



#StandWithUkraine

Sustainability Report 2021

e.on

**E.ON doesn't have a sustainability strategy;
we have a sustainable business strategy.**

Our business is inherently sustainable.



At E.ON, we manage the largest energy grid in Europe and act on behalf of about 51 million customers. This places us in a position of responsibility and provides us with the power to enable real improvements. Firstly, in the face of climate change, we have a responsibility to clearly **prioritise** sustainable solutions and increase their availability. Secondly, we are big enough to be a credible and influential sustainability leader of the new energy world. We believe we have a role to play in defining a clear transformation pathway toward a net-zero energy system.

Enabled by 100 years of engineering expertise, we are taking decisive action. We are making sustainability our whole purpose. Our sole aim is to connect people, communities, and businesses to reliable power that is both sustainable for **our planet** and economically beneficial to our business. In short, we want to connect everyone to good energy.

And to do that we are carrying out four clear missions:

We believe in a fossil-free **future**. This drives every decision we make and every action we take. Our energy networks provide the backbone of the energy transition and play a significant part in the decarbonisation of society. Through our green solutions and retail portfolio, we are offering smart, energy efficient products and services for private households, communities, businesses, infrastructure, and mobility. By making sustainable solutions more accessible and connecting them, we are supporting our customers on their individual journeys toward net zero.

To facilitate the transformation to new fuels we are building the green gas infrastructure the future demands. Without doubt, providing about 51 million customers with a clear route to sustainable living will be the biggest driver of change, but also key to our mission is our commitment to becoming a greener company ourselves. We have pledged to significantly reduce our own emissions by 2030 and be climate-neutral by 2040 in our own operations – exceeding both the Paris Agreement and the derived science-based targets for a 1.5° C **pathway**.

Working toward a net-zero world

01



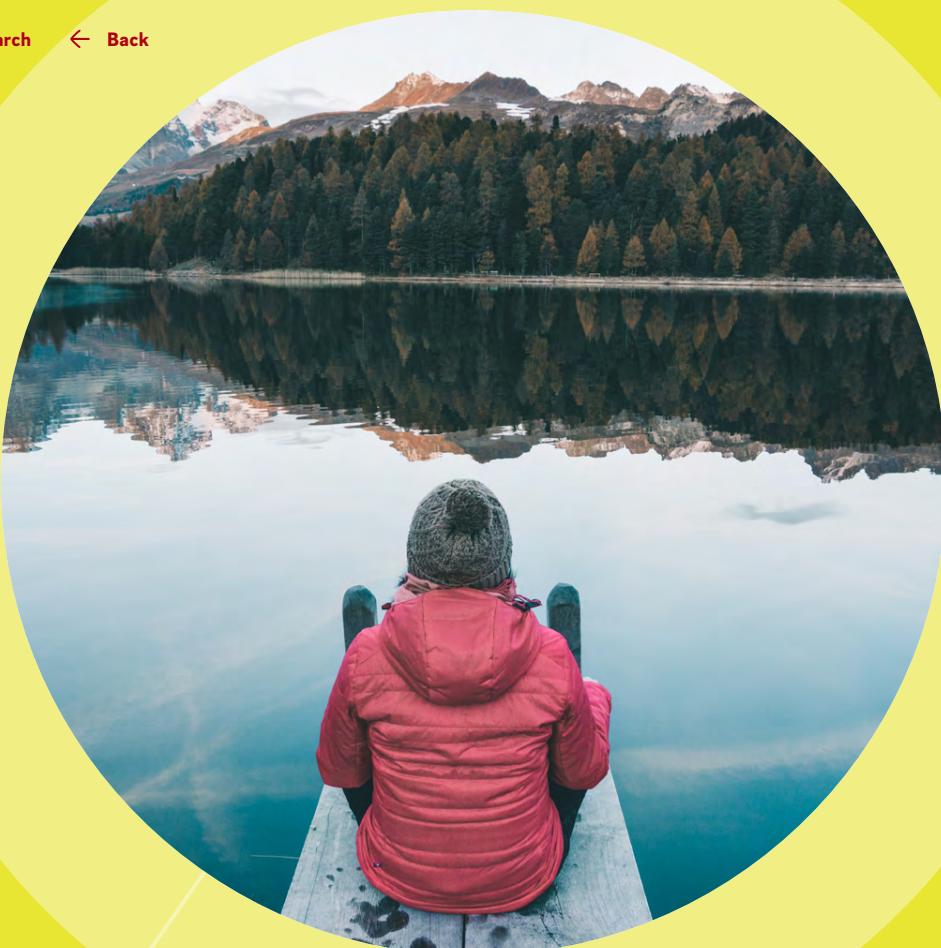


Preserving healthy ecosystems

02

For humans and nature to coexist, well-functioning natural landscapes are essential and help to reduce the effects of extreme weather on the environment and energy supply. Our goal is to become the most **sustainable** and reliable network operator in Europe, by implementing ecological corridor management throughout the woodland segments of our high voltage grid.

This will enable us to minimise our **impact** on nature and simultaneously protect our infrastructure from adverse conditions, such as high wind speeds. It's all part of our pledge to manage all our powerline corridors in a minimally invasive, eco-friendly way, conserving a natural area equivalent to 100,000 football pitches.



03

Empower people for the energy transition

We are working hard on behalf of our stakeholders to provide reliable clean energy for all. By actively engaging with about 51 million customers, 70,000 employees, and 30,000 partners and suppliers, we are helping them transition to a **fossil-free** future. By making it possible for people, businesses, and cities to apply custom solutions to produce their own green energy and become more energy efficient and resilient, we are democratising energy.

Ultimately, we aim to connect about 51 million customers to green energy **communities** in all European markets, providing them with access to affordable renewable energy. By 2030, our green sustainable offerings will be helping millions of private households and enterprises on their personal green pathway to a net-zero future.

04

Fostering a sustainable culture both in and outside our organisation



Responsible partnerships and supply chains, diversity, and health and safety are the cornerstones of a sustainable culture. That's why the health and safety of our colleagues, partners, and customers is our number one priority. We strongly support diversity in all facets of European society and believe diverse teams deliver better results, helping us to move faster and more successfully into a brighter future.

To become an even greener **company** we've set the highest standards for ourselves. To that end, executive compensation is linked to climate and sustainability targets. Furthermore, to ensure that our sustainable strategy stays on track to deliver the most value to society we actively seek feedback from renowned academics, politicians, NGOs, and supranational organisations.

A photograph of a woman wearing a white hard hat with the 'e.on' logo, safety goggles, and a bright yellow-green high-visibility vest. She is standing outdoors, with a wind turbine visible behind her against a blue sky with some clouds. On the left side of the slide, there are three overlapping teal circles of increasing size, and several thin white lines radiate from a central point towards the text block.

With our four missions in place, we are **on the way** to becoming Europe's leading energy company by 2030. We are managing our network and are pioneering energy solutions that will lead Europe toward net zero. Together with our customers, partners, colleagues, and shareholders, we are making an ever-growing contribution to decarbonising Europe and connecting people everywhere to **to good energy.**



Community investment:
€12,335 million

Corporate volunteering:
8,506 hours

Lost-time injury frequency (LTIF) among employees per million hours of work¹: 2.1

Serious incidents and fatalities (SIF) among employees per million hours of work¹:
0.09



Average training hours per employee²:
14.7 hours

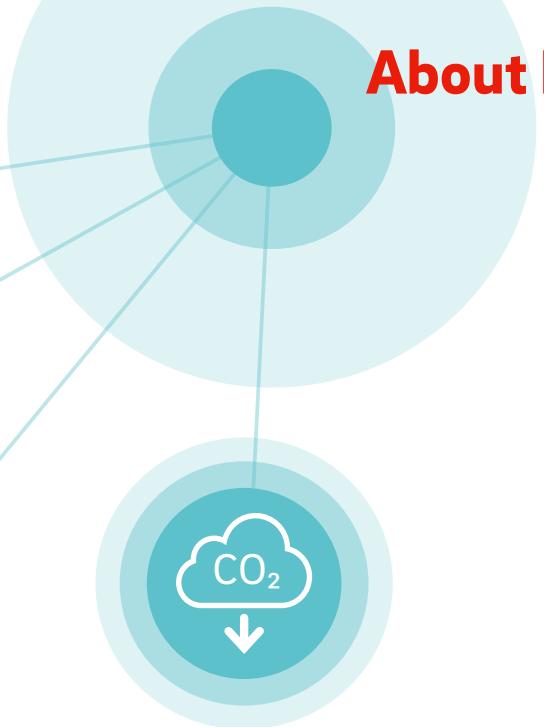


Share of female executives³:
21 per cent

Share of ecological corridor management (ECM)⁴:
11.4 per cent



Share of connected RES capacity⁴:
78.21 per cent



Scope 1 emissions¹: 3.71 million metric tonnes CO₂e

Scope 2 emissions location-based²: 3.90 million metric tonnes CO₂e

Scope 2 emissions market-based^{2,3}: 5.73 million metric tonnes CO₂e

Scope 3 emissions^{1,4}: 100.38 million metric tonnes CO₂e

Green power sales⁴: 61,008,270 MWh

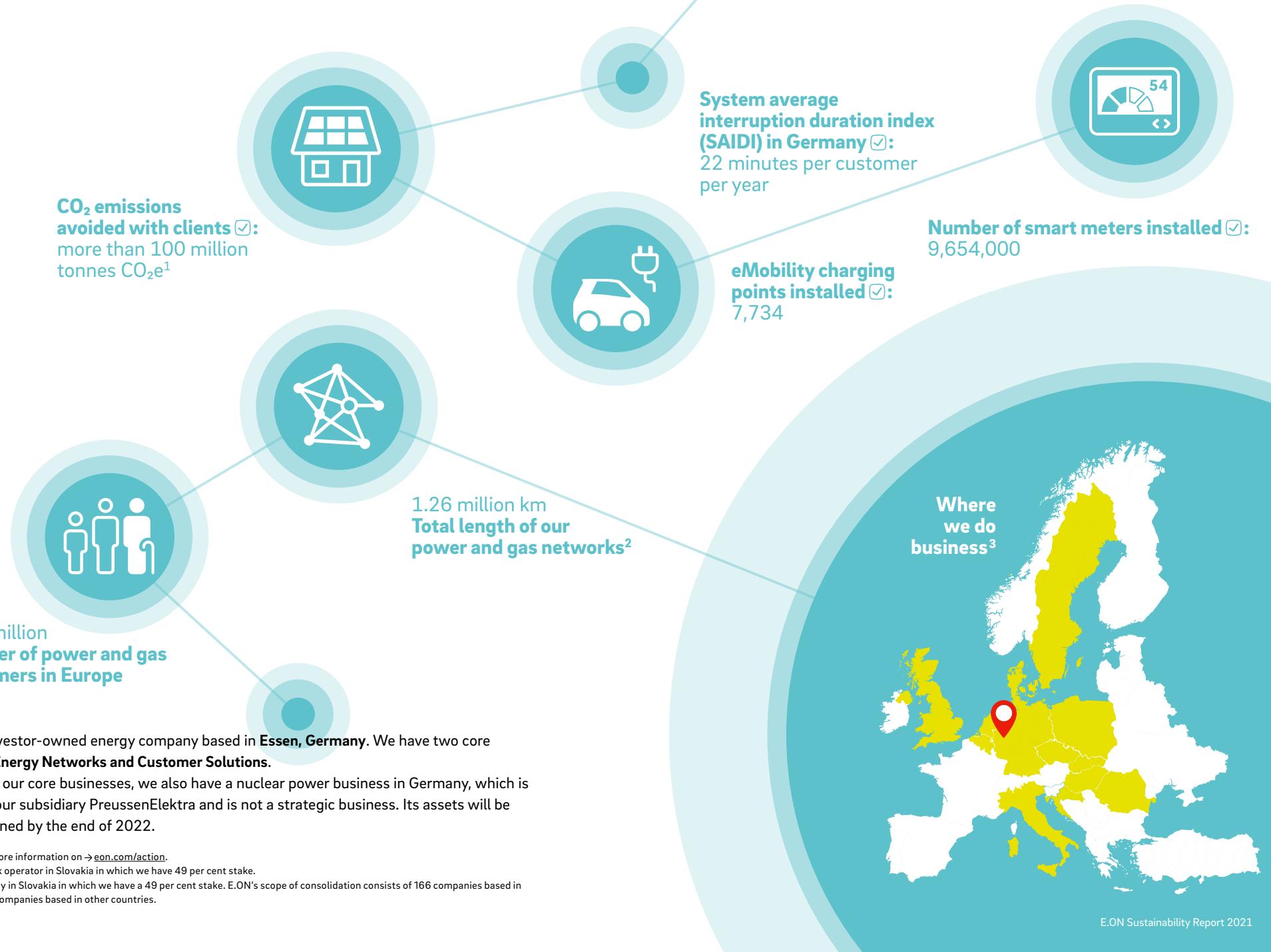
Share of green power sales⁴:
33.3 per cent

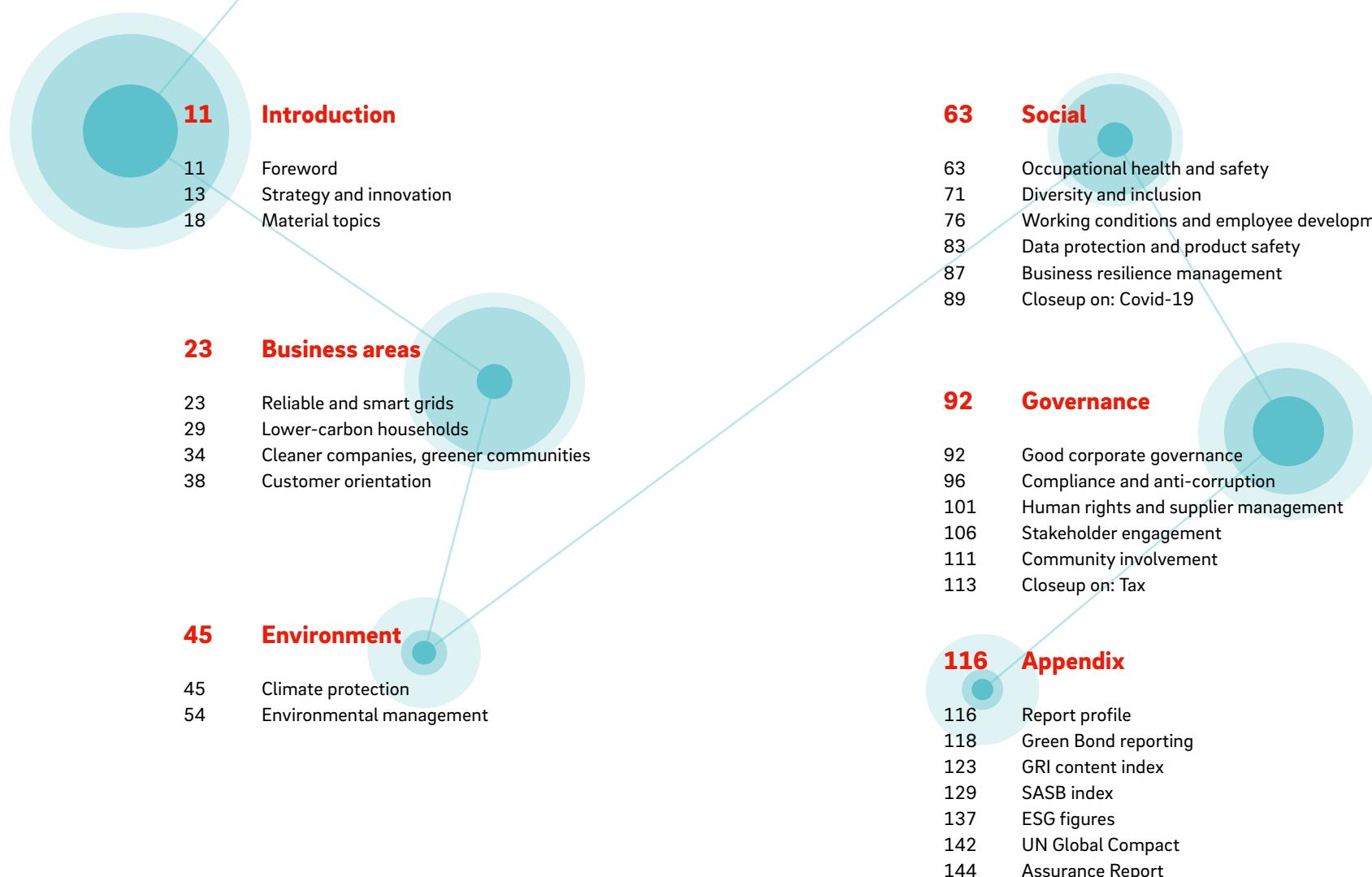
¹From 2019 onward, emissions from power and heat generation are divided into emissions from plants owned and operated by E.ON (Scope 1) and emissions from plants leased to, and operated by, customers (Scope 3). This improves E.ON's ability to manage its emissions and makes progress toward its targets more transparent.

²Excludes E.ON's consumption of district heating due to the immateriality of the quantity compared to the other Scope 2 categories.

³First-time reporting of market-based Scope 2 emissions in 2020.

⁴Scope 3 emissions from purchased power and the combustion of natural gas sold to end users (energy sold to our residential and B2B customers), according to the GHG Scope 3 protocol. The emissions from distribution losses from energy sold to sales partners and the wholesale market are accounted for under our Scope 1 and Scope 2 emissions accordingly.





Content that has been assured by KPMG AG with "Limited Assurance" is indicated by the symbol . The Assurance Report describes the exact scope of the audit. Sections of this report that fulfil Global Reporting Initiative Reporting Standards are followed by square brackets containing the corresponding number.

We'd like to thank all employees who responded to our invitation to submit photos for the 2021 Sustainability Report. The cover image and others were taken by them.



Leonhard Birnbaum
Chairman of the Management Board and CEO

Dear readers,

When I became CEO last April, E.ON's transformation had already taken big and important steps. Our spinoff of large-scale conventional generation was complete. Germany's nuclear phaseout was settled. We'd divested our renewables business as part of the innogy transaction in order to focus entirely on energy networks and customer solutions. But it was also clear to us, despite all these achievements, that E.ON's transformation was just beginning. And that's why we've done even more. We're making sustainability the guiding principle of our actions and E.ON the sustainable platform for Europe's green energy transition. We don't have a sustainability strategy. Sustainability *is* our strategy. Because more sustainability means more investment opportunities for us.

The moment to shift into a higher gear couldn't be more favourable. The energy industry has become essential for solving humanity's biggest challenge in the 21st century. And E.ON is superbly positioned to make an important contribution.

Sustainable investments

Sustainability is more than just an opportunity for us. It's our business. Societies need companies like E.ON to make progress toward climate neutrality. Because the green transition has long been about more than generating clean energy. It's about distributing it. E.ON – one of Europe's largest distribution network operators – delivers sustainable energy to where it's needed. That's why we're taking action now by launching a major growth and investment offensive.

Over the next five years, E.ON will invest around €27 billion in the energy transition: to expand and upgrade our networks and to offer new services to our customers. In addition, our customer solutions business supplies energy to around 51 million customers and helps them reduce their carbon footprint.

Our investment programme is aligned with the EU taxonomy; 80 per cent of our core business investments fall within the scope of the taxonomy. More than half of the funds for these investments will be raised through the issuance of green bonds. The ramp-up of the hydrogen economy will offer us additional growth potential.

Climate protection

We know about the dangers of climate change. Europe isn't impervious, as was shown by last year's floods and tornadoes in Germany and Eastern Europe. Our subsidiaries kept the power supply in the disaster zones as stable as possible and restored the grid in record time in very difficult circumstances. Many E.ON employees also assisted in the recovery as volunteers and, together with E.ON, donated money for disaster victims.

Natural disasters reaffirm our intention to lead the way by reducing our carbon footprint. In 2020 we set new climate protection targets: E.ON aims to be climate-neutral by 2040 and for its supply chain to be so by 2050. Last May the E.ON Annual Shareholders Meeting resolved that progress toward these targets will now be factored into the Management Board's compensation. E.ON's corporate governance is thus closely linked to its management of environmental, social, and governance (ESG) aspects.

E.ON is committed to the United Nations Sustainable Development Goals (SDGs) as well. Our emission-reduction targets are consistent with limiting global warming to 1.5°C above pre-industrial levels. We voluntarily chose to have our targets independently validated by the Science Based Target initiative (SBTi). We've also aligned our financial reporting with sustainability aspects and follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Investors appreciate our sustainability strategy. CDP again gave E.ON an A rating for tackling climate change in 2021 in recognition of our leadership in corporate sustainability. Of the more than 12,000 companies rated, we rank among the top 2%.

Biodiversity

Our decarbonisation projects enable our daily operations to prevent carbon emissions on our customers' behalf. We think outside the box too. In the run-up to last year's World Climate Conference in Glasgow, for example, we partnered with other organisations to mobilise \$1 billion to protect tropical forests. E.ON is also the world's only energy company to support the United Nations Environment Programme (UNEP) in restoring ecosystems for climate protection and biodiversity.

E.ON is one of Europe's largest operators of electricity distribution networks. Under 13,000 kilometers of our high-voltage lines in forested areas we're going to create valuable biotopes. That's an area the size of 100,000 football pitches. Ecological powerline corridor management will make an important contribution to healthier ecosystems and greater biodiversity throughout Europe.

Employees

Our success depends on our employees. We create the right conditions for them to realise their full potential. And we strive to ensure their safety while promoting their health and well-being. All three aspects – safety, health, and well-being – have become even more important during the Covid-19 pandemic.

I'm proud of our people's performance in these challenging times and would like to express my sincere thanks to them. Their dedication and sense of responsibility have enabled us to keep the energy supply reliable amid the pandemic, continue to be there for our customers, and develop innovative energy solutions.

We also took a variety of steps to ensure a safe work environment and created extensive opportunities for employees to work from home. At many locations, employees and their families were offered vaccinations. In addition, our Employee Assistance Programme (EAP) was available to help them deal with potentially stressful aspects of the situation, such as social distancing.

Regrettably, despite our robust safety culture and systematic prevention measures, two contractors and one E.ON employee died in workplace accidents last year. This has reinforced our commitment to further enhance our accident prevention efforts. We investigate every fatal accident thoroughly so that we understand the exact sequence of events and can learn from them.

Sustainability Report

Our Sustainability Report gives you – our customers, employees, shareholders, and other stakeholders – a transparent view of our sustainability performance and progress. It tells about our many successes, but also openly presents our challenges. We invite you to read it and ask us tough questions about it. Our sustainability journey will continue. We look forward to working closely with you. For a sustainable future.

Best wishes,

Leonhard Birnbaum

Connecting everyone to good energy

Europe's energy transition is irreversible and gaining pace. For the energy industry, this poses new challenges but also creates tremendous opportunities. E.ON is a leading network operator and has more than 51 million customers across Europe. This positions us better than any other energy company in Europe to profoundly shape the new era of green energy and to play a leading role in the future distributed, climate-neutral energy world. Our strength is our combination of network and customer businesses. This gives us an immense social responsibility that we're committed to meet and a unique business opportunity that we intend to seize. To achieve our objective, we updated our corporate strategy and laid a new course. We've set three clear priorities on which we will focus our human and financial resources in the years ahead: growth, sustainability, and digitalization. Sustainability is the core of our strategy and will be the guiding principle for all of our future actions. We will become climate-neutral ourselves, and helping our customers decarbonise will be our key growth driver.

Our updated strategy fits seamlessly with the European Union's decarbonization agenda. Europe's distribution networks – our biggest business – are where its energy transition is happening. The investments necessary to upgrade, expand, and digitalise these networks in the decade ahead are estimated at €425 billion. That's roughly the size of Belgium's entire economy. Our strategy also fits with two of the EU Green Deal's programmes: the Horizon Europe programme (which will provide about €15 billion of funding through 2027 for climate, energy, and mobility projects) and the Innovation Fund (which will mobilise about €10 billion through 2030 to help low-carbon technologies become market-ready). Many of these projects and technologies are relevant for our customer solutions business. To seize the growth opportunities in our core businesses, we intend to invest a total of roughly €27 billion from 2022 to 2026, of which around €22 billion will go toward energy networks and €5 billion toward customer solutions. This investment program aims to be fully aligned with the EU Taxonomy; 80 per cent of core-business investments in the 2021 financial year were within the scope of the EU taxonomy. Further information on our disclosures in line with the EU taxonomy for the financial year 2021 can be found in the Separate → [Combined Non-Financial Report](#). More than half of the funding for these investments will be raised through the issuance of green bonds. E.ON's updated strategy thus also caters to capital markets' increasing interest in sustainable investments.

An inherently sustainable strategy

Europe's energy system is steadily becoming more decarbonised, decentral, and digital. In short, more sustainable. Our core businesses – energy networks and customer solutions – are helping make it happen.

Our distribution grids are getting progressively smarter, which enables them to integrate more renewable energy and manage increasingly complicated energy flows in real time while remaining reliable. Our gas networks are the starting point for building a future green gas ecosystem and will integrate an increasing proportion of low-carbon hydrogen, which will be a crucial energy carrier for putting hard-to-decarbonize industries on a path to net zero.

Our green, smart and efficient energy solutions support customers of all sizes – from families and small businesses to big manufacturers and entire cities – on their individual decarbonisation journeys. Achieving this will involve continuously greening our energy sales and taking steps like retiring the few remaining coal-fired power plants in our district heating business by 2030.

Sustainable energy, which is essential for climate protection, also has a social component. E.ON aims to provide a high degree of supply security and thus make an important contribution to Europe's economic growth and social stability. This is an important social responsibility, especially in times of crisis. We work continually to enhance our networks' reliability. For example, steadily increasing our networks' proportion of underground cabling has even further increased their resilience to extreme weather and thus their reliability. Conducting ecological corridor management does the same for an increasing share of our overhead lines while also promoting biodiversity (for more information, see "Preserving healthy ecosystems" below).

Our strategy's success will depend in part on our ability to innovate: to translate new technologies and business models into compelling products and services that not only improve our customers' lives, but also help propel Europe to net zero. We have about 51 million customers across Europe, and a significant amount of Europe's renewables capacity is connected to our networks. This gives E.ON a large and unique real-world lab in which to test and refine innovative ideas and technologies. It also enables us to rapidly deploy successful innovations in multiple markets and thus to accelerate the transition to a sustainable energy future across Europe. The experience we've gained in our real-world lab along with our assessment of emerging trends has led us to focus our innovation efforts primarily on four areas: industry, energy communities and networks, mobility, and consumer innovation. The chapters of this report that describe our core businesses – →[Reliable and smart grids](#), →[Cleaner companies, greener communities](#), and →[Lower-carbon households](#) – feature a number of the innovative, climate-friendly products and services we brought to market in 2021.

Responsibilities

E.ON's Strategy & Innovation function consists of the Strategy Cluster's three teams (corporate strategy, energy networks strategy, and foresight and analytics) and the innovation activities of E.ON Group Innovation GmbH (see below). The department is in the CEO's remit. This setup helps make E.ON's strategic development highly adaptable to emerging trends and provides optimal support to the operating units' innovation activities.

The Strategy Cluster is responsible for making strategic recommendations and guiding decisions on corporate and business-specific strategic issues. It provides the E.ON Management Board with the information and insights it needs to set and, if necessary, adjust E.ON's strategic course. The cluster also monitors trends, competitors, and, in close consultation with the Political Affairs team, policy and regulatory developments. In addition, it works with the operating units on specific projects and collaborates continually with the Sustainability & Health, Safety, and Environment (HSE) department to ensure that E.ON's corporate strategy is inherently sustainable. Alongside its ongoing work, in 2021 the Strategy Cluster coordinated E.ON's strategic review (for more information, see "Management" below).

E.ON Group Innovation GmbH is responsible for identifying and evaluating the latest developments in the energy sector and exploring and forging mutually beneficial partnerships with innovative companies, start-ups, universities, research institutions, and thought leaders. The aim is to strengthen E.ON's position as a pacesetter in the transition to a sustainable energy world. Headquartered in Essen, our innovation organisation has outposts in global innovation hubs: Berlin, Tel Aviv, and Silicon Valley. It builds partnerships with outside entities, such as GridX, while also closely collaborating with our business units in innovation projects to make a measurable contribution to E.ON's business success.

Management

E.ON operates in a highly competitive and dynamic marketplace. New technologies, market entrants, and potential disruptions emerge continually. Regulated businesses generate about 80 per cent of our operating earnings. Our policy and regulatory environment is therefore crucial to our success. Although this environment is less volatile than our markets, it's also a source of change. We must continually ensure that our corporate strategy will enable us to create sustainable value for our investors and for the communities we serve. We do this through four strategy workstreams. Monitoring (i): we continually monitor E.ON's competitive and regulatory environment as well as social, technological, and economic trends. Strategy process (ii): we conduct a strategic review (at regular intervals and on an ad hoc basis) to ensure that E.ON's strategy and equity story address new developments. Strategic projects (iii): we evaluate the status of strategic projects that simultaneously contribute to E.ON's long-term sustainable growth and accelerate the energy transition. Portfolio activities (iv): we assess how E.ON's infrastructure and energy solutions businesses affect E.ON's sustainability profile.

In 2021 E.ON conducted a strategic review that resulted in the above-described updated strategy. The review reaffirmed the key sustainability issues for our business and our role in society: climate protection, health and safety, diversity and inclusion, and good corporate governance. Sustainability enhances E.ON's ability to create lasting value, mitigate risks, access capital markets (which are increasingly oriented toward sustainable finance), and proactively shape shareholders and stakeholders' perception of the group's position.

Commitment to the UN Sustainable Development Goals

The United Nations' SDGs of its 2030 Agenda for Sustainable Development provide a blueprint for a better and more sustainable future. Adopted in 2015, the 17 SDGs and 169 subgoals address a wide range of global challenges. We recognise the SDGs' importance and fully support them. Our Management Board underscored this support by issuing a self-commitment to the SDGs in June 2018. E.ON's core businesses enable it to have the biggest impact on the SDGs 7 (Affordable and Clean Energy), 11 (Sustainable Cities and Communities), and 13 (Climate Action).



Decentralised implementation

ESG aspects are systematically embedded into E.ON's central steering and management processes. In addition, each business unit's management team is responsible for taking action to enhance sustainability and to meet the sustainability targets it set for its unit. This decentralised approach enables the units to contribute to our group-wide targets for issues like climate protection and corporate governance, while also tailoring their actions to their specific needs. Each unit has sustainability staff who reinforce awareness, coordinate projects and initiatives, and monitor progress toward targets. They share information at regular intervals with our Sustainability Council and the Sustainability team at Corporate Functions. [↗](#)

Sustainability incentives for executives

Implementing our sustainability strategy effectively and consistently requires the active support of our organisation's entire leadership. To encourage and reward this support, a portion of our corporate officers' and senior executives' variable compensation is determined by their unit's achievement of its sustainability targets. The targets, which vary somewhat by unit, are expressed in quantitative metrics. For example, we measure customer loyalty by asking customers to rate their willingness to recommend E.ON and our services. Members of our Management Board have individual annual targets for the E.ON Group's sustainability performance in areas such as carbon emission reduction, occupational safety, customer loyalty, and workplace diversity. [↗](#)

Focus dimensions of our updated strategy

Our updated strategy has the following focus dimensions and corresponding guiding statements. They were approved by E.ON's Sustainability Council in June 2021 and endorsed in September 2021 by the Supervisory Board's Innovation and Sustainability Committee. [↗](#)

Working towards a net-zero world.

Climate protection is a key driver of E.ON's future growth. In October 2021 E.ON submitted its climate targets to be validated by the Science Based target initiative (SBTi) to confirm that they're consistent with keeping global warming to 1.5° C above pre-industrial levels in October 2021. We pledge to achieve climate neutrality by 2040 (and to cut Scope 1 and 2 emissions by roughly 75 per cent by 2030) and to reduce our Scope 3 emissions by roughly 50 per cent by 2030 (and by 100 per cent by 2050). All reductions are relative to 2019. These objectives set a course that is both ambitious and viable: a reduction path that implies a consistently aligned with the new energy world in keeping with E.ON's strategy. Starting in 2022, we'll also voluntarily offset those emissions we're currently unable to avoid. Offsets help fund measures that reduce, prevent, or eliminate carbon emissions, often in developing and emerging countries. Our flagship offsetting programme is our partnership with the LEAF Coalition, which stands for Lowering Emissions by Accelerating Forest finance. LEAF offsets help protect tropical forests and manage them sustainably. Our LEAF programme will initially run through year-end 2026. [↗](#)

Preserving healthy ecosystems

E.ON operates more than 1.2 million kilometers of electricity lines. This makes us one of Europe's largest distribution system operators. About 70,000 hectares of our service territory consists of high-voltage overhead lines in forested areas. We've developed an approach to ecologically plan and manage the vegetation under and near these lines. This approach, which is already in place for around 8,000 hectares of woodlands in Germany, will now be extended to all our service territories in Europe. By 2029, we intend to put in place specific vegetation-management plans for each hectare of woodlands and to invest a double-digit million euro sum for this purpose. It's part of our commitment to promote healthy ecosystems and greater biodiversity in line with the partnership we formed in 2021 with the United Nations Environment Programme (UNEP). [↗](#)

Empower people for the energy transition

E.ON's updated strategy aims to empower over 51 million customers to switch from fossil to green energy sources and to progress toward net zero. We'll help companies and cities convert to renewable and recycled energy, including green gas and hydrogen, which will be essential for industry and heavy transport to decarbonise. We'll offer solutions that enable residential customers to generate their own renewable energy, use it efficiently, make their home smart, and embrace eMobility. These solutions will enable our residential customers to displace more than 3 million metric tonnes of CO₂ each year by 2026.

Fostering a sustainable culture both in and outside our organisation

The integration of sustainability aspects into E.ON's core processes was a key initiative in 2020. Its continuation in 2021 helps ensure that E.ON's strategic and operational decisions, actions as a company, and external communications reflect our commitment to be Europe's leading sustainable energy company. E.ON has always viewed strategic decisions, capital allocation, and M&A projects in the context of sustainability. Due to sustainability's increasing relevance, ESG risks (such as climate and human rights risks) are factored into E.ON's enterprise risk management ("ERM") system.

The → diversity of E.ON's people is the foundation for sustainable innovation, continual improvement, business success, and growth. We want to increase E.ON's diversity from many perspectives, including experience, education, nationality, and the proportion of women in management positions. We've also set ambitious targets for improving the → health and safety of our colleagues and contractors and for preventing accidents. E.ON's HSE strategy and new people strategy, both of which were adopted at the end of 2020, focus on these issues and provide answers to what priorities we intend to set and how we'll achieve our targets.

Material topics

GRI 102:
General
disclosures
2016

The → [Global Reporting Initiative \(GRI\)](#) proposes that organisations should report on the topics that have significant economic, environmental, and social impacts and that substantively influence their stakeholders' assessments and decisions. Since 2006, we've conducted an annual materiality analysis to identify these topics. This report focuses primarily on the sustainability topics that this analysis found to be of high relevance. To meet our stakeholders' various expectations as well as the requirements of sustainability rankings and ratings, this report also presents information about a number of other sustainability topics.

Identification of our material topics and sustainability strategy [→ GRI 102-46]

We conducted a detailed materiality analysis in 2020 and revised our material topics. The results of this assessment were used for this year's materiality analysis which took the form of a thorough review. Its purpose was to draw on the results of our re-evaluation of → E.ON's approach to sustainability. The findings indicate that sustainability will play an even bigger role in E.ON's business activities going forward. The review showed that there were no significant changes. Our main topics from 2020 therefore remain unchanged.

The process by which we identified our material topics consisted of three initial steps, which are described below.



Step one: internal workshop

A workshop was conducted during → the strategy review to rate the importance of our sustainability focus areas for different stakeholder groups. The groups include investors, customers, employees, NGOs, policymakers, regulators, and ESG rating agencies. A variety of E.ON departments as well as outside advisors took part in the workshop, ensuring a broad range of perspectives. The findings were discussed with Management Board.

Step two: analysis of outside expectations

We analysed our stakeholders' expectations using ESG key performance indicators (KPIs). We focussed on four stakeholder groups: institutional investors, industry peers, ESG standards and ratings, and a final group consisting of the media, policymakers, and internal stakeholders. We conducted interviews and submitted questionnaires to ten institutional investors and assessed their analysts' requests. We benchmarked the sustainability disclosures and narratives of 25 peer companies. We screened the criteria of relevant ESG standards and ratings. For the last stakeholder group we conducted stakeholder analyses as well as interviews with internal sales managers. The result was a long list of ESG KPIs. We then prioritised the KPIs by analysing the degree to which they support E.ON's sustainability narrative, their impact on E.ON's business, and their consistency with its targets. This resulted in a shortlist which helped us to evaluate which topics were material for E.ON in 2021.

Step three: discussion of the findings

Representatives from Controlling & Risk, Group Accounting, Investor Relations, Group Finance, Sustainability & HSE, and HR discussed the findings of steps one and two. The meeting suggested several alterations to last year's materiality matrix. They included moving human rights and supplier management up on both axes of the matrix because of new and stricter laws, such as the German Supply Chain Act and the EU Taxonomy. Community involvement was lowered on both axes because it's not part of E.ON's core business. The culmination of step three was for the matrix to be approved by the Steering Committee, which took place in July 2021. The committee consists of two Management Board members as well as Senior Vice Presidents (SVPs) from several departments, including Investor Relations, Sustainability & HSE, and Finance. Lastly, the results were sent to the Sustainability Council and were confirmed by its members in October 2021. The council consists of the CEO and eight SVPs.

Material topics

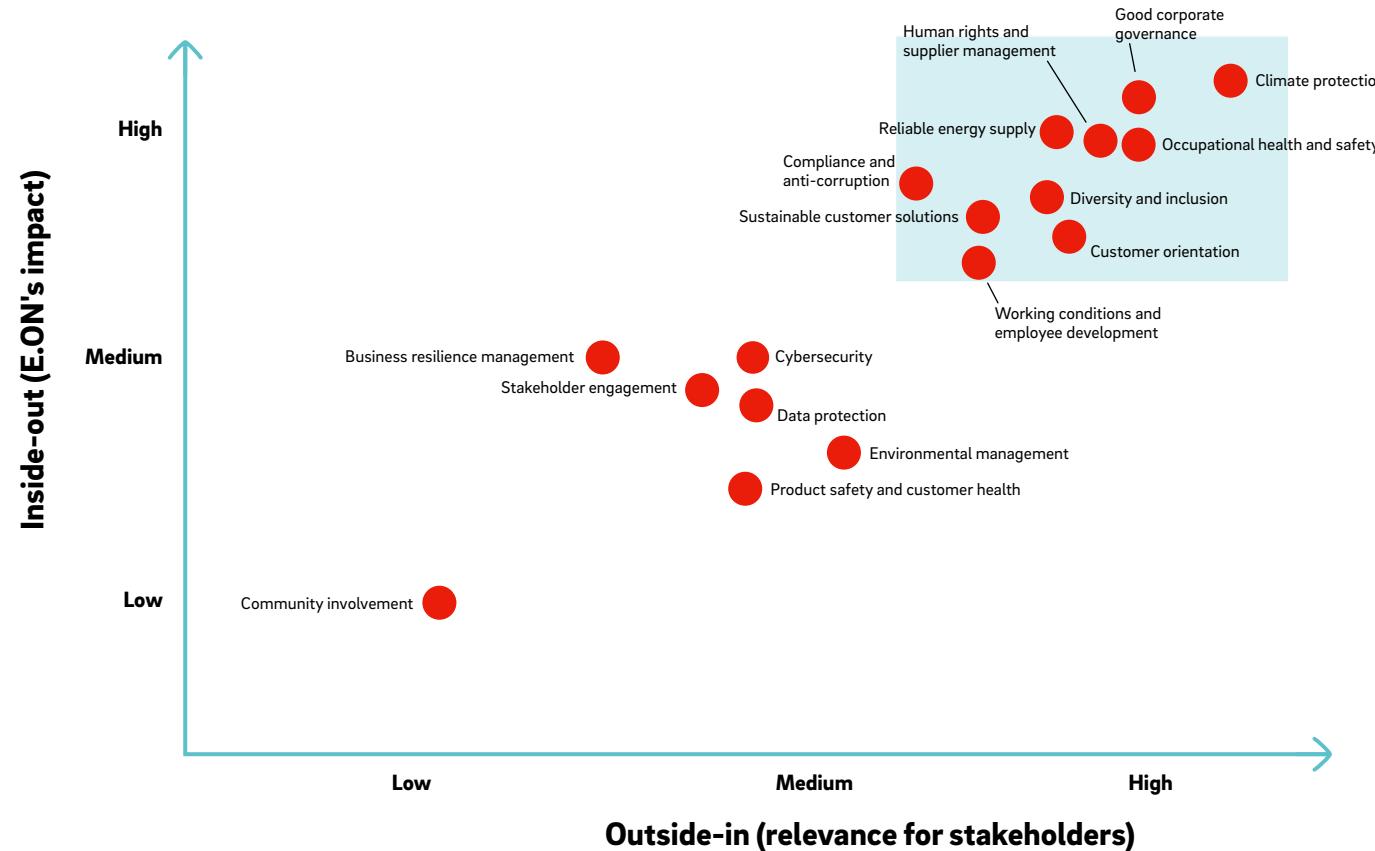
The findings of our materiality analysis in 2021 are charted on the materiality matrix below. The horizontal axis indicates the topics' relevance to outside stakeholders (outside-in), the vertical axis our impact on the topics (inside-out). We classify as material those topics that are at

least highly relevant for stakeholders or that we have at least a high ability to influence. We thus identified ten topics as material.

The chapters of this report describe how we manage our material topics and the progress we've made. Some chapters address more than one topic. For example, data protection, cybersecurity, and product safety are combined in the chapter entitled →Data protection and product safety. The topic "sustainable customer solutions" is subdivided by customer segment and described in

two chapters: →Lower-carbon households and →Cleaner companies, greener communities. We also determined which →GRI standards our material topics correspond to. For example, human rights and supplier management correspond to *GRI 412: Human rights assessment*. On the first page of each chapter we indicate the relevant GRI standard(s). The description of our management approach is guided by *GRI 103: Management Approach*. 

Materiality matrix [→GRI 102-47





Business areas

Enable Europe's carbon neutrality

23

Reliable and smart grids

What does SAIDI stand for? For us, it stands for reliable electricity grids.



29

Lower-carbon households

Plug, charge, drive: learn more about our expanding network of charging stations.



34

Cleaner companies, greener communities

Tonnes of carbon: find out how much our embedded generation projects saved.



38

Customer orientation

NPS tells us: How willing are customers to recommend E.ON to colleagues and friends?





