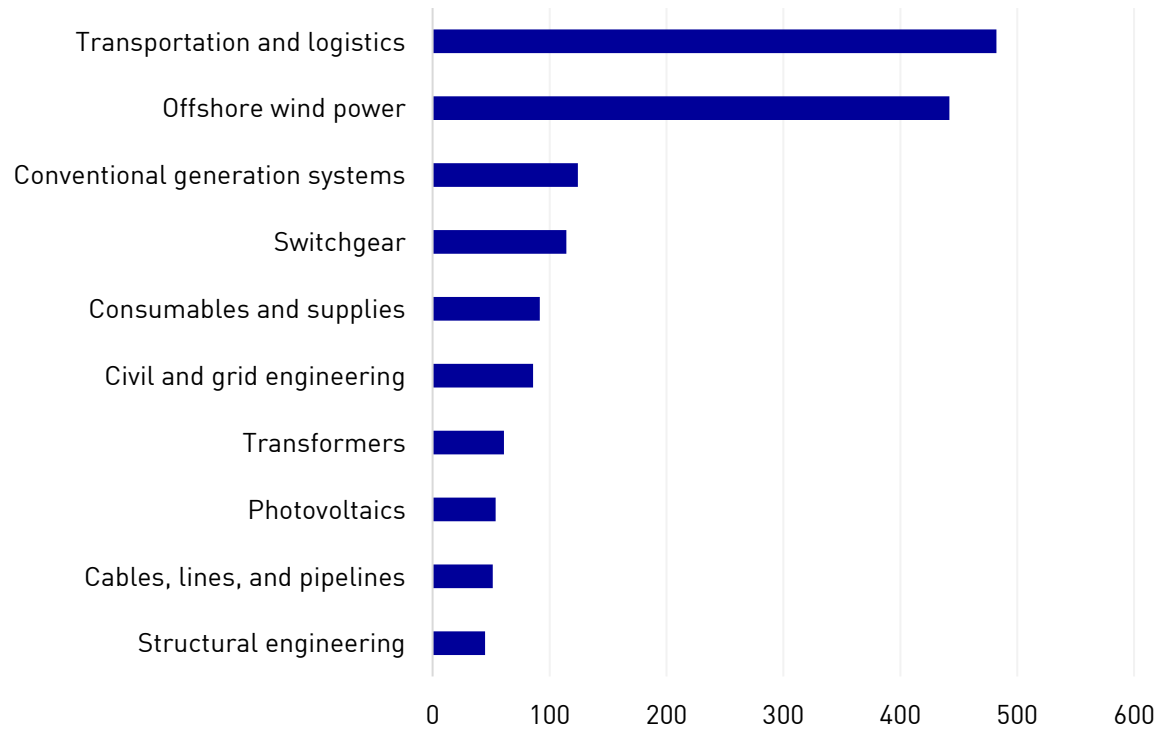
# Scopes 1 and 3 (downstream) accounted for most emissions associated with EnBW in 2023



# We are working with suppliers to reduce carbon emissions in our supply chain

## EnBW's supplier markets with the largest carbon emissions...<sup>1</sup>

(kt)



## ...are the basis for activities to reduce supply chain emissions at EnBW.



Digital carbon emission tracking tool established for transparency on supply chain emissions; hotspots identified for prioritization and in-depth analysis regarding reductions

Detailed analyses performed for individual goods and services; reduction measures – such as for electric vehicle charging sites – launched in collaboration with suppliers



Carbon emissions as a significant award criterion in tenders, e.g., with contractual requirement for suppliers to formulate and document clear carbon emission reduction goals covering both direct and indirect emissions in areas such as photovoltaics



Targeted collaboration and partnerships to achieve carbon emission reductions jointly with EnBW suppliers

<sup>1</sup> Based on contracts concluded in 2022; excluding coal and gas procurement



# Renewables will account for half of our generation capacity by 2025 and over three quarters by 2030

**46.9%**

of power generated from renewable energies in 2023

**5.7** GW

installed output of renewable energies in 2023

**> 50% / 75–80%**

target share of total power generation accounted for by renewable energies in 2025/2030



Installed output

## Powering a renewable future

- Investment of around five billion euros in renewable energies – in Germany and abroad – since 2012. A further four billion is set to be invested between 2021 and 2025. Renewable energies will account for 50% of our generation portfolio's installed output by 2025.
- Further increase in the share of installed output accounted for by renewable energies to 75–80% by 2030.
- Projects in Germany, UK, Sweden, France and Turkey.

# We are investing in the expansion of all major forms of renewable energy generation



## Offshore wind

### Offshore wind farms have huge potential capacity:

Largest offshore project in Germany's energy transition: The joint "EnBW Hohe See" and "EnBW Albatros" project in the North Sea has been fully connected to the grid since early 2020.

EnBW remains on course for growth: "He Dreiht" wind farm in the North Sea with a total output of around 900 MW.

 Offshore wind



## Onshore wind

### A tailwind for wind power – our onshore projects:

Onshore wind farms with output of over 800 MW connected to German grid.

EnBW is one of Germany's leading wind farm developers and operators.

 Onshore wind



## Solar (PV)

### Solar energy from the field:

Continuous increase in share of power generation accounted for by RE by building solar parks.

Photovoltaics is the third main pillar of EnBW's RE expansion strategy: Further expansion of solar energy – primarily in Germany but also in selected international markets.

 Solar energy



## Hydropower

### Sustainable energy from hydropower:

Hydropower isn't subject to weather influences. Long-time reliance of EnBW on this form of energy generation, resulting in above-average share of hydropower in its energy mix.

In many of our 67 plants, the turbines have been spinning for over 100 years. We remain committed to this tradition in the future. Investment in modernization of our plants and environmental measures in surrounding areas.

 Hydropower



## Bioenergy

### Electricity & heat generation in biomass plants:

EnBW generates electricity and heat in biomass cogeneration plants and offers its customers bio natural gas as a renewable alternative to natural gas.

 Bioenergy

# Our contribution to energy efficiency reaches beyond our own operations

## **Energy Efficiency and Climate Protection Network**

- The EnBW Energy Efficiency and Climate Protection Network is a service for industrial customers which is used by more than 100 industrial companies
- EnBW also offers an online climate management system workshop which helps companies develop a climate protection strategy



## **Energy efficiency in buildings**

- Including reductions in carbon emissions and energy efficiency
  - 50% reduction in carbon emissions from real estate portfolio at the representative reference sites by 2025 and 75% by 2030
  - 10% reduction in energy consumption per employee at the representative reference sites by 2025 and 20% by 2030
- By 2023, we achieved a reduction of around 24% at the representative reference sites and exceeded the target
- A program to achieve a “climate-neutral real estate portfolio” was launched in 2023 for around 250 buildings (incl. e.g., energy-focused building refurbishments, expansion of PV plants, implementation of a building automation platform)
- Procurement of green power and biogas to reduce carbon emissions by some 11,500 tonnes p.a.

## **Energy efficiency in the water supply**

- At NETZE BW Wasser GmbH<sup>1</sup>, the water supply produces more energy than it uses
- “Hydraulic potential” converted into electrical energy by means of backward-running pumps before water is fed into the municipal distribution grid
- Offsetting electricity requirement of around 1.8 GWh p.a. by recovery of up to 3.7 GWh of electrical energy avoids about 2,200 tonnes of CO<sub>2</sub> p.a.
- Use of 100% green electricity for the grid

## **Green IT**

- In the data center environment, energy consumption and energy efficiency are measured as power usage effectiveness (PUE)
- PUE = total energy consumed in the data center divided by the energy consumption of the IT components
- Significant reduction of energy consumption by, for example, using indirect free cooling and improving air flow management
- Significant consolidation of data center space based on high degree of virtualization and increasingly widespread use of cloud solutions
- Procurement of servers linked by one third to sustainable purchasing criteria
- Large number of processes and working methods digitized, leading to reduced paper consumption / fewer car journeys

<sup>1</sup> Subsidiary of Netze BW GmbH operating in Stuttgart

# We take measures to reduce and recycle waste products in and from our facilities



## EnBW measures to improve waste management / recycling

### Waste management

- Waste reduction and recycling
  - Continuous improvement to reduce the different types of waste generated in the individual business activities along the value chain
- Waste incineration
  - Disposal of waste by using the energy contained in it to, for example, generate electricity and heat (e.g., at the CCGT plant in Stuttgart-Münster)
- Co-incineration of sewage sludge
  - Mechanically dewatered and thermally dried sewage sludge can be co-incinerated with coal (complying with the Sewage Sludge Ordinance)
  - This waste has so far largely been deposited in landfills or used in agriculture and in recultivation measures in depleted lignite deposits

| KPIs                                  | Unit  | 2023           | 2022           | 2021           |
|---------------------------------------|-------|----------------|----------------|----------------|
| <b>Total waste</b>                    | t     | <b>740,394</b> | <b>656,682</b> | <b>671,629</b> |
| Non-hazardous waste for reutilization | t     | 587,542        | 568,510        | 580,283        |
| Non-hazardous waste for disposal      | t     | 83,844         | 22,715         | 21,841         |
| Hazardous waste for reutilization     | t     | 62,734         | 61,661         | 61,274         |
| Hazardous waste for disposal          | t     | 6,273          | 3,796          | 8,231          |
| <b>Recycling rate</b>                 | %     | <b>88</b>      | <b>96</b>      | <b>96</b>      |
| <b>Radioactive waste</b>              | g/kWh | <b>0.0002</b>  | <b>0.0006</b>  | <b>0.0006</b>  |



# To achieve circular material flows, we are exploring and implementing various recycling approaches

## Circular Business Assessment (CBA) 2023

- In 2023, EnBW commissioned a Circular Business Assessment (CBA) by the **Finnish consultancy company Taival**
- **The circularity of the entire business was assessed** based on questionnaire and interviews with experts
- **Result of CBA:**
  - EnBW has **established basic circularity capabilities** (in particular through its commitment to decarbonization)
  - These **form a good basis for moving on** to a more ambitious and formalized approach in the next stage



**In the next stage, we will derive appropriate measures for us and pilot them in selected business areas.**

## Selected examples of resource efficiency (circular economy)

### 1 Power plant by-products

By-products such as fly ash, boiler ash and gypsum are produced during the operation of power plants. These are **reused as secondary raw materials in the building materials industry.**

