Declaration of corporate management 2020

of the EnBW Group and EnBW AG
including the corporate governance report 2020

AMBITION

EnBW

The "A" on the title page of our financial publications stands for "Ambition."
We have set ourselves ambitious goals: In the EnBW 2025 strategy phase, we want to transform ourselves into a sustainable and innovative partner for energy and infrastructure. And we have further refined our sustainability targets because we firmly believe that a company without a clear and ambitious sustainability agenda will not be viable in the future.
We have thus invested heavily in, for example, renewable energies, electricity grids and electromobility. We will now take another major step forward:
We aim to become a climate-neutral company by 2035.

All financial publications for the 2020 financial year can be found at www.enbw.com/report2020-downloads.

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Good corporate governance is an essential part of the corporate culture at EnBW Energie Baden-Württemberg AG (EnBW). We are convinced that responsible and transparent corporate governance strengthens the trust and confidence that customers, capital providers, employees and the general public place in the company, thereby contributing to its long-term success. The Board of Management and Supervisory Board have the responsibility of managing and supervising the company above and beyond merely fulfilling statutory requirements, but to do so in accordance with recognized benchmarks for good corporate governance and in harmony with the principles of a social market economy, guaranteeing the continued existence of the company and ensuring a sustainable increase in its added value.

As the member of the Board of Management responsible for corporate governance, Colette Rückert-Hennen monitors compliance with the German Corporate Governance Code (DCGK) at EnBW and reported extensively to the Board of Management and Supervisory Board on all current themes pertaining to corporate governance. Both boards acknowledged the report from Colette Rückert-Hennen and subsequently approved the company's declaration of compliance, which is reproduced in full at the end of this report.

In this declaration of corporate management, the Supervisory Board and Board of Management report on the corporate governance of the company (corporate governance report) above and beyond the legal requirements according to sections 289 f (2) and 315 d HGB.

The corporate governance report is based on the new version of the DCGK from 16 December 2019, which was published in the German Federal Gazette on 20 March 2020, because this version of the code was definitive in the reporting period.

Board of Management and Supervisory Board

Close and trusting cooperation for the good of the company is considered an integral part of the EnBW culture by the Board of Management and Supervisory Board.

The Board of Management jointly manages the company on its own responsibility. In the reporting period up to 31 December 2020, the Board of Management comprised four members, of which one held the position of chairman. The Board of Management is tasked with defining the company goals and developing the strategic orientation of the EnBW Group, agreeing this with the Supervisory Board and implementing it accordingly. In addition, it ensures Group-wide compliance with statutory regulations and internal guidelines, as well as appropriate risk management and risk controlling.

Important aspects of cooperation within the Board of Management are defined in its rules of procedure. These regulate, amongst other things, the frequency at which the meetings of the Board of Management led by the Chairman are held multiple times a month and stipulates that all important questions relating to the management of the Group and any cross-departmental issues will be addressed at these meetings. Furthermore, the rules of procedure include a rule that resolutions will be taken by the Board of Management on a majority vote basis, whereby the Chairman has the casting vote in the event of a tie.

The Chairman of the Board of Management in the reporting period was and also currently is Dr. Frank Mastiaux. Further details on the members of the Board of Management and the division of responsibilities can be found in the information provided on p. 16 and 17 of the Integrated Annual Report 2020 and in the section "Corporate governance" under "Management and supervision" on p. 42 and 43 of the Integrated Annual Report 2020.

The standard retirement age set for members of the Board of Management at EnBW is 63 years old. In the reporting period and also currently, the members of the Board of Management did not and do not hold more than three positions on supervisory boards at non-Group listed companies or on supervisory bodies at non-Group companies that have comparable requirements. As in the past, there were also no known conflicts of interests for the members of the Board of Management in the 2020 financial year. EnBW did not enter into any significant transactions with individuals or companies that are related to a member of the Board of Management in the reporting period.

In the reporting period, the Board of Management discussed the Six-Monthly Financial Report and the quarterly statements with the audit committee of the Supervisory Board before publication.

The Supervisory Board of EnBW is comprised of 20 members, half of which are representatives elected by the shareholders and half by employees. The Chairman of the Supervisory Board is Lutz Feldmann.

The elected employee and shareholder representatives began their term of office at the conclusion of the Annual General Meeting of EnBW on 10 May 2016. The defined term of office for the elected members of the Supervisory Board ends at the conclusion of the Annual General Meeting in 2021.

