EnBW Green Financing Framework

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The Green Financing Framework will be updated regularly. All substantial changes will be documented below:

Date of Change	Section	Amendment
August 2022	1.1	Added Science Based Targets Commitment
	1.3	- Introduction of Electricity Networks as new project category and in the relevant EU Taxonomy criteria - Mapping the E-mobility charging stations to the EU-taxonomy paragraph 6.15 only
	2.1 and 2.4	Introduction of Electricity Networks as new project category
	Sources	Updated references
November 2023	1. and 1.1	Accelerated coal exit
	1.3	Added NACE Codes for activities
	1.4	Added voluntary adherence to EuGB standard
	2.	Updated versions of standards
	Sources	Updated references

The EnBW Green Financing Framework was published in October 2018 with the last update in November 2023.

1. Introduction

Since 2013, we have diligently adhered to the EnBW 2020 Strategy, with the predominant share of our investments directed towards the realms of renewable energies and grid infrastructure. Following the conclusion of the 2020 reporting year – the strategy horizon – we aim to transform our company into a sustainable and innovative infrastructure partner for our customers and other stakeholders under the EnBW 2025 strategy. In line with this strategy, we are progressively channelling our investments into climate-friendly growth projects. Accordingly, we plan to invest a total of around €14 billion between 2023 and 2025, 80% of which will be spent on growth projects (focusing on grid expansion, renewables, and smart infrastructure). Moreover, our goal is to be climate-neutral by 2035. On the way there, we are also going beyond the traditional boundaries of the energy sector in order to develop new growth areas, such as urban infrastructure, which refers to the smart interconnection of – for example – energy, transport and telecommunication.
Going forward, wind and solar installations, green power products, sustainable urban districts with advanced charging infrastructure for electric vehicles, distributed energy generation and energy storage will comprise building blocks of sustainable infrastructure, most of which we will implement with Green Finance.

1.1 Sustainability Approach of EnBW

Just like the EnBW 2020 strategy, the EnBW 2025 strategy is based on a holistic approach to stakeholders. It defines specific financial and sustainability targets that take account of the economic, ecological, and social dimensions of sustainability.

A key element of our sustainable corporate strategy revolves around the imperative of climate protection. We have set ourselves an ambitious goal in this regard: We will reduce our Scope 1 and 2 carbon emissions by 83% by 2035 (based on the reference year of 2018). We will offset any remaining residual emissions with the support of recognized climate change mitigation projects (excluding the supply chain). During the same period, our Scope 3 emissions will be reduced by 43% in comparison to the reference year of 2018. These targets were validated by the independent Science Based Targets Initiative (SBTi) as in line with the 1,5° pathway of the Paris Agreement.

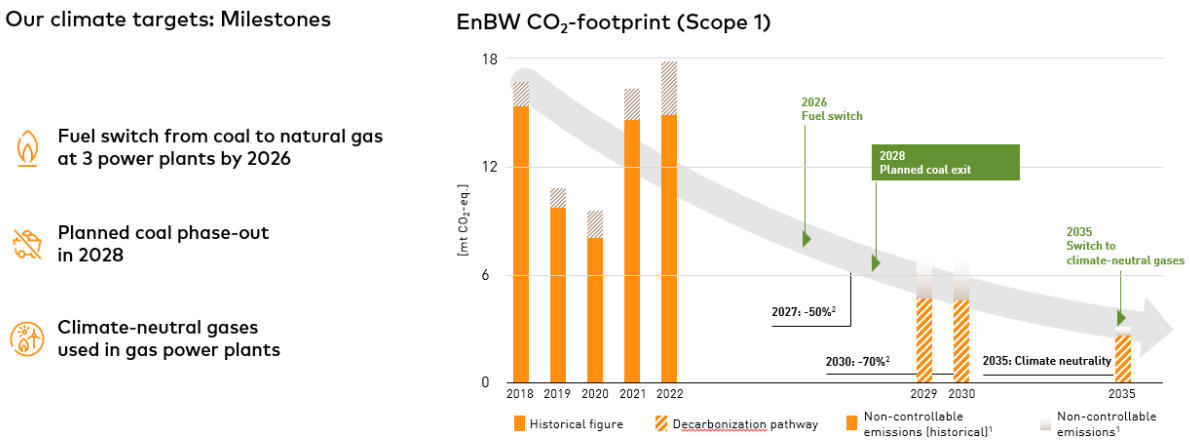
On the way to climate neutrality, we will reduce our GHG emissions by around 50% as early as 2027 and by around 70% in 2030. From 2035 on, we will offset any non-reducible, residual GHG emissions by supporting climate change mitigation projects that are carried out according to the highest standards.