#### Power plant by-products



### 2 Second-life batteries

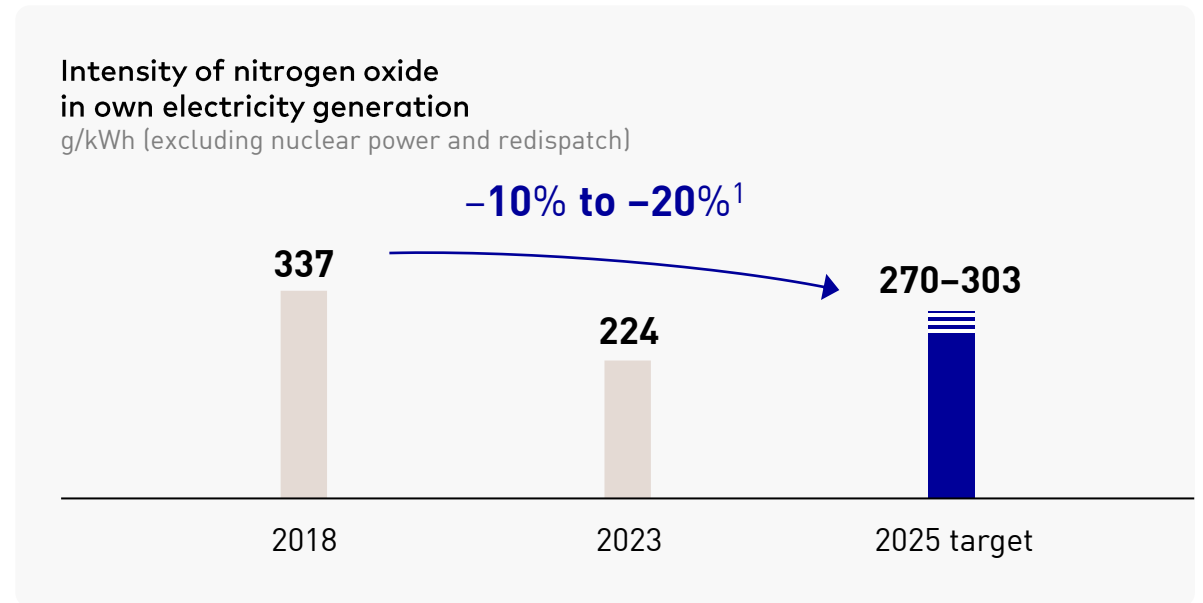
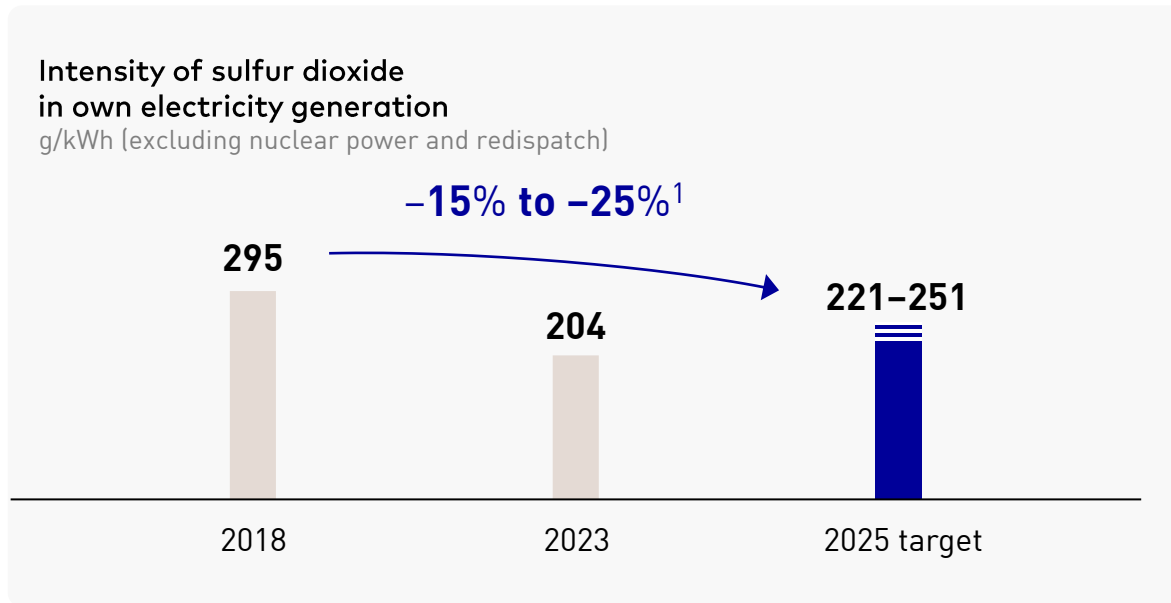
In conjunction with Audi, EnBW is currently testing whether withdrawn **car batteries can be given a new lease on life in stationary electricity storage systems.**

#### Second-life batteries



# Our pollutant emission reductions have exceeded our 2025 targets

## Targets



| KPIs                       | Unit                                 | 2023 | 2022 | 2021 |
|----------------------------|--------------------------------------|------|------|------|
| SO <sub>2</sub>            | intensity in mg/kWh <sup>2,3,4</sup> | 204  | 259  | 233  |
| NO <sub>x</sub>            | intensity in mg/kWh <sup>2,3,4</sup> | 224  | 286  | 269  |
| CO                         | intensity in mg/kWh <sup>2,3,5</sup> | 33.7 | 22.2 | 27.5 |
| Particulate matter (total) | intensity in mg/kWh <sup>2,3,5</sup> | 3.2  | 5.7  | 5.1  |

<sup>1</sup> Compared to the reference year 2018; <sup>2</sup> Values cover own electricity generation; <sup>3</sup> The calculation for this performance indicator does not include nuclear generation and the share of positive redispatch that cannot be controlled by EnBW; <sup>4</sup> Includes long-term procurement agreements and partly owned power plants; <sup>5</sup> Variations in the group of consolidated companies (excluding GKM, Fernwärme Ulm and contracting plants). The performance indicator was reported for the first time in 2020. There are no values available for the comparative period 2019.

# To reduce harmful emissions, we take control measures both in our power plants and power grids

Emission control includes all necessary measures to protect the environment from harmful effects of air pollutants, noise, vibration, heat, light or electromagnetic fields.



## Reduction of pollutant emissions

SO<sub>2</sub> and NO<sub>x</sub> intensities of own electricity generation will be reduced by 15% to 25% and 10% to 20%, respectively, by 2025 compared to the reference year 2018.

Our fossil-fuel power plants use three different methods of air quality control:

- Denitrification
- Dedusting
- Desulfurization

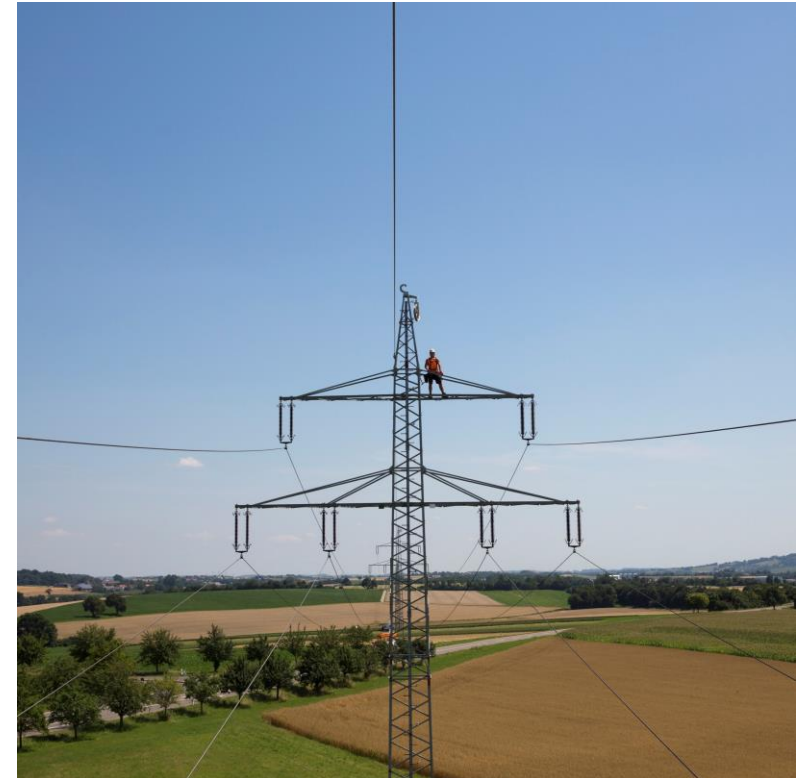
By optimizing our denitrification and desulfurization plants, we have been able to improve their separation efficiency. Shutting down coal-fired power plants and substituting them with gas-fired power plants helps to reduce pollutants.



## Emission control in power grids

- Noise emissions of extra-high voltage overhead lines
- Physically induced electric and magnetic fields of overhead lines, underground cables and installations for transformation of electrical energy

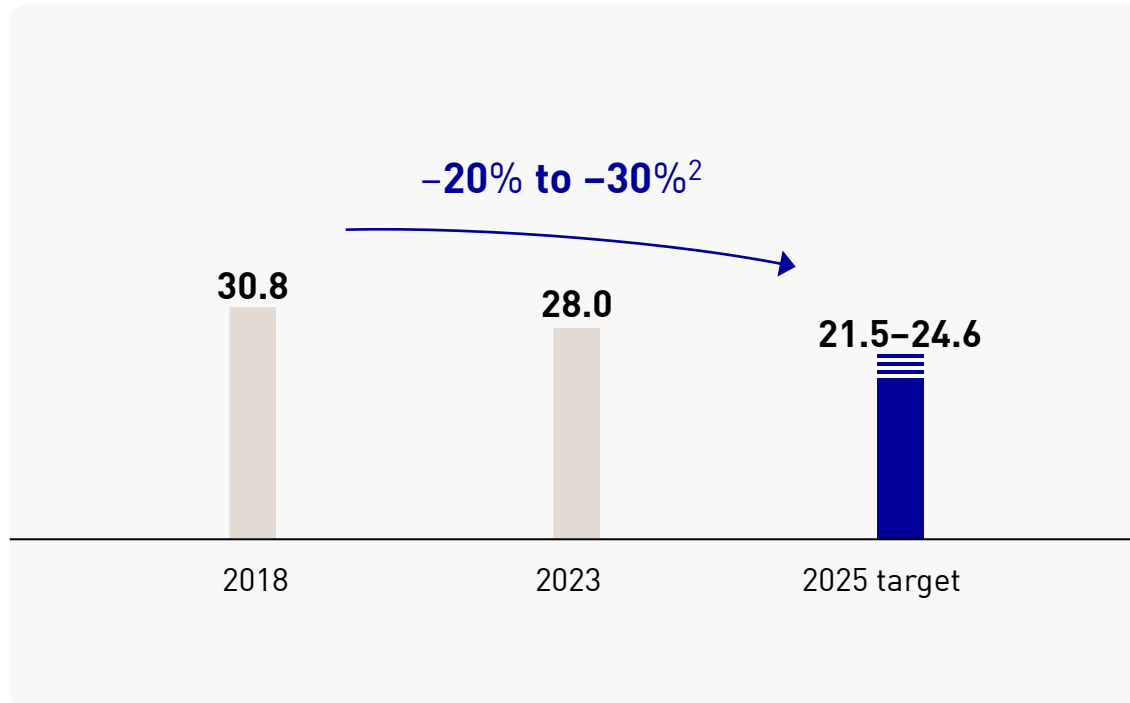
As an independent transmission network operator, TransnetBW GmbH is responsible for all of the emission control measures and activities in its transmission grid.



# We take measures to conserve water resources and obligate our suppliers to do the same

## Cooling water / waste water discharge intensity<sup>1</sup> in own electricity generation

l/kWh (excluding nuclear power and redispatch)



### Measures to relieve the burden on watercourses

- The burden on watercourses is reduced through greater use of modern cooling towers, new and more efficient power plants and CCGT power plants.
- We work with our suppliers to reduce our collective environmental footprint, including water, through our Supplier Code of Conduct. We intend to increasingly focus on water aspects with suppliers in the coming years.