There was a change to the composition of the Supervisory Board in the reporting period. Marianne Kugler-Wendt (employee representative and ver.di representative) stepped down from her position as a member of the Supervisory Board with effect from 31 May 2020. Dr. Nadine Müller was proposed as her replacement by the responsible nomination committee at ver.di and was appointed by the court as a member of the Supervisory Board with effect from 1 June 2020 until the end of the regular election period for her predecessor.

Further details on the Supervisory Board and its composition can be found in the information provided on p. 132, 133, 135 and 136 of the Integrated Annual Report 2020 and in the section "Corporate governance" under "Management and supervision" on p. 42 and 43 of the Integrated Annual Report 2020.

The key task of the Supervisory Board is to advise and supervise the Board of Management on its management of the company. In general, all members of the Supervisory Board have the same rights and obligations and are not bound by orders or instructions. Important aspects of the cooperation within the Supervisory Board are defined in its rules of procedure. These rules require the Supervisory Board to meet regularly for ordinary meetings, as well as for extraordinary meetings as necessary, that are chaired by the chairman. The members of the Board of Management generally participate in the meetings, although the Supervisory Board can also convene without the Board of Management if necessary. The Board of Management regularly, comprehensively and promptly informs the Supervisory Board in accordance with the rules of procedure for the Supervisory Board about, in particular, all of the issues listed in section 90 German Stock Corporations Act (AktG), all important financial and non-financial performance indicators and the risks faced by the company and the Group and their development, strategy, planning, the accounting process, the effectiveness of the internal control system, risk management and the internal auditing system, compliance and other important matters.

Between the meetings of the Supervisory Board, there is ongoing communication between the Chairman of the Supervisory Board and the Board of Management, particularly with the Chairman of the Board of Management, in order to discuss issues relating to the strategy, planning, business performance, risk situation, risk management and compliance within the company. He is immediately informed about important events that are material for the assessment of the situation, development and management of the company by the Chairman of the Board of Management. If necessary, the Chairman of the Supervisory Board then reports to the Supervisory Board and may also convene an extraordinary meeting.

In addition, the rules of procedure for the Supervisory Board also define business activities and measures that may only be carried out by the Board of Management with the approval of the Supervisory Board. Furthermore, resolutions are also passed by the Supervisory Board on a majority vote basis, whereby the Chairman of the Supervisory Board has the casting vote in the event of a tie in accordance with the Articles of Association of EnBW. If ordered by the Chairman of the Supervisory Board, resolutions can also be passed outside of meetings, if this is not opposed by a majority of the members of the Supervisory Board. The Supervisory Board provided detailed information on its main activities and the contents of its discussions in the 2020 financial year in its report to the Annual General Meeting, which is accessible to the general public at www.enbw.com/report2020. The rules of procedure for the Supervisory Board are not published on the Internet.

Another important task of the Supervisory Board is to appoint and, if necessary, dismiss the members of the Board of Management. In this context, the Supervisory Board works together with the Board of Management to ensure appropriate long-term succession planning for the Board of Management. This is the task of the personnel committee. It consults regularly and in close communication with the Chairman of the Board of Management on issues relating to the up-to-dateness and further development of the Board of Management structure, the division of responsibilities and ensuring the Board of Management remits can be filled after the end of the term of office, taking into account the current terms of office. In advance of any decision to appoint a new member of the Board of Management, a requirement profile is developed in good time as necessary and a comprehensive selection process is usually carried out with the aid of specialist support.

In order to improve the efficiency of its work and to handle complex issues, the Supervisory Board has formed specialist committees:

- **Nomination committee:** Dr. Dietrich Birk, Lutz Feldmann (Chairman), Dr. Wolf-Rüdiger Michel, Gunda Röstel, Edith Sitzmann, Lothar Wölfle
- **Audit committee:** Stefanie Bürkle, Volker Hüsgen, Michaela Kräutter, Thomas Landsbek, Dr. Hubert Lienhard, Dr. Wolf-Rüdiger Michel, Gunda Röstel (Chairwoman), Ulrike Weindel
- **Personnel committee:** Achim Binder, Stefan Paul Hamm, Dietrich Herd, Lutz Feldmann (Chairman), Edith Sitzmann, Lothar Wölfle
- **Finance and investment committee:** Achim Binder, Dr. Dietrich Birk, Lutz Feldmann (Chairman), Stefan Paul Hamm, Dietrich Herd, Edith Sitzmann, Lothar Wölfle, Dr. Bernd-Michael Zinow
- **Mediation committee** (committee pursuant to section 27 (3) German Co-determination Act (MitbestG)): Lutz Feldmann (Chairman), Dietrich Herd, Thomas Landsbek, Edith Sitzmann
- **Digitalization committee** (since 1 January 2019): Dr. Hubert Lienhard (Chairman), Marika Lulay, Dr. Nadine Müller, Jürgen Schäfer, Harald Sievers, Ulrike Weindel
- **Ad hoc committee:** Dietrich Herd, Gunda Röstel, Harald Sievers, Dr. Bernd-Michael Zinow (Chairman)

In accordance with the DCGK, the nomination committee is exclusively comprised of shareholder representatives and proposes suitable candidates to the Supervisory Board for election as members of the Supervisory Board at the Annual General Meeting.

The audit committee is responsible, in particular, for monitoring accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal auditing system, the audit and compliance. It presents a justified recommendation for the appointment of the auditor to the Supervisory Board, which includes at least two candidates if the company intends to issue an invitation to tender for the audit mandate. The audit committee monitors the independence of the auditor and is also responsible for supervising the additional services provided by the auditor, the award of the audit mandate to the auditor, the definition of areas of focus for the audit and negotiating the auditor's fees with the auditor.

The chairwoman of the audit committee, Gunda Röstel, is independent and is not a former member of the Board of Management of EnBW. As the long-standing Commercial Director of Stadtentwässerung Dresden GmbH and Authorized Officer of Gelsenwasser AG, she possesses special expertise and experience in the application of accounting principles and internal control processes. She has gained even more experience in her position as the Chairwoman of the audit committee over the last few years, and is familiar with the audit process.

The roles of the other committees of the Supervisory Board and their specific activities in the past financial year are described in the Report of the Supervisory Board for the 2020 financial year.

The chairpersons of the committees report on the work carried out in their committees at the latest at the next plenary meeting of the Supervisory Board. No separate rules of procedure exist for the Supervisory Board committees; they are subject to the rules of procedure for the Supervisory Board and all relevant procedural rules contained therein.

The Supervisory Board has set specific objectives for its composition that take into account the company's situation and has developed a competency profile for the entire Supervisory Board, whereby the special rules defined in the German Co-determination Act were and are taken into account for employee representatives. The primary aim is to guarantee that the members collectively possess the knowledge, skills and specialist experience required to properly perform their functions.

The objectives for the composition of the Supervisory Board that are currently valid and were valid during the entire reporting period appropriately take into account the international activities of the company, potential conflicts of interest, an appropriate number of independent members in the estimation of the Supervisory Board, age limits for members of the Supervisory Board, a maximum time limit for the period of service on the Supervisory Board and diversity, whereby the special rules defined in the German Co-determination Act were and are taken into account for employee representatives.

In the past reporting year, the Supervisory Board also examined the independence criteria defined in the German Stock Corporation Act and the DCGK. The Supervisory Board came to the conclusion that these criteria have – as in the past – been satisfied and that it comprised and still comprises a sufficient number of independent members and reflects the shareholder structure, whereby it is of the opinion that all shareholder representatives on the Supervisory Board are independent in the sense of the DCGK and this proportion of members is appropriate. Refer

to the overview on p. 132 of the Integrated Annual Report 2020 for the names of the members of the Supervisory Board elected by the shareholders. Alongside the successfully achieved objective of continuing to ensure a majority of independent members, the Supervisory Board will also take care to avoid any conflicts of interest in future.

