

# In dialogue with our stakeholders

## Our stakeholders

Continuous and systematic dialogue with our internal and external stakeholders is an important element 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 and municipal utilities, society and environment, suppliers, business partners, the political community and the media. 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 Energiewende and mobility transition.

This dialogue is conducted using a variety of communication channels ranging from conferences to social media platforms. In direct dialogue with our stakeholders, we listen to their interests and their expectations of EnBW. This information is taken into account in the decision-making process for the strategic positioning of the company and when making business decisions. At the same time, we inform important stakeholders about the company's needs and the prerequisites for providing an efficient, reliable and sustainable supply of energy. As part of this dialogue, it is also important for us to listen to critical opinions such as those expressed at events held by our Energy & Climate Protection Foundation. It is our belief that mutual understanding, social acceptance and trust are increased further through this purposeful exchange of insights and perspectives. In addition, it can also help us to identify central developments and key topics at an early stage.

## Materiality analysis

We have continuously expanded our 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 via the framework provided by the International Integrated Reporting Council (IIRC), as well as in accordance with the GRI standards for sustainability reporting issued 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) [Glossary, from p. 139] 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 our company. Contribu-

tions to the strategic orientation as a sustainable and innovative infrastructure partner are of particular importance in this context. 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.

Material themes are continuously implemented in the functional and business units, as well as in the individual companies of EnBW. In addition, the findings from the materiality analysis flow into, for example, the strategy process and stakeholder management.

The materiality analysis process comprises three steps: the creation of an overview of the themes relevant to strategy and communication, the development of a list of themes relevant from the perspective of sustainability and the derivation of material themes from the reputation analysis. During each step of the process, the themes identified were continuously compared to the key themes that were dealt with by the Supervisory Board in the reporting year. Every step leads to a distinct prioritisation of themes and ultimately to a final list of the top themes that can be allocated to the categories of transformation of the portfolio, growth and sustainability.

The **transformation of the portfolio** is shaped by the following themes:

- › **Expansion of renewable energies:** Completion and commissioning of the offshore wind farms EnBW Hohe See in 2019 and EnBW Albatros in January 2020 with a total capacity of 609 MW (p. 70 and 76). In addition, the final investment decision for construction of the Weesow-Willmersdorf solar park in Brandenburg was taken – we will thus realise the first major solar project with an installed capacity of more than 180 MW without EEG funding (p. 99).
- › **Supply reliability:** The subsidiaries of EnBW will continue to guarantee a high level of supply reliability in their grid areas and for their customers through the gradual modernisation of the distribution grids for electricity (p. 83).
- › **Infrastructure provider:** We are continuously expanding electromobility through the further development of the charging infrastructure [Glossary, from p. 139], also together with national and international cooperation partners (p. 82).
- › **Dismantling of nuclear power plants:** The environmentally friendly dismantling of the nuclear power plants is gradually being implemented. The Philippsburg nuclear power plant was shut down for good on 31 December 2019. Our stakeholders are regularly informed about the progress (p. 54 and 67).

The following themes are material in the three strategic business fields in the **growth** category:

› **Smart infrastructure for customers:**

- › We achieved a significant step in the expansion of our telecommunications business with the acquisition of Plusnet (p. 82).
- › We reorganised our IT and process landscape for sales and aligned it to meet the individual requirements of customers in the EnPower digitalisation project (p. 81).

› **System critical infrastructure:**

- › The expansion of the distribution grid for the integration of renewable energies is a key aspect for the success of the Energiewende for us and our grid subsidiaries (p. 43).
- › The transmission system operator TransnetBW is developing the transmission grids to bring wind energy from the north to the south in the SuedLink and ULTRANET grid expansion projects (p. 43).

› **Sustainable generation infrastructure:**

- › We are pursuing the goal of expanding renewable energies in France and exploiting opportunities for growth with the acquisition of the French project developer and operator of wind farms and solar parks Valeco (p. 43).
- › As part of our selective internationalisation strategy, we opened a representative office in Taiwan and two offices in the USA in 2019. The main focus in both countries is the expansion of offshore wind power (p. 38).