### CDP Water

- Participation in the CDP Water Security Rating in 2023
  - Score: C for “Awareness” level (equivalent to the European regional average score (C))
- Further participation in the CDP Water Security Rating planned in the coming years



<sup>1</sup> Cooling water / waste water discharge = total amount of cooling water and waste water discharged to a surface water body


<sup>2</sup> Compared to the reference year 2018



# In our wind projects, we thoroughly assess the environmental impacts and provide adequate compensation

Every structure has an impact on the landscape and affects its immediate surroundings. The same goes for wind turbines. The protection of people and nature plays a key role in planning, constructing and operating our wind farms.



 Wind energy and environmental protection



## No inspection, no wind farm

- Wind turbines may only be built on sites designated for this purpose by federal and state planning laws, avoiding negative effects on other protected assets.
- Exclusion zones include conservation areas, air traffic routes, water protection areas and other protected habitats.
- We only consider sites in legally sound locations and assess the legal situation including immission control aspects, e.g., noise and shadow, at an early stage.



## Environmental reports

- We obtain numerous reports from external experts – often in the field of biology – to ensure wind projects are compatible with people and nature.
- The relevant licensing body or competent authority specifies which and how many studies must be carried out.
- Common reports include avifaunal and faunal surveys, reports on bats, noise and shadow (e.g., [Goldboden-Winterbach](#) and [He Dreih](#) wind farms).



## Compensation for disrupting the natural surroundings

- When constructing new wind turbines, we minimize disruptions to the environment and provide compensation.
- We engage directly with affected communities and local authorities to take environmental concerns into account and draw up suitable compensation measures including reforestation, orchard planting, cleaning up ponds native to the Swabian Alps (known as “Hülen”) and even the recultivation of a former ammunition depot.

# Other biodiversity measures include participation in non-profit projects and on-site environmental integration



## Examples of implemented measures to preserve biodiversity



### “Stimuli for Diversity” funding program for native amphibians and reptiles and their habitats

- Initiated in 2011 together with the Baden-Württemberg State Institute for the Environment, Measurements and Nature Conservation (LUBW)
- EnBW is the first company in Germany to support a conservation program promoting not just one single species but two whole groups of species throughout the state
- Since the program was launched, it has funded 149 measures to preserve and improve habitats of native amphibians and reptiles throughout Baden-Württemberg



### Bird protection in electricity grid operations

- Member of the Vogelfundportal (birdstrike portal) project since 2020 (Netze BW)
- In cooperation with the Baden-Württemberg Ministry of the Environment, VfEW and NABU, we are equipping our medium-voltage overhead lines (around 27,000 km) in accordance with current bird protection standards



### Flowering transformer stations

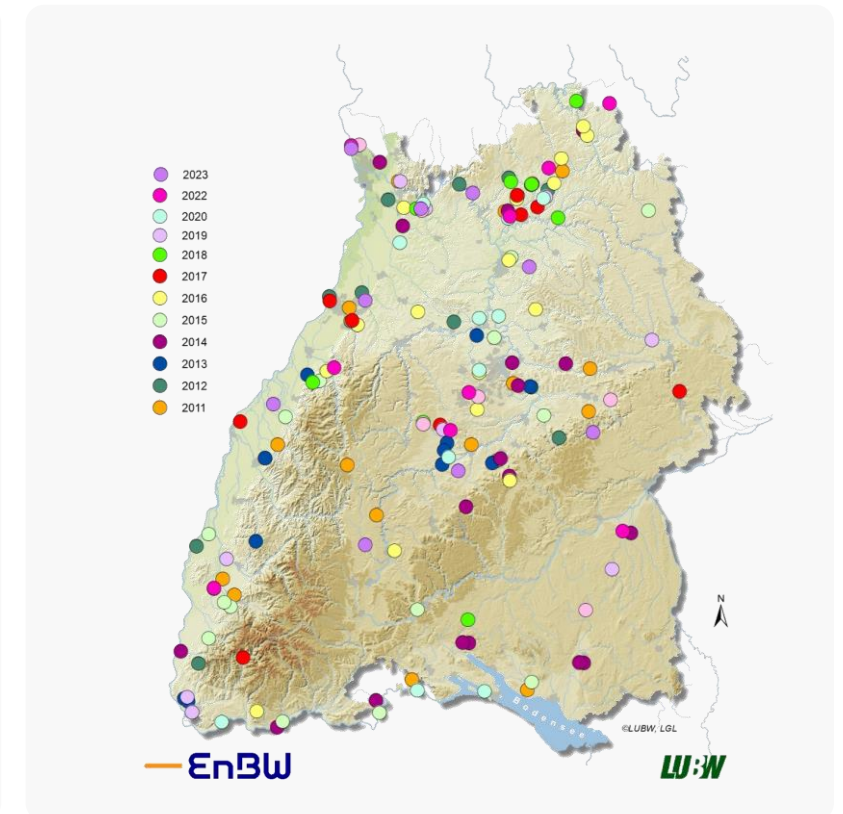
- Flower meadows covering around 122,000 m<sup>2</sup> created at 49 sites to promote biodiversity (Netze BW)
  - Hotspots for biodiversity with up to 60 different plant species per 10 m<sup>2</sup>, providing food, protection and refuge for native insects

### Preserving fish, fauna and microorganisms in waterways

- Building facilities that allow fish to ascend and descend rivers at the sites of hydropower plants

## EnBW support program

Project funding in Baden-Württemberg from 2011 to 2023





1. Why sustainability matters to us
2. How we manage sustainability
3. ESG facts & figures
  - 3.1 Environment
  - 3.2 Social
  - 3.3 Governance

A photograph showing two workers in safety gear on the nacelle of a wind turbine. One worker in the foreground is leaning over, working on a component. Another worker is visible in the background. The scene is set against a sunset sky with a wind turbine visible in the distance.

# Putting people first

At EnBW, we foster a culture of social responsibility towards our employees and suppliers.

We take measures to establish high social standards in the areas of occupational health and safety, diversity and anti-discrimination, training, employee development and work-life balance, and deliver on our responsibility along the supply chain in accordance with the United Nations Guiding Principles on Business and Human Rights.

# Our health and safety standards ensure the provision of appropriate protections for our workforce and the public

## Health & safety policy



- EnBW is committed to safeguarding its employees, customers and the general public from dangers to health associated with the performance of its work.
- The safety regulations existing in the Group must therefore be followed and the legal regulations and industry standards must be complied with.
- This is complemented by our internal *Group Guideline on Occupational Safety* and related provisions on, e.g., hazardous substances and protective equipment.

## Structures and responsibilities



- Health and safety lies within the responsibility of the Chief Operating Officer of EnBW Energie Baden-Württemberg AG.
- The responsibilities, governance and authorities in the organization are distributed over central (e.g., the Head of Occupational Safety and Preventive Fire Safety) and decentral representatives (e.g., heads of the business / functional units as well as safety officers, first aiders and first responders).
- Emergency response: Responsibility is distributed between central (business continuity and crisis management) and decentral authorized departments and representatives (heads of the business and functional units, business continuity representatives, business process owners and business continuity teams), as well as any impacted decentralized emergency organizations and support teams.

## Health & safety management system



- Our occupational health and safety management system is based on international standards. Major EnBW units are already certified in accordance with OHSAS 18001/ISO 45001 (about one third of our operations, measured in % of employees, as of 31 December 2023).
- A company-wide rollout has begun in order to further expand certification across the group.

| Target KPIs         | Performance indicator                                     | 2023 | 2025 target | 2030 target |
|---------------------|---|------|-------------|-------------|
| Occupational safety | LTIF for companies controlled by the Group <sup>1,2</sup> | 2.4  | 2.1         | -           |
|                     | LTIF overall <sup>1</sup>                                 | 3.7  | 3.5         | -           |
|                     | LTIF energy <sup>2,3</sup>                                | -    | -           | ≤ 2         |
|                     | LTIF overall <sup>3</sup>                                 | -    | -           | ≤ 3.3       |

EnBW Group Code of Conduct

<sup>1</sup> The LTIF for companies controlled by the Group excluding waste management and LTIF overall, which includes waste management, only includes companies with more than 100 employees excluding external agency workers and contractors; <sup>2</sup> Newly fully consolidated companies are not included for a maximum transition period of three years; <sup>3</sup> LTIF energy (excluding waste management) and LTIF overall, which includes waste management, cover the entire group of consolidated companies for the financial reports, including companies with less than 100 employees excluding contractors.

# We protect and promote our employees' health with needs-based treatments and preventive measures

## Occupational health management at EnBW



- The health of our employees is very important to us. This is why we provide a wide range of health and prevention measures. These range from health days and nutritional counseling to courses such as stress management, back health, Nordic walking, autogenic training, progressive muscle relaxation and yoga. We also provide optional annual check-ups, preventive examinations and free vaccinations.

## Structures and responsibilities



- The occupational medicine and health management department has statutory duties and the powers of occupational health physicians as assigned to them by EnBW's Board of Management. The department is mainly responsible for the following managerial and coordinating tasks:
  - Occupational medicine (incl., e.g., implementation of preventive occupational health care based on risk assessments)
  - Occupational health management (incl., e.g., needs assessments)
  - Industrial and organizational psychology with needs and risk analyses for, e.g., mental health
  - Physiotherapy with treatment of employees and supervisory personnel
  - Activities in the field of social medicine, travel medicine, vaccination medicine, outpatient and emergency care

## Measures



- EnBW offers preventive, targeted and needs-oriented measures for employees of the core company<sup>1</sup>, such as back and spine exercises, yoga and Pilates. These courses are available online or offline.
- Awareness measures such as “2023 – the year of mental health” at EnBW through various communication channels such as Teams meetings and intranet postings
- Mandatory training on workplace design

## Figures on occupational health management at EnBW

- Eight occupational health centers with around 40 team members
- Medical checkups: ~28,000 (2022); vaccinations: ~8,000 p.a.; physiotherapy treatments: ~2,000 p.a.; psychological consultations: ~1,700 p.a.

<sup>1</sup> Approx. 60% of total employees as of 31 December 2023.

# Our social commitment includes our employees' freedom of association and the right to collective bargaining

## Freedom of association policy



- We recognize the right of our employees to freedom of association and assembly, as well as the right to collective bargaining. All employees have the right to form, join, remain within or abstain from a trade union without any fear of discrimination or sanctions. Employees are free to disclose their union membership.

## Memberships/commitments



- Since 2010, member of the UN Global Compact network committed to complying with Ten Principles, including Principle 3 on freedom of association and the right to collective bargaining
- In addition, adherence to ILO core labor standards. These include freedom of assembly and association, the right to establish trade unions and collective bargaining freedom.