GRI Sector
Disclosures:
Access 2013

Intelligent infrastructure for a greener future

Distribution grids used to do one thing: take electricity from big power stations and deliver it to homes and businesses. Today they do much more: They manage complex energy flows from an already large and rapidly growing number of devices both big and small, including wind farms and rooftop solar panels, utility-scale battery storage systems, charging points for electric vehicles, and home heat pumps. In short, distribution grids are where the energy transition is happening. But this is just the beginning. In the years ahead, energy networks will become the internet of energy, connecting prosumers and continually creating new possibilities for a more sustainable world. At E.ON, we're deploying new technologies today to enable our energy networks to perform this role efficiently, reliably, and cost-effectively — and the cities and communities they serve to be more sustainable.

[→ GRI 103-1

Our approach

An important objective of our corporate strategy is to upgrade our grids to meet the challenges of the new energy world. This will ensure that in the future we can continue a reliable electricity supply for our customers at a reasonable cost. It's why we're making our grids smarter by equipping them with sensors and command-and-control technology, automatising them, and augmenting them with a digital layer. This will enable us to choreograph energy flows even more deftly and to monitor our grids in real time and with much greater granularity than today. As is described in greater detail below under "Specific actions," smart-grid technology makes it possible for us to avoid or delay some grid expansion.

Going forward, smart grids will serve as the platform for the innovative technologies and business models that are essential to the success of the energy transition: active demand management, virtual power plants, energy storage devices, peer-to-peer energy sales and sharing, to name just a few. Our innovation efforts include developing new approaches for flexible local power systems. For example, we're testing such approaches in three demonstration projects in Sweden and Germany as part of InterFlex, a European research project that began in 2017.

The energy transition can't succeed without the decarbonisation of the transport sector. This will require a mass conversion to electric vehicles (eVs). Helpfully, the smart-grid technology we've deployed to facilitate the integration of renewables will enable our grids to handle the connection of numerous EV charging points without expensive grid expansion.

[→GRI 103-2]

Organisation and responsibilities

Our distribution system operators (DSOs) are responsible for safe and reliable grid operations and for the resolution of outages in their network territory. Their network control centres oversee operations. Our DSOs take certain measures, like investing in grid automation, to keep outages as infrequent and brief as possible. In doing so, they adhere to their respective internal operating guidelines as well as to laws and regulatory requirements.

The Chief Operating Officer Networks (COO-N) oversees our Energy Networks segment. Under his leadership, three departments (Energy Network Europe, Energy Networks Germany and Energy Networks Technology & Innovation) at Corporate Functions actively manage Energy Networks' DSOs. Their tasks include strategic development, capital allocation, controlling, and so forth.

In case of widespread outages, our →[business resilience management system](#) stipulates responsibilities and processes in accordance with the instructions contained in our Incident and Crisis Management Policy. Our swift response to outages following heavy floods in west-central Germany in July 2021 demonstrated that our processes and mechanisms work well.
[→GRI 103-2]

Guidelines and policies

In 2021 E.ON adopted a strategy for deploying more smart technology in its low- and medium-voltage grids. These technologies are deployed primarily in Germany, but also in all the other countries in Europe where we operate. A few are described in the next section, but we're continually developing and testing others. Our smart-tech deployment targets vary by country but generally far exceed those set by each country's regulatory scheme. We'll monitor progress using KPIs on a regular basis.

[→GRI 103-2]

Specific actions

Each year our DSOs design investment and maintenance plans for their networks. The investment budget for these plans is reviewed and approved by the E.ON Management Board. The plans' purpose is to ensure that all of our network customers are connected and have a reliable energy supply. Our DSOs are responsible for implementing these plans. Our investments always emphasise efficiency and reliability as well as smart technologies. We choose solutions that make both technical and business sense.

A smart-grid technology called dynamic line rating (DLR) enables us to use more of the capacity of our existing lines. As the electricity flowing through an overhead power line increases, the line gets hotter, expands, and sags, which could pose a hazard. Line heat is reduced – and thus line capacity is increased – by cool air and wind. To ensure safety and reliability, lines are assigned a maximum capacity based on conservative estimates of ambient air temperature and wind speed. DLR replaces these estimates with accurate, real-time data from weather stations and temperature sensors placed at intervals along the lines. Our network control centres use the data to calculate, minute by minute, the maximum amount of power the lines can carry without overheating. We use DLR in segments of our grids in Germany and Sweden with lots of wind power. It enables us to accept more renewable energy without costly grid expansion (at the cost, however, of somewhat higher line losses). Hansewerk, one of our DSOs in Germany, has used DLR since 2014, thereby increasing its line capacity by up to 50 per cent.

Voltage-regulated distribution transformers (VRDTs) are another smart-grid technology that reduces the need for new lines. They automatically recognise voltage fluctuations and balance them out by altering the transmission ratio between low and medium voltage while under load. This enhanced flexibility means that more renewable power can be fed into the grid. We began using VRDTs in our grids in Germany in 2013. We also install them in smaller quantities in our grids in other European countries.

We've operated the E.ON Virtual Power Plant (VPP) in Germany since 2013. It aggregates numerous distributed generation units, consumption points, and storage devices. We use it to market reserve and balancing power, which helps to stabilise the grid. It also enables the customers who make their capacity available to our VPP to earn extra money on their assets.

[→ GRI 103-2]

Goals and performance review

Our DSOs record all planned and unscheduled outages in their networks. They use these data to calculate the system average interruption duration index (SAIDI). This index measures the average outage duration per customer per year. They also calculate the system average interruption frequency index (SAIFI). This index, by contrast, measures the average number of outages per customer per year.

We disclose the SAIDI and SAIFI of our fully consolidated DSOs by country. The figure for Germany, for example, is the average of our DSOs there. Our SAIDI and SAIFI in Germany are calculated according to the method prescribed by the German Federal Network Agency (known by its German acronym, BNetzA). This calculation is based on outages that are also verified by the BNetzA. These figures can therefore be deemed official. All the countries in which we operate grids now have quality regulations. The respective regulatory agency reviews and validates grid operators' outage reports. Our SAIDI and SAIFI figures for a particular country therefore reflect the methodology stipulated by its regulatory agency.

By the end of the data-collection period for this report, no regulatory agency had completed the process of validating 2021 outages. Because this report is supposed to contain final, continuity of supply figures that have been officially audited (by the BNetzA in Germany and the relevant regulatory agencies elsewhere), it publishes figures for the previous year, that have been approved by the authorities, on the next page.

A group of experts at our DSOs in Germany and six other countries shares information about service quality on a regular basis. They analyse the key factors in maintaining uninterrupted network service and share ideas and best practices. This helps foster continual improvement at our network operations across Europe.

Although we don't use SAIDI and SAIFI for management control purposes, these figures provide us with important information on the reliability of our networks. At regular intervals, the DSOs inform the E.ON Management Board member responsible for network operations about their security of supply. All E.ON DSOs include their SAIDI in their quarterly performance report to the E.ON Management Board.

[→ GRI 103-2/3]

SAIDI power¹ [→ GRI G4-EU29 ]

Minutes per customer	2021			2020			2019		
	Scheduled	Unscheduled	Total	Scheduled	Unscheduled	Total	Scheduled	Unscheduled	Total
Germany ²	7	15	22	7	16	22	8	17	25
Sweden	26	91	116	25	121	146	22	100	122
Hungary ²	117	58	175	117	61	178	128	59	187
Czech Republic ³	134	47	182	145	47	192	154	50	205
Romania	297	259	556	288	358	646	339	465	804
Slovakia ^{3,4}	70	58	128	143	65	208	176	79	255
Poland ²	7	38	45	9	44	53	11	56	68

¹Figures are for the respective previous year: 2021 for 2020, 2020 for 2019, and so forth. Totals may deviate due to rounding.²Unscheduled figures do not include force majeure events.³Unscheduled figures do not include force majeure events and vandalism.⁴DSO in which we have a 49 per cent stake.

We improved our SAIDI figures for 2021 (based on data from 2020) in all countries. In the past three years, supply reliability has improved in all E.ON networks. Those in Germany have the best continuity of supply in our company. Despite a tangible positive trend in Romania, particularly regarding unplanned interruptions, our continuity of supply there remained by far the poorest at E.ON. The biggest improvement in planned interruptions over the past three years was at our subsidiary in Slovakia, which achieved a year-on-year reduction of 60 per cent.

SAIFI power¹ [→ GRI G4-EU28 ]

Interruptions per customer	2021			2020			2019		
	Scheduled	Unscheduled	Total	Scheduled	Unscheduled	Total	Scheduled	Unscheduled	Total
Germany ²	0.1	0.3	0.4	0.1	0.3	0.4	0.1	0.3	0.4
Sweden	0.2	0.9	1.1	0.2	1.2	1.4	0.1	1.1	1.2
Hungary ²	0.4	0.8	1.2	0.4	0.8	1.3	0.4	0.9	1.3
Czech Republic ³	0.5	0.6	1.1	0.6	0.8	1.4	0.6	0.9	1.4
Romania	1.0	2.7	3.6	0.9	3.6	4.6	1.1	5.1	6.1
Slovakia ^{3,4}	0.3	1.1	1.4	0.5	1.2	1.7	0.6	1.4	2.0
Poland ²	0.1	0.6	0.7	0.2	0.8	1.0	0.04	0.9	1.0

¹Figures are for the respective previous year: 2021 for 2020, 2020 for 2019, and so forth. Totals may deviate due to rounding.²Unscheduled figures do not include force majeure events.³Unscheduled figures do not include force majeure events and vandalism.⁴DSO in which we have a 49 per cent stake.

Progress and measures in 2021

In 2021 we again launched projects to explore promising new ideas, a number of which are described below along with several ongoing projects.

HyPSTER: testing hydrogen storage

For hydrogen to help accelerate Europe's decarbonisation journey, the necessary infrastructure has to be tested and put in place. ESK GmbH, a wholly owned subsidiary of E.ON company Westenergie, is doing its part by participating in HyPSTER. This project, run by French gas storage operator Storeenergy, aims to convert a small brine-filled salt cavern near Étrepigny, a town of 800 inhabitants located 70 kilometres north of Lyon, to store hydrogen. HyPSTER, which stands for "hydrogen pilot storage for larger ecosystem replication," will be a stepping stone toward large-scale hydrogen storage. Cavern storage facilities will be an integral part of tomorrow's hydrogen economy, because they can balance out high residual loads or surpluses. Together with sector-integration technologies like power-to-gas, caverns will provide the flexibility necessary for managing increasingly volatile supply and demand. ESK is responsible for the main engineering services, enabling it to extend its underground gas storage expertise to hydrogen. E.ON subsidiary Hansewerk will also support the project by assessing the feasibility of replicating the project in northern Germany. HyPSTER, which got under way in the first quarter of 2021, runs through year-end 2023.

Climate-friendlier insulating gas for intermediate-voltage equipment

Sulfur hexafluoride (SF_6) is a widely used insulating gas in medium- and high-voltage switchgear. Its material properties make it particularly well suited for insulation and for extinguishing switching arcs. However, the use of SF_6 in such switchgear involves technical challenges and is thus comparatively expensive. Moreover, SF_6 is a greenhouse gas (GHG) with a much greater global-warming potential (GWP) than carbon dioxide. We therefore strive continually not only to minimise fugitive emissions but also to explore new, climate-friendlier insulating gases. That's why in 2021 we joined a three-year research project that brings together 21 network operators, government agencies, and equipment manufacturers to study such alternative gases and new types of switchgear. In addition, E.ON DSOs are conducting several pilot projects to study SF_6 -free technology. The aim is to accelerate the development and deployment of these technologies and thus reduce GHG emissions in network operations.

Green hydrogen for Hamburg

HanseWerk, an E.ON subsidiary in northern Germany, will install a large-scale electrolyser in the port of Hamburg to produce zero-carbon hydrogen. The electrolyser, whose annual output

will be about 2,900 metric tonnes, will be powered by renewable electricity. This will yield annual carbon savings of over 33,000 metric tonnes relative to conventional hydrogen production from natural gas. The electrolyser will help Hamburg meet its growing hydrogen needs and serve as a building block of Europe's future hydrogen economy. Construction began in April 2021 and is expected to be completed in the first quarter of 2026. The project is one of 12 large-scale green-hydrogen projects comprising the *Norddeutsches Reallabor* ("Northern German Real-life Laboratory"). This partially government-funded research programme is dedicated to propelling the energy transition with hydrogen. Another of the projects involves studying the feasibility of making gas distribution networks hydrogen-ready. Northern Germany is home to much of the country's wind capacity, some of which has to be taken offline on particularly windy days to prevent grid overload. If connected to an electrolyser, these turbines could keep spinning to power the production of zero-carbon green hydrogen without threatening grid stability. The hydrogen could then be fed into hydrogen-ready gas networks and thus help decarbonize any sector that consumes gas.

LINDA 2.0 PowerbankXL: large-scale green emergency power

Our power grids are among Europe's most reliable. But, as west-central Germany experienced in July 2021, severe weather can cause extended outages. In these cases, hospitals and other sensitive customers need an auxiliary supply of power. LINDA 2.0, a battery-based emergency power unit charged with renewable energy, is an award-winning solution for such situations. In February 2021, E.ON DSO LEW launched PowerbankXL, a sub-project whose purpose is to scale up LINDA technology and deploy large-scale systems capable of creating island power networks within the outage area. Field trials of PowerbankXL will begin in the first half of 2022 and continue until mid-2023.

VeN²uS: green power and grid stability

With the North Sea on one side and the Baltic on the other, the German state of Schleswig-Holstein is blustery. Not surprisingly, it's already home to almost 100,000 wind turbines, with more being added all the time. Managing their continually fluctuating output is challenging. That's why in September 2021 E.ON DSO Schleswig-Holstein Netz joined ten partner organisations to launch VeN²uS. This three-year, government-funded project aims to develop and test an adaptive, interconnected network-protection system. The system, which will consist of adaptive algorithm and related devices, will automatically ensure network stability and power quality despite fluctuating renewables feed-on. The technology will enable Schleswig-Holstein to harness more of its abundant renewable resource while maintaining supply security. Development of the algorithm is under way; a field trial is planned for the second half of 2022.

E.ON's Dynamic Solution

E.ON's Dynamic Solution enables DSOs to integrate new sustainable technologies – such as solar panels, heat pumps, and electric-vehicle charging stations – without the need for costly infrastructure upgrades. The solution, which is installed in substations, performs smart peak-load management. It can therefore ensure that renewable electricity produced within the grid segment controlled by the substation is supplied to as many households as possible without exceeding the substation's capacity. This will make it easier for customers to embrace low-carbon technologies and thus to comply with new sustainable building regulations. The first Dynamic Solution began operating in a grid segment near Glasgow, Scotland, in mid-2021.

The table below shows our system lengths at the end of 2021.

System length at year-end

Thousand kilometres	Power		Gas	
	2021	2020 ¹	2021	2020 ¹
Germany ²	700	705	101	101
Sweden	140	139	n/a	n/a
Hungary	84	133	18	18
Czech Republic	67	66	5	5
Romania	83	82	24	23
Slovakia ³	23	50	n/a	n/a
Poland	18	n/a	n/a	n/a
Total	1,115	1,176	148	147

¹Includes innogy from 2020 onward.

²Figures for Germany are for the respective previous year: 2020 for 2021, 2019 for 2020, and so forth.

³DSO in which we have 49 per cent stake.



GRI 302:
Energy 2016

GRI 305:
Emissions 2016

Bringing sustainability home

Amid the ongoing Covid-19 pandemic, in 2021 people continued to spend much of their time at home. But even in a post-pandemic world, the home is likely to remain a bigger focal point of people's lives. This makes E.ON's commitment to enhancing homes' sustainability and comfort even more relevant. We empower residential customers to produce their own green energy and store it. Our individually tailored solutions enable them to use energy more efficiently, in many cases save money, and emit less carbon. Digitalisation is accelerating this process. It creates new opportunities – like digital energy management – to make energy consumption transparent and to use machine learning to optimise it. The mass deployment of these technologies will require smart grids and smart meters. In addition, our customers increasingly want solutions that render transport less dependent on fossil fuels and thus less carbon-intensive.

[→ GRI 103-1

Our approach

We want to be the partner of choice for sustainable energy and mobility solutions. We intend to achieve this by offering individually tailored products and services that incorporate the latest technology while simultaneously trying to standardise successful solutions across the countries where we operate. This will enable us deliver them at a lower cost.

E.ON's Future Energy Home is an energy ecosystem for everyone. It enables our customers to enjoy the comfort of their home effortlessly, efficiently, and sustainably. It consists of solar panels so that everyone can generate their own green energy, battery systems to store it, at-home charging stations for electric vehicles (EVs), heat pumps and other efficient heating solutions. These devices are connected to E.ON Home, an energy-management app we launched in 2018 that's now available in six countries. The app gives customers an overview of the energy they produce and use and enables them to control and optimize it effortlessly from anywhere. We added new features to the app in 2021 (for details, see "Progress and measures in 2021" below). Using energy intelligently can save customers money and lower their carbon emissions. An average single-family house is responsible for about 13 metric tonnes of carbon per year. Future Energy Home makes it possible to reduce annual emissions to about 2 tonnes (based on a typical home in Germany; includes emissions for heat, electricity, and eMobility only).

Smart meters are a key enabler for digital energy-management solutions. An EU Directive from 2009 stipulates that, to the degree technically and financially feasible, all customers should have a smart meter. Member states must transpose this directive into national law. Germany's Act on the Digitalisation of the Energy Transition of 2016, for example, specifies that all customers who consume at least 6,000 kWh of electricity annually or have grid-connected generating capacity of at least 7 kW or use interruptible electric devices must be equipped with a smart meter. Installation must take place within eight years of the date the German Federal Office for Information Security issues a market declaration after certifying essential components (see "Goals and performance review" below).

We electrify people's journeys by making EV charging simpler and more accessible in cities, public spaces, and workplaces. And by making transportation more sustainable. Residential customers, for example, can charge their EV conveniently with an at-home charging station powered by green energy from their own solar panels. Our main brand in this space is E.ON Drive. It primarily offers EV charging solutions for homes and businesses as well as public charging infrastructure for cities and municipalities. Our deep experience as an

energy-solutions provider ensures that our customers can manage the EV charging process efficiently and that charging infrastructure is optimally integrated into their existing energy system. In addition, we're building a network of ultra-fast charging (UFC) stations along motorways in seven European countries in order to make longer EV journeys viable. Whenever possible, electricity at our charging stations comes from renewable sources. E.ON Drive has three business lines: International Technology Provision, eMobility Solutions, and Charging Network Operations.

[→ GRI 103-2 

Organisation and responsibilities

Our Chief Operating Officer – Commercial, who is a member of the E.ON Management Board, has overall responsibility for the customer-oriented businesses that comprise our Customer Solutions segment. Our regional units have business-to-customer (B2C) sales teams that develop and market energy and eMobility solutions for their specific customer groups. These teams tailor their offerings to their customers' individual needs and the particularities of their market. We offer B2C solutions in Germany, the United Kingdom, Italy, Scandinavia, Hungary, the Czech Republic, the Netherlands, Poland, and Romania. In 2022 we'll expand our B2C solutions to Slovakia.

Our distribution system operators (DSOs) across Europe, which are part of our Energy Networks segment, are responsible for installing smart meters in their service territories; the exception is the United Kingdom, where our retail organisation provides them to its customers. German law created two roles for the provision of smart meters. The first role, the basic metering provider, is responsible for the mass rollout of the standard smart meter mandated by German law. At E.ON, this role is performed by our DSOs. The second role, the competitive metering service provider, offers the standard smart meter as well as other metering solutions. At E.ON, this role is performed by our regional energy utilities and German retail sales unit. In addition, E.ON subsidiaries act as smart meter service providers for municipal utilities and regional energy suppliers in Germany.

E.ON Solutions designs eMobility solutions, forges partnerships with industry players, and enlarges our E.ON Drive network of UFC stations. We have E.ON-branded eMobility teams in ten countries: the United Kingdom, Germany, Denmark, Sweden, Norway, Italy, the Czech Republic, Hungary, Slovakia, and Romania. We offer eMobility solutions in 12 countries. Cross-regional and cross-functional teams at Corporate Functions coordinate our sales and solutions activities across Europe and provide technical, commercial, and strategic support.

[→ GRI 103-2 

Specific actions

E.ON Plus enables residential customers in Germany to bundle two or more energy contracts for power or gas and to benefit from 100 per cent green power at no extra charge. By meeting additional conditions they can receive an annual discount of €60 per contract. E.ON contracts throughout Germany are eligible. Moreover, customers can bundle their own contracts or participate in E.ON Plus with family members, friends, or neighbours. E.ON Plus electricity is certified green by TÜV Süd.

We offer a number of apps that enable residential customers to visualise their energy consumption. This is their first step toward identifying ways to reduce it as well as their carbon emissions. Examples include the aforementioned E.ON Home app available in Germany and five other countries, the E.ON app in Sweden, and the Regelneef app from Energiedirect, our retail subsidiary in the Netherlands.

E.ON Drive is involved in a variety of eMobility infrastructure projects like CEF, FAST-E, and EAST-E; the latter is a private-sector initiative to expand Central Europe's EV charging infrastructure. In addition, our roaming agreements give EV drivers in Germany access to more than 20,000 charging points nationwide. We also partner with other companies to provide EV-sharing solutions to business customers and cities. Our solutions make it easy for them to switch to eMobility. They also enable residents, customers, employees, and guests to embrace low-carbon mobility. In the September 2021 we added a programme under which we offset the life-time carbon emissions of the main brand of AC wall-mounted charging stations we install in Europe (for more details, see "Projects and measures in 2021" below). Looking further ahead, we're exploring ways to aggregate connected EV batteries into a virtual energy storage system that can be remotely controlled to help stabilise the grid.

[→ GRI 103-2]

Goals and performance review

Our goal is to provide customers with pioneering energy solutions for the energy world of today and tomorrow. We want to help them save money, use less energy, recycle energy where possible, and thus emit less carbon dioxide. For the latter, we've set a target: by 2030 we intend to reduce our customers' carbon emissions by 50 per cent relative to 2016.

We aim to provide all customers with a smart meter in our markets covered by the EU directive. However, regulatory delays regarding the certification of certain components prevented our DSOs in Germany from beginning the rollout of smart meters until February 2020. Since then, the rollout in Germany has proceeded on schedule.

We continue to install UFC stations to help establish a Europe-wide network. We opened the first such station, located in Geiselwind, Germany, in 2018. Since then, we've opened over 170 more in Denmark, Sweden, the Czech Republic, Slovakia, Britain, and Germany.

In addition, since 2018 E.ON has been a member of the Climate Group's global EV100 initiative, which aims to make eVs the new normal by 2030. To lead the way, we're gradually electrifying our own vehicle fleet and car parks – for employees, guests, and customers. For more information about EV100, visit the → [Environmental management](#) chapter.

[→ GRI 103-2/3]

Progress and measures in 2021

In 2021 we began new projects and moved forward with existing ones. One example is E.ON Home, an energy-management app launched in 2019 that's now available in Germany, the United Kingdom, Italy, Sweden, Poland, and Hungary. Its easy-to-read graphics enables customers to visualise their home's solar power output, energy consumption, and carbon footprint. It also shows how their usage compares with similar homes and provides helpful tips. In 2021 we began offering E.ON Home to customers in the United Kingdom who buy electricity and/or gas from us and have a smart meter. In 2021 we also added a new feature: the app can now connect to a home's EV charging point, thereby further enhancing transparency for EV owners. As of year-end 2021, about 15,000 homes were using E.ON Home. This amounts to more than 25,000 connected devices, including a total of 100 MW of solar capacity and 20 MW of battery capacity.

Green energy sales

GWh	2021	2020 ¹
Certified green electricity sold to end-customers ²	39,977	29,681
Biogas sold to end-customers ³	133 ³	334 ^{3,4}

¹Includes innogy from 2020 onward.

²Year-end data. Previous year figures for last months of the reporting period were extrapolated.

³These values reflect the actual amount of biogas added to the mix.

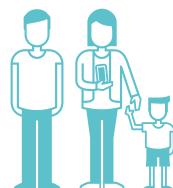
⁴Prior-year figures have been adjusted.

In 2021 we again significantly increased green energy (green electricity and biogas) sales to our residential customers making us one of the largest green energy retailers in Europe and possibly the largest.

10,566,598¹

The number of our customers receiving certified green electricity products in 2021. In the United Kingdom we provide 100 per cent green electricity to all of our residential customers.

¹Figures for last months of the reporting period were extrapolated.



Our E.ON Future Energy Home business installed more than 100,000 solar, heating, and energy-efficient (insulation) solutions in 2021. At year-end it had service contracts with a total of more than 1.8 million customers in Western and Central Europe. Together, our E.ON Future

Energy Home and eMobility businesses enable our customers to save more than 475,000 metric kilo tonnes of carbon annually. This is roughly equivalent to a forest of 38 million beech trees (assuming that one beech tree captures an average of 12.5 kg of CO₂ per year).

Ultra-fast charging solution

In partnership with Volkswagen, in 2021 we introduced E.ON Drive Booster, an ultra-fast charging station that can simultaneously charge two eVs with up to 150 kW. And if customers wish: with 100 per cent green electricity. No additional cables need to be laid. The desired location just needs a 32 amp socket, which means that many garages and car parks already have what's needed for E.ON Drive Booster to make charging times dramatically shorter.

Smart meters

After a delay in the certification of smart meter gateways, the installation of smart meters in Germany started in late February 2020. The installation of second-generation smart meters in Sweden started in 2020 and is planned to be completed by the end of 2024.

Installed smart meters by country

Thousand units	2021	2020 ¹	2019
Rollout countries			
United Kingdom	4,738	4,208	2,320
Germany ²	3,112	2,540	619
Sweden	1,047	1,044	1,040
Pilot countries			
Romania	306	288	284
Slovakia ³	100	231	72
Hungary	188	142	49
Czech Republic	5	2	0
Poland	158	n/a	n/a
Total	9,654	8,455	4,384

¹Includes innogy from 2020 onward.

²Includes digital meters.

³DSO in which we have a 49 per cent stake.

OMNe: choosing the right EV charging solution

Municipalities, retailers, and companies are responding to EV growth by adding charging points. OMNe, a proprietary software tool we introduced in 2020, can help them choose the right solution. It factors in all the variables at a B2B customer's facility: the number and type of eVs (cars, vans), when they're charged (during the day, overnight), the facility's electricity consumption, and its grid connection. With so many companies interested in going green, in 2021 we added a new feature: OMNe now also calculates the impact of installing solar panels and a battery storage system at a facility. OMNe is available in Germany. We're currently exploring whether to introduce it in other regions.



7,734¹ 

The number of our charging points in Europe. Roaming agreements give our customers access to many more.

¹The number of charging points decreased in comparison to 2020 as innogy eMobility Solutions GmbH was transferred to Compleo Charging Solutions AG.

Carbon-neutral charging station

We already give our EV customers the option of charging their vehicle with 100 per cent green electricity. Now we're taking a look at the charging station itself. With the support of Climate Partner, a Munich-based decarbonization services firm, we calculated the lifetime carbon emissions of our main AC charging station. The calculation, which accords with the GHG Protocol, includes all emissions, from those attributable to a charging station's manufacture and transport to its disposal. Not included are the emissions attributable to the electricity used for charging. Beginning in September 2021, we then launched a programme under which we offset the emissions of each such station that we install in Europe by supporting decarbonization projects certified by recognized standards, such as Verified Carbon Standards (VCS) and the Climate, Community, and Biodiversity Standards (CCBS). In 2022 we plan to extend the programme to other charging stations.

GRI 302:
Energy 2016

GRI 305:
Emissions 2016



Change agent for the transition to sustainable cities and industries

Businesses, cities, and municipalities across Europe are taking action to become smarter and more sustainable. E.ON provides companies and communities with individually tailored solutions that enable them to dramatically reduce their energy consumption, carbon emissions, pollution, and costs. These solutions draw on our deep expertise in energy efficiency, energy recycling, and low-carbon energy as well as state-of-the-art technology for sustainable heating and cooling that we developed in-house. [→ GRI 103-1 

Our approach

E.ON Energy Infrastructure Solutions (EIS) consists of two units: City Energy Solutions (CES) and Business-to-Business (B2B). CES and B2B develop, own, and operate decentral energy infrastructure: high-quality assets located at or near customers' premises. They design and deliver engineering infrastructure solutions that help four groups of customers – industrial, commercial, cities and municipalities, and the real estate sector – to reach their sustainability targets. EIS delivers four types of solutions: large-scale onsite generation of electricity, heat, and steam; district heating and cooling; decentral solutions for city neighbourhoods and industrial and commercial customers; and energy-efficiency products and services. The solutions draw on a wide range of advanced technologies, such as high-efficiency cogeneration units, recycled energy plants, waste-heat recovery, heat pumps, low-temperature heating and cooling networks, and energy storage solutions. Many of these technologies are supplemented by software-based solutions and advanced analytics and can help tangibly reduce energy use, energy costs, and carbon emissions.

[→ GRI 103-2]

Organisation and responsibilities

Our Chief Operating Officer – Commercial, who is a member of the E.ON Management Board, has overall responsibility for the customer-oriented businesses that comprise our Customer Solutions segment and thus EIS.

EIS operates through a number of E.ON entities. For example, the regional units in CES are responsible for target setting and monitoring, product development, asset operations, and sustainability management in their respective market (mainly Germany, Sweden, Poland, the United Kingdom, and Italy). A central team supports the regional units in developing their strategic sustainability road maps to transform products and assets.

The B2B unit conducts its operations through a variety of E.ON entities as well. Each entity is its own profit centre and is responsible for its business operations (including product development, asset operations, and sustainability management). It also sets its own targets and monitors progress toward them. These entities offer integrated, individually tailored energy-management and decentral-generation solutions, mainly in Western, Central and Eastern Europe as well as the United Kingdom, and the Nordic countries. All solutions are tailored to national regulations and customer demands. Group B2B consolidates their results, monitors their sustainability performance, and provides strategic guidance.

E.ON Innovation works closely with the business units to explore emerging opportunity spaces and adjacent markets to grow our energy solutions business. For more information, see the → Strategy and innovation chapter.

[→ GRI 103-2]

Specific actions

EIS adopts a partnership-based business approach in both CES and B2B. When designing embedded-generation and energy-efficiency solutions for B2B customers, E.ON forges long-term partnerships to support these customers on their sustainability journey by offering individually tailored solutions that reduce their energy and operating costs as well as carbon emissions over several years. In 2020 E.ON increased its stake in Orcan Energy, a Munich-based manufacturer of Organic Rankine Cycle (ORC) power plants. ORC plants enable B2B customers to use surplus waste heat from their production processes to generate clean electricity.

CES is founded on long-term relationships with customers ranging from real estate developers to city administrations. These customers increasingly link their sustainability targets to the SDGs, especially SDGs 7 (Affordable and Clean Energy), 11 (Sustainable Cities and Communities), and 13 (Climate Action). In 2020, CES formed partnerships with municipal real estate customers across Europe to support them in achieving their sustainability targets. CES works with them to implement sustainable projects and thereby help safeguard their assets' long-term value. In 2021, for example, CES deepened its partnership with Lendlease, an international real estate developer (see "Progress and measures in 2021").

We also take part in research projects at universities and research institutions. The purpose is to develop the technologies, systems, and approaches that will enable us to meet the needs of tomorrow's energy world. Our flagship partnership is with the E.ON Energy Research Center at RWTH Aachen University. Its research has an interdisciplinary approach and focuses mainly on distributed generation, smart grids, and efficient building technologies.

[→ GRI 103-2]

Goals and performance review

The impact of our B2B projects on our customers' sustainability can be measured by a variety of KPIs that may be influenced by country-specific standards and reporting obligations. The KPIs range from carbon-emission savings to reductions in energy costs and consumption including reductions in final energy consumption (such as electricity) as well as primary energy usage (for example, fuel consumption to generate electricity or heat).

CES solutions aim to have a positive impact on our customers' sustainability KPIs, which differ by project based on customer demands. Sustainability KPIs include primary energy consumption (such as the use of gas to generate heat), avoided emissions (typically, CO₂), and the deployment of renewable generation technologies (such as geothermal energy, waste, water, and heat) in new property developments. Targets differ based on customer demands and market standards. Our regional teams monitor these projects on a regular basis.

[→ GRI 103-2/3]



284 kt CO₂e

The reduction in carbon emissions delivered in 2021 by our large-scale cogeneration plants for B2B customers in Germany.

Progress and measures in 2021

In 2021 EIS again implemented landmark sustainability projects in close partnership with its customers and was also hired for new projects.

Climate-neutral steam for a paper mill

In 2021 E.ON made more progress installing a biomass-fired cogeneration plant at UPM Paper's technologically advanced paper mill in Hürth, a suburb of Cologne, Germany. The plant, which is scheduled to become operational in the third quarter of 2022 (if Covid-19 restrictions allow), will produce climate-neutral steam for the mill and export about 20 MW of green electricity to the grid. E.ON will own and operate the plant for 30 years. It replaces a lignite-fired plant and will reduce UPM Paper's annual carbon emissions by about 140,000 metric tonnes.

ectogrid™: innovative urban decarbonization

ectogrid™ connects customers with different thermal needs and utilises waste heating and cooling. This dramatically reduces overall energy consumption. E.ON is involved in several ectogrid™ projects: the European Spallation Source for Neutron Research (Lund, Sweden), Shamrockpark (Herne, Germany), and Stadtteilpark Hassel (Gelsenkirchen, Germany). The Hassel project, which will be built on the site of a former coking plant, will consist of 150 to 200 housing units in both single-family and multi-family configurations. Its electricity and heat will come from on-site renewable and carbon-neutral sources. Shamrockpark and Hassel are part of TransUrban.NRW, a sustainable urban development programme funded in part by the Federal Ministry for Economic Affairs and Energy (BMWi). TransUrban.NRW runs through 2025.

MIND

Another ectogrid™ project is MIND (Milano Innovation District). MIND will transform the 900,000 square-metre site of Expo 2015, located about 15 kilometres north of Milan, Italy, into a multi-use urban space. In December 2021 international property developer Lendlease and E.ON signed a project cooperation agreement to design and manage a sustainable energy solution for MIND based on ectogridTM technology. Installation started in 2021 and will continue in 2022.

Green Innovation Park

Green Innovation Park, an office complex to be built about 70 kilometres southwest of Stuttgart, Germany, will have an energy supply worthy of its name. E.ON is working with other strategic partners ranging from architects to engineering companies to design and install a range of climate-friendly on-site energy sources, including geothermal, cold district heating,

cogeneration, and solar. The complex is designed to provide companies, start-ups, and scale-ups with innovative office space that meets high standards for sustainable construction, energy use, and digitalisation. Construction will begin in mid-2022 and run through 2030.

Truly green beer

E.ON is enabling König brewery in Duisburg, Germany, to brew green, climate-neutral beer. The plan, which König approved in June 2021, is to pipe waste heat from a nearby power plant to provide thermal energy for brewing processes. This means that König won't have to consume fuel – and emit carbon – to produce the heat itself. E.ON's role is to install and manage the pipeline, which we expect to be operational in the second quarter of 2022. The project, which will be funded by the Federal Ministry of Economic Affairs and Energy under its energy-efficiency programme, will displace about 7,000 metric tonnes of carbon dioxide annually.

Energy from wastewater

In March 2021 a state-of-the-art office building was unveiled in east-central Berlin. The building, which is actually a repurposed department store, meets about half of its heating and cooling needs sustainably. E.ON made this possible by installing a 200-metre heat exchanger in a nearby underground wastewater canal. Our solution enables the building to displace around 400 metric tonnes of carbon dioxide each year.

Zero.On

According to an oft-quoted business adage, you can't manage what you can't measure. Zero. On, a software solution we developed in-house, enables our B2B customers to do just that: measure their total carbon emissions so that they adopt a data-driven approach to managing them. Data are displayed in a reportable format suitable for internal and external communications. The project started in 2021, and the solution is scheduled to be launched in 2022. Zero. On is another way we're making good on our commitment to be customers' partner of choice for decarbonisation solutions.



GRI 417:
Marketing and
Labelling 2016

Consistently enhancing customer experiences

Customers of all types – households and businesses, cities and government entities – have embarked on a journey to a digital and decarbonised future in which they not only consume, but also increasingly make and store their own clean energy. These customers are extremely knowledgeable and discerning. They expect us to not only listen to and anticipate their needs, but also to design innovative and sustainable energy solutions, deliver best-in-class services, and provide a consistently good customer experience. Earning their trust and loyalty is essential for us to sustainably grow our business. Loyal customers tend to stay with us longer, to purchase additional products and services, and to recommend us to their family and friends.

[→ GRI 103-1]

Our approach

We continually measure and improve the experience we offer to our customers and maintain – and ideally deepen – their loyalty.

The E.ON brand promises to give our customers and communities what they want in the new energy world: seamless experiences and smart, sustainable solutions. We transport energy from where it's produced to wherever it's needed. And work to enable people, companies, and cities across Europe to create the sustainable world they want to live in. We aim to build an energy community in which everyone can do their part – from a household opting for green electricity to an entire city committing to be sustainable. Delivering on this promise will make us distinctive in the marketplace and thus enable us to grow our business. Our ambition is to become the number one energy-solutions company in each of our markets.

[→GRI 103-2]

Organisation and responsibilities

The Chief Operating Office – Commercial (COO-C) at Corporate Functions coordinates our marketing strategy with the aim of further developing and strengthening the E.ON brand. COO-C helps launch and scale up our customer solutions, provides data-based insights into customer needs, and continually looks for new ways to improve our customer experience. COO-C supports our energy-sales and solutions businesses for all customer divisions, in all our markets.

Our Customer Experience teams serve as our ambassadors for healthy customer relationships in their country. They're the direct contacts to our company-wide Customer Experience organisation and take the lead on related projects and activities. We have teams in Germany, the United Kingdom, Italy, Romania, Sweden, the Czech Republic, Hungary, Poland, and the Netherlands. They regularly share information so that successful programmes and service improvements in one regional unit benefit us elsewhere.

Our Global Customer Leadership team, which consists of senior Customer Experience leaders from across our business as well as representatives of the Customer and Market Insights team (see below) continued its work in 2021. Its purpose is to strengthen the customer's voice and propel customer centricity in all of our markets. The team met five times during the year to review performance, identify areas for cross-regional collaboration, and define a shared customer narrative for the whole business.

As in prior years, in 2021 customer advocacy councils met regularly at our regional units. Chaired by the regional units' CEOs, they bring together senior leaders for the purpose of guiding the unit toward its goal of being the number one energy-solutions company in its market and seeing the business through its customers' eyes. The councils track their unit's performance on key customer objectives such as Net Promoter Score (NPS; see "Specific actions" below). They also monitor the effectiveness of improvement plans (and, if necessary, adjust or reprioritise them), and review the progress of change initiatives aimed at customer advocacy. The E.ON Management Board receives a monthly report on NPS performance.

The Customer and Market Insights team at Corporate Functions monitors the trends that are shaping our customers' attitudes and behaviours. It conducts consumer studies and broad market research as well as advanced data analytics and modelling. The aim is to create actionable insights and knowledge that translate into business operations. It was named as one of the "Best Customer Insights Teams" in Germany at a company awards ceremony held by Center Smart Services in March 2021.

[→GRI 103-2 , →GRI 102-11]

Guidelines and policies

Our customer experience principles state our pledge for how we interact with our customers. Our efforts to design new customer journeys are guided by our brand framework with the aim of creating seamless experiences. This is our pledge:

- We'll get to know you and treat you like a person
- We'll speak your language and make it simple
- We're the experts so you don't have to be
- We'll always be honest and straightforward
- We'll respond to your needs as they change over time
- We'll empower you and help you become a better energy user.

These group-wide principles provide overall guidance. Each of our regional units uses a standardised process for adapting these principles to reflect their customers' needs, their own priorities, and the situation in their respective market. Our regional units in Germany, the United Kingdom, Sweden, the Czech Republic, Italy, Hungary, and Romania, have had their own customer experience principles in place since 2015. Poland and the Netherlands adopted the principles in 2020.

[→GRI 103-2 , →GRI 102-11]

Specific actions

We measure customer loyalty by means of the Net Promoter Score (NPS), which we introduced in 2009 and rolled out as a group-wide programme in 2013. NPS indicates our customers' willingness to recommend us to their friends and colleagues. It helps us identify which issues are currently of particular importance to our customers and to adapt our activities to current customer needs. We measure three types of customer-facing NPS:

- Strategic NPS compares our performance with that of our competitors and is based on the feedback of customers regardless of whether they've had an interaction with us.
- Journey NPS measures the loyalty of customers who have completed an experience with us, such as transferring their energy service to their new residence when they move.
- Touchpoint NPS is based on the feedback of customers who have had a specific interaction with us, such as talking to a call centre agent.

NPS is used by our regional units in Germany, the United Kingdom, Italy, Romania, Sweden, the Czech Republic, Hungary, Poland, and the Netherlands.

Our methodology for measuring strategic NPS is consistent across all our markets. It also serves as the basis for E.ON's NPS engagement programme, which equips senior managers with targeted actions to capitalise on opportunities and mitigate potential challenges relating to the key drivers of NPS.

Each regional unit has a set of game-changing initiatives in place to systematically improve its customer experience. They're sponsored by the unit's CEOs and board, who are personally responsible for improving their unit's NPS. The initiatives, which are defined annually and increasingly incorporate sustainability criteria, may span multiple years depending on the degree of transformation required. We introduced these initiatives in 2017.

Our Customer Immersion programme puts our senior managers and employees into direct contact with residential and business customers. Its purpose is to bring the customers' voice inside our organisation and enhance our employees' customer orientation. Interactions between employees and customers took place digitally in 2021 owing to restrictions resulting from the Covid-19 pandemic.

Our goal is to be a reliable energy company for our customers. Not only do we want to deliver reliable energy, but also to guarantee affordable prices for foreseeable time periods. Unfortunately, keeping energy prices low for our customers has become increasingly difficult not only for us, but for the whole energy sector. Natural gas and electricity prices are influenced by a variety of developments on energy markets, not only in Europe but also around the world. As a

competitive supplier, we make efforts to mitigate as much as possible the impact of price increases on consumers. In cases where we have to raise prices for our customers, we aim to act fairly, transparently, and loyally toward them. We notify customers at an early stage and comply fully with the legal and contractual framework. In addition, we're working on other solutions to support our customers, such as programs for vulnerable customers.

Our assistance for vulnerable customers varies according to the market situation, customer needs, and the welfare programmes in each country and is therefore our regional units' responsibility. Examples of this assistance include helping customers to find out whether they qualify for government support schemes and partnering with other organisations to prefinance insulation for a customer's home.

