

In dialog with our stakeholders

Our stakeholders

Continuous and systematic dialog with our internal and external stakeholders is an important element for determining future key issues as part of our business activities. The most important **stakeholder groups** include (in alphabetical order) customers, employees and job applicants, environmental initiatives and associations, local authorities and municipal utilities, the political community and the media, shareholders and the capital market, society, and suppliers and business partners. A fundamental aspect of our dialog with stakeholders is the identification and prioritization of stakeholder groups relevant to strategically significant and current issues, such as with regards to the Energiewende/mobility transition and developments in the areas of sustainability and innovation.

We use a variety of communication channels for this **dialog** – from (online) conferences to social media platforms. In dialog with our stakeholders, we listen to their interests and their expectations of EnBW. This information is taken into account in the strategic positioning of the company and when making business decisions. At the same time, we inform all stakeholders about the company's needs and the necessary prerequisites for providing efficient, reliable and sustainable infrastructure. As part of this dialog, it is also important for us to listen to critical opinions such as those expressed at events held by our Energy & Climate Protection Foundation (www.energie-klimaschutz.de). 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 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 standards for sustainability reporting issued by the Global Reporting Initiative (GRI). In addition, current developments flow into the determination of future key issues, such as the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (Glossary, from p. 138) on climate-related risk reporting.

We consider topics to be material if they have a significant influence on long-term value added and thus the performance and future viability of our company. Contributions to the strategic orientation as a sustainable and innovative infrastructure partner are of particular importance in this context. Furthermore, aspects reflecting any important economic, environmental and

social impacts our company 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 are regularly compared to the key themes that were dealt with by the Supervisory Board in the reporting year. Every step leads to a prioritization of the 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:** In January 2020, we completed the EnBW Albatros offshore wind farm with a total output of 118 MW and placed it into operation (p. 81 f.). In addition, we constructed the Weesow-Willmersdorf solar park in Brandenburg with an installed capacity of 187 Mwp_p and partially placed it into operation – we have thus realized the first major solar project without EEG funding (p. 81). Furthermore, we constructed and acquired onshore wind farms with a total output of 82 MW in Germany (e.g., in Brandenburg and Saxony-Anhalt) and also pushed forward the expansion of onshore wind power in France and Sweden (p. 81 f.).
- › **Reliability and security of supply:** The grid subsidiaries of EnBW will continue to guarantee a high level of supply reliability in their grid areas and for their customers through the gradual modernization of the distribution grids for electricity (p. 78 f.). In addition, we started construction of the gas turbine power plant in Marbach as special technical equipment for grids (p. 71).
- › **Infrastructure provider:** We are continuously expanding electromobility through the further development of the charging infrastructure [Glossary, from p. 138], also together with national and international cooperation partners (p. 77).
- › **Dismantling of nuclear power plants:** The environmentally friendly dismantling of the nuclear power plants is gradually being implemented. The cooling towers at the Philippsburg nuclear power plant that was decommissioned in December 2019 were demolished in May 2020 (p. 62).

- › **Coal phase-out:** We have set ourselves the ambitious goal of achieving climate neutrality with respect to our own CO₂ emissions (Scope 1 and 2) by 2035. As part of the phasing out of coal power, we will already have removed 2.5 GW of coal-based generation capacity from operation by 2030 [p. 36 and 58].

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

- › **Smart infrastructure for customers:**

- › In the area of broadband (Glossary, from p. 138), we are continuing to develop our growth initiatives from 2019 with our subsidiaries NetCom BW and Plusnet. This strategic future business field also includes the activities of Netze BW, which was able to secure a number of contracts in invitations to tender for the expansion of broadband this year [p. 78].
- › With our digital district platform, we are expanding our engagement in modern and digital infrastructure. We are planning to construct the “new Stöckach” [p. 48] – a sustainable, modern and lively city district on one of our former sites in the east of Stuttgart.
- › The State of Baden-Württemberg and EnBW are working together on cybersecurity, above all on combating cybercrime and protecting critical infrastructure [p. 78].
- › We have expanded our gas business with the acquisition of Gas-Union [p. 71].