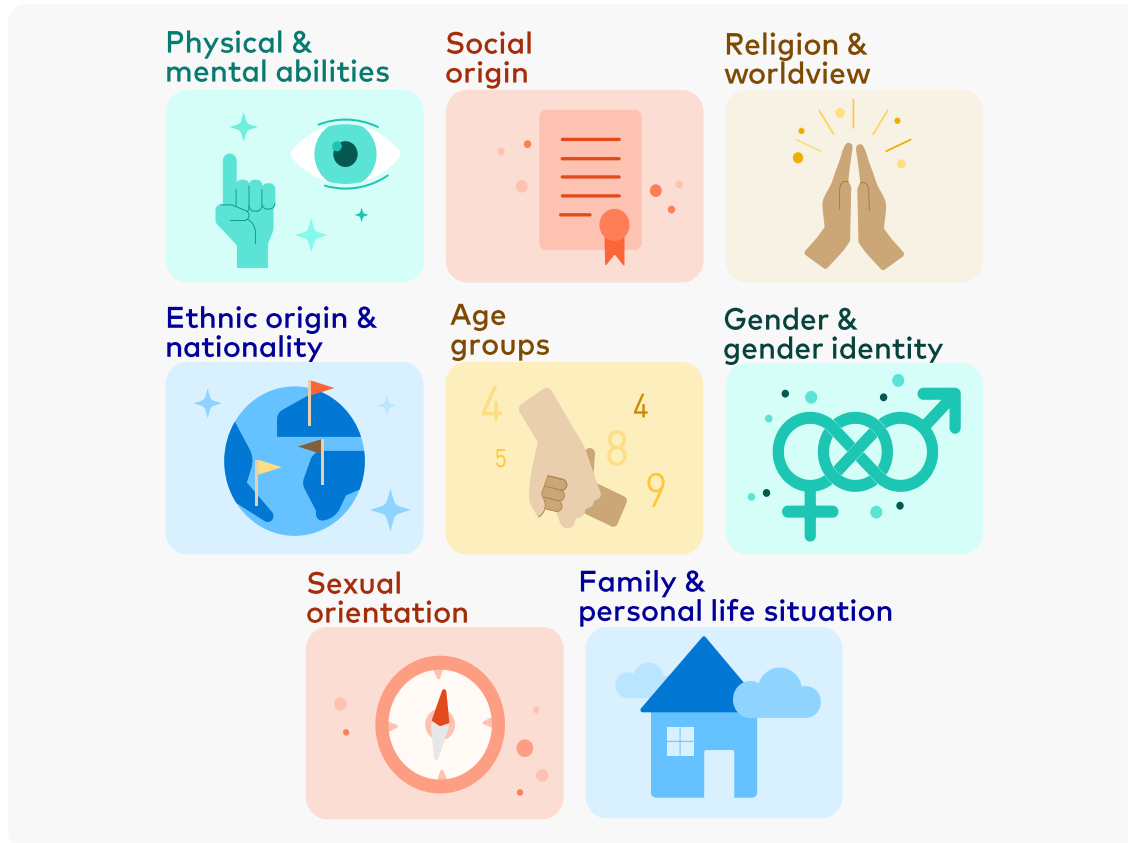
## EnBW works council / collective bargaining agreements



- EnBW and the works council work together trustfully and in cooperation with the relevant trade unions, complying with collective agreements (regarding salary, working hours etc.).
- More than 80% of EnBW Group employees are covered by collective agreements and negotiations.
- Prohibition of discrimination against works councils arises from section 78 BetrVG. Furthermore, works councils have special protection against dismissal in accordance with section 15 KSchG. This right cannot be circumvented because the works council must be consulted prior to any dismissal. The option of a judicial review for protection against dismissal is always available.

# Any form of discrimination against our employees is prohibited in accordance with international standards

## Our eight dimensions of diversity



### Policy on non-discrimination



- We are committed to protecting our employees from discrimination on grounds of their race, ethnic origin, gender, religion or ideology, physical disabilities, age or sexual identity. All harassment of employees is forbidden, whether in direct contact, in correspondence, by electronic means, verbally or in any other way.

### Memberships/commitments



- Since 2010, member of the UN Global Compact network committed to complying with Ten Principles, including Principle 6 on elimination of discrimination

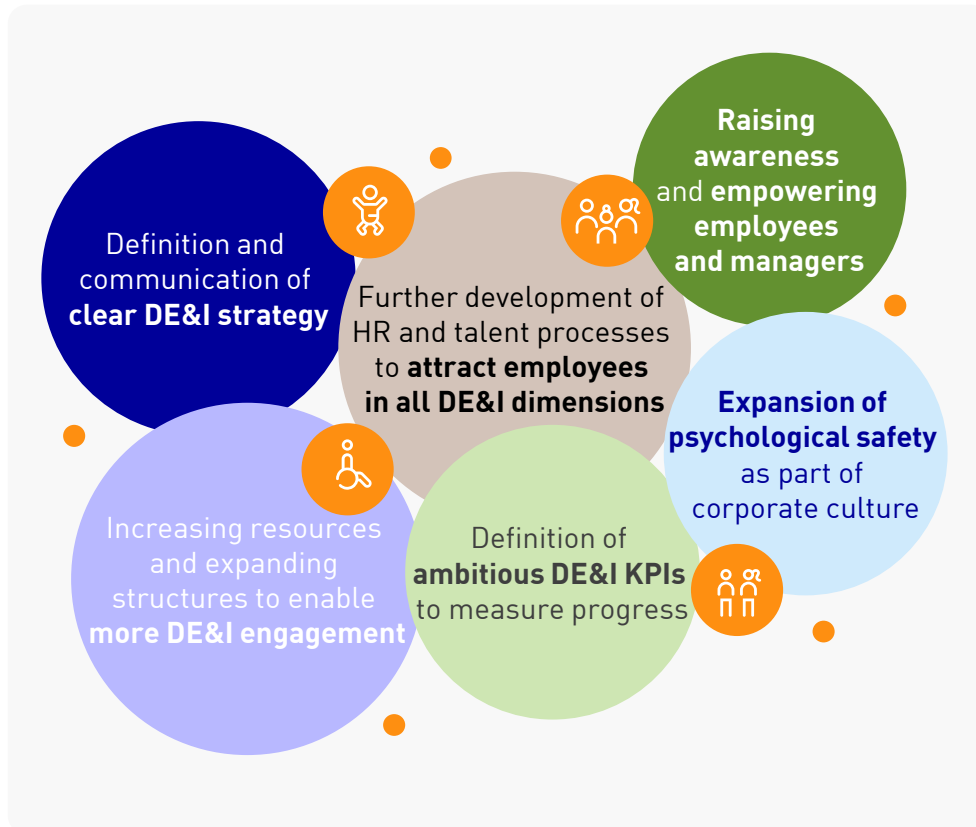


EnBW Group Code of Conduct



# We actively promote diversity, equity and inclusion with targeted measures and policies

## Our fields of action in relation to diversity, equity and inclusion (DE&I)



## Diversity and anti-discrimination

### Targets



- In both top management and upper management, the target is to increase the proportion of women to at least 20% by 2025<sup>1</sup>.
- By the end of 2030, the target is to increase the proportion of women across all management positions to at least 30%<sup>2</sup>.

### Programs to promote diversity



- Mentoring
- Training courses on the General Equal Treatment Act
- Unconscious bias and maternity protection
- Engagement in networks (Charta der Vielfalt, Initiative Chef:innensache, Christopher Street Day) as well as the internal networks women@enbw and pride@enbw

### KPIs



- Proportion of women in management positions (all management positions): 20.8% (2023)<sup>3</sup>
- Women in top management: 15.4% (2023)<sup>4</sup>
- Women in upper management: 24.7% (2023)<sup>4</sup>

### Selected measures



- In accordance with the law, maternity pay is paid six weeks before / eight weeks after the expected due date (in the amount of the net wage)
- Parental pay is regulated by BEEG<sup>5</sup> as a percentage of the net wage (min. €300 – max. €1,800) for a max. of 12 to 16 months.

<sup>1</sup> The target applies to: EnBW AG; <sup>2</sup> The target applies to: the EnBW Group; <sup>3</sup> Applies to: the EnBW Group; <sup>4</sup> Applies to: EnBW AG; <sup>5</sup> Bundeselterngeld- und Elternzeitgesetz (BEEG) = Federal Parental Allowance and Parental Leave Act

# For our employees' work-life balance, we offer flexible working conditions and support in private matters<sup>1</sup>

- **Flexible working time model:** Position and distribution of employees' daily working hours freely determinable between 6 a.m. and 7 p.m. to suit their individual needs, taking into account legal requirements and operational needs. Possibility of temporary build-up of plus/minus hours.
- **Working from home:** Employees of EnBW's core companies are entitled to work from home or engage in other forms of mobile working, taking into account operational needs. Working from home is thus no longer an exception requiring approval but rather a general rule, subject only to necessary deviations.
- **Children's offices:** Provision of "Kinderbüros" (children's offices) in Karlsruhe, Stuttgart, Esslingen, Biberach, Tuttlingen and Neckarwestheim. In case of short-term cancellation of childcare or school lessons, children can be brought to the office.
- **Support and advice:** Provision of regularly updated information and organizational support, from parental leave to childcare. Arrangement of alternative care and general availability of emergency consultation services, incl. about holiday programs and daycare slots. Provision of daycare for 0–6-year-olds in Stuttgart (EnBW City) and Karlsruhe and 0–3-year-olds in Biberach.
- **Family service for family members in need of care:** Provision of full and professional counseling on all aspects of care via our cooperation partner, beginning with exploring various care options and extending to specific assistance in negotiations with health insurance providers.
- **Further Benefits:** Profit sharing, energy price discount, company pension, accident/life insurance, health management, leasing offers for mobile devices, vacation homes

## Our benefits



<sup>1</sup> Our flexible working and support measures are available to employees of our core company (approx. 60% of total employees as of 31 December 2023).

# With our training and development program, we are committed to being an attractive, responsible employer<sup>1</sup>

## Measures to promote professional employee development



- Annual employee reviews to determine how each individual can quickly achieve their personal goals and unlock new perspectives
- Mandatory e-training and voluntary training courses on the internal “LernWerk” platform: This platform enables employees to use new forms of self-directed learning for their professional training and development.
- Support for individual further education/training in the amount of 80% of the course and examination fees
- Leadership development oriented to current development needs – 53% of managers had participated in 2023 (as of 30 June 2023)

| KPIs  | Unit      | 2023       | 2022       | 2021       |
|---|-----------|------------|------------|------------|
| <b>Training / personnel development</b>                     |           |            |            |            |
| Total costs for training / further education                | €         | 26,179,070 | 22,800,381 | 19,163,779 |
| Total number of days of training / further education        | Days      | 189,894    | 179,885    | 190,858    |
| Number of days of training / further education per employee | Days      | 6.6        | 6.7        | 7.3        |
| Number of employee performance reviews carried out          | Employees | 24,227     | 23,024     | 20,749     |



<sup>1</sup> Information refers to our core company (approx. 60% of total employees as of 31 December 2023).

# Employee protection is a top priority in restructuring processes in general and in the coal phaseout in particular<sup>1</sup>

## Protection of employees through collective agreements



Our aim is to avoid or at least mitigate possible adverse consequences of rationalization measures as far as possible with our “Collective agreement for the protection of employees against the consequences of rationalization” through

- the possibility of continued employment in the company
- retraining opportunities
- continued employment under changed working conditions (with a gradual reduction in previous allowances and bonuses)
- transfers with compensation for a change of location
- severance pay arrangements upon termination of the employment relationship

We always endeavor to find socially acceptable solutions for employees in the event of restructuring. This may also include, for example, an extended offer of partial retirement. Dismissals for operational reasons are excluded under our collective agreement.