Our investments in climate-friendly energy supply are significant. We plan to expand the installed capacity of renewable energies to 6.5 – 7.5 GW and the share of the generation capacity to more than 50% by 2025. Our focus will be on offshore wind power, onshore wind power and PV. The generation capacity of our wind power plants is due to increase to 4.0 GW by 2025 and our portfolio of photovoltaic projects to 1.2 GW. In addition, EnBW and bp plan to build three offshore wind farms through joint ventures that will have a total capacity of 5.9 GW and lie off the coast of Great Britain. They will be placed into operation in 2028. In the gas business, we want to further reinforce our strong position, especially in the area of climate-neutral gases. In the area of coal-based conventional generation, we have defined a

plan to phase out coal by 2028 based on the assumption that renewable energies will be ramped up as forecasted by the German government. As a replacement for our coal power plants and to secure our portfolio of renewable energies, we decided in 2022 to construct gas power plants that could also be operated using hydrogen in the future (H_2-ready). We are adapting our trading activities to the changes in our generation portfolio and the energy markets and further strengthening our market position with a focus on Europe.

The Science Based Targets initiative (SBTi) helps companies to develop their own science-based climate protection targets. In October 2021, EnBW announced its intention to set science-based targets according to the SBTi. This process was concluded in spring 2023. EnBW now has reduction targets that are in line with the Paris Agreement. These reduction targets cover the entire value-added chain for EnBW and are split into three emission categories or so-called Scopes: Scopes 1 and 2 include, in particular, the GHG emissions produced by our power plants as they generate electricity and heat, and when energy is distributed in the grids operated by our subsidiaries. Our Scope 3 emissions are mainly influenced by the gas consumption of our customers. We follow a 1.5 degrees-aligned path for Scopes 1 and 2 emissions and a well below 2 degrees-aligned path for Scope 3 emissions. As an integrated energy company with its own generation portfolio – which is increasingly characterized by renewable energies – we can make an important contribution to decarbonization and thus to safeguarding the livelihoods of future generations.

Our climate protection targets



¹ Non-controllable emissions: Emissions from reserve power plants and redispatch operations not controlled by EnBW
² Scope 1 & 2 compared to 2018

Climate impact is a major factor for strategic decision making. The EnBW key indicator CO_2 intensity is calculated based on our Group's GHG emissions of electricity generation. For the period 2015 to 2020, our target was to reduce the CO_2 intensity of our own generation of electricity (excluding nuclear power) by 15% to 20% compared to 606 g/kWh in 2015. We were able to clearly exceed this target with a reduction of 39% and a resulting CO_2 intensity of 372 g/kWh in 2020. Our target for 2025 is a 15% to 30% reduction compared to the base year 2018.

1.2 Rationale for Green Financing

Decarbonization calls for a comprehensive structural transformation cutting across all sectors of the economy. This also determines the way forward for us in our business activities. We are committed to actively supporting the Paris Climate Agreement and the resulting decarbonization targets of the EU and Germany.

Since we have started our transformation in 2013, we have been repositioning our business profile from a traditional utility company with the majority of earnings coming from conventional power generation to a company where the organization as a whole, strategically as well as operationally, is working towards becoming a renewable energies generator and infrastructure provider. Our grid operators for transmission and distribution grids connect renewable energy capacities to the grid and optimize the grid to meet the needs of sustainable generation and e-mobility. We develop, build, and operate both on- and offshore wind farms with a pipeline for future projects. Additionally, we focus on customer products in connection with sustainable transportation solutions, energy savings, and smart cities.