In Germany, for example, vulnerable customers can contact E.ON's payment assistance team. One solution is for them to pay in instalments without interest or fees. E.ON can also put them in touch with job centres, social service agencies, and debt counselling. Disconnecting a customer is always our very last option. Customers receive four overdue payment letters before being disconnected. Only customers with an unpaid balance of more than €250 are disconnected; under German law, customers may be disconnected with an unpaid balance of €100. In 2021 about 27,400 customers were disconnected by E.ON in Germany.

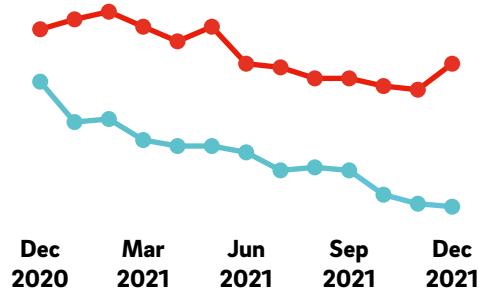
The coronavirus pandemic also made 2021 a challenging year for all of our customers and the communities we serve. Our regional units responded swiftly. For example, we launched new digital services to improve customer access and assistance. Video chats, for instance, enabled customers to accomplish tasks without having to visit our shops.

[[→GRI 103-2](#) , [→GRI 102-11](#)]

Goals and performance review

NPS is a key measure of our success because we can only expand our business if our customers are satisfied and recommend us to others. We define company-wide targets for strategic NPS and journey NPS annually. The variable compensation of senior managers has two components: a company factor and a factor reflecting a manager's individual performance. Since 2020, strategic NPS and journey NPS account for 20 per cent of the company factor. In 2021, NPS target achievement was factored into the E.ON Management Board's compensation for the first time.

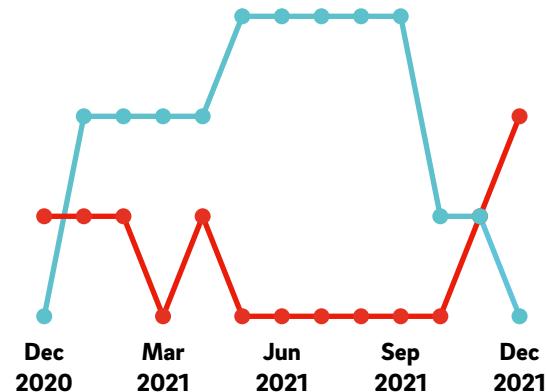
Strategic NPS: residential customers



● E.ON average ● Competitors average

Our unweighted average strategic NPS for residential customers rose at the beginning of the year and reached its highest level in February. It then fell slightly but rose again toward the end of the year. It surpassed the competitor average year round.

Strategic NPS: small and medium-sized enterprises



● E.ON average ● Competitors average

We didn't disclose strategic NPS for small and medium-sized enterprises ("SME") for 2020. We do for 2021 because it was reintroduced as a KPI for E.ON's executive bonus scheme. Our unweighted average strategic NPS SME decreased until mid-year and remained below the competitor average for most of the year due to a weak showing in some countries. Nevertheless, it finished 2021 on a high, surpassing the competitor average throughout November and December.

[→GRI 103-2/3]

Progress and measures in 2021

In 2021 we again worked hard to improve our customers' experience. We launched new projects and initiatives and continued existing ones. For example, our sales businesses in Poland and the Netherlands joined Heartbeat, our real-time customer feedback platform. Heartbeat enabled us to hear more than 1 million customer voices in 2021. All feedback is useful. It helps us identify and eliminate snags so that our customer experience is always getting better. Also, COO-C continued partnering with the Data Science team to use data analytics software to read and analyse customer feedback. The analysis was expanded to a growing number of E.ON's sales organisations and use cases. Key findings are communicated to the regional unit CEOs and the E.ON Management Board.

Experience Share Programme

Relaunched in mid-2020, our Experience Share Programme continued in 2021. It consists of several sessions each year whose aim is to facilitate best-practise sharing, encourage cross-regional cocreation, and promote innovation in our customer experience and insights. The focus in 2021 was on topics that are priorities at our regional units. These include best practices for customer journeys in our residential solar business, for customer engagement to promote loyalty and referrals, and for motivating our frontline colleagues to deliver great experiences. We shared the best practises of regional units that excel in a particular area. In 2021 we held five sessions on industry best practices that were attended by about 30 to 60 participants.

Continually enhancing customer journeys and experiences

In 2021 we worked closely with our regional units to improve experiences in our customer journeys. In addition to direct support, we offer employees at our regional units a range of training modules on topics like design thinking, design sprints, and customer research. We conducted ten modules in 2021 with over 200 participants. In addition, Market Excellence, Excellence.ON, and customer experience experts from all regions began collaborating in a programme to use research and data analytics to identify common customer pain points and design solutions to address common customer issues across all of our regions. The issues include price/value perception, excellent (self-)service, customer loyalty programmes, and digital sales. Since the programme started in July, over ten solutions have been developed to address price/value perception.

Complaint management

We conducted annual assessments of the maturity of our complaint management in all countries where we operate from 2017 to 2020. Because our operations in all countries worked hard on improving their digital structures and channels during the pandemic, we used 2021 to update the maturity questionnaire to reflect new digital services and omni-channel approaches. The questionnaire will be used from 2022 onward to assess complaint maturity in our various markets. Our swift progress in 2021 was highlighted by one of Germany's biggest daily newspapers rating five E.ON chatbots as among the country's six best.

Brand engagement campaign

In October 2021 we launched a campaign to get employees excited about the E.ON brand and what it stands for. The objective is to project our brand from the inside out and to bring its mantra – "WE has no limits" – to life. The mantra reminds our people that we can accomplish more by harnessing the power of the many and by combining their different skills and perspectives. None of us alone is as strong as all of us together. Everyone at E.ON is part of a team or project that's doing something great to help build a sustainable society. The campaign aims to make each of our employees a brand ambassador for these achievements.

Brand campaign: Time for Action

Both of the new E.ON's core businesses – energy networks and customers solutions – make a tangible difference in the fight against climate change. For our new brand campaign, "Time for Action," we teamed up with renowned mountaineer and environmentalist Reinhold Messner, who was joined by E.ON CEO Leonhard Birnbaum and 25 of our employees, customers, and partners on a glacier in Austria to share stories and experiences. We filmed their discussions, and the resulting advertisement premiered in the United Kingdom, Italy and Hungary in the fourth quarter of 2021. In the spirit of the campaign, we made the ad itself climate-neutral by purchasing certified offsets for the emissions associated with its production in Austria and broadcast in the United Kingdom.



Environment

Protect the planet



Climate protection

Getting to net zero: track our progress toward our climate targets.



Environmental management

Green acres: learn how we create habitats near our power lines.





GRI 305:
Emissions 2016

On track for net zero

Climate change caused by human action is serious and affects nature and humans. Although many countries worldwide have taken tangible steps to protect the climate, the greenhouse-gas (GHG) concentration in the atmosphere continues to rise and thus intensifies the impacts of climate change. The economic slowdown resulting from corona-related restrictions didn't alter this situation, and the recovery that began in 2021 will be accompanied by higher emissions. The most recent Intergovernmental Panel on Climate Change (IPCC) Report, published in August 2021, emphasised the urgent need for global action to halt climate change and address its effects. The most recent UN climate change conference (COP26), held in Glasgow in November 2021, made no tangible progress toward limiting global warming to 1.5 degrees. Nevertheless, delegates agreed on more ambitious 2030 emission-reduction targets, more funding for developing countries, help for vulnerable countries to cope with climate-induced damage, and a phase-down (albeit, regrettably, no clear timeline for a phase-out) of coal. They also finalised the Paris Rulebook, including the transferability of carbon credits across borders. In addition, agreements were concluded outside the main document on issues such as on protecting forests, reducing methane emissions, and rapidly accelerating the transition to zero emission vehicles.

In mid-2021 the European Commission adopted a set of proposals for aligning the EU's climate, energy, land use, transport, and taxation policies with its target of reducing net GHG emissions by at least 55 per cent by 2030 relative to 1990. This target is an important milestone on Europe's journey to become the first climate-neutral continent by 2050. E.ON fully supports the EU's objectives and aims to play key role in propelling progress toward them.

A successful transformation to a low-carbon economy will require far-reaching and permanent structural changes across society. It will also require sector integration, which refers to the interlinkages between electricity and gas in the heating, cooling, and transport sectors. These changes pose challenges for our competitiveness but also creates opportunities for us to grow our business. Our core businesses reflect the key emerging energy trends and enable us to help our customers to use energy more efficiently and to generate their own low-carbon energy. Beyond this, the production or provision of all goods and services as well as customers' use of our products results in GHG emissions. We therefore need to take action to reduce our climate impact both upstream and downstream.

[→ GRI 103-1

Our approach

Energy networks like ours are where the transition to a low-carbon energy supply is happening: they integrate renewables, connect producers and consumers, and deftly manage complex energy flows. Our customer solutions help customers of all kinds use energy more efficiently, produce their own renewable or low-carbon energy, and thus reduce their carbon footprint. In short, climate protection isn't an afterthought at E.ON, but is increasingly becoming an integral part of business operations and governance. Our business operations themselves help tackle climate change, improve people's lives and create a future worth living by enabling companies and communities to reduce their carbon emissions and by expanding eMobility charging infrastructure, to name just two examples.

We want to shrink our own carbon footprint as well. In 2004 we began disclosing the annual carbon emissions from our power and heat generation and from other business activities not directly related to generation. These include upstream and downstream emissions associated with our business activities. We calculate emissions using the globally recognised Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). In 2020 the E.ON Management Board set new climate-protection targets. To achieve them, we've defined specific actions to reduce our emissions in all three scopes of the GHG Protocol (see "Goals and performance review" below). In addition, E.ON's 2021 Annual Shareholders Meeting approved a new compensation system for the Management Board. Under the

system, one quarter of board members' long-term incentive will reflect the degree to which the company achieves its sustainability targets. The purpose is to further embed ESG aspects – including reducing carbon emissions – into how E.ON runs its business.

[→ GRI 103-2

Organisation and responsibilities

The Sustainability department at Corporate Functions took the lead in developing our group-wide climate-protection targets and monitors progress toward them (see "Goals and performance review" below). The units are supported in their decarbonization efforts by their HSE team and our wider HSE organisation, which helps design energy-efficiency measures and shares ideas and best practices. Together, their achievements enable us to make progress toward our company-wide reduction targets for direct and indirect emissions. In 2020 we further embedded climate-risk reporting into group-wide energy risk management.

The chapter entitled → Occupational health and safety contains detailed information about our HSE organisation.

E.ON views good corporate governance as a central foundation of responsible and value-oriented management, efficient collaboration between the Management Board and the Supervisory Board, transparent disclosures, and appropriate risk management. The clear organisation of our sustainability and climate-related activities ensures that we work together efficiently and improve continually. Information about our carbon footprint, progress toward our climate

targets, and the measures we're taking are first presented to our Chief Sustainability Officer and Sustainability Council. Our Chief Sustainability Officer, who chairs the council, reports the information to the E.ON Management Board and the Supervisory Board on a regular basis.
[→GRI 103-2]

Guidelines and policies

In October 2021 we revised the E.ON Health, Safety, Environment and Climate Protection Policy Statement, which now places greater emphasis on environmental and climate protection, assigning the same high priority as health and safety. The updated policy, which the Management Board had already approved, also defines the topics relevant for the EU taxonomy. In addition, it articulates our commitment to comply with all HSE laws and regulations and defines the appropriate management systems for this (ISO 45001, ISO 14001 and ISO 50001). It pledges us to protect the environment and the earth's climate, reduce our energy consumption, conserve resources, operate responsibly, and strive for continual improvement in our environmental performance.

In addition, in late 2021 we adopted an Environmental Protection Guideline. Information about it can be found in the →Environmental management chapter.

Two other HSE policies that are more specific in nature – our Sustainability & HSE Function Policy and our HSE People Guideline – took effect at the beginning of 2018. Our Function Policy defines HSE roles, responsibilities, management approaches and tools, and minimum requirements for our entire organisation. It empowers our Sustainability & HSE division to monitor units' compliance with the obligation to have an environmental management system certified to ISO 14001 or EMAS. We also defined HSE standards for incident management, which replace the standards stipulated in previous business directives. Our Code of Conduct contains general HSE rules with which all employees must comply. The HSE People Guideline goes into greater detail, underlining the importance of environmental and climate protection and defining specific tasks.
[→GRI 103-2 , →GRI 102-16]

Specific actions

In October 2021 E.ON adopted an ESG Reporting Manual that took effect in December 2021. The manual's detailed descriptions and requirements instruct the units how to compile and report our ESG KPIs. We then used the manual's climate-related core KPIs to develop a group-wide carbon management plan. Its purpose is to apportion progress toward these targets to our business units, factoring in the characteristics of the particular business, their strategic ambitions, and the climate policies of the country or countries where they operate. The units are then responsible for taking action to meet the target assigned to them. The plan reflects E.ON's

general management approach: Corporate Functions sets the group's strategic course and its governance framework, while the units have broad operational decision-making authority. The carbon management plan will take effect in the first quarter of 2022.

[→GRI 103-2]

Goals and performance review

We completed E.ON's strategic transformation in just six years. It began in 2014 with our decision to exit fossil-fuelled power generation and global commodity trading. In the interim we also took other considerable steps to reduce our direct emissions. In addition, in 2020 the E.ON Management Board set ambitious new climate targets that are described below. These targets also serve as KPIs that are relevant for management purposes since the Management Board's aforementioned new compensation system factors progress toward them and other sustainability targets into board members' long-term incentive. By reducing GHG emissions we intend to become climate-neutral by 2040. We plan to reduce our Scope 1 and 2 emissions by 75 per cent by 2030 and by 100 per cent by 2040 (both relative to 2019). We aim to reduce our Scope 3 emissions by 50 per cent by 2030 and by 100 per cent by 2050 (both relative to 2019). Scope 3 emissions occur primarily during the generation of the power we purchase and resell and during the use of the gas we sell. These indirect upstream and downstream emissions account for most of our carbon emissions. The adoption of our climate strategy set in motion actions to help us to achieve our climate-protection targets for 2030 to 2050 and thus to support Europe's energy transition. In monitoring progress toward them, it's important to remember that year-on-year comparisons of energy consumption can be affected by temporary fluctuations caused by weather patterns and other factors. A period of several years is necessary to determine whether our actions are effective and where we stand with regard to our targets. We therefore assess the trend every three years. Our first assessment was at year-end 2019. The trend (in absolute terms and with regard to our carbon intensity target) indicated that so far the reduction rate is in line with our forecasts. We refined this process in 2021 by adopting the aforementioned carbon management plan that takes effect in 2022 and consists of annual checkpoints by our units to ensure we're on track to meet our ambitions. In addition, each unit has the authority to pursue more ambitious emission-reduction targets that go beyond the targets for E.ON as a whole.

In 2021 E.ON joined Science Based Target initiative's (SBTi) "Business Ambition for 1.5°C" and committed to setting science-based emissions-reduction targets that are consistent with keeping global warming to 1.5°C above pre-industrial levels. E.ON also joined the "Race to Zero," a global campaign to accelerate progress toward a decarbonised economy.

[→GRI 103-2/3]

Progress and measures in 2021

As mentioned above, in 2021 E.ON further embedded sustainability and climate action into its decision-making processes by introducing an ESG Reporting Manual and a new carbon management plan. Both will enhance our ability to monitor progress toward our climate targets and to take sufficient action to meet them.

→ CDP is one of the largest international associations of investors that independently assess the transparency and detail of companies' climate reporting. We've reported data on our carbon emissions to CDP since 2004. CDP again gave E.ON an A rating for tackling climate change in 2021 in recognition of our leadership in corporate sustainability. We were among a small number of outstanding companies out of the more than 12,000 that were rated. E.ON's demonstrable actions have made us a global leader in corporate environmental ambition, action, and transparency. E.ON is among 2% of all scored companies that made CDP's A list. Furthermore, in 2021 CDP recognised E.ON once more as a "Supplier Engagement Leader." E.ON is among the top 8 per cent assessed for supplier engagement on climate change.

Turning over a new LEAF with voluntary carbon offsets

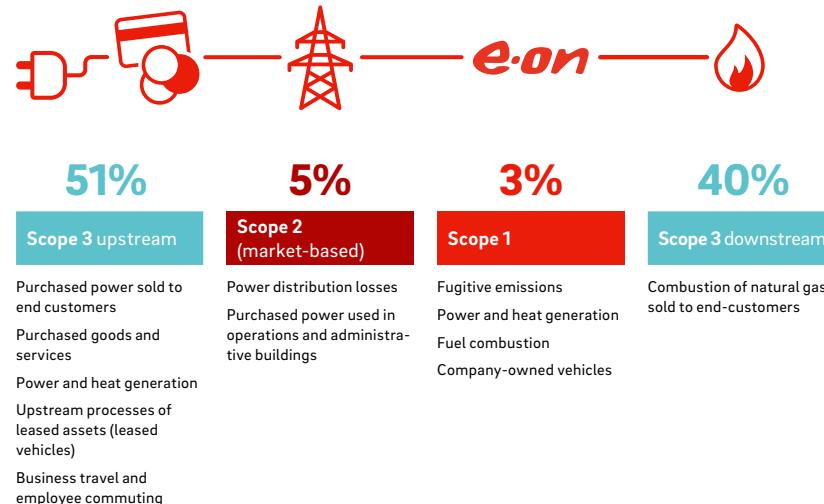
Our first decarbonisation priority is to steadily reduce our own emissions. Starting in 2022, we'll also voluntarily offset those emissions we're currently unable to avoid. Offsets help fund measures that reduce, prevent, or eliminate carbon emissions, often in developing and emerging countries. Our flagship offsetting programme is our partnership with the LEAF Coalition, which stands for Lowering Emissions by Accelerating Forest finance. LEAF offsets help protect tropical forests and manage them sustainably. Our LEAF programme will initially run through year-end 2026.

Carbon reporting according to the GHG Protocol

We calculate our emissions using the globally recognised WRI/WBCSD GHG Protocol for the six GHGs covered by the Kyoto Protocol - carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) - and also nitrogen trifluoride (NF₃). CO₂ is by far our biggest GHG. Although other GHGs like SF₆ and CH₄ contribute to our climate impact, we cause much less of them than CO₂. GWP_s indicate how much GHGs affect global warming over a period of time compared with CO₂. All GHG emissions can be expressed as CO₂ equivalents (CO₂e).

The GHG Protocol defines three scopes for GHG accounting and reporting. This improves transparency and provides guidance for different types of climate policies and business goals. To maximize transparency, we disclose prior-year figures and the calculation method below the respective table. 

E.ON's carbon footprint by GHG Protocol scope

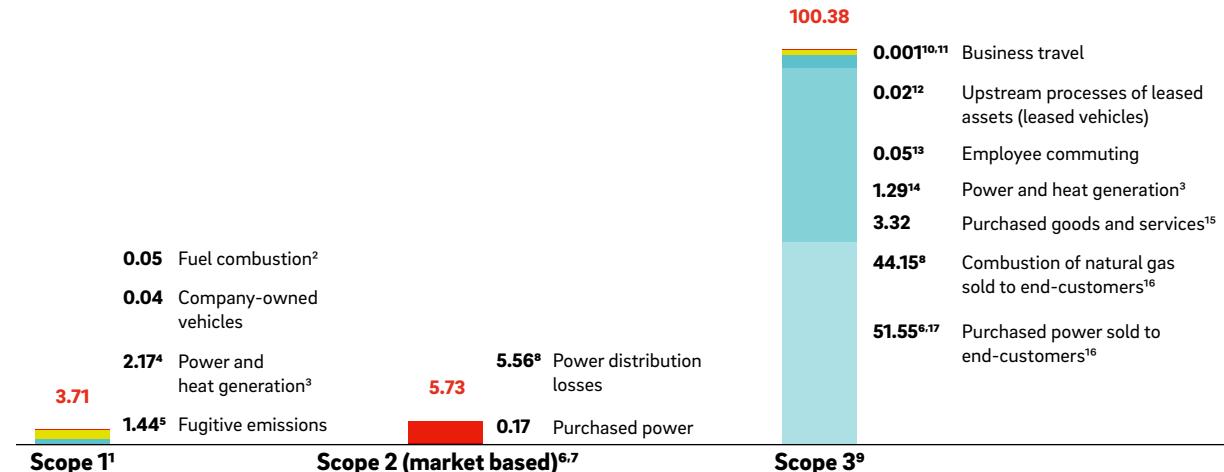


Scope 1 are direct GHG emissions from fuels combusted in sources that we own or control, such as our power and heat plants and vehicle fleet. They also include fugitive methane emissions from our gas distribution networks.

Scope 2 are indirect GHG emissions from the generation of electricity that we purchase to power our buildings, operations, and electric vehicles or that are classified as line losses in our power distribution networks. These emissions don't physically occur at our facilities but rather at the facility where the electricity is generated. This is why power distribution losses are classified as Scope 2 emissions but gas distribution losses as Scope 1 emissions. Emissions attributable to line losses are lower in grid segments with lots of renewables feed-in. In line with the GHG Protocol, we calculate Scope 2 using a location-based method and a market-based method.

Scope 3 are indirect emissions that occur upstream and downstream from E.ON. They result primarily from the generation of the electricity we purchase and resell to customers and the use of the gas that we've sold to them. But also included are the emissions attributable to the production and provision of the goods and services we purchase. With reference to the GHG Protocol, we divided our emissions from power and heat generation in 2020 into emissions from "plants owned and operated" (Scope 1) and "plants owned but leased to and operated by lessee" (Scope 3) to enhance transparency. To calculate emissions when primary data are unavailable or of insufficient quality, the GHG Protocol recommends the use of secondary data, such as industry-average data or government statistics. Since spinning off its large-scale fossil-fuelled power generation business in 2016, E.ON has procured its power mainly from wholesale markets where the source of generation is often not traceable or information about the source is not reliable. E.ON therefore uses the official national emission factors of the countries in which it purchases power sold to end-customers. 

E.ON's 2021 carbon footprint (total CO₂ equivalents in million metric tonnes)



¹The external GWP sources used are the Department for Business, Energy & Industrial Strategy ("BEIS", formerly DEFRA), the Naturvårdsverkets, the GHG Protocol, the Överenskommelse Värmmarknadskommittén 2021, and the IPCC AR5 report.

²To heat buildings and technical equipment.

³The GHG Protocol and DEFRA attribute no direct CO₂ emissions to energy generated at renewables facilities and nuclear power stations.

⁴This figure does not include 2876 kilotonnes of CO₂ from biogenic emissions, in accordance with the GHG Protocol.

⁵From 2021 onwards, CH₄-emissions were calculated with a newly Group-wide introduced tool which considers the latest regulatory requirements and allows for separation of gas network losses into different categories for improved data quality and transparency. One category, flare emissions, results in natural gas emissions rather than methane, therefore, reported CH₄-emissions are significantly reduced.

⁶The external GWP source used is the International Energy Agency ("IEA"), and the Association of Issuing Bodies ("AIB").

⁷Excludes our consumption of district heating due to the immateriality of the quantity compared with the other Scope 2 categories from electricity.

⁸Includes Slovakia, in which we have a 49 per cent stake.

⁹The external GWP sources used include the IEA, the IPCC AR5 report, BEIS, formerly DEFRA, the Naturvårdsverkets, the GHG Protocol, and the Överenskommelse Värmmarknadskommittén 2021. Furthermore, primary data from external travel service providers were used for the calculation.

¹⁰Partially based on prior-year figures for the category car rental.

¹¹This figure does not include an offset of approximately 98 metric tonnes of CO₂, which was subtracted from the reported value.

¹²Figures for leased vehicles are based on prior year data.

¹³We estimate that, on average, half of our employees worked from home in 2021 owing to Covid-19, as in 2020.

¹⁴This figure does not include 2.5 kilotonnes of CO₂ from biogenic emissions, in accordance with the GHG Protocol.

¹⁵Includes capital goods.

¹⁶Scope 3 emissions from purchased power and the combustion of natural gas sold to end-customers (energy sold to our residential and B2B customers), according to the GHG Scope 3 protocol. The emissions from distribution losses from energy sold to sales partners and the wholesale market are accounted for under our Scope 1 and Scope 2 emissions accordingly.

¹⁷Includes purchased power at EV charging points owned by E.ON and accessible by the public.

Our direct and indirect CO₂e emissions totalled 109.82 million metric tonnes in 2021, of which 3 per cent were direct Scope 1 emissions, 97 per cent were indirect Scope 2 and 3 emissions. Scope 1 emissions decreased by 5 per cent year on year, indirect emissions declined by about 7 per cent. 

Scope 1¹ [→ GRI 305-1

Total CO ₂ equivalents in million metric tonnes	2021	2020	2019
Power and heat generation ^{2,3}	2.17 ⁴	2.19 ^{5,6}	2.03 ^{7,8}
Fugitive emissions	1.44 ⁹	1.65	1.88
Company-owned vehicles	0.04	0.04	0.05
Fuels combustion ¹⁰	0.05	0.04 ¹¹	0.03
Total	3.71	3.92	3.98

¹The external GWP sources used are the BEIS, formerly DEFRA, the Naturvårdsverkets, the GHG Protocol, the Överenskommelse Värmelektronadskommittén 2021, and the IPCC AR5 report.

²In accordance with the GHG Protocol, from 2019 onward, emissions from power and heat generation are divided into emissions from plants owned and operated by E.ON (Scope 1) and emissions from plants leased to, and operated by, customers (Scope 3). This improves our ability to manage our emissions and makes progress toward our targets more transparent.

³The GHG Protocol and DEFRA attribute no direct CO₂ emissions to energy generated at renewables facilities and nuclear power stations.

⁴This figure does not include 2876 kilotonnes of CO₂ from biogenic emissions, in accordance with the GHG Protocol.

⁵This figure does not include 2696 kilotonnes of CO₂ from biogenic emissions, in accordance with the GHG Protocol.

⁶Prior-year figures were adjusted mainly due to the addition of missing data on natural gas used for energy generation from E.ON Energy Projects GmbH last year.

⁷Prior-year figures were adjusted due to corrections of biogenic emissions.

⁸This figure does not include 2539 kilotonnes of CO₂ from biogenic emissions, in accordance with the GHG Protocol.

⁹From 2021 onwards, CH₄-emissions were calculated with a newly Group-wide introduced tool which considers the latest regulatory requirements and allows for separation of gas network losses into different categories for improved data quality and transparency. One category, flare emissions, results in natural gas emissions rather than methane, therefore, reported CH₄-emissions are significantly reduced.

¹⁰To heat buildings. Combustion of natural gas for heating technical equipment is included from 2020 onward.

¹¹Prior-year figures were adjusted mainly due to double accounting of natural gas consumption in buildings and in operations by Energy Networks Romania.

Our 2021 Scope 1 emissions totalled 3.71 million metric tonnes of CO₂e, slightly less than the adjusted prior-year figure of 3.92 million metric tonnes of CO₂e. The decrease is mainly attributable to fugitive emissions reduction.

Emissions from power and heat generation are mainly attributable to our combined heat and power (CHP) plants. In 2020 we improved the transparency of Scope 1 emissions from power and heat generation of leased assets by reporting them as Scope 3 emissions from downstream leased assets. These are leased assets that we installed at customers' facilities and that

customers operate for their own use. This distinction showed that emissions from owned assets are higher than emissions from leased assets. For heat generation, 64 per cent of emissions are from owned assets and 36 per cent from leased assets. For power generation, 60 per cent of emissions are from owned assets and 40 per cent from leased assets.

Fugitive emissions consist predominantly of methane from gas leaks as well as leaks of sulphur hexafluoride (SF₆) and coolants used in energy distribution equipment. Their GWP is very high, which is reflected in their high emissions. However, our fugitive emissions are quite small in proportion to the quantity distributed and used: in 2021 just 0.4 per cent of methane and 0.19 per cent of SF₆ were lost. Going forward, we intend to reduce fugitive emissions by monitoring leaks and continually improving and modernising our gas and power networks.

Scope 2¹ [→ GRI 305-2

Total CO ₂ equivalents in million metric tonnes	2021	2020	2019
Power distribution losses (location-based) ²	3.67 ³	4.19	4.51
Power distribution losses (market-based) ^{4,5}	5.56 ^{3,6}	5.83 ⁷	3.97 ⁸
Purchased power (location-based)	0.23	0.30	0.31
Purchased power (market-based)	0.17	0.25	-
Total (location-based)	3.90	4.49	4.82
Total (market-based)	5.73	6.09	-

¹The external GWP sources used are the IEA, and the AIB.

²Based on the emission factors of the national electricity mixes for specific geographic regions (Source: IEA).

³Includes Slovakia, in which we have a 49 per cent stake.

⁴Includes innogy from 2020 onward.

⁵Based on the emission factors of the national residual mixes for specific geographic regions. A country's residual mix emission factor represents the emissions and generation that remain after certificates, contracts, and supplier-specific factors have been claimed and removed from the calculation (Source: EPA).

⁶Power distribution losses in Sweden were almost completely offset by the purchase of green electricity.

⁷Power distribution losses in Sweden were completely offset by the purchase of green electricity.

⁸Prior-year figures were adjusted. Market-based emissions were not available for innogy.

We recorded location-based Scope 2 emissions of 3.90 million metric tonnes of CO₂e in 2021, significantly less than in 2020. All categories of emissions declined.

Line losses in our networks account for the majority of our Scope 2 emissions. Pursuant to GHG Protocol Scope 2 Guidance, since 2016 we've calculated them two ways: using the location-based method and the market-based method. For our own decision-making, we use the figure determined by the location-based method, which is based on the respective national generation mix. The market-based method yields a different figure because it is based on the contractually attributable generation mix of our electricity suppliers. However, the effort required to identify every single provider that feeds electricity into each of our networks would be considerable. We therefore use the emission factor of the residual generation mix of each country. In most cases, this is well above the factor of the national generation mix. Line losses accounted for approximately 4 per cent of the power we distributed in 2021.

Each euro we invest to maintain our grids helps to reduce line losses. Our approach depends on the type of loss. Technical losses can be reduced through network optimisation. We're also upgrading our grids using →smart-grid technology. This enables our lines and transformers to adapt – in many cases automatically – to the actual production and consumption in a given grid segment. However, technical losses can only be reduced to a certain extent owing to the physical attributes of power grids. Commercial losses result primarily from theft. We seek to reduce these losses by using the data provided by smart meters and other devices to identify suspicious consumption patterns.

Scope 3¹ [→ GRI 305-3]

Total CO ₂ equivalents in million metric tonnes	2021	2020	2019
Purchased power sold to end-customers ²	51.55 ^{3,4}	61.27	70.78
Combustion of natural gas sold to end-customers ²	44.15 ³	41.78	44.30
Purchased goods and services ⁵	3.32	3.33 ⁶	3.29 ⁷
Power and heat generation (leased assets) ⁸	1.29 ⁹	1.5 ^{10,11}	1.70 ¹⁰
Employee commuting	0.05 ¹²	0.05 ¹²	0.05
Upstream processes of leased assets (leased vehicles) ¹³	0.02	0.03	0.06
Business travel ¹⁴	0.001 ¹⁵	0.001 ¹⁶	0.01
Electricity distribution losses (other grid operators) ¹⁷	-	-	0.08
Total	100.38	107.96	120.27

¹The external GWP sources used include the IEA, the IPCC AR5 report, BEIS, formerly DEFRA, the Naturvårdsverkets, the GHG Protocol, and the Överenskommelse Värmemarknadskommittén 2021. Furthermore, primary data from external travel service providers was used for the calculation.

²Scope 3 emissions from purchased power and the combustion of natural gas sold to end-customers (energy sold to our residential and B2B customers), according to the GHG Scope 3 protocol. The emissions from distribution losses from energy sold to sales partners and the wholesale market are accounted for under our Scope 1 and Scope 2 emissions accordingly.

³Includes Slovakia, in which we have a 49 per cent stake.

⁴Includes purchased power at EV charging points owned by E.ON and accessible by the public.

⁵Includes capital goods.

⁶This figure does not include an offset of approximately 55 metric tonnes of CO₂.

⁷This figure does not include an offset of approximately 2,005 metric tonnes of CO₂.

⁸In accordance with the GHG Protocol, from 2019 onward, emissions from power and heat generation are divided into emissions from plants owned and operated by E.ON (Scope 1) and emissions from plants leased to, and operated by, customers (Scope 3). This improves our ability to manage our emissions and makes progress toward our targets more transparent.

⁹This figure does not include 2.5 kilotonnes of CO₂ from biogenic emissions, in accordance with the GHG Protocol.

¹⁰These figures do not include 2.2 metric tons of CO₂ of biogenic emissions, in accordance with the GHG Protocol.

¹¹Prior-year figures were adjusted, mainly due to better data quality available for natural gas used for energy generation by E.ON Energy Projects GmbH.

¹²We estimate that, on average, half of our employees worked from home owing to Covid-19.

¹³Figures for leased vehicles are for the respective prior year: 2020 for 2021, 2019 for 2020, and so forth.

¹⁴Based partly on prior-year figures.

¹⁵This figure does not include an offset of approximately 98 metric tonnes of CO₂.

¹⁶This figure does not include an offset of approximately 501 metric tonnes of CO₂.

¹⁷This figure only includes line losses from a DSO in Slovakia in which we have a 49 per cent stake. Effective 1 January 2020, this figure is no longer recorded or disclosed owing to a lack of materiality.

Our 2021 Scope 3 emissions of 100.38 million metric tonnes made up the lion's share of our total carbon footprint. We recorded a slight reduction compared with 2020 and expect the carbon intensity of purchased power to continue to decline further as the European countries in which we purchase power decarbonise their energy mixes.

Task Force on Climate-related Financial Disclosures

E.ON is committed to acting sustainably in all respects. This includes making steady progress toward our climate targets, effectively managing our climate-related risks, seizing climate-related opportunities that fit with our corporate strategy, and reporting transparently on all these matters. The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) provide important guidance for our reporting. Established in 2015, the TCFD aims to develop consistent, comparable, and accurate climate-related financial risk disclosures that companies can use to provide information to investors, lenders, insurers, and other stakeholders. E.ON became an official TCFD supporter in 2019, which marks the start of our TCFD reporting below. Going forward, we'll continue to expand our TCFD reporting. One consequence of TCFD reporting is that E.ON has developed a qualitative scenario analysis to assess how E.ON's businesses might be affected under different climate scenarios (for more information, see "Strategy" below. In addition, our TCFD reporting is supported by additional information in → ["On course for net zero – Supporting paper for E.ON's decarbonization strategy and climate-related disclosures 2021."](#)

• Governance

The importance of climate change for E.ON is reflected in our governance. The Management Board has overall responsibility for our → [sustainability strategy](#), including our climate targets. It is informed on a quarterly basis by the Chief Sustainability Officer (CSO) about important initiatives and developments as well as KPIs. The CSO manages and monitors all of the company's sustainability activities and chairs the Sustainability Council. The council is our main forum for discussing sustainability issues, establishing a sustainable mindset, and embedding it in our business processes. The Supervisory Board is regularly informed about E.ON's sustainability performance by its Audit and Risk Committee, by its Innovation and Sustainability Committee, and by the Management Board.

• Strategy

Although E.ON's business operations obviously cause carbon emissions, these operations also help millions of customers avoid emissions. Our two core businesses Energy Networks and Customer Solutions – make the energy system more efficient, increase the proportion of renewables in the energy mix, and therefore help prevent GHG emissions. Moreover, our current climate strategy includes emission-reduction targets for 2030 through 2050. In 2020 we set new climate targets and intend to be climate-neutral by 2040 (see "Goals and performance review").

Both climate change and the energy transition aimed at slowing it could create risks as well as opportunities for our business. In 2021 we performed a qualitative scenario analysis to model how the key value drivers of E.ON and some of its business units might be affected under three different climate scenarios – conservative, ambitious, and fully determined – between now and 2050. The conservative scenario foresees unhurried decarbonization that lags behind Paris Agreement targets leading to global warming of well above 2° C by 2100. The ambitious scenario reflects current commitments under the Paris Agreement and results in global warming of around 2°C by 2100. The fully determined scenario, which is in line with the Paris Agreement, limits global warming to 1.5°C by 2100. The findings, which will be factored into E.ON's ongoing strategy development, will be available in early 2022. We intend to repeat the scenario analysis on an annual basis.

• Risk management

E.ON regularly monitors and assesses its sustainability, climate, and other non-financial risks and opportunities and their potential impact in the short, medium, and long term. In 2020 E.ON integrated climate related risks into its ERM system. In 2021 human rights risks in the supply chain, employee matters, social matters, and anti-corruption were integrated as well. Risk and sustainability managers at our units were actively involved in this process. The status of this process is presented to the E.ON Group Risk Committee on a regular basis. Our analyses of climate risks encompass physical risks (such as extreme weather and rising temperatures) as well as transitional risks (such as changes in consumer preferences, our regulatory environment, and carbon prices).

- Metrics and targets

E.ON's current climate metrics consist mainly of the emission figures for its carbon footprint categories (Scope 1, 2, and 3) and the measurement of progress toward its climate targets. You'll find our carbon footprint under "Progress and measures" above. Also, we defined new climate targets in 2020, which can be found under "Goals and performance review." For all relevant GHG categories, E.ON monitors progress toward these targets on an annual basis. The aforementioned carbon management plan apportions our emission-reduction targets to our business units, while giving them the operational decision-making authority on how to achieve them.

In addition, we disclose avoided emissions. This applies to the annual reporting for our Green Bonds, which includes disclosures on the metric tonnes of CO₂e avoided by the projects funded.

In 2021 E.ON issued another €750 million Green Bond. A Green Bond is a fixed-interest security whose issuance proceeds are used to fund low-carbon infrastructure and energy-efficiency projects. Since 2019 the credit margin of E.ON's €3.5 billion syndicated credit facility is linked in part to the performance in certain ESG ratings. This gives us additional financial incentives to pursue a sustainable corporate strategy.

GRI 302:
Energy 2016

Environmental protection and stewardship

E.ON is committed to preventing environmental damage and minimising the impact of its business operations on the environment, the landscape, and biodiversity. In the past five years, the focus of our environmental management has changed a lot. The transformation into the new E.ON – a specialist for infrastructure and customer solutions for a low-carbon energy world – involved our exit from large-scale conventional power (in 2016) and industrial-scale renewables (in 2019). The transformation therefore dramatically changed our asset base and geographic footprint. Nevertheless, we still operate distribution networks in six European countries. As such, our environmental management now is less about preventing major industrial accidents and more about being an exemplary environmental steward of the biospheres and landscapes near our network assets, conserving energy and other resources at our facilities and offices, and complying at all times with all international and national environmental laws and regulations. Our environmental management is guided by the precautionary principle endorsed by the United Nations.
[→ GRI 103-1, → GRI 102-11]

Our approach

Energy management – continually looking for ways to reduce our energy consumption and to enhance our energy efficiency – plays an important role in our environmental management and helps us reduce our greenhouse-gas emissions. Its implementation is assured by our operational HSE management, as we're committed to protecting people as well as the environment. Because the approaches and systems for doing both well are similar, we've combined environmental management and occupational health and safety in a single HSE organisation. Our environmental management is guided by the precautionary principle endorsed by the United Nations, and we've explicitly supported the UN Global Compact's ten principles since 2005. Our objective is for our business activities to cause no environmental damage and to have as little environmental impact as possible. We comply with all environmental laws and regulations. Beyond this, we're working on the definition of our own environmental standards to set the group's strategic course and to guide the units in operationalizing it. In late 2021 we developed an Environmental Protection Guideline, which describes E.ON's holistic approach to environmental protection and makes five commitments: we care for ecosystems, we steer our

organisation toward ecosystem protection, we follow clear biodiversity priority areas, we set clear targets, we are deeply committed to environmental protection. The guideline will be published in the first quarter of 2022. Because we want to do business only with companies that share our commitment to environmental protection, our suppliers and contractors must pledge to observe our standards. A company policy (see "Guidelines and policies" below) requires all E.ON units (except for very small ones and those with insignificant risks and potential impact) to have in place an environmental management system certified to ISO 14001 or EMAS, internationally recognised standards for such systems.
[→ GRI 103-2, → GRI 102-11]

Organisation and responsibilities

The Sustainability department at Corporate Functions took the lead in developing our company-wide climate-protection targets and monitors progress toward them (see "Goals and performance review" below). Our units are responsible for taking action to reduce their own emissions as well as those that arise from their business activities. They're supported in these efforts by their Sustainability and HSE teams and our wider HSE organisation, which help design

energy-efficiency measures and share ideas and best practices. The →[Climate protection](#) chapter contains information about our new carbon management plan, which takes effect in the first quarter of 2022 and sets emission-reduction targets for our units.

[→GRI 103-2]

Guidelines and policies

Our HSE Policy Statement requires documented HSE management systems according to international standards. For example, it requires all E.ON units to have an environmental management system certified to ISO 14001 or EMAS (except, as stated above, for very small E.ON units and those with insignificant risks and potential impact). At year-end 2021, 78 per cent of our employees worked at business units certified to ISO 14001. In compliance with the Energy Services Act in Germany, we also introduced ISO 50001 at those units that already had an HSE management system. At year-end 2021, 86 per cent of our employees worked at business units with ISO 50001 certification. We measure and analyse the energy consumed by the facilities and office buildings at all of these units. The findings help us identify opportunities to conserve energy and recommend cost-effective energy-efficiency measures. The →[Climate protection](#) chapter contains more information. Similarly, the →[Health and safety](#) chapter contains information about guidelines and policies relating to occupational health and safety as well as environmental protection. These include the new standard for HSE risk management we adopted in 2020. The HSE Policy Statement was updated in 2021. The update includes our new climate targets and activities aligned with the EU taxonomy.

In 2021 we began establishing a handbook for ecological corridor management. It consists of minimum standards for our approach to ecological vegetation management in overhead power-line corridors. We intend to extend this approach to all our DSOs in Europe by 2029.

[→GRI 103-2]

Specific actions

PRISMA (Platform for Reporting on Incident and Sustainability Management and Audits), as its name indicates, is the online channel our managers and employees use to report incidents. The →[Occupational health and safety](#) chapter contains more information about PRISMA and our incident management generally.

The steps we've taken in Germany to improve our facilities' energy efficiency included installing smart LED lighting in buildings and car parks and reducing the energy consumed by ventilation and air-conditioning. We also use smart building controls that automatically adjust interior temperatures depending on exterior temperatures and the day of the week (workday or weekend). At many of our operations in Germany, we have in place an EMS certified to ISO50001, an international standard aimed at enabling organisations to achieve continual improvements in energy efficiency. The Energy Team sets annual goals and monitors the EMS's effectiveness by means of systematic audits, an annual management review, and confirmation by an accredited certification organisation. In 2021 these mechanisms confirmed the EMS's effectiveness. E.ON UK and some other units are in the process of putting in place an EMS in order to fulfil obligations in their particular country, such as the UK Energy Savings and Opportunities Scheme.