## Coal phaseout – a just transition



- Approx. 1,400 employees in conventional generation (excluding employees at nuclear power plants currently in the decommissioning process)
- EnBW delivers on its social responsibility: suitable HR instruments (such as further training) and forward-looking HR planning
  - Fuel switch secures locations and jobs.
  - Former conventional power generation employees are already contributing their technical expertise in other areas today, such as in offshore wind power.



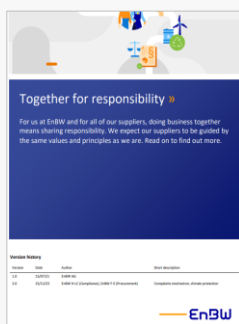
<sup>1</sup> Information refers to our core company [approx. 60% of total employees as of 31 December 2023].

# We meet our responsibility to safeguard human rights in supply chains based on (inter)national law and standards


## Exercising human rights and environmental due diligence at EnBW



 **EnBW policy statement**



 **EnBW Supplier Code of Conduct**

- Effective as of 1 January 2023, **implementation of the requirements in the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG).**
- **LkSG policy statement including governance structures** for implementation of the LkSG, description of the **results of risk analyses** and **mitigation measures.**
- **Human rights policy** in line with **core human rights standards** and **United Nations Guiding Principles.**
- **EnBW Supplier Code of Conduct** as a binding contractual component for all EnBW suppliers.
- **Constant development of employees and suppliers** on a risk basis (e.g., training programs for all EnBW employees, risk assessments for all suppliers, implementation of preventive risk management, development of risk-mitigating measures in industry and corporate initiatives).
- **EnBW suppliers** undergo an **intensive selection process** in order to **minimize human rights and environmental risks** for EnBW and its **value chains** during the business initiation stage. Complaints procedure for reporting infringements implemented.
- Complaints mechanism available on  **Rules of procedure for the complaints mechanism**

 **More information available on our "Supply chain" webpage**

# Human rights due diligence at EnBW is grounded in risk analyses and internal institutions

## Ensuring supplier commitment...



- 97% of procurement volume is covered by suppliers who have signed the EnBW Supplier Code of Conduct, committing them to human rights, social standards, environmental protection, honesty, fairness and integrity both in their own activities and in their supply chains.

 Sustainable supply chain | EnBW

## ... using targeted human rights and environmental risk management measures.



- Abstract risk analysis for procurement volume of approximately €5 billion
  - Automated risk assessment integrated into supplier management
  - Standardized supply chain analysis established for main components, commodities and source countries
  - Risks assessed and prioritized in key procurement categories



- Detailed risk analysis for suppliers established; when fully implemented will cover 700 A and B suppliers with increased risk potential



- Training and education program expanded to raise awareness among all EnBW employees
- Independent grievance mechanism put in place via enhanced compliance reporting processes
- Human rights steering committee established



1. Why sustainability matters to us
2. How we manage sustainability
3. ESG facts & figures
  - 3.1 Environment
  - 3.2 Social
  - 3.3 Governance

# Making sustainability the standard.



By means of sustainable governance standards, we ensure responsible decision-making across the Group.

This includes our established compliance organization as well as the constant development of our activities, for example, to integrate sustainability into financial and management processes.



# Our Board of Management's responsibilities including sustainability are shared between four board members



**Dr. Georg Stamatelopoulos**

Chief Executive Officer<sup>1</sup>  
and Chief Operating Officer  
Sustainable Generation Infrastructure<sup>2</sup>



**Thomas Kusterer**

Deputy Chief Executive Officer  
and Chief Financial Officer



**Dirk Güsewell**

Chief Operating Officer  
Critical Infrastructure



**Colette Rückert-Hennen**

Chief Sales and  
Human Resources Officer

## Chairman<sup>1</sup>

- Corporate development
- Sustainability
- Strategy and energy economy
- Communications / policy
- IT and Digital Office
- Corporate security
- Enterprise development and transformation

## Sustainable Generation Infrastructure<sup>2</sup>

- Conventional generation / nuclear
- Renewable generation
- Coordination technology
- Waste management / environmental services
- Decentralized energy services
- Occupational safety, environmental protection and crisis management
- Research and development
- Trading

- Accounting and tax
- Controlling
- Finance
- Investor relations
- M&A
- Digital finance and finance transformation
- Equity investment management
- Purchasing
- Risk management / ICS
- Risk management for trading
- Venture capital
- Performance in growth

- Distribution system operator electricity / gas
- Transmission system operator electricity / gas
- Grid technology
- Telecommunications
- Gas value chain
- Innovation management

- Personnel
- HR strategy
- Sales, marketing and operations
- People-centered transformation
- Law
- Auditing
- Regulatory management
- Compliance management and data protection
- Boards and shareholder relationships
- Occupational medicine and health management
- Real estate management



<sup>1</sup> Dr. Georg Stamatelopoulos was appointed Chairman of the Board of Management effective 9 March 2024.

<sup>2</sup> He will continue to lead the company's Sustainable Generation Infrastructure division until his successor has been appointed.

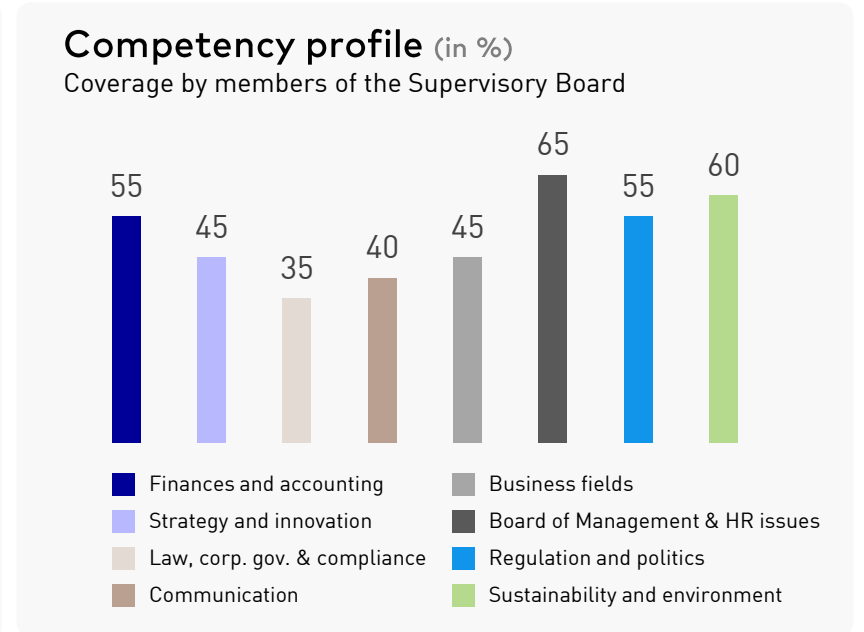
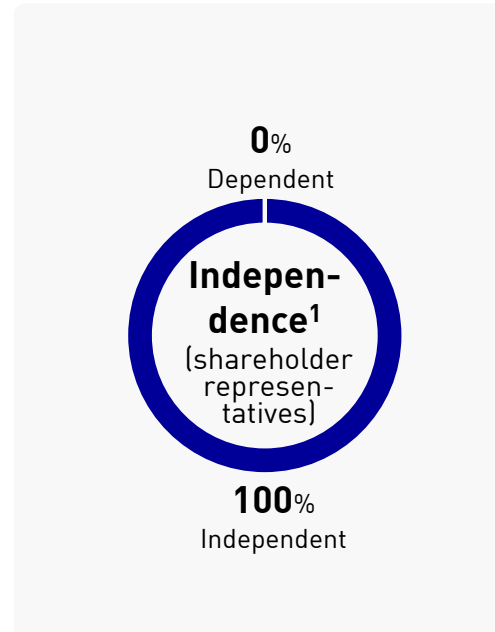
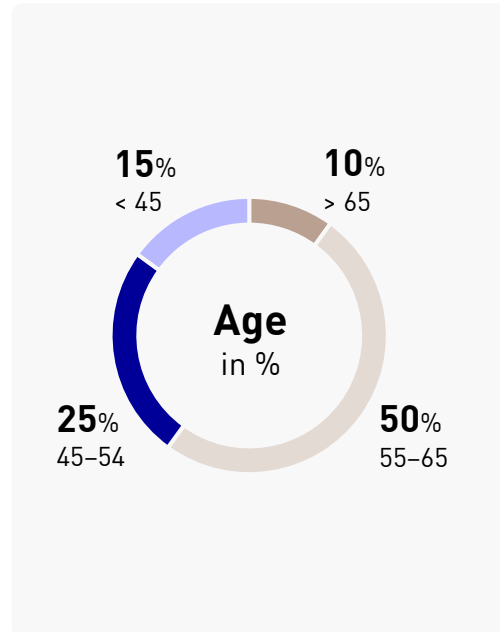
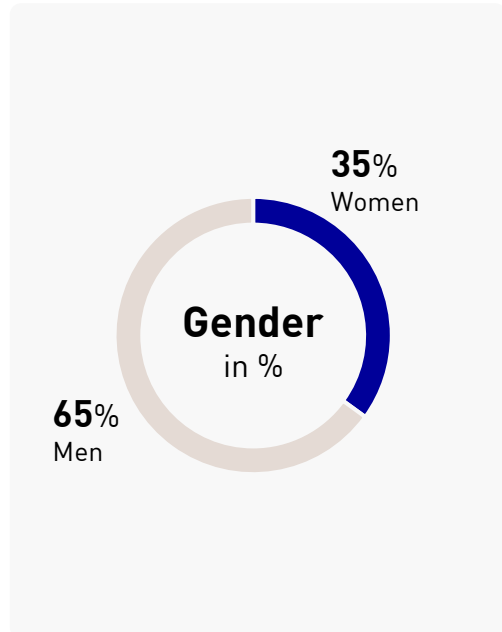
# The EnBW Supervisory Board ensures appropriate representation of shareholder and employee interests

**20** board members




**10** shareholder representatives

**10** employee representatives



<sup>1</sup> All shareholder representatives on the Supervisory Board are independent in the sense of the DCGK (German Corporate Governance Code).

