

Water 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 electricity, gas, water and heat together with products and services related to energy and infrastructure to its customers. Environmental protection and climate action are integral parts of the Group strategy and the EnBW Board of Management resolutely defines targets and implements measures to pursue these objectives. For us, comprehensive environmental protection and climate action include a commitment to decarbonization, consistent application of our environmental management plan, a forward-looking approach to managing climate risks, a focus on reducing pollutants, a resource-saving waste and water management strategy and protection of biodiversity.

Our environmental principles described below define our strategic approach in these areas.

EnBW is committed to delivering a secure and sustainable energy supply

- We consider sustainable business practices to involve simultaneously taking economic, environmental and social responsibility.
- As a company, we share responsibility for protecting our environment and maintaining biodiversity. We not only consider the potential negative impacts of our activities on the climate and environment but also focus on the future-oriented and sustainable use of all natural resources.
- Our energy mix aims to guarantee security of supply, combined with careful environmental management and appropriate economic efficiency.
- We take precautionary measures to ensure the safe operation of our plants and protection of the environment by managing our impacts, risks and opportunities.


EnBW promotes communication of environmental matters and helps to raise awareness of them

- We engage in open dialogue with politicians, authorities, the world of science, the general public and social groups on environmental matters and develop and maintain partnerships.
- The environmentally responsible conduct of our suppliers and contractors is important to us.
- Our employees act with the environment in mind and are continuously updating their qualifications.

EnBW is committed to environmentally compatible activities across all its business areas

- Within our value creation processes, we are committed to complying with the legal requirements. In addition, we voluntarily comply with other, more far-reaching standards for sustainable corporate management.

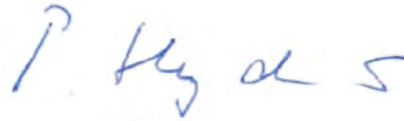
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- We provide our customers with innovative products and services for the efficient use of energy and are continuously improving them.
 - We are resolutely committed and dedicated to the continuous improvement of our environmental performance, provided this is economically viable. To this end, we define ambitious environmental targets and publish our environmental data.

A handwritten signature in black ink, appearing to read "G. Stamatelopoulos".

Dr. Georg Stamatelopoulos

Chief Executive Officer

A handwritten signature in blue ink, appearing to read "P. Heydecker".

Peter Heydecker

Chief Operating Officer, Sustainable Generation Infrastructure

1 Purpose of the policy

This policy is designed to serve as a frame of reference for the integration of water management into the EnBW Group's strategy, defining corresponding rules of conduct as well as measures and targets. Accordingly, this policy contributes to the higher goal of reducing water demand and safeguarding water quality. This policy has been produced in line with recognized frameworks such as the Sustainable Development Goals (SDG 6 "Clean water and sanitation" and SDG 12 "Responsible consumption and production") and the ten principles of the UN Global Compact.

At EnBW, the use of water resources essentially covers the operation of stationary conventional energy generation plants with water withdrawal from surface water and groundwater sources for cooling and for use as process water.

The following obligations and targets apply across all companies of the EnBW Group for those plants that achieve at least 50 MW of thermal output individually or as a joint plant. They do not apply to hydropower plants.

2 Obligations and aims

EnBW has set itself the target of reducing its water consumption and water withdrawal activities and wishes to act responsibly and play an important role in various water-related matters. Its water stewardship commitment includes measures aimed at using water sustainably, protecting water resources and encouraging water efficiency within its business processes. Specific targets and results are summarized and published on our website and in the EnBW Group's Annual Report.


EnBW has produced this policy to underline its commitment to assessing the Group's dependency and impact on water in the course of its business activities. It has also been produced with the aim of promoting initiatives to improve water efficiency in its processes and reduce water withdrawal and use in its operations, especially in fresh water areas and regions where water is scarce.

EnBW endeavors to take various aspects into account, including:

Areas of water stress: EnBW carries out analyses to identify which of its power plant sites are exposed to increased water stress. EnBW publishes the relevant operating data, particularly for power plant sites in areas at high risk of water stress, and draws up measures to reduce water consumption. Recognized tools such as the WWF Water Risk Filter and the Aqueduct data platform run by the World Resources Institute are used for this purpose.

Water stewardship: The EnBW Group pursues its water stewardship strategy in line with national legal requirements, and particularly in accordance with the provisions of the European Water Framework Directive. Water stewardship is the responsibility of public authorities in order to strike a fair balance between water availability and competing demands for water.