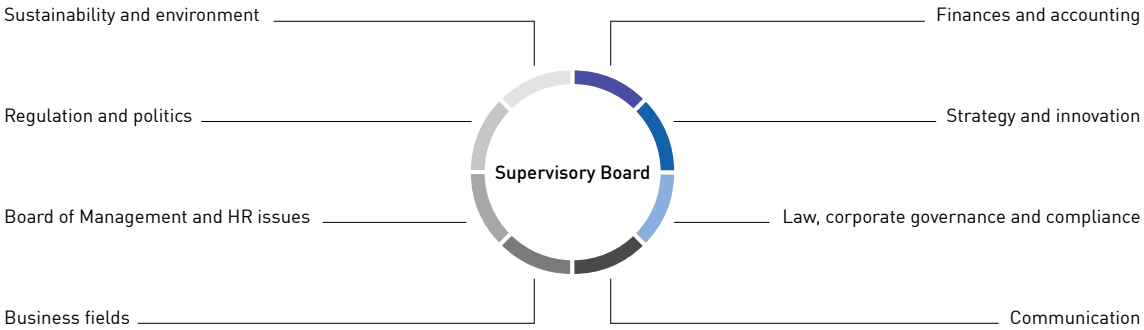
The Supervisory Board does not believe that it is necessary to define quantitative objectives with respect to internationality due to the structure and business activities of the company.

The rules of procedure for the Supervisory Board stipulate that candidates proposed to the Annual General Meeting for the election of shareholder representatives as members on the Supervisory Board should generally not be older than 70 at the time of the election. The general age limit was not exceeded in the reporting period by any member of the Supervisory Board. As the Supervisory Board is aware that exceptions may be desirable because long-term members of the Supervisory Board bring long-standing knowledge and experience to the board, it has ultimately defined a maximum time limit for the period of service on the Supervisory Board to three full election periods, which was not reached or exceeded during the reporting period or currently by any member of the Supervisory Board.

The Supervisory Board has not defined any further diversity targets beyond the legal regulations that apply to the company for the minimum proportion of women and men and the previously described objectives for its composition.

The competency profile of the Supervisory Board stipulates that the following eight fields of competency must be covered to an appropriate extent by the members of the Supervisory Board in its entirety:

Competency profile of the Supervisory Board



The Supervisory Board possesses the knowledge and skills required to perform its functions. The objectives for its composition were fully taken into account by the Supervisory Board during the reporting period with respect to its composition and the coverage of its competency profile. In its future proposals to the Annual General Meeting for the election of members, the Supervisory Board will continue to take into account the objectives for its composition and will strive to ensure that the competency profile continues to be covered by the Supervisory Board in its entirety.

The curricula vitae for all members of the Supervisory Board have been published on the company website at www.enbw.com/supervisory-board and provide information on the relevant knowledge, skills and experience of the members and have been supplemented by an overview of their main activities in addition to their position on the Supervisory Board. These curricula vitae are updated on an annual basis for all members of the Supervisory Board.

The members of the Supervisory Board are all able to dedicate the expected amount of time required for their activities on the Supervisory Board. The Supervisory Board will also ensure for its future proposals to the Annual General Meeting for the election of new members of the Supervisory Board that all candidates are able to dedicate the expected amount of time required for their activities on the Supervisory Board. In the 2020 financial year, all members of the Supervisory Board participated in more than half of the meetings of the Supervisory Board and the majority of the members of the Supervisory Board participated in more than half of the meetings of the committees on which the member serves; this was also noted in the Report of the Supervisory Board to the Annual General Meeting. Participation via telephone and video conference is also valid, although this form of participation was not a normal occurrence for any member of the Supervisory Board in accordance with the suggestion in the

DCGK, except for those meetings of the Supervisory Board in which all members participated via an electronic form of communication . In the reporting period, some meetings of the Supervisory Board and also some meetings of its committees were held in digital form, i.e., via telephone and video conferences, in order to comply with the contact restrictions imposed due to the coronavirus pandemic.

In its proposals made to the Annual General Meeting for the forthcoming re-election of members, the Supervisory Board will also disclose the personal and business relationships of each candidate with the company, the company's corporate bodies and with shareholders holding a major interest in the company, whereby this information will be limited to information that the Supervisory Board considers material in order for a shareholder to cast their vote objectively.

No former members of the Board of Management of EnBW were members of the Supervisory Board during the reporting period nor are they currently members. The members of the Supervisory Board also did not perform any advisory or board functions for important competitors of EnBW during the reporting period nor do they currently.

Every member of the Supervisory Board is bound to act in the interests of the company. In making decisions, members may not pursue personal interests or take advantage of business opportunities intended for the company. Conflicts of interest, particularly those that could arise due to advisory or board functions for customers, suppliers, lenders or other third parties, must be disclosed to the Supervisory Board. In such cases, the Supervisory Board will disclose any conflicts of interest that have arisen and how they were handled in its report to the Annual General Meeting. Any material conflict of interest relating to a member of the Supervisory Board that is not merely of a temporary nature will result in the termination of their position. Advisory and other service agreements and contracts for work between a member of the Supervisory Board and EnBW require the approval of the Supervisory Board. In the reporting period, there were no conflicts of interest involving members of the Supervisory Board.