In 2017 we began offering our employees in Germany incentives to embrace eMobility. They include attractively priced leasing contracts for electric vehicles (EVs), at-home charging points, and certified renewable power tariffs, enabling employees to charge their EVs with clean energy.

For projects with a considerable public or ecological impact, we conduct an environmental impact assessment during the development stage. These projects include new power lines, new gas pipelines, and other large industrial equipment we intend to build. Such assessments are often required to obtain planning or regulatory consent. There may be additional requirements for us to monitor an asset's environmental impact once it's in operation to ensure that our assessment was correct. In addition, we engage in ongoing dialogues with local stakeholders and interested parties on a range of environmental issues.

E.ON also takes steps to protect wildlife and landscapes and to promote biodiversity. Bird safety, for example, is an important issue for many of our distribution system operators (DSOs). Their activities in this area include installing nest platforms for storks, eagles, falcons, and other bird species. In addition, many E.ON companies have tree-planting initiatives. We report on our approach to ecologically managing the vegetation under and near our overhead power lines in the previous section ("Guidelines and policies") and in a section further below ("Progress and measures in 2021"). In addition, we're currently in the process of creating a group-wide digital platform for biodiversity and environmental-protection projects to increase visibility and information sharing.

[→GRI 103-2]

Goals and performance review

The E.ON Management Board is informed about serious environmental incidents (category 3 in our Standard on Incident Management) by means of monthly reports from HSE and periodic consultations with the Senior Vice President for Sustainability & HSE. In the case of a major incident (category 4), the unit at which it occurred reports it directly to the E.ON Management Board member responsible for the respective unit and to the board member responsible for HSE within 24 hours.

E.ON has been a member of EV100, which is run by "The Climate Group" since 2018. EV100 is a global initiative that brings together companies committed to accelerating the transition to EVs and to making electric transport the new normal by 2030. In 2021 the initiative made more progress toward this objective: its current 121 members are committed to over 4.8 million vehicles going electric and have put a total of more than 169,000 EVs on the street. EV100 members are also expanding charging infrastructure availability at their premises. Nearly 17,000 charging points have been installed thus far. In support of EV100, E.ON's offices and facilities have about 3,310 charging points for employees, guests, and customers. Furthermore, we aim for all of our vehicles under 3.5 metric tonnes and at least half of those between 3.5 and 7.5 metric tonnes to be EVs by 2030, where technically feasible and cost-effective. In 2021 we added 1,369 EVs to our corporate fleets, giving us more than 2,977 EVs in total. Over 1,985 of them are in Germany. In addition, we'll continue installing charging infrastructure at our own facilities and communicate the change to our customers. We're working on a detailed plan to reach our goals. The E.ON Car Policy, which was revised in 2019 and 2020, places much greater emphasis on climate protection and environmental friendliness.

[→ GRI 103-2/3]

Progress and measures in 2021

Amid the Covid-19 pandemic – and the challenges it posed to our employees, customers, and communities – we nevertheless continued to make progress in managing and minimising our environmental impact.

In 2021 there were no serious environmental incidents.

Expanding ecological corridor management

E.ON has developed an approach to ecologically manage the vegetation under and near its overhead power lines in forests. This approach, which is already in place for around 8,000 hectares of woodlands in Germany, will now be extended to all our service territories in Europe. By 2029, we intend to put in place specific vegetation-management plans for each hectare of woodlands and to invest a double-digit million euro sum for this purpose. This represents our commitment to promote healthy ecosystems and greater biodiversity along 13,000 kilometres of high-voltage power lines in forested areas, equal in size to about 100,000 soccer fields.

Mixing it up

E.ON has a range of projects to support mixed forests, like the one inaugurated in 2020 in partnership with PLANT-MY-TREE, a tree donation specialist. We've arranged for about 10,000 trees to be planted across Germany. The trees will likely sequester about 1000 metric tonnes of carbon dioxide annually and provide a habitat for a wide variety of flora and fauna. Our reforestation projects will continue in 2022. Some are linked to the achievement of sales targets, others give our customers the opportunity to get involved.

Founding a green-power community

In 2020 E.ON energy provider eprimo, which is based in Neu-Isenburg, Germany, began building a green-power community. It brings together sustainability-minded energy producers and consumers. The electricity comes from rooftop solar panels, solar farms, hydroelectric plants, and other clean sources across Germany. The rapidly growing community had about 10,000 customers at year-end 2020 and more than 50,000 at the end of 2021. In November 2020 the project won an International Customer Experience Gold Award.

Air bee and bee

Pollination is essential for food production. The declining population of wild bees and other pollinators is therefore a global concern. Many E.ON DSOs – including LEW, Syna, and Bayernwerk in Germany – conduct projects to protect wild bee populations. In consultation with county

administrative boards, E.ON Energidistribution, an E.ON DSO in Sweden, identified substations near areas where pollinators need support. Next, bee hotels (small wall-mounted wooden boxes) and bee beds (patches of sand and sandy ground) were installed. Also, nectar- and pollen-rich flowers were planted. In 2022 E.ON Energidistribution will continue to partner with public authorities and other stakeholders to help protect pollinators and, ideally, increase their numbers.

E.ON Environmental Network

In late 2020 we founded the E.ON Environmental Network (EEN) in Germany. The EEN is a forum for sharing information on operational environmental issues, environmental management, sustainability as well as related legislation, standards, and benchmarks. It brings together experts from our network and customer solutions businesses, works closely with the HSE and Sustainability teams, and meets on a quarterly basis. If necessary, it meets using virtual presence technology, as was the case in much of 2021. Since its founding, the EEN has grown its membership considerably. Key topics in 2021 included the standardisation of documentation for compliance with Germany's Commercial Refuse Act, environmental assessment in accordance with ISO 14001, and the creation of a joint digital platform for biodiversity and environmental-protection projects. The European EEN, which brings together E.ON colleagues outside Germany, also met several times in 2021 to address pertinent issues. In the years ahead, we intend to expand these networks and transform them into group-wide information-sharing platforms.

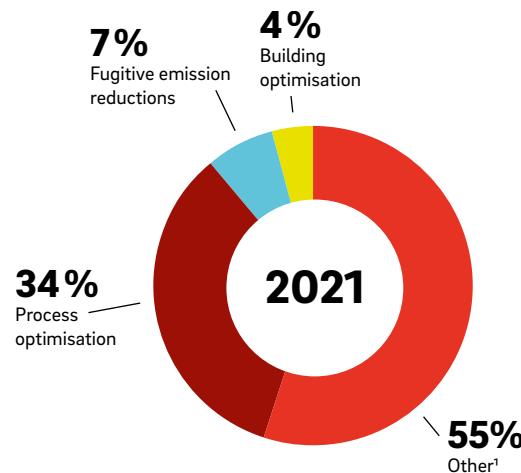
Energy consumption within the organisation [→ GRI 302/1]

E.ON consumed 254 million GJ of energy in 2021, 14 million GJ more than in 2020. The main reason was that Grohnde, Isar 2, and Brokdorf NPPs had fewer scheduled outages and thus produced more electricity, which led to an increase in station use.

Savings delivered by emission-reduction projects

We regularly carry out projects to reduce our own carbon emissions. In 2021 these projects delivered over 31,110 metric tonnes of CO₂e savings. The measures to achieve them included upgrading the boilers in the plants of our district heating business, converting from natural to green gas, and reducing pipeline pressure in our gas networks prior to construction or maintenance in order to prevent fugitive methane emissions.

Carbon emission reductions achieved through targeted projects



¹Includes projects involving measures to reduce methane leaks and other fugitive emissions.

Avoiding and recycling waste

We always try to avoid creating waste and, when this isn't feasible, to recover as much of it as we can. If neither avoidance nor recovery is possible, we ensure that waste is disposed of correctly and responsibly. Our operating business generates hazardous and non-hazardous waste, as does the retirement of some assets, such as the dismantling of our nuclear power stations in Germany.

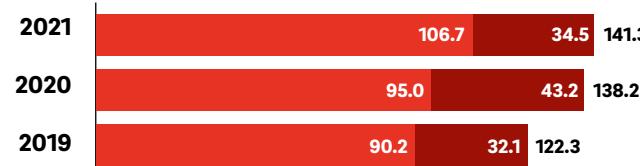
Non-hazardous waste (metric kilotonnes)



¹Prior-year figures were adjusted

E.ON's total non-hazardous waste increased from 373.8 metric kilotonnes in 2020 to 428.0 metric kilotonnes in 2021, mainly because our data for the first time include waste from contract services at our subsidiary Westnetz GmbH. This waste was predominantly non-hazardous soil. We also consumed more fuel and thus produced more waste in Sweden. E.ON recovered 95.8 per cent of its non-hazardous waste.

Hazardous waste (metric kilotonnes)



¹Recovered ²Disposed

We produced 141.3 metric kilotonnes of hazardous waste in 2021, around 3 metric kilotonnes more than in 2020. We recovered 75.5 per cent of it.

Other atmospheric emissions¹

Metric tonnes	2021	2020 ²	2019
NO _x emissions	1,716	1,420 ³	1,198
SO ₂ emissions	581	732 ³	985
Dust emissions	61	133	134

¹For generation assets over 20 MW.

²Includes innogy from 2020 onwards.

³Prior-year figures were adjusted.

Fossil-fuelled power plants emit nitric oxide (NO_x), sulphur dioxide (SO₂), and dust. This type of power generation is no longer a core E.ON business. We therefore no longer consider it a key indicator. We now focus on small-scale, embedded generation units. Our NO_x, SO₂, and dust emissions are mostly attributable to small-scale gas-fired CHP plants and larger plants for district heat networks.

Responsible water management

Water is a vital resource and one that's becoming scarcer in several parts of the world. Many companies are therefore placing greater emphasis on identifying and managing water risks in their operations and supply chains. The same applies to investors and their portfolios. E.ON considers its water risks to be low for three main reasons. First, E.ON doesn't use large quantities of cooling water in its operations (our PreussenElektra unit, which operates three nuclear power stations in Germany that will be shut down by year-end 2022, is a temporary exception). Second, our research indicates that the overall water scarcity risks in the European countries in which E.ON uses fresh water for its operations are low to intermediate and, according to trend scenarios, are predicted to remain so. Third, due to the profile and locations of our suppliers and the type of products we procure from them, our supply chain does not, from today's perspective, pose any discernible water risks. Customers' use of our products and services does not either. E.ON regularly monitors and assesses its climate and thus also its water risks and opportunities and their potential impact in the short, medium, and long term. Our analyses of climate risks encompass physical risks, such as extreme weather and rising temperatures.

The integration of innogy and its affiliates has brought new operations into the E.ON Group. LEW, for example, operates a number of some small and medium-sized run-of-river hydroelectric plants in Germany whose installed capacity ranges from 0.5 to 12 MW per plant. These plants accounted for about 1 per cent of our total power generation in 2021. Another company,

RWW, supplies drinking water to communities in North Rhine-Westphalia, Germany. RWW's share of E.ON's total sales in 2021 was roughly 0.15 per cent. In sum, such operations are not part of E.ON's core business, and their contribution to total sales is insignificant.

E.ON's water balance from energy generation (core business)¹

Million cubic meters	2021	2020	2019
Fresh water consumption	<1	<1	<1

¹Excluding sanitary water use and water providers.

Non-Core Business: Water management at PreussenElektra:

The nuclear power plants (NPPs) in Germany operated by our subsidiary PreussenElektra (PEL) represent our material consumption and use of water.

PEL's plants use water for cooling and processes. PEL is committed to using water efficiently and sustainably and to maintaining high quality in the rivers from which its plants withdraw water. It also strives continually to use less. PEL complies with all laws and regulations regarding water withdrawal and discharge. The main law is the Federal Water Act (Wasserhaushaltsgesetz). PEL protects aquatic flora and fauna by using mechanical purification processes instead of biocides and by constantly monitoring the temperature of discharge water. PEL also expects its contractors to use water sparingly and has binding water-management provisions in its agreements with them. Below is a three-year overview of how much water PEL has withdrawn, discharged, and consumed.

PEL's water balance

Million cubic meters	2021	2020	2019
Fresh water withdrawal	2,383.3	2,186.4	2,106.8
Fresh water discharge	2,330.9	2,140.0	2,059.6
Fresh water consumption	52.5	46.4	47.3

PEL withdrew 2,383.3 million cubic meters of fresh water in 2021, 196.9 million cubic meters less than in 2020. PEL uses fresh water, almost all of which comes from rivers, mainly as cooling water. Its water consumption increased year-on-year because our discharge of non-cooling water decreased more than our withdrawal for non-cooling. This was related to the dismantling of Unterweser NPP. PEL returned 97.8 per cent of withdrawn water to its source.

Non-Core Business: Safe handling of radioactive waste

PEL is responsible for the safe and reliable operation and dismantling of its NPPs. Both activities result in radioactive waste. We're well aware of the high responsibility that is associated with both.

The Law on the Reorganisation of Responsibility in Nuclear Waste Disposal (Entsorgungsübergangsgesetz, or EntsÜG) and the contract to finance the costs of the nuclear-energy phase-out between the German federal government and German NPP operators stipulate the division of responsibility for nuclear-waste interim storage and final disposal and its financing.

Our aim is to minimise the amount as well as the volume of radioactive waste. We do this in part by separating it from uncontaminated waste and by subjecting it to certain treatments that reduce its volume. The nuclear industry distinguishes between radioactive waste that generates negligible heat – low-level waste (LLW) and intermediate-level waste (ILW) – and waste that generates high heat – high-level waste (HLW):

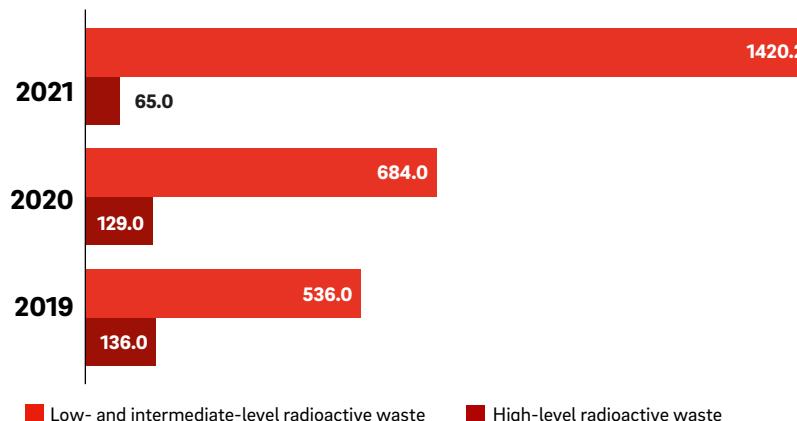
- LLW and ILW account for the largest amount of radioactive waste in terms of both weight and volume. Examples of LLW include protective clothing, cleaning equipment, tools, and building rubble from plant control areas. ILW includes, in particular, the reactor pressure vessel's near-core mounting parts. Together, both waste categories contain less than 1 per cent of an NPP's total radioactivity
- HLW contains more than 99 per cent of an NPP's total radioactivity and consists primarily of the fission products of uranium in the irradiated fuel assemblies.

NPP operators package LLW and ILW safely and according to approved standards. After regulatory certification, packaged LLW and ILW becomes the responsibility of the German federal government. Konrad repository for LLW and ILW is currently being built by BGE, the German Federal Company for Radioactive Waste Disposal. BGE expects Konrad to be commissioned in 2027.

As for HLW, irradiated fuel assemblies are placed in approved transport and storage containers and stored safely in interim storage facilities at the NPPs. Under the Law on the Reorganisation of Responsibility in Nuclear Waste Disposal, the interim storage facilities and containers of irradiated fuel assemblies became the property and responsibility of the federal government effective 1 January 2019. Fuel assemblies will remain in the interim storage facilities until Germany has a state-owned receiving facility or repository for HLW. When this will happen is unclear. The responsibility for final disposal lies with the federal government.

The Law on the Reorganisation of Responsibility in Nuclear Waste Disposal stipulated a change in the operational responsibility for defined LLW and ILW storage facilities. Consequently, federal authorities are responsible for PEL's LLW and ILW storage facilities – Lager für radioaktive Abfälle Stade, Transportbereitstellungshalle Würgassen, Bereitstellungshalle Grafenrheinfeld, Lager für radioaktive Abfälle Unterweser and Lager Unterweser – effective 1 January 2020.

Radioactive waste (metric kilotonnes)

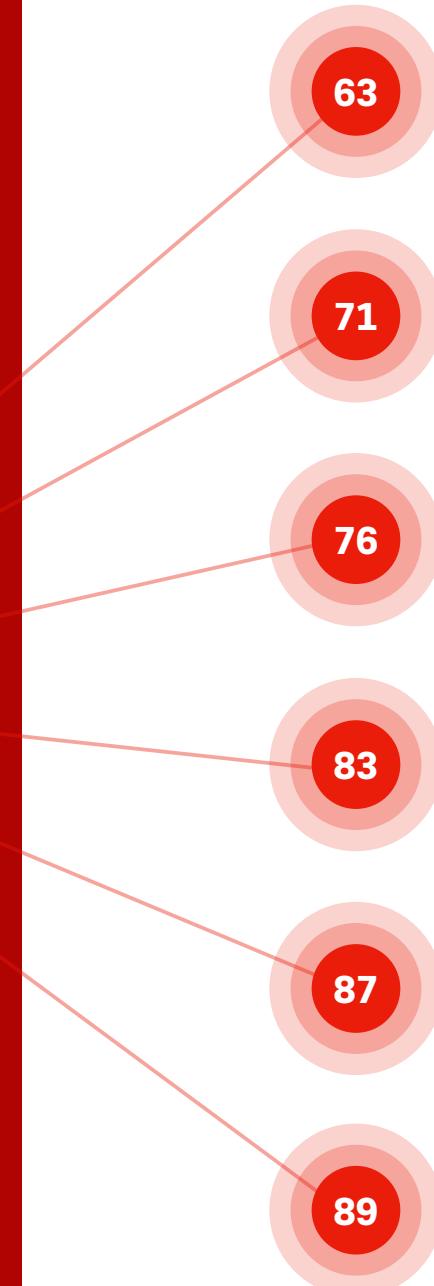


For 2021 PEL submitted notification for 736.2 metric kilotonnes more LLW and ILW than for 2020. As expected, the amount of waste increased due to dismantling projects in which dismantled plant components were declared as radioactive waste. HLW declined by 64 metric kilotonnes year on year because fewer fuel assemblies were finally discharged.



Social

Care for people and communities



Occupational health and safety

Safe workplaces: our systematic efforts to achieve zero harm.

Diversity and inclusion

More female executives: track our progress toward gender equality.

Working conditions and employee development

Empowering our people: tailored training and development.



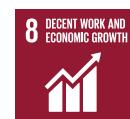
Data protection and product safety

First line of defence: training our employees to safeguard customer data.



Business resilience management

Preparing for emergencies: our comprehensive crisis-management training.



Closeup on: Covid-19

How we managed the pandemic in 2021.





GRI 403:
Occupational
health and
safety 2018

Caring culture

Our vision for health and safety is for E.ON to have a caring culture. This encompasses ensuring our employees' safety in the workplace, promoting their health, and also supporting their mental well-being. The first imperative for a caring organisation is to keep its people safe. Every accident, even a minor one, can endanger our employees' health. Those that could occur in our operating business have the potential to dramatically alter employees' lives and those of their family. We therefore require everyone at E.ON to comply with our stringent safety standards at all times. This is particularly true for the employees and contractors who work on our power grids, gas pipelines, and other industrial facilities or install devices at our customers' premises. Caring also involves empowering our employees to live healthy, well-balanced lives and actively promoting their overall sense of well-being. In 2021, amid the Covid-19 pandemic, all three aspects—safety, health, and well-being—had an even greater significance. The pandemic posed challenges but also created opportunities for us to bring our caring culture to life. For example, we provided employees with masks, Covid-19 self-testing kits, and, in Germany, the opportunity to receive a vaccination at work. We also helped them deal with the situation's potentially stressful aspects (remote work, social distancing) by means of our Employee Assistance Programme (EAP); "Specific actions" below contains detailed information about the EAP.

In addition, we also strive to foster our employees' health, including their mental health. For example, we offer them help in coping with the increased demands and anxiety that can be caused by digitalisation, corporate restructuring, and other types of change, including those resulting from the Covid-19 pandemic. Finally, we address the needs of an ageing workforce and take targeted action to maintain our people's ability to work.

[→ GRI 103-1]

Our approach

Our approach to health and safety is proactive and preventive and has long been firmly embedded in our corporate culture as well as our organisational setup, policies, and procedures. By signing the Düsseldorf Statement on the Seoul Declaration on Safety and Health at Work and the Luxembourg Declaration on Workplace Health Promotion in 2009, we pledged to promote a culture of prevention.

Our vision for occupational health and safety is zero harm. For us, this means taking all preventive measures to reduce the risk of major harm to people to zero. This applies to our employees as well as contractor employees who work on our behalf. In order to ensure systematic and effective compliance as well continual improvement, we require, with few exceptions, all units to have in place a certified occupational health and safety management system that meets international standards. To ensure ongoing compliance, these systems are audited on an annual basis by our Corporate Audit department, other in-house auditors, and independent auditors; the latter verify and certify our integrated HSE management systems. Our procurement policies classify work activities by their riskiness and stipulate the requirements contractors must meet for each activity. To be hired to do field work for our network business, for example, a contractor must have a certified health and safety management system. We also take a range of steps to minimise the risk of safety issues, including among our contractors. For example, our project managers and health and safety experts conduct inspections on a regular basis to identify hazards and risks and to define controls. E.ON and contractor employees attend joint health and safety induction meetings, talks, and briefings. In some cases, we provide contractor employees with health and safety instruction and advanced training. The lessons learned from an accident investigation or information from outside sources may trigger other actions, such as reviewing the risk assessments of specific units, facilities, and contractors and adjusting established processes.

We strive to actively promote our employees' well-being and enable them to maintain their performance and employability well into the future. In particular, we try to prevent the main health conditions that most frequently result in unfitness for work. Our health management includes

designing and providing health services (such as flu vaccinations) as well as specific individual measures to maintain health. They typically address health issues that are relevant to all our employees or individual target groups. Issues include general health maintenance, nutrition, exercise, mental health, stress management, addiction prevention, and healthy leadership. We promote them by means of training sessions, information leaflets, presentations, and a variety of digital formats. Our use of the latter was again high in 2021 due to the Covid-19 pandemic.

Non-E.ON employees, such as consultants or independent auditors working at one of our offices, may participate in general prevention measures, such as Health Days. E.ON employees can participate in specific prevention measures (such as nutrition counselling and screening for colorectal and skin cancer), consult company doctors, utilise the services of the employee assistance programme, and use company fitness facilities. To continually improve the effectiveness of our measures, to learn from positive experiences, and not to repeat mistakes, our HSE organisation shares information, ideas, and best practices across the new E.ON. For example, we have a number of group-wide discussion forums devoted to specific health and safety issues. There are also predefined processes for using Connect, our corporate intranet, to share the lessons learned from incidents.

[→ GRI 103-2]

Organisation and responsibilities

We're committed to protecting people and the environment. Because the approaches and systems for doing both well are similar, we've combined environmental management and occupational health and safety management in a single HSE organisation. The E.ON Management Board and the management of our units are responsible for our HSE performance, which includes compliance as well as improvement. They set our strategic objectives and adopt policies to promote continual improvement. They're supported and advised by the HSE department at Corporate Functions, the E.ON HSE Council, and employee representatives. The council is composed of senior executives and employee representatives from different business areas and countries. It meets at least three times a year and is chaired by the member of the E.ON Management Board responsible for HSE. Our units have their own HSE councils and expert teams as well. They define specifications and design plans to ensure that their unit meets our

standards as well as HSE plans according local needs and requirements, and our Group HSE roadmap (HSE strategy 2021-23).

Furthermore, we reactivated the International Health Experts Team, which shares knowledge and experience between countries with the aim of improving E.ON's health policies. The team, which is also intended to serve as a catalyst for improvement and innovation with regard to health issues, began to identify opportunities for collaboration in 2022.

[→GRI 103-2]

Guidelines and policies

Our E.ON Health, Safety, Environment & Climate Protection Policy Statement, which was originally published in 2018, was updated in 2021 to reflect E.ON's purpose, its new "Vision Zero" for safety, and its climate and environmental targets in the context of the EU taxonomy. In addition, we simplified the document's language and eliminated redundancies.

Our Sustainability & HSE Function Policy defines HSE roles, responsibilities, management expectations, and reporting channels. It sets minimum requirements and management tools needed to prevent physical and mental harm in the workplace. It also requires all our operating units (except for very small ones and those with insignificant risks and potential impact) to have in place an occupational health and safety management system certified to international standards—such as ISO 45001 (which replaced OHSAS 18001)—and to improve the system on an ongoing basis. At year-end 2021, 94 per cent of our employees worked at business units certified to ISO 45001. In addition, the People Guideline on HSE clearly and succinctly conveys our HSE aspirations and states our expectation that all employees embrace HSE on the job. It also describes our three Safety F1RST principles, which together encompass the mindset and behaviours necessary to prevent accidents. The guideline contains extra tasks for managers because they take the lead in delivering on our commitment to continual improvement in our HSE performance.

An updated group standard for incident management took effect in mid-2018 and applies to our contractors as well. Its purpose is to establish consistent rules for classifying, investigating, analysing, and reporting HSE incidents involving E.ON and contractors and for sharing what we learn from them. It complements PRISMA, our IT solution for incident management, which is described below under "Specific actions." The standard was revised in 2021 to enhance consistency across the group.

A revised group standard on HSE management expectations took effect in 2019. It defines five core elements that we believe require special attention by management and HSE experts, in particular to help to prevent major harm and to foster a caring culture: HSE leadership and engagement comprise one of the elements, the individual steps of the plan-do-check-act (PDCA) method the other four. The standard also contains a description of the criteria for each core element.

In 2015 management and the Group Works Council concluded the Group Health Agreement for our employees in Germany. Its purpose is to foster a healthy work environment and promote the health of all employees. It defines four action areas: occupational health management, addiction prevention and intervention, occupational integration management, and employee counselling. We revised it in 2018 to reflect organisational changes following the Uniper spinoff.

In addition, the HSE department supported the Supply Chain team to define procurement policies and standards that require our suppliers to pledge to meet minimum standards for HSE. Harmonised minimum HSE requirements for contractors now apply at all E.ON companies in Germany. Starting in 2022, we intend to extend these requirements to E.ON companies elsewhere in Europe as well. We're also developing a standard for contractor management that will be implemented at the beginning of 2022. It will define minimum requirements and roles and responsibilities to ensure the consistent evaluation and management of HSE and risks while working with contractors.

In 2020 we developed and adopted a standard for HSE risk management. It defines the minimum requirements for identifying, analysing, evaluating, treatment, and monitoring HSE risks and opportunities. Its purpose is to ensure shared understanding and to establish an overarching framework for managing HSE risks, including sustainability risks. It was published group-wide in December 2020 and took effect on 1 January 2021. The HSE department helped our business units conform with the new standard by conducting workshops for their HSE managers and providing them with templates, tools, and examples of best practice.

[→GRI 103-2]

Specific actions

The HSE department oversees strategic health and safety training sessions, such as the training provided to the E.ON Group's top 100 leaders, programmes for senior managers in our operating business, and training for staff who conduct incident investigations (such as root-cause analysis). Our units conduct their own operational health and safety training, programmes to enhance HSE culture, and any training required by law.

PRISMA (Platform for Reporting on Incident and Sustainability Management and Audits) is the main component of our online incident management system. It's an integrated solution that supports the reporting and management of HSE incidents. It enables us to reach more users, report and manage data better, and increase transparency, which we believe helps prevent incidents. Almost all E.ON units use PRISMA; all former innogy units have been using it since the beginning of 2021. PRISMA has five categories of incidents. They range from 0 (low) to 4 (major). Our HSE Standard on Incident Management requires units to use PRISMA to report category 4 incidents to the HSE department at Corporate Functions within 24 hours. Employees must report all incidents, regardless of their severity, via PRISMA. No employee needs to fear retribution for reporting an incident. In addition, their personal data are always protected and can only be accessed by specific, limited user groups. We systematically investigate and analyse all incidents and use the findings to take preventive action. In particular, sharing lessons learned from incidents has become a key focus of our management efforts. If employees or contractors who find themselves in a work situation that they believe is potentially dangerous, they have clear instructions to suspend work immediately and, if necessary, leave the area. They are also instructed to alert their colleagues to potentially dangerous situations. Employees and contractors have the unwavering support of the E.ON Management Board and all levels of management to look after themselves and their colleagues.

Safety walks give senior managers the opportunity to see our workplaces up close and to talk directly with employees, deepen their understanding of health and safety risks and issues, and engage with our workforce. PRISMA includes a downloadable app (Go, See & Talk) that makes safety walks easier for managers to conduct. It contains the right questions to ask for each type of workplace, including questions on a workplace's safety culture and health issues. It also has blank fields for managers' own questions. Managers also use the app to submit the answers they received, their own observations, as well as photos and documents. The information is automatically entered into PRISMA and becomes part of our storehouse of data for further analysis. Safety walks and dialogue with employees are essential aspects of our senior managers' responsibility to play a leadership role in health and safety. We added new features to the app in 2020 and made it available to the entire group.

The E.ON-wide HSE community promotes knowledge sharing in part by means of Connect, E.ON's corporate social media platform. The units' HSE teams use it to post information about their activities, and projects, to network, and to learn from each other. We also form special expert groups on an ad hoc basis to share information on particular topics, such concrete power poles, which were involved in several incidents in 2021.

Rigorous investigation and analysis of incidents are essential for us to learn from them. In 2021 we provided systematic training in root-cause analysis (RCA) to more colleagues, thereby widening our network of RCA experts. Training includes methodologies for comprehensive investigations as well as intercultural competence, communication skills, and other ancillary topics. This is an ongoing activity across the E.ON Group. As part of the innogy integration, we harmonised our processes and the toolbox for conducting sound RCA. The processes and the tool box were adopted in a company standard in 2021.

In the first quarter of 2021 we launched a group-wide initiative to promote electrical safety. The first step was to conduct a detailed analysis of the most severe electrical accidents that had occurred between November 2018 and January 2021. We drew on the analysis to devise a number of solutions that address technical and organisational aspects as well as the human factor. At year-end 2021, these solutions were being discussed and assessed by relevant internal stakeholders.

Employees who have questions or concerns about their physical or mental health can contact our EAP. EAP is a free, independent, and strictly confidential health-advisory and life-coaching service available in multiple languages to our employees in Germany, the United Kingdom, Sweden, and Hungary. We have similar programmes in other countries where we operate. Alongside the EAP, we offer employees one-on-one psycho-social counselling.

Also, there are voluntary functions at E.ON. These include social counsellors and addiction support as well as Ergo Health Scouts, who provide advice on ergonomics.

Managers in Germany are offered training on healthy management techniques to help our employees cope with stress. Training was conducted digitally in 2021 to ensure social distancing during the pandemic. The subject matter includes stress reduction, mental health issues, and ergonomic tips aimed at improving our workplaces' ergonomic design. Our employees in Germany had free access to online advisors who supported them in making their workspace – including their home office – as ergonomic as possible.

In addition, we held workshops for our top 100 leaders and 20 senior managers, all from both the operating and administrative sides of our business. The goal was to create a common understanding of E.ON's caring culture.

The Covid-19 pandemic was a source of uncertainty for employees. The HSE department supported them by communicating its availability and openness to discuss issues of concern. Furthermore, all line managers were provided with information materials, which included comprehensive recommendations, guidelines, and FAQs on, for example, the health and safety plans for individual facilities. Information was distributed by email, the corporate intranet, and online Board Chats. The aim of all measures was to ensure a safe and caring workplace and to avoid infections.

[→ GRI 103-2]

Goals and performance review

The E.ON Management Board is informed about severe incidents, developments relating to accidents, and related measures and programmes by means of monthly reports from HSE and periodic consultations with the Senior Vice President for Sustainability & HSE. Our units report major incidents directly to the Management Board within 24 hours. We carefully review performance indicators for lost time, accidents, and dangerous situations. The purpose is to understand the causes of accidents, take action to prevent them, and conduct risk analyses. If safety data indicate that a unit may not be meeting our standards, Group HSE provides advice and support in order to improve the unit's performance. In addition, Group Audit may conduct an HSE audit of the unit.

The findings of the incident investigations and HSE audits completed in 2021 show that our HSE management systems are largely effective. Any deficiencies identified were rectified without delay. However, the audits found that there was a general need to continually reinforce employees' and contractors' awareness of their HSE responsibility to look after themselves and their colleagues and to speak up immediately if they perceive a potential safety risk. These isolated unsafe practices suggest that safety awareness isn't fully adequate in all teams. Consequently, work remains to ensure all the HSE Management system's requirements are communicated to, and complied with in the field by E.ON and contractor employees. On balance, we've seen a steady improvement in recent years, although in 2021 our health and safety KPIs were down slightly. We view audits – and the findings and recommendations they yield – as opportunities to foster continuous improvement.

The E.ON Management Board believes that a robust HSE culture will make E.ON more successful. In 2020 E.ON adopted a new HSE strategy ("Roadmap 2021-23"), endorsed by the HSE Council, whose aim is to position E.ON as a leading HSE company. The strategy contains underlying targets for our operating units, including health and safety, and their respective board members. In addition, the Management Board set personal health and safety targets for the top 100 managers. The targets for top managers and units are individual. Their purpose is to further reduce the frequency of serious incidents and fatalities (SIF), with the ultimate aim of reaching zero harm in the near future. The changes took effect on January 1, 2021. They make it even more explicit that E.ON's HSE performance is integral to its long-term success. At a mid-year review, the units provided valuable feedback on the progress of the strategy's implementation. This will result in some fine-tuning in 2022, particularly a greater emphasis on health management, environmental issues, and digitisation.

We assess the success of our approach to health management by asking ourselves a simple question: "Did we reach out to our staff with information on health and prevention and motivate them to participate in our programmes?" Our health programmes are often tailored to the needs of specific target groups, which increases employees' willingness to participate. Our DSOs in Germany, for example, focus in particular on reaching out to their employees aged 50 and older and to the employees at their field offices. Actions include workshops for leading a healthy life as a senior and preparing for retirement. For many of our health programmes, we calculate the return on investment by comparing their cost with the absences they prevent based on research findings and statistics. More generally, we strive to foster a work environment in which all employees feel comfortable, valued, and supported. This includes placing a special emphasis on mental health. We provide communications on the importance of managing stress and recognising the signs of mental health issues, tips and training for reducing stress, self-assessments, and direct support, including through the EAP.

[→ GRI 103-2/3]

Progress and measures in 2021

Although we were able to conduct some activities in person again in 2021, many remained online. In addition, we drew on feedback from the most recent employee survey to place even more emphasis on our caring culture.

Take a Breath

In October 2021 we conducted Take a Breath at our operations in Germany, a week-long campaign to raise awareness on mental health. Our DSOs in other countries had the opportunity to participate as well. It consisted of a lunch-and-learn session, a panel discussion, talks by renowned outside experts, and a series of workshops, including one designed for our top 100 managers. Mental health is an increasingly important issue, especially amid the Covid-19 pandemic, which may create added stress for some employees.

Energise your Health

In 2021 we again conducted Energise your Health at our operations in Germany, a series of month-long campaigns to raise our employees' health awareness. The focus in March, for example, was on new work, ergonomics, and digital exercise; in June, on addiction and walking for exercise; September to November on diabetes prevention. The activities and resources included videos, podcasts, presentations by in-house specialists, and special nutrition offers.

HSE quick checks

With the support of an outside consultant, throughout 2021 we periodically assessed the HSE maturity of Westnetz, an DSO in west-central Germany. In the second half of the year we extended the process, in a somewhat reduced scope, to all our DSOs. The aim of these quick checks is to establish DSO-specific risk profiles, aggregate them into a company-wide risk profile, and define action areas for each DSO and for the group as a whole. Best practices and lessons learned are shared across all DSOs. We expect to complete the project by year-end 2022.

ZERO Major Harm Programme

The purpose of this programme, which was initiated in 2019, is to make E.ON an industry leader in HSE and to address the issue more prominently across the organisation. It has four focus areas: learning from incidents so that they don't happen again, improving key HSE processes, enhancing E.ON's knowledge, and improving data management. In 2021 we adopted a new group-wide standard for HSE risk management, which took effect at the start of the year. We also worked on a group-wide standard for contractor management, which will take effect in the first quarter of 2022. In addition, we conducted an HSE compliance check at our operations

in Croatia, updated a number of HSE questionnaires, and monitored adoption of the aforementioned standard for HSE risk management.



96.5 per cent

Our employees' health rate in 2021 (2020: 96.3 per cent). It reflects the number of days actually worked in relation to agreed-on work time.

Accident statistics

Total recordable injury frequency (TRIF) is our KPI for safety. It measures the number of recorded work-related injuries and illnesses (excluding first aid accidents) per million hours of work. We've calculated it since 2010 (employee TRIF) and included contractor employees' in our safety performance since 2011 (combined TRIF).

Employee TRIF¹



¹TRIF measures the number of reported fatalities and occupational injuries and illnesses per million hours of work. It includes injuries that occur during work-related travel that result in lost time or no lost time and/or that lead to medical treatment, restricted work, or work at a substitute work station.

²Includes innogy from 1 October to 31 December 2019.

Employee TRIF by segment¹

	2021
Energy Networks	3.2
Customer Solutions	2.3
Corporate Functions/Other	0.8
Core business	2.7
Non-Core-Business	1.8
E.ON Group 	2.7

¹TRIF measures the number of reported fatalities and occupational injuries and illnesses per million hours of work. It includes injuries that occur during work-related travel that result in lost time or no lost time and/or that lead to medical treatment, restricted work, or work at a substitute work station.

Employee TRIF of 2.7 in 2021 was higher than the 2020 figure (2.4). Contractor TRIF was at the prior-year level of 2.3. Combined TRIF increased from 2.3 to 2.5. We studied all accidents carefully – both individually and comparatively – yet were unable to discern a pattern among them or a set of predominant causes for the increases. We suspect the rise is partly due to an improvement in our reporting culture. Any other cause – such as a general increase in stress resulting from the pandemic and the challenges the related restrictions have posed, particularly for parents with school-age children – would be conjecture and require further detailed study. In any case, we're determined to do everything we can in 2022 to again improve our safety performance.

Fatal accidents at work

Regrettably, two contractors and one E.ON employee died in workplace accidents in 2021. One contractor employee and one E.ON employee received a fatal electric shock. The second contractor employee sustained fatal injuries in a fall. Each fatal accident is thoroughly investigated so that we understand the exact course of events that led to it. Identifying root causes enables us to take the measures necessary to prevent similar accidents in future. Nevertheless, serious and even fatal accidents still occur. E.ON cannot and will not accept this. It has therefore further intensified its efforts to prevent accidents. Examples are our aforementioned decision to extend the evaluation of HSE maturity to all E.ON DSOs (for details, see "HSE quick checks" above) along with the adjustments to the HSE Roadmap 2021-2023 to place more emphasis on risk and contractor management (see "Goals and performance review" above). 

Employee LTIF¹

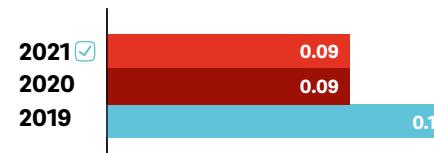


¹Lost-time injury frequency measures work-related accidents resulting in lost time per million hours of work.

²Includes innogy from 1 October to 31 December 2019.

Lost-time injury frequency (LTIF) measures work-related accidents resulting in lost time per million hours of work. Employee LTIF of 2.1 (2020:1.5) and contractor LTIF of 1.9 (2020: 1.7) were higher in 2021. Combined LTIF was 2.0 in 2021 (1.7 in 2020), a year-on-year increase of about 18 per cent.

Employee SIF¹



¹Serious incidents and fatalities measures accidents and incidents that have caused serious or fatal injuries and that surpass a predefined severity threshold per million hours of work.

Serious incidents and fatalities (SIF) measures accidents and incidents that have caused serious or fatal injuries and that surpass a predefined severity threshold. Employee SIF was at the previous year's level of 0.09. Contractor SIF of 0.21 increased (2020: 0.17). Combined SIF was 0.14 in 2021 (0.12 in 2020), a year-on-year increase of about 17 per cent.

Employee NMFR¹

2021  33.0

¹Near-miss frequency rate measures unplanned incidents that had the potential to result in an accident (but did not) per million hours of work.

Near-miss frequency rate (NMFR) measures unplanned incidents that had the potential to result in an accident (but did not) per million hours of work. We analyse how and why near misses happened and then put in place controls to minimise or eliminate similar risks in the future. We actively encourage employees to report near misses so that we can continually improve our safety performance. Our NMFR was 33.0 in 2021.

Non-Core Business: Occupational health and safety at PreussenElektra:

Our subsidiary PreussenElektra (PEL) is responsible for the operation, decommissioning, and dismantling of our nuclear power plants (NPPs). Its top priorities in all these activities are the health and safety of employees – its own as well as contractors' – and environmental protection. PEL is fully integrated into our safety organisation and embraces our high standards. Its extensive experience in plant operations and decommissioning helps it to further optimise its health and safety processes and procedures. All this contributes to the high level of safety at our NPPs, which in 2021 again had no serious accidents.

From 2020 onward, PEL instituted a variety of measures to safeguard its employees and its contractors from infection with Covid-19. Due to the nature of PEL's operations, these measures in some cases differed from those taken at E.ON's core business. As necessary, PEL adjusted the protective measures in response to the infection rate among the general population in the vicinity of its NPPs and headquarters. These systematic measures made a significant contribution to safe operations and safe dismantling. In fact, they were likely in part responsible for the very low infection rate among PEL employees and contractors in 2020 and 2021.



GRI 405:
Diversity
and equal
opportunity
2016

Fostering truly inclusive corporate culture

Society is diverse. So is our workforce. It's made up of people of different genders, nationalities, ethnicities, cultures, social backgrounds, generations, religions, sexual orientations and identities as well as physical and mental abilities. We want to encourage this diversity and benefit from it. When people with different backgrounds, abilities, and personalities interact, good ideas are often the result. We therefore encourage diversity and equal opportunity across our company. Changing an organisational culture takes time. But we're working hard to identify and take all the steps necessary to become a leader in diversity.