- › **System critical infrastructure:**

- › The expansion and upgrading of the distribution grid for the integration of renewable energies and to support electromobility are for us and our grid subsidiaries key aspects for the success of the Energiewende [p. 78].
- › Our grid subsidiary TransnetBW is making a fundamental contribution to the restructuring of the energy system by expanding the transmission grid to transfer electricity generated in the windy north to the south of Germany [p. 60].
- › We were able to take advantage of a strategic growth opportunity by acquiring Gas-Union Transport [p. 71].

- › **Sustainable generation infrastructure:**

- › We have taken the investment decision for the two solar parks Gottesgabe and Alttrebbin in Brandenburg, each with a capacity of around 150 MW [p. 96].
- › Internationalization: Our Danish subsidiary CWS received two major contracts for the maintenance of onshore wind turbines in Denmark and France [p. 32].

Sustainability is an integral part of our corporate strategy. Since 2013, we have consistently focused on sustainability criteria and completed a fundamental transformation of the portfolio with the EnBW 2020 strategy. The EnBW 2025 strategy that aims to transform the company into a sustainable and innovative infrastructure partner will continue to follow this sustainable path [p. 34 f.]. Furthermore, we have also developed an additional, comprehensive **sustainability program** comprising 25 measures. These measures focus on management, core and supporting processes [p. 35 f.]. The following measures were and will continue to be important themes with respect to sustainability in the 2020 financial year and beyond:

- › **Management processes:**

- › We are aiming to achieve “**climate neutrality throughout the entire Group by 2035.**” While taking into account economic, ecological and social aspects, we want to become climate neutral with respect to our own CO₂ emissions (Scope 1 and 2) by this year or even significantly earlier in some areas [p. 36 and 40 f.].
- › “**Integration of sustainability evaluation into portfolio and investment decisions**” – this will help us to more consistently benchmark our future decisions and investments against sustainability criteria and align our growth accordingly [p. 72].
- › “**Evaluation of the EnBW portfolio based on EU taxonomy**” – we will be publishing key figures that conform to the EU taxonomy for our business activities in the Integrated Annual Report [p. 79 ff.].
- › “**Sustainability as a focus within human resource work (focusing on people)**” – we want to integrate sustainability aspects into all human resource work and strengthen the attractiveness of the company as an employer for current and future employees [p. 86].
- › **Strengthening the theme of sustainable finance** – the main focus of this measure will be taking account of sustainable finance aspects in financial instruments and transactions at EnBW [p. 68 f.].

- › **Core processes:**

- › As part of the measure “**sustainable sales,**” we will analyze important economic, ecological and social impacts within the sales organization. The resulting information will be used to derive and implement sustainability-related initiatives [p. 77 f.].
- › “**Sustainable Netze BW and roll-out to further grid companies**”: Relevant areas of action for improving the sustainability performance of the individual grid companies along the value added chain will be identified and implemented [p. 34 and 40 f.].
- › We aim to **phase out coal-fired generation** in conformity with **the Paris Agreement**. The required measures will make a contribution to achieving the goal of climate neutrality by 2035 [p. 36 and 58].
- › In the measure “**responsible procurement of raw materials (including gas/LNG),**” we will further strengthen ecological and social aspects in the procurement process [p. 54 ff.].

- › **Supporting processes:**

- › “**Paper reduction and recycling**”: We have set ourselves the goal of significantly reducing paper consumption. Central purchasing at EnBW AG has switched over to recycling paper certified with the Blue Angel environmental label for any paper consumption that is currently still required [p. 54].
- › “**Sustainable procurement**” stands for the consistent consideration of sustainability aspects in procurement. We will carry out a comprehensive range of analyses for this purpose – with the aim of, among other things, identifying potential and defining specific approaches for integrating sustainability criteria into the procurement processes [p. 53 f.].
- › As part of the measure “**sustainable property management (new and existing buildings)**”, we want to significantly reduce the CO₂ emissions from buildings. Numerous initiatives will make a contribution to achieving this aim [p. 85].