We are transforming EnBW into a sustainable and innovative infrastructure partner with a focus on three key investment areas:

- Sustainable generation infrastructure: expansion of low carbon electricity generation, decarbonization activities in relation to coal-based generation and phasing out of nuclear energy.
- System-critical infrastructure: expansion and operation of transmission grids and upgrading of distribution grids as well as grid-related services.
- Smart infrastructure for customers: development of new, digital business models, launching them onto the market and scaling them up.

With our Green Financing Framework, we strive to comply with sustainability targets on the both the asset and liability side of our balance sheet. We believe that bringing together sustainable financing and sustainable investment projects will be beneficial to all stakeholders.

The project categories eligible for support under the Green Bond Framework – renewable energy, energy efficiency, electricity grids and clean transportation – support the achievement of the Paris Climate Agreement and other national and international target settings for climate change mitigation and the transition to a low-carbon sustainable economy. They notably support the United Nations' Sustainable Development Goals (SDGs), the EU Taxonomy for environmentally sustainable economic activities as well as our internal key performance indicators of our strategy 2025.

1.3 Mapping of Eligible Activities and Compliance with the EU Taxonomy

Eligible green activity	Project category	Contribution to the EnBW key performance indicators[1]	Contribution to the UN SDGs	Contribution to the EU Taxonomy[2]
Renewable energies	Offshore wind energy generation	• Expand renewable energies (RE): Installed output of RE in GW and the share of the generation capacity accounted for by RE in % • Climate protection: CO_2 intensity in g/kWh	Clean and affordable energy Climate action	4.3 Electricity generation from wind power (NACE: D.35.11)
	Onshore wind energy generation	• Expand renewable energies (RE): Installed output of RE in GW and the share of the generation capacity accounted for by RE in % • Climate protection: CO_2 intensity in g/kWh	Clean and affordable energy Climate action	4.3 Electricity generation from wind power (NACE: D.35.11)
	Solar (photovoltaic) energy generation	• Expand renewable energies (RE): Installed output of RE in GW and the share of the generation capacity accounted for by RE in % • Climate protection: CO_2 intensity in g/kWh	Clean and affordable energy Climate action	4.1 Electricity generation using solar photovoltaic technology (NACE: D.35.11)
Electricity Networks	Electricity distribution infrastructure	• Supply reliability: SAIDI[3] Electricity in min./year	Clean and affordable energy Industry, innovation, and infrastructure	4.9 Transmission and Distribution of Electricity (NACE: D.35.12, D.35.13)
Energy efficiency	Smart meters		Industry, innovation, and infrastructure Climate action	7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (NACE: D.35.13)

Clean transportation	e-mobility charging stations		Industry, innovation, and infrastructure Sustainable cities and communities	6.15 Infrastructure enabling low-carbon road transport and public transport (NACE: D.35.12, D.25.13, F.42.21)

[1] Our green activities also have a positive impact on other EnBW top non-financial performance indicators such as our reputation index, CO_2 intensity and our customer satisfaction index.
[2] Classification based on the Draft Delegated Act Annex I dated 4 June 2021 (including appendices). The project needs to fulfil the definition, metrics, and thresholds of the applicable Substantial Contribution, the Do No Significant Harm criteria and minimum safeguards requirements.
[3] System Average Interruption Duration Index, specifies the average length of supply interruption in the electricity distribution grid experienced annually by each connected customer. SAIDI Electricity includes all unscheduled interruptions to supply that last more than three minutes for the end consumer. The definition and calculation of this performance indicator is based on the guidelines issued by the Network Technology / Network Operation Forum (FNN) of the VDE (German Association for Electrical, Electronic & Information Technologies).

Compliance of the eligible green project categories with the EU Taxonomy Regulation

The eligible green project categories comply with the EU Taxonomy Regulation's classification system for environmentally sustainable economic activities. As the technical screening criteria ("TSC") of the EU Taxonomy are expected to be reviewed and amended over time, we will observe the regulatory evolution, and may make changes to the framework accordingly.