The Supervisory Board regularly assesses how effectively the Supervisory Board as a whole and its committees are performing their duties (self-assessment, formerly "efficiency review"). In the reporting period, the Supervisory Board carried out a self-assessment at its meeting on 10 December 2020. To prepare for the review, the members of the Supervisory Board completed a comprehensive questionnaire on content-related and organizational themes as in previous years and discussed, amongst other things, the results of the questionnaires in detail. In addition, the implementation of the findings drawn from the efficiency review from the previous year were examined.

The members of the Supervisory Board are responsible for participating in any necessary basic and further training measures required for their tasks and are supported appropriately and as necessary by the company in this area. This not only includes providing them with regular information on themes and developments related to the current situation of the company with respect to legal issues, the energy industry, financial industry or other relevant aspects, as well as other subjects relevant to the work on the Supervisory Board, but also comprises corresponding on-site appointments and events. In 2020, a new e-learning platform from an external service provider designed for supervisory boards was used. In addition, information was provided on the legal changes due to the law for the implementation of the second shareholder rights directive ("ARUG II") coming into force and the reform of the DCGK and in a meeting held in Cologne at Plusnet GmbH, which was acquired in 2019, the telecommunications business field and the current projects at the company were presented in detail and analyzed. Dr. Nadine Müller, who was newly appointed as a member of the Supervisory Board from 1 June 2020, received documentation on all of the important rules relating to the work of the Supervisory Board that are relevant to her when she assumed her new position.

In accordance with the suggestion in the DCGK, the Chairman of the Supervisory Board is prepared to enter into discussions with investors on specific issues relating to the Supervisory Board. Discussions of this type were not held in the reporting period.

The actions of the Board of Management and the Supervisory Board are governed by statutory regulations and internal Group guidelines (compliance). The Board of Management also reported continuously on compliance issues in the 2020 financial year and discussed them in detail with the Supervisory Board and the audit committee of the Supervisory Board. More detailed information on this area will be provided in the "Compliance" section below. Information on the relevant corporate governance practices that go above and beyond the legal requirements and the recommendations and suggestions in the DCGK will also be given there.

Further information – above and beyond that provided above – on the procedures of the Board of Management and Supervisory Board and their committees, as well as on corporate governance practices, can be found in the section "Corporate governance" under "Management and supervision" on p. 42 and 43 of the Integrated Annual Report 2020, in the section "Report of the Supervisory Board" on p. 20 to 22 of the Integrated Annual Report 2020 and in articles 7 to 13 and 19 of the Articles of Association, which are generally accessible on the EnBW website at www.enbw.com/corporate-governance.

Diversity

The Supervisory Board has decided that all of the statutory and self-defined regulations for its composition (objectives for the composition, competency profile, legal targets for the proportion of women, age limit, maximum time limit for the period of service, see here the information above in the section "Board of Management and the Supervisory Board" on p. 2 to 6) will form the diversity concept in the sense of section 289 f (2) No. 6 HGB. The primary goal of this concept is to ensure that the Supervisory Board can properly perform its tasks and is helped in this process by the diversity of its composition. This concept is implemented through the election of shareholder representatives by the Annual General Meeting. In the 2020 financial year, the objectives defined in the concept were achieved.

The proportion of women on the Supervisory Board in its entirety continuously stood at 35%. This figure is calculated from the proportion of women amongst the shareholder representatives of 40% and the proportion of women amongst the employee representatives of 30%. The proportion of women on the Supervisory Board of EnBW in its entirety of 35% is above the minimum statutory requirement of 30%. The shareholder and employee representatives resolved before the last election of members to the Supervisory Board to veto the overall fulfillment of this statutory minimum proportion by the shareholder and employee representatives combined in accordance with section 96 (2) sentence 3 AktG for the length of the current election period, so that the minimum proportion in accordance with the legal requirements must be fulfilled by both sides. This should make it possible to better plan the composition of the Supervisory Board.

