

# In dialogue with our stakeholders

## Our stakeholders

Continuous and systematic dialogue with our internal and external stakeholders is an important component for determining key issues as part of our business activities. The most important stakeholder groups include shareholders and the capital market, employees, customers, local authorities, municipal utilities, society and environment, suppliers, business partners and the political community. A fundamental aspect of our dialogue with stakeholders is the identification and prioritisation of stakeholder groups relevant to strategically significant and current issues, particularly with regards to the German Energiewende.

This dialogue is conducted using a variety of communication channels – ranging from conferences to social media platforms. In active dialogue with our stakeholders, we listen to their interests and their expectations of EnBW and take these into account in the strategic positioning of our company and in our business decisions. At the same time, we inform all stakeholders about the company's needs and the prerequisites for providing an efficient, reliable and sustainable supply of energy. It is also important for us to listen to critical opinions such as those expressed within the framework of our Energy & Climate Protection Foundation. Mutual understanding, social acceptance and trust are increased further through this purposeful exchange of insights and perspectives. In addition, it also means that central developments and key topics can be identified at an early stage.

## Materiality analysis

Based on the systematic materiality analysis that was carried out for the first time in 2013, EnBW has continuously expanded its processes over the last few years for identifying material topics and linking them simultaneously with the development of the company's strategy. Material aspects are determined using the framework provided by the International Integrated Reporting Council (IIRC) and in accordance with the G4 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI). Other current developments flow into the determination of future key issues, such as the work of the  Task Force on Climate-related Financial Disclosures (TCFD) on climate-related risk reporting.

On the one hand, topics are considered material if they have a significant influence on long-term value added and thus the performance and future viability of EnBW. On the other hand, aspects reflecting any important economic, environmental and social impacts the organisation may have and that significantly influence the perception of stakeholders are also taken into account. Information on the materiality analysis process in accordance with GRI can be found at  [www.globalreporting.org/information/g4](http://www.globalreporting.org/information/g4).

The following topics are material for EnBW in the 2016 financial year:

- > **Corporate strategy and contribution to the Energiewende:** EnBW continues to work on resolutely implementing its strategy. It is pushing forward the Energiewende in each of the individual steps of the value chain using targeted measures. The restructuring of the portfolio is making clear progress: The Grids and Renewable Energies segments are accounting for more than two thirds of the  adjusted EBITDA for the first time. Another example is the strengthening of the gas business through the acquisition of a majority shareholding in VNG-Verbundnetz Gas Aktiengesellschaft. In addition, EnBW has withdrawn from the B2B commodity business under the EnBW and Watt brands. The aim is to develop a future-oriented EnBW that can remain robust even during the most difficult market conditions and concentrate to an even greater extent on innovation and growth ( p. 22 ff.).
- > **Efficiencies and optimisation:** Further targeted efficiency measures with a volume of €400 million have been launched, the majority of which have already been implemented. In a third phase, additional earnings-enhancing measures to the order of €250 million will now be implemented by 2020. The areas of priority are sales, generation and trading and administrative functions.
- > **Phasing out of nuclear power and disposal package:** The Bundestag approved the law of reorganising responsibility for nuclear waste management in December 2016. The legal and contractual implementation of the recommendations made by the KFK commission is a decisive step towards the planned phasing out of nuclear power that will provide all those involved with more certainty when it comes to planning and taking action ( p. 49 and 53).

The material topics will also be rigorously followed up in the operative segments (L p. 19 ff.):

- > **Sales:** Measures to increase customer proximity in the B2C sector and improve customer satisfaction. Construction and operation of charging stations and expansion of the range of services in the area of electromobility.
- > **Grids:** Guaranteeing a reliable supply of energy in Baden-Württemberg. Investment in reinforcing and upgrading the grids, especially the distribution grids.
- > **Renewable Energies:** Continuing the successful growth in the areas of offshore and onshore wind power. Building up the maintenance and servicing business in the area of wind power.
- > **Generation and Trading:** Safeguarding the reliable supply of energy through conventional and nuclear power generation. Boosting efficiencies, such as the modernisation of the power plant site in Stuttgart-Gaisburg, starting the planning for dismantling the power plant units that are currently still in operation and developing new business sectors.

Improving sustainability performance secures the future viability of the company:

- > **Development of new business segments:** Implementation of selected projects in the areas of research and development, as well as innovation management. The focus here will be placed, on the one hand, on building up expertise for medium and long-term market opportunities and, on the other hand, on identifying new sources of revenue for the Group and bringing them to the market (L p. 39 ff.).
- > **Commitment to climate protection:** EnBW supports the global efforts to protect the climate and emphatically supports ambitious climate protection targets. The company is making a contribution to climate protection through its corporate strategy that resolutely focuses on the further expansion of renewable energies and innovative and sustainable business models (L p. 45). In addition, EnBW actively participates in the Task Force on Climate-related Financial Disclosures (TCFD) (L p. 84 f.).
- > **Responsible coal procurement:** Commitment to improving the working and living conditions in mining regions through targeted measures such as dialogue with stakeholders, corporate social responsibility (CSR) clauses in contracts and local engagement (L p. 42 f.).
- > **Further development of the sustainability concept:** The conceptual orientation of sustainability will form the next stage in the development of sustainability at EnBW. The aim is to interlink sustainability with the Group strategy and core business even more rigorously. For this purpose, the non-financial key performance indicators will be examined regularly and key issues defined by the CSR committee. Alongside the fulfilment of external sustainability standards, the focus in future will be placed even more strongly on integrating sustainability aspects into the operating business units and thus throughout the value added chain.