# Our Supervisory Board includes shareholder representatives from industry and politics

| Name   | Positions   | EnBW Committee member   | Remuneration (2022) | Independence <sup>1</sup> |
|--|---|---|---------------------|---------------------------|
| <br><b>Lutz Feldmann</b><br>Chairman of the Supervisory Board | Chairman of the Supervisory Board; independent business consultant  |   | 143,250             | Yes                       |
| Dr. Danyal Bayaz   | Minister for Finance of the Federal State of Baden-Württemberg  | Personnel Committee, Finance, Investment and Sustainability Committee <sup>2</sup> , Nomination Committee | 78,000              | Yes                       |
| Dr. Dietrich Birk  | Managing Director of VDMA Baden-Württemberg (Mechanical Engineering Industry Association Baden-Württemberg) | Finance, Investment and Sustainability Committee, Nomination Committee                                    | 76,513              | Yes                       |
| Stefanie Bürkle  | District Administrator of the Sigmaringen district  | Personnel Committee, Finance, Investment and Sustainability Committee, Nomination Committee               | 65,250              | Yes                       |
| Dr. Hubert Lienhard  | Member of the Supervisory Board   | Audit Committee   | 88,600              | Yes                       |
| Marika Lulay   | Chief Executive Officer (CEO) and member of the Board of Directors at GFT Technologies SE                   | -   | 61,250              | Yes                       |
| Dr. Wolf-Rüdiger Michel  | District Administrator of the Rottweil district   | Audit Committee, Nomination Committee   | 66,000              | Yes                       |
| Gunda Röstel   | Commercial Director of Stadtentwässerung Dresden GmbH and Authorized Officer of Gelsenwasser AG             | Audit Committee, Nomination Committee   | 102,063             | Yes                       |
| Heiner Scheffold   | District Administrator of the Alb-Donau district  | Audit Committee   | -                   | Yes                       |
| Harald Sievers   | District Administrator of the Ravensburg district   | -   | 59,000              | Yes                       |

<sup>1</sup> All shareholder representatives on the Supervisory Board are independent in the sense of the DCGK.

<sup>2</sup> In spring 2024, the Finance and Investment Committee was renamed the Finance, Investment and Sustainability Committee.

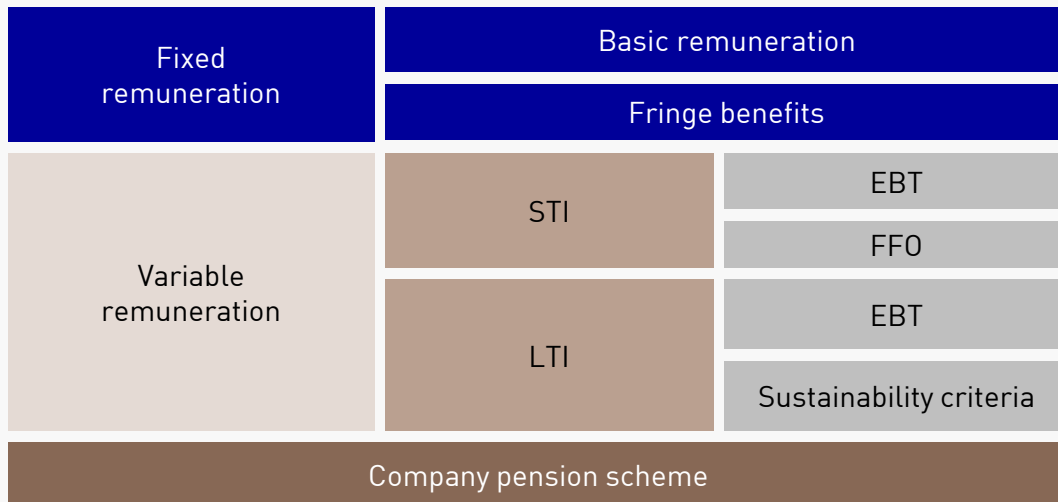
# The majority of employee representatives on our Supervisory Board are works council members

| Name                    | Positions  | EnBW Committee member   | Remuneration (2022)          |
|-------------------------|--|---|------------------------------|
| Achim Binder            | Chairman of the Group works council for the EnBW Group, Chairman of the central works council "grids sector" of EnBW Energie Baden-Württemberg AG and Chairman of the regional service works council of Netze BW GmbH  | Personnel Committee, Finance, Investment and Sustainability Committee | 91,819                       |
| Stefan Paul Hamm        | Union Secretary / Regional Head of Supply and Disposal, ver.di Baden-Württemberg; Deputy Regional Head of Department for Financial Services, Communication and Technology, Culture, Utilities and Waste Management, ver.di Baden-Württemberg   | Personnel Committee, Finance, Investment and Sustainability Committee | 90,633                       |
| Michaela Krätter        | Union Secretary for Financial Services, Communication and Technology, Culture, Utilities and Waste Management and State Union Secretary for Employees, ver.di Central Baden/North Black Forest district  | Audit Committee   | 82,513                       |
| Christina Ledong        | Second Deputy Chairwoman of the Group works council for the EnBW Group, Chairwoman of the Group works council for VNG AG and Chairwoman of the joint works council for VNG AG, ONTRAS Gastransport GmbH, VNG Gasspeicher GmbH and VNG Handel & Vertrieb GmbH   | -   | -                            |
| Klarissa Lerp           | Member of the Group works council for the EnBW Group, Chairwoman of the works council and First Deputy Chairwoman of the Supervisory Board at Stadtwerke Düsseldorf AG and Deputy Chairwoman of the Supervisory Board of Netzgesellschaft Düsseldorf mbH   |   | 11,385<br>(since 8 November) |
| Bernad Lukacin          | Spokesperson for specialized tasks in the "market sector" of EnBW Energie Baden-Württemberg AG, Member of the Group works council for the EnBW Group, Chairman of the central works council for the "market sector" and Chairman of the Karlsruhe works council for the "market sector" of EnBW Energie Baden-Württemberg AG | Audit Committee   | -                            |
| Thorsten Pfirmann       | Full-time works council representative in the "generation sector" of EnBW Energie Baden-Württemberg AG   | Audit Committee   | -                            |
| Joachim Rudolf          | Full-time Deputy Chairman of the Group Works Council, Chairman of AK Energie, Chairman of the central works council in the "generation sector" of EnBW Energie Baden-Württemberg AG  | Personnel Committee, Finance, Investment and Sustainability Committee | -                            |
| Ulrike Weindel          | Member of the Group works council for the EnBW Group as well as Chairwoman of the central works council for the "functional units" and Chairwoman of the Karlsruhe works council for the "functional units" of<br>EnBW Energie Baden-Württemberg AG, Karlsruhe   | Audit Committee   | 76,000                       |
| Dr. Bernd-Michael Zinow | Head of the functional unit Legal Services, Auditing, Compliance and Regulation (General Counsel) at EnBW Energie Baden-Württemberg AG, Karlsruhe  | Finance and Investment Committee                                      | 98,000                       |

<sup>2</sup> In spring 2024, the Finance and Investment Committee was renamed the Finance, Investment and Sustainability Committee.

# ESG incentives are part of the Board of Management's remuneration system defined by the Supervisory Board

## Remuneration structure



Remuneration Report of  
EnBW AG



**The Supervisory Board passes resolutions on the remuneration system for members of the Board of Management, including main contract elements, and reviews it on a regular basis.**

- Criteria for determining appropriate remuneration include
  - responsibilities and performance of members of the Board of Management
  - economic situation
  - successful and sustainable company development
  - relationship between remuneration of the Board of Management and remuneration of senior management and workforce as a whole
- Target values for the sustainability performance indicator (SPI) for a performance period and weighting of partial remuneration amounts defined annually by the Supervisory Board at its own discretion, in alignment with corporate strategy.
- Possible weighting from 30% to 50%. In accordance with the remuneration system, target SPI values were defined by the Supervisory Board for the first time for performance period 2022 to 2024.
- Reporting of the sustainability performance indicator itself, SPI (target) values and their weighting and achievement in the respective remuneration report (from 2024 onwards).

# We are a first mover in sustainable finance and apply the EU taxonomy to business activities

## Green bonds

- **€5.5 billion in green bonds outstanding<sup>1</sup>**
- **Green senior bonds**
  - 1x €650 million and 1x €850 million, total volume €1.5 billion, November 2023
  - 2x €500 million, total volume €1 billion, November 2022
  - Volume €500 million, October 2018
- **Five green subordinated bonds**  
First issuer of German green subordinated bond
  - Volume €500 million, January 2024
  - Volume €500 million, August 2021
  - Volume €500 million, June 2020
  - 2x €500 million, total volume €1 billion, August 2019

## Sustainable syndicated credit line EU taxonomy alignment

- **First sustainability-linked syndicated credit facility in June 2020**
  - Credit facility amount of €1.5 billion
  - Borrowing costs reduced or increased according to target attainment of selected sustainability indicators:
    - CO<sub>2</sub> intensity
    - Share of generation capacity accounted for by RE
    - Grid supply reliability (SAIDI)

## Green promissory note

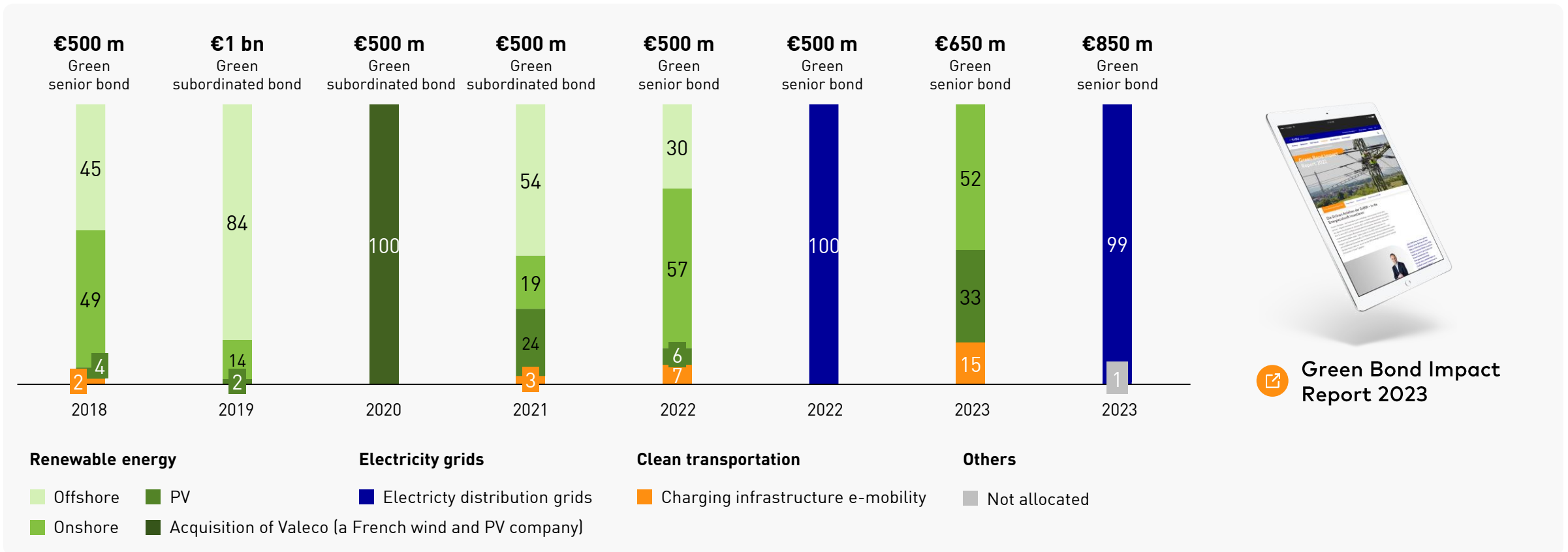
- **First green promissory note loan in February 2020**
  - Total volume of €100 million
  - Issued by our subsidiary VNG AG in four tranches

- **First mover: among first companies in Europe to publish taxonomy-aligned business activities in March 2021**
- Activities examined for the EU Taxonomy Regulation gradually expanded from first-time publication in order to cover all activities (taxonomy alignment) since 2022
- **Environmentally sustainable activities in 2023**
  - Revenue: 16%
  - CAPEX: 86%
  - Expanded CAPEX<sup>2</sup>
    - 87% taxonomy-aligned business activities
  - OPEX: 23%
  - Adjusted EBITDA: 48%

<sup>1</sup> As of January 2024; <sup>2</sup> Alongside the information on revenue, CAPEX and OPEX required by the Taxonomy Regulation, we also report on the taxonomy KPIs for adjusted EBITDA and CAPEX including the proportion for entities accounted for using the equity method (expanded CAPEX).

