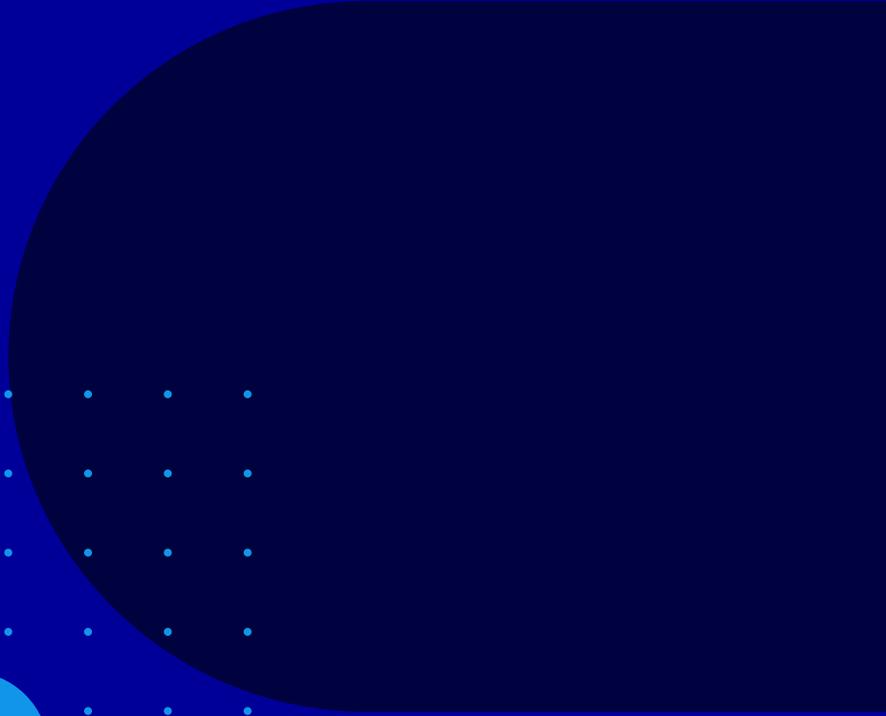


# Asset Management Policy



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# The EnBW Board of Management's commitment

EnBW is one of the largest integrated energy companies in Germany and Europe and supplies its customers with electricity, gas, water, heat as well as other services and products in the field of energy and infrastructure. We are driving the expansion of a sustainable and future-proof energy infrastructure forward across all business areas, along the entire energy industry value chain. Our unique selling point is our integrated positioning: from renewable and dispatchable generation to trading, transport and distribution grids through to sales and e-mobility. Our assets form an important basis for our business activities and are of significant value to EnBW.

Asset management employs a risk-based approach to translate the company's objectives into asset-related decisions, plans and activities. It is our aspiration to implement sustainable and responsible asset management practices within the EnBW group, ensure the long-term expansion and security of our infrastructure and guaranteeing security of supply of energy. EnBW's asset management activities are therefore based on the principles of this policy, which in turn is based on the international standard DIN ISO 55001. By taking this approach, we deliver added value to our stakeholders, secure the continuity of our business operations, and enhance EnBW's overall resilience.



Dr. Georg Stamatelopoulos  
Chief Executive Officer



Peter Heydecker  
Chief Operating Officer Sustainable Generation Infrastructure

# 1 Purpose of the policy

This policy aims to establish a framework for integrating asset management into the EnBW Group's strategy, while also setting out the principles of conduct and overarching objectives. This contributes to a higher goal: ensuring a secure, environmentally friendly and affordable energy supply. This policy aligns with key frameworks such as the Sustainable Development Goals (SDG 7 "Affordable and clean energy", SDG 9 "Industry, innovation and infrastructure", SDG 11 "Sustainable cities and communities") and the ten principles of the UN Global Compact.

The content of this policy is based on DIN ISO 55001. These frameworks form the basis of EnBW's asset management activities. Where necessary, an asset management system is introduced. Certification in accordance with DIN ISO 55001 serves as proof of responsible handling of assets. For this

reason, we endeavor to achieve a high degree of congruence between our policy and the contents of the DIN ISO standard in order to allow the possibility of certification.