**Sustainability** is an integral component of our Group strategy (p. 41 ff.). The sustainability concept is aligned with the strategic guiding principles of the company and defines areas of action, targets and measures. Areas of action include, amongst others, the expansion of renewable energies, guaranteeing a reliable supply and increasing employee commitment. The concept takes into account external demands for sustainable corporate activities, derived from leading sustainability standards and ratings, as well as the integration of ecological and social aspects into the operating business. This process is oriented towards the strategic principles with respect to sustainability:

- › **Sustainable economic development:** We endeavour to conduct all of our activities in a sustainable way, from the responsible procurement of raw materials (p. 60 f.) through to the provision of smart energy solutions for our customers (p. 81 f.). In addition, we are actively involved in the area of sustainable finance, which is exemplified by, amongst other things, the membership of our Chief Financial Officer, Thomas Kusterer, in the Technical Expert Group on Sustainable Finance (TEG) (Glossary, from p. 139) and his position on the Task Force on Climate-related Financial Disclosures (TCFD) (Glossary, from p. 139) (p. 63). As part of the cooperation in these climate protection initiatives, he regularly reports to internal bodies on climate-related opportunities and risks.
- › **Climate and environmental protection:** We continue to advocate the setting of a national minimum price for CO<sub>2</sub> emissions in the European Emissions Trading System with moderate increases in price over time. This would provide all those involved with planning security, especially for the expansion of renewable energies. We make an important contribution to climate protection through our significant investment in climate-friendly projects and business models (p. 63 and 74).
- › **Commitment to our stakeholders and willingness to engage in dialogue:** We are actively integrating our stakeholders into the energy world of the future – by providing comprehensive information and opportunities for dialogue, such as the Energy & Climate Protection Foundation (p. 51).
- › **Customer proximity:** In order to fulfil the needs of our customers to an even better extent, we develop innovative products such as in the area of telecommunications (p. 82) or the supply of climate-friendly gas (p. 56).
- › **Commitment to our employees:** We want to ensure that the people at EnBW as well as our company have the opportunity for growth, development and a future (p. 85). We provide our employees with attractive offers, for example, in the areas of healthcare, pension provision and climate-friendly mobility (p. 83 ff.).
- › **Regional roots:** Our roots lie in Baden-Württemberg and we recognise our special responsibility to this region – by investing in existing infrastructure (p. 76) and also through our voluntary and charitable work (p. 53 f.).

## Sustainability ratings

We maintain close contacts with leading sustainability rating agencies and take their analyses and evaluations of the corporate strategy, the company situation and its business prospects into account in our decision-making process. In the selection of agencies, the main focus is placed on, amongst other things, transparent and plausible evaluations and efficient working processes between the rating agencies, companies, investors and sustainability analysts. EnBW strives to continuously improve

its ratings from recognised agencies in the area of sustainability. We thus aim to strengthen our position as a responsible and sustainable company and also want to address those financial investors whose investment decisions are based wholly or partially on sustainability criteria. We were able to maintain our above-average results within the energy sector for important sustainability ratings in 2019.

### Current sustainability ratings

	CDP	ISS ESG	MSCI	Sustainalytics
Earnings	B/Management (2019)	B- (2019)/Prime <sup>1</sup>	AA (2019)	77 (2019)/Outperformer
Scale	A to D-	A+ to D-	AAA to CCC	0 to 100
Relative position	"Electric Utilities" sector globally: EnBW achieved a place in the top 25%.	"Utilities/Multi Utilities" sector globally: EnBW achieved a place in the top 10%.	"Utilities" sector globally: EnBW achieved a place in the top 24%.	"Utilities" sector globally: EnBW achieved a place in the top 14%.
Evaluation focus	Climate aspects	Social, governance and environmental aspects	Social, governance and environmental aspects	Social, governance and environmental aspects

<sup>1</sup> The ratings were last updated on 21/12/2018. As of 31/12/2019, EnBW still held Grade B- and Prime status.

