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EnBW secures SBTi seal of approval for climate targets with planned coal phase-out in 2028

- **Science Based Targets initiative validates EnBW's carbon reduction targets as consistent with Paris Climate Agreement – 2035 climate neutrality target confirmed**
- **EnBW accelerates coal phase-out pathway**
- **Successful decarbonization depends crucially on policy framework**
- **Accelerated expansion of renewables and transformation of EnBW's gas activities**

Karlsruhe. EnBW is accelerating its transformation path from a traditional energy group to a sustainable infrastructure partner. In addition to the exit from nuclear power in April, the company plans to completely phase out coal-fired power generation in as early as 2028, provided that the German government's policy framework allows. Accelerating the coal phase-out pathway is part of EnBW's climate targets, which have now been scientifically evaluated and validated by the globally recognized Science Based Targets initiative (SBTi). This means that EnBW's reduction targets are consistent with the Paris Climate Agreement. They cover EnBW's entire value chain and all three emission categories ("scopes"). The reduction path for the company's own emissions (Scopes 1 and 2) corresponds to a 1.5 °C target.

SBTi tightens EnBW climate targets – external policy framework a prerequisite

EnBW CEO Andreas Schell: "The impacts of climate change are increasing dramatically all over the world. At the same time, the developments over the past year have made us acutely aware of the vulnerability of our energy supply. Accelerating the energy transition to zero-emission renewables has to be the top priority." The SBTi helps EnBW to align all decision-making processes relating to the target with the Paris Climate Agreement. "This is an important step for the future of our company, as we will accompany the planned responsible phase-out of coal with significant investment in sustainable, secure and smart infrastructure," Schell said.

In the end, he added, rigorous and successful decarbonization critically depends on the necessary economic and political framework at the regional, national and EU levels. Schell continued: "In this plan to accelerate the phase-out of coal, we have formulated our ambition. However, we have to acknowledge that we are one part of the energy transition. Successful implementation of the German government's plans, including the expansion of renewables, the expansion of transmission and distribution systems, and the necessary gas and hydrogen infrastructure, is a prerequisite for achieving our targets."

Accelerating key milestones on the path to climate neutrality

By bringing forward the planned coal phase-out, EnBW is accelerating its path to climate neutrality in 2035. In this way, key milestones will be reached significantly earlier than previously planned. Compared to 2018, the company will reduce its carbon emissions by around 50% as early as 2027 and by around 70% in 2030. In 2020, EnBW set itself the goal of achieving climate neutrality in the Scope 1 and 2 emission categories by 2035. Scopes 1 and 2 primarily

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include greenhouse gas emissions from the Group's own power and heat generation plants and from the transmission and distribution of energy by its subsidiaries. A key milestone back then was to halve climate-damaging emissions by 2030. This now has to be achieved three years earlier. EnBW already joined the SBTi in 2021. The SBTi is an independent initiative founded by WWF, the UN Global Compact, the World Resources Institute and CDP. In the same connection, EnBW has expanded its climate targets to include a target for the Scope 3 emission category (upstream and downstream emissions, primarily from gas procurement and from gas combustion at end customers).

EnBW set the course for a radical transformation in 2013. Since then, the company has increased the share of renewables in its generation portfolio from just under 19% to over 40%. Installed capacity now stands at around 5,400 megawatts. At the same time, EnBW has parted with around 2,700 megawatts of carbon-intensive generating capacity.

Future-proofing energy supplies with fuel switch projects

At the same time, EnBW is assuming responsibility for ensuring that a future renewable energy landscape will have climate-friendly dispatchable capacity to meet electricity and heat demand at all times. Georg Stamatelopoulos, Member of the Board of Management for Sustainable Generation Infrastructure: "An important step towards reducing carbon emissions and guaranteeing security of supply consists of fuel switch projects, i.e. switching power and heat generation initially from coal to more climate-friendly natural gas and then, from the mid-2030s, to carbon-free green gases, including hydrogen. By implementing fuel switch projects, we can also retain existing power plant sites and offer immediate prospects at the same location for our employees, who have made an important contribution to security of supply over many years, and especially in recent months," Stamatelopoulos said.

EnBW has already launched fuel switch projects at three EnBW sites in Altbach/Deizisau, Heilbronn and Stuttgart-Münster. The first fuel switch to natural gas will already cut carbon emissions from these power plants by more than half compared to running them on hard coal. As part of these fuel switch projects, EnBW is investing a total of around €1.6 billion in Baden-Württemberg and building facilities with a capacity of around 1,500 megawatts. "Based on the expansion of renewables and demand for dispatchable capacity, we are also looking at additional fuel switch projects," Stamatelopoulos added.

EnBW will also continue to pursue the path to a coal-free future at its remaining facilities and plans to phase out coal at the remaining market dispatched power plants with around 2,000 MW generating capacity by 2028.

Expansion of renewables and transformation of EnBW's gas activities

In parallel, EnBW continues to invest in the energy transition. Since 2012, EnBW has invested a total of around €17 billion in energy transition projects in the grids and renewables businesses, of which around €6 billion related to renewables and around €11 billion to the expansion of transport and distribution grids.

Over the next three years, EnBW will invest approximately €6 billion in the expansion of sustainable generation infrastructure, primarily in wind power, large-scale solar farms and fuel

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switch projects. In addition, there will be further investments in the expansion of grid infrastructure. Over half of the generation portfolio is to consist of renewables by 2025.

At the same time, EnBW is among the drivers of the hydrogen future for Baden-Württemberg. From EnBW's perspective, the development of a national hydrogen infrastructure is of great importance for the competitiveness of the German economy and central to achieving our climate targets. EnBW is systematically evaluating the potential and opportunities of hydrogen along the entire value chain, from production and trading to transport, storage and distribution. It has already launched numerous regional and local hydrogen projects to test the future of the hydrogen economy in practice and to actively shape the H₂ future for Baden-Württemberg.

Andreas Schell: "With the certification from SBTi, we at EnBW are delivering our responsibility for the achievement of the climate targets. Working shoulder to shoulder with many other stakeholders from politics, business and society, we want to contribute to the success of the energy transition. From accelerating the approval process to ensuring the timely availability of hydrogen, meeting these challenges will require a concerted effort."

- Information on the EnBW sustainability agenda:
<https://www.enbw.com/company/sustainability/>
- Further information on the SBTi:
<https://sciencebasedtargets.org/>

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