[→ GRI 103-1

Our approach

Diversity is one of the dimensions of our sustainability strategy. An important way we promote it is by taking steps to increase the proportion of female executives at our company. Diversity and inclusion are essential elements of our vision and values. We want to ensure equal opportunity for all our employees and to make the most of their individual differences. Diversity fosters creativity and innovation, and we therefore take a targeted approach to promoting it. E.ON signed the German Diversity Charter in 2008 – publicly affirming our long-standing commitment to a tolerant and inclusive corporate culture – and has been an active member since 2020. In 2021 we again participated in initiatives organised by the charter, such as those in conjunction with German Diversity Day. We held our own Digital Diversity Week in mid-May (for more information, see "Progress and measures in 2021" below).

[→ GRI 103-2]

Organisation and responsibilities

We believe that diversity is crucial for a successful work environment. The challenges of achieving this in practice vary by country. In line with our mostly decentralised approach to HR, each of our units therefore addresses diversity in its particular cultural context. This gives them the opportunity to address challenges and develop programs that reflect the country or regions where they operate. Diversity is managed by Group HR/Executive HR together with a network of HR professionals that meets on a regular basis. Supported by Group HR/Executive HR, the E.ON Management Board is responsible for setting diversity targets for E.ON as a whole and its units. Some targets may reflect the laws of a particular country. It is our units' responsibility to design action plans to meet their targets.

[→ GRI 103-2]

Guidelines and policies

The Diversity and Inclusion Declaration, signed by the E.ON Management Board and E.ON SE Works Council in 2016, aims to create a diverse and inclusive work environment that empowers all employees to realise their potential. In April 2018 the E.ON Management Board, the E.ON SE Works Council, and the Group representation for severely disabled persons signed the Shared Understanding of Implementing Inclusion at E.ON, creating a strong foundation for integrating people with disabilities into our organisation.

[→ GRI 103-2]

Specific actions

We promote diversity and equal opportunity through a variety of programmes. In Germany we conduct a mentoring programme to prepare female employees for management positions. Participants are mentored by a senior manager who – together with their immediate supervisor – offers advice and support regarding career-related questions. Also, E.ON is member of Initiative Women into Leadership (IWIL), a non-profit initiative based in Germany in which business leaders from a variety of industries serve as mentors for a group of highly qualified women. In 2021 E.ON met the IWIL's criteria to become a Top Promoter of Female Fast Track Leaders.

E.ON is a member of numerous national and international networks and initiatives dedicated to different aspects of diversity. Examples include Catalyst, a global non-profit organisation focusing on empowering and accelerating women in business, and the European Round Table (ERT), which brings together CEOs and other top executives from around 60 of Europe's largest industrial and technology companies. ERT is committed to creating a strong, open, and competitive Europe through the promotion of sustainable growth, jobs, and prosperity for all. E.ON also participated, for the second time, in the German Diversity Charter's Diversity Challenge, an initiative for junior employees to promote diversity in the workplace. The team from E.ON Energie Deutschland, our retail sales arm in Germany, was inside the top 30 out of the 98 teams that took part. The team conducted workshops and initiatives on the different dimensions of diversity and created a digital living cookbook containing recipes from different cultures. The aim of the cookbook, to which new recipes can easily be added, is for culinary diversity to promote cultural diversity.

The Women@E.ON network aims to empower women to help to shape E.ON and be an important part of its success, to increase the visibility and influence of women at E.ON, and to promote networking. Its 360 active members from numerous departments and all hierarchical levels in 11 countries support each other to enhance their personal and professional skills and to make a positive contribution to E.ON's corporate culture. In addition, the LGBT+ & Friends network promotes equality, diversity, and an inclusive work environment in which everyone is accepted for who they are. In 2021 it grew from 120 to more than 220 members. Originally founded at E.ON UK, it now has members from across E.ON.

In 2021 the CEO Award for Diversity and Inclusion was conferred for the third time. The awards pay tribute to individuals and activities across E.ON that are striving to make a difference in the areas of diversity and inclusion. Employees were nominated in two categories: diversity champion and diversity initiatives. They were judged by a panel including CEO Leonhard Birnbaum as well as the Senior Vice President HR/Executive HR, the Head of Talent Management, Leadership

Development and Diversity as well as members of the SE Works Council. A colleague in the United Kingdom won the champion award for establishing a Wellbeing Warrior network and time-to-talk sessions at which colleagues and leaders share personal stories on topics like isolation, disabilities, and LGBT+. Diversity@EKN (e.kundenservice Netz GmbH) won the initiative award for its dedication to giving diversity greater visibility and priority. Some finalists and past winners are named below.

In addition, the E.ON Management Board adopted several measures, described in detail in "Progress and measures in 2021" below, to further promote diversity and inclusion. One of them is for board members to personally sponsor a diversity network and for E.ON to provide financial support. The networks which are currently sponsored for the next year are:

- **Three dimensions/adaptABILITY**, an initiative for disability and mental health (sponsor: CEO)
- **LGBT+ & Friends**, the second placed diversity initiative at the 2021 CEO Diversity award (sponsor: CFO)
- **Women@E.ON**, which won the 2020 CEO Diversity award for best network group (sponsor: COO – Networks)
- **Diversity@EKN**, which won the 2021 CEO Diversity award for the best initiative (sponsor: COO – Digital)
- **Diversity@Westenergie Metering**, which won the initiative Diversity award in 2020 (sponsor: COO – Commercial)

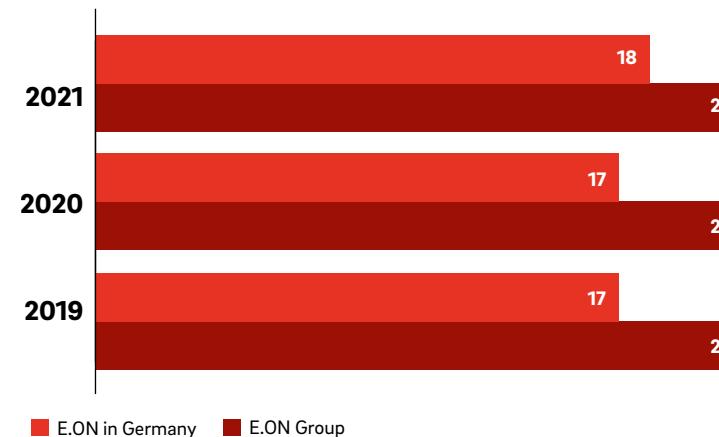
[→ GRI 103-2]

Goals and performance review

E.ON SE and E.ON companies in Germany must comply with the German Law for the Equal Participation of Women and Men in Leadership Positions in the Private Sector and the Public Sector, which took effect on 1 May 2015. We meet all of the law's requirements. Pursuant to the law, in 2017 we set new targets for the next five-year period, which ends on 30 June 2022. Our targets are for women to occupy 30 per cent of the positions in the first level of management below the E.ON Management Board and 35 per cent of the positions in the second level. At year-end 2021, the proportion of women in first and second levels of management below the Management Board was 28 per cent and 30.4 per cent, respectively. In addition, in December 2016 the E.ON Supervisory Board resolved that by year-end 2021 women will make up 20 per cent of the E.ON Management Board. This target has been met. In 2021 E.ON set a voluntary company-wide target that goes beyond statutory requirements. The target is to increase, by 2031, the proportion of women in executive positions in all business units in all countries to one that reflects the overall proportion of women in our workforce, which at year-end 2021 was 32 per cent. Progress toward the target will be monitored by Group HR twice a year and reported

to the E.ON Management Board. We disclose the figures at year end for E.ON companies in Germany and for the E.ON Group as a whole here and in our [Annual Report](#).

Proportion of female executives¹



¹Core workforce, includes board members and managing directors.

E.ON aims to provide equal pay to women and men for comparable jobs at all group companies. Due to our decentralised management approach, we do not collect data or assess the pay gap for the group as a whole. The United Kingdom is an exception due to legal requirements.

In 2020 we designed a process to help foster a diversity culture at E.ON. We started by identifying the diversity dimensions that we would like to address. E.ON has so far focussed on gender, age, ethnicity, and disability. We now want to broaden our focus to include sexual orientation and parental status, for which we'll select and set meaningful KPIs aligned with our people strategy. Each business unit will have specific targets and will develop and implement initiatives to meet them. We intend to monitor our progress on a regular basis and to analyse and report the results.

[→ GRI 103-2/3]

Progress and measures in 2021

In 2021 we started initiatives and put in place measures to make E.ON an even more open and inclusive employer and to embrace E.ON's existing diversity.

Near-term diversity measures

In March 2021 the E.ON Management Board adopted measures to achieve more diversity and inclusion in the near term at E.ON in Germany. It recommended that the measures be implemented, to the degree feasible, at E.ON units in other countries as well. One example is the promotion of co-leadership, in which two part-time managers share a leadership position, giving them greater flexibility in balancing their professional and private lives. Another flexible option is a part-time leadership position, in which a manager works at least 80 per cent, with full time as an option. In addition, recruitment policies for management positions will be adjusted so that at least one candidate on the shortlist is from the underrepresented gender. Other measures include mandatory diversity training sessions for all managers (similar training sessions for all employees are also being planned) and workshops on using inclusive language in job advertisements.

Proportion of female employees by segment¹

Percentages	2021	2020	2019
Energy Networks	23	22	22
Customer Solutions	44	44	44
Corporate Functions/Other	49	49	49
Core business	32	33	33
Non-Core-Business	14	14	13
E.ON Group	32	32	33

¹Total workforce, includes board members, managing directors, apprentices, interns, and working students.

The proportion of female employees was at the prior year level. At year-end 2021, women accounted for 32 per cent of our workforce.

Digital Diversity Week

International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHOBIT) is commemorated on May 17; International Diversity Day and German Diversity Day, during the same week. In 2021 E.ON took this as an opportunity to celebrate a Digital Diversity Week on Connect, our corporate intranet and social media platform, from May 17 to 21. We highlighted different facets of diversity and inclusion and presented the aforementioned new measures adopted by the Management Board in March to promote diversity, equity, and inclusion in the near term.

Proportion of severely disabled employees in Germany¹

Percentages	2021	2020	2019
Energy Networks	5.3	5.4	5.5
Customer Solutions	4.6	4.0	3.8
Corporate Functions/Other	4.9	5.6	4.9
Core business	5.1	5.2	5.1
Non-Core-Business	8.8	8.6	8.2
E.ON Group	5.3	5.4	5.3

¹Total workforce, includes board members, managing directors, apprentices, interns, and working students.

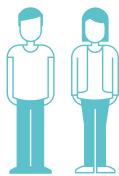
At the end of 2021, 1,948 people with severe disabilities or the equivalent were employed at E.ON companies in Germany (2020: 2,016).

Our Human Rights Policy Statement commits E.ON to freedom, equality, and respect for all people without distinction. We aim to provide a fair and mutually trustful work environment to all employees. We therefore do not ask for or collect information about employees' ethnicity, marital status, and so forth. In fact, the laws of some countries prevent us from doing so. Germany, however, obliges us to collect and publish data about the number of severely disabled employees at our operations there.

→ Occupational health and safety → Diversity and inclusion → Working conditions and employee development
→ Data protection and product safety → Business resilience management → Closeup on: Covid-19

CEO listening tour

CEOs speak to their employees in a variety of formats: speeches at company gatherings, video messages, and emails. In April 2021 E.ON decided together with CEO Leonhard Birnbaum to create a format whose purpose isn't so much for him to speak to employees but rather to listen to them: about the work environment at E.ON, remote and part-time work arrangements, diversity networks, workplace discrimination, and many other issues. The format, called the listening tour, consists of in-person or online meetings with individuals or groups of two. The first video from the tour was posted on the company intranet in July 2021, and two others followed by year-end. The tour will continue in 2022.



119

The number of nationalities represented in our workforce in 2021 (2020: 115).



GRI 401:
Employment
2016

GRI 404:
Training and
Education
2016

Enabling our people for the future of work

The mission of human resources (HR) is to enable E.ON to maximise its competitive advantages in the energy market and to support E.ON's vision: "Improving people's lives by connecting everyone to good energy." We do this by attracting the right people and putting them in the right roles at the right time. By identifying, developing, and retaining talented employees whom we consider to be our future experts and leaders. And by helping all our people to realise their potential and be fit for a future that will be increasingly digital. We do all this amid a continually evolving business environment, rapid technological change, and the Covid-19 pandemic. Ongoing integration in the wake of E.ON's transformation remained another important priority in 2021.

[→ GRI 103-1

Our approach

People make the difference for E.ON's success. The group people strategy (GPS) guides our transformation and long-term success amid a rapidly changing world. It ensures that we are capable of achieving our goals and work in an environment that enables us to perform at our best. Our new GPS, called GPS@E.ON, has been in place since 2020. It sets four people priorities for the entire group: the Future of Work, Diversity & Inclusion, Sustainability, and Leadership. GPS@E.ON sets the direction and provides the compass for group-wide people activities, all of which need to contribute to the people priorities and their key ambitions. It's brought to life by group-wide and unit-level people activities, especially by means of existing strategic initiatives. This process is flexible and modular to reflect differences between business units.

However, some frameworks are group-wide and apply to all business units. For example our group-wide competency model, Grow@E.ON, defines the tangible behaviours we all commit to. It describes how we want to behave with each other and our customers, providing employees with guidance for their daily work and with a clear path for individual development and growth. Grow@E.ON is a key enabler of professional development and is integrated into all our HR and people processes. It defines the kind of people we want to attract, recruit, and retain; how we develop employees and provide them feedback; how we identify talented people and place them in the right positions; and how we reward and value performance to ensure that we always have the people to propel E.ON's success. Grow@E.ON consists of a variety of career paths and opportunities. This makes us an attractive employer for people seeking specialist or generalist careers and positions us well for the continually changing world of work and its emphasis on agility, tomorrow's skills, greater individualism, and diversity. Grow@E.ON was updated in 2020 and is reviewed on a regular basis. All leaders and employees will be informed about, and trained in line with, Grow@E.ON.

A shared corporate culture is crucial for the success of the new E.ON. A solid foundation has already been laid and we continue to actively shape this process instead of simply letting it happen. The shared corporate culture introduced in 2020 is based on five corporate values that guide employees' actions as well as their interactions with each other, customers, and business partners: putting our customer first, better together, delivering on our promises, exploring new paths, and behaving mindfully.

We aim to ensure fair pay that enables our employees to live a decent life. All employees are paid at least the minimum wage established by law or collective-bargaining agreements, whichever is higher. Eighty-one per cent of our employees are covered by a collective-bargaining agreement, and 88 per cent have a permanent employee contract, reflecting our commitment to permanent employment whenever possible.

[→GRI 103-2

Organisation and responsibilities

With the exception of HR management for our company's top 100 executives, which is performed centrally by Group HR/Executive HR (see "Guidelines and policies" below), HR management at E.ON is largely decentralised. Nevertheless, talent identification, development, and succession planning for executive and non-executive management positions have a central framework consisting of shared criteria for talent potential as well as common mechanisms, such as talent boards. The units and our operations in each country may adjust and enrich the framework to ensure that it addresses their specific needs and challenges. The units use standardised E.ON eLearning modules to onboard new employees and provide them with training on essential topics like health and safety. Each unit decides which of these and other virtual learning tools as well as courses and training programmes to offer in its training catalogue.

E.ON takes its employees' interests very seriously and supports employee representation. Almost all our units and Corporate Functions itself have works councils or other forms of employee representation. E.ON has a long tradition of maintaining a constructive, mutually trusting partnership with employee representatives. This successful social partnership gives E.ON a solid foundation, which is particularly important in times of change. E.ON actively involves its workforce in all upcoming changes and cooperates closely with employee representatives.

[→GRI 103-2

Guidelines and policies

The Group Policy FP-09 (Functional Policy Group HR/Executive HR) specifies the responsibilities of Group HR/Executive HR and the tasks exclusive to each. Executive HR for example, is responsible for the complete life-cycle management of the top 100 leaders. The policy details the company-wide instruments for which Group HR is responsible. These include executive compensation tools including the grading framework, the Grow@E.ON competency model, the employee value proposition (EVP), group diversity targets, global learning technologies and content, the expat policy, the pension framework, and global HR IT governance.

The E.ON People Commitments were developed by HR in consultation with the SE Works Council and approved by the E.ON Management Board in late 2017. They establish twelve principles that articulate our values and our standards for treating our employees in the context of decentralisation processes. The principles are binding for the entire E.ON Group. We provide support to E.ON units so that they can adopt the principles in a way that reflects their particular legal, cultural, and business environment.

E.ON has a number of additional HR policies and guidelines. Examples include agreements on remote working and flexible work arrangements, such as sabbaticals, part-time work, special holidays, and so forth. Our International Transfer Policy governs the temporary foreign deployment of our employees.

[→ GRI 103-2]

Specific actions

We take action in a variety of areas to achieve continuous improvement trying to make working at E.ON even more attractive. Flexible work arrangements have been part of our corporate culture for many years. → [The Covid-19 pandemic](#) underscored the value of these arrangements, which were part of why we were able to respond swiftly and successfully maintain business continuity.

In 2021 HR and the Group Works Council developed a general agreement on the future of work. Its purpose is to enable E.ON to manage the special work-related requirements of the Covid-19 pandemic, to retain the flexible work arrangements that have become much more prevalent during it, and to make hybrid working our new standard. The agreement was approved by the E.ON Management Board and took effect at the end of June 2021.

We also have programmes to support our employees when they face challenges outside work, such as when a family member suffers an illness. For example, our employees in Germany have cost-free access to a wide variety of services from reputable providers. The services range from counselling for stress and addiction issues to home care for older or invalid family members. Employees who are sick for more than six weeks during a twelve-month period have access to reintegration assistance. Other benefits include company pension plans and employer-funded accident insurance. Both full- and part-time employees generally receive any benefits that are offered. Another area important to our employer attractiveness is training. In general, all employees receive onboarding, HSE training, functional training relevant for their role, soft-skill training as well as access to talent and leadership development programmes. The business units pay for their employees' training. In addition, employees have access to a wide variety of

self-directed eLearning modules. At E.ON, we believe that the most effective way for our people to learn is through experience. Our approach to training is 70-20-10: 70 per cent of learning happens on the job, 20 per cent through people and social interaction, and 10 per cent through programmes like eLearning, seminars, and formal training. In keeping with the faster pace of the digital age, we're shifting the final component away from long formats to short digital learning nuggets and self-directed learning that's part of employees' work flow, tailored as much as possible to their individual needs, and accessible anytime, anywhere.

We've conducted an annual employee survey since 2014 to find out how our people feel about their job, their supervisor, the work atmosphere in their unit, and other topics. These surveys, which we call Pulse Checks, include questions about wider corporate matters, such as the E.ON values, Grow@E.ON, compliance, cybersecurity and data protection. The purpose is to assess whether our employees understand these matters, how they perceive the implementation, and the degree to which they feel enabled and supported to contribute to their success. The surveys also address current issues, such as, in the past two years, the Covid-19 pandemic. Finally, we continue to monitor former innogy employees' perception of their integration into E.ON. The 2021 survey, which was actually conducted in January 2022, includes a section on the new corporate strategy E.ON announced in late November 2021. The feedback on this section will help us evaluate how well our employees were informed about the new strategy, how well they understand it, and how motivated and enabled they feel to put it into action. The survey's results will be disclosed in E.ON's reporting for 2022.

Employee Net Promoter Score (eNPS) measures employees' willingness to recommend E.ON as an employer. We began including it in Pulse Check, our annual employee survey, in 2017. Since then, eNPS has improved continually. The results for 2021 will be reported next year. We analyse survey feedback carefully to identify areas where we may need to improve. Employees are also informed about the findings for their particular business unit as well as any measures that may be implemented in response. Alongside the survey, employees have other opportunities to submit feedback, including during live online chats with a member of the E.ON Management Board that are held multiple times each year.

In addition, two times each year we conduct an internal service satisfaction survey called Voice. E.ON and calculate internal NPS (iNPS) for those corporate support functions that we assume have a direct impact on employees' satisfaction and engagement (Corporate Audit, Cyber Security, Digital Technology, Excellence.ON, Finance, Human Resources, Legal & Compliance, and Supply Chain). We ask a randomly selected, representative group of employees in each of the countries where we operate to assess these functions' performance. The size and composition

of the sample groups in each country reflects the relative size of our operations there and of each level of organisational hierarchy (executives, middle management, staff). For example, we surveyed about 2,500 employees in Germany, about 1,250 in the United Kingdom, and about 365 in Italy. The response rate per country ranged from 20 per cent in Germany to 75 per cent in Italy.

The functions use the feedback to finetune their processes and design measures to improve their performance. Their respective iNPS has risen steadily. Support functions with a strong iNPS have improved even further, while functions whose iNPS was formerly negative are now at zero or above. iNPS has increased by 15 on average over the last three years, and most support functions' score surpasses +40.

In general, our mechanism for recruiting executives applies across E.ON. It aims to optimise the filling of executive positions, make the recruitment process more transparent, and ensure equal opportunity. Recruitment of top executives is conducted by the Group/Executive HR team. In addition, a biweekly placement conference is held at which HR representatives from around the company gather virtually to share vacancies directly below the top executive level and discuss potential candidates. In 2021 we also refined our approach to global talent management, which includes annual management reviews and periodic talent board meetings at the business-unit and corporate level. HR staff use these meetings to exchange views on talented employees and their development needs. This approach helps us to ensure the ongoing professional development of talented employees and executives. It also creates transparency about our current talent situation and our needs for the future.

We help people to launch their careers. We do so by offering apprenticeships in a wide variety of vocations as well as internships, work-study arrangements, and other programmes. Examples include local training initiatives in Germany that use school projects, internships, and training courses to assist young people in making the transition from secondary school to employment. E.ON Graduate Programmes (EGP) in a number of countries where we operate recruit highly qualified university graduates for an 18- to 24-month programme during which they receive a broad overview of our business through three to six deployments in different E.ON units and departments. We offer a job starter and a work-study programme in Germany and plan to relaunch the EGP there in 2022.

Feedback is essential for empowering our people to perform at their best and for identifying opportunities to develop their skills. That's why we provide employees with periodic performance and career-development reviews. Our GPS defines feedback as crucial for our approach to the Future of Work: "We live a culture of feedback to drive high performance, systemic people growth and continuous improvement." We take a number of steps to foster a feedback culture, including offering training, guidelines for communicative feedback, and support on Connect, our corporate intranet and social network.

[→ GRI 103-2]

Goals and performance review

Our approach to HR is decentralised: 80 per cent of our HR activities are defined and implemented by our units, just 20 per cent by Corporate Functions. The units and Corporate Functions collaborate in a number of areas aligned to GPS@E.ON's four people priorities.

We want to retain our people (and their expertise) and enable them to grow professionally. One of our objectives is therefore to develop our employees so that we can fill management positions internally. Our biweekly placement conference has a shared platform to create transparency and to systematically track how many candidates participated in the application process and who ultimately got the job. In addition, the aforementioned talent boards focus not only on talent identification and succession but also, in recent years, on diversity issues. Examples include increasing the proportion of women and employees from minority groups in our leadership pipeline. E.ON enhanced its commitment to these issues in 2020 by making diversity a priority in its new GPS. In 2021 we continued gathering data to enable us to assess our talent management's effectiveness.

[→ GRI 103-2/3]

Progress and measures in 2021

In 2021 we continued taking steps to remain, and to be perceived as, an attractive employer for current employees and for talented people whom we want to attract. These steps included working to become more tech-savvy and to make our processes more digital.

Talentry: employee recommendation programme

In 2020 E.ON expanded its digital recruitment processes by introducing Talentry, an employee recommendation programme. The aim is to strengthen our employer brand, increase the efficiency of our recruitment, and reward colleagues who recommend E.ON as an employer of choice. If we hire someone recommended by an employee, the employee receives monetary compensation as our thanks. Five more units adopted Talentry in 2021, with more to come in 2022.

Employer brand campaign for digital and tech

To attract increasingly hard-to-find digital and tech talent, we developed a campaign to improve E.ON's positioning as a digital and innovative employer. The process began in March 2020 with an analysis of what the target audience values in an employer. In the second half of 2020 we contacted digital stakeholders to find flagship projects and role models for the campaign's creative phase. The campaign's first phase, which was launched in the second half of 2021, featured five such projects. Phase two began in the fourth quarter of 2021.

Digital upskilling

In consultation with employee representatives, in 2020 we launched a cross-functional project designed to ensure that all employees are on board for E.ON's digital journey. The project, which we trialled in 2019, has four main areas: transparency about future skill requirements, update of people strategy and processes, a digital culture and future leadership framework, and leadership development activities. In 2021 it had 21 sub-projects at the corporate and unit level. They encompass issues such as digital workplace skills, a digital mindset, future leadership, new ways of working, and IT specialist knowledge. In both 2020 and 2021 we increasingly focused on providing digital upskilling for the home office experience, online communications and collaboration, as well as hybrid and flexible work arrangements. The aim is to help our employees to adjust to new, pandemic-related work conditions. Digital upskilling was also a key topic of the corporate strategy review we conducted in 2021.

Managing our employees' pension assets responsibly

Sustainability guides the management of our pension assets as well. This happens explicitly. For example, we draw on the Norwegian State Pension Fund's research and certain embargo lists to avoid some investments. It also happens implicitly when we select asset managers whose investment decisions systematically factor in ESG aspects. In addition, we're currently adjusting and harmonising our investment approach in line with the latest corporate and market ESG developments.

Improving our employee surveys

In 2020 and 2021 we evaluated our two employee surveys (Pulse Check and Voice.ON) as well as the related processes and technology. We drew on the findings to take steps, which we began implementing in the second half 2021, to enhance data quality, improve survey efficiency, increase survey frequency, and to support all this by introducing new and better technology, which is being piloted with 4,000 employees. We plan to make more improvements in the first half of 2022.

Masterplan and GetAbstract: more and better eLearning

Masterplan, a new platform we developed in 2020 to make eLearning more engaging and effective, went live in the first half of 2021. Masterplan, whose user interface resembles a video-on-demand streaming service, offers innovative and motivating eLearning content covering all business topics relevant for E.ON. As of year-end 2021 it was being used by more than 6,000 employees. GetAbstract, our other eLearning platform, provides book summaries, TED talks, webinars, and other reading and audio formats on a wide range of business topics. Thanks to Masterplan and GetAbstract, more employees use eLearning than ever before, and we'll take steps to increase this number going forward.

Employees by segment¹

Full-time equivalents	2021	2020 ²	2019 ²
Energy Networks	38,032	39,066	37,531
Customer Solutions	26,067	29,858	31,431
Corporate Functions/Other	3,885	4,124	4,867
Core business	67,984	73,048	73,829
Non-Core Business	1,749	1,818	1,830
E.ON Group	69,733	74,866	75,659

¹Core workforce, includes board members, and managing directors, excludes apprentices, interns, and working students.

²Prior-year figures have been adjusted due to new HR calculation methodology analogue to the Annual Report.

New employee hires and turnover rate [[GRI 401-1](#)]

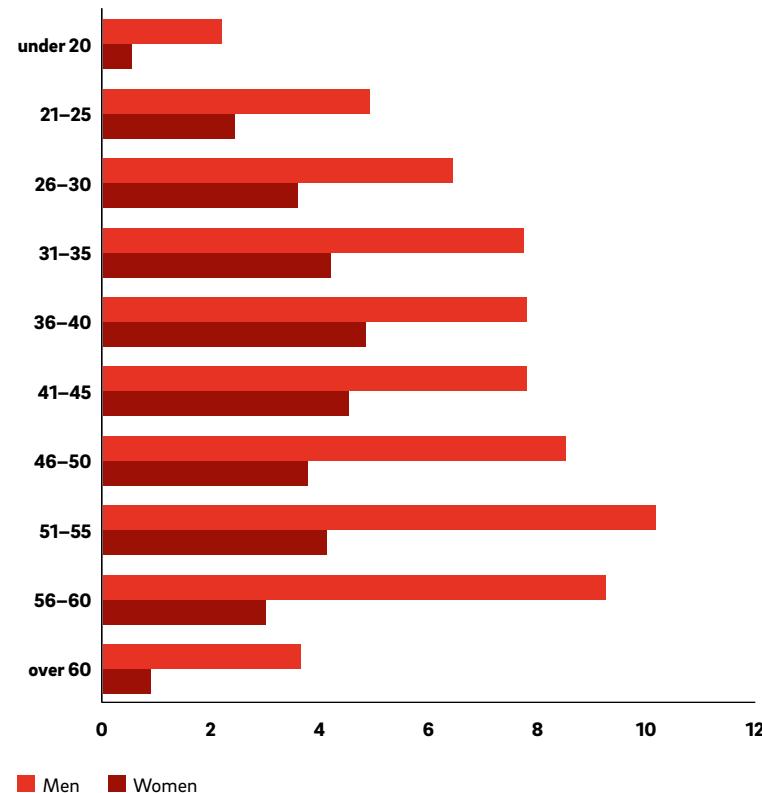
We hired 8,590 new employees in the reporting period. Our voluntary turnover rate in 2021 was 4.5 per cent, including board members, managing directors, and apprentices (2020: 3.5).

Apprentices in Germany

	Headcount			Percentages		
	2021	2020	2019	2021	2020	2019
Energy Networks	2,064	2,098	2,149	7.4	7.6	8.0
Customer Solutions	65	59	61	1.0	0.8	0.8
Corporate Functions/Other	138	199	206	4.1	5.4	4.4
Core business	2,267	2,356	2,416	6.0	6.2	6.2
Non-Core Business	41	39	40	2.2	2.0	2.1
E.ON Group	2,308	2,395	2,456	5.8	6.0	6.0

At the end of the year, we had a total of 2,308 apprentices and work-study students in Germany. This corresponds to an apprenticeship ratio of 5.8 per cent. Of the 640 apprentices who completed their training in 2021, 563 were given a permanent or temporary employment contract. This is a very high hiring rate of 88 per cent (2020: 575 of 661, or 87 per cent). It's one of the ways we're addressing the shortage of skilled workers.

Workforce age distribution in 2021¹



At year-end 2021, the average age of E.ON employees in Germany was 42, as in the previous year. This is comparable with the average age at other DAX 30 companies. The age distribution of our workforce reflects the demographic trend of working-age people in Germany. In 2021 around 20 per cent of our employees were under the age of 31, 49 per cent between 31 and 50, and around 31 per cent older than 50.



14.7 

Average training hours per employee

¹Total workforce, includes board members, managing directors, apprentices, interns, and working students.

GRI 418:
Customer
privacy 2016

Systematic cybersecurity and product safety

We process personal data of customers, employees, enterprise partners, suppliers, and other data subjects. We have in place a data protection organisation, which we continually improve. Furthermore, we continually evaluate our processing activities in order to comply with the law, to protect data subjects' rights, and to make their personal data even more secure. In addition to protecting personal data, we conduct robust cybersecurity at our energy networks and customer solutions businesses. The purpose is to efficiently protect our systems and data regardless of where they're accessed from, which devices are used, and where the data are processed. Safeguarding all company information – in oral, written, and digital form – is crucial in order to prevent damage to our competitive position, brand, and reputation.

We offer our customers digital solutions (like the E.ON Home app) as well as a steadily expanding range of products installed at their premises. The products include solar and battery storage systems, heating systems (including heat pumps and boilers), and electric-vehicle charging points. Ensuring that these products are safe is essential for us to protect our customers' health, retain their trust, and continue our successful partnership with them.

[→ GRI 103-1]

Our approach

We take the lawful and confidential handling of our customers', enterprise partners', and employees' personal data very seriously in accordance with EU law (General Data Protection Regulation, GDPR) and the laws of the countries where we operate. The E.ON Group's Data Protection Management System (DPMS) is based on IDW PS980, an audit standard for compliance management systems. The DPMS provides guidance on data protection issues and is intended to ensure that we take a structured, coordinated, and consistent approach to data protection across the E.ON Group. The DPMS has been audited by a law firm. In 2021 internal audits were conducted of several E.ON units regarding the status of their data protection management. These audits also confirmed the improvement of our DPMS and the status quo of our compliance with the GDPR. In addition, we studied major data breach cases at other companies that became public and, where necessary, used these insights to further improve our own data protection and IT security measures and to harden our IT infrastructure.

In 2021 we continued to take all steps necessary to comply with the GDPR with regard to our business partners, stakeholders, customers, and other relevant parties. These steps included revising data protection contracts and other documents and informing all relevant parties, thereby enabling them to exercise their rights to delete, rectify, and transfer data. We also reviewed the data breach process. Data protection is an ongoing task amid rapidly evolving technologies and practices. Using the plan-do-check-act (PDCA) method enables us to continually improve these processes (for more information, see "Goals and performance review" below). These activities will continue in 2022.

To protect all company information, we have in place an Information Security Management System (ISMS) based on ISO 2700x, a widely recognised international standard for information security. Our ISMS is certified for those parts of the organisation where this is required by law. We work hard to ensure and maintain the confidentiality, availability, and integrity of our information resources. This includes monitoring our infrastructure, vulnerabilities, and threats as

well as detecting and responding to security events like cyberattacks. In 2021 we updated our cybersecurity strategy and designed a roadmap for implementing it. Items on the roadmap include awareness, identity and access management, cloud security, and new detection and prevention capabilities.

We extend our high standards for → [Occupational health and safety](#) to the products we offer our customers. We set uniform standards to ensure that our products are safe throughout their life cycle, from development to recycling. We comply fully with all applicable safety laws and regulations. If, in the case of innovative products, current laws and regulations lag behind the state of the art, we meet more stringent safety standards. Due to confidentiality constraints and the sensitivity of such data, we cannot provide information about complaints concerning data breaches, whether these complaints were substantiated or not.

[→ GRI 103-2, → GRI 102-11]

Organisation and responsibilities

Each of our units is responsible for complying with the GDPR. The minimum standard they must meet is to implement our DPMS (if necessary, in an adapted form). We have in place an appropriate set of processes, including those to fulfil the data subject's rights (for information, deletion, and so forth), to consider data protection requirements in relation to our suppliers and other business partners, and to report and handle personal data breaches. We assess a breach's severity using a method developed by the → [European Network and Information Security Agency \(ENISA\)](#). This set of processes also provides guidance to our units, which have put in place the required processes in their organisations as well.

The units are responsible for dealing with all data protection issues related to their business and with the claims that individuals address to them pursuant to the individuals' rights under the GDPR, such as information, rectification, deletion, and data portability. In addition, our units' systems and policies must comply with the data protection laws and regulations of the country or countries where they operate. Where required by law, the units have appointed Data Protection Officers (DPOs). The requirements for appointing DPOs vary by country. The DPOs share information with each other on a regular basis and report regularly to our Chief DPO, in particular on the following dimensions of data protection: the rights of the data subject, relations to third parties, company documentation, and correspondence with supervisory authorities.

Our Chief DPO is responsible for data protection issues at the corporate level. His responsibilities include coordinating data protection activities across E.ON. He also reports periodically to the Cyber Security and Data Protection Council, which includes two Management Board

members and, if the need arises, the entire Management Board and the Supervisory Board's Audit and Risk Committee. In addition, internal stakeholders are regularly informed about relevant developments in data protection. These include legislation, technology, decisions issued by regulatory agencies, and so forth. This information is disseminated by email or, where appropriate, through internal communications channels, including Connect, our corporate intranet.

Cyber Security protects technology and information and prevents them from having an adverse impact on E.ON's business and customers. Its tasks include designing a group-wide cybersecurity strategy, monitoring its implementation, and coordinating the Cyber Security organisation across E.ON. Our Chief Information Security Officer (CISO) is assigned to the CEO's area of responsibility and reports directly to the CEO. He works closely with the Digital function. This organisational setup ensures that if a serious issue arises, the CEO of E.ON SE is informed immediately and that all second-line-of-defence functions (Data Protection, Compliance, Cyber Security) belong to the same reporting line. Our units have designated Information Security Officers who report to our CISO, as well as their unit's board, any relevant issues arising in their organisations.

Our regional units know their customers, their products, and the local market conditions and requirements. Consequently, their Product Development teams take the lead in product safety, supported by their unit's HSE department. In these activities they work closely with, and receive support and guidance from, several divisions and departments at Corporate Functions, primarily B2C/B2SME Solution Management, Innovation, HSE, and Sustainability. B2C has its own product safety and compliance team.

[→ GRI 103-2, → GRI 102-11]

Guidelines and policies

Our Data Protection Policy defines roles and responsibilities in a uniform manner across the whole E.ON Group. E.ON Information Security Standards introduced in 2018 are the cybersecurity rules for the entire E.ON Group and are reviewed continually to ensure that they reflect changes in the requirements of ISO 2700x, an internationally recognised standard for information security. By remaining current with ISO 2700x, we enable our employees to design and operate new solutions with the level of cybersecurity we need to protect our and our customers' data. Our People Guideline summarises the main cybersecurity rules relevant for all employees.

[→ GRI 103-2, → GRI 102-11]

Specific actions

Our employees receive training in data protection every two to three years. New employees typically receive data protection training in their first year. The training is part of the onboarding process in almost all countries where E.ON operates. In addition, individual departments and teams – such as call centres and sales organisations – provide training to meet their special data protection requirements. We have an eLearning module to familiarise our employees with the GDPR's rules. As of year-end 2021, more than 80 per cent of our employees had completed the annual eLearning module.

We use eLearning, phishing simulations, and in-house workshops such as live hacking demonstrations to familiarise our employees with cybersecurity risks and their obligation to keep confidential company information secure. We improved "Classify," our document classification tool, to enable our employees to handle information properly. We intend to introduce electronic document labelling soon. In 2021 the phishing awareness campaign involved simulated phishing emails being sent to employees on several days during the year. Furthermore, we periodically performed penetration-testing for crucial services in order to further harden our applications and services against cyberattacks.

We take a variety of steps to address health and safety issues across the life cycle of our products. During product development we closely monitor emerging issues and comply with current standards and guidelines. Our regional units test all market-ready products, including eMobility solutions, for CE conformity in their own test labs or have them tested in our main test lab in Essen or by outside testing firms. This provides us with a comprehensive assessment of the risks, their likelihood, and other potential impacts. Prior to hiring, contractors who install and maintain products on our behalf must undergo prequalification to ensure that they meet our standards and values. As part of this process, we evaluate not only the contractors themselves but also their products to ensure they meet specific standards. In addition, we engage in ongoing dialogue with our contractors and train them to ensure that they adhere to all requirements and the latest technical standards. Safety training, for example, is mandatory for all installers of our solar and battery solutions in Germany. If a product has a safety-related problem we need to be able to recall it immediately. We therefore check and track all hardware product changes so that we can contact our customers immediately in the event of safety-related problems. We work to improve these processes on an ongoing basis.

When we are the product manufacturer or deemed to be such, we are legally obliged to comply with a number of requirements, such as the installation of a system ensuring the traceability of these products and a concept for corrective measures. Other requirements include product certification, CE marking, the creation and maintenance of a full product technical file, and the issuance E.ON's own EC Declaration of Conformity. In the event of safety-related issues, we immediately inform the appropriate market surveillance agency about the issue and our intended corrective measures, such as withdrawal, warning, and recall. Also, we are obligated to perform necessary corrective actions.

[→GRI 103-2, →GRI 102-11]

Goals and performance review

Our DPMS uses the plan-do-check-act (PDCA) method, which helps us to plan, implement, manage, and improve our processes continuously, which is mandatory under the GDPR. The PDCA cycle includes permanently monitoring the DPMS's effectiveness, proactively and repeatedly looking for any potential blind spots, and taking action if the need for improvement arises. E.ON entities report on the status quo of their compliance with GDPR requirements on a quarterly basis. The reviews conducted by our internal audit team in 2021 again found no significant shortcomings with the DPMS. In addition, all open procedures with data protection authorities were closed without the imposition of serious sanctions on E.ON Group companies. These are among the reasons why we consider the existing DPMS to be appropriate and effective. Where required, changes to the DPMS are approved by the Cyber Security and Data Protection Council.

We assess the maturity of our ISMS domains regularly and report the assessment to E.ON's Cyber Security and Data Protection Council on a quarterly basis. We've defined a minimum maturity level for all areas and units. If we identify deficiencies or areas for improvement, we adjust our cybersecurity roadmaps accordingly.

We document product safety incidents at the unit whose product was involved and at the corporate level. The investigation and analysis of such incidents help us to identify their causes and determine how to prevent them in future. We share the insights gained in this process across the relevant departments of our organisation.

[→GRI 103-2/3, →GRI 102-11]

Progress and measures in 2021

In 2021 we again took a variety of steps to ensure secure data and reinforce awareness. For example, we again participated in European Cybersecurity Month, which is conducted by the European Network and Information Security Agency.

Assessment of data transfers outside the European Union

In compliance with the recommendations of oversight agencies resulting from a ruling made in mid-2020 by the European Court of Justice, in 2021 E.ON mapped data transfers to countries outside the EU, assessed the level of safeguards to protect personal data, and, where necessary, put in place additional security measures.

Human Firewall campaign

In 2021 E.ON continued the Human Firewall campaign highlighting our employees' crucial role in our cyber defence system. The Human Firewall app for mobile phones conveys information on cybersecurity in a playful way in order to increase employees' awareness and knowledge.

Systemic crisis prevention, comprehensive crisis management

E.ON works continuously and systematically to prevent a crisis from ever happening. We want to ensure the safety, security, and reliability of our infrastructure and customer solutions. If, despite comprehensive precautions, a crisis occurs, we respond immediately and manage the situation professionally. Much is at stake: the health and safety of our employees and nearby residents, the integrity of the environment, the reliability of the energy supply, and our reputation. In 2021 the Covid-19 pandemic again posed challenges. We respond by continuing to take systematic steps to safeguard our employees and customers.

[→ GRI 103-1, → GRI 102-11]

Our approach

We thoroughly train our employees, carefully maintain our assets, and operate in accordance with stringent safety and security standards. Nevertheless, we can't rule out the possibility of a crisis caused by a natural disaster, human error, technical failure, a cyberattack, or other events. Our business resilience management system therefore encompasses a variety of organisational measures to protect E.ON against significant risks. If a crisis occurs, we have in place response plans consisting of rapid, efficient, and precisely defined countermeasures. In addition, we have highly specialised crisis management teams that respond swiftly to resolve crises. We believe that the best way to prevent crises from escalating is to prepare thoroughly for potential crises and to intervene quickly at the first sign of one. The main objective of our crisis prevention and response measures is to safeguard human life, the environment, our business, and our property.

In the case of a widespread power outage following a natural disaster, some of our network operators have mobile generators to provide temporary emergency power to relief crews, medical facilities, and victim shelters until power is restored. In addition, they support each other to ensure that emergency power is available in all our network territories, as was the case in 2021 when heavy floods affected western Germany.

