



EnBW Group tax strategy

It is part of EnBW's corporate philosophy to always act in compliance with prevailing tax laws, rulings of taxation authorities and established case law, and to duly meet all tax obligations.

Responsibility in this regard lies with the EnBW Group Tax department. This provides the tax function for EnBW AG itself, all subsidiaries in the tax group and other subsidiaries. Compliance with EnBW's tax policies is ensured by Group tax guidelines, operational rules, procedures and control mechanisms.

EnBW delivers on its responsibility in social and tax matters. The Company is therefore committed to tax transparency and responsible tax management. This takes due account of the various stakeholder groups: governments, customers, shareholders and the communities in which EnBW operates.

The principles under our tax strategy set out below are binding for EnBW Energie Baden-Württemberg AG and for all subsidiaries controlled by EnBW Energie Baden-Württemberg AG. These are generally the companies in which EnBW Energie Baden-Württemberg AG directly or indirectly holds the majority of shares or voting rights.

Central elements in implementation of EnBW's tax strategy objectives:

1. Compliance and Integrity

EnBW ensures that all tax rules and regulations are complied with throughout the EnBW Group. National and international tax obligations are met at all times, including obligations in the Group regarding tax records, reporting, documentation and submission of returns.

EnBW has established a tax compliance management system (Tax CMS) to ensure compliance with the law in tax matters. This is intended to minimise or eliminate financial, criminal liability and reputation risks that could arise from any non-compliance with the law.

We seek to act in accordance with prevailing laws on tax measurement and reporting and with international agreements and tax guidelines (OECD), thus ensuring that we pay the correct amount of tax at the correct time in all countries in which we operate. This means that we prepare, and file all required tax returns and provide complete, accurate and timely information to all relevant tax authorities.

2. Responsible tax payment

We recognise the importance of taxation to society and our stakeholders. Responsibility with regard to taxation is essential to the long-term sustainability of the companies through which we operate. We are therefore committed to acting as a responsible taxpayer. We do not engage in tax evasion or in artificial or high-risk transactions. We do not make use of tax havens to avoid taxation.



3. Tax planning

In order to optimise the value of the enterprise, EnBW conducts re-sponsible tax planning taking into account corporate financial targets. This constitutes neither improper nor aggressive conduct.

We make no use of tax schemes or offshore companies whose sole purpose is to create a tax advantage and which lack business purpose and economic substance. Similarly, we make no use of hybrid instruments or entities that would have tax evasion, double deduction or double non-taxation outcomes.

4. Internal transfer prices

We conduct all intragroup transactions on an arm's length basis in accordance with local and international laws, including the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and current best practice guidelines.

Our transfer pricing policy and transfer pricing guidelines aim to adequately reflect the profit split across countries and our subsidiaries. This is done on the basis of their economic and value contribution, taking into account differences in certain countries' transfer pricing legislation and requirements and any differences in the business situation.

5. Tax risk management

We aim to reduce tax risks for the company and personal risks for all individuals involved. EnBW therefore continuously monitors risks, allocates adequate risk provisioning and provides binding responses to information requests in order to ensure compliance.

6. Transparency of tax reporting and accounting

We maintain a fair and cooperative relationship with public institutions, local revenue authorities and our auditors.

7. Improvement of the tax framework

By means of its activities in industry associations, EnBW helps to ensure that the assessments and comments they issue result in better and more practical laws and stipulations.

8. Excellent relationships with business partners

EnBW shapes its working relationships with external and internal business partners in a proactive, cooperative and constructive manner.

9. Efficiency, quality and process reliability

EnBW achieves its tax-related objectives by means of efficient work-flows, excellent methods and processes, integrated systems and continuous improvement.

10. Employee development

Our highly trained staff keep fully up to date with their tax expertise.