Further information on the sustainability ratings is available at [www.enbw.com/sustainability](http://www.enbw.com/sustainability). Further details on non-financial performance indicators are presented on p. 81 ff., while information on the financial ratings from the rating agencies Moody's, Standard & Poor's and Fitch can be found on p. 72 f.

## Social engagement

We are acutely aware of our responsibility towards society. Our commitment to addressing the concerns and interests of society focuses on the target groups of end customers, business partners and local authorities within our primary business sphere of influence in Baden-Württemberg. Support for super-ordinate social issues is concentrated on the **core areas** of popular sport, education, social issues, the environment and art and culture.

The Group guidelines on corporate sponsoring, memberships, donations and involvement with universities govern the goals, responsibilities, standards, principles and processes for all companies in which EnBW AG holds a majority of either the shares or voting rights. **Donations** are documented on a yearly basis in the donation report that is presented to the Board of Management. In 2019, donations made by the EnBW Group came to €3.6 million, following €2.2 million in the previous year. Donations worth €1.8 million (2018: €604,000) were attributable to EnBW AG. The increase at both an EnBW AG and Group level was mainly attributable to donations made to foundations that are actively involved in our current and also future business fields. In addition, Netzte BW has been requesting that customers submit their electricity meter readings electronically rather than by post since 2018. The postage saved was donated to numerous charitable organisations in the respective communities in 2019.

In 2019, **Pražská energetika (PRE)** supported the Charta 77 Foundation – Barriers Account – and the Jedlička Institute, which provides apprenticeships and social services for physically handicapped young people. **Stadtwerke Düsseldorf (SWD)** has helped schools with the task of guiding young people towards a career for many years. In addition, it participates in interschool competitions such as the "Düsseldorf School Prize" for outstanding school projects focussing on social, health or cultural topics. SWD makes a Christmas donation to four charitable associations in Düsseldorf that are selected each year. Through the VNG Foundation, **VNG** supports the "Network of Warmth" that promotes charitable work in Germany and the internationally renowned children's music project "OPEN WORLD" in Leipzig for German-Russian cultural exchange. The VNG subsidiary ONTRAS Gastransport supports charitable projects from associations and initiatives via its "ONTRAS.Stadt-bekannt" programme and has participated in the "Foundation for volunteering and civic involvement in Mecklenburg-West Pomerania" since 2018.

The EnBW Board of Management decided a number of years ago not to send Christmas gifts to business partners but instead to make donations to social projects in Baden-Württemberg. As part of the **Christmas donations** in 2019, a total of €32,000 was given to eight charitable campaigns or campaigns initiated by readers of regional newspapers in Baden-Württemberg.

As part of the EnBW project "We're making it happen" ([www.enbw.com/wir-machen-das-schon](http://www.enbw.com/wir-machen-das-schon)), EnBW AG also supported social or charitable projects with the **Making it happen bus** in 2019. Further information on this subject can be found at [www.enbw.com/macherbus](http://www.enbw.com/macherbus).

EnBW AG regularly offers young artists space in its buildings for their **exhibitions**. The “Jahresgaben” (Annual Gifts) exhibition from release Stuttgart e. V. has been a guest of ours for 20 years. The concept behind this sales exhibition is to give young and well-known artists the opportunity to present their works of art. The artists receive 50% of the sales proceeds for their work, while the other 50% goes to fund the work carried out by release Stuttgart e. V. This association based in Stuttgart is a reputable institution that provides help and advice to people with drug-related problems.

The immigration of refugees into Germany remains a major social, political and economic challenge. We already developed a training concept for refugees in 2015, with the goal of providing sustainable support with an eye to the future for the people affected. We have been running a multi-stage **career integration programme** since 2016. Since the beginning of 2019, 74 participants have been introduced to technical careers in introductory days and work placements during the first stage. A total of 41 participants then took part in the second stage from September 2019 to obtain an introductory qualification. In the third stage, 17 participants from last year’s programme have been training for an IHK-certified technical profession in dual vocational training since September 2019.

