

# In dialogue with our stakeholders

## Our stakeholders

Continuous and systematic dialogue with our internal and external stakeholders is an important component of our business activities. These stakeholders includes shareholders and the capital market, employees, customers, local authorities, municipal utilities, society, 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 formats, ranging from conferences to social media platforms. In active dialogue with our stakeholders, we listen to their interests and 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 necessary 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. This enables us to increase the level of mutual understanding, social acceptance and trust, while identifying crucial developments and key themes 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 updated G4 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI).

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 important economic, environmental and social impacts caused by the organisation and that significantly influence the perception of stakeholders are also taken into account. Information on the materiality process in accordance with GRI can be found at [www.global-reporting.org/standards/Pages/default.aspx](http://www.global-reporting.org/standards/Pages/default.aspx).

The findings from the materiality analysis in 2013 are constantly revised based on continuous dialogue with the different stakeholder groups. The themes discussed and the expectations that stakeholders have of EnBW flow continu-

ously into the strategy process. The analysis of the competitive environment focusses above all on the opinions expressed by external stakeholders, especially shareholders and the capital market, customers, society and the political community. In internal discussions, these opinions are reflected upon and validated so that the knowledge gained can deliver valuable input for the further development of the business model (p. 14 ff.). In particular, 2015 was characterised by a difficult market environment, tough competition and a sharp fall in wholesale prices. The overall results of the current materiality process reaffirm the EnBW 2020 strategy.

The following themes represent the material topics for EnBW in the 2015 financial year:

- **Corporate strategy and contribution to the Energiewende:** The targeted implementation of the strategy is reflected in the resolute realignment of the Group both internally and externally. EnBW is pushing forward the Energiewende using targeted measures, which are being realised along the individual stages of the value chain through the two complementary operating models of "Customer proximity" and the "Engine room of the Energiewende". A current example of the further development of EnBW is the planned acquisition of 74.2% of the shares in VNG-Verbundnetz Gas Aktiengesellschaft over a period of time from 2016. This deal will double the company's gas business and make EnBW the third-largest gas supplier on the German market (p. 22 ff.).
- **Corporate management and performance orientation:** The transformation process aims to create a new, agile corporate culture, supported by a new management logic. The implementation of the strategy is based on a holistic goal and performance management system. At the centre of this integrated corporate management is the Performance Management System (PMS), which encompasses financial and non-financial Group goals (p. 24 f.).
- **Efficiencies and optimisation:** Building on the successful "Fokus" project, which has made permanent annual savings of €750 million since 2014, EnBW has implemented additional efficiency programmes that will deliver further significant savings by 2020 (p. 77).

The material topics will be rigorously followed up in the operative segments (p. 20 f.):

- **Sales:** Measures to improve and extend proximity to customers and increase customer satisfaction. Expanding the portfolio of energy industry billing services.
- **Grids:** Guaranteeing a reliable supply of energy in Baden-Württemberg through investment in reinforcing and upgrading the grids, especially the distributions grids.
- **Renewable Energies:** Continuation of the existing growth trends, especially in the areas of offshore (commissioning

of EnBW Baltic 2) and onshore (expansion of the project pipeline) wind power.

- > **Generation and Trading:** Safeguarding the reliable supply of energy from conventional and nuclear power generation; boosting efficiencies and developing new business sectors.

Improving sustainability performance secures the future viability of the company:

- > **Employee commitment, promoting diversity and occupational safety:** Regular employee surveys and identifying target-oriented measures. Promoting diversity and an inclusive atmosphere to increase productivity, innovation and the attractiveness of the company as an employer. Continuous improvement of occupational safety (p. 64 ff.).
- > **Development of new business segments:** Expansion of innovation management through the establishment of an Innovation Campus, the foundation of EnBW New Ventures GmbH and setting up a start-up community in Baden-Württemberg (p. 37 f.).
- > **Commitment to climate protection:** Commitment to zero emission or low CO<sub>2</sub> generation and positioning as part of the climate protection negotiations in Paris for a global climate protection policy. Becoming established in the leading group in the relevant sustainability rankings (p. 43 f.).
- > **Responsible coal procurement:** Commitment to improving the working and living conditions in the mining regions through a diverse range of measures such as dialogue with stakeholders, corporate social responsibility (CSR) clauses in contracts and on-site engagement (p. 40 f.).
- > **Dialogue with stakeholders and integrated reporting:** Continuous and systematic dialogue with internal and external stakeholders in the form of events and especially through social media. Ongoing development of integrated reporting through the linking of information and the refined representation of the business model (p. 28 ff. and 14 ff.).