In terms of the composition of the Board of Management, the Supervisory Board also takes diversity into account when appointing new members of the Board of Management, while acknowledging the limited number of members of the Board of Management. Therefore, it has resolved that the standard age limit for the Board of Management defined by the Supervisory Board together with the target for the proportion of women will form the diversity concept in the sense of section 289f (2) no. 6 HGB. The primary goal of this concept is to ensure that the Board of Management can properly perform its tasks and is strengthened here by the diversity of its composition. This concept is implemented through the appointment of members of the Board of Management by the Supervisory Board. In the reporting year, the objectives defined in the concept were achieved.

For the period from 1 July 2017 until 30 June 2022, the Supervisory Board set the target of one woman on the Board of Management that should be achieved at least by the end of this defined time period. This target was and has been met since the start of the term of office of Colette Rückert-Hennen on 1 March 2019.

The Board of Management has set the goal of further increasing the proportion of women at both management levels below the Board of Management in the period from 1 January 2017 to 31 December 2020. At both the first level (top management) and second level (upper management), the proportion of women should have increased to at least 20%. These targets were not yet achieved in 2020, although the proportion of women in top management did increase from 0% to 8.7% due to the promotion of two female managers from upper management to top management. Due to these promotions and structural changes, the proportion of women in upper management fell from 17.2% to 14.5%. We will develop measures using the HR strategy to achieve these targets.

Shareholders and Annual General Meeting

The shareholders of EnBW exercise their rights at the Annual General Meeting including their right to vote. Prior to the Annual General Meeting, EnBW publishes the agenda and all of the relevant reports and documents that shareholders may require to evaluate it. These include the current annual report for the last completed financial year, which is available in an easily accessible format on the Internet at http://hv.enbw.com. Any counter motions to items on the agenda of the Annual General Meeting received by the specified deadline are also made publicly available on the website.

Our shareholders have the opportunity to use a proxy appointed by the company if they are not able to personally attend the Annual General Meeting.

In accordance with section 1 (1) and (2) of the German law on COVID-19 measures, the ordinary Annual General Meeting 2020 took place in purely virtual form without the physical presence of shareholders or their proxies. Images and sound of the Annual General Meeting were broadcast online via a password-protected Investor Portal. In addition, the Annual General Meeting was broadcast live on the Internet as it was in the last few years until the end of the speech by the Chairman of the Board of Management.

Compliance

Compliance as an expression of all measures required for the observance of statutory regulations and internal guidelines is regarded as an essential management and supervisory task at EnBW. Since 2009, the compliance department has established a Group-wide compliance organization and defined the necessary rules and processes. The compliance department is responsible for the prevention, detection and sanctioning of corruption, the prevention of violations against competition and antitrust laws, the prevention of money laundering and data protection.

The regular in-person training events – which were replaced by online training events in the reporting year – cover the latest compliance and data protection issues. One of the main focuses of the compliance activities is conveying a compliance culture. Providing advice and completing regular risk assessments are also part of the compliance activities. In cooperation with the internal audit department, controls to ensure compliance with internal rules are implemented. The selective internationalization of EnBW is being accompanied by the compliance and data protection departments.

The most important compliance functions for the Group are represented on the compliance committee. The compliance department uses this body to coordinate the Group-wide compliance activities. Implementation of the centrally defined compliance measures in the decentralized units is controlled through the compliance forum, which is comprised of compliance officers from the most important Group companies and business units.

Preventative compliance measures are defined using a Group-wide compliance risk assessment on an annual basis in the compliance and data protection program. It covers communication and training measures, the introduction and development of rules and processes, central management of guidelines and business partner auditing. The compliance culture is an aspect taken into account in all of the compliance activities. In particular, training measures are not only designed to convey knowledge but also to reinforce attitudes amongst employees for compliance-conform activities so that they can make their own contribution to the avoidance of compliance breaches.

Internal and external whistleblowers can report compliance breaches and suspected cases to the compliance department or an ombudsman for EnBW as an external contact. The ombudsman can guarantee whistleblowers absolute confidentiality and anonymity with respect to EnBW. Reported compliance breaches and suspected cases are then handled by the compliance committee task force using a standardized process. The Head of Compliance reports on the status of the implementation of measures and on current compliance breaches to the Board of Management and audit committee of the Supervisory Board every quarter. An annual report is prepared for the Supervisory Board.

The compliance management system (CMS) is continuously updated and examined.