- > **Employee commitment, promoting diversity and occupational safety:** Carrying out regular employee surveys and deriving adequate measures. Promoting diversity and inclusion at the company, for example by promoting women in management positions (L p. 66 f.). Continuous improvement of occupational safety.
- > **Dialogue with stakeholders and integrated reporting:** Continuous and systematic dialogue with internal and external stakeholders through various dialogue platforms. Ongoing development of integrated reporting, amongst other things, by depicting the interdependencies between financial and non-financial key performance indicators (L p. 29 ff.) and a meaningful report on opportunities and risks (L p. 88).

EnBW uses the materiality analysis process to ensure that the viewpoints and expectations of all stakeholders are taken into account. The importance of stakeholder perspectives is also illustrated by the expanded diagram that shows the resources and the effects they have on value added for the stakeholders of EnBW (L p. 14 f.).

## EnBW as part of society

EnBW is acutely aware of its responsibility towards society. Through its commitment to addressing the concerns and interests of society, it conducts its business in close customer proximity and aligns its activities to the target groups of end customers, business partners and local authorities. It is mainly involved within its primary business sphere of influence in Baden-Württemberg in this regard. Support for superordinate social issues is concentrated on the core areas of popular sport, education, social issues, the environment and art and culture. EnBW has considerably reduced its sponsoring commitments and the overall outlay dedicated to this purpose in recent years, a move which also reflects the economic situation of the company. For example, sponsorship of top-class sport has been reduced considerably and particular attention given to popular sport instead.

As part of the “We’re making it happen” campaign, EnBW supported a total of nine social or charitable projects in 2016 with the “Making it happen” bus. Associations and charitable organisations could apply for assistance with their projects. The winners were selected via Internet voting and provided with support in the form of manpower, motivation and materials worth up to €5,000 per winner by the ten-man EnBW team (E [www.enbw.com/wir-machen-das-schon](http://www.enbw.com/wir-machen-das-schon)).

In order to mark its 20th year in 2017, EnBW reflected on the work it has done to promote young artists during this period with a series of exhibitions called “Insights into artist’s workshops” (Ateliereinblicke). All previous participants in exhibitions contributed a piece of art from their previous exhibition and also a new piece of work to this exhibition. The exhibition, which was held from 18 November 2016 to 24 February 2017, vividly portrayed how the viewpoints of artists develop.

EnBW provides manpower and financial support to the Energy & Climate Protection Foundation Baden-Württemberg. The foundation also held numerous events in 2016 dealing with questions about the energy industry, as well as on the themes of climate protection and renewable energies, digitalisation and innovation. Around 100 interested members of the public took part in each of the debate evenings ([www.energieundklimaschutzbw.de](http://www.energieundklimaschutzbw.de)).

Although the influx of refugees into Europe, especially to Germany, has lessened over the last few months, it remains a major social, political and economic challenge. Long-term perspectives for asylum seekers are just as important as short-term humanitarian assistance. EnBW is engaged here on multiple levels: In the first half of 2016, around 150 refugees took part in introductory days or introductory internships in Karlsruhe and Stuttgart. Around 30 of these refugees completed an integration programme in Karlsruhe and Stuttgart to prepare them for an apprenticeship at EnBW. Four new positions for training instructors have been created for this purpose. In September 2016, 16 refugees selected from the pre-study placement started their one year introductory

qualification in preparation for their technical apprenticeship at EnBW in Karlsruhe and Stuttgart. Furthermore, EnBW is continuing to support employees who are voluntarily providing assistance to refugees and encouraging them to network with each other in order to coordinate aid measures, exchange experiences and mobilise other helpers.

Examples of the sponsoring activities by EnBW

Key issues	Example projects	Further information
Popular sport	EnBW Junior Premier League	<a href="http://www.enbw.com/oberliga">www.enbw.com/oberliga</a>
Education	Knowledge portal	<a href="http://www.enbw.com/energie-entdecken">www.enbw.com/energie-entdecken</a>
Social issues	"Making it happen" bus	<a href="http://www.enbw.com/wir-machen-das-schon">www.enbw.com/wir-machen-das-schon</a>
Environment	Amphibian protection programme "Impulse für die Vielfalt"	<a href="http://www.enbw.com/biodiversitaet">www.enbw.com/biodiversitaet</a>
Art/ Culture	release and art in support of release e.V. (help with drugs)	<a href="http://www.enbw.com/kunst">www.enbw.com/kunst</a>