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, among other things, transparent and plausible evaluations and efficient working processes between the rating agencies, companies, investors and sustainability analysts. We strive to continuously improve our ratings from recognized 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. In 2020, we were able to largely maintain or improve our above-average results within the energy sector in important sustainability ratings, which are shown in the following table. For example, we received the best rating of A (leadership status) from the renowned non-government organization CDP (formerly the Carbon Disclosure Project), which was only achieved by 16 companies from all industries across Germany. The main reasons for receiving this “A” grade rating were the greater integration of climate protection into the corporate strategy, sustainable business activities and internal initiatives, as well as advances in the area of risk management.

Latest sustainability ratings

	CDP	ISS ESG	MSCI
Result	A/Leadership (2020)	B-/Prime (2020)	A/Average (2021)
Scale	A to D-	A+ to D-	AAA to CCC
Relative position	“Electric Utilities” sector worldwide: EnBW rated in the top 7%.	“Utilities/Multi Utilities” sector worldwide: EnBW rated in the top 10%.	“Utilities” sector worldwide: EnBW rated in the top 47%.
Rating focus	Climate protection	Social, governance and environmental aspects	Social, governance and environmental aspects

The methodology used for the Sustainability sustainability ratings was changed in 2020. The previous ESG Report has been replaced by the ESG Risk Rating Report. Our rating changed as a result from a score of 77 (scale of 0–100) with an “Outperformer” rating and a place in the top 14% of the “Utilities” sector worldwide in 2019 to a score of 32.3 (scale 0–100) and the rating “High Risk” in 2021 (January 2021). According to the new rating methodology, we are ranked among the best 24% in the “Electric Utilities” sector worldwide (January 2021).

Further information on the sustainability ratings is available at www.enbw.com/sustainability. Further details on non-financial performance indicators are presented on p. 76 ff., while information on the financial ratings from the rating agencies Moody’s, Standard & Poor’s and Fitch can be found on p. 67 f.

Social engagement

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 superordinate 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 2020, donations made by the EnBW Group came to €3.1 million, following €3.6 million in the previous year.

Donations worth €1.0 million (2019: €1.8 million) were attributable to EnBW AG. This decrease both at EnBW AG and the Group was mainly due to one-off donations to foundations in the previous year. In contrast, significant donations were made in 2020 by both EnBW AG and the other Group companies to aid measures related to the coronavirus pandemic.

In 2020, **Pražská energetika (PRE)** supported the Charta 77 Foundation – Barriers Account, the Dagmar and Václav Havel Foundation VIZE 97 and other charitable organizations. **Stadtwerke Düsseldorf (SWD)** has helped schools with the task of guiding young people towards a career for many years. In addition, 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” charitable network that promotes charitable work in Germany. More than 20 associations were provided with support during the pandemic via a Corona Aid Fund in 2020. The VNG subsidiary ONTRAS Gastransport has supported charitable projects from associations and initiatives via its “ONTRAS.Stadtbekannt” program since 2015 and has participated in the “Foundation for volunteering and civic involvement in Mecklenburg-West Pomerania” since 2018. Around 55 projects in Mecklenburg-West Pomerania were supported in 2020.

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 2020, a total of €32,000 was given to eight charitable campaigns or campaigns initiated by readers of regional newspapers in Baden-Württemberg. Due to the fact that all internal Christmas parties at EnBW were canceled due to the coronavirus pandemic, we donated a total of €150,000 to the “Tafel” charities in Baden-Württemberg, the Kinderland Foundation Baden-Württemberg and the German

foundation for the protection of children Hänsel+Gretel. Under the motto of “We’re making it happen together,” we had already donated a total of €150,000 to the “Tafel” charities in Baden-Württemberg in the first half of 2020. In addition, the EnBW Food Truck has been providing food to those in need, as well as to medical and care personnel at hospitals, sanatoriums and children’s villages. Furthermore, many **private campaigns** such as “Christmas wishes in care homes” or private donations for the Doctors Without Borders organization were initiated by the workforce via an online platform. We support social or charitable projects with the **“Making it happen bus.”** Further information on this subject can be found at www.enbw.com/macherbus. Netze BW has been requesting that customers submit their electricity meter readings electronically rather than by post since 2018. The postage saved was also donated to numerous charitable organizations in the respective communities in 2020.