Remuneration of the Board of Management and the Supervisory Board

The remuneration of the Board of Management and the Supervisory Board are each presented in a detailed remuneration report. This can be found as an independent section of the management report in the Integrated Annual Report 2020 on p. 111 to 118. We refer you to this section at this point. The system of variable remuneration for the Board of Management that was resolved by the Supervisory Board in 2017 and approved by the Annual General Meeting on 9 May 2018 is described in detail in the remuneration report for the Board of Management. The documents described above that have to be made accessible according to sections 289 f and 315 d HGB are publicly available for download on the EnBW website at www.enbw.com/company/investors/news-and-publications/publications. This declaration of corporate management is also publicly available there.

Transparency

EnBW ensures the transparency stipulated in the DCGK at all times by keeping shareholders, the capital market, financial analysts, shareholder associations and the interested public up-to-date on material business changes at the company. In order to provide consistent information in good time to all interested groups, the company mainly relies on the Internet.

In particular, EnBW provides information on its business situation in the Integrated Annual Report, interim financial information, the press conference on the annual results, telephone conferences for investors and analysts to accompany the publication of quarterly and annual results and at other events such as investor conferences. The corresponding documents are publicly available on the EnBW website. The financial calendar also published on our website www.enbw.com/financial-calender provides adequate notice of the publication dates for the Integrated Annual Reports and interim financial information, as well as the date of the Annual General Meeting, the press conference for the annual results and investor conferences.

If specific information on a matter relating to EnBW or the shares and bonds issued by EnBW which is not public knowledge should become available outside the regular reporting framework that could significantly influence the stock prices of these securities, we announce this insider information in the form of ad hoc announcements. There were no ad hoc announcements published in the 2020 financial year.

In the 2020 financial year, EnBW did not receive any notices about transactions involving EnBW shares, EnBW bonds, emission allowances or related financial instruments concerning persons in managerial positions or those persons closely related to them. There were also no securities subject to disclosure requirements held by any members of the Board of Management or the Supervisory Board.

Financial reporting and the audit

Financial reporting at EnBW is carried out in accordance with the International Financial Reporting Standards (IFRS). The Annual General Meeting on 17 July 2020 elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor of the financial statements and the consolidated financial statements for the 2020 financial year and as auditor for the review of the condensed financial statements and interim management report contained in the Six-Monthly Financial Report, as well as for all reviews of additional interim financial information in the sense of section 115 (7) German Securities Trading Act (WpHG) in the 2020 financial year. At the same time, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft was elected as the auditor for the review of all additional interim financial information in the sense of section 115 (7) WpHG in the 2021 financial year, insofar as such a review is carried out before the next Annual General Meeting.

The Board of Management discussed the interim financial information with the audit committee before its publication. The consolidated financial statements for the 2020 financial year were made available to the public within 90 days of the end of the financial year and the Quarterly Statements and the Six-Monthly Financial Report for the 2020 financial year were made available within 45 days after the end of the relevant reporting period.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft was commissioned by the audit committee and its chairman to perform the audit. The audit committee ensured in advance of the Annual General Meeting that there was no doubt concerning the independence of the auditing firm to be commissioned and received a declaration of independence before submitting the proposal for the appointment of the auditor. This declaration also included the scope to which other services, especially in the consultancy sector, were provided to EnBW in the past financial year or have been contractually agreed for the following financial year. The agreement with the auditor stipulates that the auditing committee must be immediately informed about any grounds for exclusion or conflicts of interest that arise during the audit unless such grounds could be immediately eliminated. In addition, it was also agreed that the auditor would immediately inform the audit committee on all facts and events significant to the tasks of the Supervisory Board which come to the attention of the auditor during the performance of the audit and that the auditor would inform the Supervisory Board or make a corresponding note in the audit report if facts were uncovered during the performance of the audit that demonstrate that the declaration of compliance issued by the Board of Management and Supervisory Board in accordance with section 161 AktG is incorrect.

The audit committee and its chairman also commissioned Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft to audit the non-financial declaration published for the reporting period.

EnBW did not have any share option programs or similar securities-based incentive systems for the company in the reporting period nor does it currently have such programs or systems.

Declaration of compliance

In accordance with section 161 AktG, the Board of Management and the Supervisory Board of EnBW Energie Baden-Württemberg AG declared on 10 December 2020 that:

"Since its last declaration of compliance on 4 December 2019, EnBW Energie Baden-Württemberg AG complied in full up to 19 March 2020 with the recommendations of the Government Commission for the German Corporate Governance Code in the version published in the German Federal Gazette on 7 February 2017.