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Coal phaseout and fuel switch: EnBW is making the fuel switch from coal to natural gas as a bridging technology at suitable conventional power plant sites. The ultimate aim is to convert these plants to run on hydrogen as soon as it is available in sufficient quantities and insofar as it is economically viable. EnBW is also aiming to decommission coal power plants that cannot be converted to run on natural gas, provided that the corresponding framework conditions are met. Efficient and modern cooling systems are being introduced here to reduce the use of fresh water. An environmental impact assessment is generally carried out for new conventional energy generation plants before they are built.

Water-saving technology: In order to reduce water demand, EnBW tries to reuse and recycle water and modernize existing water treatment plants wherever possible. EnBW also makes every effort to examine alternatives to fresh water withdrawal by using rainwater and wastewater in its new construction projects.

In addition, we create comprehensive reports and maintain verification documentation (in the form of water withdrawal records) to ensure we only use water to the necessary extent.

Monitoring and conducting audits: An essential part of our water management strategy involves the continuous monitoring, measurement and quantification of fresh water and wastewater. Internal water management audits are carried out at least once a year at all conventional energy generation plants where water is withdrawn. The authorities also carry out monitoring activities and certified water protection experts conduct external audits to help identify and mitigate risks.

Wastewater management: Continuous inspections ensure that wastewater monitoring activities are not only consistent within the company, but also meet all legal requirements. Strict compliance with relevant legislation forms the basis for our work. This enables EnBW to make sure that inadequately treated or purified wastewater is not discharged back into water bodies.

Water risk management: The EnBW Group has a risk management system in place. Group companies are independently responsible for all steps of the risk management process. Environmental risks involving water as a resource are treated in the same way as other business risks and must be recorded in the risk management system and assessed and documented at least once a year.

EnBW has drawn up corresponding emergency and crisis scenarios and defined escalation levels for a wide range of risks, especially those involving heat, low water levels and floods, in order to protect its facilities.

Employee training: EnBW upskills its employees in the relevant departments by providing regular internal training and organizing external training courses on the subject of water management. This includes, among other things, raising awareness of the careful use of water as a resource.

Water management in the supply chain: Our Supplier Code of Conduct requires our suppliers and business partners to take suitable action to minimize environmental damage resulting from their business activities and business relationships.

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 Responsibility

4.1 Responsibility at board and individual company level

In its Business Allocation Plan, the Board of Management of EnBW AG has delegated responsibility for the universal task of “environmental protection” to the Chairman of the Board of Management. The Chairman of the Board of Management represents EnBW’s interests concerning overarching environmental issues within the Group, creating the conditions for the introduction and maintenance of environmental management systems at Group level and appointing a management officer to deal with environmental protection matters within the Group.

It is the responsibility of the individual Group companies to organize suitable measures for identifying and reporting water-related matters and carrying out risk assessments in this regard, based on their business activities and the laws and requirements that apply to them. Where relevant, designated water protection officers are appointed, among other measures.

4.2 Responsibility in the various specialist departments

The management officer for environmental protection matters within the Group reports directly to the member of the Board of Management with responsibility for the environment. In terms of matters concerning water, the environmental protection officer is particularly tasked with ensuring Group-wide reporting of key performance indicators and reporting on the achievement of the targets.

5 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.

6 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.

7 Definitions

Fuel switch	In relation to generation in thermal power plants: Switching from coal as a fuel to more climate-friendly options such as natural gas and hydrogen.
Thermal output	The thermal output installed at a power plant site.
Conventional energy generation plants	Plants that generate energy (electricity, heat, kinetic energy) using fossil fuel or renewable fuel.
Power plant site	A site where one or more conventional energy generation plant(s) are combined under licensing law.
Volume of cooling water and wastewater	The volume of cooling water and wastewater in a body of surface water.
MW	Megawatt, a unit of electrical power; 1 MW = 1,000 kilowatts (kW).
m ³	Cubic meter, a unit of volume (here related to water); 1 m ³ = 1,000 liters.
Water withdrawal	Withdrawal of water for cooling and process purposes, excluding hydropower.
Water recycling	Treatment of water that has already been used for re-use.
Area of water stress	An area where water demand exceeds the quantity available (WWF Water Risk Filter).
Water consumption	The amount of water discharged into the sewer system and/or lost to evaporation, as well as water that is not returned to its source.