Substantial contribution to the EU environmental objective climate change mitigation:

The eligible green portfolio financed and / or refinanced under this framework is evaluated and selected based on - among others - compliance with the relevant metrics, thresholds and "do no significant harm" (DNSH) criteria of the EU Taxonomy.

Regarding the business activities relating to wind and solar energy and with respect to the requirement for a substantial contribution to mitigating climate change, it is not currently necessary to test compliance with the substantial contribution criteria because these types of energy generation remain significantly below the current threshold of 100g CO_2 eq/kWh, even when analyzed over their entire life cycle. The same applies for electric charging points and smart meters for gas, heat, cool and electricity, which are considered to comply with the substantial contribution criteria of the Taxonomy without further proof. With respect to the business activities relating to the distribution of electricity, the substantial contribution criteria is fulfilled because more than 67% of the newly connected generation capacity in the system is below the generation threshold of 100 g CO_2 e/kWh, measured on the basis of the product carbon footprint over a rolling five-year period.

"Do no significant harm" (DNSH) to the other EU environmental objectives:

The DNSH criteria for wind and solar energy as well as electricity distribution grids predominantly relate to the legal and official regulations in the energy industry that have to be observed in order to receive approval for constructing and operating power plants and electricity networks. Compliance with these energy industry regulations and with any further requirements (such as those related to the circular economy) is analyzed by EnBW at the

superordinate level of the business activities with the aid of the respective specialist departments at EnBW.

The environmental objective **climate change adaptation** is examined on an ongoing basis as part of the general business of EnBW. EnBW has a standardized risk management process. The risk map, which is a standard tool across the group, is to be used regularly to identify and classify risks (including risks in the context of climate change and its consequences). The risk management process requires measures to be taken and implemented to avoid or reduce identified risks. For identified risks, adaptation plans have been and are being developed by internal experts.

The environmental objective **sustainable use and protection of water and marine resources** is especially relevant for the offshore wind power plants. In particular, the criteria reference the legal and official regulations in the energy industry that have to be observed to receive approval for constructing and operating power plants. For our e-mobility charging stations we neither use surface water nor do we extract groundwater. Currently, water only occurs at our sites in the form of rainwater. For all locations where we build charging infrastructure on an undeveloped area, we adhere to the specifications set out in the development plan or have our building project approved in the form of a building application. This ensures that we comply with all applicable EU directives and do not endanger any water bodies.

In terms of the environmental objective **transition to a circular economy**, there are general regulations relating to high durability, easy dismantling, repairability and a declaration of intent to maximize the recycling of the plant at the end of its service life. The vast majority of components are designed for a very long service life, are recyclable and have monetary value at the end of their period of use (steel, aluminium, copper). Plant components that fulfill these criteria can either be recycled within the EnBW Group or sold to third parties for further use. For electric charging points, during the construction of charging infrastructure, approx. 70% - 80% of the materials displaced and to be disposed of can be reused. For electricity grids the vast majority of waste is recycled or sold for further use. No criteria have been defined for smart meters for gas, heat, cool and electricity.

For the environmental objective **pollution prevention and control**, no criteria have been defined for wind and solar energy, or for smart meters for gas, heat, cool and electricity. For electric charging points the relevant noise regulations to be adhered to are specified in the Sixth General Administrative Regulation to the BImSchG[1], the Technical Instructions on Noise Abatement (TA-Lärm). When installing charging infrastructure, EnBW checks compliance with the noise emission values specified in the technical instructions. If the noise emission values are theoretically exceeded, a so-called "silent mode" is automatically used, which reduces the charging power in accordance with the permissible noise emissions according to TA-Lärm. For electricity grids EnBW is in compliance with the 26th BImSchV to guarantee no harm is caused by electromagnetic fields. Any construction activity is executed according to the corresponding regulations.