The **“Let’s Volunteer” initiative** was launched in 2019. This initiative supports employees who volunteer in their local communities by giving two employees €1,000 to donate to a charitable association each month.

We also refer you to the details provided in the “Report on opportunities and risks” (p. 103).

## Dialogue with citizens

The **expansion of renewable energies** is an important goal that we are pursuing with great commitment. We plan, construct and operate wind farms and photovoltaic power plants in direct partnership with or with the participation of local authorities and citizens. At various sites, we offer free tours for visitors and visitor groups throughout the year.

In the **expansion of the transmission grids** for the purpose of connecting up renewable energies, the central infrastructure

projects SuedLink and ULTRANET of our subsidiary TransnetBW are at the focus of public attention. There is a comprehensive range of opportunities for citizens to participate in both projects, e.g. in the form of public events held in the federal states and districts affected by the plans.

In October 2019, we also informed citizens about the expansion plans for the **pump storage power plant** in Forbach as part of a public consultation for citizens. Netze BW held a public information event in April about the planned construction of a new 110 kV **transformer station** in Tiefenbronn and also participated in the public consultations organised by the regional council for the 110 kV **grid expansion projects** in Ellwangen and Rot am See.

In 2020, we have ceased our operations at the **Stöckach site** in the east of Stuttgart and have thus created space for urban development. As a company with majority public ownership and a long history in Stuttgart, EnBW wants to make a contribution to affordable and innovative living. It wants to develop the new Stöckach site ([www.der-neue-stoeckach.de](http://www.der-neue-stoeckach.de)) itself. The site will be used to construct up to 800 apartments with a total of at least 60,000 m<sup>2</sup> of living space, of which up to 40% will be subsidised housing. We plan to create opportunities for social interaction, leisure, local supply structures, health, energy supplies and mobility – supported by technological solutions. The participation of citizens will continue to play a central role in the project: Ideas from a series of workshops for citizens flowed into the urban planning competition that was concluded at the end of 2019.

Alongside economic and technical aspects, the Energiewende and the associated phasing out of nuclear energy also encompass elements of social responsibility. We unequivocally assume responsibility for the safe **dismantling** of the nuclear power plants we operate. Dialogue with the local population includes, for example, the annual information days on the dismantling work – an established platform that we used for the seventh time in 2019. Any interested citizens were invited to attend the events held at the sites in Philippsburg, Neckarwestheim and Obrigheim. In addition, those responsible for the dismantling work were available to answer questions at public meetings of the municipal councils, public hearings and information events. There was also dialogue with many citizens and functionaries who took part in the visitor tours at the nuclear power plants in 2019.

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### Selected activities in dialogue with our stakeholders