# Renewables and most recently distribution grids are our main investments financed by green bonds

Allocation of EnBW's green bond proceeds in ~%



Green Bond Impact Report 2023

# Green Financing Framework ensures that green bond proceeds are invested in EU taxonomy-aligned projects

## Green Financing Framework

- Published in 2018 and most recently updated in 2023
- Alignment with ICMA Green Bond Principles and LMA Green Loan Principles
- Second party opinion by ISS-Corporate on Green Financing Framework



EnBW Green Financing Framework

## Key Components

|   |   |
|---|---|
| <b>Eligible green projects</b>          | <ul style="list-style-type: none"> <li>• <b>Four eligible categories:</b> renewable energy generation, electricity networks, clean transportation, energy efficiency</li> </ul>   |
| <b>Project evaluation and selection</b> | <ul style="list-style-type: none"> <li>• <b>Selection criteria:</b> EU taxonomy alignment, impact on top KPIs, contribution to at least one Sustainable Development Goal</li> <li>• <b>Evaluation:</b> Green Financing Committee approves selection</li> </ul>                        |
| <b>Management of proceeds</b>           | <ul style="list-style-type: none"> <li>• <b>Allocation:</b> within 24 months after issuance, refinancing of operational projects and financing of projects under development</li> <li>• <b>Reallocation:</b> reallocation of proceeds in case a project becomes ineligible</li> </ul> |
| <b>Reporting</b>                        | <ul style="list-style-type: none"> <li>• <b>Annual impact reporting:</b> on allocation and sustainability benefits until green bond's maturity date</li> <li>• <b>Pre- and post-issuance certification:</b> for each green bond by Climate Bonds Initiative</li> </ul>                |


## Green Financing Committee

- Representatives from corporate finance and corporate sustainability departments and, on a case-by-case basis, representatives from business units meet at least twice a year.
- Committee reviews the compliance of projects and assets using eligibility criteria and verifies project assessment and selection process.
- Approval by the committee must be unanimous.




# We have been applying the EU taxonomy to our business activities since 2021


## Activities examined for the EU Taxonomy Regulation



### Smart Infrastructure for Customers


- E-mobility






### System Critical Infrastructure


- Electricity distribution grids
- Electricity transmission grids
- Water grids
- Water supply
- Gas distribution grids
- Gas transmission grids





### Sustainable Generation Infrastructure

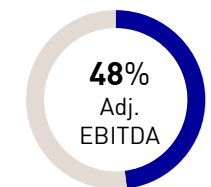
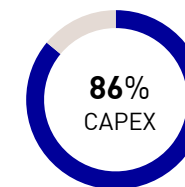
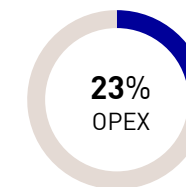
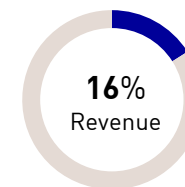
- Onshore wind
- Offshore wind
- Solar
- Run-of-river
- Biomass
- Pumped storage
- District heating
- Electricity generation from gas
- Combined heat and power



## Share of taxonomy-aligned economic activities of the EnBW Group

| in %                            | 2023 | 2022 <sup>1</sup> | 2021 |
|---------------------------------|------|-------------------|------|
| Adjusted EBITDA                 | 48.1 | 61.0              | 62.6 |
| CAPEX                           | 86.1 | 82.4              | 68.2 |
| Taxonomy-aligned expanded CAPEX | 86.5 | 82.9              | 71.2 |
| Revenue                         | 16.3 | 13.5              | 14.6 |
| OPEX                            | 23.2 | 22.9              | 29.3 |

2023



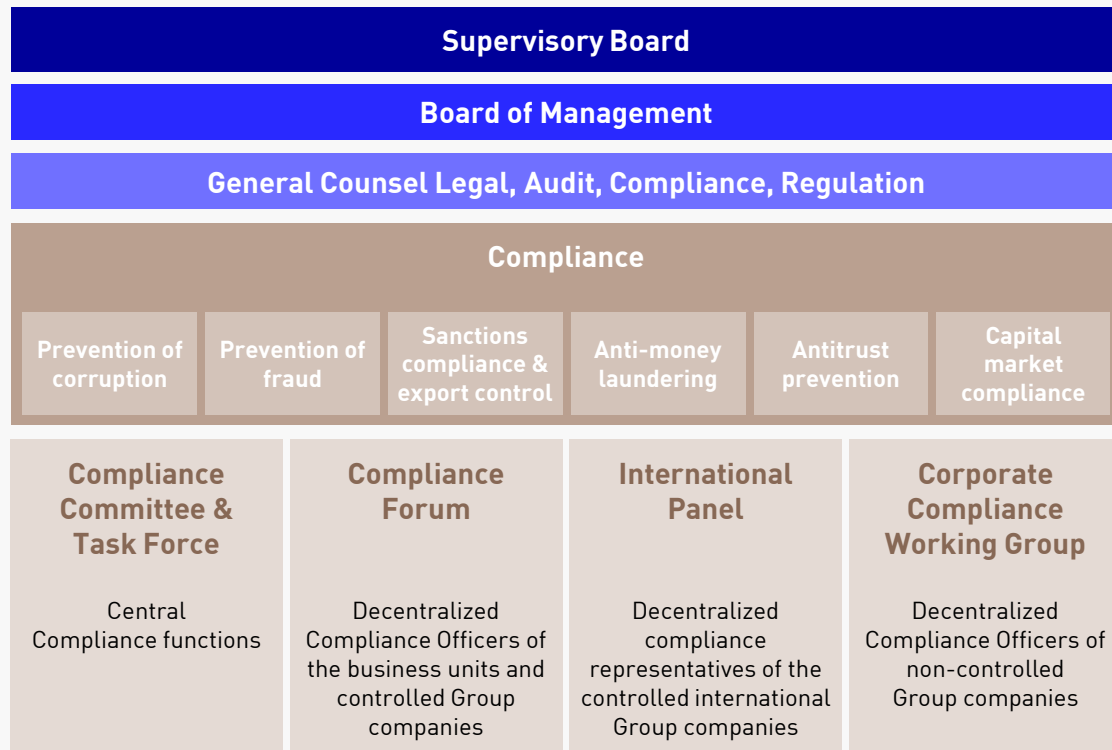
 EU taxonomy

# Sustainability considerations have been an integral part of our investment approval process since 2018



# Group-wide corporate compliance is ensured by our compliance organization and management system

## Compliance organization



### Compliance at EnBW Group comprises the following four elements:

**Compliance Department:** Corporate function with direct reporting lines to the member of the Board of Management for personnel and law, responsible for Group-wide organization of EnBW's Compliance Management System (CMS) and monitoring its uniform implementation across the Group.

**Compliance Committee:** Internal decision-making board with advisory capacity, made up of representatives from relevant corporate compliance functions.

**Compliance Forum:** Meeting of local Compliance Officers from most relevant Group companies, business units and Compliance Department to coordinate implementation of centrally planned compliance measures in operating entities.

**Compliance Working Group:** Exchange of information between the Compliance Department and Compliance Officers from non-controlled Group companies.

To ensure the compliance program's success, it is of utmost importance for all employees to be aware of compliance topics. With this knowledge they can work responsibly and consistently within the legal regulations and the company's guidelines. EnBW makes this possible by holding face-to-face seminars and by providing e-learning programs on all general compliance topics and especially on the Code of Conduct.

# We manage compliance based on institutionalized standards, processes and reporting channels

## EnBW Code of Conduct

- The Code of Conduct should provide assistance when making all decisions and taking action. It acts as a binding framework for internal cooperation as well as for the interaction with customers, competitors, public officials and public institutions.



 [EnBW Code of Conduct](#)

## Corporate compliance

- How our company is perceived from the outside also depends on the behavior of each individual. The lawful and responsible conduct of all managers and employees is therefore of central importance for the success of our company, as well as for earning the trust of our customers and business partners.
- The topic of compliance – abiding with statutory provisions and the company's guidelines – has become increasingly important over the last few years. The reputation of a company and its economic success can be detrimentally affected by compliance violations. Therefore, a risk-oriented and preventative compliance strategy is more important today than ever before.
- One of EnBW's goals is to make adherence with external and internal rules an integral part of the thinking and action of all company bodies, executives and employees. At the same time, it is important to strengthen the trust placed in the company by business associates, stockholders and the capital market.
- In particular, the Compliance Department is responsible for developing Group-wide rules for preventing corruption and breaches of cartel law, complying with data protection regulations and ensuring capital markets compliance. The department is available to managers and employees as a central point of contact and to provide advice on compliance issues.

## Compliance risk assessments

The annual compliance risk assessments at EnBW consider the risk of corruption, antitrust law, fraud and data protection, and form the basis for compliance work.

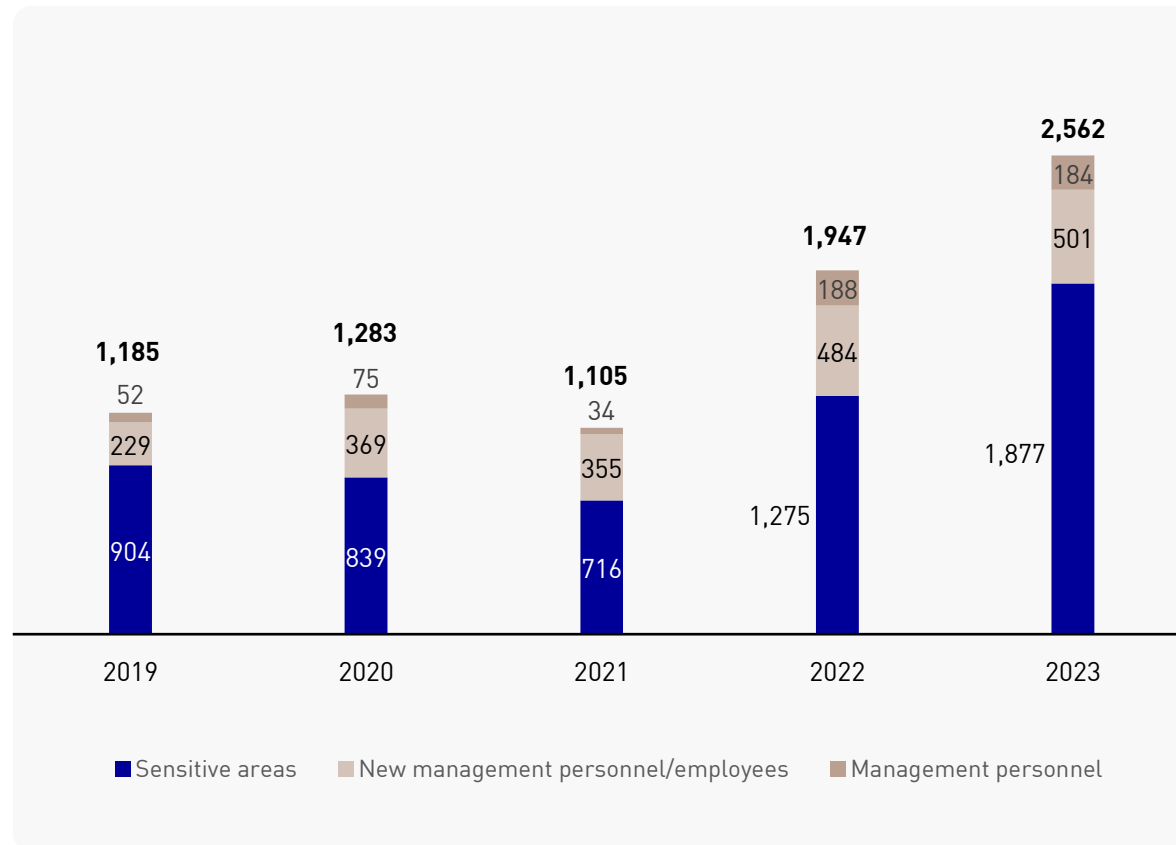
They were carried out in 2023 following a risk-based selection process at the companies directly included in the CMS. New legal developments, such as the Supply Chain Act, were considered in the compliance risk assessment tools.