[1] Federal Immission Control Act (Bundes-Immissionsschutzgesetz)

The environmental objective **protection and restoration of biodiversity and ecosystems** mainly relates to compliance with legal requirements. Environmental impact assessments (EIA) for electricity grids, wind and solar power projects are carried out in line with EU and German legal requirements. The EIA respectively comparable assessments are a key requirement for receiving approval for constructing and operating power plants and electricity grids in Germany and Europe. For grid activities that do not require EIA, several documents about legal requirements have to be presented to the local authorities. For electric charging points, an EIA is usually not required by German law due to the minor environmental impact. No criteria on protection and restoration of biodiversity and ecosystems have been defined for smart meters for gas, heat, cool and electricity and no negative impact is expected by electric charging points.

Minimum safeguards:

In accordance with Article 3(18) of the Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("Taxonomy Regulation"), a process must be established to ensure minimum safeguards for workers and human rights through compliance with the following guidelines and standards:

- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- International Bill of Human Rights

Sustainable and responsible procurement begins at EnBW with careful selection of suppliers. Central to this is the standardized screening process, in which potential new suppliers must answer questions about their commitment and respect for international human rights. In addition, the EnBW Group's general conditions of purchase request suppliers to comply with occupational health and safety regulations, pay a minimum wage and comply with the regulations as prescribed by German occupational health and safety laws.
In selected product groups where EnBW sees an increased social risk within the supply chain, further measures are taken in addition to the standard processes to ensure compliance with human rights and occupational health and safety standards. With major wind turbine projects, for example, extensive questionnaires are sent to suppliers for self-assessment or, in the case of PV projects, on-site audits are also carried out by EnBW.

1.4 Alignment with the (Draft) European Green Bond Regulation

EnBW may voluntarily seek to apply the designation of "European green bond" or "EuGB" (the "EuGB Designation") for any of its Green Financing Instruments and adhere to the requirements of the European green bond standard.

External Reviewer and EuGB Factsheet

Following the entry into force of a regulation implementing the Proposal for a regulation of the European Parliament and of the Council on European green bonds of 6 July 2021 (2021/0191 (COD)) (the "EuGB Regulation"), EnBW Group will, prior to any issuance of Green

Financing Instruments that shall bear EuGB Designation, prepare a factsheet (the "Factsheet") within the meaning of Art. 8(1) of EuGB Regulation.

EnBW group will ask a registered reviewer (the "Reviewer") to act as external Reviewer to conduct a review of the Factsheet based on the requirements stipulated in Art. 8(3) of the [Draft] EuGB Regulation (the "Review").

EuGB aligned Reporting

Further, EnBW will publish an allocation report, with content as prescribed in Art. 9 of the [Draft] EuGB Regulation, yearly no later than three months following the end of the financial year during which a Green Financing Instrument was issued, until the full allocation of the Proceeds of such Green Financing Instrument, as provided for in Art. 9(1) [Draft] EuGB Regulation. EnBW will ask for a post-issuance review by the Reviewer of the allocation report after the full allocation of Proceeds, as required in Art. 9(3) [Draft] EuGB Regulation.

NO ASSURANCE CAN BE GIVEN THAT ANY GREEN FINANCING INSTRUMENTS ISSUED IN ACCORDANCE WITH THE FRAMEWORK WILL, AT ANY POINT, BE ELIGIBLE FOR USE OF THE DESIGNATION "European green bond" OR "EuGB".

2. Scope of the Framework

The purpose of this framework is to define how Green Financing Instruments are set up within our Group.

This framework is valid for all Green Financing Instruments of the EnBW Group, including green bonds, green loans, green project finance and any other financial instrument to which eligible assets or projects are allocated.

This framework is based on the existing international standards:

- The Green Bond Principles as published by the International Capital Market Association (ICMA) in June 2021 (with June 2022 Appendix 1)
- The Green Loan Principles published by the Loan Market Association (LMA) in February 2023

The Principles are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond and Green Loan market by clarifying the approach for Green Financing.

In addition to the ICMA Green Bond Principles and the LMA Green Loan Principles, use of proceeds categories are aligned with the Climate Bonds Standard and the EU Taxonomy for environmentally sustainable economic activities.