[→ GRI 103-2, → GRI 102-11]

Organisation and responsibilities

Our standard procedures for running our business are designed to prevent crises. The Response Centre at Corporate Functions is staffed 24 hours a day by at least three people. In addition, we have a dedicated crisis management organisation consisting of crisis management teams at the operational, business/regional unit, and Group level. The crisis management teams consist of a variety of functions divided into a core team, a support team, and a specialised expert team. The core team guides the crisis management team and is supported by the other two teams. Subject experts are added to a team if their expertise is required. The teams work together closely and have broad powers in the event of a crisis. In addition, they have uninterrupted access to the systems necessary to manage a crisis effectively (such as notification and alarm systems, satellite communications). Corporate Functions and our business/regional units have designated Business Resilience Managers who are responsible for managing our efforts to prevent, identify, assess, respond to, and learn from crisis situations. This includes designing and conducting training and realistic crisis simulations for the crisis management teams around E.ON. Our Business Resilience Managers share information and experience on an ongoing basis. Ultimate responsibility for preventing and managing crises lies with the E.ON Management Board.

[→ GRI 103-2, → GRI 102-11]

→ Occupational health and safety → Diversity and inclusion → Working conditions and employee development
→ Data protection and product safety → Business resilience management → Closeup on: Covid-19

Guidelines and policies

Our group function policy Business Resilience stipulates that all parts of the company must report severe security issues and crises to the Response Centre without delay. It also requires each unit, in accordance with its business operations and risk profile, to establish, implement, and continuously refine a crisis management organisation that enables the unit to manage unforeseeable, complex, and emerging situations that, potentially, could have a significant impact on its business, assets, stakeholders, and/or reputation. This includes defining a crisis methodology and processes, establishing a crisis management team, ensuring a functioning crisis infrastructure and organisation, and conducting training on a regular basis. As necessary, Corporate Functions provides the units with guidance and support to establish these mechanisms.

[→GRI 103-2, →GRI 102-11]

Specific actions

We take a variety of steps to ensure that we're thoroughly prepared for incidents and crises. For example, each year we conduct two or three crisis management exercises to simulate a power outage, cyberattack, or other crises as realistically as possible. Participation is mandatory for all crisis management team members, who also have to take part in availability tests at least twice a year. The tests' purpose is to assess our team's availability and reaction speed at any time of the day or night. In addition, all members of the crisis management team receive training for their specific function. For example, team leaders are trained to lead a team in complex, stressful, time-critical, and uncertain situations. Moreover, crisis simulations often involve several units and business areas in order to practice collaboration, communication, and joint resolution.

During normal operations, the Business Resilience function at Corporate Functions consults on a regular basis with other teams (such as physical security and business continuity management) to jointly assess the risk exposure of assets, employees, businesses, and processes and to design effective preventive measures.

[→GRI 103-2, →GRI 102-11]

Goals and performance review

Our crisis management's main purposes are to identify crises early, to respond swiftly and effectively, to ensure that we have in place the necessary capabilities group-wide, and conduct periodic checks to make sure that necessary infrastructure is in place and up to date.

To promote continual improvement, the crisis management organisation employs the plan-do-check-act (PDCA) cycle. We assess and document the lessons learned from all crisis management training sessions, simulations, and actual incidents and draw on them to design and implement improvement measures.

The Business Resilience community across E.ON regularly shares knowledge, best practices, experiences, and lessons learned. The aim is to learn from each other and to achieve a consistently high level of competence in the crisis organisations at all E.ON units, which are our first line of defence in a crisis.

[→GRI 103-2/3, →GRI 102-11]

Crisis prevention at Non-Core Business

PreussenElektra (PEL) is only allowed to operate nuclear power plants (NPPs) if it can demonstrate that it has taken all practicable steps to prevent a severe accident. For 2021 this was duly demonstrated to the relevant authorities, such as the Federal Ministry for the Environment, the Reactor Safety Commission, and state-level agencies.

In 2021 there were no safety-related incidents that significantly affected the safety level at PEL's NPPs. They remained at the normal long-term safety level. On average, 10 to 15 reportable events per year occur at PEL's NPPs. PEL headquarters conducts periodic reviews in which it discusses incidents and the findings derived from them with the NPPs that are in operation and those being dismantled. In line with Germany's nuclear ordinances and regulations, the incidents, findings, and any measures taken in response are communicated to state and federal authorities.

PEL periodically conducts nuclear crisis exercises, notifies Business Resilience at Corporate Functions, and reports their results. The exercises are required by law and in some cases may be organised on short notice by Germany's nuclear regulatory agency.

Remaining resilient amid the pandemic

E.ON's top priorities during the Covid-19 pandemic are a secure energy supply and the safety of employees and customers. E.ON's power, gas, and heat networks, which secure the energy supply in large parts of Europe, continue to run stably, even under these difficult conditions. E.ON was able to draw on previously prepared pandemic and crisis plans, which it implemented accordingly. This included updating risk assessments, adjusting rules in line with government regulations, and conducting timely communications to promote transparency and awareness regarding the Covid-19 pandemic and E.ON's response measures. This has made it possible to maintain all key functions. The most important measures included strict adherence to hygiene and social-distancing rules as well as the isolation of particularly sensitive work areas, such as network control centres. In addition, technicians who do field work on the network have special equipment to minimize the risk of infection.

In addition, one of E.ON's priorities is to help employees deal with the pandemic's impact. Where possible, we therefore have made use of all forms of flexible work arrangements (such as home office and flexible working hours) in order to accommodate employees' personal circumstances and needs. Covid-19 also made it necessary to adjust meeting formats. Most meetings were held virtually and still are. In addition, managers have paid even more attention than usual to their employees' well-being and, when needed, have pointed them toward company assistance and support services, such as a confidential personal counselling service. Vaccination is the principal way to protect oneself and others from infection with the coronavirus. E.ON therefore offered vaccinations at many of its offices and facilities in Germany. Employees and their families could receive a first and second vaccination in the summer of 2021 and booster vaccinations in the winter of 2021–2022. E.ON is comprehensively fulfilling its social responsibility by offering a wide range of flexible work arrangements, hygiene plans, and vaccinations, thus making an important contribution toward combating the pandemic and safeguarding employees.

E.ON's business and operating environment continues to be affected by the Covid-19 pandemic. The implications and impacts will depend on the emergence of new virus variants, the progress of vaccinations, and the effectiveness of vaccines.

E.ON continuously analyses the risk situation resulting from the Covid-19 pandemic and, if necessary, will take additional measures to contain the pandemic's impact.

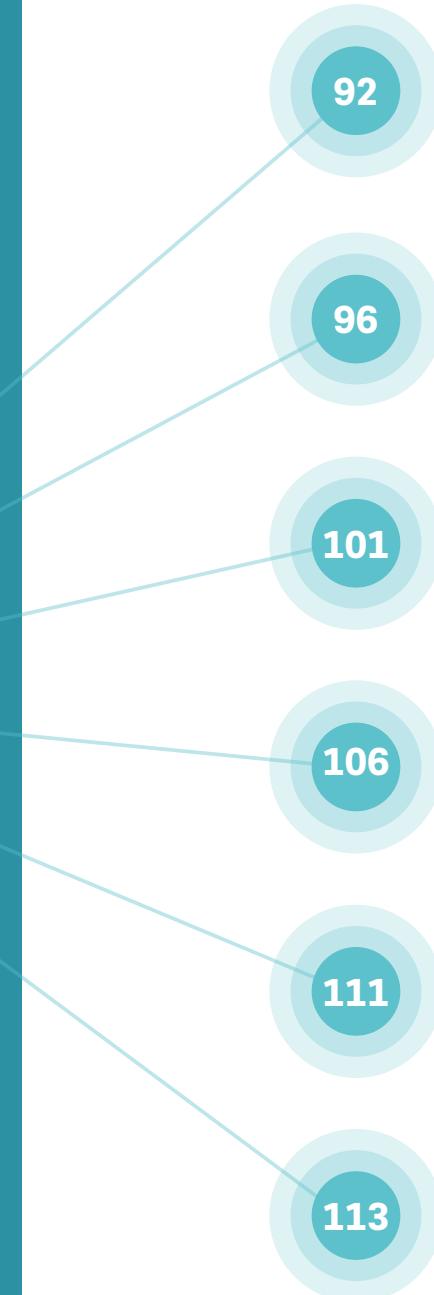
There were no significant Covid-19-related implications for the employment situation in the E.ON Group at any time in 2021.

Other impacts of the Covid-19 pandemic on E.ON's business are described in our →2021 Annual Report.



Governance

Make sustainability our guiding principle



Good corporate governance

Integrated approach: find out how we embed sustainability into our decisions and processes.

Compliance and anti-corruption

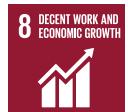
Doing the right thing: our expectations for our employees, business partners, and suppliers.

Human rights and supplier management

Respect for human rights: here's how we promote it in our supply chain.

Stakeholder engagement

Time to talk: promoting dialogue with our stakeholders.



Community involvement

Giving back: the ways we support the communities where we operate.



Closeup on: Tax

Transparent insights: find out more about our tax strategy.





Dedicated to exemplary sustainability and corporate governance

We're committed to helping people, companies, and cities across Europe embrace the energy transition and become more sustainable. And to ensuring that we always manage our company responsibly and transparently. That's why we've put in place effective organisational structures, clearly assigned roles and responsibilities, and embedded sustainability in our business processes.

Management and oversight

Corporate governance refers to the way we manage, monitor, and control our company and its operations. E.ON adopts the two-board system common in Germany. The E.ON Management Board sets the company's strategic course and exercises management control over its businesses and support functions. The E.ON Supervisory Board advises and monitors the Management Board, appoints its members, and approves E.ON SE and the E.ON Group's financial

statements. In addition, the Supervisory Board's approval is necessary for some decisions by the Management Board, such as transactions above a certain monetary threshold. At year-end 2021, the E.ON Supervisory Board consisted of fourteen men and six women from a total of eight countries. In accordance with German law, it has an equal number of shareholder and employee representatives. Given a total number of 20 Supervisory Board members, the shareholder representatives believe that at least six of them should be independent of the Company and the Management Board. The →[Corporate Governance Report](#) in our 2021 Annual Report

contains detailed information about the roles and responsibilities of the Management Board and Supervisory Board, how they work together, and E.ON's statement of compliance with the German Corporate Governance Code. The code consists of recommendations and suggestions that constitute the recognised best practices of good corporate governance. These include achieving a reasonable balance between the interests of companies and their shareholders, fostering transparent decision-making by management boards, and ensuring that supervisory boards are independent.

[→GRI 102-18

Sustainability governance

The E.ON Management Board sets our corporate strategy, which as updated in November 2021 now has sustainability at its core, and has overall responsibility for our sustainability performance. In this, as in other matters, it is supported and advised by the Supervisory Board. We've designated a Chief Sustainability Officer (CSO), who oversees the sustainability activities across our company and informs the Management Board about important sustainability initiatives, developments, and KPIs on a quarterly basis and, in the case of extraordinary events, on an ad hoc basis. E.ON CEO Leonhard Birnbaum has been our CSO since April 2021.

E.ON's Sustainability Council, consisting of the CEO and eight SVPs, was reorganised at the beginning of 2020 in order to further integrate sustainability into the company. Some SVPs whose areas of responsibility currently have the biggest impact on E.ON's sustainability performance were added. The aim is to make the council more agile. The council's composition will be reviewed annually. The council advises the Management Board on sustainability issues, which in 2021 included COP26's agenda and outcome. The above-described targets, organisational structures, and measures systematically embed sustainability in the company as a key component of E.ON's strategy. The council also engages with outside stakeholders and helps us forge partnerships. It reports to the Management Board twice a year. It met three times in 2021 and conducted one written resolution procedure. Among the key issues it discussed in 2021 was E.ON's strategy review, whose purpose was to update E.ON's strategy by making sustainability its centrepiece.

The Supervisory Board's Innovation and Sustainability Committee also provides sustainability advice to the Management Board and to the full Supervisory Board. In 2021 the committee was involved in the aforementioned strategy review.

The Sustainability team at Corporate Functions is involved in all aspects of our sustainability work. Its main tasks are to coordinate the planning and implementation of sustainability initiatives and monitor their progress, collect sustainability data, and conduct our materiality analysis and sustainability reporting. Together with the Sustainability Council, it supports the business units in meeting their sustainability targets. The team also provides advice to employees on sustainability issues and strives to raise awareness across the organisation. In all these tasks it works closely with the HSE team.

[→GRI 102-18

Systematic risk management

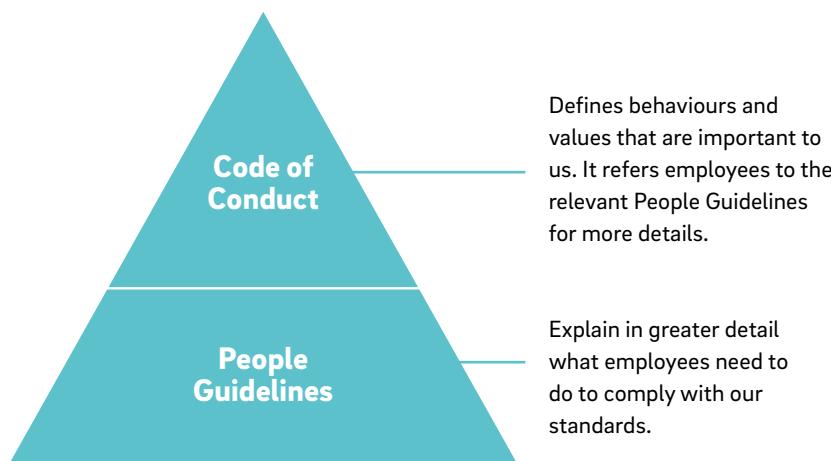
Every business activity involves risks. To mitigate them, we conduct systematic risk management that's embedded in our workflows. Our →[Annual Report](#) describes in detail our management system for assessing risks and chances and the measures we take to limit risks. Our risk management system addresses a wide variety of risks. These include legal and regulatory risks, operational and IT risks, finance and treasury risks, strategic risks, as well as ESG risks. In 2021 we conducted a review to insure that we had identified and assessed all relevant ESG risks. We then integrated them into E.ON's ERM system, which has a new function enabling it to flag various risks for their potential relevance for ESG. Our ESG risks include fines for violations of the law and damage to our reputation resulting from accidents or power outages. Thanks in large part to the management approaches described in the chapters of this report, at year-end 2021 we had no material reportable risks for non-financial issues —after considering risk-mitigation measures and thus only net risks.

[→GRI 102-11

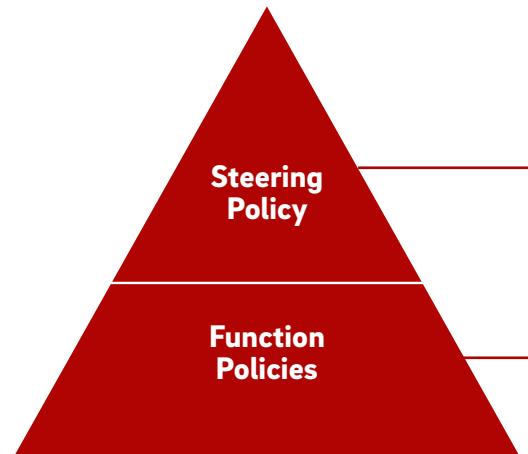
Binding policies and guidelines

Our guidelines and policies define the framework and minimum standards for our business processes. Group policies apply throughout the E.ON Group. This encompasses all entities in which we hold a majority stake as well as projects and partnerships over which we have operational control. We also require our business partners, suppliers, and contractors to meet our minimum standards. Group policies do not automatically apply to our 50:50 joint ventures. However, they do provide guidance for policies that are adjusted to a joint venture's particular circumstances. We divide our policies into two types: people and behaviour, organisation and steering.

People and behaviour



Organisation and steering



The "Management approach" section of each chapter of this report contains information about the sustainability policies and guidelines that are relevant for a chapter's particular topic. The [→ Sustainability Channel on our corporate website](#) contains a list of our People Guidelines and Function Policies that are relevant for sustainability as well as a downloadable copy of our Code of Conduct.

[→ GRI 102-16

We endorse internationally accepted ethical, social, and ecological principles like the United Nations' Global Compact and SDGs and align our company policies and commitments to them. Our [→ Sustainability Channel](#) contains a list of our commitments.

Memberships and initiatives

Sustainable development requires the concerted efforts of many different actors. That's why we work with other companies and with organisations, policymakers, and stakeholders to promote sustainability in Europe and around the world. Below are some of the sustainability initiatives in which we were involved in 2021.

[→GRI 102-12]

UN Global Compact
(since 2005)

The UN Global Compact (UNG) is the largest initiative worldwide for sustainable corporate governance. We support its ten principles and actively engage as a UNGC participant at the global and national level, such as in the German Global Compact.

econsense – Forum for Sustainable Development of German Business
(since 2000)

Founded in 2000, this network of 39 Germany-based multinational companies is dedicated to promoting sustainability in the companies' operational practices, corporate strategy, and supply chain. It serves as a forum for sharing knowledge and agreeing on shared positions on sustainability issues. econsense then actively communicates these positions in public discussions. We've participated in a variety of econsense working groups focusing on issues such as sustainability in the supply chain, climate and environmental protection, and sustainability performance metrics.

World Energy Council
(WEC)
(since 2006)

The WEC is involved in efforts worldwide to promote an affordable, reliable, and environmentally friendly energy supply. Its members include governments, public agencies, corporations, academic and research institutions, and non-governmental organisations. E.ON CEO Leonhard Birnbaum currently heads the WEC's European arm.

EU Platform on Sustainable Finance
(since 2020)

The Platform on Sustainable Finance brings together experts from the private and public sector and assists the European Commission in developing the EU Taxonomy and, more generally, sustainable finance policies. E.ON CFO Marc Spieker, who has deep expertise in sustainable finance, was appointed the platform in 2021.

European CEO Alliance
(since 2020)

The European CEO Alliance consists of 12 top executives from the energy, transport, and technology sectors whose shared objective is to make the EU the global leader in climate protection while unlocking investments, spurring innovation, and creating secure jobs. E.ON CEO Leonhard Birnbaum is a member. In 2021 the alliance published a position paper that formulated ambitious proposals for reaching its shared objectives and supporting the EU Green Deal.

National Hydrogen Council
(since 2020)

Germany's National Hydrogen Council, which consists of 25 experts, advises the federal government on the implementation of the national hydrogen strategy the government adopted in 2020. The strategy proposes a roadmap for Germany to establish the infrastructure to produce, transport, and use hydrogen. Katharina Reiche, CEO of E.ON subsidiary Westenergie, was appointed chairperson of the council in 2020.

European Clean Hydrogen Alliance
(since 2020)

The alliance's 200 members come from industry, policymaking, and civil society. They share a commitment to establishing a European hydrogen economy by 2030. The alliance advises the European Commission on the implementation of the EU's hydrogen strategy. E.ON is represented on the alliance by CEO Leonhard Birnbaum.

LEAF Coalition
(since 2021)

LEAF stands for Lowering Emissions by Accelerating Forest finance and the organisation aims to raise more than \$1 billion in funding to support countries with tropical rainforests and subtropical rainforest in taking decisive action to prevent their loss. E.ON joined LEAF to offset emissions the company is currently unable to avoid.

United Nations Environment Programme (UNEP)
(since 2021)

Founded in 1972, UNEP promotes environmental protection and sustainable development. E.ON partnered with UNEP in 2021 to develop a digital platform called #GenerationRestoration and thus help build a global community for ecosystem conservation.

The →Stakeholder engagement chapter of this report lists a number of other industry networks and trade associations of which we're a member.

Ratings and rankings

Numerous sustainability ratings and rankings have for years given E.ON high marks. The →Sustainability Channel on [eon.com](#) presents the most relevant and the most recent results.



GRI 205:
Anti-corruption
2016

Comprehensive compliance and anticorruption

The goal of compliance at E.ON is to prevent, detect, and respond to corporate misconduct. It is therefore our responsibility never to deceive, lie to, or otherwise deliberately harm our customers, business partners, or other stakeholders. Strict compliance with laws is essential to retain stakeholders' trust and thus our licence to operate. Having an organisational culture that embraces integrity and compliance is therefore essential for E.ON. By contrast, negligence – or worse, deliberate violations – not only could lead to fines but also could potentially harm our reputation. Corruption is unacceptable for another reason as well: it leads to decisions being taken for the wrong reasons. It can thus impede progress and innovation, distort competition, and do lasting damage to E.ON and its stakeholders. Anyone at our company guilty of corruption may be subject to fines and criminal prosecution. If violations occur, we deal with them transparently and, if necessary, take disciplinary action. Our approach to compliance and anti-corruption is applicable group-wide and extends to our suppliers. Information on compliance notices can be found in the "Progress and measures" section.

[→ GRI 103-1 , → GRI 102-11]

Our approach

We are committed to combating corruption in all its manifestations and support national and international efforts directed against it. We also reject it as a UN Global Compact participant. The E.ON Management Board has the ultimate responsibility for ensuring that E.ON conducts its business legally and at all times refrains from criminal practices in achieving its business objectives. For this purpose, it has established a group-wide compliance function whose task is to prevent, detect, and respond to corporate misconduct.

E.ON has in place a compliance management system (CMS) to mitigate the risk of compliance violations. The CMS is based on a number of widely recognised practices, including the promotion of a compliance culture. This includes an active commitment to compliance targets, the identification and analysis of compliance risks, the design of a risk-adequate compliance programme as well as a compliance organisation, and other practices.

[→GRI 103-2 , →GRI 102-11]

Organisation and responsibilities

Pursuant to a group-wide Compliance Function Policy, the Chief Compliance Officer (CCO), the Group Compliance team, and the business units' Compliance Officers are responsible for refining and optimising the CMS on a continual basis. The CCO reports on a quarterly basis to the E.ON Management Board and to the Supervisory Board's Audit and Risk Committee on the status of the CMS's effectiveness and current developments and incidents. In the event of serious incidents, the Management Board and the Audit and Risk Committee are informed immediately. The same applies to important new laws. Potential violations are investigated centrally by Group Audit and Group Compliance.

[→GRI 103-2 , →GRI 102-11]

Guidelines and policies

Both our Supplier Code and our Code of Conduct (both of which are available in the languages of all countries in which we operate) focus on our guiding principle, "Doing the right thing." They provide easy-to-understand guidance for all areas that are of particular concern to us. These include human rights, anti-corruption, fair competition, and compliant relationships with business partners. The Code of Conduct also contains an integrity test that employees can use to check whether their assessment of a situation is in compliance with E.ON principles and values. Every employee in the E.ON Group is obliged to act in accordance with the Code of Conduct's rules and regulations. The Code is therefore part of our employees' duties under their employment contract. It is supplemented by ten group-wide People Guidelines which explain in greater

detail how employees can be sure that they are doing things right. We're proud that in October 2021 Compliance Manager, the quarterly magazine of BCM (a professional association for compliance managers in Germany), gave the E.ON Code of Conduct the highest-possible grade among all DAX companies.

One of the People Guidelines that support our Code of Conduct is the Anti-Corruption People Guideline. It contains a decision-making scheme that uses the familiar green, amber, and red of traffic lights to indicate when accepting or granting offers or gifts is permissible, potentially problematic, or forbidden. Gratuities (including donations and sponsorships) above a certain threshold, which varies by country, must receive Compliance Officer approval. Particularly strict requirements apply to invitations and gifts from public, elected, or government officials and their representatives. The Code of Conduct clearly states E.ON's prohibition against company donations to political parties, political candidates, managers of political offices, or representatives of public agencies.

Our Compliance Function Policy establishes basic compliance structures, roles, and responsibilities.

[→GRI 103-2 , →GRI 102-11 , →GRI 102-16]

Specific actions

In 2021 we continued to make new eLearning courses available to employees group-wide. Since 2010 all employees have been required to complete a Code of Conduct eLearning module on a regular basis. New material was added to the module in 2021, including a statement from our new CEO emphasising the Code's importance. Employees in units without internet access receive this training in an offline format.

New employees must complete a new joiner eLearning module along with the module on the E.ON Code of Conduct. It familiarises them with company rules and whom to contact if they have questions or feel uncertain about a decision. In addition, new line managers receive integrity training that underscores their function as role models in E.ON's compliance culture.

We also use a variety of tools to assess which of our business areas is or could be exposed to the risk of compliance violations. Such compliance risk assessments (CRAs) are conducted on an ongoing basis. CRAs employ various methods, ranging from spreadsheet-style questionnaires to personal interviews with executives. Based on the results, we determine whether and which specific measures need to be taken to amend and refine E.ON's CMS in order to appropriately address any (new) risks identified. In addition, Group Compliance continually engages in dialogue with, and monitors the work of, the units' Compliance Officers and managers.

If employees suspect misconduct or a violation of laws or company policies, they are instructed to report it. For this purpose, they may use – if they prefer, anonymously, internal reporting channels or a group-wide, IT-based state-of-the-art whistle-blower hotline. Not only E.ON employees, but also business partners, their employees, and other third parties can contact the hotline confidentially. Group Compliance forwards the information to the relevant department or unit.

[→GRI 102-17 ]

E.ON subjects potential suppliers to prequalification, which involves checking their integrity to ensure that they meet our compliance standards. It includes searching media reports for references to a supplier in connection with compliance issues such as corruption and checking official sanction and terrorism lists. In some cases, potential suppliers must also complete a questionnaire, which we evaluate carefully. Prequalification is mandatory for all new suppliers. The →Human rights and supplier management chapter provides more information on the supplier onboarding process.

Our Know Your Counterparty (KYC) principle also defines minimum requirements for certain business partners and scenarios, other than suppliers. The KYC check is an IT-supported workflow that helps us verify counterparties' integrity and avoid legal, regulatory, and reputational risks related to compliance issues such as corruption, money-laundering, tax evasion, violation of economic sanctions, and terrorism financing. It is covered in our Know Your Counterparty People Guideline.

[→GRI 103-2 , →GRI 102-11 ]

Goals and performance review

We continually evaluate our compliance performance to ensure our ability to prevent, detect, and respond to corporate misconduct. The effectiveness of our CMS is the main indicator of our compliance performance. All compliance mechanisms – such as policies, processes, controls – are guided and assessed by this criterion. The CMS's effectiveness is also monitored by the E.ON Management Board, the Supervisory Board's Audit and Risk Committee, and Group Audit. The latter, an independent entity, is our third line of defence for monitoring the CMS. The criteria we use for monitoring effectiveness are the seriousness and credibility of our compliance efforts as reflected by, for example, the resources we devote to compliance, its quality, as well as control and monitoring. This includes evaluating our compliance culture and the perception of compliance at E.ON. Special consideration is given to violations that lead to an internal audit. The audit determines whether a violation resulted from negligence or misconduct by an individual or individuals or from shortcomings in the CMS. We use the findings to implement

measures to avoid similar incidents in future. The Management Board and the Audit and Risk Committee are convinced that the CMS was again effective in 2021. Their assessment was based in part on audits as well as surveys and interviews of employees and stakeholders.

Information on our efforts to improve our CMS through collaboration with other stakeholder can be found in the "Progress and measures" section below.

Because our CMS is consistent throughout E.ON, we follow a uniform roadmap that stipulates a minimum standard for compliance measures. The purpose of the roadmap and all preventive measures is to ensure that E.ON is a compliant company. All Compliance Officers must present the status of their unit's compliance roadmap regularly to their board and to Group Compliance. Progress along the compliance roadmap was on schedule in 2021.

In 2021 our annual employee survey included questions about employees' experience when contacting Group Compliance to report, address, and discuss breaches of the Code of Conduct or unethical behaviour, the willingness of Group Compliances to take action against such breaches or behaviour, and the adequacy of the information contained in the group-wide People Guidelines. The feedback indicates that employees generally consider our compliance efforts to be serious and credible.

[→GRI 103-2/3 , →GRI 102-11 ]

Progress and measures in 2021

In 2021 we continued to improve our compliance and anti-corruption practices and to dialogue on good corporate governance inside E.ON and beyond our organisational borders. For instance, we began conducting compliance welcome interviews with new managers and compliance exit interviews with employees who leave the company voluntarily. The interviews foster transparency and trust and help us improve our compliance and anti-corruption efforts.

Collaborating with DICO

Members of our Group Compliance team serve on the boards of a variety of organisations. One example is the German Institute for Compliance (DICO), where we were represented as a board member and deputy chairman of DICO's criminal law working group for the second year running. The mission of this non-profit association is to set standards for compliance, to play a key role in shaping good corporate governance in Germany, and to serve as a network for compliance experts in and outside Germany. In keeping with our strong belief that an effective CMS requires an interdisciplinary approach and an understanding of decision making within organisations, we started a new DICO working group devoted to behavioural compliance and ethics.

Promoting a speak-up and listen-up culture

In 2021 we continued to make use of our eLearning module to foster a speak-up culture in which employees feel encouraged to openly address their concerns related to compliance issues. It reinforces employees' familiarity with our compass for business decisions, poses compliance questions on hypothetical situations, and clarifies when employees should contact a Compliance Officer. To foster a listen-up culture, Compliance Officers group-wide received training to identify potential reasons for, and consequences of, employees remaining silent. In addition, an interview we had conducted with a prominent German whistle-blower was made available to all our employees in Germany. The aim was to reinforce the importance of a speak-up culture.

Digital Rulebook

In January 2021 we released a desktop and mobile app called The Digital Rulebook group-wide. It gives E.ON employees yet another way to resolve uncertainty regarding compliance do's and don'ts swiftly and easily.

Number of compliance notices

	2020 ¹	2019
Fraud	58	57
Conflicts of interest	6	3
Other breaches of internal guidelines	71	47
Total	135	107
<small>¹Former innogy units are included from 1 July 2020 onward.</small>		
	2021 ¹	
Business integrity concerns such as potential illegal activity, violation of law and policy, corruption, antitrust, business partner compliance and/or insider trading on E.ON shares	30	
Fraud against the company concerns such as theft, embezzlement, occupational fraud	16	
HR-related concerns such as conflict of interest, mobbing, sexual harassment, discrimination, unfair employment practices etc.	48	
Any other Code of Conduct related topics	66	
Total	160	

¹Categories were adjusted in 2021 which limits comparability.

In 2021 the number of compliance notices rose from 135 to 160. We adjusted the categories in 2021, which limits comparability. We now divide compliance notices into four categories: business integrity concerns, fraud against the company concerns, HR-related concerns and other concerns related to the Code of Conduct. The resulting investigations found that none of the incidents reported was serious.

Fines for non-compliance

E.ON paid a total of about €7 million in fines for non-compliance with laws in Romania, Slovakia and Hungary in 2021. Nearly all (98 per cent) was for anti-competitive practices in Romania's gas market.

Scientific research to assess the success of anti-corruption measures

In 2021 we started to implement our interdisciplinary project with the Max Weber Institute of Sociology at Heidelberg University, the Max Planck Institute for Human Development in Berlin, and the latter's spin-off, Simply Rational GmbH to foster a behavioural- and evidence-based approach to our compliance programme. The project, which is funded by the KBA-Nota Sys Integrity Fund, is scheduled to run through year-end 2022.



GRI 412:
Human rights
assessment
2016

Promoting respect for human rights along our supply chain

One of the four guiding principles of E.ON's strategy is that "We take sustainability as the guiding principle in business." This principle obliges us to ensure respect for human rights in all aspects of our business, including our supply chain. We therefore expect our suppliers around the world to meet proper standards for ESG performance, including respect for human rights. E.ON procures goods and services almost entirely from countries in the Organisation for Economic Cooperation and Development (OECD). OECD members have shared guiding principles for human rights, fair work practices, environmental protection, and anti-corruption. The small amount of business we do with companies outside the OECD, where a lack of such shared principles may increase the risk of practices or incidents that harm people and the environment, accounts for less than 5 per cent of our purchase volume. We assess our suppliers' ESG performance prior to doing business with them. Moreover, we subject suppliers in higher-risk countries or categories to greater scrutiny. In addition, we comply with the regulatory requirements for transparency along our supply chain, which in many countries are becoming more demanding.

[→ GRI 103-1 , → GRI 102-11]

Our approach

E.ON takes its responsibilities seriously and is therefore committed to doing business in a compliant way, respecting human rights, protecting the environment, and ensuring proper work conditions. We expect our suppliers to share our commitment to high ESG standards and have processes in place to ensure that they do. Engaging in dialogue with our stakeholders and participating in industry initiatives help us to identify potential human rights issues. For example, we belong to econsense, a network of Germany-based multinational companies dedicated to promoting sustainable business development and respect for human rights. We also participate in a working group at the German Compliance Institute DICO focusing on the same objectives.

[→GRI 103-2 , →GRI 102-11]

Organisation and responsibilities

Our CEO Leonhard Birnbaum is also our Chief Sustainability Officer and Chief Human Rights Officer. Staff in the Sustainability and Legal Affairs departments deal with human rights issues, such as changes in legislation. Furthermore, the Group Supply Chain function, in collaboration with the Sustainability department addresses ESG aspects along the supply chain. They inform the Chief Human Rights Officer about current developments and incidents as well as upcoming activities and decisions. Depending on the issue, the Chief Human Rights Officer may also consult our Sustainability Council or the E.ON Management Board.

[→GRI 103-2 , →GRI 102-11]

Guidelines and policies

We've defined standards for compliant behaviours and business practices in a Code of Conduct, which is binding for all our employees. It obliges our employees to contribute to a non-discriminatory and safe work environment and to respect human rights. Our Human Rights Policy Statement was signed by all Management Board members and published on our website. The statement acknowledges the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO) and its fundamental conventions and makes reference to our own policies, such as our Supplier Code of Conduct. In addition, a People Guideline provides guidance to employees so that they procure goods and services in line with our ESG standards. Our standards are based on the ten principles of the United Nations Global Compact (UNGC), the world's largest initiative for responsible corporate governance, which includes respecting human rights. E.ON has been a UNGC participant since 2005. In addition to the UNGC, we endorse the Universal Declaration of Human Rights of the UN and the European Convention for the Protection of Human Rights.

In mid-2020 E.ON introduced a new group-wide training model on compliance, human rights, and cyber and data security. In 2021 we also trained employees in the Supply Chain function on the importance of respecting human rights and on a new human rights due-diligence process. For details, see "Progress and measures in 2021" below.

The E.ON Function Policy on Supply Chain describes the mandate and organisational setup of the Supply Chain function. The mandate encompasses the management of procurement processes, activities, policies, tools, and supplier relationships for all units to which the policy applies. The function performs these tasks in compliance with legal requirements, company policies, as well as HSE and sustainability standards. The function is not responsible for a variety of transactions, including commodity trading, financial, real estate, insurance, and taxes.

The standards for human rights, working conditions, environmental protection, and compliant business practices that we require our suppliers to meet are defined in our Supplier Code of Conduct, which was updated in 2020. It applies to all suppliers. The updated version contains a more detailed description of our CSR requirements, including information about how to contact our whistle-blower hotline. Our supplier on-boarding process (see "Specific actions" below) includes self-registration, formal agreement to adhere to our Supplier Code of Conduct, and a compliance check. Non-fuel suppliers that are not subject to supplier onboarding must agree to our General Terms and Conditions for Purchase Contracts, which are legally binding. These oblige non-fuel suppliers, among other things, to comply with our Supplier Code of Conduct and to endorse the UNGC's principles. In addition, our Supply Chain Handbook defines group-wide principles, processes, and responsibilities for non-fuel procurement excluding the exceptional cases covered under the exception list (such as commodity, financial and real estate transactions, insurance, and taxes) and units to which the policies do not apply. It also ensures that we adopt a structured approach to managing our relationships with suppliers (see "Specific actions" below).

E.ON has issued a Slavery and Human Trafficking Statement annually since 2017. It describes the steps E.ON takes to prevent and combat human rights violations along our supply chain. E.ON publishes it annually in the Sustainability Channel on E.ON's corporate website as well as on our UK website.

The total installed capacity of our biomass-fired assets is 430 MW electric, just over 1,735 MW thermal. We're committed to procuring the fuel for these assets responsibly and sustainably. Suppliers of solid biomass must, like non-fuel suppliers, contractually agree to comply with our Supplier Code of Conduct. In addition, the E.ON Biomass Purchasing Amendment from 2010

defines our policies and procedures, which include risk assessments, supplier audits, and provisions for joint ventures. The amendment is part of all contracts with biomass suppliers. They must pledge to respect human rights, safeguard the general living conditions of persons affected by biomass production, and protect biodiversity and the environment.

[→GRI 103-2 , →GRI 102-11]

Specific actions

Our supplier relationship management (SRM) for non-fuel suppliers has four main facets: supplier onboarding, risk management, evaluation, and development. In view of the Covid-19 pandemic, we took additional steps to ensure a reliable supply chain.

At the end of 2018 we put in place a revised and fully digital supplier onboarding solution that's integrated into our enterprise resource planning (ERP) system. It is used to monitor existing and new suppliers to ensure that they comply with our minimum requirements. This helps us to mitigate potential risks to HSE and corporate social responsibility (CSR), including respect for human rights. Every non-fuel supplier whose individual transaction volume exceeds €25,000 or whose HSE risk is medium or high must complete an online onboarding process. As of year-end 2021, the suppliers involved in 99.5 per cent of the non-fuel purchase orders and call-off contracts at the units had completed the onboarding process. Effective the start of 2021, most former innogy units used this process; effective the start of 2022, all of those with significant procurement expenditures will. New suppliers use the supplier onboarding tool to self-register after being invited to do so by the manager responsible for their respective categories of product or service. They must confirm their adherence to our Supplier Code of Conduct. This includes complying with the conventions of the ILO and endorsing the UN Universal Declaration of Human Rights. Depending on their transaction volume and HSE risk per individual event, suppliers must complete one or more questionnaires. In some cases, we may take additional steps during the supplier onboarding process. These include conducting a supplier audit (to assess, among other issues, whether the supplier complies with our standards for human rights, working conditions, and environmental protection). We may also require a supplier to have in place an environmental management system certified to ISO 14001 or EMAS III and/or a health and safety management system certified to OHSAS 18001 or ISO 45001. Suppliers that participate in tenders as part of a public procurement act do not use the above-described process but instead follow the qualification procedures required under their country's laws.

In the first half of 2021 the Supply Chain function developed a sustainability roadmap for the short to long term. The roadmap, which will be implemented in 2022, is aligned with E.ON's ESG targets and has four elements: environment, diversity, health and safety, and governance.

Two action areas were chosen for the remainder of 2021 and 2022: putting in place an annual human rights due-diligence process for our high-risk suppliers and acquiring the capability to conduct ongoing risk assessments of these suppliers so that we can swiftly identify and mitigate emerging risks. "Progress and measures in 2021" below contains information about how we began addressing these action areas in 2021.

Following the comprehensive assessments conducted since 2018, in 2021 we continued to evaluate our suppliers' performance and, based on the findings, make decisions about our relationship with them. Once a year we determine which of our non-fuel suppliers are key based on the amount we purchase from them, their criticality to our business, and other criteria. We periodically assess them using five KPIs: quality, commercial, delivery, processes and innovation, and CSR; the latter includes the protection of human rights. The respective results are discussed with each supplier during a performance review meeting. The outcome of the meeting may require a supplier to take specific actions to improve its performance in one or more of the KPIs if it wants to continue doing business with us. The number of reviews in 2021 was higher than in 2020. In 2021 we placed greater emphasis on monitoring suppliers' completion of the actions we demanded after the review.

Established in January 2020, our supply chain Corona task force continuously monitors our direct suppliers and their critical suppliers to safeguard procurement from different markets and regions. In mid-2021 we widened the task force's scope to include all supply chain risks. The task force produces a quarterly market report, which it submits to the E.ON Management Board.

Sweden is home to about 80 per cent of our biomass-fired capacity. Since 2014 we've evaluated the CSR performance of our suppliers there using a method developed by E.ON Energiastruktur AB which operates a district heating business in Örebro, Norrköping, and parts of Stockholm and Malmö. In 2021 we piloted a new evaluation process. The first step was to incorporate essential supplier requirements (such as our Supplier Code of Conduct, compliance the EU Renewable Energy Directive II, and so forth) in the contracts, and not, as formerly, in a separate process. We also added a sustainability questionnaire based on the EU Agenda 2030 which suppliers had to complete and submit to us. In addition, we conducted an online sustainability council with our most important suppliers. It served as a forum for discussing key sustainability issues, such as biodiversity and fossil-free transport. The pilot encompassed five suppliers that together provide more than 30 per cent of the biomass we consume in Sweden. Furthermore, all new contracts contain the new, stricter requirements.

[→GRI 103-2 , →GRI 102-11]

Goals and performance review

Our goal is to avoid human rights abuses, environmental damage, and corporate malfeasance by identifying the associated risks along our value chain from a holistic viewpoint. Our onboard-assessments help us to do business exclusively with suppliers committed to our standards. A new KPI was added to supply chain reporting at the start of 2020. It shows the suppliers we're monitoring more closely. Periodic risk assessments enable us to identify violations or suspected violations. In such cases, the Supply Chain Compliance Officer and the respective Supply Chain Director are notified, and a process (including close monitoring of the specific actions we require the supplier to take) is set in motion without delay to improve the situation. If the situation does not improve, E.ON terminates its business dealings with the supplier. No business dealings were terminated in 2021.

If our employees are aware of or suspect misconduct or violations of laws or regulations, including those protecting human rights, they're instructed to report this information without delay. They may talk to their supervisor or their unit's Compliance Officer. If they wish to remain anonymous, they may call a group-wide IT-based whistle-blower hotline. At E.ON, Group Compliance is responsible for maintaining the hotline. It forwards the information to the relevant department or unit. Our business partners, their employees, and other third parties can contact this hotline confidentially as well. The hotline number is published online and in our Supplier Code of Conduct. The hotline can process calls in the languages of all countries in which E.ON operates. Depending on the nature and severity of the potential violation, Group Compliance may report it immediately to the E.ON Management Board, notify law enforcement, initiate its own investigation, or take other appropriate action. In 2021 two possible human rights violations were reported through the whistle-blower hotline. The investigation found that in both cases the allegations were not linked to E.ON or to its supplier and in fact were made against companies with which E.ON has no business relationship.

[→GRI 103-2/3 , →GRI 102-11]

Progress and measures in 2021

In 2021 we continued to refine our approach to human rights and supplier management, both digitally and in person.

Human rights due diligence

We implemented our human rights due diligence process in mid-2021. It consists of a human rights risk matrix that we developed together with outside human rights experts. The risks of the different categories of goods and services we procure are plotted on one axis; the risks of the countries in which suppliers operate are plotted on the other. The risks of individual countries are based on the findings of eight human rights studies, such as the International Trade Union Confederation ("ITUC") Global Rights Index and the United Nations Development Programme ("UNDP") Human Development Report. The matrix covers the categories that account for more than 80 per cent of our annual spend. In 2021 a total of 304 new and existing suppliers completed the human rights due diligence process. Potentially risky suppliers first had to pass additional checks, such as a more detailed questionnaire or audit, and agree to make improvements and provide evidence of their implementation. Although many of our high-risk suppliers have successfully completed the human rights due diligence process, we acknowledge that the complexity of international supply chains represents an underlying challenge for transparency. We therefore also engage in industry initiatives to develop industry-specific standards for improving transparency in supply chains.