Stakeholder	Opportunity for dialogue	Main themes	Further information
 Shareholders/ capital market	Financial reports	Financial and non-financial performance of the company	<a href="http://www.enbw.com/financial-publications">www.enbw.com/financial-publications</a>
	Annual General Meeting	Dialogue with shareholders	<a href="http://hv.enbw.com">http://hv.enbw.com</a>
	Telephone conferences/ discussions with analysts and investors	Corporate economic development, positioning 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>
	Bankers' Day and Capital Market Day	Latest developments at EnBW and in the energy sector	<a href="http://www.enbw.com/bankersday">www.enbw.com/bankersday</a> <a href="http://www.enbw.com/capital-markets-day">www.enbw.com/capital-markets-day</a>
 Employees	Employee communication	New social Intranet, Yammer, four events by "EnBW aktuell", "Team" employee magazine	
	Compliance Day	Varied programme on the theme of "Responsibility" with around 100 participants	page 50
	Diversity campaigns	Diversity Week, Diversity Days, women's network meeting, participation in Christopher Street Day	page 84 <a href="http://www.csd-stuttgart.de">www.csd-stuttgart.de</a>
	"Let's Volunteer" initiative	Supporting the social engagement of employees	page 54
	"Making it happen" bus campaign	Employees of EnBW support social and charitable projects	page 53 <a href="http://www.enbw.com/macherbus">www.enbw.com/macherbus</a>
 Customers	Participation in trade fairs and congresses	"Aktionstag Elektromobilität", Hannover Messe, Flotte! The sector meeting place, Interchange Network Conference, KEA Contracting Congress, EXPO REAL, etc.	
	Platforms for dialogue and discussion with customers	E.g. customer interviews and energy efficiency networks with seven meetings with various themes	
	Customer magazine, customer blog, social media channels, newsletter and local presence	Information on latest news, products, services and events from EnBW	<a href="http://www.twitter.com/enbw">www.twitter.com/enbw</a> <a href="http://www.facebook.com/enbw">www.facebook.com/enbw</a> <a href="http://www.enbw.com/blog">www.enbw.com/blog</a>
	Customer blog, social media channels, newsletter, Yello campaign "Expect more"	Information on latest news, offers and services from Yello	<a href="http://www.facebook.com/yello.de">www.facebook.com/yello.de</a> <a href="https://www.instagram.com/yello_de">instagram.com/yello_de</a> <a href="https://www.youtube.com/yellostrom">https://youtube.com/yellostrom</a>
 Local authorities/ public utilities	Meeting of the regional advisory council	Invitation of a total of around 600 local authorities to eleven meetings of the regional advisory council	
	Meeting of the heads of public utilities	Specialist talks on current themes in the energy industry, e.g. e-mobility, district development	
 Society/ environment	Climate protection campaigns	Discussion with the "Fridays for Future" movement, 1st Alumni Day for Junge Stiftung, employee campaign "EnBW'ers for climate protection"	<a href="http://www.energie-klimaschutz.de">www.energie-klimaschutz.de</a>
	Energy on Tour	Educational project on the energy supply of the future for high schools	<a href="http://www.enbw.com/energie-auf-tour">www.enbw.com/energie-auf-tour</a>
	Tours, information and open days	More than 30,000 visitors to EnBW info centres and events at power plants	<a href="http://www.enbw.com/besichtigungen">www.enbw.com/besichtigungen</a>
	Biodiversity: funding programme "Stimuli for Diversity"	Realisation of further nine funding projects in the reporting year	page 90 <a href="http://www.enbw.com/biodiversitaet">www.enbw.com/biodiversitaet</a>
	Stöckach Ideas Room	Information office and campaigns for the future use of the Stöckach site for interested citizens	<a href="http://www.der-neue-stoekach.de">www.der-neue-stoekach.de</a>
 Suppliers/ business partners	Dialogue on handling coal procurement responsibly	Study on the working and living conditions in the Cesar coal mining region in Colombia, EnBW delegation visits Russia	page 60f. <a href="http://www.enbw.com/responsible-coal-procurement">www.enbw.com/responsible-coal-procurement</a>
	AUGENHÖHEcamp #Companies in Karlsruhe	The Innovation Campus is the host for the unconference for organisations undergoing change	<a href="http://www.augenhoehe-ka.de">www.augenhoehe-ka.de</a>
 Politics/ media	Discussion events on energy industry and climate protection topics	Urban Mobility Talks 2019, five debate evenings, cooperation events: "The future of mobility", presentation of the "Berghülen Solar Park" project	<a href="http://www.energie-klimaschutz.de">www.energie-klimaschutz.de</a>
	EnBW Energy and Business Club (EWC)	Events on the themes: results from the structural change commission and the effects on the sector, expansion of renewable energies	
	Active and transparent communication via the media	Major articles in daily newspapers and magazines such as "Spiegel", "Süddeutsche Zeitung", "taz" or "ZEIT" and via social media channels; presentations at the Handelsblatt Conference and the BDEW Congress	<a href="http://www.enbw.com">www.enbw.com</a> <a href="http://www.twitter.com/enbw">www.twitter.com/enbw</a> <a href="http://www.facebook.com/enbw">www.facebook.com/enbw</a>