Further evolutions in green financing standards may be reflected in future updated versions of this Green Financing Framework.

We own a number of operating subsidiaries that hold assets of their own (in whole or part). These subsidiaries can have minority shareholders and their own indebtedness. During the lifetime of assets in both subsidiaries and the Group, transfer of ownership or changes in the

capital structure may occur. In any case, we will only consider the share that can be attributed to EnBW for Green Financing Instruments. Any future updated version of this framework that may be established will either maintain or improve the current levels of transparency and reporting.

2.1 Use of Proceeds

The net proceeds of our Green Financing Instruments ("the Proceeds") will be used to finance or refinance in whole or in part any Eligible Green Projects as defined below and may include new projects with disbursements after the issuance of the Green Financing instrument or existing projects with commercial operation (or acquisition closing) starting not earlier than 36 months before the issuance date of the respective instrument. All financed assets and expenditures align with the four criteria for environmentally sustainable economic activities, as stated in Art. 3 in the Taxonomy Regulation. Disbursements to be financed include operating expenditures (Opex), capital expenditures (Capex), expenditures related to research and development as well as expenditures for acquisitions of eligible projects or assets.

EnBW will continue to use the net proceeds for allocation unless otherwise required for the EUGB Designation.

Eligible Green Projects include projects or assets in the following eligible categories:

Renewable energy projects:

- onshore wind energy generation
- offshore wind energy generation
- solar (photovoltaic) energy generation

Electricity Networks:

- electricity distribution infrastructure

Energy efficiency projects:

- smart meters

Clean transportation projects:

- e-mobility infrastructure (charging stations)

2.2 Project Evaluation and Selection

In order to ensure a diligent project evaluation and selection process, we have set up a two-step approach:

- Our capex intensive growth projects are aligned with our sustainability approach (as outlined under 1.1) as well as national and international environmental and social standards.
- To ensure eligibility for green financing, we have set up a Green Financing Committee (the "Committee") with representatives from the corporate finance department, the corporate sustainability department, and on case by case basis, with

representatives from business units. Projects to be allocated with proceeds from Green Financing can be submitted by the business units or be chosen by the Green Financing Committee directly. The final decision on the selection of Eligible Green Projects can only be taken unanimously.

The Committee is responsible for verifying compliance of all projects with the eligibility criteria (as per 2.1). Typical exclusion filters include but are not limited to material controversies, major concerns about impact on environment.

In addition, selection criteria have been defined for prioritizing projects. It will be examined whether the projects contribute to at least one of the criteria of each category:

1. Non-financial / sustainability key performance indicators and targets of EnBW:

- Expand renewable energies (RE) - Installed output of RE in GW and the share of the generation capacity accounted for by RE in %
- Climate protection - CO_2 intensity in g/kWh
- Customer proximity - EnBW Customer Satisfaction Index
- Reputation - Reputation Index
- Supply reliability – SAIDI Electricity in min./year

2. EU Taxonomy Regulation:

- Environmental objectives:
    - Climate change mitigation
    - Climate change adaptation
    - Sustainable use and protection of water and marine resources
    - Transition to a circular economy
    - Pollution prevention and control
    - Protection and restoration of biodiversity and ecosystems
- and fulfilment of the minimum safeguards criteria

3. Relevant Sustainable Development Goals (SDGs) for EnBW:

- SDG 7: Ensure access to affordable, reliable, sustainable and modern energy
- SDG 9: Build resilient infrastructure, promote sustainable industrialisation and foster innovation
- SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable
- SDG 13: Take immediate action to combat climate change and its impacts

4. Relevant GRI-topics and –disclosures for EnBW:

Chosen GRI-topics and -disclosures in combination with environmental and economic aspects (GRI 203, 304, 305) as well as issues related to the supply chain (GRI 414).

The Green Financing Committee will select among the pool of eligible projects as per 2.1 the ones that contribute the most to the above indicators.

The Green Financing Committee will document the project assessment process.