Since 20 March 2020, EnBW Energie Baden-Württemberg AG has complied and will comply in full with the recommendations of the Government Commission for the German Corporate Governance Code in the version published in the German Federal Gazette on 16 December 2019 with the exception of the following deviations:

Publication of the rules of procedure of the Supervisory Board (Recommendation D.1 DCGK)

The procedures of the Supervisory Board and the composition and procedures of the committees of the Supervisory Board are described in detail in the declaration of corporate management according to section 289f (2) No. 3 HGB, which is published on an annual basis. In addition, the annual, written Report of the Supervisory Board according to section 171 AktG reports in detail on the work of the Supervisory Board and its committees. Against this background, the Board of Management and Supervisory Board do not consider it expedient to also publish the rules of procedure of the Supervisory Board as they contain details on the rules at a technical level that will not provide any information of additional value to shareholders, which is why the recommendation in D.1 of the Code is not followed.

Disclosure of the composition of a peer group to assess the total remuneration of the members of the Board of Management (Recommendation G.3 sentence 1 DCGK)

A horizontal comparison as proposed by the recommendation in G.3 of the Code would result in considerable administrative burden with respect to the procurement and evaluation of data, especially as the composition of a specific peer group would constantly be subject to change. A horizontal comparison would thus be associated with considerable costs on a regular basis due to the commissioning of external consulting services.

Therefore, it is preferable to not always automatically carry out a specific peer group comparison each time remuneration is defined or examined, even if a horizontal comparison per se or a specific peer group comparison are generally expedient, and thus to continue only carrying out this process from time to time.

Should a horizontal comparison be carried out from time to time based on a company-specific peer group comparison, the Board of Management and Supervisory Board believe that it is not expedient to publish the composition of the peer group because the composition of the peer group may allow conclusions to be drawn about the strategic considerations of the Supervisory Board which should not be accessible to competitors. In the interests of the company, the recommendation in G.3 sentence 1 of the Code is not followed.

Comprehensibility of the target achievement for members of the Board of Management (Recommendation G.9 sentence 2 DCGK)

The law for the implementation of the second shareholder rights directive ("ARUG II") introduced a new remuneration report in section 162 AktG that contains detailed information on the remuneration of the members of the Board of Management. Publication of any further information on the minimum, target and maximum values for the individual performance indicators that are defined annually by the Supervisory Board for the remuneration of the Board of Management would reveal sensitive company information about strategic targets. This information should not be accessible to competitors, which is why in the interests of the company the recommendation in G.9 sentence 2 of the Code is not followed.

Granting of variable remuneration to the Board of Management in company shares (Recommendation G.10 sentence 1 DCGK)

Section G.10 of the Code recommends that the variable remuneration for members of the Board of Management should be predominantly invested in company shares or granted as share-based remuneration. Based on the fact that only 0.39% of the share capital of EnBW Energie Baden-Württemberg AG is in free float and the EnBW share is thus a narrow-market security with reduced liquidity on the stock exchange, it is not expedient to implement this recommendation at the company. Therefore, the recommendation in G.10 sentence 1 of the Code is not followed.

Accessibility of the long-term variable remuneration components to members of the Board of Management (Recommendation G.10 sentence 2 DCGK)

In its recommendation in G.10 sentence 2, the Code proposes that the measurement period for the long-term variable remuneration components for members of the Board of Management is extended to four years. The intention behind this rule is to create greater incentive for sustainable business activities. The long-term variable remuneration components for members of the Board of Management of EnBW Energie Baden-Württemberg AG are based on a three-year measurement period. For the Board of Management and Supervisory Board, it is not clear why this should be necessary and the Commission has not given any further justification as to why a four-year period should create a greater incentive for sustainable business activities or why, for any other reason, a four-year period should be advantageous at all in comparison to a three-year period.

Due to the fact that the three-year period applied up to now has proven successful in the last few years and an extension is not considered expedient, the recommendation in G.10 sentence 2 of the Code is not followed."

The declaration was also published separately at www.enbw.com/german-corporate-governance-code. This page also includes a link to the download center where all of the declarations of compliance published since 2002 are also available.

Karlsruhe, 19 March 2021

EnBW Energie Baden-Württemberg AG

On behalf of the Board of Management	On behalf of the Supervisory Board
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