We have been offering a multi-stage **career integration program** to refugees and migrants since 2016, in which 59 people are currently serving a technical apprenticeship. After successfully completing the program, the refugees and migrants have good prospects of receiving a permanent contract. We will continue this program in the next few years – both as a social initiative and also increasingly as an additional tool for recruiting young talent.

We support the **“Let’s Volunteer” initiative** launched by our employees by giving two employees who volunteer in their local communities €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).

Dialog with citizens

Due to the coronavirus pandemic, it was impossible to hold many visits, tours and events as planned in 2020. In order to nevertheless remain in dialog with citizens, digital formats were introduced. For example, it was possible to take virtual tours of the EnBW generation plants. Instead of the planned tour of the construction site in Herbertingen, Netze BW presented the most important stages of the grid expansion project in a video. In the summer and autumn, it was possible to hold some public information events on a small scale and in compliance with existing hygiene rules in Welzheim, Aitrach and Plüderhausen.

There were also limitations in 2020 to our dialog with the public with respect to the **dismantling of the nuclear power plants** that we operate. It was not possible to hold many of the planned measures, such as the ongoing information days and an information event for the public in Philippsburg about the demolition of the cooling towers at the site. For the demolition of the cooling towers in Philippsburg in particular, we used several different measures as a replacement in order to maintain dialog with the public. These measures included numerous telephone conferences with stakeholders and media representatives, the distribution of information material to the people in the local region, the creation of a comprehensive project website with explanatory videos and the setting up of a digital contact channel, which proved very popular. Furthermore, those responsible discussed and answered questions on all topics using the various formats available in 2020.

We plan, construct and operate wind farms and photovoltaic power plants in direct partnership with or with the participation of local authorities and citizens. Local citizens are able to use a **citizen participation platform** to participate financially in regional renewable energy projects. This platform was overhauled in 2020 as part of the digital transformation across the Group. The signing process has now been fully digitalized.

In the area of **urban infrastructure**, we plan, realize, operate and finance holistic, sustainable and digital districts (Glossary, from p. 138) in partnership with cities and local authorities, public utilities and project developers, as well as with the participation of citizens. We concluded project contracts in 2020 for supplying districts with around 4,000 residential units and their associated local supply structures. Three projects entered the realization phase or are already in operation. Another example is the Stöckach site in the east of Stuttgart that is being developed as a joint project with the corporate infrastructure department. “New Stöckach” (www.der-neue-stoekach.de) will comprise about 800 apartments with a total of around 60,000 m² of living space, up to 40% of which will be subsidized housing. We plan to integrate opportunities for social interaction, leisure, local supply structures, health, energy supplies and mobility into the project. The participation of citizens will play a central role and we have also promoted this intensively during the coronavirus pandemic in the form of various digital events.