In order to guarantee only the issuer's share of a project is financed, the maximum green financing proceeds to be allocated to a single eligible project are calculated as follows:

- (Total asset capex[2] – external debt associated with the project) x percentage of EnBW Group's ownership

2.3 Management of Proceeds

We have set up a register and have put internal systems in place to track the outstanding Proceeds of Green Financing Instruments internally. This allows for comprehensive monitoring of allocated and to be allocated amounts.

Prior to issuance of each Green Financing Instrument, we will disclose which projects are to be refinanced, and to what extent Proceeds are to finance future investments.

We intend to fully allocate an amount equivalent to the Proceeds within 24 months after the issuance date of each Green Financing Instrument.

Until full allocation, the Green Financing Committee will approve at least semi-annually the amount of net Proceeds that has been allocated to Eligible Green Projects.

Net Proceeds of Green Financing Instruments will be allocated in different ways:

a) Refinancing of operational projects that qualify as Eligible Green Projects
b) Investments into projects under development that qualify as Eligible Green Projects
c) Unallocated Proceeds: Investments in any form of cash, bank deposit or other form of available current financial assets

To ensure the maximum transparency and prevent double-counting, the following describes general guidelines on how allocation of funds is to be done:

- The Proceeds of each of the Green Financing Instruments can be allocated to one or several eligible green assets or projects within our Group. We will ensure, through the implementation of a control system, that all proceeds and flows are tracked thoroughly inside our company to ensure transparency.
- In case the above stated prerequisite is not fulfilled due to changed conditions, such as changes in ownership or capital structure, we are obliged to reallocate the resulting excess proceeds to other Eligible Green Projects. These changes would be tracked and included in reporting.
- In case a project or asset where Proceeds of Green Financing Instruments have been allocated no longer meets the eligible criteria, we are committed to re-allocate Proceeds into alternative Eligible Green Projects.
- In case an asset with Proceeds from Green Financing Instruments has reached the end of its lifetime and has been fully decommissioned, Proceeds will be re-allocated to other Eligible Green Projects. These changes would be tracked and included in reporting.

[2] In case of eligible projects owned by subsidiaries having their own external debt, a pro-rata calculation will be conducted to get estimates of external debt associated to that project.

- In case a project with allocated proceeds has been stopped or abandoned, we are committed to re-allocate the funds to other Eligible Green Projects. These changes will be tracked and included in reporting.

To facilitate the tracking process and to increase transparency and investor comfort, we can select investments fully or largely disbursed when selecting Eligible Green Projects.

2.4 Reporting

Green finance standards encourage reporting on both the use of proceeds of Green Financing Instruments and the expected environmental impacts at least on an annual basis with the first reporting published within a year after the launch of the Green Financing Instrument. As outlined in 1.4 above, in case, for a specific issuance the EuGB Designation is pursued, we will appoint once available, a Reviewer that provides confirmation of full allocation of the Proceeds and additional verification of requirements for the allocation report laid out in the [Draft] EuGB Regulation.

We seek to provide data on each Green Financing project on an individual basis but might also choose to aggregate certain classes of projects. We are committed to report annually and publish a separate EnBW Green Bond Impact Report next to our regular Integrated Annual Report, and until the maturity date on:

A) Use of the Green Financing Instrument Proceeds

a) List of projects with some individual information.

b) Total funds allocation (with breakdown per type of project and breakdown of the allocation of proceeds between new financing and refinancing).

c) The amount of unallocated Proceeds.

B) Benefits in terms of sustainability

We will publish annually a set of reporting indicators to describe the achieved benefits in terms of sustainability. The type of indicators will depend on the type of asset or activity financed by the green instruments.

The charts on the following page include a description of the reporting indicators per asset category.