The materiality analysis process is used by EnBW to ensure that the viewpoints and expectations of stakeholders are continuously taken into account. The importance of stakeholder perspectives is particularly illustrated by the expanded diagram showing the resources and the effects they have on value added for the stakeholders of EnBW (p. 15 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 chiefly involved within its primary business sphere of influence in

Baden-Württemberg in this regard. We concentrate our support for superordinate social issues 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. An important event for the social activities of EnBW in 2015 was the 300th birthday of the City of Karlsruhe (KA300), the headquarters of EnBW. EnBW supported this major festival with numerous campaigns and events. In particular, the focus was placed on innovative projects along such themes as e-mobility and multifunctional street lighting, as well as on cultural contributions. EnBW set up two charging and hiring stations for pedelecs with electric drive systems at central locations in the city. In addition, EnBW handed over two multi functional SM!GHT (smart.city.light) street lights with energy-saving LED lighting to the city, which also serve as charging stations for electric vehicles, record environmental data and can be used to provide public Internet access via a Wi-Fi module.

The increasing numbers of refugees fleeing to Europe, especially to Germany, has become a major social, political and economic challenge over the last few months. Long-term perspectives for the asylum seekers are just as important as short-term humanitarian assistance. EnBW is engaged here on three levels: In January 2016, an integration programme was established in which up to 40 refugees will be prepared for a possible apprenticeship at EnBW at the locations in Karlsruhe and Stuttgart. Four new training jobs have been created for this purpose. EnBW is also supporting employees who are providing assistance to refugees on a voluntary basis. Finally, we are encouraging the networking of these employees in order to coordinate their aid measures, assist them in exchanging experiences and help mobilise further volunteers.