# Stakeholder dialogue

## In dialogue with our stakeholders (examples)

Stakeholder	Opportunity for dialogue	Main themes	Further information
 Shareholders/ capital market	> Financial reports	> Financial and non-financial development of the company	 <a href="http://www.enbw.com/financial-publications">www.enbw.com/financial-publications</a>
	> Annual General Meeting	> Discharge Board of Management/Supervisory Board, resolution on appropriation of earnings	 <a href="http://hv.enbw.com">http://hv.enbw.com</a>
	> Telephone conferences/updates for analysts and investors	> Presentation of corporate economic development, positioning of EnBW on capital market	 <a href="http://www.enbw.com/conferencecall">www.enbw.com/conferencecall</a>  <a href="http://www.enbw.com/investor-update">www.enbw.com/investor-update</a>
	> Banking Day and Capital Market Day	> Current themes in the sector and EnBW strategy	 <a href="http://www.enbw.com/event-ir">www.enbw.com/event-ir</a>
 Employees	> EnBW aktuell	> Information on intensifying efficiency measures and the realignment of sales	
	> Group-wide management forum	> Information and collaboration platform for managers with live blog for employees	
 Customers	> "Customer Thursday"	> Monthly discussion with customers and interested parties on current themes, customer feedback	
	> EnBW Smile	> World of experience for customers and registered employees with exclusive offers from the areas of art and culture, sport or gastronomy	 <a href="http://www.enbw.com/smile">www.enbw.com/smile</a>
	> Energy Strategy Days	> Congress with workshops and discussions with contracting customers and interested parties	
	> Social media/customer blog & newsletter/customer magazine	> Information on latest news, products, services and events	 <a href="http://www.facebook.com/enbw">www.facebook.com/enbw</a>
	> Practical day and forum for existing customers	> Platform for dialogue and exchanging information with service customers on current billing themes	
 Local authorities/ public utilities	> Kooperationsnetz Baden-Württemberg e. V. [cooperation network]	> Association for developing innovative solutions in the energy sector	 <a href="http://www.kooperationsnetz-bw.de">www.kooperationsnetz-bw.de</a>
	> Baden-Württemberg Energy Team	> Open platform for the transfer of knowledge and discussion forum for supply companies	 <a href="http://www.energie-team.org">www.energie-team.org</a>
 Society/ environment	> Support for prizes/awards	> Participation in initiatives such as the German Innovation Award or the Heinrich Hertz Award	 <a href="http://www.der-deutsche-innovationspreis.de">www.der-deutsche-innovationspreis.de</a>  <a href="http://www.kit.edu/kit/20048.php">www.kit.edu/kit/20048.php</a>
	> Energiewende blog and social media activities	> Dialogue platforms such as blogs, Facebook, Twitter, YouTube	 <a href="http://www.twitter.com/enbw">www.twitter.com/enbw</a>  <a href="http://www.dialog-energie-zukunft.de">www.dialog-energie-zukunft.de</a>
	> Organisation of discussion events	> For example "Urban Mobility Talk" or "Who will pay for the Energiewende, and what will it cost us?"	 <a href="http://www.energieundklimaschutzbw.de">www.energieundklimaschutzbw.de</a>
	> CODE_n new.New Festival	> Participation by EnBW as innovation partner through themes such as sustainable mobility and Smart City	 <a href="http://www.enbw.com/newnew-festival">www.enbw.com/newnew-festival</a>
	> Information/dialogue events for the public	> About the pump storage power plant in Forbach, wind projects or dismantling of nuclear power plants	
	> Stimuli for Diversity	> Conservation programme for amphibians and reptiles	 <a href="http://www.enbw.com/biodiversitaet">www.enbw.com/biodiversitaet</a>
	> German Sustainability Days	> Participation in 4th Sustainability Week, information events at the Rudolf-Fettweis Plant in Forbach	 <a href="http://www.aktionstage-nachhaltigkeit.de">www.aktionstage-nachhaltigkeit.de</a>  <a href="http://www.naturenergieplus.de">www.naturenergieplus.de</a>
 Suppliers/ business partners	> Responsible handling of coal procurement	> Continuous dialogue with stakeholders with a focus on Germany and Colombia	 page 43  <a href="http://www.enbw.com/kohlebeschaffung">www.enbw.com/kohlebeschaffung</a>
	> Supplier Day	> Development discussions with strategically important suppliers	
 Politics	> EnBW Energy and Business Club (EWC)	> Events on the themes of EEG 3.0, financing phasing out nuclear energy and the role of energy storage systems for the energy system of the future	
	> Energy & Climate Protection Foundation debate evenings	> Themes such as electromobility, digitalisation, acceptance, dismantling of nuclear power plants and disposal of radioactive waste	 <a href="http://www.energieundklimaschutzbw.de">www.energieundklimaschutzbw.de</a>
	> Organisation of specialist events/dialogue forums	> For example, conference with the Vice President of the European Commission or with the Massachusetts Institute of Technology (MIT)	