Type of Project	Benefits	Reporting indicators
Renewable energy projects	Climate Change Mitigation (generation)	Per Project: - Name - Type of project - Country - Installed capacity (MW) [attributable to the respective Green Financing Instrument] For each category: - Invested capital [attributable to the respective Green Financing Instrument] - [Expected] Annual energy produced (MWh per year) [attributable to the respective Green Financing Instrument] - [Expected] Annual GHG emissions avoided (CO_2 in t) [attributable to the respective Green Financing Instrument]

Type of Project	Benefits	Reporting indicators
Electricity Networks	Climate Change mitigation/ Security of Supply	For each category: - Country - Connected renewables capacity in MW and % increase vs. prior year - Renewable electricity fed into the grid in MWh - Invested capital [attributable to the respective Green Financing Instrument]
Type of Project	**Benefits**	**Reporting indicators**
Energy efficiency projects	Climate Change mitigation/ Security of Supply	For each category: - Type of project - Country - Physical indicator i.e., Smart meters (total and attributable number) - Invested capital [attributable to the respective Green Financing Instrument]

Type of Project	Benefits	Reporting indicators
Clean transportation projects	Climate Change mitigation	For each category - Type of project - Country/location - Physical indicator, i.e., number of charging stations, number of charging procedures [total and attributable number] - Invested capital [attributable to the respective Green Financing Instrument]

Table 1: reporting indicators per asset category

Furthermore, we intend to report with regard to qualitative impacts. For example:

- mitigation of negative impact (e.g., biodiversity, noise level)
- management of social aspects of projects (e.g., human rights impacts / working and living conditions)

C) Assurance of compliance of selected projects with the Framework for Green Financing

We will annually assess the compliance with this Framework, including a description of material exceptions, controversies, and mitigating action.

The reporting will be publicly disclosed on EnBW's website.

In case, an issuance is provided with the EuGB Designation, in addition to above metrics, EnBW will publish information that is required for the impact report in the final EuGB Regulation.

2.5 External Review

Our Green Financing issuance is backed by two layers of external reviews to ensure maximum transparency and certainty for investors.

A) Layer one – Second Party Opinion

Prior to an issuance, we intend to commission ISS ESG to obtain an external review of our Green Financing Framework. ISS ESG will issue a second opinion confirming the alignment of our Green Financing Framework with the Green Bond and Green Loan Principles and the framework's strong environmental credentials. Under this framework, the issuance of multiple Green Financing Instruments is possible. Prior to issuance of each instrument, we will disclose for which projects or assets proceeds are to be used.

EnBW seeks to have each bond certified by the Climate Bonds Initiative (CBI). Compliance with the relevant CBI Sector Eligibility Criteria is therefore ensured (i.e., wind energy, solar energy, marine renewable energy, and low carbon transport).

In case, EnBW seeks the EuGB Designation for a specific issuance of Green Financing Instruments, upon full allocation, the allocation report will be reviewed by an external Reviewer (once available) that verifies alignment with the requirements of the final EuGB Regulation.

B) Layer two – Verification

We intend to receive a pre- and post-issuance certification by CBI[4]. In case a reallocation of proceeds will be necessary, we will request an additional external review.

[4]Disclaimer: The Climate Bonds Standard Board operates legally as an advisory committee of the Climate Bonds Initiative Board and oversees the development of the Climate Bonds Standard. Neither the Climate Bonds Standard Board nor any organisation, individual or other person forming part of, or representing, the Climate Bonds Standard Board (together, "CBSB") accepts or owes any duty, liability or responsibility of any kind whatsoever to any issuer which wishes to apply for any of its bonds to be certified under the Climate Bonds Certification Scheme ("Scheme"), or to any issuer whose bonds may at any time be certified under the Scheme or to any other person or body whatsoever, whether with respect to the award or withdrawal of any certification under the Scheme or otherwise. All advice or recommendations with respect to any certification under the Scheme or otherwise that CBSB provides to the Climate Bonds Initiative Board is provided to it in an advisory capacity only and is not to be treated as provided or offered to any other person.

Sources

Delegated act dated 4 June 2021 for the first two environmental objectives "climate change mitigation" and "climate change adaptation":
https://eur-lex.europa.eu/resource.html?uri=cellar:d84ec73c-c773-11eb-a925-01aa75ed71a1.0021.02/DOC_1&format=PDF

EU Regulation 2020/852 dated 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending EU Regulation 2019/2088 (EU Taxonomy Regulation):
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