### Examples of the sponsoring activities by EnBW

Key issues	Example projects	Further information
Popular sport	EnBW-Oberliga Junioren	 <a href="http://www.enbw.com/oberliga">www.enbw.com/oberliga</a>
Education	energy@school: Energie für Ideen	 <a href="http://www.enbw.com/energyatschool">www.enbw.com/energyatschool</a>
Social issues	ECHT GUT! Das Ehrenamt in Baden-Württemberg	 <a href="http://www.enbw.com/ehrenamt">www.enbw.com/ehrenamt</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
 <b>Shareholders/ capital market</b>	<ul style="list-style-type: none"> <li>Investor telephone conferences, investor update</li> </ul>	<ul style="list-style-type: none"> <li>Corporate economic development, positioning of EnBW on capital market</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/conferencecall">www.enbw.com/conferencecall</a></li> <li><a href="http://www.enbw.com/investor-update">www.enbw.com/investor-update</a></li> </ul>
	<ul style="list-style-type: none"> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Discharge Board of Management/Supervisory Board, resolution on appropriation of earnings</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/annual-general-meeting">www.enbw.com/annual-general-meeting</a></li> </ul>
	<ul style="list-style-type: none"> <li>Banking Day and Capital Market Day</li> </ul>	<ul style="list-style-type: none"> <li>Current themes in sector &amp; EnBW strategy</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/event-ir">www.enbw.com/event-ir</a></li> </ul>
	<ul style="list-style-type: none"> <li>Financial reports</li> </ul>	<ul style="list-style-type: none"> <li>Corporate economic development</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/financial-publications">www.enbw.com/financial-publications</a></li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>EnBW aktuell</li> </ul>	<ul style="list-style-type: none"> <li>Minister President Kretschmann at EnBW, activities in onshore/offshore sector, innovations, business situation</li> </ul>	
	<ul style="list-style-type: none"> <li>EnBW Intranet</li> </ul>	<ul style="list-style-type: none"> <li>Schemes for interdepartmental &amp; cross-hierarchical development of ideas (e.g. 1492@enbw.com)</li> </ul>	
 <b>Customers</b>	<ul style="list-style-type: none"> <li>"Meine EnBW" online customer portal</li> </ul>	<ul style="list-style-type: none"> <li>Relaunch of B2C customer portal with extensive overhaul of the design &amp; functionalities</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/meine-enbw">www.enbw.com/meine-enbw</a></li> </ul>
	<ul style="list-style-type: none"> <li>Customer parliament</li> </ul>	<ul style="list-style-type: none"> <li>Face-to-face customer surveys</li> </ul>	
	<ul style="list-style-type: none"> <li>Energy efficiency networks</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings &amp; exchange of information, foundation of new networks</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/netzwerk-energieeffizienz">www.enbw.com/netzwerk-energieeffizienz</a></li> </ul>
	<ul style="list-style-type: none"> <li>EnBW shops/ local presence</li> </ul>	<ul style="list-style-type: none"> <li>Offering advice and services</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/privatkunden">www.enbw.com/privatkunden</a></li> </ul>
	<ul style="list-style-type: none"> <li>Social media/customerblog &amp; newsletter/customer magazine</li> </ul>	<ul style="list-style-type: none"> <li>Information on latest news, products, services and events</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.facebook.com/enbw">www.facebook.com/enbw</a></li> <li><a href="http://www.enbw.com/blog">www.enbw.com/blog</a></li> </ul>
 <b>Local authorities/ public utilities</b>	<ul style="list-style-type: none"> <li>Local authority energy efficiency networks</li> </ul>	<ul style="list-style-type: none"> <li>First energy efficiency network at a local authority level in the districts of Karlsruhe and Rastatt</li> </ul>	
	<ul style="list-style-type: none"> <li>Energy team plenary assembly</li> </ul>	<ul style="list-style-type: none"> <li>Discussion forum for representatives of municipal utilities on current energy themes</li> </ul>	
	<ul style="list-style-type: none"> <li>Local authority events</li> </ul>	<ul style="list-style-type: none"> <li>Local Authority Energy Days, council forums, regional &amp; advisory council meetings, trade fairs/events</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/kommunaler-energietag">www.enbw.com/kommunaler-energietag</a></li> </ul>
	<ul style="list-style-type: none"> <li>KommPlus</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly magazine for local authorities and local authority partners</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/kommunen">www.enbw.com/kommunen</a></li> </ul>
 <b>Society</b>	<ul style="list-style-type: none"> <li>Energiewende blog &amp; social media activities</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue platforms such as blogs, Facebook, Twitter, YouTube</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.twitter.com/enbw">www.twitter.com/enbw</a></li> <li><a href="http://www.dialog-energie-zukunft.de">www.dialog-energie-zukunft.de</a></li> </ul>
	<ul style="list-style-type: none"> <li>Open days and EnBW InfoCenter</li> </ul>	<ul style="list-style-type: none"> <li>Numerous opportunities to view various EnBW locations, dialogue with citizens</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/besichtigungen">www.enbw.com/besichtigungen</a></li> </ul>
	<ul style="list-style-type: none"> <li>EnergieCampus 2015</li> </ul>	<ul style="list-style-type: none"> <li>Energy &amp; Climate Protection Foundation competition for PhD students from Baden-Württemberg</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.energieundklimaschutzbw.de">www.energieundklimaschutzbw.de</a></li> </ul>
	<ul style="list-style-type: none"> <li>Stimuli for Diversity</li> </ul>	<ul style="list-style-type: none"> <li>Conservation programme for amphibians</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.enbw.com/umweltschutz">www.enbw.com/umweltschutz</a></li> </ul>
	<ul style="list-style-type: none"> <li>Sustainability Days Baden-Württemberg 2015</li> </ul>	<ul style="list-style-type: none"> <li>Advice and events at the EnBW Shop Stuttgart and at the pumped storage power station in Glems</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.nachhaltigkeitstage-bw.de">www.nachhaltigkeitstage-bw.de</a></li> </ul>
 <b>Suppliers/ business partners</b>	<ul style="list-style-type: none"> <li>Dialogue on the responsible handling of coal mining in Colombia</li> </ul>	<ul style="list-style-type: none"> <li>Fact-finding mission, regular meetings &amp; exchange of information with social organisation &amp; coal producers</li> </ul>	<ul style="list-style-type: none"> <li>page 41 f.</li> <li><a href="http://www.enbw.com/kohlebeschaffung">www.enbw.com/kohlebeschaffung</a></li> </ul>
	<ul style="list-style-type: none"> <li>Supplier Day</li> </ul>	<ul style="list-style-type: none"> <li>Development discussions with strategically important suppliers</li> </ul>	<ul style="list-style-type: none"> <li>page 41</li> </ul>
 <b>Politics</b>	<ul style="list-style-type: none"> <li>EnBW Energy and Business Club (EWC)</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue on incentive regulations, auction models for wind turbines, energy efficiency and the Electricity Market Act</li> </ul>	
	<ul style="list-style-type: none"> <li>Energy &amp; Climate Protection Foundation debate evenings</li> </ul>	<ul style="list-style-type: none"> <li>Themes like World Climate Summit, decentralisation, energy forecasts &amp; energy policy outlook</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.energieundklimaschutzbw.de">www.energieundklimaschutzbw.de</a></li> </ul>
	<ul style="list-style-type: none"> <li>Political discussion evening in Brussels</li> </ul>	<ul style="list-style-type: none"> <li>Discussion on the effects of digitalisation on the energy sector</li> </ul>	