Ongoing supplier risk assessment

In the third quarter of 2021 we began testing a tool that gives us the capability of conducting ongoing supplier risk assessment in five categories of risk: financial, market, sustainability, compliance, and performance. The test encompassed 32 suppliers that together account for 9 per cent of our annual spend. We intend to adopt this tool group-wide in 2022, thereby substantially enhancing our ability to manage risks, including human rights and other sustainability risks.

Assessing non-fuel suppliers

In 2020 we scrutinised our non-fuel suppliers to identify those with a large carbon footprint and explored ways to encourage their decarbonisation. Unfortunately, we were not able to enlarge the scope of the assessment and conduct a more in-depth analysis of non-fuel suppliers' climate performance as originally planned in 2020. The project will continue in 2022.

Human rights training

We continually improve our eLearning tools for employees, such as the module on human rights as well as cyber and data security that we introduced in mid-2021. About 80 per cent of employees had completed the module by year-end 2021.

In addition, we trained more than 430 of Supply Chain's employees on the importance of respecting human rights along our supply chain and on the aforementioned human rights risk matrix. After this training, we conducted periodic FAQ sessions to answer any follow-up questions about using the matrix.

We also conducted two sustainability training sessions for 53 of Supply Chain's employees. The sessions highlighted the tangible positive impact of a sustainable supply chain and how every buying decision can add to it.

HSE events

We doubled the number of HSE events with contractors, from six in 2020 to 13 in 2021. Amid the Covid-19 pandemic, most events were conducted online. For example, Avacon, an E.ON distribution system operator (DSO) in northern Germany, held three online forums in which representatives of Avacon, Group Supply Chain, and a number of contractors discussed networks of the future, occupational safety culture, the professional of tomorrow, and other topics. In addition, Schleswig-Holstein Netz, another E.ON DSO in northern Germany, conducted three in-person HSE events for contractors.

Non-Core Business: uranium procurement

The nuclear power plants operated by our subsidiary PreussenElektra will stop producing electricity by year-end 2022. They all have sufficient fuel to operate until this date. Consequently, PreussenElektra stopped procuring uranium in 2020.

Dialogue with stakeholders for a successful – and equitable – energy transition

E.ON's long-term success depends to a large degree on understanding and addressing stakeholders' expectations. Equally important is helping our customers, our employees, policymakers, and other stakeholders to understand how our business activities propel the energy transition. This dialogue enhances our ability to earn stakeholders' trust and maintain our good reputation. Moreover, it helps us identify stakeholders' concerns early and, to the degree possible, factor them into our business decisions and planning.

Our discussions with policymakers are important for us as well: to make large, long-term investments in energy infrastructure and solutions, we need a stable policy and regulatory framework. This framework should support the energy transition, in particular the integration and use of renewables and other efficient, climate-friendly technologies. In some cases, this will require amendments to the existing framework. We believe these amendments are essential for the energy transition's success, to which our business is entirely committed. The energy transition enjoys broad public support in many European countries. Nevertheless, transparent and constructive discussion is still necessary to achieve a reasonable balance between ambitious climate protection and the interests of stakeholders adversely affected by it.

[→ GRI 103-1]

Our approach

We continually seek opportunities to dialogue with our stakeholders, understand their viewpoints, and talk to them transparently about our business. It's part of our daily work at the local, national, and European level. Stakeholder management is a core process of our corporate governance. We take into account the short- and long-term impacts our business has on stakeholders. The types of dialogue we choose vary by stakeholder and issue. They range from information campaigns and discussion forums with trade associations and NGOs to face-to-face discussions and public advocacy. For example, we actively engage with → CDP, participate in other climate-protection initiatives like the → CEO letter on the EU's GHG targets for 2030, and share information with initiatives like → Right based on science, a Frankfurt-based climate protection start-up. We're also active in cross-sectoral initiatives, such as → Wirtschaft macht Klimaschutz, a dialogue forum created in 2017 by the German Federal

Ministry for Environment, Nature Conservation, and Nuclear Safety. Its purpose is to facilitate collaboration among German companies in tackling climate change.

We actively participate in the policy debates on the issues that affect us. We do this through lobbying, media interviews with our executives, and their appearances as public speakers. In addition, policymakers and regulators frequently invite us to provide our technical and energy expertise as part of their decision-making processes. We also offer our expertise voluntarily. These types of advocacy are important because the energy sector is significantly influenced by policy and regulatory decisions. We take part in discussions on energy, environmental, and climate policy in a variety of other forums as well. For example, we're a member of the steering committee of Agora, a German think tank. Agora brings together policymakers, energy industry leaders, and renowned researchers to discuss issues relating to the energy transition. In addition, we support a variety of initiatives, such

as →[the Corporate Leaders Groups](#), →[Green Recovery Alliance](#), and →[the Stiftung 2°](#), a foundation dedicated to climate protection.

All of our lobbying activities and dialogue formats comply with national and European laws and guidelines for the representation of corporate interests and responsible lobbying.

A stakeholder is anyone who has an interest in our company. Below is an overview of our main stakeholders, their significance for us, and their expectations of us.

[→GRI 102-42/43, →GRI 103-2]

Organisation and responsibilities

Corporate Functions defines our position and talking points on issues that affect the E.ON Group as a whole. It also establishes the framework for our activities to engage stakeholders. The Corporate Communications & Political Affairs division at Corporate Functions is responsible for our communications with policymakers in Brussels and Berlin. Our regional units, which are best able to assess the needs and conditions in their sales or service territory, conduct our stakeholder dialogue on the local and regional level. Corporate Functions provides advice on the design and implementation of stakeholder engagement projects. Depending on the topic, these projects may involve a variety of divisions and departments. In addition, our distribution system operators and some of our customer-solutions businesses have employees whose role is to engage in dialogue with the municipalities in their service or sales territory.

[→GRI 103-2]

Guidelines and policies

Our Communications & Political Affairs Policy includes guidance for group stakeholder management. It defines the principles, roles, and tasks of our stakeholder management, which includes sustainability management. It applies to our relations with all stakeholder groups inside and outside E.ON with the exception of the capital market, which is served by our Investor Relations department. In addition, our Code of Conduct contains a chapter entitled, "Creating sustainable relationships," which defines our ethical standards for donations and sponsorships and for anti-corruption. The Code categorically rules out donations to political parties, political office-holders, and candidates for such offices.

Stakeholder groups [→GRI 102-40/44]

Significance	Stakeholder	Expectations
Our customers' purchasing decisions determine our success.	Customers	<ul style="list-style-type: none"> • A secure energy supply at reasonable prices • An active role in propelling the energy transformation in Europe • Support for self-organisation and energy efficiency
Our employees' performance is crucial to our success.	Employees	<ul style="list-style-type: none"> • A safe, interesting, and inclusive work environment • Fair pay and equal opportunity
Our investors' capital is essential for the successful development of our company.	Shareholders and investors	<ul style="list-style-type: none"> • Transparent information about how we manage chances and risks • Information about our potential value growth
We procure the services of numerous suppliers and subcontractors.	Suppliers and business partners	<ul style="list-style-type: none"> • Fair terms and conditions • Mutually beneficial collaboration
The transformation of Europe's energy system can succeed only, if it is actively shaped and supported by people as consumers and citizens.	Regions and communities	<ul style="list-style-type: none"> • Transparency about planned measures • Active participation at the municipal level
Our business activities are strongly influenced by social needs and developments and the political decisions based on them.	Policymakers, media, society, and the general public	<ul style="list-style-type: none"> • Transparent decision-making, fair treatment of customers, and innovative, forward-looking customer solutions • A reliable, economical, and environmentally friendly energy supply • Compliance with laws and regulations
We see universities and social institutions as important partners. Non-governmental organisations provide us with valuable information on public expectations.	Non-governmental organisations and sustainability experts	<ul style="list-style-type: none"> • Transparency • Accountability

We've been registered in the EU Transparency Register since 2011. The register contains a list of the organisations and individuals who engage in lobbying at EU institutions as well as the annual financial budget of each organisation. It also includes a code of conduct defining principles for ethical and transparent lobbying. By registering we pledge to abide by this code.

[→GRI 103-2]

Specific actions

We conduct numerous dialogue forums and information events at the regional level as well. For example, the board members of our regional companies in Germany meet annually with municipal shareholders and/or representatives to discuss grid expansion, landscape preservation, the latest advances in smart grids, and other issues. We take the viewpoints, interests, and concerns of the people who live near our assets very seriously. Their feedback helps us to ensure a reliable energy supply and promote the energy transition while having the least-possible impact on people, communities, and the environment. In addition, we periodically invite outside stakeholders to attend meetings of our Sustainability Council in order to hear what they think about our sustainability activities.

We engage individual stakeholder groups in different ways. For example, we use periodic corporate governance road shows held in Europe's major financial centres to meet face-to-face with investors and analysts to discuss corporate governance, climate protection, and other sustainability issues. We engage our employees in a wide variety of formats and programmes. We also use social media. Our tweets and Facebook posts reach policymakers, the media, trade associations, academic institutions, and members of the general public across Europe and around the world. We have a total of over 800,000 followers on the two group channels, a number that has grown steadily over time. We also have Instagram, YouTube, and LinkedIn accounts. Altogether, E.ON has more than 1 million followers on its social media channels.

E.ON is a member of a variety of industry networks and trade associations in individual countries and at the European level. They provide a useful forum for sharing information about climate protection, customer needs, and industry trends and for representing shared interests to policymakers and regulators. Examples of our memberships include:

- **German Federal Association of Energy and Water Industries (BDEW)**: through the BDEW we're also represented in two European trade associations, Eurelectric and Eurogas.
- **German Industry Initiative for Energy Efficiency** (Deutsche Unternehmensinitiative Energieeffizienz, or DENEFF): a multi-industry network of companies and organisations dedicated to enhancing energy efficiency.
- **Bitkom**: an industry initiative for the digital economy that we joined in October 2018; through it we're also represented in the **Federal Association of German Industry** (Bundesverband der Deutschen Industrie) and its European umbrella organisation, **BusinessEurope**.
- E.ON executives have sat on the Economic Councils of both the **CDU** and **SPD**, two of Germany's major political parties.
- **Smart Energy Demand Coalition (SEDC)** and **European Distribution System Operators for Smart Grids (EDSO for Smart Grids)**: European associations promoting smart grids and the digitalisation of the energy sector.
- **Energy UK**: a British trade association for energy.
- **Swedenergy**: a private association of companies involved in electricity production, sale, and trading in Sweden.
- **Romanian Federation of Associations of Energy Utilities**: a federation of energy suppliers in Romania.

[→GRI 103-2; →GRI 102-13]

Progress and measures in 2021

Due to the ongoing Covid-19 pandemic, most interactions with stakeholders took place virtually. All events that took place in person complied fully with all pandemic-related restrictions.

Avacon Municipal Utilities Dialogue

Avacon, an E.ON energy supplier in north-central Germany, held a Municipal Utilities Dialogue in October 2021. The purpose of the event was to deepen trust and collaboration with the many municipal utilities located within Avacon's grid territory. Natural gas infrastructure was a key topic of discussion, especially with regard to making it hydrogen-ready so that it can be part of Europe's future hydrogen economy. Avacon also presented how it's embracing the digital working world, including the new hybrid offices at its headquarters in Helmstedt.

German-Polish Energy Conference

The grids of E.DIS Netz, an E.ON distribution system operator (DSO) in eastern Germany, extend in places to the Polish border. It's therefore hardly surprising that E.DIS representatives joined more than 200 other participants at the German-Polish Energy Conference in August 2021. Presenters at the one-day event, which was held in Szczecin in northwest Poland just a few kilometres from the German border, showcased hydrogen, wind, and solar projects being conducted along the German-Polish border as part of the European Green Deal. E.DIS presented Moew.e (Mobile energy with E.DIS), a mobile battery solution designed to enhance grid stability.

LEW Climate in Dialogue

In September 2021 LEW Lechwerke, an E.ON subsidiary in south-central Germany, commemorated its 120th anniversary in part by holding Climate in Dialogue, a one-day conference on the transition to a greener energy world. The event brought 100 guests to the company's headquarters in Augsburg. They included local politicians and business leaders as well as representatives of civil society organisations, journalists, and residents of Augsburg and the surrounding areas. Dr. Veronika Grimm, a professor of economic theory at Erlangen-Nuremberg University, gave the keynote speech on ways to achieve climate neutrality.

Municipal dialogues

In 2021 E.ON resumed, after a pandemic-induced hiatus in 2020, the annual dialogues with municipalities in its DSOs' service territories. The events serve as a forum at which our municipal stakeholders – mayors, district council members, and works council chairpersons – can learn more about the latest grid developments in their area, ask questions, and voice their

concerns. Presentations by E.ON Management Board members Thomas König and Victoria Ossadnik focused on sustainability, digitalization, and cybersecurity as well as the importance of resilient networks. The latter was of particular relevance in 2021 in view of heavy flooding in July in the grid territory of Westnetz, an E.ON DSO in western Germany.

E.ON Innovation Days

In early October 2021 we held our annual E.ON Energy Innovation Days, Europe's biggest event devoted to energy and innovation. For three days, about 10,000 people worldwide gathered in E.ON's virtual community, Republic of Innovators, to participate in 33 sessions and listen to 83 speakers discuss innovation in the three key areas of the energy transition: electrification, connectivity, and digitalization. The speakers included E.ON CEO Leonhard Birnbaum and Frederik G. Pferdt, Chief Innovation Evangelist at Google.

European Sustainable Development Week

E.ON again observed European Sustainable Development Week (ESDW, 20 to 24 September 2021) by conducting a series of events to reinforce employees' awareness of, and engagement in, sustainability. The focus topic in 2021 was biodiversity. E.ON already promotes biodiversity in many ways. One is by taking an ecological approach to planning and managing 8,000 hectares of vegetation under and near our high-voltage power-line pathways in Germany, an approach that will now be extended to all our service territories in Europe. By 2029, we intend to put in place specific vegetation-management plans for each hectare of woodlands. As part of ESDW, Management Board members Leonhard Birnbaum and Thomas König joined biologist and renowned nature photographer Chris Kaula for a bicycle tour of some of the ecologically managed pathways. The board members' social media posts on the experience reached as many as 4 million outside stakeholders.

Position paper on 2021 German elections

E.ON published a position paper prior to Germany's federal elections in September 2021. We pointed out that the new German government will be the last to have a significant influence on the country's ability to meet its climate targets for 2030. We therefore urged it to shift immediately into implementation mode and draft essential climate-protection legislation in its first hundred days. For example, Germany needs a regulatory framework that promotes investment in energy infrastructure to keep the energy supply reliable and that accelerates the deployment of smart meters and other digital solutions to manage fluctuations in renewables output. In addition, the approval process for network expansion needs to be shorter so that network capacity can keep pace with renewables growth. We believe that the energy transition must be fair and thus that electricity must remain affordable. Consequently, we also urged the new

government to reduce electricity taxes to the EU minimum, adopt a market-based approach to renewables and make subsidies the exception rather than the rule. Hydrogen will play a key role in enabling hard-to-decarbonize sectors like steel and chemicals to become climate-friendlier. We therefore pointed out that Germany needs to invest in production capacity for hydrogen and other green gases.

Donations for flood victims in Germany

Heavy flooding in mid-2021 in western Germany and neighboring countries caused enormous damage, including in the service territory of E.ON DSO Westnetz. Our technicians worked tirelessly to restore power as swiftly as possible. Other E.ON employees wanted to help too. So we set up a website at which our employees could make a donation. The campaign raised a total of just under €33,000, which was donated to the German Red Cross.

Non-Core Business: stakeholder dialogue on reliable operation and plant dismantling

Our subsidiary PreussenElektra is responsible for the safe and reliable operation and dismantling of our nuclear power plants (NPPs). Ongoing dialogue with stakeholders is essential. We communicate with a broad range of stakeholders through press releases and briefings as well as events and forums that provide the opportunity to dialogue directly with stakeholders and to benefit from their feedback. The aim of all these measures is to provide transparent information and build trust.

Dialogue remains important as we decommission and dismantle our assets. In 2021 we were again able to hold in-person events, such as media events at Isar, Grafenrheinfeld, Grohnde, and Unterweser NPPs. In the fall of 2021 we also conducted forums for our most important local stakeholders. The dialogue group for residents near Brokdorf NPP, created in 2019, continued in 2021. The group meets periodically and serves as a forum in which we can respond to residents' questions and concerns regarding Brokdorf's decommissioning. In addition, PEL is a member of the commission regarding the dismantling of Grohnde NPP that was established by the Hameln-Pyrmont district government in October 2020. In May 2021 the Grohnde dialogue group visited Würgassen NPP, which has already been decommissioned and largely dismantled. All of these events complied fully with the respective Covid-19 rules.

We also interacted frequently with media representatives and other stakeholders, particularly in conjunction with the closure of Grohnde and Brokdorf NPPs. In addition, we increased the information offerings our website. Examples include time-lapse videos of NPP dismantling.

Making our communities better places to live

E.ON is part of the countries and communities where it does business. We therefore have a responsibility to make a tangible contribution to their prosperity, economic development, sustainability, and quality of life. We do this in the first instance by creating jobs and by offering energy solutions that enhance our customers' sustainability and comfort. In addition, we engage in community involvement and support employee volunteering in all the countries where we operate.

Our unit representatives know their country's needs and challenges best. So we let them decide which projects and organisations to support. We believe that this approach gives our community involvement activities a greater societal impact.

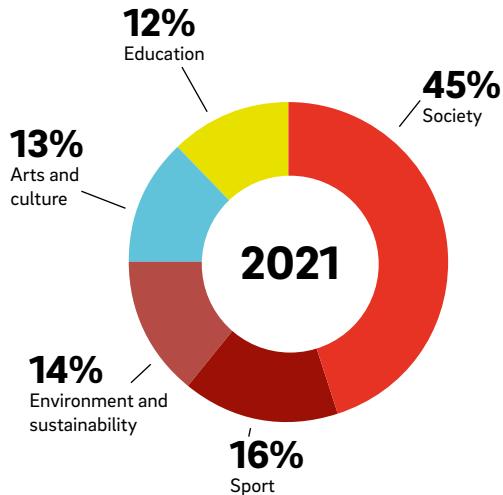
In 2021 we designed a new strategic approach for community involvement. It consists of a mission statement and guidelines for donations, social sponsoring, and volunteering. We also decided to re-allocate the central governance of corporate citizenship within Corporate

Functions to align E.ON's activities with those from the regional units and the E.ON Foundation. The purpose is to sharpen our corporate citizenship profile, give greater focus to our community involvement activities at Corporate Functions and the regional units, and thus to maximize our societal impact. The new approach is expected to be implemented in the second quarter of 2022.

Our community investments in 2021

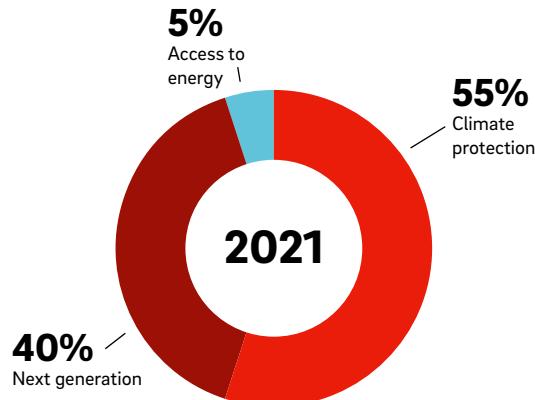
We report our corporate giving by the categories listed below.

Corporate giving by categories



Alongside corporate giving, we make strategic investments in community involvement, which are typically more long-term in nature. In 2021, our strategic investments went toward three focus areas: climate protection, access to energy, and educational support for the next generation.

Strategic community involvement



Together, our corporate giving and strategic community involvement amounted to around €12 million in 2021 (2020: €11 million).

E.ON Foundation

The E.ON Foundation aims to promote a sustainable transformation of the energy system that reflects people's preferences. Guided by the conviction that a purely government-mandated, over-regulated energy transition won't succeed, it supports projects, events, and practical formats (labs) relating to energy and society. In 2021 the foundation made about €94,000 in donations and provided slightly more than €1.6 million in funding to the projects it supports. Because the foundation is independent, this funding isn't included in E.ON's community investments.

Corporate volunteering

In 2021, our employees were again actively involved in non-profit projects in all of the countries in which we operate. In total, 1,036 E.ON employees performed 8,506 hours of volunteer work in 2021. Because of the Covid-19 pandemic, many volunteering activities had to be suspended to protect the health of our employees and the people they serve.

Conducting best-practice tax management

E.ON views good corporate governance as essential for responsible and value-oriented management. This also includes having a transparent tax strategy. E.ON's tax strategy and corporate strategy are closely aligned. We aim to manage our taxes sustainably in order to help ensure that our business can continue to invest, to operate flexibly and efficiently, and to provide attractive dividends to our shareholders. Our tax strategy is therefore designed to be fully compliant with tax law and to ensure efficient, responsible, transparent, and accurate management of E.ON's taxation for the Group as a whole as well as in individual tax jurisdictions.

Our approach

E.ON is aware that taxes, which fund public services, are a crucial issue for governments and authorities at all levels. E.ON thus optimises its overall tax position prudently. It aims for full tax compliance and supports all national and international tax legislation and standards. E.ON also has in place policies and procedures to prevent tax evasion. This includes employees' obligation to report any suspicions or concerns to their supervisor, Group Tax, their unit's Tax function, Group Compliance, or a whistle-blower hotline; if they wish, they may do so anonymously (for more information about the hotline, see the →Compliance and anti-corruption chapter).

Organisation and responsibilities

The E.ON Management Board has overall responsibility for the group's corporate strategy, of which the tax strategy is an integral part. It has delegated the responsibility for the Group Tax function to the Senior Vice President (SVP) Group Tax, who reports directly to the CFO. The heads of the Tax functions in Germany and other countries report directly to Group Tax as well as to their unit's management board. Furthermore, E.ON SE has appointed a Tax Compliance Officer (TCO), whose role is to ensure that the existing tax compliance management system is effective and efficient. The TCO reports directly to the SVP Group Tax. Additionally, local tax compliance management systems were established at the sub-group level.

The SVP Group Tax defines E.ON's tax principles and is responsible for ensuring that these principles and concomitant procedures are in place, maintained, and complied with group-wide. The E.ON Supervisory Board's Audit and Risk Committee closely monitors E.ON's tax-related issues and risks. Furthermore, financial tax risks are reported to the Risk and Valuation division, which reviews and scrutinises these risks from a group perspective and compiles reports on the E.ON Group's consolidated risk assessment. The Tax function disseminates guidelines and policies to ensure tax compliance including related tasks, processes, and responsibilities. E.ON has in place tax compliance management systems according to IDW audit standard PS 980 at its major operations in Germany. The systems' purpose is to identify and classify all material tax risks and to map the findings in a detailed risk control matrix (RCM). The RCMs are continually updated and maintained.

Guidelines and policies

E.ON's Tax function actively and continuously identifies, assesses, monitors, and manages tax risks to make sure that they remain in line with our overall business and strategic objectives. To achieve this and to ensure appropriate responses, E.ON has in place a governance framework, which includes a Tax Function Policy. The framework and policy were approved by the E.ON

Management Board and are mandatory for all group companies. They are embedded into E.ON's overall compliance management system and supplemented by substantial risk control management procedures, continuous self-assessment as well as regular internal and external audits. In this context, Group Tax also formulated a tax strategy as a fundamental principle for the E.ON Function Policy Tax.

To avoid tax evasion and profit shifting, E.ON has issued a mandatory Transfer Pricing Policy to ensure that intra-group transactions are conducted in accordance with the arm's-length principle. Group Tax is responsible for monitoring adherence to this principle and is involved in all major intra-group transactions. It does this through various means, including regular meetings with relevant stakeholders and fixed transfer pricing processes. In addition, participants from relevant business units and functions from a variety of tax jurisdictions meet at least once a year to align these transactions. Transfer pricing processes are monitored continually.

Specific actions

E.ON's Tax function takes a variety of steps to stay on top of new developments. Teams and managers hold meetings at various intervals (weekly, biweekly, or monthly) to discuss emerging tax issues. Our tax experts also meet at slightly longer intervals (monthly, quarterly, or annually) to discuss country-specific and international tax issues. These meetings, which are held in person and by means of virtual presence technology, foster ongoing collaboration and coordination between Group Tax and the units' Tax functions. In addition, Tax teams and managers also receive in-house training. Technology plays a role, too. For example, we aim to continuously improve our processes, particularly by implementing and using digital solutions that ensure tax compliance while enhancing efficiency. Our digital solutions include an integrated toolset that calculates income taxes for quarterly and year-end closings and for tax filings. These standard tax tools are updated on regular basis to reflect changes in tax laws and thus to remain compliant at all times and also to be simple, more efficient, and more reliable. Where reasonable, we implement software interfaces to ensure data integrity and to minimise the risk of manual errors.

If employees suspect misconduct or a violation of laws or company policies, they are obliged to report it immediately. They can do so by email, by telephone, in person, or anonymously by means of the aforementioned whistle-blower hotline.

E.ON employees participate in a variety of working groups and committees of trade associations, such as the BDI, BDEW, and Chambers of Commerce and thus actively contribute to the debate on emerging tax legislation.

Goals and performance review

E.ON and its Tax function place great emphasis on maintaining transparent and mutual communications with the tax authorities in the countries where it does business. We prepare and file all required tax returns and pay the correct amount of tax on time. When necessary, we seek advice from experts to clarify uncertainties. E.ON discusses binding tax rulings or advance pricing agreements (APAs) with tax authorities where possible, convenient, and of general or economic importance to E.ON.

E.ON partners with external tax experts that help it to supervise company audits and to prepare tax returns and declarations as well as tax payments. The co-operation with external partners is based on open, mutually trustful communications and feedback. Each partner performs its own independent quality assurance, which, in the aggregate, leads to adequate quality checks. We constantly aim for certainty in our tax positions and, where appropriate, obtain internal or external advice to verify and validate our positions. In case our assessment does not match that of the tax authorities, we communicate the divergent opinion openly in order to prevent misunderstandings.

Appendix

About this report

E.ON has published a Sustainability Report annually since 2004 and exclusively online since 2008. The 2021 report is our first to be published online in both a pdf and interactive version. This is the fourth E.ON Sustainability Report to be available in English only. It was published on 16 March 2022, the same date as the 2021 Annual Report. The reporting period is the 2021 calendar year. As a rule, the editorial deadline was 31 December 2021; however, there is some commentary on events from the first quarter of 2022. You can download the pdf version of this report from the → [Sustainability Channel](#) at [eon.com](#). The interactive online report has its own → [webpage](#). The previous report was published in March 2021. You can find it and older reports in the Sustainability Channel's archive.

[→ [GRI 102-50/51/52](#)

This report focuses primarily on sustainability topics that are material to us and our stakeholders. Each year we update our → [materiality analysis](#) to identify these topics. The report covers our two core businesses: energy networks and customer solutions. It also provides information about our nuclear power business in Germany, which is operated by our subsidiary PreussenElektra and is not a strategic business; these disclosures are therefore marked Non-Core Business.

Standards and compliance

Our reporting has been guided by the standards of the → [Global Reporting Initiative \(GRI\)](#) since 2005. This report was prepared in accordance with the current version of the guidelines, the GRI Sustainability Reporting Standards (GRI SRS) 2016. It also includes the sector-specific disclosures of the GRI Electric Utilities Sector Disclosures 2013. This report has been prepared in accordance with the GRI Standards: Core option. Sections of this report that fulfil a GRI standard are followed by square brackets containing the corresponding standard, like at the end of the first paragraph above. This report meets the reporting requirements of the → [German Sustainability Code](#) and serves as our progress report for the → [United Nations Global Compact](#).

In addition to this report, we published a Separate Combined Non-financial Report in mid-March 2021, which complies with the reporting requirements of the German CSR Directive Implementation Act (Section 315b, 315c in conjunction with Sections 289b to 289e of the German Commercial Code ("HGB")) and is included in → [our 2021 Annual Report](#).

Structure

The introductory chapter of this report provides general information about E.ON, our sustainability strategy and organisation, and our materiality analysis. The four main chapters describe the different areas in which we have an impact on sustainable development: "Business areas," "Environment," "Social," and "Governance." The appendix contains this report profile as well as condensed information about our KPIs, GRI standards as well as the standards of the Sustainability Accounting Standards Board (SASB), and our Green Bond reporting.

The four main chapters describe our material topics and, in compliance with *GRI 103: Management Approach*, how we manage them ("Our approach"). These chapters also contain information about our current and planned projects as well as our progress in the reporting period ("Progress and measures in 2021").

Scope

This report encompasses all subsidiaries in which E.ON holds a majority stake and that are fully consolidated in its Consolidated Financial Statements. The statements in this report always refer to E.ON and its majority-held subsidiaries (the E.ON Group). Any deviations from this are indicated. For example, our reporting about occupational safety also encompasses entities in which we do not hold a majority stake but over which we have operational control. Our KPIs

include PreussenElektra's business operations. The business operations at the Renewables segment that we transferred to RWE are included in our KPIs until late September 2019. A separate innogy segment, consisting mainly of network and sales businesses, became part of the E.ON Group on 18 September 2019. As a rule, KPIs include both entities from 2019 on. Any exceptions due to time frames, availability of data, internal collating and reporting processes are clearly indicated. The abbreviation n/a indicates when a figure isn't applicable, an en-dash (-), when a figure is unavailable.

[→GRI 102-45]

Adjustments to prior-year figures of a KPI are explained in footnotes. This practice is in accordance with International Financial Reporting Standards (IFRS). We use KPIs that we consider to be important in view of a business unit's operations and material in terms of its contribution to our business.

[→GRI 102-10/48/49]

Statements on the future development of E.ON and its subsidiaries are estimates based on information available at the time of reporting. Actual results may deviate from these statements. To improve readability, we generally use the shorter name for companies and organisations (such as "E.ON" rather than "E.ON SE").

Assurance

As with previous reports, key sections of this report were assured with limited assurance by KPMG AG. The assurance engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) of the International Auditing and Assurance Standards Board (IAASB). Assured content is indicated by the symbol . The symbol can be found at the end of a section and applies to the entire section beginning with its headline. The →[Assurance Report](#) describes the exact scope of the assurance.

[→GRI 102-56]

Green Bond reporting

The transition to a sustainable economy is in full swing. Sustainable energy is not only the basis for economic and social development but also a key factor in environmental and climate protection. By delivering solutions for the decarbonisation of the energy world, E.ON's core businesses Energy Networks and Customer Solutions contribute to climate change mitigation. Our networks serve as the central platform for the energy transition, and the Customer Solutions business offers customers of all sizes – households, companies, and cities – technologies and service that enable their transition to climate neutrality. Consequently, sustainability is a key principle of E.ON's strategy, which aims to foster value creation and provide benefits for people and the environment. The ongoing decentralisation, digitalisation and decarbonisation of the energy world requires large investments. To finance or refinance activities that enable climate change mitigation, E.ON issues Green Bonds, making the link between its sustainability-driven business and financing strategies explicit. It manifests our ambition to include sustainability in our company's core processes.

In August 2019 E.ON issued its first two Green Bond tranches of €750 million each and since then has been a frequent Green Bond issuer. At year-end 2021, a total of €5.35 billion in Green Bonds were outstanding, issued by E.ON SE and E.ON International Finance B.V. By investing in E.ON's Green Bonds, investors have the opportunity to participate in the (re-)financing of E.ON's sustainable activities that are in line with our renewed Green Bond Framework.

Overview of E.ON's Green Bonds as per 31 Dec. 2021¹

Issuer	Amount (millions)	Terms in years	Maturity	Coupon (%)	ISIN
E.ON SE	€750	5	28/08/2024	0.000	XS2047500769
E.ON SE	€750	5.5	07/10/2025	1.000	XS2152899584
E.ON SE	€1,000	7.5	29/09/2027	0.375	XS2103014291
E.ON International Finance B.V.	€850	10	19/10/2027	1.250	XS1702729275
E.ON SE	€750	10.5	28/02/2030	0.350	XS2047500926
E.ON SE	€500	11	20/08/2031	0.875	XS2177580508
E.ON SE	€750	11.5	01/10/2032	0.600	XS2327420977

¹In January 2022 E.ON issued another €800 million green bond (maturity: 18/10/2034, 0.875% coupon, ISIN: XS2433244246).

Recognising the importance of a common definition of sustainable activities, E.ON has updated its Green Bond Framework (the “framework”) and use of proceeds categories to be aligned with the EU taxonomy for sustainable economic activities.¹ The framework is fully aligned with the ICMA Green Bond Principles and follows, as much as possible, the current version of the proposed EU Green Bond Standard.²

Use of proceeds in E.ON's Green Bond Framework: enabling tomorrow's sustainable energy world

Green activities	Eligible green assets and capital expenditures and related eligibility criteria ⁴	UN SDGs	EU economic activities
 Electricity networks	<p>Electricity distribution infrastructure and equipment that meets the following criteria:</p> <ul style="list-style-type: none"> over 67% of newly connected generation assets comply with the 100gCO₂/kWh threshold (over a rolling five-year period), or the grid's average emissions factor is less than 100gCO₂/kWh <p>but excluding infrastructure dedicated to creating or expanding a direct connection of power plants that are more CO₂ intensive than 100g of CO₂ e/kWh</p>	<p>7.2 By 2030, substantially increase the share of renewable energy in the global energy mix</p> 	<ul style="list-style-type: none"> Transmission and distribution of electricity (NACE: D.35.12, D.35.13)
 Renewable energy	<p>Renewable energy production and storage units including:</p> <ul style="list-style-type: none"> wind power solar PV bioenergy (biomass, biogas, and biofuels) hydrogen production, storage, and distribution infrastructure 	<p>7.2 By 2030, substantially increase the share of renewable energy in the global energy mix</p> <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>  	<ul style="list-style-type: none"> Electricity generation using solar PV, wind power, and bioenergy Storage of electricity Manufacture and storage of hydrogen Transmission and distribution networks for renewable and low-carbon gases <p>(NACE: D.35.1.1, NACE: C20.11)</p>
 Energy efficiency	<p>Integrated on-site business and city energy solutions, composed of EU taxonomy-aligned technologies, including but not limited to the following:</p> <ul style="list-style-type: none"> district heating/cooling production of heating/cooling from waste heat cogeneration of heating/cooling and electricity from bioenergy and geothermal energy 	<p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p> 	<ul style="list-style-type: none"> District heating/cooling distribution Production of heat/cooling using waste heat Cogeneration of heat/cooling and power from bioenergy and geothermal Among others <p>(NACE: D.35.11, D.35.30)</p>
 Clean transportation	<p>Electric vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport</p>	<p>11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</p> 	<ul style="list-style-type: none"> Transmission and distribution of electricity Infrastructure enabling low-carbon road transport <p>(NACE: D.35.12, D.35.13, F42.21)</p>

¹The eligibility criteria comply with the EU classification system for sustainable economic activities (the “EU Taxonomy”) for Climate Change Mitigation and Climate Change Adaptation as of June 2021 as published in the Delegated Act, available at →[https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=PL_COM:C\(2021\)2800](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=PL_COM:C(2021)2800), including annexes I and II

²The text of the proposed regulation on an EU Green Bond Standard and its annexes is available here: →<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0391>

As countries step up their decarbonisation efforts, the proportion of greener and thus more sustainable energy will steadily rise. Alongside this trend, the energy world will also become increasingly decentralised. Electricity Networks had and further have to be adapted to fulfill their role in being the central platform to make the transition towards a more sustainable and decarbonised society a success. Applying smart technologies and consequently fostering the digitalisation of grid infrastructure allows us to manage our existing grids at high efficiency and at the same time expand our networks in a resource-efficient way. E.ON considers its Electricity Networks, in line with the described eligibility criteria for green financing, applying asset values. Projects at our Customer Solutions segment include investments in integrated embedded energy solutions for cities and businesses, electricity generation from renewable sources, manufacturing and storage of hydrogen, and charging stations for electric cars. One example is our ectogrid™ project MIND (Milano Innovation District). MIND will transform the 900,000 square-metre site of Expo 2015, located about 15 kilometres north of Milan, Italy, into a multi-use urban space. In December 2021 international property developer Lendlease and E.ON signed a project cooperation agreement to design and manage a sustainable energy solution for MIND based on ectogrid™ technology. Installation started in 2021 and will continue in 2022. Considering the nature of the different projects and assets, these are considered in the Renewable Energy, Energy Efficiency or Clean Transportation category.

Evaluating and selecting projects

E.ON's Green Bond Framework defines eligibility criteria. The process of evaluating and selecting assets and capital expenditures has several steps and draws on the expertise of several units and departments. The first step is for the Sustainability and Group Finance departments at Corporate Functions to identify potential assets and capital expenditures in the four categories (electricity networks, renewable energy, energy efficiency, and clean transportation). In consultation with the Sustainability department and, where required, experts from Energy Networks and Customer Solutions, the Accounting and Finance departments compile a list of eligible assets and capital expenditures. The Sustainability department is responsible for ensuring that eligible projects have no ESG concerns and comply with all relevant company policies and guidelines as set out in E.ON's Green Bond Framework. All assets and capital expenditures have to contribute significantly to climate change mitigation as one of the environmental objectives defined in the draft EU Taxonomy. The assets and capital expenditures must also fulfil the "Do No Significant Harm" criteria and "Minimum Safeguards" as defined in the EU Taxonomy.

Finally, the E.ON Green Bond Committee – which consists of representatives of Sustainability, Energy Networks, Customer Solutions, and Group Finance as well as other subject experts and is chaired by the Chief Financial Officer – carefully reviews the nominated assets and capital expenditures and decides on their eligibility under E.ON's Green Bond Framework.

The eligibility criteria comply with the EU classification system for sustainable economic activities (the "EU Taxonomy") for Climate Change Mitigation and Climate Change Adaptation as of June 2021 as published in the Delegated Act. In particular the Electricity Networks category is subject to a narrow eligibility definition:

- While under the EU Taxonomy the entire European Interconnected System (to which all of E.ON's fully consolidated grids belong) is eligible, E.ON applies the EU Taxonomy's general thresholds, applicable for any grid outside the European Interconnected System.

The Green Bond Committee, which meets at least on an annual basis, monitors the eligible green project portfolio. It is also responsible for excluding assets and capital expenditures that no longer meet the eligibility criteria or have been disposed of and replacing them as soon as reasonably practicable. Assets are included in the portfolio at their current IFRS balance sheet value, which will be updated annually to reflect investment and depreciation/amortization under IFRS. Capital expenditures are included in the portfolio for the amount of the initial expenditure, subject to annual depreciation/amortization on a straight-line basis in accordance with the expected useful life of the investment.

Reporting

E.ON's Green Bond Framework, the second-party opinion by Sustainalytics including an assessment on the alignment with the EU Taxonomy, and details are available on our [website](#).

The annual reporting for the bonds, including disclosures on the metric tonnes of CO₂e avoided by the projects funded, will be published annually in the Sustainability Report [online](#).

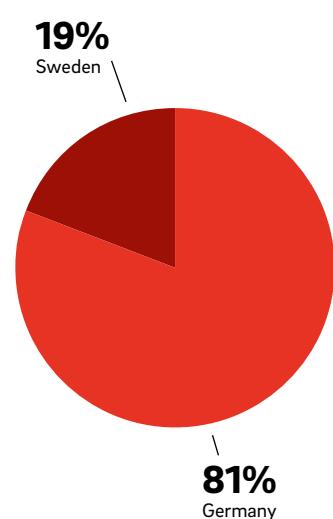
Portfolio of assets allocated to Green Bonds along with impact KPI as of year-end 2021

Use of bond proceeds for eligible Green Assets

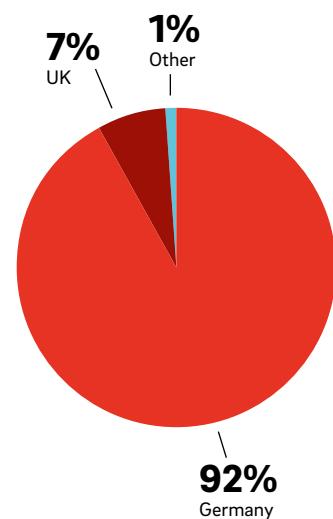
Green activities	Valuation	Eligible assets & investments € millions	EU economic objective
Electricity Networks	Balance Sheet value	20,997.3	Climate change mitigation
Renewable Energy	Balance Sheet value	562.1	Climate change mitigation
Energy Efficiency	Balance Sheet value	242.4	Climate change mitigation
Clean Transportation	Balance Sheet value	45.9	Climate change mitigation
		21,847.7	

E.ON's Green Bond portfolio consists of €21.85 billion in eligible assets. As of year-end 2021, E.ON had issued €5.35 billion in Green Bonds (details on outstanding Green Bonds see page 118). Accordingly, all bonds outstanding are fully allocated and the Green Bond portfolio exceeds outstanding bonds by €16.5 billion. All projects are included at their respective IFRS book values. In the reporting year, 8.4% of assets in the Green Bond portfolio related to new projects (share of financing), measured as investments in assets in the reporting year.

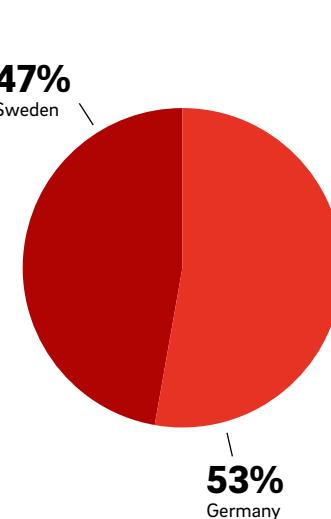
Electricity Networks



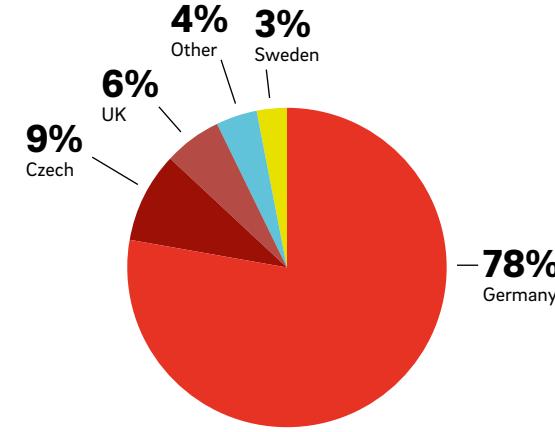
Renewable Energy



Energy Efficiency



Clean transportation



Impact reporting for allocated portfolio

	Avoided emissions (million metric tonnes CO ₂ e)	Total renewable capacity (GW)	Connected renewable capacity added (GW)	Relative share of renewable capacity in total capacity (%)	Heat delivered to all connections (GWh)	Efficiency improvement (%)	Smart meters installed (thousand units)	Number of EV charging points
Electricity Networks								
Grid connections of renewable energy	82.45	80.36	9.94	78				
Smart grid components installed	0.095					2	4,916 ¹	
Renewable Energy								
Renewable energy production and storage units	0.28	0.36	0.08					
Energy Efficiency								
Integrated on-site business and city energy solutions	0.21				5,782			
Clean Transportation								
Electric vehicle (EV) charging stations and supporting infrastructure	0.03 ²							7,734

¹The figure originally disclosed for 2020 incorrectly included leased smart meters in the United Kingdom; the correct figure (without these meters) is 4,208.