EnBW defines asset management as the coordinated activities of a company to preserve and create value from assets. An asset is an object or item with potential or actual value for the company. The asset management system can help to seize opportunities and manage risks, thereby ensuring the successful achievement of defined asset management targets.

The policy applies to the asset management/asset management system of physical assets owned by EnBW. Physical assets include, for example, plants and operating resources in the following segments and business activities:

EnBW segments	Examples of business activities	Examples of assets
Sustainable generation infrastructure	<ul style="list-style-type: none"> <li>• Generation of electricity from renewable energies and conventional power plants</li> <li>• Generation and distribution of district heating</li> <li>• Waste incineration</li> <li>• Storage of electricity and gas</li> </ul>	<ul style="list-style-type: none"> <li>• Power plants (renewable and dispatchable generation)</li> <li>• District heating systems</li> <li>• Waste incineration plants</li> <li>• Shareholding in power plants</li> <li>• Storage</li> </ul>
System critical infrastructure	<ul style="list-style-type: none"> <li>• Distribution and transport grids for electricity and gas</li> <li>• Water supply</li> </ul>	<ul style="list-style-type: none"> <li>• Transformers</li> <li>• Overhead transmission lines</li> <li>• Switchgear</li> </ul>
Smart infrastructure for customers	<ul style="list-style-type: none"> <li>• e-mobility</li> <li>• Telecommunications</li> </ul>	<ul style="list-style-type: none"> <li>• Charging stations</li> <li>• Metering devices</li> <li>• Fiber optic cables</li> </ul>

Supporting physical assets (e.g. office buildings, IT equipment, vehicle fleet) and non-physical/intangible assets (e.g. contracts, patents, expertise) are not taken into account.

The asset management/asset management system encompasses all activities in the life cycle of assets. These activities include defining objectives and developing strategies, identifying and assessing

risks, planning, project planning, implementing measures, asset management controlling and continuous improvement.

In asset management plans can be defined which activities, resources and timeframes are required for (individual) assets in order to achieve the asset management objectives.

## 2 Obligations and aims

EnBW's asset management approach is focused on achieving economic success while ensuring the protection of people and the environment. EnBW's effective planning, management and control of assets is of fundamental importance for value creation. Risks and opportunities over the entire life cycle of the assets (from acquisition to disposal or reuse) are taken into account in order to achieve the desired balance between costs, risk and performance.

When integrated into EnBW's overarching control and risk framework, asset management activities and the supporting asset management system, which is based on DIN ISO 55001, can contribute to expanded opportunities and additional benefits. With this policy, EnBW establishes a framework for its asset management activities so that a significant contribution can be made to achieving its corporate goals.

### **EnBW particularly pursues the following objectives in relation to asset management:**

- Development of suitable measures for the transparent identification of all asset opportunities and risks, and the minimization of asset risks.
- Alignment of strategic decisions with EnBW's values, taking into account the impact on the entire life cycle of the assets.
- Provision of funds and resources and long-term optimization of efficiency.
- Continuous evaluation of the success of the asset strategies and derivation of improvement measures from the evaluation results.
- Compliance with legal and regulatory requirements and adherence to EnBW's internal standards.

Consequently, our asset management activities are intended to generate various benefits for EnBW and its stakeholders, including

- Fact-based decisions on asset-related investments
- Planned and controlled approach to asset-related opportunities and risks
- Improved economic, ecological and social performance
- Improved security of supply and strengthened resilience
- Increased efficiency and effectiveness