In the implementation of regulatory requirements, the Compliance Department was involved in the realization of activities relating to the Supply Chain Act, such as the EnBW Declaration of Principles. One of the stipulations is that the Human Rights Committee – consisting of the heads of the Sustainability and Compliance Departments – acts as a supervisory body for EnBW's human rights and environmental risk management activities.

 [Corporate Compliance webpage](#)

# By means of extensive training, we make new and existing personnel aware of compliance topics

## Number of participants in compliance training events<sup>1</sup>



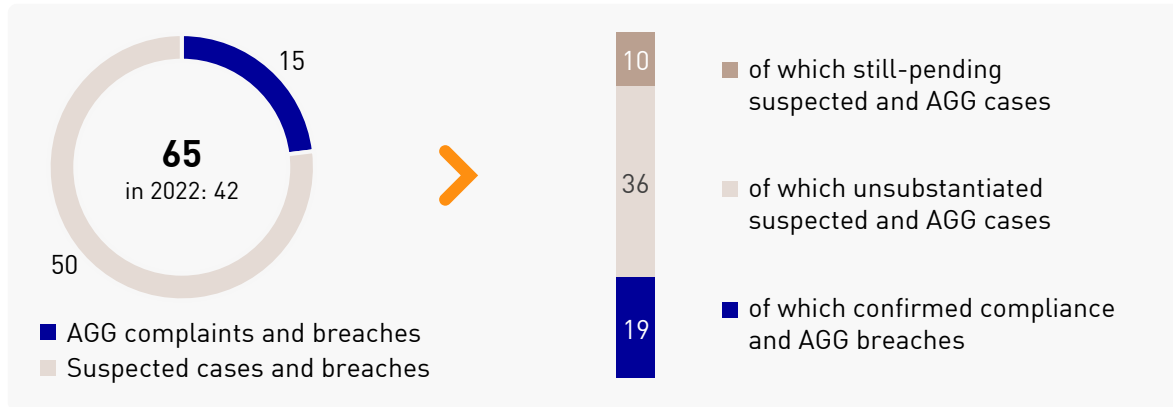
- Organized training courses for additional target groups in sensitive compliance areas [+31.6% more participants compared to previous year].
- Continued to support employees with certain specializations with specific training courses, such as on business partner screening or trade and financial sanctions.
- Requiring 100% of employees and managers to complete an e-learning course on preventing corruption and bribery every two years. Training must be completed by new employees in the year they join the company.
- All indirectly consolidated companies also carried out compliance training courses to raise employee awareness.
- In 2023, we carried out the leadership campaign “Compliance & Privacy – Culture, Leadership, Dialog” to strengthen the compliance and data protection culture. The main themes of the kickoff event were the importance of an effective compliance and privacy culture for EnBW and the Board of Management’s expectations of managers with respect to compliance and data protection.

Afterwards, we also held other events to highlight why a good whistleblower culture relies on how well it is trusted by employees, why data protection is not just a hygiene factor but also a trademark for the company, how managers can influence unwritten rules and decision-making situations, and why tolerance is an important aspect of a good compliance culture.

<sup>1</sup> Excluding participants in the management campaign at EnBW AG and directly involved companies

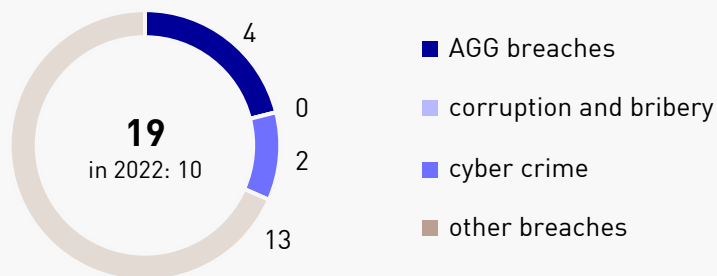
# Awareness measures and easily accessible reporting channels help us identify compliance cases<sup>1</sup>

## AGG complaints (General Act on Equal Treatment), suspected cases and breaches



- As a result, the total number of reported AGG complaints, suspected cases and breaches increased by around 55% compared to the previous year
- Positive effect of increased communication around compliance
- Examples: implementation of Whistleblower Protection Act via whistleblower tool, description of procedures, increased training measures
- In the 2023 financial year, expanded channels were established at EnBW AG for reporting compliance cases via a new tool. The new EnBW whistleblower system enables internal and external persons to report low-threshold information at any time (24 hours a day from Monday to Sunday), in various languages, and either anonymously or non-anonymously via an online reporting channel and telephone hotline. In addition to the LkSG requirements, the complaints procedure fulfills the legal requirements for whistleblower systems in accordance with the Whistleblower Protection Act. Also serves as a reporting center for discrimination issues under the General Act on Equal Treatment.
- A whistleblower system and other established reporting channels are also in place at ED, PRE, SWD, VNG, ZEAG, terranets bw and TransnetBW, in addition to EnBW AG.

### Compliance and AGG breaches



Online reporting channel and telephone hotline

<sup>1</sup> Status as of January 2024

# We disclose our lobbying activities and political contributions publicly and transparently

## Political engagement and communication channels

- **Ongoing exchange and open dialog with internal and external stakeholders from a range of sectors** (policymakers, NGOs, civil society, etc.) at EU, national, regional and local levels.
- **Responsible and transparent** dealings with actors and organizations and **disclosure of lobbying activities for several years in the**
  - [EU Transparency Register](#)
- Lobbying activities **coordinated by eleven employees** at offices in Brussels, Berlin and Stuttgart (as of August 2021).
- **Involvement in industry associations and initiatives, research institutes, foundations and think tanks at local, regional and European levels.** Selected significant memberships of EnBW or its Group subsidiaries:
  - [Significant memberships | EnBW](#)

## Policy positions

- Engagement on a range of topics through **various channels**. Beyond traditional energy and climate policy issues, political engagement as part of our transformation into an infrastructure provider also takes place in **numerous other policy areas such as transport, telecommunications and digitization policy**.
- Engagement in **policy dialog by publishing relevant position papers and consultation contributions** (either directly or via associations). Additionally, EnBW holds **sectoral policy events** and conferences at its own locations.
  - [List of policy positions](#) updated on ongoing basis.
  - [Further information](#) on a number of topics can be found in position papers and studies that are available for download.

# Most of our lobbying activities take place on a federal level in Germany<sup>1</sup>

## **Lobbying activities on an EU level** 2022 in €

|                             |                |
|-----------------------------|----------------|
| Personnel expenses          | 671,500        |
| Memberships                 | 166,500        |
| Other expenses <sup>2</sup> | 157,000        |
| <b>Total</b>                | <b>995,000</b> |

## **Lobbying activities on a federal level** in €

|                             |                  |
|-----------------------------|------------------|
| Personnel expenses          | 1,775,000        |
| Memberships                 | 190,000          |
| Other expenses <sup>2</sup> | 1,123,000        |
| <b>Total</b>                | <b>3,088,000</b> |

## **Lobbying activities in Baden-Württemberg** in € Since 1 May 2021, regional lobbying activities registered in the Baden-Württemberg Landtag (State parliament) Transparency Register

|                             |                |
|-----------------------------|----------------|
| Personnel expenses          | 208,500        |
| Other expenses <sup>2</sup> | 115,000        |
| <b>Total</b>                | <b>323,500</b> |



<sup>1</sup> Rounded figures

<sup>2</sup> Including infrastructure costs, travel expenses, subscriptions to news services, etc.



# To reduce cybersecurity risks, we pursue a Group-wide approach to information security management

## Information security guidelines



- Information is essential for our business processes and the protection of this information is the core task of information security. With our internal guidelines on information security, as well as our information security management system (ISMS), we create a Group-wide uniform approach to information security in order to reduce information security risks.

## Structures and responsibilities



- The Chief Information Security Officer (CISO) is responsible for the design, development and management of information security. The CISO has a direct reporting channel to the Board of Management and reports regularly to it and also to relevant committees and functions.
- The EnBW Cyber Emergency Response Team holds functions for the Group ISMS for the detection and communication of threats and vulnerabilities as well as the handling of information security incidents. It handles operational cyber defense in the Group ISMS and is supported by the central Cyber Defense Center and local Security Operation Centers (SOC).

## Measures to ensure cybersecurity



- Risk assessments:** As part of the information security risk management system, we conduct an information security threat and risk analysis and evaluate the importance of our assets.
- Audits:** Our Group-wide information security audit program includes formal internal audits, technical audits, such as penetration testing, and audits of external suppliers. Vulnerability assessments are executed regularly and are part of our first line of defense. In some areas we are legally obliged to demonstrate a functional information security management system (ISMS) by means of external audits. Our Group-wide information security audit program in 2023 consisted of more than 100 internal audits.<sup>1</sup> The focus in 2023 was placed on supplier management, cloud security and physical security.
- Training courses and awareness-raising measures:** Our information security awareness program consists of awareness-raising and training measures such as a compulsory, annual e-learning course on information security for all employees, Group-wide quarterly phishing simulations for our employees and escape rooms as playful awareness measures with a focus on artificial intelligence.

## Information security management system



- Our management system for information security is based on international standards. In 2023, 51.6% of our operations (measured by % of employees) were certified in accordance with ISO 27001.

<sup>1</sup> In terms of employees, 80% of all EnBW employees were covered by our audits.

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 Sustainability | EnBW

 E-mail Sustainability



**Katharina Klein**  
Head of Sustainability  
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“ We are turning climate goals into concrete solutions on the ground and place ESG criteria at the heart of our decisions. ”



**Dr. Lothar Rieth**  
Head of Sustainability  
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“ We are committed to human rights standards by applying thorough human rights due diligence which is based on intensive stakeholder dialog and anchored in robust governance structures. ”

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## EnBW Energie Baden-Württemberg AG

### ESG Factbook 2024

Editorial updates as of May 31, 2024

### Sustainability

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