²Data for the proportion of green and grey electricity delivered through EV charging stations in 2021 is not available on business unit level. Consequently, the figure for 2021 applies energy-mix data from 2020 to the number of charging stations as of year-end 2021.

Reporting according to GRI

We have based our sustainability reporting on → [Global Reporting Initiative \(GRI\)](#) guidelines since 2005. The GRI guidelines are the result of a transparent, multi-stakeholder process and consist of performance indicators for all sectors and all types of organisations. This report was prepared in accordance with the current version of the guidelines, the GRI Sustainability Reporting Standards (GRI SRS) 2016. It also includes the sector-specific disclosures of the GRI Electric Utilities Sector Disclosures 2013. This report has been prepared in accordance with the GRI Standards: Core option.

In accordance with the GRI SRS and as in previous years, we selected this report's contents on the basis of a → [materiality analysis](#). The table below indicates the pages in this report, our Annual Report, and our corporate website where information complying with GRI requirements can be found. It contains:

- general disclosures to report contextual information about E.ON (GRI 102)
- information about our management approach for each material topic (GRI 103)
- specific disclosures for each material topic (Topic-specific GRI standards series 200, 300, 400 as well as the Electric Utilities Sector Disclosures); we report at least one indicator per material topic.

Where GRI requirements are not fully met by the contents on the linked pages, the table includes additional information or labels the gaps as omissions. → [Assured content](#) is identified with the icon. For some material issues we disclose E.ON-specific indicators in addition to, or in place of, GRI indicators. The following symbols indicate where in our value chain an issue is relevant:



Supply chain



Company



Customers

GRI Disclosures**GRI 102: General Disclosures****Organisational profile****102-1:** Name of the organisation **102-2:** Activities, brands, products, and services **102-3:** Location of headquarters **102-4:** Location of operations **102-5:** Ownership and legal form **References, additions, and omissions**[→About E.ON*](#)[→About E.ON*](#)
[→Reliable and smart grids](#)
[→Lower-carbon households](#)
[→Cleaner companies, greener communities](#)
[→2021 Annual Report \(p. 36\)](#)[→About E.ON*](#)[→About E.ON*](#)[→About E.ON*](#)
[→2021 Annual Report \(p. 213\)](#)

E.ON is a stock corporation under EU law (Societas Europaea, or SE), a supranational form of incorporation for companies that are fundamentally European and have an international orientation. It is therefore appropriate for E.ON, a company whose corporate headquarters and main activities are in Europe but that also operates elsewhere. E.ON SE's shareholder base is broadly diversified by type (retail, institutional) and region. No shareholder holds a controlling interest in E.ON SE. E.ON was notified in December 2020 that RWE Aktiengesellschaft holds an (indirect) stake of 15 per cent and in November 2021 that The Capital Group Companies, Inc. holds an (indirect) stake of 3.02 per cent of E.ON's share capital. Furthermore, E.ON was notified in July 2021 that Capital Income Builder holds a (direct) stake of 2.88 per cent of E.ON's share capital. In August 2021 Blackrock, Inc. notified E.ON that it holds an (indirect) stake of 4.92 per cent of E.ON's share capital, and Canada Pension Plan Investment Board notified E.ON in June 2020 that it holds a (partially indirect) stake of 5.02 per cent of E.ON's share capital. In January 2021 E.ON was notified that DWS Investment GmbH holds an (indirect) stake of 3.02 per cent of E.ON's share capital.

GRI Disclosures**102-6:** Markets served **102-7:** Scale of the organisation **102-8:** Information on employees and other workers**102-9:** Supply chain**102-10:** Significant changes to the organisation and its supply chain **102-11:** Precautionary principle or approach**References, additions, and omissions**[→About E.ON*](#)
[→Reliable and smart grids](#)
[→Lower-carbon households](#)
[→Cleaner companies, greener communities](#)
[→Working conditions and employee development](#)
[→ESG figures](#)
[→2021 Annual Report \(p. 36\)](#)[→About E.ON*](#)
[→Reliable and smart grids](#)
[→Lower-carbon households](#)
[→Cleaner companies, greener communities](#)
[→Working conditions and employee development](#)
[→ESG figures](#)
[→2021 Annual Report \(p. 165-168\)](#)
[→www.eon.com*](#)[→Working conditions and employee development](#)
[→Diversity and inclusion](#)
[→ESG figures*](#)[→Human rights and supplier management](#)[→Report profile*](#)
[→2021 Annual Report \(p. 36-40\)](#)
[→Climate protection](#)
[→Environmental management*](#)
[→Data protection and product safety*](#)
[→Business resilience management*](#)
[→Good corporate governance](#)
[→Compliance and anti-corruption](#)
[→Human rights and supplier management](#)
[→2021 Annual Report \(p. 83-91\)](#)

In general, E.ON manages all of its units and action areas from a long-term perspective. E.ON's risk management system factors in environmental (and social) risks to a degree beyond what is required by law.

GRI Disclosures**102-12:** External initiatives

- [Lower-carbon households](#)
- [Climate protection](#)
- [Environmental management*](#)
- [Occupational health and safety](#)
- [Diversity and inclusion](#)
- [Good corporate governance](#)
- [Human rights and supplier management](#)
- [Stakeholder engagement*](#)

102-13: Membership of associations

- [Good corporate governance](#)
- [Stakeholder engagement*](#)

Strategy**102-14:** Statement from senior decision-maker

- [Foreword*](#)

Ethics and integrity**102-16:** Values, principles, standards, and norms of behaviour

- [Climate protection](#)
- [Good corporate governance](#)
- [Compliance and anti-corruption](#)

102-17: Mechanisms for advice and concerns about ethics

- [Compliance and anti-corruption](#)
- [Closeup on: Tax*](#)
- [Human rights and supplier management](#)

Governance**102-18:** Governance structure

- [Good corporate governance](#)
- [Material topics](#)
- [2021 Annual Report \(p. 96-103\)](#)

Stakeholder engagement**102-40:** List of stakeholder groups

- [Stakeholder engagement*](#)

102-41: Collective bargaining agreements

- [ESG figures*](#)

References, additions, and omissions

- [Lower-carbon households](#)
- [Climate protection](#)
- [Environmental management*](#)
- [Occupational health and safety](#)
- [Diversity and inclusion](#)
- [Good corporate governance](#)
- [Human rights and supplier management](#)
- [Stakeholder engagement*](#)

- [Good corporate governance](#)
- [Stakeholder engagement*](#)

GRI Disclosures**102-42:** Identifying and selecting stakeholders**102-43:** Approach to stakeholder engagement**102-44:** Key topics and concerns raised **References, additions, and omissions**

- [Stakeholder engagement*](#)

- [Material topics](#)
- [Customer orientation](#)
- [Working conditions and employee development](#)
- [Human rights and supplier management](#)
- [Stakeholder engagement*](#)

- [Material topics](#)
- [Stakeholder engagement*](#)

Reporting practice**102-45:** Entities included in the consolidated financial statements **102-46:** Defining report content and topic Boundaries **102-47:** List of material topics **102-48:** Restatements of information **102-49:** Changes in reporting **102-50:** Reporting period **102-51:** Date of most recent report **102-52:** Reporting cycle **102-53:** Contact point for questions regarding the report **102-54:** Claims of reporting in accordance with GRI Standards**102-55:** GRI content index**102-56:** External assurance

- [Report profile*](#)
- [2021 Annual Report \(p. 171\)](#)

- [Material topics](#)
- [Report profile*](#)

- [Material topics](#)

- [Report profile*](#)

- [www.eon.com*](#)

- [GRI content index*](#)

- [GRI content index*](#)

- [Report profile*](#)
- [Assurance Report](#)

GRI Disclosures**GRI 200: Economic****GRI 205: Anti-corruption (2016)**[103-1/2/3: Management approach](#)**205-2 (core):** Communication and training about anti-corruption policies and procedures**GRI G4 Sector Disclosures Electric Utilities:****Research and development (R&D) (2013)**[103-1/2/3: Management approach](#)**GRI 300: Environmental****GRI 302: Energy (2016)**[103-1/2/3: Management approach](#)**302-1:** Energy consumption within the organisation**References, additions, and omissions**[Compliance and anti-corruption](#)[Compliance and anti-corruption](#)**GRI G4 Sector Disclosures Electric Utilities:**[2021 Annual Report \(p. 205\)](#)

The 2021 Annual Report discloses our R&D expenditures. A breakdown of these expenditures according to their relevance for sustainability is not available. The relevant department cannot provide such a breakdown.

GRI Disclosures**GRI 305: Emissions (2016)**[103-1/2/3: Management approach](#)**305-1:** Direct (Scope 1) GHG emissions**305-2:** Energy indirect (Scope 2) GHG emissions**305-3 (core):** Other indirect (Scope 3) GHG emissions

GRI Disclosures**GRI 400: Social****GRI 401: Employment (2016)****103-1/2/3: Management approach****401-1: New employee hires and employee turnover****GRI 403: Occupational health and safety (2018)****103-1/2/3: Management approach****403-1: Occupational health and safety management system****403-2: Hazard identification, risk assessment, and incident investigation****403-3: Occupational health services****403-4: Worker participation, consultation, and communication on occupational health and safety****403-5: Worker training on occupational health and safety****403-6: Promotion of worker health****References, additions, and omissions**[Working conditions and employee development](#)[Working conditions and employee development](#)[ESG figures*](#)[2021 Annual Report \(p. 52\)](#)

Our disclosures on new employee hires and employee turnover include numbers for the entire group. More detailed disclosures are not relevant. The 2021 Annual Report discloses figures for employee turnover.

[Occupational health and safety](#)[Occupational health and safety](#)

Our occupational health and safety management system has not been implemented due to legal requirements. They are part of our commitment as a responsible company and are completely based on ISO standards.

[Occupational health and safety](#)[Occupational health and safety](#)[Occupational health and safety](#)[Occupational health and safety](#)[Occupational health and safety](#)**GRI Disclosures****403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships****403-8: Workers covered by an occupational health and safety management system****403-9: Work-related injuries****References, additions, and omissions**[Occupational health and safety](#)[Occupational health and safety](#)[About E.ON*](#)[Occupational health and safety](#)

At E.ON, reporting of accident numbers is carried out with the following key figures:

- "Serious Incident and Fatality Frequency Rate" (SIF) – accidents and incidents that have caused serious or fatal injuries and that surpass a predefined severity threshold
- "Total Recordable Injury Frequency" (TRIF) – number of work-related accidents and illnesses with and without lost working time
- "Lost Time Injury Frequency" (LTIF) – work-related accidents with lost working time
- "Near Miss Frequency Rate" (NMFR) - an unplanned event that had the potential to result in an accident but did not

All indicators are reported for both E.ON employees and contractors' employees.

Only the figures for E.ON employees and the number of fatal accidents were assured.

A breakdown by gender is not applicable as we believe this would not provide useful information. Instead of breaking TRIF down by country, we do so by segment.

[Occupational health and safety](#)**GRI 404: Training and education (2016)****103-1/2/3: Management approach****404-2: Programmes for upgrading employee skills and transition assistance programmes**[Working conditions and employee development](#)[Working conditions and employee development](#)

Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board (SASB) is a non-profit organisation based in San Francisco that has set 77 industry-specific standards to identify ESG issues that are crucial to companies' financial performance. The table below shows how E.ON's disclosures for 2021 relate to the SASB's Electric Utilities and Power Generators Standard. We map against SASB's standards since 2020 and will continue to expand this disclosure in the future.

Accounting Metric	Category	Code	Response
Greenhouse Gas Emissions & Energy Resource Planning			
(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Quantitative	IF-EU-110a.1	<p>Scope 1: 3.71 million metric tonnes of CO₂e E.ON discloses its Scope 1, 2, and 3 GHG emissions. Our disclosures are based on CO₂ equivalents, which include GHG in correspondence with the GHG Protocol. In line with the Kyoto Protocol, the baseline year is 1990. GWP is relative to a 100-year time horizon. Our GHG emission disclosures encompass all subsidiaries and generation assets (including leased assets) that are fully consolidated in E.ON's financial statements or in which E.ON owns a majority stake. Subsidiaries and generation assets with less than 50 employees are not included if their activities in different Scope 1 – 3 categories do not exceed a certain threshold in relation to the E.ON Group. The percentage of Scope 1 GHG emissions covered under emissions-limiting regulation or emissions reporting-based regulations (EU-ETS allowances and the Swedish Carbon Tax) is approximately 27 per cent</p> <p>→ Climate protection</p>
Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	IF-EU-110a.2	<p>Purchased power sold to end-customers¹: 51.55 million metric tonnes of CO₂e^{2,3} Power distribution losses (location-based)⁴: 3.67 million metric tonnes of CO₂e² Power distribution losses (market-based)^{5,6}: 5.56 million metric tonnes of CO₂e (market-based)^{2,7}</p> <p>→ Climate protection</p>

Accounting Metric	Category	Code	Response
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	IF-EU-110a.3	<p>A discussion and/or analysis of the following topics can be found in the linked sources below:</p> <ul style="list-style-type: none"> • our long- and short-term strategy to manage our emissions • our emission reduction targets • our performance against our reduction targets • our strategy to manage risks and opportunities associated with GHG emissions • the number of our residential customers receiving certified green electricity products (in 2021: 10,566,598⁸) • our activities and investments required to achieve targets and related risks • the scope of our strategies, plans, and targets • our reduction strategies that are not related to any emissions limiting and/or emissions reporting-based program <p>→ Climate protection → Lower-carbon households → ESG figures</p> <p>→ Supporting paper for E.ON's decarbonization strategy and climate related aspects – Climate change action</p>
(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Quantitative	IF-EU-110a.4	<p>Data are not available</p> <p>RPS mechanisms are commonly used in the United States. As E.ON operates in European countries, where the standards are not widely adopted, it is not applicable for E.ON.</p>
Air Quality			
Air emissions of the following pollutants: (1) NOx (excluding N ₂ O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Quantitative	IF-EU-120a.1	<p>NO_x emissions: 1,716 tonnes⁹ SO₂ emissions: 581 tonnes⁹ Dust emissions: 61 tonnes⁹</p> <p>Fossil-fuelled power plants emit nitric oxide (NO_x), sulphur dioxide (SO₂), and dust. This type of power generation is no longer a core E.ON business. We therefore no longer consider it a key indicator. We now focus on small-scale, embedded generation units. Our NO_x, SO₂, and dust emissions are mostly attributable to small-scale gas-fired combined-heat-and-power (CHP) plants and larger district heat networks.</p> <p>Data on lead (Pb), mercury (Hg), and the percentage of each indicator in or near areas of dense population are not available as they are not relevant for E.ON.</p> <p>→ Environmental management</p>

Accounting Metric	Category	Code	Response
Water Management			
(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	IF-EU-140a.1	<p>E.ON's water balance (Core business): <1 million cubic meters¹⁰ Fresh water withdrawal (PreussenElektra): 2,383.3 million cubic metres Fresh water consumption (PreussenElektra): 52,5 million cubic metres</p> <p>E.ON's core business and nuclear power business operate in European countries where the overall water risk is low to intermediate which leads at present to 0% for regions with high or extremely high baseline water stress.</p> <p>→ Environmental management → ESG figures</p>
Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	IF-EU-140a.2	<p>Number of environmental incidents of non-compliance associated with water: Three</p> <p>All three incidents occurred in Sweden. The severity of all incidents was marginal or low.</p>
Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	IF-EU-140a.3	<p>First, E.ON doesn't material quantities of cooling water in its operations (our non-core business unit PreussenElektra unit, which operates three nuclear power stations in Germany that will be shut down by year-end 2022, is a temporary exception). Second, our research indicates that the overall water scarcity risks in the European countries in which E.ON uses fresh water for its generation operations are low to intermediate and, according to trend scenarios, are predicted to remain so. Third, due to the profile and locations of our suppliers and the type of products we procure from them, our supply chain does not, from today's perspective, pose any discernible water risks. Customers' use of our products and services does not either.</p> <p>→ Environmental management</p>
Coal Ash Management			
Amount of coal combustion residuals (CCR) generated, percentage recycled	Quantitative	IF-EU-150a.1	<p>Not applicable.</p> <p>→ ESG figures</p>
Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Quantitative	IF-EU-150a.2	<p>Not applicable.</p> <p>→ ESG figures</p>

Accounting Metric	Category	Code	Response
Energy Affordability			
Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Quantitative	IF-EU-240a.1	Data are not available and in any case differ by region and customer group.
Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Quantitative	IF-EU-240a.2	Data are not available.
Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Quantitative	IF-EU-240a.3	<p>27,400 customers were disconnected in 2021.</p> <p>Our assistance for vulnerable customers varies according to the market situation, customer needs, and the welfare programmes in each country and is therefore our regional units' responsibility. Examples of this assistance include helping customers to find out whether they qualify for government support schemes and partnering with other organisations to prefinance insulation for a customer's home. In Germany, for example, vulnerable customers can contact E.ON's payment assistance team. One solution is for them to pay in instalments without interest or fees. E.ON can also put them in touch with job centres, social service agencies, and debt counselling. Disconnecting a customer is always our very last option. Customers receive four overdue payment letters before being disconnected. Only customers with an unpaid balance of more than €250 are disconnected; under German law, customers may be disconnected with an unpaid balance of €100.</p> <p>Data on the number of customers reconnected within 30 days are not available.</p> <p>→ Customer orientation</p>
Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	IF-EU-240a.4	<p>Information are not available.</p>
Workforce Health & Safety			
(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	IF-EU-320a.1	<p>E.ON uses the following KPIs to monitor and report incidents:</p> <p>"Total recordable injury frequency" (TRIF) employees: 2.7 per million hours of work¹¹</p> <p>"Serious incident and fatality rate" (SIF) employees: 0.09 per million hours of work¹²</p> <p>"Lost-time injury frequency" (LTIF) employees: 2.1 per million hours of work Fußnote¹³</p> <p>Fatal accidents: 3</p> <p>"Near miss frequency rate" (NMFR) employees: 33 per million hours of work¹⁴</p> <p>Data on the total recordable incident rate (TRIR) are not available.</p> <p>→ Occupational health and safety</p> <p>→ ESG figures</p>

Accounting Metric	Category	Code	Response
End-Use Efficiency & Demand			
Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Quantitative	IF-EU-420a.1	Data are not available.
Percentage of electric load served by smart grid technology	Quantitative	IF-EU-420a.2	Data are not available as E.ON's control system do not differentiate between conventional and smart grids. Our distribution grids are getting progressively smarter, which enables them to integrate more renewable energy and manage increasingly complicated energy flows in real time while remaining reliable. Green Power Sales: 61,008,270 megawatt hours
Customer electricity savings from efficiency measures, by market	Quantitative	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market (kWh): Group (excluding United Kingdom): 344,133,020 United Kingdom: 331,635,360 Germany: 217,831,040 Sweden: 73,305,260 Other EU countries: 52,996,720 → Cleaner companies, greener communities
Nuclear Safety & Emergency Management			
Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	IF-EU-540a.1	We have eight nuclear power plants, five of which have been decommissioned and are being dismantled. The three remaining plants will be closed by the end of 2022 at the latest. A breakdown of our nuclear power units by U.S. Nuclear Regulatory Commission Action Matrix is not applicable.
Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	IF-EU-540a.2	PreussenElektra is fully integrated into our safety organisation and embraces our high standards. Its extensive experience in plant operations and decommissioning helps it to further optimize its health and safety processes and procedures. → Occupational health and safety → Business resilience management

Accounting Metric	Category	Code	Response																																																																						
Grid Resiliency																																																																									
Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Quantitative	IF-EU-550a.1	Data are not available.																																																																						
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²Includes Slovakia, in which we have a 49 per cent stake.

³Includes purchased power at EV charging points owned by E.ON and accessible by the public.

⁴Based on the emission factors of the national electricity mixes for specific geographic regions (Source: IEA).

⁵Includes innogy from 2020 onward.

⁶Based on the emission factors of the national residual mixes for specific geographic regions. A country's residual mix emission factor represents the emissions and generation that remain after certificates, contracts, and supplier-specific factors have been claimed and removed from the calculation (Source: EPA).

⁷Power distribution losses in Sweden were completely offset by the purchase of green electricity.

⁸Year-end data. Previous years' figures for last months of the reporting period were extrapolated.

⁹For generation assets over 20 MW.

¹⁰Excluding sanitary water use and water providers.

¹¹TRIF measures the number of reported fatalities and occupational injuries and illnesses per million hours of work. It includes injuries that occur during work-related travel that result in lost time or no lost time and/or that lead to medical treatment, restricted work, or work at a substitute work station.

¹²Serious incidents and fatalities measures accidents and incidents that have caused serious or fatal injuries and that surpass a predefined severity threshold per million hours of work.

¹³Lost time injury frequency measures work-related accidents resulting in lost time per million hours of work.

¹⁴Near-miss frequency rate measures unplanned incidents that had the potential to result in an accident (but did not) per million hours of work.

¹⁵Figures are for the respective previous year: 2021 for 2020, 2020 for 2019, and so forth. Totals may deviate due to rounding.

¹⁶Unscheduled figures do not include force majeure events.

¹⁷Unscheduled figures do not include force majeure events and vandalism.

¹⁸DSO in which we have a 49 per cent stake.

Activity Metric	Category	Code	Response																																																
Number of: (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	IF-EU-000.A	<p>Number of power and gas customers in Europe: 39.9 million¹ A more detailed breakdown of our customer groups cannot be provided.</p> <p>→ ESG figures</p>																																																
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Quantitative	IF-EU-000.B	<p>Power Sales</p> <table border="1"> <thead> <tr> <th></th> <th>Germany</th> <th>United Kingdom</th> <th>The Netherlands/ Belgium</th> <th>Other²</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Billion kWh</td> <td></td> <td></td> <td></td> <td></td> <td>2021</td> </tr> <tr> <td>Residential and SME</td> <td>32.7</td> <td>21.8</td> <td>6.4</td> <td>32.5</td> <td>93.4</td> </tr> <tr> <td>I&C</td> <td>28.5</td> <td>32.0</td> <td>4.7</td> <td>24.6</td> <td>89.8</td> </tr> <tr> <td>Sales partners</td> <td>49.8</td> <td>2.2</td> <td>-</td> <td>6.9</td> <td>58.9</td> </tr> <tr> <td>Customer groups</td> <td>111.0</td> <td>56.0</td> <td>11.0</td> <td>64.0</td> <td>242.2</td> </tr> <tr> <td>Wholesale market</td> <td>77.0</td> <td>35.8</td> <td>8.2</td> <td>9.7</td> <td>130.7</td> </tr> <tr> <td>Total</td> <td>188.0</td> <td>91.8</td> <td>19.3</td> <td>73.7</td> <td>372.8</td> </tr> </tbody> </table> <p>→ Combined Group Management Report</p>		Germany	United Kingdom	The Netherlands/ Belgium	Other ²	Total	Billion kWh					2021	Residential and SME	32.7	21.8	6.4	32.5	93.4	I&C	28.5	32.0	4.7	24.6	89.8	Sales partners	49.8	2.2	-	6.9	58.9	Customer groups	111.0	56.0	11.0	64.0	242.2	Wholesale market	77.0	35.8	8.2	9.7	130.7	Total	188.0	91.8	19.3	73.7	372.8
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Length of transmission and distribution lines	Quantitative	IF-EU-000.C	<p>Total length of power and gas networks: 1.26 million kilometres</p> <p>→ ESG figures</p>																																																
Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	IF-EU-000.D	<p>Owning generation by energy source in percentages Natural gas/oil: 4.8 Nuclear (Non-Core Business):³ 87.1 Coal: 0.1 Other (includes biomass, wind and solar): 8.0</p> <p>→ ESG figures</p>																																																
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¹Includes Slovakia, in which we have a 49 per cent stake.

²Excludes E.ON Business Solutions.

³Our nuclear generation will end in 2022 due to Germany's phaseout of nuclear power.

Sustainability key performance indicators

We assess the effectiveness of our sustainability strategy and initiatives by monitoring KPIs. Capital markets in particular want standardised ESG KPIs. Consequently, we've reported KPIs that give an indication on our ESG performance for a number of years.

In addition, since 2010 we've reported our KPIs in accordance with standards of the German Association for Financial Analysis and Asset Management (German abbreviation: DVFA) and the European Federation of Financial Analysts Societies (EFFAS). KPIs that reflect these standards are indicated by the DVFA/EFFAS ID.

Our KPIs include PreussenElektra's business operations. The business operations at the Renewables segment that we transferred to RWE are included in our KPIs until late September 2019. A separate innogy segment, consisting mainly of network and sales businesses, became part of the E.ON Group on 18 September 2019. Consequently, reporting from 2020 onward included a number of innogy KPIs after this date. Last year, the 2019 KPIs of E.ON and innogy were aggregated in order to foster comparability and transparency. As a rule, KPIs include both entities from 2019 on. Any exceptions due to time frames, availability of data, and internal collating and reporting processes are clearly indicated. Since 2020 figures, however, refer to the scope of the new E.ON without exception. The abbreviation n/a indicates when a figure isn't applicable, an en-dash (–), when a figure is unavailable.

Assured GRI KPIs for the year 2021 display the icon. KPIs that are particularly important to us are highlighted in blue.

Sample presentation of key figures

DVFA/EFFAS	2021	2020	2019
Key figure XX E/S/G-XX-XX	XX	XX	XX

↑
DVFA/EFFAS-ID Assured

More information about these figures (such as more detailed breakdowns) can be found in the corresponding chapters of this report.

Environment

Climate protection

	DVFA/ EFFAS	2021	2020	2019
Greenhouse gas emissions (total CO ₂ equivalents in million metric tonnes, location-based)	E03-01	107.99 <input checked="" type="checkbox"/>	116.27	129.08
Greenhouse gas emissions (total CO ₂ equivalents in million metric tonnes, market-based)	E03-01	109.82 <input checked="" type="checkbox"/>	117.86	-
Scope 1 ^{1,2}	E02-01	3.71 <input checked="" type="checkbox"/>	3.92 ³	3.98 ⁴
Scope 2 (location-based) ^{5,6}	E02-01	3.90 <input checked="" type="checkbox"/>	4.49	4.82
Scope 2 (market-based) ^{6,7,8}	E02-01	5.73 <input checked="" type="checkbox"/>	6.09	-
Scope 3 ^{2,9,10}	E02-01	100.38 <input checked="" type="checkbox"/>	107.96 ¹¹	120.27

¹The external GWP sources used are the BEIS (formerly DEFRA), the Naturvårdsverkets, the GHG Protocol, the Överenskommelse Värmarknadskommittén 2021, and the IPCC AR5 report.

²From 2019 onward, emissions from power and heat generation are divided into emissions from plants owned and operated by E.ON (Scope 1) and emissions from plants leased to, and operated by, customers (Scope 3). This improves E.ON's ability to manage its emissions and makes progress toward its targets more transparent.

³Prior-year figures were adjusted. For Power & Heat Generation mainly due to the addition of missing data on natural gas used for energy generation from E.ON Energy Projects GmbH last year. For Internal Fuels mainly due to double accounting of natural gas consumption in buildings and in operations by Energy Networks Romania.

⁴Prior-year figures were adjusted due to corrections of biogenic emissions.

⁵The external GWP source used is the IEA.

⁶Excludes our consumption of district heating due to the immateriality of the quantity compared to the other Scope 2 categories.

⁷The external GWP sources used are the IEA and the AIB.

⁸First-time reporting of market-based Scope 2 emissions in 2020.

⁹The external GWP sources used include the IEA, the IPCC AR5 report, BEIS (formerly DEFRA), the Naturvårdsverkets, the GHG Protocol, and the Överenskommelse Värmarknadskommittén 2021. Furthermore, primary data from external travel service providers was used for the calculation.

¹⁰Scope 3 emissions from purchased power and the combustion of natural gas sold to end users (energy sold to our residential and B2B customers), according to the GHG Scope 3 protocol. The emissions from distribution losses from energy sold to sales partners and the wholesale market are accounted for under our Scope 1 and Scope 2 emissions accordingly.

¹¹Prior-year figures were adjusted for Power & Heat Generation, mainly due to better data quality available for natural gas used for energy generation by E.ON Energy Projects GmbH.

For more information, visit the → [Climate protection](#) chapter.

Environmental management

	DVFA/ EFFAS	2021	2020	2019
Energy consumption within the organisation (million GJ)	E01-01	254	240 ¹	228
Share of employees working at business units certified to ISO 14001 (percentages) ²	E33-01	78	86 ¹	100 ³
Share of employees working at business units with ISO 50001 certification (percentages) ⁴		86	80 ¹	97
Number of environmental incidents				
4 (major)		0	0	0
3 (serious)		0	2	1 ⁵
2 (moderate)		21	34	36
1 (minor)		305	246	260
0 (inconsequential)		576	509	599
Incidents on the seven-step International Nuclear Event Scale (INES)		0	0	0
Provisions for environmental remediation and similar obligations (€ in millions) ⁶	E12-05	519 <input checked="" type="checkbox"/> ⁷	485	529
Short term		66 <input checked="" type="checkbox"/> ⁷	58	59
Long term		453 <input checked="" type="checkbox"/> ⁷	427	470
Fresh water consumption (million cubic metres) ⁸	E28-01	52.5	46.4	47.3

¹Includes innogy from 2020 onward.

²In previous year's coverage rate reported the share of business units with ISO 14001 / EMAS certification in percentage. Therefore, comparability with 2021 figures is limited.

³Rounded figure; the exact figure is 99.93 per cent.

⁴In previous year's coverage rate reported the share of business units with ISO 50001 certification in percentage. Therefore, comparability with 2021 figures is limited.

⁵Oil leak at a CHP plant operated by E.ON Business Solutions in the United Kingdom.

⁶Funds set aside for potential redevelopment, water protection, and the remediation of contaminated sites.

⁷Audited disclosures from the E.ON notes to financial disclosures.

⁸For reasons of materiality, includes the Non-Core Business segment (PreussenElektra) only.

For more information, visit the → [Environmental management](#) chapter.

Waste

	DVFA/ EFFAS	2021	2020	2019
Non-hazardous waste (metric kilotonnes)		428.0	373.8	454.3
Recovered		410.1	345.9 ¹	436.5
Disposed		17.9	27.9 ¹	17.8
Hazardous waste (metric kilotonnes) E06-01		141.3	138.2	122.3
Recovered		106.7	95.0	90.2
Disposed		34.5	43.2	32.1
Total waste (metric kilotonnes) E04-01		569.2	511.9	576.6
Total amount of waste recycled (percentages) ³	E05-01	90.8	86.1	91.3
Low and intermediate-level radioactive waste (metric tonnes) E08-01/02		1420.2	684.0	536.0
High-level radioactive waste (metric tonnes) E08-03		65	129.0	136.0

¹Prior-year figures were adjusted.

²Hazardous and non-hazardous waste.

³Percentage of recycled hazardous and non-hazardous waste.

For more information, visit the → [Environmental management](#) chapter.

Social

Employee matters

	DVFA/ EFFAS	2021	2020	2019
Group employees (FTE) ¹		69,733 ²	74,866 ⁶	75,659 ⁶
New hires ³				
Fulltime equivalent (FTE)		7,871	6,363	5,421
Headcounts		8,590	6,962	5,708
Permanent employment contracts (percentages)		63	59	66
Employees with full-time contracts (percentages) ³		88	88	88
Employees with permanent employment contracts (percentages) ³		93	93	94
Employees with collective bargaining agreements (percentages) ³		81	82	81
Employees with part time contracts ³		8,814 ²	9,530	9,657
Average length of service (years) ³		14 ²	14	14
Voluntary turnover rate (percentages) S01-01		4.49 ²	3.5	4.6
Apprentices in Germany (headcount)		2,308 ²	2,395	2,456
Apprentice ratio in Germany (percentages)		5.38 ²	6.0	6.0
Female workforce (percentages) ³ S10-01		32 ²	32	33
Female executives (percentages) ⁴ S10-02		21 ²	21	21
Severely disabled employees in Germany (percentages) ⁵		5.3	5.4	5.3
Severely disabled employees in Germany (headcount) ⁵		1,948	2,016	2,027
Nationalities (number)		119	115	115
Average age (in years)		42 ²	42	42
Average employee age (percentages) ³ S03-01				
<30 years		20 ²	20	20

DVFA/ EFFAS	2021	2020	2019
31-50 years	49 <input checked="" type="checkbox"/> ²	50	50
>50 years	31 <input checked="" type="checkbox"/> ²	30	30

¹Core workforce, includes board members, and managing directors, excludes apprentices, interns, and working students.

²Audited disclosures from the E.ON notes to financial statements.

Total workforce, includes board members, managing directors, apprentices, interns and working students.

⁴Core workforce, includes board members and managing directors.

⁵Total workforce, includes board members, managing directors, apprentices, interns, and working students.

⁶Prior-year figures were adjusted, due to new HR calculation methodology analogue to the Annual Report.

For more information, visit the → [Working conditions and employee development](#) chapter.

Occupational health and safety

DVFA/ EFFAS	2021	2020	2019
Combined TRIF ¹	2.5	2.3	2.5 ²
Employee TRIF	2.7 <input checked="" type="checkbox"/>	2.4	2.5 ²
Contractor TRIF	2.3	2.3	2.5 ²
Employee LTIF ³	2.1 <input checked="" type="checkbox"/>	1.5	1.9 ²
Contractor LTIF ³	1.9	1.7	1.7 ²
Share of employees working at business units certified by ISO 45001 (percentages) ⁶	94	87	100 ^{4,5}
Employee and contractor fatal accidents	3.0	5.0	3
Employee health rate (percentages) ⁷	96.5 <input checked="" type="checkbox"/>	96.3	96.0

¹Total recordable injury frequency measures the number of reported fatalities and occupational injuries and illnesses per million hours of work. It includes injuries that occur during work-related travel that result in lost time or no lost time and/or that lead to medical treatment, restricted work, or work at a substitute work station.

²Includes innogy for 1 October to 31 December 2019.

³Lost-time injury frequency measures work-related accidents resulting in lost time per million hours of work.

⁴Rounded figure; the exact figure is 99.53 per cent.

⁵Excludes innogy.

⁶In previous year's, coverage rate reported the share of business units with ISO 45001 certification in percentage. Therefore, comparability with 2021 figures is limited.

⁷Includes board members, managing directors, and apprentices.

For more information, visit the → [Occupational health and safety](#) chapter.

Community involvement

	2021	2020 ¹	2019
Corporate giving (€ in millions)	8.6	7.9	3.8
Strategic community involvement (€ in millions)	3.8	3.3	2.0
Total community investments (€ in millions)	12.3	11.1	5.8
Involvement of E.ON employees (number of volunteer hours)	8,506	11,405	8,745

¹Includes innogy from 2020 onward.

For more information, visit the → [Community involvement](#) chapter.

Governance

Customers

	2021	2020	2019
Number of power and gas customers (millions)	39.9 ¹ 	41.5 ³	39.6
Installed smart meters (millions) ¹	V11-02	9.7	8.5
Customer loyalty development	V06-01		
Reduction of CO ₂ emissions at commercial and industrial customers in Germany (metric tonnes)		585,001	585,001
			673,169

¹Includes Slovakia, in which we have a 49 per cent stake.

²Audited disclosures from the E.ON notes to financial statements.

³Previous year's figures were adjusted due to changes in segment reporting (this concerns the activities in Slovakia (VSEH) and in Croatia). See pages 36 and 76 of the Combined Group Management Report.

For more information, visit the → [Customer orientation](#) chapter.

Power generation

DVFA/ EFFAS	2021	2020 ¹	2019
Owned generation by energy source (percentages)	E26-01		
Natural gas/oil	4.8	1.4 ²	1.4 ²
Nuclear (Non-Core Business) ³	87.1	95.9	69.2
Coal ⁴	0.1	0.04 ⁴	0.2 ⁴
Other (includes biomass, wind and solar)	8.0	2.7	29.2 ⁵

¹Includes innogy from 2020 onward.

²Includes leased embedded CHP plants operated by our customers and plants for reserve and emergency heat and power generation.

³Our nuclear generation will end in 2022 due to Germany's phaseout of nuclear power.

⁴Used to generate heat for our district-heating networks.

⁵Figure includes the Renewables segment that was transferred to RWE on 18 September 2019.

Energy networks

DVFA/ EFFAS	2021	2020	2019
Power system length (thousand kilometres) ¹	1,115	1,165	1,139
Gas system length (thousand kilometres)	148	148	151
Power distribution losses (percentages)	3.6	3.8 ²	4.2

¹Includes our power networks in Slovakia (DSO in which we have 49 per cent stake).

²Includes innogy from 2020 onward.

For more information, visit the → [Reliable and smart grids](#) chapter.

Compliance

DVFA/ EFFAS	2021	2020 ¹	2019
Procurement volume in countries with corruption risks (percentages) ²	15.98	16.2	17.2
Number of compliance notices ³	160	135	107
Contributions to political parties (percentages) ⁴	G01-01	0	0

¹Includes innogy from 2020 onward.

²Countries with less than 60 points in Transparency International's Corruption Perception Index.

³Cases recorded at Corporate Functions that resulted in investigations and were not subsequently found to be false reports.

⁴The E.ON Code of Conduct forbids donations to political parties, candidates, and incumbents.

For more information, visit the → [Compliance and anti-corruption](#) chapter.

Supplier management

DVFA/ EFFAS	2021	2020	2019
Supply chain: key performance narrative	V28-04	Visit the → Human rights and supplier management chapter.	



Commitment to the UN Global Compact

E.ON has been committed to upholding the ten principles of the United Nations Global Compact since 2005. With more than 19,000 participants from over 165 countries, the Global Compact is the world's largest sustainability initiative.

Basis for company policies and standards

Being a participant to the UN Global Compact affirms our commitment to respect human rights, uphold labour and environmental protection standards, and fight against corruption. We draw on the Global Compact's ten principles when establishing our own standards and guidelines. Our participation in Global Compact networks at the national and international level fosters collaboration across industries.

Reporting on the principles of the Global Compact

Our commitment to the Global Compact includes reporting annually on our progress in implementing the ten principles (Communication on Progress, or COP), which is part of our Sustainability Report. The table below specifies which sections of the report address which principles. The company policies and guidelines listed there are available for download in our → sustainability channel.

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Cross-references in the report

- [Human rights and supplier management](#)
- [Compliance and anti-corruption](#)
- [Good corporate governance](#)
- [Strategy and innovation](#)

Guidelines and policies

- Human rights policy statement
- E.ON Code of Conduct
- Supplier Code of Conduct
- Slavery and human trafficking statement

- Human rights policy statement
- E.ON Code of Conduct
- Supplier Code of Conduct
- Joint "Diversity and Inclusion" declaration of principle
- Slavery and human trafficking statement

- E.ON Health, Safety, Environment and Climate Protection Policy Statement
- SDG Self-Commitment by the E.ON Board of Management
- Climate Commitment
- Task Force on Climate-related Financial Disclosure (TCFD)
- Supplier Code of Conduct

- [Climate protection](#)
- [Environmental management](#)
- [Lower-carbon households](#)
- [Cleaner companies, greener communities](#)
- [Reliable and smart grids](#)
- [Good corporate governance](#)
- [Strategy and innovation](#)
- [Stakeholder engagement](#)

- [Compliance and anti-corruption](#)
- [Good corporate governance](#)
- [Stakeholder engagement](#)

- E.ON Code of Conduct
- People Guideline on Anti-corruption
- Supplier Code of Conduct

Limited Assurance Report of the Independent Auditor regarding Sustainability Information

To the Management Board of E.ON SE, Essen

We have performed an independent limited assurance engagement on the selected qualitative and quantitative disclosures on sustainability marked with the symbol "☒" in the Sustainability Report of E.ON SE, Essen (further "the Company"), for the period from 1 January to 31 December 2021 (further "the Report"). Our engagement in this context relates solely to the disclosures marked with the symbol "☒".

It was not part of our engagement to review references to external websites and information sources in the Report.

Management's Responsibility

The legal representatives of the Company are responsible for the preparation of the Report and the determination and presentation of the sustainability information in accordance with the Reporting Criteria. E.ON SE applies the principles and standard disclosures of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) as Reporting Criteria.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for selected qualitative and quantitative disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for the internal controls they deem necessary for the preparation of the Report that is free of – intended or unintended – material misstatements.

Practitioner's Responsibility

It is our responsibility to express a conclusion on the Report based on our work performed within a limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by the International Auditing and Assurance Standards Board (IAASB).

Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to

believe that the above mentioned sustainability information in the Report of the Company for the period from 1 January to 31 December 2021 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgement.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries for E.ON SE
- A risk analysis, including a media research, to identify relevant information on E.ON SE's sustainability performance in the reporting period
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures, including data consolidation, on environmental, employee and social matters, respect for human rights, and combatting corruption and bribery matters
- Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures
- Inspection of selected internal and external documents
- Analytical procedures for the evaluation of data and of the trends of quantitative disclosures as reported at group level by all sites
- Assessment of local data collection and reporting processes and reliability of reported data
- Assessment of the overall presentation of the disclosures

In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

Independence and Quality Assurance on the Part of the Auditing Firm

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected qualitative and quantitative disclosures on sustainability marked with the symbol “” in the Sustainability Report of E.ON SE for the period from 1 January to 31 December 2021 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restriction of Use/Clause on General Engagement Terms

This report is issued for purposes of the Management Board of E.ON SE, Essen, only. We assume no responsibility with regard to any third parties.

Our assignment for the Management Board of E.ON SE, Essen, and professional liability as described above was governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated 1 January 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms notice of the provisions contained therein, including the limitation of our liability as stipulated in No. 9, and accepts the validity of the General Engagement Terms with respect to us.

Frankfurt am Main, March 15, 2022

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Further information

Visit our →Sustainability Channel