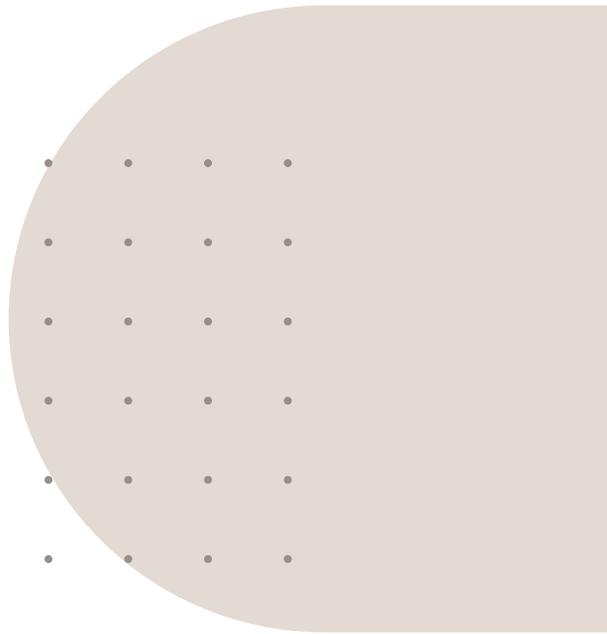
### **Basis for decision-making**

Within the framework of this policy, EnBW sets individual asset management targets. It is possible to define values that reflect the interests of the stakeholders (see section 4.2 for more information on the value basis). These values can then be used to assess asset opportunities, risks and mitigation strategies.

Values are determined individually by the respective units. In particular, specifications relating to sustainability, technical quality, and personal safety are required.

# 3 Scope of application

This policy is binding for EnBW Energie Baden-Württemberg AG (EnBW AG) as well as for all domestic and foreign majority shareholdings that can be instructed by EnBW AG by means of a domination agreement or in another legal manner. The other majority shareholdings of EnBW AG, which are de facto controlled, have agreed to the direct or analogous application of the policy. The policy does not apply to TransnetBW GmbH, terranets bw GmbH and Ontras Gastransport GmbH. These companies are requested to apply this accordingly.

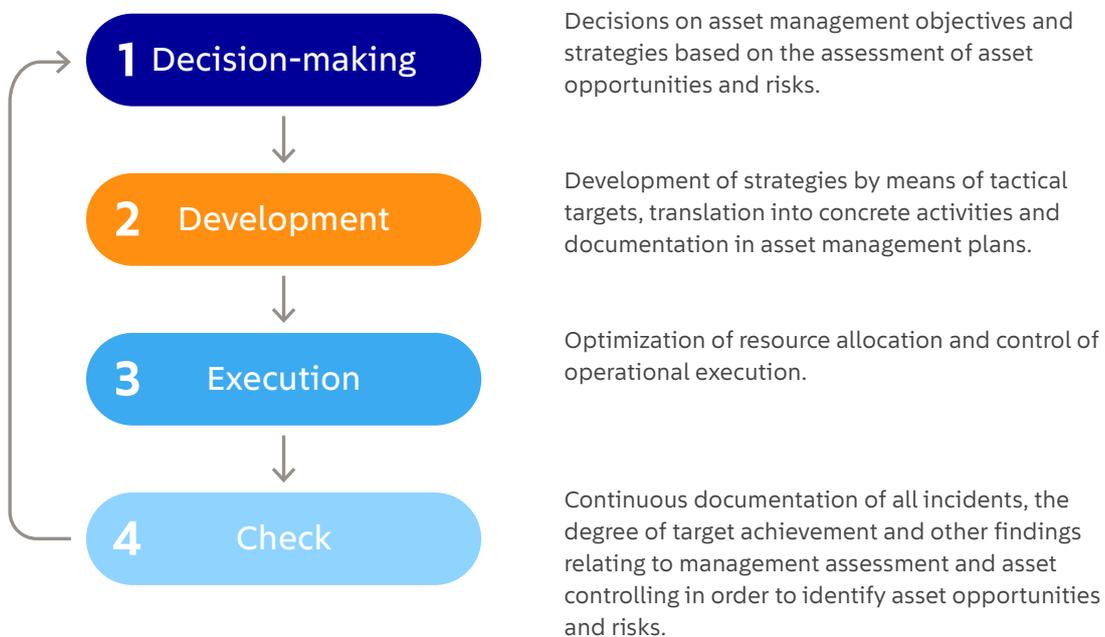


# 4 Asset management – decision-making process and elements

With regard to asset management at EnBW, the overarching decision-making process and selected elements are described below.

## Asset management: Decision making

The overarching asset management decision-making process comprises four phases:



## Asset management: key elements

The key elements of the asset management (system) that can be taken into account in the implementation at EnBW are presented below:

### **Stakeholder management:**

Stakeholder management includes the regular and structured coordination of stakeholder expectations and the communication of objectives and activities.