In dialog with our stakeholders

Selected activities in dialog with our stakeholders

Stakeholder	Opportunity for dialog	Main themes	Further information
 Shareholders/ capital market	Financial reports	Financial and non-financial performance of the company	www.enbw.com/financial-publications
	Virtual Annual General Meeting	Dialog with shareholders	http://hv.enbw.com
	Discussions with analysts and investors	Corporate economic development, positioning on capital market	www.enbw.com/conferencecall www.enbw.com/investor-update
	Digital roadshow	Climate neutrality at EnBW and current business situation	www.enbw.com/investors
 Society	"We're making it happen together" support campaigns during the coronavirus crisis	Restoring connections to cut-off electricity and gas supplies, donation of protective masks, support for local economy and charitable organizations, EnBW Food Truck	pages 27 and 47f.
	Stöckach Ideas Room	Continued intensive dialog with citizens in citizens' workshops and "Talk of the town Stöckach"	www.der-neue-stoekach.de
	Events by Junge Stiftung	10th anniversary of the Energy Campus and networking meetings for climate protection protagonists from across Germany	www.energie-klimaschutz.de/junge-stiftung
	Founder motor masterclass	EnBW provides specialist knowledge to support the development of start-ups	www.gruendermotor.io
 Local authorities/ public utilities	German Innovation Prize	Awards for future-oriented innovations; EnBW as a patron of medium-sized companies	www.der-deutsche-innovationspreis.de www.enbw.com/deutscher-innovationspreis
	Virtual annual local authority program	Events in regional centers with mayors and administrative employees	
 Customers	"Corona" videoconferences	Informal discussions with public utility managers on impacts and measures	
	Participation in trade fairs and congresses	E-world energy & water Essen, Flotte digital!, UNITI Forum Hamburg, Solutions Day Frankfurt, etc.	
 Suppliers / business partners	Platforms for dialog and discussion with customers	Extension of the "Energy Efficiency Network" initiative, participation in strategy dialog for the automotive industry in BW, etc.	
	Customer blog, social media channels, newsletters, campaigns, podcasts and explanatory videos	Information on latest news, offers, services and events, Yello campaign "More Yello," EnBW campaign "HyperNetwork"	www.enbw.com/blog  www.enbw.com/hypernetz www.yello.de 
 Employees and applicants	Dialog on handling coal and gas procurement responsibly	Intensifying contact with the main coal producers in Russia in virtual dialog, membership of the Bettercoal initiative as a platform for dialog and exchanging information	page 54ff. www.enbw.com/coal-procurement www.bettercoal.org
	Discussions and cooperation with suppliers	Central access to selected information and self-service access via the supplier portal	www.enbw.com/supplier-portal
 Employees and applicants	Employee communication	#2020 on the road; two virtual events "EnBW now," social Intranet, Yammer	
	Compliance Day	Virtual event with around 160 participants under the motto "#eskommtaufDichan" (it's up to YOU)	page 44
	Diversity campaigns	Diversity week, participation in Christopher Street Day, "Women power" at women&energy networking meeting	page 88 www.csd-stuttgart.de
	Social engagement of employees	Support for "Let's Volunteer" initiative and the "Making it happen" bus campaign	page 48 www.enbw.com/macherbus
 Politics/media	Opportunity for dialog with potential employees	Company trips for school students, company contact fairs such as bonding and KIT Karrieremesse@home, Femtec network, recruitment campaigns for specific target groups, etc.	page 87f. www.enbw.com/career Instagram channel "EnBW Karriere" 
	Discussion events by the Energy & Climate Protection Foundation	Five debate evenings on themes of, e.g., climate protection, the coronavirus pandemic, hydrogen and renewable energies, as well as online dialog with various people involved with energy and climate policy	www.energie-klimaschutz.de
	Events and opportunities for dialog on energy policy themes	EnBW Energy and Business Club (EWC), webinars, presentation of studies, discussion format and exchange of ideas with politicians from the German Bundestag and state parliament	
	Active and transparent communication via the media	Major articles in daily newspapers and magazines such as Spiegel and via social channels	www.enbw.com 
 Environmental initiatives/ associations	Digital offshore workshop for journalists	Insights into the latest developments, trends and innovation in offshore wind energy	
	Biodiversity: funding program "Stimuli for Diversity"	Event to mark 10th anniversary: Review of the 125 funded projects for protecting amphibians and reptiles	page 85 www.enbw.com/biodiversity
	Green start-ups	Presenting awards to young start-ups for innovative ideas in the area of green technologies	www.energie-klimaschutz.de
	Virtual sustainability event	Information event on the themes such as "Grids and sustainability" and "Sustainable finance"	