### **Value basis:**

The value basis represents an opportunity to present the requirements of stakeholders to EnBW and thus create a basis for the definition of specific targets and asset risk assessment. The value basis consists of value concepts and key figures. Key figures facilitate the description and quantification of abstract value concepts.

### **Definition of targets:**

The corporate targets create the overarching context and framework for the direction of EnBW's business activities, including its asset management activities. The asset management objectives are specific targets derived from this for asset management activities.

### **Asset risk management:**

Asset risk management is used to identify, evaluate and monitor asset-related opportunities and risks arising from EnBW's internal and external context.

### **Asset management plans:**

As part of its asset management plans, EnBW defines measures for implementing its strategies, including guidelines for evaluating the achievement of objectives in terms of time, resources, equipment, financial budget and effectiveness. Asset management plans include guidelines for prioritizing measures for tactical and operational portfolio management.

### **Asset portfolio management:**

As part of its asset portfolio management, EnBW is responsible for implementing measures at tactical and operational levels. This involves taking into account the prioritization requirements of asset management plans, as well as the available financial, human and material resources.

### **Asset management controlling (monitoring):**

EnBW regularly reviews the effectiveness of the asset management system and asset management as well as the development of assets, risks and targets. Suitable indicators are used for this purpose (e.g. number of damages (gas and electricity), number of environmentally critical operating resources, employee absences, SAIDI (electricity)). Regularly compiled reports and analyses are used to manage asset risks and the plan preventive and corrective measures to mitigate or reduce risks.

### **Internal and external audits:**

Regular internal and external audits can be conducted with the aim of achieving continuous improvements in asset management.

### **Management review:**

The insights gained from asset management can be documented in a management review (e.g. assessment of status and current situation, status of implementation of planned measures, audit results, asset risk report).

### **Awareness and training:**

EnBW regularly raises awareness of the importance of effective asset management, e.g. through internal communication. Relevant managers and employees receive regular training and courses in which the necessary knowledge and skills are taught.

### **Asset information management:**

Good asset management decisions at EnBW are based on significant information. Information management involves activities relating to the recording, validation and provision of information (e.g. objectives, risks, measures). This ensures that decisions generate added value.

# 5 Responsibility

## 5.1 Responsibility at board and individual company level

As the management and representative body of EnBW AG, the Board of Management is responsible for defining the content of and ensuring compliance with the EnBW Group's asset management policy. Asset management is a critical cross-segment task that comes under the remit in the Board of Management's segments "sustainable generation infrastructure" and "system critical infrastructure". The responsible members of the Board of Management represent EnBW's interests in relation to asset management within the Group. They create the conditions for the introduction and maintenance of asset management at Group level and engage in regular dialogue with the relevant units and specialist departments in the Group.

It is the responsibility of the individual group companies to put in place suitable organization for asset management, based on their business activities and the laws and requirements that apply to them. The effectiveness of the policy and the implementation of asset management are regularly monitored by the relevant departments in the Group companies.

## 5.2 Responsibility in the various specialist departments

The specialist departments of the respective Group companies that have the defined physical assets are responsible for the strategic and operational implementation of asset management and the objectives and principles described in this policy.

The specialist departments have the necessary knowledge and resources to implement elements of asset management and ensure continuous improvement.

## 6 Non-compliance

The reporting channels set up as part of EnBW AG's whistleblower system are available to (anonymously) report violations of the provisions contained in this policy as well as any other (potential) compliance violations that arise in connection with EnBW's business activities. The measures put in place by EnBW AG define clear responsibilities and processes for dealing with compliance violations, guarantee confidentiality and offer the greatest possible protection for all parties involved.

The rules of procedure for the whistleblower system set out the responsibilities, the process and the underlying principles.

## 7 About this policy

This policy is the currently valid version. It is regularly reviewed to ascertain whether any changes need to be made and updated as necessary. Depending on the change made, approval will be given by the Board of Management or a body authorized by it.

No claims or other third-party rights may be asserted on the basis of this policy.

